500 FILE COPY
SURNAME:

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

Griswold
Hodges
Selfridge

JAN - 6 1954

Mr. Henry Nesette, Partner
Peninsula Exploration Company
Box 551
Kodiak, Alaska

Re: Docket No. DMA 3224 (Copper)
Peninsula Exploration Co.
Jack Creek Prospect
Sitkalidak Island
Kodiak, Alaska

Dear Mr. Nesette:

Your application for aid for an exploration project and other data available to us in Washington concerning the above named property have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgement, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position of the National Defense Program.

Careful study of all our information, although noting a small amount of copper mineralization, indicates to us that the probability of disclosing mirable ore reserves by your proposed program is not sufficiently promising to justify Government participation. We regret to advise you that under these circumstances your application for exploration assistance is denied.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WRGriswold/hmj
(1-5-54)
CC to: Docket
Adm. R. File
Op. Committee
Base Metals Division
Mr. Kinkel
Mr. Bishop
Region I (2)
Chron.

1-6-54

DEFENSE MINERALS ADMINISTRATION CONTROLLED DOCUMENT

DMEA-3224

MF-103 to

USBM, USGS, DOCKET-1cy MF-103 retained in Reg.

To:	500	Date	12-21-53
To:	Open Com	Date	1-6-54
To:		Date	
To:		Date	

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

January 5, 1954

Memorandum

To: The Administrator

From: Chief, Base Metals Division

Subject: Recommendation for denial. Peninsula Exploration Co., DMEA 3224, Sitkalidak Island, Kodiak, Alaska, (Copper).

The above project property consists of ten unpatented mining claims located on Sitkalidak Island, Alaska.

This application is a revision of an earlier application, DMEA 2437, which was denied in November, 1952. The new information includes results of recent prospecting work and a specific proposal for diamond drilling the property.

A total of 5,000 feet of diamond drilling is proposed, at a total estimated cost of $30,400.00.

Very little work has been done upon the property, aside from open cuts and 3 short adits, 10 to 35 feet in length.

Such copper mineralization as is visible occurs within a shear zone. The mineralization consists of chalcopyrite and pyrrhotite in very small pods and veinlets and is far too sparse and erratic in distribution to constitute ore material. The enfolding rocks, as appearing at the outcrops, are sedimentaries, mainly shale and graywacke.

It is believed that, at a depth of a few hundred feet below the surface, the shear zone will pass from the sedimentary rocks into a quartz diorite. The Applicant contends that the shear zone, when within the igneous rocks, will be more heavily mineralized and may contain worthwhile ore concentrations.

We concur with the commodity men that such a condition is unlikely and that the project should be denied.

W. R. Griswold

W. R. Griswold

Attachment

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DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

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UNITED STATES
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DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

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DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

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W. B. Griswold

Attachment
CC to: Docket
Op. Committee
Base Metals Div.
Chron.

R.C.G.
1-7-54

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

January 4, 1954

Memorandum

To: W. R. Griswold, DMEA

From: C. H. Johnson, Bureau of Mines

Subject: DMEA-3224 (Copper), Peninsula Exploration Co., Jack Creek prospect, Sitkalidak Is., Alaska. (See also DMEA-2437)

Mr. Olund and I have reviewed the above-named application (which is returned herewith), and do not recommend favorable action, although, if you wish to refer the application to the Field Team for consideration and recommendation I shall be glad to concur in such action. To us, the justification offered for exploration appears insufficient, namely that larger deposits are likely to be found in the diorite at or near the point where the shear zone intersects the igneous rock, than where the shear zone crops out in the "incompetent" sedimentary rocks. Mapping by Territorial Bureau of Mines engineer M. W. Jasper in 1953 clarified the geologic setting of the occurrence, and furnished the basis for that geologic justification. It did not, however, reveal any more encouraging surface showings than were previously in evidence.

C. H. Johnson

C. H. Johnson

Attachment

Copy to - Mr. Newcomb, USGS
Minerals Division
Mr. Johnson
Files

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

December 28, 1953

Memorandum

Re: DMEA-3224
Peninsula Exploration Co.
Sitkalidak Island
Kodiak, Alaska
$70,010
Copper

To: Mr. W. R. Griswold

From: E. L. Newcomb

Subject: Recommendation for denial

This application is a revision of an earlier application, DMEA-2437, which was denied in November, 1952. The new information includes results of recent prospecting work and a specific proposal for diamond drilling the property.

Though the DMEA field team has not examined the applicant's group of claims, three examinations have been made by the Territorial Department of Mines in 1951, 1952, and 1953.

Copper mineralization occurs locally in a shear zone and in a series of cross fractures. The nature of the deposits is described as zones of very narrow veins containing chalcopyrite and pyrrhotite with most of the veins less than one-quarter inch wide. In general, the wide spacing of the veins would not permit mining a group of the veins as a unit because the average grade over a reasonable mining width is too low for profitable mining.

Assay results of samples taken by the Territorial Department of Mines engineers indicate that the ore averages less than one per cent copper over widths ranging from 0.5 to 7.5 feet. Prospecting to date has failed to disclose any evidence that significant amounts of copper ore will be found by the proposed exploration work at depth.

I recommend the application be denied. A field examination does not appear to be justified since adequate information is available in the Territorial engineers' reports attached to the applications.

E. L. Newcomb

E. L. Newcomb
Geologist

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

December 21, 1953

Memorandum

To: Executive Officer, DMEA Field Team, Region I

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number DMEA-3224

There is listed below the assigned docket number to an application recently received from Region I.

DMEA - 3224 Peninsula Exploration Company

ROBERT E. ADAMS

Robert E. Adams
Chief, Operation's Control
and Statistics Division

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

Peninsula Exploration Company
Box 551
Kodiak, Alaska

December 21, 1953
Subject: DMEA-3224
Re: Exploration Assistance
Jack Creek group

Dear Mr. Nesette:

The receipt of your application dated October 24, 1953, for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3224 and referred to the Base Metals Division.

Kindly refer to DMEA-3224 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams
Chief, Operations Control
and Statistics Division

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

P. O. Box 560
Juneau, Alaska
December 16, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 21 1953

MEMORANDUM

To: Operating Committee
Defense Minerals Exploration Administration

From: S. H. Lorain

Subject: Application for exploration contract
Peninsula Exploration Company

Enclosed herewith, in quintuplicate, is an application for an exploration contract (copper) to explore a copper deposit on Sitkalidak Island near Kodiak.

The operators submitted an application about a year or so ago but it was so deficient that it was returned to them for clarification. The enclosed application seems to be very well done with respect to the background data and to the work proposed but is not very explicit with regard to costs.

One copy of the application has been retained in our files but we do not plan to prepare a report on it until requested by you.

S. H. Lorain, Executive Officer
Alaska Field Team, Region I

cc: C.L.Sainsbury

Enclosures

Defense Minerals Administration
21 1953

xxxxxxxxxxxxxxxxxx

P. O. Box 560
Juneau, Alaska
December 16, 1953

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Defense Minerals Exploration Administration

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S. H. Lorain, Executive Officer
Alaska Field Team, Region I

cc: C.L.Sainsbury

Enclosures

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
DEC 21 1953

Appendium:

Item 1-d. Partnership. Members and addresses:

Henry Nesseth	Kodiak, Alaska
Alf Ferguson	" "
Tom von Scheele	" "
Don Potacchi	" "
Nels Christiansen	Old Harbor, via Kodiak, Alaska
H. E. Krautter	" " " " "
Paul Hansen	Palisades, California

Item 4-a.

The 10 Mineral Claims (listed under Item 3-a) are grouped and hold by right of location and performance of Annual Assessment work (refer to appended Item 3-f).

Item 4-a.

Work to date has been confined to following claims:-

Defense No. 1. Open-cuts totaling about 100 ft along mineralized zone.

Copper Ace. Discovery cut only.

Copper King. 35 ft adit driven in 1953 on mineralized zone.
10 ft adit driven in 1952 partially cutting a wide mineralized zone.
12 ft adit driven in 1952 along strike of shear zone.
Open-cut 18 ft wide with 8 ft face across mineralized shear zone.
Other open-cuts as noted on atteched Map No. 2.

Copper Queen. Open-cuts at Discovery post as noted on attached Map No. 2.

On balance of claims no work done except for discovery cuts, and limited "prospecting" of outcrops.

Original discoveries and all work has been done by the owners.

CERTIFICATION

Dated Oct. 24, 1953

Applicant: Peninsula Exploration Co.

By: Henry Nesseth

Appendium:

Item 4-c.

From the westerly bend in Jack creek at point near center of the Copper Queen mineral claim downstream to point short distance below Defense No. 1 northeast endline, this stream is entrenched in narrow "V" shaped gulch. The stream bed is in diorite (and/or granodiorite) with the intrusives contact with the older argillite and graywacke forming the the south east wall of the gulch (or canyon).

Width of the diorite intrusive to the northwest is on order of ½ to 1 mile, and width of the highly metamorphosed sedimentary series - largely graywacke and argillite - is probably over 1 mile in width.

A major fault zone of northeasterly strike and steep northwesterly dip parallels this section of Jack creek, and as presently known lies wholely within the sediments, and within the limits of 100 to 200 feet of the contact.

This fault developed a wide shear zone - 50 to 100 feet and more in width - within the graywacke and argillite. At numerous points along this section - approximately 3700 feet - chalcopyrite mineralization accompanied by pyrrhotite has been found in appreciable amounts both along strike of the fault (shear) zone, as well as along pronounced cross fracture systems.

The main shear zone cuts both the strike and dip of the sediments at a slight tangent. The cross-fracturing system strikes from 5 to 10 E to S10W, with dips varying from 70E to 75W; these cross faults recur at 50 to 200 foot intervals and are visible for distances of 500 to 1000 feet but do not appear to have displacements of real importance.

The major fault (paralleling the creek) has a strike of N40 to 50E and dip of 65 to 75 NW toward the contact area.

While good chalcopyrite (highgrade) concentrations occur along both the major shear and cross fracture zones as small lenses, stringers, and veinlets they are short, discontinuous, and not of sufficient concentrations where exposed to form economic ore-shoots. Post-mineral movement along all the shear zones exhibit brecciated and "drag-ore" characteristics. The "incompetence" of the graywacke and argillite has permitted dissemination of the mineralization, preventing concentrations of economic values in ore-shoots.

With depth to the intrusive diorite being within limits of a few hundred feet along dip of the shear zones, it is believed that exploration of the underlying intrusive by a diamond drilling program is warranted.

Location of suggested drill holes with cross-sections may be found on Map No.4.

CERTIFICATION

Dated Oct. 24, 1953

Peninsula Exploration Co.
Applicant

By Henry Nesetti

Appendium

Item 4-c.(Cont'd)

Engineering reports by Robt. H. Saunders, Associate Mining Engineer, Territorial Department of Mines, with sketches made after examinations in Sept. 1951, and Oct. 1952; geological map by S. R. Capps, U. S. G. S. and navigation chart of the area were forwarded with our original application in 1952. As they were not returned this information should still be in your files.

Report and maps made following an examination of the area by M. W. Jasper, Associate Mining Engineer during Oct. 1953 will be forwarded on its completion.

Item 4-d.

Property is accessible by small power boats or pontoon equipped planes to mouth of Jack creek on west side of Amee Bay, situate near most northerly point of Sitkalidak Island, approximately 2½ miles (airline) due east of Old Harbor (6 miles by boat). Old Harbor is on southeast coast of Kodiak Island - approximate Latitude 57° 12"N and Longitude 153° 20"W.

Nearest supply point is town of Kodiak, about 45 airline miles to NE. Amee Bay ½ to 1 mile east of Jack creek will accommodate deep draft boats.

From mouth of Jack creek (beach camp) the distance to the upper camp and location of the several adits and principal showings exposed to date on the Copper King is about 1 mile. This is serviced by a foot trail which it is planned to relocate before drilling equipment can be easily serviced. Elevation at upper camp is 500 feet above sea-level.

All showings are easily accessible for 10 months of the year. (Refer to Map No. 2, of Oct. '53 date, to be attached).

Item 5-b.

The proposed drilling program with several cross-sections, their locations, etc., with relation to contacts, mineralized shear zones, etc., will be found upon attached maps of Oct. '53 date by M. W. Jasper, Associate Mining Engineer, Territorial Department of Mines.

Item 6-a.

A total of 5000 feet of diamond drilling is proposed, with drill holes of 200 to 500 feet in length. It is proposed that all drill holes be "collared" in the diorite creek bed, be confined to the intrusive mass, and oriented at minus angles to intersect the shear zones at varying distances below the sedimentary contact. Drilling in the highly sheared sediments would be difficult and entail very high costs.

CERTIFICATION

Dated Oct. 24, 1953

Peninsula Exploration Co.
Applicant

By Harry Neuth

Appendium

Item 6-a

Diamond drilling would be done by a reputable drilling contractor. While not familiar with costs for such work, with the drilling to be confined in all probability to the dioritic intrusive which it is believed will prove to be "competent"rock mass, it is estimated that drilling may be contracted for a 4000 to 5000 foot contract of holes ranging from 200 to 500 feet in depth for

$5.00 per foot

Item 6-b

Labor - for purposes other than the actual drilling - will be supplied by members of the Partnership. It is estimated that 3 or 4 laborers will be sufficient to service the drill crew, prepare drill sites, and assist in moving drilling equipment from beach to the various drill sites. A nominal wage of $10.00 would be paid for this labor.

Assuming an average daily drilling footage of 30 feet per day time required for the 5000 foot contract would be 5.5 months. (It is possible progress rate would be higher and time required less on basis of one drill in operation).

On this basis of 5.5 months for the drilling, and 2 weeks to relocate and build a better trail from beach to upper camp, labor costs to be carried by applicant would be-

3 Laborers @ $10.00/day for 6 mo.s $5400.00

It is assumed that a government agency would supervise the loan and provide the required engineering and geological services.

Item 6-c.

No additional equipment is needed, as the partnership have camp equipment, and would erect required tents, and supply stoves, etc., laborers tools, powder, fuse, and caps.

It is estimated that 12 barrels of stove oil would be required for camp purposes for the period. Cost of this at Kodiak is about $10.00 per 50 gallon barrel. This and gasolene for the drilling equipment would be hauled from Kodiak by boat owned by member of the partnership.

Item 6-d.

Need for any equipment other than above noted and on hand is not required.

CERTIFICATION

Dated Oct. 24, 1953

Peninsula Exploration Co.
Applicant

By Henry Nesette

Appendium

Item 6-e.

Rehabilitation and repairs are limited to building about 1 mile of new trail for"skidding"the drilling equipment to drilling location, and the erection of frames for 3 - 14' x 12' tents - 1 for the drill crew, 1 for a messhouse, and one for partnership labor crew.

Cost for this work is included in Item 6-b.

Item 6-f.

This item is same as that of 6-b and 6-f.

Item 6-g.

There is no operating equipment belonging to the partnership, rented or otherwise.

No equipment is on hand for testing of drill cores - that is, for assaying.

Accounting of funds is taken care of by F. E. Krautter, member of the partnership.

Labor to be provided will be that of working members (on the job) of the partnership. Should workmen's compensation and employers liability insurance , and payroll taxes be required under these circumstances they will be paid by the partnership.

However, this being a working partnership wherein the laborers are self-employed, it is their belief that liability insurance and payroll taxes are not required. Likewise it is their belief that rate of pay given above (at a nominal $10.00/day) is for bookkeeping purposes only and that the Wages and Hours Act is not therefore applicable to them.

Item 6-h.

Of "contingencies" affecting the partnership no allowance in made.

Those "contingencies" affecting the drilling contractor it is assumed will be taken care of by him and would be included in his contract.

Item 7-b.

Sharing of the costs will be taken care as noted above. Cash will be paid for supplies bought. Free use of the limited equipment of the partnership will be given the contractor. Labor as noted above and as may be otherwise required of stipulated by the government agency will be given without charge against the loan.

CERTIFICATION

Date Oct. 24, 1953

Peninsula Exploration Co
Applicant
By Henry Nesette

ANNEX 1-b

Peninsula Exploration Co.
Kodiak, Alaska.

Copper Jack mineral claim:
Notice of Lode Location filed Sept. 9, 1951, and recorded in Vol. U, page 62, at District Recorders Office, Kodiak, Alaska

Defense No. 2 mineral claim:
Notice of Lode Location filed Sept. 6, 1951, and recorded in Vol. U, page 61, at Didtrict Recorders office, Kodiak, Alaska.

Defense No. 1 mineral claim:
Notice of Lode Claim Location filed April 6, 1951, and recorded in Vol. T, page 308, at District Recorders Office, Third Division, Kodiak, Alaska.

Copper King mineral claim:
Notice of Lode Location filed Oct. 2, 1950, and recorded in Vol. S, page 387, at District Recorders Office, Third Division, Kodiak, Alaska.

Copper Queen mineral claim:
Notice of Lode Claim Location filed Oct. 2, 1950, and recorded in Vol. S, page 387, at District Recorders Office, Third Division, Kodiak, Alaska.

Old Harbor mineral claim:
Notice of Lode Claim Location filed June 25, 1953, and recorded in Vol. X, page 93, at District Recorders Office, Third Division, Kodiak, Alaska.

Copper Ace mineral claim:
Notice of Lode Claim Location filed August 28, 1950, and recorded in Vol. S, page 386, at District Recorders Office, Third Division, Kodiak, Alaska.

CERTIFICATION

Date Oct. 24, 1953 Peninsula Exploration Co.

By Henry Nesette

ANNEX 1-b Additional Recorded Claims

Peninsula Exploration Co.
Kodiak, Alaska.

Red Top mineral claim:
Notice of Lode Location filed Dec. 27, 1951, and recorded in Vol. U, page 244, at District Recorders Office, Kodiak, Alaska.

Lucky Copper mineral claim:
Notice of Lode Claim Location filed Dec. 27, 1951, and recorded in Vol. U, p. 244, at District Recorders Office, Kodiak, Alaska.

Ungwon Copper claim:
Notice of Lode Claim Location filed June 25, 1953, and recorded in Vol. X, p. 93, at District Recorders Office, Kodiak, Alaska.

Copper Penny mineral claim:
Notice of Lode Claim Location filed Nov. 15, 1951, and recorded in Vol. U, p. 160, at District Recorders Office, Kodiak, Alaska.

ANNEX 1-b

Peninsula Exploration Co.
Kodiak, Alaska.

Proof of Labor on Lode Mineral Claims held by Peninsula Exploration Company, recorded in Vol. W., page 25, at District Recorders Office, Third Division, and filed on Oct. 10, 1952, for the year ending July 1, 1953, for the following:-

Defense No. 1 Lode	Defense No. 2 Lode
Copper Jack Lode	Copper Penny Lode
Copper Queen Lode	Red Top Lode
Copper King Lode	Lucky Copper Lode
Copper Ace Lode	

Proof of Labor on Lode Mineral Claims held by Peninsula Exploration Company, recorded in Vol. X, page 204, at District Recorders Office, Third Division, and filed on August 26, 1953, for the year ending July 1, 1953, at Kodiak, Alaska, for the following:-

Defense Lode No. 1	Defense No. 2 Lode
Copper Jack Lode	Copper Penny Lode
Copper Queen Lode	Red Top Lode
Copper King Lode	Lucky Copper Lode
Copper Ace Lode	

CERTIFICATION

Date Oct. 24, 1953

Peninsula Exploration Co.

By Henry Neseth

IF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Department of the Interior
Defense Minerals Administration
RECEIVED
DEC 21 1953

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. DMEA-3224
Metal or Mineral
Date Received 12-21-53
Estimated Cost
Participation (Government %)

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:

Peninsula Exploration Company (Partnership. See appended)
Box 551
Kodiak, Alaska

(*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 Lode Mineral Claims as follows:-
Defense No. 1, Copper Ace, Copper King, Copper Queen, ~~Defense No. 4~~ Red Top, Ungwon, Old Harbor, Copper Jack, Defense No. 2, ~~and Defense No. 3~~ Lucky Copper and Copper Penny

(*b*) State any mine name by which the property is known. Jack Creek group.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Owner

(*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.

(*e*) If you own the land, describe any liens or encumbrances on it
No liens or encumbrances.

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. See appended Item 3-f

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. Appended Item 4-a.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. None. Undeveloped.

(*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. Appended Item 4-c.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. Appended Item ~~4-a~~ 4-d.

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

Local manpower. Materials, supplies, equipment from Seattle and Kodiak. Water on property. Power -will require diesel or gas.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Copper (and silver as by-product)

(*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.

(*c*) The work will start within 30 days and be completed within 6 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. None.

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.). See appended 6-a

(*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. See appended 6-b.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel. See appended 6-c.

(*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. See appended 6-d.

(*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. See appended 6-e.

(*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. Appended.

(*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. See appended 6-g.

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

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? By labor and facilities.

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

Explain in detail on acompanying paper. See appended 7-b.

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.

Dated Oct. 24, 1953

Peninsula Exploration Co.
(Applicant)

By Henry Nesseth

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 21 1953

PENINSULA EXPLORATION COMPANY
Sitkalidak Island, Alaska

SAMPLING RESULTS

No.	Width	Au Oz	Ag Oz	% Cu	Taken by
1	3.0'	Tr	0.10	Less than 0.10%	R. H. Saunders
2	1.0'	Nil	Nil	" " "	" " "
3	5.0'	Nil	Nil	" " "	" " "
4	3.0'	Tr	Nil	" " "	" " "
5	6.0'	Tr	Nil	" " "	" " "
6	3.0'	Tr	Nil	" " "	" " "
18	7.5'	Tr	Nil	1.36	" " "
19	0.7'	TR	Tr	1.24	" " "
20	2.2'	Nil	Tr	1.69	" " "
21	1.5'	Tr	Tr	4.10	" " "
22	0.5'	Tr	Tr	0.87	" " "
23	6.3'	Tr	Tr	1.26	" " "
	Samples 19-22-23 were assayed for nickel & showed a trace.				
1SI	Dump grab	Nil	Nil	1.17	M. W. Jasper
2SI	Grab	Nil	Nil	9.79	" " "
4SI	1.5'	Nil	Nil	1.14	" " "

3.00
14/4.17
42

1.55
15/23.22
15
82
75
72

Sample 2SI is grab of best ore on dump of 35 ft Adit, and 1SI is grab of the dump itself. With only scattered pieces of "drag" ore showing in "roof" no samples were taken in the adit.

Note:- Above samples taken by field engineers of Territorial Department of Mines. This sheet to be appended to DMEA Application of above company.

Anchorage, Alaska
November 21, 1953

By- M W Jasper
M. W. Jasper
Associate Mining Engineer
Territorial Dept. of Mines

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

DEPARTMENT OF THE INTERIOR
Mines Administration
RECEIVED
OCT 21 1953

Appendium:

Item 1-d. Partnership. Members and addresses:

Henry Nesseth	Kodiak, Alaska
Alf Ferguson	" "
Tom von Scheele	" "
Don Petacchi	" "
Nels Christiansen	Old Harbor, via Kodiak, Alaska
R. E. Krautter	" " " " "
Paul Hansen	Palisades, California

Item 4-a.

The 10 Mineral Claims (listed under Item 3-a) are grouped and held by right of location and performance of Annual Assessment work (refer to appended Item 3-f).

Item 4-a.

Work to date has been confined to following claims:-

Defense No. 1. Open-cuts totaling about 100 ft along mineralized zone.

Copper Ace. Discovery cut only.

Copper King. 35 ft adit driven in 1953 on mineralized zone.
10 ft adit driven in 1952 partially cutting a wide mineralized zone.
12 ft adit driven in 1952 along strike of shear zone.
Open-cut 18 ft wide with 8 ft face across mineralized shear zone.
Other open-cuts as noted on attached Map No. 2.

Copper Queen. Open-cuts at Discovery post as noted on attached Map No. 2.

On balance of claims no work done except for discovery cuts, and limited "prospecting" of outcrops.

Original discoveries and all work has been done by the owners.

CERTIFICATION

Dated Oct. 24, 1953

Applicant: Peninsula Exploration Co.

By: Henry Nesseth

REGISTRY OF THE PUBLIC
Lands Mineral Administration
RECEIVED
Nov 2 1 1953

Appendium:

Item 4-c.

From the westerly bend in Jack creek at point near center of the Copper Queen mineral claim downstream to point short distance below Defense No. 1 northeast endline, this stream is entrenched in narrow "V" shaped gulch. The stream bed is in diorite (and/or granodiorite) with the intrusives contact with the older argillite and graywacke forming the the south east wall of the gulch (or canyon).

Width of the diorite intrusive to the northwest is on order of ½ to 1 mile, and width of the highly metamorphosed sedimentary series - largely graywacke and argillite - is probably over 1 mile in width.

A major fault zone of northeasterly strike and steep northwesterly dip parallels this section of Jack creek, and as presently known lies wholely within the sediments, and within the limits of 100 to 200 feet of the contact.

This fault developed a wide shear zone - 50 to 100 feet and more in width - within the graywacke and argillite. At numerous points along this section - approximately 3700 feet - chalcopyrite mineralization accompanied by pyrrhotite has been found in appreciable amounts both along strike of the fault (shear) zone, as well as along pronounced cross fracture systems.

The main shear zone cuts both the strike and dip of the sediments at a slight tangent. The cross-fracturing system strikes from S 5 to 10 E to S10W, with dips varying from 70E to 75W; these cross faults recur at 50 to 200 foot intervals and are visible for distances of ~~a~~ 500 to 1000 feet but do not appear to have displacements of real importance.

The major fault (paralleling the creek) has a strike of N40 to 50E and dip of 65 to 75 NW toward the contact area.

While good chalcopyrite (highgrade) concentrations occur along both the major shear and cross fracture zones as small lenses, stringers, and veinlets they are short, discontinuous, and not of sufficient concentrations where exposed to form economic ore-shoots. Post-mineral movement along all the shear zones exhibit brecciated and "drag-ore" characteristics. The "incompetence" of the graywacke and argillite has permitted dissemination of the mineralization, preventing concentrations of economic values in ore-shoots.

With depth to the intrusive diorite being within limits of a few hundred feet along dip of the shear zones, it is believed that exploration of the underlying intrusive by a diamond drilling program is warranted.

Location of suggested drill holes with cross-sections may be found on Map No.4.

CERTIFICATION

Dated Oct. 24, 1953

Peninsula Exploration Co.
Applicant

By Harvey Nesette

Appendium

Item 4-c.(Cont'd)

Engineering reports by Robt. H. Saunders, Associate Mining Engineer, Territorial Department of Mines, with sketches made after examinations in Sept. 1951, and Oct. 1952; geological map by S. R. Capps, U. S. G. S. and navigation chart of the area were forwarded with our original application in 1952. As they were not returned this information should still be in your files.

Report and maps made following an examination of the area by D. W. Jasper, Associate Mining Engineer during Oct. 1953 will be forwarded on its completion.

Item 4-d.

Property is accessible by small power boats or pontoon equipped planes to mouth of Jack creek on west side of Amee Bay, situate near most northerly point of Sitkalidak Island, approximately 2½ miles (airline) due east of Old Harbor (6 miles by boat). Old Harbor is on southeast coast of Kodiak Island - approximate Latitude 57° 12"N and Longitude 153° 20"W.

Nearest supply point is town of Kodiak, about 45 airline miles to NE. Amee Bay ½ to 1 mile east of Jack creek will accommodate deep draft boats.

From mouth of Jack creek (beach camp) the distance to the upper camp and location of the several adits and principal showings exposed to date on the Copper King is about 1 mile. This is serviced by a foot trail which it is planned to relocate before drilling equipment can be easily serviced. Elevation at upper camp is 500 feet above sea-level.

All showings are easily accessible for 10 months of the year. (Refer to Map No. 2, of Oct. '53 date, to be attached).

Item 5-b.

The proposed drilling program with several cross-sections, their locations, etc., with relation to contacts, mineralized shear zones, etc., will be found upon attached maps of Oct. '53 date by D. W. Jasper, Associate Mining Engineer, Territorial Department of Mines.

Item 6-a.

A total of 5000 feet of diamond drilling is proposed, with drill holes of 200 to 500 feet in length. It is proposed that all drill holes be "collared" in the diorite creek bed, be confined to the intrusive mass, and oriented at minus angles to intersect the shear zones at varying distances below the sedimentary contact. Drilling in the highly sheared sediments would be difficult and entail very high costs.

CERTIFICATION

Dated Oct. 24, 1953

Peninsula Exploration Co.
Applicant

By Henry Nesetto

Appendium

Item 6-a

Diamond drilling would be done by a reputable drilling contractor. While not familiar with costs for such work, with the drilling to be confined in all probability to the dioritic intrusive which it is believed will prove to be "competent"rock mass, it is estimated that drilling may be contracted for a 4000 to 5000 foot contract of holes ranging from 200 to 500 feet in depth for

$5.00 per foot

Item 6-b

Labor - for purposes other than the actual drilling - will be supplied by members of the Partnership. It is estimated that 3 or 4 laborers will be sufficient to service the drill crew, prepare drill sites, and assist in moving drilling equipment from beach to the various drill sites. A nominal wage of $10.00 would be paid for this labor.

Assuming an average daily drilling footage of 30 feet per day time required for the 5000 foot contract would be 5.5 months. (It is possible progress rate would be higher and time required less on basis of one drill in operation).

On this basis of 5.5 months for the drilling, and 2 weeks to relocate and build a better trail from beach to upper camp, labor costs to be carried by applicant would be-

3 Laborers @ $10.00/day for 6 mo.s $5400.00

It is assumed that a government agency would supervise the loan and provide the required engineering and geological services.

Item 6-c.

No additional equipment is needed, as the partnership have camp equipment, and would erect required tents, and supply stoves, etc., laborers tools, powder, fuse, and caps.

It is estimated that 12 barrels of stove oil would be required for camp purposes for the period. Cost of this at Kodiak is about $10.00 per 50 gallon barrel. This and gasolene for the drilling equipment would be hauled from Kodiak by boat owned by member of the partnership.

Item 6-d.

Need for any equipment other than above noted and on hand is not required.

CERTIFICATION

Dated Oct. 24, 1953

Peninsula Exploration Co.
Applicant

By Henry Nesetto

Appendium

Item 6-e.

Rehabilitation and repairs are limited to building about 1 mile of new trail for"skidding"the drilling equipment to drilling location, and the erection of frames for 3 - 14' x 12' tents - 1 for the drill crew, 1 for a messhouse, and one for partnership labor crew.

Cost for this work is included in Item 6-b.

Item 6-f.

This item is same as that of 6-b and 6-f.

Item 6-g.

There is no operating equipment belonging to the partnership, rented or otherwise.

No equipment is on hand for testing of drill cores - that is, for assaying.

Accounting of funds is taken care of by R. E. Krautter, member of the partnership.

Labor to be provided will be that of working members (on the job) of the partnership. Should workmen's compensation and employers liability insurance , and payroll taxes be required under these circumstances they will be paid by the partnership.

However, this being a working partnership wherein the laborers are self-employed, it is their belief that liability insurance and payroll taxes are not required. Likewise it is their belief that rate of pay given above (at a nominal $10.00/day) is for bookkeeping purposes only and that the Wages and Hours Act is not therefore applicable to them.

Item 6-h.

Of "contingencies" affecting the partnership no allowance in made.

Those "contingencies" affecting the drilling contractor it is assumed will be taken care of by him and would be included in his contract.

Item 7-b.

Sharing of the costs will be taken care as noted above. Cash will be paid for supplies bought. Free use of the limited equipment of the partnership will be given the contractor. Labor as noted above and as may be otherwise required of stipulated by the government agency will be given without charge against the loan.

CERTIFICATION

Date Oct. 24, 1953

Peninsula Exploration Co
Applicant
By Henry Nesetti

ANNEX 1-b

Peninsula Exploration Co.
Kodiak, Alaska.

Copper Jack mineral claim:
Notice of Lode Location filed Sept. 9, 1951, and recorded in Vol. U, page 60, at District Recorders Office, Kodiak, Alaska

Defense No. 2 mineral claim:
Notice of Lode Location filed Sept. 6, 1951, and recorded in Vol. U, page 61, at Didtrict Recorders office, Kodiak, Alaska.

Defense No. 1 mineral claim:
Notice of Lode Claim Location filed April 6, 1951, and recorded in Vol. T, page 308, at District Recorders Office, Third Division, Kodiak, Alaska.

Copper King mineral claim:
Notice of Lode Location filed Oct. 2, 1950, and recorded in Vol. S, page 387, at District Recorders Office, Third Division, Kodiak, Alaska.

Copper Queen mineral claim:
Notice of Lode Claim Location filed Oct. 2, 1950, and recorded in Vol. S, page 387, at District Recorders Office, Third Division, Kodiak, Alaska.

Old Harbor mineral claim:
Notice of Lode Claim Location filed June 25, 1953, and recorded in Vol. X, page 93, at District Recorders Office, Third Division, Kodiak, Alaska.

Copper Ace mineral claim:
Notice of Lode Claim Location filed August 28, 1950, and recorded in Vol. S, page 386, at District Recorders Office, Third Division, Kodiak, Alaska.

CERTIFICATION

Date Oct. 24, 1953 Peninsula Exploration Co.

By Henry Nesseth

ANNEX 1-b Additional Recorded Claims

Peninsula Exploration Co.
Kodiak, Alaska.

Red Top mineral claim:
Notice of Lode Location filed Dec. 27, 1951, and recorded in Vol. U, page 244, at District Recorders Office, Kodiak, Alaska.

Lucky Copper mineral claim:
Notice of Lode Claim Location filed Dec. 27, 1951, and recorded in Vol. U, p. 244, at District Recorders Office, Kodiak, Alaska.

Ungwon Copper claim:
Notice of Lode Claim Location filed June 25, 1953, and recorded in Vol. X, p. 93, at District Recorders Office, Kodiak, Alaska.

Copper Penny mineral claim:
Notice of Lode Claim Location filed Nov. 15, 1951, and recorded in Vol. U, p. 160, at District Recorders Office, Kodiak, Alaska.

ANNEX 1-b

Peninsula Exploration Co.
Kodiak, Alaska.

Proof of Labor on Lode Mineral Claims held by Peninsula Exploration Company, recorded in Vol. W., page 25, at District Recorders Office, Third Division, and filed on Oct. 10, 1952, for the year ending July 1, 1953, for the following:-

Defense No. 1 Lode	Defense No. 2 Lode
Copper Jack Lode	Copper Penny Lode
Copper Queen Lode	Red Top Lode
Copper King Lode	Lucky Copper Lode
Copper Ace Lode	

Proof of Labor on Lode Mineral Claims held by Peninsula Exploration Company, recorded in Vol. X, page 204, at District Recorders Office, Third Division, and filed on August 26, 1953, for the year ending July 1, 1953, at Kodiak, Alaska, for the following:-

Defense Lode No. 1	Defense No. 2 Lode
Copper Jack Lode	Copper Penny Lode
Copper Queen Lode	Red Top Lode
Copper King Lode	Lucky Copper Lode
Copper Ace Lode	

CERTIFICATION

Date Oct. 24, 1953

Peninsula Exploration Co.

By Henry Nesette

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Defense Minerals Exploration Administration
RECEIVED
12-21-1953

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. DMEA-3224
Metal or Mineral
Date Received 12-21-53
Estimated Cost
Participation (Government %)

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:

Peninsula Exploration Company (Partnership. See appended)
Box 551
Kodiak, Alaska

(*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 Lode Mineral Claims as follows: Red Top, Defense No. 1, Copper Ace, Copper King, Copper Queen, ~~Defense No. 4~~, Lucky Copper, Ungwon, Old Harbor, Copper Jack, Defense No. 2, ~~and Defense No. 3~~, and Copper Penny.

(*b*) State any mine name by which the property is known. Jack Creek group

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Owner

(*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.

(*e*) If you own the land, describe any liens or encumbrances on it
No liens or encumbrances.

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. See appended Item 3-f.

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. Appended Item 4-a.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. None. Undeveloped.

(*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. Apended Item 4-c.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. Appended Item 4-d.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.
Local manpower. Materials, supplies, equipment from Seattle and Kodiak. Water on property. Power - will require diesel or gas.

16—66551-1

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Copper (and silver, by-product)

(*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.

(*c*) The work will start within 30 days and be completed within 6 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. None.

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.). See appended 6-a.

(*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. See appended 6-b

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel. See appended 6-c

(*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. See appended 6-d.

(*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. See appended 6-e.

(*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. Appended

(*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. See appended 6-g,

(*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 [X] Use of equipment owned by you [X] Other

Explain in detail on acompanying paper. See appended 7-b.

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.

Dated Oct. 24, 1953

Peninsula Exploration Co.
(Applicant)

By Henry Nesset

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

MI-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

Bureau Mines Administration
RECEIVED
OCT 24 1953

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Territory of Alaska, County Yukon Ter., described as follows:1/ Red Top, Lucky Copper, and Copper Penny.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Pensacola Exploration Company (a Partnership)
Box 521
Nome, Alaska

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

Dated this 24 day of Oct., 1953.

Henry Nesette [Seal]

_____ [Seal]

_____ [Seal]

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/ Insert the name of the Operator as it will appear in the exploration project contract.

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

RELEVANT CONTRACT PROVISIONS

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

PENINSULA EXPLORATION COMPANY
Sitkalidak Island, Alaska

SAMPLING RESULTS

No.	Width	Au Oz	Ag Oz	% Cu	Taken by
1	3.0'	Tr	0.10	Less than 0.10%	R. H. Saunders
2	1.0'	Nil	Nil	" " "	" " "
3	5.0'	Nil	Nil	" " "	" " "
4	3.0'	Tr	Nil	" " "	" " "
5	6.0'	Tr	Nil	" " "	" " "
6	3.0'	Tr	Nil	" " "	" " "
18	7.5'	Tr	Nil	1.36	" " "
19	0.7'	TR	Tr	1.24	" " "
20	2.2'	Nil	Tr	1.69	" " "
21	1.5'	Tr	Tr	4.10	" " "
22	0.5'	Tr	Tr	0.87	" " "
23	6.3'	Tr	Tr	1.26	" " "

Samples 19-22-23 were assayed for nickel & showed a trace.

1SI	Dump grab	Nil	Nil	1.17	M. W. Jasper
2SI	Grab	Nil	Nil	9.79	" " "
4SI	1.5'	Nil	Nil	1.14	" " "

Sample 2SI is grab of best ore on dump of 35 ft Adit, and 1SI is grab of the dump itself. With only scattered pieces of "drag" ore showing in "roof" no samples were taken in the adit.

Note:- Above samples taken by field engineers of Territorial Department of Mines. This sheet to be appended to DMEA Application of above company.

Anchorage, Alaska
November 21, 1953

By- M W Jasper
M. W. Jasper
Associate Mining Engineer
Territorial Dept. of Mines

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Bureau of Mines
Solid Minerals Administration
RECEIVED
OCT 21 1953

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of ~~Territory of Alaska~~, County Kitkalidak Is., described as follows:1/

Lode Mineral Claims:-
Defense No. 1, Copper Ace, Copper King, Copper Queen, ~~Defense No. 4~~ Red Top,
Unswon, Old Harbor, Copper Jack, Defense No. 2, ~~Defense No. 3~~ Lucky Copper,
and Copper Penny.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Peninsula Exploration Company (a Partnership)
Box 551
Kodiak, Alaska

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

Dated this 24 day of Oct., 1953.

Henry Neeth [Seal]

_____ [Seal]

_____ [Seal]

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/ Insert the name of the Operator as it will appear in the exploration project contract.

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

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

Defense Minerals Administration
RECEIVED
OCT 27 1953

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller ~~has an interest~~ in certain property in the State of Territory of Alaska, County Sitkalidak Is., described as follows:1/

Lode Mineral Claims:-
Defense No. 1, Copper Ace, Copper King, Copper Queen, ~~Defense No. 4~~ Red Top,
Ungwon, Old Harbor, Copper Jack, ~~Defense~~ Defense No. 2, ~~Defense No. 3~~ Lucky Copper,
and Copper Penny.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Peninsula Exploration Company (a Partnership)
Box 551
Kodiak, Alaska

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

Dated this 24 day of Oct., 1953.

Henry Nesette [Seal]

_____ [Seal]

_____ [Seal]

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/ Insert the name of the Operator as it will appear in the exploration project contract.

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

RELEVANT CONTRACT PROVISIONS

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

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f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

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

Defense Library Communication
RECEIVED
2 1 1953

Appendium:

Item 1-d. Partnership. Members and addresses:

Henry Nesseth	Kodiak, Alaska
Alf Ferguson	" "
Tom von Scheele	" "
Don Petacchi	" "
Nels Christiansen	Old Harbor, via Kodiak, Alaska
R. E. Krautter	" " " " "
Paul Hansen	Palisades, California

Item 4-a.

The 10 Mineral Claims (listed under Item 3-a) are grouped and held by right of location and performance of Annual Assessment work (refer to appended Item 3-f).

Item 4-a.

Work to date has been confined to following claims:-

Defense No. 1. Open-cuts totaling about 100 ft along mineralized zone.

Copper Ace. Discovery cut only.

Copper King. 35 ft adit driven in 1953 on mineralized zone.
10 ft adit driven in 1952 partially cutting a wide mineralized zone.
12 ft adit driven in 1952 along strike of shear zone.
Open-cut 18 ft wide with 8 ft face across mineralized shear zone.
Other open-cuts as noted on atteched Map No. 2.

Copper Queen. Open-cuts at Discovery post as noted on attached Map No. 2.

On balance of claims no work done except for discovery cuts, and limited "prospecting" of outcrops.

Origihal discoveries and all work has been done by the owners.

CERTIFICATION

Dated Oct. 24, 1953

Applicant: Peninsula Exploration Co.

By: Henry Nesseth

Appendium:

Item 4-c.

From the westerly bend in Jack creek at point near center of the Copper Queen mineral claim downstream to point short distance below Defense No. 1 northeast endline, this stream is entrenched in narrow "V" shaped gulch. The stream bed is in diorite (and/or granodiorite) with the intrusives contact with the older argillite and graywacke forming the the south east wall of the gulch (or canyon).

Width of the diorite intrusive to the northwest is on order of ½ to 1 mile, and width of the highly metamorphosed sedimentary series - largely graywacke and argillite - is probably over 1 mile in width.

A major fault zone of northeasterly strike and steep northwesterly dip parallels this section of Jack creek, and as presently known lies wholely within the sediments, and within the limits of 100 to 200 feet of the contact.

This fault developed a wide shear zone - 50 to 100 feet and more in width - within the graywacke and argillite. At numerous points along this section - approximately 3700 feet - chalcopyrite mineralization accompanied by pyrrhotite has been found in appreciable amounts both along strike of the fault (shear) zone, as well as along pronounced cross fracture systems.

The main shear zone cuts both the strike and dip of the sediments at a slight tangent. The cross-fracturing system strikes from S 5 to 10 E to S10W, with dips varying from 70E to 75W; these cross faults recur at 50 to 200 foot intervals and are visible for distances of ~~a~~ 500 to 1000 feet but do not appear to have displacements of real importance.

The major fault (parralleling the creek) has a strike of N40 to 50E and dip of 65 to 75 NW toward the contact area.

While good chalcopyrite (highgrade) concentrations occur along both the major shear and cross fracture zones as small lenses, stringers, and veinlets they are short, discontinuous, and not of sufficient concentrations where exposed to form economic ore-shoots. Post-mineral movement along all the shear zones exhibit brecciated and "drag-ore" characteristics. The "incompetence" of the graywacke and argillite has permitted dissemination of the mineralization, preventing concentrations of ecomomic values in ore-shoots.

With depth to the intrusive diorite being within limits of a few hundred feet along dip of the shear zones, it is believed that exploration of the underlying intrusive by a diamond drilling program is warranted.

Location of suggested drill holes with cross-sections may be found on Map No.4.

CERTIFICATION

Dated Oct. 24, 1953

Peninsula Exploration Co.
Applicant

By Henry Neuthe

Appendium

Item 4-c.(Cont'd)

Engineering reports by Robt. H. Saunders, Associate Mining Engineer, Territorial Department of Mines, with sketches made after examinations in Sept. 1951, and Oct. 1952; geological map by S. R. Capps, U. S. G. S. and navigation chart of the area were forwarded with our original application in 1952. As they were not returned this information should still be in your files.

Report and maps made following an examination of the area by M. W. Jasper, Associate Mining Engineer during Oct. 1953 will be forwarded on its completion.

Item 4-d.

Property is accessible by small power boats or pontoon equipped planes to mouth of Jack creek on west side of Amee Bay, situate near most northerly point of Sitkalidak Island, approximately 2½ miles (airline) due east of Old Harbor (6 miles by boat). Old Harbor is on southeast coast of Kodiak Island - approximate Latitude 57° 12"N and Longitude 153° 20"W.

Nearest supply point is town of Kodiak, about 45 airline miles to NE. Amee Bay ½ to 1 mile east of Jack creek will accommodate deep draft boats.

From mouth of Jack creek (beach camp) the distance to the upper camp and location of the several adits and principal showings exposed to date on the Copper King is about 1 mile. This is serviced by a foot trail which it is planned to relocate before drilling equipment can be easily serviced. Elevation at upper camp is 500 feet above sea-level.

All showings are easily accessible for 10 months of the year. (Refer to Map No. 2, of Oct. '53 date, to be attached).

Item 5-b.

The proposed drilling program with several cross-sections, their locations, etc., with relation to contacts, mineralized shear zones, etc., will be found upon attached maps of Oct. '53 date by M. W. Jasper, Associate Mining Engineer, Territorial Department of Mines.

Item 6-a.

A total of 5000 feet of diamond drilling is proposed, with drill holes of 200 to 500 feet in length. It is proposed that all drill holes be "collared" in the diorite creek bed, be confined to the intrusive mass, and oriented at minus angles to intersect the shear zones at varying distances below the sedimentary contact. Drilling in the highly sheared sediments would be difficult and entail very high costs.

CERTIFICATION

Dated Oct. 24, 1953

Peninsula Exploration Co.
Applicant

By Henry Neuth

Appendium

Item 6-a

Diamond drilling would be done by a reputable drilling contractor. While not familiar with costs for such work, with the drilling to be confined in all probability to the dioritic intrusive which it is believed will prove to be "competent" rock mass, it is estimated that drilling may be contracted for a 4000 to 5000 foot contract of holes ranging from 200 to 500 feet in depth for

$5.00 per foot

Item 6-b

Labor - for purposes other than the actual drilling - will be supplied by members of the Partnership. It is estimated that 3 or 4 laborers will be sufficient to service the drill crew, prepare drill sites, and assist in moving drilling equipment from beach to the various drill sites. A nominal wage of $10.00 would be paid for this labor.

Assuming an average daily drilling footage of 30 feet per day time required for the 5000 foot contract would be 5.5 months. (It is possible progress rate would be higher and time required less on basis of one drill in operation).

On this basis of 5.5 months for the drilling, and 2 weeks to relocate and build a better trail from beach to upper camp, labor costs to be carried by applicant would be-

3 Laborers @ $10.00/day for 6 mo.s $5400.00

It is assumed that a government agency would supervise the loan and provide the required engineering and geological services.

Item 6-c.

No additional equipment is needed, as the partnership have camp equipment, and would erect required tents, and supply stoves, etc., laborers tools, powder, fuse, and caps.

It is estimated that 12 barrels of stove oil would be required for camp purposes for the period. Cost of this at Kodiak is about $10.00 per 50 gallon barrel. This and gasolene for the drilling equipment would be hauled from Kodiak by boat owned by member of the partnership.

Item 6-d.

Need for any equipment other than above noted and on hand is not required.

CERTIFICATION

Dated Oct. 24, 1953

Peninsula Exploration Co.
Applicant

By Henry Nesseth

Appendium

Item 6-e.

Rehabilitation and repairs are limited to building about 1 mile of new trail for"skidding"the drilling equipment to drilling location, and the erection of frames for 3 - 14' x 12' tents - 1 for the drill crew, 1 for a messhouse, and one for partnership labor crew.

Cost for this work is included in Item 6-b.

Item 6-f.

This item is same as that of 6-b and 6-f.

Item 6-g.

There is no operating equipment belonging to the partnership, rented or otherwise.

No equipment is on hand for testing of drill cores - that is, for assaying.

Accounting of funds is taken care of by R. E. Krautter, member of the partnership.

Labor to be provided will be that of working members (on the job) of the partnership. Should workmen's compensation and employers liability insurance , and payroll taxes be required under those circumstances they will be paid by the partnership.

However, this being a working partnership wherein the laborers are self-employed, it is their belief that liability insurance and payroll taxes are not required. Likewise it is their belief that rate of pay given above (at a nominal $10.00/day) is for bookkeeping purposes only and that the Wages and Hours Act is not therefore applicable to them.

Item 6-h.

Of "contingencies" affecting the partnership no allowance in made.

Those "contingencies" affecting the drilling contractor it is assumed will be taken care of by him and would be included in his contract.

Item 7-b.

Sharing of the costs will be taken care as noted above. Cash will be paid for supplies bought. Free use of the limited equipment of the partnership will be given the contractor. Labor as noted above and as may be otherwise required of stipulated by the government agency will be given without charge against the loan.

CERTIFICATION

Date Oct. 24, 1953

Peninsula Exploration Co
Applicant
By Henry Hesetta

ANNEX 1-b

Peninsula Exploration Co.
Kodiak, Alaska.

Copper Jack mineral claim:
Notice of Lode Location filed Sept. 9, 1951, and recorded in Vol. U, page 62, at District Recorders Office, Kodiak, Alaska

Defense No. 2 mineral claim:
Notice of Lode Location filed Sept. 6, 1951, and recorded in Vol. U, page 61, at Didtrict Recorders office, Kodiak, Alaska.

Defense No. 1 mineral claim:
Notice of Lode Claim Location filed April 6, 1951, and recorded in Vol. T, page 308, at District Recorders Office, Third Division, Kodiak, Alaska.

Copper King mineral claim:
Notice of Lode Location filed Oct. 2, 1950, and recorded in Vol. S, page 387, at District Recorders Office, Third Division, Kodiak, Alaska.

Copper Queen mineral claim:
Notice of Lode Claim Location filed Oct. 2, 1950, and recorded in Vol. S, page 387, at District Recorders Office, Third Division, Kodiak, Alaska.

Old Harbor mineral claim:
Notice of Lode Claim Location filed June 25, 1953, and recorded in Vol. X, page 93, at District Recorders Office, Third Division, Kodiak, Alaska.

Copper Ace mineral claim:
Notice of Lode Claim Location filed August 28, 1950, and recorded in Vol. S, page 386, at District Recorders Office, Third Division, Kodiak, Alaska.

CERTIFICATION

Date Oct. 24, 1953 Peninsula Exploration Co.

By Henry Uesetka

ANNEX 1-b Additional Recorded Claims

Peninsula Exploration Co.
Kodiak, Alaska.

Red Top mineral claim:
Notice of Lode Location filed Dec. 27, 1951, and recorded in Vol. U, page 244, at District Recorders Office, Kodiak, Alaska.

Lucky Copper mineral claim:
Notice of Lode Claim Location filed Dec. 27, 1951, and recorded in Vol. U, p. 244, at District Recorders Office, Kodiak, Alaska.

Unknown Copper claim:
Notice of Lode Claim Location filed June 25, 1953, and recorded in Vol. X, p. 93, at District Recorders Office, Kodiak, Alaska.

Copper Tommy mineral claim:
Notice of Lode Claim Location filed Nov. 15, 1951, and recorded in Vol. U, p. 160, at District Recorders Office, Kodiak, Alaska.

ANNEX 1-b

Peninsula Exploration Co.
Kodiak, Alaska.

Proof of Labor on Lode Mineral Claims held by Peninsula Exploration Company, recorded in Vol. W., page 25, at District Recorders Office, Third Division, and filed on Oct. 10, 1952, for the year ending July 1, 1953, for the following:-

Defense No. 1 Lode	Defense No. 2 Lode
Copper Jack Lode	Copper Penny Lode
Copper Queen Lode	Red Top Lode
Copper King Lode	Lucky Copper Lode
Copper Ace Lode	

Proof of Labor on Lode Mineral Claims held by Peninsula Exploration Company, recorded in Vol. X, page 204, at District Recorders Office, Third Division, and filed on August 26, 1953, for the year ending July 1, 1953, at Kodiak, Alaska, for the following:-

Defense Lode No. 1	Defense No. 2 Lode
Copper Jack Lode	Copper Penny Lode
Copper Queen Lode	Red Top Lode
Copper King Lode	Lucky Copper Lode
Copper Ace Lode	

CERTIFICATION

Date Oct. 24, 1953

Peninsula Exploration Co.

By Henry Neath

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEC 21 1953

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. DMEA-3224
Metal or Mineral
Date Received 12-21-53
Estimated Cost
Participation (Government %)

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:

Peninsula Exploration Company (Partnership. See appended)
Box 551
Kodiak, Alaska

(*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 Lode Mineral Claims as follows:- Defense No. 1, Copper Ace, Copper King, Copper Queen, ~~Defense No. 4~~ Red Top, Ungwon, Old Harbor, Copper Jack, Defense No. 2, ~~and Defense No. 3.~~ Lucky Copper and Copper Penny,

(*b*) State any mine name by which the property is known. Jack Creek group.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Owner

(*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.

(*e*) If you own the land, describe any liens or encumbrances on it
No liens or encumbrances.

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. See appended Item 3-f

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. Appended Item 4-a.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. None. Undeveloped.

(*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. Appended Item 4-c.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. Appended Item ~~4-d~~ 4-d.

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

Local manpower. Materials, supplies, equipment from Seattle and Kodiak. Water on property. Power -will require diesel or gas.

16—66551-1

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Copper (and silver, by-product)

(*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.

(*c*) The work will start within 30 days and be completed within 6 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. None.

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.). See appended 6-a.

(*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. See appended 6-b.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel. See appended 6-c.

(*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. See appended 6-d.

(*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. See appended 6-e.

(*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. Appended.

(*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. See appended 6-g.

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

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? By labor and facilities.

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

Explain in detail on acompanying paper. See appended 7-b.

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.

Dated Oct. 24, 1953

Peninsula Exploration Co.
(Applicant)

By Henry Neseth

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

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 27 1953

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Territory of Alaska, County Kodiak Is., described as follows:1/ Lode Mineral Claims:- Defense No. 1, Copper Ace, Copper King, Copper Queen, ~~Defense No. 4,~~ Red Top Engeon, Old Harbor, Copper Jack, ~~Defense No. 2, Defense No. 3~~ Defense Lucky Copper, and Copper Penny.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Peninsula Exploration Company (a Partnership)
Box 561
Kodiak, Alaska

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

Dated this 24 day of Oct., 1953.

Henry Nesetta [Seal]

_____ [Seal]

_____ [Seal]

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/ Insert the name of the Operator as it will appear in the exploration project contract.

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

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 21 1953

PENINSULA EXPLORATION COMPANY
Sitkalidak Island, Alaska

SAMPLING RESULTS

No.	Width	Au Oz	Ag Oz	% Cu	Taken by
1	3.0'	Tr	0.10	Less than 0.10%	R. H. Saunders
2	1.0'	Nil	Nil	" " "	" " "
3	5.0'	Nil	Nil	" " "	" " "
4	3.0'	Tr	Nil	" " "	" " "
5	6.0'	Tr	Nil	" " "	" " "
6	3.0'	Tr	Nil	" " "	" " "
18	7.5'	Tr	Nil	1.36	" " "
19	0.7'	TR	Tr	1.24	" " "
20	2.2'	Nil	Tr	1.69	" " "
21	1.5'	Tr	Tr	4.10	" " "
22	0.5'	Tr	Tr	0.87	" " "
23	6.3'	Tr	Tr	1.26	" " "
	Samples 19-22-23 were assayed for nickel & showed a trace.				
1SI	Dump grab	Nil	Nil	1.17	M. W. Jasper
2SI	Grab	Nil	Nil	9.79	" " "
4SI	1.5'	Nil	Nil	1.14	" " "

Sample 2SI is grab of best ore on dump of 35 ft Adit, and 1SI is grab of the dump itself. With only scattered pieces of "drag" ore showing in "roof" no samples were taken in the adit.

Note:- Above samples taken by field engineers of Territorial Department of Mines. This sheet to be appended to DMEA Application of above company.

Anchorage, Alaska
November 21, 1953

By- M W Jasper
M. W. Jasper
Associate Mining Engineer
Territorial Dept. of Mines

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEC 21 1953

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. DMEA-3224
Metal or Mineral
Date Received 12-21-53
Estimated Cost
Participation (Government %)

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:

Peninsula Exploration Company (Partnership. See appended)
Box 551
Kodiak, Alaska

(*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 Lode Mineral Claims as follows: ~~Red Top~~ Defense No. 1, Copper Ace, Copper King, Copper Queen, ~~Defense No. 4~~, Ungwon, Old Harbor, Copper Jack, Defense No. 2, ~~and Defense No. 3~~, Lucky Copper and Copper Penny.

(*b*) State any mine name by which the property is known. Jack Creek group

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Owner

(*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.

(*e*) If you own the land, describe any liens or encumbrances on it
No liens or encumbrances.

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. See appended Item 3-f.

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. Appended Item 4-a.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. None. Undeveloped.

(*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. Apended Item 4-c.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. Appended Item 4-d.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.
Local manpower. Materials, supplies, equipment from Seattle and Kodiak. Water on property. Power - will require diesel or gas.

16—66551-1

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Copper (and silver, by-product)

(*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.

(*c*) The work will start within 30 days and be completed within 6 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. None.

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.). See appended 6-a.

(*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. See appended 6-b

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel. See appended 6-c

(*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. See appended 6-d.

(*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. See appended 6-e.

(*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. Appended

(*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. See appended 6-g.

(*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 [X] Use of equipment owned by you [X] Other

Explain in detail on acompanying paper. See appended 7-b.

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.

Dated Oct. 24, 1953

Peninsula Exploration Co.
(Applicant)

By Henry Meseth

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

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

RECEIVED
NOV 2 1 1953

Appendium:

Item 1-d. Partnership. Members and addresses:

Henry Nesseth	Kodiak, Alaska
Alf Ferguson	" "
Tom von Scheele	" "
Don Petacchi	" "
Nels Christiansen	Old Harbor, via Kodiak, Alaska
R. E. Krautter	" " " " "
Paul Hansen	Palisades, California

Item 4-a.

The 10 Mineral Claims (listed under Item 3-a) are grouped and held by right of location and performance of Annual Assessment work (refer to appended Item 3-f).

Item 4-a.

Work to date has been confined to following claims:-

Defense No. 1. Open-cuts totaling about 100 ft along mineralized zone.

Copper Ace. Discovery cut only.

Copper King. 35 ft adit driven in 1953 on mineralized zone.
10 ft adit driven in 1952 partially cutting a wide mineralized zone.
12 ft adit driven in 1952 along strike of shear zone.
Open-cut 18 ft wide with 8 ft face across mineralized shear zone.
Other open-cuts as noted on attached Map No. 2.

Copper Queen. Open-cuts at Discovery post as noted on attached Map No. 2.

On balance of claims no work done except for discovery cuts, and limited "prospecting" of outcrops.

Original discoveries and all work has been done by the owners.

CERTIFICATION

Dated Oct 24, 1953

Applicant: Peninsula Exploration Co.

By: Henry Nesseth

Appendium:

Item 4-c.

From the westerly bend in Jack creek at point near center of the Copper Queen mineral claim downstream to point short distance below Defense No. 1 northeast endline, this stream is entrenched in narrow "V" shaped gulch. The stream bed is in diorite (and/or granodiorite) with the intrusives contact with the older argillite and graywacke forming the the south east wall of the gulch (or canyon).

Width of the diorite intrusive to the northwest is on order of ½ to 1 mile, and width of the highly metamorphosed sedimentary series - largely graywacke and argillite - is probably over 1 mile in width.

A major fault zone of northeasterly strike and steep northwesterly dip parallels this section of Jack creek, and as presently known lies wholely within the sediments, and within the limits of 100 to 200 feet of the contact.

This fault developed a wide shear zone - 50 to 100 feet and more in width - within the graywacke and argillite. At numerous points along this section - approximately 3700 feet - chalcopyrite mineralization accompanied by pyrrhotite has been found in appreciable amounts both along strike of the fault (shear) zone, as well as along pronounced cross fracture systems.

The main shear zone cuts both the strike and dip of the sediments at a slight tangent. The cross-fracturing system strikes from S 5 to 10 E to S10W, with dips varying from 70E to 75W; these cross faults recur at 50 to 200 foot intervals and are visible for distances of 500 to 1000 feet but do not appear to have displacements of real importance.

The major fault (paralleling the creek) has a strike of N40 to 50E and dip of 65 to 75 NW toward the contact area.

While good chalcopyrite (highgrade) concentrations occur along both the major shear and cross fracture zones as small lenses, stringers, and veinlets they are short, discontinuous, and not of sufficient concentrations where exposed to form economic ore-shoots. Post-mineral movement along all the shear zones exhibit brecciated and "drag-ore" characteristics. The "incompetence" of the graywacke and argillite has permitted dissemination of the mineralization, preventing concentrations of ecomomic values in ore-shoots.

With depth to the intrusive diorite being within limits of a few hundred feet along dip of the shear zones, it is believed that exploration of the underlying intrusive by a diamond drilling program is warranted.

Location of suggested drill holes with cross-sections may be found on Map No.4.

CERTIFICATION

Dated Oct. 24, 1953

Peninsula Exploration Co.
Applicant

By Henry Nesette

Appendium

Item 4-c.(Cont'd)

Engineering reports by Robt. H. Saunders, Associate Mining Engineer, Territorial Department of Mines, with sketches made after examinations in Sept. 1951, and Oct. 1952; geological map by S. R. Capps, U. S. G. S. and navigation chart of the area were forwarded with our original application in 1952. As they were not returned this information should still be in your files.

Report and maps made following an examination of the area by M. W. Jasper, Associate Mining Engineer during Oct. 1953 will be forwarded on its completion.

Item 4-d.

Property is accessible by small power boats or pontoon equipped planes to mouth of Jack creek on west side of Amee Bay, situate near most northerly point of Sitkalidak Island, approximately 2½ miles (airline) due east of Old Harbor (6 miles by boat). Old Harbor is on southeast coast of Kodiak Island - approximate Latitude 57° 12"N and Longitude 153° 20"W.

Nearest supply point is town of Kodiak, about 45 airline miles to NE. Amee Bay ½ to 1 mile east of Jack creek will accommodate deep draft boats.

From mouth of Jack creek (beach camp) the distance to the upper camp and location of the several adits and principal showings exposed to date on the Copper King is about 1 mile. This is serviced by a foot trail which it is planned to relocate before drilling equipment can be easily serviced. Elevation at upper camp is 500 feet above sea-level.

All showings are easily accessible for 10 months of the year. (Refer to Map No. 1, of Oct. '53 date, to be attached).

Item 5-b.

The proposed drilling program with several cross-sections, their locations, etc., with relation to contacts, mineralized shear zones, etc., will be found upon attached maps of Oct. '53 date by M. W. Jasper, Associate Mining Engineer, Territorial Department of Mines.

Item 6-a.

A total of 5000 feet of diamond drilling is proposed, with drill holes of 200 to 500 feet in length. It is proposed that all drill holes be "collared" in the diorite creek bed, be confined to the intrusive mass, and oriented at minus angles to intersect the shear zones at varying distances below the sedimentary contact. Drilling in the highly sheared sediments would be difficult and entail very high costs.

CERTIFICATION

Dated Oct. 24, 1953

Peninsula Exploration Co.
Applicant

By Henry Neeth

Appendium

Item 6-a

Diamond drilling would be done by a reputable drilling contractor. While not familiar with costs for such work, with the drilling to be confined in all probability to the dioritic intrusive which it is believed will prove to be "competent"rock mass, it is estimated that drilling may be contracted for a 4000 to 5000 foot contract of holes ranging from 200 to 500 feet in depth for

$5.00 per foot

Item 6-b

Labor - for purposes other than the actual drilling - will be supplied by members of the Partnership. It is estimated that 3 or 4 laborers will be sufficient to service the drill crew, prepare drill sites, and assist in moving drilling equipment from beach to the various drill sites. A nominal wage of $10.00 would be paid for this labor.

Assuming an average daily drilling footage of 30 feet per day time required for the 5000 foot contract would be 5.5 months. (It is possible progress rate would be higher and time required less on basis of one drill in operation).

On this basis of 5.5 months for the drilling, and 2 weeks to relocate and build a better trail from beach to upper camp, labor costs to be carried by applicant would be-

3 Laborers @ $10.00/day for 6 mo.s $5400.00

It is assumed that a government agency would supervise the loan and provide the required engineering and geological services.

Item 6-c.

No additional equipment is needed, as the partnership have camp equipment, and would erect required tents, and supply stoves, etc., laborers tools, powder, fuse, and caps.

It is estimated that 12 barrels of stove oil would be required for camp purposes for the period. Cost of this at Kodiak is about $10.00 per 50 gallon barrel. This and gasolene for the drilling equipment would be hauled from Kodiak by boat owned by member of the partnership.

Item 6-d.

Need for any equipment other than above noted and on hand is not required.

CERTIFICATION

Dated Oct. 24, 1953

Peninsula Exploration Co.
Applicant

By Henry Nesette

Appendium

Item 6-e.

Rehabilitation and repairs are limited to building about 1 mile of new trail for"skidding"the drilling equipment to drilling location, and the erection of frames for 3 - 14' x 12' tents - 1 for the drill crew, 1 for a messhouse, and one for partnership labor crew.

Cost for this work is included in Item 6-b.

Item 6-f.

This item is same as that of 6-b and 6-f.

Item 6-g.

There is no operating equipment belonging to the partnership, rented or otherwise.

No equipment is on hand for testing of drill cores - that is, for assaying.

Accounting of funds is taken care of by R. E. Krautter, member of the partnership.

Labor to be provided will be that of working members (on the job) of the partnership. Should workmen's compensation and employers liability insurance , and payroll taxes be required under these circumstances they will be paid by the partnership.

However, this being a working partnership wherein the laborers are self-employed, it is their belief that liability insurance and payroll taxes are not required. Likewise it is their belief that rate of pay given above (at a nominal $10.00/day) is for bookkeeping purposes only and that the Wages and Hours Act is not therefore applicable to them.

Item 6-h.

Of "contingencies" affecting the partnership no allowance in made.

Those "contingencies" affecting the drilling contractor it is assumed will be taken care of by him and would be included in his contract.

Item 7-b.

Sharing of the costs will be taken care as noted above. Cash will be paid for supplies bought. Free use of the limited equipment of the partnership will be given the contractor. Labor as noted above and as may be otherwise required of stipulated by the government agency will be given without charge against the loan.

CERTIFICATION

Date Oct. 24, 1953

Peninsula Exploration Co
Applicant

By Harvey Nesette

ANNEX 1-b

Peninsula Exploration Co.
Kodiak, Alaska.

Copper Jack mineral claim:
Notice of Lode Location filed Sept. 9, 1951, and recorded in Vol. U, page 62, at District Recorders Office, Kodiak, Alaska

Defense No. 2 mineral claim:
Notice of Lode Location filed Sept. 6, 1951, and recorded in Vol. U, page 61, at Dictrict Recorders office, Kodiak, Alaska.

Defense No. 1 mineral claim:
Notice of Lode Claim Location filed April 6, 1951, and recorded in Vol. T, page 308, at District Recorders Office, Third Division, Kodiak, Alaska.

Copper King mineral claim:
Notice of Lode Location filed Oct. 2, 1950, and recorded in Vol. S, page 387, at District Recorders Office, Third Division, Kodiak, Alaska.

Copper Queen mineral claim:
Notice of Lode Claim Location filed Oct. 2, 1950, and recorded in Vol. S, page 387, at District Recorders Office, Third Division, Kodiak, Alaska.

Old Harbor mineral claim:
Notice of Lode Claim Location filed June 25, 1953, and recorded in Vol. X, page 93, at District Recorders Office, Third Division, Kodiak, Alaska.

Copper Ace mineral claim:
Notice of Lode Claim Location filed August 28, 1950, and recorded in Vol. S, page 386, at District Recorders Office, Third Division, Kodiak, Alaska.

CERTIFICATION

Date Oct. 24, 1953

Peninsula Exploration Co.

By Henry Nesetto

ANNEX 1-b (Additional recorded claims)

Peninsula Exploration Co.
Kodiak, Alaska.

Red Top mineral claim:
Notice of Lode Location filed Dec. 27, 1951, and recorded in Vol. U, page 206, at District Recorders Office, Kodiak, Alaska.

Lucky Copper mineral claim:
Notice of Lode Claim Location filed Dec. 27, 1951, and recorded in Vol. U, p. 204, at District Recorders Office, Kodiak, Alaska.

Lagoon Copper claim:
Notice of Lode Claim Location filed Aug 22, 1953, and recorded in Vol. X, p. 93, at District Recorders Office, Kodiak, Alaska.

Copper Pony mineral claim:
Notice of Lode Claim Location filed Nov. 15, 1951, and recorded in Vol. U, p. 200, at District Recorders Office, Kodiak, Alaska.

ANNEX 1-b

Peninsula Exploration Co.
Kodiak, Alaska.

Proof of Labor on Lode Mineral Claims held by Peninsula Exploration Company, recorded in Vol. W., page 25, at District Recorders Office, Third Division, and filed on Oct. 10, 1952, for the year ending July 1, 1953, for the following:-

Defense No. 1 Lode	Defense No. 2 Lode
Copper Jack Lode	Copper Penny Lode
Copper Queen Lode	Red Top Lode
Copper King Lode	Lucky Copper Lode
Copper Ace Lode	

Proof of Labor on Lode Mineral Claims held by Peninsula Exploration Company, recorded in Vol. X, page 204, at District Recorders Office, Third Division, and filed on August 26, 1953, for the year ending July 1, 1953, at Kodiak, Alaska, for the following:-

Defense Lode No. 1	Defense No. 2 Lode
Copper Jack Lode	Copper Penny Lode
Copper Queen Lode	Red Top Lode
Copper King Lode	Lucky Copper Lode
Copper Ace Lode	

CERTIFICATION

Date Oct. 24, 1953

Peninsula Exploration Co.

By Henry Neeth

PENINSULA EXPLORATION COMPANY
Sitkalidak Island, Alaska

SAMPLING RESULTS

No.	Width	Au Oz	Ag Oz	% Cu	Taken by
1	3.0'	Tr	0.10	Less than 0.10%	R. H. Saunders
2	1.0'	Nil	Nil	" " "	" " "
3	5.0'	Nil	Nil	" " "	" " "
4	3.0'	Tr	Nil	" " "	" " "
5	6.0'	Tr	Nil	" " "	" " "
6	3.0'	Tr	Nil	" " "	" " "
18	7.5'	Tr	Nil	1.36	" " "
19	0.7'	TR	Tr	1.24	" " "
20	2.2'	Nil	Tr	1.69	" " "
21	1.5'	Tr	Tr	4.10	" " "
22	0.5'	Tr	Tr	0.87	" " "
23	6.3'	Tr	Tr	1.26	" " "

Samples 19-22-23 were assayed for nickel & showed a trace.

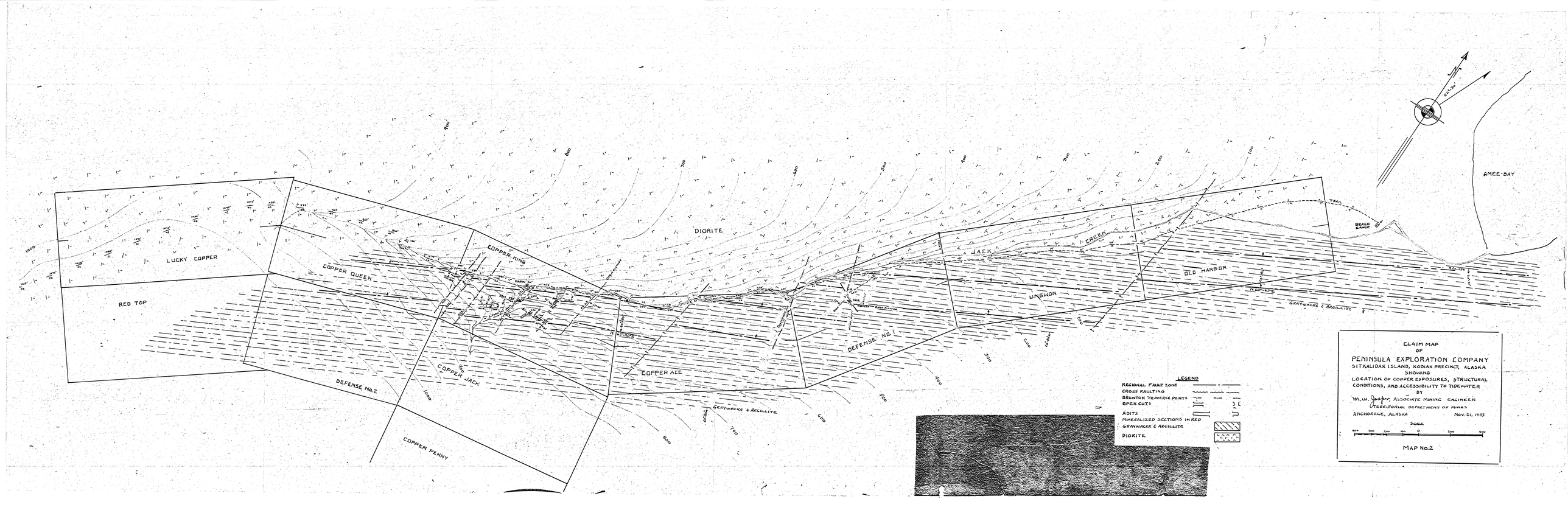
1SI	Dump grab	Nil	Nil	1.17	M. W. Jasper
2SI	Grab	Nil	Nil	9.79	" " "
4SI	1.5'	Nil	Nil	1.14	" " "

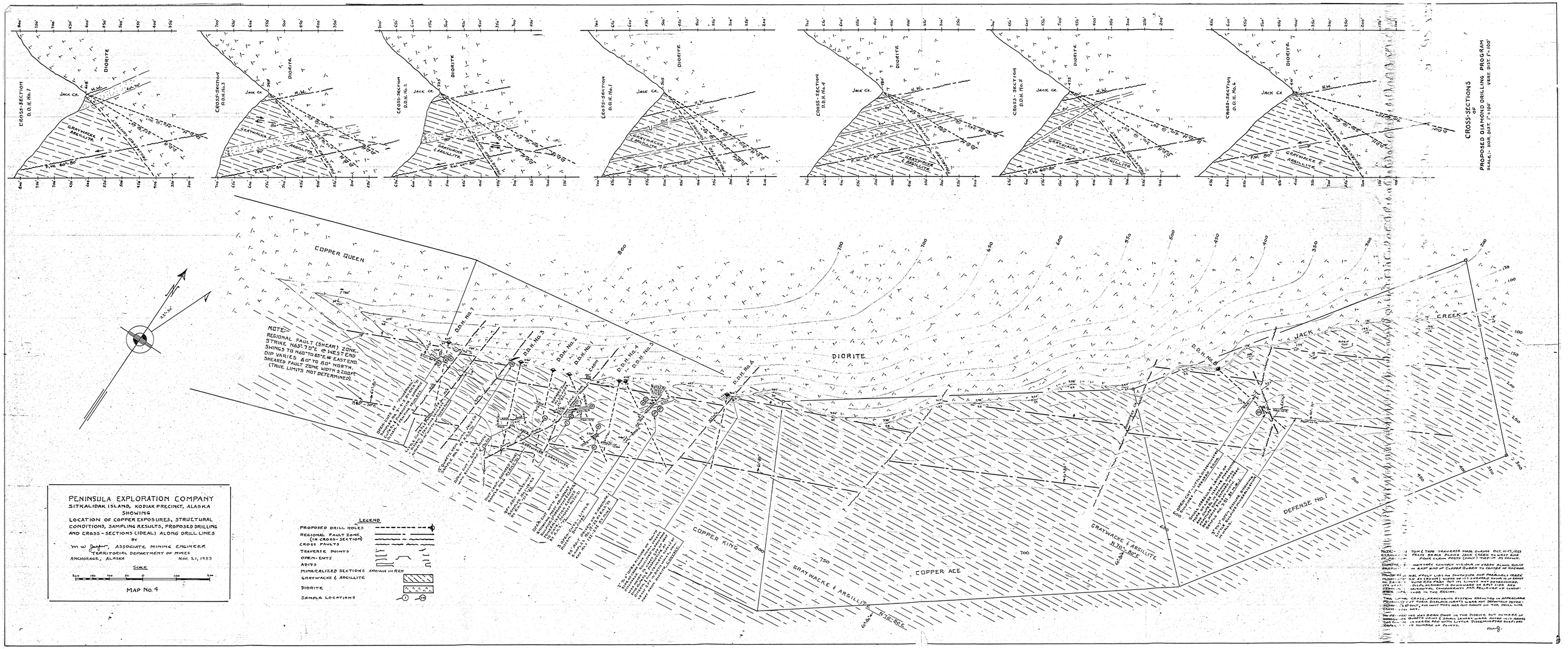
Sample 2SI is grab of best ore on dump of 35 ft Adit, and 1SI is grab of the dump itself. With only scattered pieces of "drag" ore showing in "roof" no samples were taken in the adit.

Note:- Above samples taken by field engineers of Territorial Department of Mines. This sheet to be appended to DMEA Application of above company.

Anchorage, Alaska
November 21, 1953

By- M W Jasper
M. W. Jasper
Associate Mining Engineer
Territorial Dept. of Mines


CLAIM MAP
OF
PENINSULA EXPLORATION COMPANY
SITKALIDAK ISLAND, KODIAK PRECINCT, ALASKA
SHOWING
LOCATION OF COPPER EXPOSURES, STRUCTURAL CONDITIONS, AND ACCESSIBILITY TO TIDEWATER
BY
M. W. Jaffer, ASSOCIATE MINING ENGINEER
TERRITORIAL DEPARTMENT OF MINES
ANCHORAGE, ALASKA
NOV. 21, 1953
SCALE
MAP No. 2
LEGEND
REGIONAL FAULT ZONE
CROSS FAULTING
BRUNTON TRAVERSE POINTS
OPEN CUTS
ADITS
MINERALIZED SECTIONS IN RED
GRAYWACKE & ARGILLITE
DIORITE
AMEE BAY
BEACH CAMP
TRAIL
OLD HARBOR
JACK CREEK
UNGAVA
DIORITE
GRAYWACKE & ARGILLITE
LUCKY COPPER
RED TOP
COPPER QUEEN
COPPER KING
COPPER JACK
COPPER ACE
DEFENSE No. 1
DEFENSE No. 2
COPPER PENNY


CROSS-SECTIONS
PROPOSED DIAMOND DRILLING PROGRAM
SCALE:- HOR. DIST. 1" = 100'
VERT. DIST. 1" = 100'
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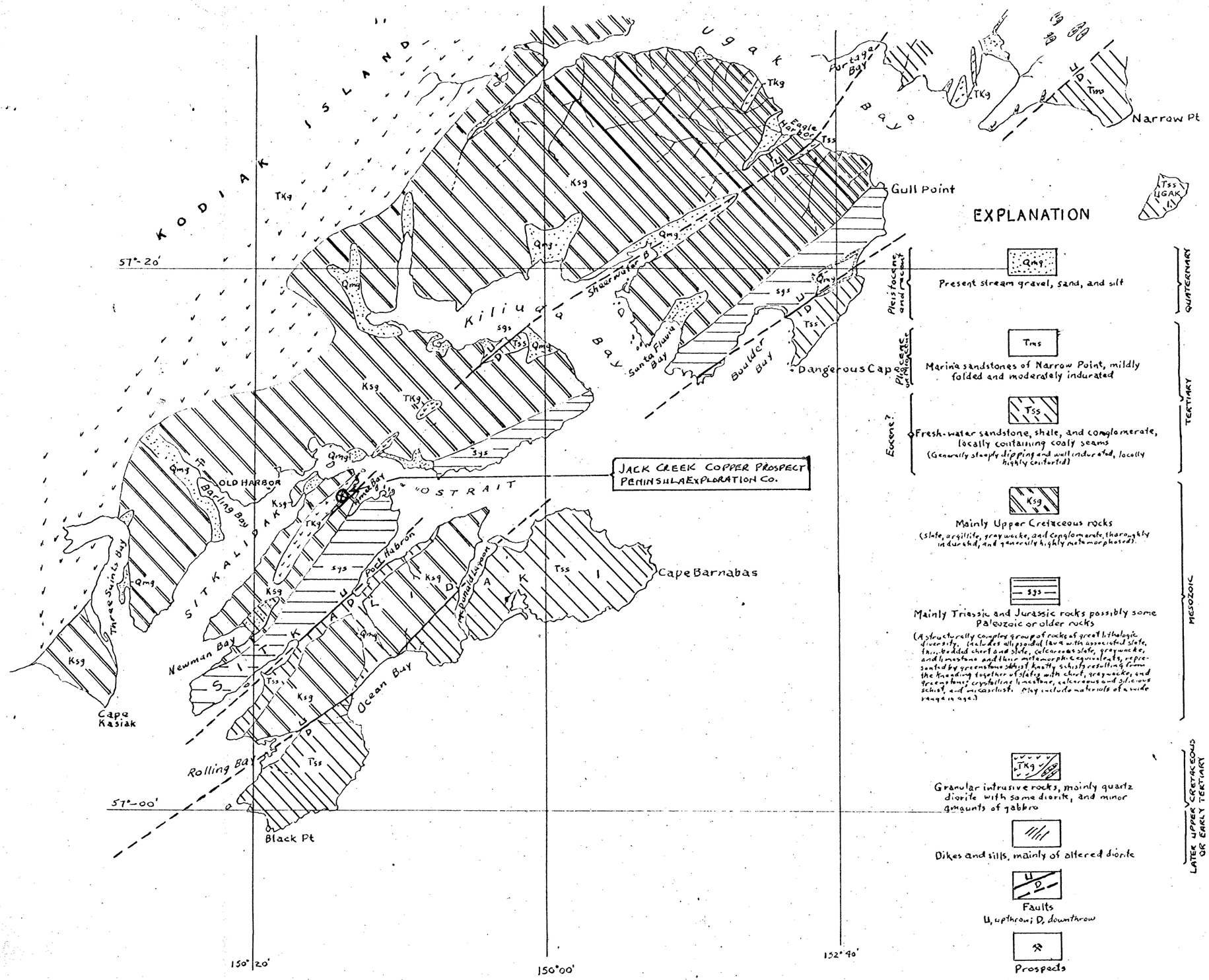
CROSS-SECTION D.D.H. No. 3
CROSS-SECTION D.D.H. No. 2
CROSS-SECTION D.D.H. No. 1
CROSS-SECTION D.D.H. No. 4
CROSS-SECTION D.D.H. No. 5
CROSS-SECTION D.D.H. No. 6
JACK CR.
DIORITE
GRAYWACKE & ARGILLITE
COPPER QUEEN
COPPER KING
COPPER ACE
DEFENSE No. 1
JACK CREEK
NOTE:-
REGIONAL FAULT (SHEAR) ZONE.
STRIKE N.65°-70°E. @ WEST END
SWINGS TO N.60°-70.85°E. @ EAST END
DIP VARIES 60° TO 80° NORTH.
SHEARED FAULT ZONE WIDTH ± 200 FT.
(TRUE LIMITS NOT DETERMINED).
PENINSULA EXPLORATION COMPANY
SITKALIDAK ISLAND, KODIAK PRECINCT, ALASKA
SHOWING
LOCATION OF COPPER EXPOSURES, STRUCTURAL CONDITIONS, SAMPLING RESULTS, PROPOSED DRILLING AND CROSS-SECTIONS (IDEAL) ALONG DRILL LINES
BY
M. W. Jaeger, ASSOCIATE MINING ENGINEER
TERRITORIAL DEPARTMENT OF MINES
ANCHORAGE, ALASKA NOV. 21, 1953
SCALE
MAP No. 4
LEGEND
PROPOSED DRILL HOLES
REGIONAL FAULT ZONE (IN CROSS-SECTION)
CROSS FAULTS
TRAVERSE POINTS
OPEN-CUTS
ADITS
MINERALIZED SECTIONS SHOWN IN RED
GRAYWACKE & ARGILLITE
DIORITE
SAMPLE LOCATIONS



EXPLANATION

QUATERNARY — Pleistocene and recent

Qmg — Present stream gravel, sand, and silt

TERTIARY — Pliocene

Tms — Marina sandstones of Narrow Point, mildly folded and moderately indurated

Eocene?

Tss — Fresh-water sandstone, shale, and conglomerate, locally containing coaly seams (Generally steeply dipping and well indurated, locally highly contorted)

MESOZOIC

Ksg — Mainly Upper Cretaceous rocks (slate, argillite, graywacke, and conglomerate, thoroughly indurated, and generally highly metamorphosed).

sgs — Mainly Triassic and Jurassic rocks possibly some Paleozoic or older rocks (A structurally complex group of rocks of great lithologic diversity. Includes all spilitic lava with associated slate, thin-bedded chert and slate, calcareous slate, graywacke, and limestone and their metamorphic equivalents, represented by greenstone schist, knotty schists resulting from the kneading together of slate with chert, graywacke, and greenstone; crystalline limestone, calcareous and siliceous schist, and marble schist. May include materials of a wide range in age.)

LATER UPPER CRETACEOUS OR EARLY TERTIARY

Tkg — Granular intrusive rocks, mainly quartz diorite with some diorite, and minor amounts of gabbro

Dikes and sills, mainly of altered diorite

U D — Faults
U, upthrow; D, downthrow

Prospects

KEY MAP

PENINSULA EXPLORATION CO.

SHOWING

REGIONAL GEOLOGY & LOCATION

TRACED FROM U.S.G.S. BUL. 880,

PLATE 2

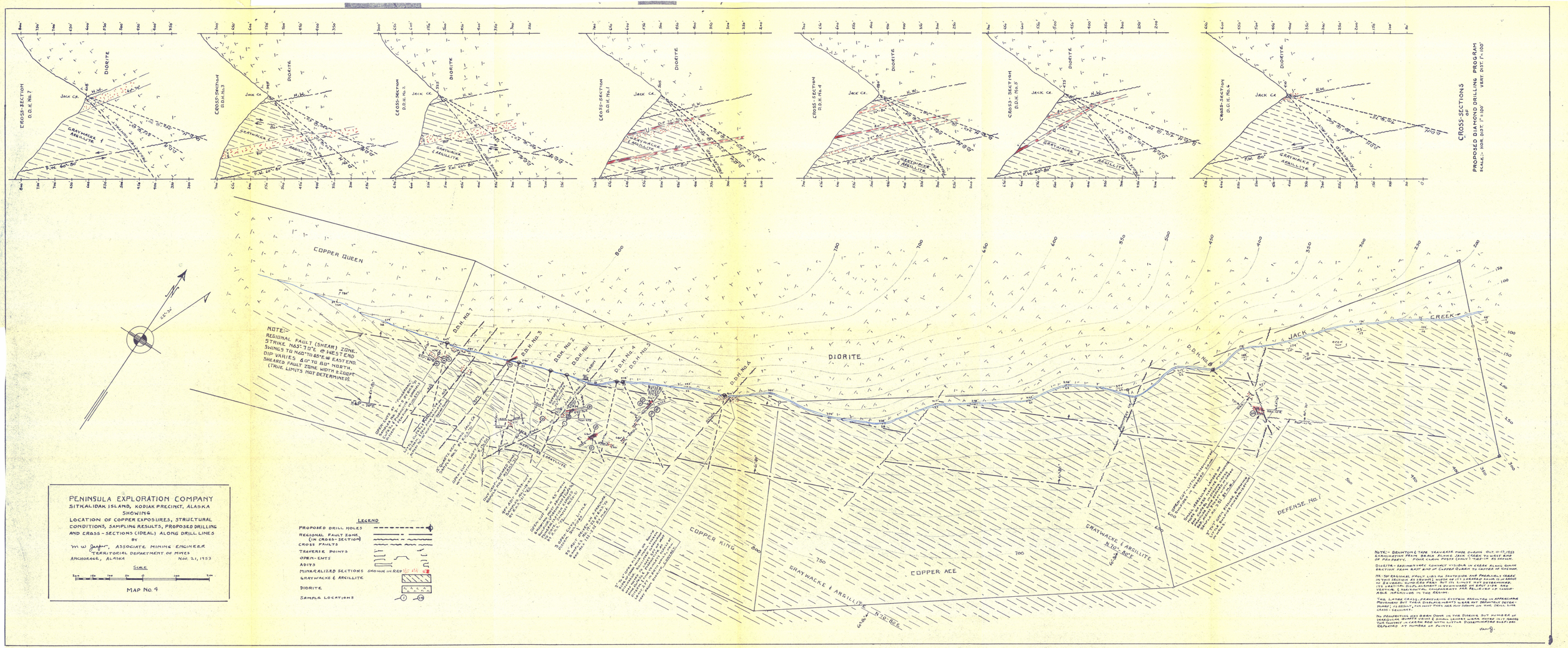
by

M W Jaeger, Assoc. Mining Engineer
Terr. Dept. of Mines
ANCHORAGE, ALASKA NOV. 22, 1953

SCALE

5 0 5
Miles

MAP No. 1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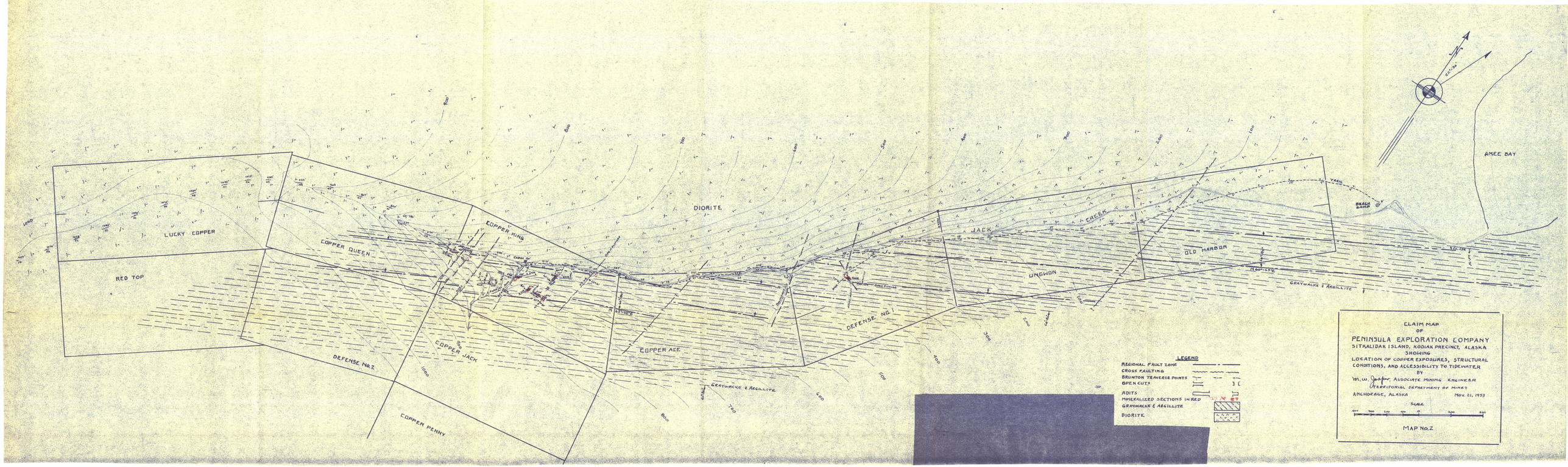
CROSS-SECTION D.D.H. No. 4
CROSS-SECTION D.D.H. No. 5
CROSS-SECTION D.D.H. No. 6
DIORITE
JACK CR.
H.W.
GRAYWACKE & ARGILLITE
ARGILLITE
F.W. 60°-80°
COPPER QUEEN
DIORITE
JACK CREEK
COPPER KING
COPPER ACE
DEFENSE No. 1
GRAYWACKE & ARGILLITE
N 10° 30' E
NOTE:-
REGIONAL FAULT (SHEAR) ZONE.
STRIKE N 35° 10' E @ WEST END
SHINGS TO N 60° TO 65° E @ EAST END
DIP VARIES 60° TO 80° NORTH.
SHEARED FAULT ZONE WIDTH ± 200 FT.
(TRUE LIMITS NOT DETERMINED)
D.D.H. No. 7
D.D.H. No. 3
D.D.H. No. 5
D.D.H. No. 2
D.D.H. No. 1
D.D.H. No. 4
D.D.H. No. 6
D.D.H. No. 8
D.D.H. No. 9
PENINSULA EXPLORATION COMPANY
SITKALIDAK ISLAND, KODIAK PRECINCT, ALASKA
SHOWING
LOCATION OF COPPER EXPOSURES, STRUCTURAL CONDITIONS, SAMPLING RESULTS, PROPOSED DRILLING AND CROSS-SECTIONS (IDEAL) ALONG DRILL LINES
BY
M. W. Jaeger, ASSOCIATE MINING ENGINEER
TERRITORIAL DEPARTMENT OF MINES
ANCHORAGE, ALASKA
Nov. 21, 1953
SCALE
MAP No. 4
LEGEND
PROPOSED DRILL HOLES
REGIONAL FAULT ZONE (IN CROSS-SECTION)
CROSS FAULTS
TRAVERSE POINTS
OPEN-CUTS
ADITS
MINERALIZED SECTIONS SHOWN IN RED
GRAYWACKE & ARGILLITE
DIORITE
SAMPLE LOCATIONS
NOTE:- BRUNTON & TAPE TRAVERSE MADE DURING OCT. 11-17, 1953 ESTIMATED FROM BACK ALONG JACK CREEK TO WEST END OF PROPERTY. FOUR CLAIM POSTS (ONLY) FOUND IN 35 MINUTES.
DIORITE - SEDIMENTARY CONTACT VISIBLE IN CREEK ALONG GULCH SECTION FROM EAST END OF COPPER QUEEN TO CENTER OF KING.
THE REGIONAL FAULT LIES IN DIORITE AND PARALLEL CREEK IN THIS SECTION AS SHOWN; WIDTH OF ITS SHEARED ZONE IS IN RANGE OF SEVERAL HUNDRED FEET BUT ITS LIMITS NOT DETERMINED. ITS VERTICAL DISPLACEMENT IS DOWNWARD ON EAST SIDE AND ITS HORIZONTAL DISPLACEMENT IS NOT DETERMINED AS RELATED TO CONDITIONS APPLICABLE IN THE REGION.
THE LATERAL CROSS-FRACTURING SYSTEM RESULTED IN APPRECIABLE PROGRESSIVE BUT FINAL DISPLACEMENTS WHICH ARE DEFINITELY DETERMINABLE BY FIELD WORK, THOUGH THEY DO NOT SHOW ON THE DRILL LINE CROSS-SECTIONS.
NO PROSPECTING HAS BEEN DONE IN THE DIORITE BUT NUMBERS OF IRREGULAR QUARTZ VEINS & SMALL LENSES WERE FOUND IN THE SHEARING THE CONTACT IN CREEK BED WITH LITTLE DISSEMINATED SULFIDES REPORTED AT NUMBER OF POINTS.
M.W.J.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COPPER QUEEN
COPPER KING
DIORITE
COPPER JACK
DEFENSE No. 2
COPPER PENNY
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GRAYWACKE & ARGILLITE
DEFENSE No. 1
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TERRITORIAL DEPARTMENT OF MINES
ANCHORAGE, ALASKA
Nov. 21, 1953
SCALE
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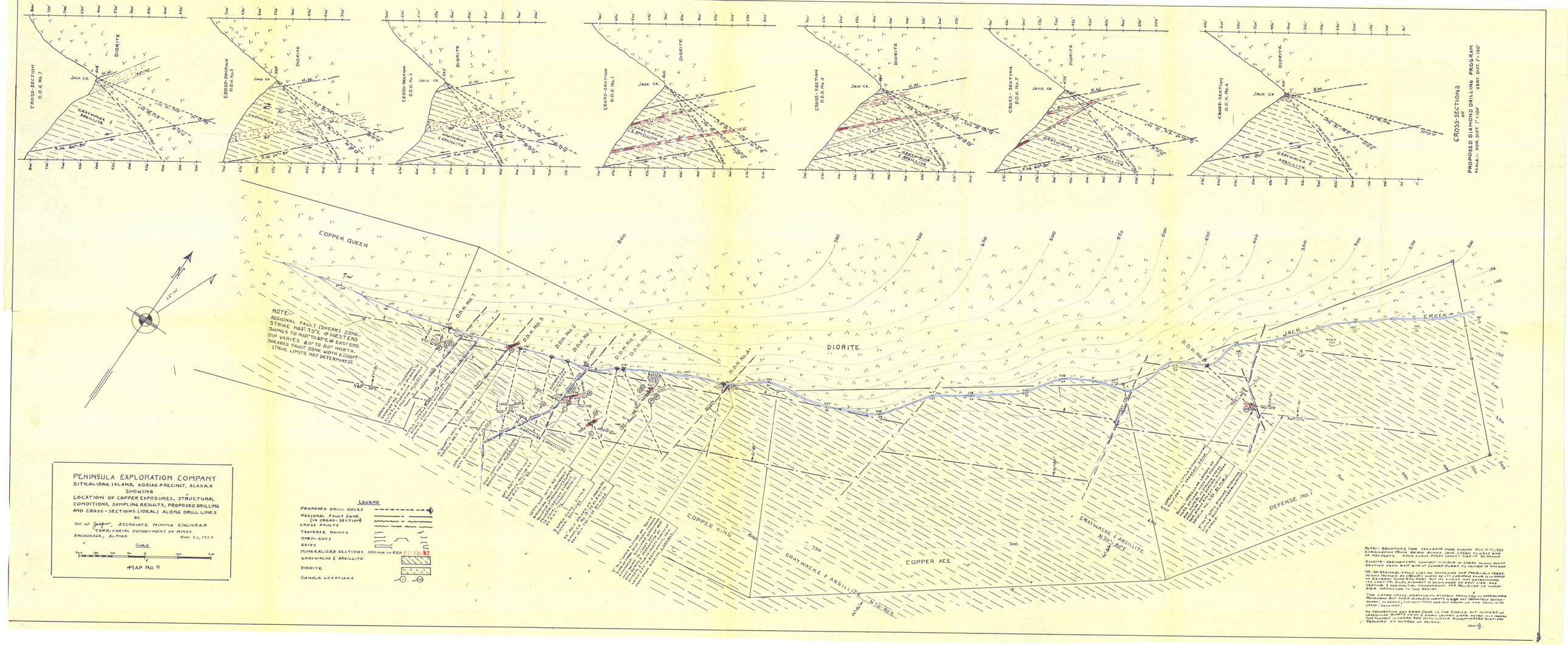
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D.D.H. No. 6
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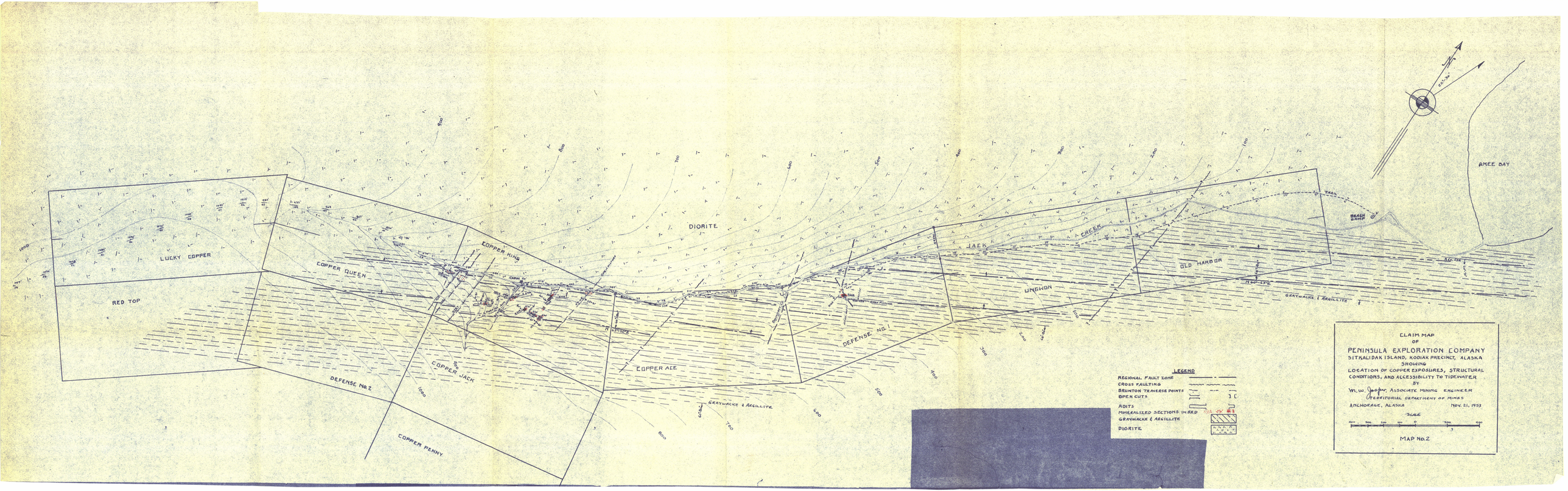
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