DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

DATE	INITIALS	CODE
2/26	C	220
		800

FEB 26 1958

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

LaSota-Jones Lead and Zinc Corporation
Metaline Falls, Washington

pertaining to Exploration Project Contract No. Ida-1521, Docket No. ~~DMEA-4090~~, dated August 13, 1956, including Amendments Nos. 1 to 3 inclusive, for the months of September 1956 to November 1957 inclusive, covering a project for the exploration of Lead-Zinc on property known as the LaSota-Jones Property, located in Pend Oreille County, State of Washington.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Government representative who visited and examined the project, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reason:

all of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of units of work actually completed.

The review disclosed the following facts in regard to the amounts paid or to be paid the contractor:

Total cost claimed by Operator	$11,304.80
Exceptions	None
Total accepted cost claimed	$11,304.80

The contract calls for a 50 percent participation of accepted costs. Therefore, payments as follows are valid and proper:

Amount payable on audited claim	$ 5,652.40
Amount reimbursed	5,502.40
Balance due Operator	$ 150.00

C. A. Turner, Auditor

February 20, 1958

Schedule of Work Completed

LaSota-Jones Lead and Zinc Corporation Idm-E991 DMSA-4090

Fixed Unit Costs

Diamond Drilling	1500 ft.	@ $ 7.06 per ft.	$10,590.00
Engineer-Geologist	1 month	@ $ 500.00	500.00
Determinations (Assays)	358	@ $ .60 ea.	214.80
Total Accepted Costs			$11,304.80

C. A. Turner, Auditor

February 20, 1958

Mail Library
DMEA
RECEIVED MAR 17 1958
DATE | CODE
800

So. 157 Howard Street
Spokane 4, Washington

March 13, 1958

LaSota-Jones Lead and Zinc Corporation
Metaline Falls, Washington

Re: Docket No. DMEA-4090 (Lead-Zinc)
LaSota-Jones Property
Pend Oreille County, Washington
Contract No. Idm-1991

Gentlemen:

Enclosed for your information and files is a copy of the Report of Review dated February 20, 1958, by C. A. Turner, DMEA Auditor. This Report of Review covers the period of September 1956 to November 1957, inclusive.

This report shows a balance due the LaSota-Jones Lead and Zinc Corporation of $150. This money was scheduled for release March 5, 1958, and you no doubt have received payment by now.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region 1

Enclosure

cc: DMEA (3)
USBM (2)
USBM (AD)
Turner

RECEIVED
DATE CODE
800

1201 N. Division St.
Spokane 2, Washington

February 11, 1958

Mr. G. A. Turner
DMEA Auditor, Region I
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. DMEA-4090 (lead-zinc)
Lafeta-Jones Lead Zinc Corporation
Pend Oreille County, Washington
Contract No. IDm-8991

Dear Mr. Turner:

The project work under the referenced contract was completed in November 1957. All the work performed was done to the satisfaction of the Government.

A final inspection report on the completed work was submitted by G. G. Marshall on November 25, 1957.

The Operator's final engineering and geological report was received on February 7, 1958. It is considered as having met the requirements of Article 5(e) of the contract.

The Government has no equity in equipment or supplies used on the project.

The Field Team final report will not recommend a Certification of Discovery or Development.

Work units completed within the terms of the contract are:

	Authorized	Completed
Diamond drilling	1500 feet	1641 feet
Engineer-geologist	$500.00	$500.00
Assays (determinations)	366	358

It is now in order for you to issue your Report of Review.

By Field Team, Region I

Wing G. Agnew, Member
U. S. Bureau of Mines

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

Standard Form No. 1034—Revised
Form prescribed by
Comptroller General, U.S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

RECEIVED MAR 10 1958

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. 2130

U.S. .....
(Department, bureau, or establishment)

Voucher prepared at Spokane, Washington 3/5/58
(Give place and date)

THE UNITED STATES, Dr.,

Payee's Account No. Idm-8991

To LaSota-Jones Lead-Zinc Corporation
(Payee)

Metaline Falls Washington
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	November 1957	Amount withheld when paying Voucher No. 2078, dated December 2, 1957				150	00
		FINAL PAYMENT					
		Use continuation sheet(s) if necessary					

PAYMENT:
Complete ☐
Partial ☐
Final ☐

Shipped from to Weight Government B/L No. Total 150 00

I certify that the above bill is correct and just and that payment therefor has not been received.

(Sign original only)

Date ..... *Payee .....
(This certificate not required when a like certificate is made by payee on attached bill or bills)

Per ..... Title .....

(Payee must NOT use this space)

Differences .....

Account verified; correct for 150 00

(Signature or initials) D. L.

Contract No. Date Req. No. Date Invoice Rec'd.

Pursuant to authority vested in me, I certify that this account is correct and proper for payment.

† Approved for $ .....

By .....

Title .....

SIGN ORIGINAL ONLY

† .....
(Authorized Certifying Officer)

Title .....

Date .....

THE REVERSE OF THIS FORM MUST BE EXECUTED WHEN PURCHASES ARE MADE OR SERVICES SECURED WITHOUT WRITTEN AGREEMENT IN ANY FORM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19..... Payee .....
(Sign original only)

Per .....

Title .....

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be.

† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign on the line below "Approved for $.....", and over his official title.

16—22900-3

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4).

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

16—22900-2 ☆ U. S. GOVERNMENT PRINTING OFFICE : 1950—O-75806

MASTER COPY
DMEA
RECEIVED MAR 10 1958
CODE

1201 N. Division St.
Spokane 2, Washington

March 4, 1958

Mrs. Dorothy Long, Certifying Officer
DMEA Field Team, Region I
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. DMEA-4090 (lead-zinc)
LaSota-Jones Lead-Zinc Corporation
Pend Oreille County, Washington
Contract No. Ida-5991

Dear Mrs. Long:

The project work under the referenced contract was completed in November 1957. All the work performed was done to the satisfaction of the Government.

The Government has no equity in equipment or supplies used on the project.

A Certification of Discovery or Development will not be recommended.

A final Report of Review dated February 20, 1958 by DMEA Auditor C. A. Turner has been received.

As all contract requirements have been met, it is requested that final settlement of our account with the Operator be made.

Sincerely yours,

A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region I

cc: DMEA (2)
USGS (2)
Contract Admin. & Audit Div. (2)
Docket

EXTRA COPY
DMEA
RECEIVED MAR 10 1958
DATE CODE
8CC

1201 N. Division St.
Spokane 2, Washington

March 4, 1958

Mrs. Dorothy Long, Certifying Officer
DMEA Field Team, Region I
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. DMEA-4090 (lead-zinc)
LaSota-Jones Lead-Zinc Corporation
Pend Oreille County, Washington
Contract No. Idm-E991

Dear Mrs. Long:

The project work under the referenced contract was completed in November 1957. All the work performed was done to the satisfaction of the Government.

The Government has no equity in equipment or supplies used on the project.

A Certification of Discovery or Development will not be recommended.

A final Report of Review dated February 20, 1958 by DMEA Auditor C. A. Turner has been received.

As all contract requirements have been met, it is requested that final settlement of our account with the Operator be made.

Sincerely yours,

A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region I

cc: DMEA (2)
USGS (2)

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED DEC 9 1957 D.M.E.A.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Aug., 1957 Docket No. DMEA 4090 Contract No. Idm 991

Operator's Name La Sota-Jones Lead-Zinc Corp Minerals Lead-Zinc

Address Metaline Falls Washington

Contract Amount, $ 11,310.00 Government Participation: 50 % Amount, $ 5,665.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling 244 ft	1722.64	8867.36	10590.00	1722.64	8867.36	10590.00
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services Ing-Geo	83.00	417.00	500.00	83.00	417.00	500.00
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	0	214.80	214.80		214.80	214.80
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1805.64	9499.16	11304.80	1805.64	9499.16	11304.80

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Nov 18, 57 *Payee La Sota-Jones Lead-Zinc Co

Per F. P. La Sota Title Pres

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

902.82
Withheld 150.00
Pay - 752.82

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 752.82

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 12/2/57 Vou. No. 2078
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 991 in accordance with the terms of the contract.

Signature /s/ Galen G. Waddell Title Mining Engr. Date 11/20/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Nov. 25, 1957

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED DEC 9 1957 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1957 Docket No. DMEA 4090 Contract No. Idm 991
Operator's Name La Sota-Jones Lead-Zinc Corp Minerals Lead-Zinc
Address Metaline Falls Washington

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								706/ft
Drilling: Core	ft	1722.64	244	10590.00	1500	10590.	1500	~~10590.00~~
Churn								
Auger								
Stripping								
Trenching								
Test Pits Assay	0	0	0	214.80	358	214.80	366	.60
Roads and Trails								
Ing-Geologist		83.00		500.00		500.00		500.00
Total Distributed Costs		1805.64		11304.80				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								

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

Date Nov 18, 1957 Operator La Sota Jones Lead Zinc Co

Per F. P. La Sota Title Pres

Remarks: Hole No 6 was drilled to a depth of 385 ft of which 244 ft is applied to contract and figures above.

→ NOTE.—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.

(Instructions on reverse)

(For Government use only)

/s/ Galen G. Waddell, Mining Engr. 11/20/57

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

Metaline Falls, Washington
November 16, 1957

Mr. Phillip La Sota
Present:

D.M.E.A. Contract No. 4090
La Sota - Jones Property

12/9 gs 220
100
800

Progress Report for August, 1957

Hole No. 6 was finished to a depth of 385 ft. of which 244 ft. may be applied on the D.M.E.A. contract. The contract with the D.M.E.A. has thus been completed making a total of 1500 ft. drilling in six holes.

Core from Hole No. 6 consisted of creamy gray dolomite, highly fractured, especially in the lower portion of the hole. To a depth of approximately 200 ft. the rock was considerably leached leaving a residue of porous limonite making up about 15% of the total. No visible lead or zinc mineralization was seen in the core and for this reason no samples were taken for assay.

Hole No. 6 was recommended in order to determine the southeastward extension of mineralization from the surface outcrops through Holes 1 and 2. Negative results in Hole 6 indicates that there is no great extension of mineralization and further testing of this particular area does not appear to be justified, other than extracting the ore exposed in the outcrops.

Respectfully submitted

Roy A. Anderson

Roy A. Anderson
Geologist

D.M.E.A. Contract No. 4090 Hole No. 6

DRILL LOG

Depth	DESCRIPTION
0 - 385 ft.	Creamy textured light gray dolomite, occasionally gougey with thin beds of light red shale. Porous limonitic replacements to a depth of about 200 ft. making up approximately 15% of the core.

22-24 leached with considerable iron oxide
27-28 zebra dolomite
37-38 broken gougey dolomite
57-58½ breccia zone
@ 61 4" of gouge
@ 63 4" ctn. black dolomite fragments
@ 66 1" of light red shale
@ 71 2" breccia with shale fragments
@ 81 Red shale and gouge
82-83 Gouge zone
87-88 Broken brecciated dolomite
@ 90 6" gouge
@ 97 6" gouge
100-105 broken core
109-110 Red shaley dolomite
116-118 Broken core
@ 122 8" broken core
129-130 Broken core - gougey
134 Red Shale
@ 149 Small shale bands partially weathered and leached
@ 189 ½" red shale
@ 191 ½" red shale
@ 222 8" calcite
@ 269 1" shale and oxide
309-310 Gouge, fault breccia
312-313 " " "
314-315 " " "
325-326 " " "
329-330 " " "
334-336 " " "
339-340 Shaley dolomite
344-346 " "
366-385 Broken core
@ 370 gouge
@ 365 Shaley dolomite

Indications of solution cavities throughout

No visible mineralization of lead or zinc

(end of hole)

Form MF-104 (Rev. April 1952)

Budget Bureau No. 42-R1036.5

RECEIVED AUG 6 1957 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1957 Docket No. DMEA 4090 Contract No. Idm 991

Operator's Name La Sota-Jones Lead Zinc Corp Minerals Lead-Zinc

Address Metaline Falls, Wash

Contract Amount, $ 11.310.00 Government Participation: 50 % Amount, $ 5.655.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling 157 ft	1108.42	7758.94	8867.36	1108.42	7758.94	8867.36
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
~~Labor~~ Ing Geologist	52.00	365.00	417.00	52.00	365.00	417.00
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	69.60	145.20	214.80	69.60	145.20	214.80
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1230.02	8269.14	9499.16	1230.02	8269.14	9499.16

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Aug 12 *Payee LaSota-Jones Lead-Zinc Co

Per F P La Sota Title Pres

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 615.01

Signature Dorothy F. Lang (Authorized Certifying Officer)

Date 8/30/57 Vou. No. 2032

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 991 in accordance with the terms of the contract.

Signature /s/ M. R. Licker Title Mining Engr. Date 8/16/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Aug. 21, 1957

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

RECEIVED SEP 4 1957 D.M.E.A.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1957 Docket No. DMEA 4090 Contract No. Idm 991

Operator's Name La Sota-Jones Lead-Zinc Corp Minerals Lead-Zinc

Address Metaline Falls, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								7.06/ft.
Drilling: Core	ft	1108.42	157	8867.36	1256	8867.36	1500	~~10590.00~~
Churn								
Auger								
Stripping								
Trenching								.60 ea.
Test Pits Assay		69.60	116	214.80	358	214.80	366	~~220.00~~
Roads and Trails								
Eng Geologist		52.00		417.00		417.00	1 mo.	500.00
TOTAL DISTRIBUTED COSTS		1230.02		9499.16				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

Date Aug 12, 57 Operator Lasota-Jones Lead-Zinc Co

Per F. P. La Sota Title Pres

REMARKS: Hole No ~~X~~ 4 is cutside the ore trend and think it does not warrent assaying

NOTE.—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.

(Instructions on reverse)

(For Government use only)

/s/ M. R. Lecher, Mining Engr.

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

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DATE	INITIALS	CODE

Metaline Falls, Washington
August 10, 1957

Mr. Phillip La Sota
Present:

D.M.E.A. Contract No. 4090
La Sota-Jones Property

Progress Report for July, 1957

During the month of July Hole No. 4 was drilled from 147 ft. to 304 ft., a distance of 157 ft. A complete log of this core is presented on the attached page. No lead nor zinc mineralization was present in this core and it is recommended that the sludge not be assayed. The hole is beyond the limits of mineralization proven in Holes 1 and 2.

Sludge samples from Hole No. 3, the results of which accompany this report, were found to be blank in lead and zinc values.

With the completion of Hole No. 4, the required five holes have been finished as recommened by the D.M.E.A. The net result of the drilling has been to establish a trend of mineralization from the outcrops southeastward enclosing Holes 1 and 2 and possibly extending further southeastward toward the original La Sota outcrop. Hole No. 6 has been collared on the crest of the ridge about 250 ft. southeast of Hole No. 1 along the trend of mineralization suggested by previous drilling.

Insofar as Hole No. 6 will probably prove definitely the trend established by the first five holes, I believe that it would be reasonable that the D.M.E.A. include this hole together with the previous five holes in their contract. Furthermore their contract calls for 1500 ft. of drilling, of which 1256 ft. was consumed on the first five holes, leaving a possible 244 ft. which could be applied to an additional hole.

July 1957

The ore mineralization, rather than being controlled by a fracture or fault system, seems to have an alignment along the crest of a "roll" or drag fold developed in the bedding of the limestone. The long dimension of this type of ore body would trend northwest-southeast and plunging slightly toward the southeast. In cross section the shape would be in the form of a crescent. This type of structure has been recognized in the Reeves-McDonald orebody and also at the H.B. Mine both in British Columbia.

Roy A. Anderson
GEOLOGIST

D.M.E.A. Contract No. 4090 Hole No. 4

DRILL LOG

Depth	Description
0 - 18	Light gray broken dolomite
18 - 25	Brown earthy dolomite, considerable iron oxide stain
25 - 38	Gray dolomite with scattered iron oxide stain
38 - 43	Brecciated dolomite re-cemented with calcite in coarse fracture fillings
43 - 45	Sandy dolomite with much light brown to yellow iron oxide
45 - 109	Gray broken dolomite, 3" red shale at 72 and94 ft. Contains variable amounts of iron oxide stain.
109 - 113	Gray dolomite containing up to 20% calcite variable iron oxide staining.
113 - 123	Gray broken dolomite
123 - 125	Shaley limestone with much iron oxide stain
125 - 147	Broken gray dolomite with prominent iron oxide staining at 129-130 and 138-141 ft.
147-- 152	Brecciated dolomite cemented with calcite, some red shale at 150 ft.
152 - 165	Light gray dolomite, somewhat mottled, red shale at 157 ft.
165 - 166	Brecciated dolomite cemented with calcite
166 - 171	Light gray mottled dolomite
171 - 179	Brecciated and gougey dolomite
179 - 183	Light gray dolomite
183 - 188	Dark gray dolomite
188 - 195	Light gray mottled dolomite
195 - 215	Brecciated and gougey dolomite, fine grained calcite, black shale at 214 ft.
215 - 226	Dark gray massive dolomite
226 - 234	Light gray massive dolomite
234 - 236	Red shaley dolomite
236 - 241	Light gray massive dolomite
241 - 243	Red shaley dolomite
243 - 247	Light gray massive dolomite
247 - 248	Brecciated red shaley dolomite
248 - 253	Light gray massive dolomite
253 - 256	Brecciated and gougey light gray dolomite
256 - 262	Light gray dolomite, carbonaceous residue at 260 ft.
262 - 263	Red shaley limestone
263 - 268	Light gray massive dolomite
268 - 269	Gouge zone
269 - 304	Light and dark gray mottled dolomite with some calcite replacements. Some iron oxides at 292 ft.

(and of hole)

August 1, 1957

Statement to

La Sota-Jones Lead Zinc Corp.
Metaline Falls, Washington

Technical Services during the last week of July 1957 amounting to approximately 3 days $52.00

Roy A Anderson

Roy A. Anderson
Geologist

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METALINE FALLS, WASH., August 8, 1957

PEND OREILLE MINES & METALS CO.

IN ACCOUNT WITH

INVOICE NO. .....

CHECK NO. .....

F. P. LaSota
Metaline Falls, Washington

		Distribution	Dr.
Diamond drill assays 116 determinations @ 60¢ each	$69.60		

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PEND OREILLE MINES & METALS CO.

ASSAY REPORT

Hole No 3

F. P. LaSota ..... August 8, ... 195 7

DATE	SAMPLE	Pb	Zn		
	Diamond Drill Sludge				
	12-17	no	no		
	17-22	no	no		
	22-27	no	no		
	27-32	no	no		
	32-37	no	no		
	37-42	no	no		
	42-47	no	no		
	47-52	no	no		
	52-57	no	no		
	57-62	no	no		
	62-67	no	no		
	67-72	no	no		
	72-77	no	no		
	77-82	no	no		
	82-87	no	no		
	87-92	no	no		
	92-97	no	no		
	97-102	no	no		
	102-107	no	no		
	107-112	no	no		
	112-117	no	no		
	117-122	no	no		
	122-127	no	no		

Robert M. Townsend ..... ASSAYER

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PEND OREILLE MINES & METALS CO.

ASSAY REPORT

Hole No 3

P. P. LaSota ..... August 8, 1957

DATE	SAMPLE	Pb	Zn		
	Diamond Drill Sludge				
	127-132	no	no		
	132-137	no	no		
	137-142	no	no		
	142-147	no	no		
	147-152	no	no		
	152-157	no	no		
	157-162	no	no		
	162-167	no	no		
	167-172	no	no		
	172-177	no	no		
	177-182	no	no		
	182-187	no	no		
	187-192	no	no		
	196-197	no	no		
	197-202	no	no		
	202-207	no	no		
	207-212	no	no		
	212-217	no	no		
	217-222	no	no		
	222-227	no	no		
	227-232	no	no		
	232-237	no	no		
	237-242	no	no		

Robert M. Townsend ASSAYER

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SEP 6 1957
D.M.E.A.

PEND OREILLE MINES & METALS CO.

ASSAY REPORT

Hole No 3

F. P. LaSota ..... August 8, ... 1957

DATE	SAMPLE	Pb	Zn		
	Diamond Drill Sludge				
	242-247	no	no		
	247-252	no	no		
	252-257	no	no		
	257-262	no	no		
	262-267	no	no		
	267-272	no	no		
	272-277	no	no		
	277-282	no	no		
	282-287	no	no		
	287-292	no	no		
	292-297	no	no		
	297-302	no	no		
	***				

Robert W. Townsend ASSAYER

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Ser 6 1957
D.M.E.A.

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1957 Docket No. DMEA 4090 Contract No. Idm 991
Operator's Name La Sota-Jones Lead-Zinc Corp Minerals Lead-Zinc
Address Metaline Falls, Wash.
Contract Amount, $ 11.310.00 Government Participation: 50 % Amount, $ 5.655.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling 450 ft	3177.00	4581.94	7758.94	3177.00	4581.94	7758.94
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services Eng-Geo	150.00	215.00	365.00	150.00	215.00	365.00
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	0	145.20	145.20	95.40	49.80	145.20
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3327.00	4942.14	8269.14	3422.40	4846.74	8269.14

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I certify that the above bill is correct and just and that payment therefor has not been received.

Date July 5,57 *Payee La Sota-Jones Lead-Zinc Corp

Per J. P. La Sota Title Pres

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1711.20

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 7/19/57 Vou. No. 2006

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 991 in accordance with the terms of the contract.

Signature /s/ M. R. Licker Title Mining Engr. Date July 10, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec Officer Date July 12, 1957

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1957 Docket No. DMEA 4090 Contract No. Idm 991
Operator's Name La Sota-Jones Lead-Zinc Corp Minerals Lead Zinc
Address Metaline Falls, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	ft	3177.00	450	7758.94	1099	7758.94	1500	10.590.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits assay		0		145.20		145.20		220.00
Roads and Trails								
Ing-Geologist		150.00		365.00				500.00
TOTAL DISTRIBUTED COSTS		3327.00		8269.14				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

Date July 5.57 Operator La Sota-Jones Lead-Zinc Corp

Per F. P. La Sota Title Pres

REMARKS: Due to a backlog of work at the Pend Oreille Mine Lab it will take from one to two weeks to get returns on ~~same~~ assays

→ NOTE.—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.

(Instructions on reverse)

(For Government use only)

RECEIVED JUL 1957 D.M.E.A.

1/s/ M. R. Licker
Mining Engr.

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

Metaline Falls, Wash.
July 3, 1957

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D.M.E.A. Contract No. 4090
La Sota - Jones Property

PROGRESS REPORT FOR JUNE, 1957

During the month of June, a total of 450 ft. was diamond drilled consisting of 303 ft. in Hole No. 3 and 147 ft. in Hole No. 4. Sludge samples were taken which represent each five feet of hole length and at the present time are being assayed for lead and zinc values. No core samples are to be taken until authorized to do so by the D.M.E.A. representatives.

The holes were correctly located according to the specifications of the contract and were both drilled in a vertical direction.

Core recovery was estimated to be approximately 95%.

Hole No. 4 is being continued to the required depth, after which I recommend that the drill be moved to a location about 200 ft. to the East where the possible eastward trend of mineralization may be intersected by a vertical hole on the order of 300 ft. deep.

No recognizable commercial mineralization was seen in this core from either Hole no. 3 nor no. 4. However, the sludge assays may indicate the more favorable horizons from which core samples may be taken.

F.P. La Sota
President
La Sota - Jones Lead Zinc Corp.

Roy A. Anderson
Geologist

D.M.E.A. Contract No. 4090 Hole No. 3

DRILL LOG

Depth	Description
0- 57	Gray massive dolomite with iron oxide staining at 33-36 ft. At 44 ft. banding st 45° to core axis
57- 58	Dark gray porous dolomite, apparently highly leached.
58-135	Gray dolomitewith iron oxide at 62 ft. Red shale band at 70 ft., 99 ft., 102 ft., and 115 ft. At 82 Ft. banding at 45°. Possible leached zinc mineralization at 122-132 ft.
135-165	Light gray dolomite containing more calcite. At 145 ft. banding at 45°.
165-190	Broken gray dolomite, more massive and without iron oxide except in fine-grained cavities. Red shale at 177 Ft.
190-218	Light gray dolomite, more massive and without iron oxide. Banding at 90°
218-252	Light gray massive dolomite, somewhat broken and re-cemented with calcite. Red shale at 224 ft.
252-260	Red shaley dolomite.
260-303	Broken darker dolomite with some paligorskite. Shaley at 272, 276, and 280 ft.

(end of hole)

OFFICIAL FILE COPY
D M E A
RECEIVED JUL 29 1957
DATE | CODE

D.M.E.A. Contract No. 4090 Hole No. 4

DRILL LOG

Depth	Description
0- 18	Gray broken dolomite.
18- 25	Brown earthy dolomite, considerable iron oxide stain.
25- 38	Gray dolomite with scattered iron oxide stain
38- 43	Broken dolomite re-cemented with calcite in coarse fracture fillings.
43- 45	Sandy dolomite with much light brown to yellow iron oxide.
45-109	Gray broken dolomite, 3" red shale at 72 ft. and 94 ft. Contains variable amounts of iron oxide stain.
109-113	Gray dolomite containing up to 20% calcite with variable iron oxide staining.
113-123	Gray broken dolomite.
123-125	Shaley limestone with much iron oxide staining.
125-147	Broken gray dolomite with prominent iron oxide staining at 129-130 ft. and 138-141 ft.

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DMEA Field Team, Region I July 22, 1957

DMEA Certifying Officer, Region I

Contract Idm-3991, LaSota-Jones Lead and Zinc Corporation
Monthly operating report for June 1957

The subject operating report has been processed and forwarded to the Disbursing Officer for payment.

An amount of $95.40 has been added to the June MF-104 submitted by the Operator. This covers 159 determination assays @ $.60 each which were suspended on the October 1956 MF-104, Voucher No. 1904, dated December 5, 1956, pending action by Washington on an Amendment.

Dorothy F. Long

cc: DMEA (2)
USGS (2)
Contract Admin. (2)
ML
AD

OFFICIAL FILE COPY
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DATE | INITIALS | CODE

1201 N. Division St.
Spokane 2, Washington

July 22, 1957

8.00

LaSota-Jones Lead and Zinc Corporation
Metaline Falls, Washington

Re: Docket No. DMEA 4090
Contract No. Idm-E991
Monthly operating report
for June 1957

Gentlemen:

Your attention is directed to the attached copy of a memorandum to the Field Team from the DMEA Certifying Officer which explains the addition made on the June MF-104.

By Field Team, Region I

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

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: DMEA (2)
USGS (2)
AD

DMRA Field Team, Region I July 22, 1957

DMRA Certifying Officer, Region I

Contract 16m-N991, LaSota-Jones Lead and Zinc Corporation
Monthly operating report for June 1957

The subject operating report has been processed and forwarded to the Disbursing Officer for payment.

An amount of $95.40 has been added to the June MF-104 submitted by the Operator. This covers 159 determination assays @ $.60 each which were suspended on the October 1956 MF-104, Voucher No. 1904, dated December 5, 1956, pending action by Washington on an Amendment.

Dorothy F. Long

cc: DMRA (2)
USGS (2)

EXTRA COPY
DATE
RECEIVED
DATE | CODE

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. (u)

Bu. Vou. No. 2001

U. S. _____
(Department, bureau, or establishment)

Voucher prepared at Spokane, Washington 7/5/57
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E991

To La-Sota Jones Lead-Zinc Corporation
(Payee)

Metaline Falls, Washington
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	October 1956	Amount withheld when payment was made under Voucher #1904, dated 12/5/56, pending resumption of work				100	00
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	100	00

(Payee must NOT use this space)

Differences _____

Account verified; correct for 100 00

(Signature or initials) _____

Contract No. Date Req. No. Date Invoice Rec'd.

MEMORANDUM

RECEIVED

ACCOUNTING CLASSIFICATION (For completion by Administrative Officer)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. _____ dated _____, 19____, for $_____ / Cash, $_____, on _____, 19____ } on Treasurer of the United States in favor of payee named above.

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

☆ U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22900a-2

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1956 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $ [illegible] Government Participation: [illegible] % Amount, $ [illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	[illegible]	[illegible]	[illegible]	1913.26	2668.68	4581.94
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services	90.00	125.00	215.00	90.00	125.00	215.00
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	95.00	60.00	155.00	-0-	49.80	49.80
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	[illegible]	[illegible]	[illegible]	2003.26	2843.48	4846.74

RECEIVED DEC 10 1956 D.M.E.A.

I certify that the above bill is correct and just and that payment therefor has not been received.
Date [illegible] *Payee [illegible]
Per [illegible] Title [illegible]

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

approved 1001.63
withheld 100.00
901.63

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 901 63

Signature [illegible]
(Authorized Certifying Officer)

Date 12-5-56 Vou. No. 1904
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 991 in accordance with the terms of the contract.

Signature 151 M R Rickles Title Mining Engr. Date 11-29-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 151 A. E. Weissenborn Title Exec Officer Date 12-3-56

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1956 Docket No. DMEA 4090 Contract No. Idm 991

Operator's Name La Cota-Jones Lead-Zinc Corp Minerals Lead-Zinc

Address Metaline Falls, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	ft	1913.26	271	4501.94	649	4501.94	1500	10.590.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits Assay		~~95.40~~		145.20				220.00
Roads and Trails								
Eng-Geologist		90.00		215.00				500.00
TOTAL DISTRIBUTED COSTS		~~2098.66~~ 2003.26		~~4942.14~~ 4846.74				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2003.26		4846.74				

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

Date 11-20-56 Operator La Cota-Jones Lead Zinc Corp

Per F. P. LaCota Title Pres

REMARKS:

NOTE.—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.

(Instructions on reverse)

(For Government use only)

Is. M. R. Rickes
Mining Engr.

RECEIVED
DEC 10 1956
D.M.E.A.

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

Metaline Falls, Washington
November 20, 1956

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DEC 10 1956

Mr. Philip La Sota
Present

U.M.E.A. Contract No. 4090
La Sota - Jones Property

Progress Report for October, 1956

During the month of October, Hole No. 1 was finished to a depth of 204 ft. and Hole No. 5 to a depth of 202 ft. Total drilling for the month was 271 ft. Drilling was suspended for the winter on October 24th due to snow.

Both holes were drilled vertically at the locations specified by the U.M.E.A. engineers.

Sludge samples were taken representing each five-foot run and core samples were taken of the better mineralized sections. Core recovery was 91% in Hole No. 1 and 95% in Hole No. 5.

Assays from sludge samples of Hole No. 1 indicated a 25 ft. mineralized section from 103 to 128 ft. containing an average of 1.1% Zinc. Core samples from this same section were assayed and indicated an average of 0.15% Lead and 0.06% Zinc.

Assays from sludge samples from Hole No. 5 contained traces of zinc at 8 to 13 ft., 38 to 63 ft., 88 to 93 ft., and 133 to 163 ft. Core samples taken at these horizons contained traces of lead, zinc, and silver. Except for traces, Hole No. 5 may be considered a blank hole.

In Sola-Zinc

Further sampling of the core from Hole No. 2 substantiated the mineralized zone from 90 to 105 ft. The best sample from 95 to 100 ft. contained 1.25% zinc of which 1.13% was Zn. The average over a thickness of 15 ft. was 0.73% zinc.

When the drilling program is resumed in the spring it is recommended that the present program be completed and that sufficient footage be allowed to complete a deeper hole 200 ft. southeast of the better of the five holes of the present program. The purpose of the deeper hole would be to penetrate below the oxide zone further down the dip from the outcrop.

The present method of sampling the core from the better sections as indicated by sludge samples seems to be satisfactory.

Sincerely yours,

Roy A. Anderson

Roy A. Anderson
Geologist

Enclosures:

Cross sections of Holes No. 1, 2, and 5
Drill logs of Holes No. 1, 2, and 5
Assay Certificates
Cores from Holes 1, 2, and 5
Sludges from Hole No. 1
Sludges from Hole No. 5

Drill Log

Depth	Description
0 - 23	Pink dolomite, highly broken
23 - 29	Gouge zone
29- 53	Pink to brown dolomite, highly broken
53-103	Brecciated and re-cemented dolomite, etc. much secondary calcite
103-120	Recemented dolomite breccia containing visible galena
120-204	Pink dolomite breccia, shaly and sandy cement

End of Hole

Core Recovery: 132 ft. in 197 ft. of hole cored.
67%

Samples:

Sludge samples indicated continuous low grade mineralization from 63 ft. to 193 ft. with the following results:

Depth	% Pb	% Zn	% Pb	% Zn
63- 68	No	0.10		
68- 73	No	Tr.		
73- 78	No	Tr.		
78- 83	No	Tr.		
83- 88	No	0.05		
88- 93	No	Tr.		
93- 98	No	0.10		
98-103	No	0.15		
103-108	No	0.30		
108-113	0.13	0.53		
113-118	Tr.	0.15		
118-123	No	2.35		2.00
123-128	No	1.00		1.50
128-133	No	0.10		
133-138	No	0.10		
138-143	No	0.20		
143-148	No	Tr.		
148-153	No	0.05		
153-158	No	0.20		
158-163	No	Tr.		
163-168	No	0.10		
168-173	No	Tr.		
173-178	No	Tr.		
178-183	No	Tr.		
183-188	No	Tr.		
188-193	No	Tr.		

Drill Log

The sludge samples from 103 to 128 ft. indicated 25 ft. averaging 1.0% to a trace lead and 1.1% zinc. Core samples taken from 103 to 128 ft. were assayed with the following results:

Depth	% Pb	% Zn	% FeO	% MnO	Au
103-108	Tr.	0.20			Tr.
108-113	0.10	0.05			Tr.
113-118	0.10	0.70	0.23		Tr.
118-123	0.05	1.45		1.20	Tr.
123-128	Tr.	1.30		0.80	Tr.

The core samples indicated 25 ft. averaging 6.25% lead and 0.86% zinc.

Drill Log

Depth	Description
0 - 243	Uniform core, highly broken pink to gray dolomite

End of Hole

Samples:

Sludge samples of Hole No. 2 were taken below the mineralized horizon and showed no values.

Core samples were taken from the more promising looking portions with the following assayed results:

Depth	Pb	Zn	PbO	ZnO	As
62- 67	No	0.50			Tr.
70- 81	No	No			Tr.
90- 95	Tr.	0.20			Tr.
95-100	Tr.	1.25		1.13	Tr.
100-105	Tr.	0.65			Tr.
105-110	0.07	Tr.			Tr.
110-115	Tr.	Tr.			Tr.
115-120	Tr.	Tr.			Tr.
120-125	No	No			Tr.
125-130	No	No			Tr.
160-163	No	No			

Samples taken during September indicated a 5 ft. zone of mineralization containing 1.8% Zn. This is partially verified by the sample from 95 to 100 ft. which assayed 1.25% Zn.

Drill Log

Depth	Description
0- 63	Highly broken core of pink dolomite, contains small amount of limonite small spot of galena at 14 ft.
63- 75	Pink dolomite
75- 76	Gouge zone
76- 90	Pink dolomite
90-110	Brown sandy dolomite (recemented breccia)
110-126	Pink dolomite
126-127	Gouge zone
127-142	Brown brecciated dolomite
142-143	Dark gray dolomite
143-146	Brecciated dolomite, ctn. some shale
146-149	Banded gray dolomite
149-150	Gouge zone
150-170	Pink and gray dolomite
170-173	Recemented dolomite breccia
173-178	Pink to gray dolomite
178-180	Gouge zone
180-193	Pink to gray dolomite
193-202	Recemented breccia

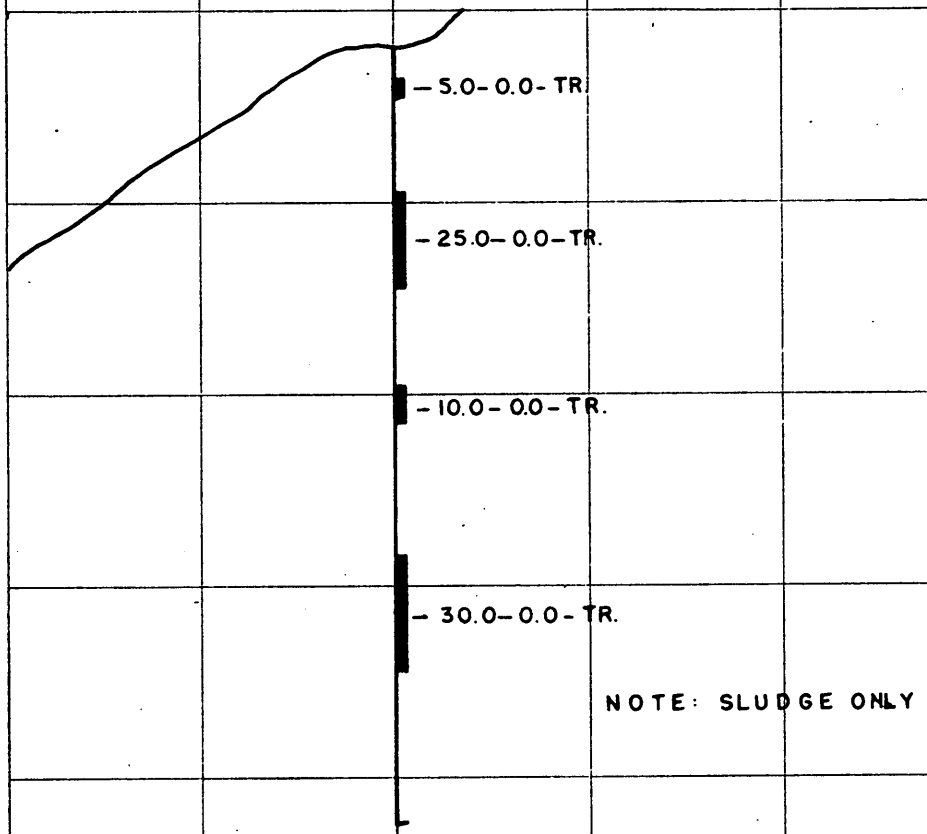
End of Hole

Core recovered: 184 ft. in 194 ft. of coring
95%

Samples:

Sludge samples contained no lead but contained a trace of zinc at the following depths: 8 to 13 ft., 38 to 63 ft., 88 to 93 ft., and 133 to 163 ft.

Core samples taken at 8-13 ft., 38-43 ft., 88 to 93 ft., and 158-163 ft. were assayed and contained traces of lead, zinc, and silver.



NOTE: SLUDGE ONLY

SECTION HOLE No. 5

LA SOTA — JONES PROPERTY

PEND OREILLE COUNTY, WASHINGTON

SCALE 1"-50'

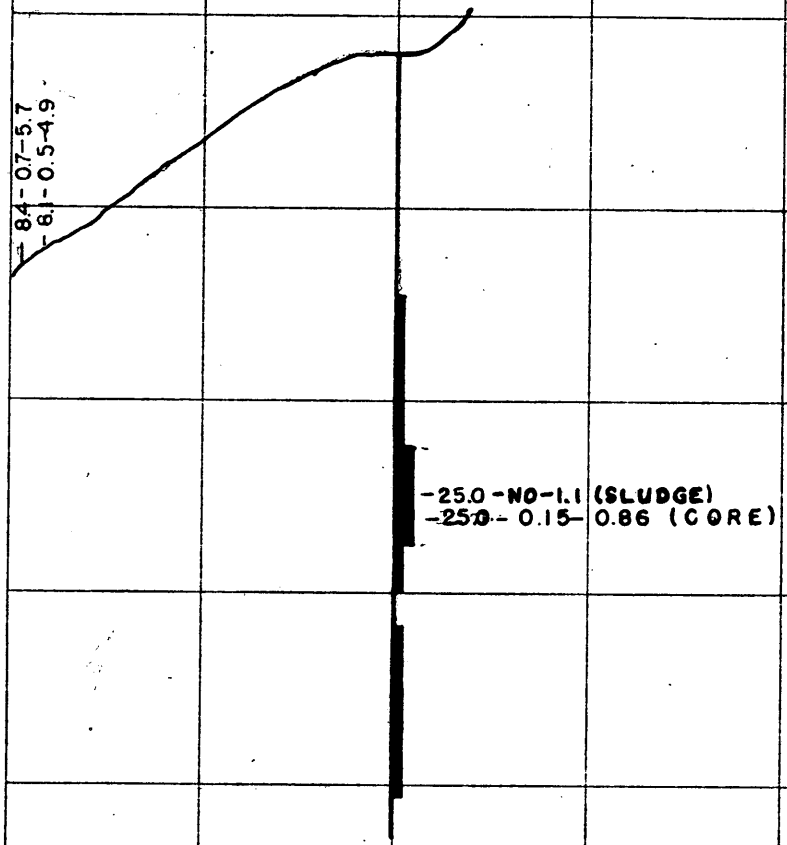
VALUES SHOWN AS- WIDTH Ft.-% Pb -% Zn

DMEA No. 4090

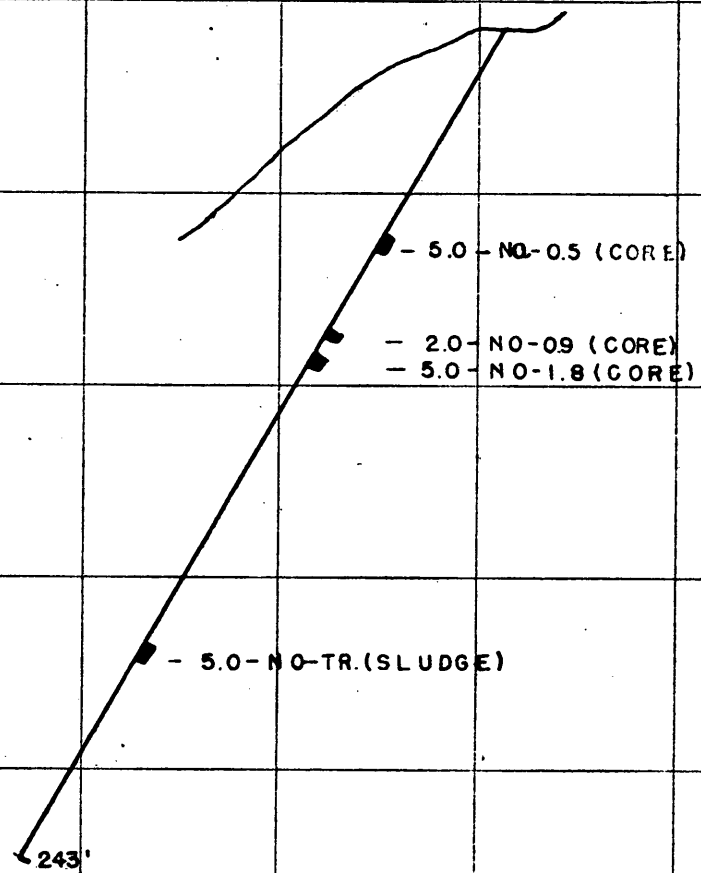
RA
Nov. 18, 1956

"ALBANENE" No. 196M K&E CO., N.Y.
REG. U.S. PAT. OFF.

RECEIVED
DEC 10 1966
DAMICA



SECTION - HOLE NO. 1



SECTION - HOLE NO. 2

LA SOTA - JONES PROPERTY

PEND OREILLE COUNTY, WASHINGTON

SCALE 1" = 50'

VALUES SHOWN AS - WIDTH FT. - % Pb - % Zn

DMEA 4090

RA.

Nov. 18, 1956

"ALBANENE" No. 1GBM K&E CO., N.Y. REG. U.S. PAT. OFF.

RECEIVED
DEC 10 1955
D.M.E.L.

PEND OREILLE MINES & METALS CO.

METALINE FALLS, WASHINGTON

CAR ASSAY SHEET

LA SOTA

Nov. 6, 1956

CAR INITIAL	CAR NUMBER	SMELTER LOT	MINE LOT	Moisture Per Cent	Lead Wet Per Cent	Zinc Per Cent	Iron Per Cent	CaO Per Cent	Per Cent	Oz. Ag	Oz. Au
	DD SLUDGE	Hole # 5	8-13		No	0.13					
			13-18		No	No					
			18-23		No	No					
			23-28		No	No					
			28-33		No	No					
			33-38		No	No					
			38-43		No	Tr					
			43-48		No	No					
			48-53		No	Tr					
			53-58		No	Tr					
			58-63		No	Tr					

Robert M. Townsend ASSAYER

PEND OREILLE MINES & METALS CO.

METALINE FALLS, WASHINGTON

CAR ASSAY SHEET

LA SOTA

Nov. 6, 1956

CAR INITIAL	CAR NUMBER	SMELTER LOT	MINE LOT	Moisture Per Cent	Lead Wet Per Cent	Zinc Per Cent	Iron Per Cent	CaO Per Cent	Per Cent	Oz. Ag	Oz. Au
	DD SLUDGE	Hole # 5	63-68		No	No					
			68-73		No	No					
			73-78		No	No					
			78-83		No	No					
			83-88		No	No					
			88-93		No	0.10					
			93-98		No	Tr					
			98-103		No	No					
			103-108		No	No					
			108-113		No	No					
			113-118		No	No					

Robert H. Townsend ASSAYER

PEND OREILLE MINES & METALS CO.

METALINE FALLS, WASHINGTON

CAR ASSAY SHEET

LA SOTA

Nov. 6, 1956

CAR INITIAL	CAR NUMBER	SMELTER LOT	MINE LOT	Moisture Per Cent	Lead Wet Per Cent	Zinc Per Cent	Iron Per Cent	CaO Per Cent	Per Cent	Oz. Ag	Oz. Au
	DD SLUDGE	Hole # 5	118-123		No	No					
			123-128		No	No					
			128-133		No	No					
			133-138		No	Tr					
			138-143		No	Tr					
			143-148		No	Tr					
			148-153		No	No					
			153-158		No	0.15					
			158-163		No	Tr					
			163-168		No	No					
			168-173		No	No					

Robert W. Townsend ASSAYER

PEND OREILLE MINES & METALS CO.

METALINE FALLS, WASHINGTON

CAR ASSAY SHEET

LA SOTA

Nov. 6, 1956

CAR INITIAL	CAR NUMBER	SMELTER LOT	MINE LOT	Moisture Per Cent	Lead Wet Per Cent	Zinc Per Cent	Iron Per Cent	CaO Per Cent	Per Cent	Oz. Ag	Oz. Au
	DD SLUDGE	Hole # 5	173-178		No	No					
			178-183		No	No					
			183-188		No	No					
			188-193		No	No					
			193-196		No	No					
			196-202		No	No					

Robert W. Townsend ASSAYER

PEND OREILLE MINES & METALS CO.

METALINE FALLS, WASHINGTON

CAR ASSAY SHEET

Oct. 16, 1956

LA SOTA

CAR INITIAL	CAR NUMBER	SMELTER LOT	MINE LOT	Moisture Per Cent	Lead Wet Per Cent	Zinc Per Cent	Iron Per Cent	CaO Per Cent	Per Cent	Oz. Ag	Oz. Au
	DD SLUDGE	Hole #1	138-143		No	0.2					
			143-148		No	Tr					
			148-153		No	0.05					
			153-158		No	0.10					
			158-163		No	Tr					
			163-168		No	0.10					
			168-173		No	Tr					
			173-178		No	Tr					
			178-183		No	Tr					
			183-188		No	Tr					
			188-193		No	Tr					

Robert H. Townsend ASSAYER

PEND OREILLE MINES & METALS CO.

METALINE FALLS, WASHINGTON

CAR ASSAY SHEET

LA SOTA

Oct. 16, 1956

CAR INITIAL	CAR NUMBER	SMELTER LOT	MINE LOT	Moisture Per Cent	Lead Wet Per Cent	Zinc Per Cent	Iron Per Cent	CaO Per Cent	Per Cent	Oz. Ag	Oz. Au
	DD SLUDGE	Hole #1	193-198		No	No					
			198-204		No	No					
			***								

Robert K. Townsend ASSAYER

PEND OREILLE MINES & METALS CO.

METALINE FALLS, WASHINGTON

CAR ASSAY SHEET

LA SOTA

Nov. 14, 1956

CAR INITIAL	CAR NUMBER	SMELTER LOT	MINE LOT	Moisture Per Cent	Lead Wet Per Cent	Zinc Per Cent	Iron Per Cent	PbO ~~XXX~~ Per Cent	ZnO Per Cent	Oz. Ag	Oz. Au
	DD CORE Hole #1		103-108		Tr	0.18				Tr	
			108-113		0.19	0.65				Tr	
			113-118		0.49	0.70		0.28		Tr	
			118-123		0.05	1.48			1.28	Tr	
			123-128		Tr	1.30			0.90	Tr	
			***								

Robert H. Townsend ASSAYER

PEND OREILLE MINES & METALS CO.

METALINE FALLS, WASHINGTON

CAR ASSAY SHEET

LA SOTA

Nov. 14, 1956

CAR INITIAL	CAR NUMBER	SMELTER LOT	MINE LOT	Moisture Per Cent	Lead Wet Per Cent	Zinc Per Cent	Iron Per Cent	CaO Per Cent	ZnO Per Cent	Oz. Ag	Oz. Au
	DD CORE	Hole #2	90-95		Tr	0.28				Tr	
			95-100		Tr	1.25			1.13	Tr	
			100-105		Tr	0.65				Tr	
			105-110		0.07	Tr				Tr	
			110-115		Tr	Tr				Tr	
			115-120		Tr	Tr				Tr	
			120-125		No	No				Tr	
			125-130		No	No				Tr	
			***								

Robert H. Lorscheider ASSAYER

PEND OREILLE MINES & METALS CO.

METALINE FALLS, WASHINGTON

CAR ASSAY SHEET

LA SOTA

Nov. 14, 1956

CAR INITIAL	CAR NUMBER	SMELTER LOT	MINE LOT	Moisture Per Cent	Lead Wet Per Cent	Zinc Per Cent	Iron Per Cent	CaO Per Cent	Per Cent	Oz. Ag	Oz. Au
	DD CORE	Hole #5	8-13		Tr	Tr				Tr	
			38-43		Tr	Tr				Tr	
			88-93		Tr	Tr				Tr	
			158-163		Tr	No				Tr	
			***								

Robert H. Tourneau ASSAYER

RECEIVED
DEC 10 1956
D.M.E.A.

DMEA Field Team, Region I, NW Dist. December 5, 1956

RECEIVED
DEC 10 1956
D.M.E.A.

DMEA Certifying Officer, Region I

Monthly operating report for October 1956, LaSota-Jones Lead-Zinc Corp., Contract Idm-E991

The subject operating report has been processed and forwarded to the Disbursing Officer for payment.

Payment of sampling and analysis costs claimed by the Operator in the amount of $95.40 has been suspended pending action by Washington on an amendment the Field Team expects to request in connection with the number and costs of assays.

As the project is inactive at the present time, we are withholding $100.00 from the amount due the Operator until work is resumed in the spring. As you knew, this is customary procedure with all contracts.

Myrtle Purdy

cc: Operator
DMEA (2)
USGS (2)
Wash. (2)
MRL
AD

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

RECEIVED
OCT 29 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1956 Docket No. DMEA 4090 Contract No Idm E991
Operator's Name La Sota-Jones Lead-Zinc Corp Minerals Lead-Zinc
Address Metaline Falls, Wash.
Contract Amount, $ 2843.48 Government Participation: 50 % Amount, $ 1421.74

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling 378 ft	$2668.68	0	$2668.68	2668.68	—o—	2668.68
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services Eng	125.00	0	125.00	125.00	—o—	125.00
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	49.80	0	49.80	49.80	—o—	49.80
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2843.48	0	2843.48	2843.48	—o—	2843.48

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Oct 12, 1956 *Payee La Sota-Jones Lead-Zinc Corp

Per F. L. La Sota Title President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1421 74

Signature M. S. P.
(Authorized Certifying Officer)

Date 10/22/56 Vou. No. 1898
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E991 in accordance with the terms of the contract.

Signature /S/ M P Rickles Title Mining Engr Date 10/19/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Wing G Agnew Title Acting Exec. Date 10/22/56

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
OCT 29 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1956 Docket No. DMEA 4090 Contract No. Idm 991
Operator's Name La Sota-Jones Lead-Zinc Corp Minerals Lead-zinc
Address Metaline Falls, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	ft	$2668.68	378	$2668.68	378	2668.68	1500	$1059.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Assay		49.80		49.80		49.80		
Roads and Trails								
Eng-Geologist		125.00		125.00		125.00		
TOTAL DISTRIBUTED COSTS		2843.48		2843.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

Date Oct 12, 1956 Operator La Sota-Jones Lead-Zinc Corp

Per F.P. La Sota Title President

NOTE.—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.

REMARKS:

(Instructions on reverse)

(For Government use only)

/s/ M. R. Rickles

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

Metaline Falls, Wash.
October 12, 1956

Mr. F.P. La Sota

Ref.; D.M.E.A. Contract 4090
La Sota - Jones Property

Progress Report for September - 1956

During the month of September a total of 378 ft. was core drilled on the June Bug claim located in the Slate Creek area. Hole No. 2 was completed to a depth of 243 ft. at a vertical angle of 62° toward the West. Hole No. 1 was started on September 22nd and drilled vertically to a depth of 135 ft. by October 1st.

Cores from both holes consisted of highly fractured dolomitic limestone irregularly stained with iron oxides. Visible lead and zinc mineralization was apparent in the cores from Hole No. 1 and the cores from Hole No. 2 showed no mineralization other than iron oxide staining.

Sludge samples representing each 5 ft. of hole were taken from Hole No. 2 beginning at 175 ft. to 210 ft. and also from Hole No. 1 from 8 ft. to 138 ft. These sludges were assayed for total lead and zinc; lead and zinc oxides were only reported for those sludges containing more than 1% of either total lead or zinc.

All of the assays were done at the Pend Oreille Mines and Metals Co. laboratory and are recorded on the enclosed certificates.

Sludges from Hole No. 2 contained no values as they were taken below the better mineralized portions of the hole as indicated by core samples.

Sludges from Hole No. 1 contained slight mineralization (0.4 % ZN) from 63 to 138 ft., a thickness of 75 ft. Within this section, from 103 to 128 ft. the sludges carried 1.1 % ZN.

The locations of mineralized sections of both holes is shown on the accompanying cross sections.

Core samples taken at random from both holes were assayed in order to better gain an acquaintance with the lead-zinc values in the more highly iron stained portions. This core sampling is not to be considered as complete for these holes. In Hole No. 2, appreciable mineralization was at 62-67 ft., 90-92 ft., and from 97-102 ft. Core samples from Hole No. 1 were taken before the mineralized sections were reached in the hole and had no value.

Estimated core recovery is approximately 90% which is sufficiently good to represent the sections carrying mineralization

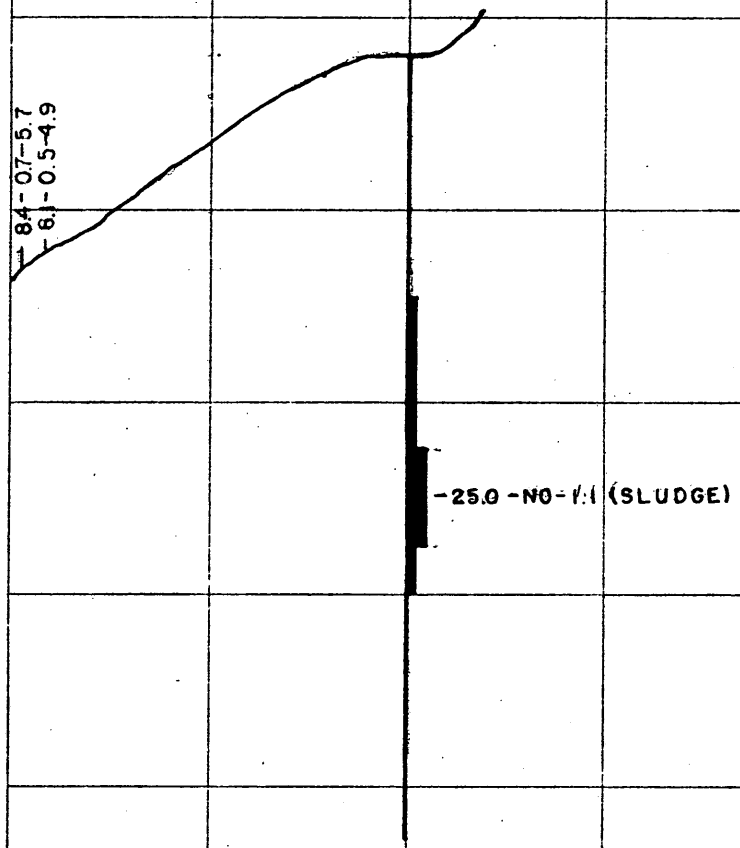
It is recommended that sludge samples be taken for each 5 ft. of run as at present and be assayed for total lead and zinc. Once the possible mineralized

sections of each hole has been located by the results of sludge sampling, then the cores may be sampled and assayed for total lead and zinc as well as the oxides of lead and zinc together with silver.

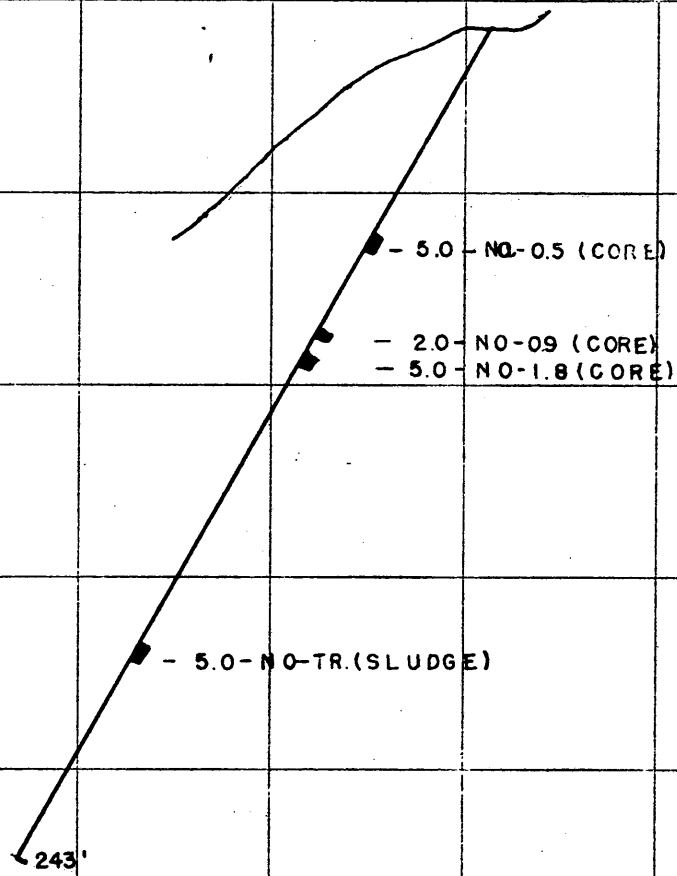
Sincerely yours,

Roy A Anderson

Roy A. Anderson
Geologist



SECTION - HOLE NO. 1



SECTION - HOLE NO. 2

LA SOTA - JONES PROPERTY

PEND OREILLE COUNTY, WASHINGTON

SCALE 1" = 50'

VALUES SHOWN AS - WIDTH FT. - % Pb - % Zn

DMEA 4090

"ALBANENE" No. 168M K&E CO., N.Y.
REG. U.S. PAT. OFF.

RECEIVED
OCT 29 1956

PEND OREILLE MINES & METAL CO.

METALINE FALLS, WASHINGTON

CAR ASSAY SHEET

RECEIVED
OCT 29 1956

LA SOTA

October 12, 1956

CAR INITIAL	CAR NUMBER	SMELTER LOT	MINE LOT	Moisture Per Cent	Lead Wet Per Cent	Zinc Per Cent	Iron Per Cent	CaO Per Cent	Per Cent	Oz. Ag	Oz. Au
	DD CORE	Hole #1	43-18		No	No					
			48-53		No	No					

Robert M. Townsend ASSAYER

PEND OREILLE MINES & METAL CO.

METALINE FALLS, WASHINGTON

CAR ASSAY SHEET

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OCT 29 1956

LA SOTA

October 12, 1956

CAR INITIAL	CAR NUMBER	SMELTER LOT	MINE LOT	Moisture Per Cent	Lead Wet Per Cent	Zinc Per Cent	Iron Per Cent	CaO Per Cent	Per Cent	Oz. Ag	Oz. Au
	DD SLUDGE	Hole #1	8-13		No	Tr					
			13-18		No	No					
			18-23		No	No					
			23-28		No	No					
			28-33		No	No					
			33-38		No	No					
			38-43		No	No					
			43-48		No	No					
			48-53		No	No					
			53-58		No	No					
			58-63		No	No					

Robert W. Jacobsen ASSAYER

PEND OREILLE MINES & METAL CO.

METALINE FALLS, WASHINGTON

CAR ASSAY SHEET

LA SOTA

October 12, 1956

CAR INITIAL	CAR NUMBER	SMELTER LOT	MINE LOT	Moisture Per Cent	Lead Wet Per Cent	Zinc Per Cent	Iron Per Cent	CaO Per Cent	ZnO Per Cent	Oz. Ag	Oz. Au
	DD SLUDGE	Hole #1	118-123		No	2.25			2.00		
			123-128		No	1.60			1.50		
			128-133		No	0.10					
			133-138		No	0.10					

Robert M. Townsend ASSAYER

PEND OREILLE MINES & METAL CO.

METALINE FALLS, WASHINGTON

CAR ASSAY SHEET

LA SOTA

October 12, 1956

CAR INITIAL	CAR NUMBER	SMELTER LOT	MINE LOT	Moisture Per Cent	Lead Wet Per Cent	Zinc Per Cent	Iron Per Cent	CaO Per Cent	Per Cent	Oz. Ag	Oz. Au
	DD SLUDGE	Hole #1	63-68		No	0.10					
			68-73		No	Tr					
			73-78		No	Tr					
			78-83		No	Tr					
			83-88		No	0.05					
			88-93		No	Tr					
			93-98		No	0.10					
			98-103		No	0.16					
			103-108		No	0.38					
			108-113		0.13	0.43					
			113-118		Tr	0.75					

Robert H. Townsend ASSAYER

POND OREILLE MINES & METAL CO.

METALINE FALLS, WASHINGTON

CAR ASSAY SHEET

October 12, 1956

LA SOTA

CAR INITIAL	CAR NUMBER	SMELTER LOT	MINE LOT	Moisture Per Cent	Lead Wet Per Cent	Zinc Per Cent	Iron Per Cent	CaO Per Cent	ZnO Per Cent	Oz. Ag	Oz. Au
	DD CORE	Hole #2	62-67		No	0.5					
			78-81		No	No					
			90-92		No	0.9					
			97-102		No	1.8			1.30		
			160-163		No	No					

Robert H. Townsend ASSAYER

PEND OREILLE MINES & METAL CO.

METALINE FALLS, WASHINGTON

CAR ASSAY SHEET

October 12, 1956

LA SOTA

CAR INITIAL	CAR NUMBER	SMELTER LOT	MINE LOT	Moisture Per Cent	Lead Wet Per Cent	Zinc Per Cent	Iron Per Cent	CaO Per Cent	Per Cent	Oz. Ag	Oz. Au
	DD SLUDGE	Hole #2	175-180		No	No					
			180-185		No	No					
			185-190		No	Tr					
			190-195		No	No					
			195-200		No	No					
			200-205		No	No					
			205-210		No	No					

Robert M. Townsend ASSAYER

RECEIVED
OCT 29 1956

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

JUL 29 1955

Mr. F. P. Lalota, President
Lalota-Jones Lead and Zinc Corporation
Metaline Falls, Washington

Re: Docket No. DMEA-[illegible] (Lead-Zinc)
F. P. Lalota et al.
Lalota-Jones Property
Pend Oreille County, Washington
Contract No. I[illegible]-[illegible]91

Dear Mr. Lalota:

Reference is made to your completed exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve records for the period indicated.

Your interest in the DMEA exploration program and participation therein are fully appreciated.

Sincerely yours,

Administrator

WRGriswold/dl
cc to: Docket
Admr. R. File
Oper. Comm.
FT. REG. I (2)
Mr. Bishop, USBM
T. H. Killegnard, USGS
800

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 18 1957

DATE	INITIALS	CODE
11/18	gb	220
		800

it's Copy

EXPLORATION PROJECT CONTRACT
LaSOTA-JONES LEAD AND ZINC CORPORATION
DOCKET NO. DMEA-4090

Amendment No. 3

It is agreed this 25th day of October, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and LaSota-Jones Lead and Zinc Corporation, that Exploration Project Contract Idm-E991, Docket No. DMEA-4090, dated August 13, 1956, as amended, is further amended as follows:

1. In Exhibit A, under the heading Description of the Work

A. The first paragraph is revised to read as follows:

"The purpose of the project is to explore for ores of lead and zinc by diamond drilling. Six holes shall be drilled. The depth of each hole may vary from approximately 200 feet to approximately 300 feet. The total footage of all drilling shall not exceed 1,500 feet. The holes shall be drilled with coring bits and core recovering equipment of EX size or larger."

B. The third paragraph is revised to read as follows:

"The location, direction, and inclination of all drill holes shall be subject to prior Government approval. The approximate locations of the first five holes are shown on the map entitled 'Sketch Map of Area, LaSota-Jones Property, Plate 3', attached hereto and made a part hereof."

2. The time fixed for completion of the work specified in Amendment No. 1 of the contract is extended from "15 months from the date of the contract" to "21 months from the date of the contract" or from November 13, 1957 to May 13, 1958.

3. The maximum period for royalty payments and lien to secure the payment thereof is extended from "eleven years" to "twelve years".

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. M. Tenney
Administrator, Defense Minerals
Exploration Administration

LaSOTA-JONES LEAD AND
ZINC CORPORATION

By F. P. LaSota

Title President

Government's Copy

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 1 1957

DATE	INITIALS	CODE
2-1	C	220
		800

EXPLORATION PROJECT CONTRACT
LaSOTA-JONES LEAD AND ZINC CORPORATION
DOCKET NO. DMEA-4090

Amendment No. 2

It is agreed this 18th day of January, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and LaSota-Jones Lead and Zinc Corporation, that Exploration Project Contract Idm-E991, Docket No. DMEA-4090, dated August 13, 1956, as amended, is further amended as follows:

1. In Exhibit A, under the heading Description of the Work, the second paragraph is revised to read as follows:

> "All significantly mineralized core shall be sampled and assayed for total lead, oxide lead, total zinc, oxide zinc, silver, and other elements, as the Government may authorize. Core samples for assay shall not represent in excess of five feet of core length." Sludge samples may also be assayed.

2. In Exhibit A, under the heading Fixed Unit Costs, the following item is deleted:

"40 samples to be assayed @ $5.50 $220.00"

and the following item is substituted:

"366 determinations @ $0.60 each $220.00 (rounded)"

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C P Mittendorf
Administrator, Defense Minerals Exploration Administration

LaSOTA-JONES LEAD AND ZINC CORPORATION

By F. P. LaSota

Title Pres

Government's Copy

RECEIVED
DEC 26 1956
D.M.E.A.

EXPLORATION PROJECT CONTRACT
LaSOTA-JONES LEAD AND ZINC CORPORATION
DOCKET NO. DMEA-4090

Amendment No. 1

It is agreed this 12th day of December, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and LaSota-Jones Lead and Zinc Corporation, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E991, Docket No. DMEA-4090, dated August 13, 1956, hereinafter called the "Contract," that:

1. (a) Work under the Contract shall be suspended during the period beginning November 1, 1956, and ending not later than June 1, 1957.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

(c) The Operator at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work and any property in which the Government has an interest.

2. In Article 3 of the Contract, the time fixed for the completion of the work is extended from "three months from the date of the Contract" to "fifteen months from the date of the Contract."

3. In Article 6 of the Contract, the maximum period for payment of the Government's royalty is extended from "ten years" to "eleven years."

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O P Mittendorf
Administrator, Defense Minerals
Exploration Administration

LaSOTA-JONES LEAD AND ZINC CORPORATION

By F. R. La Sota
President

DMEA Form 14

Contract No. Idm-E 991

Docket No. 4090

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
August 13, 1956	I	Washington	Lead-Zinc

Name and Address of Operator: F. P. LaSota, et al.
Metaline Falls,
Washington

	Reserve	Obligation
Prior Amount	0	5,655.00
Increase	0	0
Decrease	0	2.60
Revised Amount	0	5,652.40

Remarks:

ALLEN S. DAKAN
(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date delivered to Bureau of Mines, Washington 4/15/58

22845

Contract No. Idm-E 991

Docket No. 1090

DEPARTMENT OF THE INTERIOR

Executed contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
August 13, 1956	I NW	Washington	Lead-Zinc

Name and Address of Operator: F. P. LaSota, et al
Metaline Falls, Washington

	Reserve	Obligation
Prior Amount	$5,655.00	0
Increase	0	$5,655000
Decrease	$5,655.00	0
Revised Amount	0	$5,655.00

Remarks:

(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 9/26/56

98963

Government's Copy

MF-200A
(Rev. April 1956)

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 20 1956

EXPLORATION PROJECT CONTRACT
(Short Form)

DMEA No.	*Commodity*	*Contract No. Idm–E*	*County*	*State*
4090	Lead-Zinc	991	Pend Oreille	Washington

It is agreed August 13, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and LaSota-Jones Lead and Zinc Corporation, a State of Washington corporation

whose mailing address is Metaline Falls, Washington

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF–200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before October 1, 1956, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within three months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $11,310.00. The Government will contribute 50 percent of the fixed unit cost of the work performed, not exceeding $5,655.00, in accordance with the provisions of Articles 4 and 5.

(c) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: None

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached, as follows: None

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after certification of discovery or development, to inspect production operations and underground workings. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling, assaying, or transportation performed or paid by the Operator or by anyone other than the buyer are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent) after the lapse of six months from the date the ore was extracted from the ground remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this Article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *Notices to be given by the Government* may be delivered to the Operator or may be sent by registered mail addressed to the Operator at the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. *Changes and added provisions.*—

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Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

LaSOTA-JONES LEAD AND ZINC CORPORATION
(Operator)

By F. P. LaSota

Title President

By Frank E. Johnson
ACTING Administrator, Defense Minerals Exploration Administration

I, Dolly A. Ricker, certify that I am the recording secretary of the corporation named as Operator herein; that F. P. LaSota, who signed this contract on behalf of the Operator, was then President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Dolly A. Ricker, Sec.

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

EXPLORATION PROJECT CONTRACT
LaSOTA-JONES LEAD AND ZINC CORPORATION
DOCKET NO. DMEA-4090

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SEP 20 1956

ANNEX I

The land referred to in Article 2 is owned by the Operator and consists of the following unpatented lode mining claims:

June Bug	Book 1	Page 287
Silver Star	Book 3	Page 104
Milwaukee	Book 3	Page 287
Grub Stake No. 1	Book 3	Page 258
Grub Stake No. 2	Book 3	Page 259
Grub Stake No. 3	Book 3	Page 260
Silvia	Book 1	Page 258
Silver Moon	Book 1	Page 259
Iron Cap	Book 1	Page 260
Iron Cap Fraction	Book 1	Page 286
Firecracker	Book 1	Page 254
4th of July	Book 3	Page 102

The notices of location of these claims are recorded in the courthouse of Pend Oreille County, at Newport, Washington. The claims are situated in secs. 14 and 15, T. 40 N., R. 44 E., W. M. and their locations are shown in blue shading on the attached map entitled "Upper Slate Creek, Pend Oreille County, Washington -- La Sota & Jones (Owners) - Plate 1."

EXPLORATION PROJECT CONTRACT
LaSOTA-JONES LEAD AND ZINC CORPORATION
DOCKET NO. DMEA-4090

RECEIVED
SEP 20 1956

EXHIBIT "A"

Description of the Work

The purpose of the project is to explore for ores of lead and zinc by diamond drilling. Five holes shall be drilled. The depth of each hole may vary from approximately 200 feet to approximately 300 feet. The total footage of all drilling shall not exceed 1,500 feet. The holes shall be drilled with coring bits and core recovering equipment of EX size or larger.

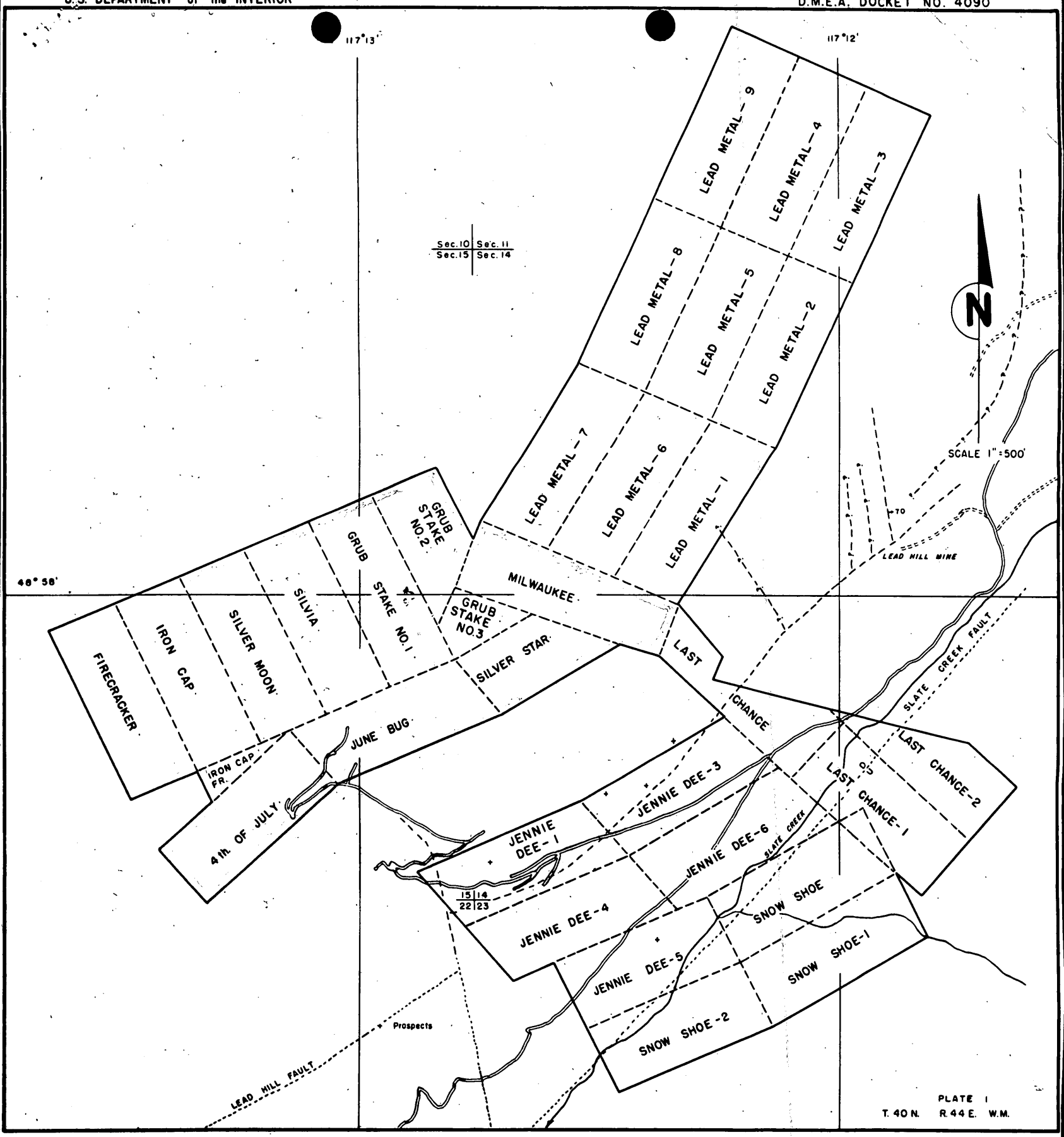
All significantly mineralized core shall be sampled and assayed for total lead and oxide lead, and for total zinc and oxide zinc. Core samples for assay shall not represent in excess of five feet of core length.

The location, direction, and inclination of all drill holes shall be subject to prior Government approval. The approximate locations of the five holes are shown on the map entitled "Sketch Map of Area, LaSota - Jones Property, Plate 3," attached hereto and made a part hereof.

Estimated Costs of Project

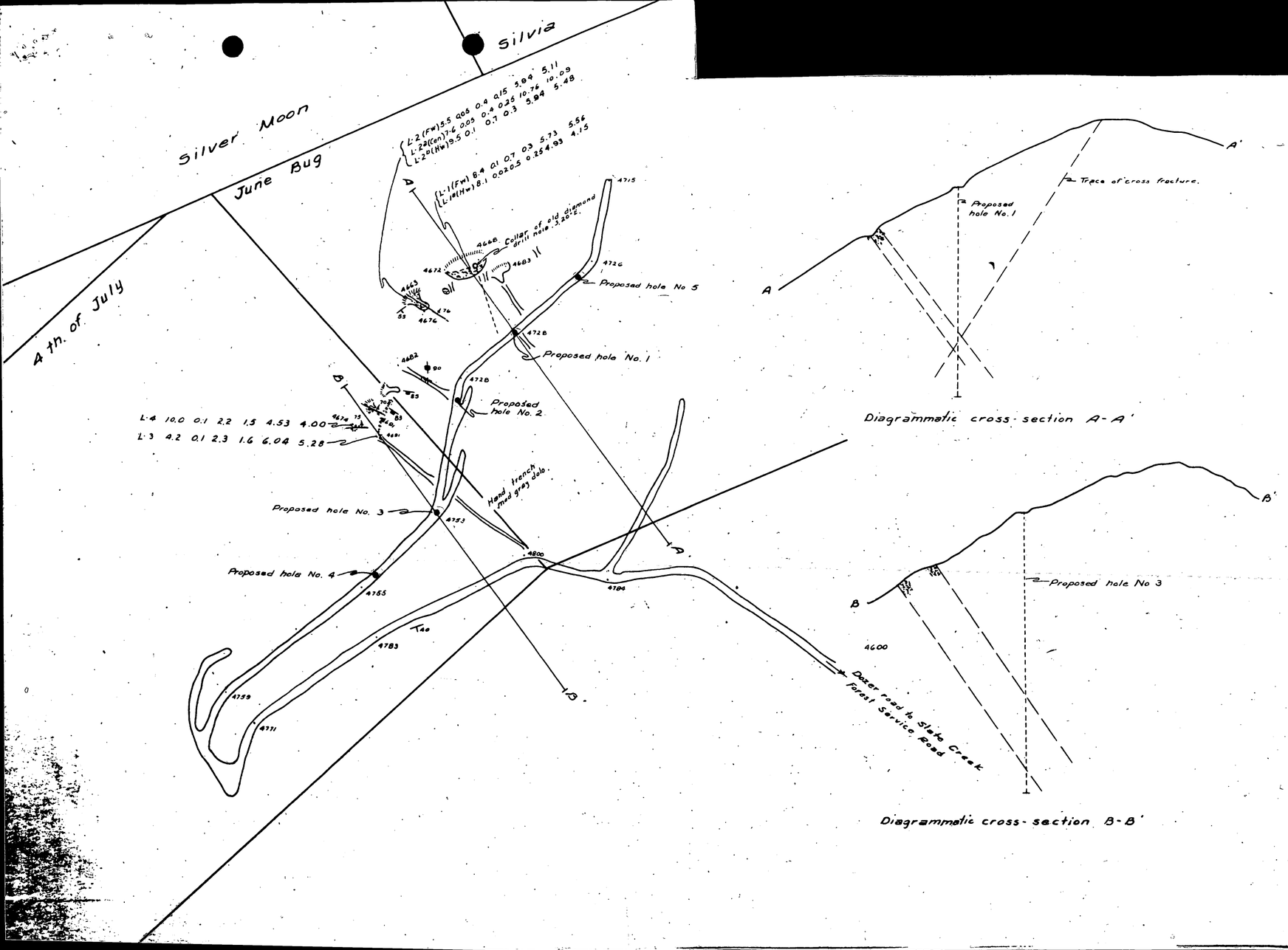
Fixed Unit Costs

1,500 feet of diamond drilling @ $7.06/ft.	$10,590.00	
(Includes all charges and costs incidental to the drilling, except as provided below)		
1 Engineer-geologist, 1 month @ $500.00/mo.	500.00	
40 Samples to be assayed @ $5.50	220.00	
Estimated Total Cost of Project		$11,310.00
Government Participation @ 50%		$ 5,655.00



UPPER SLATE CREEK, PEND OREILLE COUNTY, WASHINGTON — LA SOTA & JONES (Owners)

RECEIVED
SEP 20 1956



Diagrammatic cross-section A-A'

Diagrammatic cross-section B-B'

Metaline limestone

Disseminated zinc and lead minerals in med. gray dolomite

Shear planes

Beds

Joints

Survey station showing elevation

Pits and trenches

Diamond drill hole

Proposed diamond drill hole

Sample No.	Width Feet	Ag oz	Pb %	Pb as oxide %	Zn. %	Zn as oxide %
L-1.(FW)	8.4	0.1	0.7	0.3	5.73	5.56

SKETCH MAP OF AREA — B

LA SOTA - JONES PROPERTY

PEND OREILLE COUNTY, WASHINGTON

SCALE 1" = 100'

DMEA 4090

PLATE 3

RECEIVED
SEP 20 1956

Metaline Falls, Washington
September 13, 1956

RECEIVED
SEP 20 1956

Defense Minerals
Exploration Administration
So. 157 Howard St.,
Spokane 4, Washington

Re: Docket No.DMEA-4090 (Zinc-Lead)
LaSota-Jones Lead & Zinc Corp.
LaSota-Jones property
Pend Oreille Co. Washington

q

Gentlemen:

Enclosed please find contract, signed as requested.

Drilling is in progress and will report at end of month.

Respectfully,

Contract No. Idm-E 991

Docket No. 4090

DEPARTMENT OF THE INTERIOR

Approved contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
August 13, 1956	**I NW**	**Washington**	**Lead-Zinc**

Name and Address of Operator: **F. P. LaSota, et al**
Metaline Falls, Washington

	Reserve	Obligation
Prior Amount	0	0
Increase	$5,655.00	0
Decrease	0	0
Revised Amount	$5,655.00	0

Remarks:

Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Name)
(Title)

Date Delivered to Bureau of Mines, Washington 8/13/56

98963