

5290 0059

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Item 59

Norman H. Ursel Associates Limited

ASSOCIATES OF:
THE CATAWBA CORPORATION
CATAWBA INTERNATIONAL, INC.

SUITE 801
85 RICHMOND STREET WEST
TORONTO 1, ONTARIO
TELEPHONE:
363-9957
AREA CODE 416

August 20, 1968.

Mr. Norman J. Byrne,
Box 1228,
Ely, Nevada.

Dear Norm:

All data, except plan No. 3 which is to accompany the July report, have been received.

I agree with you with respect to Treasure Hill. The assays are distinctly disappointing which rules out the larger target hoped for. Before abandoning this sector completely, I would like to get some information, if possible, on the nature of the Phillipps' discovery (see clipping enclosed).

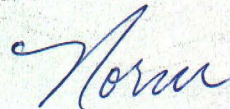
The Passayank continues to look the best of the targets. Check its relationship to the Eberhardt fault closely and also try to determine the significance (if any) of the north-south draw paralleling the base line.

Sample No. 683 is also interesting, particularly since it appears to be in the Lone Mountain Dolomite.

I will await results of your EM 16 work with considerable interest though I feel I.P. may be more significant.

Shovel work should also turn up added information.

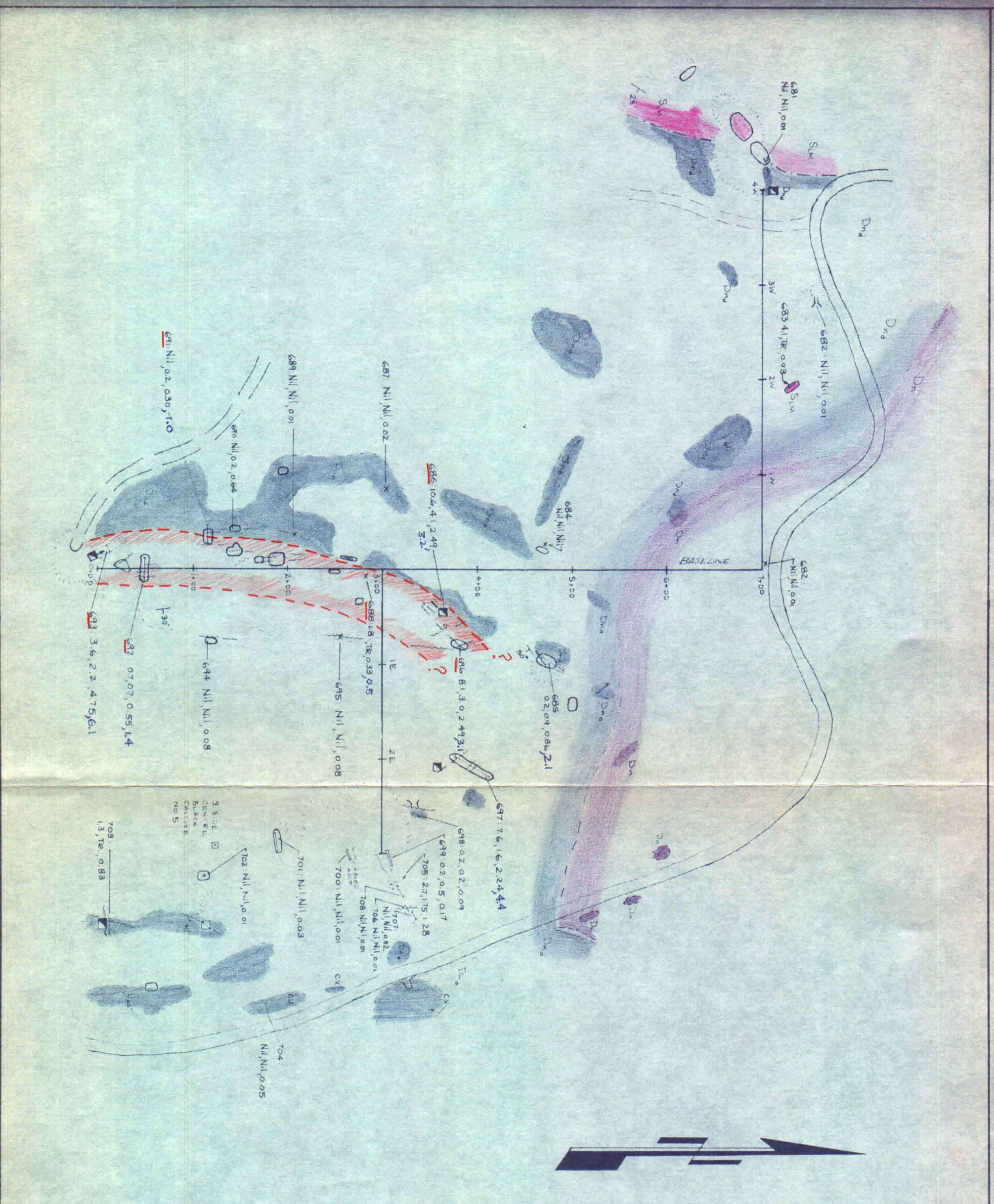
Best regards,



Norman H. Ursel, P. Eng.

NHU/nl
cc: Mr. Donald B. Lamont
(2) Coord - New York
- Hartford
Mr. L. B. Goldsmith
Enc.

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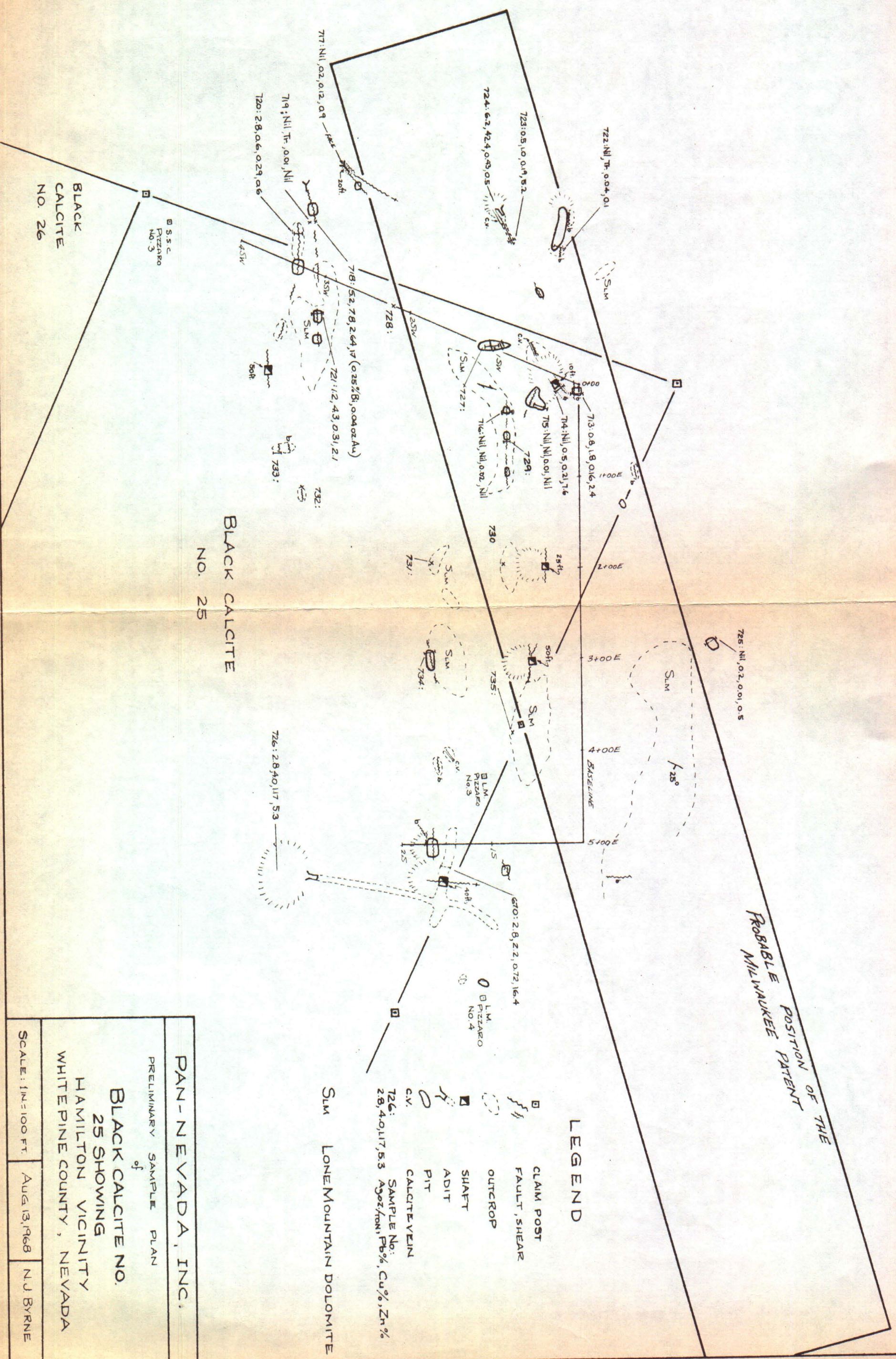


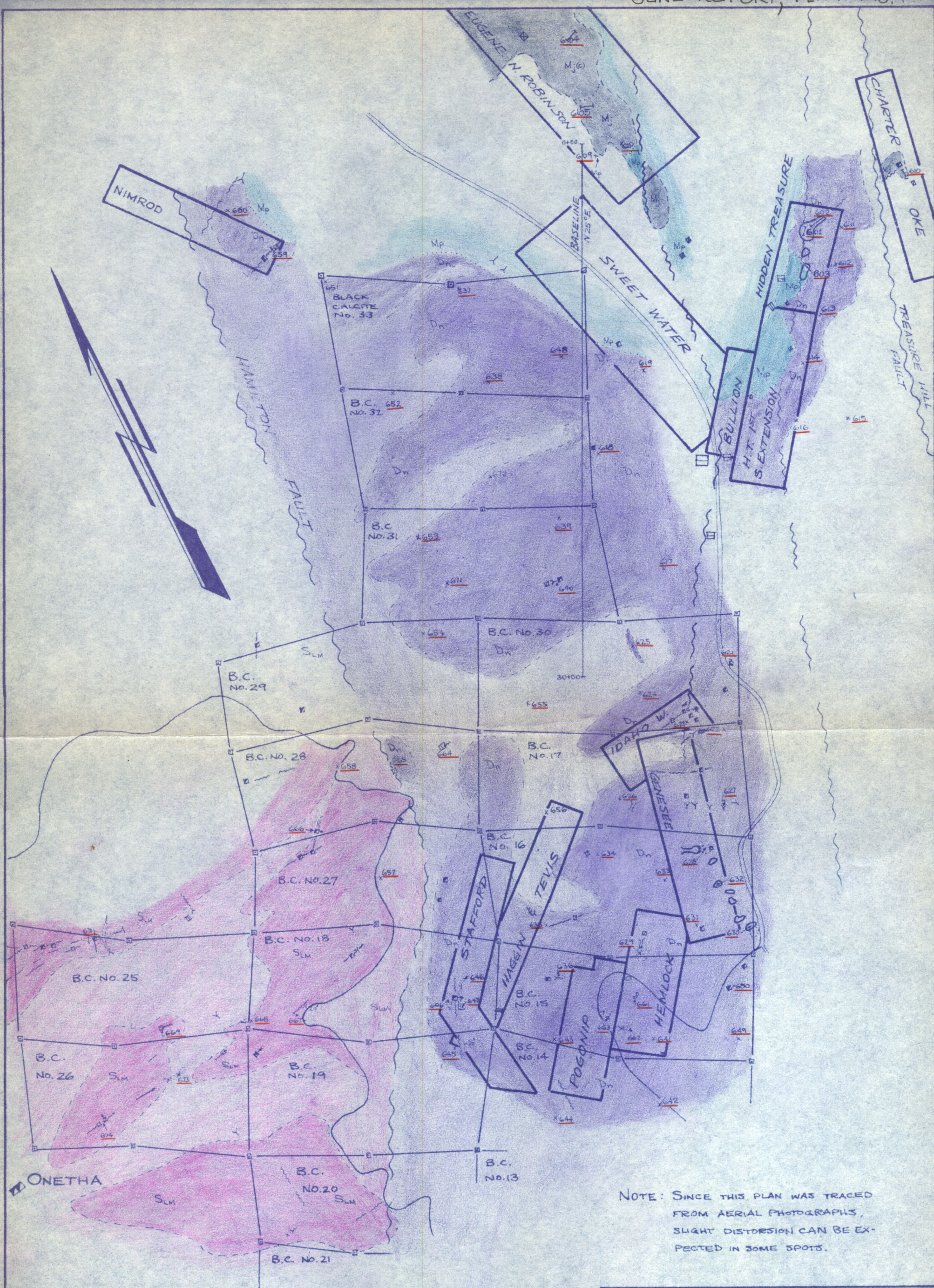
LEGEND

- MAJOR ROAD
- MINOR ROAD
- CLAIM POST
- FAULT
- OUTCROP
- CONTACT
- SHAFT (SHALLOW)
- ADIT
- PIT
- CALCITE VEIN
- CV
- 900
- 5.2, 2.4, 1.2, 0.10 Ag, 0.2, 0.04 Pb, 0.5, 0.2, 0.04 Zn
- Dn NEVADA LIMESTONE
- Dm DOLOMITIZED LIMESTONE
- Slm LONE MOUNTAIN DOLOMITE
- Alteration Zone

PAN-NEVADA, INC.
PRELIMINARY SAMPLE PLAN
of
PASSAYANK SHOWING
HAMILTON VICINITY
WHITE PINE COUNTY, NEVADA
SCALE 1 IN. = 100 FT
Aug 6, 1968
N.J. BYRNE











(344)
Item





NOTE: SINCE THIS PLAN WAS TRACED FROM AERIAL PHOTOGRAPHS, SLIGHT DISTORSION CAN BE EXPECTED IN SOME SPOTS.

LEGEND

- | | | |
|---|---|---|
| M _j (c) JOANA LIMESTONE (CHERTY) |  FAULT |  BUILDING |
| M _p PLOT SHALE |  OUTCROP |  MAJOR ROAD |
| D _n NEVADA LIMESTONE |  CONTACT |  MINOR ROAD |
| S _{LM} LONE MTN. DOLOMITE |  SHAFT (SHALLOW) |  CLAIM POST |
| |  ADIT | |
| |  SAMPLE | |
| |  PIT | |

PAN-NEVADA, INC.

PRELIMINARY PLAN

of
TREASURE HILL
HAMILTON AREA
WHITE PINE COUNTY, NEVADA

SCALE: 1IN=500FT.

JULY 26/68

N.J. BYRNE

344 Item

note for D.B.R.
L.B.
H.B.

Big minerals discovery in Oklahoma

BARTLESVILLE, Okla. (Reuters) — Phillips Petroleum Co. announced today it has made "a very significant discovery" of copper, silver and zinc ore near Ely, Nev., on property jointly owned by Phillips and Silver King Mines Inc.

The first discovery hole was drilled in May, 1967, and commercial minerals were encountered in 11 of 15 holes drilled in an 800-by-1,000-foot section of the property, the announcement added.

The ore deposits range in thickness from seven feet to 69 feet with an average thickness of 22 feet and the deposits outlined by these tests contain an estimated 1,000,000 tons.

Albertan: Aug 13/68

Norm:

The Albertan was a bit confused on geography and certainly has no detail. The Phillips property I believe adjoins Best Chance to the east. Try getting details, for obvious reasons. Sounds very much like a favorable sed bed but from the above description it could be anything.

Norm

5290 0059

Hamilton area,

(344)

Item 59

FRANK W. LEWIS
6904 WOODMAN AVENUE
VAN NUYS, CALIFORNIA 91405

AREA 213 780-5689

March 15, 1968

Norman Ursel
85 Richmond Street West
Toronto 1, Ontario, Canada

Dear Norm:

Working in the area (roughly) south of Irvine No. 5 and NU No. 10, Mr. Bida found additional mineral indications upon the surface.

Therefore, on my own initiative, I instructed him to locate all surface mineral that is obvious as this is near (relatively and geologically) your Passayank showing.

So, this may be a continuation, or (if you accept our thrust fault concept) related mineralization to your favorite target.

This lower area is now open and some traffic is already beginning so I authorized this work as I am sure we don't want anyone coming in on us and boxing us in from this direction. This would surely happen if it showed mineralization on the surface. This area is our area of "no conflicts" so I was sure you would want me to cover this for protection.

We also uncovered some more tailings in this lower area down on the placers, so it expands your reserves somewhat; it all adds up to your total.

Good luck,

Frank W. Lewis
Frank W. Lewis

cc: Donald Lamont
James Buckley
John Buckley
Gherardi, Hartford

*Lewis phoned re this:
I instructed that I wanted our
own men to look at it so
any further expense incurred*

5290 0059

(344) Item 59
cc: Mr. Donald B. Lamont
Mr. L. B. Goldsmith

BEST CHANCE PROPERTY

HAMILTON AREA

WHITE PINE COUNTY, NEVADA

PERIOD: JULY 1st - JULY 31st, 1968

GENERAL

During this period progress continued to the south of Treasure Hill. Detailed mapping and sampling was carried out on the Passayank showing until the week of July 16th - 23rd when the crew left the property for a vacation. The remainder of the month was spent mapping and sampling the Black Calcite 25 showing.

Weather did not hamper the crew to any great extent this month although a large amount of rain fell in the evenings.

Assays have been received for the work done so far on the Passayank and ten out of twenty samples taken on the Black Calcite 25 showing.

Towards the end of the period Romeo Gutierrez, the watchman at the Onetha Mine, was employed to do the necessary work on the three springs in the Shermantown area. After completing this work he began the job of fencing the millsites at the mouth of Zadow Canyon.

GEOLOGY

All mapping and sampling this period was entirely in the copper-lead-silver zone. Excepting the Passayank area all the ground covered consisted of exposures of Lone Mountain dolomite. A general description of this formation and mineral deposits within it was given in the June progress report and can be applied to most of the ground covered this period aside from the two showings described below.

Although the Passayank is in the Nevada limestone (F. L. Humphrey's classification) the mineralized zone is in a dolomitized layer which lies directly above the Lone Mountain dolomite. The contact between these two formations is not always evident since fossils are not always present and the texture varies locally. Therefore the dolomitized limestone may have been mapped as dolomite in other areas.

Both the dolomitized limestone and the dolomite have a tendency to alter to a coarser, more crystalline form which weathers dark brown. From megascopic observations it appears that the altered rock has hair-line fractures which allowed introduction of the low-temperature mineralizing solutions. Where the rock is not well crushed and yet is cut by larger fissures the alteration seems to only penetrate the wallrock a few inches.

The two showings on which detailed work was done this period differed by the above-mentioned situations.

PASSAYANK SHOWING

The showing is located mostly on Black Calcite Nos. 5 and 6 about 1,000 feet north-west of the California patent (See Plan No. 1). Relief is small with a shallow, north-south ravine splitting the showing into two portions. There is a gradual slope to the south.

At the south end of the showing the Eberhardt Fault cuts the formation striking approximately N70°W. Since the fault appears to be post mineralization and there was vertical movement there is no extension of the zone, evident on surface, south of the structure. The only influence the fault appears to have had on the showing is the formations of subsidiary faults and fractures which cut the showing and allow introduction of secondary, barren-looking calcite.

Since most of the low areas are covered by overburden no major faults could be observed in the immediate vicinity which could have contributed to the extreme fracturing of the zone. As shown on Plan No. 2 the alteration zone is flanked by minor north-south faults. This points out that the area was under stress and possibly it was relieved by shearing and intense fracturing.

The alteration zone shown on Plan No. 2 is not solid across its width but near its margin tends to accompany offshoot fractures with unaltered sections in between. The alteration zone could continue up to and under the contact crossing the map to the northeast, but talus on surface does not indicate any alteration in that area.

Where the rock was mapped as highly altered along the baseline from 0+00 to about 4+00N, values were fairly good. Beyond

the main zone assay showed little aside from a 4.1 ounce Ag/ton result in a trench at coordinates 7+30N, 2+00W which appeared to be in a window exposing the Lone Mountain dolomite through the Nevada limestone. Most of the samples were taken from workings where the mineralization was more concentrated but sample No. 688, although it carries only a trace of lead, shows that silver, copper and zinc values can be found in the typical altered rock. Since much of the alteration zone is covered by a thin layer of overburden and much work has begun to remove some of the overburden at certain intervals to enable the crew to take more representative samples.

The samples were not assayed for zinc on the first run since no zinc mineralization could be seen. Later the samples taken from the alteration zone were rerun for zinc thus adding significant values to the zone. Zinc and lead, excepting some extraneous values are in a ratio of about 2:1. Copper has a rough ratio of 1:1 to lead up to a point where both copper and zinc appear to level off as lead increases. Silver on the other hand does not seem to correspond to any of the base metal values. As more samples are taken a proportionality may be established. Mercury is present in small amounts but may be significant in a large tonnage operation.

The ravine which runs through the showing for IE to 2E,

parallel to the baseline, has extensive alluvium cover. Judging from the values obtained from the 40-foot sample (No. 697) in the trench, plus the fact that much mineralized talus can be found in the ravine, an extensive alteration zone may exist below the overburden.

Alteration on the east side of the showing is very localized, being mostly associated with small faults. In order to trace values, such as those obtained from sample no. 705, drilling would be necessary since overburden is deep in this area.

A magnetometer survey was run on the showing but there was no deviation from background. This serves to confirm the fact that no high-temperature mineral such as magnetite or pyrrhotite is present.

Work will continue on the Passayank showing as results are obtained and targets which warrant more detail are outlined.

THE BLACK CALCITE 25 SHOWING

This showing was partially described in the June progress report and shown on the map accompanying it. Detailed work included mapping the showing and sampling existing workings and some of the rock between mineralized zones.

While working in the area an old patent post was discovered which still had an identifying inscription on it. This patent, the Milwaukee, was not shown on Frank Lewis' maps but from information

gained from others the patent apparently covers the better part of the showing (See Plan No. 3). The owner of the Milwaukee is a resident of Ely but has not been approached. Also, some of the showing extends beyond the boundary of the present Black Calcite group, therefore pending a favourable evaluation of the ground, additional claims would have to be located.

This locality differs from the Passayank in that it does not have extensive alteration beyond the mineralized fractures. Also mineralization is slightly different in that much of the lead is in the form of carbonate, cerussite, but galena is also present and may carry more silver. A sample (no. 724) was taken, for qualitative purposes, comprised of almost entirely cerussite assayed 42.4% lead and 6.2 ozs. Ag/ton. Cerussite is concentrated in a few spots in two veins but does not seem to be widespread beyond these veins.

The veins cut by the shafts just south of 2+00E and 3+00E on the baseline have rich pods of galena but they are very irregular and are not expected to be continuous in the unexposed portions of the veins.

Copper is mostly in the form of earthy malachite and azurite and is confined strictly to the fractures. Only small values of copper are found where stains are not apparent.

Zinc is very hard to detect megascopically, possibly because it is in the form of sphalerite and smithsonite which blend in with the weathered vein material. It is present in quantity in some veins and yet very low in others where lead and copper values are higher.

Silver does not abound in any of the assays received to date. It also does not appear to bear any relationship to the base metal percentages. This is typical of this area since the Onetha has a low average silver content. Sample no. 680 is taken from the Onetha adit and assays only 2.7 ounces/ton silver.

Aside from sample no. 718 and those taken from the adit south of 5+00E on the baseline the assays are rather low considering they are taken from better sections of some of the workings. Some workings were not sampled since they were either inaccessible or, in some cases, contained obviously good values concentrated in a small vein. In these cases a sample would be taken nearby in the wallrock. Possibly when the remaining assays are returned the picture will change somewhat but no values are expected to be found in any of the wallrock.

CONCLUSIONS AND RECOMMENDATIONS

From results obtained on the Passayank it can be concluded that it is still a potential target and warrants further work. Additional samples will be taken across the alteration zone and an

attempt will be made to follow the zone south to the Eberhardt Fault. An electromagnetic survey will also be run on the showing. Induced polarization may also be a valuable tool on this showing and the immediate vicinity.

Recommendations and conclusions will be withheld on the Black Calcite 25 showing until further results are obtained. An electromagnetic survey will also be run on this showing before the end of next period.

Respectfully submitted,

"Norman J. Byrne, B.Sc."

SAMPLE REPORT FOR PROGRESS REPORT No. 2
TREASURE HILL AREA
WHITE PINE COUNTY, NEVADA

Mj JOANA LIMESTONE
Mp PILOT SHALE
Dn NEVADA LIMESTONE
SLM LONE MOUNTAIN DOLOMITE

SAMPLE No.	Au. oz./ton	Ag oz./ton	Pb %	Cu %	Hg lbs per ton	DESCRIPTION
673	Trace	0.2	4.5	0.151	None	SLM, In adit about 60', well fractured, 1' vein of highly weathered material similar to Zabow. 5' sample.
674	Trace	2.1	2.8	0.384	None	SLM, 6' sample, probably the main Onetha vein. Fractured zone with 3' of earthy, mineralized material.
675	None	4.3	4.2	0.113	None	SLM, very light colored. 1' vein with limonite bands in siliceous material. Some malachite & galena with lead oxide in fractures.
676	Trace	0.8	1.6	0.157	None	Siliceous vein in pit near shaft with much copper & lead mineralization.
677	0.005	2.9	1.1	0.674	None	Zone of alteration on bedding plane containing lenses of secondary copper & lead minerals.
678	0.005	2.1	0.8	0.907	None	Dn, Breccia zone filled with white calcite. Considerable malachite in irregular lenses.
680	0.005	2.7	3.6	0.352	None	SLM, 520' in Onetha adit, stope area.
681	Trace	None	None	0.012	None	At or near Dn, SLM contact. Taken at caved portal face, fractured area. No mineralization seen in sample but copper stain nearby, 4' sample.
682	Trace	None	None	0.006	None	Dn, (fossiliferous) small pit near road. Some small calcite fractures. Random ground sample.
683	0.005	4.1	Trace	0.025	None	SLM (?), light grey. In small pit. No noticeable mineralization. Calcite in small fractures.
684	None	None	None	None	None	Dn, grey dolomitic lower bed. Sample taken in small exploration pit, not much calcite & no noticeable mineralization. Slight rose colored stain in places.
685	Trace	0.2	0.9	0.863	None Zn % 2.1	Dn, 5' pit with 10' adit. In altered dolomitic limestone, 4" vein. Lead & iron stain. Copper along vein & in breccia.
686	0.005	10.6	4.1	2.489	None Zn % 3.2	Dn, dolomitic limestone, 10' shaft, good mineralization, galena, copper. Some manganese & iron stain, area fractured, mineralization in pods & following fractures.
687	None	None	None	0.018	None	Dn, dolomitic limestone, taken from barren-looking outcrop. Some calcite veins 1/2", not altered.

SAMPLE No.	Au. oz/ton	Ag oz/ton	Pb %	Cu. %	Hg lbs per ton	DESCRIPTION
688	Trace	1.8	Trace	0.333	None	Dn, dolomitic limestone, altered area, recrystallized, copper, little lead color, brown coating on limestone, various small brecciated zones filled with calcite.
					Zn % 0.5	
689	Trace	None	None	0.006	None	Dn, dolomitic limestone, at edge of altered area, no visible mineralization, Copper in float but not in outcrop.
690	Trace	None	0.2	0.642	None	Dn, dolomitic limestone, near main alteration zone, in small pit, part of rock altered, recrystallized, copper stains, brecciated & broken area, some rust.
					Zn % Trace	
691	Trace	None	0.2	0.302	0.40	Either Sln or Dn, dolomitic, in altered area, 20' sample cutting alteration, green copper, galena in abundance, 2'-3' rusty area cutting exploration hole. Copper & lead on both sides of iron for 10', N-S brecciation zones.
					Zn % 1.0	
692	Trace	0.7	0.7	0.548	0.30	Dn, 18' sample in trench of dolomitic limestone, area fractured, brecciated, some filled with calcite (1'), small flat fault filled with green gouge near vertical fault, galena, copper, manganese & lead stain in pods.
					Zn % 1.4	
693	Trace	3.6	2.2	4.749	None	Dn, 6' sample taken across back & walls 10' inside incline shaft. Large broken area at fault intersection. Small vein carrying much copper.
					Zn % 6.1	
694	None	None	None	0.075	0.20	Dn, small pit on fault zone in dolomitic limestone, some brecciation, no noticeable mineralization.
695	Trace	None	None	0.075	0.20	Dn, dolomitic limestone, apparent fault approximately N10°E. No noticeable alteration or mineralization. Small amount of iron stain. Fault vertical.
696	Trace	8.1	3.0	2.489	0.20	Dn, dolomitic limestone. Intersection of 2 faults in 8' pit. Some copper, lead & manganese minerals, follows small cracks.
					Zn % 3.1	
697	Trace	7.6	1.6	2.235	0.40	Dn, 40' trench in dolomitic limestone, fair galena & copper, much alteration, mineralization appears N-S, iron stains, manganese abundant as coating.
					Zn % 4.4	
698	Trace	0.2	0.2	0.094	0.30	Dn, In adit 15', dolomitic limestone highly fractured with calcite filling, fault & two perpendicular fractures cutting adit walls & contain iron & lead minerals.

SAMPLE No.	Au. oz/ton	Ag. oz/ton	Pb %	Cu o/o	Hg. lbs per ton	DESCRIPTION
699	0.005	0.2	0.5	0.170	0.40	Dn, 2.0' sample up to portal of adit. Some Copper & possible lead color. Altered dolomite.
700	Trace	None	None	0.006	None	Dn, dolomitic, with calcite veins. In 10' trench at mouth of caved adit. No noticeable mineralization but some iron stain.
701	Trace	None	None	0.025	None	Dn, similar to 700, minor brecciation, very little iron stain 5' from small pit.
702	Trace	None	None	0.012	0.30	Dn, dolomitic limestone, faulted contact with flaggy limestone. Red gouge. No mineralization. ls. is gray with buff coating. 10' pit. Dolomite altered next to fault (40° SE dip)
703	Trace	1.3	Trace	0.831	None	Dn, dolomitic ls, 30' shaft with shallow E-W trench. Intersection of several faults (N-S & E-W). One 2" vein, not too extensive copper. W. side of fault is crushed & altered.
704	None	None	None	0.050	None	Dn, massive white calcite vein at least 8' wide. Is a series of parallel veins. 5' sample taken in roadbed. No noticeable mineralization.
705	Trace	2.7	1.75	1.278	None	Dn, In cross cut, taken vertically up wall cutting flat fault. Much alteration. Some Malachite.
706	Trace	None	None	0.012	None	Dn, In drift, fault gouge zone between dolomitic ls. & ls. gouge is calcareous, altered, approximately 3-4' thick. No noticeable mineralization.
707	Trace	None	None	0.018	None	Dn, Many calcite stringers, well fractured, iron stain in fractures. No noticeable mineralization.
708	Trace	None	None	0.006	None	Dn, dolomitic ls, well fractured with calcite stringers. Close to N-S fault. Iron stains. Fractured parallel with fault, 10' sample
709	Trace	None	None	0.006	None	Dn, close to Eberhardt fault, 8' sample taken in back of cut & 10' shaft. Rock partly broken, some silicified. Black calcite fairly abundant. No noticeable mineralization. Could be some shale.
710	0.010	1.3	None	0.018	None	Dn, Fault zone 10' to 20' wide; all brecciated Jasperoid appearance (Joana ls?). Some blk. Calcite. SW-NE strike. No noticeable mineralization.
711	0.010	0.7	None	0.012	None	Dn, near California Mine, along cut wall, much brecciation, many faults, up to 3" calcite veins with some manganese stains. Minor alteration. 15' sample
712	Trace	None	None	0.018	None	Dn, (typical) sample taken parallel & 40' North of Eberhardt Fault. Some alteration, cut by calcite veins, iron stain. 20' sample

AMPLE No.	Au. oz/ton	Ag. oz/ton	Pb %	Cu %	Zn %	Hg. lbs per ton	DESCRIPTION
713	Trace	0.8	1.8	0.157	2.4		SLM, taken across small trench (5' sample). N-S brecciated line, little Cu cement. Some calcite veins 2-4" thick, Pb stain.
714	Trace	None	0.5	0.207	7.6	None Bi. None	SLM, 5' sample taken across mineralized vein, much iron stain, some Pb stain, Cu stain; calcite in vein. Area brecciated.
715	None	None	None	0.006	None		SLM, about 28' sample taken across larger pit in apparently barren recrystallized dolomite.
716	None	None	None	0.018	None		SLM, 8' section, taken in apparently barren dolomite (light grey). 3" vein has Pb & Cu with some small stringers penetrating country rock. Surrounding rock partly fractured.
717	None	None	0.2	0.119	0.9		SLM, Inside 20' adit, 5' sample across face, near vertical fault surfaces with veins of calcite, hematite, Cu & Pb. fault area brecciated.
718	0.040	5.2	7.8	2.641	1.7	None Bi. 0.25	SLM, discovery pit on 2' vein (2' sample across vein). Mainly Pb (anglesite?), some Cu & Fe stains; vertical E-W vein.
719	None	None	Trace	0.012	None		SLM, 6' sample south of above vein, fractured blocky dolomite (small 6" to 1') vertical brecciated area cemented by calcite. No noticeable mineralization.
720	0.005	2.8	0.6	0.289	0.6		SLM, 6' sample on outcrop, 3" vein, mainly Pb & Fe stain with some Cu; in E-W fracture. Dolomite fractured but not brecciated.
721	Trace	1.2	4.3	0.308	2.1		SLM, 6' sample; medium grey with 6" siliceous vein containing galena, manganese, Fe & Cu. Small fractures on either side containing small amounts of mineralization. Not much carbonate in vein.
722	Trace	None	Trace	0.037	0.1		SLM, 8' sample taken across trench in light grey dolomite, brecciated, cemented by calcite; little iron stain. No noticeable mineralization.
723	Trace	0.5	1.0	0.189	5.2	None Bi. None	SLM, 6' sample inside adit across roof. Brecciated dolomite cemented mainly by ore (malachite, anglesite(?), cerussite, sphalerite(?)), Fe stain in ore. 2' + white calcite vein on S. side. Vein 2.5' average with dolomite breccia. Ore continued on face.
724	Trace	6.2	42.4	0.428	0.5	None Bi. 0.02	SLM, sample of solid cerussite to determine silver content.
725	Trace	None	0.2	0.012	0.5		SLM, 5' sample taken across small pit, Brecciated for 8'. Some calcite cement & calcite veins. Anglesite(?) cerussite & possible galena.
726	0.005	2.8	4.0	1.168	5.3		SLM, random sample from dump near adit.

5290 0059

cc: Mr. Donald B. Lamont
Mr. Locke B. Goldsmith

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Item

BEST CHANCE PROPERTY

HAMILTON AREA

WHITE PINE COUNTY, NEVADA

Period: June 4th to 30th, 1968

GENERAL

The field crew consists of N. J. Byrne, geological engineer, R. S. Friberg, geologist. Camp was set up at Zadow Shaft and the crew travelled to and from Treasure Hill using the Best Chance Willys and later Pan-Nevada's Land-Rover.

The program had a slow start due to five days of inclement weather. Initially a three-day reconnaissance of portions of the property was conducted serving to familiarize the crew with accessibility, topography and general geology of the area.

Mapping and sampling with aid of 500'-scale aerial photographs began on Treasure Hill. Due to the preponderance of mine workings on Treasure Hill and the surrounding slopes, coupled with the extreme relief, the allotted time for the first phase of the program had to be extended in order to cover the area between Treasure Hill and the Passayank.

The report and maps compiled by F. L. Humphrey, Nevada Bureau of Mines Bulletin No. 57, were used to great advantage in locating structure and rock types as well as for identifying mine properties. Since a detailed description of rock types will not be given here Humphrey's account can supplement this report.

SUMMARY OF GEOLOGY IN AREA OF BLACK CALCITE CLAIMS

Most of the area outlined by the Black Calcite Claims and the patents has extensive outcropping of Nevada limestone except in alluvial valleys and the more level surfaces. In the area of the Eugene N. Robinson patent, where the topography rises, the younger formations, namely the Pilot shale and Joana limestone, have not been eroded to expose the Nevada limestone. The Nevada limestone is the most important rock type in this area for the emplacement of silver mineralization, thus most of the mines were in the upper part of this formation which was most susceptible to the mineral bearing solutions. The rock ore bodies were controlled by faulting which cut the formations in north-south and east-west directions leaving extensive breccia zones which in turn allowed introduction of calcite, quartz and ore minerals. Humphrey suggests the Treasure Hill Reverse Fault as being the possible channel for passage of mineral solutions since the two faults directly to the west that intersect it at depth contained most of the high-grade mineral in the Nineteenth Century.

The predominant rock unit west of the Hamilton Fault on the west slope of Treasure Hill is the Lone Mountain dolomite. In the area covered to date all of the lead-silver-copper mineralization has been in the dolomite except for the Passayank area where, on surface the host is dolomitized Nevada limestone.

DETAILED GEOLOGY

The Hidden Treasure Mine was the first and most closely studied mine since it was probably the most productive on the Black Calcite Group. The most northerly pit reveals the intersection of one of the previously mentioned north-south faults with a smaller east-west fault. This was supposedly a criterion for concentration of rich ore which was probably completely removed. Some of the brecciated zone still remained and was sampled along with altered wall rock yielding an assay of 8.8 ounces of silver per ton over 45 feet. The sample width is misleading since it may parallel the breccia zone for half of its cut length. One sample (602) cut approximately perpendicular to the one above and the strike of the main breccia zone assayed 1.1 ounces silver per ton over 90 feet. Although the limestone and calcite vein cut by the sample appeared unaltered and barren some values must have been present in the many small fractures or in crystal-filled vugs. Pits and stopes to the south on the Hidden Treasure property also had walls and pillars of remaining breccia. A 60-foot sample (603) taken along the back and walls of a large stope near the Pilot shale contact assayed 2.5 ounces silver per ton. Numerous samples taken in the Nevada limestone flanking the workings failed to turn up any values whatsoever. It is concluded from the results that silver is confined to the fault-breccia zones and some veins containing black calcite in the northern

part of Treasure Hill. This hypothesis can also be applied to the southern portion but since the structure is more complicated the values are more widespread. Samples 627 to 636 were taken either in workings, or in close proximity, in the area of Black Calcite Claims 14, 15 and 16 and the Genesee, Idaho Westerly, Hemlock and Pogonip patents. These workings are in the vicinity of the north-south fault sub-parallel and west of the fault responsible for the Hidden Treasure orebody. On the Genesee, and some other surrounding mines, as in the Hidden Treasure the best ore appeared to have been where east-west faults and fracture zones intersected the main north-south fault. Some interesting assays were received here but they represent small tonnages on the margins of the mined-out orebodies. Samples taken at intermediate points were too low to follow up. A few hundred feet south and west many adits and stopes followed a rather irregular, horizontal vein which either followed a bedding plane in the Nevada limestone or filled cavities on a certain horizon in the formation. This vein contained considerable black calcite as well as a later, barren-looking white calcite. Samples of this vein from a variety of workings including one with a large percentage of black calcite assayed between zero and about one ounce silver per ton.

Most of the showings beyond the main ore zones were following breccia zones and calcite veins rather local in nature. These were not very productive as indicated by the limited extent of the development. Samples were taken over convenient intervals, mostly where the typical Nevada limestone was exposed but also in some cases where zones of interest were uncovered in trenches and shafts. No significant results were obtained.

The Stafford Mine was sunk on a rather unique situation since it is the only working of its type near the Hamilton Fault. A number of east-west fractures seem to have set up the criteria for deposition by intersecting a north-south fault on the east side of the Hamilton Fault. Although it is the farthest west and on a lower horizon than the other mines in the silver zone, it has similar-appearing vein material. A large white calcite vein fills the fault at the mouth of the inclined shaft and black calcite occurs in subdrifts at both the north and south end of the large stope. Samples taken in both subdrifts and from the muck pile all assayed nil. No attempt has been made yet to descend the winze below the large stope.

Directly to the west of the Hamilton Fault where the Lone Mountain dolomite predominates, the topography drops off considerably into Shermantown Canyon. The terrain is made more

rugged by deep east-west, fault-formed canyons which become shallower toward the crest of Treasure Hill. The relief presents a good exposure of the copper-lead-silver zone on a vertical extent. Most of the mineralized veins strike east-west in fissures accompanying the faults. Examples of productive orebodies in this area are the Onetha and Fay Mines which are not on the Black Calcite group, but were investigated in order to become familiar with the structure and mineralization. The Onetha Mine is a good example of a strong, mineral-filled, east-west fissure. The assay has not yet been returned for a sample taken in Onetha's main adit. At the Fay Mine mineralization has not only filled the east-west fissures but also replaced part of a quartzite bed in the dolomite.

The showings in the dolomite usually consist of narrow seams of carbonate containing malachite azurite, cerussite, anglesite, iron minerals, zinc minerals and in some places where oxidation has not been complete, galena is still present in pods and individual crystals. Silver values are best where galena is present. In places where the rock was well fractured the mineralization followed channels forming a network several feet wide but this situation is not common.

Many adits and shafts penetrate the hills following the veins and in many cases have proved them to be inconsistent and

lenticular. One of the most interesting showings of any size that has not had extensive development is on the west portion of Black Calcite No. 25, about 1,000 feet northeast of Onetha Mine. Here several, sub-parallel fissures cut the crest of a hill in an east-west direction. The veins are usually a foot or less in width and outcrop intermittently over an approximate length of 300 to 400 feet with barren-looking zones in between. Detailed mapping and sampling of this area are underway now. An interesting assay was received from an underground working just east of the above mentioned showing. Sample number 670 ran 16.4% zinc as well as smaller amounts of lead, silver and copper.

The results obtained from sample No. 666 which was picked from a small, well-mineralized pod show that galena carries considerable silver with it. This sample was cut primarily for qualitative purposes.

Although the dolomite on the west slope of Treasure Hill does not show evidence of alteration beyond the mineralized fissures some samples were taken at large intervals hoping to detect trace amounts of base and precious metals. The two results obtained to date (Nos. 671 and 672) show the dolomite to be barren of precious metals in these locations.

CONCLUSIONS

In view of the assays received from workings on Treasure Hill's silver zone nothing of size or appreciable grade was detected from the surface or shallow workings. It is a known fact that very little diamond drilling has been done on the property but since the deposits are known to be confined to certain zones and no large, low-grade target has been outlined, no further work is recommended on the silver zone of Treasure Hill.

The copper-lead-silver zone in the Lone Mountain dolomite seems to have more potential. Close interval sampling may turn up a target warranting further exploration.

Respectfully submitted,

"Norman J. Byrne, B.Sc."

A-30

SAMPLE REPORT FOR PROGRESS REPORT 16.1

TREASURE HILL AREA

WHITE PINE COUNTY, NEVADA

Mj JOANA LIMESTONE
 MP PILOT SHALE
 Dn NEVADA LIMESTONE
 SLM LONE Mtn. DOLOMITE

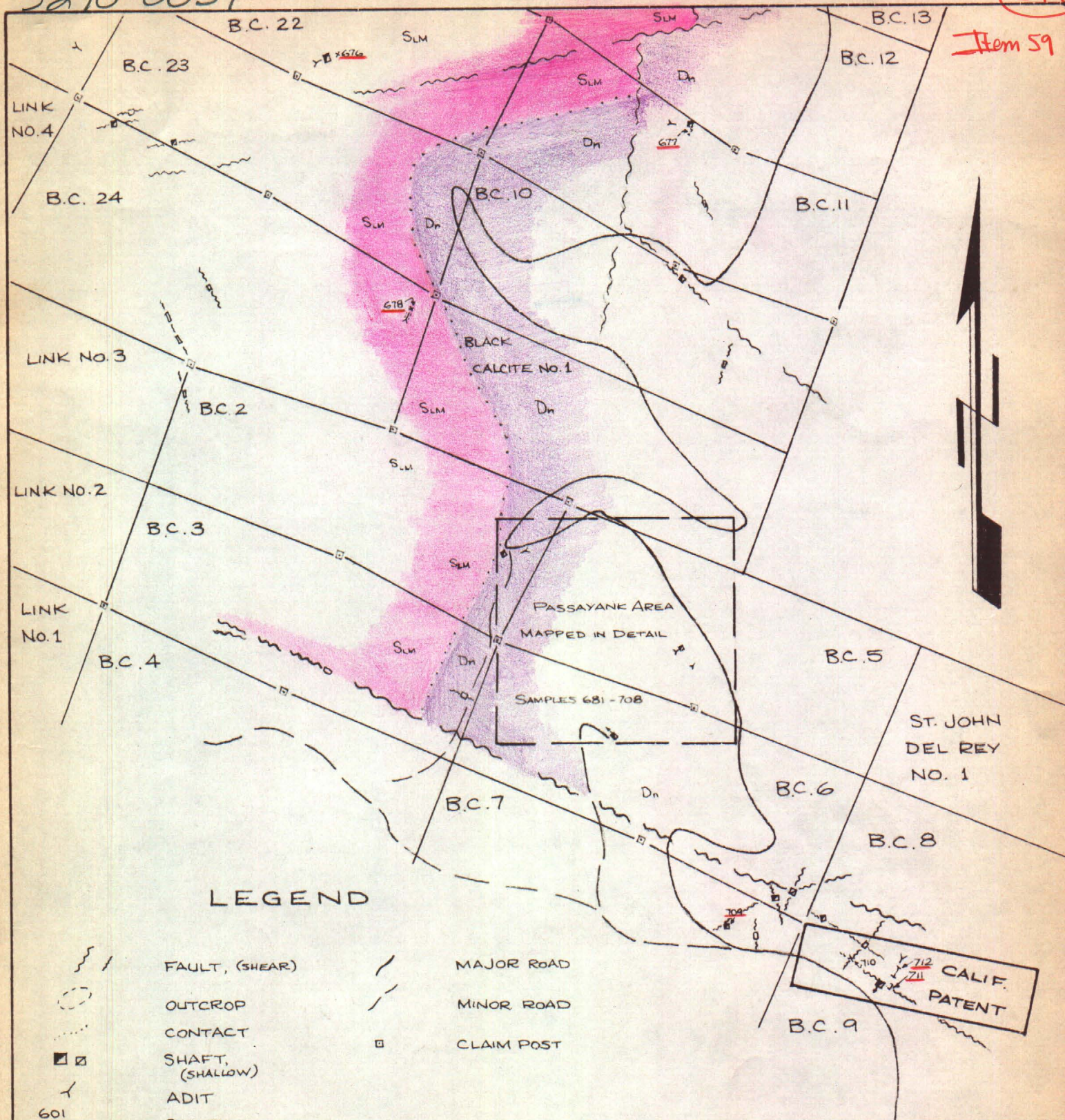
SAMPLE No.	Au oz/TON	Ag oz/TON	Cu %	Pb %	Zn %	Hg %	DESCRIPTION
601	0.010	8.8					Dn, GREY, FRACTURED. BRECCIA & A FAULT ZONE FILLED WITH FINE TO COARSE CRYSTALLINE CALCITE. SOME ZONES OF ALTERATION. 45 FT.
602	NONE	1.1					Dn, HARD, GREY, CUT BY MASSIVE, COARSE CALCITE VEINS (UP TO 4 FT.) WITH LARGE VUGS. VUGS DO NOT FOLLOW TREND. SMALL ABUNDANT Cu STAIN. 90 FT.
603	0.005	2.5					Dn, FRACTURED TO BRECCIATED AND ALTERED. NEAR A CONTACT WITH MP. SOME OF SAMPLE TAKEN IN AN EARTHLY SLIP ZONE. 60 FT.
604	NONE	NONE					Mj, BRECCIATED TO BANDED CHERT AND LIMESTONE WITH STZ-CARBONATE CEMENT. NEAR AN APPARENT FAULT. IRON STAINED. ALSO SECONDARY CHERT INTERLUSTIONS. 40 FT.
605	NONE	NONE					Mj, GREY, MASSIVE WITH SOME CALCITE VEINING. HIGHLY FOSSILIFEROUS IN PLACES. SOME BLACK CHERT LENSES. 60 FT.
606	NONE	NONE					STAFFORD MINE. EARTH, BLACK MATERIAL FROM MUCK PILE.
607	NONE	1.5					EDERHARDT MINE. PICKED SAMPLE INCLUDING MUCH BLACK CALCITE AND EARTHLY Mn. TAKEN FROM LARGE STOPE.
608	0.005	1.6	1.890	18.1	1.0	0.015 Mo % 0.009	HOMESTAKE-ROCCO MINE AREA. FROM ADIT DUMP ABOUT LARGE SHAFT HOUSE. MUCH Cu STAIN AND SOME GALENA.
609	TR.	NONE					MP NEAR Mj LOWER CONTACT. APPROXIMATELY 200 FT. WEST OF A FAULT. NO ALTERATION.
610	TR.	NONE					Mj, WITH CALCITE VEINS & STRINGERS. ABOUT 100 EAST OF TREASURE HILL FAULT.
611	NONE	NONE					Dn, DENSE, MEDIUM-GREY. NUMEROUS SMALL ROUNDED-OUT SOLUTION CAVITIES. NOT MANY FRACTURES.
612	NONE	NONE					Dn, SIMILAR TO #611 BUT WITH ONE 2 FT. WIDE IRREGULAR CALCITE VEIN.
613	NONE	NONE					Dn, SIMILAR TO #611 BUT WITH SEVERAL SMALL CALCITE VEINS UP TO 4 IN.
614	NONE	NONE					Dn, SIMILAR TO #613.
615	NONE	NONE					Dn, SIMILAR TO #613.

SAMPLE No.	Au oz./ton	Ag oz./ton	Cu %	Pb %	Zn %	Hg %	DESCRIPTION
616	NONE	NONE					D _h , MED. GREY, FOSSILIFEROUS, SOME MINOR BRECCIATION AND A CALCITE VEIN APPROX. 6" WIDE
617	NONE	NONE					D _h , TOUGH, GREY & FOSSILIFEROUS.
618	NONE	NONE					D _h , HARD, GREY, FOSSILIFEROUS WITH CALCITE STRINGERS.
619	NONE	NONE					SIMILAR TO #618. IN SMALL PIT WITH CALCITE VEIN NEAR LIMESTONE-SHALE CONTACT.
620	NONE	NONE					M _j , NEAR LOWER CONTACT. SAMPLE TAKEN VERTICALLY. ABOUT 100 FT. WEST OF A FAULT. SOME CALCITE STRINGERS. FOSSILIFEROUS.
621	NONE	NONE					D _h , GREY, FOSSILIFEROUS, 3-FT. CALCITE VEIN. ROCK CUT, 50 FT.
622	NONE	NONE					D _h , MINOR CALCITE STRINGERS.
623	NONE	1.0					D _h , WITH CALCITE QUARTZ VENS. IN AREA OF 3 SHALES. SOME OF SAMPLE TAKEN FROM MUCK PILE, SOME FROM A BRECCIATED FAULT ZONE.
624	NONE	NONE					D _h , WITH A 1-FT. EAST-WEST CALCITE VEIN.
625	NONE	NONE					D _h , FRACTURED, FOSSILIFEROUS. IRON MINERALS AND CALCITE IN FRACTURES. VERY SLIGHT COPPER STAIN.
626	TR.	NONE					D _h , DENSE, GREY.
627	TR.	0.8					D _h , TAKEN INSIDE AN ADIT WHERE EAST-WEST FRACTURE INTERSECTS HORIZONTAL VEIN. THE FORMER CONTAINS IRON MINERALS WHEREAS THE LATTER HAS BLACK CALCITE
628	TR.	3.9					D _h , TAKEN FROM BACK OF OPEN STOPE ABOUT 25-30 FT. IN WIDTH. FAULT ZONE FILLED WITH BLACK AND WHITE CALCITE, AND ANKERITE. SOME BRECCIA.
629	TR.	9.8					D _h , BACK AND WALL OF SMALL STOPE. MUCH BLACK CALCITE IN IRREGULAR VEIN. ALSO BRECCIA CEMENTED BY WHITE CALCITE.
630	NONE	7.2					D _h , FRACTURED, WITH CALCITE VUGS & STRINGERS. BACK OF OPEN STOPE. VEIN APPEARS TO BE MINED COMPLETELY.
631	NONE	NONE					SIMILAR TO 630
632	NONE	NONE					SIM. TO 630. POSSIBLY A HORIZONTAL VEIN.
633	NONE	1.3					D _h , EDGE OF PIT. FRACTURED AND VUGGY WITH QUARTZ-CARBONATE FILLING.

SAMPLE No.	Au. oz./ton	Ag. oz./ton	Cu %	Pb %	Zn %	Hg %	DESCRIPTION
634	NONE	0.8					Dn, with a siliceous zone. Slight Cu stain
635	TRACE	0.6					Dn, with 4' calcite vein
636	TRACE	1.2					Dn, Altered with a horizontal blk & white calcite vein. from shallow underground work.
637	NONE	NONE					Dn, with some calcite stringers & Fe stain
638	NONE	NONE					Dn, same as 637 but with 2' calcite vein
639	NONE	NONE					Dn, Same as 637
640	NONE	NONE					Breccia zone near a shaft
641	NONE	NONE					Dn, Blocky fracture, some small calcite veins
642	NONE	NONE					Similar to 641
643	NONE	NONE					Similar with no calcite veins
644	NONE	NONE					Similar with 2' vertical E-W calcite vein. Sample taken from old discovery hole
645	NONE	NONE					Slip zone - Ls, gouge, pieces of shal all limey, from hanging wall. Some calcite veins
646	NONE	NONE					Dn, Stafford Mine, Taken from North Sub-drift at bottom of stope, face sample. Dn & black calcite in breccia on hanging wall.
647	NONE	NONE				Mn % 1.41	sample of solid black calcite from south sub-drift.
648	NONE	NONE					Dn, typical with few fractures, fossil filled with calcite.
649	NONE	NONE				Mn % NONE	Dn, with tiny calcite stringers. 2' vertical bed is black & more crystalline with some minor dark calcite. Distinct H ₂ S odor on broken surface.
650	NONE	2.0					Dn, 5' E-W shear zone with some brecciation. Contains a ugly, black zone with cinder appearance. Slightly altered on walls.
651	TRACE	0.2					Dn, in discovery pit, brecciated area with some limestone; remainder is reddish siliceous breccia cemented by calcite.
652	NONE	NONE					Dn, tough, grey, fossiliferous. Small calcite veins.
653	NONE	NONE					Similar to 652
654	NONE	NONE					Similar to 652
655	NONE	NONE					Similar to 652 but with large white calcite vein
656	NONE	NONE					Similar to 652
657	NONE	NONE					SLM, Dark grey dolomite, mottled, 2" calcite veins.

5290 0059

JULY REPORT PLAN NO. 1 (344)



PAN-NEVADA, INC.

PRELIMINARY SAMPLE PLAN
ofSOUTH TREASURE HILL
AND PASSAYANK AREA
HAMILTON VICINITY
WHITE PINE COUNTY, NEVADA

SCALE: 1IN.=500FT.

AUG. 4, 1968

N.J. BYRNE

5290 0059

344

Item 59

TARGET ZONE

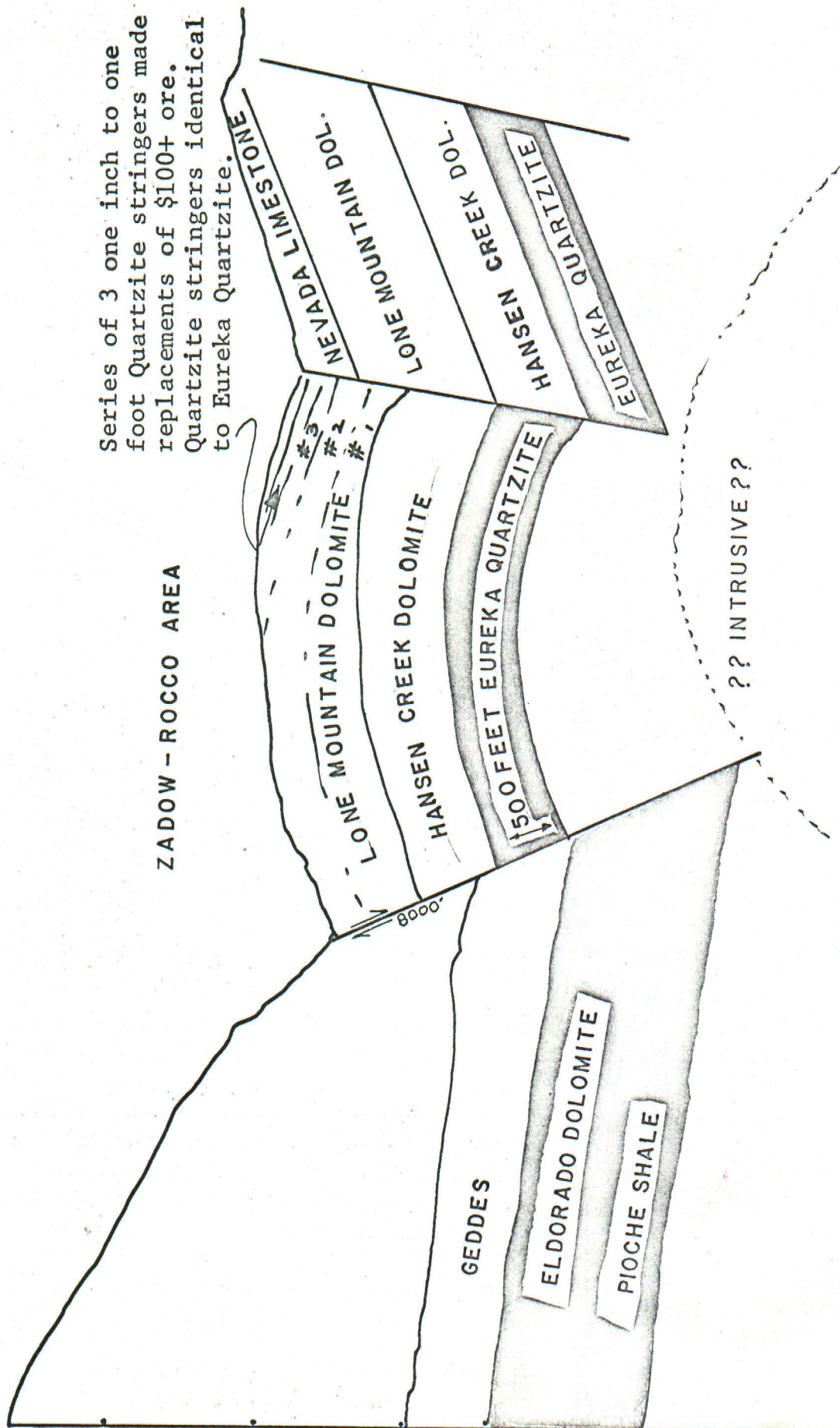
ZADOW-ROCCO CANYON MINES

Surface Geology dolomite (brecciated) cut by series of high grade ore stringers radiating from the area.

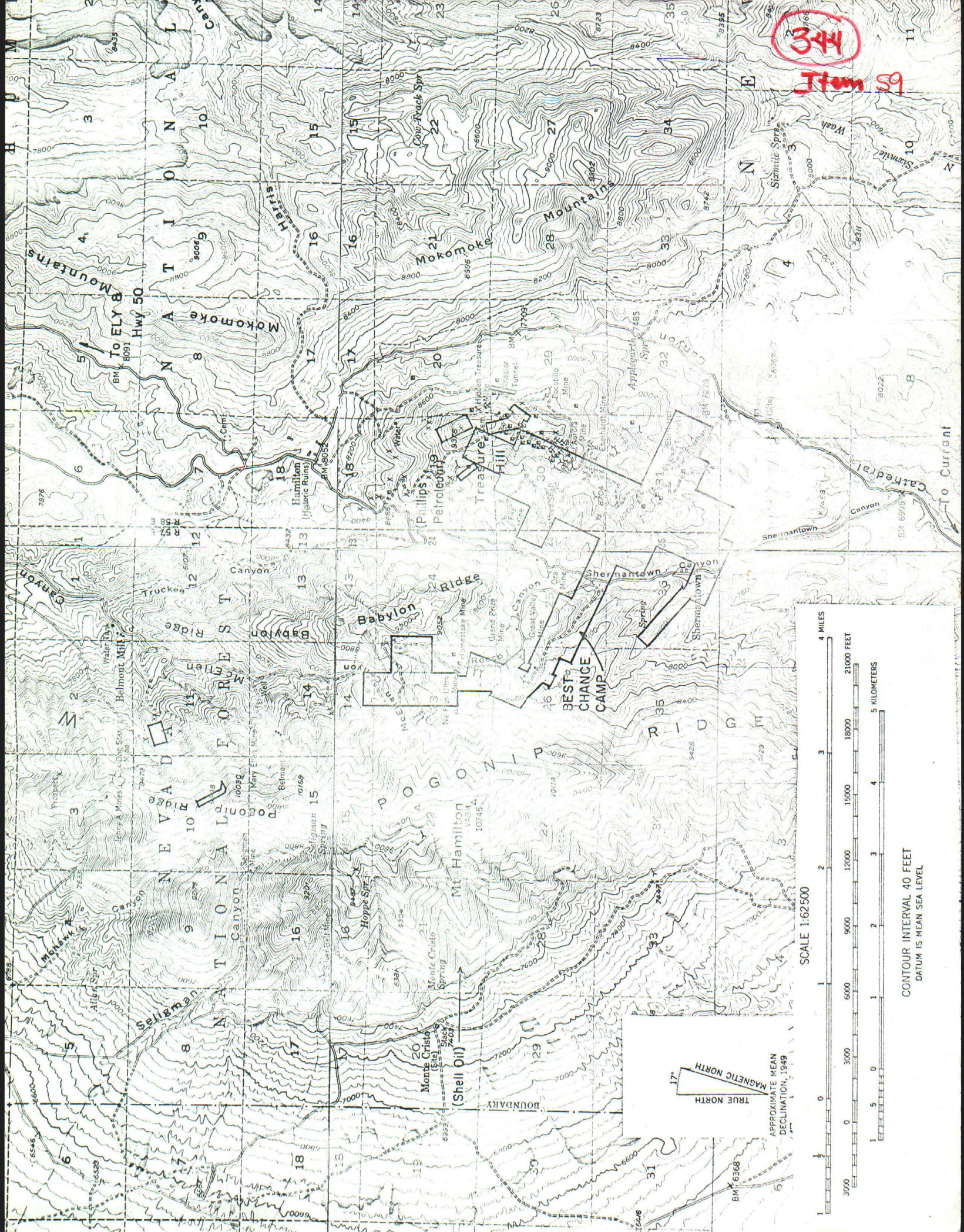
MOUNT HAMILTON

ZADOW - ROCCO AREA

Series of 3 one inch to one foot Quartzite stringers made replacements of \$100+ ore. Quartzite stringers identical to Eureka Quartzite.



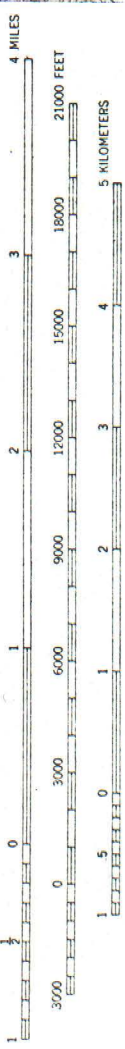
1 INCH = 1000 FEET



344

Item 89

SCALE 1:62500



CONTOUR INTERVAL 40 FEET
DATUM IS MEAN SEA LEVEL

TRUE NORTH
MAGNETIC NORTH
17°

APPROXIMATE MEAN
DECLINATION, 1949

5290 0059

FRANK W. LEWIS
6904 WOODMAN AVENUE
VAN NUYS, CALIFORNIA 91405

344
J Tom 59
SUB, JLD
XX epts: ✓ hake 6 dots
10-00-2
AREA 213 780-5689

April 16, 1968

Pancoastal, Inc.
% The Catawba Corporation
37 Lewis Street
Hartford, Connecticut 06103

The Catawba Corporation
103 East 37th Street
New York, New York 10016

FORMAL NOTICE: Reference Mining Lease No. 1, dated October 5, 1967, between Best Chance Mining Company and Pancoastal, Inc. Notice is hereby served under Paragraph G, Page 12, that it is the intention of Best Chance Mining Company to locate approximately 6 to 12 claims as shown on the attached map.

Dear Mr. Lamont:

This is a notice to clarify and detail a telephone conversation I recently had with Norman Ursel.

As you know I had written you on March 15, 1968, by a letter addressed to Norman Ursel that we had found some additional mineral showings while conducting your work in the area south of your Irvine No. 5, NU 10 area. In my opinion this is a very favorable showing.

However, in my recent conversation with Mr. Ursel he said he did not want the property, or that he might not want it, and I would then have to pay for any work done there.

So to clear this matter up I thought I should make a formal Notice for I feel rather strongly that the property should be located to protect the overall project and also there is a good mineral showing there.

I make it perfectly clear my recommendation to you is to locate this ground for your own group and any other grounds which have definite mineral showing contiguous to your own group that you now control - but I have made that point before.

Attached is the map showing this area, roughly as being in Section 1, T. 15 N., R. 57 E., MDBM, and in Section 6, T. 15 N., R. 58 E., MDBM.

It may be that Mr. Bida is not available to locate this for us as he may be too busy. So I have asked him to acquire a surveyor to

do this for Best Chance Mining Company. I anticipate the cost to be from \$600 to \$1,200 for claims if Mr. Bida locates them, and from \$1,500 to \$3,000 if a surveyor has to do them.

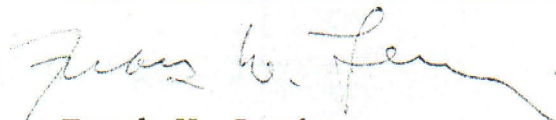
I trust this meets with your understanding of procedure under Paragraph G, Pages 12 and 13 of the Agreement.

I will repeat myself again: I want to do this locating for your interest. I think it should be done for your interest. But it is my instruction and understanding that you do not want it, so this Notice is only to clear up the matter so that Best Chance Mining Company can go ahead.

If you require any further information you should call me.

Sincerely,

BEST CHANCE MINING COMPANY

A handwritten signature in dark ink, appearing to read "Frank W. Lewis", written in a cursive style.

Frank W. Lewis
President

FWL/sl

cc: Norman Ursel

5290 0059

(344) Item 59

Hold File
Golds.

FRANK W. LEWIS
6904 WOODMAN AVENUE
VAN NUYS, CALIFORNIA 91405

AREA 213 780-5689

March 1, 1968

Norman Ursel
85 Richmond Street West
Toronto 1, Ontario, Canada

Dear Norman:

Notice: the Union Pacific is conducting exploration activity near the Comstock Lode and your Pantepec property there.

Locke Goldsmith said he would get his own geology student staking crew and helpers, so I do not now plan on getting anyone in the way of students and will let Locke take care of that.

I thought his man would be taking over the Hamilton work but he said he was going to limit himself to do the geology and do nothing else. Rest assured I will continue about as now and will assist him every way possible, so long as you want me to continue. We will keep everything running along in a low keyed way to keep expenses down.

I look forward very much to your detailing the geology and targets and mapping all of the property. This will be of tremendous help and will lead us to some useful targets, I am sure, that we haven't even considered.

I had occasion to talk to a drilling company representative (Longyear) and he told me to get a drill on a job took almost a year of lead time they are so busy. It will take you much of the summer to complete your mapping and checking at Hamilton, and therefore you might consider trying to get your drilling done sometime after September the first. By thus planning, then, your drilling will cover next assessment year's work as we have done almost enough to cover this years and will have enough done by the time September 1st rolls around, and we complete the work we have on water, etc. By planning ahead this way one can save make work projects to complete assessment work, and you may not be able to get drillers anyhow. There are no local drillers I could recommend for deep work. Then, even if you don't complete your work until the following summer, the assessment work has been completed.

On Treasure Hill Mine, if we can get some good mapping done, an air-track drill of some kind would be very useful for blocking your shallow beddings on Treasure Peak, and use as a blast hole rig when you start production. It would be a lot cheaper than contracting.

CC: Donald Lamont
James W. Buckley
Frank P. Gherardi, Hartford

Good luck,

Frank W. Lewis
Frank W. Lewis

5290 0059

344

Item 59

FRANK W. LEWIS

6904 WOODMAN AVENUE
VAN NUYS, CALIFORNIA

AREA 213 780-5689

March 5, 1968

Norman Ursel
85 Richmond St West
Toronto, L
Ontario
Canada

Dear Norm:

Referring to your letter of January 29, 1968. Your Numbered paragraphs:

(1) I am having plans drawn for the small shower house. This I will submit for a fixed bid price to a contractor in Ely. Then I will advise you of the price before doing anything.

(2) While I was in Ely I took care of this matter. As the tank is of minor costs and I had the only 4 wheel drive truck that was in operating condition at the time I had to lead the delivery truck out there, occasionally pulling him through mud holes. As we went the Lower road through Cathedral Canyon (too much snow over the top).

Anticipating the installation of the tank Sam Bida had previously had the Cat dig a hole for it the last time we cleaned snow off the road.

Our own people will then hook up the lines in spare time. The cost of the tank is \$260.00 for the all steel storage tank. 2,000 gallon capacity. Plus the miscellaneous charges noted in delivery and then our own laborers working on it in their spare time which will be charged off against the Shaft work. Sam will take care of this so we don't need to worry further about it. As soon as the 4 x 4 truck gets its new engine, then we will put the water tank back on it and begin to haul water. Then we will put in the final part of the water application on this spring. It may be easier to do these a couple at a time as we establish use. I will proceed on this as soon as we get one room built up at the mine or get the second trailer up there so we can use up the water.....

(3) Shermatown. I am giving some thought to this matter and will do nothing until I talk to you further. But we can't wait too long. As soon as your second man gets here and the snow and mud clears off the Homestake Mine area we will take a look at this with Sam Bida. If it appears feasible I will then ask you to let me do the Following: Advise your Geologist (and asking his advice also you understand) hire a Backhoe or Largest D-9 Bulldozer (whichever we agree will best

Part two

do the job) to clear off overburden or trench in this area to delineate this ore body. Naturally there will be low grade with the high grade. Then we can stockpile the high grade and process the low grade using a Jig and table or whatever we decide is the best method. This can be a simple one man operation at first and we can keep the cost at an absolute minimum by buying some second hand tables. Some time back I saw one for a thousand dollars. A small test lab would be alright as you suggest but we have to establish a use of so much water here at the lower spring this will be difficult. There is a 2 inch pipe running full. With a table or jig or two we can use it up, at least for short periods of time.

Hopefully, there are also some dumps on the Homestake that will pay to Screen and Jig. If all else fails we will be able to make use in this way. There are also numerous other dumps in the Rocco area that we can buy or lease.

This is just a general thinking - preliminary, to satisfy the third paragraph, and I invite your thoughts as you think of them.

ASSESSMENT WORK

I had suggested to Locke Goldsmith that he undertake the work in the Battle Mountain area first. This is the largest amount of the claims and once they are out of the way the rest will be much easier and down hill. Also the area around Battle Mountain is a little lower of Altitude and work can commence at any time. I gave him instructions and maps to over there so he may have already started. I suggested he open up the Driscoll High grade tunnel as there is supposed to be an ore Shoot in there going down of good grade of ore. An old timer, told me of it. Secondly, I suggested he map up everything and pay particular attention to the vein on the Hider tunnel area. It is on one of the Patents and it sure looks good to me. Opening up all old drifts would be a good place to start. Then one can map and study the old timer veins. A major Company wanted this property and has the property to the North. They would probably have the same condition as we, only deeper as the limestone gets much thicker (less erosion) and probably the reason for that is less mineralization also - Northward?

I guess this brings these matters up to date.

Good Luck,


Frank W. Lewis

CC: Coord * N. Y & Hartford
Don Lamont
J. Buckley
J. W. Buckley

5290 0059

344

Item 59

*Place in hold file
for Locke L.*

FRANK W. LEWIS
6904 WOODMAN AVENUE
VAN NUYS, CALIFORNIA 91405

AREA 213 780-5689

February 15, 1968

Norman Ursel
85 Richmond Street
West Toronto, Canada

Re: Discovery of faulted
Homestake ore body

Dear Norman:

Just a note that I arrived back in Van Nuys, a little the worse for wear, but after a very productive trip.

Everyone said no! I thought I had struck out on all my negotiations on discounts on the property. You know how impatient I am. But, finally Charlie McShane and I settled on \$5,000.00 for his \$12,000.00 contract balance, so I paid him off, and that much of the contract is out of the way. This makes a \$7,000.00 saving for Pancoastal so I feel a great sense of accomplishment about that. Mr. McShane had already said he didn't want to discount. Finally, he brought the subject up at a moment of impulse when he felt things were just right for him to impress his friends who were also there, so we struck a bargain. Except for those particular sets of circumstances I never would have been able to report this accomplishment. One has to be patient and stay with these old timers, spending alot of time with them.

Now the above is not the reason for this note. It is only the background. The real accomplishment of my trip is the prospecting results I want to report on the Homestake Mine. In conjunction with Engineer Bida, who should be assigned 50% of the credit for this discovery, by focusing my attention as above on the Homestake and researching attics and old records, I came upon a series of unrelated facts and old 1905 maps; which, when put together with other information accumulated over the years, leads me to believe we found a faulted segment of at least one and probably two ore targets. They would be small by comparison to what we are looking for, but high grade. The one, and perhaps both of them, will be open pit from 30 feet below the surface to five or ten feet. The ore will be high grade shipping ore with some left as 'jigging ore'. (This would solve our water use on big Shermantown Spring.)

Norman Ursel, February 15, 1968

Page 2

PROSPECTOR'S ESTIMATE:

The tenor of this ore will be 50% lead or better, and 10 ounces of silver or better. Stope size 6 inches to 5 feet, average 3 to 4 feet.

In addition to the above ore body, which I will assign a probability factor of 75% favorable, this also opens up another highly faulted area in which additional ore bodies may occur. To them I will assign a probability factor that they are there of 50%.

Sam Bida was very helpful in this matter in pointing out the faulting pattern, once I had the old maps and 'lead' and began to study old information. We worked on it together and although there are no guarantees in this business I am now willing to bet even money, say \$1,000.00 that an ore body is there. (I am not going to bet on the grade this time for you recall, the last time I bet on the assay it only went 100 ounces in silver, and so I lost.)

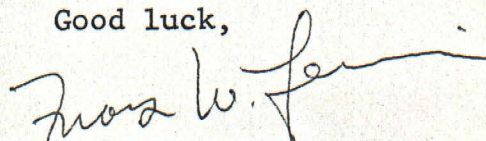
Now I realize this is not the mine or size or scope we are interested in, but it is better than a 'kick in the behind' and by working on this type occurrence we should come to understand better the more promising horizons. Besides a quarter million dollar ore body or two can be helpful in financing the overall endeavor. As we spend time and effort on the project and come up with some ore, it all adds to the total.

I will write more about this as I go over it and reduce my thoughts and sketch and compile the information for you; and will also point out the information to Locke Goldsmith so that he can help me draw it up and plan the work.

I feel very, very pleased with this new target - so easy to get at on the surface.

(I hope you realize every time I spend two weeks up there I cannot guarantee such results.)

Good luck,


Frank W. Lewis

CC: coord

5290 0059

344

Item 59

JLC

XX: NU

FRANK W. LEWIS

6904 WOODMAN AVENUE
VAN NUYS, CALIFORNIA

AREA 213 780-5689

Dear Don:
Don Lamont
Catawba
103 East 37th St
New York
New York

Dear Don Lamont:

I just returned from Best Chance Mines Yesterday and so will drop you a quick line now and more later.

First I appoint you my agent to see James Buckley and solicit from him an apology for arguing with me that the U S could not allow the price of the Gold to go up without devaluating the dollar. We had a good argument on this subject and he was terribly excited with me that I could suggest the above. I would like you to be sure and rub this in.

In second order of importance I would say things are coming along out to Best Chance Mines. I had the pleasure of actually dumping a car of ore which was produced there. This is nothing to get excited about, I hasten to ad, but it does demonstrate that it can be done. That is that there is ore and that it can be mined. But, the profit factor is a long way from being answered. I have always felt we would have to go deeper to a change of formation in the shaft to make it pay. However, we did uncover a stope on the 60 level. Grade and quantity are still in doubt for it is completely oxidized and only remnant of its former material. Based on this however we will now drift 100 feet or so along the vein. This drifting will either uncover ore or it wont. It will either pay the cost or it will fall short. We will block it out if it is there and rest assured we will do our best to prospect it for you.

Now you realize I am sure that we are moving along only in a snails pace out here due to the small budget and lack of personnel, and complete lack of living facilities. But we have begun and that is something. Every time the men have to stop actual mining and work on living accomodations or water work or some piece of equipment the other work has to suffer. Most of all we need the on site services of a capable competant engineer with a good background in mining production. But, these things will come in time as you get to it I am sure.

Good Luck,

Frank W. Lewis

DECEMBER 22, 1968

MEMORANDUM TO: NORMAN H. UNSE

FROM: L. B. GOLOSMITA

SUBJECT: PASSAIAH P-01 DDH CORE

Core specimens are en route for Mr. Phas's use in interpretation; these are being sent directly to you.

Specimens as follows:

(1) Four pieces of core representing the continuous footed from 236.7' - 238.4'. The upper limestone - lower dolomite contact occurs between fragments 2 and 3, two pieces being limestone and two being dolomite.

(2) A single segment of dolomite from 355'.

The samples are largely representative of the units encountered throughout the hole.

L. B. Golosmita

5290 0059

344

Item 59



BEST CHANCE MINING COMPANY
FRANK W. LEWIS

6904 WOODMAN AVENUE
VAN NUYS, CALIFORNIA 91405

120 Greenridge Dr.
Reno, Nevada 89502

AREA 215-780-3639

702/323-0303

March 10, 1969

Pancoastal, Inc.
% The Catawba Corporation
37 Lewis Street
Hartford, Connecticut 06103

The Catawba Corporation
103 East 37th Street
New York, New York 10016

Dear Sirs:

NOTICE:

Pursuant to that certain "Mining Lease No. 1", between Best Chance Mining Company, and Pancoastal, Inc., dated the 5th day of October, 1967:

In accordance with Paragraph 22.B., on Page 22, NOTICE:

The following change of address is effective March 15, 1959:

Old Address: Best Chance Mining Company
% Frank W. Lewis
6904 Woodman Avenue
Van Nuys, California 91405

to

NEW ADDRESS: Best Chance Mining Company
% Frank W. Lewis
120 Greenridge Drive
Reno, Nevada 89502

The address of Best Chance Mining Company, Box 1172, Ely, Nevada, will remain unchanged. For clarification a copy of Page 22 of Mining Lease No. 1 is attached hereto.

Continue to make payments made payable to Best Chance Mining Company, but at the following address: 120 Greenridge Drive, Reno, Nevada 89502.

Sincerely,

Frank W. Lewis
Frank W. Lewis

Registered Mail
Return Receipt Requested

3-13-69

Copy to:

JWB

JLB

N. URSEL
Co-ORD

L. GOLDSMITH
CDR

5290 0059

BOOK 302 PAGE 212

(344) 30 CLAIMS
Item 895

Proof of Labor

STATE OF

NEVADA

SS.

County of

WHITE PINE

BEFORE ME. personally appeared the subscriber,

L.B. Goldsmith For
PAN-NEVADA INC. (CATAMBA) Suite 2, 830 RENO ST., RENO, NEVADA
89502

who being sworn, says: that at least

\$3000.00

dollars

worth of labor or improvements

CONSISTING OF GEOLOGICAL MAPPING
& EVALUATION, SAMPLING, ASSAYING, ROAD BUILDING, GEOPHYSICS
(MAGNETIC & INDUCED POLARIZATION SURVEYS), DIAMOND DRILLING, DONE
BY PAN-NEVADA INC, UNION ASSAY OFFICE, J. FRASER,
MC PHER GEOPHYSICS INC, F.J. LONGYEAR CO

FEE \$ 8.05

were performed and made upon

THE "NU No. 1" - "NU No. 30" INCLUSIVE,
BEING 30 UNPATENTED LOOSE MINING CLAIMS

situated in

WHITE PINE

Mining District, County

of

WHITE PINE

State of

NEVADA

during the year

ending

SEPTEMBER 1, 1969

SUCH EXPENDITURE was made by or at the expense of

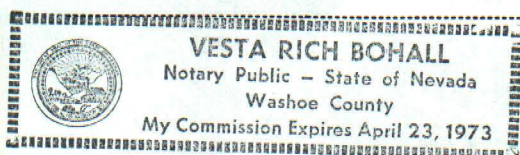
PAN-NEVADA INC. (THE
CATAMBA CORPORATION) LESSEE FROM BEST CHANCE MINING CO.

owner.... of said claim, for the purpose of holding said claim.

Subscribed and sworn to before me, this

2nd day of July 1969
Vesta Rich Bohall

L.B. Goldsmith

JUL 3 1969 1:30 P.M. J.D.
AT Assessment Work Record
212
RECORD OF WHITE PINE COUNTY, NEVADARECORDED
BOOK 302 PAGE 212

147610

1 curing same; HOWEVER, this provision for extension of the default
2 period shall not apply to the making of payments required hereunder
3 or the performance of assessment work.

4 22. NOTICE.

5 All written notices provided for in the foregoing lease
6 agreement to be served upon the respective parties shall be sent
7 by registered mail, through a United States Post Office, postage
8 prepaid, air mail where applicable, and addressed to the parties at
9 their respective addresses as follows:

10 A. Notices to lessee shall be addressed to:

11 Pancoastal, Inc.
12 c/o The Catawba Corporation
13 37 Lewis Street
14 Hartford, Connecticut 06103

15 And to:

16 The Catawba Corporation
17 103 East 37th Street
18 New York, New York 10016

19 B. Notices to lessor shall be addressed to:

20 Best Chance Mining Company
21 Box 1172
22 Ely, Nevada

23 And to:

24 Best Chance Mining Company
25 c/o Frank W. Lewis
26 6904-Weedman-Avenue 120 Greenridge Drive
27 --Van-Nuys,--California- Reno, Nevada 89502

28 Either of said parties may furnish notice of change of
29 address by giving notice as above to the other party and the date
30 of mailing, plus forty-eight (48) hours, shall constitute the date
of delivery.

21 23. INSPECTION.

22 Lessee is leasing these premises based upon its own in-
23 spection.

Note: The following is the final draft of an Agreement between Lessor and Lessee. It is complete and only needs be re-typed. It shall stand as their Agreement until said Agreement is re-typed.

MINING LEASE

THIS LEASE, made the 12th day of September, 1967
between BEST CHANCE MINING COMPANY, a Nevada corporation,
Box 1172, Ely, Nevada, Lessor; and CATAWBA CORPORATION,
103 East 37th Street, New York, New York Lessee,

WITNESSETH:

1. Rights Granted to Lessee.

That the said Lessor, for and in consideration of the
rents, royalties, covenants, and agreements hereinafter set
forth, and by the said Lessee to be paid, kept, and performed,
has let, and by these presents does let, unto the Lessee, all
the following described mines and mining properties situated in:

WHITE PINE MINING DISTRICT

T. 16 N., R. 57 E., MDB&M
Sections 10, 11, 12, 13, 14, 23, 24, 25, 26, 35, 36

T. 16 N., R. 58 E., MDB&M
Sections 6, 7, 17, 18, 19, 20, 29, 30, 31, 32

T. 15 N., R. 57 E., MDB&M
Section 1

T. 15 N., R. 58 E., MDB&M
Section 6

County of White Pine, State of Nevada, more particularly
described as follows;

PATENTED MINING CLAIMS

White Pine Mining District

<u>Name</u>	<u>Survey No.</u>
California	47
Charter Cke	57A
Eugene W. Robinson	108
Hanlock	73
Idaho Westerly	74
Irvine	48
New Defiance	52A
Nimrod	61
Pogonip	72
St. John Del Rey	60
Trustee (2/3)	75
Volcano	4398-4398
Manila	4398
Chief	4398
Cuba	4398
Bullion	89
Genessee	64
First Southerly Extension of the Hidden Treasure	58
Hidden Treasure	101
Stafford	83
Sweet Water	103 /103
Haggin and Tevis Lode	94
71	

See Bing's
Report
FOR
Survey Locations

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UNPATENTED MINING CLAIMS
White Pine Mining District
(excepting herefrom any
overlapping conflicts)

<u>Name of Lode Claim</u>	<u>Amended Location Certificate</u>	
	<u>Book</u>	<u>Page</u>
Black Calcite No. 1	278	27
Black Calcite No. 2	278	29
Black Calcite No. 3	278	31
Black Calcite No. 4	278	33
Black Calcite No. 5	278	35
Black Calcite No. 6	278	37
Black Calcite No. 7	278	39
Black Calcite No. 8	278	41
Black Calcite No. 9	278	43
Black Calcite No. 10	278	45
Black Calcite No. 11	278	47
Black Calcite No. 12	278	49
Black Calcite No. 13	278	51
Black Calcite No. 14	278	53
Black Calcite No. 15	278	55
Black Calcite No. 16	278	57
Black Calcite No. 17	278	59
Black Calcite No. 18	278	61
Black Calcite No. 19	278	63
Black Calcite No. 20	278	65
Black Calcite No. 21	278	67
Black Calcite No. 22	278	69
Black Calcite No. 23	278	71
Black Calcite No. 24	278	73
Black Calcite No. 25	278	75
Black Calcite No. 26	278	77
Black Calcite No. 27	278	79
Black Calcite No. 28	278	81
Black Calcite No. 29	278	83
Black Calcite No. 30	278	85
Black Calcite No. 31	278	87
Black Calcite No. 32	278	89
Black Calcite No. 33	278	91

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UNPATENTED MINING CLAIMS

White Pine Mining District

(excepting herefrom any
overlapping conflicts)

Name of Lode Claim

Certificate of Location

Book

Page

Link No. 1	284	191 (am)
Link No. 2	284	192 (am)
Link No. 3	284	193 (am)
Link No. 4	284	194 (am)
Link No. 5	284	175
Link No. 6	284	151
Link No. 7	284	152
Link No. 8	284	153
Link No. 9	284	154
Link No. 10	284	155
Link No. 11	284	156
Link No. 12	284	157
Link No. 13	284	158
Link No. 14	284	159
Link No. 15	284	160

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UNEXAMINED MINING CLAIMS

White Pine Mining District

(excepting herefrom any
overlapping conflicts)

Name of Lode Claims

Certificate of Location

Book Page

SJD No. 1	284	196
SJD No. 2	284	197
SJD No. 3	284	198
SJD No. 4	284	199
Irvine No. 1	284	200
Irvine No. 2	284	201
Irvine No. 3	284	202
Irvine No. 4	284	203
Irvine No. 5	284	204
Irvine No. 6	284	205
Irvine No. 7	284	206
Irvine No. 8	284	207
Irvine No. 9	284	208
Irvine No. 10	284	209
Irvine No. 11	284	210
Irvine No. 12	284	211

See BIDA's Report
Shermantown
Shermantown No. 1

221 274
221 275

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UNPATENTED MINING CLAIMS

White Pine Mining District

(excepting herefrom any
overlapping conflicts)

<u>Name of Lode Claims</u>	<u>Amended</u> <u>Certificate of Location</u>	
	<u>Book</u>	<u>Page</u>
Dolomite No. 1	278	93
Dolomite No. 2	278	93
Dolomite No. 3	278	97
Dolomite No. 4	278	99
Dolomite No. 5	278	101
Dolomite No. 6	278	103
Dolomite No. 7	278	105
Dolomite No. 8	278	107
Dolomite No. 9	278	109
Dolomite No. 10	278	111
Dolomite No. 11	278	113

Homestake
Lola
Last Chance

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UNPATENTED MINING CLAIMS
White Pine Mining District
(excepting herefrom any
overlapping conflicts)

<u>Name of Placer Claim</u>	<u>Certificate</u>	
	<u>Book</u>	<u>Page</u>
Slag Placer	284	20
Slag No. 1 Placer	284	21
Slag No. 2 Placer	284	22
Slag No. 3 Placer	284	23
Slag No. 4 Placer	284	24
Slag No. 5 Placer	284	25
Slag No. 6 Placer	284	26
Townsite Placer	284	28 (am)
Quartz Mill Placer	275	320
Cal 1 Placer	262	422

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NON-MINERAL PROPERTIES

White Pine Mining District

Located Millsites

(excepting herefrom any
Overlapping conflicts)

Unpatented Millsites

Recorded

Book Page

Millsite No. 1	275	322
Millsite No. 2	275	322
Millsite No. 3	275	323
Millsite No. 4	275	323
Millsite No. 5	275	324
Millsite No. 6	275	324
Millsite No. 7	275	325
Millsite No. 8	275	325
Millsite No. 9	275	326
Millsite No. 10	275	326
Millsite No. 11	275	327
Millsite No. 12	275	327
Millsite No. 13	275	328
Millsite No. 14	275	328
Millsite No. 15	275	329
Millsite No. 16	275	329
Millsite No. 17	275	330
Shermantown Millsite	221	337

PATENTED MILLSITES

Name of Patented Millsite

Survey No.

Compensation and Good Luck	59B
Kew Defiance	58B
Charter Oke	87B

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NON-MINERAL PROPERTIES

White Pine Mining District

Townsite Lots at Hamilton, Nevada

CARL MEIR #1	LOT	BK.
E 20' of 1 &	2	24
Lots 4, 5, 6 &	7	24
W 25' of 1, 2 &	3	7
W 70' of W $\frac{1}{2}$ 2 & all	3	24
Lot 19 &	20	15
Lot	2	16
Lots 1, 2, and	3	8
Lot on Main St.		
Lot on Corner of Dunn		
& Mill St.		
Lots 14, 15, and	16	7
6 Lots in Featherstone		
block, known as		
Zemann's lot		
Lot	2	20
Lots 4, 5, and	40	34
Lots 18 and	32	15
Lots 16, 17 and	30	36
Lots 1 and	34	37
Land in Featherstone		
Block & Spring		
Spring on Broad St.		
Lots 1, 2, 15 and	16	14
2-Houses		
Cyanide plant		
2-cabins, corner of		
Dunn & Treasurer		
House on Corner of		
-- Dunn & Treasurer		
2-Springs & Water		
Rights $\frac{1}{2}$ Mile North		
Spooky Hill		
Lots 14, 15 &	16	7

1 ADMINISTRATIVE PROCEEDINGS

2 White Pine Mining District

3 BATER RIGHT APPLICATIONS

4

5 <u>Name</u>	6 <u>Application Number</u>
7 Caha Spring	21920
8 Compensation and Good Luck (A.K.A. Chotacherry)	21932
9 Sherwintown	21933
10 Irvine Springs (Located in Section 36, 11 T. 16 N., R. 58 E., 12 FDS & M.)	(=====)

13 Other springs which Best Chance may have in the district.

14

15

16 Hoist and Engine at Cedar Mine Shaft

17 B-7 "Coc"

18 Howard Brown Trailer

19 Various machinery including:

20 1½ ton 4 x 4 Truck and water tank

21 2 Electric generator sets

22 Drill press

23 Hand drill

24 Tree saw

25 Skill saw

26 Cement mixer

27 Pipe and miscellaneous equipment and supplies
28 at mine site

1 with the exclusive right and privilege of prospecting and ex-
2 ploring for, and of mining, strip-mining, extracting and re-
3 moving therefrom valuable minerals and ores (on mineral properties)
4 and to construct all works, improvements, buildings, plants,
5 structures, roads, spur tracks, power lines and other works and
6 facilities upon the leased property, and to make such other use
7 of said property, including the use of water and timber thereon,
8 and the dumping of waste and stockpiling and processing of ore
9 thereon, as may be necessary or convenient in the mining, strip-
10 mining, disposing, processing and marketing of valuable minerals
11 and ores thereon and therefrom; together with rights of ingress
12 and egress thereto and therefrom, insofar as Lessor can grant
13 such rights.
14

15
16 CLAIMS LOCATED OR TO BE LOCATED, OR
17 PROPERTY ACQUIRED UNDER THIS AGREEMENT

Fifteen (15)

18 ^{anywhere} A. A minimum of ~~===400~~ claims shall be located
19 by Lessee ^{anywhere} around the outside perimeter of the claims in the
20 White Pine Mining District in the name of Lessor. *THIS WORK TO*
21 *BE COMMENCED TEN DAYS AFTER THE EXECUTION OF THIS AGREEMENT.*

22 B. Any additional property acquired by Lessee,
23 or anyone under his control, during the term hereof in above
24 described sections, townships and ranges shall be deemed covered
25 by this Lease and shall be acquired and held in the name of
26 Lessor subject hereto.

27 C. Water applications acquired upon or for use
28 upon property herein shall be acquired, held, and placed to use
29 in the name of Lessor.

30 D. Other property purchased ^{or leased} by Lessee in the above*

31 To have and to hold unto the said Lessee for the term
32 of ninety-nine (99) years from the date hereof, unless sooner
cancelled or forfeited.

And in consideration of the said Lease, the said
Lessee does covenant and agrees with said Lessor as follows,

to-wit:

*sections and townships shall be acquired in/and included in this
Lease ^{name of Lessor,} If any purchases be made Lessee
shall be credited 150% return of investment
from such purchased property (or leased property)
before Lessor shall be entitled to any payments from ore shipped
therefrom.

1 2. Operations.

2 Lessee shall enter upon said mine or premises and work
3 and develop the same in a manner necessary to good and economical
4 mining, so as to take out the greatest amount of ore possible,
5 with due regard to the safety, development, and preservation of
6 the said premises as a workable mine; and also to develop the
7 non-mineral properties hereto so as to derive the maximum income
8 therefrom.
9

10 Lessee shall keep at all times the drifts, shafts,
11 tunnels, and other passages and workings of said demised premises
12 thoroughly drained and clear of loose rock and rubbish of all
13 kinds, In a minerlike fashion where prudent.

14 Lessee shall well and sufficiently timber said mines
15 at all points where proper, and repair all old timbering
16 wherever it may become necessary.
17

23 3. Sink Zadow Shaft. *WITH BEST CHANCE MINING & LOCAL ELY MINERS*
24 ~~A CONTRACT IS EXISTENT FOR SINKING ZADOW SHAFT AND~~
25 ~~LESSEE SHALL SINK THE ZADOW MINE SHAFT ON THE VANILA~~
26 ~~to the 300 foot level~~
27 ~~CLAIM AT LEAST 70 FEET DEEP WITHIN SIX MONTHS OF DATE HEREOF;~~
28 ~~DRIFTING. LESSEE SHALL PAY LESSOR \$18000 TO COMPLETE THIS WORK.~~
29 ~~Said shaft is now 190 feet deep with about 30 feet of waste in~~
30 ~~LESSOR WILL PROVIDE RECEIPTS AND DATA AS WORK PROGRESSES.~~
31 ~~it.~~

32 4. Millsites Surveyed.

 Lessee shall have the Compensation and Good Luck
Millsite and New Defiance Millsite surveyed by a licensed
surveyor and a fence shall be constructed around same within
six months of date hereof.

5. Water Applications.

Lessee shall improve and place to use with ⁱⁿ 30 days water applications No. 21990, No. 21932 and No. 21933; and other water rights referred to herein. Water rights shall be expeditiously placed to use so as to protect ^{the} same.

6. D-7 Cat.

~~Within 60 days a D-6 Cat or equivalent shall be placed upon the premises hereto in an operational condition.~~

~~A D-7 cat is presently upon the property and may be repaired by Lessee and utilized.~~

Delete from contract. But Frank Lewis approachable if Cat is needed, to allowing us use of his provide we place in good repair)

(Or he may repair & rent to us.)

8. Frank Zadow Lease-Option - Exhibit "B".

Charles McShane Lease-Option - Exhibit "C".

It is understood Best Chance Mining Company holds the Frank Zadow Lease-Option and the Charles McShane Lease-Option premises by assignment from Frank W. Lewis of two Lease and Option Agreements.

The first Lease-Option Agreement, marked Exhibit "B", hereinafter referred to as the Zadow Agreement relating to the Volcano Lode Claim, Manila Lode Claim, Chief Lode Claim, and Cuba Lode Claim, is recorded in Book 194, Pages 375-379 in

Lease Record Book, File 115746, White Pine County Recorder,
Nevada.

The second Lease-Option Agreement, marked ^{Exhibit "C"} ~~Exhibit "C"~~, referred to as the McShane Agreement relating to the Homestake Lode Claim, Last Chance Lode Claim, and Lola Lode Claim is recorded in Book 217, Pages 322-325, Mining Deeds, Record File 115028.

The Zadow, / McShane, ~~and [unclear] [unclear]~~

Agreements referred to above are by this reference incorporated herein, as the "Basic Agreements" under which East Chance Mining Company leases these premises.

All royalties or payments due under these "Basic Lease-Options" shall be paid by Lessor (Best Chance Mining Co.) from the amounts paid Lessor by Lessee hereto.

It is understood by the parties hereto that until such a time as the claims held under these "Basic Agreements" are transferred by Deed to the Lessor herein that the maintenance of these basic documents takes first priority and all terms therein must be fully met and complied with. Lessee herein agrees absolutely to perform all acts therein necessary to maintain said basic lease options. Nothing written herein in this Lease Agreement shall in anywise be considered to conflict with the basic agreements, but shall only be considered as in addition to these agreements.

When the claims held under the Basic Agreements have been transferred by a Deed to Lessor and the terms in said Basic Agreements have been met, then said Basic Agreements shall no longer have any force or effect.

1 9. 77/ Inspection of Premises.

2 The Lessor at his own risk and expense, at all times,
3 may inspect all of Lessee's operations on the properties, con-
4 ducting this in such manner as to least interfere with Lessee's
5 operation. In such inspections assays may be taken and surveys
6 may be made.
7

8 10. 77/ Assignment.

9 This Lease may be assigned or sublet by Lessee without
10 the written consent of Lessor. Lessee or his successors agrees
11 to give written notice, by registered mail seven (7) days prior
12 to the effective date of any such assignment to Lessor thereof,
13 and it is expressly agreed that any such assignee shall be
14 expressly bound to perform all of the obligations of Lessee
15 hereunder upon receiving any such assignment. Said Lease may
16 be assigned successively in accordance with the provision hereof.
17 Each assignee shall post notices of non-responsibility as re-
18 quired hereunder in Paragraph No. 25 prior to the effective date
19 of any assignment.
20

21 Assignment of this Lease by Lessee shall not relieve
22 original Lessee or any subsequent Lessees of liability to perform
23 work as required in Paragraphs 1-A, 3, 4, 5, ~~11~~, ~~11A~~ hereto;
24 as well as making any payments due or past due, as well as
25 turning over all information due under Paragraph 34 hereof.
26

27 11. 11/ Cross or Parallel Lodes.

28 Lessee shall occupy and hold all cross or parallel
29 lodes, dips, spurs, feeders, crevices, or mineral deposits of
30 any kind which may be discovered in working under this lease,
31
32

1 or by the said Lessee, or any person or persons under him, in
2 any manner, as the property of said Lessor, with privilege to
3 said Lessee of working the same as an appurtenance of said
4 devised premises during the term of this Lease; and to not
5 locate or record the same, or allow the same to be located or
6 recorded, except in the name of Lessor.

8 12. Assessment work.

9 Assessment work shall be performed and filed prior to
10 May 1st of every year on all unpatented claims and notification
11 of filing with reference to the book and page number shall be
12 conveyed by notice as herein provided to Lessor by May 10th of
13 the same year.

15 13. Taxes, Assessments and Charges.

16 Lessee agrees that during the term hereof he will pay
17 all taxes coming due henceforth, before delinquency, including
18 all real and personal property taxes, assessments and charges
19 levied or assessed by county, state, federal, local, municipal,
20 or other government agencies against said mining properties or
21 improvements or personal property situate thereon or on account
22 of any products mined, shipped and sold therefrom.

24 From the sales of ore or concentrates the Lessor and
25 the Lessee shall be entitled to claim depletion for Internal
26 Revenue Service purposes in the proportional amounts paid in
27 royalties to Lessor and Lessee.

*Patented Mines
18⁰⁰/year/claim
If expenditure of 100⁰⁰
on a patented or contiguous
property then tax exempted.
No tax on unpatented
Innate Taxes about \$100⁰⁰
(less)*

*Required by
law at Sept 1/67
60 days in which
Lewis gives
notice.
+ 50 days under
agreement to
Lessor.
60 days.*

1 14. Non-Royalty Payments.

2 Lessee shall pay to Lessor the following rental sums
3 for and in consideration of Lessor signing and leasing unto
4 Lessee the herein described premises.

A. Four Thousand (\$4,000.00) Dollars, payable
October 1, 1967.

B. \$28,000 payable 18 months after date. Said sums
shall be used to clear off amounts owing Zadow
& McShane properties. (Credited to Lessee from
Lessors' royalties if this amount is advanced.)

12
13 D. A monthly minimum payment of Three hundred
14 fifty (\$350.00) Dollars is to be paid for
15 each and every month this Agreement is in
16 effect, beginning Nov. 1, 1967, and on the
17 first day of every month thereafter.* The
18 monthly minimum royalty or rental paid by
19 Lessee under this Agreement shall apply toward
20 and be a credit on the payment of any actual
21 royalties due or thereafter becoming due
22 during the month in which such royalty pay-
23 ment is made. Any excess of actual royalties
24 hereunder over the minimum royalties shall
25 not be a credit on future minimum payments.
26

WJ
*The monthly minimum payment due Lessor shall
be Seven Hundred Fifty (\$750.00) Dollars
per month beginning with the payment due
November 1, 1971.

15. Actual Royalties.

Lessor shall receive an actual royalty of Ten
(10%) Percent ^{Ten (10%) Percent net} mill or/smelter returns on all minerals
or ores mined, shipped and sold by the Lessee from the leased
property. *AFTER THE SUM OF ONE MILLION DOLLARS HAS BEEN
PAID BY LESSEE TO LESSOR THE ROYALTY HERETO SHALL BE
REDUCED TO 5% MILL OR NET SMELTERS. THE ONE MILLION DOLLARS
SHALL BE INCLUSIVE OF ALL ROYALTY, ~~DOWN~~ DOWN PAYMENT AND MINIMUM*
As used herein, net smelter returns *MONTHLY
PAYMENT
MADE
BEST CHANCE
UNDER THE
AGREEMENT*
shall mean the sum received by Lessee for any lot of ore or
concentrates from the , smelter, or custom reduction works
purchasing the ores after deducting usual charges.

In the event ores are processed in a mill
in White Pine County, no deductions shall be made for charges and
Lessor may elect to take its 10% share of
concentrates or bullion by weight and make its own disposition
of said concentrates.

15.000 Any amount due and payable to Lessor as actual
royalty shall be paid by Lessee to Lessor within 60 days after
~~such shipment or removal.~~
such shipment or removal.

D. Ten (10%) Percent of all sums of rentals, or
payments, or royalties, or other income to
Lessee from the utilization of non-mineral
properties including millsites, water rights,
and town lots, including improvements which
may hereafter be constructed thereon, shall
be paid to Lessor.

16. *API* Shipments Made in Name of Best Chance Mining Company

All shipments of ores from the above claims in the
White Pine Mining District shall be made in the name of the
Best Chance Mining Company
~~=====~~ (except as required in the Basic
Documents hereto).

17. ~~10/1~~ Duplicate Copy of Lease to Smelter.

Before making any shipments Lessee shall furnish the smelter or other reduction works purchasing such ores with a duplicate copy of this contract as its instructions relative to payments. It shall compute the payments to Lessor in accordance with the provisions hereof. The smelter or reduction works treating the ore shall cause the payments of royalties to be sent directly to Lessor.

18. ~~11/1~~ Accounting.

Lessee shall keep books of account showing the amount of ores extracted from said mine, and other income from these leased premises, the amount of ore shipped, sold, or treated, and the amount of money received from the sale of said ores or the values extracted therefrom.

Lessee will deliver to said Lessor, at the end of the term Lessor's proportionate share of all ores extracted from said mine and which have not been shipped, sold, treated, or reduced; that a duplicate of all mill, smelter, or retort returns shall be furnished by the mill owner, or by the owner of the smelter or retort, to the said Lessor; and that said books of account shall be open, at all times, to the said Lessor and his representatives.

19. ~~17/1~~ Conflicts.

There are numerous unresolved conflicts and overlaps of the claims herein leased. Only the properties which are actually owned by Best Chance Mining Company shall be deemed included within this Lease.

1 20. ~~P/P~~ Termination or Forfeiture.

2 Lessee shall deliver up to the said Lessor the said
3 premises, with the appurtenances and all improvements, in good
4 order and condition, with all shafts and tunnels and other
5 passages thoroughly clear of rubbish and drained, and the mine
6 in all points ready for immediate continued working, accidents
7 not arising from negligence alone excusing, without demand or
8 further notice at the end of the ninety-nine (99) year term at
9 noon, or at any time previous, upon demand for forfeiture or
10 cancellation as herein provided.
11

12 21. ~~P/P~~ Pay Wages.

13 Lessee agrees to promptly pay all wages for work done
14 and to comply with all laws, federal, state and local, pertain-
15 ing to mining and mining operations.
16

17 22. ~~P/P~~ Claims and Liens.

18 Lessee shall keep and ^{hold}~~have~~ harmless Lessor and the
19 property hereby leased from all claims, liens, claims for labor
20 done and performed, materials and supplies furnished, personal
21 injury, or injuries of workmen, and to the latter end, shall
22 subject himself to the provisions of the Nevada Industrial Act
23 as amended, making all necessary premium payments and deposits
24 thereunder. Lessee shall post and keep posted on the premises
25 and recorded in the county public records good and sufficient
26 notices of non-responsibility of the Lessor and Lessor's
27 property, prior to undertaking any work or improvement or
28 successive improvements.
29
30
31
32

1 23. Time is of the Essence.

2 Time is of the essence of this Agreement, and in the
3 event that Lessee shall fail to make any payment or payments
4 as herein provided or shall fail to perform each and every
5 covenant, term and condition as herein provided, the Lessor
6 may after thirty (30) days' notice in writing given to Lessee
7 within which to cure said default or violation, and provided
8 said default or violation has not been cured during said thirty-
9 day period, declare said Lease forfeited, cancelled and termin-
10 ated, and enter and repossess all of the property herein demise,
11 with or without process of law. Where the default complained
12 of cannot be cured by the Lessee acting as expeditiously as
13 possible within the thirty-day period herein provided, Lessee
14 shall give written notice such is the case and such time shall
15 be extended to the length of time necessary in order to cure
16 said default, providing that the Lessee is exercising his best
17 efforts to correct the same and submits a detailed plan of
18 curing same; however, this provision for extension of the default
19 period shall not apply to the making of payments required here-
20 under, or the performance of assessment work.

21 24. Notice.

22 All written notices provided for in the foregoing
23 Lease Agreement to be served upon the respective parties shall
24 be sent by registered mail, through a United States Post
25 Office, postage prepaid, and addressed to the parties at their
26 respective addresses as follows:
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A. Notices to Lessee shall be addressed to:

Catawba Corporation
103 East 37th Street
New York, New York

B. Notices to Lessor shall be addressed to:

Best Chance Mining Company
Box 1172
Ely, Nevada

AND

Best Chance Mining Company
% Frank W. Lewis
6904 Woodman Avenue
Van Nuys, California

Either of said parties may furnish notice of change of address by giving notice as above, to the other party, and the date of mailing, plus 48 hours, shall constitute the date of delivery.

25. 7/7/ Inspection.

Lessee is leasing these premises based upon his own inspection.

26. 7/7/ Termination.

At any time during the term of this Agreement, but only after thirty (30) days' written notice, the Lessee may abandon his interest therein by executing and delivering notice of such abandonment, in recordable form, to the Lessor conveying all of his right, title and interest in and to said claims.

27. 7/7/ Suspension of Performance.

In the event that the Lessee's operations on the properties shall be interrupted by acts of God, war, national emergencies, inclement weather, strikes, civil commotion or other matters beyond his reasonable control, then the Lessee's

1 obligations hereunder shall be deferred during the period of such
2 interruptions, excepting only to the performance of annual assess-
3 ment work, and to the payment of taxes, and the minimum monthly
4 payments.

5 28. /// No Refunds.

6 Under no circumstances shall any sums paid hereunder to
7 Lessor be refundable. All payments due Lessor shall be made
8 directly to Lessor at such address as it shall direct.
9

10 29. /// Survey.

11 Lessor points out there are overlaps, and conflicts
12 which are undeterminable without a survey. Lessor recommends
13 a surveyor be employed by Lessee to make sure no locations to
14 any of the above claims be on grounds of others.
15

16 30. /// Short Form Lease.

17 Lessor and Lessee shall execute and acknowledge a
18 short form lease for the purpose of recordation, which will refer
19 to and incorporate this Lease therein by reference and state
20 generally therein the description of the mining property, and
21 the term of the Lease.
22

23 31. /// Drill Logs, Assays, Maps.

24 Copies of all drill logs, exploration information,
25 assays, maps, and other information shall be furnished to
26 Lessor 30 days prior to the termination or cancellation of this
27 Lease.
28

29 32. /// Successors and Assigns.

30 Each and every clause and covenant to this Lease where
31 the context requires it, shall extend to and include the heirs
32 and assigns of the Lessee, and the executors, administrators,
and assigns of the Lessor.

IN WITNESS WHEREOF, the parties hereto have executed
this Lease the day and year first above written.

LESSOR:

BEST CHANCE MINING COMPANY

Frank W. Lewis, President

LESSEE:

Catawba Corporation

(The above is our complete and final Agreement. It only
needs to be re-typed. Each party has a zeroxed copy of
this Agreement, signed.)

OPTION TO LEASE

For and in consideration of One Thousand (\$1,000.00)
Dollars paid to Best Chance Mining Company by Catawba Corporation,
Best Chance promises to hold the above property open to said
Catawba under the foregoing terms.

To exercise this option to lease, Catawba shall pay
the Four Thousand (\$4,000.00) Dollars required under Paragraph
14 A (page 17) prior to October 1, 1967.

If the Four Thousand (\$4,000.00) Dollars be not paid
this Agreement is absolutely void.

DATE: September 12, 1967

BEST CHANCE MINING CO.

Frank W. Lewis

CATAWBA CORPORATION

DATE: _____

LEASE OPTION AGREEMENT

1 THIS LEASE OPTION AGREEMENT MADE TO SUPERCEDE THE
2 AGREEMENT ENTERED INTO THE 9TH DAY OF AUGUST, 1960, BY AND BE-
3 TWEEN FRANK ZADOW OF PIOCHE, NEVADA, HEREINAFTER REFERRED TO
4 AS 1ST PARTY, AND FRANK W. LEWIS, BOX 44, VAN NUYS, CALIFORNIA,
5 HEREINAFTER REFERRED TO AS 2ND PARTY,

6 WITNESSETH:

7 I. FOR AND IN CONSIDERATION OF THE SUM OF SIXTEEN
8 THOUSAND DOLLARS (\$16,000.00) TO BE PAID BY 2ND PARTY AS HERE-
9 INAFTER PROVIDED AND THE COVENANTS AND AGREEMENTS TO BE DONE
10 AND PERFORMED BY 2ND PARTY, THE SAID 1ST PARTY DOES HERESY
11 GIVE AND GRANT UNTO SAID 2ND PARTY AN EXCLUSIVE LEASE AND
12 OPTION TO PURCHASE THOSE CERTAIN PATENTED LODE MINING CLAIMS
13 NAMED AND DESCRIBED AS FOLLOWS:

14 VOLCANO, MANILA, CHIEF, AND CUBA,
15 ALL IN WHITE PINE MINING DISTRICT,
16 WHITE PINE COUNTY, NEVADA, AND OF
17 RECORD IN THE WHITE PINE COUNTY
18 RECORDER'S OFFICE.

19 II. THE DURATION OF THIS LEASE OPTION AGREEMENT IS
20 HEREBY MUTUALLY AGREED TO BE FOR THE TERM OF TEN (10) YEARS
21 FROM AND AFTER THE DATE HEREOF, TERMINATING ON THE 22ND DAY
22 OF AUGUST, 1970.

23 III. DURING THE LIFE OF THIS LEASE OPTION AGREEMENT
24 AND UNTIL THE SAME IS FORFEITED OR TERMINATED IN ACCORDANCE
25 WITH THE TERMS HEREOF, THE 2ND PARTY AGREES TO PERFORM ALL
26 NECESSARY ASSESSMENT WORK (OR PAY ALL NECESSARY TAXES) AND PAY
27 ON THE PURCHASE PRICE THE FOLLOWING PAYMENTS AS WELL AS TO
28 PERFORM OTHER REQUIREMENTS AS FOLLOWS: PAY TEN PERCENT (10%)
29 OF NET SMELTER RETURNS ON ALL ORES EXTRACTED FROM SAID WORK-
30 INGS WHEN SOLD, OR CONCENTRATED AT THE SITE OF SUCH OPERATIONS
31 AND THEREAFTER SOLD. (THERE WILL BE NO PAYMENT OF INTEREST OF
32 ANY KIND). SECOND PARTY WILL COLLAR THE MAIN SHAFT LOCATED ON
33 THE PREMISES WITHIN ONE YEAR OF THE DATE HEREOF, REPLACE

SLIGHTLY
MODIFIED

1 LADDERS AND OTHERWISE REPAIR SAID SHAFT. THE TERM "NET
2 SMELTER RETURNS" SHALL BE CONSTRUED TO MEAN AND SHALL MEAN
3 THE GROSS SELLING PRICE OF THE ORES LESS THE COST OF HAULING
4 THE SAME FROM THE LEASED PREMISES TO RAILROAD CARS FOR SHIP-
5 MENT TO SMELTER OR OTHER REDUCTION WORKS PURCHASING THE SAME,
6 AND RAIL FREIGHT CHARGES FROM SUCH SHIPPING POINT TO SMELTER,
7 OR OF TRUCKING CHARGES FROM LEASED PREMISES DIRECT TO SMELTER
8 IF HANDLED IN THAT MANNER, TOGETHER WITH SMELTING AND HANDLING
9 CHARGES.

10 IV. ALL SHIPMENTS OF ORES FROM THE ABOVE NAMED
11 CLAIMS SHALL BE MADE IN THE NAME OF THE "ZADOW" CLAIMS, FRANK
12 ZADOW, OWNER, UNTIL THE ABOVE MENTIONED PURCHASE PRICE IS
13 TENDERED IN FULL. BEFORE MAKING ANY SHIPMENTS, 2ND PARTY
14 SHALL FURNISH SMELTER OR OTHER REDUCTION WORKS PURCHASING
15 SUCH ORES WITH A DUPLICATE COPY OF THIS CONTRACT AS ITS IN-
16 STRUCTIONS RELATIVE TO PAYMENTS. IT SHALL COMPUTE THE PAY-
17 MENTS TO 1ST PARTY IN ACCORDANCE WITH THE PROVISIONS HEREIN-
18 ABOVE. THE SAID SMELTER OR REDUCTION WORKS TREATING SAID
19 ORE SHALL CAUSE THE TEN PERCENT (10%) PAYMENT ABOVE MENTIONED
20 TO BE SENT DIRECTLY TO FRANK ZADOW (OR ESCROW IN ELY, NEVADA,
21 IF SAME HAS BEEN OPENED AS HEREIN PROVIDED), PIOCHE, NEVADA,
22 TOGETHER WITH A DUPLICATE COPY OF THE SMELTER SETTLEMENT
23 SHEETS.

24 V. THE 2ND PARTY MAY ENTER UPON THE SAID PREMISES
25 IMMEDIATELY AFTER THE MUTUAL EXECUTION AND DELIVERY HEREOF,
26 AND AS SOON AS THE MATTER OF THE TITLE HAS BEEN CLEARED UP
27 AS INDICATED IN PARAGRAPH VIII FOLLOWING, 2ND PARTY SHALL
28 PROSECUTE THE WORK OF EXPLORING FOR AND WHEN FOUND, EXTRACT-
29 ING AND SHIPPING ORES THEREFROM DURING THE PORTION OF THE
30 TERM HEREOF WHEN 2ND PARTY IS NOT PROHIBITED FROM PERFORMING
31 BY FORCE MAJEURE. AT LEAST AN AVERAGE OF TEN MAN SHIFTS PER
32

1 MONTH SHALL BE PERFORMED ON THE PREMISES DURING ANY ONE YEAR.

2 VI. THE 2ND PARTY SHALL KEEP AND SAVE HARMLESS THE
3 LESSOR AND THE PORTION OF SAID PROPERTY SO HEREBY LEASED
4 AND OPTIONED FROM ALL CLAIMS, LIENS, CLAIMS FOR LABOR DONE
5 AND PERFORMED, MATERIALS AND SUPPLIES FURNISHED, PERSONAL IN-
6 JURY OR INJURIES OF WORKMEN, AND TO THE LATTER END, SHALL
7 SUBJECT THEMSELVES TO THE PROVISIONS OF THE NEVADA INDUSTRIAL
8 ACT AS AMENDED, MAKING ALL NECESSARY PREMIUM PAYMENTS AND
9 DEPOSITS THEREUNDER. THEY SHALL POST AND KEEP POSTED ON THE
10 SAID PREMISES THE REQUIRED NOTICE OF THE NON-RESPONSIBILITY
11 OF THE LESSOR AND THE WORKINGS FOR LABORERS^T, MATERIALMEN^S
12 AND OTHER LIENS.

13 VII. THE 1ST PARTY, IN PERSON OR BY REPRESENTATIVE,
14 SHALL HAVE THE RIGHT TO ENTER UPON SAID PREMISES AT ANY
15 CONVENIENT TIME FOR THE PURPOSE OF INSPECTION ANY TIME BEFORE
16 THE OPTION HAS BEEN EXERCISED.

17 VIII. FIRST PARTY REPRESENTS THE ABOVE MENTIONED
18 CLAIMS ARE ACTUALLY RECORDED IN THE NAME OF HIS MOTHER, LONG
19 DECEASED. FIRST PARTY HAS PAID TAXES ON SAID CLAIMS IN
20 EXCESS OF 5 YEARS. FIRST PARTY AGREES TO START A QUIET TITLE
21 ACTION WITHIN 60 DAYS OF ABOVE DATE AND TO DILIGENTLY PURSUE
22 SAME TO THE END OF HIS BEING ABLE TO PASS GOOD FEE TITLE TO
23 THE ABOVE CLAIMS.

24 SECOND PARTY AGREES TO ADVANCE PAYMENTS UP TO
25 \$200.00 TO 1ST PARTY TO HIRE AN ATTORNEY AND PAY COURT COSTS.
26 SECOND PARTY MAY FURNISH AS MUCH MORE AS HE DEEMS DESIRABLE
27 TO CLEAR UP THIS CLOUDED TITLE. ALL SUMS EXPENDED BY 2ND
28 PARTY SHALL BE WITHHELD BY 2ND PARTY FROM THE 1ST PAYMENTS
29 DUE UNDER PARAGRAPH IV ABOVE.

30 IN THE EVENT 1ST PARTY IS UNABLE TO PROCURE A
31 GOOD TITLE, AFTER WORKING PRODIGIOUSLY TO THAT END, THIS
32

1 DOCUMENT WILL BE VOIDABLE BY EITHER PARTY HERETO.

2 WHEN 1ST PARTY HAS BEEN ABLE TO CLEAR TITLE AND
3 SAID 2ND PARTY HAS PAID THE SUM OF ONE THOUSAND DOLLARS
4 (\$1,000.00) AGAINST THE PURCHASE PRICE, SAID 2ND PARTY MAY
5 REQUIRE 1ST PARTY TO DELIVER GOOD AND SUFFICIENT DEEDS CON-
6 VEYING UNTO SAID 2ND PARTY THE LAND DESCRIBED ABOVE, FREE AND
7 CLEAR OF ALL LIENS AND ENCUMBRANCES, INTO A MUTUALLY AGREE-
8 ABLE ESCROW IN A BANK IN ELY, NEVADA, OR OTHER ESCROW AGREED
9 UPON. SAID DEEDS WILL BE HELD BY SAID ESCROW UNTIL THE FULL
10 PURCHASE PRICE ABOVE MENTIONED HAS BEEN PAID OR TENDERED.

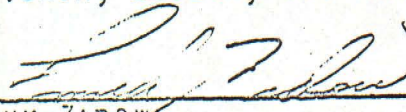
11 IX. FOR VALUABLE CONSIDERATION RECEIVED, 1ST PARTY
12 HEREBY GIVES PERMISSION FOR 2ND PARTY TO USE ALL SHAFTS,
13 TUNNELS, ETC., OF 1ST PARTIES IN EXPLORATION AND MINING ON
14 ADJACENT CLAIMS WITHOUT FURTHER PAYMENT OF ANY KIND.

15 X. IN THE EVENT THAT 2ND PARTY SHALL BE IN DE-
16 FAULT AS TO ANY TERM OR PROVISION CONTAINED IN THIS LEASE
17 OPTION AGREEMENT HERETO, THEN UPON THE GIVING OF THIRTY (30)
18 DAYS WRITTEN NOTICE, SPECIFYING THE NATURE OF SUCH DEFAULT
19 AND GIVING 2ND PARTY THAT SAID THIRTY (30) DAY PERIOD IN
20 WHICH TO CURE SUCH DEFAULT, IF SAID 2ND PARTY DOES NOT CURE
21 SUCH DEFAULT THEN THIS AGREEMENT SHALL BE VOIDABLE BY THE
22 1ST PARTY.

23 XI. THIS AGREEMENT SHALL INURE TO THE BENEFIT OF
24 AND SHALL BIND THE PARTIES, THEIR LEGAL REPRESENTATIVES,
25 SUCCESSORS, HEIRS, AND/OR ASSIGNS.

26 DATED: AUGUST 22, 1960.

27 OPTIONOR, LESSOR, 1ST PARTY

28 
29 FRANK ZADOW

30 OPTIONEE, LESSEE, 2ND PARTY

31 
32 FRANK W. LEWIS

LEASE OPTION AGREEMENT

BOOK 221 PAGE 222

EXHIBIT 'C'

This Lease Option agreement made and entered into this 9th day of August 1960, by and between Charles Mc Shane of Ely, Nevada, and hereinafter referred to as 1st Party, and Frank W. Lewis, Box 44, Van Nuys, California, hereinafter referred to as 2nd Party,

WITNESSETH:

1. For and in consideration of the sum of Twelve Thousand Dollars (\$12,000.00) to be paid by 2nd party as hereinafter provided and the covenants and agreements to be done and performed by 2nd party, the said 1st Party does hereby give and grant unto said 2nd party an exclusive option to purchase those certain unpatented lode mining claims named and described as follows; Homestake, Last Chance, and Lola, all in White pine mining District, Nevada, and of Record in the White Pine County recorders office. 1st party warrants he owns said claims free and clear.
 2. The duration of this Lease Option agreement is hereby mutually agreed to be for the term of ten (10) years from and after the date hereof, terminating on the 9th day of August 1970.
 3. During the life of this Option and Lease agreement and until the same is forfeited or terminated in accordance with the terms hereof, the 2nd party agrees to perform all necessary assessment work and pay on the purchase price the following payments (without interest of any kind): Ten (10%) per cent of Net Smelter returns on all ores extracted from said workings when sold, or concentrated at the site of such operations and thereafter sold. The term "Net Smelter
- Peter

EXHIBIT "C"

Returns" shall be construed to mean and shall mean the gross selling price of the ores less the cost of hauling the same from the leased premises to railroad cars for shipment to smelter or other reduction works purchasing the same and rail freight charges from such shipping point to smelter, or of trucking charges from leased premises direct to smelter if handled in that manner, together with smelting and handling charges.

4. All shipments of ores from the above named claims shall be made in the name of the "Mc Shane Claims", Charlie Mc Shane owner, until the above mentioned purchase price is tendered in full. Before making any shipments 2nd party shall furnish smelter or other reduction works purchasing such ores with a duplicate copy of this contract as its instructions relative to payments. It shall compute the payments to 1st party in accordance with the provisions hereinabove. The said smelter or reduction works treating said ore shall cause the ten percent (10%) payment above mentioned to be sent directly to Charles Mc Shane (or his benefit in the event an escrow has been opened as herein provided), Box 548, Ely, Nevada, together with a duplicate copy of the smelter settlement sheets.

5. The 2nd party may enter upon the said premises immediately after the mutual execution and delivery hereof, and shall diligently thereafter prosecute the work of exploring for and when found extracting and shipping ores therefrom during

the portion of the term hereof when 2nd party is not prohibited from performing by Force Majeure. At least an average of ten man shifts per month shall be performed on the premises during any one year, however it is understood that work to be done in adjacent property owned by Frank Zadow shall satisfy this work requirement.

6. The 2nd party shall keep and save harmless the lessor and the portion of said property so hereby leased and optioned from all claims, liens, claims for labor done and performed, materials and supplies furnished, personal injury or injuries of workmen, and to the latter end, shall subject themselves to the provisions of the Nevada Industrial Act as amended, making all necessary premium payments and deposits thereunder. They shall post and keep posted on the said premises the required notice of the Non-responsibility of the lessor and the workings for laborers', materialmen's and other liens.

7. The 1st party, in person or by representative, shall have the right to enter upon said premises at any convenient time for the purpose of inspection any time before the option has been exercised.

8. After the sum of one thousand (\$1,000.00) Dollars has been paid by 2nd party, said 2nd party may require 1st party to deliver good and sufficient deeds conveying unto said 2nd party the land described above, into a mutually agreeable escrow in a bank in Ely Nevada, or other Escrow agreed upon. Said deeds will be held by said Escrow until

(Lease Option Agreement, Frank W. Lewis and Charlie Mc Shane)

EXHIBIT "C"

the full purchase price above mentioned has been paid or tendered.

9. In the event that 2nd party shall be in default as to any term or provision contained in the Lease Option Agreement hereto, then upon the giving of thirty (30) days written notice, specifying the nature of such default and giving 2nd party that said thirty (30) day period in which to cure such default, if said 2nd party does not cure such default then this agreement shall be voidable by the 1st party.

10. This agreement shall inure to the benefit of and shall bind the parties, their legal representatives, successors, heirs, and/or assigns.

Dated: August 9, 1960.

OPTIONOR

1st Party

Charlie Mc Shane

Rosalie Mc Shane

Optionee

2nd Party

Frank W. Lewis

STATE OF NEVADA

ss.

COUNTY OF WHITE PINE

On this 9th. day of August, 1960, personally appeared before me, County Clerk, and Ex-Officio Clerk of the Seventh Judicial District Court, in and for said County and State, CHARLES MC SHANE; ROSALIE MC SHANE and FRANK W. LEWIS, known to me to be the persons described in and who executed the foregoing instrument, who acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year last above written.

115028

RECORDED August 9, 1960

BOOK 217 PAGE 322 TO 325

RECORDING FEE - \$ 3.00

CHECKED

Clerk of the Seventh Judicial District Court
State of Nevada, County of White Pine

James J. Mahoney RECORDER OF WHITE PINE COUNTY, NEVADA

5290 0059

PROPERTY REPORT
BEST CHANCE AREA
WHITE PINE COUNTY, NEV.
APRIL 28, 1969.

INTRODUCTION

THIS REPORT CONCERNS THE WORK PERFORMED ON THE BEST CHANCE PROPERTY BY EMPLOYEES OF PAN-NEVADA INC., AND CONTRACTORS, DURING THE PERIOD FROM JUNE, 1968 TO MAY 1969.

INITIALLY MAPPING AND SAMPLING WAS DONE BY N. J. BYRNE AND R. S. FRIBERG. CERTAIN FAVOURABLE ZONES WERE OUTLINED AND McPARR GEOPHYSICS CARRIED OUT AN INDUCED POLARIZATION SURVEY ON THE GROUND WHICH SEEMED TO ELIMINATE SOME OF THE ZONES BUT FOUND SOME ANOMALIES ON THE PRSAYANK SHOWING. FOLLOW-UP WORK INCLUDED BULLDOZER EXCAVATION AND DIAMOND DRILLING. THREE HOLES WERE DRILLED TO INTERSECT THE ANOMALIES BUT NOTHING SIGNIFICANT WAS TURNED UP.

EXCEPTIONALLY SEVERE WINTER CONDITIONS HAMPERED ACCESS TO THE PROPERTY THEREFORE SNOW REMOVAL EQUIPMENT WAS UTILIZED DURING JAN., FEB. AND MAR. TO LITTLE AVAIL. ATTEMPTS TO REACH THE HAMILTON AREA CEASED IN THE SECOND WEEK IN MARCH AND NOT UNTIL THE THIRD WEEK IN APRIL WAS A ROAD OPENED UP INTO THE PROPERTY.

GEOLOGY - MAPPING AND SAMPLING (REFER TO PROPERTY MAP)

THE TREASURE HILL AREA

PROGRESSING SOUTHWARD FROM THE NORTH SECTION OF TREASURE HILL ON THE BLACK CALCITE GROUP AND ACCOMPANYING CLAIMS AND PATENTS MOST OF THE GROUND WAS ELIMINATED ON THE GROUNDS THAT RETURNED ASTRXS WERE MUCH BELOW AN ECONOMIC GRADE. SAMPLES TAKEN IN PROXIMITY

TO, AND IN OLD WORKINGS WERE ALSO RELATIVELY LOW WHICH WOULD INDICATE THAT THE VALUES WERE CONFINED STRICTLY TO THE ORE ZONES THAT HAVE BEEN COMPLETELY MINED OUT. THE OLD SILVER DEPOSITS HAVE BEEN WELL EXPLORED TO DEPTH BUT THE ORE IS, AS A RULE, CONFINED TO THE TOP THREE HUNDRED (300) FEET OF THE NEVADA LIMESTONE.

AS MENTIONED IN THE JUNE PROGRESS REPORT THE ONLY PART OF THE NORTHERN TREASURE HILL AREA WHICH APPEARED TO BE UNTESTED, FROM SURFACE OBSERVATIONS, AND YET HAS POSSIBILITIES IS IN THE VICINITY OF THE EUGENE N. ROBINSON AND SWEET WATER PATENTS WHERE A FAULT INTERSECTS THE JOANA LIMESTONE, PILOT SHALE AND NEVADA LIMESTONE. SINCE THE ORE WAS USUALLY ASSOCIATED WITH FAULTS NEAR THE TOP CONTACT OF THE NEVADA LIMESTONE AND HERE THAT PORTION IS NOT EXPOSED DUE TO THE OVERLYING SHALE AND JOANA LIMESTONE THERE COULD BE ORE YET IN PLACE.

SEVERAL YEARS AGO SILVER KING MINES DID SOME DRILLING JUST EAST OF THE ABOVE MENTIONED PATENTS AND REPORTEDLY INTERSECTED SOME FAIR SILVER VALUES BUT HAVE NOT DONE ANY WORK ON IT SINCE.

THE PASSAYANK AREA

THIS AREA RECEIVED MORE DETAILED EXAMINATION THAN ANY OTHER PART OF THE PROPERTY DURING THIS PROGRAMME. MAPPING AND SAMPLING CLASSIFIED THIS AS THE MOST IMPORTANT SURFACE SHOWING ENCOUNTERED IN THE AREA. CONSEQUENTLY FURTHER WORK WAS CONCENTRATED ON THIS SHOWING AND THE IMMEDIATE VICINITY.

ON A LARGE SCALE THE STRUCTURAL CONTROL APPEARS TO BE ASSOCIATED WITH EAST-WEST TRENDING FAULTS AND SHEARS, SUCH AS THE EBERHARDT FAULT. FOLLOWING FURTHER SCRUTINY BY THE WRITER THESE THEORIES WERE DISCARDED IN FAVOUR OF A NORTH-EASTERLY STRIKING SERIES

OF FAULTS. THESE FAULTS ARE OLDER AND CAUSED MUCH SHATTERING IN THE ZONE OF INTEREST THUS ALLOWING INTRODUCTION OF MINERAL SOLUTIONS INTO CONDUITS VARYING FROM BRECCIA ZONES TO HAIR-LINE FRACTURES. THE LIMESTONE IN THE SHOWING AREA WAS ALTERED TO A MORE COARSELY CRYSTALLINE FORM AND THIS ALTERED PORTION ALSO HAD A NORTHEASTERLY STRIKE, FLANKING THE FAULTS WHICH IN MOST CASES WERE WELL ERODED AND COVERED WITH OVERBURDEN. ALSO THERE WAS NOT EVIDENCE OF ALTERATION OR MINERALIZATION ON THE SOUTH SIDE OR ~~THE~~ DIRECTLY ADJACENT TO THE ECKHARDT FAULT OF THE TYPE FOUND ON THE PISH-PAN SHOWING.

IN THE ASSAYS THE FOLLOWING ELEMENTS WERE PRESENT AND ARE LISTED HERE IN ORDER OF IMPORTANCE: SILVER, LEAD, ZINC, COPPER, MERCURY. SYSTEMATIC, CAMP SAMPLING ON THE MAIN ALTERATION ZONE, AFTER STRIPPING, CONFIRMED THE FACT THAT MINERALIZATION WAS PRESENT IN ECONOMIC AMOUNTS ONLY IN THE MOST DISTURBED ROCK SUCH AS HIGHLY ALTERED FRACTURE ZONES AND FOLDS. MERCURY WAS FOUND TO BE ONLY IN A FEW ISOLATED AREAS FOR NO APPARENT REASON.

CONTRARY TO FORMER THINKING THE THREE ROCK TYPES UNDERLYING THE SHOWING: DOLOMITE, DOLOMITIC LIMESTONE AND PLAIN LIMESTONE SEEM TO HAVE THE SAME SUSCEPTIBILITY FOR ALTERATION AND MINERALIZATION.

THE ZADON AREA

MOST OF THE SHOWINGS WEST OF THE TWO AREAS ABOVE ARE IN THE LOW MOUNTAIN DOLOMITE. AS A WHOLE THEY ARE THOUGHT TO BE UNIMPORTANT BY THE WRITER SINCE THEY ARE NARROW AND DISCONTINUOUS.

THE MAJORITY OF THESE VEINS ARE STRUCTURALLY CONTROLLED IN A EAST-WESTERLY DIRECTION. THEY ARE FOR THE MOST PART CONTAINED STRICTLY TO FISSURES WITH NO PENETRATION OF THE SURROUNDING ROCKS. THE VEINS IN THE ZADON

WORKINGS ARE TYPICAL OF THIS AREA HAVING LITTLE LATERAL EXTENT AND ONLY SMALL POCKETS OF ORE OF MINOR IMPORTANCE.

THE NATURE OF MOST OF THE VEINS IS THAT OF A HEMATITIC, EARTHY, CALCAREOUS MATERIAL WITH CERUSSITE, SMITHSONITE AND MALACHITE BEING THE MAIN ECONOMIC MINERALS. SILVER IN MINOR AMOUNTS IS CARRIED BY THE CERUSSITE.

THREE BEDS OF QUARTZITE ARE CONSTANTLY PRESENT IN THE DOLOMITE. THEY ARE, UNDER IDEAL CONDITIONS, TRAPS FOR MINERALIZATION AND CONSEQUENTLY HAVE BEEN MINED FOR THEIR CONTENT IN A NUMBER OF LOCATIONS. SINCE ALL THREE BEDS ARE LESS THAN TWO FEET IN THICKNESS AND SELDOM CARRY MINERALIZATION UNDER NORMAL CIRCUMSTANCES THEY WERE DEEMED BY THE WRITER TO BE OF MINOR IMPORTANCE IF A LARGE DEPOSIT IS SOUGHT.

GEOPHYSICAL SURVEYS

BOTH MAGNETOMETER (SHARPE MODEL 321) AND ELECTROMAGNETIC (ROMKA E.M. 16) SURVEYS WERE RUN ON THE PASTYANK AND BLACK CALCITE 25 SHOWINGS BUT NO ANOMALOUS ZONES WERE TURNED UP.

AN INDUCED POLARIZATION SURVEY WAS CONDUCTED BY McPHER GEOPHYSICS ON THE TREASURE HILL, PASTYANK, BLACK CALCITE 25 AND ZADON-HONESTAKE AREAS. THE ONLY RESULTS WHICH WARRANTED FURTHER EXPLORATION WERE THOSE RECEIVED ON THE PASTYANK SHOWING.

ON THE PASTYANK I.P. PROFILES EXHIBITED METAL FACTORS IN A RANGE WHICH COULD INDICATE SULPHIDE DEPOSITS IN THREE SEPARATE AREAS. THE STRONGEST ANOMALOUS ZONE LAY BETWEEN 3100E AND 4100E ON THE GRID AND HAD A STRIKE LENGTH OF ABOUT 300 FEET IN A NORTH-SOUTH DIRECTION. FLANKING THIS ZONE WERE TWO PARALLEL, WEAKER ANOMALIES AT THE BASELINE AND AT ABOUT 600E ON THE GRID. THE EXTREME WEST ANOMALY RESEMBLED

CORRESPONDED TO THE SURFACE SHOWING WHICH STRIKES IN A SLIGHT NORTH-EASTERLY DIRECTION. NONE OF THE ANOMALIES, AS SHOWN ON THE PROFILES, APPEARED TO REACH THE SURFACE.

DIAMOND DRILLING

THE DECISION TO DRILL THE PASSAYANK SUMMING WAS BASED MOSTLY ON THE I.P. RESULTS AND STRENGTHENED BY THE FACT THAT THE BEST SURFACE SHOWING AND MINERALIZATION ALSO OCCURRED ON THAT PORTION OF THE PROPERTY.

A CONSIDERABLE AMOUNT OF BULLDOZING WAS REQUIRED IN ORDER TO MAKE THE ROADS SUITABLE FOR HEAVY EQUIPMENT AND TO LEVEL FOUR DRILL SITES (MOST ON HILLSIDES). AN HD-21 TRACTOR, UNDER CONTRACT WITH F-M CONSTRUCTION OF ELY, WAS USED FOR THE BULLDOZING WORK. WATER WAS HAULED EIGHT MILES FROM SHERMANTOWN SPRING TO THE DRILL.

DRILLING WAS CONTRACTED TO E.J. LONGYEAR CO. WHO WERE VERY CONSIDERATE IN NOT CHANGING PAN-NEVADA FOR STAND-BY TIME WHEN THE DRILLERS WERE UNABLE TO GET TO THE DRILL AND ALSO OVERLOOK^{ING} OTHER COSTS SUCH AS EQUIPMENT RENTAL. A "LIG JUNIOR" SKID-TYPE DRILL WAS USED WITH A 35-FOOT, WOODEN TRIPOD. FOR HAULING WATER A 2-TON, 4-WHEEL DRIVE FORD WITH A 1000 TANK WAS USED. AN EASTMAN "DOWN-THE-HOLE" CAMERA WAS BORROWED FROM PHILLIPS PET. TO TAKE DIRECTIONAL TESTS IN THE HOLE.

DRILL HOLE P-01 WAS LOCATED SO AS TO CUT THE MIDDLE ANOMALOUS ZONE AT ITS STRONGEST POINT AND AT A DEPTH OF APPROXIMATELY 200 FEET VERTICALLY. THEREFORE P-01 WAS DRILLED WEST ON LINE 2100N, AT 45° FROM COORDINATES 2100N, 6+10E. ALTHOUGH THE HOLE PENETRATED TO A DEPTH OF 362 FEET AND PASSED THROUGH THE TARGET AREA NO ROCK OF THE TYPE EXPECTED IN THE ANOMALOUS

ZONE WAS PRESENT IN THE RETURNED CORE.

THE NEXT ALTERNATIVE WAS TO DRILL TO INTERSECT THE WEAKER, EXTREME WEST ANOMALY WHICH WAS VERTICALLY BELOW THE SURFACE SHOWING. THIS HOLE (P-02) WENT TO 361 FEET BUT AGAIN FAILED TO RETURN ANYTHING EXPLAINING EITHER THE ANOMALOUS ZONE OR A CONTINUATION OF THE SURFACE SHOWING TO DEPTH.

DIAMOND DRILL HOLE P-03 WAS DRILLED FROM CO-ORDINATES 2100N, 1490E EASTWARD TO INTERSECT THE MIDDLE ANOMALY AGAIN, THIS TIME AT THE 150-FOOT HORIZON. STILL NOTHING WAS FOUND IN THE CORE TO INDICATE A CONDUCTOR ~~AREA~~ TO MATCH THE I.P. PROFILES. ASSAYS IN THE HOLE WERE VERY LOW BUT INDICATED MAJOR AMOUNTS OF MERCURY IN EVERY SAMPLE WHICH STRANGELY DID NOT SHOW UP IN IDENTICAL ROCK TYPES IN THE OTHER HOLES (SEE DRILL SECTION, ASSAYS).

DRILLING STARTED ON P-03 JAN 18, 1969 WHICH TURNED OUT TO BE A RATHER INAPPORTUNE TIME. STORMY, WINTER CONDITIONS FAR WORSE THAN THOSE NORMALLY EXPERIENCED IN THE AREA CAUSED MANY PROBLEMS IN GAINING ACCESS TO THE DRILL AND CAMP. A D-8 TRACTOR WAS EMPLOYED THROUGH F-M CONSTRUCTION TO CLEAR SNOW FROM THE ROADS. THIS PRACTICE BECAME VERY EXPENSIVE DUE TO DRIFTS ACCUMULATING TO AS MUCH AS 20 FEET. DEEP MUD AND FLOODING STREAMS BECAME THE PROBLEM IN LATE APRIL. SINCE DRILLING WAS UN-DERSTANDABLY INTERMITTENT DURING THIS WINTER PERIOD HOLE P-03 WAS NOT COMPLETED UNTIL MAY 1, 1969.

MILL TAILINGS

TWO PLACER CLAIMS WERE LOCATED ON EXTENSIVE MILL TAILINGS, BY PAN-NEVADA, IN THE EBERHARDT AREA SEPT. 1 AND DEC. 1, 1968 (SEE PROPERTY MAP - ORSIS #1 AND 2). AUGER SAMPLES WERE TAKEN AT EQUAL INTERVALS OVER THE ENTIRE AREA AND ASSAYS RETURNED VALUES

AVERAGING 5.16 OZ. SILVER/TON AND 0.82 LBS. MERCURY/TON. CALCULATIONS, USING AREA FROM AERIAL PHOTOGRAPHS AND DEPTH ESTIMATIONS, YIELDED APPROXIMATELY 125,000 TONS OF TAILINGS. THIS REPRESENTS ABOUT \$1,163,000 WORTH OF SILVER AND \$615,000 OF MERCURY AT BASE PRICE OF \$1.80/OZ. AND \$6.00/LB. RESPECTIVELY.

OTHER SMALLER TAILING PILES WHICH ARE INCLUDED IN THE LEASE FROM BEST CHANCE ASSAYED BETTER BUT HAD CONSIDERABLY LESS TONNAGE (FIGURES NOT AVAILABLE). APPROXIMATE FIGURES ARE SHOWN IN F. LEWIS' PROPERTY REPORT. CHECK SAMPLES ON THE TOWNSTE PLACER RAN 6.14 OZ. SILVER/TON, 1.80 LBS. MERCURY/TON AND ON THE QUARTZ MILL PLACER 6.10 OZ. ~~SILVER~~ SILVER/TON AND 1.30 LBS. MERCURY/TON.

UNFORTUNATELY SNOW PREVENTED BULK SAMPLING OF THE TAILINGS THIS WINTER THEREFORE METALLURGICAL TESTS MAY STILL PROVE THAT REMOVAL OF THE METALS FROM THE TWICE-MILLED TAILINGS WOULD NOT BE FEASIBLE.

CONCLUSIONS AND RECOMMENDATIONS

THE CUMULATIVE RESULTS FROM MAPPING, SAMPLING, GEOPHYSICS AND DIAMOND DRILLING WERE DISCOURAGING THUS THE WRITER'S ASSESSMENT OF THE PROPERTY LEAVES LITTLE DOUBT THAT NEAR SURFACE DEPOSITS OF SIZEABLE TONNAGE AND/OR GRADE ON THE BEST CHANCE CLAIMS ARE NEGLIGIBLE.

THE FOLLOWING REMOTE POSSIBILITIES MAY EFFECT A DECISION AS TO WHETHER THE PROPERTY SHOULD BE TURNED BACK TO F. LEWIS:

1. THE PHILLIPS PET. - SILVER KING MINES INTEREST HAS STARTED A DRILLING PROGRAMME (3 OR 9 HOLES) WHICH WILL INVESTIGATE THE BELMONT AND CENTER FAULTS ABOUT A MILE WEST OF THE BELMONT MILL. INCLUDED IN THE ~~LEASE~~ BEST CHANCE LEASE IS A TWO-THIRDS INTEREST IN THE TRUSTEE PATENT (ABOUT 3 MI. NORTH OF THE ZADON SHOOT). PHILLIPS IS DRILLING ITS FIRST HOLE ONLY A ~~MINIMUM~~ 150 FEET FROM THE TRUSTEE CLAIM BOUNDARY.

2. UMONT MINING CORP. OF SALT LAKE CITY IS ALSO PLANNING A DRILLING PROGRAMME FOR SUMMER, 1969 IN THE AREA NEAR THE ONETHA MINE. PAN-NEVADA WAS ASKED BY UMONT TO PARTICIPATE IN SOME DEEP DRILL HOLES TO TEST THE DEPTH OF A POSSIBLE INTRUSIVE AND ASSOCIATED MINERALIZATION. A MAGNETOMETER SURVEY CARRIED OUT BY ~~CARRIED OUT BY~~ UMONT LEADS THEM TO BELIEVE THAT THE INTRUSIVE, IF PRESENT, IS WITHIN 3000 FEET OF THE SURFACE IN THE DEPRESSION NEAR THE NEW DEFIANCE MILL SITE.

3. THE METAL CONTENT OF THE MILL TAILINGS ON THE PROPERTY IS AN ASSET BUT ONLY VALUABLE IF PAN-NEVADA HAD A MILL IN THE AREA AND COULD PROCESS THEM.

THE WRITER, AFTER WEIGHING THE POSSIBILITIES OF THE ABOVE POINTS CAREFULLY, RECOMMENDS THAT PAN-NEVADA TURN THE BEST CHANCE PROPERTY BACK TO THE OWNER.

RESPECTFULLY SUBMITTED,

Thomas J. Lyne, R.R.

5270 0039

Box 190
Yellowknife, N.W.T.
May 30, 1969

Dear Norm,

Sorry for the tardiness on this report. The day after I wrote you the last letter, promising the report within a week, I was shipped out to Hope Lake where I took over the responsibilities of project manager for Coppermine River Htd., Tedley and Yorkville so my spare time has been rather limited.

I hope this clears it all up. I am ordering 4 copies of some colour photos I took on the job that you might want to include in the report when it is typed. Please return the photos I sent to your office in January.

I will ask Locke to send all the maps that should go with this report.

I shall keep in touch with you re future developments in the N.W.T. If you are up this way during the summer we have 3 scheduled flights per week to the camp and could put you up in the staff house.

Best regards,
Norm