DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 1954

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This document has been recorded as

EXPLORATION LOAN

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

CODE 340
Routing Slip 3624

To:	Tungsten Br.	Date	8-14-51
To:	Operating Comm.	Date	6-13-52
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CONTROLLED DOCUMENT

Modern Gold Dredging Company
c/o Mr. Lee Eller
922 West Riverside Avenue
Spokane, Washington

Re: Docket No. DMA 195X - Tungsten
Modern Gold Dredging Company
Big Chief Group
Ferry County, Washington

Dear Mr. Eller:

Your application for an exploration project and other reports concerning the subject property available to us in Washington have been carefully reviewed.

This information, while noting a small occurrence of tungsten mineralization, indicates that, geologically, there is little probability of making a significant mineral discovery. We regret, therefore, to inform you that your application is denied.

We wish to thank you for your interest in the Defense Minerals Program and for bringing this property to our attention.

Sincerely yours,

C. O. Mittendorf

Acting Administrator
Defense Minerals Exploration
Administration

FARutledge:lm
6/18/52

cc: Admn. Reading File
Docket
R. W. Seehan, USBM
D. F. Lemmon, USGS
Field Team Reg. II
Operating Committee
G. C. Selfridge
F. A. Rutledge

Acting Administrator, DMEA June 10, 1952

Iron and Ferro-Alloy Division, DMEA

Denial of application for exploration assistance in the amount of $28,000.00
Docket No. DMA 1954X - Tungsten
Modern Gold Dredging Company
Big Chief Group
Ferry County, Washington

The denial of the subject application by this Division is based on the following information:

1. An examination and re-examination by the field team indicated one small occurrence of tungsten mineralization. The best of five samples ran 0.18 percent WO_3 with the others running 0.02 and 0.03 percent. Grade and size of the deposit is such that it is not worthy of further consideration.

2. There is no geologic probability of finding any significant deposit of tungsten ore.

3. The Commodity Division of the U. S. Geological Survey recommends denial.

G. C. Selfridge, Chief
Iron and Ferro-Alloy Division

FARutledge:lm
6/10/52

cc: Admn. Reading File
Docket
G. C. Selfridge
F. A. Rutledge

IN REPLY REFER TO:

G-MD-DML

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

June 5, 1952

Memorandum

To: George C. Selfridge, DMEA

From: D. M. Lemmon, USGS

Subject: New Field Report (re-examination) DMEA 1954 - Tungsten
Big Chief Group
Modern Gold Dredging Co.
Ferry County, Washington

Mr. Willard P. Puffett, U. S. Geological Survey, re-examined the prospect on May 1 and took 5 samples from the single mineralized exposure. The best sample assayed 0.18 percent of WO_3, the others only 0.02 and 0.03 percent.

Inasmuch as there is no tungsten ore exposed and no geologic probability of finding any, I concur with the recommendation that the application be denied.

D. M. Lemmon

DMLemmon:gt

Copy retained 400

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

So. 157 Howard Street
Spokane 4, Washington

May 26, 1952

Memorandum

To: Operating Committee, DMEA

From: Field Team, Region II

Subject: Re-examination of Big Chief Group, Ferry County, Washington, Docket DMA 1954x-Tungsten, Modern Gold Dredging Company, Ferry County, Washington.

Forwarded herewith are four copies of the field examiner's memorandum concerning re-examination and sampling of a prospect pit of the Big Chief Group, as requested in a letter from the Operating Committee dated January 28, 1952.

Assay results obtained from the samples taken indicate much lower grade tungsten-mineralized rock than that indicated from the assay results submitted by the applicant. Because of the low assay values obtained and the previous unoptimistic report by Mr. Broedel, the Field Team concurs with the field examiner's recommendation that the application be denied.

By Field Team, Region II

A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures
cc: USBM
DMEA
USGS (SRO)

JUN 9 1952

So. 157 Howard Street
Spokane 4, Washington

May 14, 1952

Memorandum

To: A. E. Weissenborn, Exec. Officer, DMEA Field Team, Region II

From: Willard P. Puffett, Geologist, U. S. Geological Survey

Subject: Re-examination of Big Chief Group, Covada Mining District, Ferry County, Washington, Docket DMEA 1954.

RECOMMENDATION

It is recommended that the recommendation submitted on October 9, 1951, by C. H. Broedel concerning the exploration application of Modern Gold Dredging Company on the Big Chief Claim, Ferry County, Washington, be sustained.

SUMMARY OF APPLICATION

As a result of an application submitted by Modern Gold Dredging Company of Spokane, Washington for aid in exploration for tungsten ore on the Big Chief Group in the Covada Mining District, Ferry County, Washington, Mr. C. H. Broedel of the Geological Survey made an examination of the property for Defense Minerals Administration. In his report on this examination he recommended that the application be denied "as the occurrence of tungsten ore is very limited and no feasible objective would be gained by the proposed exploration program." This report was transmitted to the Operating Committee on October 10, 1951.

This office received a letter from Frank E. Johnson, Chairman, Operating Committee, on January 28, 1952, in which it was requested that a re-examination be made of the property and that sufficient sampling should be done to further assist in evaluating the property. Enclosed with this letter were two photostatic copies of maps submitted by the applicant whereon locations and assay results of sampling were indicated.

Reviewed by
DMEA OPERATING COMMITTEE

6-9-52
(date)

On May 1, 1952, I revisited the property and was accompanied by Mr. Lee Eller, the man who allegedly did the above-mentioned sampling. Numerous prospects on the claims were visited and inspected for possible content of ore minerals. Where possible, the mineralight was used to check for occurrence of scheelite. The only positive evidences for the occurrence of scheelite were indicated in the pit from which Mr. Eller obtained his samples. In this pit is an 8 to 10 inch wide gouge zone on the hanging wall of which are widely scattered concentrations of tiny crystals of scheelite.

A tape and compass survey was made of this pit and samples were cut from the same general locations as those from which Mr. Eller had obtained his samples. The map and sample locations with assay data accompany this report.

The samples obtained were sent to the Union Assay office, Salt Lake City, Utah, to be assayed for WO_3 content. The results of the assays are shown on the accompanying map. Whereas Mr. Eller received assay results of 2.2 percent WO_3 from a 10 foot channel cut, the best assay obtained from my sampling is 0.18 percent WO_3.

It is believed by the examiner, therefore, that because of poor assay results obtained, coupled with the previous unoptimistic report concerning the property, that the recommendation for denial of the application as submitted by Mr. Broedel be sustained.

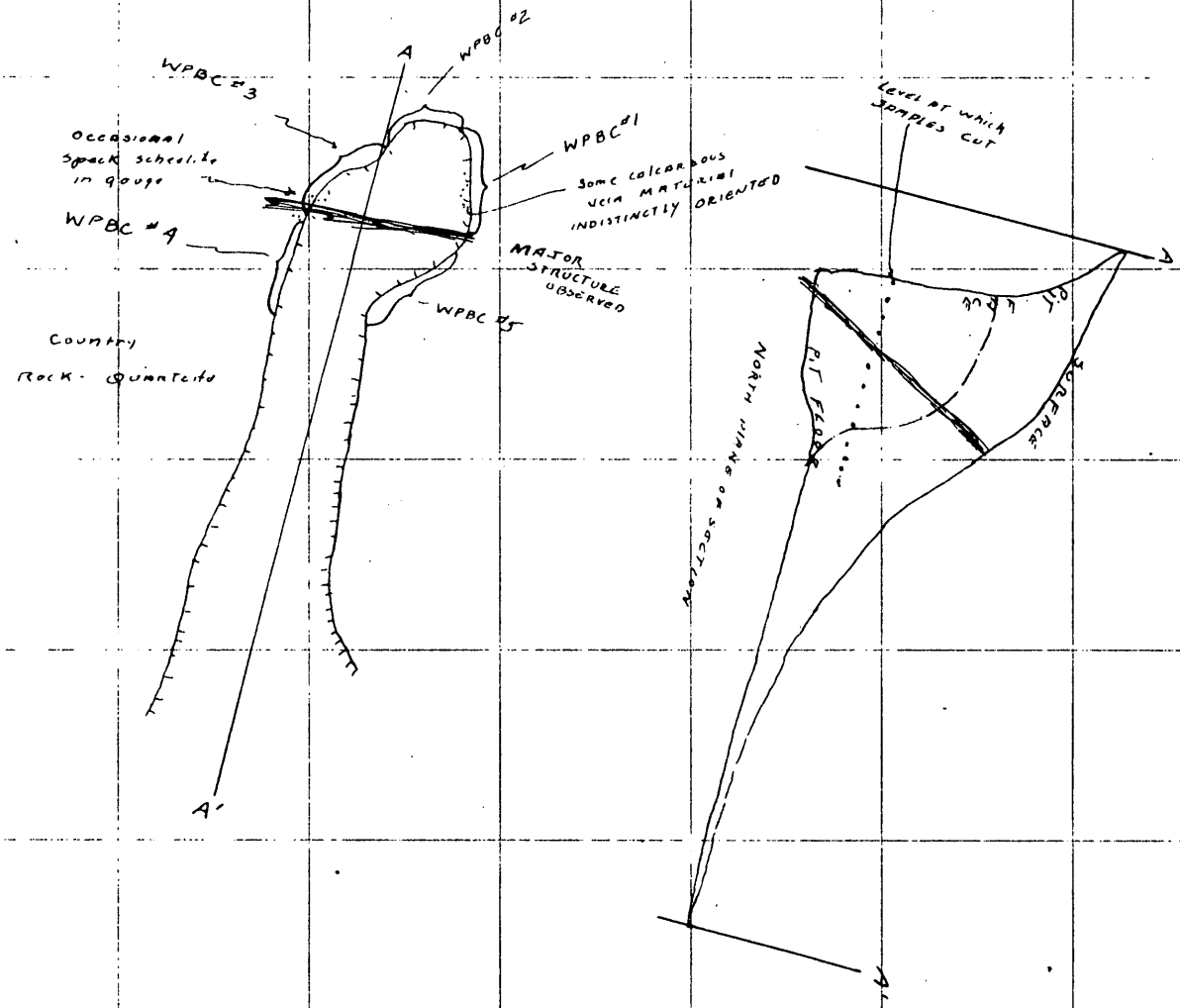
Enclosures

Willard P. Puffett
Geologist

cc: USBM
DMEA
USGS (SRO)

ASSAY RESULTS OF SAMPLES (ASSAYING BY UNION ASSAY OFFICE, INC. SALT LAKE CITY, UTAH)

SAMPLE NO.	LENGTH (feet)	% WO_3
WPBC # 1	5.5	0.18
WPBC #2	4.0	0.02
WPBC #3	5.5	0.02
WPBC #4	5.5	0.03
WPBC #5	5.0	0.03



PROSPECT PIT ON BIG CHIEF CLAIM
Ferry County, Washington
OF

MODERN GOLD DREDGING COMPANY

SCALE: 1" - 10'

Sample locations indicated by WPBC #1,2,3,4,5

Tape & Compass Survey - [illegible]

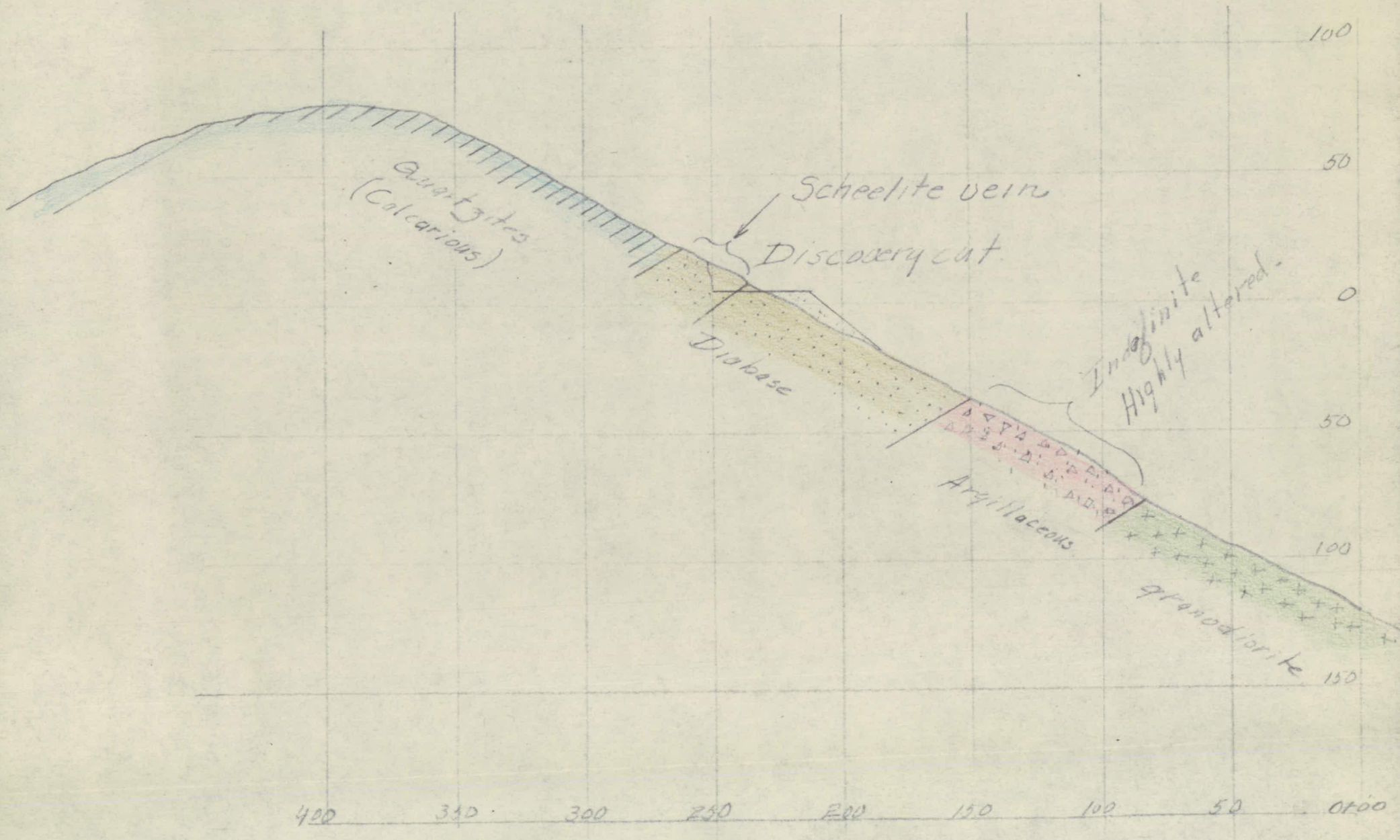
5/1/52

"ALBANENE" No. 186M K&E CO., N.Y. REG. U.S. PAT. OFF.

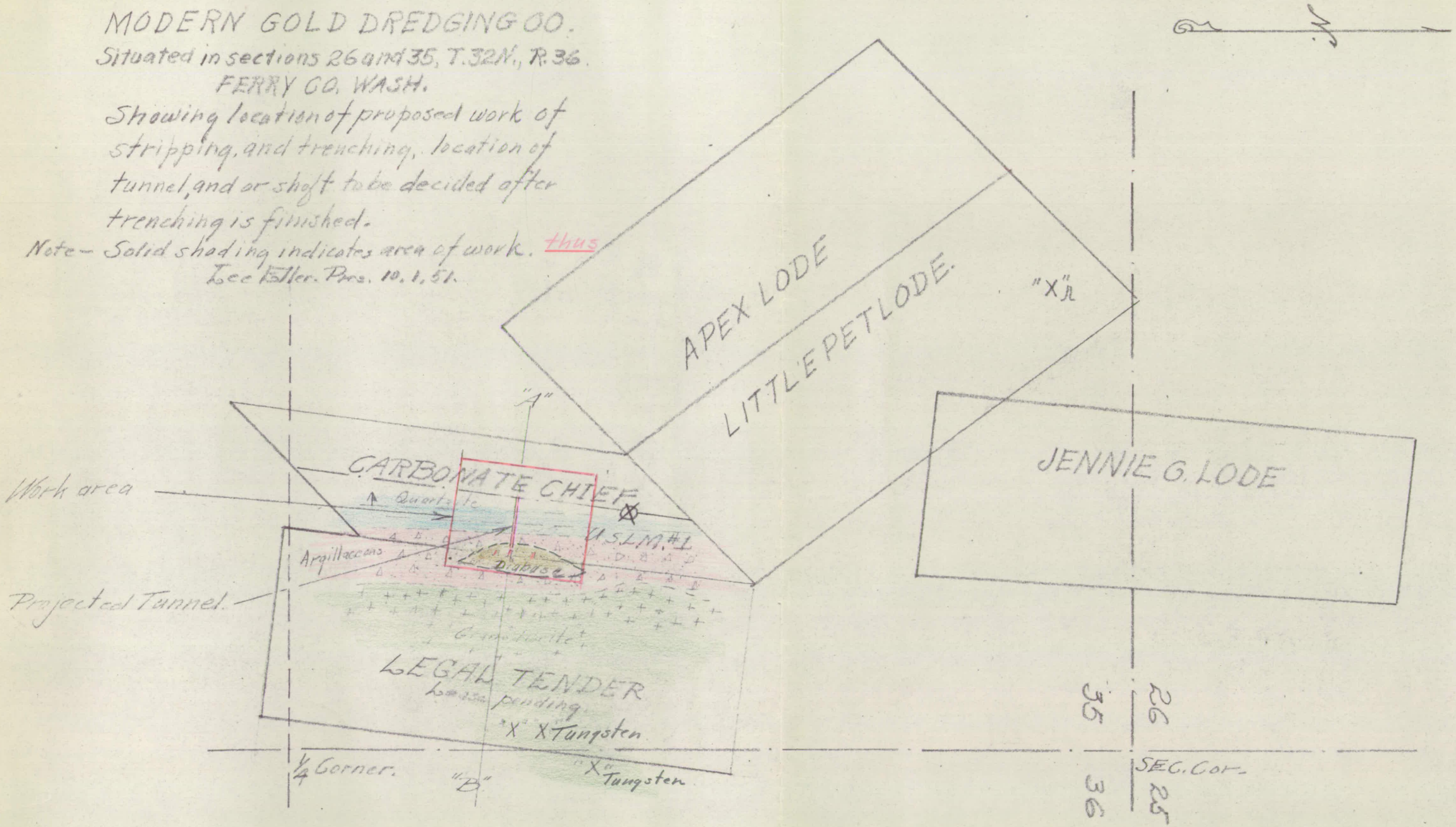
Modern Gold Dredging Co.

Cross section along line of "A-B", Carbonate Chief Claim.

Scale 50'=1" Face Feet.



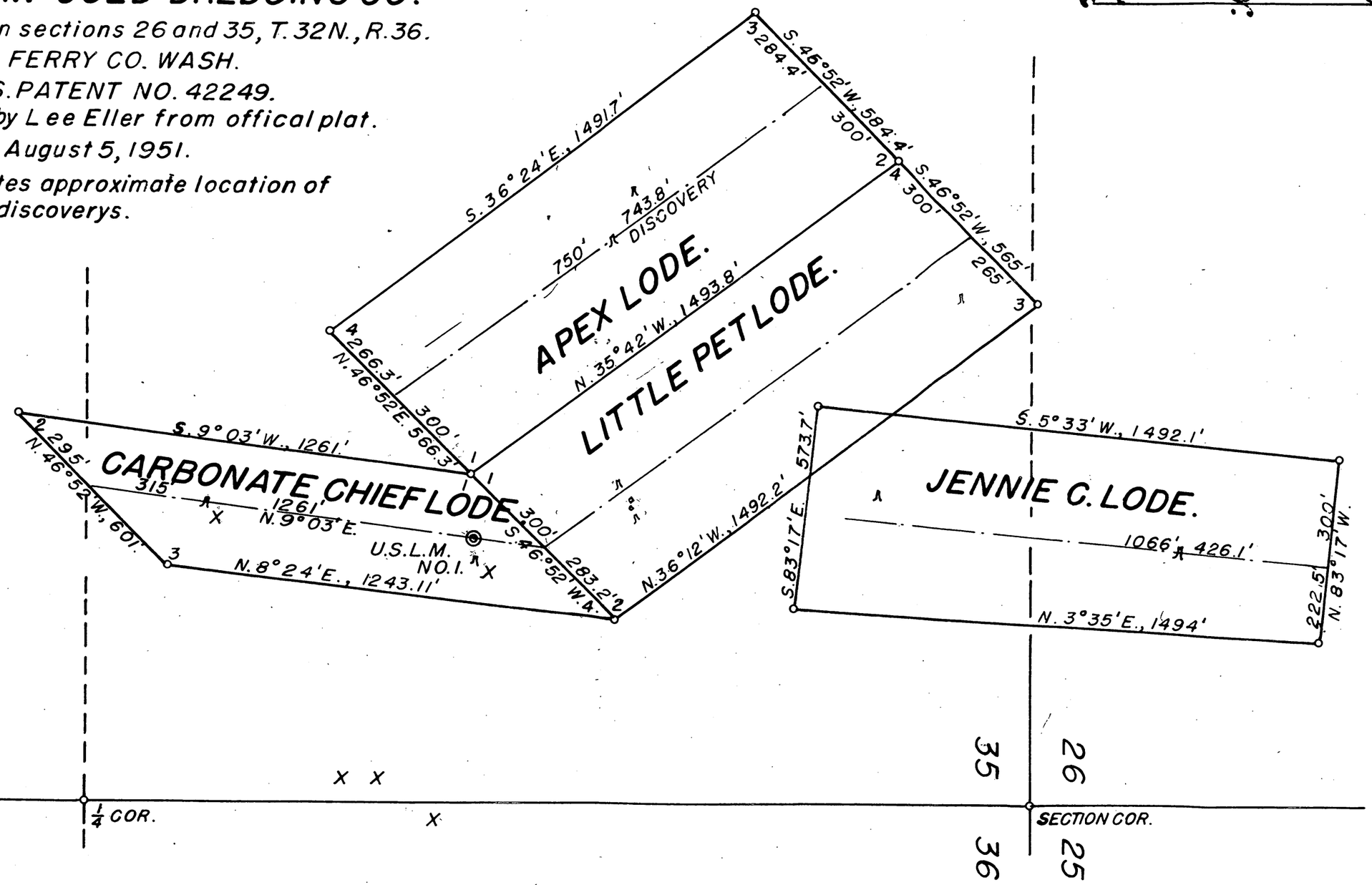
PLAT SHOWING HOLDINGS OF
MODERN GOLD DREDGING CO.
Situated in sections 26 and 35, T. 32 N., R. 36.
FERRY CO. WASH.
Showing location of proposed work of stripping, and trenching, location of tunnel, and or shaft to be decided after trenching is finished.
Note – Solid shading indicates area of work. thus
See Letter. Pres. 10. 1. 51.



PLAT SHOWING HOLDINGS OF MODERN GOLD DREDGING CO.

Situated in sections 26 and 35, T. 32N., R. 36.
FERRY CO. WASH.
U.S. PATENT NO. 42249.
Traced by Lee Eller from offical plat.
August 5, 1951.

"X" indicates approximate location of tungsten discoverys.



Report on Chief Mine

The Chief mine consists of 4 patented claims known as the Apex, Carbonate Chief, Little Pet, and the Jennie "C" lode.

There are several surface showings scattered about the claims, and considerable development work was done about 30 years ago., All the workings are shallow, and apparently did not get below the leached zone., all the veins carry lead, zinc and silver, and could not be shipped at that time so were abandoned, the workings are all caved in now.

The surface showings are thin bedded carbonaceous shales, argillites, interbeded with quartzites, with a north-south strike, and a dip of 30 to 40° to the west, this structure is underlain with a granodiorite stock, the contact is just below the east side line of the Carbonate Chief claim.

There is a small diabase dyke that outcrops on this contact about 400 feet south of U.S. Corr B.L., It is this diabase dyke that carries the values of tungsten, lead, zinc, and silver, accompanyied with pyrite, pyrrhotite, calcite and quartz. The best values appear to underlay the quartzite.

There is an open cut on this vein dyke about 20 feet long, 13 feet deep, and 5 feet wide, practically all in commercial ore, there is not enough ground opened up to tell wheather the vein follows the contact, or the dip of either one, the over burden appears to be quite shallow at this point.

There are three croppings about 600 feet east of the Carbonate Chief, and 900 and 300 feet north from the 1/4 corner, small open cuts were put down on them about 5 feet deep, good values in coarse scheelite are shown, but the veins are narrow, these showings are in diorite. We have a lease now pending, for this ground with the Indian Service.

Lee Eller Oct 3rd 1917.

DMA 1954

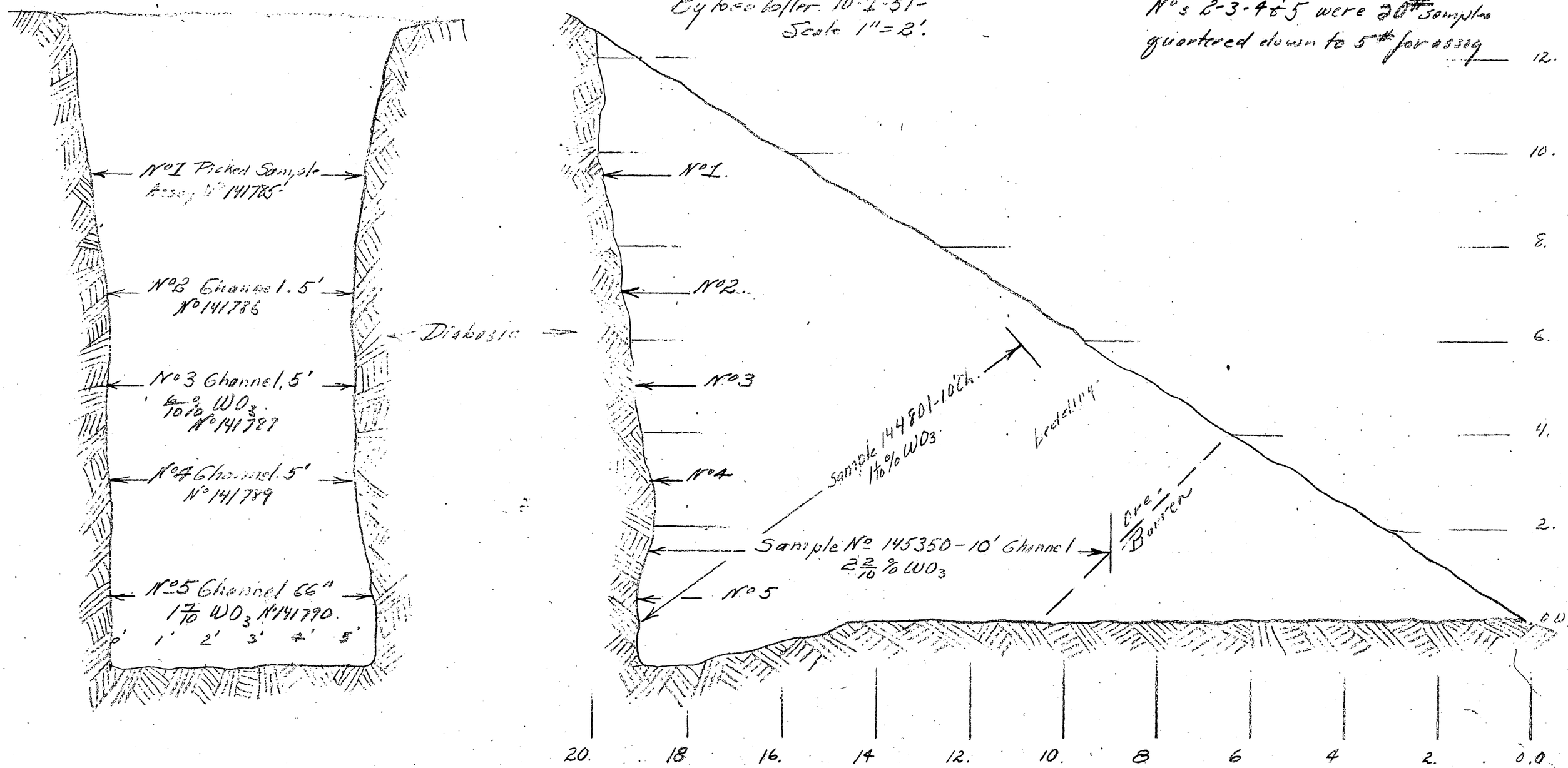
No 22 ~ 1

Note – Samples numbered 144801 and 145350 were full channel samples of about 50# quartered down to about 8# for assay.
No. 1 was a picked sample.
No's 2-3-4 & 5 were 20# samples quartered down to 5# for assay

Modern Gold Dredging Co.

Sample map of open pit on Chief Claim

By Lee Boller 10-1-51
Scale 1" = 2'



End Elevation

Side Elevation

400

FILE COPY
SURNAME:

Rutledge
Selfridge
Gehan
Merrill
Lemmon
H. Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

JUN 16 1952

Modern Gold Dredging Company
c/o Mr. Lee Miller
922 West Riverside Avenue
Spokane, Washington

Re: Docket No. DMA 1954X - Tungsten
Modern Gold Dredging Company
Big Chief Group
Ferry County, Washington

Dear Mr. Miller:

Your application for an exploration project and other reports concerning the subject property available to us in Washington have been carefully reviewed.

This information, while noting a small occurrence of tungsten mineralization, indicates that, geologically, there is little probability of making a significant mineral discovery. We regret, therefore, to inform you that your application is denied.

We wish to thank you for your interest in the Defense Minerals Program and for bringing this property to our attention.

Sincerely yours,

C. O. Mittendorf (fw) 6/16

Acting Administrator
Defense Minerals Exploration
Administration

FARutledge'lm
6/19/52

cc: Admn. Reading File
Docket
R. W. Geehan, USBM
D. M. Lemmon, USGS
Field Team Reg. II
Operating Committee
G. C. Selfridge
F. A. Rutledge

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Acting Administrator, DMEA DATE: June 10, 1952

FROM : Iron and Ferro-Alloy Division, DMEA

SUBJECT: Denial of application for exploration assistance in the amount of $28,000.00
Docket No. DMA 1954X - Tungsten
Modern Gold Dredging Company
Big Chief Group
Ferry County, Washington

The denial of the subject application by this Division is based on the following information:

1. An examination and re-examination by the field team indicated one small occurrence of tungsten mineralization. The best of five samples ran 0.18 percent WO_3 with the others running 0.02 and 0.03 percent. Grade and size of the deposit is such that it is not worthy of further consideration.

2. There is no geologic probability of finding any significant deposit of tungsten ore.

3. The Commodity Division of the U. S. Geological Survey recommends denial.

G. C. Selfridge, Chief
Iron and Ferro-Alloy Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Rutledge
Selfridge
Chapman
Common

Acting Administrator, DMEA June 10, 1952

Iron and Ferro-Alloy Division, DMEA

Denial of application for exploration assistance in the amount of $28,000.00
Docket No. DMA 1954X - Tungsten
Modern Gold Dredging Company
Big Chief Group
Ferry County, Washington

6/16

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2. There is no geologic probability of finding any significant deposit of tungsten ore.

3. The Commodity Division of the U. S. Geological Survey recommends denial.

G. C. Selfridge, Chief
Iron and Ferro-Alloy Division

FARutledge'lm
6/10/52

cc: Admn. Reading File
Docket
G. C. Selfridge
F. A. Rutledge

IN REPLY REFER TO:

G-MD-DML

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

June 5, 1952

Memorandum

To: George C. Selfridge, DMEA

From: D. M. Lemmon, USGS

Subject: New Field Report (re-examination) DMEA 1954 - Tungsten
Big Chief Group
Modern Gold Dredging Co.
Ferry County, Washington

Mr. Willard P. Puffett, U. S. Geological Survey, re-examined the prospect on May 1 and took 5 samples from the single mineralized exposure. The best sample assayed 0.18 percent of WO_3, the others only 0.02 and 0.03 percent.

Inasmuch as there is no tungsten ore exposed and no geologic probability of finding any, I concur with the recommendation that the application be denied.

D. M. Lemmon

D. M. Lemmon

Copy retained 400

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

So. 157 Howard Street
Spokane 4, Washington

May 26, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 2 1952

Memorandum

To: Operating Committee, DMEA

From: Field Team, Region II

Subject: Re-examination of Big Chief Group, Ferry County, Washington, Docket DMA 1954x-Tungsten, Modern Gold Dredging Company, Ferry County, Washington.

Forwarded herewith are four copies of the field examiner's memorandum concerning re-examination and sampling of a prospect pit of the Big Chief Group, as requested in a letter from the Operating Committee dated January 28, 1952.

Assay results obtained from the samples taken indicate much lower grade tungsten-mineralized rock than that indicated from the assay results submitted by the applicant. Because of the low assay values obtained and the previous unoptimistic report by Mr. Broedel, the Field Team concurs with the field examiner's recommendation that the application be denied.

By Field Team, Region II

A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

M. E. Volin
M. E. Volin, Member
(U. S. Bureau of Mines)

Copy retained 400

Enclosures
cc: USBM
DMEA
USGS (SRO)

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 2 1952

May 14, 1952

Memorandum

To: A. E. Weissenborn, Exec. Officer, DMEA Field Team, Region II

From: Willard P. Puffett, Geologist, U. S. Geological Survey

Subject: Re-examination of Big Chief Group, Covada Mining District, Ferry County, Washington, Docket DMEA 1954.

RECOMMENDATION

It is recommended that the recommendation submitted on October 9, 1951, by C. H. Broedel concerning the exploration application of Modern Gold Dredging Company on the Big Chief Claim, Ferry County, Washington, be sustained.

SUMMARY OF APPLICATION

As a result of an application submitted by Modern Gold Dredging Company of Spokane, Washington for aid in exploration for tungsten ore on the Big Chief Group in the Covada Mining District, Ferry County, Washington, Mr. C. H. Broedel of the Geological Survey made an examination of the property for Defense Minerals Administration. In his report on this examination he recommended that the application be denied "as the occurrence of tungsten ore is very limited and no feasible objective would be gained by the proposed exploration program." This report was transmitted to the Operating Committee on October 10, 1951.

This office received a letter from Frank E. Johnson, Chairman, Operating Committee, on January 28, 1952, in which it was requested that a re-examination be made of the property and that sufficient sampling should be done to further assist in evaluating the property. Enclosed with this letter were two photostatic copies of maps submitted by the applicant whereon locations and assay results of sampling were indicated.

Reviewed by
DMEA OPERATING COMMITTEE

6-9-52
(date)

On May 1, 1952, I revisited the property and was accompanied by Mr. Lee Eller, the man who allegedly did the above-mentioned sampling. Numerous prospects on the claims were visited and inspected for possible content of ore minerals. Where possible, the mineralight was used to check for occurrence of scheelite. The only positive evidences for the occurrence of scheelite were indicated in the pit from which Mr. Eller obtained his samples. In this pit is an 8 to 10 inch wide gouge zone on the hanging wall of which are widely scattered concentrations of tiny crystals of scheelite.

A tape and compass survey was made of this pit and samples were cut from the same general locations as those from which Mr. Eller had obtained his samples. The map and sample locations with assay data accompany this report.

The samples obtained were sent to the Union Assay office, Salt Lake City, Utah, to be assayed for WO_3 content. The results of the assays are shown on the accompanying map. Whereas Mr. Eller received assay results of 2.2 percent WO_3 from a 10 foot channel cut, the best assay obtained from my sampling is 0.18 percent WO_3.

It is believed by the examiner, therefore, that because of poor assay results obtained, coupled with the previous unoptimistic report concerning the property, that the recommendation for denial of the application as submitted by Mr. Broedel be sustained.

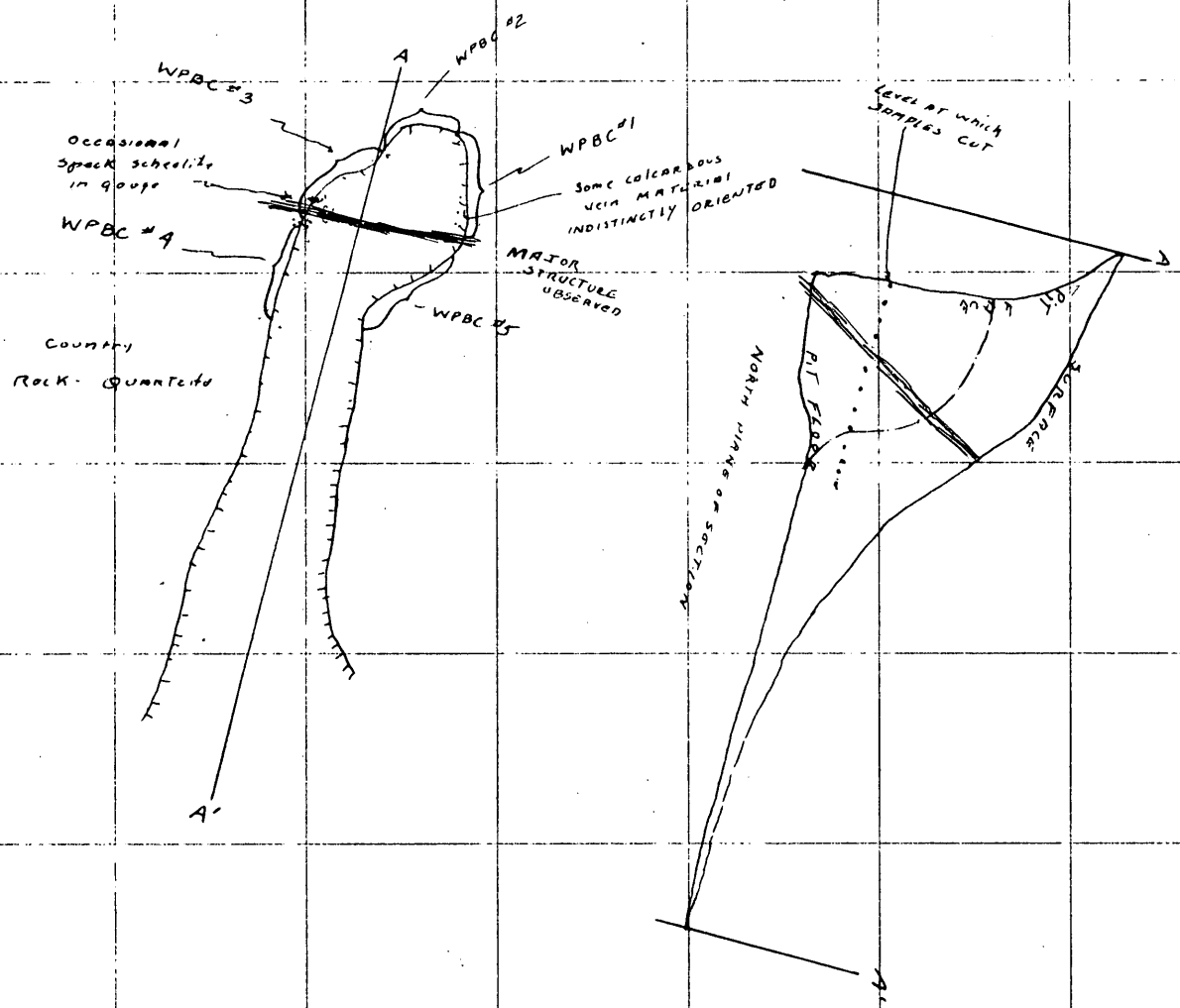
Enclosures

Willard P. Puffett
Geologist

cc: USBM
DMEA
USGS (SRO)

ASSAY RESULTS OF SAMPLES (ASSAYING BY UNION ASSAY OFFICE, INC. SALT LAKE CITY, UTAH)

SAMPLE NO.	LENGTH (feet)	% WO_3
WPBC # 1	5.5	0.18
WPBC #2	4.0	0.02
WPBC #3	5.5	0.02
WPBC #4	5.5	0.03
WPBC #5	5.0	0.03



PROSPECT PIT ON BIG CHIEF CLAIM
Ferry County, Washington
OF

MODERN GOLD DREDGING COMPANY

SCALE: 1" - 10'

Sample locations indicated by WPBC #1,2,3,4,5

Tape & Compass Survey - R. Heffner

5/1/52

"ALBANENE" No. 105M K&E CO., N.Y. REG. U.S. PAT. OFF.

MODERN GOLD DREDGING CO.

922 W. Riverside Ave.
Spokane 8, Washington

Docket-

Property at
Craig, Colorado

February 14th 1952

Defense Minerals Administration
FEB 18 1952

Mr.G.C.Selfridge, Acting Chief,
Iron and Ferro-Alloy Division,
Defense Minerals Administration,
United States Department of Interior,
Washington, 28, D.C.

Dear Mr.Selfridge:-

Reference is made to yours of the 24th ult. relative to "Docket No. DMA 1954X - Tungsten, Ferry County, Washington".

Enclosed herewith please find six copies of "Landlord's Subordination Agreement" signed by May Kummer as requested by you.

Respectfully yours,

MODERN GOLD DREDGING COMPANY

By John Sims ... Mgr.

1/22/52 - we asked FT to re-submit.

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Ferry, State of Washington, described in a certain Exploration Project Contract dated _____, 1952, between Modern Gold Dredging Company, Spokane, Wash., the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated July 26th 1951, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 13th day of February, 1952

Way Kummer

U. S. GOVERNMENT PRINTING OFFICE 16—64582-1

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Ferry, State of Washington, described in a certain Exploration Project Contract dated _____, 195_2, between MODERN GOLD DREDGING COMPANY, Spokane, Wash., the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated July 26th 1951, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 13th day of February, 195_2

Wilay Kammerer

U. S. GOVERNMENT PRINTING OFFICE 16—84582-1

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Ferry, State of Washington, described in a certain Exploration Project Contract dated _____, 195_2, between [illegible], Spokane, Wash., the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated July 26th 1951, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 13th day of February, 195_2

Mary Kennamer

U. S. GOVERNMENT PRINTING OFFICE 16—64582-1

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Pacy, State of Washington, described in a certain Exploration Project Contract dated _____, 195_2, between [illegible], Spokane, Wash., the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated July 26th 1951, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 13th day of February, 195_2

Mary Kassmeier

U. S. GOVERNMENT PRINTING OFFICE 16—64582-1

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Ferry, State of Washington, described in a certain Exploration Project Contract dated _____, 195_2, between MODERN GOLD DREDGING COMPANY, Spokane, Wash., the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated July 26th 1951, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 13th day of February, 195_2

Mary Kummer

U. S. GOVERNMENT PRINTING OFFICE 16—64582-1

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Ferry, State of Washington, described in a certain Exploration Project Contract dated _____, 1952, between Modern Gold Dredging Company, Spokane, Wash., the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated July 26th 1951, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 13th day of February, 1952.

Mary Kummer

U. S. GOVERNMENT PRINTING OFFICE 16—64582-1

FILE COPY
SURNAME:

Selfridge

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

FEB 1 9 1952

Mr. A. E. Weissenborn
Executive Officer, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMA 1954X - Tungsten
Modern Gold Dredging Company
Ferry County, Washington

Dear Mr. Weissenborn:

Your letter of February 12 advises that a re-examination of the property of the Modern Gold Dredging Company will be scheduled as soon as you can obtain the correct address and contact the Company's President, Mr. Lee Eller, and as soon as weather conditions will permit.

Heretofore correspondence from this office to Mr. Eller, including our letter of January 24 of which a copy was sent you, has been sent to him at 922 West Riverside Avenue, Spokane 8, Washington, which is the address of the Company as given on the MF-103 form. Other correspondence in the file indicates that Mr. Eller's home address is 1010 West Boone Avenue, Spokane 8, Washington.

Sincerely yours,

E.L. 2/19/52

George C. Selfridge

G. C. Selfridge, Acting Chief
Iron and Ferro-Alloy Division

L. Scott:ls

cc: Admn. Reading File
Docket
Field Team, Region 2

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

February 12, 1952

Chairman, Operating Committee
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Docket No. DMA 1954X-Tungsten
Modern Gold Dredging Company
Ferry County, Washington

Dear Sir:

As requested in your letter of January 28, a re-examination of the Modern Gold Dredging Company property will be scheduled as soon as we can reach Mr. Eller, and as soon as weather conditions will permit.

As yet, we have not been able to find Mr. Eller's correct address as we do not have a copy of his MF-103.

had copy of our 1/24 ltr showing 922 W. Riverside Ave Spokane, Wash

Sincerely yours,

Verne C. Fryklund, Jr.

Verne C. Fryklund, Jr.
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: USBM-Spokane

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 1 0 1952

FEB 1 9 1952

Mr. A. E. Weissenborn
Executive Officer, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMA 1954X - Tungsten
Modern Gold Dredging Company
Ferry County, Washington

Dear Mr. Weissenborn:

Your letter of February 12 advises that a re-examination of the property of the Modern Gold Dredging Company will be scheduled as soon as you can obtain the correct address and contact the Company's President, Mr. Lee Eller, and as soon as weather conditions will permit.

Heretofore correspondence from this office to Mr. Eller, including our letter of January 24 of which a copy was sent you, has been sent to him at 922 West Riverside Avenue, Spokane 8, Washington, which is the address of the Company as given on the MF-103 form. Other correspondence in the file indicates that Mr. Eller's home address is 1010 West Boone Avenue, Spokane 8, Washington.

Sincerely yours,

George C. Selfridge

G. C. Selfridge, Acting Chief
Iron and Ferro-Alloy Division

L. Scott:ls

cc: Admn. Reading File
Docket
Field Team, Region 2

MAY 28 1952

Mr. A. R. Weisenborn
Executive Officer, Region II
South 137 Howard Street
Spokane 8, Washington

Re: Docket No. DMA 1694X - Tungsten
Modern Gold Dredging Company
Ferry County, Washington

Dear Mr. Weisenborn:

The subject docket is presently being reviewed in this office, however, it is noted that while the application is recommended for denial by the field team, yet no samples taken by the field team were submitted for consideration. Enclosed herewith please find two copies of an assay map prepared by Mr. Lee Miler, which shows the location of various samples taken by himself and which indicate rather good tungsten values.

We are, therefore, requesting a re-examination of the property by the field team with sufficient sampling and analyses to further assist us in evaluating the property, and as a check against Mr. Miler's sampling.

Following Mr. Bradel's suggestion in the conclusion of his report, perhaps a limited program of surface trenching and sampling at a nominal cost of not to exceed $2,000.00, would be advisable to determine more definite information of the vein structure. Will you also kindly give us the benefit of your judgement of such a program.

In the event you consider the limited trenching program

advisable, will you please discuss the matter with Mr. Eller and ascertain his views on the program.

Thanking you for your usual promptness in this matter, we are

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosures - 2

GGGentry'lm
1/24/52

Approved:

Member, Bureau of Mines

Member, Geological Survey

cc: Adm. Reading File
Docket
R. W. Gechman, USBM
D. M. Lemmon, USGS
Field Team Reg. II
✓ G. C. Selfridge
G. G. Gentry

JAN 24 1952

Modern Gold Dredging Co.
c/o Mr. Lee Miller
922 W. Riverside Avenue
Spokane, Washington

Re: Docket No. DMA 1958X - Tungsten
Ferry County, Washington

Dear Mr. Miller:

In reviewing your application dated August 6, 1951, for Government assistance, we note that you hold a ten year lease on the mining claims from May Kunner whose address is 1440 W. 62nd Street, Seattle, Washington.

It will be necessary for you to furnish this office with six copies of the Landlord's Subordination Agreement, signed by May Kunner, seven copies of which are enclosed herewith.

Sincerely yours,

George C. Selfridge

G. C. Selfridge, Acting Chief
Iron and Ferro-Alloy Division

Enclosures - 7

GCGentry'lm
1/23/52

cc: Admn. Reading File
Docket
R. W. Graham, USBM
D. M. Lemmon, USGS
Field Team Reg. II
G. C. Selfridge
G. G. Gentry

Docket 400
FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Mr. A. E. Weissenborn
Executive Officer, Region II
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMA 1954X - Tungsten
Modern Gold Dredging Company
Ferry County, Washington

Dear Mr. Weissenborn:

The subject docket is presently being reviewed in this office, however, it is noted that while the application is recommended for denial by the field team, yet no samples taken by the field team were submitted for consideration. Enclosed herewith please find two copies of an assay map prepared by Mr. Lee Miller, which shows the location of various samples taken by himself and which indicate rather good tungsten values.

We are, therefore, requesting a re-examination of the property by the field team with sufficient sampling and analyses to further assist us in evaluating the property, and as a check against Mr. Miller's sampling.

Following Mr. Brodel's suggestion in the conclusion of his report, perhaps a limited program of surface trenching and sampling at a nominal cost of not to exceed $2,000.00, would be advisable to determine more definite information of the vein structure. Will you also kindly give us the benefit of your judgement of such a program.

In the event you consider the limited trenching program

advisable, will you please discuss the matter with Mr. Miler and ascertain his views on the program.

Thanking you for your usual promptness in this matter, we are

Sincerely yours,

cc 1-28-52

(signed) FRANK E. JOHNSON

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosures - 2

GGGentry'lm
1/24/52

Approved:

Member, Bureau of Mines

Member, Geological Survey

cc: Admn. Reading File
Docket
R. W. Geehan, USBM
D. M. Lemmon, USGS
Field Team Reg. II
G. C. Selfridge
G. G. Gentry

400

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Gentry
Selfridge
Mott

JAN 24 1952

Modern Gold Dredging Co.
c/o Mr. Lee Eller
922 W. Riverside Avenue
Spokane, Washington

Re: Docket No. DMA 1954X - Tungsten
Ferry County, Washington

Dear Mr. Eller:

In reviewing your application dated August 6, 1951, for Government assistance, we note that you hold a ten year lease on the mining claims from May Kummer whose address is 1440 W. 62nd Street, Seattle, Washington.

It will be necessary for you to furnish this office with six copies of the Landlord's Subordination Agreement, signed by May Kummer, seven copies of which are enclosed herewith.

Sincerely yours,

George C. Selfridge

G. C. Selfridge, Acting Chief
Iron and Ferro-Alloy Division

Enclosures - 7

GGGentry'lm
1/23/52

cc: Admn. Reading File
Docket
R. W. Geehan, USBM
D. M. Lemmon, USGS
Field Team Reg. II
G. C. Selfridge
G. G. Gentry

1-24
J.D

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. George Holderer DATE: September 14, 1951

FROM : T. P. Thayer Thayer

SUBJECT: DMA 1954 - Modern Gold Dredging Co., Tungsten.

The applicant states that this is a new discovery, and cites two assays, with the statement there are no assay maps. The claim map does not show any geological information.

Before the application is referred to the field, the applicant should be required to submit a map showing the veins he proposes to prospect, and give pertinent data on the analyses quoted. There are tungsten prospects within a couple of miles of the location given, and the application should be followed up.

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE SEP 25 1951

REFERRED TO:

1. 340
2.
3.
4.

FOR:

..... Action	..... Recommendation
..... Approval	..... Record of .....
..... Comment	..... Referring to .....
..... Conference	..... Reply for signature of .....
..... Consideration	..... Rewriting
..... Filing	..... Signature
..... Instructions	..... Suggestions
..... Investigation	..... Your information
..... Initials	
..... Mailing	
..... Previous correspondence	

REMARKS:

for docket file

Check (X) before the items needing attention.

ROBERT E. ADAMS

CC *Initials of sender.*

GPO 16—63815-1

340

FILE COPY
SURNAME:

Holderer
Jacoby

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

SEP 20 1951

Modern Gold Dredging Co.
c/o Mr. Lee Eller
922 W. Riverside Ave.
Spokane, Washington

In reply please refer to
DMA-1954

a.e.c.

Dear Mr. Eller:

The Tungsten Branch, in reviewing your application, has found that additional information is required. Your financial statement contains several items which necessitate our asking for a clarified statement. You show "Mining Property" as a fixed asset, but you tell nothing about the property.

In answer to question #18, you give only two assays and these are not verified by assay sheets from a laboratory. An explanation of how these samples were taken together with an assay map showing where they were taken, is necessary. No description of the property is given.

Your answer to question #21 is not accompanied by any of the requested supporting data. You have furnished no geological map or a map and cross sections of the proposed explorations. We would like to have you amplify your answer to question #23. As an example, your answer to part "A" does not give the number of men to be employed. You have given no answer to question #24.

Upon receipt of additional information, we will give your application further consideration.

Very truly yours,

George B. Holderer

BJ
9/20

George B. Holderer
Chief, Tungsten Branch

CHJacoby:111
9/19/51
CC: DMA Docket File
Adm. Reading File
Mr. Holderer

No. 22-3

GOLD and SILVER BOUGHT.

Wm. H. Stowell & Co.

CHEMISTS and ASSAYERS
421 SPRAGUE AVENUE
TELEPHONE MAIN 5924

Memorandum of Assay of Rock made for

Modern Gold Dredging & Spokane, Wash., July 10, 1951

by Lee Ellar

Tungsten and ASSAY VALUE PER TON OF 2,000 POUNDS AVOIRDUPOIS

SAMPLE MARK	WO3 per lb.			...per lb.			Silver at ...cents per ounce				Gold at ... per ounce				Total	
	Per Cent	DOLLARS	Cents	Per Cent	DOLLARS	Cents	OUNCES	10ths	DOLLARS	Cents	OUNCES	100ths	DOLLARS	Cents	DOLLARS	Cents
No. 1	1 1/10						no				no				—	
No. 2																
No. 3																
No. 4																
No. 5																
No. 6																
No. 7																
No. 8																

No. 144801

Charges $ 4.50

$ 69.30

Wm. H. Stowell Co. Assayers

N° 22-4

GOLD and SILVER BOUGHT.

Wm. H. Stowell & Co.

CHEMISTS and ASSAYERS
421 SPRAGUE AVENUE
TELEPHONE MAIN 5924

Memorandum of Assay of Rock made for

Madonna Gold Dredging Co Spokane, Wash., Aug. 21, 1951

ASSAY VALUE PER TON OF 2,000 POUNDS AVOIRDUPOIS

SAMPLE MARK	Lead 17¢ per lb.			Zinc 17½¢ per lb.			Silver at 90 cents per ounce				Gold at per ounce				Total	
Tungsten Ores	Per Cent	DOLLARS	Cents	Per Cent	DOLLARS	Cents	OUNCES	10ths	DOLLARS	Cents	OUNCES	100ths	DOLLARS	Cents	DOLLARS	Cents
No. 1 2 2/10 %	2/10		68	1/10	3	85		2		18	—				4	71
No. 2																
No. 3																
No. 4																
No. 5																
No. 6																
No. 7																
No. 8																

No. 145350

Charges $ 6.50

$138.60 was
471 lead silver
143.31

Wm. H. Stowell & Co.
Assayers
H.S.

N°22 - 2

GOLD and SILVER BOUGHT.

Wm. H. Stowell & Co.

CHEMISTS and ASSAYERS
421 SPRAGUE AVENUE
TELEPHONE MAIN 5924

Memorandum of Assay of Rock made for

Joe Lerkach

Spokane, Wash., Nov 22, 1949

ASSAY VALUE PER TON OF 2,000 POUNDS AVOIRDUPOIS

SAMPLE MARK	Lead 12¢ per lb.			Zinc 9¢ per lb.			Silver at 90 cents per ounce				Gold at per ounce				Total	
Tungsten oxe	Per Cent	DOLLARS	Cents	Per Cent	DOLLARS	Cents	OUNCES	10ths	DOLLARS	Cents	OUNCES	100ths	DOLLARS	Cents	DOLLARS	Cents
No. 1 —	10 1/10	24	24	—			74	2	66	78	no				91	02
No. 2 —	2/10		48	4 1/10	7	38	7	7	6	93	no				1	79
No. 3 6/10 %	1/10		24	9/10	1	62	3	7	3	33	no				5	17
No. 4 —	trace			—			no				—				—	
No. 5 1 7/10 %	no			3 8/10	6	84	3	7	3	33	trace				10	17
No. 6 —	trace			—			no				no				—	
No. 7																
No. 8																

No. 141785-90

Charges $ 25c B

Wm. H. Stowell & Co. Assayers
H.S.

75
5
372
6
2076

No 24 Sheet 1.

Program - Step by step

1st.	Build access road, 2000 ft. dozer 48 hrs @ $12.00	$600.00
	Repair old road 1 mile " 16 " "	200.00
2nd,	Strip surface from discovery to determine lateral extent " 56 " "	700.00
3rd,	Drill 1000' test holes @ $5.00 per ft.	5000.00
4th	Determine wheather addit tunnel or shaft is best method to develop by.	
5th.	Erect compresser, tool & pump house.	775.00
6th.	Install compresser & pump.	140.00

Addit Tunnel Plan.

7th,	Addit tunnel 100' @ $30.00 per ft	3000.00
8th,	Drift on ore 100' @ 35.00 "	3500.00
	If size and quality of ore body warrants continue development.	
9th.	Continue addit tunnel 100' @ $35.00 per ft.	3500.00
10th,	Drift on ore 73' @ 35.00 per ft	2545.00
	Total labor & material cost	$19960.00

Equipment cost.

Compressor	4500.00
Pump, pipe & engine installed	1000.00
Drills & steel	1500.00
Car & track.	500.00
Small tools	500.00
Total cost program.	$27,960.00

Shaft Plan.

	First 6 steps as on sheet 1	$7415.00
	Equipment cost as on sheet 1	8000.00
7th.	Erect head frame & shaft collar	1000.00
8th	Install hoist.	1500.00
9th.	Sink 100' shaft @ $60.00 per ft.	6000.00
10th.	Drift on ore. 100' @ $40.00 "	4000.00
	Total cost of development	$27 915.00

Fixed Assets.

PROPERTY

The Timberlake Gulch has already produced a considerable amount of placer gold by The Eldorado Placers, The Gooldie Placers, and others. The records of such production can [illegible] at the Denver Mint.

[illegible] The ownership to and in the TIMBERLAKE PLACERS, [illegible] 10 [illegible] acres each, or a total of 1600 acres located in Timberlake Gulch in Moffat [illegible] Colorado has been acquired by purchase from John Sims and/or Lee Eller, both of Spokane, Washington, for a consideration of 1,500,000 shares of the fully paid and non-assessable [illegible]

[illegible] DR[illegible] [illegible] acres each, or a total of 1600 acres. Timberlake creek traverses the total length of the property for approximately seven miles. Four Mile Creek, a larger stream cuts through the Northwest corner of the property, so that water is available on any part of the property with a minimum of expense.

A paved highway, Colorado No. 13, runs through the property on the East edge, and in addition there are two secondary county roads on the property. R.E.A. power line follows the paved highway. There is no necessity for camp buildings or living quarters for employees, as they can drive on paved highway either to Baggs, Wyoming, five miles, or to Craig, Colorado, 30 miles where there are ample accomodations

GEOLOGY

The geology of the Four Mile Placer District, of which The Timberlake Placers are a part, is quite simple, although the whys and wherefores of its method of origin has never been solved, and no explanation will be attempted.

Examinations have been made and reports written by several prominent men on the geology and possibilities of the district, copies of some of which are on file in our office. In 1897 Mr. Herbert C. Hoover wrote an article in the Engineering and Mining Journal on this Placer Mining District.

The country is a high plateau cut by shallow basins. The basins are from 100 yards to two miles wide with gradients of about one per cent. The surface of the ground is very uniform.

All of the hills above the floor of the basins consist of shales and volcanic ash. There is evdence of a rhyolite flow covering the whole district at one time; but only scattered remnants remain.

The floors of the valleys consist of a coarse brown iron-stained sand averaging about 3½ feet deep; but occasionally going to 7 feet. It is this top sand that carries the values. This brown pay dirt is underlaid by a very loose white silica sand that is practically barren. There is a very sharp delineation between the two sands. 96% of the pay dirt will pass through a 6 mesh screen. There are large areas having practically no gravel.

The gold is a very fine shot gold and is evenly disseminated through the ground. Denver jigs give a recovery of 87%.

DIRECTORS AND OFFICERS

Lee Eller, 1010 W. Boone Ave., Spokane, Wash.; John Sims, 922 W. Riverside Ave., Spokane, Wash.; M. L. Thompson, S. 1306 Adams St., Spokane, Wash.

The company expects to select other individuals to serve on the Board of Directors. Only those qualified to serve the best interests of the corporation will be considered.

DEVELOPMENT

Plans call for the installation of a modern shallow draft dredge equipped with jigs capable of treating 100 cubic yards per hour, which should give not less than 2,000 cubic yards per day. The dredge is to be fed by a one yard drag line. Water supply is to be pumped from the Little Snake River or Four Mile Creek. Sage brush and surface debris is to be disposed of by bulldozing and burning. Power will be furnished by diesel electric plant or from R.E.A. power line traversing the property. Tailings disposal will be self-contained on the company's own property, so will entail no problem.

CONCLUSION

The accumulated knowledge regarding the nature of the Timberlake Placers combined with the present day modern and efficient machinery and equipment for the extraction of gold all combine to make this enterprise one of unusual merit. With adequate financial backing supporting an efficient and well directed production program it is possible to look forward to early and profitable gold production from these extensive placers.

MODERN GOLD DREDGING CO.

922 W. Riverside Ave.
Spokane 8, Washington

Property at
Craig, Colorado

October 18, 1951

Mr. Geo. B. Holderer,
Chief Tungsten Branch,
Defense Minerals Administration,
Spokane, Washington.

Dear Mr. Holderer:

In compliance with your DMA-1954 of September 20th, I am sending Assay Sheets and sample map together with claim map showing area of project and surface geology, also cross section at point of discovery, also a step by step program and time schedule sheet.

Relative to your inquiry about fixed assets in the financial statement, I am sending part of a report covering these fixed assets.

I am also enclosing a brief description of the Chief Mining Property. This property is not included as part of the fixed assets as of the date of our filing but will show in next annual statement.

Yours truly,

Lee Feller

1010 W. Boone Ave.

LE:AER

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D.C.
OCT 22 9 00 AM '51

Time Schedule.

Addit Tunnel.

1.	Road build + repair	8	working days
2.	Stripping	7	Ditto
3.	Drilling.	30	"
4.	Erecting compressor + pump house	15	"
5.	Installing equipment	10	"
6.	Driving Addit Tunnel 200 ft.	60	"
7.	Driving cross cut 173 ft.	60	"
	Total working days	190	

Estimated elapsed time. 8 calender months.

Shaft Program.

	1st 5 items as above	70	working days
6.	Erecting head frame + shaft collar.	30	ditto.
7.	Sinking 100 ft.	50	"
8.	Driving cross cut over 100 ft.	50	"
	Total working days	200 -	

Estimated elapsed time 8 calender months.

Estimated crew - overall 6 men.

Modern Gold Dredging Co.
c/o Mr. Lee Eller
922 W. Riverside Ave.
Spokane, Washington

In reply please refer to
DMA-1954

Dear Mr. Eller:

The Tungsten Branch, in reviewing your application, has found that additional information is required. Your financial statement contains several items which necessitate our asking for a clarified statement. You show "Mining Property" as a fixed asset, but you tell nothing about the property.

In answer to question #18, you give only two assays and these are not verified by assay sheets from a laboratory. An explanation of how these samples were taken together with an assay map showing where they were taken, is necessary. No description of the property is given.

Your answer to question #21 is not accompanied by any of the requested supporting data. You have furnished no geological map or a map and cross sections of the proposed explorations. We would like to have you amplify your answer to question #23. As an example, your answer to part "A" does not give the number of men to be employed. You have given no answer to question #24.

Upon receipt of additional information, we will give your application further consideration.

Very truly yours,

George B. Holderer

George B. Holderer
Chief, Tungsten Branch

CHJacoby:lll
9/19/51
CC: DMA Docket File
Adm. Reading File
Mr. Holderer

210

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 10-15-51

REFERRED TO:

1. Code 340
2.
3.
4.

OCT 16 1951

Recd by Ma. Valdez

FOR:

..... Action	..... Recommendation
..... Approval	..... Record of .....
..... Comment	..... Referring to .....
..... Conference	..... Reply for signature of .....
..... Consideration	..... Rewriting
..... Filing	..... Signature
..... Instructions	..... Suggestions
..... Investigation	..... Your information
..... Initials	
..... Mailing	
..... Previous correspondence	

REMARKS:

Check (X) before the items needing attention.

Adams (AA)
Initials of sender.

GPO 16—63815-1

11/2/51

Needs additional consideration

1. Proposal is well prepared
2. $2,000 for bulldozing
3. Good assays
4. 'Eyeball' assay of Field Team
5. Have 6' of 1.8' vein which may average 1% or more
6. Additional work contingent on findings of bulldozing.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

DEFENSE MIN
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WASHINGTON
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October 10, 1951

Memorandum

To: George Holderer, Chief, Tungsten Branch

From: Field Team, Region II

Subject: Application for Exploration Contract submitted by Modern Gold Dredging Company, Ferry County, Washington.

Enclosed are four copies of a memorandum by C. H. Broedel, Geologist, U.S.G.S., concerning the subject property. Also enclosed is one copy of form MF-103 and one copy of form MF-100 which were retained at this office to facilitate field examination.

Mr. Broedel recommends that the application for exploration assistance submitted by Modern Gold Dredging Company be denied as the occurrence of tungsten ore is very limited and no feasible objective would be gained by the proposed exploration program.

The Field Team concurs with Mr. Broedel's recommendations.

By Field Team, Region II

M E Volin

M. E. Volin, Act. Exec. Officer
(U. S. Bureau of Mines)

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

Enclosures

cc: U.S.B.M.

Denial sustained
T.P. Thayer

So. 157 Howard Street
Spokane 4, Washington

October 10, 1951

Memorandum

To: George Holderer, Chief, Tungsten Branch

From: Field Team, Region II

Subject: Application for Exploration Contract submitted by Modern Gold Dredging Company, Ferry County, Washington.

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The Field Team concurs with Mr. Broedel's recommendations.

By Field Team, Region II

M. E. Volin, Act. Exec. Officer
(U. S. Bureau of Mines)

Thor H. Kiilsgaard
For: A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

Enclosures

cc: U.S.B.M.

Kite

Sc. 157 Howard Street
Spokane 4, Washington

October 10, 1951

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From: Field Team, Region II

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The Field Team concurs with Mr. Broedel's recommendations.

By Field Team, Region II

W. E. Volin, Act. Exec. Officer
(U. S. Bureau of Mines)

Thor H. Hillsgaard
For: A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

Enclosures

cc: U.S.G.S.

Wrts

[illegible] Second Street
[illegible], [illegible]

[illegible] October [illegible], 1[illegible]1

[illegible]

[illegible]

[illegible]

[illegible]

[illegible] property. [illegible] which were [illegible] for.

[illegible] the conditions for exploration [illegible] be [illegible] to be [illegible] before the owners.

[illegible] with [illegible] model's [illegible] conditions.

[illegible], [illegible]

[illegible], [illegible] Officer
([illegible] Group of [illegible])

[illegible]
[illegible], [illegible] Officer
([illegible] Group)

[illegible]

[illegible] . . . .

[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Sec. 157 Howard Street
[illegible], Washington

[illegible]tober [illegible], 1961

Memorandum

To: [illegible] Chief, [illegible] Branch

From: [illegible] Field [illegible], [illegible]

Subject: Application for exploration assistance by Miami Oil Producing Company, Ferry County, Washington.

Enclosed are four copies of a memorandum of [illegible] Roedel, [illegible], [illegible], concerning the subject property. Also enclosed are one copy of Form [illegible]-103 and one copy of Form [illegible]-100 which were retained at this office in facilitate field examination.

[illegible] Roedel recommends that the application for exploration assistance submitted by the Miami Oil Producing Company be [illegible] as the occurrence of the ore is very limited and no sensible objective would be achieved by the proposed exploration program.

The field [illegible] concurs with Mr. Roedel's recommendations.

[illegible], Region [illegible]

[illegible]
(U. S. Bureau of Mines)

[illegible]
[illegible]
([illegible])

[illegible]

[illegible]

[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

DEPT. OF THE INTERIOR
ADMINISTRATION
WASHINGTON, D.C.
OCT 15 8 46 AM '51

October 9, 1951

Memorandum

To: A. E. Weissenborn, Exec. Officer, DMA Field Team, Region II

From: C. H. Broedel, Geologist, U.S. Geological Survey

Subject: Report on property of the Modern Gold Dredging Company (in sec. 35, T. 32 N., R. 36 E.), Covada Mining District, Ferry County, Washington. The property consisting of four claims is known as the Big Chief group and is leased by the Modern Gold Dredging Company of Spokane.

RECOMMENDATIONS

The DMA examiner recommends that the application for exploration assistance by the Modern Gold Dredging Company be denied as the occurrence of tungsten ore is very limited and no feasible objective would be gained by the proposed exploration program.

SUMMARY OF FIELD INVESTIGATION

The DMA examiner was directed to the property by Mr. Lee Eller, President of the company.

The property lies directly north of the former village of Covada, which is accessible by seven miles of road southwest of Inchelium, Washington via Impach and Stray Dog Canyon road. The applicant claims to have two tungsten prospects on the Carbonate Chief claim, 1,000 feet west of Covada Lake. Several prospects on the adjoining claims leased by the applicant were not visited as they do not concern the application.

The country rocks within the Carbonate Chief claim consist of argillites, quartzites and marbles of the Covada series. The meteor granodiorite is intrusive into these sediments east of this claim. Several andesite dikes and quartz veins cut the sediments in this area and their strike is roughly conformable to that of the sediments. The veins have a strike length of 10 to 40 feet and only one was found to be mineralized.

The workings on the Carbonate Chief claim consist of a pit and a trench, both of which contain tungsten ore according to the applicant. The pit lies in the southern part of the claim and

exposes carbonaceous argillite traversed by veinlets of an unidentified clay mineral. This mineral which fluoresces green does not contain tungsten. The trench in the northern part of the claim 600 feet southeast of U.S. mineral monument No. 1 is cut 35 feet across an andesite dike which strikes N. 10° E. The contact between the dike and quartzite lies at the west end of the trench. A tungsten-bearing quartz vein of unknown strike length occurs along this contact. The exposed portion of this vein in the trench is 1.8 feet wide by 6 feet long. No exposure or float is present at the surface and the vein appears to be of very limited extent. The ore minerals are scheelite, wolframite, pyrrhotite, and minor chalcopyrite. A rough estimate of the percent WO_3 in the scheelite of the mineralized portion of the vein varies from 0.5 to 1.5 percent.

Two small pits in andesite a short distance north and south of the trench do not expose a quartz vein. The talus-covered slope was followed for several hundred feet along the strike of the vein but no evidence of a vein or sulfide was visible.

CONCLUSION

The examiner believes that the tungsten occurrence is probably part of a small lens of quartz. There is no justification for an exploration loan for bulldozing until the applicant establishes a reasonable strike length and width of the vein by trenching. The Silver Leaf mine and the Orian prospect situated east of Covada Lake received unfavorable mention by Culver and Broughton in their report on the tungsten resources of Washington.

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So. 157 Howard Street
Spokane 4, Washington

October 9, 1951

Memorandum

To: A. E. Weissenborn, Exec. Officer, DMA Field Team, Region II

From: C. H. Broedel, Geologist, U.S. Geological Survey

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cc: U.S.B.M., Spokane
U.S.B.M., Albany

CHB/bh

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UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 4, Washington

October 9, 1951

Memorandum

To: A. E. Weissenborn, Exec. Officer, DMA Field Team, Region II

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cc: U.S.B.M., Spokane
U.S.B.M., Albany

CHB/bh

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

DEFENSE M
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APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

OCT 15 8 4

Docket No. dma 1954

Date received 10-15-51

Participation

[illegible] GOLD & [illegible] COMPANY
928 W. Riverside Ave.,
Spokane, Wash.

Name and address of applicant

Date Aug. 6th 1951

FILL IN THIS BLOCK

Date of application August 6th 1951

Estimated cost $28,000.00

Mineral or metal Tungsten

Percentage of Government participation 75.

Location of mine Inchelium, Wash.

Date of filing MF-100

DMA Docket Number, if available

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

MODERN GOLD DREDGING COMPANY By Lee Fuller
(Name of company) (Signature of authorized official)

Aug. 6th 1951 President
(Date) (Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

THE APPLICANT

1. A corporation

3. Lee Eller, President,
1010 W.Boone Ave., Spokane, Wash.

T.M.Pollard, Vice President,
121 S.Madison St., Spokane, Wash.

Frances Edmunds, Secretary,
N. 1105 Evergreen, Spokane, Wash.

John Sims, Treasurer,
922 W.Riverside Ave., Spokane, Wash.

Mark Copley, Asst. Treasurer,
W.2428 Dalton, Spokane, Wash.

Together with R.L.Thompson, S. 1306 Adams St., Spokane, Wash. these constitutes the largest stockholders.

4. Lee Eller is a mining engineer with years of experience. John Sims has had several years of mining experience and has been in the building construction business and lumbering.
T.M.Pollard is an Industrial Engineer.
Francis Edmunds is a Bakery Operator.
Mark Copley is a Certified Public Accountant, and Auditor.

5. The Modern Gold Dredging Co. is the lessee of the property.

7. Copy of lease attached.

8. Fincial statement attached.

9. $10,000.00, sufficient to pay our part of the cost of the project.

THE PROPERTY

10. The Jennie C.Lode
The Little Pet Lode
The Apex Lode
The Carbonate Chief Lode
All four claims covered by Survey No.737,
U.S.Patent No.42249.
Located in Sections 26 and 35 in T/32 N., R.36 E.,W.M.

11. Chief Mine

12. One half mile from County road (Dirt).
One mile to highway (Graveled).
Four Miles to Inchelium, Wash.
Thirty Miles to Kettle Falls, Wash. G.N.Ry.
Black Top road from Inchelium to Kettle Falls.

13. Property close to lake and spring. Sufficient water at all times.

14. None.

15. Ore would have to be milled on the property.

16. Property was patented in 1905, and little is known of its early history. No known production.

17. No production.

18. Just discovered a short time ago that one of the surface openings contain scheelite. Assays have shown tungsten content of 1.1% and 1.6% WO3. There is also some values in Zinc, Lead and Silver. No assay maps.

THE EXPLORATION

20. Tungsten.

21. We propose to explore the surface by bulldozing an approximate 1500 ft. of bulldozing trench. This work can be easily completed in 133 operating hours, and at a cost of $15.00 per hour. The total expense would be about $2,000.00. Contingent upon the findings in the bulldozing, we plan to sink an inclined shaft 1 0 ft. @ $75.00 per foot - $7,500.00, and drift 200 ft. from the shaft at $27.0 per foot, or $5,400.00. Total cost of proposed program:-

Bulldozing -	$2,000.00
Sinking	7,500.00
Drifting	5,400.00
	$14,900.00

22. Ore exposed on surface.

23. Laborers $12.00 per day.
Supervisors $16.00 per day
No existing facilities.
Cost of blacksmith shop, Compressor/house etc. $5,000.00
Cost of equipment - Compressor, drills and necessary mining equipment. $5,000.00
Cost of Road $500.00
Cost of Water Line & Pump $2,000.00.
Contingency $600.00
Time schedule about 6 months.

(C O P Y)

MINING LEASE WITH OPTION TO BUY

THIS INDENTURE, Made this 26th day of July 1951, between May Kummer of 1440 W.62nd St., Seattle, Wash hereinafter designated the lessor, and Modern Gold Dredging Company, a Washington Corporation of 922 W.Riverside Ave., Spokane, Wash. hereinafter designated the lessee.

WITNESSETH, That the lessor for and in consideration of the rents, royalties, covenants and agreements hereinafter reserved, and by the lessee to be paid, kept and performed, granted, demised, leased and let, and by these presents does grant, demise, lease and let unto the lessee, Modern Gold Dredging Company, that certain mining property situated in Ferry County, State of Washington, and more particularly described as follows:-

The Jennie C.Lode, Survey No.737, U.S.Patent No.42249, located in Sec. 26 and Sec. 35, T.32 N., R.36 E., W.M.

The Little Pet Lode, Survey No.737, U.S.Patent No.42249, located in Sec.35, T. 32 N., R.36 E., W.M.

The Apex Lode, Survey No.737, U.S.Patent No. 42249, located in Sec.35, T. 32 N., R. 36 E., W.M.

The Carbonate Chief Lode, Survey No.737, U.S.Patent No.42249, Located in Sec. 35, T. 32 E., R. 36 E., W.M.

Together with the appurtenances and rights and privileges to prospect the same for gold, precious metals and minerals, and mine and extract the same, and to sell, mill or smelt, or otherwise reduce the same.

TO HAVE AND TO HOLD the same unto the said lessee for the term of ten years from date hereof, expiring at noon on the 26th day of July 1961 unless sooner forfeited or determined through the violation of any covenants hereinafter against the said lessee reserved.

And in consideration of the said lease, demise and privileges, the lessee does covenant and agree with the lesser as follows; to-witt:-

To enter upon said mining property and premises and work the same mining fashion, in manner necessary to good economical mining so as to take out the greatest amount of ores and minerals practicable with due regard to safety, development and preservation of the said premises as a workable mine.

To prospect, develop, work and mine said premises as aforesaid from the date of this lease as weather and the season of the year, market conditions, availability of materials and machinery, and labor conditions will permit.

To do no act on the premises during the term of this lease which would impede mining operations or impair the operating condition of said mining claims, and generally to so conduct operations as to conform to the laws of the United States and the State of

Washington, and to do no act and suffer no default which might in any manner involve the said lessor, or her ownership in said mining property in liability of any kind or character.

To pay and to deliver to said lessor as rent and royalty seven and one half percent (7½%) of the net yield of all minerals and metals to be extracted from said premises during said term, and to allow said lessor to be present at sampling of ore, and to examine the same.

To deliver up to said lessor the said premises with the appurtenances and all improvements in good order and condition (accidents not arising from negligence alone excusing) without demand of further notice on the said 26th day of July 1961 at noon or at any time previous, upon demand for forfeiture.

It is further agreed that the lessee shall have the right and option to purchase the above described property at any time before the 26th day of July 1961 upon the payment to the lessor or her assigns or administrators on or before said date, the sum of Twenty Five Thousand Dollars (25,000.00) and that the rents and royalties paid by the said lessee shall be applied on the purchase price.

It is further agreed by the lessor that a deed covering the above described property be placed in escrow, and that when the full amount of the purchase price shall have been paid to said lessor the said deed shall be delivered to the lessee by the escrow holder.

Time is the essence of this agreement, and if said purchase and full payment shall not be paid on or before said 26th day of July 1961, then all the rights of the lessee to purchase said property shall without further action on the part of the lessor entirely and completely terminate and be at an end.

Each and every clause and covenant of this indenture shall extend to the heirs, executors, administrators and assigns of all parties hereto.

IN WITNESS WHEREOF, The said parties hereto have hereunto set their hands and seals.

Signed sealed and delivered in the presence of

(May Kummer)

MOJAVE Gold Dredging Company

By Lee Eller President

KUHN BUILDING PHONE MAIN 3852

MARK H. COPLEY
LICENSED PUBLIC ACCOUNTANT
AUDITOR
SPOKANE 8, WASHINGTON

MODERN GOLD DREDGING CO. INC.
Spokane, Washington

FINANCIAL STATEMENT
As of March 31, 1951

ASSETS:			
Current Assets:			
Cash in Bank (Old National Bank)	$ 3,593.63		
Total Current Assets		$ 3,593.63	
Fixed Assets:			
One (1) Royal Typewriter	120.00		
Mining Property	300,000.00		
Total Fixed Assets		$300,120.00	
Other Assets:			
Treasury Stock		143,900.00	
Total Assets-			$447,613.63
LIABILITIES:			
Current Liabilities:			
H. Gilbertson	80.00		
M. L. Thompson	750.00		
Accrued Payroll Taxes	155.31		
Total Current Liabilities		$ 985.31	
CAPITAL:			
Authorized Capital Stock Shares (3,000,000.00)	300,000.00		
Capital Stock Subscribed	300,000.00		
Paid in Surplus (Stock Donation)	150,000.00		
	450,000.00		
Profit and Loss Deficit (Deduct)	3,371.68		
		$446,628.32	
			$447,613.63

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

DEFENSE MINERALS ADMINISTRATION
WASHINGTON, D. C.
OCT 15
8 46 AM

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. dma 1954

Date received 10-15-51

Participation

MODERN GOLD DREDGING COMPANY

922 W.Riverside Ave.,
Spokane, Wash.

Name and address of applicant

Date Aug. 6th 1951

FILL IN THIS BLOCK

Date of application August 6th 1951

Estimated cost $20,000.00

Mineral or metal Tungsten

Percentage of Government participation 75%

Location of mine Inchelium, Wash.

Date of filing MF-100

DMA Docket Number, if available

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

MODERN GOLD DREDGING COMPANY By Jacee Fellere
(Name of company) (Signature of authorized official)

August 6th 1951 President
(Date) (Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

THE APPLICANT

1. A corporation

3. Lee Miller, President,
1010 W.Boone Ave., Spokane, Wash.

T.M.Pollard, Vice President,
121 S.Madison St., Spokane, Wash.

Frances Edmunds, Secretary,
N. 1105 Evergreen, Spokane, Wash.

John Lime, Treasurer,
922 W.Riverside Ave., Spokane, Wash.

Mark Copley, Asst. Treasurer,
W.2428 Dalton, Spokane, Wash.

Together with L.L.Thompson, S. 1306 Adams St., Spokane, Wash. these constitutes the largest stockholders.

4. Lee Miller is a mining engineer with years of experience. John Lime has had several years of mining experience and has been in the building construction business and lumbering.
T.M.Pollard is an Industrial Engineer.
Francis Edmunds is a Bakery Operator.
Mark Copley is a Certified Public Accountant, and Auditor.

5. The Modern Gold Dredging Co. is the lessee of the property.

7. Copy of lease attached.

8. Fincial statement attached.

9. $10,000.00, sufficient to pay our part of the cost of the project.

THE PROPERTY

10. The Jennie C.Lode
The Little Pet Lode
The Apex Lode
The Carbonate Chief Lode
All four claims covered by Survey No.737,
U.S.Patent No.42249.
Located in Sections 26 and 35 in T/32 N., R.36 E.,W.M.

11. Chief Mine

12. One half mile from County road (Dirt).
One mile to highway (Graveled).
Four Miles to Inchelium, Wash.
Thirty Miles to Kettle Falls, Wash. G.N.Ry.
Black Top road from Inchelium to Kettle Falls.

13. Property close to lake and spring. Sufficient water at all times.

14. None.

15. Ore would have to be milled on the property.

16. Property was patented in 1905, and little is known of its early history. No known production.

17. No production.

18. Just discovered a short time ago that one of the surface openings contain scheelite. Assays have shown tungsten content of 1.1% and 1.6% WO3. There is also some values in Zinc, Lead and Silver.
No assay maps.

THE EXPLORATION

20. Tungsten.

21. We propose to explore the surface by bulldozing an approximate 1500 ft. of bulldozing trench. This work can be easily completed in 133 operating hours, and at a cost of $15.00 per hour. The total expense would be about $2,000.00. Contingent upon the findings in the bulldozing, we plan to sink an inclined shaft 100 ft. @ $75.00 per foot - $7,500.00, and drift 200 ft. from the shaft at $27.00 per foot, or $5,400.00. Total cost of proposed program:-

Bulldozing -	$2,000.00
Sinking	7,500.00
Drifting	5,400.00
	$14,900.00

22. Ore exposed on surface.

23. Laborers $12.00 per day.
Supervisors $16.00 per day
No existing facilities.
Cost of blacksmith shop, Compressor/etc. house $5,000.00
Cost of equipment - Compressor, drills and necessary mining equipment. $5,000.00
Cost of Road $500.00
Cost of Water Line & Pump $2,000.00.
Contingency $600.00
Time schedule about 6 months.

(C O P Y)

MINING LEASE WITH OPTION TO BUY

THIS INDENTURE, made this 26th day of July 1951, between May Kummer of 1440 W.62nd St., Seattle, Wash hereinafter designated the lessor, and Modern Gold Dredging Company, a Washington Corporation of 922 W.Riverside Ave., Spokane, Wash. hereinafter designated the lessee.

WITNESSETH, That the lessor for and in consideration of the rents, royalties, covenants and agreements hereinafter reserved, and by the lessee to be paid, kept and performed, granted, demised, leased and let, and by these presents does grant, demise, lease and let unto the lessee, Modern Gold Dredging Company, that certain mining property situated in Ferry County, State of Washington, and more particularly described as follows:-

The Jennie G.Lode, Survey No.737, U.S.Patent No.42249, located in Sec. 26 and Sec. 35, T.32 N., R.36 E., W.M.

The Little Pet Lode, Survey No.737, U.S.Patent No.42249, located in Sec.35, T. 32 N., R.36 E., W.M.

The Apex Lode, Survey No.737, U.S.Patent No. 42249, located in Sec.35, T. 32 N., R. 36 E., W.M.

The Carbonate Chief Lode, Survey No.737, U.S.Patent No.42249, Located in Sec. 35, T. 32 N., R. 36 E., W.M.

Together with the appurtenances and rights and privileges to prospect the same for gold, precious metals and minerals, and mine and extract the same, and to sell, mill or smelt, or otherwise reduce the same.

TO HAVE AND TO HOLD the same unto the said lessee for the term of ten years from date hereof, expiring at noon on the 26th day of July 1961 unless sooner forfeited or determined through the violation of any covenants hereinafter against the said lessee reserved.

And in consideration of the said lease, demise and privileges, the lessee does covenant and agree with the lessor as follows; to-witt:-

To enter upon said mining property and premises and work the same mining fashion, in manner necessary to good economical mining so as to take out the greatest amount of ores and minerals practicable with due regard to safety, development and preservation of the said premises as a workable mine.

To prospect, develop, work and mine said premises as aforesaid from the date of this lease as weather and the season of the year, market conditions, availability of materials and machinery, and labor conditions will permit.

To do no act on the premises during the term of this lease which would impede mining operations or impair the operating condition of said mining claims, and generally to so conduct operations as to conform to the laws of the United States and the State of

Washington, and to do no act and suffer no default which might in any manner involve the said lessor, or her ownership in said mining property in liability of any kind or character.

To pay and to deliver to said lessor as rent and royalty seven and one half percent (7½%) of the net yield of all minerals and metals to be extracted from said premises during said term, and to allow said lessor to be present at sampling of ore, and to examine the same.

To deliver up to said lessor the said premises with the appurtenances and all improvements in good order and condition (accidents not arising from negligence alone excusing) without demand of further notice on the said 26th day of July 1961 at noon or at any time previous, upon demand for forfeiture.

It is further agreed that the lessee shall have the right and option to purchase the above described property at any time before the 26th day of July 1961 upon the payment to the lessor or her assigns or administrators on or before said date, the sum of Twenty Five Thousand Dollars (25,000.00) and that the rents and royalties paid by the said lessee shall be applied on the purchase price.

It is further agreed by the lessor that a deed covering the above described property be placed in escrow, and that when the full amount of the purchase price shall have been paid to said lessor the said deed shall be delivered to the lessee by the escrow holder.

Time is the essence of this agreement, and if said purchase and full payment shall not be paid on or before said 26th day of July 1961, then all the rights of the lessee to purchase said property shall without further action on the part of the lessor entirely and completely terminate and be at an end.

Each and every clause and covenant of this indenture shall extend to the heirs, executors, administrators and assigns of all parties hereto.

IN WITNESS WHEREOF, The said parties hereto have hereunto set their hands and seals.

Signed sealed and delivered in the presence of

(May Kummer)

MO and Gold Dredging Company

By Lee Eller President

KUHN BUILDING

PHONE MAIN 3852

MARK H. COPLEY
LICENSED PUBLIC ACCOUNTANT
AUDITOR
SPOKANE 8, WASHINGTON

MODERN GOLD DREDGING CO. INC.
Spokane, Washington

FINANCIAL STATEMENT
As of March 31, 1951

ASSETS:			
Current Assets:			
Cash in Bank (Old National Bank)	$ 3,593.63		
Total Current Assets		$ 3,593.63	
Fixed Assets:			
One (1) Royal Typewriter	120.00		
Mining Property	300,000.00		
Total Fixed Assets		$300,120.00	
Other Assets:			
Treasury Stock		143,900.00	
Total Assets-			$447,613.63
LIABILITIES:			
Current Liabilities:			
H. Gilbertson	80.00		
M. L. Thompson	750.00		
Accrued Payroll Taxes	155.31		
Total Current Liabilities		$ 985.31	
CAPITAL:			
Authorized Capital Stock Shares (3,000,000.00)	300,000.00		
Capital Stock Subscribed	300,000.00		
Paid in Surplus (Stock Donation)	150,000.00		
	450,000.00		
Profit and Loss Deficit (Deduct)	3,371.68		
		$446,628.32	
			$447,613.63

August 14, 1951

Mr. Lee Eller, President
Modern Gold Dredging Company
922 W. Riverside Avenue
Spokane, Washington

Subject: Exploration Loan
Re: Chief Mine

This will acknowledge receipt of your application dated August 6, 1951 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMA- 1954 and referred to the Tungsten Branch.

Kindly refer to DMA- 1954 in any future correspondence relating to your application.

Sincerely yours,

Robert E. Adams

Robert E. Adams, Chief
Reports and Records Unit

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

August 9, 1951

DMA-1954

Mr. Landon F. Strobel
Executive Secretary
Defense Minerals Administration
Department of Interior
Washington 25, D. C.

Dear Mr. Strobel:

Enclosed herewith are three copies of an application for an exploration contract submitted by the Modern Gold Dredging Company on a Tungsten property in Ferry County, Washington. One copy of the application is being retained at this office to expedite field examination.

Very truly yours,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 13 1951

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA 1954

Date received 8-13-51

Participation

MODERN GOLD DREDGING COMPANY

922 W.Riverside Ave.,
Spokane, Wash.

Name and address of applicant

Date Aug. 6th 1951

FILL IN THIS BLOCK

Date of application August 6th 1951

Estimated cost $28,000.00

Mineral or metal Tungsten

Percentage of Government participation 75%

Location of mine Inchelium, Wash.

Date of filing MF-100

DMA Docket Number, if available 1954

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 13 1951

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

MODERN GOLD DREDGING COMPANY — By Joe Fellers
(Name of company) — (Signature of authorized official)

August 6th 1951 — President
(Date) — (Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

THE APPLICANT

1. A corporation

3. Lee Eller, President,
1010 W.Boone Ave., Spokane, Wash.

T.M.Pollard, Vice President,
121 S.Madison St., Spokane, Wash.

Frances Edmunds, Secretary,
N. 1105 Evergreen, Spokane, Wash.

John Sims, Treasurer,
922 W.Riverside Ave., Spokane, Wash.

Mark Copley, Asst. Treasurer,
W.2428 Dalton, Spokane, Wash.

Together with M.L.Thompson, S. 1306 Adams St., Spokane, Wash. these constitutes the largest stockholders.

4. Lee Eller is a mining engineer with years of experience. John Sims has had several years of mining experience and has been in the building construction business and lumbering.
T.M.Pollard is an Industrial Engineer.
Francis Edmunds is a Bakery Operator.
Mark Copley is a Certified Public Accountant, and Auditor.

5. The Modern Gold Dredging Co. is the lessee of the property.

7. Copy of lease attached.

8. Fincial statement attached.

9. $10,000.00, sufficient to pay our part of the cost of the project.

THE PROPERTY

10. The Jennie C.Lode
The Little Pet Lode
The Apex Lode
The Carbonate Chief Lode
All four claims covered by Survey No.737,
U.S.Patent No.42249.
Located in Sections 26 and 35 in T/32 N., R.36 E.,W.M.

11. Chief Mine

12. One half mile from County road (Dirt).
One mile to highway (Graveled).
Four Miles to Inchelium, Wash.
Thirty Miles to Kettle Falls, Wash. G.N.Ry.
Black Top road from Inchelium to Kettle Falls.

13. Property close to lake and spring. Sufficient water at all times.

14. None.

15. Ore would have to be milled on the property.

16. Property was patented in 1905, and little is known of its early history. No known production.

17. No production.

18. Just discovered a short time ago that one of the surface openings contain scheelite. Assays have shown tungsten content of 1.1% and 1.6% WO3. There is also some values in Zinc, Lead and Silver. No assay maps.

THE EXPLORATION

20. Tungsten.

21. We propose to explore the surface by bulldozing an approximate 1500 ft. of bulldozing trench. This work can be easily completed in 133 operating hours, and at a cost of $15.00 per hour. The total expense would be about $2,000.00. Contingent upon the findings in the bulldozing, we plan to sink an inclined shaft 100 ft. @ $75.00 per foot - $7,500.00, and drift 200 ft. from the shaft at $27.00 per foot, or $5,400.00. Total cost of proposed program:-

Bulldozing -	$2,000.00
Sinking	7,500.00
Drifting	5,400.00
	$14,900.00

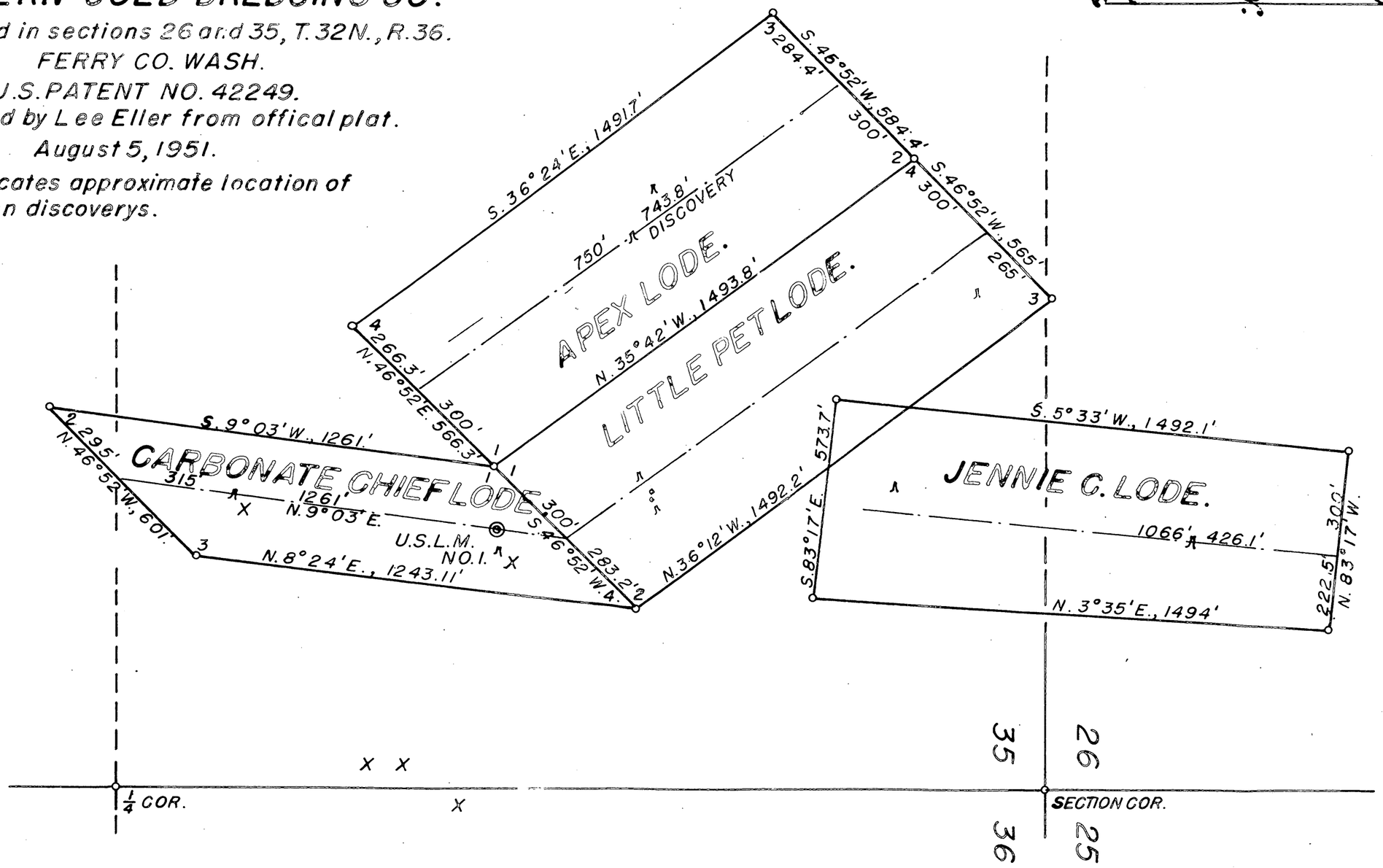
22. Ore exposed on surface.

23. Laborers $12.00 per day.
Supervisors $16.00 per day
No existing facilities.
Cost of blacksmith shop, Compressor/house etc. $5,000.00
Cost of equipment - Compressor, drills and necessary mining equipment. $5,000.00
Cost of Road $500.00
Cost of Water Line & Pump $2,000.00
Contingency $600.00
Time schedule about 6 months.

PLAT SHOWING HOLDINGS OF MODERN GOLD DREDGING CO.

Situated in sections 26 and 35, T. 32 N., R. 36.
FERRY CO. WASH.
U.S. PATENT NO. 42249.
Traced by Lee Eller from offical plat.
August 5, 1951.

"X" indicates approximate location of tungsten discoverys.



KUHN BUILDING

PHONE MAIN 3852

MARK H. COPLEY
LICENSED PUBLIC ACCOUNTANT
AUDITOR
SPOKANE 8, WASHINGTON

MODERN GOLD DREDGING CO. INC.
Spokane, Washington

FINANCIAL STATEMENT
As of March 31, 1951

ASSETS:			
Current Assets:			
Cash in Bank (Old National Bank)	$ 3,593.63		
Total Current Assets		$ 3,593.63	
Fixed Assets:			
One (1) Royal Typewriter	120.00		
Mining Property	300,000.00		
Total Fixed Assets		$300,120.00	
Other Assets:			
Treasury Stock		143,900.00	
Total Assets			$447,613.63
LIABILITIES:			
Current Liabilities:			
H. Gilbertson	80.00		
M. L. Thompson	750.00		
Accrued Payroll Taxes	155.31		
Total Current Liabilities		$ 985.31	
CAPITAL:			
Authorized Capital Stock Shares (3,000,000.00)	300,000.00		
Capital Stock Subscribed	300,000.00		
Paid in Surplus (Stock Donation)	150,000.00		
	450,000.00		
Profit and Loss Deficit (Deduct)	3,371.68		
		$446,628.32	
			$447,613.63

(C O P Y)

MINING LEASE WITH OPTION TO BUY

THIS INDENTURE, Made this 26th day of July 1951, between May Kummer of 1440 W.62nd St., Seattle, Wash hereinafter designated the lessor, and Modern Gold Dredging Company, a Washington Corporation of 922 W.Riverside Ave., Spokane, Wash. hereinafter designated the lessee.

WITNESSETH, That the lessor for and in consideration of the rents, royalties, covenants and agreements hereinafter reserved, and by the lessee to be paid, kept and performed, granted, demised, leased and let, and by these presents does grant, demise, lease and let unto the lessee, Modern Gold Dredging Company, that certain mining property situated in Ferry County, State of Washington, and more particularly described as follows:-

The Jennie C.Lode, Survey No.737, U.S.Patent No.42249, located in Sec. 26 and Sec. 35, T.32 N., R.36 E., W.M.

The Little Pet Lode, Survey No.737, U.S.Patent No.42249, located in Sec.35, T. 32 N., R.36 E., W.M.

The Apex Lode, Survey No.737, U.S.Patent No. 42249, located in Sec.35, T. 32 N., R. 36 E., W.M.

The Carbonate Chief Lode, Survey No.737, U.S.Patent No.42249, Located in Sec. 35, T. 32 E., R. 36 E., W.M.

Together with the appurtenances and rights and privileges to prospect the same for gold, precious metals and minerals, and mine and extract the same, and to sell, mill or smelt, or otherwise reduce the same.

TO HAVE AND TO HOLD the same unto the said lessee for the term of ten years from date hereof, expiring at noon on the 26th day of July 1961 unless sooner forfeited or determined through the violation of any covenants hereinafter against the said lessee reserved.

And in consideration of the said lease, demise and privileges, the lessee does covenant and agree with the lessor as follows; to-witt:-

To enter upon said mining property and premises and work the same mining fashion, in manner necessary to good economical mining so as to take out the greatest amount of ores and minerals practicable with due regard to safety, development and preservation of the said premises as a workable mine.

To prospect, develop, work and mine said premises as aforesaid from the date of this lease as weather and the season of the year, market conditions, availability of materials and machinery, and labor conditions will permit.

To do no act on the premises during the term of this lease which would impede mining operations or impair the operating condition of said mining claims, and generally to so conduct operations as to conform to the laws of the United States and the State of

Washington, and to do no act and suffer no default which might in any manner involve the said lessor, or her ownership in said mining property in liability of any kind or character.

To pay and to deliver to said lessor as rent and royalty seven and one half percent (7½%) of the net yield of all minerals and metals to be extracted from said premises during said term, and to allow said lessor to be present at sampling of ore, and to examine the same.

To deliver up to said lessor the said premises with the appurtenances and all improvements in good order and condition (accidents not arising from negligence alone excusing) without demand of further notice on the said 26th day of July 1961 at noon or at any time previous, upon demand for forfeiture.

It is further agreed that the lessee shall have the right and option to purchase the above described property at any time before the 26th day of July 1961 upon the payment to the lessor or her assigns or administrators on or before said date, the sum of Twenty Five Thousand Dollars (25,000.00) and that the rents and royalties paid by the said lessee shall be applied on the purchase price.

It is further agreed by the lessor that a deed covering the above described property be placed in escrow, and that when the full amount of the purchase price shall have been paid to said lessor the said deed shall be delivered to the lessee by the escrow holder.

Time is the essence of this agreement, and if said purchase and full payment shall not be paid on or before said 26th day of July 1961, then all the rights of the lessee to purchase said property shall without further action on the part of the lessor entirely and completely terminate and be at an end.

Each and every clause and covenant of this indenture shall extend to the heirs, executors, administrators and assigns of all parties hereto.

IN WITNESS THEREOF, The said parties hereto have hereunto set their hands and seals.

Signed sealed and delivered in the presense of

(May Kummer)

MODERN Gold Dredging Company

By Lee Eller President

MSU
at Thayer
8/15

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA 1954

Date received 8-13-51

Participation

[illegible]
[illegible] Ave.,
Spokane, Wash.

Name and address of applicant

Date Aug. 6th 1951

FILL IN THIS BLOCK

Date of application August 6th 1951

Estimated cost $20,000.00

Mineral or metal Tungsten

Percentage of Government participation 75

Location of mine Inchelium, Wash.

Date of filing MF-100

DMA Docket Number, if available 1954

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 13 1951

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

MODERN GOLD DREDGING COMPANY By Rose Fellers
(Name of company) (Signature of authorized official)

Aug. 6th 1951 President
(Date) (Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

THE APPLICANT

1. A corporation

3. Lee Eller, President,
1010 W.Boone Ave., Spokane, Wash.

T.H.Pollard, Vice President,
121 S.Madison St., Spokane, Wash.

Frances Edmunds, Secretary,
N. 1105 Evergreen, Spokane, Wash.

John Sims, Treasurer,
922 W.Riverside Ave., Spokane, Wash.

Mark Copley, Asst. Treasurer,
W.2428 Dalton, Spokane, Wash.

Together with M.L.Thompson, S. 1306 Adams St., Spokane, Wash. these constitutes the largest stockholders.

4. Lee Eller is a mining engineer with years of experience. John Sims has had several years of mining experience and has been in the building construction business and lumbering.
T.H.Pollard is an Industrial Engineer.
Francis Edmunds is a Bakery Operator.
Mark Copley is a Certified Public Accountant, and Auditor.

5. The Modern Gold Dredging Co. is the lessee of the property.

7. Copy of lease attached.

8. Fincial statement attached.

9. $10,000.00, sufficient to pay our part of the cost of the project.

THE PROPERTY

10. The Jennie C.Lode
The Little Pet Lode
The Apex Lode
The Carbonate Chief Lode
All four claims covered by Survey No.737,
U.S.Patent No.42249.
Located in Sections 26 and 35 in T.32 N., R.36 E.,W.M.

11. Chief Mine

12. One half mile from County road (Dirt).
One mile to highway (Graveled).
Four Miles to Inchelium, Wash.
Thirty Miles to Kettle Falls, Wash. G.N.R.R.
Black Top road from Inchelium to Kettle Falls.

13. Property close to lake and spring. Sufficient water at all times.

14. None.

15. Ore would have to be milled on the property.

16. Property was patented in 1905, and little is known of its early history. No known production.

17. No production.

18. Just discovered a short time ago that one of the surface openings contain scheelite. Assays have shown tungsten content of 1.1% and 1.6% WO3. There is also some values in Zinc, Lead and Silver. No assay maps.

THE EXPLORATION

20. Tungsten.

21. We propose to explore the surface by bulldozing an approximate 1500 ft. of bulldozing trench. This work can be easily completed in 133 operating hours, and at a cost of $15.00 per hour. The total expense would be about $2,000.00. Contingent upon the findings in the bulldozing, we plan to sink an inclined shaft 1 0 ft. @ $75.00 per foot - $7,500.00, and drift 200 ft. from the shaft at $27.0 per foot, or $5,400.00. Total cost of proposed program:-

Bulldozing -	$2,000.00
Sinking	7,500.00
Drifting	5,400.00
	$14,900.00

22. Ore exposed on surface.

23. Laborers $12.00 per day.
Supervisors $16.00 per day
No existing facilities.
Cost of blacksmith shop, Compressor/etc. $5,000.00
Cost of equipment - Compressor, drills and necessary mining equipment. $5,000.00
Cost of Road $500.00
Cost of Water Line & Pump $2,000.00.
Contingency $600.00
Time schedule about 6 months.

(C O P Y)

MINING LEASE WITH OPTION TO BUY

THIS INDENTURE, Made this 26th day of July 1951, between May Kummer of 1440 W.62nd St., Seattle, Wash hereinafter designated the lessor, and Modern Gold Dredging Company, a Washington Corporation of 922 W.Riverside Ave., Spokane, Wash. hereinafter designated the lessee.

WITNESSETH, That the lessor for and in consideration of the rents, royalties, covenants and agreements hereinafter reserved, and by the lessee to be paid, kept and performed, granted, demised, leased and let, and by these presents does grant, demise, lease and let unto the lessee, Modern Gold Dredging Company, that certain mining property situated in Ferry County, State of Washington, and more particularly described as follows:-

The Jennie C.Lode, Survey No.737, U.S.Patent No.42249, located in Sec. 26 and Sec. 35, T.32 N., R.36 E., W.M.

The Little Pet Lode, Survey No.737, U.S.Patent No.42249, located in Sec.35, T. 32 N., R.36 E., W.M.

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The Carbonate Chief Lode, Survey No.737, U.S.Patent No.42249, Located in Sec. 35, T. 32 N., R. 36 E., W.M.

Together with the appurtenances and rights and privileges to prospect the same for gold, precious metals and minerals, and mine and extract the same, and to sell, mill or smelt, or otherwise reduce the same.

TO HAVE AND TO HOLD the same unto the said lessee for the term of ten years from date hereof, expiring at noon on the 26th day of July 1961 unless sooner forfeited or determined through the violation of any covenants hereinafter against the said lessee reserved.

And in consideration of the said lease, demise and privileges, the lessee does covenant and agree with the lessor as follows; to-witt:-

To enter upon said mining property and premises and work the same mining fashion, in manner necessary to good economical mining so as to take out the greatest amount of ores and minerals practicable with due regard to safety, development and preservation of the said premises as a workable mine.

To prospect, develop, work and mine said premises as aforesaid from the date of this lease as weather and the season of the year, market conditions, availability of materials and machinery, and labor conditions will permit.

To do no act on the premises during the term of this lease which would impede mining operations or impair the operating condition of said mining claims, and generally to so conduct operations as to conform to the laws of the United States and the State of

Washington, and to do no act and suffer no default which might in any manner involve the said lessor, or her ownership in said mining property in liability of any kind or character.

To pay and to deliver to said lessor as rent and royalty seven and one half percent (7½%) of the net yield of all minerals and metals to be extracted from said premises during said term, and to allow said lessor to be present at sampling of ore, and to examine the same.

To deliver up to said lessor the said premises with the appurtenances and all improvements in good order and condition (accidents not arising from negligence alone excepting) without demand of further notice on the said 26th day of July 1961 at noon or at any time previous, upon demand for forfeiture.

It is further agreed that the lessee shall have the right and option to purchase the above described property at any time before the 26th day of July 1961 upon the payment to the lessor or her assigns or administrators on or before said date, the sum of Twenty Five Thousand Dollars (25,000.00) and that the rents and royalties paid by the said lessee shall be applied on the purchase price.

It is further agreed by the lessor that a deed covering the above described property be placed in escrow, and that when the full amount of the purchase price shall have been paid to said lessor the said deed shall be delivered to the lessee by the escrow holder.

Time is the essence of this agreement, and if said purchase and full payment shall not be paid on or before said 26th day of July 1961, then all the rights of the lessee to purchase said property shall without further action on the part of the lessor entirely and completely terminate and be at an end.

Each and every clause and covenant of this indenture shall extend to the heirs, executors, administrators and assigns of all parties hereto.

IN WITNESS WHEREOF, The said parties hereto have hereunto set their hands and seals.

Signed sealed and delivered in the presence of

(May Kummer)

_____

_____

MO and Gold Dredging Company

By Lee Miller President

KUHN BUILDING

PHONE MAIN 3852

MARK H. COPLEY
LICENSED PUBLIC ACCOUNTANT
AUDITOR
SPOKANE 8, WASHINGTON

MODERN GOLD DREDGING CO. INC.
Spokane, Washington

FINANCIAL STATEMENT
As of March 31, 1951

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M. L. Thompson	750.00		
Accrued Payroll Taxes	153.31		
Total Current Liabilities		$ 963.31	
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Capital Stock: Subscribed	300,000.00		
Paid in Surplus (Stock Donation)	150,000.00		
	450,000.00		
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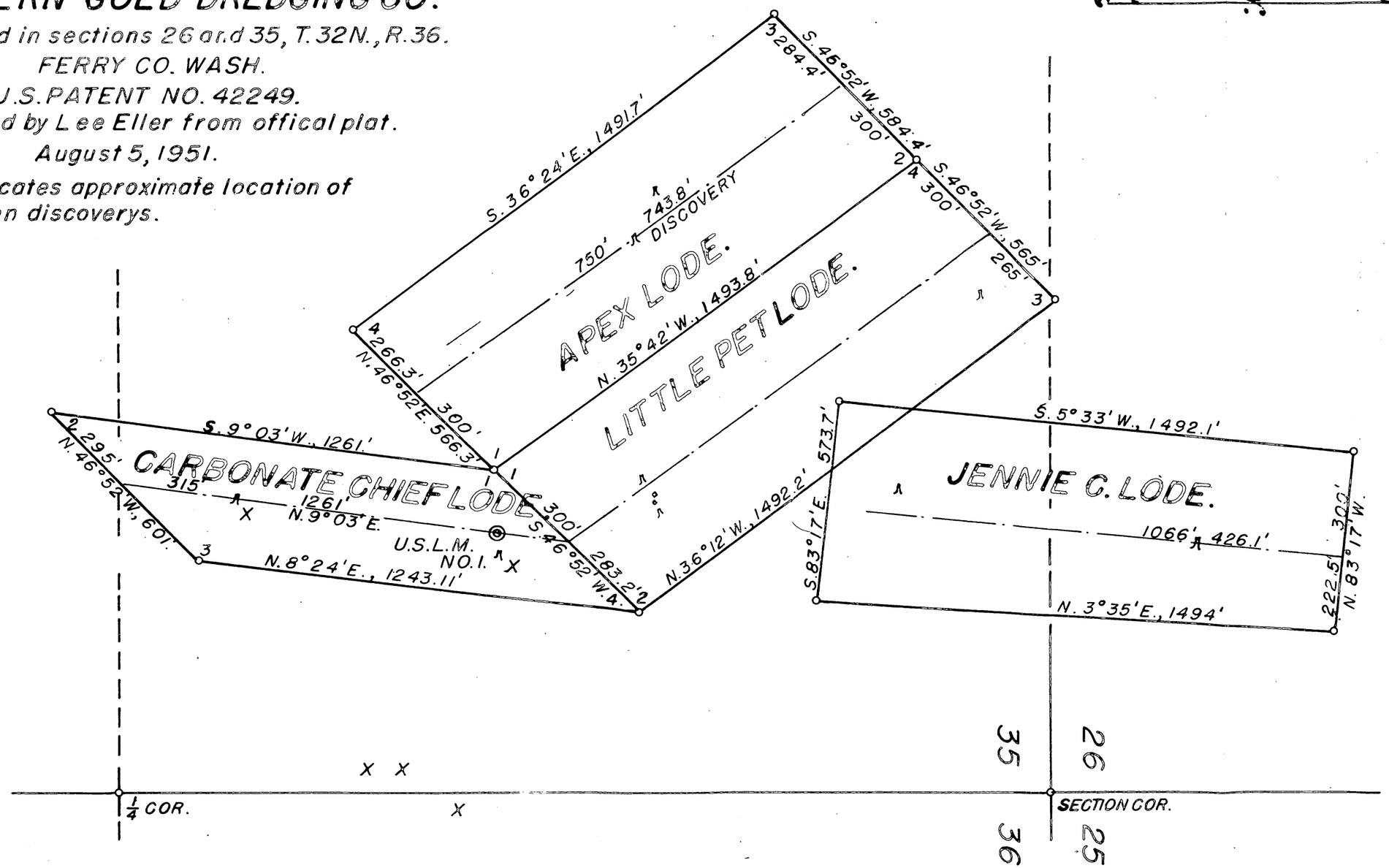
		$446,650.32	
			$447,613.63

PLAT SHOWING HOLDINGS OF MODERN GOLD DREDGING CO.

Situated in sections 26 and 35, T. 32N., R. 36.
FERRY CO. WASH.
U.S. PATENT NO. 42249.
Traced by Lee Eller from offical plat.
August 5, 1951.

"X" indicates approximate location of tungsten discoverys.



Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA 1954

Date received 8-13-51

Participation

MODERN GOLD DREDGING COMPANY

922 W.Riverside Ave.,
Spokane, Wash.

Name and address of applicant

Date Aug. 6th 1951

FILL IN THIS BLOCK

Date of application August 6th 1951

Estimated cost $28,000.00

Mineral or metal Tungsten

Percentage of Government participation 75%

Location of mine Inchelium, Wash.

Date of filing MF-100

DMA Docket Number, if available 1954

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 13 1951

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

MODERN GOLD DREDGING COMPANY
(Name of company)

By Joce Foller.
(Signature of authorized official)

August 6th 1951
(Date)

President
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

THE APPLICANT

1. A corporation

3. Lee Eller, President,
1010 W.Boone Ave., Spokane, Wash.

T.M.Pollard, Vice President,
121 S.Madison St., Spokane, Wash.

Frances Edmunds, Secretary,
N. 1105 Evergreen, Spokane, Wash.

John Sims, Treasurer,
922 W.Riverside Ave., Spokane, Wash.

Mark Copley, Asst. Treasurer,
W.2428 Dalton, Spokane, Wash.

Together with M.L.Thompson, S. 1306 Adams St., Spokane, Wash. these constitutes the largest stockholders.

4. Lee Eller is a mining engineer with years of experience. John Sims has had several years of mining experience and has been in the Building construction business and lumbering.
T.M.Pollard is an Industrial Engineer.
Francis Edmunds is a Bakery Operator.
Mark Copley is a Certified Public Accountant, and Auditor.

5. The Modern Gold Dredging Co. is the lessee of the property.

7. Copy of lease attached.

8. Fincial statement attached.

9. $10,000.00, sufficient to pay our part of the cost of the project.

THE PROPERTY

10. The Jennie C.Lode
The Little Pet Lode
The Apex Lode
The Carbonate Chief Lode
All four claims covered by Survey No.737,
U.S.Patent No.42249.
Located in Sections 26 and 35 in T.32 N., R.36 E.,W.M.

11. Chief Mine

12. One half mile from County road (Dirt).
One mile to highway (Graveled).
Four Miles to Inchelium, Wash.
Thirty Miles to Kettle Falls, Wash. G.N.Ry.
Black Top road from Inchelium to Kettle Falls.

13. Property close to lake and spring. Sufficient water at all times.

14. None.

15. Ore would have to be milled on the property.

16. Property was patented in 1905, and little is known of its early history. No known production.

17. No production.

18. Just discovered a short time ago that one of the surface openings contain scheelite. Assays have shown tungsten content of 1.1% and 1.6% WO3. There is also some values in Zinc, Lead and Silver. No assay maps.

THE EXPLORATION

20. Tungsten.

21. We propose to explore the surface by bulldozing an approximate 1500 ft. of bulldozing trench. This work can be easily completed in 133 operating hours, and at a cost of $15.00 per hour. The total expense would be about $2,000.00. Contingent upon the findings in the bulldozing, we plan to sink an inclined shaft 100 ft. @ $75.00 per foot - $7,500.00, and drift 200 ft. from the shaft at $27.00 per foot, or $5,400.00. Total cost of proposed program:-

Bulldozing -	$2,000.00
Sinking	7,500.00
Drifting	5,400.00
	$14,900.00

22. Ore exposed on surface.

23. Laborers $12.00 per day.
Supervisors $16.00 per day
No existing facilities.
Cost of blacksmith shop, Compressor/house etc. $5,000.00
Cost of equipment - Compressor, drills and necessary mining equipment. $5,000.00
Cost of Road $500.00
Cost of Water Line & Pump $2,000.00.
Contingency $600.00
Time schedule about 6 months.

(C O P Y)

MINING LEASE WITH OPTION TO BUY

THIS INDENTURE, Made this 26th day of July 1951, between May Kummer of 1440 W.62nd St., Seattle, Wash hereinafter designated the lessor, and Modern Gold Dredging Company, a Washington Corporation of 922 W.Riverside Ave., Spokane, Wash. hereinafter designated the lessee.

WITNESSETH, That the lessor for and in consideration of the rents, royalties, covenants and agreements hereinafter reserved, and by the lessee to be paid, kept and performed, granted, demised, leased and let, and by these presents does grant, demise, lease and let unto the lessee, Modern Gold Dredging Company, that certain mining property situated in Ferry County, State of Washington, and more particularly described as follows:-

The Jennie C.Lode, Survey No.737, U.S.Patent No.42249, located in Sec. 26 and Sec. 35, T.32 N., R.36 E., W.M.

The Little Pet Lode, Survey No.737, U.S.Patent No.42249, located in Sec.35, T. 32 N., R.36 E., W.M.

The Apex Lode, Survey No.737, U.S.Patent No. 42249, located in Sec.35, T. 32 N., R. 36 E., W.M.

The Carbonate Chief Lode, Survey No.737, U.S.Patent No.42249, located in Sec. 35, T. 32 N., R. 36 E., W.M.

Together with the appurtenances and rights and privileges to prospect the same for gold, precious metals and minerals, and mine and extract the same, and to sell, mill or smelt, or otherwise reduce the same.

TO HAVE AND TO HOLD the same unto the said lessee for the term of ten years from date hereof, expiring at noon on the 26th day of July 1961 unless sooner forfeited or determined through the violation of any covenants hereinafter against the said lessee reserved.

And in consideration of the said lease, demise and privileges, the lessee does covenant and agree with the lessor as follows; to-witt:-

To enter upon said mining property and premises and work the same mining fashion, in manner necessary to good economical mining so as to take out the greatest amount of ores and minerals practicable with due regard to safety, development and preservation of the said premises as a workable mine.

To prospect, develop, work and mine said premises as aforesaid from the date of this lease as weather and the season of the year, market conditions, availability of materials and machinery, and labor conditions will permit.

To do no act on the premises during the term of this lease which would impede mining operations or impair the operating condition of said mining claims, and generally to so conduct operations as to conform to the laws of the United States and the State of

Washington, and to do no act and suffer no default which might in any manner involve the said lessor, or her ownership in said mining property in liability of any kind or character.

To pay and to deliver to said lessor as rent and royalty seven and one half percent (7½%) of the net yield of all minerals and metals to be extracted from said premises during said term, and to allow said lessor to be present at sampling of ore, and to examine the same.

To deliver up to said lessor the said premises with the appurtenances and all improvements in good order and condition (accidents not arising from negligence alone excusing) without demand of further notice on the said 26th day of July 1961 at noon or at any time previous, upon demand for forfeiture.

It is further agreed that the lessee shall have the right and option to purchase the above described property at any time before the 26th day of July 1961 upon the payment to the lessor or her assigns or administrators on or before said date, the sum of Twenty Five Thousand Dollars (25,000.00) and that the rents and royalties paid by the said lessee shall be applied on the purchase price.

It is further agreed by the lessor that a deed covering the above described property be placed in escrow, and that when the full amount of the purchase price shall have been paid to said lessor the said deed shall be delivered to the lessee by the escrow holder.

Time is the essence of this agreement, and if said purchase and full payment shall not be paid on or before said 26th day of July 1961, then all the rights of the lessee to purchase said property shall without further action on the part of the lessor entirely and completely terminate and be at an end.

Each and every clause and covenant of this indenture shall extend to the heirs, executors, administrators and assigns of all parties hereto.

IN WITNESS WHEREOF, The said parties hereto have hereunto set their hands and seals.

Signed sealed and delivered in the presense of

(May Rummer)

MODERN Gold Dredging Company

By Lee Eller President

KUHN BUILDING

PHONE MAIN 3852

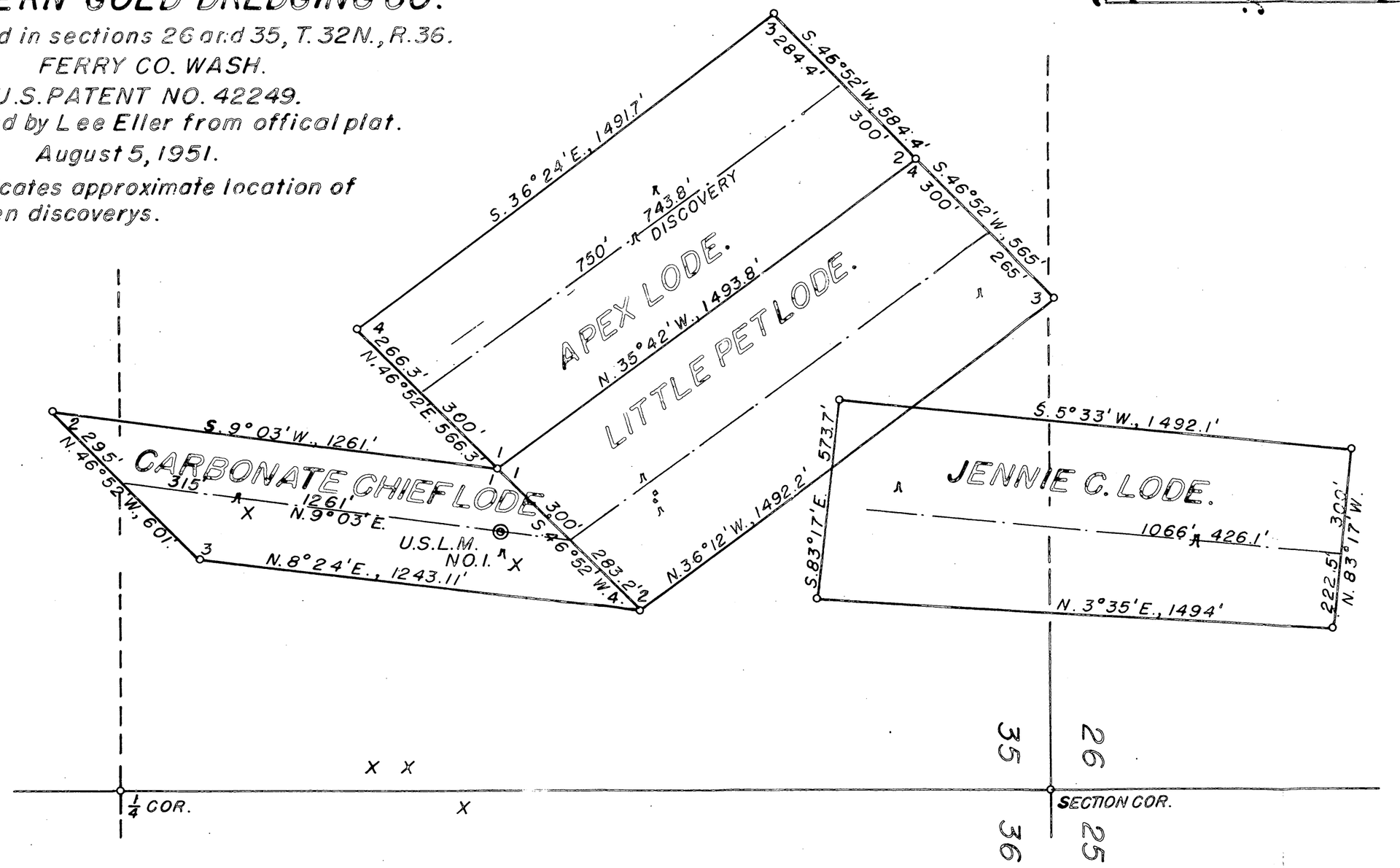
MARK H. COPLEY
LICENSED PUBLIC ACCOUNTANT
AUDITOR
SPOKANE 8, WASHINGTON

MODERN GOLD DREDGING CO. INC.
Spokane, Washington

FINANCIAL STATEMENT
As of March 31, 1951

ASSETS:			
Current Assets:			
Cash in Bank (Old National Bank)	$ 3,593.63		
Total Current Assets		$ 3,593.63	
Fixed Assets:			
One (1) Royal Typewriter	120.00		
Mining Property	300,000.00		
Total Fixed Assets		$300,120.00	
Other Assets:			
Treasury Stock		143,900.00	
Total Assets-			$447,613.63
LIABILITIES:			
Current Liabilities:			
H. Gilbertson	80.00		
M. L. Thompson	750.00		
Accrued Payroll Taxes	155.31		
Total Current Liabilities		$ 985.31	
CAPITAL:			
Authorized Capital Stock Shares (3,000,000.00)	300,000.00		
Capital Stock Subscribed	300,000.00		
Paid in Surplus (Stock Donation)	150,000.00		
	450,000.00		
Profit and Loss Deficit (Deduct)	3,371.68		
		$446,628.32	
			$447,613.63

PLAT SHOWING HOLDINGS OF MODERN GOLD DREDGING CO.

Situated in sections 26 and 35, T. 32N., R. 36.
FERRY CO. WASH.
U.S. PATENT NO. 42249.
Traced by Lee Eller from offical plat.
August 5, 1951.

"X" indicates approximate location of tungsten discoverys.