E-1116

For Certificate of Deposit No. 454, dated April 23, 1958, giving royalty payment of $62.21, see E-246.

EXTRA COPY
D...

RECEIVED		CODE
DATE		
4/4		800

No. 157 Howard Street
Spokane 4, Washington

Apr 1 8, 1958

Mr. John F. Campbell
North Star Uranium, Inc.
417 Paulsen Building
Spokane 1, Washington

Re: Docket No. DMEA-460d (Uranium)
Lehnbecker Lease
Spokane County, Washington
Contract No. Ida-1116

Dear Mr. Campbell:

This is in further reference to the amount of royalty due the Government on the ore sold on October 29, 1957 by North Star Uranium, Inc.

Our Washington office has agreed that your claim that 90 percent of this ore had been mined and stockpiled prior to the date of the DMEA contract is reasonable, and has asked us to advise you that royalty on 10 percent of the gross sale value of the ore sold on October 29, 1957 is due. Full royalty is due on any ore sold after that date, if the project is certified as a discovery, or on production made before May 21, 1958, if no certification is made. On the basis of the settlement sheet the ore sold October 29, 1957 had a gross sale value of $12,442.72. Therefore, royalty due is 5 percent of $1,244.27 or $62.21.

Royalty checks should be made payable to the Defense Minerals Exploration Administration and mailed to A. E. Weissenborn, Executive Officer, DMEA, Field Team, Region 1, South 157 Howard Street, Spokane 4, Washington.

By Field Team, Region 1

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

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

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

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

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

APR 2 1958

Re: Docket No. DMEA-4661 (Uranium)
Contract No. Idm-E1116
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington

Dear Mr. Weissenborn:

Your letter, dated March 24, 1958, and enclosures relating to ore sales from the subject property have been reviewed.

Your letter, dated August 5, 1957, submitting the Government's offer of a contract clearly pointed out that royalty would be due the Government on known ore deposits, so that any question of liability for royalty payment is removed.

As to the amount due, it appears from the data available to us, the Operator's claim that 90 percent of the ore sold on October 29, 1957, had been mined and stockpiled prior to the date of the DMEA contract is reasonable.

The Operator, therefore, should be advised that it must pay the Government's royalty on 10 percent of the gross sale value of the ore sold on October 29, 1957; and the full royalty on any ore sold after that date, if the project is certified as a discovery, or on production made before May 21, 1958, if no certification is issued.

The royalty figure shown in the memorandum, dated February 18, 1958, by G. G. Waddell, USBM, does not include the haulage allowance. This allowance is subject to royaly payments; therefore, the Government's royalty on the ore sold during the contract period is $62.21, rather than the $56.75 mentioned in your letter.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

APPROVED:

P. F. Yopes
Member, Bureau of Mines

N. E. Nelson
Member, Geological Survey

FMMurphy/izm 4-1-58
cc: Mr. Murphy
Admr.'s Reading File
Operating Committee
THKillsgaard, 5224
Code 800

So. 157 Howard Street
Spokane 4, Washington

March 24, 1958

RECEIVED MAR 28
DATE
266

Mr. George O. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4661 (Uranium)
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington
Contract No. Ldm-81116

Dear Mr. Selfridge:

Enclosed is a memorandum report by G. C. Waddell, Mining Engineer, U. S. Bureau of Mines, regarding ore mined during the contract period at the North Star Uranium, Inc. property, the Lehmbecker lease. Also enclosed are copies of two letters dated February 25 and March 14, 1958 from the company, and a report by H. W. Norman on the amount of ore that had been stockpiled prior to the start of DMEA exploration work on the property.

To summarize, 359.386 short dry tons of ore with an average grade of 0.21 percent uranium was shipped from the property to the Dawn Mill at Ford, Washington, after the effective date of the DMEA contract. Most of this ore had been mined prior to the effective date of the contract and had been stockpiled on the property pending the construction of the mill. However, some ore was mined from the property after the date of the contract and mixed with the stockpiled ore.

Inasmuch as the DMEA work failed to discover any new ore and the small amount of ore that was mined came from a little ore lens which was already known, it might be argued that DMEA should forego the collection of royalty on any of the ore produced. However, the contract does not exclude any production from the property; therefore, it is the opinion of the Field Team that royalty should be collected from any ore produced after the effective date of the contract. It also seems clear that no royalty is due on any ore mined prior to the date of the contract and stockpiled on the property, even though it was actually shipped to the mill after the contract became effective.

Ore on the property was stockpiled in one high-grade stockpile and several low-grade stockpiles and ore from the various piles, together with a small amount of new ore, was mixed together to make up the 385.01 wet tons containing 6.66 percent moisture, shipped to the mill. All of the high-grade stockpile ore was shipped; some of the low-grade material still remains. N. W. Norman, Consulting Geologist, estimates that of the 385 wet tons shipped, 90 percent was ore that was mined before the contract became effective. The Spokane field office of the AEC estimates in their August 20, 1957 report that approximately 420 tons of ore of unknown grade was stockpiled at the mine.

The Field Team therefore believes that the Operator's claim that approximately 90 percent of the ore was mined prior to the contract is reasonable. If royalty is to be charged only on the 10 percent that was produced after the date of the contract, and if it is assumed that the grade was the same as the average grade of the entire shipment--and we believe that it was much lower--then the royalty due the Government would be $56.75. If you are in agreement, will you please advise us and we will request payment from North Star Uranium, Inc.

By Field Team, Region I

A/B # 62.21
Incidental Geology
[illegible]
[illegible]
[illegible]
C.E.P.
3/31/58

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

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

Enclosures

cc: USBM (2)
USBM (AD)
Albee

DMEA
RECEIVED MAR 28 1958
DATE | INITIALS | CODE

1201 N. Division St.
Spokane 2, Washington

February 18, 1958

MEMORANDUM

To: DMEA Field Team, Region 1

From: G. G. Waddell, Mining Engineer, U. S. Bureau of Mines

Subject: Ore mined during contract period, Docket No. DMEA-4661 (uranium), North Star Uranium, Inc., Spokane County, Washington, Contract No. Idm-81116

Some stockpiled ore at the property of the North Star Uranium, Inc., was sold on October 29, 1957, which was during the life of the contract. All project work was completed by September 5, 1957 and the final inspection of the property was made on September 16; the termination date of the contract was November 1, 1957.

The contract was dated July 30, 1957 and the bulldozing work began on August 12, 1957. I inspected the project on August 27, accompanied by H. F. Albee, Geologist, U. S. Geological Survey. At that time more than 100 tons of ore ranging from 0.15 to 0.40 percent U_3O_8 had been stockpiled. (This was noted in our memorandum to the Field Team dated August 28, 1957.) The average of the stockpile was well below the cutoff grade acceptable at the Ford uranium mill (0.20 percent U_3O_8 cutoff). Subsequently, enough high-grade ore was mixed in to bring the grade up to 0.21 percent U_3O_8. This was sold on October 29, 1957.

When the property was inspected on September 16, 1957, all of the DMEA exploration work had been completed. No uranium mineralization was found by this work and no certification of discovery is recommended.

Total production from the mine is as follows:

Settlement Date	Dry short tons	Grade % U_3O_8	Lbs. U_3O_8
12/31/56	46.047	0.29	267.04
1/31/57	36.053	0.16	115.37
6/28/57	48.499	0.33	320.09
7/31/57	58.071	0.41	476.18
10/29/57	359.386	0.21	1502.42
Total	548.056	@ 0.245	2681.11

All of the above ore was mined from the original producing area but part of the last shipment was ore mined during the life of the DMEA contract. The revenue from the last shipment amounted to the following:

October 29, 1957 Ore Settlement Sheet

1509.42 lbs. U_3O_8 @ $3.50/lb.	= $ 5,282.97
1509.42 lbs. dev. allowance @ $0.50/lb.	754.71
Premium in excess of 4 lbs./ton @ $0.75/lb.	53.91
Total	$ 6,091.59
Haulage allowance @ 6¢/ton mile	1,092.66
Total	$ 7,184.25
Bonus payable by AEC for production on first 10,000 lbs. U_3O_8	
1,509.42 lbs. U_3O_8 @ $3.50/lb.	$ 5,258.47 12,442.72
Gross sale value less haulage allowance is $6,091.59 plus $5,258.47	= $11,350.06
Government royalty @ 5% if applicable	= 567.50 #622.14

If it is decided that the ore is subject to royalty, then the amount of the last shipment that was mined during the contract period must be determined.

In the Operator's original application he asked for exploration assistance in the area where he had been producing and also assistance in exploring for the projection of the mineralized structures 400 feet to the west. Only the latter work was approved by the Government. Therefore, the Operator should have had the opportunity to withdraw the producing area from the property subject to the Government royalty lien. More specifically, the Lehmbecker lease of the North Star Uranium, Inc., consists of the E½ of the NW¼ of sec. 1, T. 23 N., R. 44 E., W.M. All of the exploration work was performed on the W½ of the E½ of the NW¼ of sec. 1, T. 23 N.,

R. 44 E., W.M. The E½ of the E½ of the NW¼ of sec. 1 should not apply to the Government royalty.

I recommend that only the immediate area of the exploration work be subject to royalty during the contract period. With this limitation the ore mined from the initial producing area in August, September and October 1957 and sold on October 29, 1957 would not be subject to Government royalty.

G. G. Waddell

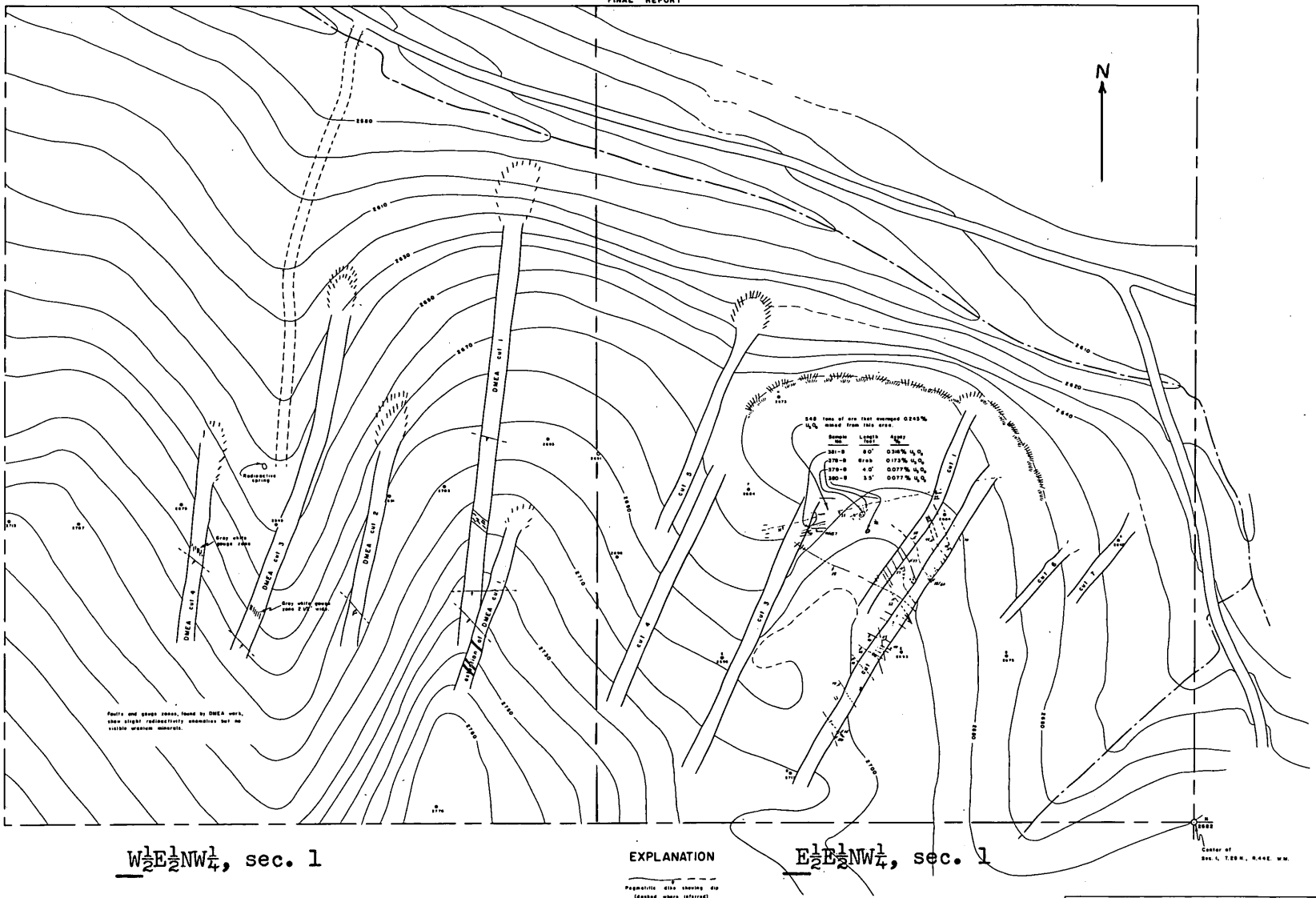
Attachment (1 map)

Distribution:
DMEA (Orig. & 3)
USGS (2)
USBM (AD)
Waddell

UNITED STATES
DEPARTMENT OF THE INTERIOR

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
FINAL REPORT

DOCKET NO DMEA 4661



W½E½NW¼, sec. 1

E½E½NW¼, sec. 1

Topographic base furnished by the applicant.
Bulk of geology copied from field sheets of the U.S. Atomic Energy Commission.

EXPLANATION

Pegmatitic dike showing dip (dashed where inferred)

Sheared rock showing dip (dashed where inferred)

Autunite seam or fracture coating (dashed where inferred)

Contour interval 10 feet

CONTOUR AND GEOLOGIC MAP
of part of the
Lehmbecker Lease

NORTH STAR URANIUM INC.
Spokane County, Washington

50 25 0 50 100 FEET

FEB. 1958

PLATE 1

NORTH STAR URANIUM, INC.
[illegible] PAULSEN BUILDING
SPOKANE 1, WASHINGTON
[illegible]

EXTRA COPY
DMEA
RECEIVED MAR 28 [illegible]

DATE	INITIALS	CODE

March 14, 1958

ANSWER

Mr. A. E. Weissenborn
Field Chief Region I, D.M.E.A.
157 South Howard
Spokane, Washington

Re: Lehmbecker Lease
DMEA Contract NO. IDM-E-1116

Dear Mr. Weissenborn:

In further reference to my letter of February 25, 1958, concerning the shipment of ore made to the Dawn Mill, I am enclosing a copy of a letter from Mr. H. W. Norman, consulting geologist, in which he states, "that at least 90 percent of the approximately 885 tons of ore shipped in October was stockpiled on the Lehmbecker lease prior to the initiation of your DMEA exploration program on August 12, 1957." He is referring to the beginning of actual explorations, but this would also apply to the date the contract was signed, which was July 31, 1957.

I believe that the A.E.C. office here in Spokane may be helpful also in enabling you to determine the tonnage of ore stockpiled prior to the date our contract was signed. At any rate, we will abide by your recommendations in this matter. If there is any further data that you need please let me know.

Yours very truly,

JOHN F. CAMPBELL

JFC:mla
enc.

RECEIVED
MAR 17 1958

E. 12707 VALLEYWAY
OPPORTUNITY, WASH.

MARCH 11, 1958

MR. JOHN F. CAMPBELL, PRESIDENT
NORTH STAR URANIUM, INC.
417 PAULSEN BLDG.
SPOKANE, WASHINGTON

DEAR MR. CAMPBELL:

REFERENCE IS MADE TO YOUR REQUEST FOR MY OPINION AS TO THE AMOUNT OF URANIUM ORE STOCKPILED ON YOUR LEHMBECKER LEASE AS OF AUGUST 12, 1957.

I VISITED SAID LEASE ON AUGUST 12 AND ON 10 OTHER OCCASIONS DURING THE COURSE OF YOUR DMEA PROJECT. AT THE BEGINNING OF THE PROJECT I ESTIMATED TONNAGE AND GRADE OF THE STOCKPILES, IN THE COMPANY OF DAVE BERRY, YOUR GEOLOGIST. IT WAS MY OPINION THAT YOU HAD IN STOCKPILES APPROXIMATELY 400 TONS OF ORE THAT WOULD AVERAGE 0.20% U_3O_8 CONTENT, PLUS AN UNDETERMINED AMOUNT OF LOW GRADE MATERIAL THAT WOULD NOT BE ACCEPTABLE TO THE MILL.

BETWEEN AUGUST 12 AND OCTOBER 7, 1957, AT WHICH DATE SHIPMENTS TO THE MILL WERE COMMENCED, ONLY A SMALL AMOUNT OF MATERIAL WAS ADDED TO THE STOCKPILES. MUCH OF THIS WAS OF LOW URANIUM CONTENT AND DID NOT INCREASE THE AMOUNT OF SHIPPABLE ORE AVAILABLE.

IT IS MY OPINION THAT AT LEAST 90% OF THE APPROXIMATELY 385 TONS OF ORE SHIPPED IN OCTOBER WAS STOCKPILED ON THE LEHMBECKER LEASE PRIOR TO THE INITIATION OF YOUR DMEA EXPLORATION PROGRAM ON AUGUST 12, 1957.

VERY TRULY YOURS,

H. W. NORMAN
CONSULTING GEOLOGIST

HWN/MB

NORTH STAR URANIUM, INC.
417 PAULSEN BUILDING
SPOKANE 1, WASHINGTON
TEMPLE 8-6344

EXTRA COPY
DMEA
RECEIVED MAR 28 1958

DATE	INITIALS	CODE

February 25, 1958

D.M.E.A. Field Team
Region I
157 South Howard St.
Spokane, Washington

Re: Lehmbecker Lease
DMEA Contract No. IDM-E-1116

Gentlemen:

This will acknowledge receipt of final payment of the Government's share of cost on the subject contract for which we thank you. As you know, no discovery of ore was made by the D.M.E.A. work which was completed September 5, 1957. It is our understanding that no certificate of discovery will be made. We plan to abandon this property soon.

Under the terms of the subject contract there may be a question concerning the shipment of ore that was made to the Dawn Mill at Ford, Washington, and paid for October 29, 1957. Practically all this ore was stock piled or in sight ready for shipment prior to the date of our D.M.E.A. contract. The ore was retained at the mine until the Dawn Mining Company was ready to accept it at their new mill which did not go "on stream" until late in August. Our ore procurement agreement (Contract No.2) was not made with the Dawn Mining Company until the 16th day of September, (I am enclosing a copy of the agreement for your information). Once the agreement was made the ore was immediately shipped, a total of 358 tons. By waiting for the Dawn Mill to accept our ore, our company enjoyed a considerable freight advantage over shipment to the Vitro Mill at Salt Lake City and it was for this reason the ore was held at the mine until Dawn was ready to accept it.

All ore shipped came from a single pocket or lens of ore on the E½ of the lease area. Our original D.M.E.A. proposal, as you may remember, called for drilling beneath this ore pocket. This drilling proposal was not approved for D.ME.A. work and it was deleted from the final contract. It seems obvious therefore that the ore lens was practically mined out before the contract began, so that the exposure did not justify additional exploration. Actually, the pocket nature of the uranium ore deposits in the Mt. Spokane district is apparently now well established. These data are given to show that no benefit resulted from the D.M.E.A. contract that was in any way related to the ore shipment. All D.M.E.A. work was conducted on the W½ of the lease area which proved to be barren.

We feel the above explanation of our activities is sufficient to justify our assumption that our shipment to the Dawn Mill will not be subject to government royalty. We regret that we did not previously clarify the matter in order to obtain your clear understanding of the situation and approval. For this oversight we must apologize. Thank you again.

Yours very truly,

JOHN F. CAMPBELL

JFC:mla

RECEIVED
FEB 16 1958
U. S. G. S.
SPOKANE WASH

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 20 1958

DATE	INITIALS	CODE
1/20	gb	220
		800

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

X

North Star Uranium, Inc.
417 Paulsen Building
Spokane 1, Washington

pertaining to Exploration Project Contract No. Idm-E1116, Docket No. 4661, including Amendment No. 1, for the months of August-September 1957, covering a project for the exploration of uranium on property known as the Lehmbecker Lease, located in Spokane County, State of Washington.

My review included an examination of the Monthly Report (Form 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 records and accounts for the reasons stated in the attached schedule.

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

Total cost claimed by Operator	$2,271.39
Exceptions	None
Total accepted cost claimed	$2,271.39

The contract calls for a 75 percent participation of accepted costs. Therefore, payments as follows are valid and proper:

Amount payable on audited claim	$1,703.54
Amount reimbursed	1,603.55
Balance due Operator	$99.99

C. A. Turner, Auditor

January 17, 1958

Reasons for Report of Review in lieu of Final Audit

North Star Uranium, Inc.

Idm-E1116 DMEA-4661

(a) Monthly Reports were supported by documentary proof of that portion ($1,825.00) of the costs which covered work performed at unit rates under Independent Contract (per summary attached);

(b) The balance ($446.39) of the costs incurred were supported by documentary proof of the costs accepted under the contract provision for contribution by the Government on the basis of allowable costs incurred; and

(c) The administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowances thereunder.

C. A. Turner, Auditor

January 17, 1958

Summary of Accepted Costs

North Star Uranium, Inc.

Idm-E1116 DMEA-4661

Independent Contracts

Daybreak Uranium, Inc.		
Opportunity, Washington		
Bulldozing 100 hours @ $17.50	$1,750.00	
Transportation of dozer to and from property	75.00	
		$1,825.00

Actual Costs - supported by documentary proof

Supervision	$ 360.00	
Industrial Insurance	35.71	
Payroll Taxes	18.90	
Gasoline - 92.5 gallons	31.78	446.39
Accepted Costs		$2,271.39

C. A. Turner, Auditor

January 17, 1958

EXTRA COPY
DMEA
REGISTERED MAR 17 1958
800

So. 157 Howard Street
Spokane 4, Washington

March 13, 1958

North Star Uranium, Inc.
417 Paulson Building
Spokane 1, Washington

Re: Docket No. DMEA-4661 (Uranium)
Lehmbecker Lease
Spokane County, Washington
Contract No. Idm-E1116

Gentlemen:

Enclosed for your information and files is a copy of Report of Review dated January 17, 1958 by C. A. Turner, DMEA Auditor. This Report of Review covers the period of August to September 1957.

This report shows a balance due North Star Uranium, Inc., as $99.99. This money was scheduled for release February 12, 1958, and you no doubt have received payment by now.

Sincerely yours,

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

Enclosure

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

JAN 21 1958

Mr. Charles A. Turner
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Docket No. DMEA-1661
Contract No. IAm-E1116
North Star Uranium, Inc.

Dear Mr. Turner:

The recently submitted copies of your Report of Review covering the above-cited project are accepted and normal distribution is authorized.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

EDTalbert/wb
January 21, 1958

Copy to: Docket
Admr. Reading File
Mr. Chambers

EXTRA COPY
DMEA
RECEIVED 1958
DATE | CODE
800

1201 N. Division St.
Spokane 2, Washington

February 5, 1958

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

Re: Docket No. DMEA-4661 (uranium)
North Star Uranium, Inc.
Spokane County, Washington
Contract No. Idm-81116

Dear Mrs. Long:

The project work under the referenced contract was completed by September 5, 1957; the expiration date of the contract was November 1, 1957. All the work was done to the satisfaction of the Government. A final report evaluating the results of the exploration program has been presented by the Operator and accepted by the Executive Officer.

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

Certification of Discovery or Development will not be recommended.

A final Report of Review dated January 17, 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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 20 1958

DATE	INITIALS	CODE
1/20	gb	220
		820

2 copies to 400

1201 N. Division St.
Spokane 2, Washington

December 30, 1957

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

Re: Docket No. DMEA-4661 (uranium)
North Star Uranium, Inc.
Spokane County, Washington
Contract No. Idm-R1116

Dear Mr. Turner:

The project work under the referenced contract was completed by September 5, 1957; the expiration date of the contract was November 1, 1957. All the work was done to the satisfaction of the Government.

A final inspection report on the completed work was submitted by G. C. Waddell on December 26, 1957.

The Operator's final engineering and geological report was received on November 21, 1957. It is considered as having met the requirements of Article 7(c) of the contract.

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

The work units completed within the terms of the contract are as follows:

	Authorized	Completed
Bulldozing	100 hrs.	100 hrs.
Transportation of dozer	$ 75.00	$ 75.00
Supervision	600.00	360.00
Materials and supplies	42.00	31.79
Miscellaneous	305.00	54.61

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

By Field Team, Region I

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

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

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

Standard Form No. 1034—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. .....

Bu. Vou. No. 2116

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

Voucher prepared at Spokane, Washington 2/12/58
(Give place and date)

THE UNITED STATES, Dr.,

Payee's Account No. Idm-E1116

To North Star Uranium, Inc.
(Payee)

417 Paulsen Building (Address) Spokane (City) Washington (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.
	August-Sept. 1957	Amount deleted when paying Voucher No. 2096 dated January 2, 1958, adjusted to audit				99	99
PAYMENT: Complete ☐ Partial ☐ Final ☐		FINAL PAYMENT					
		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	99	99

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 99 99

(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

DMEA

1201 N. Division St.
Spokane 2, Washington

February 5, 1958

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

Re: Docket No. DMEA-4661 (uranium)
North Star Uranium, Inc.
Spokane County, Washington
Contract No. Idm-E1116

Dear Mrs. Long:

The project work under the referenced contract was completed by September 5, 1957; the expiration date of the contract was November 1, 1957. All the work was done to the satisfaction of the Government. A final report evaluating the results of the exploration program has been presented by the Operator and accepted by the Executive Officer.

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

Certification of Discovery or Development will not be recommended.

A final Report of Review dated January 17, 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

Standard Form No. 1034—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. _____

Bu. Vou. No. 2096

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

Voucher prepared at Spokane, Washington 1/2/58
(Give place and date)

THE UNITED STATES, Dr.,

Payee's Account No. Idm-E1116

To North Star Uranium, Inc.
(Payee)

417 Paulsen Bldg., Spokane, 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.
	August-Sept. 1957	Amount deleted when paying Voucher No. 2089 dated 12/2/57, pending Amendment:				621	87
		55 hrs. Bulldozing @ $17.50 $962.50					
		Govt's. Part.-75% 721.87					
		Withhold 100.00					
		Pay $621.87					
		Use continuation sheet(s) if necessary					

PAYMENT:
Complete ☐
Partial ☐
Final ☐

Shipped from to Weight Government B/L No. Total 621 87

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 621 87

(Signature or initials) _____

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)

* 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.

Per _____

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

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

Idm-E-1116

Month of August-September 195 7 Docket No. DMEA 4661 Contract Uranium Minerals

Operator's Name North Star Uranium, Inc.

Address 417 Paulsen Bldg., Spokane, Washington

Contract Amount, $ 2772.00 Government Participation: 75 % Amount, $ 2079.00

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						
Bulldozing	$1,750.00		$1,750.00	787.50	—	787.50
Crosscutting						
Drifting						
Transport Cost-D-8	75.00		75.00	75.00	—	75.00
(2) Labor and Supervision:						
Labor						
Supervision	360.00		360.00	360.00	—	360.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
92.5 Gals. Gas	31.78		31.78	31.79	—	31.79
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	54.61		54.61	54.61	—	54.61
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$2,271.39		$2,271.39	1,308.90		1,308.90 ava

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

Date 11-19-1957 *Payee NORTH STAR URANIUM, INC.

Per S W Fuhrer Title Treasurer

*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:

$ 981.68

Signature Harvey F. Long
(Authorized Certifying Officer)

Date 12/2/57 Vou. No. 2080

(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. E1116 in accordance with the terms of the contract.

Signature /s/ Helen L. Waddell Title Mining Engr. Date 11/22/57

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED DEC 9 1957 DMEA

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Aug.-Sept. 1957 Docket No. DMEA 4661 Contract No. Idm-E1116
Operator's Name North Star Uranium, Inc. Minerals Uranium
Address 417 Paulsen Bldg., Spokane, 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~~ Bulldozing	Hr.	1750.00	100	1750.00	100	1750.00	100	17.50/hr.
~~Crosscutting~~ Transport Dozer		75.00		75.00		75.00		75.00
~~Raising~~ Gasoline	Gal.	31.78	92.5	31.78	92.5	34.3	100	.37/gal.
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Supervision		360.00		360.00				600.00
Payroll Taxes		54.61		54.61				90.00
Total Distributed Costs		2271.39		2271.39				Total Costs Authorized by Contract
Operating Equipment Purchased								$2772.00
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 11-19-1957 Operator NORTH STAR URANIUM, INC.

Per A W Fahler Title Treasurer

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)

(s/ Galen G. Waddell, Mining Engr., 11/22/57

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

EXTRA COPY
DMEA
RECEIVED DEC 9 1957

DATE	INITIALS	CODE
12/9	gb	220
		100
		800

Operators Final Report

U.M.D.A. No. 4661 - Uranium
Contract No. Xdm-E-1116
Name of Operator NORTH STAR URANIUM, INC.
Name and Location of Property LEHMBECKER LEASE
E½ of NW¼ of Section 1, T28N, R44E., W.M.,
Spokane County, Wash.

The buildozing project was authorized to start on or before August 15, 1957. Actual trenching began on August 12, 1957, using a D-8 caterpillar. The following units of work were completed by September 5, 1957.

Number of Trench	Length	Yardage	Hours	Cost
Trench 1	550	2930	45	787.50
Trench 2	200	1066	16	280.00
Trenbh 3	400	1600	25	437.50
Trenbh 4	165	880	14	245.00
Trench 5	Not excavated			
Totals	1315	6476	100	1750.00

The object of the project was to explore by trenching a uranium bearing fault zone which trends across the subject property.

Herewith is a map showing the location of the trenches and geology mapped in the trenches. No significant uranium mineralization was found in any of the trenches and no samples were taken for assay. No ore reserves can be estimated as a result of trenching and no production ensued from this work, either during or since.

The project was completed without any difficultes in an efficient manner. The negative results obtained eliminated a considerable area of ground from further exploration.

Prior to trenching, it was hoped that a mineralized fault zone carried sufficient uranium mineralization to constitute a mineable structure. Now it appears that the uranium is concentrated at intersecting fracture zones in small pods, chimneys or pockets having limited tonnage.

All operations have been curtailed pending better weather conditions and further study of the geology.

A complete breakdown of costs incurred follows on form MF-104 attached hereto, showing in detail the operator's and the Government's share of the expense. We certify that these costs are accurate and payment therefore has not been received.

NORTH STAR URANIUM, INC.

By [signature]
President

EXTRA COPY
DMEA
RECEIVED 9 1957

DATE		CODE

DMEA Field Team, Region I

December 2, 1957

DMEA Certifying Officer, Region I

Contract No. Idm-E1116
Monthly operating report for August-September 1957

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

The trenching in trenches Nos. 2-4, inclusive, shown by the Operator as having been accomplished under the contract does not conform to contract specifications; therefore, a disallowance for bulldozing in the amount of $962.50 has been made as follows:

Trench #2	16 hrs.	$280.00
" #3	25 "	437.50
" #4	14 "	245.00
		$962.50

An amendment will be necessary to authorize this work. Upon approval of such an amendment, the above amount will be reinstated.

Dorothy F. Long

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

MAY 20 1958

Mr. John F. Campbell, President
Earth Star Uranium, Inc.
417 Paulsen Building
Spokane 1, Washington

Re: Docket No. DMEA-4661 (Uranium)
Contract No. Idm-81116
Lehmbecker Lease
Spokane County, Washington

Dear Mr. Campbell:

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 certain records for the period indicated.

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

Sincerely yours,

C. O. Mittendorf

Administrator

FMMurphy/gla
5-7-58
cc to: Admr.'s Reading File
Contract Adm. and Audit Division
DMEA Field Team, Region II (2)
Mr. Murphy

Wilhelm Lehmbecker and Ruth Lehmbecker, Elk, Washington

Audit copy

EXPLORATION PROJECT CONTRACT
NORTH STAR URANIUM, INC.
DOCKET NO. DMEA-4661

AMENDMENT No. 1

It is agreed this 18th day of December, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and North Star Uranium, Inc., that Exploration Project Contract No. Idm-T1116 (Docket No. DMEA-4661), dated July 30, 1957, is amended effective July 30, 1957, as follows:

In Exhibit "A", Description of the Work, under the heading General Provisions, the second paragraph is revised to read:

"The work shall consist of bulldozing four (4) trenches at the approximate locations shown on the map, Plate 1. The trench shown as No. 5 on the map, will not be cut. Trench No. 1 shall be excavated first and shall be approximately 550 feet long. The other three (3) trenches shall be not less than 100 feet long. It is estimated that the trenches will have an average depth of about 10 feet. However, all trenches shall expose bedrock adjacent to the inferred fault zone."

EXTRA COPY
DMEA
RECEIVED JAN 3 1958

DATE	INITIALS	CODE
1/3	gb	2201
		8001

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 amount of any item designated as maximum.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mitteudorf
Administrator, Defense Minerals Exploration Administration

NORTH STAR URANIUM, INC.

By John F. Caverley
Title President

DMEA Form 14

Contract No. Idm-E 1116

Docket No. 1661

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
July 30, 1957	I	Washington	Uranium

Name and Address of Operator: North Star Uranium, Inc.
417 Paulsen Building
Spokane 1, Washington

	Reserve	Obligation
Prior Amount	0	2,079.00
Increase	0	0
Decrease	0	375.46
Revised Amount	0	1,703.54

Remarks:

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

(Title)

Date delivered to Bureau of Mines, Washington 2/21/58

22845

DMEA Form 14

Contract No. Idm-E1116

Docket No. 4661

DEPARTMENT OF THE INTERIOR

Executed 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
July 30, 1957	I	Washington	Uranium

Name and Address of Operator: North Star Uranium, Inc.
417 Paulsen Building
Spokane 1, Washington

	Reserve	Obligation
Prior Amount	2,079.00	0
Increase	0	2,079.00
Decrease	2,079.00	0
Revised Amount	0	2,079.00

Remarks:

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

Date Delivered to Bureau of Mines, Washington 8/16/57

16418

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 15 1957

DATE	INITIALS	CODE

Audit copy

MF-200
(Revised June 1954)

Docket No. DMEA -4661

Commodity Uranium

Contract No. Idm-E 1116

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 30 JUL 1957 day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] NORTH STAR URANIUM, INC., a Washington corporation,

whose mailing address is 417 Paulsen Building
Spokane 1, Washington,
hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and one map, Plate 1.

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

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Washington, County of Spokane, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: Royalty of 15% on value of all ore produced, payable to owners.

(c) 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

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien and Subordination Agreement of owners.

(d) 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. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, 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. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of uranium. The work to be performed is described in Exhibit "A." The Operator on or before AUG 15 1957 shall commence the work, and on or before November 1, 1957, (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A."

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) *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 a 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 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $2,772.00 The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $2,079.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated, total allowable cost of the work.

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums.

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 8. (See Article 13.)

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the 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. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. 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 any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(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 detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and 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 related costs incurred.

(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 8. *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 a sufficient final report and final account (see Article 7) has been rendered, 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, 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, within 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 or 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) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(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 therof in the form in which and at the time when 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 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *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: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) 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.

(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: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) 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 remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *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 his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *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 13. *Changes and added provisions.*—

In Article 6(a), the words "Article 9" are changed to "Article 8."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. P. Mitchenor

Administrator, Defense Minerals Exploration Administration

NORTH STAR URANIUM, INC.
(Operator)

By John F. Campbell

Title President

I, A. C. Townsend, certify that I am the secretary of the corporation named as Operator herein; that John F. Campbell 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.

A. C. Townsend

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

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EXPLORATION PROJECT CONTRACT
NORTH STAR URANIUM, INC.
DOCKET NO. DMEA-4561

ANNEX I

The land referred to in Article 2 of the contract consists of the east half (E1/2) of the northeast quarter (NE1/4) of section one (1), T. 28 N., R. 44 E., W. M., Spokane County, Washington, owned by Wilhelm E. Lehmbecker and wife, Ruth Lehmbecker.

The location of the land with reference to the center of the section is shown on the map entitled "Plate 1 - Map Showing Surface Features and Geology, Lehmbecker Lease - North Star Uranium, Inc., Spokane County, Wash.," attached hereto and made a part hereof.

The Operator is in possession of the land by virtue of a lease dated October 25, 1956, from Wilhelm E. and Ruth Lehmbecker.

The Consent to Lien and Subordination Agreement signed by the Lehmbeckers is attached and made a part hereof.

MF-205
(Combines and supercedes MF-[illegible] and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 1116
Contract Date 30 JUL 1957

NORTH STAR URANIUM, INC.
417 PAULSEN BLDG. RI. 7-4669
SPOKANE 1 WASHINGTON

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Spokane, State of Washington, described as follows: 2/

The east half (E½) of the northwest quarter (NW¼) of Section One (1) T28N, R44E.W.M.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: none (State "None" or "See Annex No.____")

Dated this 18 th day of February, 1957.

Wilhelm Lehmbecker	[Seal]	Elk, Washington.	[Address]
Ruth Lehmbecker	[Seal]	Elk, Washington.	[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

I, Sam Farber certify that I am the sec.-treas, - (Secretary, etc.) of the corporation named herein; that R. C. McKelvie who signed this agreement was then President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

Sam W. Farber

[Corporate Seal]

RECEIVED MAR 17 1957 D.M.E.A.

EXPLORATION PROJECT CONTRACT
NORTH STAR URANIUM, INC.
DOCKET NO. DMRA-4441

EXHIBIT "A"

Description of the Work

General Provisions

The object of this project is to explore by means of trenching a uranium-bearing fault zone which trends across the subject property.

The work shall consist of bulldozing five (5) trenches at the approximate locations shown on the map, Plate 1. Trench No. 1 shall be excavated first and shall be approximately 550 feet long. The other four (4) trenches shall each be approximately 100 feet long. It is estimated that the trenches will have an average depth of about 10 feet. However, all the trenches shall expose bedrock adjacent to the inferred fault zone. Subject to previous written Government approval, a maximum of 350 feet of additional trenches may be excavated if sufficient funds are available after completion of the first 5 trenches.

The Government will not contribute to the cost of an incompleted trench, nor to a trench that is closer than 100 feet to any other trench or the boundaries of the land described in Annex I.

The bulldozing shall be performed with a D-8 Caterpillar dozer or an equivalent unit of any other make.

Sections of the trenches showing significant uranium mineralization shall be sampled. The Operator shall have one-half of each sample chemically analyzed for its U_3O_8 content. The remaining half shall be stored for Government inspection and possible use, in a container suitably identified as to sample number, trench number, and the location where procured in the trench. With Government approval, the Operator may dispose of the stored samples.

A competent supervisor shall be employed full time to direct the project work and perform the technical services required to complete the contract in a satisfactory manner.

The location, direction, and extent of all the project work are subject to Government approval.

Estimated Costs of the Project

Actual Costs

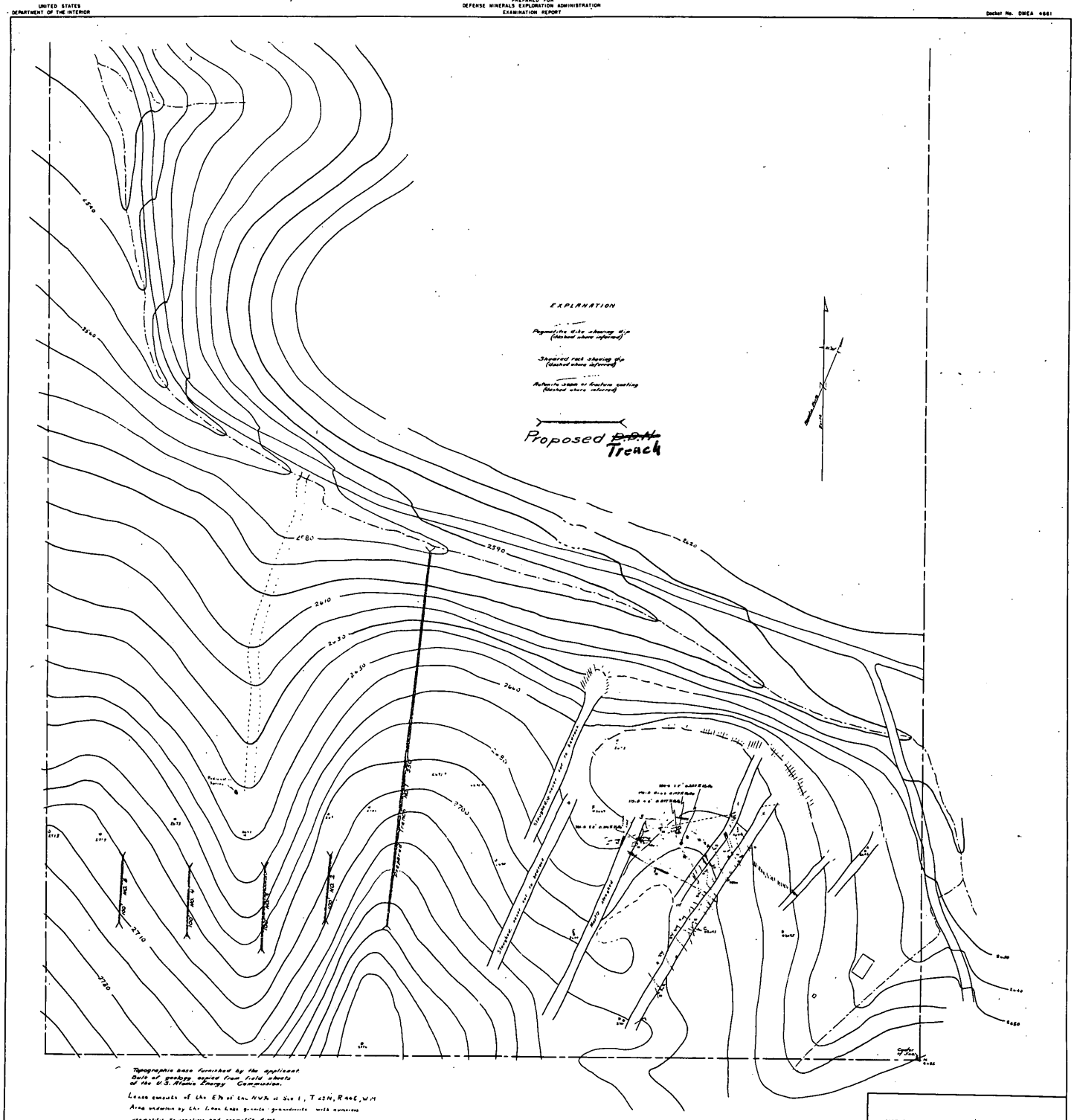
Category (1) Independent Contracts		
Bulldozing, 100 hours @ $17.50/hr.	$1,750.00	
Transport bulldozer to and from property	75.00	$1,825.00
Category (2) Personal Services		
Subcategory (a) Supervision		
Supervisor, 1 month @ $600.00/mo.	600.00	
Subcategories (b) and (c) Technical Services and Labor		
None		600.00
Category (3) Operating Materials and Supplies		
None except:		
Paper sample sacks @ $5.00/100	5.00	
100 gallons gasoline @ $0.37/gal.*	37.00	42.00
Categories (4), (5), and (6)		
None		
Category (7) Miscellaneous		
None except:		
Payroll taxes and insurance	90.00	
Chemical analyses for B_2O_3 content of 40 samples @ $5.00/sample	200.00	
Transportation of samples to laboratory	15.00	305.00
Total Estimated Cost of Project		**$2,772.00**
Government Participation @ 73%		**$2,079.00**

* For transportation

UNITED STATES
DEPARTMENT OF THE INTERIOR

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXAMINATION REPORT

Docket No. DMEA 4661



MAP SHOWING SURFACE FEATURES AND GEOLOGY
LEHMBECKER LEASE – NORTH STAR URANIUM INC.
Spokane County, Wash.

0 50 100 FEET

June 1957

Plate 1

DMEA Form 14

Contract No. Idm-E 1116

Docket No. 4661

DEPARTMENT OF THE INTERIOR

Approved 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
July 30, 1957	I	Washington	Uranium

Name and Address of Operator: North Star Uranium, Inc
417 Paulsen Building
Spokane 1, Washington

	Reserve	Obligation
Prior Amount	0	0
Increase	2,079.00	0
Decrease	0	0
Revised Amount	2,079.00	0

Remarks:

ALLEN S. DAKAN
(Name)

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

Date Delivered to Bureau of Mines, Washington 8/30/57

16416