MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE — Contract No. 14-23-2185 — Docket No. MME 6338

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits
- [x] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with Transmittal, Narrative and Maps

Folders No._____: Maps (Use pocket folder or envelope)

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty Material

52615

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/8	Murphy	120
	Selbrede	130
3/9	[illegible]	110
		100
		220

MAR 9 [illegible]

Bonanza Gold, Inc.
Lobby, Jenkins Building
Spokane 1, Washington

Re: [illegible]-4138 (Iron Cap)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Gentlemen:

Pursuant to Article 6 of the subject contract, as amended, and Item 4 of the Termination Agreement, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from April 7, 1964, to April 7, 1974, or until the sum of $9,001.30 is fully repaid with interest at the rate of 6½ percent per annum.

Royalty payments should be made in favor of the Office of Minerals Exploration, and should be mailed or delivered to the Field Officer, Office of Minerals Exploration, Region 1, South 157 Howard Street, Spokane, Washington, 99204. Each payment should be accompanied by two copies of settlement sheets or other suitable notes evidence showing the name of the purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom. The purchaser should be notified of the Government's royalty on production and directed to pay the royalty, computed as provided in the contract, directly to the Government.

The Field Officer should be promptly notified upon the commencement of any production, and upon any extended cessation thereof.

Production unsold or unused six months after extraction from the ground should be reported promptly to the Field Officer.

Attention is specifically invited to the provisions of Article 2(e) of the contract referring to the preservation of the Government's royalty rights. Two true copies of any instrument transferring, surrendering, or encumbering any of said rights shall be furnished to the Field Officer.

Sincerely yours,

George Fumich, Jr.

Acting Director

FMMurphy/mm (3/8/65)
cc: Director's Reading File
Review Committee
CA&A Division
Region I (2)
Docket
Mr. Johnson
Mr. Eskil Anderson, 924 W. 22nd Ave., Spokane, Wash. 99203

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Mr. Fumich	2-10	
2. Mr. Johnson	2/10	
3. ~~Mr. Selfridge~~		
4. Mr. Murphy		
5.		
FROM: C. E. Fisher C E Fisher	2/10	

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

$9,001.50 paid 2/24/65.

Anne

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Bonanza Gold, Inc.
Lobby, Paulsen Building, P. O. Box 1444
Spokane, Washington 99210

pertaining to Exploration Contract 14-23-090-2185, OME-6338, including Amendment No. 1, for June 1, 1964, to August 16, 1964, inclusive, covering an iron ore project at the Jumbo Mine, Ketchikan Recording Precinct, First Division, Alaska.

My review included an examination of the Monthly Vouchers (MME Forms 60) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, confirmation of work performed by reference to reports and correspondence, and a determination of the reasonableness and propriety of the costs.

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

> All of the acceptable costs were under a contract provision for contribution by the Government on the basis of fixed unit costs of work performed.

The findings of this review are stated in the following summary and the attached schedule:

Total cost billed by Operator		$18,003.00
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total acceptable cost		$18,003.00

The contract calls for a 50 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

Payable on audited claim	$ 9,001.50
Paid to date	-0-
Balance due	$ 9,001.50

C. E. Fisher

C. E. Fisher, OME Auditor

February 9, 1965

Acceptable costs:

Diamond core drilling, 1,613 ft. @ $11.00	$17,743.00
Core boxes, 59 @ $1.00	59.00
Sample assays for iron and copper, 27 @ $3.00	81.00
Composite samples assayed for molybdenum, titanium oxide, lime, sulphur, phosphorus, insoluble, gold, and silver, 4 @ $30.00	120.00
Total	$18,003.00

Government's Copy

EXPLORATION CONTRACT
BONANZA GOLD, INC.
OME-6338

TERMINATION AGREEMENT

It is agreed this 21st day of January, 1965, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Bonanza Gold, Inc., hereinafter referred to as the "Operator," parties to that certain Exploration Contract No. 2185 (OME-6338), dated April 7, 1964, as amended, hereinafter called the "Contract," that:

1. Effective August 16, 1964, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government will contribute only to the allowable costs of work performed prior to said effective date, except for the costs of assaying samples sent out to be assayed prior to September 15, 1964.

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

4. The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain its interest in the land), shall pay to the Government the royalty on production provided for in the Contract in the same manner and amount, for the same period, and subject to the same conditions provided for in the contract, as amended, as if a certification of possible production had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the Contract with respect to percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims and demands under or arising out of the Contract, except as otherwise provided in this Termination Agreement.

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

THE UNITED STATES OF AMERICA

By George Turnich L
Acting Director, Office of
Minerals Exploration

Long

Appd. Sol. Off.
Murphy
Selfridge
Johnson

BONANZA GOLD, INC.

By Frank H. Duval

Title President

Government's Copy

EXPLORATION CONTRACT
BONANZA GOLD, INC.
OME-6338

AMENDMENT NO. 1

It is agreed this 24th day of August, 1964, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Bonanza Gold, Inc., hereinafter referred to as the "Operator," that Exploration Contract 2185 (OME-6338), dated April 7, 1964, is amended effective the date of the contract as follows:

1. In Exhibit A of the contract:

(a) Under the heading General Provisions the last paragraph is deleted and replaced as follows:

The location, attitude, and the sequence of drilling of each diamond drill hole shall be subject to Government approval.

(b) Under the heading Description of the Work the second paragraph is deleted and replaced as follows:

The holes shall be drilled not less than BX wireline or AX standard core size (1-1/8" core diameter); and after traversing the limestone, skarn, and magnetite are expected to bottom in the granitic intrusive. The 18 holes shown on Fig. 1 shall be drilled at approximately a minus 45 degree angle on a bearing of approximately N. 50° E., to an estimated average depth of about 250 feet. The line of Holes Nos. 25 through 30 shall be started prior to the indicated holes at higher elevations. If necessary, holes up to 500 feet in depth may be drilled to completely traverse the magnetite and underlying skarn formations. However, the aggregate footage of all holes drilled under this contract shall not exceed 5300 feet.

(c) Under the heading Estimated Cost of the Project, Fixed Unit Costs, the word "cardboard" in the second specification is deleted.

This amendment shall not be construed to increase the fixed unit cost of any item of work, the estimated total cost of the project, or any aggregate total amount which the Government may be required to contribute.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By George Turnock
Acting Director, Office of
Minerals Exploration

Lowy
App'd. as. Off.
Murphy
Talbot
Johnson

BONANZA GOLD, INC.

By Frank H. Duval

Title President

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

August 17, 1964

Memorandum

To: The File

From: Fred M. Murphy, Mining Engineer
Division of Exploration Operations

Subject: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Justification for Amendment No. 1

In preparing the contract, it was anticipated that only one drill would be used and since it was important to first explore the possible lower limit of the target magnetite deposit, the contract stipulated that the holes on the lowest line be completed prior to holes in the lines higher up on the mountain. However, two drills were moved into the project area. The first drill started Hole No. 30 in the lowest line on June 8 and the second drill started on Hole No. 17 in a higher line on June 27. Since the sequence of drilling is in accordance with the intent of the contract, this proposed amendment will allow the Government to contribute to the cost of the holes as soon as they are completed.

The Operator is using wooden core boxes instead of cardboard as specified in the contract. This amendment will allow the use of any type of core box at the original price of $1.00 each stipulated in the contract.

F M Murphy

F. M. Murphy

FMMurphy/mm
cc: Director's Reading File
Docket

8623

MME Form 51
June 1963

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Government's Copy

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME -6338	Iron Ore	14-23-090-2185	Ketchikan Recording Precinct	Alaska

It is agreed APR 7 1964 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Bonanza Gold, Inc., a Washington corporation

whose mailing address is Lobby, Paulsen Bldg., Spokane 1, Washington, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before June 1-1964 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 12 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $60,150. The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $30,075 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.-- Simple interest at the rate of 6 ½ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

See Annex I

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

See Annex I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with four copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

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

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such pruchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The Office of Minerals Exploration may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

Executed in quintuplicate the day and year first above written.

Long
Appr. Sol. Dir.

Bonanza Gold Inc
(Operator)

By Frank H. Duval

Title President

THE UNITED STATES OF AMERICA

By George Turnick

I, Estelle H. Duval, certify that I am the
(Name)

secretary of the corporation named as Operator herein; that Frank H. Duval, who signed this contract on behalf of the Operator, was then
(Name)

President of said corporation; that said contract was duly signed for
(Title)

and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

George Turnick Sol

[CORPORATE SEAL]

Murphy
Burwell
Talbut
Johnson

INT.-DUP. SEC., WASH., D.C. 31011

EXPLORATION CONTRACT
BONANZA GOLD, INC.
OME-6338

ANNEX I

The land referred to in Article 2 of the contract consists of forty-six (46) patented lode mining claims and fractions and ten (10) unpatented lode mining claims, including all rights pertaining thereto, in the Copper Mountain mining district, Prince of Wales Island, Ketchikan Recording Precinct, First Division, State of Alaska, as follows:

Patented Claims and Fractions

Patent No. 42005, Mineral Survey Number 562A, issued 10-18-05, recorded at Ketchikan, Alaska, in Volume 422, pp. 127 to 157. This patent comprises 29 claims as follows:

Jumbo No. 1	Jumbo No. 1A
Jumbo No. 1C	Jumbo No. 1B
Jumbo No. 2	Jumbo No. 2A
Jumbo No. 2B	Jumbo No. 1D
Jumbo No. 3	Jumbo No. 1E
Jumbo No. 3B	Jumbo No. 3A
Jumbo No. 4	Jumbo No. 5
Jumbo No. 6	Jumbo No. 7
Jumbo No. 8 Bryan & Petty	Jumbo No. 8 Scott
Jumbo No. 9 Scott	Jumbo No. 9 Bryan & Petty
Jumbo No. 10	Jumbo No. 11
Jumbo No. 12	Jumbo No. 13
Jumbo No. 14	Jumbo No. 15
Jumbo No. 16	Jumbo No. 17
Jumbo No. 18	

Supplementary data show a notation of record 9-21-14 at Ketchikan in F 75 and 76.

Patent No. 1203824, Mineral Survey Number 1542, recorded at Ketchikan 2-4-60, Vol. 9, Deeds, pp. 29-34. This patent was issued in lieu of Patent No. 1062428, dated March 30, 1933, which is canceled because it bore an erroneous Mineral Survey Number. This patent comprises 5 claims as follows:

Jumbo No. 46	Jumbo No. 47
Jumbo No. 48	Jumbo No. 49
Jumbo No. 50	

Patent No. 385872, issued 2-18-14, Mineral Survey Number 886, recorded at Ketchikan 9-21-14, in F 71 and 74. The claims and fractions in this patent are as follows:

El Mora	Jardine
Fraction No. 1	Fraction No. 3
Fraction No. 2	Fraction No. 4

Patent No. 1062853, issued 4-14-33, Mineral Survey Number 1545, recorded at Ketchikan 5-5-33, p. 97. The claims in this patent are as follows:

Jumbo No. 51	Jumbo No. 52
Jumbo No. 53	Jumbo No. 54
Jumbo No. 55	Jumbo No. 56

Unpatented Lode Mining Claims

The following 10 unpatented claims are recorded in the Recording Office, Ketchikan, Alaska, as follows:

Name of Claim	Book No.	Page No.
Groshen No. 1	19	171
Groshen No. 2	19	172

Groshen No. 3	19	173
Groshen No. 4	19	174
Groshen No. 5	19	175
Groshen No. 6	19	176
Groshen No. 7	19	177
Groshen No. 8	19	178
Groshen No. 9	19	179
Groshen No. 10	19	180

The Operator has rights to the claims listed in this Annex I under the terms of a Sale Agreement, dated November 1, 1963, between Eskil Anderson as the Owner and Bonanza Gold, Inc., a Washington corporation, as the Purchaser.

A Lien or Subordination Agreement executed by Eskil Anderson, covering the claims listed in this Annex I is attached hereto and made part hereof.

The outer boundaries of the claims are shown in green on the map entitled "Fig. 3, Claim Map - Jumbo Basin," attached hereto and made part hereof.

Item 2 (c) - 1

MME Form 52
June, 1961

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 – 2185
Contract Date APR 7 1964

LIEN OR SUBORDINATION AGREEMENT 1/

To the United States of America:

That certain land in the ~~County of~~ Ketchikan Mining and Recording Precinct, State of Alaska, described ~~as follows~~ 2/ in a "Sale Agreement" dated November 21, 1963 and recorded at ~~Ketchikan in Volume 19, Mining, Pages 181-189 and including~~ 46 Patented mining claims known as the Jumbo Group and Ten unpatented mining claims known as the Goshen Group, Goshen No. 1 to Goshen No. 10. Goshen Claims were staked under authority of Paragraph 14 of above "Sale Agreement".

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

Bonanza Gold, Inc. 3/

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) ~~Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same.~~ 4/

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

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

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

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated_____, and recorded in Book_____, Page____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

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

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

6. Added provisions None (State "None" or "See Annex No.____".)

Dated this 9th day of January, 19 64.

Eskil Anderson (Seal)	924 W. 22nd Ave.	(Street)
ESKIL ANDERSON	Spokane, Washington 99203	(City & State)
(Seal)		(Street)
		(City & State)
(Seal)		(Street)
		(City & State)
(Seal)		(Street)
		(City & State)
(Seal)		(Street)
		(City & State)
(Seal)		(Street)
		(City & State)

PLEASE SIGN HERE

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____
(Corporate Seal)

INT.-DUP. SEC., WASH., D.C.
95181

EXPLORATION CONTRACT
BONANZA GOLD, INC.
OME-6338

EXHIBIT A

The purpose of this project is to explore by surface diamond drilling for contact metamorphic deposits of iron, occurring in the form of magnetite, along the contacts of Paleozoic sediments and predominantly intrusive granodiorite.

General Provisions

The core from diamond drilling shall be stored in boxes identified as to hole number with markers in the core sections to indicate the depth represented. Samples of the sludge and core segments shall be stored in suitable containers properly identified as to source and location. The stored core and sludge samples shall be made available for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored core and samples.

Core showing significant magnetite shall be split and one split assayed for iron and copper. The other split shall be stored in proper sequence with the unmineralized core. No sample shall represent a hole length of greater than ten feet.

Facilities shall be provided for recovering diamond drill sludges and such sludges shall be retained when drilling in magnetite-bearing formations. Whenever individual core recovery is found to be less than 60 percent, the corresponding retained sludge and such core segments as may have been recovered shall be assayed separately and the results combined according to standard practice to represent a single sample.

In addition to the assays for iron and copper, not more than fifteen selected, representative composite samples of magnetite-bearing drill core shall be assayed for molybdenum, titanium oxide, lime, sulfur, phosphorus, insoluble, gold, and silver.

True copies of all sample assay certificates shall be submitted with the Operator's monthly report, which shall also include maps or sketches showing the work completed during the reporting period. The maps shall indicate the general rock formations and structures traversed by the drill holes; also, the location and values of the samples.

The Government will not contribute to the cost of any incomplete hole, to a hole drilled closer than 200 feet to another hole, nor to a hole within 200 feet of the exterior boundaries of the claim groups described in Annex I of this contract.

The Operator shall provide such supervisory, labor, and technical services as may be required to complete the work in a satisfactory manner.

The location and attitude of each diamond drill hole shall be subject to Government approval.

Description of the Work

The work will consist of drilling an estimated 20 holes aggregating a maximum of 5300 feet comprised of plug drilling through overburden and diamond core drilling through consolidated formations. The approximate locations and directions of 18 of the holes are shown in red on the map entitled "Fig. 1, Jumbo Mine, Prince of Wales Island, Jumbo Mountain, Alaska," attached hereto and made part hereof. In addition to the 18 holes indicated in red on Fig. 1, two additional holes may be drilled to explore favorable areas indicated by the project work.

The holes shall be drilled not less than BX wireline or AX standard core size (1-1/8" core diameter); and after traversing the limestone, skarn, and magnetite are expected to bottom in the granitic intrusive. The 18 holes shown on Fig. 1 shall be drilled at approximately a minus 45 degree angle on a bearing of approximately N. 50° E., to an estimated average depth of about 250 feet. (Holes Nos. 25 through 30 shall be completed prior to the indicated holes at higher elevations.) If necessary, holes up to 500 feet in depth may be drilled to completely traverse the magnetite and underlying skarn formations. However, the aggregate footage of all holes drilled under this contract shall not exceed 5300 feet.

Estimated Cost of the Project

Fixed Unit Costs

5300 feet drilling, overburden and AX standard or BXWL core size or larger @ $11.00/ft.	$58,300.00
500 cardboard core boxes @ $1.00/box	500.00
300 samples assayed for iron and copper @ $3.00/sample	900.00
15 composite samples assayed for molybdenum, titanium oxide, lime, sulfur, phosphorus, insolubles, gold, and silver @ $30.00/sample	450.00
Total Estimated Cost	$60,150.00
Government Participation @ 50%	$30,075.00

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 301, Executive Order 10925, March 6, 1961, as amended)

'During the performance of this contract, the contractor agrees as follows:

'(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited, to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this non-discrimination clause.

'(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

'(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

'(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, as amended, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

'(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, as amended, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

'(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, as amended, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

'(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.'"

Longyear
E. J. LONGYEAR COMPANY
General Offices, 76 South 8th St.
Minneapolis 2, Minnesota, U. S. A.
TELEPHONE: FEDERAL 9-7631 • CABLE LONGCO

January 15, 1964

2/10/63

Mr. Eskil Anderson
Bonanza Gold, Inc.
Lobby - Paulsen Building
Spokane, Washington

Dear Mr. Anderson:

Enclosed is our proposal covering your contemplated drilling project in Alaska.

Based on information furnished by you, we estimate but do not guarantee that the work, as planned to be carried out during the months of May through October, would cost approximately $8.50 to $10.00 per foot. This price would not cover certain customer-paid expenses such as setting up and maintaining a camp; transportation costs for moving equipment from Port of Entry in Alaska to the jobsite and return; and costs incurred during the life of the project in transporting the equipment and personnel to and from the jobsite.

There are any number of unknowns on a project such as this, and we have necessarily based our cost estimate on the information furnished in your letter.

We would propose to perform the contemplated work under a cost-rental type contract in which the customer would pay all costs of the work, plus a rental charge for the equipment and compensation for footage drilled. Under this type of agreement, it is necessary for the contractor to produce footage in order to earn a profit. We feel that this is a much more equitable type of working agreement than a cost-plus or other similar contracts in which the contractor earns a profit even when footage is not produced. We have employed this type of contract on many projects where insufficient information is available before commencement of operations to permit us to prepare an intelligent unit price type bid.

If our proposal is accepted, we would be prepared to commence operations on or before June 1, 1964, weather and ground conditions permitting. We appreciate the opportunity to quote on this work, and trust that you will accept our proposal.

Sincerely,
E. J. LONGYEAR COMPANY

Allen P. Wicklund

Contract Service Engineer

A.P.Wicklund:bal

Enc. - w/photographs (3)

Goodyear

G. J. GOODYEAR COMPANY
General Offices
Minneapolis 2, Minnesota, U. S. A.
Telephone, [illegible]

November 25, 1963

Mr. Neil Anderson
Pacific Power Mining Company
[illegible] Central Building
Seattle, Washington 98[illegible]

Dear Mr. Anderson:

Thank you very much for your letter of November 15, in connection [illegible] proposed exploratory drilling program on Prince of Wales Island.

We would welcome the opportunity to carry out this work for you. [illegible] Without commenting at present on our bid, we should like to have some [illegible] information on the work you have in mind. We would appreciate it [illegible] would complete the applicable parts of the enclosed questionnaire [illegible] were it to be at your earliest convenience.

In addition to the information supplied on the questionnaire, we would [illegible] like to have background data as possible on the following points:

1. Tractor service - will a tractor be required for preparing access roads, drill sites, moving or moving the equipment from one drill hole location to another? If so, do you propose to supply this service, or will this be the Contractor's responsibility? If the latter, is such equipment available locally on a rental basis? If so, what are the prevailing rental charges, with and without operators?

2. Camp - [illegible] living accommodations available locally for drill personnel? Or will it be necessary to set up a camp for our personnel on the site? If the latter, do you propose to furnish the facilities, or will it be the Contractor's responsibility?

3. Transportation Equipment - Do you propose to furnish crew truck and [illegible] or will the Contractor's personnel, if such is required, do this? Is this the Contractor's responsibility? If so, are trucks available on a rental basis locally, and what are the prevailing rental charges for such equipment?

Mr. Dougan has told us about the very pleasant visit which he had and [illegible] a few weeks ago. We appreciate [illegible] hospitality. We look forward to your and Mrs. Anderson's [illegible]

[illegible] your interest in our service, and shall look forward [illegible]

[illegible]

Company Name Bonanza Gold, Inc.

Address Lobby, Paulsen Bldg.
Spokane 1, Washington

INFORMATION SHEET

Answers to the following questions will greatly assist us in completing the information recently requested. We ask that you reply as fully as possible so that the most appropriate recommendations can be made. Any information you supply us will be kept strictly confidential.

E. J. LONGYEAR COMPANY

1. Definite location of the work: Jumbo Basin, Prince of Wales Island. On claims Jumbo 1B, 2B, 1C, 1A and on Goshen No. 1; all shown on enclosed maps.
2. Elevation of the drill site: Between 500' and 1300'
3. Nature of terrain: (Flat, hilly, mountainous) Head of basin at about 700'. Abrupt slopes upward from there.
4. Is the location of the work accessible by roadway: No
5. What minerals or materials are to be prospected: Magnetite. Cu, Au, Ag, Mo.
6. What rocks will probably be encountered in drilling: (in sequence from surface to bottom) Limestone and skarn, magnetite, granite. There may be some schist above the limestone in certain areas.
7. Is the formation solid or broken: Solid. Old workings not caved.
8. Give the approximate depths at which unconformities occur: Expect to drill from 200 to 300 feet deep to go through limestone shell into granite.
9. Is the work to be accomplished from the surface or underground: Surface.

10a. If underground state:

(a) Depth of proposed drilling: ..... Number of holes: .....

(b) Dimensions of working space: .....

(c) Type of power available:

Compressed air ..... (Pressure) ..... (Volume/minute)

Electricity ..... (AC or DC) ..... (Voltage) ..... (Phase) ..... (Cycle)

10b. If on surface state:

(a) Depth of proposed drilling: Average 200-300 feet Number of holes: 30

(b) Depth and character of overburden material: Thin soil where any is present.

(c) Depth to water table: Rainfall 180" a year

(d) Type of power available:

Compressed air ..... (Pressure) ..... (Volume/minute)

Electricity ..... (AC or DC) ..... (Voltage) ..... (Phase) ..... (Cycle)

(e) Type of power desired: Gasoline ..... Air ..... Electric ..... Diesel .....

11. Type of swivel head desired: Screw feed ..... Hydraulic ..... Length of feed: .....
12. Is core recovery essential: Yes. Sludge at 5' intervals.
13. Size of core desired: BX ; or size of hole desired: .....
14. Number of drills desired on the exploration: Enough to complete drilling within 6 months. Perhaps
15. Are holes to be vertical or angle: 30° to 60°. If angle, state degree of angle from horizontal .....
16. Is casing or cementing likely to be required: .....
17. Nature of water supply: Wells ..... Spring ..... Stream ✓ Pond or lake .....
Mine shaft or tunnel ..... City water supply ..... Or .....
18. Minimum distance and maximum lift from water supply to any drill hole location: Several hundred feet - probably without pumping.
19. When do you wish the work to begin: Probably early May 1964.
20. If previous drilling has been done in this area, please supply information relating to the number of hole size reductions which were neccessary, amount of reaming required, and other pertinent data:
Tyee Smelting Company drilled in 1907 for copper in magnetite bodies. Several hundred feet drilled. No information available

E. J. Longyear Company is prepared to furnish geological and engineering service for preliminary geological examination. This includes selection of drill sites, supervision of sampling and drilling, certification of sampling results, final report and tonnage estimates. If you are interested in all or part of this service, write for information and terms.

USE THE REVERSE SIDE OF THIS INFORMATION SHEET FOR ADDITIONAL REMARKS

7/60

Longyear

E. J. LONGYEAR COMPANY
General Offices, 76 South 8th St.
Minneapolis 2, Minnesota, U. S. A.
TELEPHONE: FEDERAL 9-7631 • CABLE LONGCO

January 15, 1964

Bonanza Gold, Inc.
Lobby - Paulsen Building
Spokane 1, Washington

Attention Mr. Eskil Anderson

EXPLORATION DRILLING PROGRAM - PRINCE OF WALES ISLAND, ALASKA

Gentlemen:

In response to your recent request we are pleased to set forth below, for your consideration, our proposal to undertake an exploratory drilling program contemplated by you to be carried out ~~in~~ on your Jumbo claims 1B, 2B, 1C, 1A, and on your Goshen No. 1 claim 40 miles west of Ketchikan on the Prince of Wales Islands.

We understand that the program as now planned will consist of drilling approximately thirty angle holes to depths ranging from 200 to 300 feet, for a minimum aggregate footage of 5,000 feet. Angles holes will be steeper than 45 degrees, as measured from the horizontal. We further understand that the material to be penetrated consists of 0 to 50 feet of overburden underlain by varying amounts of schist, limestone and granite, respectively; that a minimum of BX-size core is desired; that drill sites are on steep and rocky hillsides where access is difficult; and that water is available within a maximum of 300 feet with a maximum lift of 200 feet from any proposed drill site.

1. Work to be done by Longyear: E. J. Longyear Company (hereinafter referred to as "Longyear") proposes, and upon acceptance by you of this proposal, agrees:

a) To furnish one complete Longyear gasoline-powered Junior or Model #34 drill, together with diamond bits, reaming shells and miscellaneous supplies and spare parts, as required to recover cores to a maximum depth of 300 feet.

b) To furnish one drill foreman to supervise and direct the drilling operation, and one experienced diamond drill operator.

c) To arrange for transportation of above-mentioned foreman and driller from point of residence in the United States or Canada to Ketchikan, Prince of Wales Island, Alaska.

d) To ship the diamond core drill from Poplar, Wisconsin, to point of embarkation for ocean freight to Prince of Wales Island, said point of embarkation to be designated by you.

e) To proceed with said equipment and personnel to drilling locations designated by your engineer at the location in Prince of Wales Island referred to above; and to undertake there diamond drilling operations to secure drill cores, and to include reaming where deemed necessary by Longyear. Drill cores will be delivered to your representative as requested, and in containers to be furnished by you.* The drill outfit will be shipped upon notice from you as to point and time of ocean shipment, and personnel will be sent to Ketchikan. scheduled to arrive concurrently as practicable with arrival of the drill.

(*unless otherwise requested.)

2. Time of Commencement and Completion: The work will commence promptly after arrival of said personnel and equipment at the location for the work, and the drilling operations will continue without substantial interruption, except as hereinafter provided, until completion of the drilling program at said location as required by your Company. The work will be carried on a minimum of 2 eight hour shifts per day, six days per week; overtime beyond eight hours per day and Sunday work may be called for when necessary. ~~subject to any restrictions imposed by the laws of~~

3. Insurance: Longyear will carry the following insurance covering its operations under this agreement:

a) Public liability insuring Longyear and its personnel against liability for personal injury and property damage sustained by others, in such amounts as Longyear customarily deems sufficient.

b) Workman's Compensation insurance covering its personnel furnished to perform this agreement under the Workmen's Compensation Act of the State of Minnesota

c) All risk insurance on drilling equipment protecting it against loss by fire, theft, flood, and landslides, and other similar hazards, including marine insurance while the equipment is in transit.

d) Life and accident insurance covering personnel while in travel status in such amounts as are customarily secured by Longyear for this purpose.

~~e) Any other insurance required by the applicable laws of the the United States, or any state thereof.~~

4. Facilities and Services to be Furnished by you: It is to be understood and agreed that, at no expense to Longyear, you will:

a) Arrange for cargo ship space, and provide for the transportation of the Longyear drill outfit from delivery to you at the point of embarkation in the United States to Ketchikan, Prince of Wales Island and from Ketchikan to the scene of the work, and for return from the drilling location to port of entry in the United States, and arrange for forwarding from that point to destination in the United States as directed by Longyear, and will also provide for transportation for the drill from and to each of the respective drill sites within the area of the location of the drilling.

b) Provide for air shipments of diamond bits, and small miscellaneous repair parts and supplies, as required, from port of embarkation in the United States to the scene of the work, and return shipment of unused or salvaged items thereof to a point in the United States as directed by Longyear. Such shipments will be expedited to avoid interruptions in the work.

c) Provide for suitable transportation for the Longyear personnel from living quarters to drill site, from day to day, at the work location.

d) ~~Arrange for and secure all necessary customs permits, and other requirements, and pay all duties and fees in connection with the entry of Longyear equipment into the foreign country where the work is to be done.~~

e) Provide suitable meals, potable water, and suitable living accommodations for Longyear personnel during the whole time they are required to be at the site of the work in performance of the agreement, and during such periods of interruption, and during such reasonable time after completion of the work as may be necessary to arrange for their return transportation.

f) Employ and make available to Longyear personnel such number of drill helpers and laborers as shall be required to accomplish the work to be done by Longyear under this agreement, it being understood that these helpers and laborers will fully co-operate with the Longyear personnel in carrying on the work under direction of your overseer, but will be your employees and not employees of Longyear.

g) Provide all roads and trails required for access to drill sites by Longyear personnel and equipment, and provide all necessary leveling of drill sites, and provide in this connection bulldozer and other service equipment, together with operator and laborers, required to accomplish the work. Such roads, trails, and drill sites will be furnished in ample time in anticipation of the requirements of Longyear personnel in operating the drill equipment.

h) You will provide liability insurance covering your Company and Longyear also, for liability imposed on account of the activities of your employees working under direction of Longyear personnel for personal injury and property damage in such amounts as your customarily deem sufficient for your similar operations.

i) Furnish Water Required for Drilling Operations: It is our understanding that water is available within several hundred feet of all drill locations. Longyear will furnish a pump and 300 feet of waterline to carry out drilling activities as required, and will include these costs as part of their cost-rental proposal. However, if additional waterline in excess of 300 feet is required, it is to be supplied by you.

j) Provide receptacles for drill cores delivered to you, unless it shall be subsequently agreed that such receptacles be furnished by Longyear at your expense.

5. Compensation and reimbursement to Longyear: In consideration of the services to be performed by Longyear personnel and use of Longyear equipment furnished you, pursuant to this agreement you will pay to Longyear in United States dollars a sum which will aggregate the items to be determined as follows:

a) A sum to be computed on the basis of footage of drilling and reaming as follows:

1) For overburden and diamond core drilling -

0 to 500 feet in depth, measured from the collar of the hole.....$ 1.00 per foot

~~500 to 1000 feet in depth, measured as above.....$ per foot~~

2) For reaming -
0 to 500 feet in depth, measured from the collar of the hole.....$ 0.60 per foot

~~500 to 1000 feet in depth, measured as above.....$ per foot~~

b) Also, the sum of $900.00 per month for single shift operation; $1,100.00 per month for two-shift operation; ~~and $ per month for three shift operation;~~ commencing as of the date the drill outfit(~~s~~) arrive(s) at the site of the work in Ketchikan, Prince of Wales Island , and continuing during the whole period said outfit(~~s~~) remain(s) at the site of the work available for service under this agreement. Also the sum of $500.00 per month covering the period during which the said drill outfit(~~s~~) is (~~are~~) in transit from Poplar, Wisconin to the site of the work in Ketchikan, PWI and the period during which said outfit(~~s~~) is (~~are~~) in transit and waiting shipment following completion of the work to the Longyear warehouse at Poplar, Wisconsin . If you desire to terminate the work but have the drill outfit(~~s~~) immobilized in Ketchikan, PWI for further prospective work, a standby rental charge will be paid on the basis of $500.00 per month during the period of immobilization. In computation of the foregoing monthly charges, periods of less than a calendar month shall be allocated on a per diem basis. The aggregate amount to be paid under this subparagraph shall not be less than $6,000.00 .

c) In addition to the sums to be paid as specified above, you will reimburse Longyear for all its expenses incurred by it in connection with the work to be done under this agreement as follows:

1) All wages and accrued vacation pay of Longyear personnel and replacements thereof as required, furnished by Longyear for the purpose of performing this agreement. Such wages and accrued vacation pay shall be determined on the basis of the customary rates deemed necessary by Longyear to secure competent personnel for the work to be done under this contract. The period during which such wages will be reimbursable will commence from the time the employees are directed to proceed from their point of residence, or other point of availability, including such reasonable time as necessary for preparation for their overseas service, and their actual transportation to the site of the work, and the full time of their employment at the scene of the work, and the period for return transportation by most direct practicable route from the site of the work to the point of residence in the United States. Overtime beyond eight hours per day, and Sunday and holiday work, shall be paid for in addition to the established monthly salaries ~~if required by local laws or custom.~~

2) All transportation expense for Longyear personnel assigned to the work from point of residence in the United States to the site of the work and return, including the cost of tickets, taxes imposed thereon, necessary rental of vehicles and customary allowances for gratuities and travel expenses.

3) Transportation costs incurred by Longyear for all drilling outfits and equipment, including freight expense, trucking, assembling, and crating charges.

4) All fees, ~~imposts, customs and duties~~ necessarily or properly paid by Longyear on account of entry of Longyear equipment and personnel into, and maintenance in Ketchikan, PWI and return to Poplar, Wisconsin ~~the United States, all costs necessarily incurred by Longyear for incorporation or qualification as a foreign corporation in in order to perform the work under this agreement, taxes of every nature payable by Longyear, or its personnel serving under this agreement in , and payments required to be made by the laws of which are measured by wages paid to said Longyear personnel or payments received hereunder by Longyear,~~ except taxes which may be levied upon or against the net income of Longyear.

5) The cost of all supplies, repairs, replacements, fuel, and oil, used in performing the work and a sum equal to Longyear's currently listed retail prices of bortz, bortz bits and bortz reaming shells, less credit received from salvaged stones, and a sum equal to Longyear's currently listed retail prices of carboloy, roller bits and other special type bits or equipment required and used in performing the work.

6) All premiums on insurance carried by Longyear as outlined in paragraph 3 above.

7) The current Longyear listed retail price for any rods or casing which may be lost in holes or discarded on account of damages due to causes other than ordinary wear and tear.

8) Telephone tolls and telegraph charges.

9) The cost of any items necessarily paid or advanced by Longyear in performance of this agreement, or payment for any items by Longyear which is requested by you, and which items are to be furnished by you at your expense under paragraph 4 above.

10) Any other out-of-pocket expense necessarily incurred in the performance of this agreement, not classified by Longyear's usual accounting methods as overhead.

6. Terms of Payment and Statements: Payment of the foregoing items due to Longyear shall be payable in United States funds payable at par in Minneapolis, Minnesota. The price for all bortz, bortz bits and bortz reaming shells shall be due and payable in advance of shipment thereof. Statements will be rendered by Longyear to you once during each thirty day period covering all other items in such detail and with such supporting data as you request. Such statements shall be considered as provisional and will list all items incurred during the previous thirty day period insofar as available, but it is understood that, inasmuch as reports from the scene of the work may be delayed on account of the remote location of the job, monthly statements will not be construed as including all items accrued to the date thereof. Sums payable as billed will be due twenty days after receipt of statements.

7. Conditions: It is to be understood and agreed that the services to be performed by Longyear as herein proposed will be furnished to you subject to the following conditions:

a) It is represented by you that you will have full right and authority to authorize Longyear to enter upon the premises where drilling is to be performed under this agreement and that Longyear representatives, together with the drill outfit and other equipment, are to be authorized to enter upon said premises and to conduct drilling operations and remove drill cores therefrom for delivery to you. It is to be understood and agreed that you will indemnify and save Longyear, its officers, and employees harmless from any claims asserted against it or any of them by the owner of any interest in said premises, or any Governmental authority, for alleged unauthorized entry, trespass, or operations under this agreement upon said premises, and that you will reimburse Longyear, and its officers and employees for the full cost of defense of any such claims or litigation in connection therewith and judgement or settlement on account thereof.

8. Termination:

a) Longyear shall be entitled to terminate the work to be performed under this agreement if prevented from continuing on account of war hostilities, riots, ~~civil insurrection~~, or interference by Governmental authority or other conditions beyond its control, so as to effectually prevent performance of this agreement by Longyear. Upon the happening of any such events Longyear shall be entitled, on notice in writing to you, to promptly proceed to arrange for return of its personnel and property, the expense of which shall be reimbursable under this agreement on the same basis as if the work had been completed. Longyear shall also be entitled to terminate this

agreement unless you shall have requested shipment of the drill outfit within thirty days from date of your acceptance of this proposal.

b) This agreement may be terminated by you at any time upon notice in writing to Longyear at its office in Minneapolis, Minnesota, provided that in the event of such termination, if Longyear has not been in substantial default prior thereto, in addition to sums accrued prior to termination, Longyear shall be entitled to payment of a minimum under paragraph 5 b) above of the sum of $6,000.00 less payments made previous to termination under said paragraph, and Longyear shall be entitled to reimbursement of items of cost under paragraph 5 c) necessarily or properly incurred in connection with winding up the work and the return of personnel and equipment; and you will provide and furnish at your expense, all items under paragraph 4 necessary or proper in connection with winding up and return of Longyear equipment and personnel.

9. Acceptance: This proposal will serve as the agreement for the performance of the services and the furnishing of the equipment as described above if accepted by you and returned to Longyear at its Minneapolis office within 30 days from date hereof, provided that Bonanza Gold, Inc. can furnish satisfactory evidence of ability to pay for all work completed under this agreement or Bonanza Gold, Inc. agrees to place in escrow a copy of this agreement with a mutually acceptable bank together with sufficient funds to cover cost of drilling under this agreement. The invoices submitted each month by Longyear would be paid from these escrow funds after presentation to your official in charge of the operations and his approval obtained.

Sincerely,

E. J. LONGYEAR COMPANY

By _____

~~Manager~~ Vice President
Contract Drilling Division

M.J.Gleason:bal

The above proposal is hereby accepted, and E. J. Longyear Company is authorized to proceed with the work described above upon the terms and conditions of said proposal.

BONANZA GOLD, INC.

By: _____

Dated _____ 1964

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
January 14, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 18 1964

DATE	INITIALS	CODE

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: Transmittal of OME application
Bonanza Gold, Inc.
Jumbo Basin Property
Prince of Wales Island
Ketchikan Precinct, Alaska

Enclosed is an application from Bonanza Gold, Inc., for OME aid to explore magnetite deposits on Prince of Wales Island, Ketchikan Precinct, Alaska.

The applicant acquired his right to 40 Jumbo Claims and Fraction No. 1, No. 2, No. 3, and No. 4, El Mora, and Jardine Claims by a Sale Agreement dated November 21, 1963. Paragraph 14 of the Sale Agreement obligates the applicant to stake in the name of the Owner (Anderson) and obligates the Owner to include under terms of the Sale Agreement "any claim found necessary, etc." In accordance with this requirement the applicant has staked and recorded in the Owner's name 10 Goshen Claims.

According to Anderson, the ground included within the Goshen Claims was originally staked by former Governor Sulzer as Jumbo 36-45, inclusive, but patent of these claims was denied by the Bureau of Land Management. Sulzer subsequently restaked the ground as Goshen 1-10, had the claims resurveyed, and reapplied for patent. Due to reportedly strong opposition from the Forest Service, the application was held pending until 5 years after Sulzer's death and was finally denied in part because there appeared to be no discovery on some of the claims and because some of the additional data requested to support the patent application was not presented or was considered unacceptable on technical grounds. Anderson says that the document covering his purchase of the Jumbo Claims includes any adjacent ground owned by the seller, but to be safe, the applicant restaked the Goshen Claims in Anderson's name as mentioned above.

Anderson has a complete record including various mineral survey plats, documents, and correspondence if it is required but is not

submitting it now as it constitutes quite a bulk. He will submit it if it is deemed necessary.

D. R. MacLaren

D. R. MacLaren

Enclosures

OME Form 40
July 1962

RECEIVED
JAN 8 1964

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

RECEIVED JAN 15 1964

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1963

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85-701 (72 Stat. 700; 30 U.S.C. 641)

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*

BONANZA GOLD, INC.
Lobby, Paulsen Bldg.
Spokane 1, Washington

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6338

DATE RECEIVED 1-16-64

REGION I

DIVISION CODE 500

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [X]
- PARTNERSHIP [ ]
- OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED Washington

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Frank H. Duval	E. 15 Walton Ave. Spokane, Washington	President
Terence Gill	Port Alsworth, Alaska	Vice-President
Mrs. Estelle Hope Duval	E. 15 Walton Ave. Spokane, Washington	Secy.-Treas.

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
~~Minerals~~ Iron ore; by products Au Ag Cu Mo

ESTIMATED COST OF PROJECT
$ $89,829.20

PROPERTY NAME: Jumbo Basin

LOCATION COUNTY STATE: Prince of Wales Island, Ketchikan Precinct, Alaska

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME Field Office.*

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, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

Jan. 8, 1964
DATED

Frank H. Duval
BY *(Signature)*

President
TITLE

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. Physical Description:

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves, giving quantities and grades and sampling methods used. Support your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *land boundaries* or to the closest identifiable corner.

(b) If an access road must be built, show the proposed location on the property map and state the length, type and construction methods proposed.

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. (*Note*—If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant which will be used in the exploration work.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration work, stating specifications and cost including labor, materials, and supervision.

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(e). Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories. [*Note*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

T.-DUP. SEC., WASH., D.C.11879

BONANZA GOLD, INC.
Lobby, Paulsen Building
Spokane 1, Washington

APPLICATION TO OME

Jumbo Basin, Southeastern Alaska

Attached Page 1

Item 1

(a) Attached. Two letters to and from banks

(b) None

(c) From funds now in bank. Grandview Mines of Spokane, Washington may participate in venture by aiding in financing.

Item 2

(a) Bonanza Gold, Inc. holds by option 46 patented mining claims called the Jumbo Group, and 13 called the Hetta Group which are several miles away and are not affected by the proposed work. The Goshen Group of ten unpatented mining claims are also included under the terms of the option. The 46 Jumbo claims and 10 Goshen claims form one group in Jumbo Basin and would be subject to terms of an OME contract. A copy of the option or sale agreement is attached as Item 2 (a) - 1.

There are no encumbrances on the land.

(b) Legal descriptions of all the patented claims are contained in Item 2 (a) - 1. The unpatented Goshen claims number one through ten are shown on U. S. Bureau of Mines Map #3, one of the enclosed set of U. S. Bureau of Mines maps #1 to #10, Item 2 (b) - 1. The Hetta Group of 13 patented claims not subject to Government liens and royalty is several miles to the south as shown on the enclosed 1" = 1/4 mile topographic and claim map, Item 2 (b) - 2.

The book and page number for each recorded location notice of the ten unpatented Goshen group claims follows:

not patentable to date

Ketchikan Alaska Recording Office

	Book No.	Page No.
Goshen No. 1	19	171
2	19	172
3	19	173
4	19	174
5	19	175
6	19	176
7	19	177
8	19	178
9	19	179
10	19	180

BONANZA GOLD, INC.
Lobby, Paulsen Building
Spokane 1, Washington

JUMBO BASIN OME APPLICATION

Attached Page 2

Item 2 (c)

Attached: Item 2 (c) - 1

Item 3

(a) On the fifty six claims in Jumbo Basin there are a number of magnetite outcrops in the west central part of the block, especially on Jumbo No. 1,2,3,1A, 1B, and 8. These claims were prospected by about 1,000 feet of short tunnels before 1910 in the search for shipping grade copper ores which at that time were ores containing more than 4% copper.

Several thousand feet of tunnel were driven on higher grade copper deposits in the east side of the block of claims on Jumbo No. 4 and No. 14 claims. This work was done during production there from replacement deposits of chalcopyrite in limestone and skarn along a granite contact.

U. S. G. S. Professional Paper 251, Mineral Deposits of Jumbo Basin, and U. S. B. M. RI 3952, Exploration of the Jumbo Basin Iron Deposit, contain detailed descriptions and maps of work done on the larger magnetite outcrops.

U. S. G. S. Professional Paper 251 contains references to most other published material on the Jumbo Basin Deposit.

U. S. G. S. P.P. 87, Ore Deposits of Copper Mountain and Kasaan Peninsula, contains detailed descriptions, maps and photographs of the deposits with a summary description of the Jumbo Group on Pages 58 thru 61.

U. S. G. S. Bulletin 1082-C, Iron Ore Resources of the United States, 1955, summarizes Jumbo Basin iron occurrences as follows:

> "The principal lens (of magnetite) is 300 feet long and as much as 60 feet thick and extends for more than 400 feet at an inclination of 60°. A few much smaller lenses are present."

BONANZA GOLD, INC.
Lobby, Paulsen Building
Spokane 1, Washington

JUMBO BASIN OME APPLICATION

Attached Page 3

Item 3 (contd.)

(b) None

(c) The Jumbo Mine produced over 5,000 tons of copper containing 7,076 ounces of gold and 87,778 ounces of silver from Jumbo No. 4 and 14 claims. Details of this production are given on Page 4 of U. S. G. S. P.P. 251.

Settlement sheets for ore shipped to the Tacoma smelter of the American Smelting and Refining Company between 1907 and 1914 are enclosed as Item 3 (c) - 1 giving somewhat more detail for those years with 1% copper deducted by the smelter from all assays.

No attempt at production of ores containing less than 4% copper was made. All of the magnetite occurrences remain unmined and undeveloped except for short exploratory tunnels and 700 feet of diamond drilling reportedly done in 1907 during a search for copper ores. No records of this drilling have been found although a diligent search was made for them.

X (d) See pages 38, 39, and 40 U. S. G. S. Professional Paper 251; and page 7 of U. S. Bureau of Mines Report of Information 3952.

(e) See U. S. G. S. Professional Paper 87 and 251, and U. S. Bureau of
X Mines R. I. 3952.

P.P. 87, pages 44 - 46; 53 - 56; 58 - 61; Plates II, III, IV, V.

P.P. 251, pages 1, 38-40; plates I to 9.

U. S. B. M. R. I. 3952, pages 2,4,5; figures 1 to 10, original scale maps, described in Item 2 (b)

(f) Within a distance of 4000 feet northwest from the Jumbo copper mine, nine outcrops of magnetite ore, remaining as erosional remnants of contact mineralization in steeply dipping limestone and skarn lying on granite, have been mapped and sampled by the U. S. Geological Survey and the U. S. Bureau of Mines. The weighted average for outcrops sampled was 45.2% iron, 0.73% copper, 0.01 ounces of gold, and 0.8 ounces silver. One large outcrop called the
100X100 "Magnetite Cliff" has a 10,000 square foot exposed surface of high grade magnetite ore at about 1500 to 1700' elevation. Its downward projection has been crosscut at an elevation of 750 feet by a 240 foot tunnel which exposed 100 feet of low grade magnetite at this level (U. S. G. S. P.P. 87, page 60, paragraph 3). U. S. G. S. P.P. 251 in "Suggestions for Prospecting" outlines various prospecting procedures.

BONANZA GOLD, INC.
Lobby, Paulsen Building
Spokane 1, Washington

JUMBO BASIN OME APPLICATION

Attached Page 4.

The granite-limestone contact zone that hosts these ore bodies dips slightly more steeply than the terrain, but remains near enough the surface to permit extensive prospecting with shallow drill holes.

The area here proposed for further exploration is beyond and down dip from the presently sampled outcrops described in Item 3 - (d) and 3 - (e), is covered by country rock and some light overburden, and can only be sampled effectively by diamond drilling.

In October, 1963, a magnetometer survey of the covered area immediately down slope from the known magnetite bodies in Jumbo Basin was made by Walter L. Gonnason of Everett, Washington. His report is enclosed as Item 3 f - (a). The accompanying map Item 3 f (b) is a map of the magnetometer survey and proposed drilling and Item 3 f - (c) is a profile of both. In "Conclusions" of that report on Page 4 results of the magnetic work are summarized and in "Recommendations" on Page 5 are his proposals for future exploration.

(g) Keep all material submitted.

Item 4

(a) Location and accessibility are given on Page 2 of U. S. B. M. Report of Information 3952. Quickest access is now by bush airlines from Ketchikan. The name and address of person who could meet an OME representative will be furnished as soon as it is known when an examination is to be made.

(b) Ketchikan, the closest supply point, is 40 miles east by air or 120 miles by water. Seattle is the next closest supply point. It is 660 miles to the southeast. Hydaburg, an Indian village with a store, is 10 miles to the west. (See pages 4 and 5, U. S. B. M. R.I. 3952)

Item 5

(a) The proposed exploration work consists of 32 diamond drill holes recovering BX wire line core. These holes are expected to average about 250 feet in length and to be drilled at -45° and approximately N. 50°E. They are plotted on the Magnetometer Survey map Item 3 f (b) and on Magnetometer Profile Item 3 f - (c). The holes are expected to be drilled through limestone, skarn, and magnetite and to bottom in granite. Where visible the bedrock consists mainly of limestone, skarn, or schist. Two narrow tongues of granite are believed to extend into the drilling area.

BONANZA GOLD, INC.
Lobby, Paulsen Building
Spokane 1, Washington

JUMBO BASIN OME APPLICATION

Attached Page 5.

Item 5 (a) contd.

The magnetite cliffs and granite-limestone contact area extend in a northwesterly direction through claims Jumbo 2B, 1 B, and 1A. All of the drilling will be done below and southwest of this contact zone and the holes will in general be collared in limestone or skarn. Known bedrock is shown where recognized at magnetometer stations.

Drill Noles No. 1 to No. 12 are located to explore downward extensions of known magnetite outcrops. They are located on about a 200 foot grid and are expected to be about at right angles to the structures. They will be about 200 feet apart on strike and 250 feet apart down dip.

Holes 13 to 30 are located to explore the large magnetic anomaly described in the magnetometer survey report and the magnetite occurrences described in U. S. G. S. P. P. 87. as existing in the tunnel at 750 elevation which contains 100 feet of lower grade magnetite. Some of these holes are collared at somewhat larger distances apart to make allowance for the flattening in surface slope and the more exploratory nature of the drilling.

D D Holes No. 31 and 32 would be drilled on the magnetic high in the northwest part of the magnetic map area to find out if another magnetite body exists there as is suggested by the geology and the magnetometer results.

Because of the high mobilization costs and relatively poor communication from the district the operator requires considerable leeway on the job in location of holes. If unexpected bedrock or other conditions are encountered which make it advisable to alter drilling plans operator would have to adjust drilling plans immediately to take advantage of the newly disclosed conditions. For example, if after a number of holes had been drilled on the large lower magnetic anomaly without favorable results, and if a magnetite lens in D. D. holes 1 to 12 had not yet been fully outlined, operator might find it more productive of valuable information to drill to the northwest or in some other direction as indications would justify. High mobilization and other fixed costs make it essential that a substantial footage be completed to hold the per foot costs down; that a maximum amount of information per dollar expended be obtained from this first diamond drilling venture on an old property; and that drilling not be halted before a maximum agreed to contract footage has been drilled, or a positive and conclusive results obtained with less.

(b) No road building.

(c) Hope to begin work in April, 1964 and to complete drilling by October, 1964. Would expect completion of more than 1000 feet of diamond drilling per month per drill.

BONANZA GOLD, INC.
Lobby, Paulsen Building
Spokane 1, Washington

APPLICATION TO OME

Jumbo Basin, Southeastern Alaska

Attached Page 6

Item 6

Bonanza Gold, Inc. is a company organized to explore a placer gold deposit and the Jumbo iron deposits. Officers and directors of the company have been engaged in various aspects of the mining business for many years. The work will be under the supervision of Eskil Anderson and Walter L. Gonnason. Both are graduates from the University of Alaska in Geological Engineering and have been in the mining business for ten to more than 20 years.

Item 7

The total of detailed cost estimates is $81,339.20 for contract drilling 8000 feet. $8490.00 for all other categories for an overall cost of $89,829.20. To save costs for all concerned Bonanza would prefer an overall unit cost contract of $11.00 a foot. For the past six years drilling costs on similar deposits in the area have averaged $14.00 per foot.

(a) Bids from independent contractors for diamond drilling are enclosed as Items 7 a - (1) and 7 a - (2).

The total cost of the diamond drilling done under the most favorable bid received will be $81,339.20, as shown below:

1. Mobilization and demobilization $6,000.00

2. Dragging two drills and equipment from beach to drill area and return.
   10 -8 hr. days for 2 - 2 man crews @ $12.60 per 2 man crew or $201.60 per day 2,016.00

   If satisfactory helicopter service can be obtained, about 12 hours of helicopter support at $125.00 per hour and 3 - 2 man crew days would be required, or $1500 plus $604.80, or $2104.80. This method of moving drill will be used if time or crew morale requires it.

3. Moving from hole to hole, 2 single crew shifts for each move at $12.60 per hour or $201.60 per move for 32 moves 6,451.20
   30 " = ± 1.00/ft

4. Casing through overburden. No estimate bad ranges 10/ft.

5. Diamond drilling not to exceed 8,000 feet in approximately 32 holes with BX wireline, or larger, bits, at $7.90 per foot 63,200.00

BONANZA GOLD, INC.
Lobby, Paulsen Building
Spokane 1, Washington

APPLICATION TO OME

Jumbo Basin, Southeastern Alaska

Attached Page 7

Item 7 (a) contd.

6. Reaming for casing at $3.60 per foot. Estimated 10 feet per hole. 320 feet at $3.60 per foot — $1,152.00

7. Cementing. Estimated 25 hours per 1000 feet. 200 hours at $12.60 per hour. Cement cost - no estimate — 2,520.00

Total contract drilling costs — $81,339.20

(b)

Supervision and consultants, map and report preparation at close of project. 1 month @ $1200.00. Transportation 2 round trips, one at beginning and one near end of work at $300 each, Spokane to Jumbo Basin and return — 1,800.00

Engineering and geological services; locating drill sites, surveying, logging, sampling, geological mapping. 4 months $850 per month, plus board and lodging at $10 per day, and transportation to and from site at $300 — 4,900.00

on a tent?

Total supervision, engineering, geological services, etc. — $ 6,700.00

(c) No estimate

(d) No estimate

(e) None

(f) No estimate

(g) Analytical work including freight costs to assay office and ore sacks.
200 samples assayed for iron, insoluble, copper, gold and silver at $7.00 each. — $1,400.00

Fifteen composite samples assayed for above plus molybdenum, titanium oxide, lime, sulphur and phosphorous at $26.00 — 390.00

$ 1,790.00

No estimate for ore sacks, accounting, or for workmen's compensation, employees' liability insurance or payroll taxes. These costs would not be substantial with drilling done on contract and the OME contract on a simple unit cost basis.

GARLAND AVENUE BRANCH

THE OLD NATIONAL BANK

OF SPOKANE

Item 1 (a)

W. 902 Garland Avenue
Spokane 18, Washington

November 19, 1963

Bonanza Gold, Inc.
E. 15 Walton Avenue
Spokane, Washington

Attention: Frank H. Duval

Dear Sir:

We have your request for a credit extension in the amount of $75,000 for drilling and developing an iron ore deposit known as the "Jumbo Basin" iron deposit situated in the Ketchikan Mining District of Alaska.

This application has been given consideration by our loan committee and it is with regret that I must report that it did not meet with the committee approval.

May I express the appreciation of our bank for giving us consideration in presenting the application.

Yours very truly,

Roy Ellis
Manager

RE:dis

November 19,1963

Old National Bank
Garland Avenue Branch
Spokane, Washington

Gentlemen;

The Bonanza Gold, Inc., is planning an expenditure of $75,000 for the coming year, 1964 , for drilling and developing an iron ore deposit known as the "Jumbo Basin Iron Deposit", situated in the Ketchikan Mining District of Alaska.

We would like to know if you would be willing to consider a loan for this purpose and on what terms.

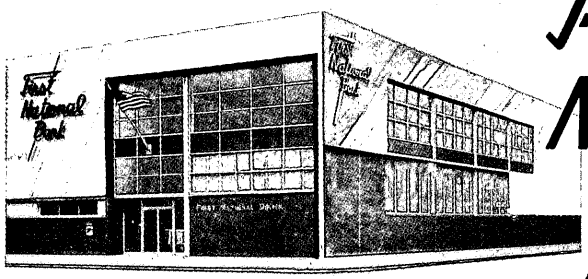
We are prepared to submit engineers reports and estimates on above.

Very truly yours,
BONANZA GOLD, INC.,

BY
FRANK H. DUVAL, PRESIDENT

FHD/ed

Item 1 (a)



First National Bank IN SPOKANE

RONALD W. PIPER
ASSISTANT CASHIER

SPOKANE 10, WASHINGTON

November 19, 1963

Bonanza Gold, Inc.
E. 15 Walton
Spokane, Washington

Gentlemen:

In reply to your request of November 19, 1963 for a loan for drilling and developing of iron ore deposit. We are unable to extend any credit for this type of operation.

If there is any other way we can be of help, please do not hesitate to contact us.

Yours very truly,

RWP:MLB

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

November 19,1963

First National Bank in Spokane
West 502 Riverside
Spokane, Washington

Gentlemen;

The Bonanza Gold, Inc., are planning an expenditure of $75,000 for 1964 for drilling and developing an iron ore deposit, known as the "Jumbo Basin Iron Deposit", situated in the Ketchikan Mining District in Alaska.

We would like to know if you would consider a loan for this purpose and on what terms?

We are prepared to submit engineers reports and estimates on above.

Very truly yours,
BONANZA GOLD, INC.,

BY
FRANK H. DUVAL, PRESIDENT

FHD/ed

Item 3 (c) - 1

Year	Ore Tonnage	% Copper	Total pounds of copper	Avg. price per lb.	Total cash value	Gold ozs.	Total ozs gold	Value per oz.	Total cash value.	90% silver ozs.	Total ozs silver	Value per oz.	Total cash value.	Total value of ore	Smelting	Freighting	Insurance	Incidentals.	Representative	Coal
	COPPER					GOLD				SILVER					DEDUCTIONS					
1907	15,492.190	4.9894	1,545,941.	16.019¢	$247,644.29	.0687	1,065.000	$19.00	$20,235.00	.8842	13,699.00	.62438¢	$8,553.47	$276,432.76	23,258.28	28,019.56	1,527.41	30.65	300.00	1,229.75
1908	20,752.566	4.159	1,724,490.	9.786	168,771.67	.066	1,348.798	"	25,634.82	.7340	15,229.18	.52367	7,975.10	202,381.59	*18,807.24	30,291.25	921.70			
1909	12,259.496	4.158	1,023,038.	9.8175	100,447.55	.0561	694.327	"	13,192.20	.7727	9,550.00	.48849	4,665.09	118,304.84	13,595.44	16,581.85	739.39		† 1,281.50	
1910	13,999.748	3.535 Less 1%	989,924.76	9.662	95,434.03	.0602	842.527	"	16,008.64	.6590	9,224.58	.49621	4,577.35	116,020.02	15,399.59	18,179.09	† 846.25		† 1,394.15	
Part 1911	5,609.897	3.253 "	362,612.94	9.185	33,307.97	.0572	320.940	"	6,097.63	.6022	3,376.65	.50400	1,701.83	41,107.43	5,160.40	7,286.66	261.50		† 901.15	
1911 & 1912	10,976.355	4.378 "	961,169.73	13.064	125,555.40	.0695	763.072	"	14,498.36	.6030	8,800.73	.58170	5,119.93	145,153.69	6,387.89	14,067.14	773.50		† 1,170.00	
1913	9,704.371	3.0882 "	352,459.04	11.985	42,245.00	.0526	299.755	"	5,694.43	.6277	3,582.05	.55520	1,988.85	49,928.28	3,010.69	7,335.19	337.50	461.44	† 1,033.50	
1914	5,270.721																		refunded to smelter a/c loss on lot #6047	
Dry wt.	90,144.324		April 1914 7,147,048.75 lbs.		$813,385.91		5,334.419		$101,361.08		65,462.19		$34,581.62	$949,328.61	85,599.53	121,760.74	5,407.25	492.09	6,080.30	1,229.75
														26,479.30 net cash to 7/31/14						
														$975,807.91						

CASH RECEIVED FOR VARIOUS ORES

Copper less 1%
Silver 90%
Gold $19. per oz.

7,147,048 lbs of copper	$813,385.91
5,334.419 ozs gold	101,361.08
65,462.19 " silver	34,581.62
Net cash received from ore to July 1914	26,479.30
TOTAL GROSS VALUE	$975,807.91

DEDUCTIONS

Smelting charges	$85,599.53	
Freight	121,760.74	
Insurance	5,407.25	
Representative, umpire & assay	6,080.30	
Incidentals	30.65	
Coal	1,229.75	
Paid Tacoma Smelter account depreciation on lot #6047	461.44	
	$220,569.66	220,569.66
TOTAL NET RECEIPTS FOR ORE		$ 755,238.25

RECAPITULATION

		Value Per ton
Total net receipts from ore shipments	$755,238.25	8.3880
Total mining and shipping cost on ore	558,660.10	6.1975
	$196,578.15	2.1905

REMARKS.

* Umpire charges included with smelting charges
† Salary representative and umpire and assay etc.

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
July 23, 1969

JUL 28 1969
(Dispatched)

Final F.T. Report

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, OME, Region I

Subject: Summary Final Field Report
OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 30 1969
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HK | 1211
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INTRODUCTION

This report summarizes an OME contract to explore by diamond drilling from the surface for iron ore in a skarn zone in Jumbo Basin, Prince of Wales Island, Alaska. The project was unsuccessful in finding ore; however, the Termination Agreement included a pseudo-certification under the terms of which royalty will be due the Government on any production up until April 7, 1974, or until the sum of $9,001.50 is fully repaid with interest at the rate of 6-1/2 percent per annum.

OPERATOR

Bonanza Gold, Inc.
Lobby Paulsen Building or
East 15 Walton Avenue
P. O. Box 1444
Spokane, Washington 99201

PROPERTY

The property includes forty-six (46) patented lode mining claims and fractions and ten (10) unpatented lode mining claims in the Copper Mountain Mining District, State of Alaska (fig. 1) as follows:

Patented Claims and Fractions

Patent No. 42005, Mineral Survey Number 562A, issued 10-18-05, recorded at Ketchikan, Alaska, in Volume 422, p. 127 to 157.

This patent comprises 29 claims as follows:

Jumbo No. 1	Jumbo No. 1A
Jumbo No. 1C	Jumbo No. 1B
Jumbo No. 2	Jumbo No. 2A
Jumbo No. 2B	Jumbo No. 1D
Jumbo No. 3	Jumbo No. 1E
Jumbo No. 3B	Jumbo No. 3A
Jumbo No. 4	Jumbo No. 5
Jumbo No. 6	Jumbo No. 7
Jumbo No. 8 Bryan & Petty	Jumbo No. 8 Scott
Jumbo No. 9 Scott	Jumbo No. 9 Bryan & Petty
Jumbo No. 10	Jumbo No. 11
Jumbo No. 12	Jumbo No. 13
Jumbo No. 14	Jumbo No. 15
Jumbo No. 16	Jumbo No. 17
Jumbo No. 18	

Patent No. 1203824, Mineral Survey Number 1542, recorded at Ketchikan 2-4-60, Volume 9, Deeds, p. 29-34. This patent comprises five claims as follows:

Jumbo No. 46	Jumbo No. 47
Jumbo No. 48	Jumbo No. 49
Jumbo No. 50	

Patent No. 385872, issued 2-18-14, Mineral Survey Number 886, recorded at Ketchikan 9-21-14, in F 71 and 74. The claims and fractions in this patent are as follows:

El Mora	Jardine
Fraction No. 1	Fraction No. 3
Fraction No. 2	Fraction No. 4

Patent No. 1062853, issued 4-14-33, Mineral Survey Number 1545, recorded at Ketchikan 5-5-33, p. 97. The claims in this patent are as follows:

Jumbo No. 51	Jumbo No. 52
Jumbo No. 53	Jumbo No. 54
Jumbo No. 55	Jumbo No. 56

Unpatented Lode Mining Claims

The following 10 unpatented claims are recorded in the Recording Office, Ketchikan, Alaska, as follows: (The contract lists the names of these claims as Groshen No. 1, 2, etc., whereas the claim maps and the application lists them as Goshen No. 1, 2, etc.)

Name of Claim	Book No.	Page No.
Groshen No. 1	19	171
Groshen No. 2	19	172
Groshen No. 3	19	173
Groshen No. 4	19	174
Groshen No. 5	19	175
Groshen No. 6	19	176
Groshen No. 7	19	177
Groshen No. 8	19	178
Groshen No. 9	19	179
Groshen No. 10	19	180

OWNERSHIP

Bonanza Gold, Inc., had rights to the claims under a sales agreement with the owner, Mr. Eskil Anderson, that was dated November 1, 1963. Bonanza Gold, Inc., relinquished all rights to the property in a release agreement with Mr. Eskil Anderson, dated May 23, 1967. Mr. Anderson's address is W. 924 - 22d Avenue, Spokane, Washington 99204.

GEOLOGY

The geology of the Jumbo Basin has been described by Wright (1951, p. 58-61) and by Kennedy (1953). Granodiorite has intruded Paleozoic sedimentary rocks, and the calcareous rocks near the intrusive have been converted to skarn. Masses of magnetite, some containing chalcopyrite in small amounts, occur within the skarn. Kennedy (1953, p. 39) has calculated that there are 370,000 tons of magnetite ore with a weighted average of 45.2 percent iron and 0.73 percent copper. No iron ore has been mined, but over 5,000 tons of copper has been produced from the Jumbo mine (Kennedy, 1953, p. 4).

The contact between the intrusive and the overlying sedimentary rocks dips to the southwest, subparallel to the surface. There is skarn within the upper part of the intrusive, and this contains some magnetite-rich masses (Kennedy, 1953, pl. 5). Surveys with a magnetometer indicated extensive bodies of magnetite that were the target of the exploration. The drilling indicated, however, that the magnetic anomalies were not caused by magnetite ore bodies but instead were caused by magnetic diorite.

EXPLORATION PROJECT

The purpose of the project was to explore by surface diamond drilling for contact metamorphic deposits of iron, occurring in the form of magnetite, along the contacts of Paleozoic sediments and predominately intrusive granodiorite.

The contract was dated April 7, 1964. The estimated total cost of the work was $60,150.00, of which the Government would contribute 50 percent or $30,075.00. The authorized work included drilling of an estimated 20 holes aggregating a maximum of 5,300 feet comprised of plug drilling through overburden and diamond core drilling through consolidated formations. It was a fixed unit-cost type of contract that included the following:

5,300 feet drilling, overburden and AX standard or BXWL core size or larger at $11.00/ft	$58,300.00
500 cardboard core boxes at $1.00/box	500.00
300 samples assayed for iron and copper at $3.00/sample	900.00
15 composite samples assayed for molybdenum, titanium oxide, lime, sulfur, phosphorous, insoluble, gold and silver at $30.00/sample	450.00
Total estimated cost	$60,150.00

Amendment No. 1, dated August 24, 1964, made three changes in Exhibit A of the contract as follows:

(a) Under the heading General Provisions the last paragraph is deleted and replaced as follows:

> The location, attitude, and the sequence of drilling of each diamond drill hole shall be subject to Government approval.

(b) Under the heading Description of the Work the second paragraph is deleted and replaced as follows:

> The holes shall be drilled not less than BX wireline or AX standard core size (1-1/8" core diameter); and after traversing the limestone, skarn, and magnetite are expected to bottom in the granitic intrusive. The 18 holes shown on fig. 1 shall be drilled at approximately a minus 45 degree angle on a bearing of approximately N. 50° E., to an estimated average depth of about 250 feet. The line of Holes Nos. 25 through 30 shall be started prior to the indicated holes at higher elevations. If necessary, holes up to 500 feet in depth may be drilled to completely traverse the magnetite and underlying skarn formations. However, the aggregate footage of all holes drilled under this contract shall not exceed 5,300 feet.

(c) Under the heading Estimated Cost of the Project, Fixed Unit Costs, the word "cardboard" in the second specification is deleted.

Project work started in June 1964. The drilling was contracted to Boyles Drilling Company, Salt Lake City, Utah. Two drills were brought to the property and drilling began on June 11, 1964. The first two holes to be drilled were nos. 30 and 17 (see figure 1). Four holes had been drilled by August 12, 1964, at which time the Operator decided to discontinue the drilling. The results had been discouraging because there was only small amounts of copper and iron in the recovered core. The magnetic anomaly that was being tested was found to be caused by diorite, which is magnetic in the area. The costs of drilling were becoming much higher because each new move of the drill rigs required helicopter or excessive manpower. The drilling included the following:

Hole No.	Length of hole (feet)
17	274
18	382
29	385
30	572
Total	1,613

All holes were inclined downward at about 47 degrees at a bearing of about N. 50° E. Complete logs of each hole accompanied the Operator's reports.

The Operator summarized the results of the work in a letter dated November 25, 1964, and requested that the project be terminated.

The contract was terminated by an agreement dated January 21, 1965. The effective date of the termination was August 16, 1964. Item 4 in the Termination Agreement states that the Operator shall pay to the Government the royalty on production provided for in the contract in the same manner and amount, for the same period, and subject to the same conditions provided for in the contract, as amended, as if a certification of possible production had been made, such certification being waived by the Operator.

The Operator submitted an acceptable final report on December 30, 1964. The Report of Review of the contract was completed on February 9, 1965. The total acceptable costs of the contract work are as follows:

Diamond core drilling, 1,613 feet at $11.00/ft	$17,743.00
Core boxes, 59 at $1.00/box	59.00
Sample assays for iron and copper, 27 at $3.00/assay	81.00
Composite samples assayed for molybdenum, titanium oxide, lime, sulfur, phosphorous, insoluble, gold, and silver, 4 at $30.00 each	120.00
Total acceptable cost	$18,000.00
Government participation at 50%	$ 9.001.50

The Government has no equity in any equipment at the property.

APPRAISAL OF EXPLORATION RESULTS

The diamond drilling was planned to test at depth for downdip projections of magnetitic iron ore that crops out on the slopes above the drill sites. The magnetic iron ore crops out in the contact zone between limestone and granodiorite and presumably dips 40°-60° SW., subparallel to the contact, and 10°-30° steeper than the slope of the surface. Some copper mineral occurs with the magnetite and copper ore was mined in the past from the Jumbo mine. A magnetic survey had indicated anomalously high magnetic values over the area to be drilled. The first four holes were planned to test the subsurface below the highest magnetic anomalies.

No particular technical problems were reported about the drilling. Core recovery was reported to be greater than 95 percent. Overburden is 52-66 feet thick. The detailed logs describe the recovered core as alternations of diorite, andesite porphyry, skarn, aplite, and andesite. All holes were bottomed in granodiorite. There was only widely scattered chalcopyrite and no economically significant amounts of magnetite. The drilling proved that the bodies of magnetitic iron ore did not extend downdip below the surface. The magnetic anomalies were due to diorite which is locally magnetic.

Neither iron nor copper ore was indicated by the drilling. Additional drilling in the area is not justified. There has been no production from the property since the termination of the contract.

Willard P Puffett
Willard P. Puffett

Enclosure
Distribution:
OME Docket
USGS(SRO) Puffett

References cited

Kennedy, G. C., 1953, Geology and mineral deposits of Jumbo Basin, southeastern Alaska: U. S. Geol. Survey Paper 251, 46 p.

Wright, C. W., 1915, Geology and ore deposits of Copper Mountain and Kasaan Peninsula, Alaska: U. S. Geol. Survey Prof. Paper 87, 110 p.

were flagged to produce straight lines and also flagged every 100 feet horizontal distance. The magnetometer was run over these lines, and readings were taken every 100 feet or at every change or peak along these lines and distance noted from stationing. The base line was laid out roughly parallel to the southwesterly side line of the Jumbo No. 1C and the Goshen No. 1 claims. In running the base line survey, strong changes in the magnetic variations were noted on the compass. These changes amounted to as much as 10°. Also, elevations were read on an aneroid altimeter at the time of running the magnetometer survey. These have been plotted as contours on the magnetometer map of the survey.

DISCUSSION:

It has been noted that strong variations in the magnetic field occur in the area to the west and southwest of the main magnetite cliffs that occur on the Jumbo No. 1A and the Jumbo No. 2 claims. This strong magnetic area probably is not related directly to the known ore body but to a separate ore body. The nominal magnetic strength in the district of the Jumbo Mine is 57,200 gammas. The entire area of this survey is considerably above that, with the exception of few rare deep dips caused by reversed polarity which are also indicative of magnetite mineralization. As the known ore bodies are approached with the magnetometer, the readings become erratic and very strong, which is typical of contact metamorphism which contains large amounts of magnetic iron ore. On close approach

to large magnetite ore bodies, the Varian Magnetometer becomes difficult to read as the gradients in magnetic strength become so great that in moving the head of the instrument a foot or so over, a 1,000 gamma change of magnetic strength will be noted. When this situation occurs in the magnetic field, it is known that you are on or near a magnetite ore body, and further use of the magnetometer immediately over an ore body becomes ineffective, as the field strength on these ore bodies becomes so erratic. This is easily seen with a dip needle, as in moving just a few feet, one obtains complete reversals in the dip of the needle.

A great deal of variation is noted in the magnetic strength of the magnetite ore. It is noted that it carries a fair percentage of copper and probably as a result is much weaker in total magnetic susceptibility than straight magnetite iron ore.

The property of the Jumbo Mine was operated originally as a copper mine, and only high grade ore was shipped. From this [illegible] several specimens of high grade copper ore have been examined, and much of this would cause a great fluctuation in total magnetic strength. At the outcrops of the iron ore at the surface, the ore body dips from 40° to 60° in a northwesterly direction. This ore body occurs at the contact of a granodiorite and limestone which probably has roughly the same dip, averaging about 40°. The [illegible] in the area of the contact dips at roughly the angle of repose, [illegible]imately 35°. This, of course, is quite variable.

The erratic magnetic anomalies in the areas of shallow covering of this contact zone can be easily noted on the accompanying profile map. This contact zone would be covered by limestone as a general rule. Further to the southwest, a strong general magnetic field is noted from between the BB line through the DD line, a distance of approximately 1,500 ft., and is approximately 900 feet southwesterly from the known ore bodies. This probably indicates a rather large ore body roughly 200 feet below the surface. The shape of these magnetic profiles indicates a flattening of the contact zone between the limestone and the granodiorite to where the contact zone is roughly parallel to the hillside to the bottom of the basin, and then becomes rather steep as the magnetic profile shows a very gradual decrease in strength on out to the southwest.

CONCLUSIONS:

From a study of the magnetometer map of this survey I [illegible] determine that:

(1) There is a probable extension of the existing ore b[illegible] known as the "Iron Cliff" downward beyond the exposed contact.

(2) A second and possibly larger ore body exists in the [illegible] high area roughly 900 ft. southwesterly of the Iron Cliff ore b[illegible]

(3) A possible ore body exists southwesterly of the Goshen [illegible] No. 1 claim.

(4) A possible ore body exists north of the Iron Cliff [illegible] considerable downward extension along the northwesterly and [illegible]

the Jumbo No. 1A claim. This ore body would be under a much thicker bed of limestone as is evident by the topography.

RECOMMENDATIONS:

I recommend drilling in the contact zone several holes as indicated on the accompanying maps to further delineate the known existing ore body; also drilling, as indicated on the accompanying map, several holes in the area of the general magnetic high on the Jumbo No. 1C, Jumbo No. 2B, Jumbo No. 1B and Goshen No. 1 claims. These holes should be drilled through the contact zone and into the granites, average depths being in the order of roughly 250 feet. To delineate these ore bodies would require in the order of 7,000 feet of drilling. If this drilling program is successful, then further exploration work would be warranted over the entire property and in the granite-limestone contact zones of the district.

WALTER L. GONNASON

December 1963

Item 7a ~ (1)

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

3408 East Main Street
Spokane 24, Washington
Phone KE 4-0862

General Offices and Plant
1624 Pioneer Road P. O. Box 58
SALT LAKE CITY 10, UTAH
HUnter 7-7595

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
ST. LOUIS
DENVER
AUBURN, CALIF.

December 16,1963

Mr. Eskil Anderson, Geologist
Grandview Mines and Bonanza Gold, Inc.
Radio Central Bldg.
Spokane, Washington

Dear Eskil:

We submit the following prices for your drilling program in the Jumbo Basin area Alaska.

1. Mobilization & Demobilization of crews & equipment to beach area, $6000.00

2. Moving drills & equipment from beach area to drill site & return to beach area: $12.60 per hr. per 2 man crew.

3. Moving from hole to hole on site including setup & teardown: $12.60 per hr. per 2 man crew.

4. Casing through overburden: $10.00 per ft.

5. Drilling Rates:

	BX	NX
0 to 250 ft.	$7.90 per ft.	$ 8.30 per ft.

6. Reaming for casing: $3.60 per ft.

7. Cementing will be at the rate of $12.60 per hour plus the cost of cement or cement substitute, including drilling mud.

Thank you for calling on us.

Sincerely yours,

O. C. Bouquot

O. C. Bouquot
District Manager

cc: P. A. Park, Manager Drilling Division

Item 7 - (2)

Lynch-McClintock DIAMOND DRILL CONTRACTORS

DIAMOND DRILL CONTRACTING

AREA CODE 509
TEMPLE 8-3588

POST OFFICE BOX 66
W. 418 2ND AVENUE
SPOKANE 10, WASH.

December 13, 1963

Bonanza Gold, Inc. and
Grandview Mines
Radio Central Building
Spokane, Washington

Attn: Mr. Eskil Anderson

Gentlemen:

We wish to furnish our tentative proposal for diamond drilling at the Jumbo property on Prince of Wales Island about 40 air miles west of Ketchikan, Alaska.

It is understood the drilling will consist of approximately seven thousand feet of BX hole to a maximum of three hundred and fifty feet in depth.

We propose to furnish personnel, diamond core drills, pipe lines, pumps, rods, casing, diamond bits and shells and all accessories necessary to perform this work except core boxes and sample containers for the following prices:

BX Core Drilling WL?	0' - 350'	$10.50 per ft.

Contractor would expect to establish and maintain a camp for the duration of the job.

Contractor agrees to mobilize and demobilize his equipment to and from the beach at Hetta Inlet for the lump sum of $8,000.00.

Mobilization from the beach to job site and return, and moves between holes, would be accomplished at the rate of $18.00 per hour for each two man crew.

Assuming that the mining company would construct a cat road from beach to job site, contractor would expect to furnish a small cat for the purpose of servicing the job.

Firm prices would be established upon inspection of the property by contractor.

In the event of loose or caving material, water courses or any conditions encountered which tend to make drilling impractical without the use of casing or cement, an additional charge of $4.00 per foot for reaming casing or cementing will be made.

In the event of delays not attributable to the fault of contractor or breakdown of his equipment, contractor shall expect to be reimbursed for his continuing costs at the rate of $18.00 per hour.

Our employees will be covered by Workman's Compensation to comply with the State Act and the job will be covered by public liability insurance in the amounts of $300,000 and $500,000 and property damage in the amount of $100,000.

This is a joint bid, bid by the R. S. McClintock Diamond Drill Company of Spokane, and Lynch Bros., Inc. of Seattle.

We wish to thank you for the opportunity of furnishing this proposal and to assure you of our full cooperation in the event you find our bid acceptable.

Very truly yours,

LYNCH-McCLINTOCK DIAMOND DRILL CONTRACTORS

T. M. Welsch
Drilling Superintendent

TMW:cw

Item 3 f - (2)

GONNASON EXPLORATION
WALTER L. GONNASON, OWNER
MEMBER A.I.M.E. & G.S.A.

MAGNETOMETER—AIRBORNE & GROUND
GEOCHEMICAL AND PATENT SURVEYS
MINING GEOLOGY

2828 RUCKER AVE. • EVERETT, WASHINGTON 98201 • AREA CODE 206 • AL 2-4851 • HOME OL 9-2787

REPORT

Magnetometer Survey

JUMBO MINE

PRINCE OF WALES ISLAND

SOUTHEASTERN ALASKA

LOCATION:

The property of the Jumbo Mine is located on Jumbo and Copper Mountain on Hetta Inlet on the southern portion of Prince of Wales Island, Ketchikan District, State of Alaska.

PURPOSE:

This survey was conducted in an attempt to locate new or larger iron ore bodies on or in the vicinity of the Jumbo property and to assist in laying out a diamond drilling program to establish sufficient reserves of ore to warrant a mining operation.

EQUIPMENT USED:

This survey was conducted with a Varian Magnetometer with a sensitivity of plus or minus five gammas magnetic strength. The base line was laid out by transit survey, and the grid lines were turned off from points on the base line roughly 250 feet apart and run roughly parallel with the end lines of the claims. These lines

No. 63-2039 Ketchikan Recording District No. 8
Nov 27, 1963
Item 2(a)-1 Vol. 19, page 101-109, Mining

SALE AGREEMENT

THIS AGREEMENT, made and entered into this 21st day of November, 1963, by and between ESKIL ANDERSON, Party of the first part and hereinafter called Owner, and BONANZA GOLD, INC., a Washington corporation, party of the Second part and hereinafter called Purchaser,

W I T N E S S E T H:

In consideration of the sum of One Dollar ($1.00) lawful money of the United States of America, in hand paid by Purchaser to Owner, receipt of which is hereby acknowledged, and in further consideration of the covenants and agreements herein contained to be paid, kept and performed, Owner agrees to sell, assign and transfer exclusively to Purchaser all of Owner's right, title and interest (being full and complete unencumbered title) to Owner's real property and personal property now on or in the vicinity of said mining claims, together with all water rights and appurtenances thereunto belonging, except that the Owner reserves the right to make one clear cutting of timber, or so much thereof as has been removed prior to full payment of the purchase price; and except that at any time during this Agreement whatever timber may be needed for any mining operation actually conducted on the premises may be used by Purchaser, if not already removed by the above mentioned clear cutting.

The real property herein demised comprises fifty-nine (59) patented lode mining claims listed in Schedule "A" attached hereto and made part hereof. These claims are situated in the Copper Mountain Mining District, Prince of Wales Island, Ketchikan Recording Precinct, First Division, State of Alaska.

1. The price payable to Owner is Two Hundred Seventy-Five Thousand Dollars ($275,000.00), to be paid as follows:

$5,000.00 On or before April 15, 1965

$10,000.00 On or beforeApril 15, 1966

$30,000.00 On or before April 15, 1967, and

$30,000.00 On or before April 15, of each year thereafter until the full purchase price has been paid.

It is agreed that during any and all periods of production on the premises, payments equalling five percent (5%) of such production and sales, plus net smelter returns, shall be made on or before the 25th day of the month following the month of such production, which payment shall be applied on the purchase price. If the amount of such payments exceeds the annual payment due for any one year, the excess shall not be applied on the next succeeding annual payment, but shall be applied on the balance of the purchase price.

The owner may elect to take any payment in kind at the market price for such material.

Purchaser agrees that during the year 1963, he will prepare a geologic and magnetic map of the Jumbo Basin group and will in 1963 prepare and file a loan application with the CME for a diamond drilling program to be conducted during 1964 and that during 1964 he will spend a minimum of $25,000.00 or do a minimum of 2,000 feet of diamond drilling on the property. If the 1964 work requirement of $25,000.00 is not fully met, Purchaser must instead by January 15, 1965, pay to Owner the sum of $5,000.00 in lieu of that requirement. Such cash payment to Owner shall be applied in full to reduce the total purchase price, but work shall not be applied on such purchase price.

All payments shall be by deposit to the order of "Anderson and Hoch" at the Old National Bank at Spokane, in Spokane, Washington, and that bank's original or duplicate receipt of any payment shall be prima facie evidence of that payment called for under this agreement having been made.

2. From the date hereof, Owner grants Purchaser the exclusive right of investigation, exploration, development, and exploitation of all minerals, and particularly the mining, beneficiation and selling of both the raw material and all products of beneficiation from all the claims listed in said Schedule "A".

Whenever Purchaser makes payments to said bank, Purchaser shall include therewith a statement in duplicate showing just how the sums paid have been calculated. Such duplicate statements shall be sworn to by the proper officer of the Purchaser's organization controlling the accounts.

3. Purchaser, on or before ten days before property taxes become delinquent (presently there are none) must pay the said accrued property taxes and immediately notify Owner that those taxes have been paid, mailing with that notice either a duplicate of the tax receipt or a photostat thereof. If taxes are not so paid, the Owner shall have the option to pay the taxes and add the amount to the purchase price, or declare a forfeiture in accordance with the terms of this Agreement.

4. Title to all machinery, equipment and personal property placed by Purchaser upon the herein demised properties shall remain in Purchaser and if, for any reason whatsoever, this Agreement is terminated, Purchaser may remove all such property belonging to him; always provided that in such removal no damage results to any of Owner's real property.

The right of removal of purchaser's personal property for a period of twelve months from date of termination of this Agreement is hereby granted to Purchaser, and Owner hereby grants Purchaser the right to store, free of any charge, but at Purchaser's sole responsibility and liability, Purchaser's said personal property for said period; always provided that such storage does not interfere with the exploitation of real property by Owner or his subsequent lessees or optionees. If, within said twelve calendar months Purchaser has not removed said personal property, then such property shall be deemed abandoned, and title thereto shall pass to Owner; and at Owner's demand, Purchaser will sign and execute any and all necessary documents to convey such title to Owner.

5. Purchaser covenants: that so long as he shall remain in possession of the real property all operations will be in good and workmanlike manner; to permit Owner or his representative free access at all reasonable times to premises, provided such access does not unduly interfere with the normal conduct of the mining and auxiliary operations; promptly to pay the sums accruing to Owner under the various provisions of this Agreement and to submit the statements in duplicate wherever called for; to allow Owner or his representatives to inspect, at reasonable office hours and without undue interference with the work of Purchaser's accounting force, those portions of Purchaser's books of account which show the details upon which payments have been calculated and all other data pertaining to determination of the payments; promptly to pay in full all persons performing work or services or supplying materials for Purchaser's operations; never to permit any liens, charge or encumbrance from

Purchaser's operations to attach to any property belonging to Owner; post and keep posted on behalf of Owner such notices of non-responsibility of Owner as may be sufficient under the laws of Alaska and the United States; to defend any legal lien or claim arising from Purchaser's operations under this Agreement against said real property and to indemnify Owner for all losses and expense of whatever nature arising from the existence or assertion of any such lien; to comply with all the laws of Alaska and the United States now or hereafter affecting mining and auxiliary operations of similar nature, and with all labor laws, compensation statutes or other similar rules or requirements now or hereafter legally liable; promptly to pay all taxes of every kind assessed against Owner's real property or the products therefrom; and, in case of the termination of this Agreement for any reason whatsoever, peaceably to yield possession of the premises, but reserving the right to store and remove property of purchaser.

6. If, at any time Purchaser shall breach any of the conditions and covenants hereof, Owner may, if he so elects, declare this Agreement forfeited, and may re-enter the premises and evict Purchaser therefrom, using such force as may be requisite, and retain as full compensation for the use of the premises all sums theretofore paid to Owner, and Purchaser is hereby expressly freed from any other payment, except payments owing up to the date of repossession by the Owner whether for production, or the purchase price, for taxes, or other obligations. Such eviction shall not, however, impair right of Purchaser to remove his property of every kind placed on the property by him; and Owner hereby grants Purchaser the right to remove, as set

forth in Section 4 hereof, all such property; provided at all times, however, that before any such forfeiture shall be effected, Owner shall first give Purchaser notice in writing specifically directing attention to the breach or breaches complained of; and Purchaser shall have the period of sixty (60) days after date or receipt of such notice within which to remedy such breach, if any there shall be, otherwise the forfeiture declared shall be fully effected.

7. At any time Purchaser may forfeit all rights under this Agreement by giving sixty (60) days written notice of Purchaser's intent to so do; and Purchaser shall have right of storage and removal as in Section 4 provided and Purchaser is under no further liability hereunder except payments owing up to the date of repossession by the Owner whether for production, or the purchase price, for taxes, or other obligations.

8. Purchaser must furnish the chiefs of his exploration, development and/or exploitation crews with instructions that, when preparing reports and maps, sketches, profiles or sections for transmittal to Purchaser, one exact or carbon copy must at all times at the same time be prepared for delivery and promptly delivered to Owner.

9. Owner has prepared a good and sufficient grant, bargain and sale deed conveying all title to the herein demised premises to Purchaser and will deposit said deed, together with the necessary escrow instructions providing for the delivery of said deed, to Purchaser when Bank has received for the account of Owner, the total purchase payments of Two Hundred Seventy-five Thousand Dollars ($275,000.00). Upon receipt of final installment said Bank must affix to said deed the amount of stamps required by the Federal and other government agencies.

The cost of these stamps shall be charged wholly to Owner, but the costs of this escrow with said Bank shall be borne wholly by Purchaser.

10. In the event of litigation arising out of this Agreement, the prevailing party will be entitled to recover, in addition to all other costs of action, a reasonable sum, to be fixed by the Court, by way of attorney's fees.

11. All notices provided herein shall be written and may be given by mailing same under registered cover and properly addressed at the following addresses:

To Owner by sending to ESKIL ANDERSON at 924 W. 22nd Avenue, Spokane 41, Washington; to Purchaser by sending to BONANZA GOLD, INC., at E. 15 Walton Avenue, Spokane, Washington. Either party may at any time give a new address to which to send these communications.

12. Time, whenever a condition herein, is declared to be the essence thereof.

13. This Agreement shall extend to, inure to the benefit of and be binding upon the heirs, executors, and administrators of the parties hereto. Neither this Agreement nor any part thereof is transferable or assignable unless written consent is first obtained from the Owner.

14. Purchaser also agrees to stake in name of Owner and to include under terms of this Agreement (and thereafter to perform assessment work on) any claim found necessary to prevent nuisance staking or otherwise found to be necessary for the operation of the properties leased herein.

IN WITNESS WHEREOF the parties hereto have set their hands and seals in quadruplicate the day and year first above written,

and each signed and acknowledged copy hereof shall have the force of an original.

Eskil Anderson
Owner

BONANZA GOLD, INC. - Purchaser
by Frank H. Duval
President

STATE OF WASHINGTON)
County of Spokane)ss.

I, the undersigned, a Notary Public in and for the above-named County and State, do hereby certify that on this 21st day of November, 1963, personally appeared before me ESKIL ANDERSON, to me known to be the individual described in and who executed the within instrument, and acknowledged that he signed and sealed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given my hand and official seal the day and year last above written.

Donald L. Donaldson
Notary Public in and for the State of Washington, residing at Spokane

STATE OF WASHINGTON)
County of Spokane)ss.

On this 21st day of November, 1963, before me, a Notary Public in and for the above named County and State, personally appeared FRANK H. DUVAL, to me known to be the President of the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Donald L. Donaldson
Notary Public in and for the State of Washington, residing at Spokane

SCHEDULE "A"

Patent No. 42005, Survey Number 562A, issued 10-18-05, recorded at Ketchikan, Alaska, in Volume 422, pp 127 to 157. This comprises 29 claims as follows:

1 Jumbo No. 1
2 Jumbo No. 1C
3 Jumbo No. 2
4 Jumbo No. 2B
5 Jumbo No. 3
6 Jumbo No. 3B
7 Jumbo No. 4
8 Jumbo No. 6
28 Jumbo No. 8 Lyman Hatty
29 Jumbo No. 9 Scott
9 Jumbo No. 10
10 Jumvo No. 12
11 Jumbo No. 14
12 Jumbo No. 16
13 Jumbo No. 18
14 Jumbo No. 1A
15 Jumbo No. 1B
16 Jumbo No. 2A
17 Jumbo No. 1D
18 Jumbo No. 1E
19 Jumbo No. 3A
20 Jumbo No. 5
21 Jumbo No. 7
22 ~~Jumbo No. 8-5c~~
23 Jumbo No. 9
24 Jumbo No. 11
25 Jumbo No. 13
26 Jumbo No. 15
27 Jumbo No. 17

29

Supplem[illegible] show a notation of record 9-21-14 at Ketchikan in F 75 and 76.

Pat[illegible] 2-18-14, Mineral Survey Number 886, recorded at Ketchikan 9-[illegible]

6 { Fraction No. 1
Fraction No. 3
El Mora
Fraction No. 2
Fraction No. 4
Hardina

see Herdlick's memo Feb. 18, 1964

[illegible] Mineral Survey Number ~~[illegible]~~ 1542, Recorded at Ketchikan [illegible] 29-34. This patent issued in lieu of [illegible]

30 [illegible] No. 46
31 [illegible] No. 48
32 [illegible] No. 50
33 [illegible]
34 [illegible] No. 49

5

Patent No. 1099254, issued 10-17-38, Mineral Survey Number 1522A, recorded at Ketchikan 10-25-38, R 368 and 369.

Hetta No. 1
Hetta No. 2
Hetta No. 9

Patent No. 1099255, issued 10-17-38, Mineral Survey Number 1523A, recorded at Ketchikan 10-25-38, R 366 and 367.

Hetta No. 3
Hetta No. 5
Hetta No. 7
Hetta No. 4
Hetta No. 6
Hetta No. 8

Patent No. 294227, issued 9-30-12, Mineral Survey Number 884A, recorded at Ketch[illegible] 11-22-17, E 8 and 10.

Rochester
Cleveland
Baltimore
United Vardi

Patent No. 1062853, issued 4-14-33, Mineral Survey Number 1545, recorded at Ketchikan 5-5-33, P. 97

35 Jumbo No. 51
36 Jumbo No. 53
37 Jumbo No. 55
38 Jumbo No. 52
39 Jumbo No. [illegible]
40 Jumbo No. [illegible]

6

November 14, 1974

Mr. Patrick M. Murphy
Secretary
Marmac Alaska Mines Ltd.
431 Lincoln Building
Spokane, Washington 99201

Re: OMK-6338 (Iron ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Dear Mr. Murphy:

The obligation for royalty payments on production from this property terminated April 7, 1974. To officially close our file, this letter is to inform you that the Government has closed its books and records on this contract, and retains no claim or lien for royalty pursuant to the contract.

Sincerely yours,

Harold Kirkemo, Chief
Office of Minerals Exploration

Copy to: Mr. Eskil Andersen

cc:
DRF
MR Rdg.
OMK Rdg.
OMK Files
Mr. Kirkemo
Region II

HKirkemo/gpw

November 14, 1974

Mr. Kakil Anderson
Little Squaw Mining Co.
P.O. Box 184
Spokane, Washington 99210

Re: OME-6336 (Iron ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Dear Mr. Anderson:

Enclosed is a copy of a self-explanatory letter concerning the subject contract for which you signed a Lien and Subordination Agreements document on January 9, 1964.

Sincerely yours,

Harold Kirkemo, Chief
Office of Minerals Exploration

cc:
DNF
MERdg.
OME Rdg.
OME Files
Mr. Kirkemo
Region II

HKirkemo/gpw

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/28/72		120
		220

AIRMAIL

Mr. Patrick H. Murphy
Secretary
Marmac Alaska Mines Ltd.
431 Lincoln Building
Spokane, Washington 99201

DEC 8 1972

Re: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Dear Mr. Murphy:

Thank you for your letter of November 19, 1972, enclosing two copies of the Mining Lease between Eskil Anderson, lessor, and Marmac Alaska Mines, Ltd., lessee, dated September 18, 1972. As you had already furnished us with two copies of this lease in your letter of September 28, 1972, we are returning the extra copies.

Please refer again to the second and the sixth paragraphs in our letter of October 4, 1972, wherein we note that this lease applies to the property included in Contract 2140 (OME-6148) Little Squaw Mining Company, not to the property described in Contract 2185 (OME-6338) Bonanza Gold, Inc., and that we would appreciate receiving two copies of a collateral lease agreement dated June 1, 1971 (?) which pertains to the Bonanza Gold property.

If this document has been sent in response to our letter of November 17, please ignore the present request.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

Copy to: Mr. Eskil Anderson
924 West 22 nd Avenue
Spokane, Washington 99203

cc: Director's Reading File
Mineral Resources
Docket OME-6148
" OME-6338
OME Reading File
OME Region II
Mr. Kirkemo
130 (2)

HKirkemo/gla 11-28-72

LAW OFFICES OF
PATRICK H. MURPHY
LINCOLN BUILDING
SPOKANE, WASHINGTON 99201

TEMPLE 8-4458
AREA CODE 509

November 19, 1972

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 24 1972
INITIALS | CODE
gla | 130
| 120
| 220

United States Dept. of Interior
Geological Survey
Washington, D.C. 20242

Attn: Harold Kirkemo

Dear Mr. Kirkemo

Re: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

By letter dated September 28, 1972, a copy of which is attached, I forwarded to you two copies of Mining Lease between Eskil Anderson, lessor and Marmac Alaska Mines, Ltd. as lessee dated September 18, 1972. This is the only lease we have relating to Anderson as lessor and Marmac as lessee.

We are again enclosing two copies of this lease. If you have any questions, please give me a call.

Very truly yours

Patrick H. Murphy cas

Patrick H. Murphy

phm cas

Enclosures

September 28, 1972

Mr. Harold Kirkemo
United States Department of Interior
Geological Survey
Washington, D.C. 20242

Re: OME-6338 (Iron Ore)
Contract 2185
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska

Dear Mr. Kirkemo:

Enclosed herewith are two copies of the Mining Lease between Askil Anderson, lessor, and Marmac Alaska Mines Ltd. as lessee which lease was just recently received by us.

Sorry to have overlooked sending you these copies with Form 63 which was mailed from this office earlier this week.

Very truly yours

Patrick H. Murphy

phm cas

Enclosures

copies Mining Lease - Sept. 1972 between Eskil Anderson & Marmac returned

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/17/72		120
		220

AIRMAIL

NOV 17 1972

Mr. Patrick H. Murphy
Secretary
Marmac Alaska Mines Ltd.
431 Lincoln Building
Spokane, Washington 99201

Re: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Dear Mr. Murphy:

Reference is made to our letter to you of October 4, 1972, requesting that you furnish two copies of the collateral lease agreement referred to in the "Notice of Interest in Real Property" dated June 1, 1971 made between Eskil Anderson, as Lessor, and Marmac Alaska Mines Ltd., as Lessee.

We will appreciate you giving prompt attention to this matter.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to: Mr. Eskil Anderson
924 West 22nd Avenue
Spokane, Washington 99203

cc: Director's Reading File
Mineral Resources
OME File
OME Reading File
OME Region II
Mr. Kirkemo
130

GLAult/a 11/17/72

'E Form 7
/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/4/72		120
		220

October 4, 1972

File OME-6338

AIRMAIL

Mr. Patrick H. Murphy
Secretary
Marmac Alaska Mines Ltd.
631 Lincoln Building
Spokane, Washington 99201

Re: OME-6148 (Gold)
Little Squaw Mining Company
Mikado, et al., Claims
Chandalar Mining District
Fairbanks Precinct, Alaska
Amended Contract 2140

Dear Mr. Murphy:

Thank you for your letter of September 28, 1972 and the two copies of the Mining Lease, dated September 18, 1972, between Eskil Anderson, trustee, and Marmac Alaska Mines, Ltd.

The lease referred to includes no lands subject to OME Contract 2185 (OME-6338) Bonanza Gold, Inc., as the references on our letter of September 25 and your letter of September 28 erroneously suggest. The Chandalar lode claim mentioned in Section XV of the lease is properly referred to Contract 2140 (OME-6148) Little Squaw Mining Company.

We note a minor misinterpretation of the facts in the lease with respect to the obligation for royalty payments under the OME contract.

Article XV of the Lease states that the subject OME contract "...requires payment of 5% royalty from the 'Chandalar Lode Claim' until January 25, 1974, when that payment requirement expires by its terms." Actually, Article 6(b)(2) of the OME contract states that royalty on production shall be paid to the Government"--for a period of ten years (amended to read "twelve years" by Amendment No. 2) from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first." If royalty payments are sufficient to pay the outstanding principal and accrued interest before the twelve-year royalty period expires (January 25, 1974), there would be no further obligation for royalty payments.

We mention this only to point out that the duration of the royalty period in Amended Contract 2140 (Docket OME-6148) Little Squaw Mining Company may be less than the lease indicates if the account is paid in full before expiration of the twelve-year period on January 25, 1974.

Referring again to our letter to you of September 26, 1972, and your reply of September 28, we do not recognize the Mining Lease of September 18, 1972, as the "collateral lease agreement" mentioned in the Notice of Interest in Real Property dated June 1, 1971. We understand from the Notice that the collateral lease agreement also was dated June 1, 1971. Please furnish us with two copies of the collateral lease agreement if we have interpreted the matter correctly.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Eskil Anderson, 924 West 22nd Avenue, Spokane, Washington 99203
cc: Director's Reading File
Mineral Resources
Docket OME-6148
Docket OME-6338
OME Reading File
OME Region I w/copy Mr. Murphy's letter 9/28/72 and Mining Lease 9/18/72
OME Region II, same enclosures
Mr. Kirkemo
130 (2)

HKirkemo/gla 10-4-72

LAW OFFICES OF
PATRICK H. MURPHY
LINCOLN BUILDING
SPOKANE, WASHINGTON 99201

TEMPLE 8-4458
AREA CODE 509

OFFICIAL
COPY
O. M. E.
RECEIVED
OCT 2 1972
INITIALS | CODE
gla | 120
| 120
| 220

September 28, 1972

Mr. Harold Kirkemo
United States Department of Interior
Geological Survey
Washington, D.C. 20242

Re: OME-6338 (Iron Ore)
Contract 2185
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska

Dear Mr. Kirkemo:

Enclosed herewith are two copies of the Mining Lease between Askil Anderson, lessor, and Marmac Alaska Mines Ltd. as lessee which lease was just recently received by us.

Sorry to have overlooked sending you these copies with Form 63 which was mailed from this office earlier this week.

Very truly yours

Patrick H. Murphy

phm cas

Enclosures

Copy letter & lease to R-II + R-I

MINING LEASE

THIS AGREEMENT is entered into this 18 day of September, 1972, between ESKIL ANDERSON, Trustee, partnership of Eskil Anderson, et al, herein referred to as "Anderson", and MARMAC ALASKA MINES, LTD., a Washington corporation, herein referred to as "Marmac."

WHEREAS, Anderson is the owner of certain mining claims with buildings and improvements thereon, and mining equipment, described as follows:

1. All mining claims and improvements as listed in Schedule "A" attached.

2. All mining and milling equipment, buildings, and other personal property now located in the Chandalar Mining District, Alaska, and listed on the inventory attached hereto as Schedule "B", which equipment is the property of Anderson, and

WHEREAS, the parties have agreed that Anderson will lease the mining claims and equipment he owns in the Chandalar Mining District to Marmac, upon the terms hereinafter set forth:

I

Property Leased

Anderson does hereby lease to Marmac the mining claims with improvements which are now located thereon, described in Schedule "A" attached hereto, and all equipment owned by Anderson in the Chandalar Mining District, listed on Schedule "B" attached hereto.

II

Term of Lease

The term of the lease shall be the same as the term of the Mining Lease of September 23, 1972, between Little Squaw Gold Mining Company and Marmac Alaska Mines, Ltd., unless this lease should be terminated as provided in its Paragraph XIII or forfeited as provided in its Paragraph XIV.

III

Consideration

As consideration for the use of the claims, improvements thereon, and the equipment herein described, Marmac shall make payments to Anderson and shall fulfill other commitments as is hereinafter set forth:

1. Marmac shall complete all requirement annual labor (assessment work) on the claims as is required by law in order to maintain title to said claims in good standing. The Proof Of Labor shall be filed reflecting that the work has been completed, and the Proof of Labor for the assessment work year ending September 1, 1972, shall be filed no later than October 1, 1972. For each subsequent year, actual assessment work shall be completed during the fall preceding the September 1 ending the assessment year, and the Proof of Labor shall be filed on or before the last day of the calendar year previous to the year in which the September 1 deadline falls. At the time of filing Proof of Labor, a copy of each filing made shall be delivered to Anderson.

2. Marmac shall pay to Anderson before March 30, 1973, the sum of $5,000, and annually thereafter before March 30 a minimum sum of $5,000 cash. Minimum annual payments shall be deductible from royalties received from lode production. As additional consideration Marmac shall pay to Anderson monthly, while this lease remains in effect, a sum equal to 5% of all receipts derived from sale of products of lode mining.

IV

Books of Account

Marmac shall keep books and records accurately reflecting all of its operations hereunder, including receipts and expenses. At reasonable times Anderson shall be allowed to examine all books and records of Marmac which relate to its shipments, sales, and operations under this lease. Annually, for the operations during the preceding calendar year, not later than January 31 of the following year, Marmac shall furnish to Anderson a formal written accounting of all its shipments and sales of products produced from these properties. This statement shall be certified as correct by the accountant for Marmac.

V

Exploration and Development

All mining and development work done by Marmac on the property which is the subject of this lease shall be done in a good miner-like manner and in a manner consistent with all laws which are applicable to its operation.

Marmac shall provide Anderson with copies of maps, assay sheets, and all reports which relate to exploration and development of the properties as soon as may reasonably be done after the same are prepared.

VI

Maintenance

Marmac agrees to maintain the buildings on the property in reasonably good repair during the term of this lease. The equipment described in Schedule "B" Marmac agrees to maintain in generally good repair.

contract. However, Marmac shall exercise all reasonable effort to overcome any such interference. It is understood, never-the-less, that none of the above shall constitute grounds for its failure to make payments required to be made to Anderson under Article III herein.

XII

Assignment

Marmac may not assign its rights under this contract without first having obtained consent of Anderson to do so.

XIII

Termination

Notwithstanding that which is set forth herein to the contrary, Marmac may terminate this agreement at any time simply by giving Anderson 30 days' written notice of intention to do so. At the end of said 30-day period the agreement, in its entirety, shall be at an end subject only to the exception hereinafter set forth:

1. Pay all debts incurred during Marmac's operations on the property.
2. Pay all sums then or thereafter due to Anderson hereunder.

In the event of termination, Marmac shall immediately relinquish possession of the property, including all equipment, to Anderson and shall remove therefrom, with the exception of equipment owned by Marmac.

It is specifically agreed that if Marmac should terminate this agreement Marmac shall then have no obligation whatsoever under this agreement except that which is set forth at item #1 and item #2 above and with the exception that Marmac shall be responsible for doing the assessment work on the properties for the year on which the termination occurs.

XIV

Forfeiture

If, prior to voluntary termination having occurred as is set forth in the paragraph immediately preceding, Marmac should fail to fulfill the terms of this contract as is required of it, then and in that event, Anderson may

VII

Taxes

Marmac shall pay, before delinquency, during the period while this lease is in force, all taxes levied against the properties herein described.

VIII

Liens

Marmac shall allow no liens to attach to the properties covered by this lease so as to effect the rights of Anderson's ownership therein. Marmac shall keep posted in three conspicuous places on each group of claims, notices to the effect that Anderson is not liable in any way for wages or other indebtedness incurred in the mining operation or for goods, merchandies, or machinery furnished in connection therewith.

IX

Inspections

Marmac shall permit Anderson and representatives to enter upon the properties at reasonable times to inspect the same, to observe cleanups, to insure that proper precautions to prevent loss of gold are in force, and to examine the mining operations thereon. Marmac shall provide suitable living accommodations on or near the property for representatives of Anderson while they are visiting the property and making such inspections. Inspections shall not be made in such a manner as to cause interference with the mining operation.

X

Personal Claims

Marmac agrees to hold Anderson harmless from all claims made arising through Marmac's operation on the property including claims for personal injury, death, or damages to property of others. . . .

XI

Delays

If Marmac should be prevented from or delayed in its performance of the contract through any act of Anderson, or because of strikes, lockouts, fire, earthquake, unavoidable delay in transportation, orders of Government, unavoidable casualties, or other insufficient causes which are beyond the control of Marmac, such delay shall not be a breach of or a basis of default under this

terminate this agreement by giving written notice to Marmac thereby demanding that the contract be placed in good standing within 60 days from date notice is received or, in the alternative at that time, forfeit its rights under this agreement. Such notice of forfeiture shall specify the condition of the contract which Marmac has not fulfilled and for which the notice of forfeiture is given.

If forfeiture is obtained then, and in that event, all improvements made by Marmac and work done otherwise on the property shall inure to the benefit of Anderson and shall be retained as liquidated damages. Marmac shall give up possession to Anderson at the expiration of the 60-day notice period.

XV

Warranty

Anderson warrants that it is the owner of all property covered under this lease; that the same is unencumbered and no rights thereto have been granted to any other party which was to be superior to the rights of Marmac under this lease.

Amended Contract 2140, Docket No. OME-6148 requires payment of 5% royalty from the "Chandalar Lode Claim" until January 25, 1974, when that payment requirement expires by its terms.

XVI

Notices

Notice under this lease shall be mailed by certified mail to

1. Eskil Anderson, Box 846, Spokane, Washington, 99210
2. Marmac Alaska Mines, LTD., 631 Lincoln Building, Spokane, Washington, 99201

XVII

Binding Upon Heirs

This agreement shall be binding upon and inure to the benefit of the successors of both parties and time is of its essence.

Signatures

_____
Eskil Anderson

MARMAC ALASKA MINES, LTD.

_____

_____

STATE OF WASHINGTON)
) ss
County of Spokane)

On this _____ day of September, 1972, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Eskil Anderson known to be the individual described in and who executed the within and foregoing instrument; and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate first above written.

_____
NOTARY PUBLIC in and for the State of Washington, residing at Spokane.

STATE OF WASHINGTON)
) ss
County of Spokane)

On this _____ day of September, 1972, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ and _____ known to be the _____ and _____ respectively of MARMAC ALASKA MINES, LTD., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

_____
NOTARY PUBLIC in and for the State of Washington, residing at Spokane.

SCHEDULE "A"

(Anderson and Marmac)

List of Claims

UNPATENTED LODE MINING CLAIMS:

Summit
Rex
Shamrock
Hillside Lode #1
Hillside Lode #2
All situated at the head of Big Creek.

Chandalar Lode Claim
West Chandalar Lode Claim
Jupiter Fraction Claim
All situated at the head of Big Squaw Creek, a tributary to Squaw Lake.

Indicate
Tonopah Lode Claim
All situated on Upper Big Creek.

SCHEDULE "B"

Anderson and Marmac

1 Caterpillar compressor (broken valves, overhauled but not back on engine)
1 mucking machine - new at Summit Lode
1 old jackhammer
1 new jackhammer with jack leg (dry or wet)
1 dozen carbide bits
1 ore car - at Summit Lode
rails, hose, etc.
1 primary crusher with engine
1 cone crusher
1 gyratory mill
1 Denver 2-cell jigg
1 classifier
amalgam plates
1 full size Wilfley table
1 amalgam barrel
1 15 KW generator
Balls, spare parts, etc.
Tendem dump trailer
Cook shack with kerosene refrigerator, propane stove
Small bunkhouse, beds and bedding
Toolshed with many spare parts and tools
Sawmill
Simmons screens

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

SEP 26 1972

AIRMAIL

Mr. Patrick H. Murphy
Secretary
Marmac Alaska Mines Ltd.
631 Lincoln Building
Spokane, Washington 99201

Re: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Dear Mr. Murphy:

Thank you for signing and returning MME Form 63 on the subject contract.

In our letter of September 11, 1972, to Mr. Maurice Murtack, President, Marmac Alaska Mines, Ltd., transmitting Form 63, we asked for two copies of the lease agreement referred to as "a certain collateral lease agreement" in a "Notice of Interest in Real Property" between Eskil Anderson, lessor, and Marmac Alaska Mines Ltd., lessee.

Please send us two copies of the collateral lease agreement.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's reading file
Mineral Resources
OME reading file
Region II with cy of 63
Mr. Kirkemo
130

HKirkemo/cac 9-26-72

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

SEP 11 1972

AIRMAIL

Re: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Mr. Maurice Murtack, President
Marmac Alaska Mines Ltd.
631 Lincoln Building
Spokane, Washington 99201

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 25 1972

INITIALS	CODE
gen	120
HK	120
	220

Dear Mr. Murtack:

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

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

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to R-II

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since June 1, 1971 has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

2. Since June 1, 1971, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

Purchaser *(name and address)*	Quantity	Value

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

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Patrick H. Murphy	*Title* Secretary
Address 631 Lincoln Building Spokane, Washington	*Date* September 20, 1972

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/11/72		120
		220

AIRMAIL

SEP 11 1972

Mr. Maurice Murtack, President
Marmac Alaska Mines Ltd.
631 Lincoln Building
Spokane, Washington 99201

Re: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Dear Mr. Murtack:

Reference is made to the "Notice of Interest in Real Property" between Eskil Anderson, Lessor, and Marmac Alaska Mines Ltd., Lessee, entered into on June 1, 1971, concerning the subject property. It will be appreciated if you will complete the enclosed MME Form 63 and return two copies for our records, accompanied by two copies of the lease agreement as provided by Article 2(c) of the Exploration Contract.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region I w/enclosures
Mr. Kirkemo
130

GLAult/a 9-11-72

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

April 7, 1972

Mr. Eskil Anderson
924 West 22nd Avenue
Spokane, Washington 99203

OFFICIAL COPY
O. M. E.
RECEIVED
APR 13 1972

INITIALS	CODE
gla	130
HK	120
	220

Re: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska.
Contract 2185

Dear Mr. Anderson:

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

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

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

4/10/72
Harold:

Address of:
Marmac Alaska Mines Ltd
631 Lincoln Bldg
Spokane
Washington
99201

Marmac wanted me to sign the enclosed caveat so I expect if you need the whole agreement you should ask them for it

Eskil

PS the lease may not last another year

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since April 20, 1971, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☑ No ☐

2. Since April 20, 1971, has there been any production from the land subject to the contract? Yes ☐ No ☑

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

Purchaser *(name and address)*	Quantity	Value

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

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Eskil Anderson	*Title*
Address 924 W 22nd Ave Spokane Washington 99203	*Date* 4/10/72

NOTICE OF INTEREST IN REAL PROPERTY

THIS LEASE AGREEMENT, made between ESKIL ANDERSON, as Lessor, and MARMAC ALASKA MINES LTD., a Washington Corporation, as Lessee, entered into this 1st day of June, 1971,

WITNESSETH: That the Lessor has agreed to lease and the Lessee has agreed to lease from the Lessor the following described property, herein described in Exhibit A, attached hereto and by reference herein incorporated.

This lease agreement is made under terms and conditions contained in a certain collateral lease agreement between the parties of even date herewith.

IN WITNESS WHEREOF, the parties hereto have signed and sealed this agreement the day and year first above written.

ESKIL ANDERSON — Lessor

MARMAC ALASKA MINES LTD. - Lessee

By

Maurice Murtack - President

Patrick H. Murphy - Secretary

STATE OF WASHINGTON)
) ss:
County of Spokane)

On this 16th day of ~~October~~ March, ~~1971~~ 1972, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared ESKIL ANDERSON to me known to be the individual described in and who executed the foregoing instrument and acknowledged to me that he signed and sealed the said instrument as his free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public for Washington
Residing at Spokane

EXHIBIT A

SECTION 1. PATENTED CLAIMS

Patent No. 42005, Survey Number 562 A, issued 10/18/05, recorded at Ketchikan, Alaska, in Volume 422, pp 127 to 157. This comproses 29 claims as follows:

Jumbo No. 1	Jumbo No. 1A
Jumbo No. 1C	Jumbo No. 1B
Jumbo No. 2	Jumbo No. 2A
Jumbo No. 2B	Jumbo No. 1D
Jumbo No. 3	Jumbo No. 1E
Jumbo No. 3B	Jumbo No. 3A
Jumbo No. 4	Jumbo No. 5
Jumbo No. 6	Jumbo No. 7
Jumbo No. 8 Bryan & Petty	Jumbo No. 8 Scott
Jumbo No. 10	Jumbo No. 9 Bryan and Petty
Jumbo No. 12	Jumbo No. 11
Jumbo No. 14	Jumbo No. 13
Jumbo No. 16	Jumbo No. 15
Jumbo No. 18	Jumbo No. 17
Jumbo No. 9 Scott	

Patent No. 43919, issued 5/10/06, Mineral Survey Number 649, recorded at Ketchikan 9/21/14, F. 61 and 67. There is another notation: Volume 429, pp 315 to 332.

Black Warrior No. 1	Sola No. 1
Black Warrior No. 2	Sola No. 2
Black Warrior No. 3	Sola No. 3
Black Warrior No. 4	Diamond R. No. 1
Black Warrior No. 5	Diamond R. No. 2
Green Monster No. 1	Jola No. 1
Green Monster No. 2	Jola No. 2

Patent No. 1203824, issued 3/30/33, Mineral Survey Number 1342, recorded at Ketchikan 2/4/80, Vol. 9, Deeds, p. 29-34. This patent issued in lieu of Patent No. 1062428 dated March 30, 1933 which is cancelled because of an erroneous Mineral Survey Number.

Jumbo No. 46	Jumbo No. 47
Jumbo No. 48	Jumbo No. 49
Jumbo No. 50	

Patent No. 385872, issued 2/18/14, Mineral Survey Number 886, recorded at Ketchikan 9/21/14, F. 71 and 74

Fraction No. 1	Fraction No. 2
Fraction No. 3	Fraction No. 4
El Mora	Jardine

Patent No. 1099254, issued 10/17/38, Mineral Survey Number 1522A recorded at Ketchikan 10/25/38, R 368 and 369.

Hetta No. 1
Hetta No. 2
Hetta No. 9

Patent No. 1099255, issued 10/17/38, Mineral Survey Number 1523 A, recorded at Ketchikan 10/25/38 R 366 and 367.

Hetta No. 3
Hetta No. 5
Hetta No. 7
Hetta No. 4
Hetta No. 6
Hetta No. 8

Patent No. 1041496, issued 10/22/30, Mineral Survey Number 1524, recorded at Ketchikan 0290 and 4.

Copper Bluff No. 1
Copper Bluff No. 3
Copper Bluff No. 5
Copper Bluff No. 2
Copper Bluff No. 4
Copper Bluff No. 6

Patent No. 294227, issued 9/30/12, Mineral Survey Number 881A, recorded at Ketchikan 11/22/17, E. 8 and 10.

Rochester
Cleveland
Baltimore
United Verdi

Patent No. 1062853, issued 4/14/33, Mineral Survey Number 1545, recorded at Ketchikan 5/5/33, p 97.

Jumbo No. 51
Jumbo No. 53
Jumbo No. 55
Jumbo No. 52
Jumbo No. 54
Jumbo No. 56

SECTION 2. UNPATENTED CLAIMS

Goshen #1 to #11, inclusive, all of owners interest dependent on renewal of filings.

SECTION 3. ENCUMBRANCES

Lien of Subordination Agreement dated January 9, 1964 relating to the following described Government Contract and encumbering the lands described therein from April 7, 1964 to April 7, 1974, or until the sum of $9,001.50 is fully repaid with interest at the rate of 6 1/2% per year:

OME 6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

April 12, 1971

OFFICIAL COPY
C. M. E.
RECEIVED
APR 23 1971

INITIALS	CODE
gla	130
HK	~~120~~
	220

Mr. Eskil Anderson
924 West 22nd Avenue
Spokane, Washington 99203

Re: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Dear Mr. Anderson:

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

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

This refers to the Lien or Subordination Agreement signed by you on January 9, 1964, under the subject contract, and the Releases, dated May 23, 1967, and June 21, 1967, signed by you and Bonanza Gold, Inc., respectively.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

copy sent to R-H

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since April 13, 1970, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☑

2. Since April 13, 1970, has there been any production from the land subject to the contract? Yes ☐ No ☑

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

Purchaser *(name and address)*	Quantity	Value

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

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name	*Title*
Eskil Anderson	
Address	*Date*
924 W 22nd Ave Spokane Washington 99203	April 20 1971

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

October 7, 1970

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 16 1970

INITIALS	CODE
ACC	130
HK	130
	220

Mr. Eskil Anderson
924 West 22nd Avenue
Spokane, Washington 99203

Re: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Price of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Dear Mr. Anderson:

All of the Government's files on the OME contract referenced above have been transferred from Spokane to the OME Field Office in Menlo Park, California. The transfer was made because of a revision in the areas served by the Field Offices. I am enclosing a copy of the current regulations (Title 30) that shows the regional responsibilities of the four Field Offices.

Future OME royalty payments under this contract should be made to the U. S. Geological Survey and mailed to:

Harold K. Stager
Field Officer, Region II
Office of Minerals Exploration
U. S. Geological Survey
345 Middlefield Road
Menlo Park, California 94025

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosure

cc: OME, Wash., D.C.
Dir. RF
ACG RF
MP RF
Docket

RMSmith:mkh

IN REPLY REFER TO:
Office of Minerals Exploration

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

April 7, 1970

Mr. Eskil Anderson
924 West 22nd Avenue
Spokane, Washington 99203

Re: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

OFFICE OF O. M. E. RECEIVED APR 16 1970

INITIALS	CODE
sla	120
JHK	120
	220

Dear Mr. Anderson:

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

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

This refers to the Lien or Subordination Agreement signed by you on January 9, 1964, under the subject contract, and the Releases, dated May 23, 1967, and June 21, 1967, signed by you and Bonanza Gold, Inc., respectively.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since May 19, 1969, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since May 19, 1969, has there been any production from the land subject to the contract? Yes ☐ No ☑

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

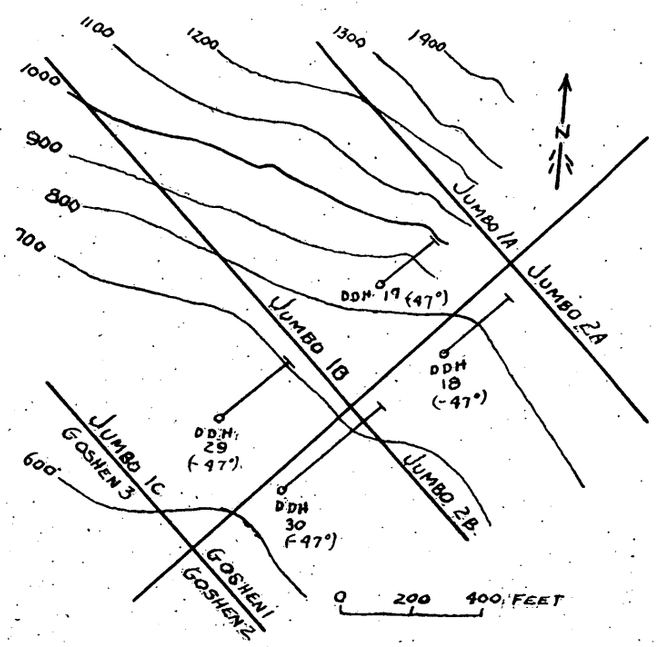
Submitted by:

Name Eskil Anderson Title

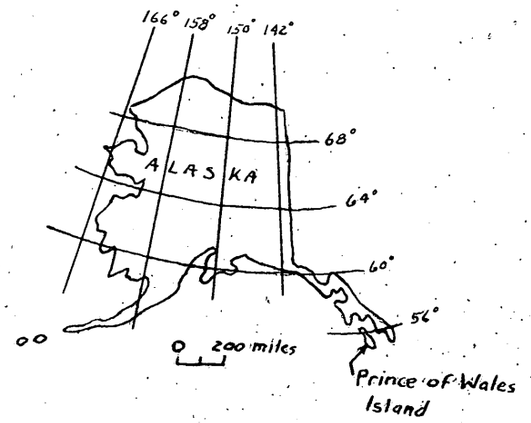
Address 924 W 22nd Ave Spokane 99204 Date 4/13/70

U.S. GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

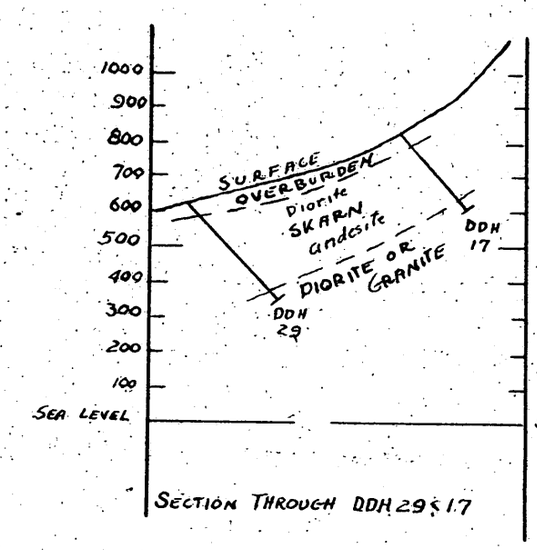
DOCKET NO. OME 6338 (iron)
Contract 2185



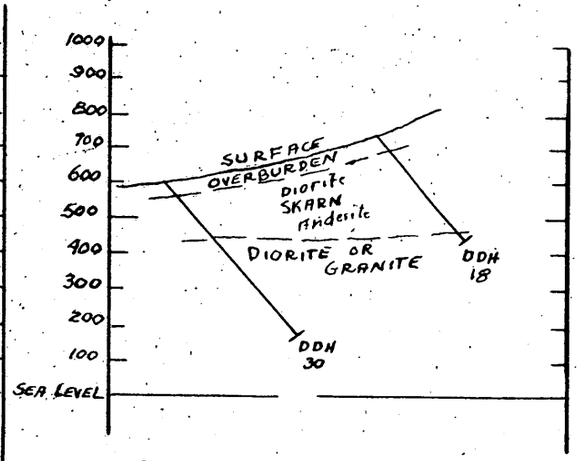
PLAN MAP SHOWING LOCATION OF DRILL HOLES



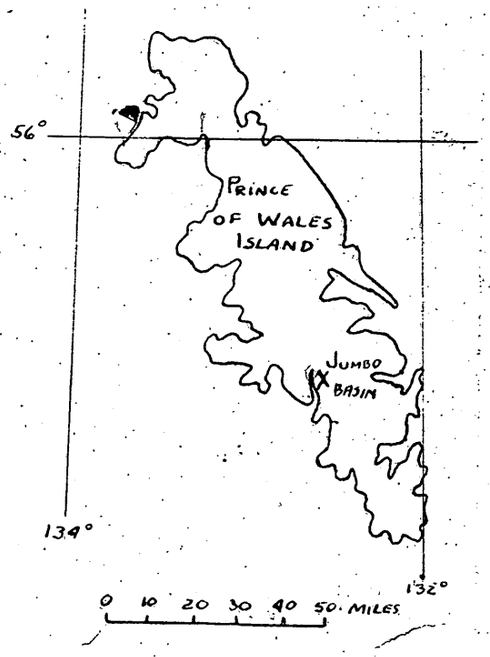
INDEX MAP OF ALASKA



SECTION THROUGH DDH 29 & 17



SECTION THROUGH DDH 30 & 18



INDEX MAP OF PRINCE OF WALES ISLAND

FIGURE 1. PLAN AND SECTION MAPS SHOWING DIAMOND DRILLING AT BONANZA GOLD INC., JUMBO BASIN PROPERTY

IN REPLY REFER TO:
Office of Minerals Exploration

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

May 14, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 21 1969

INITIALS	CODE
Jle	130
HK	~~120~~
	220

Mr. Eskil Anderson
924 West 22nd Avenue
Spokane, Washington 99203

Re: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Dear Mr. Anderson:

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

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

This refers to the Lien or Subordination Agreement signed by you on January 9, 1964, under the subject contract, and the Releases, dated May 23, 1967, and June 21, 1967, signed by you and Bonanza Gold, Inc., respectively.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to R-II

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since October 1968, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

Bonanza Gold Lease released 1-8-67

2. Since October 1968, has there been any production from the land subject to the contract? Yes ☐ No ☑

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Eskil Anderson

Address 924 W 22nd Ave Spokane Wash 99203

Title

Date 5/19/69

IN REPLY REFER TO:
Office of Minerals Exploration

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

September 23, 1968

Mr. Eskil Anderson
924 West 22nd Avenue
Spokane, Washington 99203

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 4 1968
INITIALS | CODE
jla | 130
KJ | 110
| 220

Re: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Dear Mr. Anderson:

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

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents. Agreement signed by you on January 9, 1964, under the subject contract, and the Releases, dated May 23, 1967, and June 21, 1967, signed by you and Bonanza Gold, Inc., respectively.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy To P-II

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **October 1967**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

Lease forfeited
Ownership unchanged

2. Since **October 1967**, has there been any production from the land subject to the contract? Yes ☐ No ☑

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Esbl Anderson Title

Address 924 W. 22nd Ave Date 2/X/68
Spokane
Washington
99203

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/7/67		110
		120
		220

NOV 7 1967

Mr. Frank H. Duval
President
Bonanza Gold, Inc.
East 15 Walton Avenue
Spokane, Washington 99207

Re: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Dear Mr. Duval:

Thank you for returning the MME Form 63, dated September 27, 1967, reporting on the status of the property under the subject contract and any production therefrom, and for your letter of October 12, 1967, enclosing a Release, dated June 21, 1967, of all rights to the property to Eskil Anderson by Bonanza Gold, Inc.

The relinquishment of all rights to the property does not relieve Bonanza Gold, Inc., of its obligations under the exploration contract. The Government will look to Bonanza Gold, Inc., for payment of any royalty due on production from the property if not paid by the producer or owner.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Region I w/cy MME Form 63, letr. 10/12/67, and Release 6/21/67
130

FEJohnson/gla-bsl 11-7-67

23263

BONANZA GOLD, INC. SPOKANE, WASH.

E. 15 WALTON AVE.

HU 7-5890

OFFICIAL COPY
O. M. E.
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OCTOBER 12,1967

UNITED STATES DEPT. OF INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON, D.C.

MR. FRANK E. JOHNSON

RE: OME-6338 (IRON ORE)
BONANZA GOLD, INC.
JUMBO BASIN, PRINCE OF
WALES ISLAND
KETCHIKAN PRECINCT, ALASKA
CONTRACT 2185

BONANZA GOLD, INC. HAS RELINQUISHED ALL RIGHTS TO THE ABOVE NAMED PROPERTY, WHICH IT WAS BEING PURCHASED UNDER AN OPTION AGREEMENT FROM ESKIL ANDERSON , RADIO CENTRAL BUILDING, SPOKANE, WASHINGTON.

THIS RELINQUISHMENT AGREEMENT WAS SIGNED THIS PAST APRIL,1967. AND RETURNED TO MR. ESKIL ANDERSON.

VERY TRULY YOURS,

Frank H. Duval

FRANK H. DUVAL,PRESIDENT
BONANZA GOLD, INC.

R E L E A S E

For valuable consideration, the undersigned hereby transfers, quit-claims and releases to Eskil Anderson, any and all rights or claims of the undersigned arising out of that certain Sale Agreement dated November 21, 1963, between Eskil Anderson, as Owner, and Bonanza Gold, Inc., as Purchaser, covering certain claims in the Jumbo Basin and on Hetta Mountain, Prince of Wales Island, Southeastern Alaska; and further certifies that said Agreement is cancelled, and that the undersigned has no further rights thereunder.

DATED this 21st day of June, 1967.

BONANZA GOLD, INC.

By Frank H. Duval. President

Attest E. H. Duval - Sec.

STATE OF WASHINGTON)
:ss.
County of Spokane)

On this 21st day of June, 1967, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Frank H. Duval and Estelle Duval, to me known to be the President and Secretary respectively, of BONANZA GOLD, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

William R. Paul

Notary Public in and for the State of Washington, residing at Spokane.

RELEASE

A certain agreement was made and entered into on the 21st day of November, 1963, by and between Eskil Anderson, party of the first part, and Bonanza Gold, Inc., party of the second part.

IT IS THE DESIRE of the parties hereto to settle any dispute under the terms of said contract and that Bonanza Gold, Inc. is desirous of cancelling said agreement and Eskil Anderson will release said Bonanza Gold, Inc. from said contract for the consideration of receiving twelve thousand (12,000) shares of Bonanza Gold stock.

NOW, THEREFORE, in consideration of the twelve thousand (12,000) shares of Bonanza Gold stock, Eskil Anderson does hereby release and relieve Bonanza Gold of any and all liabilities, whatsoever kind, under said agreement and all amendments made thereto.

DATED AND SIGNED at Spokane, Washington this 23rd day of May, 1967.

Eskil Anderson

Eskil Anderson

STATE OF WASHINGTON)
) ss.
COUNTY OF SPOKANE)

I, the undersigned, a Notary Public in and for the above named county and state, do hereby certify that on this 23rd day of May, 1967, personally appeared before me ESKIL ANDERSON to me known to be the individual described in and who executed the within instrument, and acknowledged that he signed and sealed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year last above written.

William [illegible] Boyd

Notary Public in and for the State of Washington, residing at Spokane

IN REPLY REFER TO:
Office of Minerals Exploration

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

September 27, 1967

Mr. Frank H. Duval
President
Bonanza Gold, Inc.
East 15 Walton Avenue
Spokane, Washington 99207

Re: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 6 1967

INITIALS	CODE
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Dear Mr. Duval:

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

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

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to R-I w/cy 10/12/67 letr & Release Dtd 6/21/67

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since September 1966, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☒ No ☐

2. Since September 1966, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Frank H. Duval Title President

Address E. 15 Walton Ave Date Oct. 7th 1967

Spokane, Wn. 99207

IN REPLY REFER TO:

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

August 23, 1966

Registered Mail
Return Receipt Requested

Re: OME-6338 (Iron ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchiken Precinct, Alaska
Contract 2185

Bonanza Gold, Inc.
E. 15 Walton Avenue
Spokane, Washington

Gentlemen:

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

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

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

OFFICIAL COPY
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SEP 9 1966
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MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since February 1965, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [✓] No [ ]
   Has the assessment work on the unpatented claims been kept up to date? If not, please give details. Yes [✓] No [ ]

2. Since February 1965, has there been any production from the land subject to the contract? Yes [ ] No [X]

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Frank H. Duval Title President

Address E. 15 Walton Ave Spokane Wash Date Sept. 2. 1966

Husky Industries & Services - 845 Hornby St. Vancouver B.C. are participating in further exploration and drilling for copper with Bonanza gold.

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

POSTMARK OR DELIVERING OFFICE

AUG 1969

INSTRUCTIONS: Fill in items below and complete instructions on other side, if applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

REGISTERED NO. 500212	NAME OF SENDER U.S. Geological Survey Office of Minerals Exploration
CERTIFIED NO.	STREET AND NO. OR P. O. BOX Dept. of the Interior
INSURED NO.	CITY, STATE, AND ZIP CODE Washington, D. C. 20242

POD Form 3811 Sep. 1963

C55—16—71548-6—F

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee

☐ Show address where delivered

(Additional charges required for these services)

RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED	SHOW WHERE DELIVERED *(only if requested)*
AUG 29 1966	

C55—16—71548-5—F GPO

6338

320

MME FORM 6 REFERENCE SLIP
REV. 2-[illegible] OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
TO: Chief, OME	1/6/67	
1.		
Re: OME-6338 (Iron Ore) Bonanza Gold, Inc.		
2.		
Jumbo Basin, Prince of Wales Island		
3.		
Ketchikan Precinct, Alaska		
Contract 2185		
4.		
D. R. MacLaren		
5.		
FROM: Field Officer, Reg. I		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____
____ Approval ____ Investigate ____ Surname
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite ____ File
____ Instructions X Your information

REMARKS:

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1207
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File with Docket OME-6338

INT.-DUP. SEC., WASH., D.C. M56300-62

4 Holes Drilled in Jumbo Mine

The Chronicle-1/4/67

Four holes have been drilled in the Alaskan Jumbo Mine property of Bonanza Gold, Inc., of Spokane, completing the first phase of the current exploration program.

So said Stanley L. Sandner, president of Geo-X Surveys, Ltd., of Vancouver, B.C., the operating company, in a report to the Spokane firm.

As previously reported, the first hole encountered a zone of "fairly good" copper ore at 230 to 276 feet, he said. Available information indicated the probable extension of the ore bodies was to the right of hole No. 1 but two holes drilled there were barren of mineralization, Sandner said.

Hole No. 4 then was drilled to the left of the First hole to the left of the first hole survey had indicated an anomaly. The hole encountered five feet of mineralization from 256 to 261 feet assaying 1.90 per cent copper and 0.15 of an ounce of silver per ton, he said.

The four holes indicated that the ore occurs in two separate zones with a dike between them, Sandner said in his report. It appears that the top of a new ore zone has been intersected by two of the holes and a larger scale exploration program to explore this possibility is planned as soon as weather conditions permit, he added.

OME 6338

The Chronicle
10/24/66

Drill Crews Start Hunt for Copper

Diamond drilling of the Jumbo Basin property on Prince of Wales Island, Alaska, owned by Bonanza Gold, Inc., of Spokane, was started last week, it was learned today.

A helicopter lifted the drill rig from the beach to the portal of old workings at 1,570 feet elevation, J. M. Stitt, general manager of Geo-X Surveys (formerly Husky Industries and Services, Ltd.) said in a progress report to Bonanza Gold.

The drilling is aimed at intersecting the downward extension of a copper ore body which yielded some production years ago, he said. Mining operations were suspended shortly after World War I because of low copper prices and water problems, he said.

The drilling is being done under contract by G. & J Drilling, Ltd., of Vancouver, B.C. Geo-X Surveys, also of Vancouver, entered into an agreement with Bonanza Gold in July for exploration of the property.

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

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 29 1965

INITIALS	CODE
	120
	120
	120

MAR 22 1965

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Exploration Operations

Subject: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Will you kindly forward the enclosed letter to Bonanza Gold, Inc., and advise us in regard to the corporation's new address.

George C. Selfridge

Enclosure

FMMurphy/mm (3/19/65)
cc: Director's Reading File
MMX Review Committee
Docket

3/26/65--To: Chief, Div. of Minerals Exploration

Mr. Frank Duval does not know why your letter addressed to Lobby, Paulsen Building, Spokane, Washington, was not delivered. He suggested addressing correspondence to either P. O. Box 1444, or E. 15 Walton Avenue. I have mailed your letter of March 9, 1965, signed by the Acting Director, to the latter which is also the address of Duval Studios.

MAR 26 1965

Donald R. Mannion

Frank H. Duval, President
Bonanza Gold, Inc.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/22	Murphy	120 m
	GCS	130
3/22	Turner	110
		100
3/22	cal	220
		120 m

MAR 2 2 1965

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Exploration Operations

Subject: CME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Will you kindly forward the enclosed letter to Bonanza Gold, Inc., and advise us in regard to the corporation's new address.

George C. Selfridge (gla)

Enclosure

FMMurphy/mm (3/19/65)
cc: Director's Reading File
~~KKX~~ Review Committee
Docket

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

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	[illegible]	120
3/9	[illegible]	110
	[illegible]	100
		220

MAR 9 1965

Mr. Ethil Anderson
924 W. 22nd Avenue
Spokane, Washington 99203

Re: OMK-6338 (Iron Ore)
Rosemark Gold, Inc.
Sumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Dear Mr. Anderson:

Enclosed is a self-explanatory letter of today to the Operator under the subject contract. This relates to the Lien or Subordination Agreement signed by you on January 9, 1964.

The Government's prior lien on the land and upon production therefrom, as specified in the letter to the Operator, will continue in existence for the length of time mentioned in the enclosed letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

MMerrithew/mm (3/8/65)
cc: Director's Reading File
Region I (2)
Docket

23263

OME (2)

So. 157 Howard Street
Spokane, Washington 99204
February 15, 1965

Memorandum

To: Fiscal Section, Office of Management Operations
Office of the Secretary, Washington, D. C.

From: Acting Field Officer, Region I

Subject: OME-6358 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

There is enclosed the original of a Report of Review, in lieu of a final audit, dated February 9, 1965, covering the subject contract, for the period June 1, 1964, to August 16, 1964, inclusive.

One copy of the report has been sent to the Operator and one copy retained in the Spokane office files.

Also enclosed are the original and two copies of the Operator's monthly voucher, progress report, and supporting documents for the months of June, July, and August 1964 for processing.

D. R. MacLaren

Enclosures

cc: OME(2)
Voucher File

Director's Reading File
Resources Research Branch Chief

MiMaelner:mls

OFFICIAL
COPY
O. M. E.
RECEIVED
FEB 17 1965

INITIALS	CODE
ama	800
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	120

OMIE(2)

Sa. 157 Howard Street
Spokane, Washington 99204
February 15, 1965

Mr. Frank E. Duval
President
Romanza Gold, Inc.
Lobby, Paulsen Building
Spokane, Washington 99210

Re: CMR-6338 (Iron Ore)
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Dear Mr. Duval:

There is enclosed one copy of a Report of Review, in lieu of a final audit, dated February 9, 1965, covering the subject contract, for the period June 1, 1964, to August 16, 1964, inclusive.

Payment of the "Balance due" in the amount of $9,001.50 will be made by our Washington office and should be received shortly.

Sincerely yours,

D. B. MacLaren
Acting Field Officer, CMR
Region I

Enclosure

cc: CMR(2)
Voucher File

Director's Reading File
Resources Research Branch Chief

MLSmelzer:mls

OFFICIAL COPY
O. M. E.
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FEB 17 1965
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MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/9	alley	800
2/10	cal	220
		120

FEB 10 1965

Memorandum

To: Acting Field Officer, Region I
/s/ C. E. Fisher

From: Contract Administration and Audit Division

Subject: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Mine
Ketchikan Recording Precinct
First Division, Alaska
Contract 2185

As requested in your memorandum of January 29, 1965, a Report of Review covering the subject contract has been prepared. The original and two copies are enclosed, together with the original of the final (June-July-August 1964) voucher and attachments. The Operator's claim for 59 core boxes appeared to be reasonable and, therefore, was allowed rather than the 53 core boxes indicated in your memorandum.

If you concur in the facts as stated therein, distribution should be made in accordance with section 4 of OME Circular 2 dated February 17, 1960. As evidence of your concurrence, a copy of your letter transmitting the Operator's copy of the Report of Review should be furnished to this Division. If for any reason you do not concur, the original and both copies should be returned to this Division with your comments.

Enclosures

AMAlley/ama 2-9-65

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204

January 29, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 3 1965
INITIALS CODE
CEF 800
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120

Memorandum

To: Contract Administration and Audit Division, OME

From: Acting Field Officer, OME, Region I

Subject: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Work under the subject contract was terminated, effective August 16, 1964, by an agreement dated January 21, 1965.

The number of units of work completed by the Operator and accepted by the Acting Field Officer as conforming to contract specifications were:

Diamond drilling	1,613 feet
Core boxes	53 each
Assays for iron and copper	27 each
Assays, composite	4 each

An acceptable final report was received from the Operator on December 30, 1964.

A Report of Review in lieu of a final audit is in order and requested. For this purpose, the original copies of the final (June-July-August 1964) MME-60 and MME-61, together with supporting documentation, are attached.

D. R. MacLaren

D. R. MacLaren

Attachments

MME FORM 6
REV. 59

REFERENCE SLIP

OFFICE OF MINERALS EXPLORATION

		DATE	INITIALS
TO: Chief, Div. of Exploration Operations			
1.			
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4.			
5. DRMacKaren			

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 1 1965

INITIALS	CODE
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FROM: Acting Fld. Officer Reg I

FOR: Check items for action desired

X Action — Reply for signature of — Surname
Approval — Investigate — Signature
Comment — Recommendations — File
Conference — Rewrite
Instructions — Your information

REMARKS: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185
Transmittal of Gov't, Fiscal Section, and Audits copies of Termination Agreement of cited contract

M56300-62

INT.-DUP. SEC., WASH., D.C.

February 1, 1965

Memorandum

To: Files (Copies also in OME-6148 and OME-6338)

From: Chief, Division of Exploration Operations

Subject: OME-6324 (Silver)
Clayton Silver Mines
Clayton Mine
Custer County, Idaho
Contract 2177

In a letter of January 11, 1965, to Mr. MacLaren the subject Operator requested that Holes Nos. 1304, 1402, and 1552 be dropped and that another Hole, 1501-A, be drilled at Station D2 in lieu thereof, a program concurred in by Mr. MacLaren.

The writer called Mr. MacLaren to see what had been recently done at the property and to learn to what extent the Government was committed in drilling under Stage III. It seemed that the new proposed Hole 1501-A should have been drilled before moving the drill to Station D3 as the results to date suggested that no more drilling be done there or, if at all warranted, that Hole 1551 should be drilled first rather than Holes 1303 or 1401.

The writer wondered why Mr. Smith should use the long hole intercepts with the low-grade silver values as there is no point in doing so. Mr. MacLaren in his memorandum of January 25, 1965, used narrower widths with higher grades in all but one case. Using MacLaren's figures, the writer calculated that the "ore" intercepts average 7.72 ounce silver a ton across 9.4 feet. The writer further reduced three of the intercepts, thereby raising the grade of each and the over-all calculated average to 8.77 ounce silver a ton over 6.9 feet. The average of the holes as a whole is noneconomic.

The writer plotted the values on the map submitted with Mr. Smith's letter as he stated the results of the higher elevation holes suggested that the rake of the "ore" may have straightened up and therefore the purpose of the new Hole 1501-A. From prior results there could have been some question about drilling Holes 1103 and 1104 as they also appear to be too high. Apparently Mr. Smith had the drill moved before making a complete study of the drilling that had been done. The November and December vouchers had been held up in the Spokane office waiting for an amendment so they could be paid.

Mr. MacLaren told the writer that seemingly the company had a firm commitment with the independent contractor to do a minimum amount of footage. Mr. MacLaren did not know how much had been done during January. In checking through the docket, the drill had been moved in December so at least one hole had been drilled in January. Mr. MacLaren had told Mr. Smith that whatever he might do would be on his own until approved by Mr. MacLaren. It wouldn't surprise the writer to have the Operator request that additional deeper holes be drilled at Stations DX and D1 to test his theory.

To date only Hole 1051 and 1101 are ore holes and Holes 1301 and 1302 are marginal holes. The writer mentioned that he didn't think the indicated mineralization would be minable, and Mr. MacLaren stated that the company had been mining $12 ore. The writer pointed out that the ore being mined had been partly developed under a DMEA contract, but to mine the presently indicated ore would require sinking a shaft, drawing down the water table, and driving drifts and raises, all of which would be much more expensive. Apparently water is quite a problem each time there is a major earthquake on the North American continent. The drilling to date has not indicated any silver enrichment and lead values seem appreciably less. A better picture of the results of the drilling could have been obtained using a vertical section in the plane of the vein.

OME-6148 Mr. MacLaren stated that he had talked with the Little Squaw people and that they thought they had found the eastern extension of the Little Squaw vein. They wish a further recess so that they can work next summer if money is available. Mr. MacLaren stated that he had explained the facts of life to them concerning a royalty agreement and it now appears that they are willing to sign an amendment with a royalty clause in it.

OME-6338 Mr. MacLaren also stated that Bonanza Gold had executed and returned the proposed Termination Agreement.

George C. Selfridge

GCSelfridge/gla (2-1-65)
cc to: Director's Reading File
Mr. Selfridge
Dockets 6324, 6148, 6338

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204

January 29, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 1 1965

INITIALS	CODE
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	120

Memorandum

To: Chief, Division of Exploration Operations

From: Acting Field Officer, Region I

Subject: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Enclosed are two copies of a letter dated November 10, 1964, ~~from~~ the subject operator, accompanied by a "Summary of Geologic Field Investigation, Jumbo Basin, Alaska, 1964," Charles C. Plummer.

Drill hole logs and sections accompany the operator's final voucher.

This is about all that can be presented by the operator as a final report, and its acceptance is recommended.

D. R. MacLaren

D. R. MacLaren

Enclosures

Holes completed
#17 - 274'
#30 - 572'
#18 - 382'
#29 - 383'

FRANK H. DUVAL
PRESIDENT
~~ESKIL ANDERSON~~
~~1ST VICE-PRESIDENT~~
TERRY GILL
2ND VICE-PRESIDENT
E. H. DUVAL
SEC'Y-TREAS.
HARRY F. MAGNUSON
DIRECTOR
STEVE TENEFF
DIRECTOR

BONANZA GOLD, INC.
LOBBY PAULSEN BLDG. • P. O. BOX 1444
SPOKANE, WASHINGTON 99210

TELEPHONE
RI 7-2125
TELETYPE
509-328-6656

November 10, 1964

Office of Minerals Exploration
Spokane, Washington

re: O.M.E. Contract # 6338

Dear Sirs:

Enclosed with this report are the results of drilling and the assay reports of four diamond drill holes for iron at the Jumbo Basin property in Alaska, during June, July and August 1964.

The drilling was carried out in a large anomolous section about 1,000 feet below known outcrops of iron ore of upwards of 500,000 tons in one outcrop of iron ore to several of unknown size at elevations above. Bonanza Gold, Inc. late this season carried out a Geomag.Geophysical survey approximately 2,000 feet above the drilled area with indications of a very extensive area of iron ore. About 3,000 feet east of the known iron area, or in the area of the formercopper producing mine the Geo Mag. survey came up with very high anomolies, presumably copper, on which the Bonanza Gold, Inc. are planning further drilling early in 1965. Did they drill here in 1964?

The past records, engineering reports and the results of this seasons work are extremely encouraging. Several large mining companies have contacted this company as to the financing and further development of this property both as to iron and copper based on results of this seasons work.

Bonanza Gold, Inc. at this time ask to have O.M.E. # 6338 terminated.

Very truly yours,
BONANZA GOLD, INC.
Frank H. Duval

RECEIVED
DEC 30 1964
O.M.E.
SPOKANE, WASH.

OPER.'S FINAL REPT.

FRANK H. DUVAL
PRESIDENT
~~ESKIL ANDERSON~~
~~1ST VICE-PRESIDENT~~
TERRY GILL
2ND VICE-PRESIDENT
E. H. DUVAL
SEC'Y-TREAS.
HARRY F. MAGNUSON
DIRECTOR
STEVE TENEFF
DIRECTOR

BONANZA GOLD, INC.
LOBBY PAULSEN BLDG. • P. O. BOX 1444
SPOKANE, WASHINGTON 99210

TELEPHONE
RI 7-2125
TELETYPE
509-328-6656

SUMMARY OF GEOLOGIC FIELD INVESTIGATION
JUMBO BASIN, ALASKA, 1964

Purpose- The purpose of this report is to summarize the results of field studies undertaken at Jumbo Basin, Alaska from June 18th, 1964 to August 17th, 1964.

The work was undertaken for Bonanza Gold, Inc., and involved logging diamond drill core as well as geologic mapping of the area.

The first two weeks in the field were spent familiarizing myself with the geology of the area and best routes of access. The subsequent three weeks were spent mapping the geology of the upper elevations of the basin. It was then decided by the company that this mapping should be curtailed and that the area between the Magnetite cliffs and Jumbo Mine should be mapped in great detail. The remaining three weeks were spent mapping the latter area. At this point in the summer, the company decided to discontinue geologic mapping. The resulting two maps, neither of which is complete, are the products of the field work.

Upper Basin Map

The map of the upper basin area, ~~enclosed with this report~~, was made using as a base map the topographic portion of the geologist map enclosed in USGS Proffessional Paper 251 by George Kennedy. In mapping this area, terminology used by Kennedy was used by me. Some of the outstanding pertinent information regarding this area are: 1) Much of what is mapped "schist" appears to be fine-grained hornfels. 2)There does not seem to be any evident lithologic correlation between the schist in the SW portion of the area mapped and the schist in the area around the summit of Copper Mtn. 3) Rock metasomatically altered beyond recognition of the original rock type has been mapped as skarn. 4) Copper mineralization w/ in the skarn in this area is quite common and should be of interest in future economic development of the area. The extent of mining in this area is unknown, however, there are many small exploration adits as well as the main abondoned mine workings on the ridge.Chalcopyrite veins are common, sometimes up to several inches thick. At one place on the north flank of the SW ridge leading to copper Mtn. is a layer of magnetite along the contact between granodiorite and skarn.

Detailed Map between Iron Cliff and Jumbo Mine

This map, to be submitted by Gennason, used as control a grid layed out on the ground. Much time was spent mapping the large magnetite outcrops unmapped and undescribed by Kennedy. This magnetite body appears to be the downslopecontinuation of the Upper Ore Bodies mapped by Kennedy. The ore apparently follows an undulating contact zone between granodiorite and limestone, the average dip of the body not differing too greatly from the slope of the terrain, which is about 30 to 40 degrees. The possibility of magnetite underlying granodiorite in places is suggested by magnetometer data , such a possibility is not unlikely in view of the observed relationship in drill cores which show apophyses of granodiorite to be the rule rather than the exception.

The skarn in this area includes many dikes of andesitic and moremafic rocks and in the lower elevations, coarse grained intrusive mafic rock is quite common. Similar rock, mafic diorite, hornblendite, and gabbro were found to form a stock in the area where diamond drill cores were logged. The mafic intrusive complex is in strong contrast to and clearly predates the leucocratic granodiorite of the region. Most of the mafic rock has fine veinlets as well as finely disseminated chalcopyrite and pyrite, and the rock is usually magnetic.

It would seem that the mafic stock was the source for iron and copper in the region and that these elements were mobilized during the intrusion of granodiortie which probably provided the heat as well as gases which facilitated the vast ionic mobilization in the area.

Recommendations:

1.) The complete detailed geologic mapping of the basin should be completed at the earliest possible date as current geologic maps are inadequate for carrying out drilling or exploration programs.

2.) Geologic mapping should be followed by a complete petrographic study of the area.

3.) Geologists preparing to work in the area should talk to me as this report only covers outstanding and general findings of the field work.

4.) Workers, in geology, preparing to go to the area should be aware of the hinderance to field work imposed by rain, low clouds, vegetation and rugged terrain.

Charles G. Plummer
Dept. of Geology
University of Washington
Seattle, Washington

BONANZA GOLD, INC.
LOBBY, PAULSEN BLDG.
P. O. BOX 1444 — RI 7-2124
SPOKANE, WASHINGTON 99210

RECEIVED
DEC 30 1964
OME
SPOKANE, WASHINGTON

MME FORM 60
SEPT. 1959

RECEIVED
JAN 11 1965

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

R 1 1965

Docket No. ~~# 6338~~
Contract No.
14-23-090- 2185
Contract Amount $ ~~60,150.00~~
Gov't. Participation % ~~50~~ $ ~~30,075.00~~
Mineral(s) ~~iron ore~~

OPERATOR'S MONTHLY VOUCHER

For Month of June ~~July-August~~

Operator's Name ~~Bonanza Gold, Inc.~~
Address ~~East 15 Walton Ave. Spokane, Washington 99207~~

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting						
Drilling Core	$17,743.00	none	$ 17,743.00			
59 core boxes			59.00			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work	$ 201.00	none	$ 201.00			
Payroll Taxes						
Employee's Liability Ins.						
TOTALS			$ 18003.00	18,003.00		18,003.00

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

Date ~~Dec. 15th, 1964~~ *Payee ~~Bonanza Gold, Inc.~~

Per Frank N. Dowal Title ~~President~~

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 9,001.50

Signature [illegible]
(Authorized Certifying Officer)

Date 2/24/65 Vou. No. 1267

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2185

Signature D R MacBarren Title Acting Field Officer, Reg. I Date FEB 1 1965

Approved by OME Executive Officer or Alternate:

Signature D R MacBarren Title Acting Field Officer, Reg. I Date FEB 1 1965

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and ~~four~~ three copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
JAN 11 1965

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT

For Month of June, July, August Docket No. # 6338

Operator's Name Bonanza Gold, Inc. Contract No. 14-23-090- 2185

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond		1613	1613	$ 17,743.00	1613	1613	$ 17,743.00
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Core Boxes				59.00	53 11	53	53.00 11
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work				201.00			201.00
TOTAL TO DATE (per MME Form 60)				$ 18,003.00			17,997.00

REMARKS
We have substituted wooden core boxes in place of cardboard owing to the heavy rainfall. We have submitted a cost of $1.00 each for core boxes-no invoice- we actually paid $10.90 each including freight.
Owing to nature of terrain and the fact that we used a helicopter and an airdrop spot that we had to clear, we flew in two drills and started one on Hole # 30 on June 8th and moving this drill to # 29-28-27-26 to #25, the other drill we started on Hole#17 on June 19th

(Continue on back)

REMARKS
11 Drillers log sheets for hole #30 show no itemized core recovery but indicate a recovery of 99%. Excluding overburden. The average itemized recovery from holes #17, 18, and #29 is 86.7%. Applying this lower figure to hole #30, less overburden, probable core recovery is:

(Continue on back) (ACR)

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date ~~October 6th, 1964~~ Operator ~~Bonanza Gold, Inc.~~

Per Frank H. Duval Title ~~President~~

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D R MacBaden

Title Acting Field Officer, Reg. I
Government Representative

Date FEB 1 1965

(INSTRUCTIONS ON REVERSE)

REMARKS (Cont.)

then #18 then progressively down, to 16-15-14-13.
We then plan to drill # 5-6-7-8 and lastly # 31 and32.
The airdrop was located at # 17 as being the best location as to terrain.
Hole # 17 was finished on July 7th,1964 to a depth of 274'
Hole # 30 was finished on July 19th,1964 to a depth of572'
Hole # 18 was started on July 11th,1964 and by July 31st was down to 275 '
Hole # 29 was started on July 23,1964 and by July 31st was at a depth of 324 '
Hole # 18 was finished on August 7th,1964 at 382'
Hole # 29 was finished on August 12th,1964 at 385'

REMARKS (Cont.)

Hole	Core
17	196 ft
18	316 "
29	319 "
30	491 "
	1322 ft

@ 25 ft of core per box, 52.88 - say 53 boxes reasonably acceptable

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and ~~four~~ three copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

DIAMOND CORE DRILLING
FOUNDATION TESTING
MINING
QUARRY
GAS WELL SINKING
TUNNEL DRIVING
MINE PLANT DESIGN AND EQUIPMENT

Boyles Bros. DRILLING COMPANY

CONTRACTORS ENGINEERS GEOLOGISTS

General Offices and Plant

1624 Pioneer Road P. O. Box 58 HU 7-7595

SALT LAKE CITY 10, UTAH

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

INVOICE DATE Sept. 19th, 1964
ORDER NUMBER 70-28
INVOICE NUMBER 3
CONTRACT Bonanza Gold-Alaska
TERMS Net
SHIPPED TO Metra Inlet, Prince of Wales Island, Alaska.

Bonanza Gold Inc.
c/o Mr. Robert Anderson
Radio Central Building
Spokane, Washington.

Hole # 15 275 ft. to 382 ft. - 107 ft. at $ 8.20 per ft.		$ 877.40
Coring time - 3 hrs - 6 hrs. 16.50 per hr.		115.50
	total	$ 992.90
Hole # 29 [illegible] ft. to [illegible] ft. - 61 ft. at $ 8.20 per ft.		$ 500.20
Coring time - 3 hrs - 6 hrs. 16.50 per hr.		115.50
	total	$ [illegible]
Moving from Hole #18 to Hole #29 3 man-16 hrs. at $18.50 per hr.		$ 302.40
3 man-16 hrs. at 25.20 per hr.		[illegible]
	total	$ [illegible]
Loading from Hole # 28 to Heliport - 3 man-24 hrs. at $18.50 per hr.		$ [illegible]
Moving " " 29 to " 3 man-24 hrs. " " " "		576.00
Unloading truck, Heliport & setup - 1 man-40 hrs. at 6.50 " "		260.00
Moving Rods etc. to Heliport - 2 man-24 hrs. at 12.40 " "		595.20
Loading with Helicopter 4 man-16 hrs. at 25.20 " "		403.20
Helicopter time 10.5 hrs. at 150.00 " "		1,577.50
Signal's mid to Ketchikan		[illegible]
28 days board at 5.00 - day		140.00
Approved By..... Grand	total	$ 6,[illegible]

~~Original in Bonanza file for bookkeeping~~

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN AND FABRICATION

Davies Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

General Offices and Plant

1624 Pioneer Road P. O. Box 50 HU 7-7595

SALT LAKE CITY 10, UTAH

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

INVOICE DATE: Aug. I, I964
ORDER NUMBER: 50-28
INVOICE NUMBER: 2
CONTRACT: Bonanza Gold, Alaska
TERMS: Net
SHIPPED TO: Hetta Inlet, Prince of Wales Island, Alaska

BONANZA GOLD INC.
c/o Mr. Eskil Anderson
Radio Central Building
Spokane, Washington.

Hole # 29 0 to 64 ft. - 64 ft. at $I0.00 per ft.			$ 640.00
64 ft. 250 - I86 7.90			I,469.40
250 324 - 74 8.20			606.80
Reaming 0 64 - 64 3.60			230.40
Casing time 8 hrs. at I2.60			I00.80
Moving & Setting Up 46 I2.60			579.60
Portland Cement I sack at 6.00			6.00
		Total	$ 3,633.00
Hole # 30 287 ft. to 572 ft.- 285ft. at 8.20 per ft.			$ 2,337.00
Casing time 8hrs. at I2.60 per hr.			I00.80
		Total	$ 2,437.80
Meals			
Donval I2 days at 5.00 per day			$ 60.00
Gonnason 6 5.00			30.00
Plummer 3I 5.00			I55.00
		Total	$ 245.00
I man -24 hrs. Working on trails, setups & Heliports. at $ 6.30 per hr.			$ I5I.20
Approved By.....		Grand Total	$I2,555.30

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

General Offices and Plant

1624 Pioneer Road P. O. Box 58 HU 7-7595

SALT LAKE CITY 10, UTAH

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

INVOICE DATE: Aug. I, I964
ORDER NUMBER: 50-28
INVOICE NUMBER: 2
CONTRACT: Bonanza Gold-Alaska.
TERMS: Net
SHIPPED TO: Hetta Inlet, Prince of Wales Island, Alaska.

BONANZA GOLD INC.
c/o Mr. Eskil Anderson
Radio Central Building
Spokane, Washington.

Hole # I7	29 ft. to 50 ft.	- 2I ft. at $I0.00 per ft			$ 2I0.00
	50	250	-200	7.90	I,580.00
	250	274	- 24	8.20	I96.80
Reaming	2I	50	- 29	3.60	I04.40
Casing			8 hrs. at I2.60 per hr		I00.80
				Total	$ 2,I92.00
Hole # I8	0 to	75 ft.	- 75 ft. at	I0.00 per ft.	$ 750.00
	75	250	-I75	7.90	I,382.50
	250	275	- 25	8.20	205.00
Reaming	6	55	- 55	3.60	I98.00
Cement time			39 hrs. at I2.60		49I.40
Casing time			I4 hrs. at I2.60		I76.40
Portland Cement			8 sacks at 6.00		48.00
Lumnite			I sack atI5.00		I5.00
				Total	$ 3,256.30
Moving and Setting Up			50 hrs.at I2.60		630.00
					$ 3,886.30

110

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Davies Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

General Offices and Plant

1624 Pioneer Road P. O. Box 59 HU 7-7595

SALT LAKE CITY 10, UTAH

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

INVOICE DATE: July 1, 1964
ORDER NUMBER: 50-28
INVOICE NUMBER: 1
CONTRACT: Bonanza Gold-Alaska
TERMS: Net
SHIPPED TO: Hetta Inlet, Prince of Wales Island, Alaska

BONANZA GOLD, INC.
c/o Mr. Ekdil Anderson
Radio Central Building
Spokane, Washington

Mobilization Fee		$6,000.00
½ Boat Charter, Ketchikan to Jumbo Basin	600.00	300.00
16 Hours Moving In, Camp & Drill Equipment with 3-2 man crews	12.60	604.80
16 Hours Tensco Flying Service Helicopter	135.00	2160.00
Tensco Flying Service Plane Charter 6-5-64	30.00	30.00
Materials for 2 Tents		255.04
250 Core Boxes, FOB Salt Lake City	4.00	1,000.00
Freight, Core Boxes, Salt Lake City to Seattle		556.88
Freight, Core Boxes, Seattle to Ketchikan		272.66
M. G. Peckham, 8 hours handling core boxes in Ketchikan	4.37½	35.00
Coastal Ellis, Air Fare for Peckham to Ketchikan & Return for Boxes		30.00
Ireland Transfer - Fork Lift for Core Boxes		34.38
5.2 Hours Tensco Flying Service, Helicopter for Core Boxes	135.00	702.00
4 Hours Flying Core Boxes 2-2 man crews	12.60	100.80
MEALS		
Frank Duval 13 Days		
Ed Weber 10 Days		
Walt Gonnison 17 Days		
Carl Plummer 13 Days		
Total 53 Days	5.00	265.00
	Sub Total	$12,346.56

110

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

General Offices and Plant

1624 Pioneer Road P. O. Box 58 HUnter 7-7595

SALT LAKE CITY 10, UTAH

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

INVOICE DATE: July 1, 1964
ORDER NUMBER: 50-28
INVOICE NUMBER: 1
CONTRACT: Bonanza Gold-Alaska
TERMS: Net
LOCATION: Hotta Inlet, Prince of Wales Island, Alaska

BONANZA GOLD, INC.
c/o Mr. Eskil Anderson
Radio Central Building
Spokane, Washington

HOLE NO		FROM	TO	FOOTAGE	RATE	TOTAL
#30	Overburden	0.0	64'	64'	10.00	640.00
#30	BWL	64'	250'	186'	7.90	1,469.40
#30	BWL	250'	287'	37'	8.20	303.40
#30	Reaming	0.0	26'	26'	3.60	93.60
#30	Casing			4 Hours	12.60	60.40
#30	Cementing			68 Hours	12.60	856.80
#30	Cement			14 Bags	6.00	84.00
#30	Moving & Set Up	2 man crew		37 Hours	12.60	466.20
#17	Overburden	0.0	29'	29'	10.00	290.00
#17	Reaming	0.0	21'	21'	3.60	75.60
#17	Casing			½ Hour	12.60	12.60
#17	Cementing			4 Hours	12.60	50.40
#17	Cement			4 Bags	6.00	24.00
#17	Moving & Set Up	2 Manx Crew		45 Hours	12.60	567.00
					Sub Total	4,993.40
					Sub Total	12,346.56
					TOTAL	$17,339.96

CERTIFICATE OF ASSAY

FROM

PETER MACK

ASSAYER AND CHEMIST

Bonanza Gold, Inc

Wallace, Idaho, [illegible]

MARKED	Gold oz. per ton	Silver oz. per ton	%	%	Copper %	%			
Sample & Assay #			[illegible]	[illegible]		[illegible]			
# 12/17444	Tr	Tr	[illegible]	[illegible]		[illegible]			
16/17449 #6	Tr	Tr	[illegible]	[illegible]		[illegible]			
21/17453 "	Tr	Tr	[illegible]	[illegible]		[illegible]			
27/17459	Tr	0.3	[illegible]	[illegible]		[illegible]			

Assayer

[illegible]

BONANZA GOLD, INC.
LOBBY, PAULSEN BLDG.
P. O. BOX 1444 — RI 7-2124
SPOKANE, WASHINGTON 99210

Alaska
Dept of Natural Resources
Division of Mines
and Minerals

Form M-1-8-62-3M

Assay Office Anchorage, Alaska

Date September 17, 1964

REPORT OF ASSAY

On samples received from Al Gooch - Div. of Mines & Minerals

Address Box 1408 - Ketchikan, Alaska

Assay No.	Sample Marked	OUNCES PER TON		Value per Ton	Percentage of
		GOLD	SILVER	IRON	
16732-A	17313 - Gonnason #2			6.3%	
16731-A	Gonnason #1			9.2%	
16730-A	Gonnason #3			8.9%	
16729-A	Gonnason #11			8.3%	
16728-A	Gonnason #10			8.5%	
16727-A	Gonnason #9			9.6%	
16726-A	Gonnason #8			8.1%	
16725-A	Gonnason #7			8.5%	
16724-A	Gonnason #6			8.4%	
16723-A	Gonnason #5			8.4%	
16722-A	Gonnason #4			10.2%	

BUNKER HILL, INC.
P. O. BOX
SPOKANE, WASHINGTON

Jumbo Basin
F. Duval

I.W. Mitchell Assayer.

Alaska
nt of Natural Resources
Division of Mines and Minerals

Form M-1-8-62-3M

Assay Office Anchorage, Alaska

Date September 10, 1964

REPORT OF ASSAY

On samples received from Al Geach - Div. of Mines & Minerals

Address Box 1408 - Ketchikan, Alaska

Assay No.	Sample Marked	OUNCES PER TON		Value per Ton	Percentage of
		GOLD	SILVER	COPPER	
16722	#4 Gonnason			Less than 0.1%	
16723	#5			Less than 0.1%	
16724	#6			Less than 0.1%	
16725	#7			Less than 0.1%	
16726	#8			Less than 0.1%	
16727	#9			Less than 0.1%	
16728	#10			Less than 0.1%	
16729	#11			Less than 0.1%	
16730	#3			Less than 0.1%	
16731	#1			Less than 0.1%	
16732	#2			Less than 0.1%	

Jumbo Bacon
F. Bunzel

I.W. Mitchell Assayer.

of Alaska
Department of Natural Resources
Division of Mines
and Minerals

Form M-1-8-62-3M

Assay Office Anchorage, Alaska

Date December 8, 1964

REPORT OF ASSAY

On samples received from Al Gooch - Div of Mines & Minerals

Address Box 1408 - Ketchikan, Alaska

Assay No.	Sample Marked	OUNCES PER TON		Value per Ton	Percentage of
		COPPER		IRON	MOLY
17196	Duval #12	Nil		3.9%	Nil
17197	Duval #13	Nil		3.6%	
17198	Duval #14	Trace		6.6%	
17199	Duval #15	Less than 0.1%		8.7%	
17200	Duval #16	Trace		4.4%	Nil
17201	Duval #17	Trace		6.1%	
17202	Duval #18	Less than 0.1%		4.2%	
17203	Duval #19	Nil		11.2%	
17204	Duval #20	Nil		7.3%	
17205	Duval #21	Nil		9.5%	Nil
17206	Duval #22	4.1%		9.4%	
17207	Duval #23	Nil		6.5%	
17208	Duval #24	Nil		6.3%	
17209	Duval #25	Trace		5.6%	
17210	Duval #26	Trace		6.2%	
17211	Duval #27	Trace		6.4%	Nil

BONANZA GOLD, INC.
LOBBY, PAULSEN BLDG.
P. O. BOX 1444 — RI 7-2124
SPOKANE, WASHINGTON 99210

I.W. Mitchell Assayer.

FRANK H. DUVAL
PRESIDENT
~~ESKIL ANDERSON~~
1ST VICE-PRESIDENT
TERRY GILL
2ND VICE-PRESIDENT
E. H. DUVAL
SEC'Y-TREAS.
HARRY F. MAGNUSON
DIRECTOR
STEVE TENEFF
DIRECTOR

RECEIVED
DEC 30 1964
O M E
SPOKANE, WASHINGTON

BONANZA GOLD, INC.
LOBBY PAULSEN BLDG. • P. O. BOX 1444
SPOKANE, WASHINGTON 99210

TELEPHONE
RI 7-2125
TELETYPE
509-328-6656

Department of the Interior
Office of Minerals Exploration
Spokane, Washington

O.M.E. Docket # 6338

Drilling record for month of July 1964 on Jumbo claims, Prince of Wales Island, Alaska.

The location, directions, and lengths of diamond drill holes drilled in July, 1964 follow:

DDh # 30 300' N 51° E from S.E. cor. Jumbo IS claim
Direction N 50° E-47° from 287' to 572'
All drill holes collared in overburden, hole # 30 drilled through Diorite, containing finely deceminated sulphides and bottomed in nearly barren Diorite. DDh # 30 was finished and bottomed at 572' on July 19th, 1964 the rock is slightly magnetic but not with visible magnetite.

DDh # 17 300' N 51° E, 200' N 39° W from S.E. Cor. Jumbo IB claim.
Direction N 50° E-47°
DDh # 17 through Skarn and Skarned Schists bottoming in Granodiorite.
Depth from 52' to 274' -finished and bottomed at 274' on July 7th, 1964.

DDH # 18 377' N 51° E from DDH # 30 @-45° to 275' drilling continuing.
DDh # 29 256' N 39° W from DDH # 30 @ -45° to 324' drilling through Skarn. Skarned Andesites and Diorites both not completed. Most core slightly Magnetic. Samples have been taken but no assay results to date, drilling continuing.

Core recovery excellent. No sludge return.
All core drilling A.X. Standard.

Very truly yours,
BONANZA GOLD, INC.

Frank H. Duval
BY
FRANK H. DUVAL

FHD/em.

FRANK H. DUVAL
PRESIDENT
~~ESKIL ANDERSON~~
~~1ST VICE-PRESIDENT~~
TERRY GILL
2ND VICE-PRESIDENT
E. H. DUVAL
SEC'Y-TREAS.
HARRY F. MAGNUSON
DIRECTOR
STEVE TENEFF
DIRECTOR

RECEIVED
DEC 30 1964
OME
SPOKANE, WASHINGTON

BONANZA GOLD, INC.
LOBBY PAULSEN BLDG. • P. O. BOX 1444
SPOKANE, WASHINGTON 99210

TELEPHONE
RI 7-2125
TELETYPE
509-328-6656

Department of the Interior
Office of Minerals Exploration
Spokane, Washington

O.M.E.Docket # 6338

Drilling record for the month of August 1964 on Jumbo claims on Prince of Wales Island, Alaska.

The location, directions, and lengths of diamond drill holes drilled and finished in August 1964 follows:

DDH # 18 continues through Skarn and bottoms in Granodiorite, location reported in July report. Continued from 275' to 382', it was finished and bottomed at 382' on August 7th, 1964.

DDH # 29 location reported in July report. Continued from 324' to 385' continued through Skarned Diorite and bottoms in Diorite. It was finished and bottomed at 385' on August 12th,1964.

The Skarns and Diorites are weakly magnetic and carry sparse deciminated sulphides but no appreciable magnetite was observed. All four holes show mineralization of iron and copper.

All core drilling A.X.Standard.
All core recovery excellent. No sludge returns.

All drilling under direct supervision of two Geologists working on the project, namely Mr. Carlos Plummer, of the University of Washington, Dept. of Geology and Mr. Walter Gonnason of Everett, Washington.

All drilling was stopped on August 12th,1964 as at that time it was determined by Geologists and Bonanza Gold, Inc. that any further drilling for iron should be carried out in the vicinity of Holes # 1 to # 4 and then above magnetite cliff as shown on Jumbo map.

Owing to steepness of grade and rough terrain it was necessary to use a helicopter for the moves and the drilling of holes # 17-18-29 and 30, at a cost in excess of $50,000. of which it was determined that as to actual footage drilled at an O.M.E. $11.00 per foot basis, the cost to Bonanza Gold, Inc. would be approximately $40,000. being prohibitive as no iron of ore grade was found in drilling.

Very truly yours,
BONANZA GOLD, INC.

Frank H. Duval

BY
FRANK H. DUVAL

FHD/em.

DIAMOND DRILL RECORD

Standpipe
Casing

Started June 23, 1964
Finished July 7, 1964
Hole Size A.X.
Depth 274 feet
% Core Rec. about 98

Mine Jumbo Basin
Location Prince of Wales Is. Alaska

Logged by C. Plummer Date XXXX June
Drilled by Boylan Brothers

Hole No. 17
Level
Grid
Latitude
Departure
Elevation 850 feet
Bearing
Inclination 47°

Depth Feet	Feet Core	Lithologic Description	Sample No.	Sample Interval	Sample Core Feet	Sample Sple. Feet	Data Oz. Ag	Data % Pb	Data % Zn
0-52	-	Overburden. Bottom of overburden arbitrarily set at depth where relatively unweathered fragments of skarn predominate over weathered skarn fragments.							
52-59	7	Dark reddish-brown and dark green to black very fine-grained skarn fragments within a medium-green matrix which flowed plastically during metamorphism between the fractured darker components. Patterns are very irregular. Many fractures and small solution cavities in rock. At about 55 ft. is a 6in. section dominantly brown, coarse anhedral garnet. Some light green copper stains among garnet. Locally, light green and reddish-brown components are in a homogenous fine-grained mixture. In places, white, fine-grained mineral, probably plagioclase is in the matrix between fragments Trace Cu & Fe sulfides throughout.							
60	-	Fragments of weathered skarn Apparently no core missing, so must be hole collapse.							
60-62	2	Skarn, mainly black and red-brown fragments in light matrix.							
62-63	1	Skarn merges into medium green andesite with small white phenocrysts.							

DIAMOND DRILL RECORD

Pipe
Casing

Started June 23, 1964
Finished July 7th, 1964
Hole Size A.X.
Depth 274 feet
% Core Rec. about 98

Mine Juneau Basin
Location Prince of Wales Is. Alaska

Logged by C. Plummer Date July
Drilled by Boyles Brothers

Hole No. 17
Level
Grid
Latitude
Departure
Elevation 850 feet
Bearing
Inclination 47°

Depth Feet	Feet Core	Lithologic Description	Sample Data No.	Interval	Core Feet	Spec. Feet	Oz. Ag	% Pb	% Zn
63-64	1	Schist below sharp contact. Dark grey, very fine grained with pronounced foliation expressed by very thin elongate light grey lenses giving a laminated appearance to rock. Foliation is folded in small open folds, with average trend of afoliation about 90° to hole.							
64-66	1	Skarn and schist rock fragments.							
66-81	5	Schist continues. Foliation direction variable, but at high angle to hole. At about 66ft. the schist has been fractured and intermixed with aphanitic qtz for about a foot.							
81-85	4	Skarn. Light reddish-brown & various shades of green. Fine banding at 82' appears to be same pattern and texture as schist, therefore, skarn must have replaced sch. during metamorphism here.							
85-86	1	Schist resumes. Contacts are fragments of sch. in skarn matrix.							
86-104	8	Skarn resumes. Irregular pattern to 88ft. where fine banding begins. Within banded section is about 2ft. of black, fine-grained rock which is slightly magnetic. At 91' irregular, dominantly green skarn resumes, includes some fragments of reddish-brown and white banded schist. Schist becomes dominant below 93ft. with occassional							

DIAMOND DRILL RECORD

Standpipe
Casing

Started June 23,1964
Finished July 7th,1964
Hole Size A.X.
Depth 274 feet
% Core Rec. about 98

Mine Jumbo Basin
Location Prince of Wales Is. Alaska

Logged by C. Plummer Date June
Drilled by Boyles Brothers

Hole No.
Level
Grid
Latitude
Departure
Elevation 850 feet
Bearing
Inclination 47°

Depth Feet	Feet Core	Lithologic Description	Sample No.	Sample Interval	Core Feet	Calc. Feet	Oz. Ag	% Pb	% Zn
		"intrusions" by the light green calc-silicate rock. At 102ft, the light colored skarn minerals dominate the schist which then merges into light colored irregular patterned skarn.							
104-107	3	An inclusion of dark grey sch. with a very thin sulfide layer along contact. Below is fine grained light green and white skarn.							
107-115	8	Numerous dark grey sch. inclusions in light skarn matrix. Skarn preferentially invaded plane of schistosity of some sch. fragments. At 114ft. skarn is in irregular bands of white, green and light brown which have been folded.							
115-118	3	Very fine-grained greenish black rock.							
118-137	19	Slight skarn effect on dark rock, then sharp contact, below is skarn, light green, white, & brown. At about 119ft. these merge into a zone of sharply banded, tightly folded light green skarn and dark schist. Skarn has penetrated foliation of sch. and then both were folded. Various degrees of replacement of sch. by skarn. Locally, core is slightly magnetic. At about 130 schist merges into lighter colored fine-grained, homogenous rocks.							

DIAMOND DRILL RECORD

Standpipe
Casing

Started June 23, 1964
Finished July 7, 1964
Hole Size A.X.
Depth 274 feet
% Core Rec. 98

Mine Jumbo Basin
Location Prince of Wales Is. Alaska

Logged by C. Plummer Date July
Drilled by Boyles Brothers

Hole No. 17
Level
Grid
Latitude
Departure
Elevation 850 feet
Bearing
Inclination 47°

Depth Feet	Feet Core	Lithologic Description	Sample Data: No.	Interval	Core Feet	Sple. Feet	Oz. Ag	% Pb	% Zn
137-151	14	Disseminated small blebs of Cu/Fe sulfides within dark grey rock, for 6". Below is thin-banded light green and brown skarn. At about 138ft, get inclusions of dark grey sch. then get dominantly sch. with several irregular zones of material appearing to be quartzite, which is white, but apparently is aplitic intrusive rock. First appears as 2" or less zones. From 141-142 aplite is in veins cutting sch. parallel to hole. Aplite contains about 3% med. grained amphibole needles. Various thin, light colored veins cut dark sch. below 142ft. A minor jumbled section of skarn and schist at 147ft. Schistosity is vague in rock below 143ft.							
151-159	8	A 6" dike of medium grained granodiorite. Below is dark grey hornfels which seems to be same composition as sch. Another 4" granodiorite dike at 155ft. Irregular white veinlets cut both rock types.							
159-160	1	Same dark hornfels, but fractured and reconsolidated by thin white and light green veinlets with a fair amount of fine-grained Cu/Fe sulfide.							
160-168	8	Dark hornfels continues with aplite intrusion into cracks along length of hole. Long slivers of hornfels are included w/in wide aplite veins. Minor Cu/Fe sulfides w/in both rock types.							

DIAMOND DRILL RECORD

Standpipe
Casing

Started June 23,1964
Finished July 7th,1964
Hole Size A.X.
Depth 274 feet
% Core Rec. about 98

Mine Jumbo Basin
Location Prince of Wales Is. Alaska

Logged by C. Plumer Date July
Drilled by

Hole No. 17
Level
Grid
Latitude
Departure
Elevation 850 feet
Bearing
Inclination 47°

Depth Feet	Feet Core	Lithologic Description	Sample Data: No.	Interval	Core Feet	Sple. Feet	Oz. Ag	% Pb	% Zn
168-171	3	Hornfelsed dark grey rock w/o any aplite. At 170ft. is a 6"zone of hydrothermally altered rock, containing chlorite, etc.							
171-181	6	Skarn intermixed with dark grey hornfels. Skarn is fine grained in all the usual coloring. Hazy schistosity appears in hornfels at about 173ft. and rock is slightly lighter colored.							
181-193	12	Finely-banded dark grey sch. At 183ft. is a 1ft. zone of fine-grained light green rock interupts sch. Occassional veinlike intrusions of aplite w/in sch. Foliation about 90° to hole. At 92ft. sch. becomes coarser grained with brownish streaks.							
193-195	2	Skarn for 6", dominantly reddish-brown, no pattern. Then sch. to 195ft.							
195-211	16	1/8" Cu/Fe sulfide vein, then skarn with much dark hornfels included to 203ft. At 203 ft. sch. resumes w/ occassional layers of light green w/in foliation plane. At 205ft. skarn resumes. At 206ft. a 1ft long dark hornfels begins, below is skarn.							
211-214	3	Dense, dark green skarn w/ paper thin Cu/Fe Sulfide veins. Where veins intersect, sulfide becomes as thick as 1/4".							

DIAMOND DRILL RECORD

Standpipe
Casing

Started June 23, 1964
Finished July 7th, 1964
Hole Size A.X.
Depth 274 feet
% Core Rec. about 98

Mine Jumbo Basin
Location Prince of Wales Is. Alaska

Logged by C. Plummer Date July
Drilled by

Hole No. 17
Level
Grid
Latitude
Departure
Elevation 850 feet
Bearing
Inclination 47°

Depth Feet	Feet Core	Lithologic Description	Sample Data: No.	Interval	Core Feet	Spls. Feet	Oz. Ag	% Pb	% Zn
214-216	2	Skarn, dark and light green intermixed. Occassional Cu/Fe sulfide spots. At 214.5ft is a 1" calcite vein & weathered rock marginal to it.							
216-219	3	A 6" long irregular lens of aplite then banded multicolored skarn. At 217ft. surfaces of rock that have been subject to dissolving by solutions. Skarn becomes irregular about 219ft. and merges into medium green aphanitic rock.							
219-222	3	Various dikes: A 6" wide, medium grained mottled dioritic dike cuts through andesite at about 70° to hole. Andesite is porphyritic, about 4" wide and cuts skarn below at about 70° to hole. Skarn, diorite, and andesite are intruded at about 30° from hole by a narrow aplite dike (or vein). Below, get mixed colored skarn. At 221-222ft, core is fractured, and surfaces have rust-colored weathered appearance. Water started gushing out of hole about here							
222-225	3	Looks like skarn replacing andesite. Medium-grained light green spots w/in a matrix of mixed reddish-brown and dark green. At 224ft. is 8" of irregular, medium and light green rock.							
225-226	1	Multi-shaded green rock, probably altered andesite. Abundant Fe/Cu sulfides. Fine aplite veinlets throughout.							

Standpipe
Casing

DIAMOND DRILL RECORD

Hole No. 17
Level
Grid
Latitude
Departure
Elevation 950 feet
Bearing
Inclination 17°

Started June 23, 1964
Finished July 7th, 1964
Hole Size A.X.
Depth 274 feet
% Core Rec. about 98

Mine Jumbo Basin
Location Prince of Wales Is. Alaska

Logged by C. Plummer Date July
Drilled by

Depth Feet	Feet Core	Lithologic Description	Sample No.	Interval	Core Feet	Sple. Feet	Oz. Ag	% Pb	% Zn
226-236	10	Various green rocks above merge into various skarn types in irregular pattern. occassional fragments of "skarnized sch. Some black sch. at 231ft. which is magnetic. Rest of sch. is dark reddish-brown to black. Rock is fractured and weathered to black at about 232 ft. for about 6".							
236-237	1	An aphanitic, glassy, medium green rock in gradational contact w/ sch. Has streak like inclusions of black, dense rock w/ some minor sulfides disseminated.							
237-240	3	"Skarnized" sch. Occassional thin granodioritic injections into plane of schistosity.							
240-244	4	Granodiorite below irregular contact. 6" of GrD. then an irregular mixture of GnD. and sch. w/ much of sch. partially resorbed. At 243ft. reddish brown skarn enters the mixture and prevails for 1ft.							
244-253	9	Fine-grained medium green rock grades into GnD. At 245ft. is a 6" inclusion of dense black rock. Below is GrD. GrD. is granitic textured, medium(+) or coarse(-) grained. Color index about 20 or 30, plagioclase the dominant feldspar, though slightly pinkish hue may indicate fair amount of K-spar, Medium grained amphibole or pyroxene the dominant mafic. Disseminated accessory pyrite.							

DIAMOND DRILL RECORD

Standpipe
Casing

Started June 23, 1964
Finished July 7th, 1964
Hole Size A.X.
Depth 274 feet
% Core Rec. about 98

Mine Jumbo Basin
Location Prince of Wales Is, Alaska

Logged by C. Plummer Date July
Drilled by

Hole No. 17
Level
Grid
Latitude
Departure
Elevation 850 feet
Bearing
Inclination 47°

Depth Feet	Feet Core	Lithologic Description	Sample Data No.	Interval	Core Feet	Spls. Feet	Oz. Ag	% Pb	% Zn
253-254	1	Aphanitic dark green rock, probably an inclusion of hornfelsed rock in sharp contact w/ GnD. Both contacts about 50° to hole.							
254-274	20	Granodiorite as before. Seems to become slightly coarser grained with depth. a weathered zone of 3" at 257ft.							

----------0----------

July 1964

elev DDH # 17 scale 1" = 50'

850

800

750

700

650

600

Skarns and Schists occasionally weakly Magnetic and contain minor fine decominated sulphides. No identifiable Magnetite

Overburden

52' July '64 Skarn

Schist

Schist schist & skarn

Schist

Skarn schist

Skarn

Schist

Skarn-schist inclusions

fine grained black rock

Skarn-schist

Skarn with Aplite & schist

Grano diorite dikes in schist

Dark Hornfels

Dark Hornfels with Aplite

Hornfels, Dark

Skarn with Aplite

Schist

Skarn with Dark Hornfels

Andesite Dikes in Skarn

Skarn

Andesite

Skarn schist

Grano diorite in schist

fine grained granite

Granodiorite

274' Bottom

DIAMOND DRILL RECORD

Standpipe
Casing
Started July 1
Finished Au
Hole Siz
Depth

Mine Jumbo Basin
Location
Logged by Plummer Date July
Drilled by Hayles Bros.

Hole No. 18
Level
Grid
Latitude
Departure
Elevation 775 feet
Bearing
Inclination 47°

Depth	Core Feet	Lithologic Description	Sample No.	Interval	Core Feet	Spls. Feet	Oz. Ag	% Pb	% Zn
		Overburden							
		Medium grained granodiorite w/ Color Index about 20. Sharply cut at 45° to core by a pinkish aplite vein.							
67-70	3	Get much darker rock of about the same texture as the above granodiorite. Seems to be somewhat "skarnized" granodiorite.							
70-71	1	White aphanitic rock, probably feldspar rich aplite.							
71-80	9	Skarn, which is medium grey to 75 ft where becomes dark grey & has texture of granodiorite. At 79 ft is highly bleached zone of same rock. Rock is fractured & weathered along fracture surfaces.							
80-82	2	Grey, fine grained rock, soft, probably limestone, but may be clay rich altered rock. Evidence of extensive shearing.							
82-85	3	Light grey bleached hard rock grades into diorite (lamprophyric). At 83 ft, rock is bleached, sheared & cut by calcite veins about 50° to hole. At 85 ft unbleached diorite resumes.							
85-98	AX core 13ft	Diorite. Dark, coarse grained becomes dar fine grained. At 90 ft is cut by a 2" section of lighter coarse grained diorite of color index about 50. Below is mixture of various grained size dark diorites. Traces of sulfides							

DIAMOND DRILL RECORD

Standpipe
Casing

Started July 11th, 1964
Finished Aug. 7th, 1964
Hole Size A.X.
Depth 382 feet
% Core Rec. about 98

Mine Jumbo Basin
Location Prince of Wales, Is. Alaska

Logged by C. Plummer Date July
Drilled by Boyle Brothers Drilling Co.

Hole No. 18
Level
Grid
Latitude
Departure
Elevation 775 feet
Bearing
Inclination 47°

Depth Feet	Feet Core	Lithologic Description	Sample Data: No.	Interval	Core Feet	Sple. Feet	Oz. Ag	% Pb	% Zn
		except for about 97 ft where a fair concentration of Cu/Fe sulfides exist for about 1".							
98-104	6	Below a narrow shear zone is multi-colored skarn w/ much pinkish-brown rock. Disseminate Cu/Fe sulfides. At 104 ft, skarn grades into diorite.							
104-124	20	Diorite. A 4" bleached section at 111 ft. A 3" garnet bearing skarn zone at 114 ft. Most of diorite has more plagioclase than usual (estimate 15%). Trace of Cu/Fe sulfide.							
124-126	2	Bleached diorite for 1 ft, then core is mud like for about 6", below is white bleached dircite. A shear zone.							
126-145	19	Diorite resumes. Occassional calcite veinlets. At about 138 ft get andesite mixed in. Fair concentration of Cu/Fe sulfides 139-145 ft.							
145-154	9	Aphanitic medium green rock w/ occassional reddish skarn type rocks. Fair concentration of disseminated Cu/Fe sulfides from 146-148 ft.							
154-155	1	Med. grained diorite, considerably more leucocratic than usual, but not like the late phase granodiorite. Disseminated sulfides.							
155-167	12	Above rock grades into dense dark aphanitic rock w/ dis-							

DIAMOND DRILL RECORD

Standpipe
Casing

Started July 11th, 1964
Finished Aug. 7th, 1964
Hole Size A.X.
Depth 382 feet
% Core Rec. 98

Mine Jumbo Basin
Location Prince of Wales Is. Alaska

Logged by C. Plummer Date July
Drilled by Boyles Brothers Drilling

Hole No. 18
Level
Grid
Latitude
Departure
Elevation 775 feet
Bearing
Inclination 47°

Depth Feet	Feet Core	Lithologic Description	Sample No.	Sample Interval	Core Feet	Sple. Feet	Oz. Ag	% Pb	% Zn
8-167		seminated Cu/Fe sulfides. At 157 ft, grades into fine-grained diorite w/ good concentration of Cu/Fe sulfides. A poorly consolidated sheared & skarnized zone effrom 159-161 ft. (mixed skarn & diorite). Fair showing of Cu/Fe sulfides 160-161 ft. Diorite below. At 163 ft is a consolidated shear zone w/ calcite lined vug. Much epidote & numerous sulfide veinlets as well as disseminated sulfides. Less altered diorite below 165 ft.							
167-178	11	Dense dark skarn, probably altered andesite. Minor Cu/Fe sulfides. Grades into diorite at 169 ft. then grades back into skarn which is multicolored, with salmon pink predominating. Below 171 ft is mixed skarn & diorite w/ numerous 1/8" veins of sulfide. At 175 ft is a 6" gouge zone. At 176 ft is a 6" bleached diorite zone. Below is diorite which appears slightly "skarnized".							
178-203	25	Above rock grades into unaltered diorite which persists until 179 ft where there is a 6" slightly skarnized diorite section(lighter color w/ much pink mixed in). Below is diorite. Small epidote vein at 181 ft. A 1/4" vein of granitic rock at 184 ft about 70° to hole. At 185 ft. is a 3" zone of diorite partially altered to epidote. Minor disseminated sulfides 189-190 ft. At 196 ft, color gets							

DIAMOND DRILL RECORD

Standpipe
Casing
Started July 11th, 1964
Finished Aug. 7th, 1964
Hole Size A.X.
Depth 382 ft
% Core Rec.

Mine Jumbo Basin
Location Prince of Wales Is. Alaska

Logged by C. Plumer Date August
Drilled by Boyles Brothers Drilling

Hole No. 18
Level
Grid
Latitude
Departure
Elevation 275 feet
Bearing
Inclination 47°

Depth Foot		Lithologic Description	Sample No.	Sample Interval	Core Feet	Spls. Feet	Oz. Ag	% Pb	% Zn
		lighter & then get white & grey shear banding about 50° to hole. Below, rock grades into grey-green fine-grained andesite, at about 197 ft & into diorite at 199 ft. A 1/2" calcite vein at 201 ft.							
203-274	71	Andesite porphyry quickly becomes irregular patterned brownish dark-gry & dark green skarn. Grades back to Andesite porphyry at 205ft then to diorite about 206 ft. Below is diorite in various gr sizes & various degrees of darkness. An unconsolidated shear zone 231-232 ft. At 272-274 ft are various zones of more leucocratic diorite grading into diorite.							
274-362.5	88.5	Dense dark grey rock w/ a reddish cast. Many small veins of light grey. Seems to be "skarnized" diorite & andesite. At 283 ft is lighter colored typical skarn, mainly brownish red. Many veinlets some microfaulted & other veinlets cutting through micro faulting. Red & white skarn predominates below 285 ft. At 299 ft get some light green streaks like malachite. Below 300 ft are large irregular patches of aphanitic white quartz & some medium grained garnet crystals in the pink patches. Garnet, much coarser grained becomes dominant. Some blebs of sulfide at 308 & 313 ft. Occassional showing of epidote. At 323 ft is a foot of poorly consolidated garnet w/in which is							

DIAMOND DRILL RECORD

Standpipe
Casing

Started July 11th, 1964
Finished August 7th, 1964
Hole Size A.X.
Depth 382 feet
% Core Rec. 98

Mine Jumbo Basin
Location Prince of Wales Is. Alaska

Logged by C. Plumner Date August
Drilled by Boyle Brothers Drilling

Hole No. 18
Level
Grid
Latitude
Departure
Elevation 775 feet
Bearing
Inclination 47°

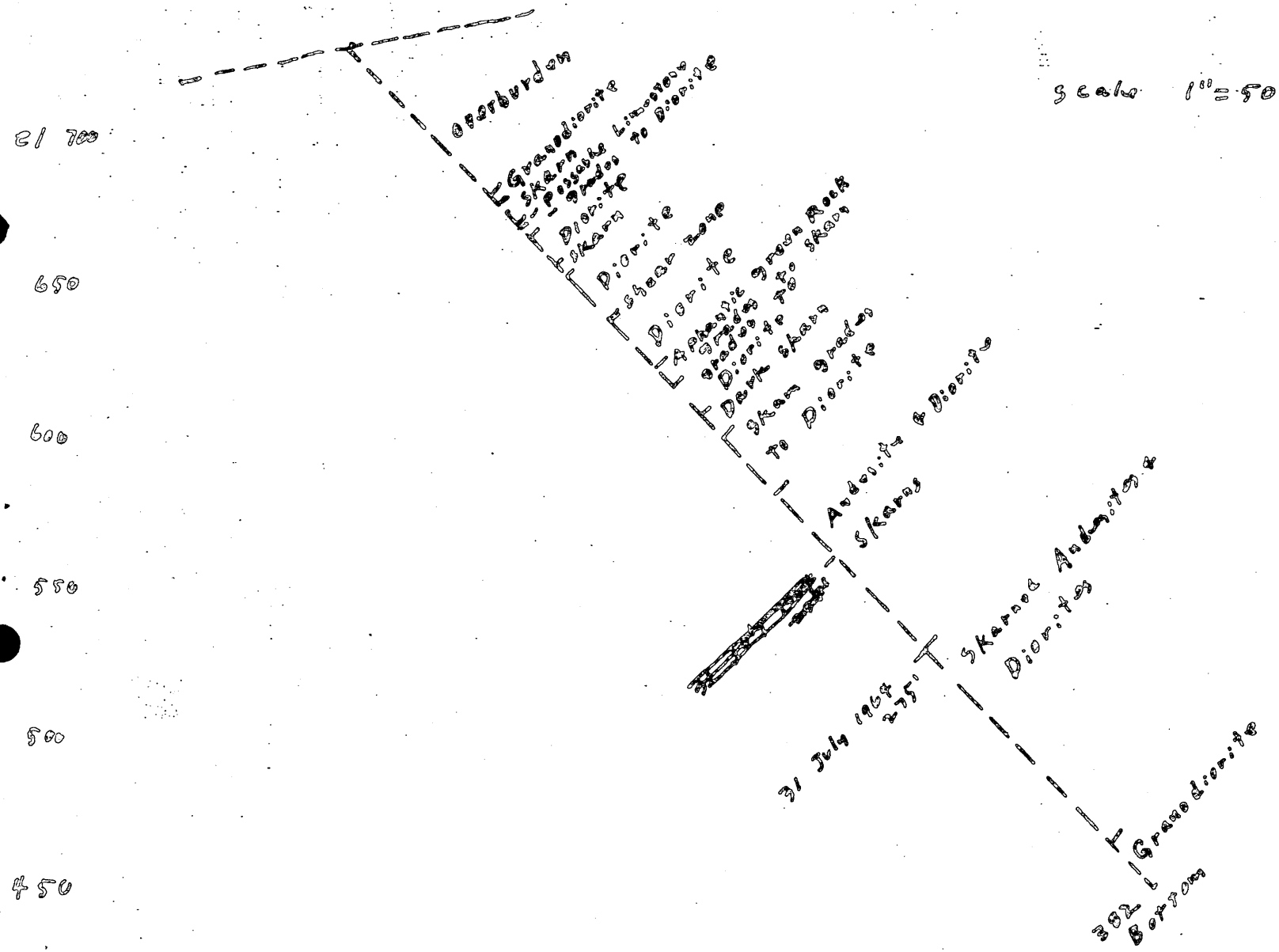
Depth Feet	Feet Core	Lithologic Description	Sample Data No.	Interval	Core Feet	Sple. Feet	Oz. Ag	% Pb	% Zn
		some green rock about 4" long w/ a very high percentage of chalcopyrite. Below, rock is predominantly garnet & quartz. At 356 ft is a 1/4" patch of sulfides. Occassional smaller blebs elsewhere of sulfides. At 353 ft, start getting some dense medium green rock mixed w/ garnet. At 356-357.5 is a large white qtz section w/ some garnet. White merges into medium & dark rock which has very fine disseminated sulfides. Another white quartz section from 361-362.5 ft.							
362.5 -382	19.5	Quartz grades into granodiorite which for first 4" seems to include garnet as it is reddish brown w/ amphibole, but texture of granodiorite. A 1" patch of reddish brown at 364 ft. Rest is medium grained granodiorite, color index about 40 & uniform texture. Mafic is amphibole in sub-aggregates of euhedral and subhedral laths. Plagioclase is dominant mineral though local purple hued feldspar is probably K-spar.							
382		☆☆☆ END OF HOLE☆☆☆							

July - August 1964

Plan

DDH #18

Scale 1" = 50'



Standpipe
Casing

DIAMOND DRILL RECORD

Hole No. 29
Level
Grid
Latitude
Departure
Elevation 650 feet
Bearing
Inclination 47°

Started July 23, 1964
Finished Aug. 12, 1964
Hole Size 3 5/8 feet
Depth 385 feet
% Core Rec. 98

Mine Jumbo Basin
Location Prince of Wales Is. Alaska

Logged by Plummer Date July
Drilled by Boyles Bros. Drilling Co.

Depth Feet	Feet Core	Lithologic Description	Sample Data: No.	Interval	Core Feet	Spls. Feet	Oz. Ag	% Pb	% Zn
0-64	--	Overburden							
64-69	5	Skarn. Irregular patterns of aphanitic dark green, dark reddish brown, black, medium green. Minor Cu/Fe sulfides.							
69-70	1	Shear zone. Light green & grey altered skarn, some unconsolidated, most consolidated. 1" coarse-crystalled calcite vein in center. Lower contact is a series of dark & light shear bands about 30° to hole.							
70-78	8	Skarn continues. Higher Fe/Cu sulfide concentration near shear zone & occassional minor concentration below. From 75-77 ft core contains high concentration of dull-dark, silver colored powdery material which is slightly magnetic; also, chalcopyrite here.							
78-79	1	About 1 ft of medium grained leucocratic Granodiorite. Amphibole laths about 5% of rock. Contacts sharp but irregular.							
79-95	16	Skarn continues. Small calcite vein at 88 ft. Fairly high number of Cu/Fe sulfide bearing veinlets 88-89 ft. & 95-96-8t.							
95-96	1	About 8" section of medium grey aplitic rock.							
96-103	7	Skarn as before. Locally, a fair amount of sulfide veinlets.							

DIAMOND DRILL RECORD

Standpipe
Casing

Started July 23, 1964
Finished Aug. 12th, 1964
Hole Size A.X.
Depth 385 Feet
% Core Rec. 98

Mine Jumbo Basin
Location Prince of Wales Is. Alaska

Logged by C. Plummer Date July
Drilled by Boyle Brothers Drilling Co.

Hole No. 29
Level
Grid
Latitude
Departure
Elevation 650 feet
Bearing
Inclination 47°

Depth Feet	Feet Core	Lithologic Description	Sample Data: No.	Interval	Core Feet	Spls. Feet	Oz. Ag	% Pb	% Zn
103-105	2	Hydrothermally altered skarn, medium & light green & white rock. Narrow calcite veins & some shear surfaces w/ rust colored material.							
105-108	3	Light altered skarn grades quickly to dark skarn.							
108-111	3	Hydrothermally altered skarn mostly light to medium-grey. Some is porphyritic, seemingly metasomatically altered andesite.							
111-129	18	Dark unaltered skarn resumes w/ localized light grey areas of skarn. Local concentrations of sulfides in irregular veins. One foot of hydrothermally altered light skarn at 126-127 ft.							
129-130	1	Medium grained leucocratic granodiorite. Lower contact about 30° to hole.							
130-133	1	Skarn, as above.							
133-139	6	Very dark green, fine-grained basaltic or andesitic looking rock which is featureless until 135 ft where a 1 ft section of light skarn includes a shear plane at 45° to hole w/ sulfide veinlets. Skarn seems a result of alteration of dike. Dike rock continues below w/ disseminated sulfides.							
139-142	3	Above rock grades into light hydrothermally altered skarn w/ numerous consolidated shear planes about 30° to hole.							

DIAMOND DRILL RECORD

Standpipe
Casing

Started July 23,1964
Finished Aug. 12,1964
Hole Size A.X.
Depth 385 feet
% Core Rec. 98

Mine Jumbo Basin
Location Prince of Wales Is. Alaska

Logged by C. Plummer Date July
Drilled by Boyles Brothers Drilling

Hole No. 29
Level
Grid
Latitude
Departure
Elevation 650 feet
Bearing
Inclination 47°

Depth Feet	Feet Core	Lithologic Description	Sample Data: No.	Interval	Core Feet	Spla. Feet	Oz. Ag	% Pb	% Zn
142-146	4	Altered rock grades into dark skarn.							
146-148	2	Skarn grades back into hydrothermally altered light rock sheared about 30° to hole; well consolidated to 147 ft where poorly consolidated for about a foot.							
148-157	9	Dark & medium colored skarn resumes. Minor sulfides. Aphanitic medium green rock is dominant, probably andesite w/in skarn.							
157-158	1	Small [illegible]ants, probably [illegible] shea[illegible]g; below is very amphibolitic diorite. Disseminated sulfides.							
158-160	2	Indefinate contact below is granodiorite(leucocratic).							
160-161	1	Mafic diorite, slightly magnetic.							
161-215	54	Above rock becomes aphanitic black & medium green "skarnized" dike; some mottled dark purplish skarn. Many fine light green veinlets. Much of core is slightly magnetic & has localized sulfide concentrations. Can recognize phenocrysts in some of rock. At about 196 ft, the skarnized rock seems to be "schist", but no platy minerals visible, but small light lenses give rock a banded appearance; has a reddish dark grey color. At 205 ft, rock becomes med. grey-green skarn. At 206 ft, is very dark grey. Occasional sulfide veinlets throughout.							

DIAMOND DRILL RECORD

Standpipe
Casing

Started July 23, 1964
Finished Aug. 12th, 1964
Hole Size A.X.
Depth 385 feet
% Core Rec.

Mine Jumbo Basin
Location Prince of Wales Is. Alaska

Logged by C. Plummer Date July
Drilled by Boyle Brothers Drilling

Hole No.
Level
Grid
Latitude
Departure
Elevation feet
Bearing
Inclination

Depth Feet	Feet Core	Lithologic Description	Sample Data: No.	Interval	Core Feet	Sple. Feet	Oz. Ag	% Pb	% Zn
		At 209 ft rock is fine-grained, rather than aphanitic.							
216-212	3	Above rock bleached to medium grey-tan & this is cut sharply at 215 ft by a 1" banded site rich vein 30° to hole. Two moresnch veins several inches lower. Rock becomes pinkish grey & finally medium green, minor sulfides.							
215-223	5	Dark grey [illegible] interlaced by [illegible] green veinlets.							
223-261	38	Skarn, [illegible] brown, grey & green. Some has texture of diorite. From 229-231 is medium grey-green porphyritic rock, probably an andesite dike. Much skarn-schist belt w/ good concentrations of Chalcopyrite.							
261-299	38	Medium green andesite porphyry w/ small phenocrysts of plagioclase. Some larger phenocrysts of amphibole & numerous black aphanitic inclusions. Several thin aplite veins. At 272 ft is a 3" section of skarn alteration of andesite. At 273 ft, grades into diorite & back to andesite porphyry at 275 ft. At 280 ft., rock is somewhat bleached & sheared, w/ a few minor irregular patches of brown skarn at 288 ft. & minor Cu/Fe sulfides.							

Form 108 3M 9-60 DRAW & DODGER CO. 300100

Standpipe
Casing

DIAMOND DRILL RECORD

Hole No. 29
Level
Grid
Latitude
Departure
Elevation 650 feet
Bearing
Inclination 47°

Started July 23, 1964
Finished August 12th, 1964
Hole Size A.X.
Depth 385 feet
% Core Rec. 98

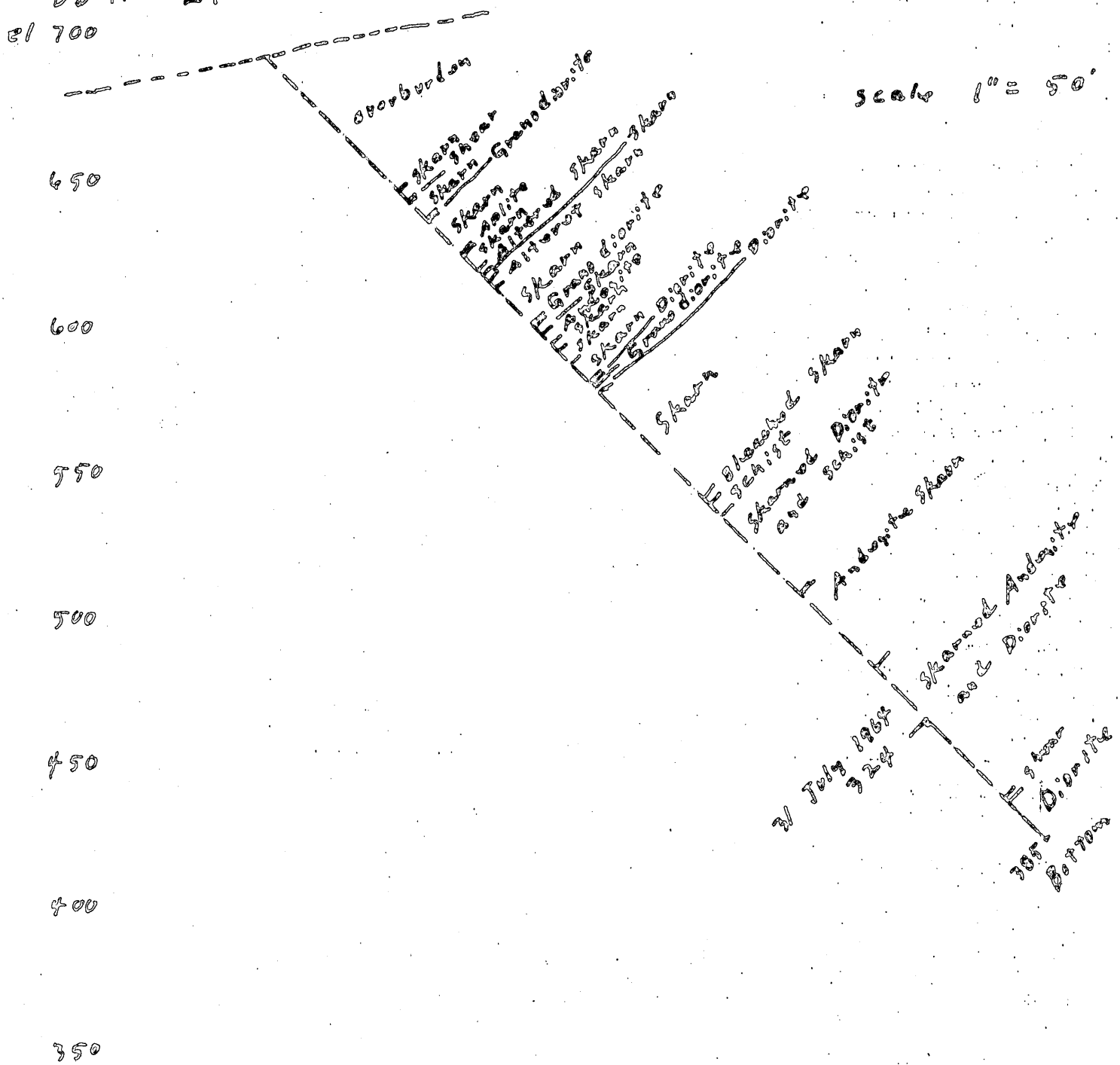
Mine Jumbo Basin
Location Prince of Wales Is. Alaska

Logged by C. Plumner Date August
Drilled by Boyle Brothers Drilling Co.

Depth Feet	Feet Core	Lithologic Description	Sample Data: No.	Interval	Core Feet	Spic. Feet	Oz. Ag	% Pb	% Zn
299-363	64	At 299 ft, begin getting irregular patches of skarn mixed w/ andesite. Skarn patches have good concentration of Cu/Fe sulfide & some are slightly magnetic. Skarn sections up to 2 ft long. Some fragments of schist at 234-235 ft w/ the plane of foliation about 70° to core. Below 348 ft, diorite rather than andesite prevails. 353-355 ft is vuggy skarn & diorite w/ good sulfide concentration & some epidote. Below diorite prevails w/ occassional sulfide veinlets.							
363-385	22	At 363 ft is a reconsolidated shear zone w/ shear planes & a 2" calcite vein about 35° to hole. Diorite from 364 to end of hole.							
385	--	***END OF HOLE***							

July - August 1964

DDH #29



DIAMOND DRILL RECORD

Standpipe
Casing

Started June 11th, 1964
Finished July 19th, 1964
Hole Size A.X.
Depth 372 feet
% Core Rec. 99

Mine Jumbo Basin
Location Prince of Wales Is. Alaska

Logged by C. Plummer Date June
Drilled by Boyle's Bros.

Hole No. 30
Level
Grid
Latitude
Departure
Elevation 625 feet
Bearing
Inclination 47°

Depth Feet	Feet Core	Lithologic Description	Sample Data: No.	Interval	Core Feet	Spls. Feet	Oz. Ag	% Pb	% Zn
0-64		Overburden							
64-84		Medium to coarse grained gabbro or diorite: granitic textured, plagioclase and amphibole; amphibole is in large laths which are dark green; plagioclase is medium grey. Traces of Fe/Cu sulfides in very fine veinlets.							
84-93.5		Skarn: Intermixed aphanitic green and red rock with no regular pattern between the two. Occassional fracture fillings of diorite. Some thin concentrations of magnetite which is fine-grained and porous with occassional small cavities dissolved out. Disseminated Fe/Cu sulfides; also in fine veinlets.							
93.5-94		Medium-grained diorite or gabbro, similar to above rock but finer-grained. Small calcite vein at about 97ft.							
99-101		Coarse amphibole crystals mark beginning of skarn zone. Much diorite intruded into skarn. Veinlets of Cu/Fe sulfides and epidote. More sulfides than in above skarn zone.							
101-104		Medium and coarse grained diorite. Locally, rock is nearly pure amphibole.							
104-114		Intermixed diorite(amphibole rich) and skarn. No regular pattern. Probably, fragments of Ls. were metamorphosed and partially absorbed by magma.							

DIAMOND DRILL RECORD

Standpipe
Casing

Started June 11th, 1964
Finished July 19th, 1964
Hole Size A.X.
Depth 572 feet
% Core Rec. 99

Mine Jumbo Basin
Location Prince of Wales Is. Alaska

Logged by C. Plummer Date June
Drilled by

Hole No. 30
Level
Grid
Latitude
Departure
Elevation 625 feet
Bearing 47°
Inclination

Depth Feet	Feet Core	Lithologic Description	Sample Data No.	Interval	Core Feet	Sple. Feet	Oz. Ag	% Pb	% Zn
		Amphibolitic diorite predominates. Occassional minor concentrations of Fe/Cu Sulfides. Very minor traces of magnetite.							
114-115		Fine-grained dark green rock, probably andesite. Many thin veinlets of Cu/Fe Sulf.							
115-118		Amphibolitic diorite resumes below irregular contact. Occassional inclusions of fine-grained, light grey rock which may be a calc-silicate							
118-120		Medium-grained diorite with a more even texture in irregular contact with above amphibolitic diorite. Inclusions of amph. diorite as well as a fine-grained grey rock.							
120-121		Fine-grained dark green andesite w/ occassional thin veinlets of chalcopyrite.							
121-124.5		Coarse-grained amphibolitic rock in irregular contact grades downward into medium grained diorite which has occassional large amphibole crystals. Traces of Fe/Cu sulfides.							
124.5-126		Fine-grained very light grey aplite in sharp contact with diorite, above and below.							
126-141		Med. and coarse grained diorite resumes. At 130ft an irregular Fe/Cu sulf. vein about 1/4" thick at about 30° to hole.							

DIAMOND DRILL RECORD

Standpipe
Casing

Started June 11th, 1964
Finished July 19th, 1964
Hole Size A.A.
Depth 572 feet
% Core Rec. 99

Mine Jumbo Basin
Location Prince of Wales Is. Alaska

Logged by C. Plummer Date June
Drilled by Boyles Brothers Drilling

Hole No. 30
Level
Grid
Latitude
Departure
Elevation 625 feet
Bearing
Inclination 47°

Depth Feet	Feet Core	Lithologic Description	Sample Data No.	Interval	Core Feet	Sple. Feet	Oz. Ag	% Pb	% Zn
141-143		1/2" calcite vein, followed by mixed diorite & skarn w/ some Fe/Cu sulfides.							
143-162		Medium grained diorite becomes dominant. At 143.5 ft. is a 6" section of nearlly pure amphibole.							
162-164		A few very narrow red & green skarn bands, then a very fine-grained dark green rock, apparently andesite dike. Some fine reddish spots, possibly dispersed agarnet. Minor Fe/Cu Sulfides. Contact at both ends is about 45° to hole.							
164-179		Below contact is med. grained skarn w/ chalcopyrite. This merges into diorite. Some of the skarn has a fragmental appearance within the diorite. Considerable Fe/Cu Sulfides throughout, though amount decreases as diorite becomes homogenous. Skarn ends at about 169 ft. At 171 ft. is a narrow qtz vein.							
179-180		Finer-grained diorite w/ plagioclase phenocrysts. Merges back into "normal" diorite, at 180 ft.							
180-192.5		Diorite. At about 182 ft is a more leucocratic rock mixed in for several inches, possibly granodiorite, injected into diorite.							
192.5-193		3" coarse-crystaled calcite vein, 30° to hole. Dark dense rock for several inches either side w/ Fe/Cu sulfides.							

DIAMOND DRILL RECORD

Standpipe
Casing

Started June 11th, 1964
Finished July 19th, 1964
Hole Size A.X.
Depth 572 feet
% Core Rec. 99

Mine Jumbo Basin
Location Prince of Wales Is. Alaska

Logged by C. Plummer Date June
Drilled by Boyles Brothers Drilling

Hole No. 30
Level
Grid
Latitude
Departure
Elevation 625 feet
Bearing
Inclination 47°

Depth Feet	Feet Core	Lithologic Description	Sample Data No.	Interval	Core Feet	Spls. Feet	Oz. Ag	% Pb	% Zn
193-196		Diorite, as above.							
196-198		Sharp contact 45° to hole, below is andesite; dark dense above grades down to porphyritic w/ amphibole & plagioclase phenocrysts. After a foot, get diorite intermixed w/ andesite.							
198-201		Diorite. At 201 ft is a 1/8" Fe/Cu sulfide vein.							
202-206		Light green rock, apparently sheared & hydrothermally altered. In center, rock is poorly consolidated & porous evidently a recent shear zone. Some calcite breccia fragments in sheared rock. At 204 ft is a minor calcite vein & below is reddish spots which may indicate garnet. Skarn banding appears for several inches before merging into diorite.							
206-208		Diorite.							
208		Calcite vein 20° to hole w/ skarn bordering it 1/2" either sede. Small veinlets of Cu/Fe sulfide parallel to skarn.							
208-209.5		Diorite.							
209.5-210		2" skarn zone grading into diorite on either side. 2" below skarn, diorite is in contact w/ andesite. Andesite has plagioclase phenocrysts & minor Fe/Cu sulfides.							
210-221		Diorite w/ occassional inclusions of andesite. At 212 ft							

DIAMOND DRILL RECORD

Standpipe
Casing

Started June 11th, 1964
Finished July 19th, 1964
Hole Size A.X.
Depth 572 feet
% Core Rec. 99

Mine Jumbo Basin
Location Prince of Wales Is. Alaska

Logged by C. Plummer Date June
Drilled by Boyle Brothers Drilling

Hole No. 30
Level
Grid
Latitude
Departure
Elevation 625 feet
Bearing
Inclination 47

Depth Feet	Feet Core	Lithologic Description	Sample No.	Sample Interval	Sample Core Feet	Sample Sple. Feet	Sample Oz. Ag	Sample % Pb	Sample % Zn
		is a 1" aplite vein. Traces of Fe/Cu sulfide. At 219 ft is a 1" vein of light grey appearing rock, possibly hydrothermally altered andesite, along edge, skarn-like rock grades into diorite.							
221-222		A 1" vein of Cu/Fe sulfides w/in a fractured zone. Below is more diorite & at 222 ft is a 6" zone of alteration & bleaching, w/ minor sulfides							
222-227		Diorite continues, becoming finer-grained & containing occassional fractures which exhibit hydrothermally altered diorite(light green). At 226 ft is a 1/4" chalcopyrite vein at 20° to hole; vein cuts diorite as well as a 1/2 inch andesite dikelet, at 30° to chalcopyrite. Also, chalcopyrite vein cuts through a thin qtz vein about 10° between veins. A skarn colored zone borders qtz vein. Diorite below w/ breccia fragments of dark aphanitic rock included & associated minor chalcopyrite.							
227-232		Another thin chalcopyrite vein w/ marginal alteration of diorite. Diorite includes several fragments of andesite							
232-233		A sheared and altered zone 2" wide, below is 1 ft diorite which is sheared & cut by a Fe/Cu sulfide vein.							
233-235		Fragments of dioritete w/in aplitic matrix. Minor Cu/Fe sulfides.							

Standpipe _____

Casing _____

DIAMOND DRILL RECORD

Started [illegible] Hole [illegible]

Finished [illegible] Location [illegible]

Hole Size [illegible]

Depth [illegible] Logged by G. [illegible] Date [illegible]

% Core Run [illegible] Drilled by [illegible]

Depth Feet	Pct. Core	Description	Dip	Azim.
235-243		Aplite, homogeneous diorite		
243		A vein [illegible] to hole, [illegible] 60° to 70° [illegible] [illegible] 2" alteration zone [illegible] which has a pinkish [illegible] as its center.		
243-250		Brecciated dior. w/in aplite for several inches, then homogeneous dior. resumes to 245.5 where a narrow aplite [illegible] diorite [illegible] w/Qz [illegible] [illegible] aplite zone occurs [illegible] 247 [illegible] additional breccia [illegible] w/ aplite to [illegible]		
250-253		[illegible] aphanitic very light grey [illegible] w/ [illegible] [illegible]. Light pink [illegible] [illegible] K-spar.		
253-264	7	[illegible] diorite [illegible] [illegible] aplite [illegible] [illegible] diorite to [illegible] [illegible] hornblende [illegible] [illegible] hornblende rich [illegible] [illegible] fine andesite [illegible] [illegible] w/ [illegible]		
264-267		[illegible] zone of fractured [illegible] brecciated by aplite. [illegible] [illegible] [illegible] [illegible] [illegible]		
267-272		[illegible] w/ aplite [illegible] [illegible] diorite [illegible] [illegible] is [illegible] [illegible] zone of [illegible]		

Transcribed [illegible]

Core [illegible]

Started [illegible]

Finished [illegible]

Hole Size [illegible]

Dip [illegible]

% Core Recovered [illegible]

Depth Log	Feet Core	Description	
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

Standpipe
Casing

DIAMOND DRILL RECORD

Hole No. [illegible]
Level
Grid
Latitude
Departure
Elevation [illegible] feet
Bearing
Inclination [illegible]

Started June 11th, 1964
Finished July 19th, 1964
Hole Size A.X.
Depth 972 feet
% Core Rec. 99

Mine Jumbo Basin
Location Prince of Wales Is. Alaska

Logged by C. Plummer Date July
Drilled by Boyles Brothers Drilling Co.

Depth Feet	Feet Core	Lithologic Description	Sample No.	Sample Interval	Sample Data: Gross Feet	Specific Gravity	Cu %	Pb %	Zn %
406		6" Med. grained Granodiorite in sharp contact w/ dense dark green rock w/ dark brown, irregular patches. Hornfelsed possibly "skarnized".							
406-434		Diorite continues.							
434		3" intrusion of granodiorite in contact about 50° to hole							
434-441		Diorite continues to 437 where it appears to have been extensively fractured into fragments less than 1" which have reconsolidated with appreciable Fe/Cu sulfides between fragments.							
441-443		Med. grained granodiorite in sharp contact 60° to hole. Numerous irregular inclusions of diorite above lower irregular contact.							
443-444		Fine grained diorite or andesite.							
444-447		1" fracture filling of aplite (probably related to granodiorite) below is abundant disseminate Cu/Fe sulfides, in dark andesitic rock. At 445 ft a 1/2" fine grained granodiorite vein sharply cuts rock. Just above, andesite grades into coarser grained diorite which persists downward. Diorite also contains abundant disseminated sulfides							
447-448		Sharp contact 45° to hole. then fine-grained dense dark green andesite w/ a few plag. phenocrysts.							

Form 100 [illegible]

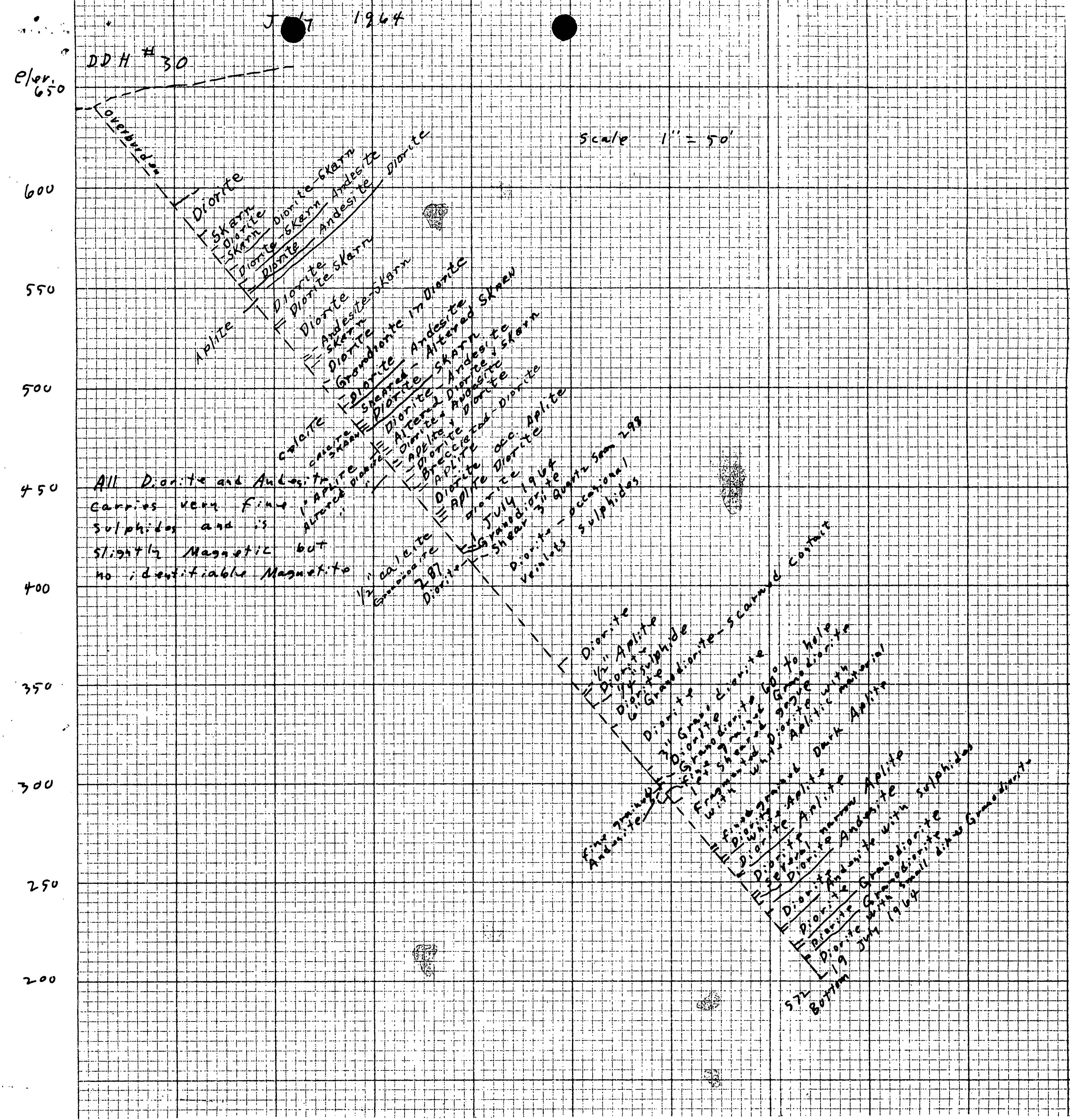
Standpipe _____
Casing _____

DIAMOND DRILL RECORD

Started June 11th, 1964
Finished July 19th, 1964
Hole Size A.X.
Depth 572 feet
% Core Rec. 92

Mine Jackie Basin
Location Friend of Helen Inc. Alaska
Logged by [illegible]
Drilled by [illegible]

Depth Feet	Feet Core	Lithologic Description
		[illegible]
495-504		Amphibolite [illegible] below [illegible] 70° [illegible] At 499 ft is a [illegible] [illegible] of discontinuous [illegible] ft [illegible] [illegible] [illegible] [illegible]
504-505		White aplite, [illegible] contact at 45° to hole. [illegible] in shortage along contact.
506-517		Diorite [illegible] aplite. [illegible] [illegible] [illegible] [illegible] [illegible] [illegible]
517-519		[illegible] aplite [illegible] [illegible]
519-522		[illegible]
522-525		[illegible] Light [illegible] [illegible] [illegible] [illegible] An inclusion [illegible] 527 ft w/ [illegible] [illegible]
525-530		[illegible]


July 1964
DDH #30
elev. 650
600
550
500
450
400
350
300
250
200
Scale 1" = 50'
Overburden
Diorite
Skarn
Diorite
Skarn
Diorite-Skarn
Diorite-Skarn Andesite
Diorite
Andesite
Diorite
Diorite
Diorite Skarn
Aplite
Diorite
Diorite-Skarn
Diorite
Andesite-Skarn
Diorite
Granodiorite in Diorite
Diorite
Andesite
Altered Skarn
Sheared
Diorite
Skarn
Diorite
Andesite
Altered Diorite
Diorite & Skarn
Andesite
Diorite
Calcite
Calcite Skarn
Aplite
Aplite & Diorite
Brecciated Diorite
Aplite occ. Aplite
Diorite
Aplite Diorite
Altered Diorite
All Diorite and Andesite carries very fine sulphides and is slightly Magnetic but no identifiable Magnetite
1/2" calcite
Granodiorite
287
Diorite
July 1964
Granodiorite
Shear 3" Quartz Seam 298
Diorite - occasional veinlets sulphides
Diorite
1/2" Aplite
Diorite
1/4" sulphide
Diorite
Granodiorite - scarned contact
Diorite
Granodiorite
60° to hole
Granodiorite
Gouge
Diorite with Aplitic material
Dark Aplite
fine grained
Andesite
Fragmented with white Aplite
fine grained Aplite
Diorite
White Aplite
Diorite narrow Aplite
several
Diorite Andesite
Diorite Andesite with sulphides
Diorite Granodiorite
Diorite Granodiorite
Diorite with small dikes Granodiorite
19 July 1964
572 Bottom

OME

OFFICIAL
COPY
O. M. E.
RECEIVED
JAN 21 1965

INITIALS	CODE
ama	800
[illegible]	120
	120
	100
	110

Spokane Daily Chronicle
Monday, Jan. 11, 1965

Count Denied by City Firm

The Securities & Exchange Commission today charged Duval Securities, Inc., of Spokane of violating antifraud laws in the sale of Bonanza Gold, Inc., stock. A company official denied the charge.

A hearing will be ordered to take evidence on the charges made by SEC investigators, The Associated Press reported from Washington, D.C.

The commission charged that the firm also failed to meet registration requirements in the sale of both Bonanza Gold and Mineral King Mining Co. stock. Also named were Francis H. Duval and Francis H. Duval, company officials.

"We haven't knowingly done anything wrong and we will contest the charges," Francis H. Duval said.

Re: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

GLO Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/21	Murphy	120 M
	FCS	130
1/21	Thomas	110
		100
1/22	CAR	220
		120 M

JAN 22 1965

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Exploration Operations

Subject: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

In accordance with the Operator's request of November 25, 1964, enclosed are the original and four copies of a proposed Termination Agreement signed by the Acting Director for the Government. An extra copy is also enclosed for field use.

If the proposed Termination Agreement is satisfactory to you and the Operator, all five copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

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

The Operator should be requested to submit its final vouchers and final report as soon as possible.

Enclosures

George C. Selfridge (gla)

FMMurphy/mm (1/21/65)
cc: Director's Reading File
Review Committee
Docket

23263

1/11/65

Mr. Sel dge -

Advise Mr. MacLaren - Contract in Default - we prefer Recision.

If not agreeable to Operator, then no payment until default is cured by amendment with Royalty Provision and receipt of satisfactory final report.

will post procedure in Tom. Ag
discussed with Long.

FEJohnson

DRAFT FMMurphy/[illegible]
1/15/65

120
120m

EXPLORATION CONTRACT
BONANZA GOLD, INC.
OME-6338

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1965, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Bonanza Gold, Inc., hereinafter referred to as the "Operator," parties to that certain Exploration Contract No. 2185 (OME-6338), dated April 7, 1964, as amended, hereinafter called the "Contract," that:

1. Effective August 16, 1964, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government will contribute only to the allowable costs of work performed prior to said effective date, except for the costs of assaying samples sent out to be assayed prior to September 15, 1964.

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

4. The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, (for example, if the Operator either transfers or fails to retain its interest in the land), shall pay to the Government the royalty on production provided for in the Contract in the same manner and amount, for the same period, and subject to the same conditions provided for in the contract,

as amended, as if a certification of possible production had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the contract with respect to ~~a certification of possible production,~~ percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims and demands under or arising out of the contract, except as otherwise provided in this Termination Agreement.

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

THE UNITED STATES OF AMERICA

By _____
Acting Director, Office of
Minerals Exploration

BONANZA GOLD, INC.

By _____

Title _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
December 15, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED
DATE | IN | OUT
12/17 | 688 | 800
12/18 | | 120
120

Memorandum

To: Chief, Division of Exploration Operations

From: Acting Field Officer, Region I

Subject: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Enclosed are two copies of a letter dated November 25, 1964, from the subject Operator, in which the contract work completed up to August 12, 1964, is summarized and a request for termination by mutual agreement is presented. The reason for the delay in presenting this request and the delay in submitting a voucher for the completed work is also given.

Aug. 14

When the application for this project was delivered to the Spokane office, Duval assured me that Walter Gonnason, a reputable mining geologist and U. S. Mineral Surveyor from Everett, Washington, would supervise the field work and prepare logs of the drill holes, narrative reports, etc., and that Eskil Anderson would visit the property from time to time and would help with advice in the preparation of vouchers.

With a memorandum dated August 12, 1964, we forwarded such records as Duval had then received. He told me that he wished to delay submitting any voucher as it was then possible that Japanese interests might take over the property and he did not wish it to be encumbered by royalty obligation to OME. He recently told me that they were not interested in the drilling but were anxious to have the geomagnetic work done. It is still unclear whether or not they will take over the property, but Duval is most optimistic.

Presently, he is awaiting assays which were held up in Alaska, Apparently, the effects of the earthquake that destroyed the assaying facilities in Anchorage are still showing in the backlog of samples to be assayed.

According to Duval, Anderson would not visit the property and would not given any help in preparing the vouchers. Also, Duval had some

personal difficulty with Gonnason to which he attributes the latter's delay in submitting reports. Duval himself is a professional photographer and is quite unable to log the holes or prepare too much in the way of reports. However, he appears to have all he needs now except the assays.

I therefore recommend that the decision whether to terminate or rescind the contract be held in abeyance pending receipt of the vouchers and drill records. Before forwarding any vouchers for payment, I will send you our office copy with penciled notations as to what could or could not be approved. The total should be in the order of $17,000.

D R MacLaren

D. R. MacLaren

Enclosures

cc: J. A. Herdlick w/enclosure

FRANK H. DUVAL
PRESIDENT

~~ESKIL ANDERSON~~
~~1ST VICE-PRESIDENT~~

TERRY GILL
2ND VICE-PRESIDENT

E. H. DUVAL
SEC'Y-TREAS.

HARRY F. MAGNUSON
DIRECTOR

STEVE TENEFF
DIRECTOR

TELEPHONE
RI 7-2125

TELETYPE
509-328-6656

BONANZA GOLD, INC.
LOBBY PAULSEN BLDG. • P. O. BOX 1444
SPOKANE, WASHINGTON 99210

November 25th, 1964

Department of Interior
Office of Minerals Exploration
Spokane, Washington

Report on drilling on O.M.E. Docket # 6338

Drilling started on this project in June 1964 and by August 12th, 1964 a total of four holes were drilled to various depths as follows:

Hole # 17 drilled to 274 feet.
Hole # 30 drilled to 572 feet.
Hole # 18 drilled to 382 feet.
Hole # 29 drilled to 385 feet.

Due to the very slight mineralization showing of each hole drilled, which were in the highest anomolous section and the drilling results of the anomoly were magnetic diorite and no commercial ore of any grade being drilled and the drilling costs being excessively high owing to very deep overburden, very steep terrain and the requiring of an excessive amount of cementing of drill holes, no further drill holes were started at this time. The cost of further drilling on this project were increasing per hole as further moves required a helicopter or excessive manpower, the area being also heavily timbered, therefore we request that this project be terminated.

Bonanza Gold, Inc. to date have spent in excess of $50,000 for drilling and approximately $ 15,000 on a Geo-Magnetic Survey. A complete report and log of each hole drilled, also assays, complete drill costs and all data pertinent to this project is in the final stages of preparation and will be submitted shortly.

There has been quite a delay in having this report submitted owing to the fact that when Mr. Walter Gonnason finished his work he left for California where he was urgently needed on a project that was waiting his arrival and he did not have his reports of the drilling on the Jumbo property finished until recently. Further delay was occassioned owing to getting assay returns out of Ketchikan, that were sent through Anchorage.

Bonanza Gold in the meantime were conducting a Geo-Magnetic survey of the property by the "Husky Industries" of Vancouver, B.C. After two months of field work the survey was just completed. This Geo-Magnetic survey, which was very successful, was carried out to the North and East of the Anomoly in which the drilling was being conducted, some 500 feet to the north of the iron capping.

Very truly yours,
BONANZA GOLD, INC.

BY Frank H. Duval

FRANK H. DUVAL

FHD/em.

RECEIVED
DEC 4 1964
O M E
SPOKANE, WASHINGTON

AME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	✓
11 30	Jones	110
4		100
		1207

November 27, 1964

Memorandum

To: The File

From: Chief, Division of Exploration Operations

Subject: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

On November 25, 1964, Mr. MacLaren called the writer in regard to the annual reports on Equal Employment Opportunity. He mentioned submitting a report on the subject docket and was informed that such reports had to be based on an actual visit and not on hearsay. The writer then asked Mr. MacLaren if he knew what the status of the work was. Mr. MacLaren mentioned that Mr. Duval had called on him the day before and that he was going to submit a voucher and a request for termination of the contract. Apparently some drilling had been done but results were not known. In addition, a Japanese company has been interested in the area, at least for the greater part of the summer, according to news items. The writer suggested to Mr. MacLaren that no voucher be passed for payment until all of the information concerning the project was available and the plans of the company were known. Probably a pseudo certification will be involved, and the suggested action is in keeping with past actions when it was thought that termination difficulties might arise when a pseudo certification was involved. Mr. MacLaren will send us one copy of the voucher and all other material for a decision in handling the matter. Mr. MacLaren also mentioned that the holes had been drilled too deeply into the granite.

George C. Selfridge

GCSelfridge/mm
cc: Director's Reading File
Docket
Mr. Selfridge

23263

MME FORM 6 REFERENCE SLIP

REV. 9 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, Div. of Exploration Operations	10/8/64	
2.	10/12 on letter	120M
3.		
4.		
5. D. R. MacLaren		

FROM: Acting Fld. Officer, Reg. I

FOR: Check items for action desired

X Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185
Transmittal of Gov't., Audit, and Fiscal Section's copies of Amendment No. 1.

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 12 1964

DATE	INITIALS

INT.-DUP. SEC., WASH., D.C. M56300-62

1338

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 4 1964

DATE	INITIALS	CODE
		120
		120M

So. 157 Howard Street
Spokane, Washington 99204
September 2, 1964

Memorandum

To: J. A. Herdlick, Area Director, Area VIII Mineral Resource Office, Juneau, Alaska

From: Acting Field Officer, OME, Region I

Subject: OME Alaska Contracts

Please extend our thanks to Kimball for the fine job he did with the trenches at Rowe's property.

6338

I understand that the drilling by Bonanza Gold, Inc., on Prince of Wales Island has been discontinued, but whether temporarily or permanently I will not know until Frank Duval returns to Spokane about the 15th. According to Mrs. Duval, who telephoned me yesterday, the drilling was stopped at the insistence of Sumamoto who is considering taking over the property and is currently carrying on an I.P. Survey.

6148

Little Squaw did not get off to an early start due to financial difficulties, and I do not know just how much OME work, if any, they may have done. In any case the contract is in default unless they sign an amendment providing for a recess during last winter and a pseudocertification. It is the latter they object to.

6304

That leaves only Keystone Mines, Inc., which has been working right along. According to their August voucher, the following contract work has been completed:

110 ft of shaft sinking (starting 53 ft below the collar)

17.5 ft of shaft station

4 station sets

15.5 ft drifting and/or crosscutting

15.5 ft timbering drift and/or crosscut

The last inspection was made early in February 1964 by Bruce Thomas. We would appreciate it if you could have him or someone else visit the property before access becomes too difficult, in order to check

the total advance to that date and submit a brief report of conditions, outlook for the future, and so on -- in other words, make an interim inspection.

As I mentioned in my letter of June 4, 1964, we now have to make an annual report under the Equal Employment provision of the contract. I have enclosed a form for this report. Please ask whoever makes the inspection to fill out the form while he is on the property and return it. Item 10 is relative to whether or not any group has tried to intimidate the Operator either to hire or not to hire because of race, color, or creed. Filling in the data and blank spaces with pencil is O.K.

6365

We have just received an application from Valdez Mines, Ltd., for a nickel, copper, and iron project at the Spirit Mountain property, but the application has not yet been referred to the field, however, I thought I'd alert you to the possibility.

D. R. MacLaren

Enclosure

cc: OME

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

One

OFFICIAL FILE
O. M.
RECEIVED
DATE

9/4 Fm-M 120 m
120

No. 157 Howard Street
Spokane, Washington 99204
August 31, 1964

Mr. Frank H. Duval
President
Bonanza Gold, Inc.
Lobby, Paulsen Building
Spokane, Washington

Re: OME-6338 (Iron Ore)
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Dear Mr. Duval:

There are enclosed the original and four copies of a proposed Amendment No. 1 to the above-cited contract, signed by the Acting Director for the Government.

If the proposed amendment is satisfactory, please sign all five copies, retain the Operator's copy, and return the others to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

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

Enclosures

cc: J. A. Hardlick

OME
MacLaren

Director's Reading File
Resources Research Branch Chief

MGmelser:ms

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		120M
8/24	Talbot	800
	Clear	~~130~~
8/24	Johnson	110
		100
8/25	CAC	220
		120M

AUG 25 1964

Memorandum

To: Acting Field Officer, Region I

From: Acting Chief, Division of Exploration Operations

Subject: OMX-6338
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island,
Ketchikan Precinct, Alaska
Contract 2185

Enclosed are the original and four copies of a proposed Amendment No. 1 (two pages) to the subject contract, signed by the Acting Director for the Government. Also enclosed is an extra copy of the proposed amendment for field use.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by the Operator. Thereafter, please distribute the copies in the usual manner.

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

This amendment covers some of the questions raised in your memorandum of August 12, 1964.

/s/ F. M. Murphy

Enclosures

FMMurphy/gla (8-24-64)
cc to: Director's Reading File
Review Committee
Docket

23263

DRAFT 8/17/64
FMMurphy/mm

EXPLORATION CONTRACT
BONANZA GOLD, INC.
OME-6338

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1964, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Bonanza Gold, Inc., hereinafter referred to as the "Operator," that Exploration Contract 2185 (OME-6338), dated April 7, 1964, is amended effective the date of the contract as follows:

1. In Exhibit A of the contract:

(a) Under General Provisions the last paragraph is deleted and replaced as follows:

The location, attitude, and the sequence of drilling of each diamond drill hole shall be subject to Government approval.

(b) Under Description of the Work the third sentence in the second paragraph is deleted and replaced as follows:

The line of Holes Nos. 25 through 30 shall be started prior to the indicated holes at higher elevations.

(c) Under Estimated Cost of the Project, Fixed Unit Costs, the word "cardboard" in the second specification is deleted.

This amendment shall not be construed to increase the fixed unit cost of any item of work, the estimated total cost of the project, or any aggregate total amount which the Government may be required to contribute.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Acting Director, Office of
Minerals Exploration

BONANZA GOLD, INC.

By _____

Title _____

Re: OME-6338 (8/12/64 memo fr. Reg. I)

Here we go again! Another Rattle Squaw!

① Contract provides costs specifically for "cardboard" boxes @ $1.00/ea., whereas total cost delivered of wooden boxes amounts to $10.93/ea.

② Contract specifically provides for completion of holes 25 and 30 prior to other holes.

③ Contract grants a fixed unit cost (which supposedly includes both driller's and Opr. costs) of only $11.00/ft. Driller's invoice costs for daily footage amounts to $15.80/ft. plus share of mobilization costs estimated $1.65/ft., or a total of $17.45/ft. And that's exclusive of Opr's. supervision, technical, and other incidental costs.

? delete "cardboard" in contract

Talbert
8/14/64

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
August 12, 1964

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 14 1964

DATE	INITIALS	CODE
8/14	[illegible]	~~800~~
		120 m
		~~120~~

Memorandum

To: Chief, Division of Exploration Operations

From: Acting Field Officer, Region I

Subject: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Enclosed is one copy each of the following documents left at the Spokane office August 6, 1964, by the Operator "for information":

Letter dated August 6, 1964, Operator to OME
Drill logs (partial) for holes 30 and 17
Progress report
Letter dated July 13, 1964, Walter L. Gonnason to Operator
Letter dated July 15, 1964, Gonnason to Operator

Mr. Frank H. Duval called at the office July 28, 1964, to make a verbal report on progress at Jumbo Basin. He said that he would not submit a voucher for the month of July as no hole had been completed. Also, he wanted to delay submitting a voucher because he thought that Japanese interests might finance the project. He also said that, because of the wet weather, cardboard core boxes were not practical -- they kept falling apart. Accordingly, they had switched to wooden core boxes at $4.00 each. He asked if they could be vouchered at the contract price for cardboard boxes. I told him that this might be acceptable and that I doubted that the contract price of $1.00 each could be increased. If necessary, it is recommended that the contract be amended to permit wooden core boxes, and if possible, to allow a cost increase to $4.00 each. ?

He*received word that a second drill had been started at hole 17. I pointed out to him the provision on page 2 of Exhibit A, Description of the Work, which states: "Holes Nos. 25 through 30 shall be completed prior to the indicated holes at higher elevations" and told him that in view of this specification I did not see how hole 17 could be approved. Since there is no restriction as to the order of drilling after holes 25 through 30 shall have been completed, can hole 17 be approved after completion of those six holes? Certainly, two drills moving along two rows will begin to develop a picture of

*had

the potential of the area under exploration more rapidly than will two drills on the same row, particularly when that row is so far removed from the area of known magnetite occurrence.

The drill logs, the progress report, and Gonnason's letter of July 15 are somewhat disconcerting in the prevalent occurrence of copper in hole 30 and the magnetic characteristic of the diorite in that area. There can be no question that some of the magnetic anomalies higher up the slope are due at least in part to magnetite but which ones may be due in part or in toto to diorite can only be determined by completing the drilling provided in the contract. It is strongly recommended that the contract be amended to delete any restriction as to the order in which the holes may be drilled. ?

Although this is a unit cost contract, I thought that you would find the driller's invoice of interest as a guide to expectable costs for this work in Alaska.

D. R. MacLaren

D. R. MacLaren

Enclosures

cc: J. A. Herdlick

FRANK H. DUVAL
PRESIDENT
ESKIL ANDERSON
1ST VICE-PRESIDENT
TERRY GILL
2ND VICE-PRESIDENT
E. H. DUVAL
SEC'Y-TREAS.
HARRY F. MAGNUSON
DIRECTOR
STEVE TENEFF
DIRECTOR

BONANZA GOLD, INC.
LOBBY PAULSEN BLDG. • P. O. BOX 1444
SPOKANE, WASHINGTON 99210

TELEPHONE
RI 7-2128
TELETYPE
509-326-6[illegible]

August 6th,1964

Department of the Interior
Office of Minerals Exploration
Spokane, Washington

In accordance with exploration contract O.M.E. # 6338 between BONANZA GOLD, INC. and the Office of Minerals Exploration department we submit the following;

Pursuant to the signing of a contract between Boyles Brothers Drilling Co. of Salt Lake, and Bonanza Gold, Inc. of Spokane, Washington, on May 12th 1964, we are enclosing a record of the drilling for the month of June,1964.

Boyles Bros. Drilling Co. brought in two complete drills and equipment, assembled and set up one drill on Hole # 30 on June 8th and drilled to a depth of 287 feet to June 30th,1964. We did not encounter any significient amount of iron, although it did carry chalcopyrite mineralization and the drilling of Hole 30 was carried on into July.

Number two drill was assembled and started drilling on Hole # 17 on June 27th and drilled to a depth of 29 feet by June 30th at which time the drilling was still in overburden. Owing to the nature of the terrain which is quite rough all drilling equipment supplies, etc. were taken in by tug and scow from Ketchikan and unloaded by helicopter. The air drop by helicopter was at hole # 17 owing to the fact of the accessability from the air. The O.M.E. requirments were to start on the lower line consequently hole # 30 was started first then moving to # 29, # 28 etc. Also owing to the rough and hilly nature of the terrain Hole # 17 was started, right at the air drop, then following with Hole # 18- then # 16 -# 15 on down the line.

A complete report on day to day drilling is enclosed.

Assay reports will be included in the progress report for July, with maps.

Very truly yours,
BONANZA GOLD, INC.

Frank H. Duval

BY FRANK H. DUVAL

FHD/em.

RECEIVED
AUG 6
SPOKANE

DIAMOND DRILL RECORD

Standpipe
Casing

Started 8/11/64
Finished
Hole Size
Depth
% Core Rec.

Mine Jumbo Basin
Location Prince of Wales Island
Alaska
Logged by Gonnason Date 6/30/64
Drilled by Boyles Bros.

Hole No. 30
Level
Grid
Latitude
Departure
Elevation
Bearing
Inclination -47°

Depth Feet	Feet Core	Lithologic Description	Sample / Data						
			No.	Interval	Core Feet	Sple. Feet	Oz. Ag	% Pb	% Zn
0-64	--	Overburden							
64-84	20	Medium to coarse grained diorite or Gabbro. Traces of fine chalcopyrite & pyrite.							
84-93.5	9.5	Skarn with thin concentrations of magnetite and fine chalcopyrite. Magnetic.							
93.5-287	194.5	Diorite or gabbro with fine disseminated chalcopyrite, all core weakly magnetic, many small veinlets of sulphides of copper and iron.							

RECEIVED
AUG 6 1964
OME
SPOKANE, WASHINGTON

DIAMOND DRILL RECORD

Standpipe
Casing

Started June 27, 1964
Finished
Hole Size NX
Depth
% Core Rec.

Mine Jumbo Basin
Location Prince of Wales Island
Alaska
Logged by Connason Date June 30, 1964
Drilled by Boyles Bros.

Hole No. 17
Level
Grid
Latitude
Departure
Elevation
Bearing
Inclination -47°

Depth Feet	Feet Core	Lithologic Description	Sample Data						
			No.	Interval	Core Foot	Sple. Foot	Oz. Ag	% Pb	% Zn
0-29	none	Overburden							

CONNASON EXPLORATION
WALTER L. CONNASON, OWNER
MEMBER A.I.M.E. & G.S.A.

MAGNETOMETER—AIRBORNE & GROUND
GEOCHEMICAL AND PATENT SURVEYS
MINING GEOLOGY

2828 RUCKER AVE. • EVERETT, WASHINGTON 98201 • AREA CODE 206 • AL 2-4851 • HOME OL 8-2797

Jumbo Basin, Alaska

PROGRESS REPORT

8 June to 10 June No. 1 drill assembled and set up for drilling hole # 30.

11 June Drilling started on hole #30. Very difficult drilling through overburden requiring much cementing.

23 June through to bedrock.

Walter L. Connason
Geologist

RECEIVED
AUG 6 1964
OME
SPOKANE, WASHINGTON

GONNASON EXPLORATION
WALTER L. GONNASON, OWNER
MEMBER A.I.M.E. & G.S.A.

MAGNETOMETER—AIRBORNE & GROUND
GEOCHEMICAL AND PATENT SURVEYS
MINING GEOLOGY

2828 RUCKER AVE. • EVERETT, WASHINGTON 98201 • AREA CODE 206 • AL 2-4651 • HOME OL 8-2707

Jumbo Basin, Alaska

PROGRESS REPORT

18 June, 1964- Drilling halted on DDH #30 and cement poured in hole to consolidate overburden.

19 June- Second drill rig assembled in preparation for drilling at DDH #17.

20 June- DDH #30- Drilling to 35 Ft. through cement. Fresh cement poured to depth of 55 Ft.
DDH #17-Assembly of rig completed.

June 21- Sunday, no work.

22 June- Drilling within overburden to 60 feet in DDH #30. More cement poured.

23 June- DDH#30- Casing sunk to 55 feet.
DDH #17- to 5 feet in overburden.

24 June-DDH#30- Bedrock reached at 64 feet: coarse grained diorite or gabbro. Drilling to 69 feet.
DDH#17- To 22 feet, overburden. Drill bit & rod broke off.

25 June- DDH#30- Diorite to 84 Ft., skarn to 93 Ft.
DDH#17- Attempt to recover broken rod & bit.

26 June- DDH#30- Intermixed skarn & diorite from 93 Ft. to 115 Ft., minor chalcopyrite. 115-120 ft.-Diorite. 120-121ft.- Andesite with minor chalcopyrite. 121-156- diorite; cut by aplite dike from 124-126 ft., and by calcite vein with marginal skarn from 141-143 ft., and by a 1/4" chalcopyrite vein at 130 ft.

27 June- DDH#30- 156-162 ft.- diorite. 162-164 ft.- narrow skarn bands on border of andesite dike. 164-169 ft.- fragments of skarn mixed with diorite. 169-196 ft.- diorite. 196-198 ft.- andesite. 198-202 ft. diorite, with 1/8" chalcopyrite vein at 201 ft. 202-206 ft. sheared & altered zone, probably faulting; several inches of skarn below shear zone.
DDH#17- Hole cemented.

28 June- DDH#30- 206-208 ft.- diorite. 208 ft. skarn bounding calcite veinlet, with veinlet of chalcopyrite. 208-209 ft. diorite. 209-210 ft.- skarn & andesite. 210-219 ft.- diorite with occassional aplite dikes & minor chalcopyrite.

GONNASON EXPLORATION
WALTER L. GONNASON, OWNER
MEMBER A.I.M.E. & G.S.A.

MAGNETOMETER—AIRBORNE & GROUND
GEOCHEMICAL AND PATENT SURVEYS
MINING GEOLOGY

2828 RUCKER AVE. • EVERETT, WASHINGTON 98201 • AREA CODE 206 • AL 2-4851 • HOME OL 9-2787

29 June 1964. DDH#30- 219-222 ft.- diorite, with 1 inch wide chalcopyrite vein at 221 ft. 222 ft.- 6" zone of bleached & altered rock. 222-227 ft.- diorite with occassional fine fissure chalcopyrite veins. 227-250 ft.- diorite fractured into large blocks, aplite intruded into fractures. 250-253 ft. aplite. 253-257 diorite continues.
DDH#17- Drilling through cement & reaming to 23 ft.

30 June. DDH#30- 257-281 1/2- diorite with occassional aplite veins; calcite vein at 272 ft. with thin chalcopyrite veinlets. 281.5- 287 ft.- aplite grades downward into medium-grained light colored granite or granodiorite.
DDH#17- Overburden, to 29ft.

Charles C. Plummer
Geologist

GONNASON EXPLORATION
WALTER L. GONNASON, OWNER
MEMBER A.I.M.E. & C.I.A.

MAGNETOMETER—AIRBORNE & GROUND
GEOCHEMICAL AND PATENT SURVEYS
MINING GEOLOGY

2828 RUCKER AVE. ◦ EVERETT, WASHINGTON 98201 ◦ AREA CODE 206 ◦ AL 2-4851 ◦ HOME OL 3-2707

July 13, 1964

DearFrank,

After several days of real foul weather, since my return, today is rather nice, but it looks like another siege of rain coming in.

Hole # 30 is now into 494 feet, at which we have penetrated two feet of silicified limestone. Through the entire mass of diorite sulfides are finely desiminated which are probably chalcopyrites. At 444 feet there are four feet of strong chalcopyrite showings, (+ or - 4°/o). The geology at the bottom of this hole is very interesting and so will continue.

Hole #17 was through skarn zone to its contact with granite at 245 feet. We drilled 20 feet into the granite and stopped the hole. We are now set up on hole #18 and as of this afternoon we are in 32 feet. Still in overburden.

I have your reel and it appears to be in good working condition. Do you have any line for it?

We have our cabin all fixed up, complete with kitchen and 50 gallon drum for the stove to avoid running back and forth with an oil can.

WALT

Signed by Walter Gonnason
but it did not copy

RECEIVED
AUG 6 1964
OME
SPOKANE, WASHINGTON

GONNASON EXPLORATION
WALTER L. GONNASON, OWNER
MEMBER A.I.M.E. & G.S.A.

MAGNETOMETER—AIRBORNE & GROUND
GEOCHEMICAL AND PATENT SURVEYS
MINING GEOLOGY

2828 RUCKER AVE. • EVERETT, WASHINGTON 98201 • AREA CODE 206 • AL 2-4051 • HOME OL 9-2707

15 July 1964

Dear Frank,

The weather is holding rather nice. No rain now for this is the 3rd day. Hole 30 is stopped at the present at 496' in very hard rock and Mr. Tucker is sending another type bit that they feel will last longer in the very hard rock. I feel we should continue the hole as the rock is very interesting and though rather deep will yield very valuable information.

Hole 18 is held up for the moment. They thr~~ough~~ew a rod in the enging and are in Ketch. now for parts. No drilling today.

Carlos is progressing rather well with the maping of the upper area and should have very good knowledge of it when the I. P. men get here. Im for the moment looking over the area between the Iron cliff and the old mine. Magnetics are very good here.

Got 2 letters from you yesterday with Carlos expence check. It looks like, as I feel we both desire, that the copper is the best bet. The Diorite in hole 30 carries copper all the way with one very strong showing that should be of particular intrest. The Diorite also is quite magnetic and may be responsible for the strong magnetics in the particular area. ? JMM

Got a call from Irene yesterday and would you please send her $200.00 now and me $300.00 up here. I have $1100.00 coming from Std Oil but she reports there billing has gotten mixed up and there will be a little delay in getting it out.

Bud reports that they will have both machines on a 2 shift basis soon so the work will proceed faster then. He also feels very strongly that the major moves should be made with helicopter even if it requires falling a lot of timber. I'll keep close watch and if it looks as though it will save money I guess we should. We will then also be able to use the chopper at that time to aid the I.P. crew.

Thanking you in advance for aiding Irene,

WALT

RECEIVED
AUG 6 1964
OME
SPOKANE, WASHINGTON

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

General Offices and Plant

1624 Pioneer Road P. O. Box 58 MU 7-7595

SALT LAKE CITY 10, UTAH

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

INVOICE DATE: July 1, 1964
ORDER NUMBER: 50-38
INVOICE NUMBER: 1
CONTRACT: Bonanza Gold-Alaska
TERMS. Net
SHIPPED TO: Hetta Inlet, Prince of Wales Island, Alaska

BONANZA GOLD, INC.
c/o Mr. Ketil Anderson
Radio Central Building
Spokane, Washington

Mobilization Fee		$6,000.00
½ Boat Charter, Ketchikan to Jumbo Basin	600.00	300.00
16 Hours Moving In, Camp & Drill Equipment with 3-2 man crews	12.60	604.80
16 Hours Temsco Flying Service Helicopter	135.00	2160.00
Temsco Flying Service Plane Charter 6-5-64	30.00	30.00
Materials for 2 Tents		255.04
250 Core Boxes, FOB Salt Lake City	4.00	1,000.00
Freight, Core Boxes, Salt Lake City to Seattle		556.88
Freight, Core Boxes, Seattle to Ketchikan		272.64
M. G. Peckham, 8 hours handling core boxes in Ketchikan	4.37½	* 35.00
Coastal Ellis, Air Fare for Peckham to Ketchikan & Return for Boxes		30.00
Ireland Transfer - Fork Lift for Core Boxes		34.35
5.2 Hours Temsco Flying Service, Helicopter for Core Boxes.	135.00	702.00
4 Hours Flying Core Boxes 2-2 man crews	12.60	100.80
MEALS		
Frank Duval 13 Days		
Ed Weber 10 Days		
Hal Gonnison 17 Days		
Carl Plummer 13 Days		
Total 53 Days	5.00	265.00
	Sub Total	$12,346.59

TO

* $2731.72 / 250 = $10.93/box
Talbot 8/14/64

RECEIVED
AUG 6 1964
OME
SPOKANE, WASHINGTON

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Bayles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

General Offices and Plant

1624 Pioneer Road P. O. Box 58 HUnter 7-7595

SALT LAKE CITY 10, UTAH

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

INVOICE DATE: July 1, 1964
ORDER NUMBER: 50-28
INVOICE NUMBER: 1
CONTRACT: Bonanza Gold-Alaska
TERMS: Net
LOCATION: Hetta Inlet, Prince of Wales Island, Alaska

BONANZA GOLD, INC.
c/o Mr. Eskil Anderson
Radio Central Building
Spokane, Washington

HOLE NO.		FROM	TO	FOOTAGE	RATE	TOTAL
#30	Overburden	0.0	64'	64'	10.00	640.00
#30	BXWL	64'	250'	186'	7.90	1,469.40
#30	BXWL	250'	287'	37'	8.20	303.40
#30	Reaming	0.0	26'	26'	3.60	93.60
#30	Casing			4 Hours	12.60	60.40
#30	Cementing			68 Hours	12.60	856.80
#30	Cement			14 Bags	6.00	84.00
#30	Moving & Set Up	2 man crew		37 Hours	12.60	466.20
#17	Overburden	0.0	29'	29'	10.00	290.00
#17	Reaming	0.0	21'	21'	3.60	75.60
#17	Casing			1 Hour	12.60	12.60
#17	Cementing			4 Hours	12.60	50.40
#17	Cement			4 Bags	6.00	24.00
#17	Moving & Set Up	2 Man Crew.		45 Hours	12.60	567.00
					Sub Total	* 4,993.40
					Sub Total	12,346.56
					TOTAL	$17,339.96

* $4,993.40 / 287' + 29' = $15.80/ft.
plus share of total mobilization costs of $9,614.84 (est. @ 287/5300 or $1.65/ft.)
Talbot 8/14/64

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, Div. of Fld. Operations	6/4/64	
2.		
3.		
4. D. R. MacLaren		
5.		
FROM: D. R. MacLaren Acting Fld. Offr., Reg. I		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Isle.
Ketchikan Precinct, Alaska
Contract 2185

Transmittal of newspaper clipping from The Chronicle re. the above-cited contract.

INT.-DUP. SEC., WASH., D.C. M56300-62

The Chronicle
6/3/64

Mine News

'Copter Aids Mine Drillers

A helicopter is being used to transport drilling equipment and supplies from a tugboat and scow off Prince of Wales Island, Alaska, to the drill site on ground owned by Bonanza Gold, Inc., of Spokane.

The site is at an elevation of about 700 feet up a mountain that towers over Hetta Inlet, according to Frank H. Duval, president, who is at the property.

Four men worked 10 days loading supplies on the boats at Ketchikan, he wrote. The supplies included drills, drill rods, lumber, 60 50-gallon drums of gasoline and stove oil, and a radio sending and receiving set.

Drilling of an anomaly under a $60,160 iron-copper exploration contract with the Office of Minerals Exploration will be started soon by Boyles Bros. Drilling Co. of Salt Lake City. Nine men are scheduled to drill around the clock.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 8 1964

DATE	INITIALS	CODE
6-8		100
6/8	Johnson	110
		120
		600
6/9	Murphy	500

OME

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 2 1964

DATE	INITIALS	
4/29	[illegible]	800
~~4/30~~	~~Murphy~~	~~500~~

So. 157 Howard Street
Spokane, Washington 99204
April 27, 1964

Mr. Frank H. Duval
President
Bonanza Gold, Inc.
Lobby, Paulsen Building
Spokane, Washington

Re: OME-6358 (Iron Ore)
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Dear Mr. Duval:

We are enclosing a three-month supply of Operator's Monthly Voucher and Progress Report, MME Forms 60 and 61. The original and three copies of the completed report forms as well as the narrative, maps, assays, and all technical data, should be submitted for each month in which costs have been incurred under the contract. However, in the event that you do not wish to submit a voucher for any month, the narrative report for the work done in that month is required. Delay in processing can be avoided if reports are submitted promptly to this office.

Also enclosed are three copies of Standard Form 38, entitled "Notice to Labor Unions or Other Organizations of Workers--Nondiscrimination in Employment." In accordance with Executive Order 10925, which is Exhibit B of your contract, you should complete one copy and send it to any labor union that may be involved in your OME contract work and should post one or more copies in conspicuous places available to employees or applicants for employment.

In addition, there is enclosed a poster which should be kept exhibited in a conspicuous place available to both employees and applicant for employment.

Sincerely yours,

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

Enclosures

MLMaclaren:mls cc: OME ✓ MacLaren Director's Reading File Resources Research Branch Chief

5-00

UNITED STATES
DEPARTMENT of the INTERIOR

★★★★★★★★★★★★★★★★★★★★news release

OFFICE OF MINERALS EXPLORATION Dakan - 343-5348

For Release MAY 7, 1964

BONANZA GOLD, INC., OF SPOKANE, WASHINGTON, TO EXPLORE FOR IRON ORE ON PRINCE OF WALES ISLAND, NEAR KETCHIKAN, ALASKA

The Office of Minerals Exploration has contracted to assist Bonanza Gold, Inc., of Spokane, Washington, to explore for iron ore in the Jumbo Basin, Prince of Wales Island, 40 miles west of Ketchikan, Alaska, the Department of the Interior announced today. Total cost of the work is estimated at $60,150, of which the Government participation is $30,075.

The contract authorizes exploration by surface diamond drilling for deposits of iron ore occurring in the form of magnetite.

Under the exploration assistance program, the OME participates in the cost of exploration for 35 mineral commodities. Funds provided by the Government are repaid by a royalty on production.

Additional information and application forms for OME assistance in Alsaka, Idaho, Montana, Oregon, and Washington may be obtained from the OME - Region I, South 157 Howard Street, Spokane, Washington 99204.

Other areas are covered by the following offices:

OME - Region II - 113 Custom House, 555 Battery Street, San Francisco, California 94111;

OME - Region III - Building 20, Denver Federal Center, Denver, Colorado 80225;

OME - Region IV - Room 11, Post Office Building, Knoxville, Tennessee 37902;

The Office of Minerals Exploration, Department of the Interior, Washington, D. C. 20240.

x x x

P.N. 45972-64

MME FORM 6
REV. 2-5

REFERENCE SLIP

OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
TO: Chief, Div. of Fld. Operations	4/24/64	
1.		
2.		
3.		
4. M. L. Smelser		

For: D. R. MacLaren

FROM: Acting Fld. Officer, Reg. I

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 27 1964

DATE	INITIALS	CODE
		500

FOR: Check items for action desired

X Action ___ Reply for signature of ___ Surname
___ Approval ___ Investigate ___ Signature
___ Comment ___ Recommendations ___ File
___ Conference ___ Rewrite
___ Instructions ___ Your information

REMARKS: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska
Contract 2185

Transmittal of Government, Audit, and Fiscal Section's copies of the above-cited contract, signed by Frank H. Duval, president of the company.

M56300-62

INT.-DUP. SEC., WASH., D.C.

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 24 1964

DATE	INITIALS	CODE
		200

APR 24 3 54 PM '64

XDXXXXXXK104

FWB-037

SF051 WWAF FSP 08 I-MME

SPOKANE WASH 4-24-64 1200U

MR GEORGE C SELFRIDGE CHIEF DIV OF FIELD OPERATIONS

OFFICE OF MINERALS EXPLORATION WASHINGTON DC

RE OME-6338 (IRON ORE), BONANZA GOLD, INC., JUMBO BASIN, PRINCE OF WALES ISLAND, KETCHIKAN PRECINCT ALASKA SIGNED CONTRACT RECEIVED THIS OFFICE APRIL 24, 1964

M L SMELSER FOR R MACLAREN ACT FIELD OFCR OME REG ONE

OME-6338 24 1964

1202U

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
April 16, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED APR
DATE | INIT.
4-20 | 120
4/20 | 100
4/21 | 500

Air Mail

Memorandum

To: Acting Director, Office of Minerals Exploration

From: Acting Field Officer, Region I

Subject: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska

Early in February 1964 Frank H. Duval, Sr., called at the Spokane office to inquire as to the progress of the subject application. He was told that it had been sent to Juneau for appraisal because an engineer from that office had visited the property in recent years. Duval was quite happy with the rapid progress and asked if I would let him know when the Juneau report came through Spokane en route to D. C. At that time I told him I would so notify him but that I could not give him any information as to the contents of the report because such could be misleading and all decisions were made in the Washington office. He said he understood that but would appreciate knowing when the report went through so that he could keep track of its progress. On February 28 I called him and told him only that the report had been forwarded to D. C.

On April 13, Mr. J. A. Herdlick called from Juneau relative to the Keystone contract and I read your memorandum to him. He remarked: "For years it has been impossible for us to say whether an application has been approved as we do not make that decision." In this case no representative of Bonanza Gold, Inc., has been in Juneau since the application was first received at this office.

It is my guess that Duval, Sr., his son, or whoever wrote to Representative Compton I. White, Jr., used the term "approved" as synomymous with "processed." However, to avoid further misunderstanding, instead of notifying Duval by telephone that a contract had been received, I though it best to mail it to him with the customary letter of transmittal on April 13. He called me the next day to ask if we would now put out a press release. I told him that this office no longer put out press releases relative to contracts; that when we received a contract signed by the applicant, we teletyped D. C. who then wrote up the press release. He then asked if Frank, Jr.,

could give a release to the local papers, to which I replied that he certainly had the right to release any information regarding Bonanza Gold that he wished, but I added that should anyone call this office for verification I could only say that a proposed contract had been offered but so far the company had not accepted it. Through this morning, I have seen no item relative to Bonanza Gold in the local papers.

Frank Duval, Jr., has recently opened a brokerage office in Spokane which may account for his desire to publicize the fact that OME has offered Bonanza an exploration contract.

One other point, Frank, Sr., raised was how long a time they had in which to sign the contract. I told him there was no fixed time limit to which he replied: "Six months?" I told him certainly not that long. As he told me in February that the company has the funds to start the project and that he hoped to be able to get started by late April or early May, I do not know what import to give the questions of news releases and time limit for accepting or rejecting the contract but have included mention of them for your information.

D. R. MacLaren

D. R. MacLaren

Ore

So. 157 Howard Street
Spokane, Washington 99204
April 13, 1964

OFFICE
RECEIVED Apr
DATE
4/6 Murphy 500

Mr. Frank E. Duval
President
Bonanza Gold, Inc.
Lobby, Paulsen Bldg.
Spokane 1, Washington

Re: OME-6338 (Iron Ore)
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska

Dear Mr. Duval:

Enclosed are the original and four copies of a proposed OME contract for exploration at the subject property. The contract consists of MME Form 51 (5 pages), Annex I (3 pages), one Lien and Subordination Agreement, Exhibit A (3 pages), Exhibit B (1 page), and two maps (figs. 1 and 3). All copies have been signed by the Acting Director for the Government.

You or whoever will be in charge of carrying out the project work under this contract are urged to read carefully all the specifications set forth in Exhibit A. Without prior Government approval subsequently confirmed in writing, the Government may refuse to contribute to the cost of any work that does not conform to those specifications.

If the terms and conditions of the proposed contract are satisfactory, insert in Article 1(a) the date on or before which work will commence. This date must not be prior to the date of the contract. Then sign all copies, keep the Operator's copy, and return the other copies to this office.

If any part of the proposed contract is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

The 6½ percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

Sincerely yours,

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

Enclosures

cc: OME
MacLaren
Director's Reading File
Resources Research Branch Chief

RLSmelser
DRMacLaren:mls

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/6	Murphy	500
	[illegible]	500
4/6	Talbert	800
	[illegible]	130
4/6	[illegible]	110
"	[illegible]	100
4/7	[illegible]	220
		500

APR 7 1964

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: ORE-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska

Enclosed are the original and four copies of a proposed contract with Bonanza Gold, Inc. The contract consists of MME Form 51 (5 pages), Annex I (3 pages), one Lien or Subordination Agreement, Exhibit A (3 pages), Exhibit B (1 page), and two maps, Figures 1 and 3. An extra copy of the contract is also enclosed for field use. All copies have been signed by the Acting Director for the Government. You should insert the date for commencement of the work.

We have reduced the number of drill holes requested by the Applicant because the target area could be sufficiently explored with a lesser number. Also, we have changed the assay schedule submitted as, in our opinion, the possible gold and silver values would be small and the average values could be obtained from the composite samples.

If the proposed contract is satisfactory to you and the Applicant, all five copies should be signed by an authorized representative of the Applicant. Thereafter, please distribute the copies in the usual manner.

Please advise the Applicant that the 6½ percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

If any part of the proposed contract does not have your approval or that of the Applicant and cannot be altered within your delegated authority, the original and all copies are to be returned to this office together with the proposed changes for consideration.

George C. Selfridge (glc)

Enclosures

FMMurphy/mm (4/6/64)
cc: Director's Reading File
Review Committee
Docket

23263

COMPTON I. WHITE, JR.
1ST DISTRICT, IDAHO

ROOM 133
CANNON HOUSE OFFICE BUILDING

HOME ADDRESS:
BOX 536
CLARK FORK, IDAHO 83811

Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEES:
INTERIOR AND INSULAR AFFAIRS
SUBCOMMITTEES:
IRRIGATION AND RECLAMATION
MINES AND MINING
PUBLIC LANDS
BANKING AND CURRENCY
SUBCOMMITTEES:
INTERNATIONAL FINANCE
INTERNATIONAL TRADE

March 30, 1964

Honorable George Fumich
Director of Minerals Explorations
Department of The Interior
Room 4660
Washington, D.C.

Re: OME6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska

Dear Mr. Fumich:

Thank you so much for your letter of March 27th signed by Mr. Frank E. Johnson, Acting Director, bearing on the above application submitted by Bonanza Gold, Incorporated.

I note that this application is now being processed and a decision will be reached in a few days. I am happy indeed to learn this fact, and just as soon as you do make a decision in this matter, will you kindly advise me so that I may properly inform my constituent? I want to take this opportunity to reiterate my prior interest in this case.

With all good wishes, I am

Sincerely yours,

Compton I. White, Jr.
Member of Congress

CIW:RBT

OFFICIAL FILE COPY
CASE
RELEASE Mar 31 1964
DATE
4/20 Murphy 500

Estimated Cost of the Project

Fixed Unit Costs

5300 feet drilling, overburden and AX standard or BXWL core size or larger @ $11.00/ft.	$58,300.00
500 cardboard core boxes @ $1.00/box	500.00
300 samples assayed for iron and copper @ $3.00/sample	900.00
15 composite samples assayed for molybdenum, titanium oxide, lime, sulfur, phosphorus, insolubles, ~~copper~~, gold, and silver @ $30.00/sample	450.00
Total Estimated Cost	$60,150.00
Government Participation @50%	$30,075.00

~~800~~ ~~800~~
~~mobil 120~~ ~~120~~
500 ~~500~~

MME Form 51
June 1963

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME-6338	Iron Ore	14-23-090-	Ketchikan Recording Precinct	Alaska

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Bonanza Gold, Inc., a Washington corporation

_____,

whose mailing address is Lobby, Paulsen Bldg., Spokane 1, Washington, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 12 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $60,150. The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $30,075 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.-- Simple interest at the rate of _____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

See Annex I

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

See Annex I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with four copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

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

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such pruchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The Office of Minerals Exploration may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

_____

_____

_____

_____

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

_____
(Operator)

By_____

By_____

Title_____

I,_____, certify that I am the
(Name)

_____secretary of the corporation named as Operator herein; that

_____, who signed this contract on behalf of the Operator, was then
(Name)

_____of said corporation; that said contract was duly signed for
(Title)

and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 31011

DRAFT FMMurphy:mm
3/11/64

EXPLORATION CONTRACT
BONANZA GOLD, INC.
OME-6338

ANNEX I

The land referred to in Article 2 of the contract consists of forty-six (46) patented lode mining claims and fractions and ten (10) unpatented lode mining claims, including all rights pertaining thereto, in the Copper Mountain Mining District, Prince of Wales Island, Ketchikan Recording Precinct, First Division, State of Alaska, as follows:

Patented Claims and Fractions

Patent No. 42005, Mineral Survey Number 562A, issued 10-18-05, recorded at Ketchikan, Alaska, in Volume 422, pp. 127 to 157. This patent comprises 29 claims as follows:

Jumbo No. 1	Jumbo No. 1A
" " ~~1B~~ 1C	" " 1B
" " 2	" " 2A
" " 2B	" " 1D
" " 3	" " 1E
" " 3B	" " 3A
" " 4	" " 5
" " 6	" " 7
" " 8 Bryan & Petty	" " 8 Scott
" " 9 Scott	" " 9 Bryan & Petty
" " 10	" " 11
" " 12	" " 13
" " 14	" " 15
" " 16	" " 17
" " 18	

29

Supplementary data show a notation of record 9-21-14 at Ketchikan in F 75 and 76.

Patent No. 1203824, Mineral Survey Number 1542, recorded at Ketchikan 2-4-60, Vol. 9, Deeds, pp. 29-34. This patent was issued in lieu of Patent No. 1062428, dated March 30, 1933, which is canceled because it bore an erroneous Mineral Survey Number. This patent comprises 5 claims as follows:

Jumbo No. 46	Jumbo No. 47
" " 48	" " 49
" " 50	

Patent No. 385872, issued 2-18-14, Mineral Survey Number 886, recorded at Ketchikan 9-21-14, in F 71 and 74. The claims and fractions in this patent are as follows:

El Mora	Jardine
Fraction No. 1	Fraction No. 3
" " 2	" " 4

Patent No. 1062428 issued 4-14-33 Mineral Survey Number 1542 recorded at Ketchikan 5-5-33 P. 97. The claims in this patent are as follows:

Jumbo No. 51 Jumbo No. 46
" 53 " 47
" 55 " 48
" 57 " 49
" 59 " 50

Unpatented Lode Mining Claims

The following 10 unpatented claims are recorded in the Recording Office, Ketchikan, Alaska, as follows:

Name of Claim	Book No.	Page No.
Groshan No. 1	19	171
" " 2	"	172
" " 3	"	173
" " 4	"	174
" " 5	"	175
" " 6	"	176
" " 7	"	177
" " 8	"	178
" " 9	"	179
" "10	"	180

The Operator has rights to the claims listed in this Annex I under the terms of a Sale Agreement, dated November 1, 1963, between Eskil Anderson as the Owner and Bonanza Gold, Inc., a Washington corporation, as the Purchaser.

A Lien or Subordination Agreement executed by Eskil Anderson, covering the claims listed in this Annex I is attached hereto and made part hereof.

The ~~locations~~ outer boundaries of the claims are shown in green on the map entitled "Fig. 3, Claim Map - Jumbo Basin," attached hereto and made part hereof.

EXPLORATION CONTRACT
BONANZA GOLD, INC.
OME-6338

EXHIBIT A

The purpose of this project is to explore by surface diamond drilling for contact metamorphic deposits of iron, occurring in the form of magnetite, along the contacts of Paleozoic sediments and predominantly intrusive granodiorite.

General Provisions

The core from diamond drilling shall be stored in boxes identified as to hole number with markers in the core sections to indicate the depth represented. Samples of the sludges and core segments shall be stored in suitable containers properly identified as to source and location. The stored core and sludge samples shall be made available for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored core and samples.

Core showing significant magnetite shall be split and one split assayed for iron. The other split shall be stored in proper sequence with the unmineralized core. No sample shall represent a hole length of greater than ten feet.

Facilities shall be provided for recovering diamond drill sludges and such sludges shall be retained when drilling in magnetite-bearing formations. Whenever individual core recovery is found to be less than 60 percent, the corresponding retained sludge and such core segments as may have been recovered shall be assayed separately and the results combined according to standard practice to represent a single sample.

In addition to the assays for iron, fifteen selected, composite samples of magnetite-bearing drill core shall be assayed for molybdenum, titanium oxide, lime, sulfur, phosphorus, insoluble, ~~copper~~, gold, and silver.

True copies of all sample assay certificates shall be submitted with the Operator's monthly report, which shall also include maps or sketches showing the work completed during the reporting period. The maps shall show the general rock formations and structures traversed by the drill holes; also, the location and values of the samples.

The Government will not contribute to the cost of any incomplete hole, to a hole drilled closer than 200 feet to another hole, nor to a hole within 200 feet of the exterior boundaries of the claim groups described in Annex I of this contract.

The Operator shall provide such supervisory, labor, and technical services as may be required to complete the work in a satisfactory manner.

The location, direction, and extent of each work item shall be subject to Government approval.

Description of the Work

The work will consist of drilling an estimated 20 holes aggregating a maximum of 5300 feet, comprised of plug drilling through overburden and diamond core drilling through consolidated formations. The approximate locations and directions of 18 of the holes are shown in red on the map entitled "Fig. 1, Jumbo Mine, Prince of Wales Island, Jumbo Mountain, Alaska," attached hereto and made part hereof. In addition to the 18 holes indicated in red on Fig. 1, two additional holes may be drilled to explore favorable areas indicated by the project work.

The holes shall be drilled not less than BX wireline or AX standard core size (1-1/8" core diameter); and after traversing the limestone, skarn, and magnetite are expected to bottom in granite. The 18 holes shown on Fig. 1 shall be drilled at approximately a minus 45 degree angle on a bearing of approximately N. 50° E., and are estimated to average about 250 feet in depth. ~~Hypothetical,~~ Hole Nos. 25 through 30 shall be completed prior to the indicated holes at higher elevations. If necessary ~~[illegible]~~ holes up to 500 feet in depth may be drilled to completely traverse the magnetite and underlying skarn formations. However, the aggregate footage of all holes drilled under this contract shall ~~[illegible]~~ not exceed 5300 feet.

Estimated Cost of the Project

Fixed Unit Costs

5300 feet drilling, overburden and AX standard or BXWL core size or larger @ $11.00/ft.	$58,300.00
500 cardboard core boxes @ $1.00/box	500.00
300 samples for iron @ $1.50/sample	450.00
15 composite samples assayed for molybdenum, titanium oxide, lime, sulfur, phosphorus, insolubles, ~~copper,~~ gold, and silver @ $30.00/sample	450.00
Total Estimated Cost	$59,700.00
Government Participation @ 50%	$29,850.00

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/27	Selfridge	130
"	Murphy	500
"	Diamond	500
"	Talbitt	800
"	Johnson	110
	[illegible]	100
3/31	Cole	220
		500

Memorandum

MAR 31 1964

To: Acting Field Officer, Region I

From: Acting Director, Office of Minerals Exploration

Subject: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska

Enclosed are three copies of a self-explanatory letter of a rather disturbing nature of March 24, 1964, from Representative Compton I. White, Jr., relating to the subject application.

As early as February, 1952, field personnel were cautioned through Minutes of the Operating Committee (No. 74, June 4, 1952) DMEA Circulars (No. 13, February 1, 1952), and subsequent routine correspondence about making any comments, either oral or verbal, to an applicant or operator that could be interpreted as being a commitment on the part of the Government, and thereby limit the freedom of decision in Washington.

We realize that an applicant or operator sometimes stretches a point for pressure purposes, but we wish again to caution field personnel in their dealings with the public. Their role should be explained not only as one of gathering factual information but also of discussing the matter from all angles and possibilities in order that Washington can reach an equitable decision based upon maximum information. Thus, discussion should not signify that a contract will be granted. This procedure of handling applications and contracts minimizes pressure at both ends and gives greater freedom of decision.

As both offices are mentioned, it is suggested that you review the matter with Mr. Herdlick. We shall appreciate any comments either of you wish to make.

George Fumich, Jr.

Enclosures

GCSelfridge/gla (3-27-64)
cc to: Director's Reading File
Docket
Mr. Selfridge

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/27	Murphy	500
	Brownell	500
	Selfridge	120
"	Johnson	110
"	McCrae	100
		220
		500

MAR 27 1964

Hon. Compton I. White, Jr.
House of Representatives
Washington, D. C. 20515

Re: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska

Dear Mr. White:

This is in response to your letter of March 24 to Mr. George Fumich, relating to exploration application OME-6338 submitted by Bonanza Gold, Inc.

The application is being actively processed, and a decision regarding the proposal should be reached in the next few days. Your interest in the matter is appreciated. You may be assured that we will do everything possible to expedite our actions.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

FMMurphy/FEJohnson/mm/gla (3-27-64)
cc: Director's Reading File
Region I (2) w/2 cys incoming letter
Docket
Mr. Selfridge

23263

COMPTON I. WHITE, JR.
1ST DISTRICT, IDAHO

ROOM 133
CANNON HOUSE OFFICE BUILDING

HOME ADDRESS:
BOX 536
CLARK FORK, IDAHO 83811

Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEES:
INTERIOR AND INSULAR AFFAIRS
SUBCOMMITTEES:
IRRIGATION AND RECLAMATION
MINES AND MINING
PUBLIC LANDS
BANKING AND CURRENCY
SUBCOMMITTEES:
INTERNATIONAL FINANCE
INTERNATIONAL TRADE

OFFICIAL FILE COPY
O. M. E
RECEIVE 3 1964
DATE | | CODE
Murphy | 500

March 24, 1964

Honorable George Fumich
Director of Minerals Explorations
Department of The Interior
Room 4660
Washington, D.C.

Dear Mr. Fumich:

I am writing you this letter with reference to the application which has been submitted by Bonanza Gold, Incorporated, Wallace, Idaho, for a loan to help finance an exploration project. It is my advice that this loan application has been approved by the Juneau and Spokane field offices, and has been forwarded on to Washington for further action. The number assigned to this application is 6338. I do hope that you can give this application your expeditious attention, as this company would like to begin drilling operations around the first of May.

Will you kindly look into the matter immediately, and furnish me with a report thereon? Anything that you might do to cooperate with me in this particular instance will be sincerely appreciated.

With all good wishes, I am

Sincerely yours,

Compton I. White, Jr.
Member of Congress

CIW:RBT

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
February 28, 1964

ORIGINAL FILE COPY
O. E
RECEIVED Mar 2
DATE
130
Murphy 500

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska

Enclosed are two copies each of a memorandum dated February 25, 1964, from J. A. Herdlick with which he enclosed an appraisal of the subject property by T. L. Pittman and Robert L. Thorne, U.S.B.M.

Pittman and Thorne recommend that the application be approved and that the proposed costs are reasonable. They also recommend that completion of the magnetic survey near Holes 31 and 32 be included in the project and that, if necessary, some holes be permitted up to depths of 500 feet, pointing out that other holes may require considerably less than the proposed average of 250 feet of depth. And finally, they recommend that if, as the project work progresses the elimination of some of the proposed holes is justified, the footage be used to complete exploration of the magnetic anomaly started with Holes 31 and 32.

The possibility of including some magnetometer work and of drilling some holes to depths up to 500 feet was discussed with Duval and Anderson. Rather than laying out a precise magnetometer program and making a cost estimate therefor, which would involve time-consuming conferences with Gonnason, they would prefer to make their own arrangement with the latter gentleman on a "when and if he has time" basis and do the work at their own expense. Also, if drilling can be set up on a unit cost basis, they would accept, regardless of depth, a flat rate of $11.00 per foot of hole drilled which would include the following items:

Mobilization and demobilization	$ 6,000.00
Moving from beach to drill area	2,016.00
Moving from hole-to-hole	6,451.20
Diamond drilling not to exceed 8,000 ft (including overburden):	
BXWL or larger core	63,200.00
Reaming and casing	1,152.00
Cementing	2,520.00
Total	$81,339.20

or $10.17 per foot of hole

FIELD EXAM. REPT.

As casing through overburden is not included in the above estimate presented by the applicant, and as no provision has been made for clearing brush and preparation of drill stations, the proposed unit cost of $11.00 per foot is not unreasonable.

Duval and Anderson also agree that the first item under Item 7(b) is unnecessary as engineering and geological services would be on a full-time basis. Their proposed total cost for this item is $4,900.00 which it is recommended be provided as follows:

Incidental allowance to cover all engineering and geological services: core boxes ?

8,000 ft of drilling at $0.61/ft

The estimated requirement for 200 samples from 32 holes would average 6 samples per hole. One sample for each 10 feet of core in the ore zone would take care of a zone 60 feet thick. From the sections shown on plate 5 of U. S. Geol. Survey Prof. Paper 251 there will probably be few ore zones that thick and therefore 200 samples may be sufficient. However, it might be better to make provision for 250 samples. I have no assayer's quotations from Alaska, but those I have indicate that the cost of assaying for molybdenum, titanium oxide, lime, sulfur and phosphorous range from $19.00 at Union Assay Office in Salt Lake to $25.50 at Peter Mack in Wallace, so probably the applicant's estimate of $26.00 is correct.

The possibility that this might turn out to be a copper project is remote. In U. S. Geol. Survey Prof. Paper 251 the following appears on page 42: "The prospects of finding any major deposit of copper ore at the Jumbo mine do not appear good. Deposits of copper of the type classed as contact-metamorphic are, as a rule, erratic and not the type upon which a large-scale mining industry may be found." A few of the samples taken in skarn have assayed as much as 4 percent copper, but most copper assays are of much lower grade.

It is recommended that the application be approved. It should be specified that holes may be drilled up to depths of 500 feet but that the total depth shall not exceed 8,000 feet and that with Government approval holes shown by others drilled nearby to be in unfavorable areas may be drilled at more favorable locations. Drilling through overburden should be considered as part of any hole. Recommended unit costs are:

8,000 ft of diamond drilling BXWL or larger at $11/ft	$88,000.00
Incidental allowance for each foot of hole drilled $0.61/ft	4,880.00
250 samples assayed for iron, insolubles, copper, gold and silver at $7.00 each	1,750.00
15 composite samples assayed for molybdenum, titanium oxide, lime, sulfur, and phosphorus at $26.00 each	390.00
900 card board core boxes @ [illegible].00	
Total	$95,020.00
Government's share at 50%	$47,510.00

how do you get around this one?

D. R. MacLaren

Enclosures

Area VIII

February 23, 1964

MEMORANDUM

To : B. R. MacLaren, Acting Field Officer, OMM - Region I

From : Area Director, Area VIII

Subject: OMM-()38 (Iron Ore) Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska. (Application)

Enclosed is a review of the subject application by T. L. Pittman and R. L. Therne.

As previously stated, Mr. Pittman made a brief visit to Jumbo Basin several years ago and is well acquainted with the general area. Mr. Therne has not examined this particular deposit but is familiar with similar-type deposits elsewhere on Prince of Wales Island. Both engineers have made thorough studies of the rather extensive reports on the Jumbo Basin deposit by the Geological Survey and the Bureau of Mines. Because of the abundance and high quality of the information already available, a field examination was considered unnecessary.

It should be noted that the several similar-type deposits presently known on Prince of Wales Island (Poorman, Rush and Brown, Mt. Andrews, etc.) are relatively small compared to commercial iron deposits generally. However, there has been considerable interest in the feasibility of beneficiating ores from a number of these small deposits at a centrally located plant. If the presently known iron reserves at any of the known deposits (including Jumbo Basin) could be increased appreciably, the justification for such a centrally-located beneficiation plant might be strengthened. Because of the possibility and the better-than-usual chance of finding commercially important by-product minerals, I concur with the recommendations of the reviewers that the project be approved.

The entire docket is returned herewith.

J. A. Hardlick

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

RECEIVED
DATE
~~REGION~~ Area VIII

ALASKA OFFICE OF
MINERAL RESOURCES

P. O. BOX 2688
JUNEAU, ALASKA

February 18, 1964

Memorandum

To: J. A. Herdlick, Area ~~Director, Area VIII~~ Mineral Resource Office

From: Supervising Physical Scientist and Supervising Mining Engineer, Area VIII Mineral Resource Office

Subject: Review of OME-6338 (Iron Ore) Bonanza Gold, Inc., Jumbo Basin, Application

Review of the subject application has been completed. Plate 1 of Professional Paper 251 with a scale of 1,000 feet to the inch showing the geology of the area was used. The patented claims from the Bureau of Land Management district map were superimposed on this geologic map as well as the patent-surveyed Goshen Group claims. These claims, incidentally, check out as listed with the corrections in Mr. MacLaren's letter. The geology, claim lines, and contours in the exploration area were enlarged on a transparency to the scale of 100 feet to the inch. Detailed geology of plate 4 was reduced to this same scale and used in the work. This map was superimposed on the 100 scale magnetometer map showing the geology and proposed exploration that was submitted with the application. The proposed exploration covers a reasonably shallow, potentially good area of contact metamorphic mineralization. The magnetic anomalies underlying proposed holes 30, 19, and 18, and proposed holes 31 and 32 are probably not a part of the 370,000 long tons of magnetite estimated on page 39 of Professional Paper 251. These two deposits could each represent potentials similar to that found in the magnetite cliff orebody that was estimated. Completion of the magnetic survey of the anomaly to be explored by drill holes 31 and 32 should be a necessary part of the total program. Also, the selective elimination of some drill holes shown in the proposed pattern, as exploration progresses, and the use of that footage to complete exploration of the magnetic anomaly started with holes 31 and 32 will probably be justified. Study of the topography in the exploration area and geologic sections, plates 1 and 6, Professional Paper 251, indicates some upper drill holes, 1, 2, 3, and 4, might be much shorter than the estimated 250-foot length; conversely, holes 30, 29, 28, 27, 26, and 25 may require greater depth than the 300 maximum shown. It is recommended that equipment capable of drilling to 500 feet be available. The history of mining on this property and similar properties in the area, combined with the local geology, would make it seem

probable that the search for iron ore will result in the discovery of some copper ore. Consideration is given to the combined potential of iron and copper mineralization with gold and silver values for justification of the proposed exploration.

The proposed unit cost of $11.00 a foot for BX drilling to cover all expenses appears to be quite reasonable. The first item, $6,000 for the cost of mobilization and demobilization, has not been analyzed in detail; it does not seem to be exorbitant. Item No. 2, for $2,016, is a realistic estimate for dragging two drills and equipment from the beach to the drill area and return. It would require ten 8-hour days for two 2-man crews at $12.60 per hour for each crew. Helicopter transportation might be preferred if the outfit can be broken down and reassembled readily. In making this comparison, wage board wages used are based on Alaska General Contractors' rates of early 1962. This rate is calculated using a standard 6-day week, allowing one day overtime, calculated allowance for annual leave, holiday pay, and social security, but no unemployment tax. The calculated cost for a driller and drill helper is $12.057 per hour on this base. Wage increases since the establishment of the base wage used would bring the hourly cost above the $12.60 shown in the application without the accounting and supervisory cost assessed to an operation of this type. As this figure is the base used in estimating the bulk of the extra costs; they are considered reasonable. On item 3, access between drill holes will be difficult in this terrain and the overall estimate is reasonable. Item No. 5 would appear to be the contractor's best opportunity for making a profit on the work; the profit would be made only after they had drilled nearly 13 feet each shift to pay wages and several more feet to pay for bits, wear on rods and equipment, as well as office and capital costs. Items 6 and 7 are both reasonable estimates. No detail has been given as to the core and sludge sampling that will be done and no cost has been estimated for the boxing of cores. It is believed the cores should be boxed and either protected at the drill site or taken out, even if an increase in the unit cost is necessary. The estimate of sampling costs is reasonable.

Under item 2-A-1, Schedule A, Jumbo claims Nos. 46, 47, 48, 49, and 50 are listed under Mineral Survey No. 1342. The Bureau of Land Management district sheet and our record of the patent survey sheets indicate this mineral survey number is 1542. The proposed exploration is not on these claims. Our records indicate that the Jumbo claims are patented and that the magnetometer survey completed in October 1963 would constitute the necessary assessment work on the unpatented Goshen claims for the present assessment year. This would indicate that the property to be explored is in good order and clear. The Goshen claims were relocated on October 10, 1963, and the sale agreement was on November 21, 1963.

Wright states in Professional Paper 87 that the main deposits being explored lie at elevations between 1,500 and 1,900 feet on the east slope

of Jumbo Basin on Jumbo claims Nos. 1, 1A, and 2 and between elevations of 1,500 and 2,000 feet on Jumbo claims Nos. 4 and 14. The claims transposed from the 600 scale Bureau of Land Management district map to plate 1 scale 1,000 feet to the inch, of Professional Paper 251, show the first deposits between the elevations of 1,500 feet and 2,000 feet on claims 1, 1A, and 2, the second deposit at the elevation given of 1,700 to 2,000 feet was on claim 3A instead of claim 4. Claim 4 transposed on plate 1 is largely above the elevation of 2,000 feet. The map showing the proposed exploration and magnetometer survey has the mineralization on Jumbo 1A, some on claim 1B, and some on claim 2B. This would appear to place the orebodies approximately one third of a claim to the southeast of the position in which we transposed them, which is the position reported by Wright in Professional Paper 87. Either grouping or placement keeps the deposits well within the lines of the property. The position of the magnetite cliff adit used for orientation on both maps makes it probable that the geologic premises used are the same in each case. We were unable to add to our information from Bureau of Land Management records; they are on microfilm and show one adit on Jumbo No. 2 and an opencut on Jumbo No. 1A.

In summation, the property on which the exploration is proposed appears to be in good order. The magnetometer survey of the property in October 1963 outlined one new magnetic anomaly and a part of another magnetic anomaly in the vicinity of the magnetite cliff deposit. This deposit was estimated by the Geological Survey to represent a reserve of 370,000 long tons of mineralization containing .01 fine ounce gold, .08 ounce silver, 0.77 percent copper, and 46.4 percent iron. These new magnetic anomalies represent potential additional reserves in an area of favorable topography and geology. The exploration outlined would adequately explore the estimated reserves and the potentials of the anomalies. An analysis of proposed costs indicates that they are reasonable. The work is recommended as good exploration. It is hoped that a permanent core record will be retained.

NG

for what

Tom L. Pittman
T. L. Pittman

Robert L. Thorne
Robert L. Thorne

RECEIVED
Air Mail
FEB 26 1964
Elec. Mail

One

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 6 1964
DATE | INITIALS | CODE
2/7 | | 500

So. 157 Howard Street
Spokane, Washington 99204
February 4, 1964

Air Mail

Mr. J. A. Herdlick
Acting Area Director, Area VIII
Mineral Resources Office
U. S. Bureau of Mines
P. O. Box 2688
Juneau, Alaska 99801

Re: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska

Dear Jerry:

Enclosed is our office copy with maps of the application from Bonanza Gold, Inc., for appraisal and recommendations as I mentioned to you when we last talked. If a project is recommended, we would also appreciate a cost estimate.

I have clarified the claim discrepancies mentioned in Selfridge's memorandum referring the application to the field. On the map "Bryan & Petty" were omitted after Jumbo 8 and Jumbo 9. Original claim maps which Eskil Anderson has in his possession include these two designations. Goeben 7 is shown on the map as Goeben 1 following Goeben 6.

I have discussed Item 5(a) with the applicant and explained to him that if a contract is offered, any departure from the drilling program will be for his own account unless an amendment has been requested prior to the departure and that if an amendment has been requested, he will be drilling at the proposed new locations at his own risk until the amendment has been approved and executed.

The applicant agrees that the first item under Item 7(b) is unnecessary. He hopes to have Walter L. Gunnason do the engineering and geologic work pertaining to any OME drilling and to do some additional magnetometer work. The applicant will pay any difference between the OME price for this work and what Gunnason will require.

As you have had people on the property recently, I doubt that an on-site inspection will be necessary. While I might be able to work

something out from published reports, I believe it would be better if the appraisal could be made by someone familiar with the property and will appreciate your efforts.

Please return all the enclosed material when it has served its purpose as it comprises our entire file on this application.

Regards,

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

Enclosures

cc: OMS ✓

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/17	Murphy	500
1/17	Talbot	800
		130
1/20	Johnson	110
		100
1/21	Cole	220
		500

JAN 2 0 1964

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OMK-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska

The subject application is referred to Region I for review and recommendations. In view of the information published by the U. S. Bureau of Mines and the U. S. Geological Survey relating to the proposed project area, a field examination appears unnecessary.

With regard to the 40 Jumbo patented and 10 Goshen unpatented claims listed as the proposed exploration area, the claim map submitted and also the claim map in RI 3952, do not show the two claims listed as Jumbo No. 8 Bryan & Fetty and Jumbo 9 Bryan and Fetty in Schedule "A" of the Sale Agreement. Since there are 40 Jumbo claims on the maps, these claims possibly may be the ones shown as Jumbo No. 8 and Jumbo No. 9. Incidentally, Goshen No. 7 is shown as Goshen No. 1 (a duplicate) on both maps. These discrepancies should be clarified.

In your recommendations, comments on the last paragraph under Item 3(a) of the application information will be appreciated. Under Item 7(b) it appears that the first item is unnecessary if on-site engineering and geological services are provided.

George C. Selfridge (GCS)

FMMurphy/mm (1/17/64)
cc: Director's Reading File
Review Committee
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/17	Murphy	500
1/17	Talbitt	800
	Johnson	130
1/17	Johnson	110
		100
		520
		500

JAN 20 1964

Mr. Frank H. Duval
President
Bonanza Gold, Inc.
Lobby, Paulsen Bldg.
Spokane 1, Washington

Re: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska

Dear Mr. Duval:

The application for assistance in exploring the subject property has been reviewed by the Division of Minerals of the Office of Minerals Exploration and referred to Mr. D. R. MacLaren, Acting Field Officer, Office of Minerals Exploration, Region I, South 157 Howard Street, Spokane, Washington, 99204.

The Regional Office will notify you in case additional information concerning the application is needed.

Sincerely yours,

George Fumich, Jr.
Acting Director

MMerrithew/mm (1/17/64)
cc: Director's Reading File
Region I (2)
Docket

43683

January 15, 1964

Bonanza Gold, Inc.
E. 15 Walton Avenue
Spokane, Washington

Subject: OME - 6338

Attention: Frank H. Duval

Dear Sir:

Your application for exploration assistance, dated January 8, 1964 submitted to our office at Spokane, Washington has been assigned Docket Number OME - 6338.

Please identify all future correspondence relating to you application by this docket number.

Sincerely yours,

Allen B. Dakan, Chief
Division of Administrative
Management

Copy to
Region I

JUMBO PROPERTY
PRINCE OF WALES ISLAND

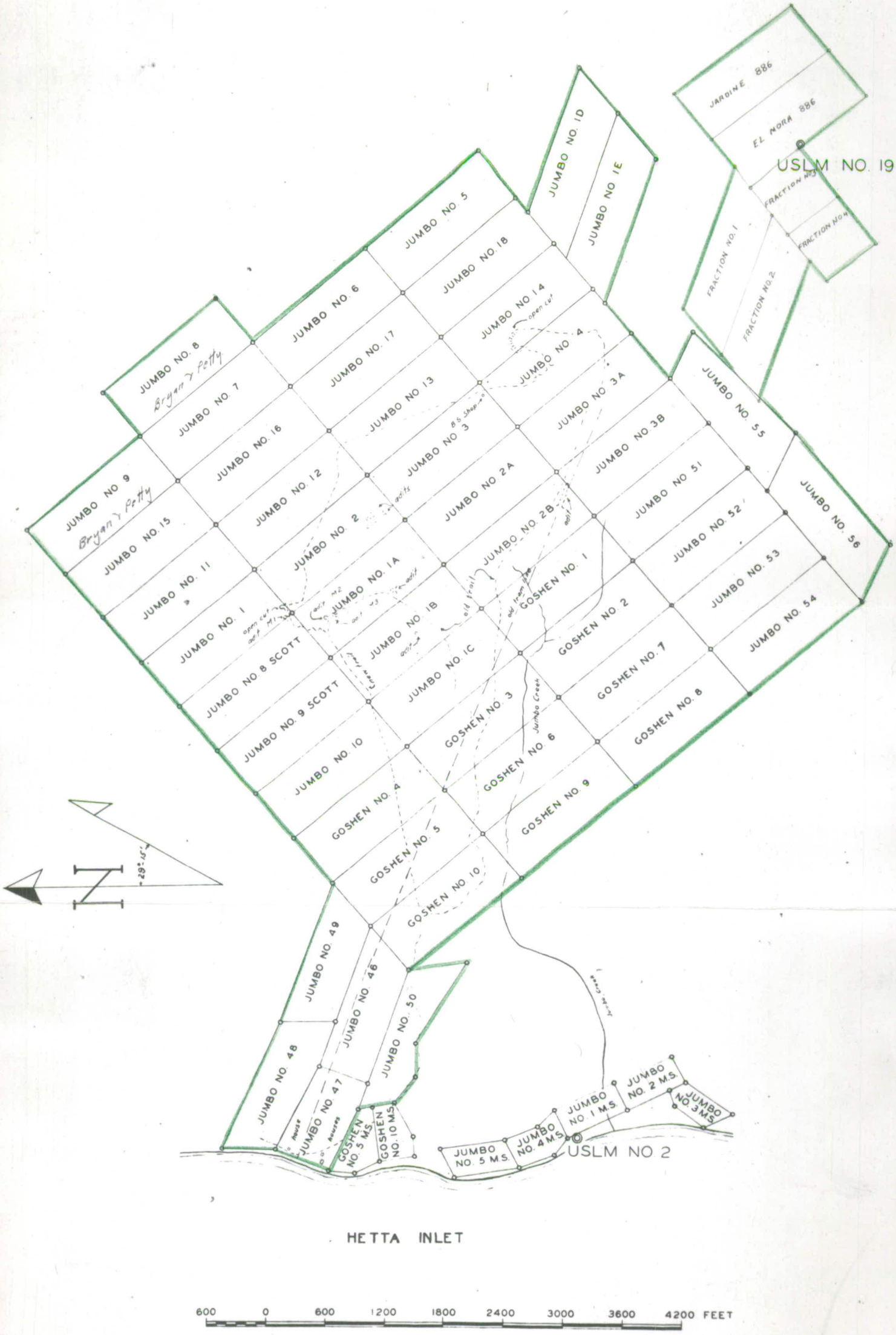


FIG. 3 CLAIM MAP - JUMBO BASIN

MME FORM [illegible] REFERENCE SLIP

REV. 2-[illegible] OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, Div. of Fld. Operations	2/7/64	
2.		
3.		
4.		
5. D. R. MacLaren		

FROM: Acting Fld. Officer, Reg. I

OFFICIAL FILE COPY

O. M. E

RECEIVED FEB 10 1964

DATE	INITIALS	COD
2/10	Murphy	50

FOR: Check items for action desired

X Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: OME-6338 (Iron Ore)
Bonanza Gold, Inc.
Jumbo Basin, Prince of Wales Island
Ketchikan Precinct, Alaska

Transmittal of third drilling bid submitted by applicant.

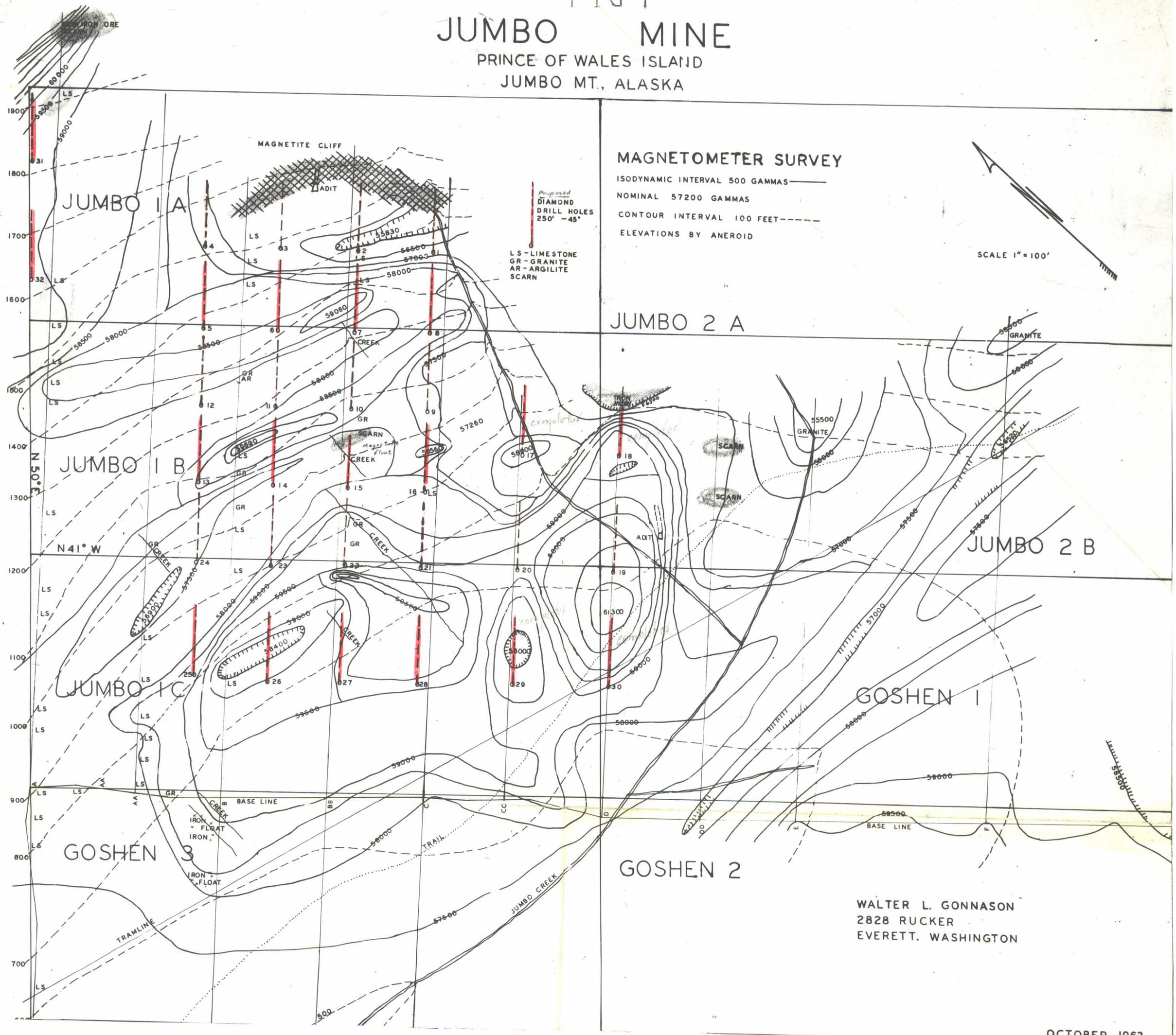
INT.-DUP. SEC., WASH., D.C. M56300-62

FIG-1

JUMBO MINE

PRINCE OF WALES ISLAND

JUMBO MT., ALASKA



OCTOBER 1963