PRELIMINARY RECONNAISSANCE REPORT

EXAMINED BY: Denver, Land, Peterson and Smith

DATE(S) EXAMINED: August 5, 1953

1. SAMPLES

<table>
<thead>
<tr>
<th>NUMBER</th>
<th>TYPE AND WIDTH</th>
<th>RADIOACTIVITY</th>
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</thead>
<tbody>
<tr>
<td>Lot No. 1</td>
<td>57 tons @ 0.36% U₃O₈</td>
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<tr>
<td>Lot No. 2</td>
<td>56 &quot; @ 0.21% &quot;</td>
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2. STATE: Idaho
COUNTY: Custer

DISTRICT: Stanley Basin

LOCATION
SEC.: 16 T. 11 N. 2. 16 E.

3. TYPE OF EXAMINATION: Surface and underground inspection of exploration and development program.

4. DIRECTIONS TO DEPOSIT: Travel 3 miles east from Upper Stanley on U.S. 93 down the Salmon River to Basin Creek. Turn left on dirt road on the North side of Basin Creek for one mile to Coal Creek. Follow steep bulldozer road 1 mile to D-3 bulldozer cuts.

5. OWNER OR OPERATOR: Owners: Bill Brooks and Kelvin Peterson
Lessee: Phillips Petroleum Company

6. MINE OR PROPERTY HISTORY, PRODUCTION AND WORKINGS:
Property discovered by prospectors Brooks and Peterson using a Geiger counter and scintillator.

7. RADIOACTIVITY:
Confined to shear in the Idaho Batholith and to residual remnant sediments overlying a weathered granodiorite.

8. DESCRIPTION OF DEPOSIT (Discuss under: A. Topography, B. Geology, C. Mineralogy)

A. Nature - Heavily forested, fairly steep canyons draining into Salmon River at approximately 6,000 ft. elevation.

B. Ore zone is confined to late Tertiary sediments consisting of arkose and rounded boulders in proximity to Challis volcanics. The sediments appear to occupy former channels that were buried by the volcanics and are now remnants of the present erosion cycle; they may have their source in the later pegmatitic phases of the present erosion cycle.

C. Uranium minerals are autunite and uranophane.

11. PROOF OF OWNERSHIP RECEIVED? No
PERMISSION TO PUBLISH RECEIVED? Yes

12. MAP: See Forest Service Map of Boise National Forest (North half)

13. OTHER INVESTIGATIONS:
Uranium shows on the Upper Hardy Group where a D-3 cat had exposed uranophane in an aplite pegmatite phase of the Idaho Batholith. Bike seems to follow the contact of weathered granite and overlying material. DRR will follow next visit.
Lava Natala Corporation has leased the Lower Hardy Group (1-9) and the Lucky Strike Group (1-8). Exploration will follow.

15. SUPPLEMENTARY RECONNAISSANCE REPORT TO FOLLOW: Yes