UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3659
(TUNGSTEN)

EXPLANATION

al
Alluvium
(Includes glacial till and slope wash.)

Stream gravel and boulders

gd
Granodiorite

q
Quartzite

lq
Limy quartzite

Tactite
(Scheelite-bearing in part)

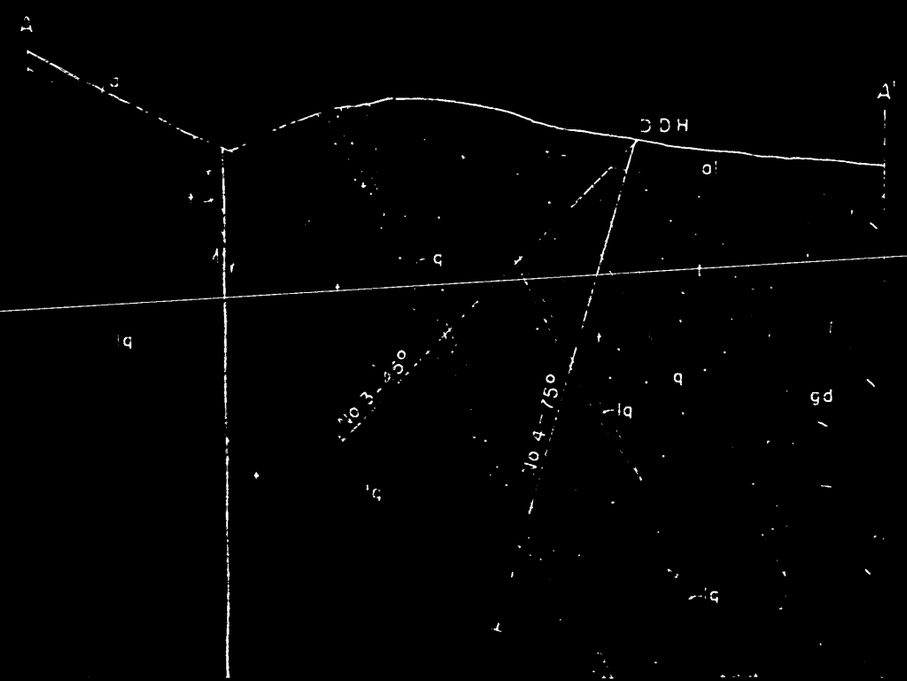
Contact
(Dashed where approximately located dotted where concealed)

Fault
(Dashed where approximately located)

65
Strike and dip of beds

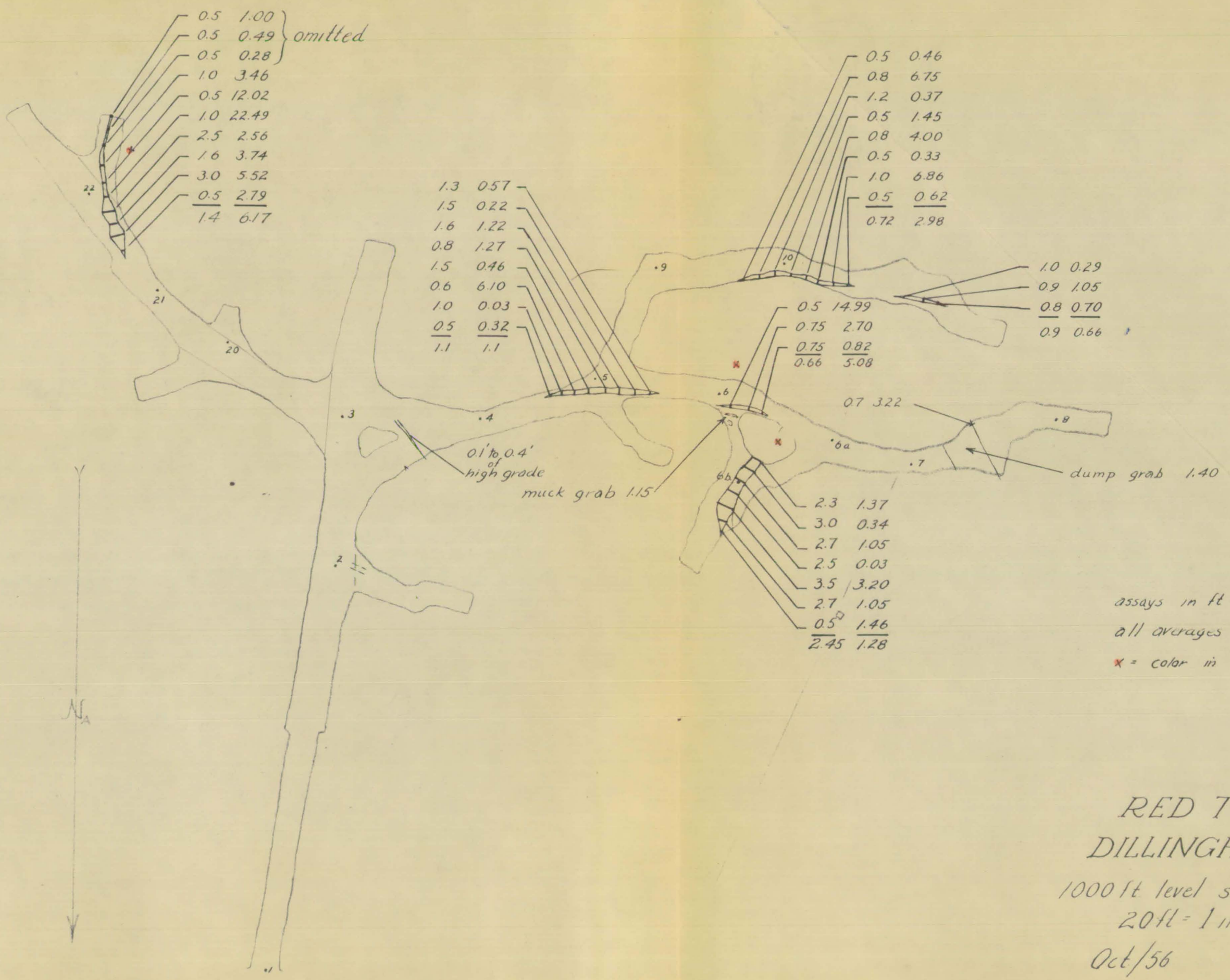
80
Strike and dip of foliation

Diamond drill hole
(Proposed)



[illegible] FRESNO COUNTY, CALIFORNIA

Figure 3



assays in ft - % Hg.

all averages weighted

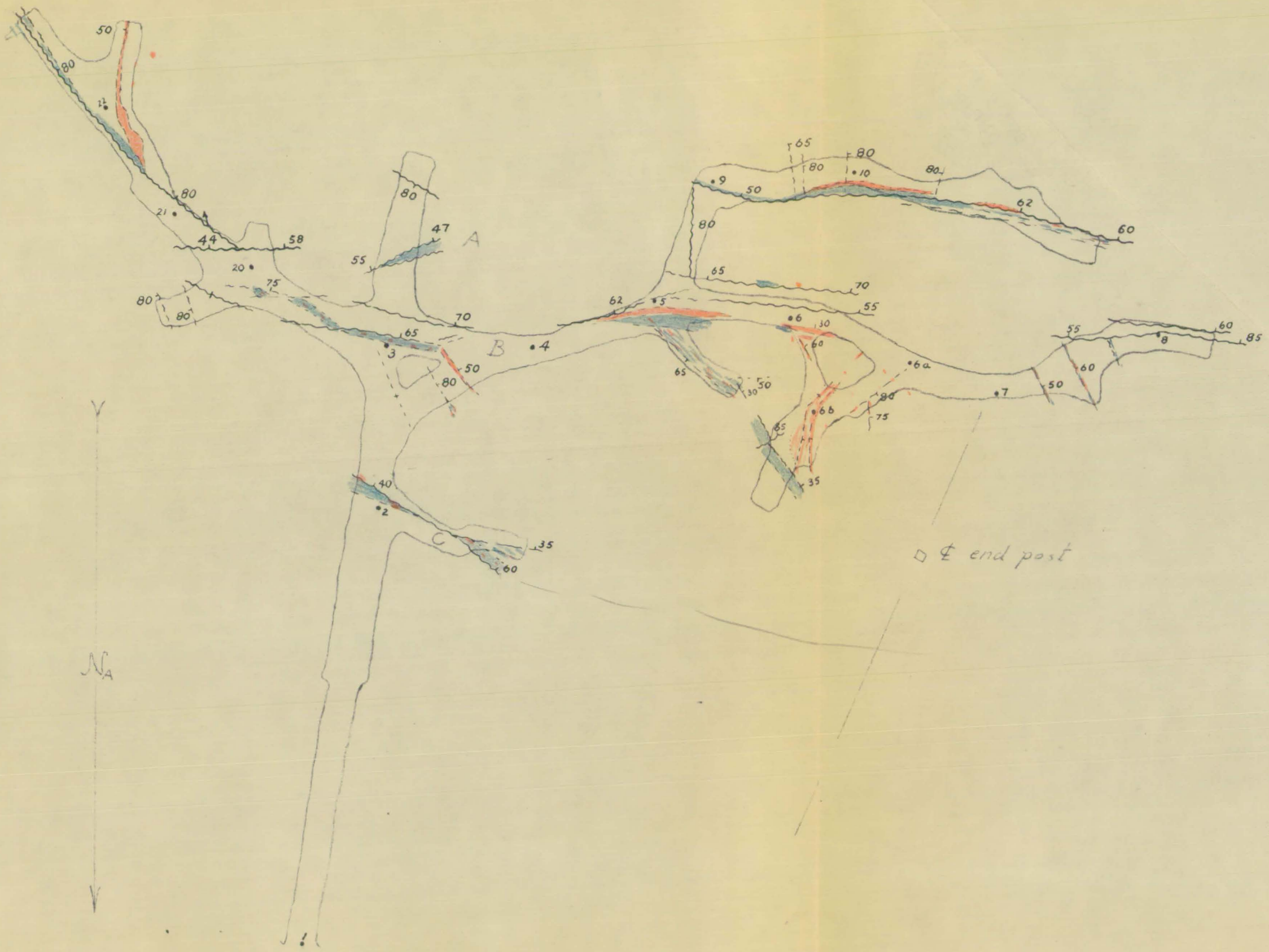
x = color in test hole

RED TOP
DILLINGHAM

1000 ft level samples

20 ft = 1 in

Oct/56 RHS



RED TOP
DILLINGHAM
1000 ft level geol.
20 ft = 1 in
Oct/56 RHS.

showing relation of surface showings to underground workings
(surface samples from R.S.V.)
cinnabar on surface
cinnabar underground
carbonate on surface
carbonate underground
surface elev. above tunnel back
RED TOP
DILLINGHAM
20ft = 1 in
Oct/56
RHS.
3.8 nil
2.0 nil
2.5 nil
2.2 0.01
1.5 0.12
1.5 nil
1.5 nil
2.3 0.02
7.4 0.05
0.67 1.08
2.0 0.04
2.6 0.03
2.3 0.01
0.5 0.24
0.4 28.9
0.75 0.04
1.7 14.1
0.25 1.48
0.2 6.60
4.4 0.51
end post
6.3 0.08
2.7 nil
5.3 2.82
3.5 0.30
3.6 0.72
3.5 0.04
3.1 0.70
1.5 0.66
6.4 0.01
3.0 1.24
1.3 1.22
1.6 0.04
1.0 0.90
4.4 0.62
5.0 0.36
4.0 2.16
5.6 nil
9.5 0.01
3.4 0.54
2.5 3.26
11.8 0.10
12.0 1.64
10.5 2.17
18.7 0.04
19.5 1.07
19.0 0.01
19.0 nil

DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE E 857 DMEA NO. 383

Application (Denied
(Withdrawn
(After disposition, delete items not applicable)

Contract (Terminated - not Certified
(Cancelled
(Terminated - Certified
(Royalty Agreement

This is the official contract file containing all official records of the project. The records contained in the files are checked and are arranged in this order:

Left Side

Interim Royalty Audits
Reports of Royalty Review
Certification of Discovery
Certificate of Audit (Final)
Interim Audit(s)
✓ Report of Review
Termination Notice or Agreement
Recision Notice
Assignment of Contract
✓ Contract Amendments (latest on top)
✓ Contract with all exhibits and annexes
✓ Owner's Consent to Lien
Subordination Agreement
✓ Leases and assignments of leases
✓ Application and attachments
(3) Envelope for maps

Right Side

✓ Project summary
✓ Work completed analysis
All other material is filed in chronological order with correspondence including the following reports as checked:

✓ Final Field Team Report (Tab)
Operator's Final Report
(2R) Interim Reports
(2R) ✓ Operator's monthly reports and all attachments (latest on top)
On-site Exam Report(s) (Tab)
(4) Settlement Sheets

When the volume of records is expected to warrant additional folders, or when convenience of reference warrants separate folders for certain records, they should be set up in this order:

Left Side

Folder No. 2: (In chron. order) Interim Summary Reports by W. O. Engineers

Right Side

Operator's Semi-Annual Report for Certified Project, Field Team Interim Reports, Operator's Monthly Report with transmittal, narrative, maps, and Field Team review.

Folder No. 3: Maps (Use pocket folder or envelope. Fold maps with title block out and show reference to related document or correspondence.)

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

Reported Inactive 12/28/59.

(er)

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E857, Docket DMEA-3831 (mercury), dated August 18, 1955, with

Monata Porcupine Mines, Ltd.
Suite 1505, 320 Bay Street
Toronto, Ontario

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Red Top Mine and March Mountain Deposit located in the Bristol Bay Recording District, Alaska, during the period August 1, 1959, through March 29, 1962.

In accordance with Article 7 and Annex II of this contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of this contract or until the total net amount contributed by the Government under this contract and a prior contract (Idm-E598, DMEA-2562) without interest is fully repaid, whichever occurs first. A Report of Review dated July 2, 1957, indicated accepted costs under this exploration contract amounting to $29,065.00 with the Government's contribution on a 75 percent basis being $21,798.75. The contribution under the prior contract amounted to $12,513.72.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through July 31, 1959. The royalty account as of July 31, 1959, was:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

As of March 29, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

April 3, 1962

E. P. Talbert, OME Auditor

Idm-E857 Moneta Porcupine Mines, Ltd. DMEA-3831

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all production from the six claims thereunder for a period of 10 years from the date of the contract or until the Government's contribution under both this and a prior contract covering the same property is repaid. Any royalty accruing under this contract is to be applied first to the Government's contribution under the prior contract. The Operator under the prior contract Idm-E398, Docket DMEA-2562, a partnership composed of Clarence Wren, Frank Waskey, and Charles Wolfe, a/k/a Red Top Mining Company, P. O. Box 81, Dillingham, Alaska, was not released from any royalty liability thereunder.

At the time this contract was executed, the Operator was in possession of the property by virtue of an option to lease dated May 1, 1955, and supplemented on June 15, 1955, granted by Red Top Mercury Mines, Inc., P. O. Box 81, Dillingham, Alaska. In consideration of this contract a Consent to Lien was executed on July 25, 1955, by Clarence Wren as president. A 40-year lease was executed on February 20, 1956.

Work under this contract was terminated effective November 1, 1956, by telegraphic notice on February 27, 1957. Reports by field representatives and the Operator indicate that no ore was produced during the work under this contract or thereafter through March 29, 1962. However, 22 flasks of mercury were produced during the work under the prior contract and royalty thereon was paid by Charles E. Wolfe on November 2, 1959.

By letters dated January 5, 1961, and March 15, 1961, the attorneys for the landowner and the Operator, respectively, advised that the February 20, 1956, lease was in process of cancellation. In a March 29, 1962, reply to an inquiry on MMR Form 63, Red Top's president stated that the lease had been terminated. The files also indicate that assessment work on the property for 1960 was recorded by Clarence Wren and, as of January 30, 1962, no assessment work had been recorded for 1961.

The repayment status of the two related contracts follows:

	Idm-E398 DMEA-2562	Idm-E857 DMEA-3831	Totals
Government Contribution	$12,513.72	$21,798.75	$34,312.47
Royalty Paid	347.60	-0-	347.60
Balance Repayable	$12,166.12	$21,798.75	$33,964.87

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The files indicate no production since the date of the contract;

(2) The property has been inactive, except for assessment work, during the period covered by this review; and

(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

(1) File
(2) 225

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Division of Minerals, Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-E857, Docket No. DMEA-3831 (Mercury), dated August 18, 1955, with

Moneta Porcupine Mines, Ltd.
Suite 1505, 320 Bay Street
Toronto, Canada

for the purpose of determining the amount of royalty due the U. S. Government on sales of mercury from property referred to as Red Top Mine located in Bristol Bay Recording District, Southwestern Alaska, during the period August 18, 1955, through July 31, 1959.

Annex II to this contract provides that the certification of discovery or development issued under Prior Contract No. Idm-E398, Docket No. DMEA-2562, relating to the same land shall be extended to this contract, i.e., the project under this contract is considered to have been certified as of the date of this contract. The Annex further provides that any royalty accruing under this contract shall be applied first to the repayment of the Government's contribution amounting to $12,513.72 under the Prior Contract. Thus royalty is payable on all minerals mined or produced from the land described in Article 2 of this contract within a period of 10 years from the date of the contract, or until the total net amount contributed by the Government under this and the Prior Contract without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final cost audit dated July 2, 1957, indicated accepted costs under this exploration contract amounting to $29,065.00 with the Government's contribution, on a 75 percent basis, being $21,798.75.

There has been no production subject to Government royalty to date in connection with this contract.

This review was made in lieu of an on-site royalty audit of the Operator's accounts and records for the following reasons:

(1) Investigations by representatives of the Field Team, Region I, indicate that there has been no production from the mine during the exploration period or subsequent thereto; and
(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

C. E. Fisher
C. E. Fisher, OME Auditor

August 26, 1959

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Moneta Porcupine Mines, Ltd.

Address 1505 - 320 Bay Street

Toronto, Canada

Exploration Contract No. Idm-E857 Docket No. DMEA-3831

		Check One Yes	Check One No.
1.	(a) Does the Operator stockpile ore subject to royalty repayment?		X
	(b) If so, is segregation and identification procedure adequate?		
2.	(a) Does Operator commingle production subject to DMEA or OME royalties with exempt production?		X
	(b) If so, do you consider the allocation of the commingled production equitable?		
3.	(a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
	(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4.	Do you consider the assay controls in effect are adequate?	X	
5.	Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?	X	
7.	Does the Operator buy from or sell to other Operators?		X
8.	Comment on any item 2 (b) to 6 if answer is No.		

Property inactive.

September 8, 1959
Date

S. W. Zoldok
Mining Engineer
S. W. Zoldok

53362

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Mosaic Porcupine Mines, Ltd.
Suite 1505, 320 Bay Street
Toronto 1, Ontario, Canada

WBM

pertaining to Exploration Project Contract No. Idm-E857, DMEA No. 3831, including Amendment No. 1, and Termination notice by telegram of February 27, 1957, for the period of August 18, 1955, to October 31, 1956, inclusive, covering a project for the exploration of mercury on property, known as the Red Top Mercury Mine located in the Bristol Bay Recording District, Third Division, Territory of Alaska.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team reports and correspondence, and a determination of the reasonableness and propriety of the costs.

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

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

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

Total cost as billed by Contractor			$29,065.00
Exceptions (schedule attached):			
Prior to this review	$45.00		
Less: Reinstatement by review	45.00	$ -0-	
Herewith		-0-	-0-
Total Accepted Cost			$29,065.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Twenty-one thousand seven hundred ninety-eight and 75/100 Dollars

$21,798.75

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

E. D. Talbert, Auditor

July 2, 1957

SCHEDULE OF EXCEPTIONS

Idm-E857 DMEA-3831 Monsta Porcupine Mines, Inc.

In the approval of the September/October 1956 MF-104 the Authorized Certifying Officer took exception to the amount of $45.00 claimed by the Operator for sampling and analysis in connection with Stage II drifting of 15 samples at a fixed unit cost of $3.00 a sample. This exception was based on the fact that the Executive Officer's letter of August 8, 1956, to the Operator (confirming oral authorization of July 24, 1956) specifically limited Stage II work to work item 2 (continuation of Stage I drifts).

The Field Team, however, has stated that the $45.00 is a just claim for necessary work and has recommended approval. Furthermore, the general specifications in Exhibit "A" of the contract provide that the mineralized zones of all drifts shall be sampled and analyzed for mercury. Accordingly, the amount of $45.00 for sampling and analysis is reinstated by this review.

C

Docket c

RECEIVED
FEB 13 1953

AMENDMENT NO. 1
to
EXPLORATION PROJECT CONTRACT Idm-2857
Dated August 18, 1955
DOCKET NO. DMEA-3831
between
THE UNITED STATES OF AMERICA
and
MONETA PORCUPINE MINES, LTD.

It is agreed this 30th day of December, 1955, that the Contract is amended as follows:

1. (a) Work under the Contract shall be suspended during the period beginning November 1, 1955, and ending not later than June 1, 1956.

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

(c) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. C. Mitchell
Administrator, Defense
Minerals Exploration
Administration

Rubin
Lawyer
"Appd. Sol. Off."
Chapman
Martin
Stiles
Selfridge
Robinson
Nelson

MONETA PORCUPINE MINES, LTD.

F. R. Burton pres.

By W. L. Cassidy
Secretary

Docket Copy

RECEIVED
AUG 30 1955

MF-200A
(Revised June 1954)

Docket No. DMEA -3821

Commodity Mercury

Contract No. Idm-E 857

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this AUG 18 1955 day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Moneta Porcupine Mines, Ltd., a corporation incorporated under the laws of Ontario, Canada,

whose mailing address is 1505 - 320 Bay Street, Toronto, Canada,

hereinafter called the "Operator," as follows:

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

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

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the Territory of Alaska 3rd Division, and is described in Annex I.[3] Bristol Bay Recording District

(b) The Operator represents and undertakes that:

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

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: none

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien of Red Top Mercury Mines, Inc.

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

16—70818-1

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Mercury. The work to be performed is described in Exhibit "A". The Operator on or before August 16, 1955 shall commence the work, and on or before November 1, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $13,720.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $9,040.00 1/: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

1/ See Annex II

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

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

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

[illegible]
(Operator)

By F. R. Burton
Pres.

A. Cockshutt
Vice Pres.

THE UNITED STATES OF AMERICA

By O. Mitterdorf
Assistant Director, Bureau
of Land Management
Administration

Hoffland
"Appd. Sol. Off."
Chapman
Martin
Nelson
Talbert
Bishop

I, G. G. Ritchie, certify that I am the Assistant secretary of the corporation named as Operator herein; that F. R. Burton and A. Cockshutt who signed this contract on behalf of the Operator, were then President and Vice-President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

G. G. Ritchie

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

RECEIVED
AUG 30 1955

EXPLORATION PROJECT CONTRACT
MONETA PORCUPINE MINES, LTD.
DOCKET NO. DMEA-3831

ANNEX I

The land referred to in Article 2 of the contract form is as follows:

Six unpatented lode mining claims, the location notices of which are recorded in the Bristol Bay Recording District, 3rd Division, Territory of Alaska.

Claim	Book	Page
Red Top	10	67
Red Top No. 1	10	67
Red Top No. 2	10	68
East Extension Red Top	10	68
East Extension Red Top No. 1	10	69
East Extension Red Top No. 2	10	69

RECEIVED
AUG 30 1955

EXPLORATION PROJECT CONTRACT
MONETA PORCUPINE MINES, LTD.
DOCKET NO. DMEA-3831

ANNEX II

WHEREAS, the property referred to in Article 2 of the contract form was the subject of a contract dated September 16, 1952, Idm-E398, Docket No. DMEA-2562, between the Government and Wren, Wasley, and Wolfe, hereinafter called the "Prior Contract"; and

WHEREAS, said Prior Contract has been performed and settled and the Government's contribution thereunder determined at the sum of $12,513.72; and Certification of Discovery or Development issued under the provisions of said Prior Contract under date of July 23, 1954; and

WHEREAS, the work now provided for in this Contract is an extension and continuation of the work under the Prior Contract;

NOW THEREFORE, it is agreed that:

1. The contribution of the Government under the Prior Contract in the sum of $12,513.72 shall be and is hereby added to the estimated cost of the work under this Contract as indicated in Exhibit "A", for repayment to the Government under the provisions of this Contract. [Wren, Wasley, and Wolfe, the operators under the Prior Contract, are not released from any liability thereunder with respect to the same sum.] Any royalty accruing under this contract shall be applied first to the payment of said $12,513.72.

2. The Certification of Discovery or Development under the Prior Contract shall be considered to extend to this Contract with the same force and effect as if a Certification of Discovery or Development had been duly issued by the Government under this Contract; i. e., the project under this Contract shall be considered to have been certified as of the date of this Contract.

RECEIVED
AUG 1955

EXPLORATION PROJECT CONTRACT
MONETA PORCUPINE MINES, LTD.
DOCKET NO. DMEA-3831

EXHIBIT "A"

Description of the Work

The maps attached to and made a part of this contract are as follows:

Exhibit 1, Map showing relative position of mining claims, contours and approximate location of crosscut adit, Stage I.

Exhibit 2, Cross Section and Longitudinal Section indicating the approximate level and extent of proposed work.

All crosscuts and drifts to be timbered when necessary and to be not less than 4½ feet by 6½ feet in the clear. Mineralized zones shall be sampled and analyzed for mercury.

The work is to be performed in two stages, as follows:

STAGE I

1. Approximately on the 1,000 foot level drive a crosscut adit, approximately 275 feet to intersect the footwall and hanging-wall veins of the shear zone. (Exhibits 1 and 2)

2. On the footwall vein drift westerly approximately 90 feet and easterly approximately 60 feet to explore the mineralized zone under surface trenching. (Exhibits 1 and 2)

STAGE II

If, in the opinion of the Government, based upon the results obtained in Stage I, further work is warranted and the Government approves it in advance, Stage II shall be performed.

1. In preparation for winter work, erect a cookhouse, bunkhouse, and shed for equipment, to accommodate about ten men.

2. From the face of drifts in Stage I, drift westerly approximately 300 feet and easterly approximately 200 feet. (Exhibit 2)

3. Approximately at the 900 foot level (Exhibit 2) and approximately 100 feet vertically below the adit driven in Stage I, drive a crosscut adit approximately 600 feet to intersect the footwall and hanging-wall veins of the shear zone.

4. On the footwall vein drift westerly approximately 300 feet and easterly approximately 200 feet.

ESTIMATED COST OF THE PROJECT

FIXED UNIT COSTS

STAGE I

Crosscut adit and drift 425 feet @ $52.00/ft.	$ 22,100.00	
Timbering 300 feet @ $10.00/ft.	3,000.00	
Sampling and analyzing, 30 samples @ $3.00 each	90.00	
Total		$ 25,190.00

STAGE II

Cookhouse, bunkhouse, and shed 1/	$ 3,000.00	
Crosscut adit and drifts 1,600 feet @ $52.00/ft.	83,200.00	
Timbering 700 feet @ $10.00/ft.	7,000.00	
Sampling and analyzing, 110 samples @ $3.00 each	330.00	
Total		$ 93,530.00

1/ The completed work constitutes the unit.

Estimated Total Cost of Project	$118,720.00
Government Participation @ 75%	$ 89,040.00
Contribution of Government under Prior Contract	12,513.72
Combined Contribution under Both Contracts	$101,553.72

MF-203
Revised March 24, 1955

RECEIVED
JUL 29 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 857
Contract Date AUG 18 1955

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the ~~County of~~ Bristol Bay Recording District in the Third Division of the, ~~State of~~ Territory of Alaska, described as follows:1/

Mining claims Red Top, Red Top No.1, Red Top No.2, East Extension Red Top, East Extension Red Top No.1, East Extension Red Top No. 2.

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

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

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

D.M.E.A. Loan Contract 399 (Docket No.2562)

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

Dated this 25th day of July, 1955.

RED TOP MERCURY MINES, INC.

Clarence Uren, Pres. [Seal]

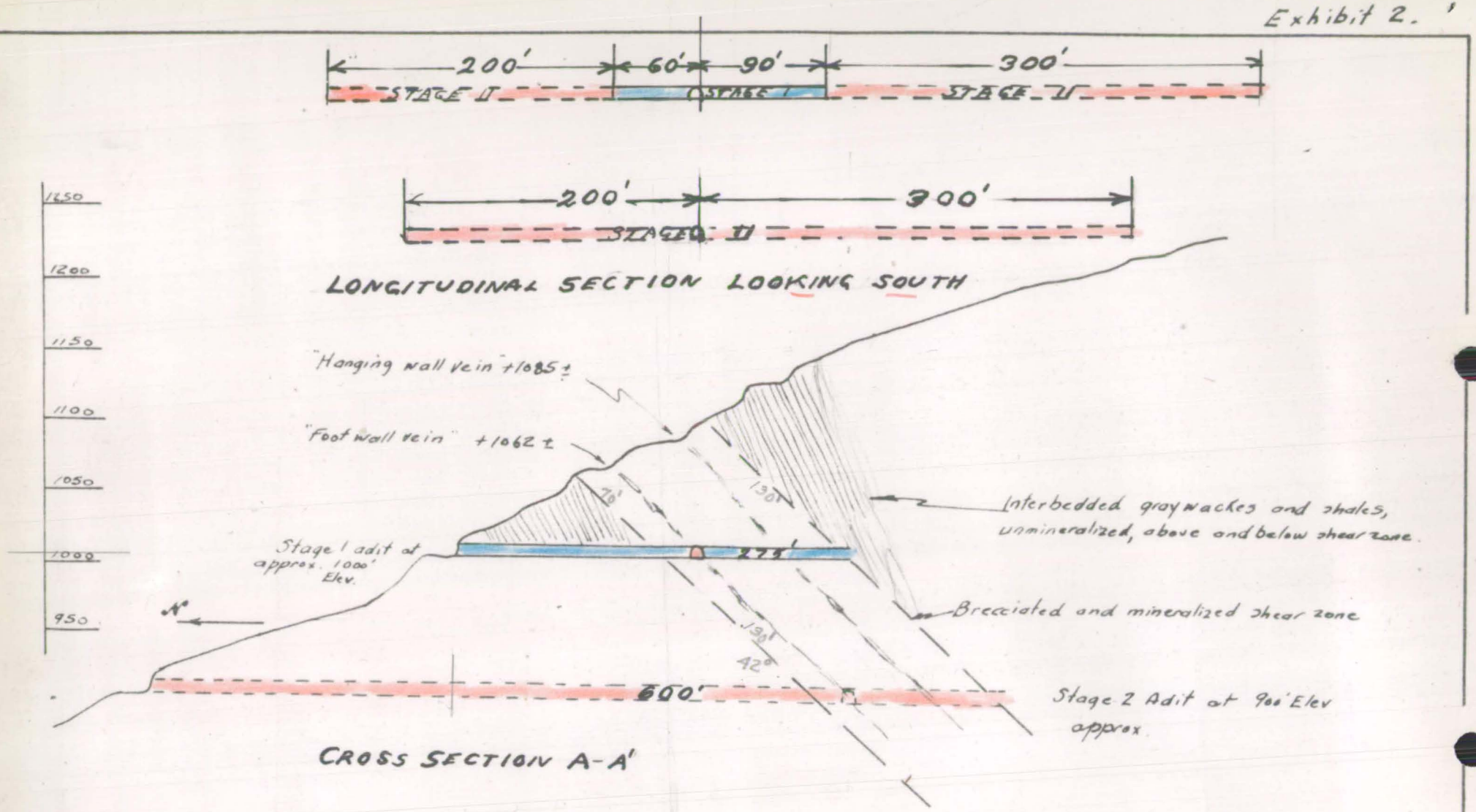
_____ [Seal]

_____ [Seal]

I, Harold J. Butcher certify that I am the Secretary-Treasurer (Secretary, etc.) of the corporation named herein; that Clarence Uren who signed this agreement was then President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

[Corporate Seal]

Exhibit 2.



Solid Lines Stage 1
Dotted Lines Stage 2.

RED TOP MERCURY MINE
Nushagak District
Alaska.

Sections Through Proposed Adits
Scale 1" = 100'.

RECEIVED
AUG 3 0 1955

SUPPLEMENTAL AGREEMENT

WHEREAS, there was entered into on or about the 1st day of May, 1955, an option to lease agreement between the Red Top Mercury Mines, Inc., an Alaskan corporation, who for the purposes of this supplemental agreement will be referred to as the party of the first part, and the Moneta Porcupine Mines, Ltd., a corporation organized under the laws of Canada, hereinafter referred to as the party of the second part, and

Whereas, it was provided in paragraph numbered 1 of said option agreement that the party of the second part would have an option of 10 weeks, commencing on the 1st day of May, 1955, to enter into a lease with the party of the first part, under the terms and conditions set forth in the aforesaid option to lease agreement, and

Whereas, the period of 10 weeks was, at the time the option agreement was entered into, considered a period of time sufficient for representatives of the party of the second part to enter on the property, make an examination thereof, and determine its future course with regards to said lease; however, due to the fact that it was impossible to make entry onto the mining property earlier than June 13, 1955, and further, due to the fact that certain drifts and tunnels must be constructed before the said Moneta Porcupine Mines, Ltd., can make a firm determination as to its future development of the mining property, under the terms of the lease.

Wherefore, in consideration of the advance of the sum of Eight Thousand Dollars ($8,000.00) by the party of the second part to the party of the first part for the purpose of constructing 200 feet of tunnel or drift, commencing at a point designated by F. R. Burton, representing the party of the second part, the party of the first part will construct a tunnel or drift according to specifications agreed upon by the Red Top Mercury Mines, Inc., and Moneta Porcupine Mines, Ltd., at a cost of $40.00 per foot, said monies to be advanced by the Moneta Porcupine Mines, Ltd., as follows:

Four Thousand Dollars ($4,000.00) within 10 days of the making of this agreement, and the second Four Thousand Dollars ($4,000.00) when the 200 foot tunnel or drift has been constructed by the party of the first part, and for such consideration the party of the first part will also extend the option to lease for a period of 90 days or for a period of 30 days after the above described tunnel or drift has been completed, whichever event occurs first. It being understood that all ores found while constructing the tunnel will be stockpiled and become the property of the party of the second part, in the event the option is exercised.

IN WITNESS WHEREOF, the parties hereto have placed their signatures by their authorized officers, this 15th day of June, 1955.

RED TOP MERCURY MINES, INC.

BY: "HAROLD J. BUTCHER"
Secretary-Treasurer

ATTEST:

Secretary

MONETA PORCUPINE MINES, LTD.

BY: "F. R. Burton"
Vice-President

ATTEST:

"H. B. Clearihue"
Secretary

MONETA PORCUPINE MINES, LIMITED

(NO PERSONAL LIABILITY)

SUITE 1505 - 320 BAY STREET

TORONTO 1, ONT.

DEPT. OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 23 1955

PLEASE REFER FILE:

May 19th, 1955

Mr. C. O. Mittendorf,
Administrator,
Defense Minerals Exploration Administration,
Department of the Interior,
WASHINGTON 25, D.C.

Dear Mr. Mittendorf:

Reference is made to D.M.E.A. Contract No.~~399~~ 398, Docket No.2562, the number you previously assigned to the project at Dillingham, Alaska. Some time ago I visited you at your office and discussed a possible exploration project on the Red Top Mercury property. At that time we had a letter of option to lease the property, and this has now been put in a formal document. Due to weather conditions we will not be able to examine the property before the middle of next month, but from all of the information available to us it seems highly probable that we will engage in an underground exploration program. I have a tentative date to meet the owners of the property in Dillingham on June 13th. Mr. Gordon I. Gould of San Francisco is acting as our consultant and will make the examination with me. Mr. Gould is an expert on mercury, and I presume he is well known to you.

President of New Idria Min. & Chem. Co. Amer 2478, E369 & Amer 3563, E780

It is my understanding that freight into Dillingham ends in October, and if we are to get the necessary mining plant, equipment and supplies ordered and into Dillingham this fall, we will have to proceed with considerable dispatch after the examination. I understand that it takes some time to obtain approval for a D.M.E.A. contract. I am wondering if there is some way in which the normal procedure could be speeded up. With this in mind I am attaching the Application for a new project on the property, and, to the extent that information is available to us, submitting supplementary sheets answering the questions asked in the Application. I realize that the pertinent data is completely lacking, but it occurred to me that with this application in hand you might be able to start the routine clearing of the project.

It is my understanding that the owners applied for an underground exploration project but were turned down because they lacked the finances to carry such a project through to completion. No doubt you have already done the preliminary examination, etc., required on their application, and I was wondering if it would be possible for us to proceed under their Application. In this connection, I might say that it will probably be simpler for us to operate in Alaska if we have a U.S. operating company. If so, is it possible after making an application and assuming that a contract is entered into, to assign this contract to the applicant's nominee, which would be a U.S. operating company?

The above is all extremely vague, and I am sorry to have to put in an application in such form, but you will realize our position. If it would facilitate matters, I could make a trip to Washington any time between June 2nd and June 11th, inclusive.

Yours very truly,

F. R. Burton

/A
Encls.

F. R. Burton,
President.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

RECEIVED
MAY 23 1955

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. 3831
Metal or Mineral Mercury
Date Received 3-23-55
Estimated Cost no est.
Participation (Government %) 75

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Moneta Porcupine Mines, Limited (No Personal Liability), 1505 - 320 Bay St., Toronto, Ontario. The above Company is a corporation incorporated under the laws of Ontario, Canada. see attached list of officers and directors

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Mining claims situated in the Bristol Bay Recording District in the Third Division of the Territory of Alaska, more particularly described as follows: Red Top; Red Top No.1; Red Top No.2; East Extension Red Top; East Extension Red Top No.1; East Extension Red Top No.2.

(*b*) State any mine name by which the property is known. Red Top Mercury Mines, Inc. or Wren Waskey property.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Moneta Porcupine Mines, Limited has an option to lease the property for a period of 40 years.

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property. Copy of option to lease is attached.

(*e*) If you own the land, describe any liens or encumbrances on it

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. See attached sheet

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Mercury

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc. See attached sheet

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations. See attached sheet

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? Yes.

(*b*) How do you propose to furnish your share of the costs?

[X] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

MONETA PORCUPINE MINES, LIMITED

Dated May 19th, 1955

(Applicant)

By F. R. Burton
Vice-President

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

Form MF-103
Revised April 1952

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED.

Defense Minerals Administration
RECEIVED
MAY 23 1955

Application of Moneta Porcupine Mines, Limited,
1505 - 320 Bay St., Toronto, Ontario.

1(c) Officers: C. C. Calvin, President, 36 Toronto St., Toronto 1, Ontario
F. R. Burton, Vice-President & General Manager, 1505 - 320 Bay St., Toronto 1
R. H. Taylor, Assistant General Manager, 1505-320 Bay St., Toronto 1, Ont.
H. B. Clearihue, Secretary-Treasurer, 1505-320 Bay St., Toronto 1, Ont.
E. E. Ritchie, Assistant Secretary-Treasurer, 1505-320 Bay St., Toronto 1.

Directors: C. C. Calvin, 36 Toronto St., Toronto 1, Ontario
F. R. Burton, 1505-320 Bay St., Toronto 1, Ontario
A. M. Reaper, 438 Canada Cement Bldg., Montreal, Que.
B.S.W.Buffam, 1505 - 320 Bay St., Toronto 1, Ontario
J.D. Barrington, c/o Polymer Corporation Limited, Sarnia, Ontario
A. Cockshutt, 906-357 Bay Street, Toronto 1, Ontario.
R. L. Segsworth, 1001-85 Richmond St. W., Toronto, Ontario.

4. The property has been reported upon by officers of D.M.E.A., but if there is any further information required, the applicant would be pleased to submit same.

5(b) The applicant has examined only records supplied to him by the owner, and on the basis of these records an underground exploration project is contemplated. Until such time as the examination is completed, the applicant is not in a position to outline the exploration program or to estimate costs.

5(d) Moneta Porcupine Mines, Limited, operated a 200-ton per day gold mine in the Porcupine district of Ontario for six years until the orebodies were mined out. Since then, the Company has operated mainly as an exploration and holding company. Moneta operated Buffalo Ankerite Gold Mines Limited in the Porcupine district of Ontario, a mine with milling capacity in excess of 1000 tons per day. This gold mining property is now closed down due to the conditions peculiar to that industry at the present time. The Vice-President and General Manager of Moneta acted as President and General Manager of Buffalo Ankerite and was directly responsible for operating the mine.

Moneta initiated and managed Milnet Mines Limited, for which assistance

Form MF-103
Revised April 1952

Moneta Porcupine Mines, Limited,
1505 - 320 Bay St., Toronto 1, Ontario.

5(d) continued
was obtained from the D.M.P.A. of the United States Government under Contract No. DMP-30. This property operated at a maximum of 600 tons per day. The applicant would refer you to Mr. John Ford, Acting Director, Materials Division, Emergency Procurement Service, General Services Administration, who could give you an independent opinion as to the manner in which Milnet was operated. I believe the operation was carried out to the satisfaction of D.M.P.A. The Vice-President and General Manager of Moneta acted as President of Milnet and was directly responsible for the operation.

7. The applicant is prepared to furnish its share of the cost of the proposed project in accordance with the regulations on Government participation. It share would be furnished in money. Moneta Porcupine Mines, Limited is thoroughly capable financially of handling any project of this nature, and a copy of the latest Annual Report is enclosed.

OPTION TO LEASE

THIS AGREEMENT, made and entered into by and between RED TOP MERCURY MINES, INCORPORATED, a corporation duly organized and existing under and by virtue of the laws of the Territory of Alaska, as first party, and MONETA PORCUPINE MINES, LIMITED, a corporation duly organized and existing under and by virtue of the laws of Canada, as second party, WITNESSETH:

Whereas, the first party is the owner and in possession of certain mining claims hereinafter more particularly mentioned and described; and

Whereas, the first party represents that said mining claims, ground, and premises disclose mineral deposits of considerable value as well as potential development of great ore bodies containing mercury; and

Whereas, the proper development of such ore bodies, both present and in expectancy and the proper reduction and treatment thereof will necessitate the outlay of money for such development purposes; and

Whereas, the second party is able and willing to furnish the money for such development work in accordance with the terms and such other conditions hereinafter set forth;

Now therefore, for and in consideration of One Thousand ($1,000.00) Dollars the receipt whereof is hereby acknowledged, and for and in consideration of the mutual covenants of the parties by each to the other made and herein contained, the parties hereto agree as follows:

1. The first party grants to the second party for a period of ten (10) weeks, commencing on the 1st day of May, 1955, an option on the terms and conditions in this agreement hereinafter set forth, to receive a mining lease in the form hereinafter approved by the parties hereto, but providing among other things a provision for the payment to the first party of fifteen (15) per cent gross royalty with a minimum guarantee of Four Hundred ($400.00) Dollars per month, with a savings provision contained therein that if the price of mercury drops and the operation of the mine proves uneconomic, then said Four Hundred ($400.00) Dollars per month minimum guarantee will not prevail, but when and if said minimum guarantee is discontinued in accordance with the aforementioned provision, then

during such period as said minimum monthly guarantee is discontinued the first party will have the right to mine and process mercury ore on a small scale from this property at periods convenient to the first party of said above mentioned mining properties, being all those certain mining claims owned by the first party or formerly owned by its officers, directors and stockholders, lying and being situated in the Bristol Bay Recording District, in the Third Division of the Territory of Alaska, more particularly described as follows:

1. Red Top
2. Red Top No. 1
3. Red Top No. 2
4. East Extension Red Top
5. East Extension Red Top No. 1
6. East Extension Red Top No. 2

2. That at any time during the period of said option second party shall have the right to enter into the said above described property and may as consideration for said option, prospect and explore, test, develop and work at its own discretion and at its own proper charge and expense said mining claims and any one or more of them, provided all work done and all improvements made by second party on said property, or any part thereof, under the terms hereof during the period of said option shall be done in a minerlike and proper manner to enable said premises and all thereof to be carefully operated, and so that the minerals therein contained may be extracted in an economical and minerlike manner. All equipment, tools, machinery, structures, improvements and personal property of every nature and description brought or placed upon said premises prior to the exercise of said option by second party for use in said work shall not become a fixture but shall remain the property of second party and subject to removal by second party and in the event second party shall not exercise said option it shall be entitled to remove all of said equipment, tools, machinery, structures, improvements and personal property.

3. All ores extracted by second party during the aforesaid time prior to the exercise of said option shall be and remain the property of first

party; provided, that second party is hereby given the right to take and have as its own for assay samples and mill tests from said mining claims, ore or ores to the amount of three tons. In furtherance of the work contemplated in this and the preceding paragraphs, second party shall be entitled to use and enjoy any and all improvements, structures, machinery, tools, equipment or other personal property now situated on said premises and properties belonging to first party.

4. If at or before the expiration of said period of 10 weeks the second party shall elect to exercise said above mentioned option and receive a mining lease to said premises as hereinabove provided, it shall so notify first party and it shall on such notice be entitled to receive in accordance with and subject to the terms of this contract a lease containing among other things the specific provisions regarding the gross royalty payment and the minimum monthly guarantee as hereinbefore specified together with a provision that the lease agreement shall be for a period of 40 years and that on such notice the first party will make, execute, and deliver said lease to the second party. In the event second party shall elect not to exercise said option, it shall peaceably surrender and turn over said properties to first party in as good condition as they now are in, reasonable wear and tear excepted, and free and clear of any and all liens and incumbrances incurred by second party in its operation on and about the same. In the event that second party shall not elect to exercise said above mentioned option, second party agrees to deliver to first party free and clear of expenses, copies of all data, plans, analysis, photographs and other determinations and reports that second party shall have made or caused to be made or otherwise obtained in and about said premises during its possession of the same under said option.

5. First party represents that it is the owner in fee of that certain mining claims known as and called the Red Top Mountain Mining Claims or Marsh Mountain Mining Claims, hereinabove described, and represents and agrees that the properties covered by this agreement, including said Red

Top Mountain Mining Claim or Marsh Mountain Mining Claim, and each of them, are free from all liens and incumbrances of every nature and description, save and except that certain lien against the claims resulting from a D.M.E.A. lown to the corporation in the sum of $ _____, and during the period of said option first party agrees to protect said properties from all other liens and/or the possibility thereof, except such as may arise from the acts of second party on said property, and not to encumber said property or any part thereof; and the first party further agrees to furnish to second party satisfactory evidence of title.

6. Second party during its possession of said property and all thereof, agrees to protect said property and all thereof against all claims of labor and materialmen against all liens and liabilities arising out of the acts of second party on said property, and to permit first party to place and maintain such notices thereon as shall be lawfully necessary to protect first party against such claims; and second party further agrees to hold harmless first party against any and all claims for damages for injury incurred by workmen in its employ at said properties, or any other person or persons.

7. It is agreed that during the presence on said properties by the second party under said option, the first party will continue its mining operations but agrees that said mining operations, on the part of the first party shall not, in any way, interfere with or obstruct the second party in the work which the second party will necessarily perform under the terms of this option.

8. It is agreed that any time lost by reason of strikes, riots, acts of God or unavoidable delays, is not to run against the time herein specified.

IN WITNESS WHEREOF, the parties hereto have placed their signatures by their authorized officers, this 1st day of May, 1955

RED TOP MERCURY MINES, INC.

By: "Clarence Wren"
President

ATTEST:

"Harold J. Butcher"
Secretary

MONETA PORCUPINE MINES, LIMITED

By: "F. R. Burton"
President

ATTEST:

"H. B. Clearihue"
Secretary

Code 400

DMEA 3831

Form MF-103
Revised April 1952

Supplementary to Application
forwarded May 19,1955
Moneta Porcupine Mines, Limited.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED.

4(a) Preparing adit site and facilities for underground work, and this work is being paid for by us.

4(b) See attached report by Gordon I. Gould.

4(c) " " " " " " "

4(d) " " " " " " "

4(e) " " " " " " "

5(b) We propose to drive an adit to intersect the vein at a vertical depth of 50 feet below surface and then drift on the vein. If this work indicates a possible oreshoot, we will then drive another adit to intersect the vein 100 feet below the first level and drift on both levels. This work may be summarized as follows (Please refer to attached sketches Exhibits 2 and 3)

Stage one -	Crosscut	- 275'	
	Drifting	- 125	
		400'	400'
Stage two -	Crosscut	- 600'	
	Drifting	-1200'	
		1800'	1800'
			2200'

5(c) The work will start immediately and will be completed on March 31st, 1956 if we are able to bring in the necessary equipment on the last boat this year (loading August 1st-15th); otherwise there will be a delay of approximately one year. This assumes that we will be able to carry on a winter operation.

Form MF-103
Revised April 1952

Supplementary to Application
forward May 19,1955
Moneta Porcupine Mines, Limited

APPLICATION FOR AID IN AN EXPLORATION PROJECT,
PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION
ACT OF 1950, AS AMENDED.

Stage One

6(a)	400 feet of adit and drifting @ $40 per foot	-	$16,000
6(b)(i)	Supervision - 1 engineer @ $700 per month for 3 months		2,100
	Board and expenses for engineer	-	900
	Travelling expenses for engineer	-	300
(ii)	Consultant - 2 examinations @ $1350 per trip for fees and expenses	-	2,700
6(c)	850 lineal feet 16 lb. rail @ 0.54¢/ft.	-	459
	Estimated freight on rail	-	100
	375 feet 3" Victaulic pipe and fittings @ $1.30/ft.	-	488
	125 feet 2" Victaulic pipe and fittings @ 0.66/ft	-	83
	400 feet 1" Victaulic pipe and fittings @ 0.32/ft.	-	128
	Estimated freight on pipe	-	100
6(d)	Furnished by contractor		
6(e)	" " "		
6(f)	" " "		
6(g)	" " "		
6(h)	20% for contingencies	-	4,672
			$28,030

Form MF-103
Revised April 1952

Supplemental to Application
forwarded May 19,1955
Moneta Porcupine Mines, Limit

APPLICATION FOR AID IN AN EXPLORATION PROJECT,
PURSUANT TO DMPA ORDER 1, UNDER THE DEFENCE
PRODUCTION ACT OF 1950, AS AMENDED.

Stage Two (Assume 125 working days to complete)

6(a)	Contract 600' adit) 1200' Drifting) @ $20/ft for labour and 300' Raising) explosives	-	$42,000	
6(b)	Labour - 2 mechanics @ $40 per day	-	10,000	
	2 labourers @ $25 per day	-	6,250	
	Supervision - 1 superintendent @ $1500/month	-	7,500	
	1 accountant-clerk-warehouse @ $750/month	-	3,750	
	Board and expenses for Superintendent and accountant	-	1,500	
	Travelling expenses for Superintendent and accountant	-	600	
	Consultant - 2 examinations @ $1350 per trip for fees and expenses	-	2,700	
6(c)	3600 lineal feet 16 lb.rail @ .054¢/ft	-	1,944	
	600 " " 3" Victaulic pipe & fittings @ $1.30/ft	-	780	
	1500 " " 2" " " " 0.066¢/ft.	-	990	
	1500 " " 1" " " " 0.32¢/ft	-	480	
	Fuel and lubricants	-	2,000	
	100 6' to 10' Drill shanks @ $9.90 each	-	990	
	200 Tungsten carbide bits @ $14 each	-	2,800	
	40,000 Bd.Ft. 8x8 timber @ $125/M	-	5,000	
	5,000 pieces lagging @ 40¢ each	-	2,000	
	Oil for heating - 4,000 gals. @ 20¢	-	800	
6(d)	Equipment owned by Red Top Mercury Mines Inc. -			
	1 D-6 Caterpillar tractor complete with blade and winch	-	$15,000	
	1 Davey gasoline compressor (105 cu.ft.)	-	5,000	
	1 Ingersoll-Rand Jackhammer JA55	-	500	
	1 Chicago Pneumatic jackhammer	-	500	
	1 11.6 cu.ft. scraper) 1 6 K.W. Diesel electric plant) 1 7x10 rock crusher) 1 200 amp. arc welder)	-	3,000	$24,000
	Rent, at say			$10,000

Form MF-103
Revised April 1952

6(d) Continued

Equipment to be purchased -

6	I.R. Universal Jackdrills - J.R. 38A @ $665 each	$3,990
6	50' lengths of $\frac{1}{2}$" water hose and couplings @ $24 each	144
6	50' lengths of $\frac{3}{4}$" air hose and couplings @ $28 ea.	168
1	DR 600 Diesel Engine driven gyro-flow portable compressor	15,100
1	Bench grinder for dressing bits	600
1	Water supply pump and motor	300
1	Air receiver	500
1	Mucking machine GD 10	3,780
2	Oil heating units @ $600 each	1,200
5	1-ton ore cars @ $200 each	1,000
1	Power saw	200

6(e) Nil

6(f)	1 bunkhouse equipped to accommodate 20 men	20,000
	1 ~~mucking~~ cookery equipped to accommodate 25 men	25,000
	1 office and staff living quarters equipped	6,000
	1 compressor house and shop	5,000
	1 dry	5,000
	Improvements to 2 miles road	5,000
	1 warehouse	2,000
	1 water supply tank	3,000
	1 powder magazine	5,000
	1 pump house	1,000
		79,000
6(g)	Drill repairs - 5 mos. @ $500/month	2,500
	Mucking machine repairs - 5 mos. @ $40/month	200
	Assaying 300 samples @ $5	1,500
	Fire insurance	2,600
	Freight on 100 tons @ $30/ton	3,000
	Loss on camp and cookery operation 3,000 man-days @ $2	6,000
6(h)	Contingencies - 20%	44,773
		$268,639

Form MP-103
Revised April 1952

6(d) Continued

Equipment to be purchased -

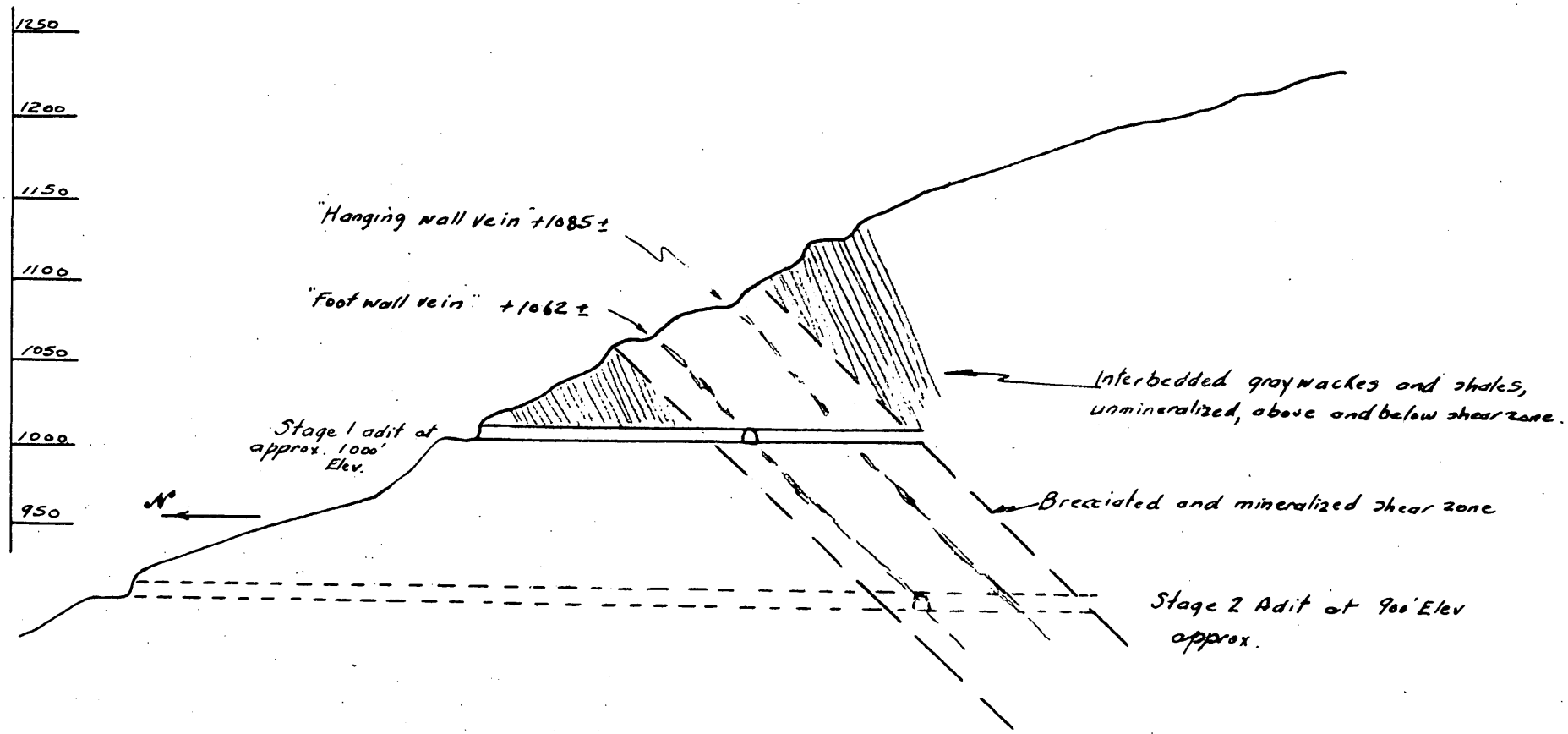
6	I.R. Universal Jackdrills - I.R. 39A @ $665 each	$3,990
6	50' lengths of ½" water hose and couplings @ $24 each	144
6	50' lengths of ½" air hose and couplings @ $28 ea.	168
1	DR 600 Diesel Engine driven Gyro-flow portable compressor	15,100
1	Bench grinder for dressing bits	600
1	Water supply pump and motor	300
1	Air receiver	500
1	Mucking machine CD 10	3,780
2	Oil heating units @ $600 each	1,200
5	1-ton ore cars @ $200 each	1,000
1	Power saw	200

6(e) Nil

6(f)	1 bunkhouse equipped to accomodate 20 man	20,000
	1 ~~mess~~ cookery equipped to accomodate 25 man	25,000
	1 office and staff living quarters equipped	6,000
	1 compressor house and shop	5,000
	1 dry	5,000
	Improvements to 2 miles road	5,000
	1 warehouse	2,000
	1 water supply tank	3,000
	1 powder magazine	5,000
	1 pump house	1,000
		79,000

6(g)	Drill repairs - 5 mos. @ $500/month	2,500
	Mucking machine repairs - 5 mos. @ $40/month	200
	Assaying 300 samples @ $5	1,500
	Fire insurance	2,600
	Freight on 100 tons @ $30/ton	3,000
	Loss on camp and cookery operation 3,000 man-days @ $2	6,000
6(h)	Contingencies - 20%	44,773
		$263,639

Exhibit 2.

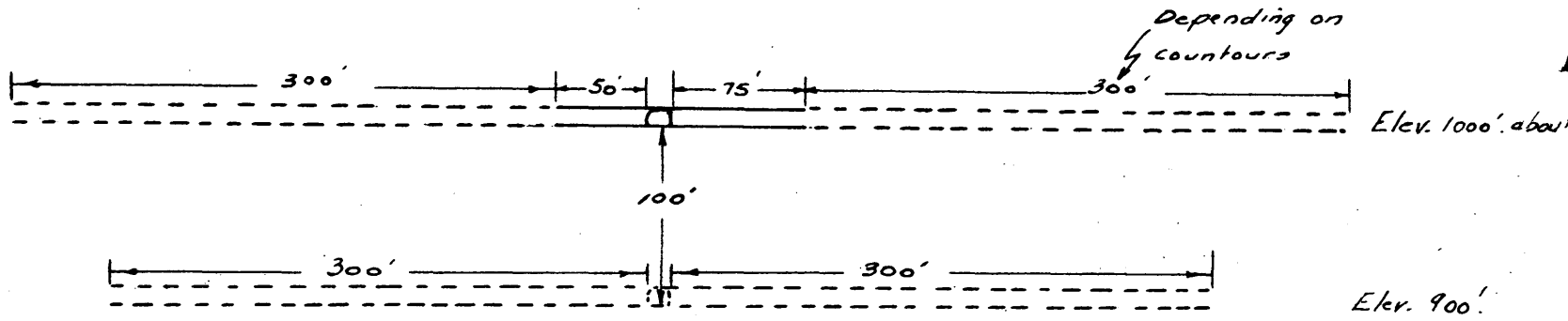


Solid Lines Stage 1
Dotted Lines Stage 2.

RED TOP MERCURY MINE
Nushagak District
Alaska.

Section Through Proposed Adits
Scale 1" = 100'.

Exhibit 3.



Solid Lines Stage 1.
Dotted Lines Stage 2.

RED TOP MERCURY MINE
Nushagak District
Alaska.

Longitudinal Section Looking South
Showing Proposed Workings
Scale 1" = 100'.

Dmea 3831

REPORT ON THE

RED TOP MERCURY MINE

NUSHAGAK DISTRICT

ALASKA

Submitted to

Dr. F. R. Burton

Vice President and General Manager

Moneta Porcupine Mines, Ltd.

Toronto, Canada

By

Gordon I. Gould

Gordon I. Gould & Co.

San Francisco, California

June 27, 1955

ORDON I. GOULD & CO.
58 SUTTER STREET
I FRANCISCO 4, CALIFORNIA

Report on the RED TOP MERCURY MINE Nushagak District Alaska

GENERAL

The Red Top Mercury Mine is located in the Third Judicial District of Alaska, in the Nushagak mining district, bordering on Nushagak Bay. The mining claims are on Marsh Mountain about three miles east of the village of Aleknagik. The Wood River, which drains Lake Aleknagik, passes by the mine camp about two miles below the village of Aleknagik and empties into Nushagak Bay near the town of Dillingham, about nineteen miles below the mine camp.

An airstrip has been cleared just above the mine camp and river and is suitable for light craft. Heavy freight can be shipped in by water from Seattle to Dillingham and transferred at Dillingham to barges which easily make the trip up the broad Wood River to the mine camp. Alaska Steamship Company, reportedly, will send three boats into Dillingham this year - the first to arrive about mid-June and the last probably in early September. Freight rates reported are $20.00 per ton from Seattle to Dillingham and $10.00 per ton from Dillingham to the mine camp. Air-freight rates are quoted as 29¢ per pound from Seattle to King Salmon and as 8¢ per pound from Anchorage to King Salmon. King Salmon is about 30 minutes flying time east of Dillingham and is served by large aircraft.

Sawed timber is mostly brought into Dillingham by water as there are no mills in the area. The cost, at Dillingham, is roughly $100.00 per M.B.F. Local timber is mostly pretty small although it is adequate in quantity and suitable for mining purposes, log houses, etc.

The Standard Oil Company of California maintains rather large bulk storage facilities in Dillingham for servicing the fishing fleet, canneries and aircraft, and all petroleum products could undoubtedly be obtained through this station. I believe diesel oil was quoted at approximately 20¢ per gallon in Dillingham.

While most operating supplies and equipment would probably be shipped to the property by boat during the summer months, Anchorage has fair stocks of mining and related equipment and supplies.

Anchorage is probably the nearest labor market, except as the various mining districts of Alaska may be drawn upon. There is only a small labor supply in the immediate area and this supply is non-existent during the fishing season. Due to the fact that this area is rather separated from other mining areas and currently has very little mining, there is no local scale of wages for miners. Wages at the Red Devil Mercury Mine, north of this property and near Sleetmute, are reportedly $3.00 to $4.00 per straight-time hour with time and one-half for over 8 hours per day or 40 hours per week.

From the mine camp on Wood River a tractor road has been built for a distance of about two miles up the southwest slope to the top of the southernmost peak of the group of peaks forming Marsh Mountain. This group of peaks encloses a basin which is the headwater of Arcana Creek, which flows into the Wood River. It was in this creek that the original discovery of cinnabar was made by Frank Waskey in 1941. The only production that has been made has been in the past year and amounts to less than 30 flasks.

PROPERTY

The property consists of six contiguous mining locations, known as the Red Top, Red Top No. 1, Red Top No. 2, East Extension Red Top, East Extension Red Top No. 1 and East Extension Red Top No. 2. Two additional claims are reported to be staked but not recorded. The approximate pattern of the claim locations is shown on Exhibit "A" attached. It should be noted that the mine camp on Wood River, the airstrip and the road from the mine camp to the mine are not on the located ground and are presumed to be on open ground.

The property and improvements are reportedly owned by Red Top Mercury Mines, Inc., a newly-formed Alaskan corporation, with a capitalization of $100,000 represented by 1000 shares of $100 par common stock. As of June 14, 1955, it was reported that the stock had not yet been issued but was to be distributed in equal amounts to Clarence Wren, Charles Wolfe, James Putzin and H. J. Butcher.

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Although cinnabar has been reported in other small tributaries to Arcana Creek than the one leading to the above claims, practically no prospecting has been done on them and no other lode locations in the immediate vicinity are known.

IMPROVEMENTS

Lower camp: There are two small cabins suitable for sleeping and feeding six men. These are on skids and have, in the past, been dragged up the hill to the mine. There is a small retort building enclosing two retorts - one is a single pipe about 30 inches in diameter and 9 feet long in a brickwork with firebox, stack and condenser; the other is a two-tube inclined pipe retort also with firebox, condenser and stack. Neither retort is of standard make or design and reportedly have given rather unsatisfactory results.

Air strip: A fairly good east-west air strip has been cleared on the flat above and east of Wood River and about 1/2 mile from the mine camp at the river. An intersecting north-south strip has been partially cleared but still requires some leveling off before it is useable.

Road: A road about two miles in length connects the mine camp on the river with the mine workings. After a short, steep rise of about 50 to 75 feet from the bank of the river, the road is fairly level for about 3/8 of a mile to the foot of the southwest slope of one of the peaks of Marsh Mountain. A steep (10% to nearly 30%) tractor road leads up this slope to the saddle in the west end of the Red Top claim and an elevation of 900 to 950 feet. This road is probably unsuitable for trucking although a truck road could be built at a reasonable cost if ever required.

Mine: With the assistance of a Defense Minerals Exploration Administration loan, several thousand feet of bulldozer trenching was done in 1953 and 1954. There is a Caterpillar D-6 tractor with an angle-dozer, a JA-55 jackhammer with hoses, steel and bits, and miscellaneous small tools at the mine. The owners have purchased an additional jackhammer, a gasoline-engine driven air compressor and a jaw crusher which were due in Dillingham on the first boat this year.

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GEOLOGY and ORE OCCURRENCES

As a result of the work accomplished under the DMEA program, many good exposures have been made both in and across the mineralized zone. Mineralization occurs in a brecciated zone, up to over 100 feet in width, which may be a thrust fault. This zone, which trends from E-W to N 80 W, nearly parallels the bedding of the enclosing graywackes and shales in some places while in others it cuts them squarely. Within the zone of brecciation, one series of veins and veinlets of calcite parallels the foot and hanging walls of the zone and a second series cuts across the zone at about NW-SE. Cinnabar mineralization occurs parallel to the calcite as small veins or lenses, usually as very high grade streaks and with little or no dissemination into the surrounding rocks.

The best exposures are on the north slope of the mountain at an elevation of approximately 1000 to 1100 feet where 1) a "footwall vein" lies close to the bottom of the shear zone and has been exposed in fairly continuous length for about 120 feet, 2) a "hangingwall vein", nearer the top of the shear zone, shows one 25-foot long continuous exposure plus spotty values over several hundred feet to the west, and 3) small bunches of high grade ore occur on the transverse calcite veins.

The "footwall vein", as exposed by a bulldozer cut, is on the East Extension Red Top claim near the western end line center post, as shown on Exhibit "A", attached. At this point the vein dips south (into the hill) at approximately 45°. Samples taken during the DMEA trenching program indicate a zone, starting about 40 feet east of the west end line of this claim, about 120 feet long, which shows fair continuity of cinnabar mineralization. Thirteen samples taken at 10-foot intervals and over widths of 1' to 12' showed values from 0.01% to 3.26% with a weighted average of 1.07% for an average width of 5.3 feet.

The "hangingwall vein", above and slightly west of the "footwall vein", shows continuous values over one length of 25 feet. Four samples over an average of about 8 inches average 14.56%, and it is from this area that last year's production of 27 flasks was taken. To

the west, trenching has followed and cut across the shear zone for about 700 feet, turning to the south at the most westerly end as the south-dipping shear zone becomes exposed on the west slope of the peak. Several small veinlets of cinnabar occur over this full length which show assays over 1% and up to 28.6% from widths of 1.5' to 5". Intermediate areas show low or no values, although the calcite mineralization does not appear to change.

To the east of the above-referred to center end post, the calcite veins have been exposed by trenching for about 1200 feet but no cinnabar was seen beyond the "footwall vein" exposure in the shallow (and in some places sluffed-in or snow-filled) trenches.

It is very difficult, if not impossible, to make a reasonable estimate of possible ore reserves. The short length of the ore lenses will undoubtedly be repeated in their dip-lengths. Lack of any underground exposures precludes an evaluation of depth possibilities on any of the exposures. Likewise, the high-grade nature of some of the lenses as compared with the relatively blank areas between makes quantitative evaluation difficult. The many surface showings, however, over a total length of at least 800 feet, with many and persistent calcite veins in the shear zone over double that distance, provide a substantial and very favorable area for further prospecting. It is my opinion that intelligent development will discover a sufficient number of enrichments that several hundred to several thousand flasks could be produced out of ore of better than 2% mercury content.

RECOMMENDATIONS

Because of the good showings in the "footwall vein" in the west end of the East Extension Red Top claim and an apparent "hangingwall vein" a few feet above it and slightly to the west, it is felt that an adit cross-cutting these two veins and the shear zone would provide the most information as well as a working approach to these zones. Such an adit, about 50 feet below the surface showings at the center of the "footwall vein" exposure should provide good information on the downward extension of this ore shoot; and either (or both) the "footwall vein" or the "hangingwall vein" (or others which might be cut at this elevation) can be drifted on. If the veins are assumed to dip at 45°, there will be about 70 feet of dip length to the surface which can be mined from this level.

It is my understanding that recent discussions have indicated that such cross-cutting (and subsequent drifting) can be contracted for a total cost of about $40.00 per foot, and all necessary equipment furnished. In view of the current shortage of skilled labor in this district and the high operating and transportation costs in Alaska, this is, in my opinion, a very reasonable cost.

It is my recommendation that the work be carried out in two stages - the second to be undertaken only if the first stage turns out favorably. In the first stage an adit would be driven from approximately the point indicated on Exhibit "A", attached, due south until the two veins and/or the shear zone have been cross-cut. This should be accomplished in approximately 275 feet. Drifting on the better showings for a total of 125 feet would total 400 feet of work and complete this stage of the work for a total of $16,000 to $20,000. (Additional $4,000 allowed for miscellaneous expenditures - sampling, appraisal of work, cabins, etc.)

If cinnabar mineralization at this elevation was found in the first stage of work, additional development would seem to be in order. The exact nature of this work is, at this time, difficult to outline although it would probably include additional drifting, short raises to test the up-dip continuity of the ore shoots, or a lower cross-cut adit to test their downward extension and provide additional backs for mining. Assuming favorable results in the first stage of work and in the procedure with the second stage, an additional 400 feet of work might be required to prove up sufficient reserves to justify the installation of a recovery unit. The second stage might, therefore, require an additional $20,000 to $25,000 (assuming that additional equipment and more permanent installations would be desirable if this stage of work was undertaken).

It should not be necessary to make other improvements during the progress of the first stage of the work outlined above other than the possible erection of one or two log cabins to provide for a sufficient crew to complete the above work this season. Completion of the second stage this season might be difficult, from a time standpoint, although it is felt that a good portion of it might be completed if certain camp facilities and mine equipment were supplied.

A conservative estimate, therefore, of the cost to perform all work herein recommended, and to attempt to get such work completed this year, is about $50,000; but such amount should only be expended if favorable results are obtained after completion of the first stage of work.

Recommendations as to mining or treatment of ore can not be intelligently made at this time, although it can be stated that no unusual or difficult conditions with respect to either can be foreseen. The above work should make it possible to determine the future scale of operations and capital investment required for getting into production.

SUMMARY

The Red Top Mercury Mine has several very interesting features: the shear zone in which mineralization occurs is a large one, showing an apparent continuity over nearly 1600 feet of strike length, with good brecciation of the graywackes and shales to provide an excellent host rock for the calcite and cinnabar mineralization; the cinnabar mineralization occurs as high-grade veinlets or lenses attaining several inches of thickness of material in excess of 50% cinnabar; by selective mining and sorting, a relatively small volume of material will have to be treated to produce substantial quantities of mercury; the physical conditions for mining are good and costs should be relatively low; the general location of the mine, with respect to accessibility and transportation from the United States, give it a decided advantage over other Alaskan mercury mines.

Offsetting these favorable features: the small veinlets or lenses of cinnabar mineralization, as exposed on the surface, will probably be equally discontinuous in depth thus requiring a relatively large amount of development work to produce ore; lack of dissemination of cinnabar into the surrounding rock precludes the possibility of a larger-scale, lower-cost operation, which means that a relatively high cut-off grade will have to be maintained for profitable operation; severe winter conditions will require that until sufficient reserves are developed to justify adequate facilities (and probably a low-level adit from the south side of the peak), operations would be suspended for from four to six months during the year.

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The favorable features outweigh the unfavorable features sufficiently, in my opinion at this time, to strongly recommend the first stage of development as outlined herein. The results of that work will then determine future development.

Respectfully submitted,

GORDON I. GOULD & CO.

By Gordon I. Gould

Gordon I. Gould

June 27, 1955

ORDON I. GOULD & CO.
58 SUTTER STREET
N FRANCISCO 4, CALIFORNIA

AERIAL VIEWS OF

RED TOP MERCURY MINE

Looking southeast and showing DMEA trenching

Looking west toward Lake Aleknagik, drained by Wood River. DMEA trenching on east end of property.

RECEIVED
MAY 23 1955

Annual Report

MONETA PORCUPINE MINES, LIMITED

(NO PERSONAL LIABILITY)

FOR THE FINANCIAL YEAR ENDED
MARCH 31st, 1955

Annual Report

For the Year Ended March 31st, 1955

MONETA PORCUPINE MINES, LIMITED

(No Personal Liability)

HEAD OFFICE

320 Bay Street, Toronto

DIRECTORS

C. C. Calvin, Q.C.	Toronto
F. R. Burton	Toronto
A. M. Reaper	Montreal
B. S. W. Buffam	Toronto
J. D. Barrington	Toronto
A. Cockshutt	Toronto
R. L. Segsworth	Toronto

OFFICERS

C. C. Calvin, Q.C.	*President*
F. R. Burton	*Vice-President and General Manager*
P. H. Taylor	*Assistant General Manager*
H. B. Clearihue	*Secretary-Treasurer*
E. E. Ritchie	*Assistant Secretary-Treasurer*

TRANSFER AGENTS AND REGISTRARS

Chartered Trust Company

MONETA PORCUPINE MINES, LIMITED

(No Personal Liability)

Directors' Report

To the Shareholders:

Your Directors herewith submit the Annual Report for the fiscal year ended March 31st, 1955, together with the Financial Statements and Auditors' Report.

Net profit for the year of $573,117 has been credited to Earned Surplus, and a capital appreciation of $305,041 from investments sold was credited to Capital Surplus. Expenditures of $76,230 for Outside Exploration were charged to Earned Surplus.

Cash, accounts receivable, short term notes and debentures, investments in stocks and associated companies, and participations in petroleum and natural gas ventures, less current liabilities, amount at book value to $2,363,832. If investments having a quoted market value are taken at market as of March 31st, 1955, this figure is increased to $2,372,423, or 93¢ per share.

The joint exploration program with Buffalo Ankerite Gold Mines Limited (70% Moneta, 30% Buffalo Ankerite) was continued, and during the year 89 properties were submitted for consideration. As a result of such submission or on field information, 62 properties were examined by your engineers. Three prospecting parties operated in Ontario, and participations were taken in several prospecting syndicates, but no important mineral discoveries were made. Twenty-two claims were staked in Rasles township, Chibougamau area, Quebec, 18 claims at Runnalls Lake, Pic River area, Ontario, 10 claims in Vincent township, Ontario, and 18 claims about six miles west of a copper discovery made by Teck-Hughes Gold Mines Limited in the Tashota area, Ontario. The Manitouwadge claims referred to in last year's report were prospected and allowed to lapse.

During the year, two properties were optioned. On one of these, a small amount of diamond drilling indicated copper across substantial widths, but the values were too low to be of economic interest, and the option was dropped. The other property, a producing gold mine, was thoroughly examined but the results did not warrant exercising the option.

The property in Lomond township, Ontario, mentioned in last year's report, was diamond drilled, and the magnetic anomaly proved to be a low-grade iron deposit, probably too low grade to be of economic interest. No further work is contemplated, but 13 claims have been kept in good standing. Consolidated Matarrow Mines Limited did a small amount of work on the property that they optioned from us, also referred to in last year's report, in the Blind River uranium area. Matarrow will start deep diamond drilling as soon as weather permits.

In June, 1954, Christopher Silver Mines Limited optioned its property to Cobalt Consolidated Mining Corporation. To the end of February, Cobalt Consolidated had done 1,700 feet of lateral work and raising, and 6,652 feet of diamond drilling. Some encouraging results have been obtained, and work is continuing.

During the year ended December 31st, 1954, Alminex Limited (in which Moneta holds a 20% interest) participated in drilling 23 wells, eight of which were successful oil wells, five were gas wells and are capped awaiting a market, and ten were abandoned. Alminex has a 10 percent interest in very substantial gas reserves in the Buffalo and Bindloss fields of Alberta. All of the wells are capped awaiting a market for the gas. The successful oil wells were all drilled under the program with Home Oil Company Limited and Federated Petroleums Ltd., in which Moneta and Buffalo Ankerite each have a one percent direct interest.

Since December 31st, 1954 down to March 31st, 1955, five more wells had been completed under the Home-Federated program, three of which were successful oil wells, one a gasser, and one well abandoned. Three more wells were drilling. Of these successful oil wells, one was an important oil discovery at Westward Ho, 65 miles northwest of Calgary. The discovery well had an initial potential of 1,002 barrels per day of light oil. In addition to the above, Alminex participated in drilling another successful gasser.

Buffalo Ankerite Gold Mines Limited continued to dispose of its plant and equipment, and at December 31st, 1954, had net current assets of $867,876, or 87¢ per share.

Milnet Mines Limited completed its mining operations and sold the property, plant and equipment to Jonsmith Mines Limited. Except for one small lot, settlement has been made for all of the metal produced. To date, Milnet Mines Limited has paid dividends of $31 per share, or a total of $558,000 to Moneta. Jonsmith is continuing exploration on its own account, and Moneta holds a 25 percent interest in the presently outstanding options.

You will note that your Company is in a strong liquid position with cash, short term notes and debentures of approximately $1,750,000. Substantial expenditures are planned for oil and gas exploration, but the Company's main objective is a new mine. Three prospecting parties are employed direct by Moneta and Buffalo Ankerite, and substantial interests are held in five other parties. A field office has been opened in Vancouver in charge of an engineer-geologist, and three other engineers operate out of Head Office.

Your Directors again express their appreciation to Dr. F. R. Burton, Mr. P. H. Taylor, and to the staff and all employees for their loyal and efficient service during the year.

On behalf of the Directors,

C. C. CALVIN,

President.

Toronto, Ontario,
April 29th, 1955.

MONETA PORCUPINE MINES, LIMITED

Incorporated under the laws of Ontario

Balance Sheet—March 31, 1955

ASSETS

Cash on hand and on deposit	652,340	
Short term collateral trust notes and debentures, at cost	950,000	
Secured loan, due April 16, 1955	150,000	
Stocks, at cost, less amounts written off (quoted value $297,814)	150,898	
Accrued interest	16,289	
Accounts receivable	10,249	
Prepaid expenses	370	1,930,146
Investment in associated companies, at cost, less amounts written off (quoted value for those shares on which there was a quotation, $97,329)		255,902
Participations in petroleum and natural gas ventures, payments less revenue to date		189,513
Mortgage receivable from officer of the company		8,050
Buildings and equipment, at cost	24,619	
Less: Accumulated allowance for depreciation	17,807	6,812
Mining properties, at cost, less disposals		1,005,764
The amount shown for mining properties is not intended to reflect present or future values.		
		$3,396,187

LIABILITIES

Accounts payable	4,416	
Unclaimed dividends	7,313	11,729
Capital stock:		
Authorized, 3,000,000 shares of $1.00 par value		
Issued, 2,543,860 shares	2,543,860	
Less: Net discount on capital stock	856,891	1,686,969
Capital surplus	1,243,060	
Earned surplus	454,429	1,697,489
		$3,396,187

Approved on behalf of the Board:

C. C. CALVIN, Director.

F. R. BURTON, Director.

AUDITORS' REPORT

To the Shareholders of
Moneta Porcupine Mines, Limited.

We have examined the balance sheet of Moneta Porcupine Mines, Limited as at March 31, 1955 and the related statements of profit and loss, earned surplus and capital surplus for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the above balance sheet and the accompanying statements of profit and loss, earned surplus and capital surplus present fairly the financial position of the company as at March 31, 1955 and the results of its operations for the year ended on that date.

THORNE, MULHOLLAND, HOWSON & McPHERSON,
Chartered Accountants.

Toronto, Canada,
April 25, 1955.

MONETA PORCUPINE MINES, LIMITED

STATEMENT OF PROFIT AND LOSS

Year ended March 31, 1955

Income from investments	583,065	
Sundry income	9,277	592,342
Administration	18,036	
Mine Maintenance	1,189	19,225
NET PROFIT FOR YEAR		$ 573,117

NOTE: Administration includes directors' fees of $2,150.

STATEMENT OF EARNED SURPLUS

Year ended March 31, 1955

Earned surplus, March 31, 1954	84,735
Add: Net profit for year	573,117
	657,852
Deduct: Outside exploration	76,230
	581,622
Deduct: Dividend paid	127,193
EARNED SURPLUS, MARCH 31, 1955	$ 454,429

STATEMENT OF CAPITAL SURPLUS

Year ended March 31, 1955

Capital surplus, March 31, 1954	938,019
Add: Net profit on investments sold	305,041
CAPITAL SURPLUS, MARCH 31, 1955	$1,243,060

EXHIBIT "A"

MAP OF

RED TOP MERCURY MINE

Nushagak District

Alaska

Mercury

120

PROJECT SUMMARY REPORT

By: Stephen P. Holt January 25, 1963

1. DMEA-3831 (Mercury)
Contract Idm-E857

Property: Red Top Mine
Bristol Bay Recording District
Third Division, Southwestern Alaska

Operator: Moneta Porcupine Mines, Ltd.
Suite 1505
320 Bay Street
Toronto, Canada

Operator's Property Rights: The Operator controlled, by the terms of an Option to Lease, dated May 1, 1955, from the owners, Red Top Mercury Mines, Inc., six unpatented lode mining claims, situated in Bristol Bay Recording District, Third Judicial Division, Alaska. A Consent to Lien, dated July 25, 1955, signed by the owner, accompanies the contract.

2. Contract: Dated August 18, 1955, on Short Form, MF-200A (Revised June 1954).

Work authorized:

Stage I

(1) Approximately on the 1,000-foot level drive a crosscut adit, length approximately 275 feet, to intersect the footwall and hanging wall of the shear zone.

(2) On the footwall vein drift approximately 90 feet westerly and 60 feet easterly to explore the mineralized zone.

Stage II

If results of Stage I work warrant:

(1) Erect a cookhouse, bunkhouse, and equipment shed.

(2) From the faces of drifts excavated under Stage I drift approximately 300 feet westerly and 300 feet easterly.

(3) Approximately at the 900-foot level and approximately 100 feet vertically below the Stage I adit crosscut approximately 600 feet to intersect the foot and hanging walls of the shear zone.

(4) On the footwall vein drift approximately 300 feet westerly and 200 feet easterly.

Estimated Cost of Stage I	$25,190.00
Estimated Cost of Stage II	93,530.00
Estimated Total Cost of the Project	$118,720.00
Government Participation @ 75%	89,040.00
Government Participation under Prior Contract	12,513.72
Government Participation under both Contracts	$101,553.72

Amendments:

No. 1, dated December 30, 1955, authorized suspension of the work during a period beginning November 1, 1955, and ending not later than June 1, 1956.

Work completed:

Stage I

Drifting and crosscutting, 550 feet @ $52.00/ft.	$28,600.00	
Timbering drifts and crosscuts, 33 feet @ $10.00/ft.	330.00	
Assays, 45 @ $3.00/each	135.00	
Total Cost of the Contract		$ 29,065.00
Government Contribution @ 75%		21,798.75
Government Contribution under Prior Contract		12,513.72
Government Contribution under Both Contracts		$34,312.47

Work under the contract started August 18, 1955, and was stopped after the completion of Stage I, in early October 1956. Stage II work was not authorized, and the contract was terminated by Administrator's telegram of February 27, 1957.

2-A. Reports:

The Final Report of the Field Team, dated June 1958, was received June 26, 1958. The Operator's Narrative Report for September 1956, was accepted in lieu of an Operator's Final Report.

3. Audits:

A Report of Review in lieu of final audit, dated June 2, 1957, showed:

Total Accepted Cost	$29,065.00
Government Participation @75%	21,798.75

4. Certification:

Annex II of the contract provides that the Government's contribution ($12,513.72) under the prior contract covering the same property (Idm-E398, DMEA-2562) was to be added to the estimated cost of this contract, and be repayable under the royalty provisions of said contract (Idm-E857); also that the certification of discovery or development issued under the prior contract should be considered to extend to this contract; therefore that the project under this contract is considered to be certified as of the date of the contract.

5. Comments:

The purpose of the project was to explore by crosscutting and drifting for deeper extensions of mercury mineralization occurring in the form of cinnabar along a vein and a zone of fracturing in graywacke, which has been exposed by surface trenching and bulldozing performed under a prior contract, Idm-E398 (DMEA-2562). Work performed under this later contract, Idm-E857, indicated that the mineralized zone exposed at the surface extends downward, but the cinnabar content does not improve with depth.

The contract was terminated as of November 1, 1956, after completion of Stage I work indicated that a second stage was not justified. No additional DMEA exploration assistance was recommended by the Field Team.

Stephen P. Holt

Stephen P. Holt

DMEA Form 17
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WORK COMPLETED ANALYSIS

After final audit or review report is received, prepare original only and file in official docket

Operator: Monsta Porcupine Mines		Actual Cost	
State: Alaska		Agreed Unit Cost	✓
Final Report of Audit		Commodity: Mercury	Docket No. DMEA 3831
Final Report of Review	✓		Contract No. IAm-E 857

Operation	Authorized by Contract and Amendments		Completed		Net cost after sale of Government Property
	Units	Cost	Units	Cost	
Drifting & Crosscutting	2025	105,300.00	550	28,600	28,600.00
Raising					
Shafts					
Winzes Timbering	1000	10,000.00	33	330.00	330.00
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Assaying		420.00		1580.00	135.00
Totals		118,720.00		29,065.00	* 29,065.00

* Net cost total must agree with final report of audit or review.

For work Jan. 1, 58, to July 1, 58

Prepared by J.A. Date

31398

DMEA Form 18
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ANALYSIS OF SEMIANNUAL REPORT OF CERTIFIED PROJECT

Prepare in duplicate. File original in Official Docket. Send copy

To: Statistics Branch (Code 210)

From: Division of Iron and Ferro-Alloys

Report Period	
F.T.Final Report June 1958	

DMEA No.	Operator	Contract No.
3831	Moneta Porcupine Mines, Ltd.	657

ORE ESTIMATES

	Tons	Analysis
DMEA 2,500	2,500	2.54% ~~WO_3~~ Hg
Operator to date		
Total	2,500	2.54% ~~WO_3~~ Hg
Production to date	None by Moneta Porcupine	
Ore in ground Inferred	2,500	2.54% ~~WO_3~~ Hg

INVESTMENT

Type	Size	Feet	Cost
Shafts			
Winzes			
Drifts and Crosscuts	$4\frac{1}{2}$ X $6\frac{1}{2}$ ft. in clear	550	$28,930.00
Raises			
~~Drilling~~ Assaying	Type / 45 samples at $.300 each		135.00
Rehabilitation	Description		
		Total	$29,065.00

FACILITIES

Mine Plant		
Mill		
Roads		

REMARKS

Due to poor results of work project was stopped after 125 feet of drifting on Stage II

Prepared by T.L.Chapman Date 7/28/58

31398

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	120
		110
		220

FEB 4 1966

Mosaic Porcupine Mines, Ltd.
Suite 1505
330 Bay Street
Toronto, Ontario

Re: DMEA-3831 (Mercury)
Mosaic Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division, Southwestern Alaska
Contract Ldm-2857

Gentlemen:

By the terms of the subject Exploration Project Contract, as amended, and the automatic certification of discovery or development as set forth in Annex II of that contract, all minerals mined or produced from August 18, 1955, to August 18, 1965, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

As Annex II of the subject Exploration Project Contract incorporated the Government's contribution under a prior contract (Ldm-2300, DMEA-2562), obligations under the latter contract are automatically terminated under the terms set forth in this letter.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geol. File
DMEA-3831
DMEA-2562
OME Reading File
Region I (2)
Branch of Budget & Finance, 5408 Int.
CA&A
Mr. Selfridge
120M
Clarence Wren, P.O. Box 81, Dillingham, Alaska

GCSElfridge/mm (2/4/66)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	120
		110
		220

FEB 4 1966

Mr. Clarence Wren
President
Red Top Mercury Mines
P. O. Box 81
Dillingham, Alaska

Re: DMEA-3831 (Mercury)
Mineta Ferrosphere Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division, Southwestern Alaska
Contract Idm-8857

Dear Mr. Wren:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Consent to Lien signed by you on July 25, 1955, in behalf of Red Top Mercury Mines, Inc. and to Contract Idm-2398, Docket No. DMEA-2562, dated September 16, 1952, between Clarence Wren, Frank Wadley, and Charles Wolfe, a partnership a/k/a Red Top Mining Company, and the Government.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
Region I (2) w/cy of incoming Form 63 dated 1/11/66
DOCKET DMEA-3831
DOCKET DMEA-2562

OME Reading File
Mr. Selfridge
120M

GCSelfridge/mm (2/4/66)

23263

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

JAN 1 1 1966

Mr. Clarence Wren
President
Red Top Mercury Mines
P. O. Box 81
Dillingham, Alaska

Re: DMEA-3831 (Mercury)
Moneta Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division
Southwestern Alaska
Contract Idm-E857

Dear Mr. Wren:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

DMEA-3831
Idm-E857

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

From October 1964, to August 18, 1965

1. ~~Since~~ , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

From October 1964, to August 18, 1965

2. ~~Since~~ , has there been any production from the land subject to the contract? Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☒

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name [signature] Title President

Address P.O. Box 81 Dillingham, Ala. Date Dillingham Jan. 21, 1966

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

October 5, 1964

Mr. Clarence Wren
President
Red Top Mercury Mines
P. O. Box 81
Dillingham, Alaska

OK.

Re: DMEA-3831 (Mercury)
Moneta Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording
District
Third Division
Southwestern Alaska
Contract Idm-E857

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 21 1964

DATE	INITIALS	CODE
10/21	GCS	800
		~~100~~
10/21	KJ	~~110~~
10/22	MM	~~120~~
		~~120~~
		320

MME Form 63
Revised 3-62

DMEA-3831
Idm-E857

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since November 1963 , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

Are the 6 unpatented claims still in good standing? ☒ ☐

2. Since November 1963 , has there been any production from the land subject to the contract? Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☒

A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name [signature] Title Pres.

Address Box 81 Dillingham, Als. Date Oct. 18, 1964

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

October 31, 1963

Re: DMEA-3831 (Mercury)
Moneta Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording Distric
Third Division
Southwestern Alaska
Contract Idm-E857

Mr. Clarence Wren
President
Red Top Mercury Mines
P. O. Box 81
Dillingham, Alaska

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

s/F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 12 1963

DATE	INITIALS	CODE
11/13		800
		100
11/13		110
		500
		230

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since March 29, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since March 29, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since [illegible], has any production been transported through workings (see [illegible] of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Clarence Wren Title Pres.

Address Box 81 Dillingham, Ala. Date Nov. 6, 1963

4511

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

APR 24 1962

Memorandum

To: Acting Field Officer, Region I

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMEA-2562 (Mercury)
Wren, Waskey, and Wolfe
Red Top Mine and March Mountain Deposit
Bristol Bay Recording District, Alaska
Contract Idm-E398
and
DMEA-3831 (Mercury)
Moneta Porcupine Mines, Ltd.
Red Top Mine and March Mountain Deposit
Bristol Bay Recording District, Alaska
Contract Idm-E857

The original and one copy each of Reports of Royalty Review covering the subject contracts are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original of each to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.; and
(b) One copy of each for your files.

These Reports of Royalty Review are made for record purposes only; therefore, no copies for the Operators are provided.

As evidence of your concurrence, copies of your memoranda transmitting the original reports to the Fiscal Section should be furnished this Division. If for any reason you do not concur, all copies of the reports should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 4-23-62

cc:
Docket - DMEA-3831
Director's Reading File
CA & A Division
Mr. Rothrock

43683

Mr. D. R. MacLaren
Acting Field Officer
Office of Minerals Exploration,
South 157 Howard Street
Spokane 4, Washington

Dear Mac:

Bob Thorne checked with the [illegible] the following information on t[illegible] January 23rd. We have no [illegible] from any of the properties li[illegible] developments other than those [illegible]

Operator	[illegible]	[illegible]
DeCoursey Mountain Mining Co. Alaskan Mines and Minerals Co owned by Decoursey-Brewi[illegible] Minerals, see Dec. 1951 issue, "Mining Engineering," p. 133[illegible], company owns both Red Devil Mine and DeCoursey Mountain Min[illegible]	[illegible]	
Earl H. Pilgrim Earl R. Pilgrim and Co. P. O. Box 1896, Fairbanks, Alaska, still owner and operator--presently rebuilding mill.	[illegible]	[illegible]
Tillicum Mining Co. George Roberts, President, 1940 Second Ave., Ketchikan, Alaska.	[illegible]	
U.S. Tin Corp. Lenhart J. Grothe of [illegible] Alaska purchased the [illegible] Mine at a GSA sale August [illegible] Title transferred in Oct[illegible] November 1960	[illegible]	

(Note: Thermofax copy [illegible]

Operator	Mine	Production
Zenia Gold Mining Co. See page 7, Bureau of Mines Information Circular 7878 Present owners Ralph Lomen and H. G. Gabrielsen. Patent has been applied for on the claims. Present state of patents not known.	Cape Mountain	None
Wren, Wachey, and Wolfe) Nenana Porcupine) Wren recorded the assessment work on these claims for 1960. No assessment work has been recorded for 1961.	Red Top	None
Alaska Metals Alaska Metals, Box 965, Fairbanks, Alaska, Mr. Anderson, Vice-President of the Company recorded assessment work in 1961.	Gilmore Dome	None
Mackaren River Copper Corp. (Lease by Tom Slick, Transworld Resources Corp.	Kathleen Margaret	None

Best regards,

Sincerely yours,

J. A. Herdlick
Chief, Alaska Office of
Mineral Resources, Region 1

c
o
p
y

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/27	Talbert	800
	Hoff	500
	Howard	500
3/27	Selbridge	120
3/28	Soller	140
		110
		220

Fasken, Robertson, Aitchison,
Pickup and Calvin
Excelsior Life Building
Adelaide & Toronto Streets
Toronto 1, Ontario
Canada

MAR 29 1961

INTERIOR DEPT.
MAR 28 1961
SOLICITOR

Re: DMEA-3831 (Mercury)
Moneta Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division, Southwestern Alaska
Contract Idm-E857

Gentlemen:

By letter dated March 15, 1961, you advise that your client, Moneta Porcupine Mines, Ltd., desires to terminate its lease of the mining claims included in the referenced exploration project contract. You also request that your client be released of all obligations under the contract provided that Red Top Mercury Mines, Inc., the owner of the claims, agrees to assume those obligations. For this purpose you enclose a draft of a proposed release.

Under date of January 5, 1961, Harold J. Butcher, as representative of the Red Top Mercury Mines, Inc., addressed a similar proposal to the former Juneau office of the Defense Minerals Exploration Administration. The letter indicates that a copy was sent to Moneta Porcupine Mines, Ltd. Enclosed for your information is a copy of the February 13, 1961, reply from this office as successor to the DMEA.

By virtue of paragraph 2 of Annex II of your client's contract with the United States, the project is to be treated as though a Certification of Discovery or Development had been issued. Therefore, so long as the requirements of Article 2(d) of the contract are met, the United States will not object to the termination of Moneta's lease from Red Top Mercury Mines, Inc. Whatever arrangements relating to the payment of royalties Moneta and Red Top may wish to make between themselves are of no concern to the United States, but the United States cannot be a party to any such agreement nor relieve either company of its respective obligation therefor.

A copy of this letter is being sent to Mr. Butcher.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

Copy to: Docket
Director's Reading File
CA & A Division
Acting Field Officer, Region I (2)

EDTalbert/CMSoller/ama
March 24, 1961

43683

ME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/22	Talbert	800
3/22	Holt	500
3/27	Maynard	500
3/22	Selfridge	220
		140
		110
		120

Fasken, Robertson, Aitchison,
Pickup and Calvin
Excelsior Life Building
Adelaide & Toronto Streets
Toronto 1, Ontario
Canada

INTERIOR DEPT.
MAR 23 1961
SOLICITOR

Re: DMEA-3831 (Mercury)
Moneta Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division, Southwestern
Alaska
Contract Idm-2857

Gentlemen:

By letter dated March 15, 1961, you advise that your client, Moneta Porcupine Mines, Ltd., desires to terminate its lease of the mining claims included in the referenced exploration project contract. You also request that your client be released of all obligations under the contract provided that Red Top Mercury Mines, Inc., the owner of the claims, agrees to assume those obligations. For this purpose you enclose a draft of a proposed release.

Under date of January 5, 1961, Harold J. Butcher, as representative of the Red Top Mercury Mines, Inc., addressed a similar proposal to the former Juneau office of the Defense Minerals Exploration Administration. The letter indicates that a copy was sent to Moneta Porcupine Mines, Ltd. Enclosed for your information is a copy of the February 13, 1961, reply from this office as successor to the DMEA.

The United States Government will object neither to termination of Moneta's lease with Red Top nor any agreement for the latter to assume the former's obligations under the exploration contract. However, the Government cannot be a party to such an agreement and, furthermore, as was stated in the reply to Mr. Butcher, the Government cannot release Moneta from its obligation as surety for the payment of royalty.

A copy of this letter is being sent to Mr. Butcher.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Copy to: Docket
Director's Reading File
CA & A Division
Acting Field Officer, Region I (2)

EDTalbert/ama
March 22, 1961

RECEIVED
MAR 1961
MINERAL RESOURCES

Enclosure

43683

By virtue of Paragraph 2 of Annex II of [redacted] your client's contract with the United States, the project is to be treated as ~~having been certified~~ though a ~~Certificate~~ Certification of Discovery ~~and~~ or Development had been issued. Therefore, so long as the requirements of Article ~~II~~ (d) of the contract are met, the United States will not object to the termination of Moneta's lease from Red Top Mercury Mines, Inc. Whatever arrangements ~~as~~ relating to the payment of royalties Moneta and Red Top may wish to make between themselves ~~[redacted]~~ ~~to the [redacted] obligation for the payment of royalties to the United States~~ are ~~for~~ and of no concern to the United States, ~~which can release neither of this [redacted]~~ but the United States cannot be a party to any such agreement nor relieve either company of its ~~[redacted]~~ respective obligation therefor.

Fasken, Robertson, Aitchison, Pickup & Calvin
Barristers, Solicitors, Notaries, Etc.

JAMES AITCHISON
B. R. MACKENZIE, Q.C.
J. W. SWACKHAMER
R. M. SUTHERLAND
R. N. ROBERTSON
R. J. ROLLS
JOHN SOPINKA

C. C. CALVIN, Q.C.
J. D. PICKUP, Q.C.
F. M. FELL
H. W. MACDONELL
R. D. WILSON
R. L. SHIRRIFF

J. B. ROBINSON
W. B. WILLISTON, Q.C.
J. D. TAYLOR
GEORGIA M. BENTLEY
R. B. TUER
D. S. RICKERD

CABLE ADDRESS "FASKEN" TORONTO
WESTERN UNION CODE

TELEPHONE EMpire 4-2475

Offices Excelsior Life Building
ADELAIDE & TORONTO STS.

Toronto 1

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 20 1961

DATE	INITIALS	CODE
3-20	gad	1 20
		~~1 20~~
3/22	[illegible]	600
3/22	S.P.H.	500

15th March, 1961.

The Department of the Interior,
Defense Minerals Explorations Administration,
WASHINGTON, D.C.,
U. S. A.

Attention: Administrator.

Gentlemen:

Re: Moneta Porcupine Mines Limited
Red Top Mercury Mines Limited
United States of America, Department of the Interior, Defense Minerals Exploration Administration
Exploration Project Contract No. Idm-E857 DMEA-3831

We are the solicitors to Moneta Porcupine Mines Limited (Moneta) a corporation incorporated under the laws of the Province of Ontario. Moneta entered into a contract dated August 18, 1955 with the United States of America, Department of the Interior, Defense Minerals Exploration Administration (U.S.A.) as revised by a further agreement in writing dated December 30, 1955 whereby U.S.A. loaned certain monies to Moneta to assist it in its search for minerals upon certain mining claims situate in Alaska. These claims were leased to Moneta by Red Top Mercury Mines Limited, Incorporated (Red Top) a corporation organized and incorporated under the laws of Alaska.

Under Article 7(b) of the agreement between U.S.A. and Moneta, Moneta agreed as principal, if Moneta was the producer, and as surety if Moneta was not the producer, to pay to U.S.A. a royalty on all minerals mined or produced from the mining claims and under Article 2(d) not to transfer, convey nor surrender the mining claims, nor any right, title nor interest therein, nor permit, nor suffer any claim, lien or encumbrance without expressly referring to and providing in the instrument of conveyance, lien or encumbrance for the preservation of U.S.A.'s right to a percentage royalty on production and lien for the payment thereof.

Moneta has now completed its search for minerals on the mining claims and desires to terminate its lease thereof with Red Top. We understand that Red Top is willing to so terminate the lease and to assume all of the obligations of Moneta under its agreement with U.S.A.

We enclose herewith a copy of a release which we have prepared to effect the foregoing. The release in effect provides for the assumption by Red Top of all of the obligations of Moneta under its agreement with U.S.A. and for the agreement of U.S.A. to this together with the necessary releases.

In view of the fact that our client has ceased operations on the property it is anxious to reach some agreement satisfactory to all parties concerning this matter. We would

appreciate any assistance that you can give us in this regard and would welcome any suggestion that you may care to make.

Yours truly,

FASKEN ROBERTSON AITCHISON
PICKUP AND CALVIN.

Per:

RLS.dp

2564

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 20 1961
DATE | INITIALS | CODE

DRAFT 14th February, 1961

THIS AGREEMENT made this day of 1961

B E T W E E N:

MONETA PORCUPINE MINES LIMITED,
a corporation duly organized
and existing under and by virtue
of the laws of the Province of
Ontario, Canada,
(hereinafter called "Moneta")

OF THE FIRST PART

and

RED TOP MERCURY MINES, INCORPORATED,
a corporation duly organized and
existing under and by virtue of the
laws of the State of Alaska, one
of the United States of America,
(hereinafter called "Red Top")

OF THE SECOND PART

and

THE UNITED STATES OF AMERICA,
Department of the Interior Defense
Minerals Exploration Administration
(hereinafter called the "Government")

OF THE THIRD PART

WHEREAS by lease agreement entered into between Moneta and Red Top on the 20th day of February, 1956, as amended by a further agreement in writing between the said parties, to have full force and effect from and after the 1st day of January, 1957, Red Top leased its mining properties therein described (and therein and hereinafter called the "mining claims") to Moneta for a period of 40 years (with a possibility of renewal for a like period) all in accordance with the terms and conditions therein more fully set forth (which agreement, as amended, is hereinafter called the "Moneta-Red Top agreement");

AND WHEREAS Moneta entered into an agreement on the 18th day of August, 1955, with the Government, as revised by a further agreement in writing between the said parties dated the

30th day of December, 1955, whereby the Government loaned certain moneys to Moneta to assist Moneta in its search in, under and upon the mining claims for certain minerals, all in accordance with the terms and conditions therein more fully set forth, (which agreement, as revised, is hereinafter called the "Loan agreement");

AND WHEREAS under the Loan agreement Moneta agreed, as principal if Moneta was the producer, and as surety if Moneta was not the producer, to pay to the Government a royalty on all minerals mined or produced from the mining claims and not to transfer, convey nor surrender the mining claims, nor any right, title nor interest therein, nor permit, nor suffer any claim, lien or encumbrance without expressly referring to and providing in the instrument of conveyance, lien or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof, all as more particularly described in the said Loan agreement;

AND WHEREAS Moneta desires to terminate the Moneta-Red Top agreement and to obtain from Red Top a release from any and all of its obligations under the said Moneta-Red Top agreement with respect to the mining claims and any and all claims and demands that Red Top may now or hereafter have against Moneta in respect of the said agreement and the mining claims and to have Red Top agree to accept and be bound by all of the obligations of Moneta under the Loan agreement, in the place and stead of Moneta, as fully as if Red Top had been the party to the Loan agreement instead of Moneta and to fully indemnify and save Moneta harmless in respect thereof;

AND WHEREAS Red Top agrees to terminate the Moneta-Red Top agreement and to give to Moneta the aforesaid release and to accept and be bound by any and all of the obligations

of Moneta under the Loan agreement, including the obligation to make royalty payments, in the place and stead of Moneta, as fully as if Red Top had been the party to the Loan agreement instead of Moneta and to fully indemnify and save Moneta harmless in respect thereof;

AND WHEREAS the Government agrees to Red Top accepting and being bound by any and all of the obligations of Moneta under the Loan agreement, in the place and stead of Moneta, as fully as if Red Top had been the party to the said Loan agreement instead of Moneta and agrees to give to Moneta a release of any and all of Moneta's obligations under the said Loan agreement and any and all claims or demands that the Government may now or hereafter have against Moneta in respect thereof;

WITNESSETH:

In consideration of the premises and the sum of Ten Dollars ($10.00 now paid by Moneta to each of Red Top and the Government (the receipt whereof is by Red Top and the Government hereby acknowledged) and the mutual covenants and agreements hereinafter contained the parties hereto hereby agree as follows:

1. The Moneta-Red Top agreement is hereby terminated.

2. Red Top hereby, for itself, its successors and assigns, remises, releases and forever discharges Moneta, its successors and assigns of and from all manner of action or actions, cause or causes of action, suits, claims or demands whatsoever in law or in equity which against Moneta Red Top ever had, now has or which Red Top, its successors or assigns hereafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever heretofore existing and

without limiting the generality of the foregoing hereby remises, releases and forever discharges Moneta, its successors and assigns of and from all manner of action and actions, cause and causes of action, suits, claims or demands whatsoever in law or in equity which against Moneta Red Top ever had, now has or which Red Top, its successors or assigns hereafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever arising out of or resulting from the Moneta-Red Top agreement and all of the terms and provisions thereof, the mining claims, and any prospecting, exploration, development or other mining work done or performed by Moneta in, under or upon the mining claims.

3. Red Top hereby agrees to accept and be bound by all of the obligations of Moneta under the Loan agreement, in the place and stead of Moneta, as fully as if Red Top itself had been the party to the said Loan agreement instead of Moneta and to fully indemnify and save Moneta harmless in respect thereof.

4. The Government hereby accepts and agrees to the covenants and agreements between Moneta and Red Top set forth in paragraphs numbered 1, 2 and 3 hereof and hereby agrees to Red Top accepting and being bound by all of the obligations of Moneta under the Loan agreement, in the place and stead of Moneta, as fully as if Red Top had been the party to the said Loan agreement instead of Moneta and hereby remises, releases and forever discharges Moneta, its successors and assigns of and from all manner of action and actions, cause and causes of action, suits, claims or demands whatsoever in law or in equity which against Moneta the Government ever had, now has or hereafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever heretofore existing and without limiting the generality of the foregoing hereby remises, releases,

and forever discharges Moneta, its successors and assigns of and from all manner of action and actions, cause and causes of action, suits, claims or demands whatsoever in law or in equity which against Moneta the Government ever had, now has or hereafter can, shall or may have for, upon or by reason of the said Loan agreement and all of the terms and provisions thereof.

IN WITNESS WHEREOF the parties hereto have hereunto affixed their corporate seals and signatures.

SIGNED, SEALED AND DELIVERED in the presence of	MONETA PORCUPINE MINES LIMITED Per: _____ Per: _____ C/S RED TOP MERCURY MINES, INCORPORATED Per: _____ Per: _____ C/S THE UNITED STATES OF AMERICA Per: _____ Administrator, Defense Minerals Exploration Administration

DATED 1961

MONETA PORCUPINE MINES
LIMITED

and

RED TOP MERCURY MINES
INCORPORATED

DRAFT

A G R E E M E N T

Messrs. Fasken, Robertson, Aitchison,
Pickup and calvin,
36 Toronto Street,
TORONTO, Ontario.

ME Form 7
(10-58)

DMEA-3831

OFFICIAL FILE COPY

Date	Surname	Code
2/13	Holt	500
	Frazier	500
		140
		140
2/13	Talbot	800
2/13	Sikorski	120
		110
2/14	gad	220

FEB 1 3 1961

Air Mail

Mr. Harold J. Butcher
Lawyer
P. O. Box 156
Anchorage, Alaska

Re: DMEA-2562 (Mercury)
Wren, Waskey, and Wolfe
Red Top Claims
Bristol Bay Recording District
Third Division, Southwestern Alaska
Contract Idm-E398
and
DMEA-3831 (Mercury)
Moneta Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division, Southwestern Alaska
Contract Idm-E857

Dear Mr. Butcher:

Your letter of January 5, 1961, to the Defense Minerals Exploration Administration, Juneau, Alaska, has been forwarded by Mr. D. R. MacLaren, Acting Field Officer, Region I, Spokane, Washington, for reply. As Mr. MacLaren advised you, the Office of Minerals Exploration is the successor agency to DMEA.

Under DMEA Contract No. Idm-E398, the United States reimbursed the Operator, a partnership consisting of Clarence Wren, Frank Waskey, and Charles Wolfe, the sum of $12,513.72 as the Government's share for exploration under the contract. This amount was assumed by Moneta Porcupine Mines, Ltd., as part of its obligation to repay under DMEA Contract No. Idm-E857 without the Government releasing the partners, collectively and individually, from their liability. By its Consent to Lien, executed July 25, 1955, and to induce the Government to sign DMEA Contract No. Idm-E857, Red Top Mercury Mines, Inc., granted the Government a lien upon its interest in the land that is the subject of the contract, and upon the production of minerals therefrom.

The Government cannot relieve Moneta Porcupine Mines, Ltd., of its responsibility, as operator, or as surety if it is not the operator, for the repayment in the form of royalty of funds advanced by the Government under both contracts. The amount due the Government

43683

under contract No. Idm-E398 is $12,513.72, less $347.60 royalty paid, or $12,166.12, and under contract No. Idm-E857 is $21,798.75. The total under both contracts is $33,964.87.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

SPHolt/gla
2-13-61
cc to: Director's Reading File
Division of Contract Adm. & Audit (2)
Region I (2)
Code 500
Docket DMEA-3831
Docket DMEA-2562
Chron

Parent A

without ~~releasing~~ the government the partners, collectively and individually, from ~~being liable~~ their liability.

~~for such sum.~~

Change approved by Seller - 2/13/61
S.P.H

MME Form 7
(10-58)

DMEA-3831
OFFICIAL FILE COPY

Date	Surname	Code
2/7	Holt	500
	Munns	500
	Soller	140
		140
2/10	Talbert	800
		120
		110
		220

R

INTERIOR DEPT.
FEB - 8 1961
SOLICITOR

Air Mail

Mr. Harold J. Butcher
Lawyer
P. O. Box 156
Anchorage, Alaska

Re: DMEA-2562 (Mercury)
Wren, Waskey, and Wolfe
Red Top Claims
Bristol Bay Recording District
Third Division, Southwestern Alaska
Contract Idm-E398
and
DMEA-3831 (Mercury)
Moneta Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division, Southwestern Alaska
Contract Idm-E857

3831

FROM SOLICITOR
FEB 9 - 1961
FOR SIGNATURE

Dear Mr. Butcher:

Your letter of January 5, 1961, to the Defense Minerals Exploration Administration, Juneau, Alaska, has been forwarded by Mr. D. R. MacLaren, Acting Field Officer, Region I, Spokane, Washington, for reply. As Mr. MacLaren advised you, the Office of Minerals Exploration is the successor agency to DMEA.

Under DMEA Contract No. Idm-E398, the United States reimbursed the Operator, a partnership consisting of Clarence Wren, Frank Waskey, and Charles Wolfe, the sum of $12,513.72 as the Government's share for exploration under the contract. This amount was assumed by Moneta Porcupine Mines, Ltd., as part of its obligation to repay under DMEA Contract No. Idm-E857. By its Consent to Lien, executed June 28, 1955, and to induce the Government to sign DMEA Contract No. Idm-E857, Red Top Mercury Mines, Inc., granted the Government a lien upon its interest in the land that is the subject of the contract, and upon the production of minerals therefrom.

The Government cannot relieve Moneta Porcupine Mines, Ltd., of its responsibility, as operator, or as surety if it is not the operator, for the repayment in the form of royalty of funds advanced by the Government under both contracts. The amount due the Government

43683

under contract No. Idm-E398 is $12,513.72, less $347.60 royalty paid, or $12,166.12, and under contract No. Idm-E857 is $21,798.75. The total under both contracts is $33,964.87.

Sincerely yours,

Acting Director

First page re written by
Charles M. Soller/gla 2-7-61

SPHolt/gla
1-27-61

cc to: Director's Reading File
CA&A Division
Region I (2)
Code 500
Docket DMEA-3831
Docket DMEA-2562
Chron

MME Form 7
(10-58)

DMEA-2562

OFFICIAL FILE COPY

Date	Surname	Code
2/7	Hoff	500
	Hussey	500
	Dalley	140
		140
2/10	Talbert	800
		120
		110
		220

Air Mail

Mr. Harold J. Butcher
Lawyer
P. O. Box 156
Anchorage, Alaska

Re: DMEA-2562 (Mercury)
Wren, Waskey, and Wolfe
Red Top Claims
Bristol Bay Recording District
Third Division, Southwestern Alaska
Contract Idm-E398
and
DMEA-3831 (Mercury)
Moneta Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division, Southwestern Alaska
Contract Idm-E857

Dear Mr. Butcher:

Your letter of January 5, 1961, to the Defense Minerals Exploration Administration, Juneau, Alaska, has been forwarded by Mr. D. R. MacLaren, Acting Field Officer, Region I, Spokane, Washington, for reply. As Mr. MacLaren advised you, the Office of Minerals Exploration is the successor agency to DMEA.

Under DMEA Contract No. Idm-E398, the United States reimbursed the Operator, a partnership consisting of Clarence Wren, Frank Waskey, and Charles Wolfe, the sum of $12,513.72 as the Government's share for exploration under the contract. This amount was assumed by Moneta Porcupine Mines, Ltd., as part of its obligation to repay under DMEA Contract No. Idm-E857. By its Consent to Lien, executed June 28, 1955, and to induce the Government to sign DMEA Contract No. Idm-E857, Red Top Mercury Mines, Inc., granted the Government a lien upon its interest in the land that is the subject of the contract, and upon the production of minerals therefrom.

The Government cannot relieve Moneta Porcupine Mines, Ltd., of its responsibility, as operator, or as surety if it is not the operator, for the repayment in the form of royalty of funds advanced by the Government under both contracts. The amount due the Government

43683

under contract No. Idm-E398 is $12,513.72, less $347.60 royalty paid, or $12,166.12, and under contract No. Idm-E857 is $21,798.75. The total under both contracts is $33,964.87.

Sincerely yours,

Acting Director

First page re written by
Charles M. Soller/gla 2-7-61
SPHolt/gla
1-27-61
cc to: Director's Reading File
CA&A Division
Region I (2)
Code 500
Docket DMEA-3831
Docket DMEA-2562
Chron

Re: DMEA-2562
and
DMEA-3831 File 3831

Mr. Selfridge:

I have summed this letter, but I feel that it should include a statement to the effect that the partners under the first contract (who, also, were the incorporators and officers of Red Top Mercury Mines, Inc) remain collectively and individually liable for royalty to the extent of $12,166.12.

Talbert
2/10/61

[illegible]

Substitute for 2nd paragraph-

Under DMEA Contract No. Idm-E398, the United States reimbursed the operator, a partnership consisting of Clarence Wren, Frank Waskey, and Charles Wolfe, the sum of $12,513.72 as the Government's share for exploration under the contract. This amount was assumed by Moneta Porcupine Mines, Ltd. as part of its obligation to repay under DMEA Contract No. Idm-E857. By its Consent to Lien, executed June 28, 1955, and to induce the Government to sign DMEA Contract No. Idm-E857, Red Top Mercury Mines, Inc. granted the Government a lien upon its interest in the land that is the subject of the contract, and upon the production of minerals therefrom.

MME Form 7
(10-58)

DMEA-3831

OFFICIAL FILE COPY

Date	Surname	Code
1/27	Hoff	500
		500
		140
		140
		800
		120
		110
		220

Air Mail

Mr. Harold J. Butcher
Lawyer
P. O. Box 156
Anchorage, Alaska

INTERIOR DEPT.
JAN 30 1961
SOLICITOR

Re: DMEA-2562 (Mercury)
Wren, Waskey, and Wolfe
Red Top Claims
Bristol Bay Recording District
Third Division, Southern Alaska
Contract Idm-E398
and
DMEA-3831 (Mercury)
Moneta Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division, Southwestern Alaska
Contract Idm-E857

Dear Mr. Butcher:

Your letter of January 5, 1961, to the Defense Minerals Exploration Administration, Juneau, Alaska, has been forwarded by Mr. D. R. MacLaren, Acting Field Officer, Region I, Spokane, Washington, for reply. As Mr. MacLaren advised you, the Office of Minerals Exploration is the successor agency to DMEA.

Substitute paragraph attached

Red Top Mercury Mines, Inc., already has the fundamental responsibility for repayment of funds advanced for exploration assistance on both contracts mentioned above under the Consent to Lien executed June 28, 1955. Under the terms of the second contract, No. Idm-E857, in Annex II, Moneta Porcupine Mines, Ltd., assumed responsibility for repayment of funds advanced to Wren, Waskey, and Wolfe under the prior contract, No. Idm-E398, as well as funds under contract Idm-E857.

The Government cannot relieve Moneta Porcupine Mines, Ltd., of its responsibility, as operator, or as surety if it is not the operator, for the repayment in the form of royalty of funds advanced by the Government under both contracts. The amount due the Government

RECEIVED
JAN 30 1961
ASSOC. SOLICITOR
MINERAL RESOURCES

43683

3831

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 23 1961

DATE	INITIALS	CODE
1-23	gad	220
1/23		170
1/23		800
"	~~Hulett~~ S.H.H.	~~600~~
		220

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
January 18, 1961

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: DMEA-3831 (Mercury)
Moneta Porcupine Mines, Ltd.
Contract Idm-E857
and
DMEA-2562
Wren, Waskey, and Wolfe
Prior Contract Idm-E398
Red Top Mine
Bristol Bay Recording District
Third Division, Southwestern Alaska

Enclosed are three copies each of a letter dated January 5, 1961, from Harold J. Butcher and our reply.

Because of the legal points involved I am forwarding this letter for reply by the Washington office.

D. R. MacLaren

D. R. MacLaren

Enclosures
cc: CPF
Director
Econ. Geol.
B&FM

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 23 1961

DATE	INITIALS	CODE

No. 157 Howard Street
Spokane 4, Washington
January 18, 1961

Air Mail

Mr. Harold J. Butcher, Lawyer
P. O. Box 156
Anchorage, Alaska

Re: DMEA-3851 (Mercury)
Monarch Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division, Southwestern Alaska
Contract I&m-8857

Dear Mr. Butcher:

Your letter of January 5, 1961, addressed to the Defense Minerals Exploration Administration, Box 2688, Juneau, Alaska, was forwarded to this office by the U. S. Bureau of Mines. The Office of Minerals Exploration is the successor agency to DMEA. I am sorry for the delay in acknowledging it, but I was in the field when it arrived.

I am referring your letter to our Washington, D. C. office for reply.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: J. A. Nordlick
Chief, Alaska Office of
Mineral Resources, Region I
U. S. Bureau of Mines
P. O. Box 2688
Juneau, Alaska
OME(3) w/cys incoming
CPF
Docket No. DMEA-2562

Director
Econ. Geol
B&FM

HAROLD J. BUTCHER
LAWYER
ANCHORAGE, ALASKA

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O. M. E
RECEIVED JAN 23 1961

DATE	INITIALS	CODE

January 5, 1961

Defense Minerals Exploration Administration,
Box 2688,
Juneau, Alaska.

Gentlemen:

Red Top Mercury Mines, Inc. obtained, through your agency a number of years ago, an exploratory advance of moneys in approximately the sum of $17,000.00 of a total approved loan of $29,000.00. Thereafter, Red Top Mercury Mines, Inc. entered into a lease agreement with Moneta Porcupine Mines, Ltd. of Toronto, Ontario, Canada. Thereafter, Moneta Porcupine Mines, Ltd. obtained through your agency additional moneys, the balance of which, according to our records stands at $21,798.75.

We are in a process of cancelling the lease and delivering to Moneta Porcupine Mines, Ltd. a release of any further obligation on their part to perform assessment work or look after the premises or in any way control the future activities of Red Top or the operation of the property.

One of the conditions suggested by Moneta Porcupine is that Red Top assume responsibility for the balance of the Defense Minerals Exploration loan shown on the records as against Moneta.

Moneta has recommended two methods of handling the assumption of this loan or the transfer of the loan to Red Top Mercury Mines, Inc.. However, before preparing documents following one or the other of the suggestions we thought the most expeditious method would be to contact you directly and seek your advice and instruction as to the method of assuming the balance of the loan to Moneta or transferring the loan directly to Red Top Mercury Mines, Inc..

RECEIVED
JAN 11 1961
U. S. G. S.
SPOKANE, WASH.

We are prepared to execute whatever documents you suggest or furnish in order to effectuate this transfer or assu of the balance of the loan to Moneta under the same terms and c tions as the money was advanced to Moneta.

Kindly advise us at an early date and/or furnish us wi such documents as your agency may require to transfer the obliga tion to Red Top Mercury Mines, Inc..

Meanwhile, I am

Very truly yours,

Harold J. Butcher

HJB/cp
cc: Moneta Porcupine Mines, Ltd.

DMEA Form 7
(12-56)

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Date	Surname	Code
10-28	Holt	400
10-28	Martin	400
10-29	Chamber	800
		130
		110
		225

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

Re: Docket No. DMEA 3831 - Mercury
Moneta Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division, Southwestern Alaska
Contract No. Ism-E857

Dear Mr. Weissenborn:

In reviewing our lists of projects on which final reports have not been received, we find that we have the Final Report of the Field Team, dated June 1958, for the captioned project, but have no Operator's Final Report.

As suggested in our teletype to you of September 4, 1957, the Narrative Report for September 1956, transmitted with Mr. Lorain's letter of October 30, 1956, would be considered, if satisfactory to the Field Team, to constitute an adequate Operator's Final Report. The Operator's letter of January 29, 1957, asking authorization (which was not granted) to proceed with Stage II work, contains a detailed estimate of ore reserves.

We, therefore, are willing in this case to accept the cited letter and narrative report, with its transmittal letter, in lieu of a formal Operator's Final Report, and suggest that if you agree, and consider it necessary in the light of your previous correspondence, you may so inform the Operator.

Sincerely yours,

APPROVED:

Chairman, Operating Committee

Member, Bureau of Mines

Member, Geological Survey

SPHOLT:foc 10-28-58
cc to: Code 400
Director's Read. File
Operating Comm.
FT. REG. I
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington
June 23, 1958

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DMEA
RECEIVED JUN 26 1958

DATE	INITIALS	CODE
6/26	C	220
6/26	esf	130
6/27	JTEF	110
6/30	2B	130
6/30	C	220
	WSM	400

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

Re: Docket No. DMEA-3831 (Mercury)
Moneta Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division, Southwestern Alaska
Contract No. Idm-E857

Dear Mr. Selfridge:

Enclosed are three copies of a Field Team final report on this project. This project was based on the promising results of a prior contract, No. Idm-E398, the subject of a final report under Docket No. DMEA-2562 by R. S. Velikanje.

Work completed under the referenced contract included a total of 550 feet of drift and crosscut, 33 feet of timbering, and 45 sample analyses, at a total cost of $29,065, of which $21,798.75 was contributed by the Government. The results of the completed work were discouraging and the contract was terminated November 1, 1956.

Based on the results of the prior contract, a Certification of Discovery or Development was made. Therefore, any production within the royalty period will be subject to royalty due the Government.

FINAL F.T. REPORT

By Field Team, Region I

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

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

Reviewed by
DMEA OPERATING COMMITTEE
6-30-58
(date)

Final Field Season Report

Enclosures
cc: USBM(2)
USGS(SRO)
MacKevett

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM, REGION I

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DMEA
RECEIVED JUN 26 1958

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		220

FINAL REPORT

Contract Idm-E857

by

E. W. Parsons
Mining Engineer
U. S. Bureau of Mines

E. M. MacKevett, Jr.
Geologist
U. S. Geological Survey

MONETA PORCUPINE MINES, LTD.
Suite 1505, 320 Bay Street
Toronto 1, Canada

Docket No.:	DMEA-3831
Commodity:	Mercury
Contract date:	August 18, 1955
Termination date:	October 31, 1956

Reviewed by
DMEA OPERATING COMMITTEE
6-30-58
(date)

RED TOP MINE
Marsh Mountain, Aleknagik Area
Bristol Bay Recording District
3rd Division, Alaska

Spokane, Washington

June 1958

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FINAL REPORT

MONETA PORCUPINE MINES, LTD.
Red Top Mine
Marsh Mountain, Aleknagik Area
Bristol Bay Recording District
3rd Division, Alaska

Contract Idm-E837

* * * *

INTRODUCTION

This report describes an exploration project for mercury ore at the Red Top mine on Marsh Mountain, Nushagak District, Alaska, which was participated in jointly by Moneta Porcupine Mines, Ltd., and the Defense Minerals Exploration Administration.

Summary

The purpose of the project was to explore for deeper extensions of mercury mineralization along a vein and a zone of fracturing in graywacke. The ore zone had been exposed on the surface by bulldozing work done under Docket No. DMEA-2562, Contract No. Idm-E398. This work indicated a vein with erratic pods and lenses of cinnabar in a zone approximately 2,000 feet in length.

The work proposed under the present contract was to explore this mineralized zone at depth by driving an adit crosscut to intersect it about 50 feet below the bottom of the trench which exposed the vein and to drift both ways. If successful, this work would be followed by additional drifting on the vein on the same level and a crosscut adit and drifting at a point 100 feet below.

Under the present DMEA contract 493 feet of drifting and 57 feet of crosscutting were completed in an attempt to prove the downward extension of the ore shoot. The work indicated that the mineralized zone on the surface extends downward, but the cinnabar content does not improve with depth. The contract was terminated as of November 1, 1956, with the completion of the first stage, as a second stage was not justified.

Contract No. Idm-E857 was the second contract on the property. The first one, Idm-E398, dated September 16, 1952, was for exploring by surface bulldozer trenching and was completed in October 1953, after having opened nearly 10,000 feet of trench. The trenching located 1 vein carrying appreciable amounts of cinnabar over a strike length of about 2,000 feet, though only 1 ore shoot of sufficient size and continuity of grade to be of economic importance was found. The first estimates from available data indicated that this shoot could possibly contain 10,935 tons of inferred ore with a content of 196,200 pounds or 2,581.5 flasks of mercury when projected to a depth of 100 feet.

In a letter, dated July 18, 1954, Clarence Wren, a partner in the first contract, stated that 4 flasks of mercury had been shipped, but this mercury was produced from ore on hand prior to the effective date of the contract. Following completion of the contract in October 1953, the Operator reports that 1,700 pounds of mercury (approximately 22 flasks) had been produced and was on hand on November 28, 1954.

As a result of the work done under the first contract, the property was certified so that any production in the future will be subject to royalty payments to the Government. ?

Stage I of Exploration Project Contract No. Idm-E857 was not successful in exploring at a depth of 50 feet an ore shoot discovered by bulldozer trenches under a prior contract; therefore, it was not advisable to enter into Stage II of the contract to explore the ore shoot at an additional 100 feet of depth.

Recommendations

No additional DMEA assistance is recommended, as the small size and erratic distribution of the known ore bodies make the chances for successful mining remote.

LOCATION AND ACCESSIBILITY

The Red Top mine, a group of 6 claims controlled by the Moneta Porcupine Mines, Ltd., is on Marsh Mountain in the Nushagak District of the Bristol Bay Recording District, southwestern Alaska. It is 17 miles north of Dillingham by air to the landing strip on Wool River, which is 1½ miles from the deposit; it is 24 miles by boat from Dillingham to the landing strip. The claims are at an average altitude of about 1,000 feet on one of the smaller peaks of Marsh Mountain and have a maximum relief of about 500 feet. A road or dozer trail has been made which is 2 miles in length but is probably too steep to be used as a truck road. During the winter planes on skis can land on the landing strip or the ice on the river.

The upper part of Marsh Mountain is covered by frost-weathered rock and moss, and in places the lower slopes are covered with alder and some spruce. Overburden ranges from 2 to 10 feet in thickness and averages about 4 feet.

PROPERTY

The property covered under the exploration project contract consists of 6 unpatented lode mining claims, as follows:

Red Top	East Extension Red Top
Red Top No. 1	East Extension Red Top No. 1
Red Top No. 2	East Extension Red Top No. 2

All claims are recorded in volume 10 of the Records of the Bristol Bay Recording District, pages 67-69, inclusive.

Frank H. Waskey found cinnabar in the area in 1941 while prospecting for gold. In 1942, together with Clarence Wren and Charles Wolfe, he staked 4 lode claims, at least 2 of which are included in the contract. Fifteen hundred pounds of ore was removed in the summer of 1942 from 2 prospect pits and, after concentrating, yielded 470 pounds of material which was shown by analyses to contain 1,287 pounds per ton of mercury. Additional prospecting work was done and more claims staked. In 1952 the partners applied for and received DMEA assistance under Contract No. Idm-E398. In May 1955 the Moneta Porcupine Mines, Ltd., acquired an option on the property and in August 1955 received Contract No. Idm-E857.

The owners have 2 small cabins on skids, which are suitable for sleeping and feeding 6 men, and a small building housing 2 homemade retorts. Workmen at the project used tent accommodations.

The mine workings are shown on plate 1. A total of 550 feet of crosscutting and drifting was completed under the contract. The underground work was in graywacke and slate and encountered some faulted and broken material. Little timbering was necessary as the ground stood well.

GEOLOGY

The following discussion has been compiled from a final report on Contract No. Idm-E398 by R. S. Velikanje; A report on the Red Top mine by G. I. Gould; the company's narrative reports; U. S. Bureau of Mines RI-4065, Report of Investigations, Mercury deposits of southwestern Alaska, by Burr S. Webber and others; and U. S. Geological Survey Bulletin 903, 1938, by J. R. Martie.

Marsh Mountain is composed of a group of rounded peaks arranged in a horseshoe pattern around the Arcana Creek Basin. Rock outcroppings are sparse with most of the mountain covered by tundra and a deep frost-weathered mantle.

Lithologically, Marsh Mountain consists of a sequence of graywacke with minor interbedded slate in a monocline with an average strike of N. 83° E. and dip of 62° S. These rocks are considered Cretaceous in age by Martie (1938, pl. 1). Strikes and dips vary, indicating minor structural changes, but no evidence was found of any major folding. The only intrusive rock exposed in the area is exposed in a trench in the eastern part of the Red Top No. 1 claim (pl. 2). This dike is strongly altered and consists chiefly of biotite, altered feldspar and quartz. Its relationship to the cinnabar deposition could not be ascertained.

The major structural feature according to Gould (1955, p.4) is a breccia zone or fault zone, in places more than 100 feet thick, which strikes between N. 80° W. and west, more or less parallel with the strike of bedding. The fault zone dips southerly, generally discordant with the bedding. None of the available maps adequately show this zone, but it probably is roughly parallel to the east-west bulldozer cuts that were completed under Docket No. IMEA-2562, Contract No. Idm-E398, and which are shown on plate 2. Elsewhere, except for minor bedding-plane slips and the fault showing in the central part of plate 2, faulting appears to be absent or unimportant. All of the known cinnabar occurrences are within this breccia zone, generally near one or more of the numerous subsidiary faults that constitute the fault zone. Minor post-ore movement is locally evidenced by slickensided and polished cinnabar.

Jointing is intense with its surface expression magnified by frost action.

Underground work indicates that 1 or more strong, steeply southwest-dipping faults of the fault zone split and form a well-broken zone where they swing into several other faults that strike westerly and dip southerly. Numerous slips in the workings fall roughly into 2 sets, 1 striking northwesterly and dipping from 50° southwesterly to vertical, and the other striking westerly and dipping 35°-80° southerly. The former set is stronger in the east workings and appears to die out toward the west where the latter set predominates.

The cinnabar commonly is near carbonatic lenses and stringers that locally accompany the slips of both sets. Petrographic work indicates that the carbonatic material is of 2 ages, the first a pre-cinnabar dolomitic carbonate and the second a post-cinnabar calcite. This would imply that exploration should follow dolomite

rather than calcite, but as half the cinnabar mineralization is in shattered or faulted wall rock, structure seems to be as important an ore guide as dolomite.

Cinnabar is found in veins, vein breccia, and reticulating stringers and pockets in the country rock. The veins follow both the west-striking and the northwest-striking sets of slips. They consist of apparently massive cinnabar up to 4 or 5 inches wide, which in places merge into a vein breccia in which dolomitic carbonate fragments lie in a matrix of cinnabar. A second type of vein breccia occurs where later disruption of the cinnabar veins and calcite deposition result in cinnabar fragments being cemented in a matrix of calcite.

Gould (1955, p. 7) notes the lack of disseminated cinnabar in the wall rock, which would necessitate maintaining a relatively high cut-off grade and make the possibility of any large low-grade reserves unlikely.

Indications of Ore

The underground exploration encountered 4 shoots or lenses of ore inferred to be more than 18 feet long and 2 about 10 feet long. The following assay data and descriptions have been abstracted from the Operator's "Narrative report for September 1956 and summarizing the work for the season" prepared by R. E. Seraphim. Locations of the samples and pertinent assay data are given in plate 1.

Ore Shoot at sta.	Sampled length (feet)	Width (feet)	Tons/vertical ft.* over sample width	Tons/vertical ft.* over 3-ft. width	Avg percent Hg over sample width	Avg percent Hg over 3-ft. width	Over 3-ft. width tons x grade
22	18	1.4	2.2	4.7	6.17	2.87	13.5
5	21	1.1	2.0	5.5	1.1	0.4	2.2
6b	18	2.45	3.85	4.7	1.28	1.04	4.9
10	21	0.72	1.31	5.5	2.98	0.71	3.9
			9.36	20.4			24.5

Weighted avg grade over sample width: 2.82% or 1.20% over 3-ft. width

At sta. 6	10	0.66		5.08
28' west of sta. 10	10	0.9		0.66

*11.5 cu. ft. = 1 ton

The shoot near Survey Station 22 was taken as 18 feet long although there is a narrow extension about 9 feet to the south. The shoot over a length of 18 feet averages 1.4 feet wide and 6.17 percent mercury. It lies along the hanging wall of the main northwest-striking fault. At the north end near the fault it is formed from pockets and reticulating veinlets in fractured and altered country rock, and to the south it narrows down to a single slip along which are small lenses of cinnabar up to 2 inches thick.

The shoot at Survey Station 5, averaging 1.1 feet wide and 1.1 percent mercury over a length of 21 feet, lies on the footwall side of a strong east-west fault. It consists of cinnabar stringers parallel to the drift and in small cross fractures parallel to the northwest fracture system. Some brecciated cinnabar is found in calcite matrix.

The shoot at Survey Station 6b, averaging 2.45 feet wide and 1.28 percent mercury over a length of 18 feet, follows weak north-south trending slips which contain irregular cinnabar veinlets and reticulating veinlets. Loose ground in this area prevents additional exploration without extensive timbering.

The shoot at Survey Station 10, averaging 0.72 feet wide and 2.98 percent mercury over a width of 21 feet, is in a narrow fractured vein containing massive and brecciated cinnabar and follows the hanging wall of a calcite vein in a strong east-west fault.

Two small, narrow shoots, approximately 10 feet long, were encountered, 1 at Survey Station 6 and the other 28 feet west of Survey Station 10, the latter undoubtedly an extension of the shoot at Station 10.

There appears to be a correlation between shoots encountered underground with the mineralization exposed on the surface although surface stripping discovered other small shoots beyond the area of the underground work.

THE PROJECT

Work done by the original partners from 1942 to October 1953, when the first DMEA contract (Idm-E398) was completed, indicated that there was sufficient mercury mineralization to warrant exploration of the property by underground methods. Traces of cinnabar were found in bulldozer trenches over a strike length of 2,000 feet with the principal showings localized in an area about 120 feet long. Work accomplished under the first contract consists of approximately 10,000 feet of bulldozer trenches, which are shown on plate 2. Data on the samples cut from these trenches are incorporated in the final report on Docket No. DMEA-2562 prepared by R. S. Vellkanje (1954).

The second contract, Idm-E857, was dated August 18, 1955. The contract was set up in 2 stages. Stage I authorized approximately 275 feet of crosscutting on the 1,000-foot level with about 90 feet of drifting westerly and 60 feet easterly, timbering as needed up to 300 feet, and the assaying of 30 samples. Stage II authorized 500 feet of drifting on the 1,000-foot level and 600 feet of crosscutting and 500 feet of drifting on the 900-foot level, a total of 1,600 feet, as well as up to 700 feet of timbering and the assaying of 110 samples.

On August 8, 1956, the Executive Officer, DMEA Field Team, Region I, Alaska District, gave permission by letter to F. R. Burton, President, Moneta Porcupine Mines, Ltd., to use 200 or 300 of the 500 feet authorized in item 2 of Stage II. When operations were terminated in October 1956, a total of 550 feet of crosscutting and drifting had been completed as well as 33 feet of timbering and the assaying of 30 samples. This footage included 125 feet of Stage II drifting authorized by the Executive Officer.

The contract was terminated by telegram to Mr. Burton, president of the company, on February 27, 1957. The Field Team was of the opinion that even though it was doubtful that the loan could be repaid, the work under Stage II should be done, but the Operating Committee in Washington decided against it. The Operator immediately requested that the Committee action be reconsidered and Mr. Burton visited Washington to present his case. After consideration of the case, the Operating Committee found no reason to reverse its decision. The basis for the decision is found in C. A. Mittendorf's letter of March 12, 1957, to S. H. Lorain, Executive Officer, DMEA Field Team, Region I, Alaska District, as follows:

> "However, we always come back to the cold facts of the case. Firstly, we spent about $29,000 after the Wren and Wanley deal on the assumption that we had about an 11,000-ton target (estimated to contain 2,582 flasks of mercury) down to a 100-foot depth. Reappraisal of the target after the approved expenditure now indicates that we are dealing with a 2,000-ton target (estimated to contain 1,405 flasks of mercury) down to the 200-foot depth--at an additional cost to the Government of at least $45,000. Secondly, there is no geologic basis for expecting larger ore bodies on the 900 level. Therefore, we could find no justification for reversal of our February 27 decision without abandoning the criteria and principles which have guided our decisions in the past."

As the prior contract, Idm-E398, was certified, this project under Contract No. Idm-E857 was considered to have been certified as of the date of the contract and any and all production will be subject to royalty payments to the Government for a period of 10 years, or until August 18, 1965.

Reserves

The ore shoots in this deposit have a relatively short strike length and will probably be found to have a short dip length. In the area cut by the underground work it is probable that intermittent shoots will extend to a depth of at least 200 feet and that at any given elevation the cross-sectional area or the mineral concentration will not vary considerably. It is inferred from the foregoing that possibly 2,500 tons of ore can be produced which will average 2.34 percent mercury over a width of 1.93 feet, or a total of about 1,600 flasks of mercury. Additional underground exploration will quite possibly result in finding small additional reserves.

Summary of Factual Data

The work completed under the contract is as follows:

Stage I

	Authorized	Unit cost	Completed	Total
Crosscutting	275 ft.	$52/ft.	275 ft.	$14,300.00
Drifting	150 ft.	$52/ft.	150 ft.	7,800.00
Timbering	300 ft.	$10/ft.	33 ft.	330.00
Sample assays	30 each	$3 each	30 each	90.00
				$22,520.00

Stage II

Cookhouse, bunkhouse, and shed	unit	$3,000.00	--	--
Crosscutting, 1,000 level	--	--	--	--
Drifting, 1000 level	500 ft.	$52/ft.	125 ft.	$ 6,500.00
Crosscutting, 900 level	600 ft.	$52/ft.	--	--
Drifting, 900 level	500 ft.	$52/ft.	--	--
Timbering	700 ft.	$10/ft.	--	--
Sample assaying	110 each	$3 each	15 each	45.00
				$ 6,545.00
				22,520.00
Total amount spent				$29,065.00

= $2.85/ft

Total amount of contract	$118,720.00
Government's share at 75 percent	89,040.00
Total amount expended	$ 29,065.00
Government's participation	21,798.75
Total amount unexpended	$ 89,655.00
Government's share unexpended	67,241.25
Contribution under prior contract (Idm-E398)	$ 12,513.72
Contribution under Contract Idm-857	21,798.75
Total Government contribution	$ 34,312.47
Royalty received to date (Idm-E398)	$ 327.22

There was no equipment purchased under the contract.

Discussion of Conclusions

The work completed under Contract No. Idm-E857 was carried on in an efficient workmanlike manner. The monthly narratives submitted by the Operator were excellent and contained a great deal of detail. A study of the surface and underground exposures failed to reveal any geologic evidence which would indicate that the ore shoots would become larger or carry heavier mercury mineralization with greater depth.

Exploration Possibilities

It does not appear that the property will ever become an important mercury producer or a paying mine. Development and production costs will probably equal income from production.

Enclosures
cc: DMEA(3)
USBM(5)
USGS(SRO)
Docket
MacKevett

REFERENCES CITED

Gould, G. I., Report on the Red Top Mercury Mine, Nushagak District, Alaska: Consultants report submitted to Moneta Porcupine Co., June 27, 1935, 8 p.

Martin, J. B., The Nushagak district, Alaska: U. S. Geol. Survey Bull. 903, 1938, 96 p.

Seraphim, R. H., Narrative report for September 1936, and summarizing work for the season: Operator's narrative report, 1936, 6 p.

Webber, Burr S., and others, U. S. Bureau of Mines RI-4065, Report of Investigations, Mercury deposits of southwestern Alaska, May 1947.

Volikanje, R. S., Final report on Docket No. DMEA-2562, Contract No. Idm-E398, Mercury, Red Top Mining Company, Marsh Mountain, Alekanagik area, Alaska, 1954, 14 p.

UNITED STATES
DEPARTMENT OF THE INTERIOR

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
FINAL REPORT

DOCKET NO DMEA 3831

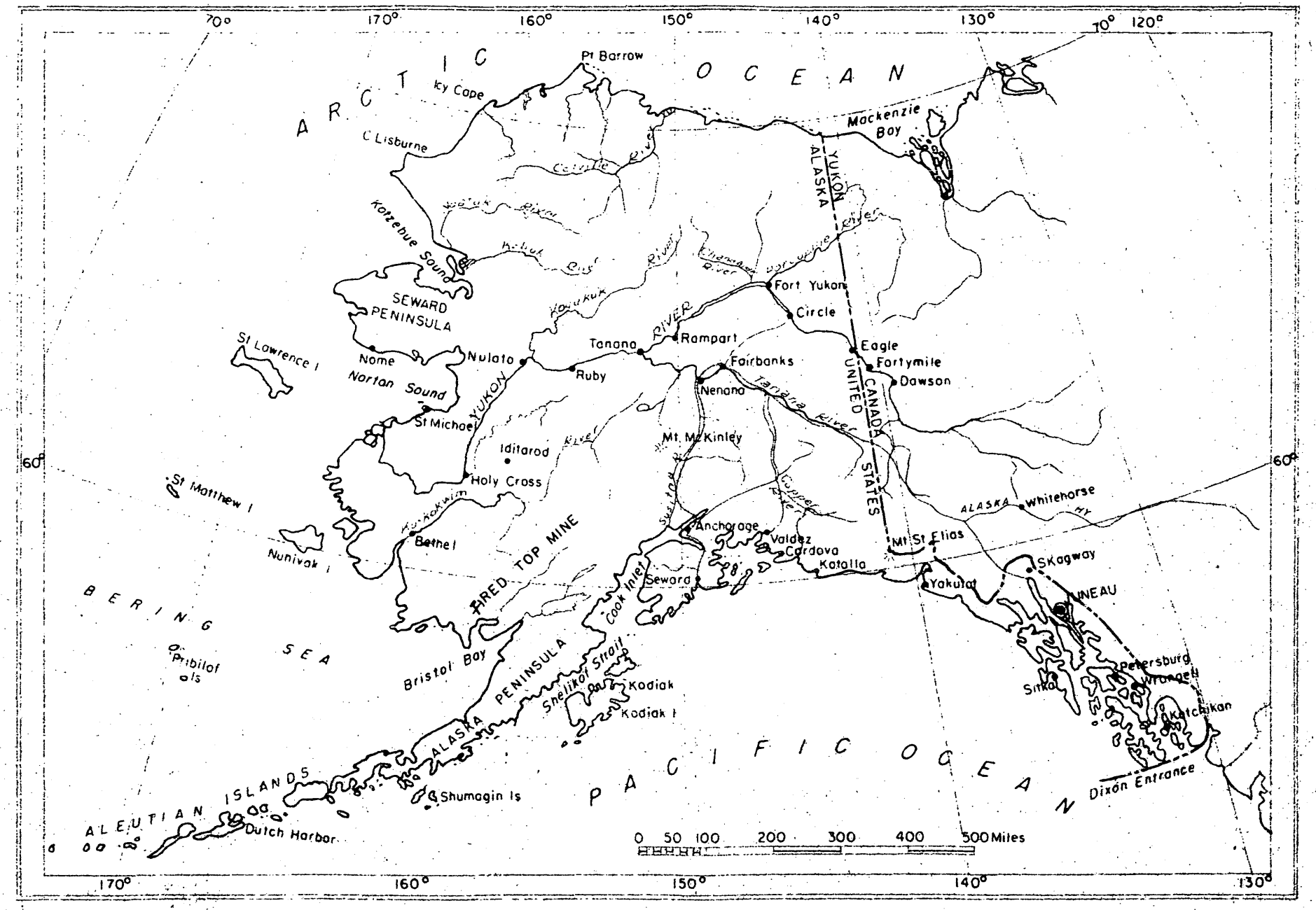

FIG. I — INDEX MAP SHOWING LOCATION OF RED TOP MINE, NUSHAGAK DISTRICT, ALASKA

MONETA PORCUPINE MINES, LIMITED
(NO PERSONAL LIABILITY)

SUITE 1905 · 320 BAY STREET
TORONTO 1, ONT.

Telephone: EMpire 6-9615

Please Refer File:

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 27 1958

DATE	INITIALS	CODE
3/27	C	220
3/28	[illegible]	800
	[illegible]	400

March 17th, 1958

Defence Minerals Exploration Administration,
So. 157 Howard St.,
SPOKANE 4, Wash., U.S.A.

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

Dear Mr. Weissenborn: Re: Docket No. DMEA-3831(Mercury)
Moneta Porcupine Mines, Ltd.
Red Top Mine, Nushagak District,
Alaska. Contract No.Idm-E657

Thanks very much for your letter of the 11th instant explaining re the Red Top contract. We had always assumed that our obligations were as set forth in your letter, but as I mentioned in my letter to you, some of our friends considered the situation different from our interpretation.

Yours very truly,

F. R. Burton,
President.

/A

RECEIVED
MAR 1 1958
U S G S
SPOKANE WASH

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 14 1958

DATE	INITIALS	CODE
3/14	C	220
	Recd	800
	WSM	400

So. 157 Howard Street
Spokane 4, Washington

March 11, 1958

Mr. F. R. Burton, President
Moneta Porcupine Mines, Limited
Suite 1505, 320 Bay Street
Toronto 1, Ontario

Re: Docket No. DMEA-3831 (Mercury)
Moneta Porcupine Mines, Ltd.
Red Top Mine
Nughagak District, Alaska
Contract No. Idm-E857

Dear Mr. Burton:

Thank you for your letter of March 4, 1958, in which you give us the information we requested in our letter of February 27, 1958. Your prompt reply is appreciated.

As a result of work performed by Wren, Waskey and Wolfe under Contract Idm-E398, DMEA issued a Certification of Discovery or Development. Annex II of your contract defines that the property referred to in Article 2 was the subject of Contract Idm-E398 and that it is agreed that "the Certification of Discovery or Development under the prior contract shall be considered to extend to this contract with the same force and effect as if a Certification of Discovery or Development had been duly issued by the Government under this contract, i.e. the project under this contract shall be considered to have been certified as of the date of this contract." When you signed Contract Idm-E857 you accepted the terms and conditions of Annex II. Therefore, you will owe the U. S. Government royalty on any production from the land described in Article 2 and Annex I, in accordance with the terms of Article 7 of your contract, until the sum $12,513.72 paid to Wren, Waskey, and Wolfe plus $21,798.75 paid to Moneta Porcupine Mines, Ltd., has been repaid or until August 18, 1965 whichever comes first. To date royalty in the amount of $327.22 has been paid by Wren, Waskey, and Wolfe on the proceeds of mercury which they have sold from the property.

I hope this will clarify any misunderstanding you may have had.

Sincerely yours,

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

cc: DMEA (2) w/2 copies of incoming
USBM (2)
USBM (AD) w/copy of incoming
MacKevett " " "

MONETA PORCUPINE MINES, LIMITED

(NO PERSONAL LIABILITY)

SUITE 1505 320 BAY STREET
TORONTO 1, ONT.

Telephone: EMpire 6-5665

Please Refer File.

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 14 1958
DATE | INITIALS | CODE

March 4th, 1958

hsc
al
USBM
DMEA

Defense Minerals Exploration Administration,
Sc. 157 Howard Street,
SPOKANE 4, Wash., U.S.A.

Attention: Mr. D. R. MacLaren

Dear Mr. MacLaren: Re: Docket No.DMEA-3831(Mercury)
Moneta Porcupine Mines, Ltd. - Red Top
Mine, Nughagak District, Alaska
Contract No. Idm-E857

In reply to your letter of the 27th ultimo, there were no mining operations carried out at the Red Top mine during the past year. The only work done was the exploration program on which we made an application for a D.M.E.A. loan, and which as you know was refused. This work consisted of driving an adit 100 feet beneath the first adit, and we did 464' of crosscutting, 474' of drifting, and 254' of long-hole drilling. No ore was disclosed by this work. It is possible that we may do a small amount of long-hole drilling this coming season, as there are several areas that were not covered thoroughly by last year's work.

We did not sell any ore or mercury to anyone.

I have had very little experience with D.M.E.A. loans, and I was wondering if you could help me on one point. Under the loan that we obtained from you we did not find any ore because the quantity of material discovered was too small to mine at a profit. I have been told by some of my American friends that, under the circumstances, we have no obligation to repay the loan to the U. S. Government. I would appreciate your advice on this matter.

Yours very truly,

F. R. Burton,
President.

/A
C/c Dr. R. H. Seraphim

So. 157 Howard Street
Spokane 4, Washington

February 14, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 17 1958

DATE		
2/18	C	220
2/20		800
	WSA	400

Mr. F. P. Burton, President
Moneta Porcupine Mines, Limited
Suite 1505
320 Bay Street
Toronto 1, Ontario, Canada

Re: Docket No. DMEA-3831 (Mercury)
Moneta Porcupine Mines, Ltd.
Red Top Mine
Nushagak District, Alaska
Contract No. idm-2857

Dear Mr. Burton:

Will you please send us a statement concerning activity at the Red Top mine during the past year.

Please note that all DMEA work in Alaska is now handled by the Spokane office.

By Field Team, Region I

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

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

cc: USBM (2)
DMEA (2)
USBM (AD)
MacKevett

OFFICIAL FILE COPY
DMEA
RECEIVED APR 10 1958

DATE	INITIALS	CODE
4/10	C	RAC
4/15	Comm	[illegible]
11	[illegible]	[illegible]
4/18	[illegible]	[illegible]
	WSM	[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

Reporting period: August 18, 1955 to December 31, 1957

Date of report: March 15, 1958

Operator: Moneta Porcupine Mines, Ltd.
1505 - 320 Bay Street
Toronto, Canada

Mine name: Red Top Mine

District: Bristol Bay Recording District
Territory of Alaska

Docket number and commodity: DMEA-3831 (mercury)

Contract number: Idm-E857

Date of contract: August 18, 1955

Date of certification: August 18, 1955 (per Annex II of contract)

Expiration date of royalty payments: August 18, 1965

Total amount of contract: $118,720.00

Total expenditures under contract: 29,065.00

Amount of Government participation at 75%: 21,798.75

Amount to be repaid to Government:

12,513.72	(under Contract	-E398)
21,798.75	(" "	-E857)
34,312.47		

Royalty payments this period: none

Previous royalty payments: none

Total royalty payments to date: none

Percent Govt. participation repaid: none

Royalty due on production to date: none

Royalty remarks: none

Estimate of DMEA reserves: (See memorandum to Operating Committee from S. H. Lorain, Exec. Officer, Alaska Dist., dated February 6, 1957.)

	Tons	Analysis	Flasks
Indicated:	443	3.51% Hg	400
	75	2.5 % Hg	50
Inferred:	1325	2.75% Hg	962

Production remarks: Development was done during 1957 but no production was made. (See Operator's letter of March 4, 1958 to DMEA, Spokane.)

Signed: E. W. Parsons (Engineer)

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
USBM (2)

1201 N. Division St.
Spokane 2, Washington

September 5, 1957

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

Re: Docket No. DMEA-383/(Mercury)
Moneta Porcupine Mines, Ltd.
Territory of Alaska
Contract No. Idm-2857

Dear Mrs. Long:

The work completed under the contract was done to the satisfaction of the Government. The contract was terminated by Mr. Mittendorf's telegram of February 1957. The Operator's Narrative report for September 1956 has been received and accepted as a final report.

The Government has no interest in supplies or equipment purchased for use on the project.

Certification of Discovery or Development has been issued.

A final Report of Review dated July 2, 1957 by DMEA Auditor E. D. Talbert has been received.

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

Sincerely yours,

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

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

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

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

Bu. Vou. No. 2038

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

Voucher prepared at Spokane, Washington 9/6/57
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E857

To Moneta Porcupine Mines, Ltd.
(Payee)

Suite 1505, 320 Bay Street Toronto 1, Ontario, Canada
(Address) (City) (State)

PAID BY
(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	Final 1957	Final Payment as per Report of Review dated July 2, 1957				33	75
PAYMENT: Complete ☐ Partial ☐ Final ☐		FINAL PAYMENT					
		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	33	75

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

(Sign original only)

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

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

(Payee must NOT use this space)

Differences .....

Account verified; correct for 33 75

(Signature or initials) A. L.

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

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

† Approved for $ .....

By .....

Title .....

SIGN ORIGINAL ONLY

† .....
(Authorized Certifying Officer)

Title .....

Date .....

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

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

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

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

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

Payee .....
(Sign original only)

Per .....

Title .....

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

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

16—22900-3

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

Re: DMBA-3831

Mr. Selfridge —

I have not surnamed Termination Agreement or ltr. of transmittal because:

1. Contract was terminated eff. 11/1/56 by "notice" (telegram of 2/22/57) in accordance with Art. 8(a);

2. A Report of Review was issued on this basis;

3. Final payment to the Operator has been made (Ex. off. ltr 9/5/57 to Cert. Off.);

4. Operator's Sept. 1956 narrative has been accepted as final report; and

5. Govt. rights to royalty are preserved by Art. 8(c) of contract.

Talbot
9/10/57

Term. Agrees. not necessary.

WSM

HCL 8/11/57

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9-10	Chapman	400
9-10	Martin	400
		800
		130
		110
		100
		210

not used

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

Re: Docket No. DMEA 3831 - Mercury
Moneta Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division, Southeastern Alaska
Contract No. Idm-8057

Dear Mr. Weissenborn:

Enclosed are the original and four copies of a "Termination Agreement" for the above-referenced contract, signed by the Administrator for the Government. Two extra copies are enclosed for the use of the Field Team.

If the conditions and terms of the proposed agreement are satisfactory to you and the Operator, all five copies are to be signed by the Operator and the usual distribution made.

If any of the conditions and terms of the proposed agreement do not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office, together with the proposed changes for consideration.

Sincerely yours,

APPROVED:

Chairman, Operating Committee

Member, Bureau of Mines

TLChapman/dlm 9-10-57
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. I
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

Member, Geological Survey

Enclosures

8623

Government's copy

Robin
Chapman
Martin

not used

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Moneta Porcupine Mines, Ltd., hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E857 (Docket No. DMEA-3831), dated August 18, 1955, as amended, hereinafter referred to as the "Contract," that:

1. Effective November 1, 1956, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, are hereby terminated.

2. The Government shall contribute only to the fixed unit costs of work performed prior to November 1, 1956.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of a final report and final account.

4. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided for in this termination agreement.

5. All rights of the Government provided for in the Contract with respect to percentage royalty and liens for its payment, records, and audits, and all rights of the Government to recover any overpayment, are preserved.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Administrator, Defense Minerals
Exploration Administration

MONETA PORCUPINE MINES, LTD.

By_____

Title_____

MF-50

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 8-26-57

REFERRED TO:

DMEA 2831
Idm-E857

1. ~~SOLICITOR'S DCKT. - RM.~~ 6038
2. MR. DWYER - RM. 7343
3. MR. MARTIN - RM. 3538
4.

FOR:

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

INTERIOR DEPT.
AUG 29 1957
SOLICITOR

FROM SOLICITOR
SEP 9 1957
FOR SIGNATURE

REMARKS:
Please note that this was certified by agreement in the contract

Check (✓) before the items needing attention.

TLCHPAMMN/foc
Initials of sender.

GPO 16—63815-1

8/28/57

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 9 1957
DATE
9/9 G 220
9/9 800
9/2 wsdy 400

1201 N. Division St.
Spokane 2, Washington

September 5, 1957

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

Re: Docket No. DMEA-383 (Mercury)
Moneta Porcupine Mines, Ltd.
Territory of Alaska
Contract No. Idm-E857

Dear Mrs. Long:

The work completed under the contract was done to the satisfaction of the Government. The contract was terminated by Mr. Mittendorf's telegram of February 1957. The Operator's Narrative report for September 1956 has been received and accepted as a final report.

The Government has no interest in supplies or equipment purchased for use on the project.

Certification of Discovery or Development has been issued.

A final Report of Review dated July 2, 1957 by DMEA Auditor E. D. Talbert has been received.

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

Sincerely yours,

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

cc: DMEA (2)
USGS (2)

OFFICIAL FILE COPY

Date	Surname	Code
8-26	Chapman	400
8-26	Martin	400
		140

August 26, 1957

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Division of Iron and Ferro-Alloys, DMEA

Subject: Preparation of Termination Agreement
Docket No. DMEA 3831 - Mercury
Moneta Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division, Southwestern Alaska
Contract No. Idm-E857

Attached is a rough draft of a proposed Termination Agreement for the above-captioned contract for your use in preparing it in final form.

W. S. MARTIN

W. S. Martin, Director
Division of Iron and Ferro-Alloys

Attachment

TLChapman:foc
8-26-57
cc to: Docket
Code 400

8623

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government" and Moneta Porcupine Mines, Ltd., hereinafter called the "Operator" parties to that certain Exploration Project Contract No. Idm-E857 (Docket No. DMEA 3831), dated August 18, 1955, and amendments thereto, hereinafter referred to as the "Contract", that:

1. No work or operations provided for in said Contract shall be performed after November 1, 1956.

2. The Government shall contribute only to the agreed unit costs of work performed prior to November 1, 1956.

3. The Operator shall promptly perform all winding up and settlement actions provided for in the Contract, including the rendering of final report and final account.

4. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided for in this termination agreement.

5. All rights of the Government provided for in the Contract with respect to certification of discovery or development, percentage royalty and liens for its payment, records, audits and repayment of any overpayment, are preserved.

IN WITNESS WHEREOF, these partids have executed this agreement as of the day and year first written.

THE UNITED STATES OF AMERICA

By_____
Administrator, Defense Minerals Exploration Administration

MONETA PORCUPINE MINES, LTD.

By_____

Title_____

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9-4	Holt	400
9-4	Martin	400
9-4	Chamberlin	800
9/4	Selfridge	130
9/4	McMahon	130
9/4	Kiilsgaard	130
"	Johnson	110
"	Matthews	109
9/4	O	220
		400

SEP 4 1957

INTERIOR

DMEA

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

14X4401 (01) REVOLVING
FUND, DEFENSE PRODUCTION ACT, INTERIOR,
(TRANSFER TO OFFICE OF SECRETARY)

T E L E T Y P E

MR. A. E. WEISSENBORN, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION I
SOUTH 157 HOWARD STREET
SPOKANE 4, WASHINGTON

REUTT AUGUST 30 MONETA PORCUPINE DOCKET DMEA 3831, CONTRACT IDI-8857.

OPERATOR'S NARRATIVE REPORT FOR SEPTEMBER 1956, TRANSMITTED WITH LOPAIN'S

LETTER OCTOBER 30, 1956, CONSIDERED ADEQUATE IF IT IS SATISFACTORY

TO THE FIELD TEAM.

George C. Selfridge

CHAIRMAN, OPERATING COMMITTEE (6B)
DMEA

SPHolt/dlm 9-4-57

cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. I
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

AXXXXXXX-083K

3831

GENERAL FILE DATA
DMEA
RECEIVED SEP 3 1957

DATE	INITIALS	CODE
9/3	C	220
9/3	WSM	400

RECEIVED
AUG 30 3 43 PM '57

AXXXXXXX-084K

AXXXXXXX-085K

AXXXXXXX-086K

XDXXXXXX-087K

YWA099 WAF SP 13 I-GS-G

SPOKANE WASH 8-30-57 1210U

GEORGE C SELFRIDGE, CHAIRMAN OPERATING COMMITTEE DMEA

DEPT OF INTERIOR, WA

FINANCE OFFICER ABOUT TO MAKE FINAL PAYMENT ON MONETA-PORCUPINE CONTRACT NUMBER IDM-E857 TERMINATED BY ADMINISTRATORS TELEGRAM OF FEBRUARY 27, 1957 TO THE OPERATOR OUR RECORDS DO NOT INDICATE THAT OPERATORS FINAL REPORT HAS BEEN RECEIVED. WILL OPERATORS FINAL REPORT BY WAIVED? IF NOT, HOW MUCH SHOULD WE WITHHOLD PENDING RECEIPT OF FINAL REPORT?

A E WEISSENBORN EXECUTIVE OFFICER DMEA FIELD TEAM REGION 1

IDM-E857 27 1957

SLP 1213U

9-3-57

Checked sent to Legal 8/26/57 with the draft of the termination. Letter sent ready to be typed.

Lee

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/2	Talbert	800
7/2	C	220
		400

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

JUL - 2 1957

Dear Mr. Weissenborn:

Enclosed are the originals and two copies of Reports of Review for the following terminated exploration project contracts, which were administered by the former Alaska District of Region I:

Contract	Docket	Contractor
Idm-F667	DMEA-3288	Alaska Copper Mines, Inc.
668	3246	Ryder Mines, Incorporated
857	3831	Nanuta Porcupine Mines, Ltd.

If you concur with the facts stated in these reports, which have been prepared in accordance with letters of the DMEA Field Team, Alaska District, confirming the acceptable performance of the work, the original and one copy of each should be forwarded to the Authorized Certifying Officer (L. J. Wilcox, P. O. Box 2688, Juneau, Alaska) and one copy of each should be retained in your files. If for any reason a report does not have your concurrence, please return the original and both copies to this Division with your comments.

According to the records of this Division the status of these project accounts is as follows:

Contract	Proper Govt. Participation	Paid To Operator	Balance Due Operator
Idm-F667	$17,755.55	$17,755.55	$ -0-
668	1,219.67	1,219.67	-0-
857	21,798.75	21,765.00	33.75

As it is understood that the DMEA financial records of the Alaska District will be transferred from Juneau to Spokane, copies of this letter are being sent for information purposes to both Mr. L. J. Wilcox, the Authorized Certifying Officer in Juneau, and Mrs. Dorothy F. Long, the Authorized Certifying Officer in Spokane.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosures

cc to: Docket (3)
Admr. Reading File
Mr. Chambers
L. J. Wilcox
D. F. Long

EDTalbert/wb 7-2-57

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

P. O. Box 2688
Juneau, Alaska

July 1, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 5 1957

DATE	INITIALS	CODE
7/5	C	220
7/8	RLC	400

Mr. George C. Selfridge, Chairman,
Operating Committee,
Defense Minerals Exploration Admin.,
Department of the Interior,
Washington 25, D.C.

re: Docket No. DMEA-3831 (mercury)
Moneta Porcupine Mines, Ltd.,
Red Top Mine,
Bristol Bay Recording District,
Third Division, Southwestern Alaska.
Contract No.Idm-E857.

Dear Mr. Selfridge:

Re the final report on the above project, Mr. Velikanje (former DMEA Field Team member and now at the Red Devil Mine) has expressed his intention of completing this report. Mr. Weissenborn is enroute to the Red Devil Mine and will discuss this matter with Mr. Velikanje.

Yours very truly,

R. L. Thorne

R. L. Thorne, for
J. A. Herdlick,
Alternate Acting Executive Officer,
Alaska District,
Region I.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/18	Talbert	800
6/18	JWZ	220
6/19	WEM	400

JUN 18 1957

Mr. J. A. Hardlick
Acting Executive Officer
DMEA Field Team, Region I
Alaska District
P. O. Box 2688
Juneau, Alaska

Re: Docket DMEA-3288, Contract Ida-F667
Alaska Copper Mines, Inc.

Docket DMEA-3246, Contract Ida-F668
Hyder Mines, Inc.

Docket DMEA-3831, Contract Ida-F857
Menete Porcupine Mines Limited

Dear Mr. Hardlick:

It appears from the records of this Division that a Report of Review in lieu of a final audit is in order for each of the referenced terminated contracts. However, before such reports may be issued, it is required that this Division have a communication from you setting forth, for each of the projects, the information specified in my January 9, 1957, memorandum to all DMEA auditors, subject: Instructions on the Release of Audits and Reports of Review, copies of which were forwarded to the Field Team for compliance by the Operating Committee's letter of January 17, 1957.

Your cooperation in submitting the required communications would be appreciated.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

EDTalbert/wb
June 18, 1957

Copy to: Docket (3)
Admr. Reading File
L. J. Wilcox, Reg. I, Alaska Dist.
Mr. Chambers

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6-25	Holt	400
	Chapman	130
6/26	GCS.	130
6/25	Johnson	110
	Mittendorf	400
6/27	C	220
		400

JUN 26 1957

Mr. J. A. Herdlick
Alternate Acting Executive Officer
DMEA Field Team, Region I - Alaska District
P. O. Box 2688
Juneau, Alaska

Re: Docket No. DMEA 3831 - Mercury
Monete Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division, Southeastern Alaska
Contract No. Idm-3857

Dear Mr. Herdlick:

By our letter of April 17, 1957, Field Team, Region I - Alaska District, was requested to advise us of the status of the final report on the above-noted project. We would appreciate receiving this report at your early convenience, so that we may close the docket.

Sincerely yours,

George C. Selfridge

APPROVED:

Chairman, Operating Committee (GCS)

P. F. Yopes (PFY)
Member, Bureau of Mines

N. E. Nelson (NEN)
Member, Geological Survey

TLChapman/dlm 6-25-57
cc to : Docket
Code 400
Admr. R. File
Oper. Comm
FT. REG. I - Alaska Dist.
Messrs. J. W. Pennington, USBM
T. H. Killsgarrd, USGS

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6-21	Chapman	400
		130
		110
		109
		220
		400

Mr. J. A. Herdlick
Alternate Acting Executive Officer
DMEA Field Team, Region I - Alaska District
P. O. Box 2688
Juneau, Alaska

Re: Docket No. DMEA 3831 - Mercury
Moneta Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division, Southeastern Alaska
Contract No. Idm-E857

Dear Mr. Herdlick:

By our letter of April 17, 1957, Field Team, Region I - Alaska District, was requested to advise us of the status of the final report on the above-noted project. We would appreciate receiving this report at your early convenience, so that we may ~~write a termination.~~ close the docket.

Sincerely yours,

Chairman, Operating Committee

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

TLChapman/~~Foc 6-20-57; dlm 6-21-57~~
cc to : Docket
Code 400
Admr. R. File
Oper. Comm.
FT. REG. I - Alaska Dist.
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

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

Permittee
6-25-57

Mr. J. A. Herdlick
Alternate Acting Executive Officer
DMEA Field Team, Region I - Alaska District
P. O. Box 2688
Juneau, Alaska

Re: Docket No. DMEA 3831 - Mercury
Moneta Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division, Southeastern Alaska
Contract No. Idm-E857

Dear Mr. Herdlick:

By our letter of April 17, 1957, Field Team, Region I - Alaska District, was requested to advise us of the status of the final report on the above noted project. We would appreciate receiving this report at your early convenience, so that we may ~~write a termination~~ close the docket.

Sincerely yours,

Chairman, Operating Committee

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

3836

400

Mr. S. H. Lundin, Executive Officer
DMEA Field Team, Region 2
Alaska District
P. O. Box [illegible]
Juneau, Alaska

Dear Mr. Lundin:

Since receiving your letter of April 9, 1957, informing Mr. Hilsgaard of your approaching retirement, we have reviewed the status of the Alaskan Final Field Team Reports and have noted:

1. Docket No. DMEA-842 - Smith Gold Mining Company. A memorandum dated March 26, 1957, informed us that the Final Field Team Report would be furnished in one month.

2. Docket No. DMEA-3831 - Hecla Porcupine Mines, Ltd. The Final Field Team Report is pending on this recently terminated contract.

Will you please inform us of the status of these two reports.

Should you even learn that Yukoney Mountain Mining Company, Inc., does not intend to pursue the project under Docket No. DMEA-2742, it might be well to consider a final report for this project, anticipating that the contract will be terminated.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

Frank D. Lamb

Director, Bureau of Mines

Thor H. Kiilsgaard

Director, Geological Survey

GCSelfridge/eaf - 4/17/57
Copy to: Docket - DMEA-842
DMEA-3831
DMEA-2742
Admr. Read. File
Operating Committee
T. H. Kiilsgaard, USGS
F. D. Lamb, USBM
G. C. Selfridge

MONETA PORCUPINE MINES, LIMITED

(NO PERSONAL LIABILITY)

SUITE 1505 · 320 BAY STREET

TORONTO 1, ONT.

3831

Telephone: EMpire 6-5665

Please Refer File:

March 29th, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED APR 1 1957

DATE	INITIALS	CODE
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4/1	Com	100
		~~100~~
4/1	Fej	110
		120
4/2	WSM	400

Mr. C. O. Mittendorf,
Administrator,
Defense Minerals Exploration Administration,
WASHINGTON 25, D.C.

Dear Mr. Mittendorf:

I acknowledge, with thanks, your wire of the 11th instant which was forwarded to me in Vancouver. Needless to say, I am very disappointed that you found no reason to change the decision set forth in your telegram dated February 27th. I had hoped that Mr. Selfridge would change his opinion after receiving the facts that I submitted to him. As I told you, we do not consider this a top-drawer prospect and never did; the only reason that we were interested in the property was that D.M.E.A. would share part of the expense. I hate to see both of us pull out now because I believe that on a shared-expense basis the prospect is a reasonable gamble.

We appreciated very much the assistance we received from you, and I would like to mention particularly the cooperation that we had from your field team, Messrs. Lorain and Velikanje. The assistance they rendered us was most valuable. I hope that at some future date we may find another prospect which will be of interest to you.

Yours very truly,

F. R. Burton

F. R. Burton,
President.

/A
C/c Dr. R. H. Seraphim

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 22 1957

DATE	INITIALS	CODE
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		110
3/22		120
3/26		225
Cy to div.		

P.O. Box 2688
Juneau, Alaska

March 19, 1957

C. O. Mittendorf, Chairman,
Operating Committee,
Defense Minerals Exploration Admin.,
Department of the Interior,
Interior Building,
Washington 25, D.C.

re: Docket No. DMEA-3831 (mercury)
Moneta Porcupine Mines, Ltd.
Contract No. Idm-E857

Dear Mr. Mittendorf:

I want to thank you for your letter of March 12 in which you explain the events and the reasons leading up to your decision to terminate the referenced project. I had suspected that the "pass the buck" deal was about as you stated but felt that I had to be sure the record was clear. I was particularly glad to get the full statement of the reasons for denial because they give us a much better grasp of DMEA policy.

You may remember that, when I was in Washington last December, I mentioned this project and the fact that it did not appear likely to develop enough ore to return DMEA investment. I did not go into much detail but, since no one appeared to be adversely impressed, I thought that your office probably would go along on the long chance that deeper development might show improvement. No doubt I was at fault in giving Mr. Burton undue encouragement - which accounts for his perplexity. The Moneta-Porcupine have been the most satisfactory people, performancewise, that we have had to work with; consequently I was hoping that we could keep them interested in Alaska.

In the light of your policy, as explained, I must agree with the decision of the Operating Committee.

Yours sincerely,

S. H. Lorain,
Executive Officer,
Alaska District,
Region I.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/15	Selfridge	120
"	[illegible]	110
"	[illegible]	100
		225

MEMORANDUM

MAR 14 1957

To: Administrator

From: George C. Selfridge, Special Assistant

Subject: Docket No. DMEA-3631 - Mercury
Moneta Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District, Third Division
Southeastern Alaska
Contract No. Idm-1857

On March 7, 1957, Mr. Kiilsgaard, of the Survey, and the writer met with Mr. F. R. Burton, vice president and general manager of Moneta Porcupine Mines, Ltd., to discuss the subject project and the recent denial of the company's requestfor approval of the remainder of the work under Stage II of the contract. Mr. Burton opened the conference by asking if we would be interested in having him explain the company's plans at the property and his thoughts relating to the project. Mr. Kiilsgaard and the writer assented.

Mr. Burton first mentioned that he was surprised that the matter had been referred to Washington as he had thought that the administration of the contracts was carried out entirely in the Field. He further stated that the company had been somewhat pressed regarding its plans as a Mr. James who had worked for them last summer had been offered another job or two and wished to know if there was a possibility of returning to Alaska this summer before accepting. The company believes that at least one more level should be driven before abandonment if the work results in failure. Mr. Burton thought that 1,000 feet of advance should be the minimum driven this year. He also mentioned that he had consulted with Mr. Gordon I. Gould regarding a small retorting furnace and had learned that a 20-ton one would cost about $50,00, which is out of the question until more ore is developed. The company contemplates taking in a 12-B shovel and hopes to get Mr. James, or some other Nevada miners, to do the work.

After lengthy discussion, part of which will be mentioned later, the writer stated the reason for the denial for further work, explaining that (1) the results of the first level work had been quite disappointing because they indicated only from one-fifth to one-eighth the amount of reserves originally suggested by the surface trenching, and (2) it was only after DMEA learned that winzing was apparently infeasible that the Government felt it was no longer in its interest to proceed further and, therefore, the denial.

It was further explained that DMEA thought that the quickest way to learn something about the small ore lenses was to sink a winze on one and drill short holes with sectional steel toward the others. When Mr. Burton mentioned the lack of proper equipment, costs, etc., the writer stated that he thought that ordinarily a small winze could be sunk at approximately 2.5 times the cost of a comparable drift. He also pointed out that the sinking eliminated raising should a lower level ever be driven, thus reducing the cost of the winze. Mr. Burton thought that the winzing would cost 6 or 7 times as much as drifting.

Mr. Burton stated that he had never felt too strongly about doing work on the property and that the company would not have done any had not the Government participated. The writer explained to Mr. Burton that participation was the purpose of the DMEA and that its policy as indicated by the contract form itself and the staging of the work thereunder was to aid such projects as long as it appeared feasible to do so. When the Government no longer felt that continued participation was in its interest, it withdrew such participation, but only after due deliberation and review of the entire matter.

A great deal of miscellaneous information was discussed and gleaned from the conference, some of which is briefly mentioned below.

1. During 1956 most of the Nevada miners were working and Mr. Burton paid Mr. James $1,000 a month, as miners were making $30 a day in Nevada. Mr. James put in long days and apparently was well worth his wages.

2. Drifting costs at the property had been $100 a foot. Mr. Burton thought that costs this coming summer might average $60 a foot. Prior to leaving, he asked if DMEA would be interested in a cost breakdown of the project to date. The writer informed him that receipt of such material would be highly appreciated. Mr. Burton left a sheet covering the years 1955-1956 which showed that the company had paid approximately 60 per cent of the costs to 40 per cent by the Government, as he had previously stated. Costs were excessively high during 1955 and the sheet shows that in 1956 the Government paid about 57 per cent of the costs of drifting, which averaged approximately $70 a foot.

3. There is an old, homemade, inefficient furnace near the property which has a capacity of approximately one ton a day.

4. During the discussion of possibly winzing, Mr. Killingsard mentioned pumping. Mr. Burton didn't think that they could as there is only a 105-cubic foot compressor at the property. The small compressor was one of the chief reasons why the company did not want to sink the winze.

5. Mr. Burton mentioned that Mr. Gould originally gave consideration to sinking from the surface but later decided that an adit at a 50-foot

depth would be more favorable because of the nature of the deposit. Gould also thinks that the next adit should be only 50 feet lower rather than the 100 proposed by the company.

6. When the writer mentioned it was unfortunate that the present adit wasn't driven a little lower to get away from surface conditions, Mr. Burton stated that they thought they had hired a good consultant. Just what he meant was not apparent.

7. Mr. Burton stated that the present adit was 100 feet shorter than originally calculated, Gould's map being incorrect, and the dip of the veins being steeper than had been anticipated. He then said that he thought the proposed lower adit would strike the first vein (one in the footwall of the two main veins) at approximately 300 feet when on the map it appeared to be closer to 350 feet. The map also showed a proposed third adit 700 feet in length coming in from the south, giving 800 feet additional vertical depth. The point where this third adit would strike the mineralized zone was approximately 500 feet west of the ore shoot now under consideration. Thus, it will take approximately 1,300 feet to reach the shoot from the south side. Additional depth can be gained by driving a longer adit.

8. Discussion of the geology to learn more of the formations and ore showings along the extensions of the mineralized zone disclosed that the ground is badly fractured; there is an interesting showing to the northeast (southwest ?) in the area, and apparently there is nothing on the other side of the hill toward the west (east?) as far as Mr. Burton knows, although he quoted Mr. Wren as saying he had found some float.

9. Mr. Burton thought the deposit was similar to the California ones and was especially interested in some of the cross fracturing between the two veins. His hope is that the veins will roll and flatten, forming major ore shoots. He believes that the vein is poor in the steeper sections. Mr. Burton stated that if there were bedding one cannot recognize it. He did mention that the walls were muddy which would have made it difficult for recognition.

10. Mr. Burton stated that the deposit was not associated with an igneous structure.

11. Mr. Burton thought that if they sank a winze it would be his luck to have it go out of ore immediately.

12. Mr. Burton had no idea of the amount of water the adit made. On later questioning he stated he couldn't even guess at the size of the ditch in the adit or how much water it contained, although he stated it was a sizable flow.

13. Mr. Burton thinks that the mine will produce 30- to 40-pound ore. He expects dilution and thinks that mining costs might run $50 a ton.

14. As Mr. Burton had a copy of the ore reserve tabulation submitted by Mr. Lorain, the writer asked if it were only on surface information that inferred shoot "F" had been included. Burton stated he didn't know and that the reserves were by us, thus apparently eliminating Dr. Seraphim's participation in the calculations. Mr. Burton had calculated between 1,500 and 2,000 tons for the same area.

15. The company had pulled the track and pipe from the upper level, had bulldozed a site for the proposed lower level, and had the bulldozer at the top of the hill for an early start this season.

16. The company had been involved in a good deal of red tape with the Coast Guard, especially in the matter of shipping in powder by boat. Powder was flown in last year.

17. Oil is cheap at Billingham--costing approximately 20 cents a gallon.

18. Mr. Burton mentioned that it was the company's policy to select promising properties which are too small to interest the bigger companies but which might be mined at a reasonable profit by them. He mentioned that they were considering a placer near Fairbanks in which the U. S. Government has put approximately $2,000,000. He thought that ultimately the company might make a $1,500,000 profit and that it would take approximately $300,000 to find out. He further mentioned that the company and some associates would spend $100,000 this coming season prospecting in the inaccessible areas of Alaska. The writer asked if they planned to use geophysical and/or geochemical methods and was informed that they were going to hunt goosang with a helicopter.

19. The conference terminated with the understanding that DMEA would seriously reconsider the denial and wire Mr. Burton the following day.

George C. Selfridge
(esf)

George C. Selfridge

GCSelfridge/esf
3/14/57
cc to: Docket
Admr. R. File
T. H. Kiilsgaard, USGS
Mr. Martin
Mr. Selfridge

[illegible] Expenditure for Red Top Mines	1955 Supervision etc.	1955 Operating	1955 Total	Supervision etc	Operating	Total	Supervision etc	Operating	Total
Supervision - Head Office	3,697.18			1,262.50			[illegible]		
" - R. H. Stephen				783.50					
Consultant Fees & Expes	1,324.35	[illegible]		636.20			[illegible]		
Management	2,062.09			2,289.32			4,351.41		
- F.B. Jones & miners					1,559.89			1,559.89	
Telephone & Telegraph	157.80			167.24			325.04		
Telephone & Telegraph Co.	(99.16)			(191.75)			(291.9)		
Telephone costs				866.00			866.00		
Rent Cost	1,000.00						1,000.00		
Direct Work by Red Top Billed 1956		10,440.77 3,725.90						13,[illegible]	
Salaries & Wages					16,597.09			16,597.09	
(and compensation & unemployment taxes)									
Office services (payroll, etc.)					210.89			210.89	
Freight		12.48			173.03			185.51	
Equipment, Repairs & Ins.		4,233.63			3,007.80			7,241.43	
Supplies, Fuel, Freight, etc.		977.31			3,566.52			4,543.83	
Expenses		31.38			[illegible]			201.21	
Gross Cost	8,142.26	18,621.47	26,763.73	5,818.01	[illegible]	31,097.06	13,960.27	43,901.52	57,861.79
[illegible]		4021.50	4021.50		17,743.50	17,743.50		21,765.00	21,765.00
Net Cost	8,142.26	14,599.97	22,742.23	5818.01	7,536.55	13,354.56	13,960.27	22,136.52	36,096.79
[illegible] =		180.79	259.84	447' =	56.55	67.57	[illegible] =	[illegible]	105.40
		141.75	220.80		16.86				[illegible]

DME A-38631

DMEA FORM 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
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3/13	C	220
		225

MAR 12 1957

Mr. S. H. Lorain, Executive Officer
DMEA Field Team, Region I-Alaska District
P. O. Box 2688
Juneau, Alaska

Re: Docket No. DMEA-3831 - Mercury
Moneta Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Southeastern Alaska
Contract No. Idm-E857

Dear Mr. Lorain:

I am sorry that your letter of March 1, which was received here on March 4, was not brought to my attention until March 8. By some oversight it was routed to central files instead of to me. Had I known the contents earlier, I could have asked Mr. Burton a few questions when he visited my office on March 7 - specifically, just what he said to Dr. Seraphim after his phone conversation with me on March 1.

On February 27 I advised Burton by telegram that we were not approving Stage II. When we later discussed this action by phone it was obvious that he was not only disappointed, but perhaps somewhat perplexed. He was under the impression that the Field Team was highly in favor of completing Stage II.

I told him the Field Team had pointed out the "pros and cons" of the proposition and that, since a policy matter was involved, it had referred the case to Washington. I said this was not unusual practice in borderline cases.

I was quite frank in telling Mr. Burton that my Commodity Division had prepared a telegram to him authorizing approval of the remainder of Stage II, but that each member of the Operating Committee indicated his disapproval of the contemplated action. Moreover, that Mr. Johnson and I reviewed the case in light of the adverse comments and we both concurred with the dissenters. Because Mr. Burton desired to come to Washington to plead for a reconsideration of our decision, I suggested that it would be best to set up a meeting with Messrs. Selfridge and Killsgaard of the Committee, rather than with the Commodity Division. The reasons for my suggestion are, of course, obvious.

Mr. Burton presented his case to Messrs. Selfridge and Killsgaard Thursday afternoon, March 7. After the meeting he came to

C

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my office for further discussion. I fully understand his reasons for wishing to complete Stage II, and he could well understand the Government's position as related to him by Selfridge and Kiilsgaard. I promised to hold a round-table discussion the next morning and advise him of our conclusions.

On Friday morning George, Thor, Frank, and I spent the best part of two hours discussing the case. We were searching for valid reasons to approve Stage II - without establishing a bad precedent. We wished to encourage a good mining outfit to stay in the area and we fully recognized the "fringe benefits" which would accrue by approval of Stage II as outlined in your memorandum of February 6.

However, we always come back to the cold facts of the case. Firstly, we spent about $29,000 after the Thor and Wanky deal on the assumption that we had about an 11,000-ton target (estimated to contain 2,582 flasks of mercury) down to a 100-foot depth. Reappraisal of the target after the approved expenditure now indicates that we are dealing with a 5000-ton target (estimated to contain 1,165 flasks of mercury) down to the 200-foot depth - at an additional cost to the Government of at least $5,000. Secondly, there is no geologic basis for expecting larger ore bodies on the 300 level. Therefore, we could find no justification for reversal of our February 27 decision without abandoning the criteria and principles which have guided our decisions in the past.

I personally believe that your memorandum of February 6 furnished us with a straightforward and frank appraisal of the productive potentials of the property. Furthermore, I feel that you were in favor of completing Stage II and perhaps had authority to approve it without referral to Washington. Since you were sufficiently concerned to make the referral, we naturally had to concur or dissent. There was absolutely no intent on my part to take an escape course by "passing the buck" to you. We made the final decision, and I take full responsibility for it.

Sincerely yours,

C. O. Mittendorf

Administrator

COMittendorf/fw/esf
3/13/57
cc to: Docket ✓
Code 400
Admr. Read. File
Oper. Comm.
FT REG I - Alaska Dist.
Messrs: J. W. Pennington, USBM
T. H. Kiilsgaard, USGS
C. O. Mittendorf
Contract Adm. & Audit Div.

DMEA Form 7
(12-56)

C. O. Mittendorf, Administrator

Defense Minerals Exploration Administration

OFFICIAL FILE COPY

Date	Surname	Code
3/11	Mittendorf	100
3/11	Selmeidge	130
"	Johnson	110
3/12	C	220
		225

MAR 11 1957

MR. F. R. BURTON
MONETA PORCUPINE MINES, LTD.
SUITE 1505, 320 BAY STREET
TORONTO 1, ONTARIO, CANADA

RE DOCKET DMEA-3831, MONETA PORCUPINE MINES, LTD. LENGTHY AND SINCERE CONSIDERATION GIVEN TO YOUR VIEWS AS EXPRESSED DURING OUR RECENT CONFERENCE ALONG WITH COMPLETE REVIEW OF DOCKET. BASED ON ALL AVAILABLE GEOLOGIC DATA WE FIND NO REASON FOR CHANGING DECISION SET FORTH IN MY TELEGRAM DATED FEBRUARY 27.

Kiilsgaard
Yogy

C. O. Mittendorf

C. O. MITTENDORF, ADMINISTRATOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

COMittendorf/fw
1
3/11/57
cc: Admr. Reading File
Docket
Code 400
Oper. Comm.
FT REG. I - Alaska Dist.
J. W. Pennington, USBM
T. H. Kiilsgaard, USGS
Contract Adm. & Audit Div.

8623

DMEA Form 7
(12-56)

C. O. Mittendorf, Administrator

Defense Minerals Exploration
Administration

OFFICIAL FILE COPY

Date	Surname	Code

MARCH 4, 1957

MR. F. R. BURTON
MONETA PORCUPINE MINES, LTD.
SUITE 1505, 320 BAY STREET
TORONTO, ONTARIO, CANADA

REPRESENTATIVES OF DMEA WILL BE AVAILABLE FOR DISCUSSION THURSDAY AFTERNOON MARCH 7.

C. O. Mittendorf (fw)

C. O. MITTENDORF, ADMINISTRATOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

COMittendorf/fw
3/4/57

cc: Docket
Code 400
Admr. Read. File
~~Oper. Comm.~~
FT REG I - Alaska Dist.
J. W. Pennington, USBM
T. H. Kiilsgaard, USGS
Contract Adm. & Audit Div.
Administrator

8623

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS

DL = Day Letter

NL = Night Letter

LT = International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

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1957 MAR 4 PM 3 54

:C O MITTENDORF ADMINISTRATORS=

:DEFENSE MINERALS EXPLORATION ADMINISTRATION=

RETEL EXPECT ARRIVVE YOUR OFFICE BY TWO OCCLOCK THURSDAY TRAVELLING BY AIR=

:F R BURTON MONETA PORCUPINE MINES LTD=

3531

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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

P. O. Box 2688
Juneau, Alaska

March 1, 1957

OFFICIAL FILE COPY
D M E A
RECEIVED MAR 4 1957

DATE	INITIALS	CODE
3/4	C	220
		225

Mr. C. O. Mittendorf,
Administrator,
Defense Minerals Exploration Admin.,
Department of the Interior,
Washington 25, D. C.

re: Docket No. DMEA-3831 (mercury)
Moneta Porcupine Mines, Ltd.
Contract No. Idm-E857

Dear Mr. Mittendorf:

This morning I had a long distance call from Dr. Seraphim of the referenced company; he said that your office had wired them that Stage II would not be approved and that, in a telephone conversation with Burton, you had said that disapproval was based on the Field Team failure to recommend.

If my memorandum of February 6 was not clear in this respect I want to clarify it by saying that Mr. Velikanje and I did definitely intend to recommend Stage II subject to your approval. I think that the reasons for our recommendation are stated clearly in the February 6 memorandum.

I gather from the telegraphic correspondence about sinking instead of crosscutting that someone on your staff is afraid that the shoots will not continue downward and that, unless we sink on a shoot, the risk would be too great. I have given you, by telegraph, the operational reasons against sinking but perhaps we should have discussed the geological reasons as follows:

1. The ore shoots, although very short, were high grade and were at least as strong on the 1,000' level as on the surface; furthermore the shoots on the 1,000' level appeared to be direct downward continuations of the surface exposures although minor offsets and changes in strike or dip are indicated. The company geologists, Velikanje, and I all agree that there is a reasonable expectation of another 100' dip extension and a possibility of some improvement.

2. An attempt to follow a single oreshoot downward would probably involve a crooked winze or frequent crosscuts to be sure that we were still on the ore. Either procedure would increase the cost of sinking. At whatever point we chose to stop the winze we would still have to do the same amount of drifting that would be done from the crosscut; otherwise nothing would be proved. This drifting would be much more expensive than if it were done from a crosscut.

The only reason we referred the final decision back to your office was that we cannot, at present, see enough ore probabilities to repay the DMEA from royalties. Nevertheless we do recommend it because we think that the gamble for bigger shoots at depth plus the "fringe" benefits mentioned in my memo of February 6 are enough to justify the second stage.

Yours sincerely,

S. H. Lorain,
Executive Officer,
Alaska District,
Region I.

cc: Velikanje

DMEA Form 7
(12-56)

TERIOR

DEFENSE MINERALS EXPLORATION
ADMINISTRATION
14X4401 (01) REVOLVING FUND
DEFENSE PRODUCTION ACT, INTERIOR
ALLOCATED WORKING FUND TO THE OFFICE OF
THE SECY.)

OFFICIAL FILE COPY

Date	Surname	Code
2/27	Chapman	400
2/27	Martin	400
2/27	Talbert	800
2/27	Selledge	120
"	Mathews	110
	Mittendorf	100
2/28	C	220

FEB 27 1957

MR. F. R. BURTON
MONETA PORCUPINE MINES, LTD.
SUITE 1505, 320 BAY STREET
TORONTO 1, ONTARIO, CANADA

REURLET JANUARY 29, AND WIRE OF FEBRUARY 19, DOCKET DMEA 3831, MONETA PORCUPINE MINES, LTD. REVIEW INDICATES PARTICIPATION BY GOVERNMENT IN COMPLETION OF STAGE II IS NOT WARRANTED AND THE PROJECT IS THEREFORE TERMINATED AS OF NOVEMBER 1, 1956.

C. O. Mittendorf (for)

C. O. MITTENDORF
ADMINISTRATOR, DEFENSE MINERALS
EXPLORATION ADMINISTRATION

TLChapman:am 2-21-57 - 2-27-57
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT REG I - Alaska Dist.
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS
Contract Adm. & Audit Div.

8623

2/25/57

Mitt:

Based solely on estimated ore reserves - Stage II is not justified. It has development aspects but if ore estimates justified the work it would be more so. Lorain favors work but is reluctant to approve without our concurrence. He believes there is a possibility of the small ore shoots getting better at depth but admits he has no reason to support this belief. The main justification, therefore, is that perhaps we do not know enough about the ore deposits in this area and also the continuation of this project may stimulate further exploration in the area.

FEJ

Mr. Martin - says this is a policy matter and Ainsfor sent the telegram thinking on a trial basis.

Mr. Chambers - Thought the matter of costs was the basis for preparing amendment. He said he had no objection to amendment and has now submitted telegram.

[illegible]

[illegible] 0.45 [illegible]

[illegible] 1.25 (or 94.5 [illegible]

[illegible] F) [illegible]

= 16 [illegible] (20 [illegible])

[illegible] 443 [illegible]

1325 [illegible] = 14,330

(1.25) = 8,350

[illegible] 101,[illegible]

[illegible] 130,000 [illegible]

[illegible] 000 [illegible]

DMEA Form 7
(12-56)

INTERIOR

DEFENSE MINERALS EXPLORATION
ADMINISTRATION
14X4401 (01) REVOLVING FUND
DEFENSE PRODUCTION ACT, INTERIOR
ALLOCATED WORKING FUND TO THE OFFICE OF
THE SECY.)

OFFICIAL FILE COPY

Date	Surname	Code
2/21	Chapman	400
2/21	Martin	400
2-21	Chamberlin	800
2/21	Selfridge	120
		110

Noted

F. R. BURTON
MONETA PORCUPINE MINES, LTD.
SUITE 1505, 320 BAY STREET
TORONTO 1, ONTARIO, CANADA

HEURLET JANUARY 29, DOCKET DMEA 3831, MONETA PORCUPINE MINES, LTD. 100

AMENDMENT BEING WRITTEN HERE GRANTING EXTENSION OF TIME AND RECESS. 220

CONTINUATION OF STAGE II IS APPROVED.

C. O. MITTENDORF
ADMINISTRATOR, DEFENSE MINERALS
EXPLORATION ADMINISTRATION

TLCHAPMAN:am
2/21/57
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT REG I - Alaska Dist.
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

* wholly an engineering problem but it looks to me like the recommendation is based solely upon cost of drift as to cost of raise.
Jay R. Chamberlin

8623

DMEA Form 7
(12-56)

	Date

In our opinion
Kennecott Stage I do not justify
~~[illegible]~~ of Stage II ~~[illegible]~~
Amendment being prepared here
~~[illegible]~~ ~~[illegible]~~
~~[illegible]~~ ~~[illegible]~~

The inferred reserve has little validity — grades overall appear poor unless other mines in the area are persistent. This looks like a cousin looking proposition. JN

I agree with P.Y's comment and recommend that Stage II work not be approved. L.R.S.L.R.

Trevor: Do you see that we are against approving Stage II. If so, do we know that they will change their mines & not argue as we did the Faro problem. Trev — What do you think?

RS204

DEPT. ARMY COMM. EX 56397

NNNN

EU 0316Z

EUE081MRA048WK025KA039

MM RUEPC

DE RUKJC 53

M 200144Z

10 FEB 57 0319Z

INTERIOR DEPT.
FEB 20 1957
SECRETARY'S MAIL CENTER

17620

FM S H LORAIN EXECUTIVE OFFICER ALASKA DISTRICT REGION 1 DEPT OF INTERIOR JUNEAU ALASKA

TO GEORGE C SELFRIDGE CHAIRMAN OPERATING COMMITTEE DEFENSE MINERALS EXPLORATION ADMIN DEPT OF THE INTERIOR WASH DC

MINES GRNC

BT

HAVE DISCUSSED PROPOSAL FOR MONETA WINZE WITH VELIKANJE, SERAPHIM OF MONETA, AND MY STAFF. AGREEMENT IS UNANIMOUS THAT WINZE NOT DESIRABLE FOR REASONS DIRECT COST 100 FEET SINKING PLUS SUMP AND HEAD SPACE NEARLY EQUAL CROSSCUT. WINZE ALSO REQUIRES ADDITIONAL POWER EQUIPMENT, HOIST, PUMP, TIMBER NONE OF WHICH RECLAIMABLE THAT LOCATION. WINZE ALSO WOULD MATERIALLY INCREASE COST OF EXPLORATION LOWER LEVEL.

BT

CFN 100

20/0205Z

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 20 1957

DATE	INITIALS	CODE
2-20	C	220
		225

ORIGINAL FILE COPY
DMEA
RECEIVED 20 1957
DATE | NAME | CODE

Telefax WESTERN UNION Telefax

SY1300

SY TNA263 98 DL=CNT TORONTO ONT 19 1244P=

C O WITTENFORF= 57 FEB 19 PM 1 19

DEFENSE MINTERALS EXPLORATION ADMINISTRATION=

WASHINGTON DC=

=WINZE ALTERNATIVE WAS CAREFULLY CONSIDERED LAST FALL IN MAKING PLANS FOR THIS YEARS WORK STOP WINZE WAS SUGGESTED BY ME BUT OPERATING PERSONNEL CONVINCED ME THAT CROSSCUT BETT STOP SOME OF THE CONSIDERATIONS WERE LACK OF POWER TO COPE WITH STRONG WATER FLOW STOP COSTS OF SINKING VERSUS CROSSCUTTING STOP COST OF

1270 (1-51)

EQUIPMENT AND INSTALLATION STOP LACK OF SKILLED LABOUR STOP COST OF OPERATING WINZE WITH HIGH COST LABOUR STOP MOST SERIOUS CONSIDERATION IS DELAY BECAUSE WE COULD NOT GET HOIST AND PUMP AND LARGER POWER PLANT UNTIL THIS SUMMERS BOAT AND WOULD LOSE MOST OF THIS SEASON=

R BURTON MONETA PORCUPINE MINES LTD= 57 FEB 19 PM 1

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 19 1957

DATE	INITIALS	CODE
2-19	C	220
		225

1270 (1-51)

Form 7
(12-56)

INTERIOR

DMEA

14X4401(01) Revolving Fund, Defense Act, Interior (Allocation Working Fund to the Office of the Secy.)

OFFICIAL FILE COPY

		Code
2/18	Chapman	400
2/18	Hunter	400
2/18	Jacobs	800
2/18	Selfridge	130
"	Johnson	110
		100
2-19		220
		225

FEB 19 1957

MR. F. R. BURTON
MONETA PORCUPINE MINES, LTD.
SUITE 1505, 320 BAY STREET
TORONTO 1, ONTARIO, CANADA

REURLET JANUARY 29, DOCKET DMEA 3831, MONETA PORCUPINE MINES,LTD. WE WOULD APPRECIATE YOUR REACTION TO ALTERNATIVE PROPOSAL OF SINKING A WINZE ON THE WEST ORE SHOWING IN LIEU OF LONG CROSSCUT TO GAIN 100 FEET IN DEPTH.

Kiilsgaard
Lamb

ADMINISTRATOR, DEFENSE MINERALS
EXPLORATION ADMINISTRATION

TLCHAPMAN:foc
2/18/57

cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT. REG. I - ALASKA Dist.
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

DMEA Form 7
(12-56)

INTERIOR
DEFENSE MINERALS EXPLORATION
ADMINISTRATION
14X1401(01) REVOLVING FUND, DEFENSE
PRODUCTION ACT, INTERIOR
ALLOCATED WORKING FUND TO THE OFFICE OF
THE SECY.)

OFFICIAL DEFENSE COPY

		Code
2/14	Chapman	400
2/14	Martin	400
		120
		110
		100
2-14	Chamber	220
		800

F. R. BURTON
MONETA PORCUPINE MINES, LTD.
SUITE 1505, 320 BAY STREET
TORONTO 1, ONTARIO, CANADA

REURLET JANUARY 29, DOCKET DMEA 3831, MONETA PORCUPINE MINES,LTD.

AMENDMENT BEING WRITTEN HERE GRANTING EXTENSION OF TIME AND RECESS.

CONTINUATION OF STAGE II IS APPROVED.

ADMINISTRATOR

TLCHAPMAN:foc
2/14/57
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT. REG. I - ALASKA DIST.
J. W. PENNINGTON, USBM
T. H. Kiilsgaard, USGS

Selfridge: 2/15/57

George -

In view of small targets and development aspects, as well as Lorain's reluctance to recommend Stage II, why not ask for his and Operator's comments on sinking an incline winze on best ore showing.

a W

FEJ

8623

DMEA Form 7
(12-56)

TELETYPE

XXXXXXXXXXXXXXXXXXXXXX

INTERIOR

DMEA

14X401(01) Revolving Fund, Defense Production Act, Interior
(Allocated Working Fund to the Office of the Secy.)

OFFICIAL FILE COPY

Date	Surname	Code
2/18	Chapman	400
2/18	Martin	400
2/18	Talbut	800
2/18	Selfridge	130
"	Johnson	110
	Mittenhof	100
2/19	C	220
		228
		225
	Kiilsgaard	
	Lamb	

FEB 19 1957

MR. S. H. LORAIN, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION I - ALASKA DISTRICT
BOX 2688
JUNEAU, ALASKA

REURMEMO FEBRUARY 6, DOCKET NO. DMEA 3831, MONETA PORCUPINE MINES, LTD.

WE WOULD APPRECIATE YOUR COMMENTS ON ALTERNATIVE PROPOSAL OF SINKING A WINZE ON A WEST ORE SHOWING IN LIEU OF LONG CROSSCUT TO GAIN 100 FEET IN DEPTH. WE ARE WIRING FOR BURTON'S COMMENTS.

George C. Selfridge

CHAIRMAN, OPERATING COMMITTEE

TLCHAPMAN:foc
2/18/57

cc to: Docket
Code 400
Admr. Read. File
Operating Comm.
FT. REG. I - Alaska Dist.
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REGION I

2688
OMX

OFFICE OF
Asst. REGIONAL DIRECTOR for Alaska

P. O. BOX 2990
JUNEAU, ALASKA

February 6, 1957

Mr. F. R. Burton, Pres.,
Moneta Porcupine Mines, Ltd.,
Suite 1505, 320 Bay Street,
Toronto 1, Ontario,
Canada.

re: Docket No. DMEA-3831 (mercury)
Moneta Porcupine Mines, Ltd.,
Contract No. Ida-E857

Dear Dr. Burton:

Your letter of January 29 requesting authorization to proceed with Stage II of the referenced contract was received yesterday. In this mail I am forwarding copies of your request, and of our recommendations, to the Operating Committee in Washington, with a request that they notify you of their decision directly.

If the project is to be continued an amendment to extend the time limit will be necessary. I have asked the Operating Committee to let you know, as quickly as possible, whether the time extension will be granted.

Yours sincerely,

S. H. Lorain,
Executive Officer,
Alaska District,
Region I.

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 11 1957

DATE	INITIALS	CODE
2-12	C	220
2/[illegible]	[illegible]	800
2/13	WSM	400
		225

cc: Dr. Seraphim
Operating Committee, DMEA
Velikanje

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

OFFICE OF
Asst. REGIONAL DIRECTOR for Alaska

2688
P. O. BOX 2991
JUNEAU, ALASKA

OFFICIAL COPY DMEA RECEIVED FEB 11 1957		
DATE	INITIALS	CODE
2-12	C	220
		225

February 6, 1957

Memorandum

To: Operating Committee, Defense Minerals Exploration Admin., Department of the Interior, Washington 25, D.C.

From: Executive Officer, Alaska District, Region I.

Subject: Approval for Stage II.
Docket No. DMEA-3831 (mercury)
Moneta Porcupine Mines, Ltd.
Contract No. Idm-E857

Enclosed are two copies of a request for authorization of Stage II of the subject project. You may remember that my memorandum of August 8, 1956 authorized 200 to 300 feet of drifting under Item 2 of Stage II but specifically did not authorize work under items 1, 3, or 4 of Stage II. The current request is for permission to complete Stage II.

I believe that I have authority to authorize this work but, in view of the fact that the ore shoots found last season are small, I would like to have your concurrence in this decision.

Dr. Seraphim's "Narrative Report for September, 1956 Summarizing Work for the Season" was sent to you with my memo of October 30, 1956. The accompanying 1": 20' sketch shows the ore shoots as mapped by Dr. Seraphim and checked by Mr. Velikanje and by me. My estimates of "indicated" ore above the 1,000' Level and of "inferred" ore that may be developed by the proposed 900' Level are tabulated on the attached sheet. You will note that the estimates for the 900' to 1,000' interval are based on the assumption that the shoots "A" to "E" and the shoot "F" (which is inferred from cross section projections) continue downward or are replaced by other shoots of equal size and grade. We think that this is a reasonable assumption; we think that there also is a possibility that the 900' Level may be better than the 1,000' Level. Although we do not see any logical reason to expect such an improvement, we do think that the showing between the 1,000' Level and surface is good enough to justify one more level to provide a better indication of what the trend at depth may be.

An additional argument in favor of the continued program is that any ore developed is almost sure to be mined and retorted by Moneta or by the local owners if Moneta drops the option. At the moment it appears that Moneta plans to mine and retort; the delays in making their request were caused by conferences with Gould to determine whether a small furnace could be obtained that would be operable at permissible costs. We can be sure that any appreciable production from this mine will stimulate prospecting in the area. In fact Mr. Burton told me that, if they continued with Red Top, they would put a prospector in the field next summer.

The 1" : 100' sketch attached to this memo shows the proposed location and approximate length of the lower crosscut.

The contract provides that work shall be completed by November 1, 1956. The Field Team letter of January 5, 1956 suggested that the time be extended but I do not seem to have any documents to indicate that an extension was granted. Obviously a time extension amendment should be made. I suggest that the time be extended to December 31, 1957.

Inasmuch as Mr. Burton is anxious to get started with plans for next season, will you please notify him directly if you agree to the Stage II work and if you will grant the necessary time extension.

S. H. Lorain

Enclosures-~~3~~ 4

cc: Velikanje
Wilcox

Wash.

Room 408 - 402 W. Pender,
January 29th, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 11 1957

DATE	INITIALS	CODE

Mr. S.H. Lorain,
Executive Officer,
Alaska District, Region I,
D.M.E.A.
P.O. Box 2688
Juneau, Alaska.

Docket #DMEA - 3331
(Mercury)

Dear Mr. Lorain:

Re: Exploration Contract Idm - E857

Confirming our telephone conversation of even date, we wish to proceed with Stage II of our contract and hereby make formal application for the same. Our mine superintendent is anxious to make his plans for the coming season and we would, therefore, appreciate a reply as to your decision in the matter at your earliest convenience.

Yours very truly,

F.R. Burton

F.R. Burton,
President.

FRB:rw

RECEIVED
FEB 4 1957
BUREAU OF MINES
JUNEAU, ALASKA

Indicated Reserves above 1000' Level

Shoot	L/ft.		W/ft.		Area/Sq. ft.	Assay		Area x Assay
A	20	x	1.4	=	28.0	6.17	=	172.76
B	20	x	1.1	=	22.0	1.1	=	24.20
C	7	x	0.66	=	4.62	5.08	=	23.47
D	20	x	0.72	=	14.40	2.98	=	42.91
E	20	x	2.00	=	40.00	1.28	=	51.20
	87		1.25		109.02	2.88		314.54

Shoot	Area	x	Dip length	=	Cu. Ft.	Cu.Ft. ÷ 11.6		Assay		# Hg
A	28.0		70		1960	168 T	x	6.17%	=	20,731
B	22.0	x	35		770	66 T	x	1.1%	=	1,452
C	4.6	x	35		161	14 T	x	5.08%	=	1,422
D	14.4	x	60		864	74.5 T	x	2.98%	=	4,438
E	40.0	x	35		1400	121 T	x	1.28	=	3,098
						443 T		3.51		31,141

31,141 # ÷ 76 = 400 flasks @ $225 = $90,000 + new shoot F (inferred)
35 x 1.25 x 20 = 75 T. @ 2.5% 3,750 # = 5 flasks
5 flasks @ $225 = $1,125

Inferred Reserves - 900' L. to 1,000' L.

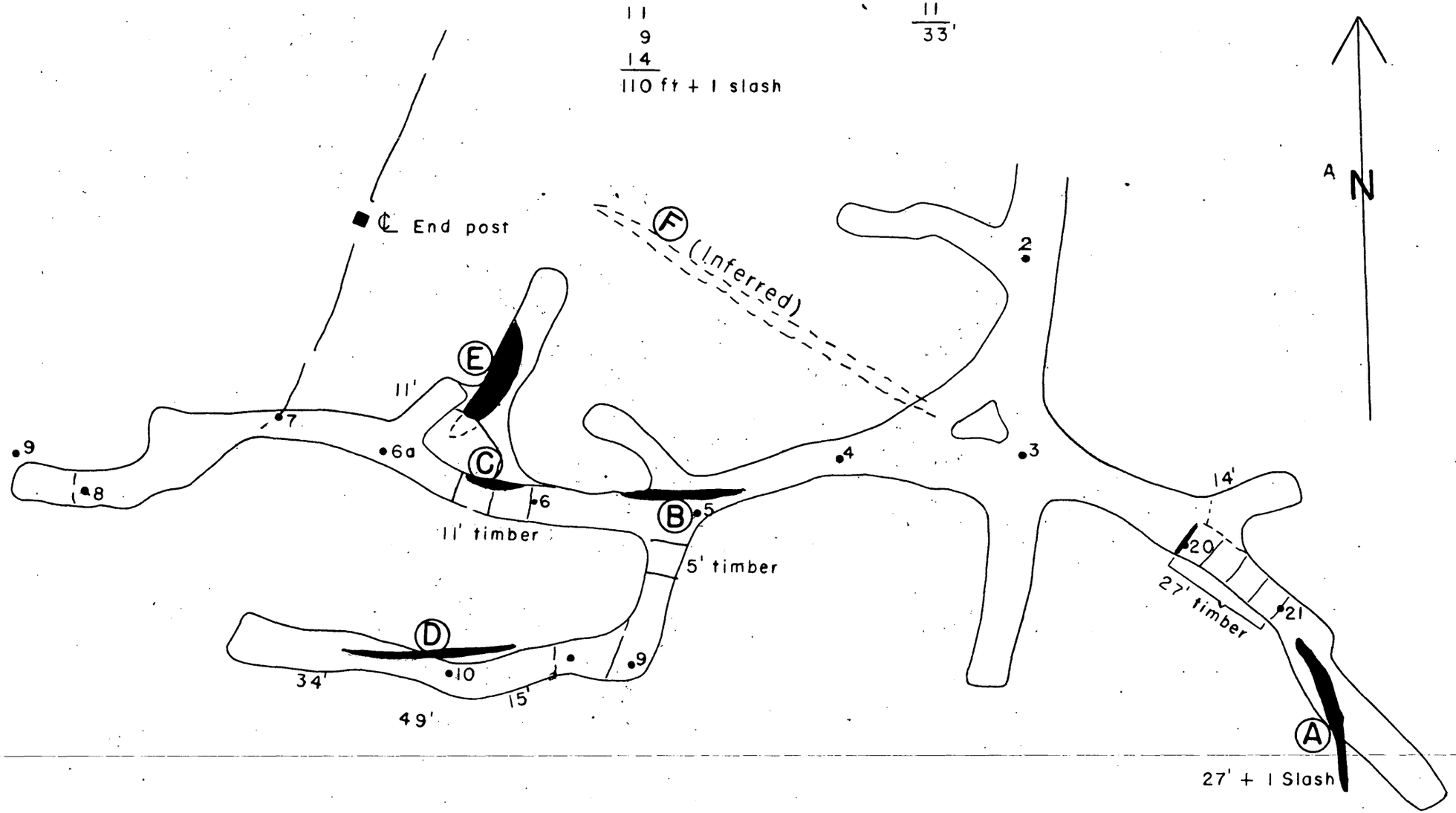
Shoot	Cu. ft. (Area x 100)	Tons (Cu. Ft. ÷ 11.6)	x Assay	# Hg.
A	2800	240	6.17	29,516
B	2200	190	1.10	4,180
C	460	40	5.08	4,064
D	1440	125	2.98	7,450
E	4000	350	1.28	8,960
F (inferred)	4400	380	2.50	19,000
		1325	2.75	73,170

73,000 ÷ 76 = 1,000 flasks x $225 = $225,000

443 + 75 + 1325 = 1840 tons)
$225,000 + $91,000 = $316,000 value) $ 170 ton. value

Total for August, 1956

Tunnel	Timber
27 + 1 slash	17
49	5
11	11
9	33'
14	
110 ft + 1 slash	

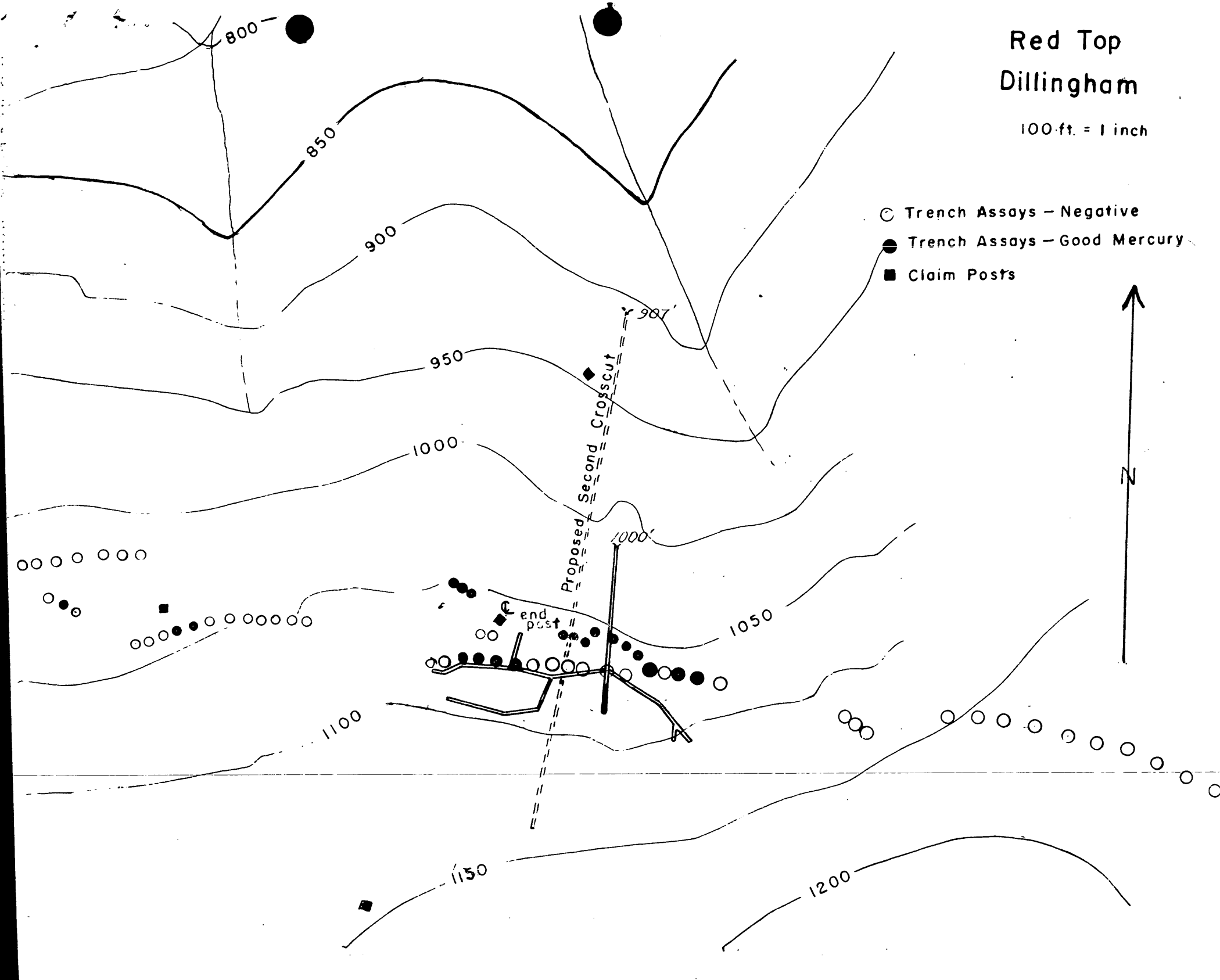


RED TOP MINE, DILLINGHAM.

Scale 1" = 20'

Sept. 1, 1956

RECEIVED
FEB 11 1957
D.M.E.A.


Red Top
Dillingham
100 ft. = 1 inch
Trench Assays – Negative
Trench Assays – Good Mercury
Claim Posts
N
800
850
900
950
1000
1050
1100
1150
1200
907'
1000'
Proposed Second Crosscut
end post

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

400

DOCKET COPY
Surname:
Chapman
Martin
J Johnson

NOV - 5 1956

Mr. F. R. Burton, President
Moneta Porcupine Mines, Ltd.
Suite 1505, 320 Bay Street
Toronto 1, Ontario, Canada

Re: Docket No. DMEA-3831 (Mercury)
Red Top Mine
Bristol Bay Recording District
Southeastern Alaska
Contract No. Idm-2857

Dear Mr. Burton:

Reference is made to your letter of October 22, 1956, advising of the closing down of the captioned project for the winter and requesting a corresponding recess and extension of time to November 1, 1957.

We are awaiting Field Team comments on the project and will consider your proposed extension of time and recess as soon as their recommendations are received.

Sincerely yours,

C. O. Mittendorf

Administrator

TLChapman:ms 11/2/56
Copy to: Docket
Field Team, Region I - Alaska Dist.
Mr. Kiilsgaard, USGS
Mr. J. W. Pennington, USBM
Code 400 (2)
Admr. R. File

R.G.S.

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

P. O. Box 2688,
Juneau, Alaska.

EXTRA COPY DMEA RECEIVED JAN 14 1957		
DATE	INITIALS	CODE
	TEI	110
1/14	WSM	400

January 9, 1957

Memorandum

To: Operating Committee, Defense Minerals Exploration Admin., Department of the Interior, Washington 25, D.C.

From: Executive Officer, Alaska District, Region I.

Subject: Operator's monthly report,
Docket No. DMEA-3831 (mercury)
Moneta Porcupine Mines, Ltd.
Contract No. Idm-E857

Enclosed are two copies each of MF-104, MF-104A, and a progress sketch, with data, for September - October 1956; these reports complete the 1956 season.

Under date of October 30 I sent you the Operator's narrative report for September and his summary of the season's accomplishments. The Operator has not yet stated whether he plans to ask for a continuation next season.

S. H. Lorain

Enclosures-3

cc: Velikanje
Wilcox

Sept & Oct 1956
MF 104

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED JAN 14 1957 D.M.E.A.

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

Month of Sept. & Oct. 1956 Docket No. DMEA-3831 Contract No. Idm-E857

Operator's Name Moneta Porcupine Mines Limited Minerals Mercury

Address 1505 - 320 Bay Street, Toronto 1, Canada

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	feet	4,212	81	25,636	493	52.00)	725	37,700
Crosscutting	feet	520	10	2,964	57	52.00)		
~~Raising~~ Timbering	feet	-	-	330	33	10.00	300	3,000
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails		420.00	18	90				
Assaying	assays	87	29**	135	45	3.00	30*	90*
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		3734		29020				
TOTAL COSTS		3,779		29,065				40,790

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

Date Nov. 13, 1956 Operator Moneta Porcupine Mines Ltd.

Per J. R. Buxton Title President

REMARKS: * 30 assays authorized under Stage I, 110 under Stage II. As part of Stage II drifting footage has been authorized, assays required to date on this additional work have been included in unit costs to date.

** 18 re Aug. exploration
" 11 " this period

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

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

Budget Bureau No. 42-R1036.5

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

Month of Sept. & Oct., 1956 Docket No. DMEA 3831 Contract No. Idm-3857
Operator's Name Moneta Porcupine Mines Limited Minerals Mercury
Address 1505 - 320 Bay Street, Toronto 1, Canada
Contract Amount, $ 116,720 Government Participation: 75 % Amount, $ 89,040

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting Adj.- 10'	520	3,484	2,964	520.00	3484.00	2964.00
Drifting 81'	4,212	21,424	25,636	4212.00	21424.00	25636.00
Timbering	-	330	330		330.00	330.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis 14	87	48	135	42.00	48.00	90.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3,779	25,286	29,065	3734.00	25286.00	29020.00

RECEIVED JAN 14 1957 D.M.E.A.

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Nov. 13, 1956 *Payee Moneta Porcupine Mines Limited
Per J. R. Burton Title President

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

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

(Instructions on reverse)

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

$ 2800.50

Signature L. J. Wilcox, (Authorized Certifying Officer)
Date Jan. 7, 1957 Vou. No. 51
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. [illegible]57 in accordance with the terms of the contract.

Signature [illegible] Title Examining Engineer Date 1/7/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date 1/7/57

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Footage on Red Top option work

completed to Oct. 6, 1956

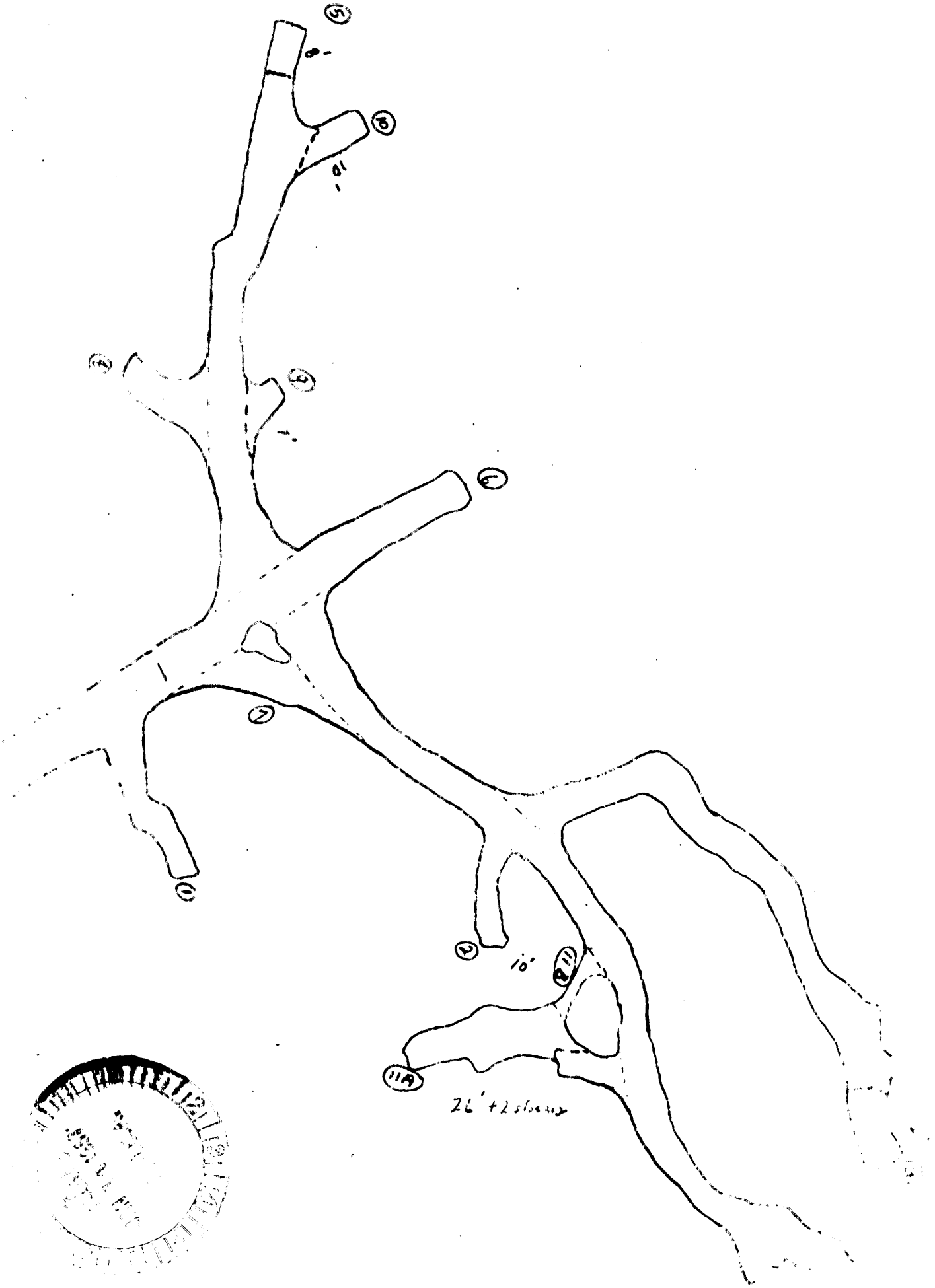
by

Moneta Porcupine Mines Limited

(see attached sketch - F. S. James)

Heading No.	Total to Oct. 6/56	Claim 1 1955 work	Claim 2 May, June/56	Claim 3 July/56	Claim 4 Aug./56	Total Claimed to Aug. 31/56	Claim 5 Sept + Oct/56	
1.	26			26		26		
2.	16			16		16		
3.	93			41	49	90	3	(12' this period but adjustment made for previous error in measure)
4.	155	23	37	86	9	155		
	5					—	5	(2 slashes @ 2½' per slash)
5.	89	23	26		27	76	13	(8' this period - 5' adjustment required)
6.	57	67				67	(10) cr.	(error in previous measure)
7.	24		24			24		
8.	14				14	14		
9.	7					—	7	
10.	12					—	12	(10' + slash not previously claimed)
11A.	37				11	11	26	
	5					—	5	(2 slashes)
11 B.	10					—	10	
	550	113	87	169	110	479	71	

RECEIVED JAN 14 1957 DMEA


5
8
10'
4
6
1
7
9
2
10'
11
11A
26' + 2 shoulder

Docket

MONETA PORCUPINE MINES, LIMITED

(NO PERSONAL LIABILITY)

SUITE 1505 - 320 BAY STREET

TORONTO 1, ONT.

Telephone: EMpire 6-5665

Please Refer File:

RECEIVED

OCT 24 1956

October 22nd, 1956

WSM

Mr. C. O. Mittendorf, Administrator,
Defense Minerals Exploration Administration,
WASHINGTON 25, D.C.

Dear Mr. Mittendorf: Re: Docket No. DMEA-3831(mercury)
Moneta Porcupine Mines, Limited
Contract No. Idm-E857

I presume you are aware that we have generally completed the work as outlined in Mr. Lorain's letter of August 8th, 1956, and we have closed down the property for the winter. Recent results have been somewhat more encouraging, and it is possible that after assessing the results we may wish to drive the 2nd level tunnel and do the work provided for in Stage 2 of the contract. Our decision will be reached after discussing the matter with our resident engineer in Vancouver and our consultant. I would also like to discuss it with your D.M.E.A. team, Messrs. Lorain and Velikanje, which I hope to do early next month.

As you know, one of the terms of our contract is that our work must be completed by November 1st, 1956. I would ask that this date be extended to November 1st, 1957. Needless to say, there will be no commitment on your part to agree to Stage 2 of the work at this time, but I do think that it would facilitate matters if our contract was kept alive and not allowed to expire by default on our part. If the above meets with your approval, would you please send us the necessary documents for our signature.

Yours very truly,

Copy retained 400

F. R. Burton

F. R. Burton,
President.

/A
C/c Mr. S. H. Lorain

Anoreta Percyton.

Lorain.

Station new level would give 1000 flocks

Present work should give 400 flocks.

Believes we should go ahead; has good possibility of going deeper.

400

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

P. O. Box 2688
Juneau, Alaska

October 30, 1956

Memorandum

To: Operating Committee, Defense Minerals Exploration Admin., Department of the Interior, Washington 25, D.C.

Wilson

From: Executive Officer, AlaskaDistrict, Region I.

Subject: Operator's Narrative Report.
Docket No. DMEA-3831 (mercury)
Moneta Porcupine Mines, Ltd.,

Enclosed are two copies of the Operator's narrative report for September. This report also summarizes the season's work. We have not yet received the 104s for September but will, of course, forward them as soon as they have been received and audited.

At Mr. Burton's request, Mr. Velikanje and I are meeting with several officials and directors of the company at Vancouver a week from today in order to discuss the advisability of continuing the program next season and, if it is decided to continue, to discuss and decide on specific plans.

In view of the results obtained to date, Mr. Velikanje and I are in favor of continuing next year if the company decides that it wants to continue. After we have had the meeting I will send you a report on the meeting and an analysis of the situation as we see it.

S. H. Lorain

Enclosure-1

cc: Velikanje
Wilcox

Wenk

RED TOP - DILLINGHAM

RECEIVED NOV 5 1956 D.M.E.A.

NARRATIVE REPORT FOR SEPTEMBER, 1956
AND SUMMARIZING WORK FOR THE SEASON.

INTRODUCTION:

The property was examined October 4th. to 6th. inclusive, and this is expected to be the concluding report for the season. Mr. Velikanje of the D.M.E.A. field team accompanied and worked with the writer.

SUMMARY AND CONCLUSIONS:

Tunnel work on the property began in early June and was suspended in early October. During this time, approximately 450 feet of drift and cross-cut were completed, exposing five small shoots of cinnabar mineralization, and a number of stringers too small or too sparsely mineralized to consider economic. Further work on the level might disclose one or two more shoots near the present workings, but difficulties in mining (insufficient backs), supply, climate, and personnel preclude further exploration this season. A second level, approximately one hundred feet below the present level, is recommended for next season. The work would involve 500 ft. of cross-cutting and five or six hundred feet of drifting. Buildings and equipment suitable for winter work would be required.

GENERAL GEOLOGY:

The underground work appears to confirm a generality expressed by Mr. Velikanje of the D.M.E.A. field team; that one or more strong, steeply, south-west dipping faults split and form a well-broken zone where swinging

RECEIVED NOV 5 1956 D.M.E.A.

into several faults striking westerly and dipping southerly.

The numerous 'slips' in the workings thus fall roughly into two sets, one striking north-westerly and dipping from 50 degrees south-westerly to almost vertical, and the other striking westerly and dipping from 35 to 80 degrees southerly. The former set is stronger in the east workings and appear to die out towards the west where the latter set predominate.

A few 'slips' which do not conform to these two sets are not strong, although two are well mineralised (near station 6b).

Erratic carbonate lenses and stringers locally accompany the 'slips' of both sets. Petrographic work instigated by the D.M.E.A. team indicates that the carbonate is of two ages, the first a dolomitic carbonate pre-cinnabar and the second, calcite, post-cinnabar. This would imply that exploration should follow dolomite rather than calcite. However, only about half the cinnabar mineralization is associated with carbonate, the remainder being in shattered or faulted wall-rock. Thus carbonate is probably a less-important guide than structure.

Cinnabar is found in veins, vein breccia, and reticulating stringers and pockets in the country-rock. The veins follow both the west striking and the north-west striking sets of slips. The veins are locally up to four or five inches wide of apparently massive cinnabar. These in places merge into a vein breccia, in which dolomitic carbonate fragments lie in a matrix of cinnabar. A second type of vein breccia occurs where, as suggested by the D.M.E.A. work, later disruption of the cinnabar veins and calcite deposition results in cinnabar fragments being cemented in a matrix of calcite.

RECEIVED NOV 5 1956 D.M.E.A.

'ORE' SHOOTS:

Five of the mineralized zones found to date might be called ore shoots.

Ore Shoot	Length	Width	Tons-/vert. foot 11.5 factor Sample Width	Tons-/vert. foot 11.5 factor 3 ft. Width	Grade Sample Width	Grade 3 ft Width	Tons X Grade
At St. 22	18	1.4	2.2	4.7	6.17	2.87	13.6
" 5	21	1.1	2.0	5.5	1.1	0.4	2.2
" 6	10	4.	3.5	3.5	1.15 +	1.15 +	4.0 +
" 6b	18 +	2.45	3.85 +	4.7 +	1.28	1.04	5.0 +
" 10	21	0.72	1.31	5.5	2.98	0.71	3.9
			12.9	23.9			28.7

Weighted average grade on sample width 2.22% or 1.24% on 3 ft. width

The shoot near station 22, omitting the southernmost nine feet averages 6.17% Hg (weighted) across 1.4 feet for eighteen feet length. This zone 'makes' on the hanging-wall of the main north-west striking fault. At the north end (near the fault) it is formed from pockets and reticulating veinlets in well broken and altered (dolomitised?) country-rock, apparently dipping parallel to the strong north-west trending fault. To the south it peters into a single slip, dipping easterly, with discontinuous lenses of cinnabar from a fraction of an inch to one or two inches wide.

The shoot near station 5 averages only 1.1% Hg across 1.1 ft. width for twenty-one feet length. It lies in the footwall side of a strong east-west fault. It contains some stringers of cinnabar parallel to the drift, others in small cross-fractures parallel to the north-west system of slips and some breccia cinnabar in calcite matrix.

The shoot near station 6 is formed by a number of irregular lenses and pockets of cinnabar on discontinuous slips and intersections of slips. Cinnabar was reported to be strong in the floor. The mineralization is irregular but gave the general impression of coming up out of the floor at about a fifty or sixty degree southerly dip and rolling over to about thirty degrees into the back in a series of en-echelon lenses and pockets.

The shoot at station 6b consists of irregular cinnabar veinlets following two weak north-south trending slips, with some reticulating veinlets and masses between the slips. At the south end only thin stringers followed the slips. No colors were found on the footwall of the carbonate zone. A test hole picked up color in the pillar beyond the north exposure, and there might be some connection here with the irregular zone near station 6. The ground in this area is too loose to permit further exploration without extensive timbering. without?

The shoot near station 19 is mainly a narrow vein, in part massive cinnabar and in part breccia. It follows the immediate hanging-wall of a slabby calcite vein in a strong east-west fault.

The relation of these shoots to the mineralization known on surface is shown on an accompanying map. The dip on the south end of the shoot at station 22 suggests that this shoot might rake up to the surface exposure north-west of it. The shoot near station 5 is likely the downward extension of the surface zone at elevation 41 ft. The outcrops of the shoots near station 6 and 6b are not visible, although the vendors of the property reported cinnabar now covered up near the centre line end post. The shoot near station 10 is likely the same one which outcrops? almost vertically above underground station 6n.

ORE POSSIBILITIES:

The outcropping zone at elevation 30 ft. has not been found underground. Drifting north-westerly on the thin high grade stringer and or pocket near the floor in the west arm of the Y (about half way between stations 2 and 4) could lead into the down-dip extension of the outcropping zone. The number of mineralized fractures in the workings around this area make it particularly interesting. The cross-cut north-easterly from station 20 could be extended a few rounds northerly to pick up the mineralized carbonate zone near station2.

Other small shoots have been discovered in the surface stripping, but these are several hundred feet laterally from the current working faces. Unless or until appreciable vertical extent is proven on the shoots explored to date, it is doubtful if those so far from current workings would repay the cost of exploration and mining. However, if the project reaches the stage when a third level is warranted, this level would be driven from the south slope of Marsh Mountain, and should be laid out to drift the zone west of the current workings.

Although the workings have been test-holed in most of the areas which might contain cinnabar, the holes were limited to a maximum of six ft. length with the equipment at hand. If work is continued, some longer test-holes using sectional steel could be used in place of tunneling towards some of the areas with lesser-ranked ore chances. The irregularity of the mineralization would necessitate close testing and following up almost all intersections of 'color' with tunnel work.

R. H. Vaughn

RED TOP ASSAYS :

E-857 - DMEA - 3831
September, 1956.
MONETA PORCUPINE

Sample No.	% Hg	Width-ft.	Location	Remarks
801A	1.37	2.3	St 6b -6ft (wall)	two parallel slips with irregular cinnabar in fractures.
802A	0.34	3.0	" " -3 "(back)	brecciated rock-oxidized - only one thin seam cinnabar.
803A	1.05	2.7	at St 6b (back)	irregular cinnabar in pockets and fractures.
804A	0.03	2.5	St 6b + 3 ft (back)	shattered rock with a few seams cinnabar.
805A	3.20	3.5	" " 6 " "	fractures with cinnabar well spread throughout.
806A	1.05	2.7	" " 9 " "	fractures - less cinnabar than above.
807A	1.46	0.5	" " 12 " (wall)	one stringer cinnabar - a parallel but thinner seam 5 ft west.
808A	1.15	round	'dog-hole' near st. 6	grab sample from remnants of muck - pockets and lenses spread over 4 ft. width in walls.
809A	0.28	0.5	St 21 + 32' (back)	stringer 1 or 2 inches wide.
810A	0.49	0.5	" " 35 "	" " " "
811A	1.00	0.5	" " 38 "	" " " "

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

400

RECEIVED
OCT - 8 1956

P. O. Box 2688
Juneau, Alaska

October 5, 1956

Memorandum

To: Operating Committee, Defense Minerals Exploration Admin., Department of the Interior, Washington 25, D. C.

From: Executive Officer, Alaska District, Region I.

Subject: Operator's monthly report
Docket No. DMEA-3831 (Mercury)
Contract No. Idm-E857

Enclosed are two copies of the MF-104, MF-104A, operator's narrative report, and progress map for the month of September 1956.

S. H. Lorain

Enclosures - 2

MF-104's
Aug. 1956

MONETA PORCUPINE MINES, LIMITED
SUITE 1505 - 320 BAY STREET
TORONTO 1, ONT.

Wash

RECEIVED
OCT - 8 1956

COPY

PLEASE REFER FILE:

September 20, 1956.

Mr. E. H. Lorain,
Executive Officer,
Alaska District Region 1,
Defence Mine and Exploration Administration,
P. O. Box 2682,
Juneau, Alaska.

Dear Mr. Lorain: Re: Ticket No. DMEA-3831 (mercury)
Moneta Porcupine Mines, Limited -
Contract No. MC-1957

We enclose five copies of the Operator's Monthly Report and Voucher, and Unit Cost and Progress Report for August. The footage figures were supplied to us by our superintendent Mr. Frank James from the attached sketch. We have not claimed anything for the slash which as you suggested will be picked up at a later date.

Mr. Graham has been up at the property and should be back in Vancouver by now. He will be sending you the Narrative Report direct from Vancouver.

You will note that we have changed the Units authorized by contract from 425 to 725 according to your letter authorizing 200-300 ft. under Stage 11. If this is not the correct procedure, would you mind changing it?

From a brief note that I received from Mr. Graham, I gathered that James has developed some good grade ore, but again it looks as if the shots are very short.

Yours very truly,

F. R. Burton

F. R. Burton,
President.

FRB/cs
Encl.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
OCT - 8 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1956 Docket No. DMEA-3831 Contract No. Mm-2857
Operator's Name Moneta Porcupine Mines Limited Minerals Mercury
Address 1505 - 320 Bay Street, Toronto 1, Canada

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	feet	5,720	110	21,424	412	52.00	725	37,700
Crosscutting	feet	-	-	3,484	67	52.00		
~~Raising~~ Timbering	feet	330	33	330	33	10.00	300	3,000
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assaying	assays	42	14	48	16	3.00	30	90
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		6,092		25,226				40,790

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

Date Sept. 18, 1956 Operator Moneta Porcupine Mines Ltd.

Per F. R. Burton Title President

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

REMARKS:

(Instructions on reverse)

(For Government use only)

OK

INSTRUCTIONS

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

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

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

GPO 872894

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

Budget Bureau No. 42-R1036.5

RECEIVED
OCT - 8 1956

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

Month of August, 1956 Docket No. DMEA -3831 Contract No. Idm-[illegible]57
Operator's Name Moneta Porcupine Mines Limited Minerals Mercury
Address 1505 - 320 Bay Street, Toronto, Canada
Contract Amount, $ 118,720.00 Government Participation: 75 % Amount, $ 89,040.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	-	3,484	3,484		3484.00	3484.00
Drifting	5,720	15,704	21,424	5720.00	15704.00	21424.00
Timbering	330	-	330	330.00		330.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	42	6	48	42.00	6.00	48.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	6,092	19,194	25,286	6092.00	19194.00	25286.00

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

Date Sept. 18, 1956 *Payee Moneta Porcupine Mines Limited

Per J. B. Burton Title President

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

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

(Instructions on reverse)

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

$ 4569.00

Signature [illegible] (Authorized Certifying Officer)

Date 10/4/56 Vou. No. 50

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 14m-5857 in accordance with the terms of the contract.

Signature ..... Title Mining Engineer Date 10/4/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title Executive Officer Date 10/4/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

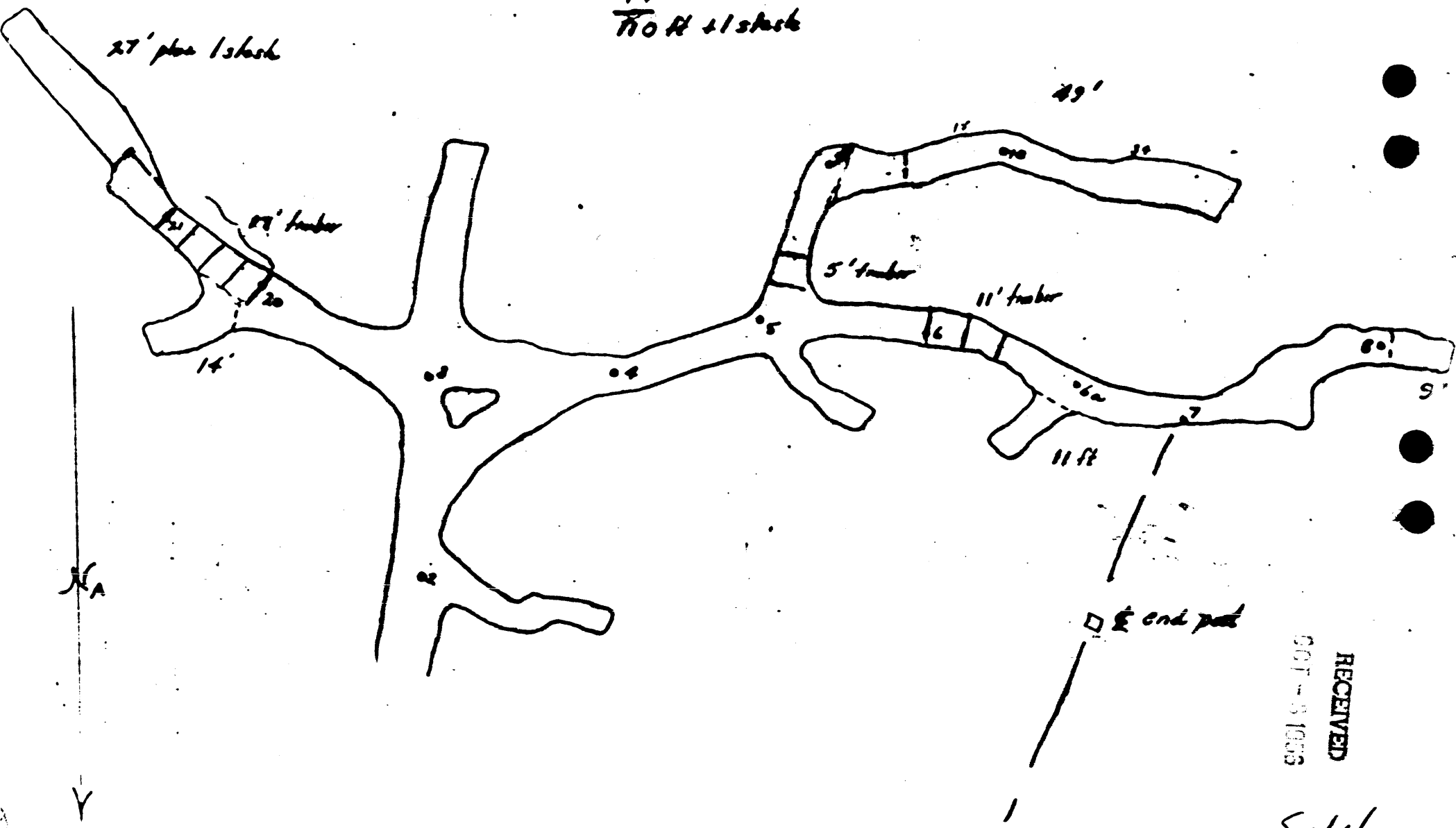
Item (8) includes any unforeseen costs not included in the other seven categories.

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

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

Total for Aug-/56

tunnel		timber
27	+1 stack	17
49		5
11		11
9		33'
14		
110 ft	+1 stack	



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Sept 1/56

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OCT - 8 1956

RED TOP - DILLINGHAM - AUGUST, 1956.

A little over one hundred feet of drift and cross-cut were driven during the month, and two small shoots of cinnabar were found.

'A' ZONE -

The cross-cut which was in progress southerly from station 5 cut the 'A' zone where expected about twenty-five feet south of station 5. The zone here consisted of several feet of broken rock and fault gouge, with a six-inch calcite stringer on the hanging-wall. The zone was drifted westerly for about sixty feet, and is strong in the west face. The six-inch carbonate stringer petered out in about ten feet, but a second, wider lens came in at about twenty feet and pinched out at about fifty feet. Only a few broken stringers of carbonate are in the gouge at the west face.

Cinnabar mineralization came in west of two barren cross-fractures at about twenty feet (Station 9 plus 17 ft). The narrow stringer zone lies on the hanging-wall of the calcite for twenty feet. A second and smaller shoot, about ten feet long, also lies on the hanging-wall of the main fault zone ten to twenty feet west of the larger shoot. These shoots are in the correct position to be downward extensions of a shoot known on surface. The dimensions of the shoots are shown on the accompanying assay map.

'B' ZONE (WEST) -

Twenty-two feet of drifting on 'B' zone west of station 8 failed to disclose either carbonate or cinnabar. Although the break is strong no further work except test-holing is planned. The cross-cut north from station 6(a), showed no extensions of the cinnabar exposed near station 6, but test holing from the face found colors, and further work is planned.

'B' ZONE (EAST) -

The cross-cut into the footwall at station 20 exposed nothing of interest, but has not yet been test-holed.

A slash to the right at the face of the east drift cut calcite on the hanging-wall of the fault which was followed by the right wall of the drift. The first round exposed cinnabar on the hanging-wall of the calcite, and the mineralization continued for twenty feet. The zone has the normal south-west dip where first encountered, but gradually rolled out of the main zone of faulting to follow a southerly striking fracture system. The dip at the south end appears to be easterly, but a little more work is planned to check attitude and possible extensions.

SUMMARY:

Although no large shoots have been found, the property has improved considerably since the last report. Many sections of drift wall have not been test-holed for paralleling mineralized fractures, which, if found, should make the property sufficiently encouraging to warrant another level.

Work planned for September includes one or two more rounds in 'A' zone west, further work in the cross-cut north from station 6 (a) on 'B' zone west, one or two more rounds on the south-east end of the shoot in 'B' zone east, and considerable test-holing of drift walls and cross-cut faces.

R. H. Verzaphin

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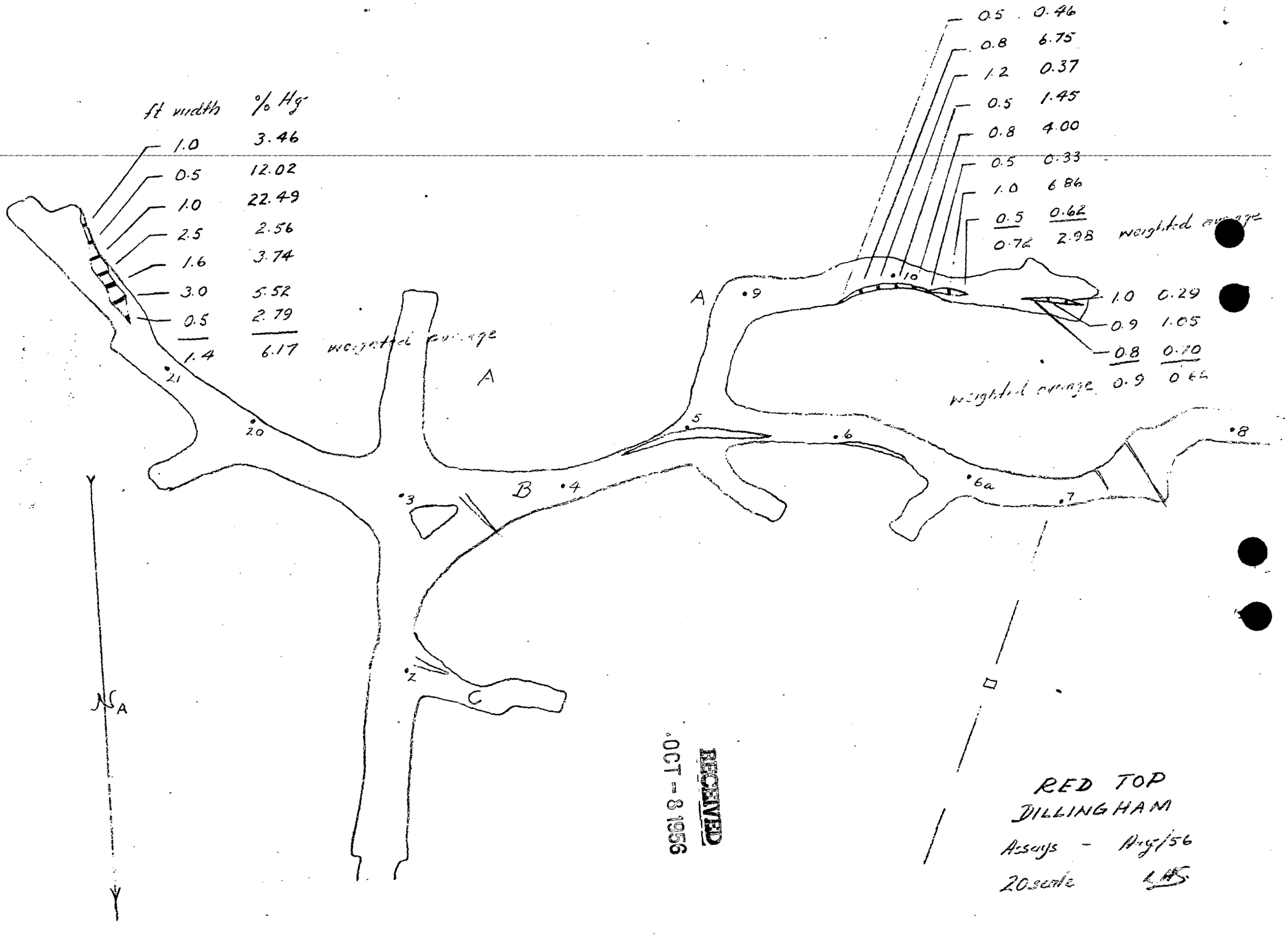
OCT - 8 1956

RED TOP ASSAYS - AUGUST, 1956.

Sample No.	Assay in % Hg.	Width	Location			Remarks
11315	2.79	0.5	St. 21	+11	(back)	Stringer-breccia
11316	5.52	3.0	" "	14	"	Reticulating stringers
11317	3.74	1.6	" "	17	"	" "
11318	2.56	2.5	" "	20	"	" "
11319	22.49	1.0	" "	23	"	High grade stringers near south wall
11320	12.02	0.5	" "	26	(wall)	High grade stringer
11321	3.46	1.0	" "	29	(knee)	" " "
	6.17	1.4	weighted average			
11322	0.46	0.5	St 9	+ 17	(north-wall)	Breccia in hanging-wall of calcite
11323	6.75	0.8	"	20	"	stringers in hanging-wall of calcite
11324	0.37	1.2	"	23	"	" "
11325	1.45	0.5	"	26	"	stringer in hanging-wall of calcite
6924	4.00	0.8	"	29	"	same zone-fair grade
6925	0.33	0.5	"	32	"	" " low "
6926	6.86	1.0	"	35	"	" " high "
6927	0.62	0.5	"	38	"	" " low "
	2.98	0.72	weighted average			
6928	0.29	0.8	St. 9	49	(back)	stringer on strike of above
6929	1.05	0.9	"	+ 52	"	as above
6930	0.70	1.0	"	+ 55	"	same zone
	0.66	0.9	weighted average			



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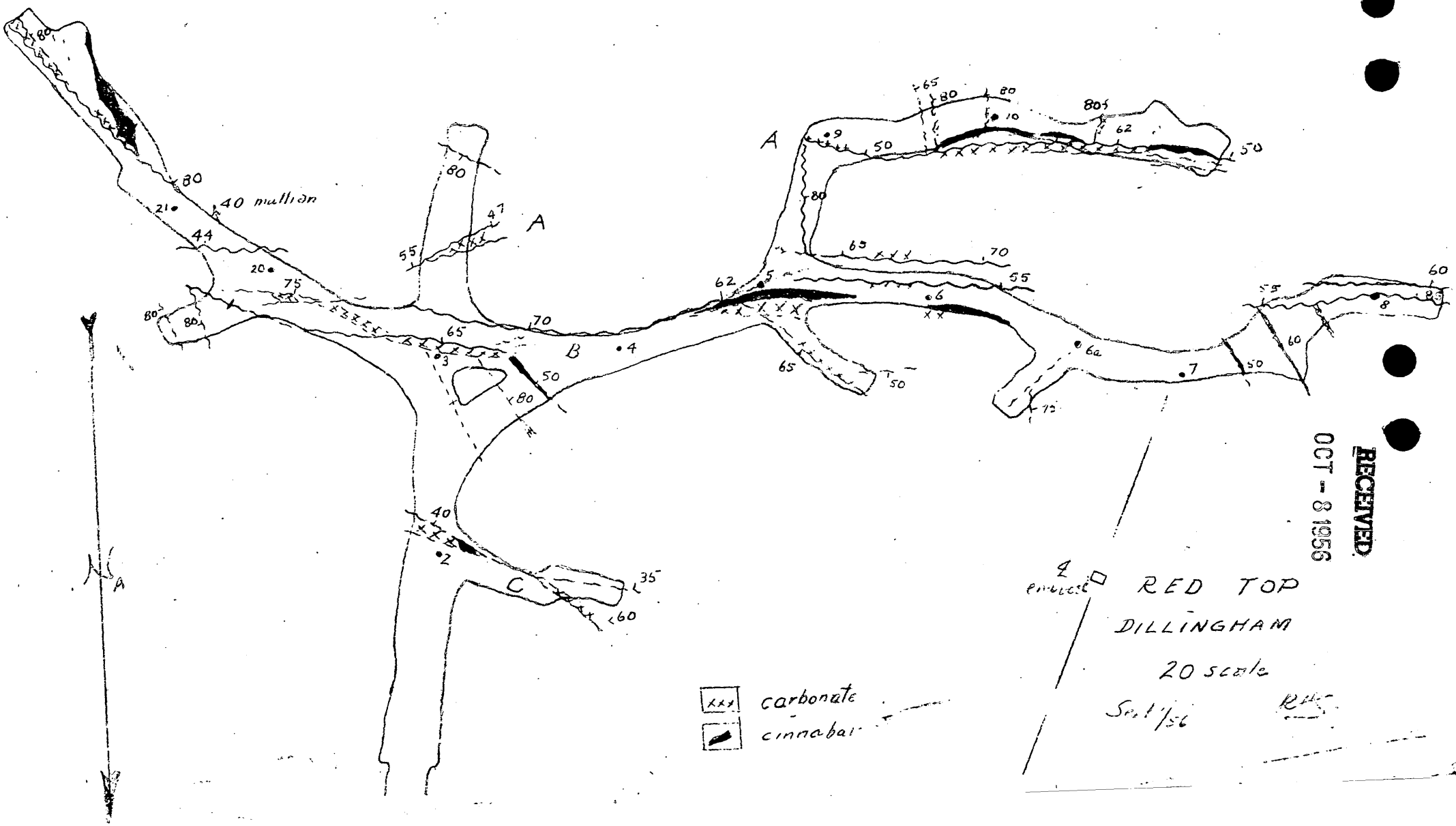
OCT - 8 1956

RED TOP
DILLINGHAM
Assays - Aug/56
20 scale



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OCT - 8 1956

MONETA PORCUPINE MINES, LIMITED
SUITE 1505 - 320 BAY STREET
TORONTO 1, ONT.

COPY

PLEASE REFER FILE:

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AUG 16 1956

August 14th, 1956

WSM

Mr. S. H. Lorain,
Executive Officer,
Defense Minerals Exploration Administration,
P. O. Box 2688,
JUNEAU, Alaska.

Dear Mr. Lorain: Re: Docket No.DMEA-3831(mercury)
Moneta Porcupine Mines, Limited -
Contract No. Idm-1857

I acknowledge, with thanks, your letter of the 8th instant. I confirm that the understanding we had reached with regard to future development of the property was exactly as set out in your letter.

Your remarks about the manner in which the work has been done are very much appreciated by us. As you know, it is very easy to criticize any particular work after it has been done, especially when it does not encounter ore.

Yours very truly,

F. R. Burton

F. R. Burton,
President.

/A
C/c Mr. C. O. Mittendorf ✓
Dr. H. H. Seraphim

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

RECEIVED
AUG 10 1956

P. O. Box 2688
Juneau, Alaska

August 8, 1956

Mr. F. E. Burton, President,
Mosseta Porcupine Mines, Ltd.,
Suite 1505, 320 Bay Street,
Toronto 1, Ontario,
Canada.

re: Docket No. DMEA-3831 (mercury)
Mosseta Porcupine Mines, Ltd.,
Contract No. Idm-8857

Dear Mr. Burton:

This letter will confirm the verbal agreement that was reached during the July 24 conference between you, Mr. Seraphim, Mr. Velikanje and me at the mine.

1. The east drift will be advanced to a distance of, approximately, 80 feet beyond the crosscut in order to drift below the surface assay of 1.07% Hg across 19.5' as shown on Mr. Velikanje's map of October 1953. Enough crosscutting also will be done to insure that the downward projection of the surface mineralization has been explored.

2. The crosscut which had been started from the west drift at a point about 45 feet west of the main crosscut will be driven to the so-called hanging wall vein and then continued westerly as a hanging wall drift until you have explored the downward projection of the high grade vein which is exposed on surface (and indicated on Mr. Velikanje's map) about 40' due south from the east center end post of the Red Top claim.

3. Continue the west footwall drift westerly on ore indications so long as strong ore indications are found.

4. Investigate by "slashing" or by short drifts or crosscuts any intersecting ore-bearing veins or fractures.

5. It was understood and agreed that the work outlined above would require more footage than remained under the contract provisions for Stage I; therefore the Field Team authorized you to start Stage II but only within the limitations of Item 2 of Stage II and in the amount necessary to complete the program outlined by this agreement. It was estimated that not more than 200 to 300 feet of drifts and crosscuts would be driven under the Stage II authorization.

6. It was agreed that some of the work described under Items 1, 3, or 4 of Stage II would be started this season and that any further work under Stage II (except as authorized by this letter) would be subject to specific agreement at a later date.

Please let me know (with copy to Mr. Nittendorf) if the above agrees with your understanding.

I want to say that we were very much pleased with the miner-like way in which the work is being done. Especially, I think that your people have "followed the ore" with the least amount of waste motion that would be practicable on such a weak and erratic structure.

Yours sincerely,

S. H. Lorain,
Executive Officer,
Alaska District,
Region I.

cc: Operating Committee, DMEA
Finance Officer, Alaska District
R. H. Seraphim
R. S. Velikanje

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

RECEIVED
SEP 20 1956

P. O. Box 2688
Juneau, Alaska

September 17, 1956

Memorandum

To: Operating Committee, Defense Minerals Exploration Admin., Department of the Interior, Washington 25, D. C.

WSM

From: Executive Officer, Alaska District, Region I.

Subject: Operator's report,
Docket No. DMEA-3831 (mercury)
Moneta Porcupine Mines, Ltd.,
Contract No. Idm-E857

Enclosed are two copies of MF-104, MF-104A, Operator's narrative report, progress map and geologic map for the month of July 1956.

Also enclosed is a copy of a letter from our finance officer to Mr. Burton.

S. H. Lorain

Enclosures-6

cc: Velikanje
Wilcox

MF-104
July
1956

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

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SEP 20 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1956 Docket No. DMEA -3831 Contract No. Idm -E857
Operator's Name Moneta Porcupine Mines Limited Minerals Mercury
Address 1505 - 320 Bay Street, Toronto, Canada
Contract Amount, $ 118,720.00 Government Participation: 75% Amount, $ 89,040.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting		3,484	3,484		3484.00	3484.00
Drifting	9,308	6,916	16,224	8788.00	6916.00	15704.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	-	6	6		6.00	6.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	9,308	10,406	19,714	8788.00	10406.00	19194.00

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

Date August 22 *Payee Moneta Porcupine Mines Limited

Per F. R. Burton Title President

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

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

(Instructions on reverse)

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

$ 6591.00

Signature
(Authorized Certifying Officer)
Lawrence J. Wilcox

Date 8/31/56 Vou. No. 49
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-5857 in accordance with the terms of the contract.

Signature ..... Title Examining Engineer Date 8/30/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title Executive Officer Date 8/30/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

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SEP 20 1956

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

Month of July 1956 Docket No. DMEA -3831 Contract No. Idm-E857

Operator's Name Moneta Porcupine Mines Limited Minerals Mercury

Address 1505 - 320 Bay Street, Toronto, Canada

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
		8788	169	15704	302			
Drifting	feet	~~9,900~~	~~159~~	~~16,224~~	~~312~~	52.00)	425	22,100
Crosscutting	feet	-	-	3,484	67	52.00)		
~~Raising~~ Timbering	feet	-	-				300	3,000
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assaying	Assays	-	-	6	2	3.00	30	90
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		-	-	-				
Initial Rehabilitation and Repairs		-	-	-				
New Buildings, Improvements, etc.		-	-	-				
TOTAL COSTS		8788 ~~9,300~~		19194				25,190

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

REMARKS:

Date August 22 Operator Moneta Porcupine Mines Ltd.

Per J. R. Burton Title President

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

(Instructions on reverse)

(For Government use only)

OK

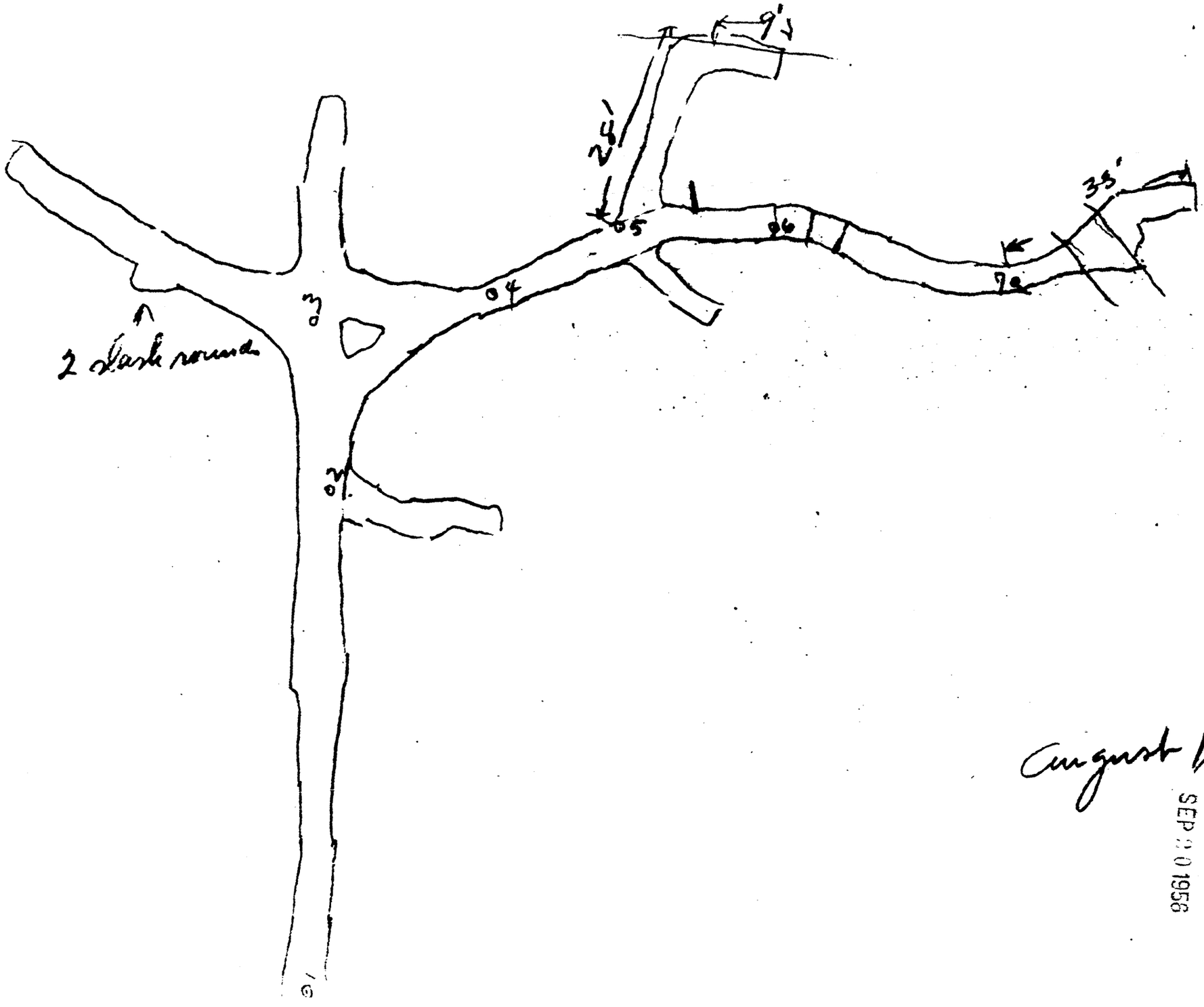
INSTRUCTIONS

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

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

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

GPO 872894



August 1/1956

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SEP 20 1958

DILLINGHAM - RED TOP -

NARRATIVE REPORT:

RECEIVED
SEP 20 1956

INTRODUCTION:

This report includes information on the progress at the Red Top during 1956 up to July 24th. Little work had been accomplished prior to the first inspection on June 10th. to 12th. During this second inspection Mr. Lorraine and Mr. Velikanje of the D.M.E.A. field team, as well as Mr. Gould and Dr. Burton of Moneta Porcupine Mines, were on the property.

Geological and assay maps, as well as a map of the further exploration planned, are appended and are referred to in the report.

SUMMARY:

Approximately 200 ft. of drift and 25 ft. of cross-cut, a total of 225 ft. have been driven to date during 1956. This work has disclosed several bodies of cinnabar mineralization which are of insufficient size and grade to make ore sheets unless improvement and extensions are found. About two hundred feet of tunneling is necessary to explore further possibilities on this level, and this work is in progress.

GEOLOGICAL:

(1) Faults and Fractures: Three 'breaks' were exposed in the main cross-cut driven in 1955. These are labelled 'A', 'B', and 'C', in order from hanging-wall to foot-wall. 'B' zone has now been explored by about 225 ft. of work, and 'C' by about 25 ft. The 'breaks' are composed of numerous discontinuous slips, in places accompanied by carbonate and some cinnabar. The slips lie predominantly in two sets, one striking westerly and dipping from 35 to 80 degrees south, and the other striking north-westerly and dipping from 50 degrees

south-westerly to vertical.

The westerly striking set is the stronger in appearance, and although no members have been traced more than fifty feet along strike, the set forms a fairly strong zone extending the length of the drifting to date. Mullian and gouge on individual slips indicate some movement, horizontal in one place (west of station 5) and plunging 45 degrees easterly in another (east of station 3).

The north-west set appears much weaker, and is probably better termed a fracture system. Individuals are either cut by or merge into the west set. No evidence of movement along them has been noted.

(2) Carbonate: Carbonate has been deposited along both sets, but the larger carbonate bodies follow the west striking slips. The carbonate bodies are in many places bounded by the slips, but in some places only on one wall; elsewhere the carbonate grades off into irregular stringers in the argillite. Some of the carbonate contains angular breccia fragments of argillite. In one or two places westerly striking slips appear to cut the carbonate with a left hand offset, but no carbonate gouge has been found. The age relations of the carbonate with the slips is thus indefinite.

(3) Cinnabar: Most of the cinnabar is in the carbonate, but some is in shattering or on slips in argillite. The cinnabar in the carbonate near stations 2 and 5 forms angular breccia fragments, as if it had replaced argillite fragments, but no partly replaced argillite fragments were found. In many places cinnabar forms small lenses and 'colors' trending parallel to the carbonate in its respective set. In one west striking zone near station 5 the cinnabar lies in a series of small cross fractures parallel to the north-west system of fracturing. In most places cinnabar veins the carbonate, but some cinnabar is cut by later carbonate veinlets.

ASSAY RESULTS

RED TOP ASSAYS July, 1956

Sample No.	Assay in DMEA	% Hg Bennetts	Width	Location	Remarks
11301	0.30	0.35	0.5 ft.	St. 5 west 12 ft.	0.2 ft.stringer with little stringers in walls - (back)
11302	0.06	0.02	1.0 ft.	St. 5 " 9 ft.	Same stringer low grade at pt. (back)
11303	6.25	5.96	0.6 ft.	" " " 6 "	" " high " " " " (back)
11304	0.60	0.32	1.5 ft.	" " " 3 "	" " average " " (back)
11305	1.32	1.18	0.8 ft.	at St. 5	" " " " " (back)
11306	0.95	1.50	1.6 ft.	St. 5 east 3 ft.	" " " " " (back)
11307	0.04	0.01	1.5 ft.	" " 6 ft.	" " low " " (back)
11308	0.59	0.55	1.3 ft.	" " 9 ft.	" " fair " " (back)
11309	2.99	2.95	1.5 ft.	near St. 5	James sample of face
11310	15.8	14.18	0.5 ft?	St 6 west 4 ft.	High grade-attitude undetermined (knee)
11311	2.58	2.83	0.75?	" " 7 ft.	" " " "
11312	0.64	1.00	"	" " 10 ft.	" " " "
11313	3.60	2.85	0.7 ft.	St 7 west 20 ft.	fair grade stringer near floor
11314	1.38	1.42		dump grab	from round across stringers at St. 7 plus 12 ft. or so.

EXPLORATION:

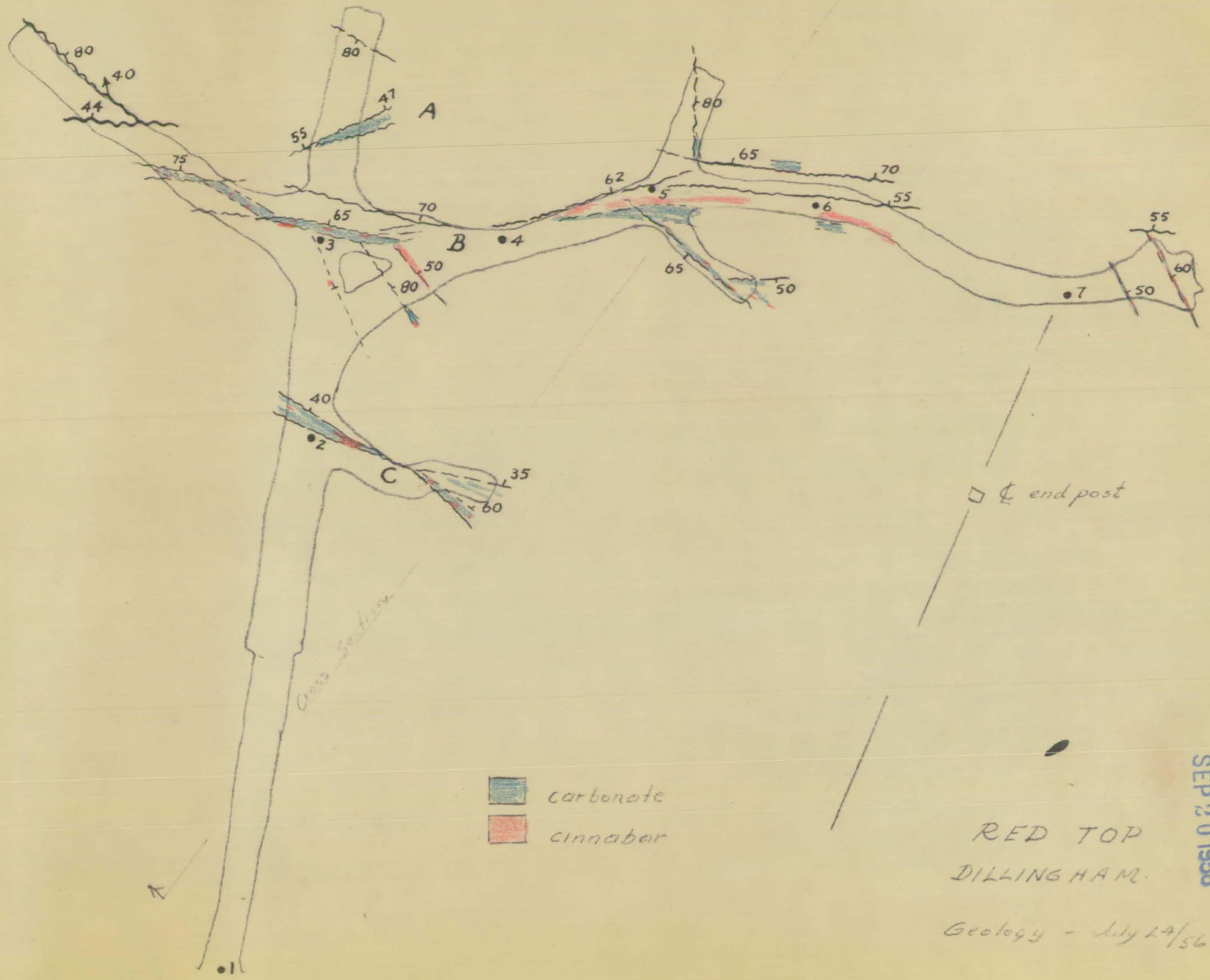
The exploration has followed zones of 'cinnabar' mineralization but has not yet shown assuredly economic bodies for other than a leasing operation. The 'C' zone was drifted 25 feet westerly but the good breccia type mineralization found on the west rib at the main cross-cut petered out in about five feet. Only occasional colors were found in the remainder of the drift, and are present in the west face. No further work is planned on this zone.

The 'B' zone has been drifted 55 feet easterly from the cross-cut. The carbonate contains occasional colors, but both carbonate and colors appear to run into the north wall at 25 feet. One slip apparently produced a foot or two left hand offset at 20 feet east of station 3. A slip of similar attitude but apparently stronger cuts across the drift at 35 feet. These slips may have offset the mineralized zone progressively further north (left-hand) at depth, shifting the zone vertically below, or even north of, its outcrop although segments dip southerly. More drifting is planned as shown on the accompanying sketch to check this possibility, as good cinnabar was found at surface in this area.

The 'E' zone has been drifted about 130 feet westerly from the main cross-cut. The thin (3 or 4 inches wide) but almost massive cinnabar stringer found previously about ten feet west of station 3 has been explored by the 'Y' but the west limit exposed is only a 'paint' slip, and no further work on it is planned. A zone of cinnabar mineralization in carbonate was picked up at station 4 plus 12 feet, and followed to station 5 plus 15 feet. The zone contained some stringers of cinnabar parallel to the drift, others in small cross-fractures parallel to the north-west set of slips, and some breccia-type cinnabar. A twenty-foot drift north-west from station 5 followed colors along a north-west trending slip. Near station 6, for ten or twelve feet, excellent mineralization parallels the drift on the north wall. Test-holing indicates that this sheet dips southerly, and more work is in progress to determine its attitude and extent, if any, to the northwest. Two north-west slips were picked up at station 7 plus

8 ft and 15 ft, with veins of minor carbonate and reticulating cinnabar up to eight inches wide. These are locally well mineralized, but were considered too weak to merit drifting. A little more exploration may proceed in this area.

In summary, most of the exploration to date is on 'B' zone west, and has found sub-ore mineralization, both in the zone and in north-west fractures leading out of the zone. Further work is planned on 'B' zone east, and on 'C' zone. A possibility exists that the northwest system of fractures may be stronger and better mineralized in the area between A and B than between B and C.



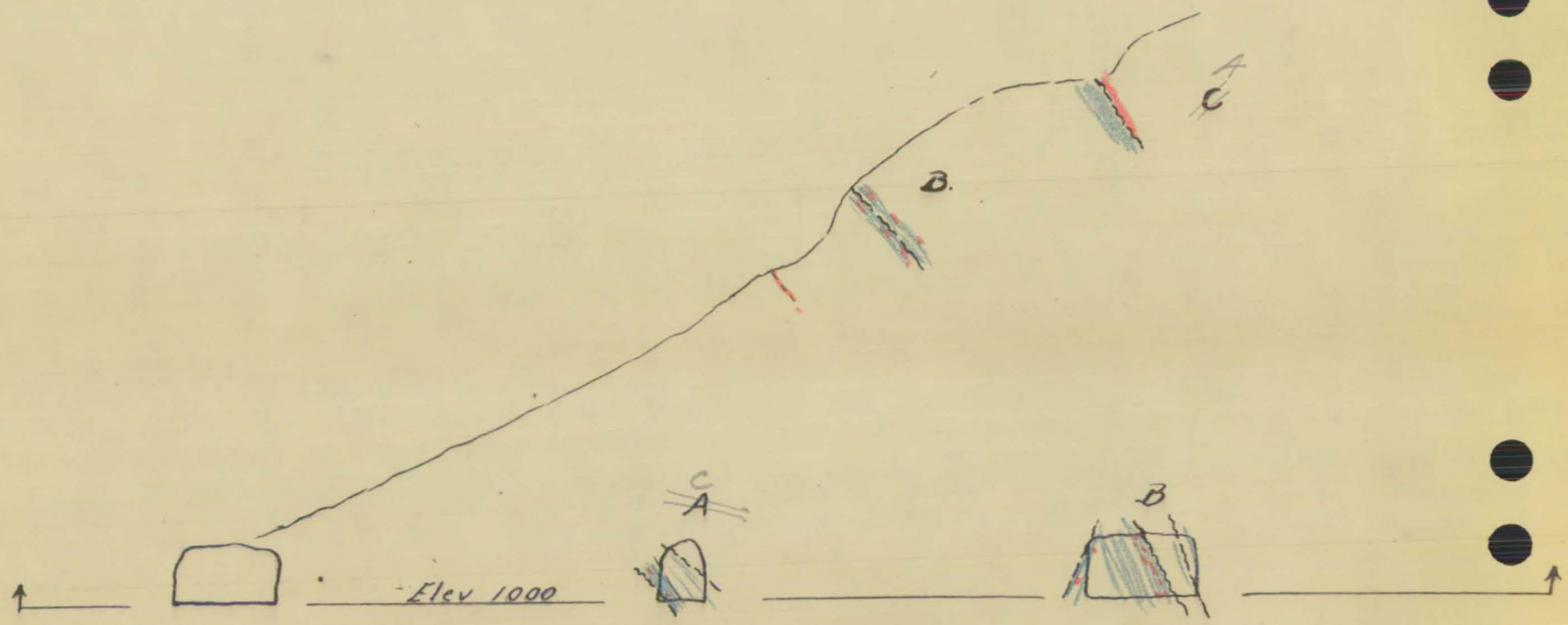
RED TOP
DILLINGHAM.

Geology - July 24/56

20 scale

K.H.S.

RECEIVED
SEP 20 1956



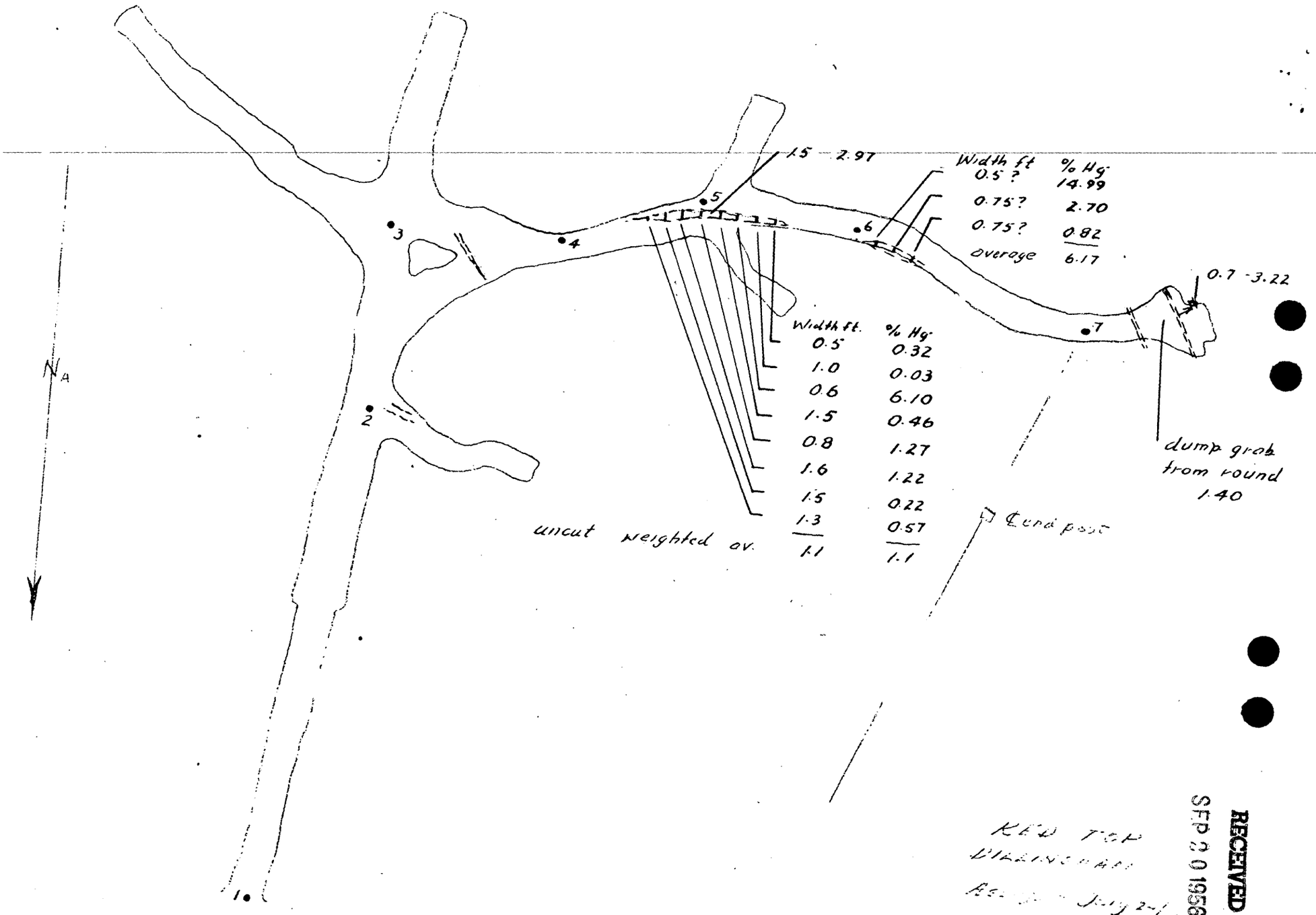
It looks to me as if A and C are reversed on this section.

WSM
9/21/56

They are, correct as shown in pencil
S.P.H.
9/26/56

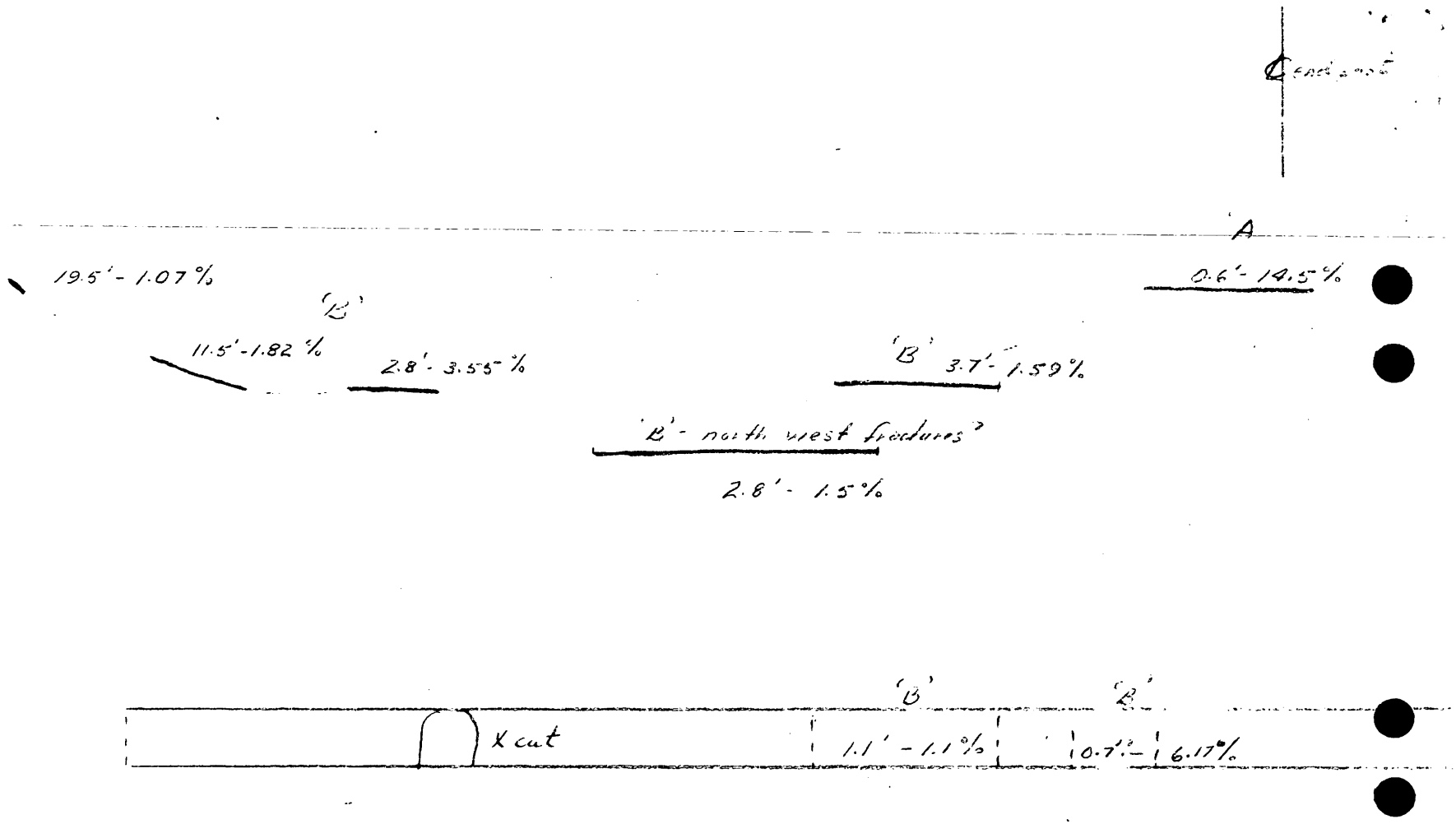
RED TOP
DILLINGHAM
Cross-Section
20 scale
July 24/56 L.H.S.

RECEIVED
SEP 20 1956



RED TOP DRAINAGE

RECEIVED SEP 20 1956



Red Top-
Dillingham
Surface assays from E.S. Vehlanje-Cut/53
Tunnel " " " West Stoopham Shaft
" " " % Hg-
2.6 scale
length from [illegible]

RECEIVED
SEP 20 1956

MONETA PORCUPINE MINES, LIMITED
(NO PERSONAL LIABILITY)
SUITE 1505 - 320 BAY STREET
TORONTO 1, ONT.

RECEIVED
SEP 20 1956

Telephone: EMpire 6-5665

Please Refer File:

August 3rd, 1956

Mr. S. H. Lorain,
Executive Officer,
Alaska District Region I,
Defense Minerals Exploration Administration,
P. O. Box 2688,
JUNEAU, Alaska.

Dear Mr. Lorain: Re: Docket No. DMEA-3831(mercury)
Moneta Porcupine Mines, Limited -
Contract No. Idm-E857

We enclose 5 copies of the Operator's Monthly Report and Voucher, and Unit Cost and Progress Report for July. The footage figures have been obtained from a sketch submitted by our superintendent, Mr. Frank James. This sketch is based on Dr. Seraphim's map, plus the footage completed after Dr. Seraphim's visit. I do not know your practice in the matter, but we have taken 2½' per slash, that is 10' for 4 slashes.

Dr. Seraphim is forwarding the Narrative Report to you direct from Vancouver. I have not seen it yet, but presumably it will cover everything up until the time of his visit in July.

Our method of reporting is probably sloppy, especially on measurements, but I think that they are accurate enough for practical purposes and we can measure up accurately and adjust if necessary at the end of the Contract. As you know, the work is continuing so there is always something "in the bank" so far as D.M.E.A. is concerned.

In a letter from Frank James dated August 2nd, he said that he was having difficulty in following the presumed hangingwall/westward. /vein Bob Seraphim tells me over the telephone that since then he has had a letter from James and he is getting some pretty good ore in this drift. The $64 question will be as to its length.

Yours very truly,

F. R. Burton

F. R. Burton,
President.

/A
Encls.
C/c Dr. R. H. Seraphim

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION I

RECEIVED
SEP 29 1956

2688

OFFICE OF
Asst. REGIONAL DIRECTOR for Alaska

P. O. BOX 2990 XXX
JUNEAU, ALASKA

August 29, 1956

Monsta Porcupine Mines, Limited,
Suite 1505,
320 Bay Street,
Toronto 1, Ontario.

Attention: Mr. F. R. Burton,
President.

Gentlemen:

On this date, your claim for reimbursement for work performed on DMEA contract No. Idm-8857 is being processed for payment to cover the month of July 1956.

An adjustment has been made on the MF-104 and 104A to reflect a deduction of 10 feet of drifting which you indicate in your transmittal letter, dated August 3, 1956, as being claimed to cover 4 slashes @ 2½' per slash.

After studying your claim for June and comparing the July claim with it, we note that you had one slash in June for which no claim was submitted. The drifting in "C" zone subsequently picked up the slash footage as indicated in your sketch submitted for July. We feel that there is a possibility that subsequent drifting (or crosscutting) may occur on the four slashes included in the July claim, which would complicate footage measurements. It is believed that an adjustment can be made at a later date when it is definitely determined whether or not any drifting (or crosscutting) may become involved in these slash footages.

This adjustment results in changing your claim for drifting from $9308.00 to $8788.00. The total for drifting thus becomes $15704.00 rather than $16224.00 as submitted. The "Totals to Date" total becomes $19194.00.

The footages on the MF-104A have been changed and will be as follows:

	Costs This Month	Units This Month	Costs To Date	Units To Date
Drifting	8788	169	15704	302

Total costs are changed accordingly.

We trust that this adjustment and arrangement meets with your approval.

Yours truly,

L. J. Wilcox,
Authorized Certifying Officer.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

RECEIVED
JUL 20 1956

P. O. Box 2688
Juneau, Alaska

July 18, 1956 WSM

Memorandum

To: Operating Committee, Defense Minerals Exploration Admin., Department of the Interior, Washington 25, D.C.

From: Executive Officer, Alaska District, Region I.

Subject: Operator's monthly report,
Docket No. DMEA-3831 (Mercury)
Mometa Porcupine Mines, Ltd.
Contract No. Idm-2857

Enclosed are two copies each of MF-104, MF-104A, Operator's narrative report, and Operator's progress sketch for the period May - June 1956.

S. H. Lorain

Enclosures-4
cc: Velikanje
Wilcox

MF-104
May-June

MONETA PORCUPINE MINES, LIMITED
(NO PERSONAL LIABILITY)

SUITE 1505 - 320 BAY STREET
TORONTO 1, ONT.

Telephone: EMpire 6-5665

RECEIVED
JUL 20 1956

Please Refer File:

July 5th, 1956

Mr. S. H. Lorain,
Executive Officer,
Alaska District, Region I,
Defense Minerals Exploration Administration,
P. O. Box 2688,
JUNEAU, Alaska.

Dear Mr. Lorain: Re: Docket No. DMEA-3831(mercury)
Moneta Porcupine Mines, Limited,
Contract No. Idm-E857

I enclose the Operator's Unit Cost and Progress Report for the period ending June 30th, and the Monthly Report and Voucher. Our engineer, Mr. Seraphim, was not at the property at the month-end, so I am enclosing the report to us of Mr. James, our superintendent. Mr. Seraphim's report will follow later.

I would judge from Mr. James's description that the ore he mentions in the west drift would be of good grade.

Yours very truly,

F. R. Burton

F. R. Burton,
President.

/A
Encls.
C/o Dr. R. H. Seraphim

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
JUL 30 1956

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

Month of May & June 1956 Docket No. DMEA-3831 Contract No. Idm-E857
Operator's Name Moneta Porcupine Mines Limited Minerals Mercury
Address

OPERATION	UNIT	COSTS THIS MONTH Period	UNITS THIS MONTH Period	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	feet	4,524	87	6,916	133	52.00	425	22,100
Crosscutting	feet	-	-	3,484	67	52.00		
~~Raising~~ Timbering	feet	-	-	-	-		300	3,000
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assaying	assays	-	-	6	2	3.00	30	90
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		-	-	-				-
Initial Rehabilitation and Repairs		-	-	-				-
New Buildings, Improvements, etc.		-	-	-				-
TOTAL COSTS		4,524		10,406				25,190

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

Date July 5, 1956 Operator Moneta Porcupine Mines Ltd.

Per F. R. Burton Title President

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

REMARKS:

(Instructions on reverse)

(For Government use only)

OK

INSTRUCTIONS

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

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

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

GPO 872894

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

Budget Bureau No. 42-R1036.5

RECEIVED
JUL 30 1956

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

Month of May & June, 1956 Docket No. DMEA -3831 Contract No. Idm-E857
Operator's Name Moneta Porcupine Mines Limited Minerals Mercury
Address 1505 - 320 Bay Street, Toronto, Ontario, Canada
Contract Amount, $118,720.00 Government Participation: 75 % Amount, $89,040.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	~~Monthly~~ Period Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	-	3,484	3,484		3484.00	3484.00
Drifting	4,524	2,392	6,916	4524.00	2392.00	6916.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	-	6	6		6.00	6.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	4,524	5,882	10,406	4524.00	5882.00	10,406.00

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

Date July 5, 1956 *Payee Moneta Porcupine Mines, Limited

Per J. R. Burton Title President

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

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

(Instructions on reverse)

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

$ 3393.00

Signature (Authorized Certifying Officer)
Lawrence J. Wilcox,

Date 7/17/56 Vou. No. 47

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature ..... Title Gen. Officer Date 7/9/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title Gen. Officer Date 7/9/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

June 30, 19

Monta Porcupine Mines Limited
Suite 1505 320 Bay St
Toronto 1, Ont.

RECEIVED
JUL 30 1956

Dear Sirs

I am enclosing a rough sketch of the work completed during June. As you will note we have extended the east drift 20' but will discontinue it until Mr. Seraphim checks it over. I have been following what I thought was the hanging wall but the vein appears to be more of a gouge and I believe it will be necessary to crosscut several feet toward the foot wall to pick up the vein again. Mr Seraphim didn't seem much impressed with this area but advised bearing right in an attempt to intersect the calcite vein. (ⓐ in revised map.)

The west drift has been in ore for about fifteen feet although the vein is only from a foot to eighteen inches in width several inches are fairly high grade. This is following a strong calcite vein which is most likely the same one that appears on the surface. I will continue on this as well as the foot wall vein which has been delayed until we can make up a trac switch. You will notice that I left a small pillar at the intersection of the west drift

days and also gave us a chance to prospect the high grade cross fracture. The fracture is still well defined but has pinched to just a small seam.

I had hoped to accomplish more footage during June but could work only on a limited scale until the supplies arrived from Seattle June 15th. Since that date we have laid rails, advanced the east drift 26', the west drift over 30' and taken one slash round out of the foot wall vein. The Witte generator failed us again yesterday which has delayed us at least two rounds. This is the second time this month and I feel it is necessary that we have a more dependable source of water supply for drilling. We have had some trouble with the jackleg but this is due mostly to ice in the airline and drill. Have considered an air receiver underground but am not certain of it would correct it or not.

There are quite a few things lacking for an efficient operation but hesitate to spend much on equipment until I am reasonably sure the job will be extended to the second stage.

I have received a letter from the Alaska Steamship Co. that the last boat is scheduled to leave Seattle Aug 10. This should give sufficient time to complete the field stage.

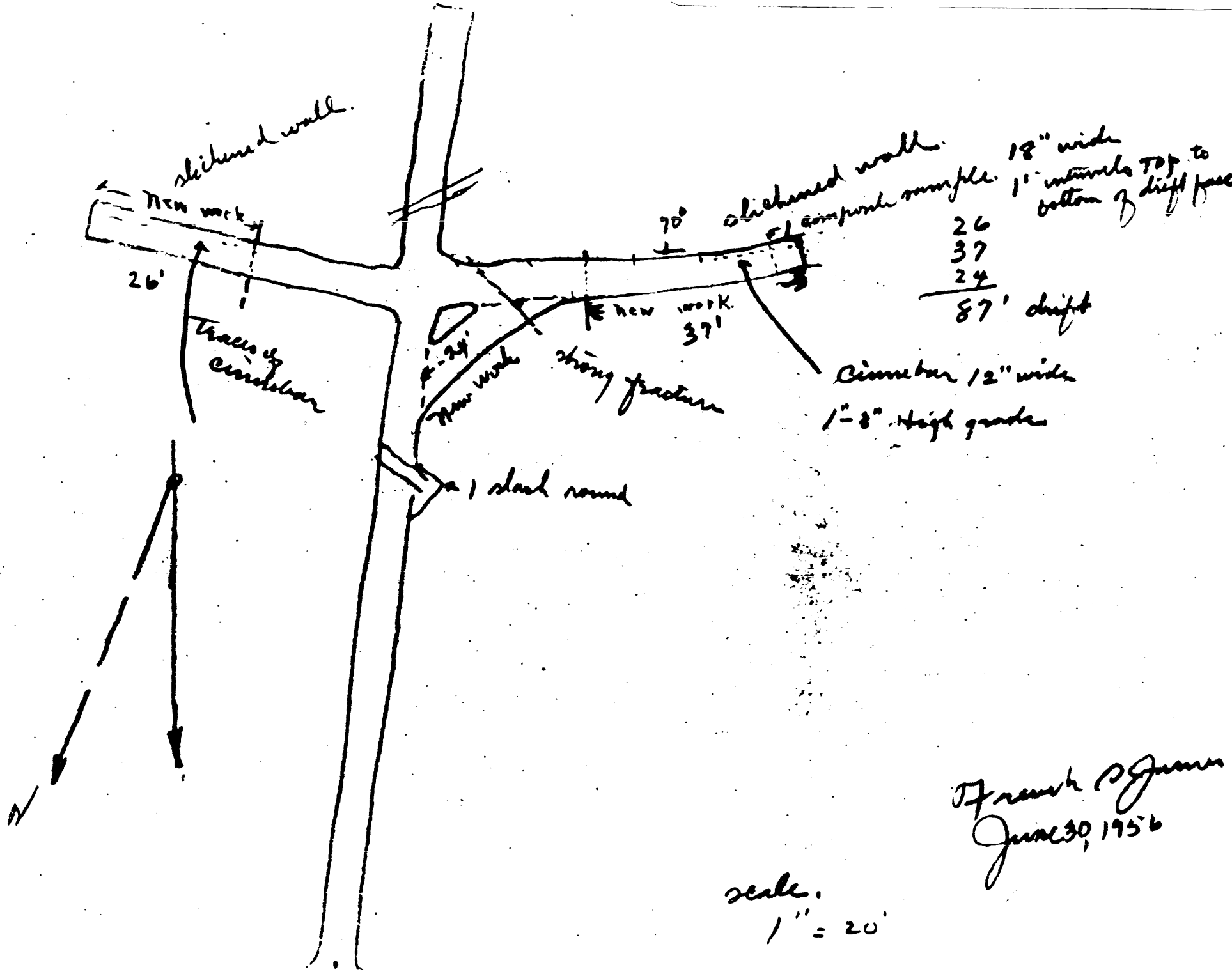
Due to the lack of time and tools I haven't repaired the slavey compressor. The replacement parts were exposed to the weather all winter and I am sure that some will have to be replaced. However the new compressor is the only piece of equipment that I have complete confidence in.

It will be several days before I have the expense account completed but will mail it as soon as possible.

I will keep Mr. Seraphim well informed on the progress and hope this letter and sketch will be sufficient for your U.M.C.A report

Yours very truly

Frank [illegible] James



Francis P. Jones
June 30, 1956

7/3/56

Mr. Chapman:

Amend. 1 granted Moneta Porcupine a recess from 11/1/55 to 6/1/56. Lorain might tell us whether Operator has resumed work.

Lorain letter indicates work has been resumed.

SHO

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 9-2

REFERRED TO:

1. 40
2.
3.
4. 400

FOR:

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

REMARKS: .....

Check (X) before the items needing attention.

ROBERT E. ADAMS

Initials of sender.

GPO 16—63815-1

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

RECEIVED
JUL 2 - 1956

P. O. Box 2688
Juneau, Alaska

June 28, 1956

Memorandum

To: Operating Committee, Defense Minerals Exploration Admin., Department of the Interior, Washington 25, D.C.

From: Executive Officer, Alaska District, Region I.

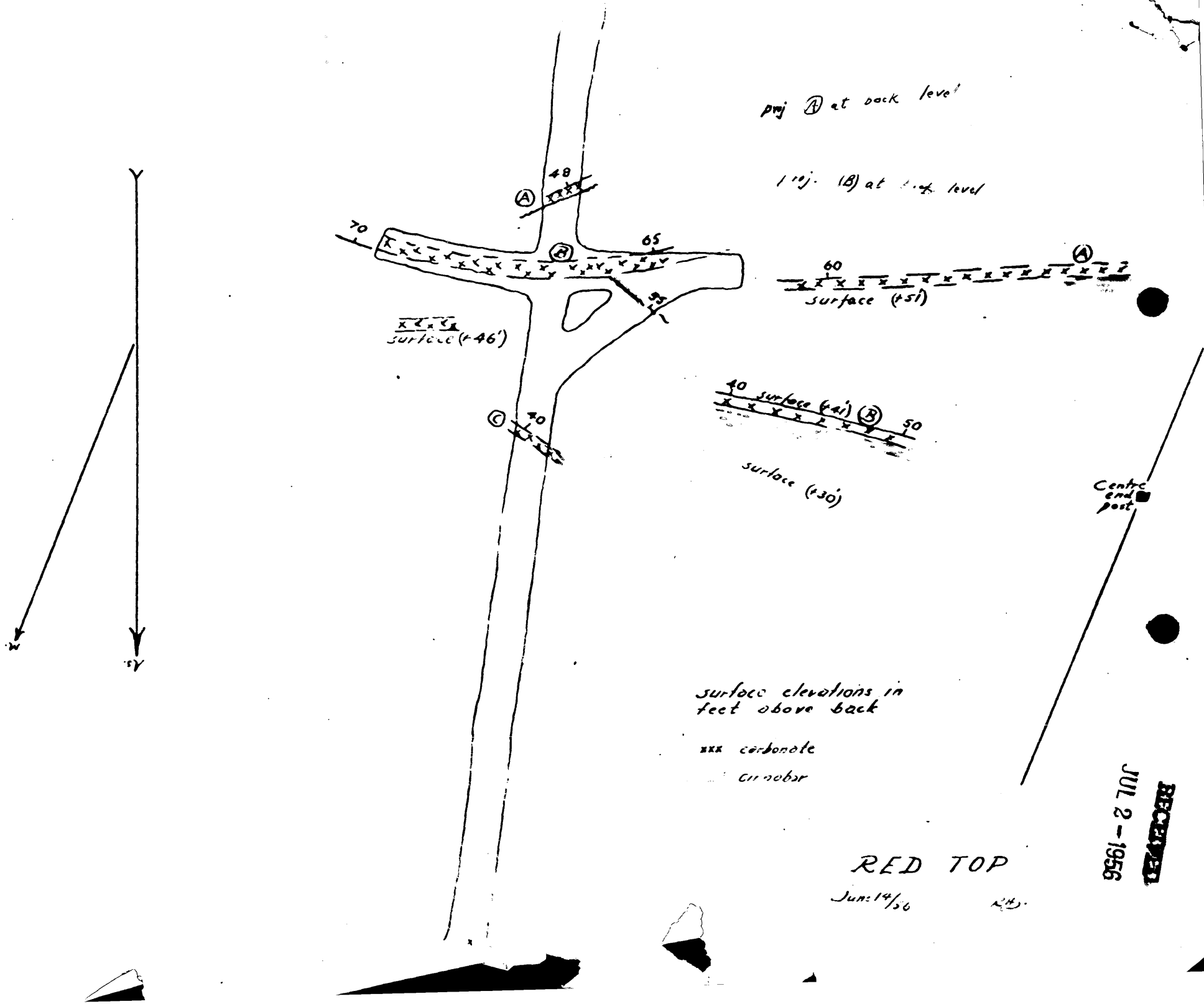
Subject: Revised geologic sketch, Docket No. DMEA-3831 (mercury), Moneta Porcupine Mines, Limited.

Enclosed are three prints of a sketch which we have recently received from Mr. Burton.

Mr. Burton explained to us that their previous sketch of the underground geology had been made without benefit of washing down the sides and back. After washing down the sides and back they discovered a vein in the crosscut beyond the drift; this vein is shown on the accompanying sketch. You will note that a little work has been done to investigate the ore stringer that had been exposed in the west drift; evidently this was only a short "gash" fracture extending out a few feet from vein "B".

S. H. Lorain

Enclosure-1



RECEIVED
JUL 2 - 1956

RECEIVED
MAY 14 1956

P. O. Box 2688
Juneau, Alaska

May 9, 1956

Mr. F. R. Burton, President,
Nomata Porcupine Mines, Limited,
Suite 1505,
320 Bay Street,
Toronto 1, Ontario,
Canada.

re: Docket No. DMEA-3631 (mercury)
Nomata Porcupine Mines, Limited,
Contract No. Idm-2857

Dear Mr. Burton:

Yesterday I received your letter of May 2; since then your various requests and suggestions have been discussed by Mr. Velikanje and me. This letter will constitute your authorization to proceed within the limits indicated under each item, as follows:

1. Your contract authorization, under Stage I, comprises 275 feet of crosscut and 150 feet of drift. You have completed approximately 160 feet of crosscut but only 67 feet was subsequent to DMEA participation; therefore 208 feet remain unexpended. You have completed 46 feet of drift with DMEA participation; therefore 104 feet remain unexpended. It appears that the 160 feet of crosscut has penetrated through the ore structure; therefore additional crosscutting is not required and the remaining crosscut footage may be applied to drifting. With the 104 feet that remains in the original drifting authorization, you now have 312 feet of authorized drifting remaining under Stage 1.

2. We will approve any drifting on ore that is within the limitations of contract footage; you are authorized to drift along the footwall vein and to investigate the cross fracture in the west drift by drifting along it if that appears to be desirable.

3. Mr. Velikanje thinks that any drifting on structure alone (without visible ore) should be along the hanging wall instead of along the footwall as specified in the contract; therefore we authorize you to use contract footage along the hanging wall structure instead of along the footwall structure.

4. Because of the considerable footage remaining under Stage I we think that a decision with regard to Stage II should be postponed until more information is available. If we are kept informed of progress, we will make an inspection and a prompt decision in time to prevent any serious delay between stages.

Mr. Jones was in town recently on his way to the mine. Mr. Velikanje had a good talk with him and was under the impression that he went away with an understanding of our reporting requirements.

If any of the above is not clear to you please write or wire.

Yours sincerely,

S. H. Lorain,
Executive Officer,
Alaska District,
Region 1.

cc: Operating Committee
Velikanje
Wilcox

-C-O-P-Y-

MONETA PORCUPINE MINES, LIMITED
(No personal liability)

Suite 1505 320 Bay Street
Toronto 1, Ont.

Telephone EMpire 6-5665

RECEIVED
MAY 14 1956

Please Refer File:

May 2nd, 1956

Mr. S. H. Lorain,
Executive Office,
Alaska District, Region I,
United StatesDepartment of the Interior,
P. O. Box 560,
JUNEAU, Alaska.

Dear Mr. Lorain: Re: D.M.E.A. Contract 3831(mercury)

We are getting ready for this year's exploration program on our property at Dillingham. The work last year was not too satisfactory to us, simply due to the slow rate of progress, and we decided that we would take over the work ourselves this summer rather than try to contract it to local people in Alaska. We have had considerable difficulty in finding a man familiar with quicksilver to act as superintendent at the property. Largely through the efforts of Mr. Gordon Gould of San Francisco we obtained Mr. Frank S. James, who is highly recommended to us. I asked him to call on you people on his way north, and I hope that by this time he has done so. I think he will probably be excellent in getting the work done, but he may be deficient on reporting. I am thinking particularly of your requirements, but we will try to keep you fully informed from this office.

I telephoned Mr. Velikanje from Vancouver last week, but the telephone connection was so very bad that I could hear only a small part of what he said although I understand he was hearing me all right. The D.M.E.A. Contract as drawn up is rather restrictive in how the work must be done. I am thinking particularly of the drifting on the footwall. Theoretically of course this is the proper procedure, but from a practical point of view, in the early stages of a prospect I like to drift on the best-looking vein, particularly if it shows any chances of making ore. Would you approve of this procedure? Actually at the

-C-O-P-Y-

moment we intend to drift on the footwall vein, but we are a long way away from the property and I want to give Mr. James as much latitude as possible, as he has been recommended to us as a man who is very good at finding quicksilver orebodies.

We would also ask your consideration on the following points covered by the contract:

1. The contract called for approximately 275' of crosscutting to intersect the footwall and hanging wall veins of the shear zone. As Mr. Velikanje will be able to confirm, we were able to bulldoze part of the length of this and then run an open cut so that we shortened up the crosscut. Also the shear is apparently/ steeply dipping than indicated on /more surface, so that we have apparently crossed the vein with 160' of crosscutting instead of 275'. May we convert this 115' of crosscutting to drifting under Stage 1 of the contract?

2. We are bringing in 2 miners from Nevada and California, and I am in hopes that we will make rapid progress. As you know, Stage 1 provides for only 150' of drifting and we have already done approximately 50'. We should be able to complete the balance in 2 weeks or so after James gets started. Would you now approve entering Stage 2 of the contract? I do not know just how long it takes you to carry out the necessary procedure but what I have in mind is to try to avoid any hold-up in the work program.

Mr. Gordon Gould of San Francisco is familiar with all our results and plans for the future, and he told me that if it would assist you or be of value to you he would be pleased to write a letter giving his opinion of the results to date and the future program. For your information, we plan to slash the footwall vein and drift both east and west if it looks good. If we develop ore here, we are in hopes that the cross-fracture in the west drift will continue through to the footwall vein. If it does not, we will slash it and see where it goes. We have in mind to do about 500' or 600' or additional work on this level and try to make up our mind about further work in time to bring in the necessary equipment and supplies on the boat which comes in to pick up the fish pack.

I hope that you will be able to give the above request favourable consideration, and due to the time factor I would appreciate hearing from you as soon as possible.

With best personal regards.

Yours very truly,

/s/ F. R. Burton

F. R. Burton,
President.

/A

400

DOCKET
Surname:
Martin
Selfridge
Fairman
McHenry

FEB 16 1956

Mr. S. H. Lorain, Executive Officer
DMEA Field Team, Region I-Alaska District
P. O. Box 560
Juneau, Alaska

Re: Docket No. DMEA 3831 - Mercury
Moneta Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Southeastern Alaska
Contract No. Idm-E857

Dear Mr. Lorain:

Enclosed are two copies of a letter of February 10, 1956, to the Administrator, from Mr. F. R. Burton, returning the executed copies of Amendment No. 1 to the subject contract, except the copy designated for the operator.

The Field Team and Finance Office copies of the executed Amendment No. 1 are forwarded to you herewith.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (SB)

Enclosures

APPROVED:

/s/ Robert W. Geehan (SB)

Member, Bureau of Mines

Thor H. Kiilsgaard (SB)

Member, Geological Survey

cc: Docket
Code 400
Oper. Comm.
Adm. Read. File
Thor Kiilsgaard, USGS
Helena Meyer, USBM
FT, Reg. I-Alaska

LScott/ls
2/15/56

R.G.S.

DOCKET
SURNAME

400 Martin
Selfridge
Kramm
Mittendorf

FEB 16 1956

Mr. F. R. Barton, President
Mozeta Porcupine Mines, Ltd.
Suite 1505 - 320 Bay Street
Toronto 1, Ontario, Canada

Re: Docket No. DMEA 3831 - Mercury
Red Top Mine
Bristol Bay Recording District
Southeastern Alaska
Contract No. Idm-2857

Dear Mr. Barton:

Reference is made to your letter of February 10, 1956, to Mr. Mittendorf, with attached executed Amendment No. 1.

We understand that the mercury meeting you mentioned has not been held so far, and that the date has not yet been decided.

Sincerely yours,

W. S. Martin

W. S. Martin, Chief,
Iron and Ferro-Alloys Division

WSMartin/foc
2-15-56
cc to: Docket
Code 400
Adm. Read. File
FT. REG. I - Alaska Dist.
H. M. Meyer, USBM
T. H. Kiilsgaard, USGS

R.C.S.

Docket copy
Surname:
Chamber
Martin
Selfridge
Kilsgaard
Whitenberg

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

FEB 10 1956

Mr. S. N. Lorain
Executive Officer, Alaska District
DMEA Field Team, Region I
P. O. Box 560
Juneau, Alaska

Dear Mr. Lorain:

This is in reply to your letter of February 1, 1956, addressed to C. G. Mittenderf and your memorandum of February 3, 1956, addressed to the Operating Committee, dealing with the problem of certifying DMEA vouchers, and transmitting our copies of MF-104's and MF-104A's pertaining to Contract No. IAm-2857, Docket No. DMEA 5831, Moneta Porcupine Mines, Ltd.

The Chief Disbursing Officer of the Treasury Department has notified us that Mr. Wilcox' certifying bond is in full operation and is acceptable for DMEA vouchers. The Chief Disbursing Officer wired the Disbursing Officer of Alaska to this effect February 7, 1956.

We were not aware of the revocation of your certifying bond until the receipt of your memorandum so advising. It appears that until further notice the Bureau of Mines intends for only Mr. Wilcox to certify our vouchers for Alaskan payments. If we get later information from the Treasury Department or from the Bureau of Mines we shall immediately advise you.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

/s/ Robert W. Geehan (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

JIChambers/wb
February 9, 1956

Copy to: Docket (2)
Admr. Reading File
Administrator
Operating Committee
Mr. Kiilsgaard, USGS
Mr. Geehan, USBM
Mr. Martin
Mr. Chambers

G.C.S.

MONETA PORCUPINE MINES, LIMITED
(NO PERSONAL LIABILITY)

SUITE 1505 - 320 BAY STREET
TORONTO 1, ONT.

Telephone: EMpire 6-5665

RECEIVED
FEB 13 1956

Please Refer File:

February 10th, 1956

Copy retained 400

Mr. C. O. Mittendorf,
Administrator,
Defense Minerals Exploration Administration,
WASHINGTON 25, D.C.

Amend #1
Finance Office
Field Team
Div. Copies
rec'd in 400
on 2/14/56

Dear Mr. Mittendorf: Re: Docket No.DMEA 3831-Mercury,
Red Top Mine, Bristol Bay Recording
District, Southeastern Alaska.
Contract No. Idm-E857

In reply to your letter of January 16th we have executed and enclose Amendment No.1, retaining one copy for our files.

I delayed signing this amendment because I think that the Agreement requires modification to permit us more latitude to carry out our development program. I would like to make certain recommendations to you in view of the results obtained last summer, but I was hoping to have a talk with Mr. Gordon G. Gould of San Francisco before discussing the matter with you. He was expected in the East early in January, but so far I have no advice as to when he will actually arrive. I understand that he is on a Mercury Advisory Board for your government and expected to attend a meeting in Washington.

Yours very truly,

F. R. Burton

Copy retained 400

/A
Encl.

F. R. Burton,
President.

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 2/9/56

REFERRED TO:

1. Mr. Martin
2.
3.
4.

FOR:

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

REMARKS: This is the teletype sent to Lorain re Docket No. DMEA-3831, Moneta Porcupine Mines, Ltd.

Check (X) before the items needing attention.

J. L. Chambers
Initials of sender.

GPO 16—63815-1

Contr[illegible] Admin. and Audit Division

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

400

[illegible] (61) Rev[illegible]
[illegible]tion Act, Interior [illegible]
Working Fund to Office of the Sec[illegible]

TELETYPE

Mr. S. N. Lonsin
Executive Officer, Alaska District
DMEA Field Team, Region I
P. O. Box 560
Juneau, Alaska

FEB 7 1956

WSM

3831

Refer to last sentence in paragraph three, memorandum to Operating Committee dated February 3, 1956. Chief D. O. of Treasury wiring Alaska D. O. today that Wilson' certifying hand is acceptable for DMEA 104 vouchers without notification. Letter on subject of certification follows.

/s/ C. O. Mittendorf

Administrator
Defense Minerals Exploration Adm.

JLChambers/wb
February 7, 1956

Copy to: Mails & Files
Admr. Reading File
Administrator
Mr. Chambers
Confirmation

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

RECEIVED
FEB - 6 1956

P. O. Box 560
Juneau, Alaska

February 3, 1956

Memorandum

To: Operating Committee, Defense Minerals Exploration Admin., Department of the Interior, Washington 25, D. C.

From: Executive Officer, Alaska District, Region I.

Subject: Operator's report.
Docket No. DMEA-3831 (mercury)
Moneta Porcupine Mines, Ltd.

Enclosed herewith are two copies each of MF-104, MF-104A, Operator's narrative report, and Operator's progress map for the period August 18, 1955 to November 30, 1955.

I signed the certification a couple of days ago and sent it to the local disbursing office but it has been returned because it appears that my bond was revoked on December 28, 1955. This was my first knowledge of the revocation.

I gather that the revocation has something to do with the transfer of our Bureau of Mines disbursing activities to Albany. Also it appears that the local disbursing officer has just discovered that our certifying bonds are "Bureau of Mines" rather than DMEA; it appears that he is going to hold out for DMEA coverage.

This development further reinforces my recent suggestion that arrangements be made to have our Alaska payments certified elsewhere.

S. H. Lorain

Enclosures-4

cc: Velikanje
Wilcox

DOCKET
SURNAME
Chapman
Martin
Nelson
Guhon
Selfridge
Jefferson

400

JAN 1 6 1956

Mr. F. E. Burton, President
Moneta Porcupine Mines, Ltd.
Suite 1505
320 Bay Street
Toronto 1, Ontario, Canada

Re: Docket No. BMEA 3831 - Mercury
Red Top Mine
Bristol Bay Recording District
Southeastern Alaska
Contract No. Idm-8857

Dear Mr. Burton:

Enclosed are the original and five copies of a proposed Amendment No. 1, to the above referenced contract, signed by the Administrator for the Government.

If the terms and conditions of this proposed amendment are satisfactory to you, please sign all copies, keep the one marked operator and return the others to this office.

If any part of the proposed amendment does not have your approval, the original and all copies are to be returned to this office, together with your proposed changes for consideration.

Sincerely yours,

G. O. Mittendorf

Administrator

TLChapman/foc
1-13-56
cc to: Docket
Code 400
Adm. Read. File
Operating Comm.

Enclosures

cc to: FT. REG. I - Alaska Dist.
H.M. Meyer, USBM
T.H. Kiilsgaard, USGS

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

P. O. Box 560
Juneau, Alaska

January 5, 1956

George C. Selfridge,
Chairman, Operating Committee,
Defense Minerals Exploration Admin.,
Department of the Interior,
Washington 25, D.C.

re: Docket No. DMEA-3831 (mercury)
Moneta Porcupine Mines, Ltd.

Dear Mr. Selfridge:

I am returning the original and seven copies of the proposed Amendment No. 1 to the referenced contract.

Mr. Velikanje and I have reviewed this without objection to any of the terms but we would like to suggest that it might be desirable to incorporate a time extension because the period from June 1, 1956 to the November 1, 1956 completion date is not likely to be enough to permit the company to perform the nearly 2,000 feet of drifting and crosscutting which remains uncompleted if the project is continued to the maximum. Inasmuch as the company probably will ask for a recess next winter, we suggest a time extension of one year.

Whether you prefer to incorporate the time extension in this amendment or to make another amendment later, if needed, makes no difference to us. In either case I suggest that you send the amendment directly to Mr. Burton rather than route it back through us.

Yours sincerely,

S. H. Lorain,
Executive Officer,
Alaska District,
Region I.

RECEIVED
JAN 9 1956

Enclosure-1

cc: Velikanje

DOCKET
Surname:
Chapman
Vantin
Kiilsgaard
Stieer
Selfridge
Hoffman
Mitchenoff

400

DEC 30 1955

Mr. S. H. Lorain, Executive Officer
DMEA Field Team, Region I - Alaska District
P. O. Box 560
Juneau, Alaska

Re: Docket No. DMEA-3831, Mercury
Moneta Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Southeastern Alaska
Contract No. Idm-E857

Dear Mr. Lorain:

Enclosed are the original and five copies of a proposed Amendment No. 1 to the above-referenced contract, signed by the Administrator for the Government. Two extra copies are enclosed for use of the Field Team.

If the terms and conditions of this proposed amendment are satisfactory to you and the Operator, all six copies should be signed by the Operator and the usual distribution made.

If any part of the proposed amendment does not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office, together with the proposed changes for consideration.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (SHB)

Enclosures

APPROVED:

/s/ Robert W. Geehan (SHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (SHB)
Member, Geological Survey

cc: Docket
Code 400
Adm. Read. File
Oper. Comm.
Helena Meyer, USBM
T. Kiilsgaard, USGS
FT, Reg. I-Juneau

TLChapman/ls
12/28/55

DOCKET
Surname:
Chapman
Martin

400

December 16, 1955

MEMORANDUM

To: Associate Solicitor
Division of Mineral Resources

From: Iron and Ferro-Alloys Division, DMEA

Subject: Preparation of Amendment No. 1
Docket No. DMEA-3831, Mercury
Moneta Porcupine Mines, Ltd.
Red Top claim, et al.
Bristol Bay Recording District, Alaska
Contract No. Idm-E857

Transmitted herewith is a rough draft of an Amendment No. 1 to the above-captioned contract for your use in preparing the final draft.

W. S. Martin, Chief
Iron and Ferro-Alloys Division

Attachment

cc: Docket
Code 400

TLChapman/ls

DRAFT

EXPLORATION PROJECT CONTRACT
MONETA PORCUPINE MINES, LTD.
DOCKET NO. DMEA-3831

AMENDMENT NO. 1

It is agreed this ___ day of _____, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Moneta Porcupine Mines, Ltd., that Exploration Project Contract No. Idm-E857, Docket No. DMEA-3831, dated August 18, 1955, hereinafter called the "Contract," is amended as follows:

1. (a) Work under the contract shall be suspended during the period beginning November 1, 1955, and ending not later than June 1, 1956.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of work.

(d) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, DMEA

MONETA PORCUPINE MINES, LTD.

By

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

P. O. Box 2659
Juneau, Alaska
December 6, 1955

RECEIVED
DEC - 8 1955

Memorandum

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

From: R. S. Velikanje, Geological Survey Member, DMEA Field Team, Region I (Alaska District)

Re: Docket No. DMEA 3831 - Mercury
Red Top Mine
Bristol Bay Recording District
Contract No. Idm - E857

Attached are copies of a letter from the Operator in reply to a letter from the Field Team inquiring as to the location of the adit face on August 18, 1955. This date is the date of the contract and the location of the adit face on this date will mark the starting point of work in which the Government will participate.

I visited the subject property on September 26, 1955 at which time the adit was in 125 feet. The operation had been shut down for a time prior to my visit by equipment breakdown.

Mr. Lorain and I have agreed to accept the point ninety-three feet from the first set of timbers as the starting point for Government participation and will inform the Operator of such. If you can find any reason to disagree with this location, please advise by telegraph.

R. S. Velikanje
R. S. Velikanje
Geological Survey Member
Region I (Alaska District)

Enc.

cc: Lorain
Gates

C O P Y

MONETA PORCUPINE MINES, LIMITED
(No Personal Liability)
Suite 1505 - 320 Bay Street
Toronto 1, Ont.

RECEIVED
DEC - 8 1955

Telephone: EMpire 6-5665

Please Refer File:

November 16, 1955

Mr. S.H. Lorain,
Executive Office,
Alaska District, Region 1,
United States Department of the Interior,
P.O. Box 560,
Juneau, Alaska.

Dear Mr. Lorain:

Re: Docket No. DMEA-3831 (mercury)
Moneta Porcupine Mines, Limited

I visited the property at Dillingham towards the end of October and at that time Mr. Wren told me that your office had been in touch with him in an endeavour to establish the starting point for the adit. Mr. Wren said that he would write to you immediately but so far I have not heard anything from you and I was wondering whether or not Mr. Wren might have slipped up in writing.

For your information, our engineer made a section through the tunnel and showed the face of the tunnel on August 23rd as being 103' from the centre line of the first set of timbers. I examined Mr. Wolfe's diary and he must have made at least 10' of advance in the period August 18th to 23rd which would make the face on August 18th, the date of the contract, 93' from the first set of timbers. I suggest that this should be the staring point for the contract and if you agree I will fill out the necessary report forms and submit them to you.

For your information, we decided that considering all the circumstances, we would be best to close down for the winter and start up the operation in the spring as early as possible.

Yours very truly,

(signed) F. R. Burton
F. R. Burton
President

/W

cc: Mr. Clarence Wren,
Dillingham, Alaska

Audits should see this

Talbert saw original. Matter was taken care of by teletype. Bureau of Mines advised Audits Lorain's authority revoked but didn't say why. Apparently not because disbursing activities transferred to Albany.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

P. O. Box 560
Juneau, Alaska

February 3, 1956 WSM

Memorandum

To: Operating Committee, Defense Minerals Exploration Admin., Department of the Interior, Washington 25, D. C.

From: Executive Officer, Alaska District, Region I.

Subject: Operator's report.
Docket No. DMEA-3831 (mercury)
Moneta Porcupine Mines, Ltd.

Enclosed herewith are two copies each of MF-104, MF-104A, Operator's narrative report, and Operator's progress map for the period August 18, 1955 to November 30, 1955.

I signed the certification a couple of days ago and sent it to the local disbursing office but it has been returned because it appears that my bond was revoked on December 28, 1955. This was my first knowledge of the revocation.

I gather that the revocation has something to do with the transfer of our Bureau of Mines disbursing activities to Albany. Also it appears that the local disbursing officer has just discovered that our certifying bonds are "Bureau of Mines" rather than DMEA; it appears that he is going to hold out for DMEA coverage.

This development further reinforces my recent suggestion that arrangements be made to have our Alaska payments certified elsewhere.

S. H. Lorain

Enclosures-4

cc: Velikanje
Wilcox

MF-104

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

Wa-Ln

Budget Bureau No. 42-R1036.5

RECEIVED
FEB - 6 1956

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

Month of Aug. 18 - Nov. 30, 1955 Docket No. DMEA 3831 Contract No. Idm-E857

Operator's Name Moneta Porcuoine Mines, Limited Minerals Mercury

Address 1505 - 320 Bay St., Toronto, Ontario, Canada

Contract Amount, $ 118,720.00 Government Participation: 75 % Amount, $ 89,040.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) [redacted] / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	$3,484	0	$3,484	$3,484.00		$3,484.00
Drifting	2,392	0	2,392	2,392.00		2,392.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	6	0	6	$ 6.00		$ 6.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$5,882	0	5,882	$5,882.00		$5882.00

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

Date Nov. 30, 1955 *Payee Moneta Porcupine Mines, Limited

Per F. R. Burton Title President

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

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

(Instructions on reverse)

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

$ 10,11.50

Signature S. H. Lorain (Authorized Certifying Officer)

Date 2/1/56 Vou. No. 41

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E857 in accordance with the terms of the contract.

Signature ..... Title Examining Officer Date 1/31/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title Executive Officer Date 1/31/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
FEB - 6 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of 8/18-10/30 195 5 Docket No. DMEA 3831 Contract No. Idm-E857
Operator's Name Moneta Porcupine Mines, Limited Minerals Mercury
Address 1505 - 320 Bay St., Toronto, Ontario, Canada.

OPERATION	UNIT	COSTS THIS ~~MONTH~~ Period	UNITS THIS ~~MONTH~~ Period	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Stage I Units	AUTHORIZED BY CONTRACT Stage I Unit Costs
Drifting	feet	$2,392	46	$2,392	46	$52.00)	425	$22,100
Crosscutting	feet	3,484	67	3,484	67	52.00)		
~~Raising~~ Timbering	feet	-	-	-	-	-	300	3,000
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assaying	assays	6	2	6	6	$ 3.00	30	90
TOTAL DISTRIBUTED COSTS		$5,882		$5,882				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		-	-	-				-
Initial Rehabilitation and Repairs		-	-	-				-
New Buildings, Improvements, etc.		-	-	-				-
TOTAL COSTS Stage I		5,882		5,882				$25,190

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

Date Nov. 30, 1955 Operator Moneta Porcupine Mines Ltd.

Per F. R. Burton Title President

REMARKS:

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

(Instructions on reverse)

(For Government use only)

OK

INSTRUCTIONS

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

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

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

GPO 872894

MONETA PORCUPINE MINES, LIMITED
SUITE 1505 - 320 BAY STREET
TORONTO 1, ONT.

FEB 6 1956

PLEASE REFER FILE:

COPY

January 4th, 1956

Mr. S. H. Lorain,
Executive Officer,
Alaska District, Region I,
Defense Minerals Exploration Administration,
P. O. Box 560,
JUNEAU, Alaska.

Dear Mr. Lorain: Re: Docket No.EMEA-3831(mercury)
Moneta Porcupine Mines, Limited
Contract No. Idm-E857

I am sorry that we did not fill out the forms properly, but I wish to thank you for all the trouble you took in filling out a sample form. We have typed it out exactly as filled in by you except for the total cost, which we calculate to be $5,882 instead of $6,882. The forms have been signed and are enclosed herein.

Any time that you would like information that is not covered by these forms, we would be most happy to supply it to you. We are very appreciative of the assistance that you have given us, and we would like to co-operate with you.

Yours very truly,

F. R. Burton

F. R. Burton,
President.

/A
Encls.

MONETA PORCUPINE MINES, LIMITED

(NO PERSONAL LIABILITY)

SUITE 1505 - 320 BAY STREET

TORONTO 1, ONT.

Telephone: EMpire 6-5665

Please Refer File:

December 15th, 1955

Executive Officer,
Defense Minerals Exploration Administration,
Box 560,
JUNEAU, Alaska.

Dear Sir: Re: DMEA Contract No.Idm-E857,
Docket No.3831 - Red Top

I have been advised by Mr. R. S. Velikanje that you have accepted the starting point for our DMEA Contract at a point 93 feet from the first set of timbers. We are therefore submitting our first claim under our contract. There is no provision in Form MF-104 Short Form for placing a monetary value on the work, but according to our calculations the government proportion will be $4,411.50. I note that under the Short Form we are not required to support Form MF-104 with any documentation, but I thought that our costs to date might be of interest to you, and I enclose them herewith. We expect to receive additional charges from the contractor which have not been submitted to us as of this date.

Inasmuch as this is our first claim under the Contract, we may have omitted some of the required information, and if so we would be most pleased to supply it.

Yours very truly,

F. R. Burton

/A
Encls.

F. R. Burton,
President.

To Accompany Form MF-104
November 30th, 1955
Moneta Porcupine Mines, Limited
Contract No. Idm-E857
Docket No. DMEA 3831

NARRATIVE REPORT OF WORK PERFORMED DURING
THE PERIOD AUGUST 18TH - NOVEMBER 30th, 1955

Prior to the DMEA Contract date of August 18th, 1955 a camp was established on the north side of Marsh Mountain, and the necessary equipment moved in to carry out the prospecting operations. The adit was driven a total of 93 feet, 49 feet of which was timbered. The shear zone was intersected at 83 feet from the portal, and there was a strong calcite-breccia vein on the footwall 18 inches wide with a south dip of 40°. There was good ore on the west rib, and a character sample assayed 7.91% mercury. The remainder of the vein exposed in the adit was mostly barren. Six channel cuts from both ribs and the back at regular intervals were combined to form one sample. This sample was submitted to an assayer in Vancouver, British Columbia, and assayed only 0.21% mercury. Since by inspection the vein looked higher grade, the pulp was submitted to an assayer in Sudbury, Ontario, in whose work we have complete confidence, and he reported 0.45% mercury.

At August 18th the adit was 93 feet from the portal. During the period August 18th to October 31st the adit was advanced another 67 feet and encountered a strong calcite-breccia vein on the hangingwall. This vein was drifted east and west for a total of 46 feet. (See attached sketch).

At the time I examined the workings on October 27th, all work had ceased due to weather conditions. No water was available to wash the back and walls, so it was very difficult to examine any veins. The hanging-wall vein in the east face was strong over the full width of the face, but I could see only some small scattered particles of cinnabar and it would not even approach ore grade. In the west face there was considerable calcite veining in the south wall, but for the most part the face was barren. The vein in the drift back appeared to be far below ore grade.

As noted on the sketch, there is a strong cross fracture in the west drift containing massive cinnabar. The contractor took grab samples during the drift advance which showed a 4" width of massive cinnabar. At present the fracture in the back and the south wall contains only a film of cinnabar, but in the north rib the massive cinnabar is up to 2" wide.

Winter set in at a very early date, and weather conditions on the north side of Marsh Mountain were extreme. At the time of my examination the adit was completely filled with snow for 40 feet from the portal. The contractor we had engaged to do the work would not continue the operations under these conditions, and closed down on October 11th. He had had a great deal of trouble and was probably somewhat discouraged. The original compressor broke down on August 24th, and he did not get going again until September 20th. Fortunately we had sent in a supplementary compressor, which arrived on the last boat, and it provided adequate air up until the operation was closed down.

MONETA PORCUPINE MINES, LIMITED

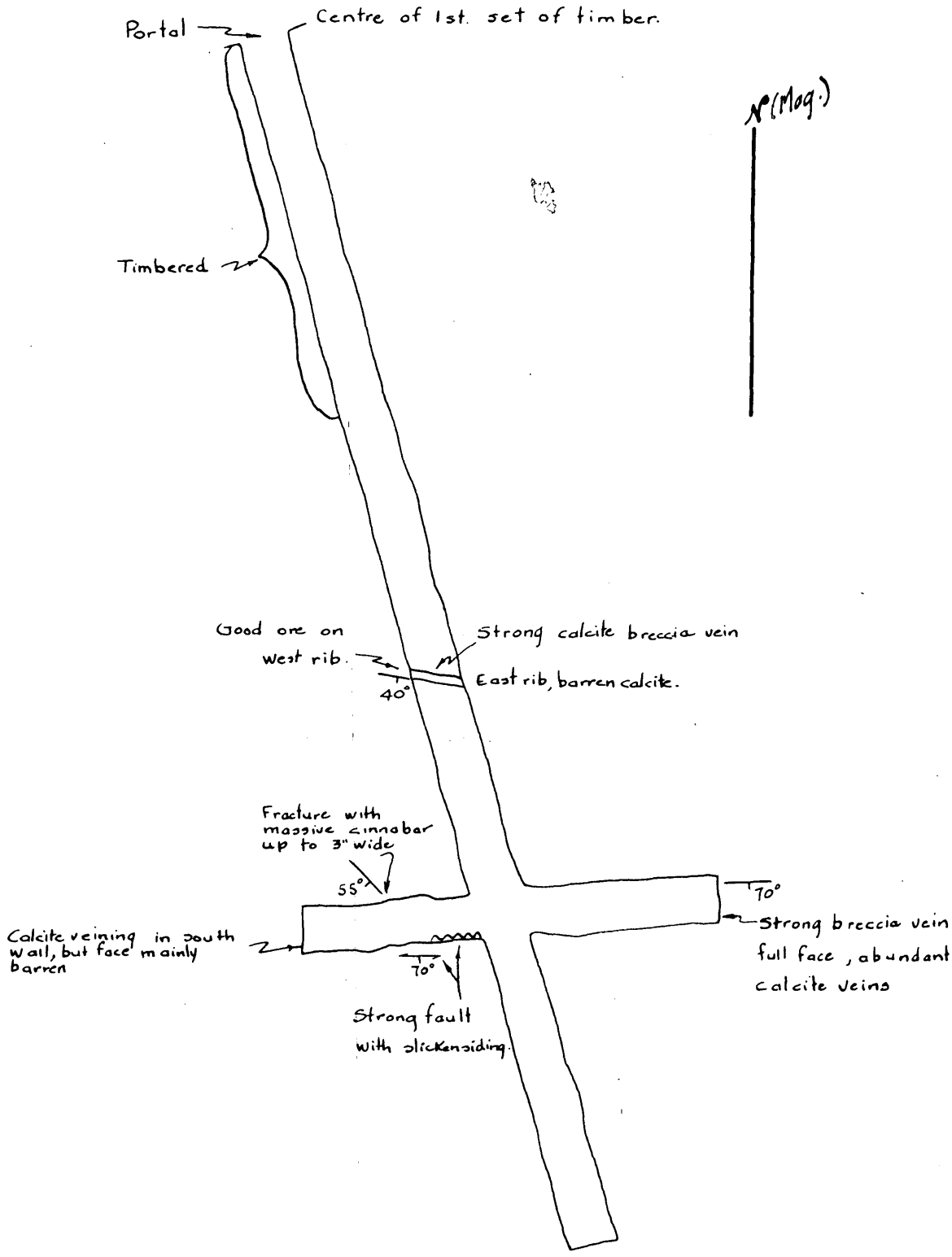
F. R. Burton

F. R. Burton,
President.

MONETA PORCUPINE MINES, LIMITED

Expenditures to November 30th -
Red Top Property(Can.Funds)

Supervision	$ 3,697.18
Materials and supplies	977.31
Telephone and telegraph	157.80
Assaying	10.00
Travelling	1,681.88
Contract work	8,400.00
Consultant	1,324.35
Option payment	1,000.00
Equipment	4,233.63
Miscellaneous	19.27
Bank charges and exchange (Credit)	99.16
	$21,402.26



RED TOP PROPERTY
DILLINGHAM, ALASKA.
Adit Workings 1000' Level.

Survey by chain and compass.

Scale 1"=20' 27 Oct 55.

F. R. Burton

PLUMTREE, N. C.

VIA AIR MAIL

VIA AIR MAIL

PLUMTREE N. C. FEB 1955 3 PM

U.S. POSTAGE

Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D C

Atten:

MR LAWER NCE HOUK.

400

DOCKET
Surname:
Martin
Martin
Hoffland
Geehan
Kilsgaard
Selfridge

OCT 14 1955

Mr. F. R. Burton, President
Moneta Porcupine Mines, Ltd.
Suite 1505
320 Bay Street
Toronto 1, Ontario, Canada

INTERIOR DEPT.
OCT 13 1955
SOLICITOR

Re: Docket No. DMRA 3831 - Mercury
Red Top Mine
Bristol Bay Recording District
Southeastern Alaska
Contract No. Idm-5857

Dear Mr. Burton:

This will acknowledge receipt of your letter of October 7, 1955, regarding the subject contract.

We note your request that, in view of the small amount involved, we agree to the starting point being the center of the first set of timbers. If, as we understand, the first set of timbers is at the portal of the adit, we regret that we can make no such agreement.

Enclosed is a copy of DMRA Order-1, Amended, and as noted in Section 9(b) "Allowable Costs," no cost of work incurred before the date of the contract shall be allowed as costs of the contract in which the Government will participate.

We also received from Mr. Lorain a copy of his letter to you of October 4, and we telegraphed him that the Government would participate in the costs of work done since August 18, 1955, the date of the contract, and that the Field Team should determine the starting point on the best available information.

Sincerely yours,

Frank E. Johnson

Acting Administrator

cc: H. M. Meyer, USBM
Docket
Code 400
Adm. Read. File
Oper. Committee
FT, Reg. I-Juneau
T. Kiilsgaard, USGS

Enclosure

SMartin/ls
/13/55

R.C.S.

DOCKET
Surname:
Martin
Talbot
Kilsgaard
Geehan
Selfridge
Johnson

Interior Department
Defense Minerals Exploration Administration
14X4401(01) Revolving Fund, Defense Production Act, Interior
(Allocated Working Fund to the Office of the Secretary)

OCT 12 1955

T E L E T Y P E

S. H. Lorain, Executive Officer
DMEA Field Team, Region I-Alaska District
Bureau of Mines, P. O. Box 560
Juneau, Alaska

Reurlet October 4 to F. R. Burton, President, Moneta Porcupine Mines, Ltd., Docket DMEA 3831.

Government will participate in cost of work done since August 18, 1955. Field Team should determine starting point on best available information.

George C. Selfridge
Chairman, Operating Committee (26)

cc: Docket
Adm. Read. File
Code 400
Oper. Comm.
T. Kiilsgaard, USGS
H. M. Meyer, USBM
FT, Reg. I-Juneau (Confirmation)

WSMartin/ls
10/11/55

R.C.S.

DOCKET
Surname:
Martin
Talbot

Interior Dept.
Defense Minerals Exploration
Administration
14X4401(01) Revolving Fund,
Defense Production Act,
Interior (Allocated Working Fund to
the Office of the Secretary)

T E L E T Y P E

S. H. Lorain, Executive Officer
DMEA Field Team, Region I-Alaska District
Bureau of Mines, P. O. Box 560
Juneau, Alaska

Reurlet October 4 to F. R. Burton, President, Moneta Porcupine Mines, Ltd., Docket DMEA 3831.

Although work completed prior to date of amendments has been allowed in cases where Field Team authorized such work with Government approval, DMEA regulations clearly state that Government will not participate in costs of work performed before the date of contract. To avoid further delay, suggest you might pay first vouchers submitted on basis of starting point reported by operator as of the date of the contract. Presumably mine progress maps show that starting point very closely. Government will participate in cost of work done since August 18, 1955. Field Team should determine starting point on best information available.

Chairman, Operating Committee

CC: Docket
Code 400
Adm. Read. File
Oper. Comm.
T. Kiilsgaard, USGS
H. M. Meyer, USBM
FT, Reg. I-Juneau (Confirmation)

Not used

SMartin/ls
10/11/55

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 10/11

REFERRED TO:

1. ~~100~~
2. M+J
3. 8
4.

FOR:

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

REMARKS:

only 1 cy rec'd

Check (X) before the items needing attention.

ROBERT E. ADAMS
Initials of sender.

GPO 16—63815-1

MONETA PORCUPINE MINES, LIMITED

(NO PERSONAL LIABILITY)

SUITE 1505 - 320 BAY STREET

TORONTO 1, ONT.

Telephone: EMpire 6-5665

RECEIVED

OCT 10 1955

Please Refer File:

October 7th, 1955

1549

Mr. C. O. Mittendorf,
Administrator,
Defense Minerals Exploration Administration,
United States Department of the Interior,
WASHINGTON 25, D.C.

Dear Mr. Mittendorf: Re: Docket No. DMEA 3831 - Mercury
Red Top Mines, Bristol Bay Recording
District, Southeastern Alaska -Idm-E857

I had asked Mr. S. H. Lorain, Executive Officer of your Field Team, Region I, Alaska District, to locate the starting point for the unit cost work. He advises that Mr. Velikanje visited the property on September 25th and 26th and reported that the crosscut was in about 125 feet at that time. Mr. Velikanje states that the proper starting point should be the centre of the first set of timbers. Part of this work was done in July before the signing date of the contract. Mr. Lorain states that the Field Team is unable to authorize payment for work done before the date of the contract unless such work is cleared by the Washington office. In view of the small amount involved, would you agree to the starting point being the centre of the first set of timbers? Otherwise Mr. Lorain advises me that Mr. Velikanje will have to get together with Mr. Wren and make a determination of the starting point.

Yours very truly,

F. R. Burton

F. R. Burton,
President.

/A
C/c Mr. S. H. Lorain

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

400

P. O. Box 560
Juneau, Alaska

RECEIVED
OCT 7 - 1955

October 4, 1955

WSM

Mr. F. R. Burton, President,
Moneta Porcupine Mines, Limited,
Suite 1505,
320 Bay Street,
Toronto 1, Ontario.

Re: Docket No. DMEA-3831 (mercury)
Moneta Porcupine Mines, Limited

Dear Mr. Burton:

I have just received your letter of September 27 in which you ask about the starting point for the referenced project.

Mr. Velikanje, of the Geological Survey, visited the property on September 25 and 26; he reports that the crosscut was in about 125 feet at that time. He agrees that the proper starting point should be the center of the first set of timbers.

Although the starting point is perfectly clear there is some doubt with regard to the time of starting. It appears that a large part of the work was done last June which was before the date of signing of the contract. The field team does not feel that it can authorize payment for work done before the date of the contract unless such work is cleared by the Washington office; therefore I suggest that you get in touch with Mr. Mittenderf and have him decide whether you can be paid for the work done before the contract was signed. If you cannot be paid for work done before August 18 (the date of the contract) then Mr. Velikanje will have to get together with Mr. Wren and make a determination of the starting point. This will entail some further delay.

Yours sincerely,

S. H. Lorain,
Executive Officer,
Alaska District,
Region I.

cc: Operating Committee
Velikanje

MONETA PORCUPINE MINES, LIMITED

(NO PERSONAL LIABILITY)

SUITE 1505 - 320 BAY STREET

TORONTO 1, ONT.

Telephone: EMpire 6-5665

Please Refer File:

September 27th, 1955

WBay

RECEIVED

SEP 29 1955

Mr. Frank E. Johnson,
Acting Administrator,
United States Department of the Interior,
Defense Minerals Exploration Administration,
WASHINGTON 25, D.C.

Dear Mr. Johnson: Re: Docket No. DMEA 3831 - Mercury Red Top Mine, Bristol Bay Recording District, Southeastern Alaska, Contract No. Idm -E857

I wish to thank you for your letter of the 22nd instant received here yesterday, enclosing a supply of your forms MF-104 and MF-104A. I note that Mr. S. H. Lorain is responsible for locating the starting points for the unit cost work. I have not yet heard from him but will contact him immediately.

Yours very truly,

F. R. Burton

F. R. Burton,
President.

/A

DOCKET
Surname:
Martin

SEP 22 1955

Mr. F. R. Burton, President
Moneta Porcupine Mines, Ltd.
Suite 1505 - 320 Bay Street
Toronto 1, Ontario, Canada

Re: Docket No. DMEA 3831 - Mercury
Red Top Mine, Bristol Bay Recording
District, Southeastern Alaska
Contract No. Idm-E857

Dear Mr. Burton:

Enclosed is a small supply of our Forms MF-104 and 104A, as requested by your letter of September 15, 1955.

Presumably Mr. S. H. Lorain, Executive Officer of our Field Team, Region I - Alaska District, has already arranged to furnish a supply of the same forms to your supervisor at the exploration project, and, at the same time, to locate the starting points for the unit cost work.

Our ordinary procedure is to rely upon the appropriate Field Team to the maximum possible extent in the administration of each contract. We are, however, glad to comply directly in any instance where we can expedite completion of a contract without interfering in the responsibilities of the Executive Officer concerned.

Sincerely yours,

Frank E. Johnson

ACTING Administrator

Enclosures

cc: Docket
FT, Reg. I-Juneau
Code 400
Adm. Read. File
T. Kiilsgaard, USGS
H. M. Meyer, USBM

WSMartin/ls
9/21/55

MONETA PORCUPINE MINES, LIMITED
(NO PERSONAL LIABILITY)
SUITE 1505 - 320 BAY STREET
TORONTO 1, ONT.
Telephone: EMpire 6-5665

RECEIVED
SEP 19 1955

Please Refer File:

September 15th, 1955

WBM

Your Reference: 400

Mr. W. S. Martin, Director,
Iron and Ferro Alloys Division,
Defense Minerals Exploration Administration,
Department of the Interior,
WASHINGTON 25, D.C.

Dear Mr. Martin:

Re: Docket No.DMEA 3831 - Mercury
Red Top Mine, Bristol Bay Recording
District, Southeastern Alaska
Contract No. Idm-E857

I have received back the executed contract from Mr. Mittendorf's office. I asked him to send us a supply of the forms mentioned in Article 6(b) for reporting to the Government, but they were not included. Could you please send us a supply.

Yours very truly,

F. R. Burton

F. R. Burton,
President.

/A

Copies made - 2 sent to F.T.

DOCKET
Surname:
Chapman
Martin
Butin
Selfridge
Mitchell

SEP 12 1955

Mr. S. H. Lorain, Executive Officer
DMEA Field Team, Region I - Alaska District
P. O. Box 560
Juneau, Alaska

Re: Docket No. DMEA 3831 - Mercury
Moneta Porcupine Mines, Ltd.
Red Top Mine
3rd Division, Bristol Bay
Recording District, Alaska
Contract No. Idm-E857

Dear Mr. Lorain:

Reference is made to your memorandum of August 25, 1955, concerning the subject contract.

This contract has been executed by the Administrator for the Government and by the Operator. Enclosed are the Field Team copy, Finance Office copy, and two extra copies for the Field Team.

We note your comments concerning insufficient drifting to the west and that less drifting should be done to the east. If at any time during the progress of the work it is found advisable to increase the work to the west and decrease the work to the east, the contract can be amended by you to this effect.

Concerning your comments on the work to be carried out by Stage II, you will note that this work is subject to the advance approval of the Government, and it will only be necessary for the Field Team to so approval all or any part of Stage II, as deemed advisable. Approval of any part or all of this work should be done in writing and six copies should be made, one for each copy of the contract.

B.C.B.

If, after the completion of Stages I and II, it is found that further drifting to the west is warranted, an amendment to this effect can be written in this office.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (HB)

Enclosures

APPROVED:

P. F. Yopes (HB)

Member, Bureau of Mines

/s/ N. E. Nelson (HB)

Member, Geological Survey

cc: Docket
Adm. Read. File
Oper. Committee
Code 400
FT, Reg. I-Juneau
Thor Kiilsgaard, USGS
H. M. Meyer, USBM

TLChapman/foc/ls
9/8/55

DOCKET
SURNAME

400 Chapman
Cubin
Selfridge

SEP 12 1955

Moneta Porcupine Mines, Limited
Suite 1505, 320 Bay Street
Toronto 1, Ontario, Canada

Re: Docket No. DMSA 3831 - Mercury
Red Top Mine
Bristol Bay Recording District
Southeastern Alaska
Contract No. Idm-E857

Gentlemen:

This will acknowledge receipt of your letter of August 25, 1955, returning the original and five copies of the above captioned contract, together with a copy of a Supplemental Agreement executed June 15, 1955, between the Red Top Mercury Mines, Inc., and Moneta Porcupine Mines, Ltd.

Changes indicated by you on the face of the contract have been approved and initialed and your copy of the contract is returned herewith.

Sincerely yours,

C. O. Mittendorf

Administrator

TLChapman:foc
9-2-55
cc to: Docket
Code 400
Adm. Read. File
Operating Comm.
Enclosure
FT. REG. I - NWD
H.M. Meyer, USBM
T. H. Kiilsgaard, USGS

R.G.L.

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

P. O. Box 560
Juneau, Alaska

RECEIVED
AUG 29 1955

August 25, 1955

Memorandum

To: Operating Committee, Defense Minerals Exploration Admin., Department of the Interior, Washington 25, D. C.

From: Executive Officer, Alaska District, Region I.

Subject: Proposed contract.
Docket No. DMEA-3831,
Moneta Porcupine Mines, Ltd.

Your letter of August 11, and the unsigned extra copy of the subject contract were received while both Velikanje and I were in the field. R. L. Thorne telegraphed you on August 16, in effect, that we would have no objections to the contract as written but suggested that the provisions for timbering be qualified to require "acceptable" timbering. Thorne pointed out that we probably would want to exercise our usual prerogative of making somewhat different use of the drift footage than is specified in the contract. The surface indications suggest that it will be desirable to do more drifting toward the west and less toward the east than the contract specifies; in fact the specified drifting toward the west is not sufficient to reach the downward projection of the first indicated ore shoot and is several hundred feet short of the second outcrop to the west. The surface work does not indicate any ore more than about 75 east of the proposed crosscut. The combined allowance for east-west drifting on either level is not enough to reach the most westerly surface indication but probably is enough to indicate the value of the deposit.

We can foresee that the advisability of driving the lower level might be conditional upon the results obtained from Item 2, Stage II; in other words the results obtained from Stage I, as specified, might not be entirely decisive without the additional work permitted by Item 2, Stage II. However the contract, as written, would permit simultaneous performance of Item 2, and Items 3-4 of Stage II. If it is not too late we suggest that the present Item 2, Stage II be converted to an intermediate "stage" but

with the provision that joint agreement by the Operator and Government would permit the lower adit to be started immediately after Stage I (i.e. without waiting for completion of the intermediate stage).

We are returning the extra copy of the contract herewith.

S. H. Lorain,
Executive Officer,
Alaska District,
Region I.

cc: Velikanje
Thorne

Docket

MONETA PORCUPINE MINES, LIMITED

(NO PERSONAL LIABILITY)

SUITE 1505 - 320 BAY STREET

TORONTO 1, ONT.

RECEIVED

AUG 30 1955

PLEASE REFER FILE:

August 25th, 1955

Your Reference: 400

REGISTERED

Mr. C. O. Mittendorf,
Administrator,
Defense Minerals Exploration Administration,
United States Department of the Interior,
WASHINGTON 25, D.C.

Dear Mr. Mittendorf: Re: Docket No. DMEA 3831 - Mercury
Red Top Mine
Bristol Bay Recording District
Southeastern Alaska

We have executed and return to you herewith the original and 5 copies of the Contract. The Contract has been executed by the President and Vice-President of our Company under seal. Our By-Laws do not permit the Secretary to sign under seal alone. Our Secretary is away on holidays until next month, so I have had the certificate taken by our Assistant Secretary, which I presume will fulfil your requirements.

I spoke to Mr. Chapman yesterday and advised him that since we had our option extended and have not actually taken out our lease, our solicitors thought that under Article 2(b)(1) we should be described as the "holder of an option to lease" and not as the "lessee", and further down "option to lease" instead of "lease". I enclose copy of this Suppmental Agreement extending our option and have made the necessary changes in Article 2 and initialled the same. I understood from Mr. Chapman that this was satisfactory to you, and if so would you please initial the changes and return to us our copy of the Contract.

Would you please send us the forms for reporting mentioned in Article 6(b).

I would like to take this opportunity of thanking you for your assistance in exploring this property.

Yours very truly,

F. R. Burton

F. R. Burton,
President.

/A
Encls.

DOCKET
Surname:
Chapman

AUG 19 1955

STRAIGHT TELEGRAM

Mr. F. R. Burton, President
Moneta Porcupine Mines, Ltd.
Suite 1505, 320 Bay Street
Toronto 1, Ontario, Canada

Retel August 16. Proposed contract Docket DMEA 3831 mailed August 18.

C. O. Mittendorf

C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration

cc: Docket
Code 400
Adm. Read. File
T. Kiilsgaard, USGS
H. M. Meyer, USBM
FT, Reg. I - Juneau, Alaska

TLChapman/ls
8/19/55

400

DOCKET
Surname:

Chapman
Holt

AUG 18 1955

Mr. F. R. Burton, President
Moneta Porcupine Mines, Ltd.
Suite 1505, 320 Bay Street
Toronto 1, Ontario, Canada

Re: Docket No. DMEA 3831 - Mercury
Red Top Mine
Bristol Bay Recording District
Southeastern Alaska

Dear Mr. Burton:

Enclosed are the original and five copies of a proposed contract for an exploration program, signed by the Administrator for the Government, together with Exhibit "A" (3 pages), Annex I (1 page), Annex II (1 page), and 2 maps.

If any part of the proposed contract does not have your approval, the original and all copies are to be returned to this office, together with the proposed changes for consideration.

If the contract meets with your approval, fill in the blank under Article 3, which states how soon you can begin work, sign all copies, retain that copy marked for the Operator, and return the others to this office.

Processing of the proposed contract was retarded because of delay in passage of the bill by Congress to continue the existence of the Defense Minerals Exploration Administration. We hope that you will find the contract satisfactory and that the exploration will be successful.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

cc: Docket
Code 400
Adm. Read. File
Oper. Committee
Thor Kiilsgaard, USGS
H. M. Meyer, USBM
Field Team, Region I-Juneau

TLChapman/ls
8/17/55

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE AUG 18 1955

REFERRED TO:

1. ~~400~~
2.
3. file
4. 3831

FOR:

Amen

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

REMARKS:

Leatha the cy was sent you on this 8-16 but this should be in our M+F docket

Check (X) before the items needing attention.

ROBERT E. ADAMS

Initials of sender.

GPO 16—63815-1

Telefax WESTERN UNION Telefax

SY RVA168 11/10=CPR BA TORONTO ONT 16 1048A=

C O WITTENDORF ADMINISTRATOR= 1955 AUG 16 AM 11 24

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPT OF THE INTERIOR WASHINGTON DC=

HAVE NOT RECEIVED PROPOSAL MENTIONED IN YOUR TELEGRAM

JULY TWENTYFIFTH= 1955 AUG 16 AM 11 30

F R BURTON NONETA PORCUPINE MINES LTD= FAX

1270 (1-51)

RS136

Docket

AUG 17 02 59 z55
DEPT. ARMY COMM.
EX 56397

INTERIOR DEPT.
AUG 17 1955
SECRETARY'S
MAIL CENTER

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8/17/55

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R 170130Z

FM R L THORNE ACT EXEC OFFICER FIELD TEAM REG I JUNEAU ALASKA

TO W S MARTIN ACT CHAIRMAN OPERATING COM DMEA WASHDC

MINES GRNC

BT

PRESUME DOCKET DMEA-3831 COULD BE AMENDED LATER FOR MORE DRIFTING AND CORSSCUTTING OF STRUCTURE TO WEST AS RECOMMENDED LORAINS WIRE OF JULY 21 SUGGEST EXHIBIT A PAGE ONE AFTER TIMBERED WHEN NECESSARY INSERT QUOTE WITH ACCEPTABLE SETS AT FIVE FOOT INTERVALS WITH LAGGING BETWEEN UNQUOTE AIRMAILING COPY APPLICATION AUGUST 19 AFTER INSPECTION BY LORAIN

BT

CFN DMEA-3831 21 19

17/0145Z

RECEIVED
AUG 17 1955

400

DOCKET
Surname:
Chapman
Martin
Nelson
Talbut
Meyer
Hoffman
Matteucci

AUG 11 1955

Mr. S. H. Lorain, Executive Officer
DMEA Field Team, Region I-Alaska District
P. O. Box 560
Juneau, Alaska

Re: Docket No. DMEA 3831 - Mercury
Moneta Porcupine Mines, Ltd.
Red Top Mine
3d Division, Bristol Bay
Recording District, Alaska

Dear Mr. Lorain:

Enclosed is the unsigned extra copy of a proposed contract for an exploration program by the above-referenced applicant, together with Exhibit "A" (3 pages), Annex I (1 page), Annex II (1 page), and two maps.

To expedite execution, we plan to send the contract directly to Toronto after it shall have been signed here by the Administrator. It will be appreciated, therefore, if you will wire us your comments and recommendations and return the copy to us by air mail.

We shall point out to the applicant that his present interest in the property is an option for ten weeks commencing May 1, 1955, and before the contract can be entered into, it will be necessary for him either to exercise his option or otherwise secure a lease or other interest in the property.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (JB)

Enclosures

APPROVED:

O. M. Bishop (JB)
Member, Bureau of Mines

/s/ W. P. Williams (JB)
Member, Geological Survey

cc: Docket
FT, Reg. I-Juneau
Code 400
Adm. Read. File
Oper. Committee
Thor Kiilsgaard, USGS
H. M. Meyer, USBM

TLChapman/WSMartin/ls
8/10/55

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

AUG 4 1955

Memorandum

To: The Administrator, DMEA
Attention: W. S. Martin

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3831 (Mercury), Moneta Porcupine Mines, Ltd.

The attached contract has been drafted for your signature from a rough draft submitted to this office by memorandum of the Chief, Iron and Ferro-Alloys Division, dated July 27, received here July 27. The submission bears a "Special" tag, but the work here was delayed somewhat by the necessity of returning it to the division for corrections.

This draft is approved for your signature subject to the following:

1. The interest of the Operator in the land is insufficient to support an exploration contract, and the Operator should provide us with evidence of a sufficient interest before the contract is entered into. The present interest of the Operator in the land is nothing but an option for ten weeks commencing May 1, 1955. Aside from the shortness of the term, the option itself is of doubtful validity in my opinion (no consideration for the option is indicated), and before the contract can be entered into it is necessary for the Operator either to exercise the option or otherwise secure a lease or other interest in the property.

2. The Operator's interest in the land apparently extends to a couple of claims which are not included in the land described in Article 2 of the contract form. I have discussed this with Mr. Chapman of the division, and he said that they are to be left out.

One element of the work is to ". . . erect a cook house, bunk house, and shed for equipment, to accommodate about 10 men." A unit price of $3,000 is put upon this work. I can only assume that the description is a sufficient specification for the work to be performed.

JLHofflund:gjb
Copy to: DMEA Docket
Sol. Docket
W. S. Martin (2)
J. L. Hofflund
Chron. File

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

MONETA PORCUPINE MINES, LIMITED
(NO PERSONAL LIABILITY)

SUITE 1505 - 320 BAY STREET

TORONTO 1, ONT.

Docket

RECEIVED
JUL 29 1955

PLEASE REFER FILE:

July 28th, 1955

No reply necessary until we send contract
WSM
8/1/55

AIRMAIL
SPECIAL DELIVERY

Mr. W. S. Martin, Director,
Iron and Ferro Alloys Division,
Defense Minerals Exploration Administration,
Department of the Interior,
WASHINGTON 25, D.C.

Dear Mr. Martin: Re: Docket Number DMEA 3831

In Dr. Burton's absence from the office I should like to acknowledge receipt of your telegram of the 25th instant, which I have forwarded on to Dr. Burton. We note that you plan to submit a proposed exploration program next week.

We enclose herewith six copies of Consent to Lien, Form MF-203, completed by Red Top Mercury Mines, Inc. in connection with our application for assistance.

Yours very truly,

MONETA PORCUPINE MINES, LIMITED

R. Archer

/A
Encls.

Per: R. Archer

400

DOCKET
SURNAME
Chapman
Martin

July 27, 1955

Memorandum

To: Acting Assistant Solicitor, Defense Minerals

From: Chief, Iron and Ferro-Alloys Division, DMEA

Subject: Docket No. DMEA 3831 - Mercury
Nomata Porcupine Mines, Ltd.
Red Top Mine
Nushagak District, Alaska

Transmitted herewith is a rough draft of a proposed contract for your use in preparing the final draft.

W. S. Martin, Chief
Iron and Ferro-Alloys Division

Attachment

TLChapman:foc
cc to: Docket
Code 400

EXPLORATION PROJECT CONTRACT
MONETA PORCUPINE MINES, LTD.
DOCKET NO. DMEA 3831

The land referred to in Article 2 of the contract is as follows: (Exhibit I)

Six unpatented lode mining claims, the locations notices of which are recorded in the Bristol Bay Recording District, 4th Division, Territory of Alaska

Claim Name	Book No.	Page No.
Red Top	10	67
Red Top No. 1	10	67
Red Top No. 2	10	68
East Extension Red Top	10	68
East Extension Red Top No. 1	10	69
East Extension Red Top No. 2	10	69

The above claims are held by the Red Top Mercury Mines, Inc. (an Alaskan Corporation) and have been leased to the Moneta Porcupine Mines, Ltd. by a lease dated May 1, 1955.

EXPLORATION PROJECT CONTRACT
MONETA PORCUPINE MINES, LTD.
DOCKET NO. DMEA 3831

The maps attached to and made a part of this contract are as follows:

Exhibit I - Map showing relative position of mining claims, contours and approximate location of crosscut adit, Stage I.

Exhibit 2 - Cross Section and Longitudinal Section indicating the approximate level and extent of proposed work.

The work is to be divided in two stages.

Stage I

1. Approximately on the 1,000 foot level drive a crosscut adit, approximately 275 feet to intersect the footwall and hanging wall veins of the shear zone. (Exhibits I and II)

2. On the footwall vein drift westerly approximately 90 feet and easterly approximately 60 feet to explore the mineralized zone under surface trenching. (Exhibits I and II).

All crosscuts and drifts to be timbered when necessary and to be not less than 4½ feet x 6½ feet in the clear. Mineralized zones shall be sampled and analyzed for mercury.

Stage II

If, in the opinion of the Government, based upon the results obtained in Stage I, further work is warranted and the Government approves it in advance, Stage II shall be performed.

1. In preparation for winter work, erect a cook house, bunk house and shed for equipment.
2. From the face of drifts in Stage I, drift westerly approximately 300 feet and easterly approximately 200 feet. (Exhibit 2).
3. Approximately at the 900 feet level (Exhibit 2) and approximately 100 feet vertically below the adit driven in Stage I, drive a crosscut adit approximately 600 feet to intersect the footwall and hanging wall veins of the shear zone.
4. On the footwall vein drift westerly approximately 300 feet and easterly approximately 200 feet.

   All crosscuts and drifts to be timbered when necessary and to be not less than 4½ feet x 6½ feet in the clear. Mineralized zones shall be sampled and analysed for mercury.

Estimated Cost of the Project
Fixed Unit Costs

Stage I

Crosscut adit and drift 425 feet at $52.00/ft.	$22,100.00	
Timbering 300 feet at $10.00/ft.	3,000.00	
Sampling and analyzing, 30 samples at $3.00 each	90.00	
TOTAL		$25,190.00

Stage II

Cook house, bunkhouse and shed	$ 3,000.00	
Crossent adit and drifts 1,100 feet at $52.00/ft.	57,200.00	
Timbering 700 feet at $10.00 per foot	7,000.00	
Sampling and analyzing 110 samples at $3.00	330.00	
Total		$ 67,530.00
Estimated total cost of project		$ 92,720.00
Government participation at 75 percent		$ 69,540.00

MF-200A
(Revised June 1954)

Docket No. DMEA 3831

Commodity Mercury

Contract No. Idm-E

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this ..... day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Moneta Porcupine Mines, Ltd.

whose mailing address is 1505 - 320 Bay Street, Toronto, Ontario

hereinafter called the "Operator," as follows:

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

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

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the ~~State of~~ Territory of Alaska, County of 4th Division, and is described in Annex I.[3] Bristol Bay Recording District

(b) The Operator represents and undertakes that:

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

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: none

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien

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

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of .....mercury..... The work to be performed is described in Exhibit "A." The Operator on or before ...November 1, 1956..... shall commence the work, and on or before ..... (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $...92,720.00..... The Government will contribute ..... percent of the fixed unit costs as work is performed, in a total sum not in excess of $69,540.00.....: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

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

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

.....
(Operator)

By .....

By .....

.....

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

Interior Department
Defense Minerals Exploration
Administration
14X4401 (01) Revolving Fund,
Defense Production Act,
Interior (Allocated Working Fund
to the Office of the Secretary)

DOCKET
SURNAME

Rutledge
Martin
Meyer
Geehan
Nelson

xxxxxxxxxxxxxxxxxxxx

Telegram

~~T E L E T Y P E~~

JUL 2 5 1955

Mr. F. R. Burton, President
Manata Porcupine Mines, Ltd.
Suite 1505, 330 Bay Street
Toronto 1, Ontario, Canada

Retel July 20, 1955, Docket DMEA 3831, Manata Porcupine Mines, Limited, Red Top Mine. We cannot make any commitment on proposed exploration in advance of execution of contract. Favorable consideration being given to reduced program of drifting and crosscutting. We plan to submit proposed exploration program for your consideration next week.

C. O. Mittendorf

Administrator, Defense
Minerals Exploration Administration

FARutledge/fec
7-25-55
cc to: Docket
Code 400
Adm. Read. File
Operating Comm.
FT. REG. I - Alaska District
H. M. Meyer, USBM
T. H. Kiilsgaard, USGS

R.C.J.

MONETA PORCUPINE MINES, LIMITED
(NO PERSONAL LIABILITY)

SUITE 1505 - 320 BAY STREET

TORONTO 1, ONT.

RECEIVED
JUL 27 1955

PLEASE REFER FILE:

July 25th, 1955

Mr. W. S. Martin, Director,
Iron and Ferro Alloys Division,
Defense Minerals Exploration Administration,
Department of the Interior,
WASHINGTON 25, D.C.

Dear Mr. Martin: Re: Docket Number DMEA 3831

I have obtained an extra copy of Mr. Gould's report, which I enclose. It is complete except for the pictures.

I wired you last week as follows:

> "Re our application for assistance Docket Number DMEA 3831 would appreciate advice from you as to approximate date that you will be able to make decision stop Last boat of the season loading at Seattle August first to fifteenth"

To date I have had no reply to my wire, but I hope that I may hear from you soon. I am leaving for Alaska tomorrow morning, but my office will always be able to get in touch with me.

Yours very truly,

F. R. Burton

F. R. Burton,
President.

/A
Encl.

Wire answered 7/25/55

RS161

1ENHN

JUL 22 02 25 z55

DEPT. ARMY [illegible]
EX 56397

RECEIVED
JUL 22 1955

24595

INTERIOR DEPT.
JUL 22 1955

EUA[illegible]WKD97[illegible]KA[illegible]22

RR RUEPDA

DE RUHJC [illegible]A

R [illegible]185Z

FM S M LORAIN ASST REGIONAL DIR FOR ALASKA REGION I JUNEAU ALASKA

TO GEORGE C SELFREDGE CHAIRMAN OPERATING COMMITTEE

DEFENSE MINERAL EXPLORATION ADMIN DEPT OF THE INTERIOR INTERIOR

~~BLDG WASHDC~~

MINES GRNC

BT

REURTEL APPLICATION DMEA-3831 MONETA PORCUPINE FIELD TEAM FAVORS

STAGE ONE AS REQUESTED BUT THINKS MORE DRIFTING ADVISABLE ON UPPER

LEVEL BEFORE HIGHCOST CROSSCUT AT LOWER LEVEL SUGGEST STAGE ONE

CROSSCUT AT ABOUT 1[illegible] OR 959 ELEVATION PLUS 15[illegible] FEET DRIFT

ON MAIN SHOOT THEN STAGE II TO CONSIST OF ABOUT [illegible] FEET ADDITIONAL

DRIFTING AND COROSSCUTTING WEST ALONG STRUCTURE STAGE III AT LOWER

ELEVATION SUBJECT FOR LATER AMENDMENT SUGGEST FLAT UNIT PRICE AT

[illegible] FOOT THIS PROGRAM SHOULD PROVIDE APPROXIMATELY SAME EXPLORATORY

INFORMATION AS PROPOSAL BUT AT MUCH LOWER COST

BT

CFN DMEA-3831 1[illegible] 95[illegible] 15[illegible]

[illegible]/[illegible]15[illegible]Z

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS

DL = Day Letter

NL = Night Letter

LT = International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

RECEIVED JUL 21 1955

SYA527

1955 JUL 20 PM 05

SY RNA422 42/39 NL=CPR BA TORONTO ONT 20=

W S MARTIN DIRECTOR - IRON & FERRO ALLOYS DIVISION

DEFENSE MINERALS EXPLORATION ADMINISTRATION DEPT

OF THE INTERIOR WASHINGTON 25 DC=

RE OUR APPLICATION FOR ASSISTANCE DOCKET NUMBER DMEA 3831 WOULD APPRECIATE ADVISE FROM YOU AS TO APPROXIMATE DATE THAT YOU WILL BE ABLE TO MAKE DECISION STOP LAST BOAT OF THE SEASON LOADING AT SEATTLE AUGUST FIRST TO FIFTEENTH=

F R BURTON MONETA PORCUPINE MINES LIMITED=

RE DMEA 3831.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

DOCKET
SURNAME

400

Rutledge
Martin
Nelson
Meyer
Kiilsgaard
Selfridge
Johnson
Mattesby

JUL 13 1955

Mr. S. H. Lorain, Executive Officer
DMEA Field Team, Region I - Alaska District
P. O. Box 560
Juneau, Alaska

Re: Docket No. DMEA 3831 - Mercury
Manata Porcupine Mines, Limited
Red Top mine
Bristol Bay Recording District
Southwestern Alaska

Dear Mr. Lorain:

Reference is made to the subject docket and our wire of July 13, 1955.

Enclosed are the revised pages for the reference application and report on the Red Top Mercury Mine by Gordon I. Gould. In addition to your summary recommendation by wire, we should of course receive the usual Field Team report at a later date.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

Enclosure

FARutledge:foc / 7-13-55
cc to: Docket
Code 400
Adm. Read. File
Operating Comm.
FT. REG. I - Alaska Dist.
H. M. Meyer, USBM
Kiilsgaard, USGS

APPROVED:

/s/ Robert W. Geohon (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

R.C.S.

Inter[illegible] Department

Defense Minerals Exploration Adm.
14X4401 (01) Revolving Fund,
Defense Production Act, Interior (Allocated Working Fund to the Office of the Secretary)

XXXXXXXXXXXXXXXXXXXXXX

DOCKET
SURNAME
Rutledge
Martin
Nelson
Meyer
Gehan
Kulsgaard
Selfridge
Zeyrhan
Mottentof

TELETYPE

JUL 13 1955

Mr. S. H. Lorain, Executive Officer
DMEA Field Team, Region I - Alaska District
Box 560
Juneau, Alaska

We are airmailing revised pages for application DMEA 3631, Monsta Porcupine Mines, Limited, and also report on Red Top Mercury Mine by Gordon I. Gould. Presumably you have sufficient information in this instance to review proposed program without making new field examination. If so, please wire us your recommendations at earliest convenience. Applicant anxious to start work this field season if exploration should be recommended by Field Team and approved by DMEA.

George C. Selfridge
Chairman, Operating Committee (HB)

WSMartin
FARutledge/oc
7-13-55
cc to: Docket
Code 400
Adm. Read. File
Operating Comm.
FT. REG. I - ALASKA DIST
H. M. Meyer, USBM
Kiilsgaard, USGS

R.C.S.

MONETA PORCUPINE MINES, LIMITED
(NO PERSONAL LIABILITY)

SUITE 1505 - 320 BAY STREET

TORONTO 1, ONT.

PLEASE REFER FILE:

July 8th, 1955

Mr. C. O. Mittendorf,
Administrator,
Defense Minerals Exploration Administration,
Department of the Interior,
WASHINGTON 25, D.C.

Attention: Iron & Ferro Alloys Division

Dear Sirs: Re: Docket Number DMEA-3831

Further to my letter of May 19th, I have now examined the property and was accompanied by Mr. Gordon I. Gould of San Francisco. I enclose Mr. Gould's Report, together with an estimate of costs and certain other supplemental data.

If there is any further information which you will require, we would be pleased to supply it to the best of our ability.

Trusting that our Application for Assistance may receive your favourable consideration.

Yours very truly,

F. R. Burton

F. R. Burton,
President.

/A
Encls.

Brought in personally by Mr. Burton about July 13.

FormMF-103
Revised April 1952

Supplementary to Application
forwarded May 19,1955
Moneta Porcupine Mines, Limited.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED.

4(a) Preparing adit site and facilities for underground work, and this work is being paid for by us.

4(b) See attached report by Gordon I. Gould.

4(c) " " " " " " "

4(d) " " " " " " "

4(e) " " " " " " "

5(b) We propose to drive an adit to interesect the vein at a vertical depth of 50 feet below surface and then drift on the vein. If this work indicates a possible oreshoot, we will then drive another adit to intersect the vein 100 feet below the first level and drift on both levels. This work may be summarized as follows (Please refer to attached sketches Exhibits 2 and 3)

Stage one -	Crosscut	- 275'	
	Drifting	- 125	
		400'	400'
Stage two -	Crosscut	- 600'	
	Drifting	-1200'	
		1800'	1800'
			2200'

5(c) The work will start immediately and will be completed on March 31st, 1956 if we are able to bring in the necessary equipment on the last boat this year (loading August 1st-15th): otherwise there will be a delay of approximately one year. This assumes that we will be able to carry on a winter operation.

Form MF-103
Revised April 1952

Supplementary to Application
forward May 19,1955
Moneta Porcupine Mines, Limited.

APPLICATION FOR AID IN AN EXPLORATION PROJECT,
PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION
ACT OF 1950, AS AMENDED.

Stage One

6(a)	400 feet of adit and drifting @ $40 per foot	-	$16,000
6(b)(i)	Supervision - 1 engineer @ $700 per month for 3 months		2,100
	Board and expenses for engineer	-	900
	Travelling expenses for engineer	-	300
(ii)	Consultant - 2 examinations @ $1350 per trip for fees and expenses	-	2,700
6(c)	850 lineal feet 16 lb. rail @ 0.54¢/ft.	-	459
	Estimated freight on rail	-	100
	375 feet 3" Victaulic pipe and fittings @ $1.30/ft.	-	488
	125 feet 2" Victaulic pipe and fittings @ 0.66/ft	-	83
	400 feet 1" Victaulic pipe and fittings @ 0.32/ft.	-	128
	Estimated freight on pipe	-	100
6(d)	Furnished by contractor		
6(e)	" " "		
6(f)	" " "		
6(g)	" " "		
6(h)	20% for contingencies	-	4,672
			$28,030

Form MF-103
Revised April 1952

Supplemental to Application
forwarded May 19,1955
Moneta Porcupine Mines, Limit

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENCE PRODUCTION ACT OF 1950, AS AMENDED.

<u>Stage Two</u> (Assume 125 working days to complete)			
6(a)	Contract 600' adit) 1200' Drifting) @ $20/ft for labour and 300' Raising) explosives	- $42,000	
6(b)	Labour - 2 mechanics @ $40 per day	- 10,000	
	2 labourers @ $25 per day	- 6,250	
	Supervision - 1 superintendent @ $1500/month	- 7,500	
	1 accountant-clerk-warehouse @ $750/month	- 3,750	
	Board and expenses for Superintendent and accountant	- 1,500	
	Travelling expenses for Superintendent and accountant	- 600	
	Consultant - 2 examinations @ $1350 per trip for fees and expenses	- 2,700	
6(c)	3600 lineal feet 16 lb.rail @ .054¢/ft	- 1,944	
	600 " " 3" Victaulic pipe & fittings @ $1.30/ft	- 780	
	1500 " " 2" " " " 0.066¢/ft.	- 990	
	1500 " " 1" " " " 0.32¢/ft	- 480	
	Fuel and lubricants	- 2,000	
	100 6' to 10' Drill shanks @ $9.90 each	- 990	
	200 Tungsten carbide bits @ $14 each	- 2,800	
	40,000 Bd.Ft. 8x8 timber @ $125/M	- 5,000	
	5,000 pieces lagging @ 40¢ each	- 2,000	
	Oil for heating - 4,000 gals. @ 20¢	- 800	
6(d)	Equipment owned by Red Top Mercury Mines Inc. -		
	1 D-6 Caterpillar tractor complete with blade and winch	- $15,000	
	1 Davey gasoline compressor (105 cu.ft.)	- 5,000	
	1 Ingersoll-Rand Jackhammer JA55	- 500	
	1 Chicago Pneumatic jackhammer	- 500	
	1 11.6 cu.ft. scraper) 1 6 K.W. Diesel electric plant) 1 7x10 rock crusher) 1 200 amp. arc welder)	- 3,000	$24,000
	Rent, at say		$10,000

Form MF-103
Revised April 1952

6(d) Continued

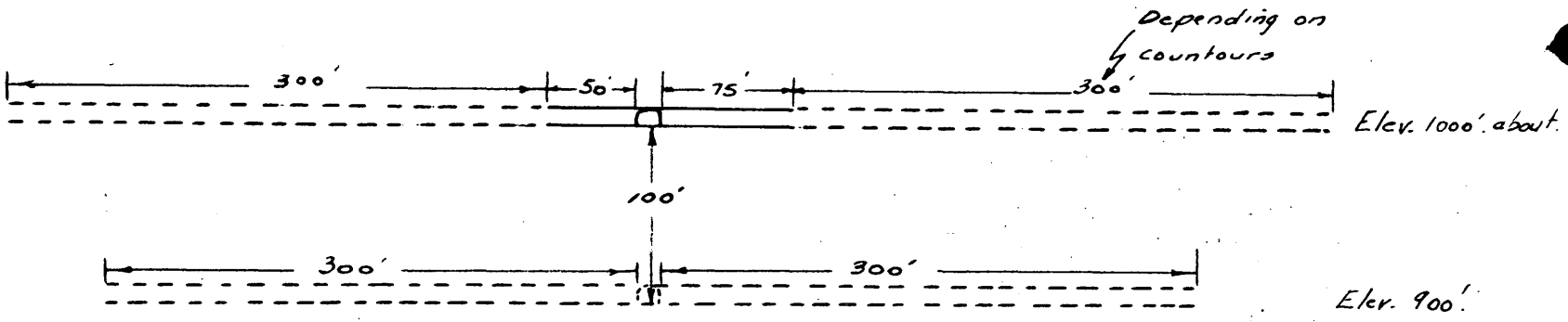
Equipment to be purchased -

6	I.R. Universl Jackdrills - J.R. 38A @ $665 each	$3,990
6	50' lengths of ½" water hose and couplings @ $24 each	144
6	50' lengths of ¾" air hose and couplings @ $28 ea.	168
1	DR 600 Diesel Engine driven gyro-flow portable compressor	15,100
1	Bench grinder for dressing bits	600
1	Water supply pump and motor	300
1	Air receiver	500
1	Mucking machine GD 10	3,780
2	Oil heating units @ $600 each	1,200
5	1-ton ore cars @ $200 each	1,000
1	Power saw	200

6(e) Nil

6(f)	1 bunkhouse equipped to accommodate 20 men	20,000
	1 ~~cooking~~ cookery equipped to accommodate 25 men	25,000
	1 office and staff living quarters equipped	6,000
	1 compressor house and shop	5,000
	1 dry	5,000
	Improvements to 2 miles road	5,000
	1 warehouse	2,000
	1 water supply tank	3,000
	1 powder magazine	5,000
	1 pump house	1,000
		79,000
6(g)	Drill repairs - 5 mos. @ $500/month	2,500
	Mucking machine repairs - 5 mos. @ $40/month	200
	Assaying 300 samples @ $5	1,500
	Fire insurance	2,600
	Freight on 100 tons @ $30/ton	3,000
	Loss on camp and cookery operation 3,000 man-days @ $2	6,000
6(h)	Contingencies - 20%	44,773
		$268,639

Exhibit 3.



Solid Lines Stage 1.
Dotted Lines Stage 2.

RED TOP MERCURY MINE
Nushagak District
Alaska.

Longitudinal Section Looking South
Showing Proposed Workings
Scale 1" = 100'.

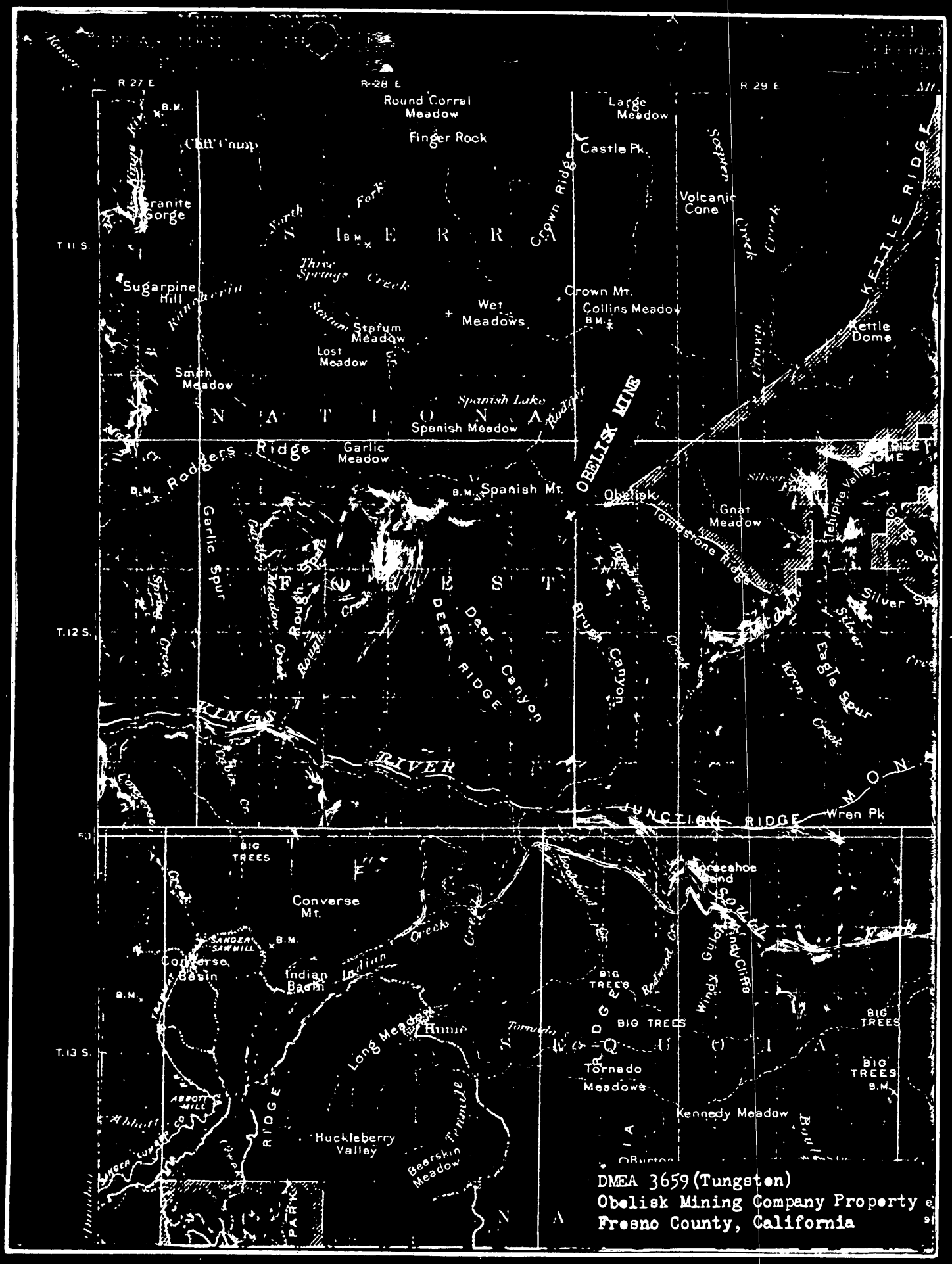
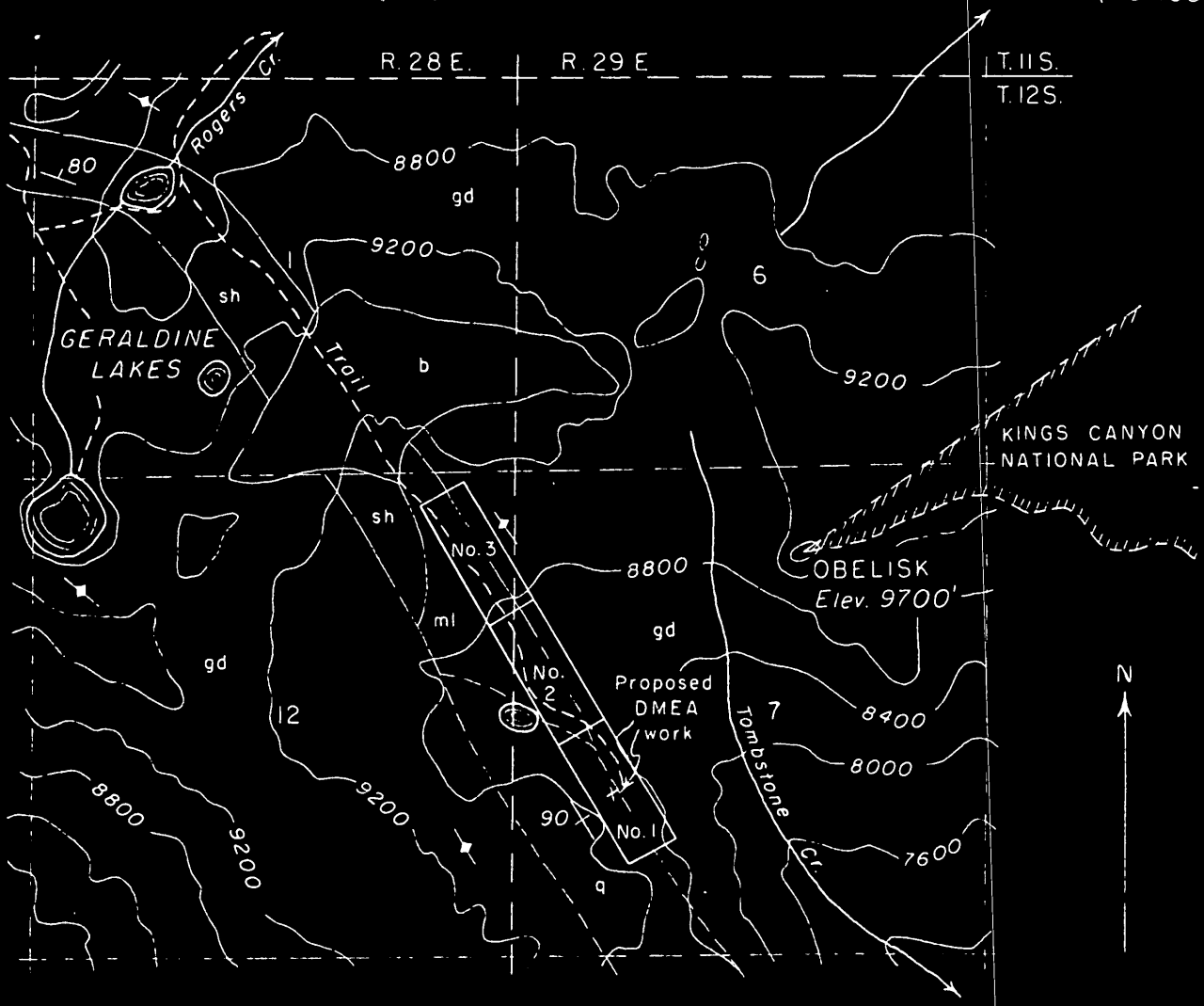


Fig. 1 LOCATION MAP CALIFORNIA

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3659
(TUNGSTEN)



EXPLANATION

b — Basalt

gd — Hornblende-biotite granodiorite

sh — Schist and hornfels

q — Quartzite

ml — Metamorphosed calcareous rocks

Contact
Dashed where approximately located

80 — Strike and dip of beds

90 — Strike of vertical beds

Strike of vertical platy foliation in intrusive rocks

Base map U.S.G.S. Tehipite Dome Quad
Geology by K.B. Krauskopf

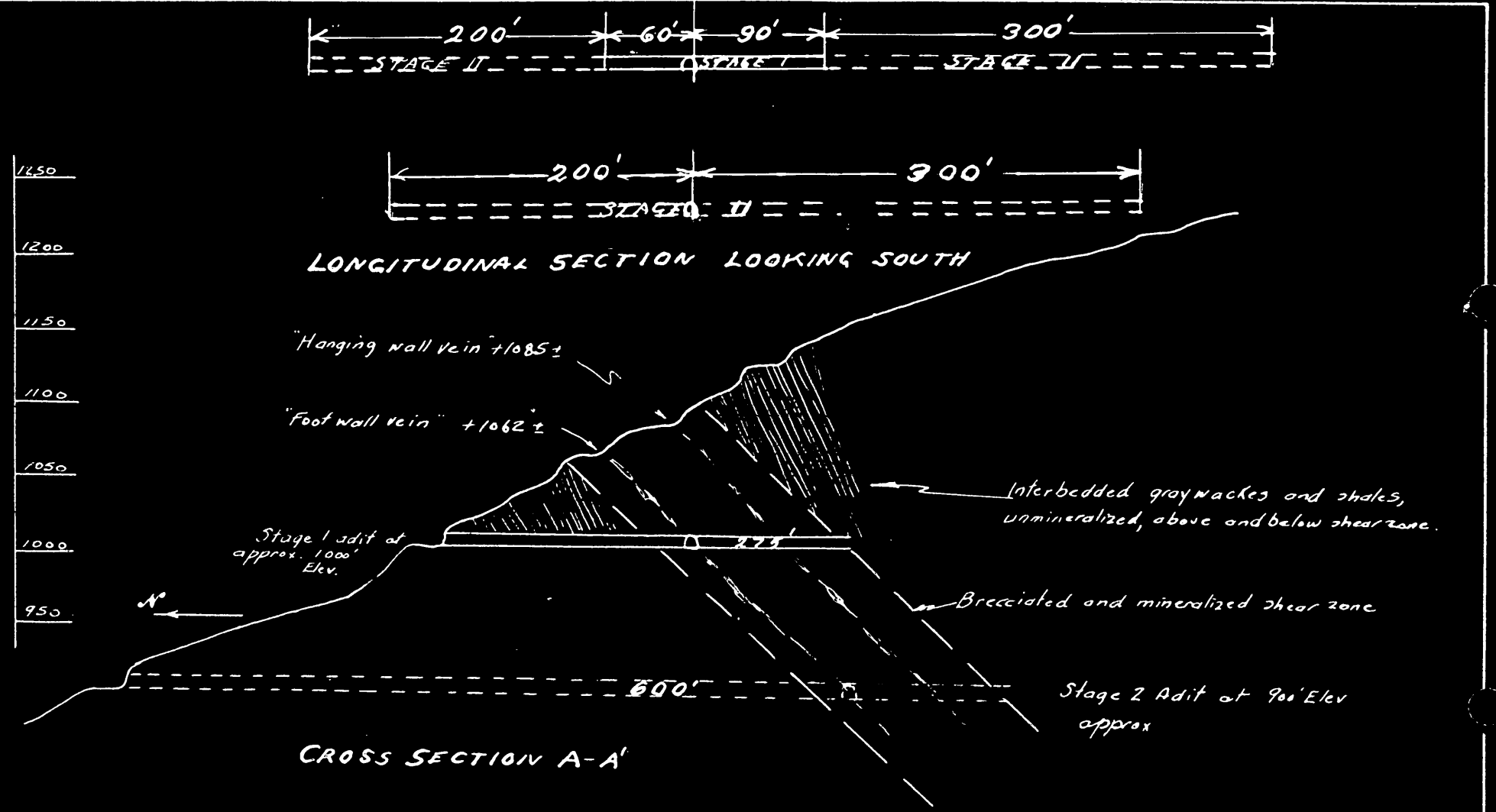
GEOLOGIC MAP OF THE OBELISK CLAIM GROUP AREA
FRESNO COUNTY, CALIFORNIA

2000 0 2000 4000 Feet

Contour interval 400 feet
Datum is mean sea level

Figure 2

Exhibit 2.



Solid Lines Stage 1
Dotted Lines Stage 2.

RED TOP MERCURY MINE
Nushagak District
Alaska.

Sections Through Proposed Adits
Scale 1" = 100'.

Docket

MONETA PORCUPINE MINES, LIMITED

(NO PERSONAL LIABILITY)

SUITE 1505 - 320 BAY STREET

TORONTO 1, ONT.

RECEIVED

JUN 13 1955

PLEASE REFER FILE:

June 10th, 1955

W34

Mr. C. O. Mittendorf,
Administrator,
Defense Minerals Exploration Administration,
United States Department of the Interior,
WASHINGTON 25, D.C.

Dear Mr. Mittendorf:

Re: Docket No. DMEA 3831 - Mercury
Red Top, et al, claims
Bristol Bay Recording District
Southeastern Alaska

I acknowledge, with thanks, your letter of the 31st ultimo. I am leaving for Alaska tomorrow morning, and will follow your suggestion of getting a complete work program to you as quickly as possible.

Yours very truly,

F. R. Burton

F. R. Burton,
Vice-President & General Manager.

/A

Docket

IN REPLY REFER TO:

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

RECEIVED
JUN - 6 1955

June 3, 1955

Copy retained 400

Re: DMEA-3831
Moneta Porcupine
Mines, Ltd.
Red Top Mine
Bristol Bay District,
Alaska
Unstated - Mercury

W3M

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of application

This incomplete application -- the exploration is not outlined -- concerns a prospect that was partially explored in 1952 under Contract Idm-E398 (DMEA-2562). A certificate of discovery was recommended by the executive officer, S. H. Lorain, in March 1954.

The work under Idm-E398 consisted of trenching by bulldozer. Two ore shoots were indicated. The footwall shoot, by inference, contains 8,935 tons assaying 0.89% Hg and the hanging wall shoot, 2000 tons of 0.93% Hg. The sample map shows indications of other smaller concentrations of ore grade material.

Since no exploration program is now outlined no comment on such is possible. If work since that done in 1952 has not changed things materially the surface showings then stripped warrant further work and the Moneta Porcupine Mines Co. is quite able to undertake such exploration. The comment of the examining geologist, R. S. Velikanje, should be noted in laying out and appraising an exploration program.

N. E. Nelson

N. E. Nelson

DOCKET
Surname:
Martin
Talbert

400

AIR MAIL

MAY 3 1 1955

Mr. F. R. Burton, President
Moneta Porcupine Mines, Ltd.
Suite 1505, 320 Bay Street
Toronto 1, Ontario, Canada

Re: Docket No. DMEA 3831 - Mercury
Red Top, et al., claims
Bristol Bay Recording District
Southeastern Alaska

Dear Mr. Burton:

Reference is made to your letter of May 19, 1955, which accompanied the subject application for exploration assistance. We note that since our discussion here your letter of option has been converted to a lease on the ground covered by our former project (Docket No. DMEA 2562-Mercury, Clarence Wren, Frank Maskey, and Charles Wolfe.) We also note that Mr. Gordon I. Gould will make the examination with you as your consultant.

Because of the short freighting season into Dillingham, you suggest that we save time by beginning to process your application on the basis of the additional work requested by the previous operator. Our records show, however, that the estimated cost of that proposed additional work was $8,735.69, which we assume from our previous conversations would be insufficient for your program.

You mention your understanding, which we cannot confirm, that such additional work was not approved because the operator lacked the necessary finances. According to our files, one consideration in our denial of same was that it was not believed that any suitable exploration program could be set up and carried out for such a low cost.

While we could not make any commitment regarding assignment of a proposed contract, we can state that in most cases an assignment of the type you intend to make, for ordinary business reasons, could be easily approved here, other considerations being equal. Whether your operating company is, or is not, a domestic corporation is a matter purely for your own convenience as far as the Defense Minerals Exploration Administration is concerned in the present instance.

R.C.G.

At this stage of the application, it is doubtful if you could facilitate matters by making a trip to Washington, much as we appreciate your offer. What we chiefly require now is as complete a work program with as detailed cost estimates as you can provide. It seems most probable that such information could be prepared more easily after you receive Mr. Gould's report.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

cc: Docket
Adm. Reading File
FT, Reg. I-Alaska
Code 400
H. M. Meyer, USBM
T. Kiilsgaard, USGS

WSMartin/ls
5/31/55

May 24, 1955

Subject: DMEA-3831
Re: Exploration Assistance
Red Top Mercury Mines, Inc.

Moneta Porcupine Mines, Limited
1505-320 Bay St.,
Toronto, Ontario.

Gentlemen:

The receipt of your application dated May 23, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3831 and referred to the Iron & Ferro Alloys Division.

Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E857, Docket DMEA-3831 (mercury), dated August 18, 1955, with

Moneta Porcupine Mines, Ltd.
Suite 1505, 320 Bay Street
Toronto, Ontario

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Red Top Mine and March Mountain Deposit located in the Bristol Bay Recording District, Alaska, during the period August 1, 1959, through March 29, 1962.

In accordance with Article 7 and Annex II of this contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of this contract or until the total net amount contributed by the Government under this contract and a prior contract (Idm-E398, DMEA-2562) without interest is fully repaid, whichever occurs first. A Report of Review dated July 2, 1957, indicated accepted costs under this exploration contract amounting to $29,065.00 with the Government's contribution on a 75 percent basis being $21,798.75. The contribution under the prior contract amounted to $12,513.72.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through July 31, 1959. The royalty account as of July 31, 1959, was:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

As of March 29, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

April 3, 1962

E. D. Talbert, OME Auditor

Idm-E857 Moneta Porcupine Mines, Ltd. DMEA-3831

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all production from the six claims thereunder for a period of 10 years from the date of the contract or until the Government's contribution under both this and a prior contract covering the same property is repaid. Any royalty accruing under this contract is to be applied first to the Government's contribution under the prior contract. The Operator under the prior contract Idm-E398, Docket DMEA-2562, a partnership composed of Clarence Wren, Frank Waskey, and Charles Wolfe, a/k/a Red Top Mining Company, P. O. Box 81, Dillingham, Alaska, was not released from any royalty liability thereunder.

At the time this contract was executed, the Operator was in possession of the property by virtue of an option to lease dated May 1, 1955, and supplemented on June 15, 1955, granted by Red Top Mercury Mines, Inc., P. O. Box 81, Dillingham, Alaska. In consideration of this contract a Consent to Lien was executed on July 25, 1955, by Clarence Wren as president. A 40-year lease was executed on February 20, 1956.

Work under this contract was terminated effective November 1, 1956, by telegraphic notice on February 27, 1957. Reports by field representatives and the Operator indicate that no ore was produced during the work under this contract or thereafter through March 29, 1962. However, 22 flasks of mercury were produced during the work under the prior contract and royalty thereon was paid by Charles E. Wolfe on November 2, 1959.

By letters dated January 5, 1961, and March 15, 1961, the attorneys for the landowner and the Operator, respectively, advised that the February 20, 1956, lease was in process of cancellation. In a March 29, 1962, reply to an inquiry on MME Form 63, Red Top's president stated that the lease had been terminated. The files also indicate that assessment work on the property for 1960 was recorded by Clarence Wren and, as of January 30, 1962, no assessment work had been recorded for 1961.

The repayment status of the two related contracts follows:

	Idm-E398 DMEA-2562	Idm-E857 DMEA-3831	Totals
Government Contribution	$12,513.72	$21,798.75	$34,312.47
Royalty Paid	347.60	-0-	347.60
Balance Repayable	$12,166.12	$21,798.75	$33,964.87

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The files indicate no production since the date of the contract;

(2) The property has been inactive, except for assessment work, during the period covered by this review; and

(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

APR 2 4 1962

Memorandum

To: Acting Field Officer, Region I

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMEA-2562 (Mercury)
Wran, Waskey, and Wolfe
Red Top Mine and March Mountain Deposit
Bristol Bay Recording District, Alaska
Contract Idm-8398

and

DMEA-3831 (Mercury)
Monsta Porcupine Mines, Ltd.
Red Top Mine and March Mountain Deposit
Bristol Bay Recording District, Alaska
Contract Idm-8857

The original and one copy each of Reports of Royalty Review covering the subject contracts are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original of each to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.; and
(b) One copy of each for your files.

These Reports of Royalty Review are made for record purposes only; therefore, no copies for the Operators are provided.

As evidence of your concurrence, copies of your memoranda transmitting the original reports to the Fiscal Section should be furnished this Division. If for any reason you do not concur, all copies of the reports should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 4-23-62

cc:
Docket
Director's Reading File
CA & A Division - Idm-8857
Mr. Rothrock

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Division of Minerals, Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-E857, Docket No. DMEA-3831 (Mercury), dated August 18, 1955, with

Moneta Porcupine Mines, Ltd.
Suite 1505, 320 Bay Street
Toronto, Canada

for the purpose of determining the amount of royalty due the U. S. Government on sales of mercury from property referred to as Red Top Mine located in Bristol Bay Recording District, Southwestern Alaska, during the period August 18, 1955, through July 31, 1959.

Annex II to this contract provides that the certification of discovery or development issued under Prior Contract No. Idm-E398, Docket No. DMEA-2562, relating to the same land shall be extended to this contract, i.e., the project under this contract is considered to have been certified as of the date of this contract. The Annex further provides that any royalty accruing under this contract shall be applied first to the repayment of the Government's contribution amounting to $12,513.72 under the Prior Contract. Thus royalty is payable on all minerals mined or produced from the land described in Article 2 of this contract within a period of 10 years from the date of the contract, or until the total net amount contributed by the Government under this and the Prior Contract without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final cost audit dated July 2, 1957, indicated accepted costs under this exploration contract amounting to $29,065.00 with the Government's contribution, on a 75 percent basis, being $21,798.75.

There has been no production subject to Government royalty to date in connection with this contract.

This review was made in lieu of an on-site royalty audit of the Operator's accounts and records for the following reasons:

(1) Investigations by representatives of the Field Team, Region I, indicate that there has been no production from the mine during the exploration period or subsequent thereto; and
(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

C. E. Fisher

C. E. Fisher, OME Auditor

August 26, 1959

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name ~~Moneta Porcupine Mines, Ltd.~~

Address ~~1505 - 320 Bay Street~~

~~Toronto, Canada~~

Exploration Contract No. Idm-E857 Docket No. DMEA-3831

		Check One Yes	Check One No.
1.	(a) Does the Operator stockpile ore subject to royalty repayment?		X
	(b) If so, is segregation and identification procedure adequate?		
2.	(a) Does Operator commingle production subject to DMEA or OME royalties with exempt production?		X
	(b) If so, do you consider the allocation of the commingled production equitable?		
3.	(a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
	(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4.	Do you consider the assay controls in effect are adequate?	X	
5.	Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?	X	
7.	Does the Operator buy from or sell to other Operators?		X
8.	Comment on any item 2 (b) to 6 if answer is No.		

Property inactive.

~~September 8, 1959~~
Date

S W Zoldok
Mining Engineer
S. W. Zoldok

53362

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION I

OFFICE OF REGIONAL DIRECTOR Assistant for Alaska

2688
P. O. BOX 2990 ~~XXX~~
JUNEAU, ALASKA

RECEIVED AUG 8 1957 D.M.E.A.

August 5, 1957

Memorandum

To: U. S. Department of the Interior
Defense Minerals Exploration Administration
Executive Officer, Region I, Northwest District
1201 North Division Street
Spokane, Washington

Attention: DMEA Fiscal Officer

From: DMEA Fiscal Officer, Juneau, Alaska

Subject: Contract Idm-E857

There are enclosed contract and voucher folders covering payments made in connection with the subject contract. Included in the contract folder is the original and voucher copy of the Report of Review pertaining thereto. The folders cover the following:

1. Contract Idm-E857

2. Vouchers paid folders:

Voucher Number	DMEA 41	$4411.50
Voucher Number	DMEA 47	3393.00
Voucher Number	DMEA 49	6591.00
Voucher Number	DMEA 50	4569.00
Voucher Number	DMEA 51	2800.50

L. J. Wilcox

Attachments

Copy to: Chief, Division of Administration, Region I
DMEA Contract Administration and Audit Division
Moneta Porcupine Mines, Limited

REPORT
OF REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Mosaic Porcupine Mines, Ltd.
Suite 1505, 320 Bay Street
Toronto 1, Ontario, Canada

pertaining to Exploration Project Contract No. Idm-2857, DMEA No. 3831, including Amendment No. 1, and Termination notice by telegram of February 27, 1957, for the period of August 18, 1955, to October 31, 1956, inclusive, covering a project for the exploration of mercury on property, known as the Red Top Mercury Mine located in the Bristol Bay Recording District, Third Division, Territory of Alaska.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team reports and correspondence, and a determination of the reasonableness and propriety of the costs.

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

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

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

Total cost as billed by Contractor			$29,065.00
Exceptions (schedule attached):			
Prior to this review	$45.00		
Less: Reinstatement by review	45.00	$ -0-	
Herewith		-0-	-0-
Total Accepted Cost			$29,065.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Twenty-one thousand seven hundred ninety-eight and 75/100 Dollars

$21,798.75

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

E. D. Talbert, Auditor

July 2, 1957

SCHEDULE OF EXCEPTIONS

Idm-E857 DMEA-3831 Mineta Porcupine Mines, Inc.

In the approval of the September/October 1956 MP-104 the Authorized Certifying Officer took exception to the amount of $45.00 claimed by the Operator for sampling and analysis in connection with Stage II drifting of 15 samples at a fixed unit cost of $3.00 a sample. This exception was based on the fact that the Executive Officer's letter of August 8, 1956, to the Operator (confirming oral authorization of July 24, 1956) specifically limited Stage II work to work item 2 (continuation of Stage I drifts).

The Field Team, however, has stated that the $45.00 is a just claim for necessary work and has recommended approval. Furthermore, the general specifications in Exhibit "A" of the contract provide that the mineralized zones of all drifts shall be sampled and analyzed for mercury. Accordingly, the amount of $45.00 for sampling and analysis is reinstated by this review.

C
O
P
Y

1201 N. Division St.
Spokane 2, Washington

July 24, 1957

Mr. L. J. Wilcox
Administrative Assistant
Bureau of Mines
Region I
P. O. Box 2688
Juneau, Alaska

Dear Mr. Wilcox:

In accordance with Mr. Jay L. Chambers letter of July 2, 1957, we are forwarding the original and one copy of each of the following Reports of Review:

Contract	Docket	Operator
Idm-E667	DMEA-3288	Alaska Copper Mines, Inc.
E668	3246	Hyder Mines, Incorporated
E857	3831	Moneta Procupine Mines, Ltd.

We concur with the facts stated in these reports.

By Field Team, Region I

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

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

Enclosures

cc: DMEA (2)
USGS (2)
Mr. Jay L. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 1 1957

DATE	INITIALS	CODE
7/1	C	220
		800

P. O. Box 2688
Juneau, Alaska

June 28, 1957

Mr. Jay L. Chambers, Director,
Contract Administration & Audit Division,
Defense Minerals Exploration Administration,
Washington 25, D. C.

re: Docket DMEA-3831
Moneta Porcupine Mines, Ltd.,
Contract No.Idm-E857

Dear Mr. Chambers:

Preliminary to a Report of Review in lieu of a final audit, as suggested by your letter of June 10, 1957, pertinent data relative to the final phases of the subject contract are outlined as follows:

Termination:

Work on the project was terminated at the end of the 1956 working season when the Operating Committee did not approve the request for continuation of the second stage work. Certain additional drifting and crosscutting under Stage II was completed in the fall of 1956 under specific authority granted by the Field Team letter of August 8, 1956.

Final Report by Operator:

The Operators, "Narrative Report For September, 1956 and Summarizing Work For the Season", is a very good report on entire operation and the Field Team recommends that it be accepted as a final report.

Units of Work:

The units of work acceptably performed by the Operator and the total accepted cost thereof follows:

Item	Unit	Unit Cost	Total Cost
Drift	493'	$ 52.00/ft.	$ 25,636.00
Crosscut	57'	52.00/ft.	2,964.00
Timbering	33'	10.00/ft.	330.00
Assays	30	3.00 ea.	90.00
Total Approved:			$ 29,020.00
Government portion 75 percent:			$ 21,765.00 paid

Also acceptably performed by the Operator was the analysis of 15 samples but payment of the $45.00 claimed was inadvertantly prevented by the wording authorizing the limited second stage work. The Field Team believes that this is a just claim for necessary work and payment is recommended.

Any royalty accruing under this contract shall be applied first to the payment of $12,513.72 which is the Government contribution under contract No. Idm-E398, Docket No. DMEA-2562, a "Prior Contract" on this property.

Sincerely yours,

J. A. Herdlick,
Acting Alternate Executive Officer,
DMEA Field Team,
Alaska District.

cc: USGS
Wilcox

JUN 1 8 1957

Mr. J. A. Hardlick
Acting Executive Officer
DMEA Field Team, Region I
Alaska District
P. O. Box 2688
Juneau, Alaska

Re: Docket DMEA-3278, Contract Im-F667
Alaska Copper Mines, Inc.

Docket DMEA-3246, Contract Im-F668
Hyder Mines, Inc.

Docket DMEA-3831, Contract Im-F897
Mosaic Fersaphne Mines Limited

Dear Mr. Hardlick:

It appears from the records of this Division that a Report of Review in lieu of a final audit is in order for each of the referenced terminated contracts. However, before such reports may be issued, it is required that this Division have a communication from you setting forth, for each of the projects, the information specified in my January 9, 1957, memorandum to all DMEA auditors, subject: Instructions on the Release of Audits and Reports of Review, copies of which were forwarded to the Field Team for compliance by the Operating Committee's letter of January 17, 1957.

Your cooperation in submitting the required communications would be appreciated.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

EDTalbert/ab
June 18, 1957

Copy to: Docket (3)
Admr. Reading File
L. J. Wilson, Reg. I, Alaska Dist.
Mr. Chambers

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

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

Bu. Vou. No. 2038

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

Voucher prepared at Spokane, Washington 9/6/57
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E857

To Moneta Porcupine Mines, Ltd.
(Payee)

Suite 1505, 320 Bay Street Toronto 1, Ontario, Canada
(Address) (City) (State)

PAID BY RECEIVED SEP 9 1957 CHICAGO (For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	Final 1957	Final Payment as per Report of Review dated July 2, 1957				33	75
PAYMENT: Complete ☐ Partial ☐ Final ☐		FINAL PAYMENT					
		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	33	75

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

(Sign original only)

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

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

(Payee must NOT use this space)

Differences .....

Account verified; correct for 33 75

(Signature or initials) D. L.

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

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

† Approved for $ .....

By .....

Title .....

SIGN ORIGINAL ONLY

† .....
(Authorized Certifying Officer)

Title .....

Date .....

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

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

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

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

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

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign on the line below "Approved for $.....", and over his official title.

Per .....

Title .....

16—22900-3

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

1201 N. Division St.
Spokane 2, Washington

September 5, 1957

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

Re: Docket No. DMEA-383 (Mercury)
Moneta Porcupine Mines, Ltd.
Territory of Alaska
Contract No. Idm-E857

Dear Mrs. Long:

The work completed under the contract was done to the satisfaction of the Government. The contract was terminated by Mr. Mittendorf's telegram of February 1957. The Operator's Narrative report for September 1956 has been received and accepted as a final report.

The Government has no interest in supplies or equipment purchased for use on the project.

Certification of Discovery or Development has been issued.

A final Report of Review dated July 2, 1957 by DMEA Auditor E. D. Talbert has been received.

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

Sincerely yours,

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

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

Form MF-304 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

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

Month of Sept. & Oct., 1956 Docket No. DMEA 3831 Contract No. Idm-E857
Operator's Name Moneta Porcupine Mines Limited Minerals Mercury
Address 1505 - 320 Bay Street, Toronto 1, Canada
Contract Amount, $ 118,720 Government Participation: 75 % Amount, $ 89,040

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting Adj. - 10'	520	3,484	2,964	520.00	3484.00	2964.00
Drifting 81'	4,212	21,424	25,636	4212.00	21424.00	25636.00
Timbering	-	330	330		330.00	330.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis 14	87	48	135	42.00	48.00	90.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3,779	25,286	29,065	3734.00	25286.00	29020.00

RECEIVED JAN 14 1957 D.M.E.A.

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

Date Nov. 13, 1956 *Payee Moneta Porcupine Mines Limited

Per J. R. Burton Title President

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

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

(Instructions on reverse)

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

$ 2800.50

Signature L. J. Wilcox, (Authorized Certifying Officer)

Date Jan. 7, 1957 Vou. No. 51

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idaho 857 in accordance with the terms of the contract.

Signature ..... Title Examining Engineer Date 1/7/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title Executive Officer Date 1/7/57

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED JAN 14 1957 D.M.E.A.

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

Month of Sept. & Oct. 1956 Docket No. DMEA-3831 Contract ~~Nevada~~ 3857
Operator's Name Moneta Porcupine Mines Limited Minerals Mercury
Address 1505 - 320 Bay Street, Toronto 1, Canada

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	feet	4,212	81	25,636	493	52.00)	725	37,700
Crosscutting	feet	520	10	2,964	57	52.00)		
~~Timbering~~ Timbering	feet	-	-	330	33	10.00	300	3,000
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails		45	14	90				
Assaying	assays	~~87~~	~~29~~**	~~135~~	45	3.00	30*	90*
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		3736		29,065				
TOTAL COSTS		3,779		29,065				40,790

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

Date Nov. 13, 1956 Operator Moneta Porcupine Mines Ltd.

Per F. R. Burton Title President

REMARKS: * 30 assays authorized under Stage I, 110 under Stage II. As part of Stage II drifting footage has been authorized, assays required to date on this additional work have been included in unit costs to date.

** 18 re Aug. exploration
" 11 " this period

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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GPO 872894

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 14 1957

DATE	INITIALS	CODE
1/14	Com	100
		800
January 9, 1957		

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

P. O. Box 2688,
Juneau, Alaska.

Memorandum

To: Operating Committee, Defense Minerals Exploration Admin., Department of the Interior, Washington 25, D.C.

From: Executive Officer, Alaska District, Region I.

Subject: Operator's monthly report,
Docket No. DMEA-3831 (mercury)
Moneta Porcupine Mines, Ltd.
Contract No. Idm-E857

Enclosed are two copies each of MF-104, MF-104A, and a progress sketch, with data, for September - October 1956; these reports complete the 1956 season.

Under date of October 30 I sent you the Operator's narrative report for September and his summary of the season's accomplishments. The Operator has not yet stated whether he plans to ask for a continuation next season.

S. H. Lorain

Enclosures-3

cc: Velikanje
Wilcox

Footage on Red Top option work

completed to Oct. 6, 1956

by

Moneta Porcupine Mines Limited

(see attached sketch - F. S. James)

Heading No.	Total to Oct. 6/56	Claim 1 1955 work	Claim 2 May, June/56	Claim 3 July/56	Claim 4 Aug./56	Total Claimed to Aug. 31/56	Claim 5 Sept + Oct/56	
1.	26			26		26		
2.	16			16		16		
3.	93			41	49	90	3	(12' this period but adjustment made for previous error in measure)
4.	155 5	23	37	86	9	155 —	5	(2 slashes @ 2½' per slash)
5.	89	23	26		27	76	13	(8' this period - 5' adjustment required)
6.	57	67				67	(10) cr.	(error in previous measure)
7.	24		24			24		
8.	14				14	14		
9.	7					—	7	
10.	12					—	12	(10' + slash not previously claimed)
11A.	37 5				11	11 —	26 5	(2 slashe
11 B.	10					—	10	
	550	113	87	169	110	479	71	

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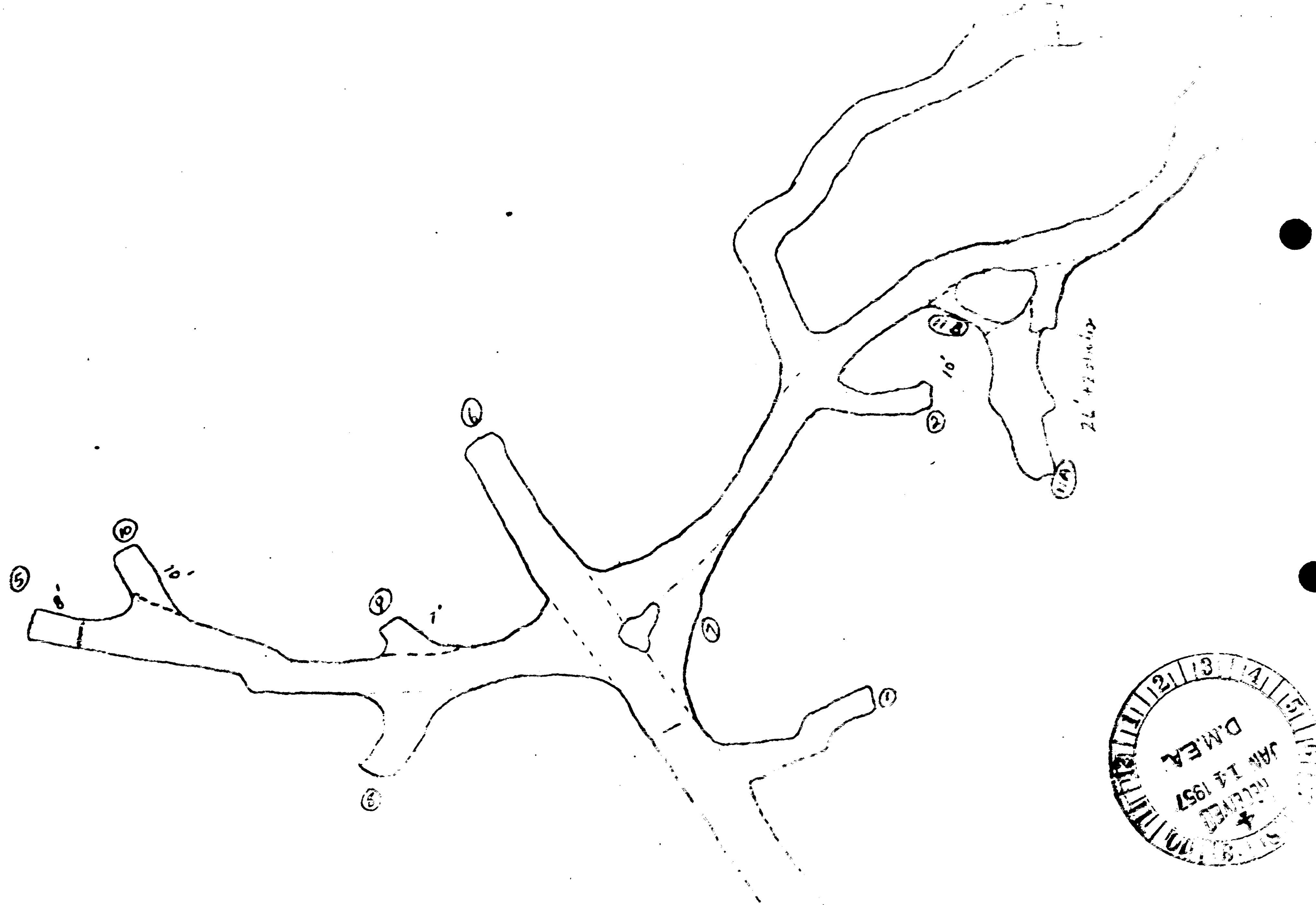
JAN 14 1957
D.M.E.A.



JAN 14 1957
D.M.E.A.

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

P. O. Box 2688
Juneau, Alaska

NOV 5 1956 D.M.E.A.

October 30, 1956

Memorandum

To: Operating Committee, Defense Minerals Exploration Admin., Department of the Interior, Washington 25, D.C.

From: Executive Officer, AlaskaDistrict, Region I.

Subject: Operator's Narrative Report.
Docket No. DMEA-3831 (mercury)
Moneta Porcupine Mines, Ltd.,

E-897

Enclosed are two copies of the Operator's narrative report for September. This report also summarizes the season's work. We have not yet received the 104s for September but will, of course, forward them as soon as they have been received and audited.

At Mr. Burton's request, Mr. Velikanje and I are meeting with several officials and directors of the company at Vancouver a week from today in order to discuss the advisability of continuing the program next season and, if it is decided to continue, to discuss and decide on specific plans.

In view of the results obtained to date, Mr. Velikanje and I are in favor of continuing next year if the company decides that it wants to continue. After we have had the meeting I will send you a report on the meeting and an analysis of the situation as we see it.

S. H. Lorain

Enclosure-1

cc: Velikanje
Wilcox

Wash

RED TOP - DILLINGHAM

RECEIVED NOV 5 1956

NARRATIVE REPORT FOR SEPTEMBER, 1956
AND SUMMARIZING WORK FOR THE SEASON.

INTRODUCTION:

The property was examined October 4th. to 6th. inclusive, and this is expected to be the concluding report for the season. Mr. Velikanje of the D.M.E.A. field team accompanied and worked with the writer.

SUMMARY AND CONCLUSIONS:

Tunnel work on the property began in early June and was suspended in early October. During this time, approximately 450 feet of drift and cross-cut were completed, exposing five small shoots of cinnabar mineralization, and a number of stringers too small or too sparsely mineralized to consider economic. Further work on the level might disclose one or two more shoots near the present workings, but difficulties in mining (insufficient backs), supply, climate, and personnel preclude further exploration this season. A second level, approximately one hundred feet below the present level, is recommended for next season. The work would involve 500 ft. of cross-cutting and five or six hundred feet of drifting. Buildings and equipment suitable for winter work would be required.

GENERAL GEOLOGY:

The underground work appears to confirm a generality expressed by Mr. Velikanje of the D.M.E.A. field team; that one or more strong, steeply, south-west dipping faults split and form a well-broken zone where swinging

into several faults striking westerly and dipping southerly.

The numerous 'slips' in the workings thus fall roughly into two sets, one striking north-westerly and dipping from 50 degrees south-westerly to almost vertical, and the other striking westerly and dipping from 35 to 80 degrees southerly. The former set is stronger in the east workings and appear to die out towards the west where the latter set predominate.

A few 'slips' which do not conform to these two sets are not strong, although two are well mineralized (near station 6b).

Erratic carbonate lenses and stringers locally accompany the 'slips' of both sets. Petrographic work instigated by the D.M.E.A. team indicates that the carbonate is of two ages, the first a dolomitic carbonate pre-cinnabar and the second, calcite, post-cinnabar. This would imply that exploration should follow dolomite rather than calcite. However, only about half the cinnabar mineralization is associated with carbonate, the remainder being in shattered or faulted wall-rock. Thus carbonate is probably a less-important guide than structure.

Cinnabar is found in veins, vein breccia, and reticulating stringers and pockets in the country-rock. The veins follow both the west striking and the north-west striking sets of slips. The veins are locally up to four or five inches wide of apparently massive cinnabar. These in places merge into a vein breccia, in which dolomitic carbonate fragments lie in a matrix of cinnabar. A second type of vein breccia occurs where, as suggested by the D.M.E.A. work, later disruption of the cinnabar veins and calcite deposition results in cinnabar fragments being cemented in a matrix of calcite.

'ORE' SHOOTS:

Five of the mineralized zones found to date might be called ore shoots.

Ore Shoot	Length	Width	Tons-/vert. foot 11.5 factor Sample Width	Tons-/vert. foot 11.5 factor 3 ft. Width	Grade Sample Width	Grade 3 ft Width	Tons X Grade
At St. 22	18	1.4	2.2	4.7	6.17	2.87	13.6
" 5	21	1.1	2.0	5.5	1.1	0.4	2.2
" 6	10	4.	3.5	3.5	1.15+	1.15+	4.0+
" 6b	18+	2.45	3.85+	4.7+	1.28	1.04	5.0+
" 10	21	0.72	1.31	5.5	2.98	0.71	3.9
			12.9	23.9			28.7

Weighted average grade on sample width 2.22% or 1.24% on 3 ft. width

The shoot near station 22, omitting the southernmost nine feet averages 6.17% Hg (weighted) across 1.4 feet for eighteen feet length. This zone 'makes' on the hanging-wall of the main north-west striking fault. At the north end (near the fault) it is formed from pockets and reticulating veinlets in well broken and altered (dolomitized?) country-rock, apparently dipping parallel to the strong north-west trending fault. To the south it peters into a single slip, dipping easterly, with discontinuous lenses of cinnabar from a fraction of an inch to one or two inches wide.

The shoot near station 5 averages only 1.1% Hg across 1.1 ft. width for twenty-one feet length. It lies in the footwall side of a strong east-west fault. It contains some stringers of cinnabar parallel to the drift, others in small cross-fractures parallel to the north-west system of slips and some breccia cinnabar in calcite matrix.

The shoot near station 6 is formed by a number of irregular lenses and pockets of cinnabar on discontinuous slips and intersections of slips. Cinnabar was reported to be strong in the floor. The mineralization is irregular but gave the general impression of coming up out of the floor at about a fifty or sixty degree southerly dip and rolling over to about thirty degrees into the back in a series of en-echelon lenses and pockets.

The shoot at station 6b consists of irregular cinnabar veinlets following two weak north-south trending slips, with some reticulating veinlets and masses between the slips. At the south end only thin stringers followed the slips. No colors were found on the footwall of the carbonate zone. A test hole picked up color in the pillar beyond the north exposure, and there might be some connection here with the irregular zone near station 6. The ground in this area is too loose to permit further exploration without extensive timbering.

The shoot near station 10 is mainly a narrow vein, in part massive cinnabar and in part breccia. It follows the immediate hanging-wall of a slabby calcite vein in a strong east-west fault.

The relation of these shoots to the mineralization known on surface is shown on an accompanying map. The dip on the south end of the shoot at station 22 suggests that this shoot might rake up to the surface exposure north-west of it. The shoot near station 5 is likely the downward extension of the surface zone at elevation 41 ft. The outcrops of the shoots near station 6 and 6b are not visible, although the vendors of the property reported cinnabar now covered up near the centre line end post. The shoot near station 10 is likely the same one which outcrops almost vertically above underground station 6a.

ORE POSSIBILITIES:

The outcropping zone at elevation 30 ft. has not been found underground. Drifting north-westerly on the thin high grade stringer and or pocket near the floor in the west arm of the Y (about half way between stations 2 and 4) could lead into the down-dip extension of the outcropping zone. The number of mineralized fractures in the workings around this area make it particularly interesting. The cross-cut north-easterly from station 20 could be extended a few rounds northerly to pick up the mineralized carbonate zone near station2.

Other small shoots have been discovered in the surface stripping, but these are several hundred feet laterally from the current working faces. Unless or until appreciable vertical extent is proven on the shoots explored to date, it is doubtful if those so far from current workings would repay the cost of exploration and mining. However, if the project reaches the stage when a third level is warranted, this level would be driven from the south slope of Marsh Mountain, and should be laid out to drift the zone west of the current workings.

Although the workings have been test-holed in most of the areas which might contain cinnabar, the holes were limited to a maximum of six ft. length with the equipment at hand. If work is continued, some longer test-holes using sectional steel could be used in place of tunneling towards some of the areas with lesser-ranked ore chances. The irregularity of the mineralization would necessitate close testing and following up almost all intersections of 'color' with tunnel work.

R. H. Geraghty

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

Budget Bureau No. 42-R1036.5

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

RECEIVED
OCT - 8 1956

Month of August, 1956 Docket No. DMEA -3831 Contract No. Idm-E857
Operator's Name Moneta Porcupine Mines Limited Minerals Mercury
Address 1505 - 320 Bay Street, Toronto, Canada
Contract Amount, $ 118,720.00 Government Participation: 75 % Amount, $ 89,040.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	-	3,484	3,484		3484.00	3484.00
Drifting	5,720	15,704	21,424	5720.00	15704.00	21424.00
Timbering	330	-	330	330.00		330.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	42	6	48	42.00	6.00	48.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	6,092	19,194	25,286	6092.00	19194.00	25286.00

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

Date Sept. 18, 1956 *Payee Moneta Porcupine Mines Limited

Per J. R. Burton Title President

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

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

(Instructions on reverse)

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

$ 4569.00

Signature (Authorized Certifying Officer)
Lawrence J. Wilcox

Date 10/4/56 Vou. No. 50

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-3357 in accordance with the terms of the contract.

Signature [signature] Title Examining Engineer Date 10/4/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [signature] Title Executive Officer Date 10/4/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
OCT - 8 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1956 Docket No. DMEA-3831 Contract No. Idn-8857
Operator's Name Moneta Porcupine Mines Limited Minerals Mercury
Address 1505 - 320 Bay Street, Toronto 1, Canada

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	feet	5,720	110	21,424	412	52.00	725	37,700
Crosscutting	feet	-	-	3,484	67	52.00		
~~Boxing~~ Timbering	feet	330	33	330	33	10.00	300	3,000
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Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assaying	assays	42	14	48	16	3.00	30	90
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		6,092		25,286				40,790

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

Date Sept. 18, 1956 Operator Moneta Porcupine Mines Ltd.

Per F. R. Burton Title President

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REMARKS:

(Instructions on reverse)

(For Government use only)

OK

INSTRUCTIONS

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GPO 872894

MONETA PORCUPINE MINES, LIMITED
SUITE 1505 - 320 BAY STREET
TORONTO 1, ONT.

Wash.

RECEIVED
OCT - 8 1956

PLEASE REFER FILE:

COPY

September 20, 1956.

Mr. S. E. Lorain,
Executive Officer,
Alaska District Region 1,
Defense Minerals Exploration Administration,
P. O. Box 2688,
JUNEAU, Alaska.

Dear Mr. Lorain: Re: Docket No. DMEA-2831 (mercury)
Moneta Porcupine Mines, Limited -
Contract No. IDM-1857

We enclose five copies of the Operator's Monthly Report and Voucher, and Unit Cost and Progress Report for August. The footage figures were supplied to us by our superintendent Mr. Frank Jones from the attached sketch. We have not cleared anything for the sketch which as you suggested will be picked up at a later date.

Dr. Seraphim has been up at the property and should be back in Vancouver by now. He will be sending you the Narrative Report direct from Vancouver.

You will note that we have changed the Units authorized by contract from 425 to 725 according to your letter authorizing 200-300 ft. under Stage 11. If this is not the correct procedure, would you mind changing it?

From a brief note that I received from Dr. Seraphim, I gathered that Jones has developed some good grade ore, but again it looks as if the shoots are very short.

Yours very truly,

F. R. Burton

F. R. Burton,
President.

FRB/as
Encl.

RED TOP - DILLINGHAM - AUGUST, 1956.

RECEIVED
OCT - 8 1956

A little over one hundred feet of drift and cross-cut were driven during the month, and two small shoots of cinnabar were found.

'A' ZONE -

The cross-cut which was in progress southerly from station 5 cut the 'A' zone where expected about twenty-five feet south of station 5. The zone here consisted of several feet of broken rock and fault gouge, with a six-inch calcite stringer on the hanging-wall. The zone was drifted westerly for about sixty feet, and is strong in the west face. The six-inch carbonate stringer petered out in about ten feet, but a second, wider lens came in at about twenty feet and pinched out at about fifty feet. Only a few broken stringers of carbonate are in the gouge at the west face.

Cinnabar mineralization came in west of two barren cross-fractures at about twenty feet (Station 9 plus 17 ft). The narrow stringer zone lies on the hanging-wall of the calcite for twenty feet. A second and smaller shoot, about ten feet long, also lies on the hanging-wall of the main fault zone ten to twenty feet west of the larger shoot. These shoots are in the correct position to be downward extensions of a shoot known on surface. The dimensions of the shoots are shown on the accompanying assay map.

'B' ZONE (WEST) -

Twenty-two feet of drifting on 'B' zone west of station 8 failed to disclose either carbonate or cinnabar. Although the break is strong no further work except test-holing is planned. The cross-cut north from station 6(a), showed no extensions of the cinnabar exposed near station 6, but test holing from the face found colors, and further work is planned.

'B' ZONE (EAST) -

The cross-cut into the footwall at station 20 exposed nothing of interest, but has not yet been test-holed.

A slash to the right at the face of the east drift cut calcite on the hanging-wall of the fault which was followed by the right wall of the drift. The first round exposed cinnabar on the hanging-wall of the calcite, and the mineralization continued for twenty feet. The zone has the normal south-west dip where first encountered, but gradually rolled out of the main zone of faulting to follow a southerly striking fracture system. The dip at the south end appears to be easterly, but a little more work is planned to check attitude and possible extensions.

SUMMARY:

Although no large shoots have been found, the property has improved considerably since the last report. Many sections of drift wall have not been test-holed for paralleling mineralized fractures, which, if found, should make the property sufficiently encouraging to warrant another level.

Work planned for September includes one or two more rounds in 'A' zone west, further work in the cross-cut north from station 6 (a) on 'B' zone west, one or two more rounds on the south-east end of the shoot in 'B' zone east, and considerable test-holing of drift walls and cross-cut faces.

R. H. Dempsey

RECEIVED
OCT - 8 1956

RED TOP ASSAYS - AUGUST, 1956.

Sample No.	Assay in % Hg.	Width	Location	Remarks
11315	2.79	0.5	St. 21 +11(back)	Stringer-breccia
11316	5.52	3.0	" " 14 "	Reticulating stringers
11317	3.74	1.6	" " 17 "	" "
11318	2.56	2.5	" " 20 "	" "
11319	22.49	1.0	" " 23 "	High grade stringers near south wall
11320	12.02	0.5	" " 26 (wall)	High grade stringer
11321	3.46	1.0	" " 29 (knee)	" " "
	6.17	1.4	weighted average	
11322	0.46	0.5	St 9 + 17 (north-wall)	Breccia in hanging-wall of calcite
11323	6.75	0.8	" 20 "	stringers in hanging-wall of calcite
11324	0.37	1.2	" 23 "	" "
11325	1.45	0.5	" 26 "	stringer in hanging-wall of calcite
6924	4.00	0.8	" 29 "	same zone-fair grade
6925	0.33	0.5	" 32 "	" " low "
6926	6.86	1.0	" 35 "	" " high "
6927	0.62	0.5	" 38 "	" " low "
	2.98	0.72	weighted average	
6928	0.29	0.8	St. 9 + 49 (back)	stringer on strike of above
6929	1.05	0.9	" + 52 "	as above
6930	0.70	1.0	" +55 "	same zone
	0.66	0.9	weighted average	

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 20 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1956 Docket No. DMEA -3831 Contract No. Idm -E857
Operator's Name Moneta Porcupine Mines Limited Minerals Mercury
Address 1505 - 320 Bay Street, Toronto, Canada
Contract Amount, $ 118,720.00 Government Participation: 75 % Amount, $ 89,040.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting		3,484	3,484		3484.00	3484.00
Drifting	9,308	6,916	16,224	8788.00	6916.00	15704.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	-	6	6		6.00	6.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	9,308	10,406	19,714	8788.00	10406.00	19194.00

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

Date August 22 *Payee Moneta Porcupine Mines Limited

Per J. R. Brinton Title President

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

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

(Instructions on reverse)

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

$ 6591.00

Signature
(Authorized Certifying Officer)
Lawrence J. Wilcox

Date 8/31/56 Vou. No. 49

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E857 in accordance with the terms of the contract.

Signature ..... Title Examining Engineer Date 8/30/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title Executive Officer Date 8/30/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 20 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1956 Docket No. DMEA -3831 Contract No. Idm-E857

Operator's Name Moneta Porcupine Mines Limited Minerals Mercury

Address 1505 - 320 Bay Street, Toronto, Canada

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
		8788	169	15704	302			
Drifting	feet	~~9,308~~	~~179~~	~~16,294~~	~~312~~	52,00)	425	22,100
Crosscutting	feet	-	-	3,484	67	52,00)		
Raising Timbering	feet	-	-				300	3,000
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assaying	Assays	-	-	6	2	3.00	30	90
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		-	-	-				
Initial Rehabilitation and Repairs		-	-	-				
New Buildings, Improvements, etc.		-	-	-				
TOTAL COSTS		8788 ~~9,308~~		19194				25,190

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

REMARKS:

Date August 22 Operator Moneta Porcupine Mines Ltd.

Per J. R. Burton Title President

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

(Instructions on reverse)

(For Government use only)

OK

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
SEP 20 1956

DILLINGHAM - RED TOP -

NARRATIVE REPORT:

INTRODUCTION:

This report includes information on the progress at the Red Top during 1956 up to July 24th. Little work had been accomplished prior to the first inspection on June 10th. to 12th. During this second inspection Mr. Lorraine and Mr. Velikanje of the D.M.E.A. field team, as well as Mr. Gould and Dr. Burton of Meneta Porcupine Mines, were on the property.

Geological and assay maps, as well as a map of the further exploration planned, are appended and are referred to in the report.

SUMMARY:

Approximately 200 ft. of drift and 25 ft. of cross-cut, a total of 225 ft. have been driven to date during 1956. This work has disclosed several bodies of cinnabar mineralization which are of insufficient size and grade to make ore shoots unless improvement and extensions are found. About two hundred feet of tunneling is necessary to explore further possibilities on this level, and this work is in progress.

GEOLOGICAL:

(1) Faults and Fractures: Three 'breaks' were exposed in the main cross-cut driven in 1955. These are labelled 'A', 'B', and 'C', in order from hanging-wall to foot-wall. 'B' zone has now been explored by about 225 ft. of work, and 'C' by about 25 ft. The 'breaks' are composed of numerous discontinuous slips, in places accompanied by carbonate and some cinnabar. The slips lie predominantly in two sets, one striking westerly and dipping from 35 to 80 degrees south, and the other striking north-westerly and dipping from 50 degrees

south-westerly to vertical.

The westerly striking set is the stronger in appearance, and although no members have been traced more than fifty feet along strike, the set forms a fairly strong zone extending the length of the drifting to date. Mullian and gouge on individual slips indicate some movement, horizontal in one place (west of station 5) and plunging 45 degrees easterly in another (east of station 3).

The north-west set appears much weaker, and is probably better termed a fracture system. Individuals are either cut by or merge into the west set. No evidence of movement along them has been noted.

(2) Carbonate: Carbonate has been deposited along both sets, but the larger carbonate bodies follow the west striking slips. The carbonate bodies are in many places bounded by the slips, but in some places only on one wall; elsewhere the carbonate grades off into irregular stringers in the argillite. Some of the carbonate contains angular breccia fragments of argillite. In one or two places westerly striking slips appear to cut the carbonate with a left hand offset, but no carbonate gouge has been found. The age relations of the carbonate with the slips is thus indefinite.

(3) Cinnabar: Most of the cinnabar is in the carbonate, but some is in shattering or on slips in argillite. The cinnabar in the carbonate near stations 2 and 5 forms angular breccia fragments, as if it had replaced argillite fragments, but no partly replaced argillite fragments were found. In many places cinnabar forms small lenses and 'colors' trending parallel to the carbonate in its respective set. In one west striking zone near station 5 the cinnabar lies in a series of small cross fractures parallel to the north-west system of fracturing. In most places cinnabar veins the carbonate, but some cinnabar is cut by later carbonate veinlets.

ASSAY RESULTS

RED TOP ASSAYS July, 1956

Sample No.	Assay in DMEA	% Hg Bennetts	Width	Location	Remarks
11301	0.30	0.35	0.5 ft.	St. 5 west 12 ft.	0.2 ft.stringer with little stringers in walls - (back)
11302	0.06	0.02	1.0 ft.	St. 5 " 9 ft.	Same stringer low grade at pt. (back)
11303	6.25	5.96	0.6 ft.	" " " 6 "	" " high " " " " (back)
11304	0.60	0.32	1.5 ft.	" " " 3 "	" " average " " (back)
11305	1.32	1.18	0.8 ft.	at St. 5	" " " " " (back)
11306	0.95	1.50	1.6 ft.	St. 5 east 3 ft.	" " " " " (back)
11307	0.04	0.01	1.5 ft.	" " 6 ft.	" " low " " (back)
11308	0.59	0.55	1.3 ft.	" " 9 ft.	" " fair " " (back)
11309	2.99	2.95	1.5 ft.	near St. 5	James sample of face
11310	15.8	14.18	0.5 ft?	St 6 west 4 ft.	High grade-attitude undetermined (knee)
11311	2.58	2.83	0.75?	" " 7 ft.	" " " "
11312	0.64	1.00	"	" " 10 ft.	" " " "
11313	3.60	2.85	0.7 ft.	St 7 west 20 ft.	fair grade stringer near floor
11314	1.38	1.42		dump grab	from round across stringers at St. 7 plus 12 ft. or so.

EXPLORATION:

The exploration has followed zones of 'cinnabar' mineralization but has not yet shown assuredly economic bodies for other than a leasing operation. The 'C' zone was drifted 25 feet westerly but the good breccia type mineralization found on the west rib at the main cross-cut petered out in about five feet. Only occasional colors were found in the remainder of the drift, and are present in the west face. No further work is planned on this zone.

The 'B' zone has been drifted 55 feet easterly from the cross-cut. The carbonate contains occasional colors, but both carbonate and colors appear to run into the north wall at 25 feet. One slip apparently produced a foot or two left hand offset at 20 feet east of station 3. A slip of similar attitude but apparently stronger cuts across the drift at 35 feet. These slips may have offset the mineralized zone progressively further north (left-hand) at depth, shifting the zone vertically below, or even north of, its outcrop although segments dip southerly. More drifting is planned as shown on the accompanying sketch to check this possibility, as good cinnabar was found at surface in this area.

The 'B' zone has been drifted about 130 feet westerly from the main cross-cut. The thin (3 or 4 inches wide) but almost massive cinnabar stringer found previously about ten feet west of station 3 has been explored by the 'Y' but the west limit exposed is only a 'paint' slip, and no further work on it is planned. A zone of cinnabar mineralization in carbonate was picked up at station 4 plus 12 feet, and followed to station 5 plus 15 feet. The zone contained some stringers of cinnabar parallel to the drift, others in small cross-fractures parallel to the north-west set of slips, and some breccia-type cinnabar. A twenty-foot drift north-west from station 5 followed colors along a north-west trending slip. Near station 6, for ten or twelve feet, excellent mineralization parallels the drift on the north wall. Test-holing indicates that this shoot dips southerly, and more work is in progress to determine its attitude and extent, if any, to the northwest. Two north-west slips were picked up at station 7 plus

8 ft and 15 ft, with veins of minor carbonate and reticulating cinnabar up to eight inches wide. These are locally well mineralized, but were considered too weak to merit drifting. A little more exploration may proceed in this area.

In summary, most of the exploration to date is on 'B' zone west, and has found sub-ore mineralization, both in the zone and in north-west fractures leading out of the zone. Further work is planned on 'B' zone east, and on 'C' zone. A possibility exists that the northwest system of fractures may be stronger and better mineralized in the area between A and B than between B and C.

MONETA PORCUPINE MINES, LIMITED
(NO PERSONAL LIABILITY)
SUITE 1505 - 320 BAY STREET
TORONTO 1, ONT.

RECEIVED SEP 20 1956

Telephone: EMpire 6-5665

Please Refer File:

August 3rd, 1956

Mr. S. H. Lorain,
Executive Officer,
Alaska District Region I,
Defense Minerals Exploration Administration,
P. O. Box 2688,
JUNEAU, Alaska.

Dear Mr. Lorain:

Re: Docket No. DMEA-3831(mercury)
Moneta Porcupine Mines, Limited -
Contract No. Idm-2857

We enclose 5 copies of the Operator's Monthly Report and Voucher, and Unit Cost and Progress Report for July. The footage figures have been obtained from a sketch submitted by our superintendent, Mr. Frank James. This sketch is based on Dr. Seraphim's map, plus the footage completed after Dr. Seraphim's visit. I do not know your practice in the matter, but we have taken 2½' per slash, that is 10' for 4 slashes.

Dr. Seraphim is forwarding the Narrative Report to you direct from Vancouver. I have not seen it yet, but presumably it will cover everything up until the time of his visit in July.

Our method of reporting is probably sloppy, especially on measurements, but I think that they are accurate enough for practical purposes and we can measure up accurately and adjust if necessary at the end of the Contract. As you know, the work is continuing so there is always something "in the bank" so far as D.M.E.A. is concerned.

In a letter from Frank James dated August 2nd, he said that he was having difficulty in following the presumed hangingwall/westward. /vein Bob Seraphim tells me over the telephone that since then he has had a letter from James and he is getting some pretty good ore in this drift. The $64 question will be as to its length.

Yours very truly,

F. R. Burton

F. R. Burton,
President.

/A
Encls.
C/c Dr. R. H. Seraphim

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION I

RECEIVED
SEP 30 1956

2688

OFFICE OF
Asst. REGIONAL DIRECTOR for Alaska

P. O. BOX 2990
JUNEAU, ALASKA

August 29, 1956

Moneta Porcupine Mines, Limited,
Suite 1505,
320 Bay Street,
Toronto 1, Ontario.

Attention: Mr. F. R. Burton,
President.

Gentlemen:

On this date, your claim for reimbursement for work performed on DMEA contract No. Idm-E857 is being processed for payment to cover the month of July 1956.

An adjustment has been made on the MF-104 and 104A to reflect a deduction of 10 feet of drifting which you indicate in your transmittal letter, dated August 3, 1956, as being claimed to cover 4 slashes @ 2½' per slash.

After studying your claim for June and comparing the July claim with it, we note that you had one slash in June for which no claim was submitted. The drifting in "C" zone subsequently picked up the slash footage as indicated in your sketch submitted for July. We feel that there is a possibility that subsequent drifting (or crosscutting) may occur on the four slashes included in the July claim, which would complicate footage measurements. It is believed that an adjustment can be made at a later date when it is definitely determined whether or not any drifting (or crosscutting) may become involved in these slash footages.

This adjustment results in changing your claim for drifting from $9308.00 to $8768.00. The total for drifting thus becomes $15704.00 rather than $16224.00 as submitted. The "Totals to Date" total becomes $19194.00.

The footages on the MF-104A have been changed and will be as follows:

	Costs This Month	Units This Month	Costs To Date	Units To Date
Drifting	8768	169	15704	302

Total costs are changed accordingly.

We trust that this adjustment and arrangement meets with your approval.

Yours truly,

L. J. Wilcox,
Authorised Certifying Officer.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
JUL 20 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May & June, 1956 Docket No. DMEA-3831 Contract No. Idm-E857
Operator's Name Moneta Porcupine Mines Limited Minerals Mercury
Address 1505 - 320 Bay Street, Toronto, Ontario, Canada
Contract Amount, $118,720.00 Government Participation: 75 % Amount, $89,040.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Period ~~Monthly~~ Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	-	3,484	3,484		3484.00	3484.00
Drifting	4,524	2,392	6,916	4524.00	2392.00	6916.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	-	6	6		6.00	6.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	4,524	5,882	10,406	4524.00	5882.00	10406.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date July 5, 1956 *Payee Moneta Porcupine Mines, Limited
Per F. R. Burton Title President

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

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

(Instructions on reverse)

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

$ 3393.00

Signature (Authorized Certifying Officer)
Lawrence J. Wilcox,
Date 7/17/56 Vou. No. 47
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature ..... Title Exec. Officer Date 7/9/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title Exec. Officer Date 7/9/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
JUL 30 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May & June 1956 Docket No. DMEA-3831 Contract No. Idm-5857
Operator's Name Moneta Porcupine Mines Limited Minerals Mercury
Address

OPERATION	UNIT	COSTS THIS MONTH Period	UNITS THIS MONTH Period	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	feet	4,524	87	6,916	133	52.00	425	22,100
Crosscutting	feet	-	-	3,484	67	52.00		
~~Raising~~ Timbering	feet	-	-	-	-		300	3,000
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assaying	assays	-	-	6	2	3.00	30	90
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		-	-	-				-
Initial Rehabilitation and Repairs		-	-	-				-
New Buildings, Improvements, etc.		-	-	-				-
TOTAL COSTS		4,524		10,406				25,190

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

Date July 5, 1956 Operator Moneta Porcupine Mines Ltd.

Per J. R. Burton Title President

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

REMARKS:

(Instructions on reverse)

(For Government use only)

OK

INSTRUCTIONS

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

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

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

GPO 872894

DMEA

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

RECEIVED
JUL 20 1956

P. O. Box 2688
Juneau, Alaska

July 18, 1956

Memorandum

To: Operating Committee, Defense Minerals Exploration Admin., Department of the Interior, Washington 25, D.C.

From: Executive Officer, Alaska District, Region I.

Subject: Operator's monthly report,
Docket No. DMEA-3831 (Mercury)
Moneta Porcupine Mines, Ltd.
Contract No. Idm-E857

Enclosed are two copies each of MF-104, MF-104A, Operator's narrative report, and Operator's progress sketch for the period May - June 1956.

S. H. Lorain

Enclosures-4
cc: Velikanje
Wilcox

MONETA PORCUPINE MINES, LIMITED
(NO PERSONAL LIABILITY)
SUITE 1505 - 320 BAY STREET
TORONTO 1, ONT.

RECEIVED
JUL 30 1956

Telephone: EMpire 6-5665

Please Refer File:

July 5th, 1956

Mr. S. H. Lorain,
Executive Officer,
Alaska District, Region I,
Defense Minerals Exploration Administration,
P. O. Box 2688,
JUNEAU, Alaska.

Dear Mr. Lorain: Re: Docket No. DMEA-3631(mercury)
Moneta Porcupine Mines, Limited,
Contract No. Idm-E857

I enclose the Operator's Unit Cost and Progress Report for the period ending June 30th, and the Monthly Report and Voucher. Our engineer, Mr. Seraphim, was not at the property at the month-end, so I am enclosing the report to us of Mr. James, our superintendent. Mr. Seraphim's report will follow later.

I would judge from Mr. James's description that the ore he mentions in the west drift would be of good grade.

Yours very truly,

F. R. Burton

F. R. Burton,
President.

/A
Encls.
C/o Dr. R. H. Seraphim

June 29, 1956

Porcupine Mines Limited
Suite 1505 320 Bay St.
Toronto 1, Ont.

RECEIVED
JUL 30 1956

Dear Sirs

Enclosing a rough sketch of the work completed during June. As you will note we have extended the east drift 20' but will discontinue it until Mr Sharplin sees it over. I have been following what I thought was the hanging wall but the rock appears to be more of a gouge and I believe it will be necessary to crosscut several feet toward the foot wall to pick up the vein again. Mr Sharplin didn't seem much impressed with this area but advised bearing right in an attempt to intersect the calcite vein. (@ in revised map.)

The west drift has been in ore for about fifteen feet although the vein is only from a foot to eighteen inches in width several inches are fairly high grade. This is following a strong calcite vein which is most likely the same one that appears on the surface. I will continue on this as well as the foot wall vein which has been delayed until we can make up a track switch. You will notice that I left a small pillar at the intersection of the west drift and the crosscut. This allows a better turn

grading and also gave us a chance to prospect the high grade cross fracture. The fracture is still well defined but has pinched to just a small seam.

I had hoped to accomplish more footage during June but could work only on a limited scale until the supplies arrived from Seattle June 15th. Since that date we have laid rail, advanced the east drift 26', the west drift over 30' and taken one slash round out of the foot wall vein. The Witte generator failed us again yesterday which has delayed us at least two rounds. This is the second time this month and I feel it is necessary that we have a more dependable source of water supply for drilling. We have had some trouble with the jackleg but this is due mostly to ice in the airline and drill. I have considered an air receiver underground but am not certain of it would correct it or not.

There are quite a few things lacking for an efficient operation but hesitate to spend much on equipment until I am reasonably sure the job will be extended to the second stage.

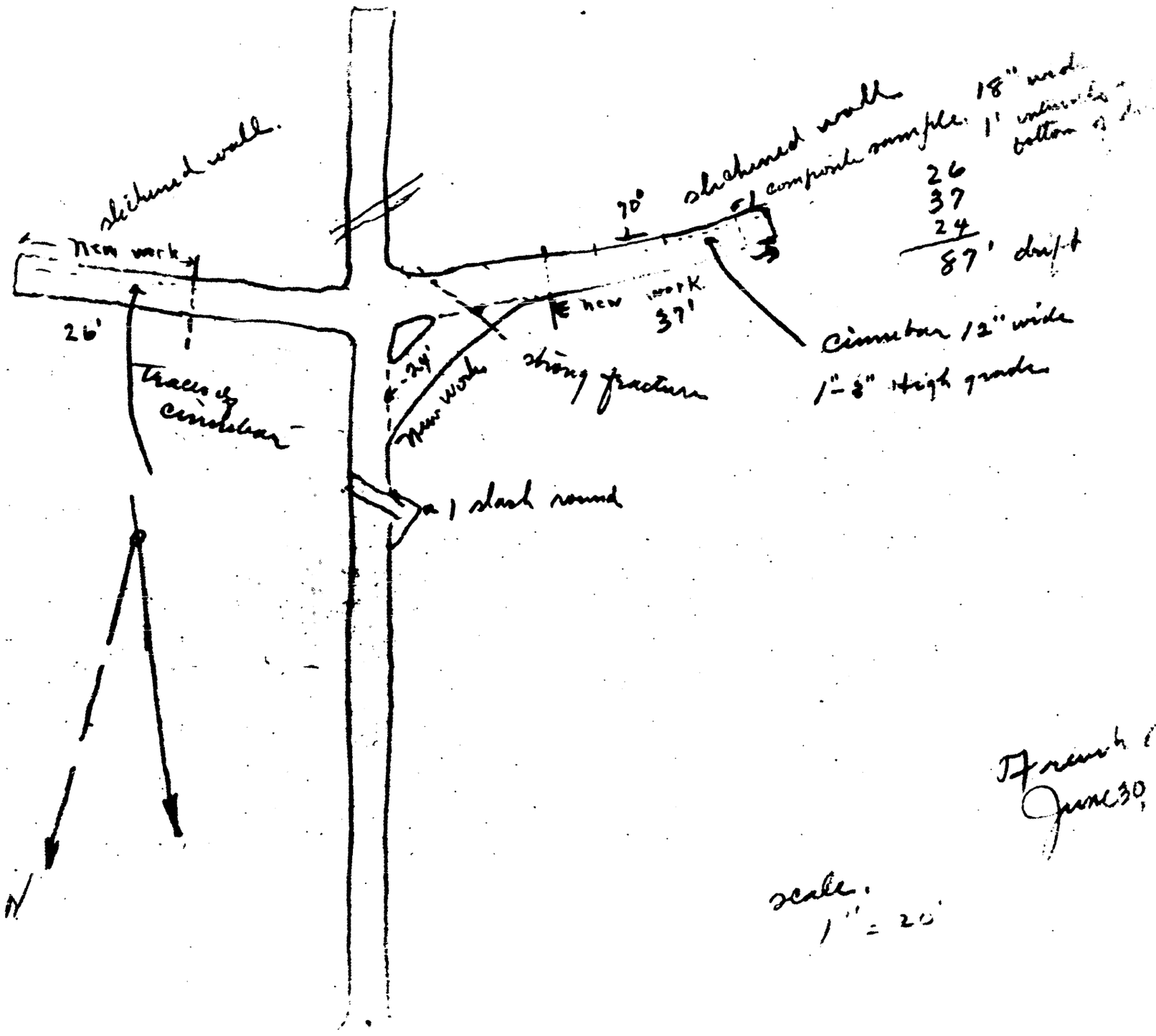
I have received a letter from the Alaska Steamship Co. that the last boat is scheduled to leave Seattle Aug 10. This should give sufficient time to complete the field stage.

due to the lack of time and tools I have repaired the heavy compressor. The replacement parts were exposed to the weather all winter and I am sure that some will have to be replaced. However the new compressor is the only piece of equipment that I have complete confidence in.

It will be several days before I have the expense account completed but will mail it as soon as possible.

I will keep Mr. Seraphim well informed on the progress and hope this letter and sketch will be sufficient for your U.M.C.A report

Yours very truly
Frank D. James



French [illegible]
June 30, 19[illegible]

FEB 1 0 1956

Mr. S. H. Lorain
Executive Officer, Alaska District
DMEA Field Team, Region I
P. O. Box 560
Juneau, Alaska

Dear Mr. Lorain:

This is in reply to your letter of February 1, 1956, addressed to C. O. Mittenhuef and your memorandum of February 3, 1956, addressed to the Operating Committee, dealing with the problem of certifying DMEA vouchers, and transmitting our copies of MF-104's and MF-104A's pertaining to Contract No. Ldm-2577, Docket No. DMEA-3831, Nanaela Porcupine Mines, Ltd.

The Chief Disbursing Officer of the Treasury Department has notified us that Mr. Wilson's certifying bond is in full operation and is acceptable for DMEA vouchers. The Chief Disbursing Officer wired the Disbursing Officer of Alaska to this effect February 7, 1956.

We were not aware of the revocation of your certifying bond until the receipt of your memorandum so advising. It appears that until further notice the Bureau of Mines intends for only Mr. Wilson to certify our vouchers for Alaskan payments. If we get later information from the Treasury Department or from the Bureau of Mines we shall immediately advise you.

Sincerely yours,

/s/ George C. Selfridge

Chairman, Operating Committee

APPROVED:

/s/ Robert W. Geehan

Member, Bureau of Mines

/s/ Thor H. Kiilsgaard

Member, Geological Survey

JTChambers/Wb
February 9, 1956

Copy to: Docket (2)
Admr. Reading File
Administrator
Operating Committee
Mr. Kiilsgaard, USGS
Mr. Geehan, USBM
Mr. Martin
Mr. Chambers

C
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Y

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

P. O. Box 560
Juneau, Alaska

February 3, 1956

Memorandum

To: Operating Committee, Defense Minerals Exploration Admin., Department of the Interior, Washington 25, D. C.

From: Executive Officer, Alaska District, Region I.

Subject: Operator's report.
Docket No. DMEA-3831 (mercury)
Moneta Porcupine Mines, Ltd.

Enclosed herewith are two copies each of MF-104, MF-104A, Operator's narrative report, and Operator's progress map for the period August 18, 1955 to November 30, 1955.

I signed the certification a couple of days ago and sent it to the local disbursing office but it has been returned because it appears that my bond was revoked on December 28, 1955. This was my first knowledge of the revocation.

I gather that the revocation has something to do with the transfer of our Bureau of Mines disbursing activities to Albany. Also it appears that the local disbursing officer has just discovered that our certifying bonds are "Bureau of Mines" rather than DMEA; it appears that he is going to hold out for DMEA coverage.

This development further reinforces my recent suggestion that arrangements be made to have our Alaska payments certified elsewhere.

/s/ S. H. Lorain

S. H. Lorain

Enclosures-4

cc: Velikanje
Wilcox

104 (Rev.)
l 1952)

Wa.

Budget Bureau No. 42-R1036.5

RECEIVED
FEB - 6 1956

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

Month of Aug. 18 - Nov. 30, 1955 Docket No. DMEA 3831 Contract No. Idm-E857

Operator's Name Moneta Porcupine Mines, Limited Minerals Mercury

Address 1505 - 320 Bay St., Toronto, Ontario, Canada

Contract Amount, $118,720.00 Government Participation: 75 % Amount, $89,040.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	$3,484	0	$3,484	$3,484.00		$3,484.00
Drifting	2,392	0	2,392	2,392.00		2,392.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	6	0	6	$ 6.00		$ 6.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$5,882	0	5,882	$5,882.00		$5882.00

Letter dated 2-3-56 from Lorain advised this MF-104 returned by Disbursing Office unpaid.

Subsequently paid during Feb. as disclosed by monthly reconciliation of disbursements.

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

Date Nov. 30, 1955 *Payee Moneta Porcupine Mines, Limited

Per F. R. Burton Title President

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

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

(Instructions on reverse)

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

$ 5,882.00

Signature (Authorized Certifying Officer)

S. H. Lorain

Date 2/1/56 Vou. No. 42

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E857 in accordance with the terms of the contract.

Signature ..... Title Examining Officer Date 1/31/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title Executive Officer Date 1/31/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IF-104A
(1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
FEB - 6 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of 8/18-10/30 195 5 Docket No. DMEA 3831 Contract No. Idm-E857
Operator's Name Moneta Porcupine Mines, Limited Minerals Mercury
Address 1505 - 320 Bay St., Toronto, Ontario, Canada.

OPERATION	UNIT	COSTS THIS ~~Month~~ Period	UNITS THIS ~~Month~~ Period	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Stage I Units	AUTHORIZED BY CONTRACT Stage I Unit Costs
Drifting	feet	$2,392	46	$2,392	46	$52.00)	425	$22,100
Crosscutting	feet	3,484	67	3,484	67	52.00)		
~~Raising~~ Timbering	feet	-	-	-	-	-	300	3,000
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assaying	assays	6	2	6	6	$ 3.00	30	90
TOTAL DISTRIBUTED COSTS		$5,882		$5,882				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		-	-	-				-
Initial Rehabilitation and Repairs		-	-	-				-
New Buildings, Improvements, etc.		-	-	-				-
TOTAL COSTS Stage I		5,882		5,882				$25,190

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

Date Nov. 30, 1955 Operator Moneta Porcupine Mines Ltd.

Per J. R. Burton Title President

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

REMARKS:

(Instructions on reverse)

(For Government use only)

OK

INSTRUCTIONS

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

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

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

GPO 872894

MONETA PORCUPINE MINES, LIMITED
SUITE 1505 - 320 BAY STREET
TORONTO 1, ONT.

RECEIVED
FEB - 6 1956

PLEASE REFER FILE:

COPY

January 4th, 1956

Mr. S. H. Lorain,
Executive Officer,
Alaska District, Region I,
Defense Minerals Exploration Administration,
P. O. Box 560,
JUNEAU, Alaska.

Dear Mr. Lorain: Re: Docket No.EMEA-3831(mercury)
Moneta Porcupine Mines, Limited
Contract No. Idm-E857

I am sorry that we did not fill out the forms properly, but I wish to thank you for all the trouble you took in filling out a sample form. We have typed it out exactly as filled in by you except for the total cost, which we calculate to be $5,882 instead of $6,882. The forms have been signed and are enclosed herein.

Any time that you would like information that is not covered by these forms, we would be most happy to supply it to you. We are very appreciative of the assistance that you have given us, and we would like to co-operate with you.

Yours very truly,

F. R. Burton

F. R. Burton,
President.

/A
Encls.

MONETA PORCUPINE MINES, LIMITED

(NO PERSONAL LIABILITY)

SUITE 1505 - 320 BAY STREET

TORONTO 1, ONT.

Telephone: EMpire 6-5665

RECEIVED FEB - 6 1956

Please Refer File:

December 15th, 1955

Executive Officer,
Defense Minerals Exploration Administration,
Box 560,
JUNEAU, Alaska.

Dear Sir: Re: DMEA Contract No.Idm-E857,
Docket No.3831 - Red Top

I have been advised by Mr. R. S. Velikanje that you have accepted the starting point for our DMEA Contract at a point 93 feet from the first set of timbers. We are therefore submitting our first claim under our contract. There is no provision in Form MF-104 Short Form for placing a monetary value on the work, but according to our calculations the government proportion will be $4,411.50. I note that under the Short Form we are not required to support Form MF-104 with any documentation, but I thought that our costs to date might be of interest to you, and I enclose them herewith. We expect to receive additional charges from the contractor which have not been submitted to us as of this date.

Inasmuch as this is our first claim under the Contract, we may have omitted some of the required information, and if so we would be most pleased to supply it.

Yours very truly,

F. R. Burton

/A
Encls.

F. R. Burton,
President.

To Accompany Form MF-104
November 30th, 1955
Moneta Porcupine Mines, Limited
Contract No. Idm-E857
Docket No. DMEA 3831

RECEIVED
FEB - 9 1956

NARRATIVE REPORT OF WORK PERFORMED DURING
THE PERIOD AUGUST 18TH - NOVEMBER 30th, 1955

Prior to the DMEA Contract date of August 18th, 1955 a camp was established on the north side of Marsh Mountain, and the necessary equipment moved in to carry out the prospecting operations. The adit was driven a total of 93 feet, 49 feet of which was timbered. The shear zone was intersected at 83 feet from the portal, and there was a strong calcite-breccia vein on the footwall 18 inches wide with a south dip of 40°. There was good ore on the west rib, and a character sample assayed 7.91% mercury. The remainder of the vein exposed in the adit was mostly barren. Six channel cuts from both ribs and the back at regular intervals were combined to form one sample. This sample was submitted to an assayer in Vancouver, British Columbia, and assayed only 0.21% mercury. Since by inspection the vein looked higher grade, the pulp was submitted to an assayer in Sudbury, Ontario, in whose work we have complete confidence, and he reported 0.45% mercury.

At August 18th the adit was 93 feet from the portal. During the period August 18th to October 31st the adit was advanced another 67 feet and encountered a strong calcite-breccia vein on the hangingwall. This vein was drifted east and west for a total of 46 feet. (See attached sketch).

At the time I examined the workings on October 27th, all work had ceased due to weather conditions. No water was available to wash the back and walls, so it was very difficult to examine any veins. The hanging-wall vein in the east face was strong over the full width of the face, but I could see only some small scattered particles of cinnabar and it would not even approach ore grade. In the west face there was considerable calcite veining in the south wall, but for the most part the face was barren. The vein in the drift back appeared to be far below ore grade.

As noted on the sketch, there is a strong cross fracture in the west drift containing massive cinnabar. The contractor took grab samples during the drift advance which showed a 4" width of massive cinnabar. At present the fracture in the back and the south wall contains only a film of cinnabar, but in the north rib the massive cinnabar is up to 2" wide.

Winter set in at a very early date, and weather conditions on the north side of Marsh Mountain were extreme. At the time of my examination the adit was completely filled with snow for 40 feet from the portal. The contractor we had engaged to do the work would not continue the operations under these conditions, and closed down on October 11th. He had had a great deal of trouble and was probably somewhat discouraged. The original compressor broke down on August 24th, and he did not get going again until September 20th. Fortunately we had sent in a supplementary compressor, which arrived on the last boat, and it provided adequate air up until the operation was closed down.

MONETA PORCUPINE MINES, LIMITED

F. R. Burton

F. R. Burton,
President.

RECEIVED
FEB 06 1950

MONETA PORCUPINE MINES, LIMITED

Expenditures to November 30th -
Red Top Property(Can.Funds)

Supervision	$ 3,697.18
Materials and supplies	977.31
Telephone and telegraph	157.80
Assaying	10.00
Travelling	1,681.88
Contract work	8,400.00
Consultant	1,324.35
Option payment	1,000.00
Equipment	4,233.63
Miscellaneous	19.27
Bank charges and exchange (Credit)	99.16
	$21,402.26

Canada Porcupine Mines, Ltd.
Suite 1331
133 Bay Street
Toronto, Ontario

Re: IMBA-3831 (Recovery)
Canada Porcupine Mines, Ltd.
Red Top Mine
Prince Bay Recording District
Third Division, Southeastern Alaska
Contract Ldm-2557

Gentlemen:

By the terms of the subject Exploration Project Contract, as amended, and the automatic certification of discovery or development as set forth in Annex II of that contract, all minerals mined or produced from August 18, 1959, to August 18, 1965, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

As Annex II of the subject Exploration Project Contract incorporated the Government's contribution under a prior contract (Ldm-1388, IMBA-2362), obligations under the latter contract are automatically terminated under the terms set forth in this letter.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geol. File
IMBA-3831
IMBA-2362
OMS Reading File
Region I (2)
Branch of Budget & Finance, 3400 Int.
CAAA
Mr. Selfridge
IBM:

CCMILFrdgm/km (2/4/66)

Yeakes, Robertson, Aitchison,
Pickup and Calvin
Kresslaier Life Building
Adelaide & Toronto Streets
Toronto 1, Ontario
Canada

MAR 29 1961

Re: DMEA-3831 (Mercury)
Hometa Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division, Southwestern Alaska
Contract Idm-3837

Gentlemen:

By letter dated March 15, 1961, you advise that your client, Hometa Porcupine Mines, Ltd., desires to terminate its lease of the mining claims included in the referenced exploration project contract. You also request that your client be released of all obligations under the contract provided that Red Top Mercury Mines, Inc., the owner of the claims, agrees to assume those obligations. For this purpose you enclose a draft of a proposed release.

Under date of January 5, 1961, Harold J. Butcher, as representative of the Red Top Mercury Mines, Inc., addressed a similar proposal to the former Juneau office of the Defense Minerals Exploration Administration. The letter indicates that a copy was sent to Hometa Porcupine Mines, Ltd. Enclosed for your information is a copy of the February 13, 1961, reply from this office as successor to the DMEA.

By virtue of paragraph 2 of Annex II of your client's contract with the United States, the project is to be treated as though a Certification of Discovery or Development had been issued. Therefore, so long as the requirements of Article 2(d) of the contract are met, the United States will not object to the termination of Hometa's lease from Red Top Mercury Mines, Inc. Whatever arrangements relating to the payment of royalties Hometa and Red Top may wish to make between themselves are of no concern to the United States, but the United States cannot be a party to any such agreement nor relieve either company of its respective obligation therefor.

A copy of this letter is being sent to Mr. Butcher.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

Copy to: Docket
Director's Reading File
CA & A Division
Acting Field Officer, Region I (2)

EDTalbert/CMSeller/ama
March 24, 1961

Fenton, Robertson, Aitchison,
Pickup and Calvin
Excelsior Life Building
Adelaide & Toronto Streets
Toronto 1, Ontario
Canada

Re: DMEA-3851 (Mercury)
Mosaic Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division, Southwestern
Alaska
Contract Idm-8857

Gentlemen:

By letter dated March 13, 1961, you advise that your client, Mosaic Porcupine Mines, Ltd., desires to terminate its lease of the mining claims included in the referenced exploration project contract. You also request that your client be released of all obligations under the contract provided that Red Top Mercury Mines, Inc., the owner of the claims, agrees to assume these obligations. For this purpose you enclose a draft of a proposed release.

Under date of January 5, 1961, Harold J. Butcher, as representative of the Red Top Mercury Mines, Inc., addressed a similar proposal to the former Juneau office of the Defense Minerals Exploration Administration. The letter indicates that a copy was sent to Mosaic Porcupine Mines, Ltd. Enclosed for your information is a copy of the February 13, 1961, reply from this office as successor to the DMEA.

The United States Government will object neither to termination of Mosaic's lease with Red Top nor any agreement for the latter to assume the former's obligations under the exploration contract. However, the Government cannot be a party to such an agreement and, furthermore, as was stated in the reply to Mr. Butcher, the Government cannot release Mosaic from its obligation as surety for the payment of royalty.

A copy of this letter is being sent to Mr. Butcher.

Sincerely yours,

Acting Director

Enclosure

Copy to: Docket
Director's Reading File
CA & A Division
Acting Field Officer, Region I (2)

EDTalbert/ama
March 22, 1961

Contract Division (2 cyps)

FEB 13 1961

Air Mail

Mr. Harold J. Butcher
Lawyer
P. O. Box 156
Anchorage, Alaska

Re: DMEA-2561 (Mercury)
Wren, Washey, and Wolfe
Red Top Claims
Bristol Bay Recording District
Third Division, Southwestern Alaska
Contract Ida-2398
and
DMEA-3831 (Mercury)
Mosaic Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division, Southwestern Alaska
Contract Ida-2857

Dear Mr. Butcher:

Your letter of January 5, 1961, to the Defense Minerals Exploration Administration, Juneau, Alaska, has been forwarded by Mr. D. E. Maclaren, Acting Field Officer, Region I, Spokane, Washington, for reply. As Mr. Maclaren advised you, the Office of Minerals Exploration is the successor agency to DMEA.

Under DMEA Contract No. Ida-2398, the United States reimbursed the Operator, a partnership consisting of Clarence Wren, Frank Washey, and Charles Wolfe, the sum of $12,313.72 as the Government's share for exploration under the contract. This amount was assumed by Mosaic Porcupine Mines, Ltd., as part of its obligation to repay under DMEA Contract No. Ida-2857 without the Government releasing the partners, collectively and individually, from their liability. By its Consent to Lien, executed July 25, 1955, and to induce the Government to sign DMEA Contract No. Ida-2857, Red Top Mercury Mines, Inc., granted the Government a lien upon its interest in the land that is the subject of the contract, and upon the production of minerals therefrom.

The Government cannot relieve Mosaic Porcupine Mines, Ltd., of its responsibility, as operator, or as surety if it is not the operator, for the repayment in the form of royalty of funds advanced by the Government under both contracts. The amount due the Government

under contract No. Idm-K398 is $12,513.72, less $347.60 royalty paid, or $12,166.12, and under contract No. Idm-2857 is $21,798.75. The total under both contracts is $33,964.87.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

SPHolt/gla
2-13-61
cc to: Director's Reading File
Division of Contract Adm. & Audit (2)
Region I (2)
Code 500
Docket DMRA-3831
Docket DMRA-2562
Chron

EXTRA COPY
O. M. E
RECEIVED JAN 23 1961
DATE | INITIALS | CODE

So. 157 Howard Street
Spokane 4, Washington
January 18, 1961

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: DMRA-3831 (Mercury)
Mosaic Porcupine Mines, Ltd.
Contract Idm-1837
and
DMRA-2562
Wren, Wasley, and Wolfe
Prior Contract Idm-1398
Red Top Mine
Bristol Bay Recording District
Third Division, Southwestern Alaska

Enclosed are three copies each of a letter dated January 5, 1961, from Harold J. Butcher and our reply.

Because of the legal points involved I am forwarding this letter for reply by the Washington office.

D. R. Maclaren

Enclosures
cc: CFF
Director
Reom. Geol.
BLM

EXTRA COPY
O. M. E
RECEIVED JAN 23 1961
DATE | | CODE

No. 157 Howard Street
Spokane 4, Washington
January 18, 1961

Air Mail

Mr. Harold J. Butcher, Lawyer
P. O. Box 136
Anchorage, Alaska

Re: DMEA-3851 (Mercury)
Nonata Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Third Division, Southwestern Alaska
Contract Idn-2857

Dear Mr. Butcher:

Your letter of January 5, 1961, addressed to the Defense Minerals Exploration Administration, Box 2588, Juneau, Alaska, was forwarded to this office by the U. S. Bureau of Mines. The Office of Minerals Exploration is the successor agency to DMEA. I am sorry for the delay in acknowledging it, but I was in the field when it arrived.

I am referring your letter to our Washington, D. C. office for reply.

Sincerely yours,

D. R. Maclaren
Acting Field Officer, OME
Region I

cc: J. A. Herdlick
Chief, Alaska Office of
Mineral Resources, Region I
U. S. Bureau of Mines
P. O. Box 2688
Juneau, Alaska

OME(3) w/cys incoming
CPF
Docket No. DMEA-2562

Director
Econ. Geol
B&FM

HAROLD J. BUTCHER
LAWYER
ANCHORAGE, ALASKA

January 5, 1961

EXTRA COPY
O. M. E
RECEIVED JAN 23 1961
DATE | CODE

Defense Minerals Exploration Administration,
Box 2688,
Juneau, Alaska.

Gentlemen:

When Barclay & Wolfe

Red Top Mercury Mines, Inc. obtained, through your agency a number of years ago, an exploratory advance of moneys in approximately the sum of $17,000.00 of a total approved loan of $29,000.00. Thereafter, Red Top Mercury Mines, Inc. entered into a lease agreement with Moneta Porcupine Mines, Ltd. of Toronto, Ontario, Canada. Thereafter, Moneta Procupine Mines, Ltd. obtained through your agency additional moneys, the balance of which, according to our records stands at $21,798.75.

#19,210.50

We are in a process of cancelling the lease and delivering to Moneta Procupine Mines, Ltd. a release of any further obligation on their part to perform assessment work or look after the premises or in any way control the future activities of Red Top or the operation of the property.

One of the conditions suggested by Moneta Porcupine is that Red Top assume responsibility for the balance of the Defense Minerals Exploration loan shown on the records as against Moneta.

Moneta has recommended two methods of handling the assumption of this loan or the transfer of the loan to Red Top Mercury Mines, Inc.. However, before preparing documents following one or the other of the suggestions we thought the most expeditious method would be to contact you directly and seek your advice and instruction as to the method of assuming the balance of the loan to Moneta or transferring the loan directly to Red Top Mercury Mines, Inc..

RECEIVED
JAN 11 1961
U.S.G.S.
SPOKANE, WASH.

We are prepared to execute whatever documents you suggest or furnish in order to effectuate this transfer or assumption of the balance of the loan to Moneta under the same terms and conditions as the money was advanced to Moneta.

Kindly advise us at an early date and/or furnish us with such documents as your agency may require to transfer the obligation to Red Top Mercury Mines, Inc..

Meanwhile, I am

Very truly yours,

Harold J. Butcher

HJB/cp
cc: Moneta Porcupine Mines, Ltd.

MAR 12 1957

Mr. S. H. Lonsin, Executive Officer
DPSA Field Team, Region I-Alaska District
P. O. Box 2555
Juneau, Alaska

Re: Docket No. DPSA-3531 - Recovery
Kowalk Porcupine Mines, Ltd.
Red Top Mine
Bristol Bay Recording District
Southeastern Alaska
Contract No. 2da-4257

Dear Mr. Lonsin:

I am sorry that your letter of March 1, which was received here on March 4, was not brought to my attention until March 8. By some oversight it was routed to central files instead of to me. Had I known the contents earlier, I could have asked Mr. Burton a few questions when he visited my office on March 7 - specifically, just what he said to Mr. Sumpkin after his phone conversation with me on March 1.

On February 27 I advised Burton by telegram that we were not approving Stage II. When we later discussed this action by phone it was obvious that he was not only disappointed, but perhaps somewhat perplexed. He was under the impression that the Field Team was highly in favor of completing Stage II.

I told him the Field Team had pointed out the "pros and cons" of the proposition and that, since a policy matter was involved, it had referred the case to Washington. I said this was not unusual practice in borderline cases.

I was quite frank in telling Mr. Burton that my Commodity Division had prepared a telegram to him authorizing approval of the remainder of Stage II, but that each member of the Operating Committee indicated his disapproval of the contemplated action. Moreover, that Mr. Johnson and I reviewed the case in light of the adverse comments and we both concurred with the dissenters. Because Mr. Burton desired to come to Washington to plead for a reconsideration of our decision, I suggested that it would be best to set up a meeting with Messrs. Selfridge and Killegaard of the Committee, rather than with the Commodity Division. The reasons for my suggestion are, of course, obvious.

Mr. Burton presented his case to Messrs. Selfridge and Killegaard Thursday afternoon, March 7. After the meeting he came to

my office for further discussion. I fully understand his reasons for wishing to complete Stage II, and he could well understand the Government's position as related to him by Selfridge and Hillegaard. I promised to hold a round-table discussion the next morning and advise him of our conclusions.

On Friday morning George, Thor, Frank, and I spent the best part of two hours discussing the case. We were searching for valid reasons to approve Stage II - without establishing a bad precedent. We wished to encourage a good mining outfit to stay in the area and we fully recognized the "fringe benefits" which would accrue by approval of Stage II as outlined in your memorandum of February 6.

However, we always came back to the cold facts of the case. Firstly, we spent about $89,000 after the Wren and Wasky deal on the assumption that we had about an 11,000-ton target (estimated to contain 2,582 flasks of mercury) down to a 300-foot depth. Reappraisal of the target after the approved expenditure now indicates that we are dealing with a 2000-ton target (estimated to contain 1,405 flasks of mercury) down to the 300-foot depth - at an additional cost to the Government of at least $65,000. Secondly, there is no geologic basis for expecting larger ore bodies on the 900 level. Therefore, we could find no justification for reversal of our February 27 decision without abandoning the criteria and principles which have guided our decisions in the past.

I personally believe that your memorandum of February 6 furnished us with a straightforward and frank appraisal of the productive potentials of the property. Furthermore, I feel that you were in favor of completing Stage II and perhaps had authority to approve it without referral to Washington. Since you were sufficiently concerned to make the referral, we naturally had to concur or dissent. There was absolutely no intent on my part to take an escape course by "passing the buck" to you. We made the final decision, and I take full responsibility for it.

Sincerely yours,

G. O. Hittendorf

Administrator

GOHittendorf/fw/eef
3/13/57

cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT REG I - Alaska Dist.

Messrs: J. W. Pennington, USBM
T. N. Hillegaard, USGS
G. O. Hittendorf
Contract Adm. & Audit Div.

C. C. Westbrook, Administrator

Defense Minerals Exploration Administration

80 c

Mr. F. E. Petty
Bonita Porcupine Mines, Ltd.
Suite 1505, 120 Bay Street
Toronto 1, Ontario, Canada

MAR 11 1957

RE DOCKET DMA-3001, BONITA PORCUPINE MINES, LTD. IDENTITY AND SECURITY CONSIDERATION GIVEN TO YOUR FILING AS INTERVENOR PRIOR OUR DOCKET CONFERENCE ALONG WITH OUR LETTER DATED OF DOCKET. BASED ON ALL AVAILABLE GEOLOGIC DATA WE FIND NO REASON FOR GRANTING EXCEPTION SET FORTH IN AT TELETYPE DATED FEBRUARY 27.

C. C. Westbrook

C. C. WESTBROOK, ADMINISTRATOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

CCWittenkort/fw
1
3/11/57
cc: Admr. Reading File
Docket
Code 400
Oper. Comm.
FT REG. I - Alaska Dist.
J. W. Pennington, USGS
T. H. Killingsard, USGS
Contract Adm. & Audit Div.

C. O. Mittendorf, Administrator

Defense Minerals Exploration
Administration

MARCH 4, 1957

MR. P. R. [illegible]
NORTA [illegible] MINES, LTD.
SUITE 1505, 100 BAY STREET
TORONTO, ONTARIO, CANADA

REPRESENTATIVES OF DMEA WILL BE AVAILABLE FOR DISCUSSION THURSDAY

AFTERNOON MARCH 7.

C. O. Mittendorf

C. O. MITTENDORF, ADMINISTRATOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

COMittendorf/kw
3/4/57

cc: Docket
Code LOC
Admr. Read. File
~~Oper. Comm.~~
FT REO I - Alaska Dist.
J. W. Pennington, DMEM
T. H. Killingsward, DEOS
Contract Adm. & Audit Div.
Administrator

INTERIOR

DEFENSE MINERALS EXPLORATION
ADMINISTRATION
14X4401 (01) REVOLVING FUND
DEFENSE PRODUCTION ACT, INTERIOR
ALLOCATED WORKING FUND TO THE OFFICE OF
THE SECY.)

MR. F. E. BURTON
MONETA PORCUPINE MINES, LTD.
SUITE 1505, 390 BAY STREET
TORONTO 1, ONTARIO, CANADA

REFERENCE JANUARY 29, AND WIRE OF FEBRUARY 19, DOCKET DMEA 3831, MONETA PORCUPINE MINES, LTD. REVIEW INDICATES PARTICIPATION BY GOVERNMENT IN COMPLETION OF STAGE II IS NOT WARRANTED AND THE PROJECT IS THEREFORE TERMINATED AS OF NOVEMBER 1, 1956.

C. O. Mittendorf

C. O. MITTENDORF
ADMINISTRATOR, DEFENSE MINERALS
EXPLORATION ADMINISTRATION

TLChapman:am 2-21-57 - 2-27-57
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT REG I - Alaska Dist.
Messrs. J. W. Pennington, USBM
T. H. Killsgaard, USGS
Contract Admin. & Audit Div.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

P. O. Box 2688
Juneau, Alaska

August 8, 1956

Mr. F. R. Burton, President,
Moneta Porcupine Mines, Ltd.,
Suite 1505, 320 Bay Street,
Toronto 1, Ontario,
Canada.

Re: Docket No. DMEA-3831 (mercury)
Moneta Porcupine Mines, Ltd.,
Contract No. Idm-E857

Dear Mr. Burton:

This letter will confirm the verbal agreement that was reached during the July 24 conference between you, Mr. Seraphim, Mr. Velikanje and me at the mine.

1. The east drift will be advanced to a distance of, approximately, 80 feet beyond the crosscut in order to drift below the surface assay of 1.07% Hg across 19.5' as shown on Mr. Velikanje's map of October 1953. Enough crosscutting also will be done to insure that the downward projection of the surface metallization has been explored.

2. The crosscut which had been started from the west drift at a point about 45 feet west of the main crosscut will be driven to the so-called hanging wall vein and then continued westerly as a hanging wall drift until you have explored the downward projection of the high grade vein which is exposed on surface (and indicated on Mr. Velikanje's map) about 40' due south from the east center and post of the Red Top claim.

3. Continue the west footwall drift westerly on ore indications so long as strong ore indications are found.

4. Investigate by "slashing" or by short drifts or crosscuts any intersecting ore-bearing veins or fractures.

5. It was understood and agreed that the work outlined above would require more footage than remained under the contract provisions for Stage I; therefore the Field Team authorized you to start Stage II but only within the limitations of Item 2 of Stage II and in the amount necessary to complete the program outlined by this agreement. It was estimated that not more than 200 to 300 feet of drifts and crosscuts would be driven under the Stage II authorization.

6. It was agreed that none of the work described under Items 1, 3, or 4 of Stage I[1] would be started this season and that any further work under Stage II (except as authorized by this letter) would be subject to specific agreement at a later date.

Please let me know (with copy to Mr. Mittendorf) if the above agrees with your understanding.

I want to say that we were very much pleased with the miner-like way in which the work is being done. Especially, I think that your people have "followed the ore" with the least amount of waste motion that would be practicable on such a weak and erratic structure.

Yours sincerely,

S. H. Lorain,
Executive Officer,
Alaska District,
Region I.

cc: Operating Committee, DMEA
Finance Officer, Alaska District
R. H. Seraphim
R. S. Velikanje

RECEIVED
MAY 14 1956

P. O. Box 2688
Juneau, Alaska

May 9, 1956

Mr. F. R. Burton, President,
Monsta Porcupine Mines, Limited,
Suite 1505,
320 Bay Street,
Toronto 1, Ontario,
Canada.

re: Docket No. DMEA-1831 (mercury)
Monsta Porcupine Mines, Limited,
Contract No. I4m-2857

Dear Mr. Burton:

Yesterday I received your letter of May 2; since then your various requests and suggestions have been discussed by Mr. Velikanje and me. This letter will constitute your authorization to proceed within the limits indicated under each item, as follows:

1. Your contract authorization, under Stage I, comprises 275 feet of crosscut and 150 feet of drift. You have completed approximately 160 feet of crosscut but only 67 feet was subsequent to DMEA participation; therefore 208 feet remain unexpended. You have completed 46 feet of drift with DMEA participation; therefore 104 feet remain unexpended. It appears that the 160 feet of crosscut has penetrated through the ore structure; therefore additional crosscutting is not required and the remaining crosscut footage may be applied to drifting. With the 104 feet that remains in the original drifting authorization, you now have 312 feet of authorized drifting remaining under Stage I.

2. We will approve any drifting on ore that is within the limitations of contract footage; you are authorized to drift along the footwall vein and to investigate the cross fracture in the west drift by drifting along it if that appears to be desirable.

3. Mr. Velikanje thinks that any drifting on structure alone (without visible ore) should be along the hanging wall instead of along the footwall as specified in the contract; therefore we authorize you to use contract footage along the hanging wall structure instead of along the footwall structure.

4. Because of the considerable footage remaining under Stage I we think that a decision with regard to Stage II should be postponed until more information is available. If we are kept informed of progress, we will make an inspection and a prompt decision in time to prevent any serious delay between stages.

Mr. James was in town recently on his way to the mine. Mr. Velikanje had a good talk with him and was under the impression that he went away with an understanding of our reporting requirements.

If any of the above is not clear to you please write or wire.

Yours sincerely,

S. H. Lorain,
Executive Officer,
Alaska District,
Region I.

cc: ✓Operating Committee
Velikanje
Wilcox

-C-O-P-Y-

MOMETA PORCUPINE MINES, LIMITED
(No personal liability)

Suite 1505 320 Bay Street
Toronto 1, Ont.

Telephone EMpire 6-5665

RECEIVED
MAY 14 1956

Please Refer File:

May 2nd, 1956

Mr. S. H. Lorain,
Executive Office,
Alaska District, Region I,
United StatesDepartment of the Interior,
P. O. Box 560,
JUNEAU, Alaska.

Dear Mr. Lorain: Re: D.M.E.A. Contract 3831(mercury)

We are getting ready for this year's exploration program on our property at Dillingham. The work last year was not too satisfactory to us, simply due to the slow rate of progress, and we decided that we would take over the work ourselves this summer rather than try to contract it to local people in Alaska. We have had considerable difficulty in finding a man familiar with quicksilver to act as superintendent at the property. Largely through the efforts of Mr. Gordon Gould of San Francisco we obtained Mr. Frank S. James, who is highly recommended to us. I asked him to call on you people on his way north, and I hope that by this time he has done so. I think he will probably be excellent in getting the work done, but he may be deficient on reporting. I am thinking particularly of your requirements, but we will try to keep you fully informed from this office.

I telephoned Mr. Velikanje from Vancouver last week, but the telephone connection was so very bad that I could hear only a small part of what he said although I understand he was hearing me all right. The D.M.E.A. Contract as drawn up is rather restrictive in how the work must be done. I am thinking particularly of the drifting on the footwall. Theoretically of course this is the proper procedure, but from a practical point of view, in the early stages of a prospect I like to drift on the best-looking vein, particularly if it shows any chances of making ore. Would you approve of this procedure? Actually at the

-C-O-P-Y-

RECEIVED MAY 14

moment we intend to drift on the footwall vein, but we are a long way away from the property and I want to give Mr. James as much latitude as possible, as he has been recommended to us as a man who is very good at finding quicksilver oreshoots.

We would also ask your consideration on the following points covered by the contract:

1. The contract called for approximately 275' of crosscutting to intersect the footwall and hanging wall veins of the shear zone. As Mr. Velikanje will be able to confirm, we were able to bulldoze part of the length of this and then run an open cut so that we shortened up the crosscut. Also the shear is apparently/ steeply dipping than indicated on /more surface, so that we have apparently crossed the vein with 160' of crosscutting instead of 275'. May we convert this 115' of crosscutting to drifting under Stage 1 of the contract?

2. We are bringing in 2 miners from Nevada and California, and I am in hopes that we will make rapid progress. As you know, Stage 1 provides for only 150' of drifting and we have already done approximately 50'. We should be able to complete the balance in 2 weeks or so after James gets started. Would you now approve entering Stage 2 of the contract? I do not know just how long it takes you to carry out the necessary procedure but what I have in mind is to try to avoid any hold-up in the work program.

Mr. Gordon Gould of San Francisco is familiar with all our results and plans for the future, and he told me that if it would assist you or be of value to you he would be pleased to write a letter giving his opinion of the results to date and the future program. For your information, we plan to slash the footwall vein and drift both east and west if it looks good. If we develop ore here, we are in hopes that the cross-fracture in the west drift will continue through to the footwall vein. If it does not, we will slash it and see where it goes. We have in mind to do about 500' or 600' or additional work on this level and try to make up our mind about further work in time to bring in the necessary equipment and supplies on the boat which comes in to pick up the fish pack.

I hope that you will be able to give the above request favourable consideration, and due to the time factor I would appreciate hearing from you as soon as possible.

With best personal regards.

Yours very truly,

/s/ F. R. Burton

F. R. Burton,
President.

/A

Government's copy

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FEB 13 1956

AMENDMENT NO. 1
to
EXPLORATION PROJECT CONTRACT Idm-E857
Dated August 18, 1955
DOCKET NO. DMEA-3831
between
THE UNITED STATES OF AMERICA
and
MONETA PORCUPINE MINES, LTD.

It is agreed this 30th day of December, 1955, that the Contract is amended as follows:

1. (a) Work under the Contract shall be suspended during the period beginning November 1, 1955, and ending not later than June 1, 1956.

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

(c) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. C. Mitteudorf
Administrator, Defense
Minerals Exploration
Administration

MONETA PORCUPINE MINES, LTD.

By F. R. Burton Pres.
J. M. Gardiner Secretary

DMEA Form 14

Contract No. Idm-E 857

Docket No. 3831

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

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

Date of Contract	Region	State	Commodity
August 18, 1955	I	Alaska	Mercury

Name and Address of Operator: Monsta Porcupine Mines, Ltd.
Suite 1505 - 320 Bay St.
Toronto, Canada

	Reserve	Obligation
Prior Amount	0	89,040.00
Increase	0	0
Decrease	0	67,241.25
Revised Amount	0	21,798.75

Remarks:

ALLEN S. DAKAN
(Name)

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

Date Delivered to Bureau of Mines, Washington 7/29/57

16416

Docket No. 3831

Commodity Mercury

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 857

Date of Contract ~~or Amendment~~ Aug. 18, 1955

Name and Address of Operator:
Moneta Porcupine Mines Ltd.
Suite 1505 320 Bay St.
Toronto, Canada

Amount of Government participation ____ $ 89,040.00

Percent of Government participation 75 %

Region: I State: Alaska

E. D. Talbert
(Name)
for J. L. Chambers, Chief
Contract Administration and
Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington.
8/19/55

54458

Government's Copy

RECEIVED

AUG 30 1955

MF-200A
(Revised June 1954)

Docket No. DMEA -3831

Commodity Mercury

Contract No. Idm-E 857

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this AUG 18 1955 day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Moneta Porcupine Mines, Ltd., a corporation incorporated under the laws of Ontario, Canada,

whose mailing address is 1505 - 320 Bay Street, Toronto, Canada,

hereinafter called the "Operator," as follows:

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

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

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the Territory of Alaska 3rd Division, and is described in Annex I.[3] Bristol Bay Recording District

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] ~~holder of an~~ option to lease ~~lessee~~ of [5] mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] ~~lease~~ option to lease recorded in Book ....., page ..... official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: none

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien of Red Top Mercury Mines, Inc.

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

16—70618-1

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of mercury. The work to be performed is described in Exhibit "A." The Operator on or before August 18, 1955 shall commence the work, and on or before November 1, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $118,720.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $89,040.00 1/: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

1/ See Annex II.

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

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

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

MONETA PORCUPINE MINES, LTD.
(Operator)

By F. R. Burton Pres.
A Corbett Sec. Pres.

THE UNITED STATES OF AMERICA

By O O Mitkendorf
Administrator, Defense
Minerals Exploration
Administration

I, E. E. Ritchie, Assistant secretary of the corporation named as Operator herein; that F. R. Burton and A. Corbett who signed this contract on behalf of the Operator, were then President and Vice-President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

E. E. Ritchie

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

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AUG 30 1955

EXPLORATION PROJECT CONTRACT
MONETA PORCUPINE MINES, LTD.
DOCKET NO. DMEA-3831

ANNEX I

The land referred to in Article 2 of the contract form is as follows:

Six unpatented lode mining claims, the location notices of which are recorded in the Bristol Bay Recording District, 3rd Division, Territory of Alaska.

Claim	Book	Page
Red Top	10	67
Red Top No. 1	10	67
Red Top No. 2	10	68
East Extension Red Top	10	68
East Extension Red Top No. 1	10	69
East Extension Red Top No. 2	10	69

EXPLORATION PROJECT CONTRACT
MONETA PORCUPINE MINES, LTD.
DOCKET NO. DMEA-3831

RECEIVED
AUG 30 1955

ANNEX II

WHEREAS, the property referred to in Article 2 of the contract form was the subject of a contract dated September 16, 1952, Idm-E398, Docket No. DMEA-2562, between the Government and Wren, Waskey, and Wolfe, hereinafter called the "Prior Contract"; and

WHEREAS, said Prior Contract has been performed and settled and the Government's contribution thereunder determined at the sum of $12,513.72; and Certification of Discovery or Development issued under the provisions of said Prior Contract under date of July 23, 1954; and

WHEREAS, the work now provided for in this Contract is an extension and continuation of the work under the Prior Contract;

NOW THEREFORE, it is agreed that:

1. The contribution of the Government under the Prior Contract in the sum of $12,513.72 shall be and is hereby added to the estimated cost of the work under this Contract as indicated in Exhibit "A", for repayment to the Government under the provisions of this Contract. Wren, Waskey, and Wolfe, the operators under the Prior Contract, are not released from any liability thereunder with respect to the same sum. Any royalty accruing under this contract shall be applied first to the payment of said $12,513.72.

2. The Certification of Discovery or Development under the Prior Contract shall be considered to extend to this Contract with the same force and effect as if a Certification of Discovery or Development had been duly issued by the Government under this Contract; i. e., the project under this Contract shall be considered to have been certified as of the date of this Contract.

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AUG 30 1955

EXPLORATION PROJECT CONTRACT
MONETA PORCUPINE MINES, LTD.
DOCKET NO. DMEA-3831

EXHIBIT "A"

Description of the Work

The maps attached to and made a part of this contract are as follows:

Exhibit 1, Map showing relative position of mining claims, contours and approximate location of crosscut adit, Stage I.

Exhibit 2, Cross Section and Longitudinal Section indicating the approximate level and extent of proposed work.

All crosscuts and drifts to be timbered when necessary and to be not less than 4½ feet by 6½ feet in the clear. Mineralized zones shall be sampled and ~~analyzed for~~ mercury.

The work is to be performed in two stages, as follows:

STAGE I

1. Approximately on the 1,000 foot level drive a crosscut adit, approximately 275 feet to intersect the footwall and hanging-wall veins of the shear zone. (Exhibits 1 and 2)

2. On the footwall vein drift westerly approximately 90 feet and easterly approximately 60 feet to explore the mineralized zone under surface trenching. (Exhibits 1 and 2)

STAGE II

If, in the opinion of the Government, based upon the results obtained in Stage I, further work is warranted and the Government approves it in advance, Stage II shall be performed.

1. In preparation for winter work, erect a cookhouse, bunkhouse, and shed for equipment, to accommodate about ten men.

2. From the face of drifts in Stage I, drift westerly approximately 300 feet and easterly approximately 200 feet. (Exhibit 2)

3. Approximately at the 900 foot level (Exhibit 2) and approximately 100 feet vertically below the adit driven in Stage I, drive a crosscut adit approximately 600 feet to intersect the footwall and hanging-wall veins of the shear zone.

4. On the footwall vein drift westerly approximately 300 feet and easterly approximately 200 feet.

ESTIMATED COST OF THE PROJECT

FIXED UNIT COSTS

STAGE I

Crosscut adit and drift 425 feet @ $52.00/ft.	$ 22,100.00	
Timbering 300 feet @ $10.00/ft.	3,000.00	
Sampling and analyzing, 30 samples @ $3.00 each	90.00	
Total		$ 25,190.00

STAGE II

Cookhouse, bunkhouse, and shed 1/	$ 3,000.00	
Crosscut adit and drifts 1,600 feet @ $52.00/ft.	83,200.00	
Timbering 700 feet @ $10.00/ft.	7,000.00	
Sampling and analyzing, 110 samples @ $3.00 each	330.00	
Total		$ 93,530.00

1/ The completed work constitutes the unit.

Estimated Total Cost of Project	$118,720.00
Government Participation @ 75%	$ 89,040.00
Contribution of Government under Prior Contract	12,513.72
Combined Contribution under Both Contracts	$101,553.72

MF-203
Revised March 24, 1955

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JUL 29 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 857
Contract Date AUG 18 1955

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the ~~xxxxxxxx~~ Bristol Bay Recording District in the Third Division of the, ~~xxxxxxx~~ Territory of Alaska, described as follows:1/

Mining claims Red Top, Red Top No.1, Red Top No.2, East Extension Red Top, East Extension Red Top No.1, East Extension Red Top No. 2.

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

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

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

D.M.E.A. Loan Contract 399 (Docket No.2562)

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

Dated this 25th day of July, 1955.

RED TOP MERCURY MINES, INC.

Clarence Wren, Pres. [Seal]

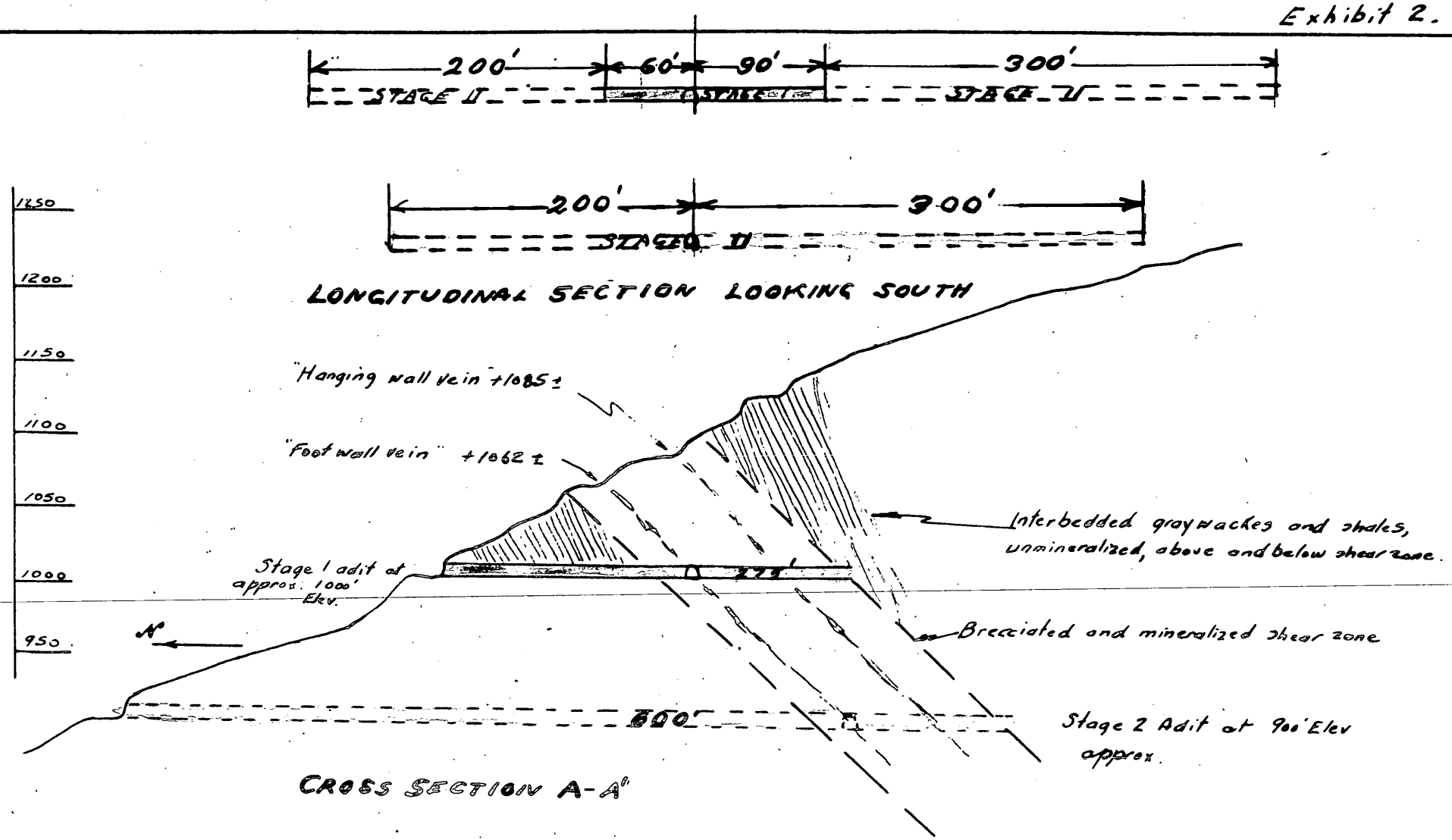
_____ [Seal]

_____ [Seal]

I, Harold J. Butcher certify that I am the Secretary-Treasurer (Secretary, etc.) of the corporation named herein; that Clarence Wren who signed this agreement was then President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

[Corporate Seal]

Exhibit 2.



Solid Lines Stage 1
Dotted Lines Stage 2.

RED TOP MERCURY MINE
Nushagak District
Alaska.

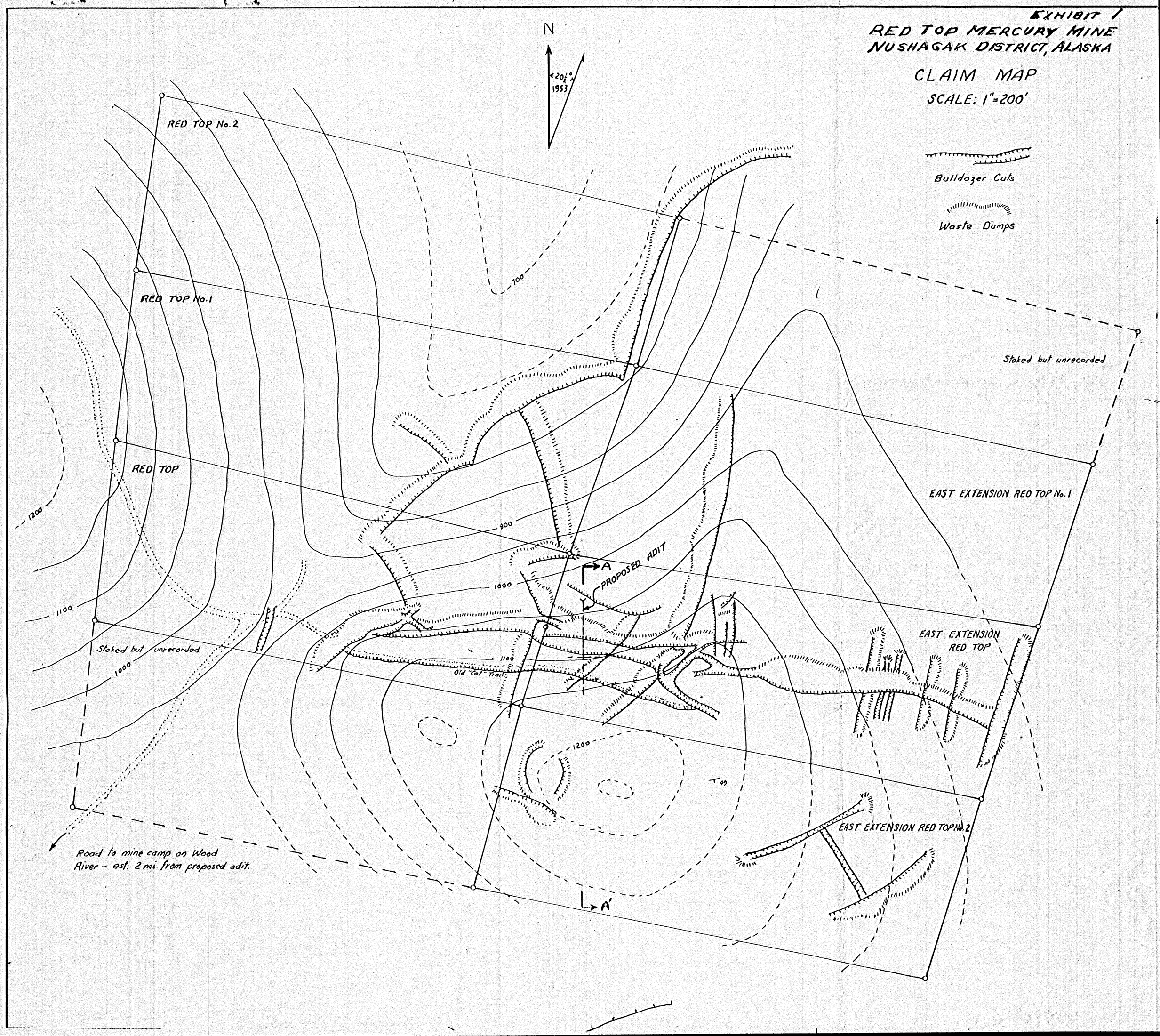
Sections Through Proposed Adits
Scale 1" = 100'

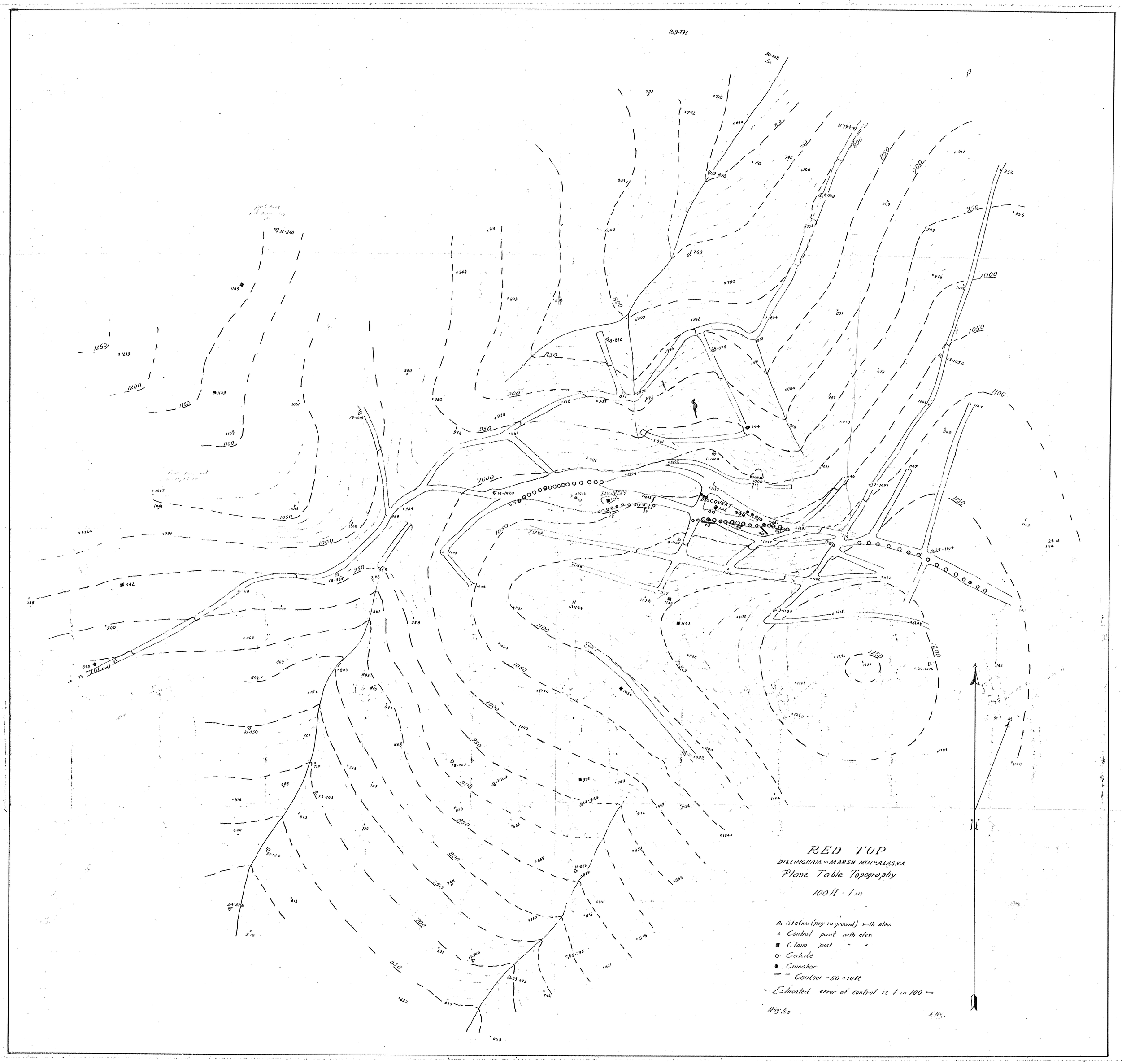
EXHIBIT 1

RED TOP MERCURY MINE
NUSHAGAK DISTRICT, ALASKA

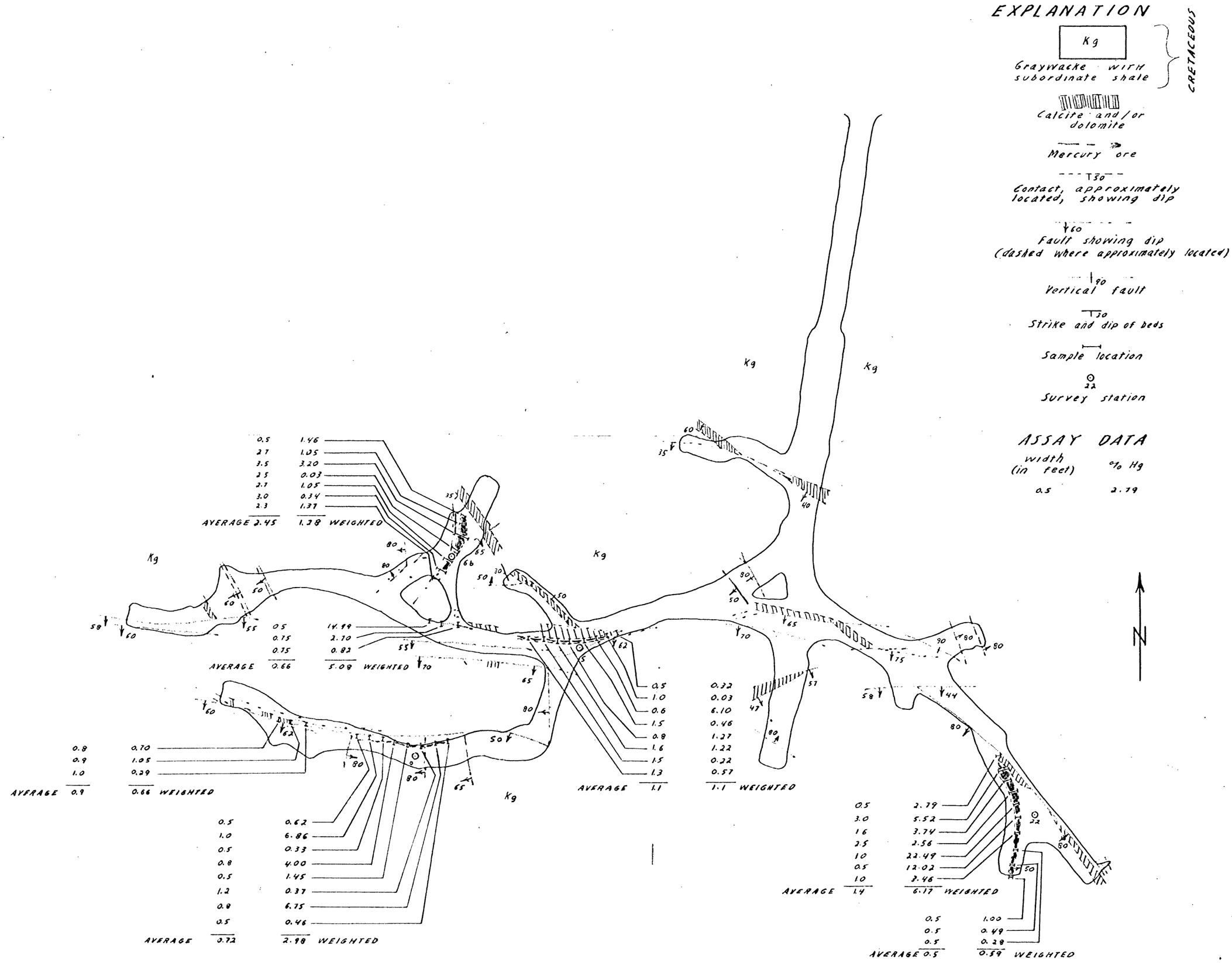
CLAIM MAP

SCALE: 1" = 200'





Map rec'd 2/6/55 with M7-104 for Aug 18-Nov 30, 1955, period



GEOLOGIC MAP OF THE UNDERGROUND WORKINGS AT RED TOP MINE, ALASKA

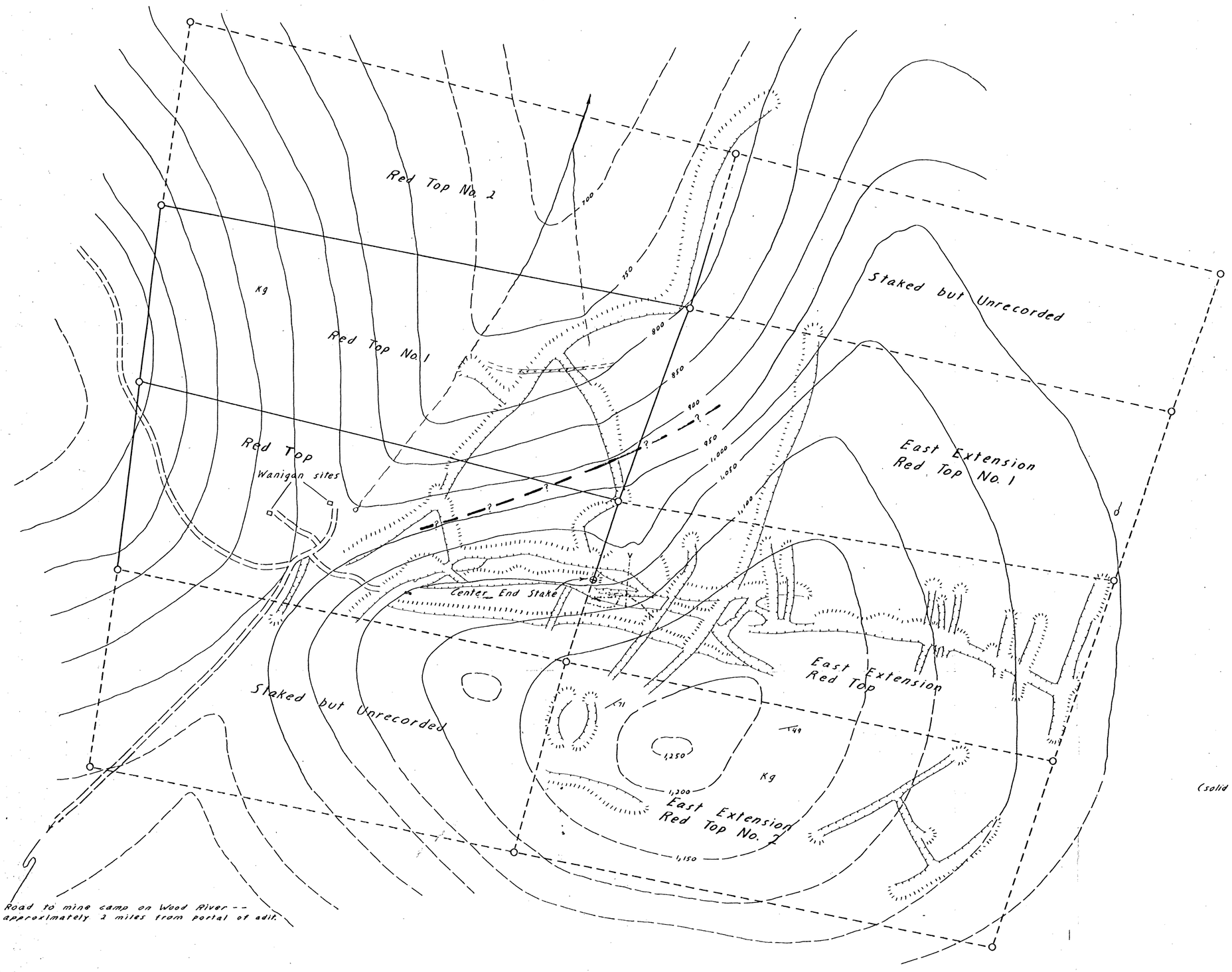
20 10 0 20 40 FEET

Modified from a map made by
R.H. Seraphim (consulting engineer).

October, 1956

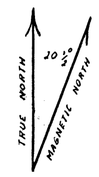
FEB. 1958

PLATE I



EXPLANATION

- Altered dike — TERTIARY (?)
- Kg — Graywacke with subordinate shale — CRETACEOUS
- Fault, dashed where approximately located, question marks where doubtful
- Strike and dip of beds
- Mercury ore
- Bulldozer cuts and trenches
- Claim corners and lines (solid lines where surveyed, dashed where inferred).
- Dump
- Spring
- Tractor road
- Outline of underground working (projected to surface)
- Portal of adit



APPROXIMATE MEAN DECLINATION, 1953

Base by Plane Table and Alidade,
Elevations by Altimeter,
by R.S. Velikanje, 1953

Geology modified from maps by R.S. Velikanje, 1953, 1956, and G.I. Gould, 1955.

MAP OF THE RED TOP MINE AREA

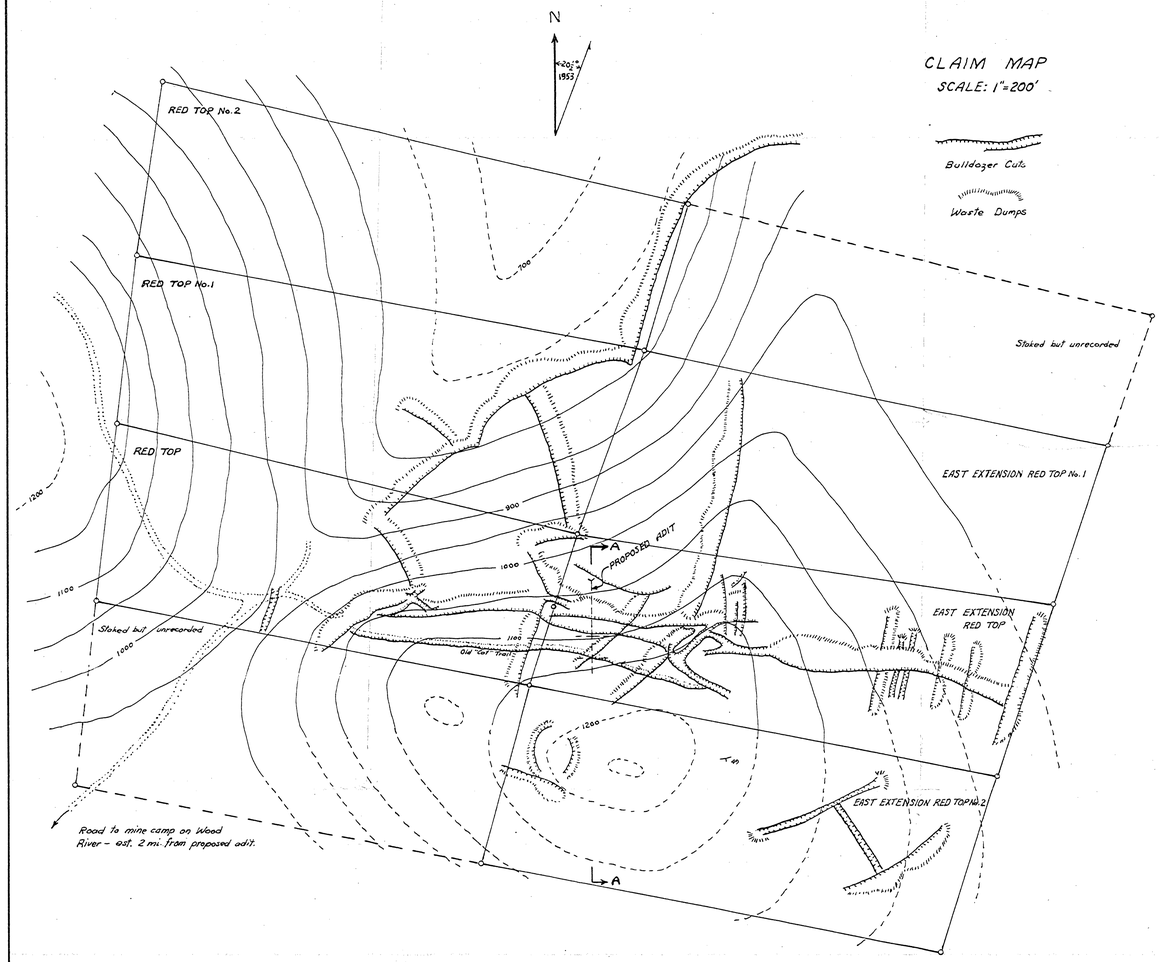
ALEKNAGIK AREA, ALASKA

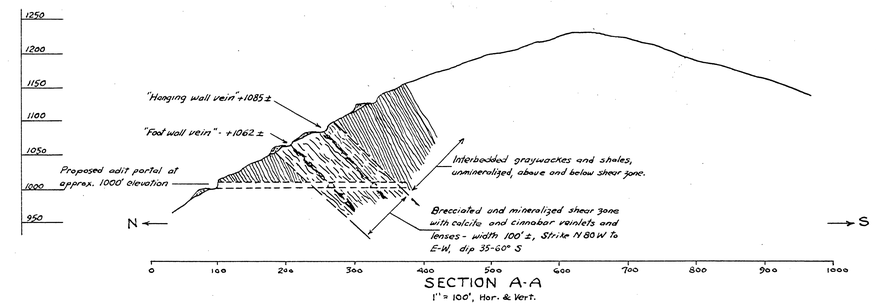
200 100 0 200 400 FEET

Contour interval 50 feet

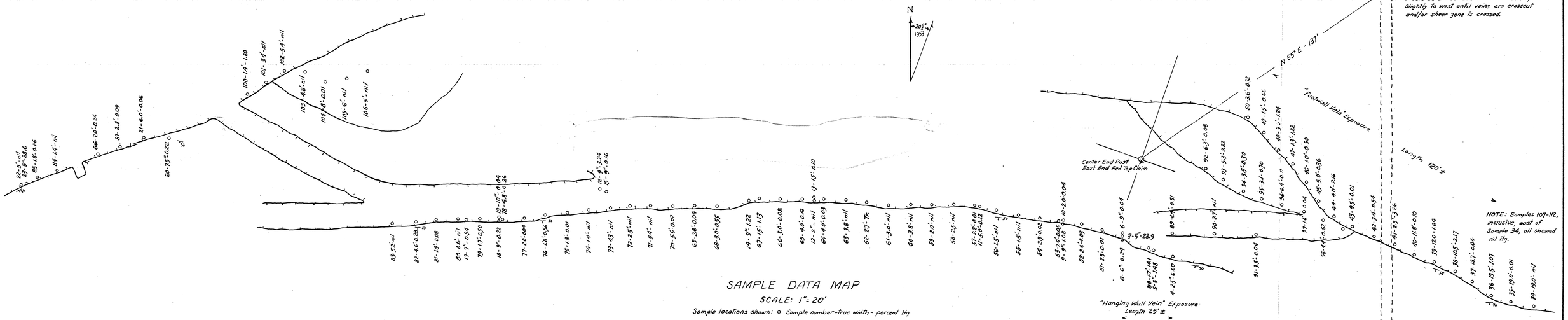
March 1958

Plate 2





SECTION A-A
1" = 100', Hor. & Vert.



SAMPLE DATA MAP
SCALE: 1"= 20'
Sample locations shown: ○ Sample number-true width - percent Hg

NOTE: Claim Map taken from USGS - DMEA - Fig. 1, Interim Report, "Map of Marsh Mountain Lode Claims, Aleknagik Area, Alaska" by R.S. Velikanje, June. 1953, with additions by Clarence Wren. Sample Data Map taken from USGS- DMEA, Plate 2- "Sample Data Map, Marsh Mountain Mercury Deposit" by R.S. Velikanje, October, 1953, with additions. Both maps were Mine Owner's copies and were made available by said Mine Owner.

GORDON I. GOULD & CO.
58 SUTTER ST.
SAN FRANCISCO 4, CALIFORNIA
RED TOP MERCURY MINE
Nushagak District, Alaska

SCALE: As indicated	DATE: June 28, 1955
JOB: EXHIBIT "A"	DWN. BY:

EXHIBIT 1

RED TOP MERCURY MINE
NUSHAGAK DISTRICT, ALASKA

CLAIM MAP

SCALE: 1" = 200'

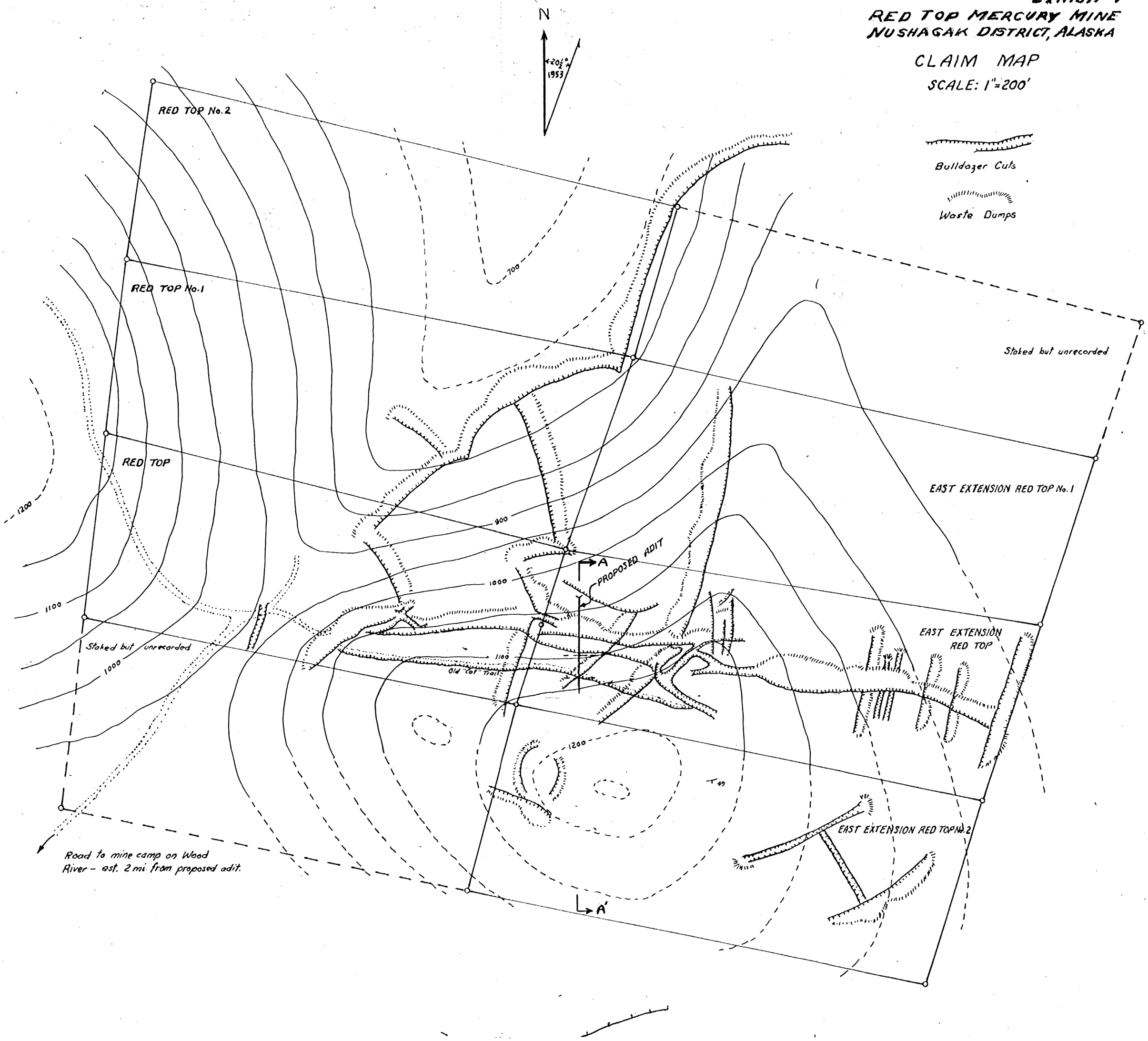
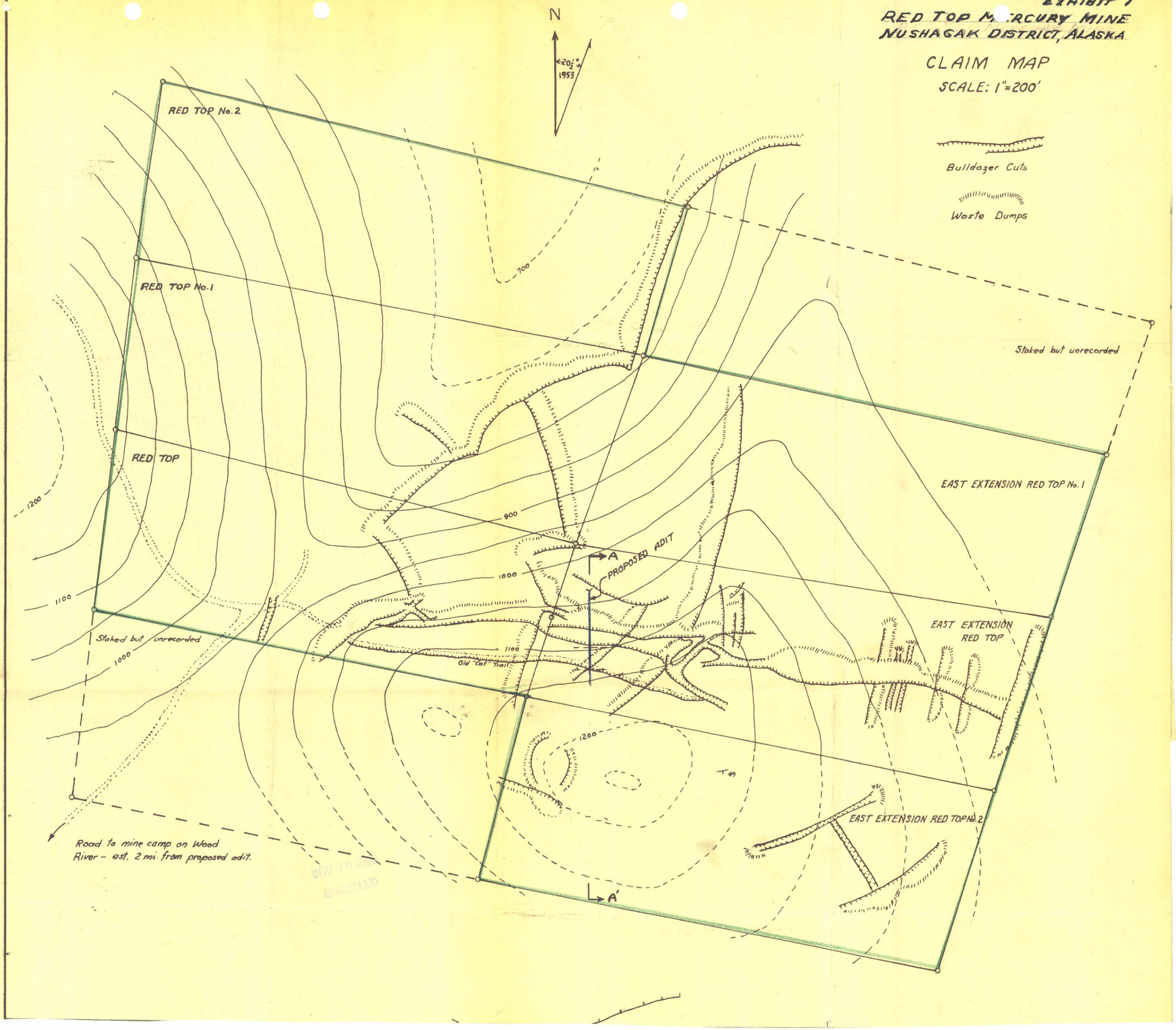


EXHIBIT 1

RED TOP MERCURY MINE
NUSHAGAK DISTRICT, ALASKA

CLAIM MAP

SCALE: 1" = 200'