DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMEA ~~DMA~~ Docket No. 2437

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

EXPLORATION PROJECT

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Routing Slip

To:	Code 700, Rm. 4640	Date	3-20-52
To:	Opr. Com.	Date	
To:	Mittendorf	Date	
To:	Mails + Files	Date	
To:	(1) Mr. Rutledge, Rm. 3538	Date	11-14-52
To:	(2) C. H. Johnson Rm. 3621	Date	
To:	(3) G. R. Kickel Rm. 5214 GSA	Date	
To:	(4) Opr. Com. R. 4624	Date	11-17-52.
To:	(5) Mr. Mittendorf, Rm. 4624	Date	
To:	(6) Mails + Files	Date	
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INT.-DUP. SEC., WASH., D.C. 98868

700 FILE COPY
SURNAME:

Rutledge
Ellis
Johnson
Kinkel
Hodges
Johnson

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

NOV 17 1952

Mr. R. E. Krautter
Peninsula Exploration Co.
Box 551
Kodiak, Alaska

Re: Docket No. DMEA-2437 (Copper)
Sitkalidak Vein Deposit
Sitkalidak Island, Alaska

Dear Mr. Krautter:

Your application for exploration assistance and other reports concerning the copper occurrences in the valley of Jack Creek, Sitkalidak Island, Alaska, available to us in Washington have been carefully reviewed.

This information, although noting the occurrence of a small amount of low grade copper mineralization on your property, indicates to us that the probability of disclosing minable ore reserves is not sufficiently promising to justify Government participation. We regret, therefore, to inform you that your application is denied.

We wish to thank you for your interest in the Defense Minerals Program and for bringing this property to our attention. If future prospecting at your property reveals additional information which would alter our opinion, please be assured that we will be glad to consider a new application. A new application should include any new data, a detailed plan of exploration, and complete details of costs.

Enclosed is a set of MF-103 forms, Application for Aid in an Exploration Project, for your use in submitting a new application.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures

FARutledge/EWEllis/gla 11-14-52
cc to: Adm. Reading File
Operating Committee
Docket
Messrs. C.H.Johnson, Rm. 3621
A.R.Kinkel, Rm. 5214 GSA
Mr. Rutledge
Mr. Ellis
DMEA Field Team, Region I (2)

11-17-52

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

November 14, 1952

Memorandum

To: Administrator

From: Ernest Wm. Ellis, Chief,
Rare and Misc. Metals Division

Subject: Docket No. DMEA-2437 (Copper)
Peninsula Exploration Company
Sitkalidak Vein Deposit
Sitkalidak Island, Alaska

The denial of the subject application by this Division is based on the following information:

1. The applicant did not furnish a detailed plan of exploration.

2. The applicant was requested on April 10, 1952, to furnish additional information in order that their application could be evaluated. This data has not been furnished (November 14, 1952).

3. The prospect was examined by an engineer of the Alaska Territorial Department of Mines September 11-13, 1951. All six samples taken at that time contained less than 0.10 percent copper.

4. The owners completed additional prospecting and the deposits were re-examined by the Department of Mines' engineer in October 1952. Two samples across one showing averaged 1.31 percent copper for an average width of 6.9 feet. Another showing averaging 0.6 foot contained 1.08 percent copper, while a third 1.8 feet wide contained 2.67 percent copper.

5. The Department of Mines report concluded that though the copper content of the second lot of samples ran considerably higher than those taken in 1951, the copper content is still too low for commercial deposits in this locality.

6. The applicant has been advised that if future prospecting reveals additional information which would alter the present opinion, a new application will be welcomed.

Ernest Wm. Ellis

FILE COPY
SURNAME:

Ruthe
Johnson

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

November 14, 1952

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Ernest Wm. Ellis

FARutledge/EWEllis/gla
11-14-52
cc to: Adm. Reading File
Docket ✓
Operating Committee
Mr. Ellis
Mr. Rutledge

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Juneau, Alaska
November 5, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 1 1952

MEMORANDUM

Re: Docket No. DMEA-2437(Copper)
Peninsula Exploration Company

To: Chairman, Operating Committee, Defense Minerals Exploration Administration

From: S. H. Lorain, Regional Director, Region I

Subject: Reports By Territorial Department of Mines

Your letter of September 15 requested us to send you a copy of the report by the Territorial Department of Mines on the subject property. In view of the fact that the Territorial Department of Mines was currently making a re-examination of the property, we have delayed sending you the report until we could accompany it with a report of the re-examination. Two copies of the report and the supplementary report are enclosed.

The reports were prepared by a relatively young, inexperienced engineer consequently, it is difficult to draw a very clear cut conclusion from them. I do gather that the "structure" is strong and that copper mineralization does exist within a fairly wide zone. Furthermore, the deposit is practically on tidewater where operating conditions should be fairly cheap. Therefore, I would hesitate to recommend that the property be given a summary turn-down until we have made a field team investigation.

I doubt if it will be possible to make a field team investigation before next season. In view of that fact, and in view of the long delay in submitting a revised application, I suggest that the application might be removed from the docket and the applicants notified accordingly. It will be quite simple for them to reopen the case by submitting a new application.

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

Enclosures

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

XXXXXXXXXXXXX
Juneau, Alaska
November 5, 1952

MEMORANDUM

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

Enclosures

TERRITORY OF ALASKA

DEPARTMENT OF MINES

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 6 1952

SUPPLEMENT TO

REPORT ON THE PRELIMINARY EXAMINATION OF THE PENINSULA EXPLORATION CO. COPPER CLAIMS ON SITKALIDAK ISLAND, ALASKA

by

Robert H. Saunders

Associate Mining Engineer

October, 1952

C
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Y

Between the time of the preliminary examination (September, 1951) and the time of the second examination (October, 1952), the owners did considerable work on the property. One additional claim, the Copper Penny, was staked parallel to, and adjoining the southeast side of, the Copper Jack claim. A temporary frame building large enough to house four men was built near the junction of East Jack Creek and Jack Creek. A cross-cut adit was driven into a mineralized zone on the right limit side of East Jack Creek near the site of Sample No. 1, as shown on Plate III in the original report. Surface outcrops indicate that the mineralized zone is about 20 feet wide at this place; the adit, however, is driven only nine feet in from the surface. Samples 18 and 23 were cut from that part of the mineralized zone exposed by the adit. 7'@1.3

A narrow vein of metallic sulfide, mostly pyrrhotite, was discovered on the right limit side of Jack Creek 210 feet downstream from the mouth of East Jack Creek. The vein strikes N-5°-E and dips 60° West. Samples 19 and 22 were cut across the full width of the vein.

A similar vein was discovered, also on the right limit side of Jack Creek, 100 feet downstream from the mouth of East Jack Creek. This vein strikes N-20°-E and dips 85° West. Samples 20 and 21 were cut across the full width of this vein.

In 1951, chalcopyrite was the only copper mineral identified; in exposures made since 1951, minor amounts of bornite can be seen with the chalcopyrite.

Although the samples taken in 1952 ran considerably higher than those taken in 1951, the copper content of these samples is still too low for commercial deposits in this locality.

C
O
P
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SAMPLE RESULTS

SAMPLE NO.	LENGTH OF CHANNEL	LOCATION (See Plate III, Original Report)	CU	AU	AG
18	7.5	NE side of x-cut adit. Near Sample No. 1, 1951.	1.36%	Tr	Tr
19	0.7	Right limit of Jack Creek, 210 ft. downstream from mouth of East Jack Creek. Elev. 500 ft.	1.24	Tr	Tr
20	2.2	Right limit of Jack Creek, 100 ft. downstream from mouth of East Jack Creek. Elev. 530 ft.	1.69	Nil	Tr
21	1.5	Three feet south of No. 20. Same vein as No. 20.	4.10	Tr	Tr
22	0.5	Five feet toward Jack Creek from No. 19. Same vein as No. 19.	0.87	Tr	Tr
23	6.3	Near No. 18. SW side of x-cut adit. Same mineralized zone as No. 18.	1.26	Tr	Tr

Samples 19, 22 and 23 were assayed for nickel and each showed a trace.

COPY

TERRITORY OF ALASKA

DEPARTMENT OF MINES

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

SUPPLEMENT TO

REPORT ON THE PRELIMINARY EXAMINATION OF THE PENINSULA EXPLORATION CO.

COPPER CLAIMS ON SITKALIDAK ISLAND, ALASKA

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23	6.3	Near No. 18. SW side of x-cut adit. Same mineralized zone as No. 18.	1.26	Tr	Tr

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COPY

FILE COPY
SURNAME:
700

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

SEP 15 1952

Mr. E. H. Lorain
Executive Officer
DMEA Field Team, Region I
P. O. Box 2990
Juneau, Alaska

Re: Docket No. DMEA-2437 (Copper)
Peninsula Exploration Company
Litwalidak Island, Alaska

Dear Mr. Lorain:

We note in your August 30, 1952, DMEA monthly report on pending applications that the applicant has not responded to your request of April 10, 1952, for additional information on the above-captioned project.

It is our understanding that the Department of Mines, Territory of Alaska, examined this property in August or September of 1951 and prepared a report which was unfavorable. If you can procure a copy of this report, it is suggested that you forward a copy for our information.

Sincerely yours,

9/15/52

(signed) FRANK E. JOHNSON

Chairman, Operating Committee

APPROVED: J. H. Hedges
Member, Bureau of Mines

T. P. Thayer
Member, Geological Survey

EJEllis/gla/jem
9/11/52
cc to: Adm. Reading File
Docket
Messrs. CHJohnson-3621
Ned Nelson-4216
Ellis
Field Team, Region I
Opr. Committee

Frank P. Johnson
D. M. E. A.

JG

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

~~WASHINGTON 25, D.C.~~
P. O. Box 2990
Juneau, Alaska
April 10, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 14 1952

Peninsula Exploration Company
P. O. Box 551
Kodiak, Alaska

re: DMEA Docket - 2437

Gentlemen:

Your application for a D.M.E.A. contract to finance exploration of your copper prospect on Sitkalidak Island has been examined by the Defense Minerals Exploration Administration in Washington. Yesterday I received the following comments from them:

> "The engineers who have studied this application all agree that the applicant has not furnished sufficient data to permit them to evaluate the merits of the proposed exploration project. They believe that the applicant should be requested to furnish not only a concise plan of the proposed exploration project giving the type of work proposed and the amount, extent, purpose, and location of such work, but also a map or plan showing the width, location and results of any samples that the applicant has taken on the property.
>
> The applicant has presented neither a proposed plan of exploration nor sufficient information concerning the property, to permit us to approve a Field Team examination.
>
> We would suggest that you contact the applicant and have him revise his application so that the proposed exploration project as well as the substantiating information, are presented in such a way that you could then judge whether a Field Team examination would be warranted."

At the time I sent the application to Washington I knew that the data was not adequate but I was hopeful that we might be able to help you complete it at the time we made an examination. However, it appears that the Washington office does not think that an examination is warranted unless you can give us better substantiating detail. In this they undoubtedly are justified; you really have given us no information on which an engineer could base an estimate of the

possibilities. Unfortunately the distance and weather conditions do not permit us to work closely with you on this matter. You will have to try to prepare some approximation of an engineer's sketch of the prospect - showing the existing workings (drifts, trenches, and outcrops), and the locations, widths, assays, and character of your samples. Also you should try to show on your sketch the location and nature of the proposed exploration work in relation to the existing outcrops and workings as well as a fairly detailed breakdown of estimated costs. We realize that you can't expect to foretell the exact course that an exploration program will follow and we are prepared to modify the program from time to time as the work progresses. Nevertheless you must start with some definite plan and be able to present it in an understandable manner before the government would be justified in making a substantial contribution. It will not be necessary to prepare a new application - just give the data that has been indicated to be necessary.

I realize that, without technical guidance, the above may be difficult for you but I must point out that a certain amount of technical competence is required to obtain government participation in these contracts; therefore you must either be able to prepare a suitable plan yourself or be able to hire someone to do it for you.

If you can prepare only one copy of the required plans and mail the material to this office we will make the necessary tracing and prints to permit the sending of quadruplicate copies to Washington and return a set to you.

With best wishes,

Yours very truly,

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

cc: Frank E. Johnson, Chairman
Operating Committee
D.M.E.A., Washington

FILE COPY
700 SURNAME:

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

Miller
Ellis
Johnson
McKnight

AIR MAIL

APR 8 1952

Mr. L. M. Lorain
Executive Officer, Region 1
DMEA Field Team
P.O. Box 2990
Juneau, Alaska

Re: Docket No. DMA-2437 (Copper)
Peninsula Exploration Co.
Kitkalidak Island, Alaska

Dear Mr. Lorain:

This is to acknowledge your letter of March 17, 1952, with which was enclosed the original and four copies of the subject application. As requested in your letter, we are returning with this letter one copy of the application.

The engineers who have studied this application all agree that the applicant has not furnished sufficient data to permit them to evaluate the merits of the proposed exploration project. They believe that the applicant should be requested to furnish not only a concise plan of the proposed exploration project giving the type of work proposed and the amount, extent, purpose, and location of such work, but also a map or plan showing the width, location and results of any samples that the applicant has taken on the property.

The applicant has presented neither a proposed plan of exploration nor sufficient information concerning the property, to permit us to approve a Field Team examination.

We would suggest that you contact the applicant and have him revise his application in conjunction with one of your engineers so that the proposed exploration project as well as the substantiating information, are presented in such a way that you could then judge whether a Field Team examination would be warranted.

Sincerely yours,

4/3

(signed) FRANK E. JOHNSON (JHB)

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosure

/P ROV Mr. J. H. Hedges (JHB)
Member, Bureau of Mines

T. P. Thayer (JHB)
Member, Geological Survey

HFKeller/jem 3/28/52
cc to; Adm. Reading File
Docket
Messrs. C.H.Johnson, Rm. 3621
Ned Nelson, Rm. 4216 GS
Ellis Keller

3/26/52 gla

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

March 26, 1952

Memorandum

To: E. W. Ellis, DMEA

From: C. H. Johnson, Bureau of Mines

Subject: DMEA 2437, Copper, Exploration application for $70,010 from Peninsula Exploration Company, Kodiak Island, Alaska

This is a case where I feel the applicant should be asked to furnish more information before a field team examination is made. The property is a long way from our Alaska headquarters and conditions in Alaska are such that an examination will be very costly. Furthermore, my guess is that examination would result in a recommendation for denial. The best he can say for the prospect is that there is a foot of high grade ore and 10 to 20 feet of low-grade, but he seems to have taken no samples across any measured thickness or at any designated place. If the applicant is prepared, as he states, to spend $35,000 on the project, he should for his own protection hire someone to go out and do a little systematic sampling to see whether or not further exploration is justified.

The application is returned herewith.

C. H. Johnson

C. H. Johnson

Attachment

Copy to - Mr. Nelson
Minerals Division
C. H. Johnson
Base Metals Branch
Files

IN REPLY REFER TO:

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

March 24, 1952

Memorandum

To: Mr. E. Wm. Ellis

From: Ned E. Nelson

Subject: DMEA-2437. Peninsula Exploration Company, Kodiak, Alaska

Comment

Very little information is afforded us respecting this prospect, but Mr. Lorain believes an examination is justified and I concur.

N. E. Nelson

Ned E. Nelson
Geologist

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

March 24, 1952

Memorandum

To: Mr. E. Wm. Ellis

From: Ned E. Nelson

Subject: DMEA-2437. Peninsula Exploration Company, Kodiak, Alaska

Comment

Very little information is afforded us respecting this prospect, but Mr. Lorain believes an examination is justified and I concur.

N. E. Nelson

Ned E. Nelson
Geologist

EXPLORATION

Subject: DMEA-2437
Re: Exploration Loan
Sitkalidak Vein Deposit
March 20, 1952

Mr. R. E. Krautter
Peninsula Exploration Co.
Box 551
Kodiak, Alaska

My dear Mr. Krautter:

This will acknowledge receipt of your application dated March 1, 1952 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2437 and referred to the Rare and Miscellaneous Metals Division.

Kindly refer to DMEA-2437 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams
Acting Administrative Officer

7862

DMEA-2437

March 17, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
RECEIVED
MAR 3 0 1952

Peninsula Exploration Company
P. O. Box 551
Kodiak, Alaska

Gentlemen:

This will acknowledge receipt of your application, dated March 1, 1952 for a participating $70,000 contract with Defense Minerals Exploration Administration for exploration of copper deposits on Sitkalidak Island near Kodiak, Alaska. Your application is being forwarded, today, to the Defense Minerals Exploration Administration at Washington, D. C.

In checking our records we find that the deposit on which you are basing your application is some distance from the deposit that was examined by the Bureau of Mines in 1943. I expect that the Washington office of D.M.E.A. will require an examination of your deposit before definite action, one way or the other, can be taken. Also I am sure that, before favorable action could be taken, some additional information will be required of you; however such information probably can be obtained by our engineer at the time the examination is made.

In view of the above I suggest that you advise this office more particularly about the earliest favorable date for such an examination, and about the local arrangements for accommodations and transportation that could be made. Is local charter plane service from Kodiak available or could you supply a boat with adequate accommodations?

Yours sincerely,

S. H. Lorain
Regional Director, Region I

cc: Defense Minerals Exploration Administration
Washington 25, D. C.

DMEA-2437

OFFICE OF THE ADMINISTRATOR

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

P. O. Box 2990
Juneau, Alaska
March 17, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 20 1952

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

Dear Mr. Mittendorf:

I am enclosing herewith an original and four copies of Form MF-103, a rough claim map, and a copy of a Coast and Geodetic Survey chart (with notations) of the vicinity Sitkalidak Island. These were received last week from the Peninsula Exploration Company, of Kodiak, Alaska, as the basis for a $70,010 exploration contract.

Although a very poor copper prospect, in the same general area and with almost identical ownership, was examined by the Bureau of Mines in 1943, the property that we examined was about 5 miles from the prospect on which the loan application is based; therefore we would not be able to give you an opinion on this application without making a specific examination.

The general geology of the area is described by Stephen R. Capps in U.S.G.S. Bulletin 880-C but he makes no mention of the prospect in question. I note, however, that the location given by the owners is very near a major fault and granitic-sedimentary contact that were mapped by Capps; therefore I am inclined to think that an examination would be justified. We do not plan to make such an examination unless your office requests it.

Yours sincerely,

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

Enclosures

cc: Wm. Twenhofel

P.S. We have not retained any copies of the application in this office; therefore please send us at least 1 cc if examination is requested.

DMEA-2437

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

P. O. Box 2990
Juneau, Alaska
March 17, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 20 1952

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Defense Minerals Exploration Administration
Department of the Interior
Interior Building
Washington 25, D. C.

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

Enclosures

cc: Wm. Twenhafel

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TERRITORY OF ALASKA
DEPARTMENT OF MINES

REPORT ON THE PRELIMINARY EXAMINATION OF THE PENINSULA EXPLORATION COMPANY COPPER CLAIMS ON SITKALIDAK ISLAND, ALASKA

by

Robert H. Saunders

Associate Mining Engineer

January 1952

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Acknowledgment for hospitality and for assistance in gathering the information in this report is due Mr. R. E. Krautter and Mr. Nels Christiansen.

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PROPOSALS

After the proposed tunnel has been driven about fifty feet into the hillside, crosscuts should be driven from the end of the tunnel to expose the total width of the shear zone. Within the shear zone, there may be one or more groups of closely spaced, chalcopyrite-filled fissures. If any such closely spaced fissures are found, channel samples, not less than thirty inches long, should be cut perpendicular to the strike of the fissures. In cutting these samples, rock between the fissures should be included in the samples in the same proportion that rock between the fissures would be included in the material mined. That is; the channel should be the same width and depth throughout its length. If the crosscuts do not expose any groups of closely spaced fissures from which channel samples can be cut that average at least 5% copper, work on the tunnel should be abandoned.

The small shear zone exposed at the "finger nail" probably intersects the main shear zone that parallels Jack Creek somewhere on the northeast end of the Copper Queen claim. Near such an intersection, brecciation of the wallrock may provide many closely spaced openings for mineralization. An effort should be made, therefore, to locate the intersection by tracing the course of the two shear zones on the surface.

Samples 3, 4, and 5 were taken across the total width of the shear zone exposed at the "finger nail". Further prospecting on this shear zone is not recommended except near the intersection previously mentioned.

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TERRITORY OF ALASKA
DEPARTMENT OF MINES

REPORT ON THE PRELIMINARY EXAMINATION OF THE PENINSULA EXPLORATION COMPANY COPPER CLAIMS ON SITKALIDAK ISLAND, ALASKA

by

Robert H. Saunders

Associate Mining Engineer

January 1952

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Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMEA-2437

Date received 3-20-52

Participation

Peninsula Exploration Co.
Box 551
Kodiak, Alaska

Name and address of applicant

Date March 1, 1952

FILL IN THIS BLOCK

Date of application March 1, 1952 Estimated cost $70,010.00

Mineral or metal Copper Percentage of Government participation ~~50%~~

Location of mine Sitkalidak Is. Off east side of Kodiak Island about 70 miles from the U. S. Naval Base at Kodiak, Alaska

Date of filing MF-100 DMA Docket Number, if available

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

Defense Minerals Administration
MAR 20 1952

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—04067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

Peninsula Exploration Co.
(Name of company)

By R. E. Krautter
(Signature of authorized official) E. Neath

March 1, 1952
(Date)

(Title)

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

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Answers to Form MF 103

1. Partnership

2. Henry Neseth, Alf Torgramsen, Don Petacche, Tom von Scheele of Kodiak, Alaska.
Nels Christiansen, R. E. Krautter of Old Harbor, Alaska
Paul Hansen of Pallisades, Cal.

3. No Corporation

4. Henry Neseth: Experience in Iron mines in Minnesota, also placer mines in Alaska
R. E. Krautter: one year experience at the Kennicott Copper Corp. mine at Latouche. Crusher and ball mill experience. Three years experience at Tofty Gulch. Tunnelling in frozen ground. Three experience on one copper prospect in vicinity of Old Harbor, shown on map.
Nels Christiansen : Experience in 2 hard rock prospects, also driller on running a tunnel nearly one mile long.

5. The property is owned by the Peninsula Exploration Co. Members mentioned in Item 4.

6. The property is free of debt, etc.

7. Not a lease.

8. No production. In exploration stage.

9. The Peninsula Exploration Co. is prepared to stand their share of venture. Work will be done wholly by members of the Peninsula Exploration Co.

10. (a) Real property consists of one building at upper croppings, complete blacksmith outfit, drills, one small jack-hammer, 2 boats, at service of venture, 10 cs. dymamite, one tent at beach landing, which we want to replace by a house with sufficient room to store supplies before going up the mountain.
(b) Exploration to be conducted on Property owned by Exploration Co. on Sitkalidak Island, Kodiak Recording District, consisting of 10 claims with Copper Indications on all-- Water Location and Dock Location as shown on map.

11. No former name of property. Present name known as Sitkalidak Vein Deposit.

12. Property is located on Sitkalidak Island laying off East side of Kodiak Island, around 70 miles from the U. S. Naval Base at Kodiak, Alaska.

12, cont'd. Property on croppings and location of proposed Mill is 1½ miles from the ocean at or on Amee Bay, a land-locked deep-water bay, suitable for a dock. Product from mill would be transported to market by water or smelted on property. See map showing location.

13. Have planty of water for mill. Would use oil engine for Exploration work.

14. On Property at present there is one dwelling and one storage tent.

15. The ore could be milled close to portal of tunnel and concentrates shipped to Tacoma Smelter or smelted on property, as ore carries the right percentage of lime and Pyrrhotite to make it self-smelting.

16. The property or croppings was discovered in 1931 but due to low price etc. we did nothing with it. The croppings show from a foot to 2 foot of high grade on the hanging wall which the Tacoma Smelter offered us $34.50 at smelter. There is a large body of low grade material also. This assay from smelter may be verified by asking smelter for same; sample sent in by R. E. Krautter of Old Harbor, Alaska.

17. Mine not in production.

18. Mine not in production.

19. None.

The Exploration

20. Copper and graphite with a by-product of Pyrrhotite. The copper ore carries from .50 to $1.00 in gold and silver per ton.

21. Building 1½ miles of road and running tunnel on croppings which would be used in actual productWen. We estimate the time required to run tunnel on or undercutting vein at 3 or 4 places to take a little over one year, say 16 months.

22. As we have 5 croppings showing as high as 16% for a foot on the hanging wall and a lower grade continuation for from 20-30 foot, we expect to find shipping or milling ore. See our map attached showing open cuts and croppings.

23*

Answers to Form MF 103, p. 3

23.a.Labor, 5 muckers @ $2.50 hr. for 16 mo.	$38,400.00
b.Foreman, 1 for 16 mo.	8,000.00
c.Cost of repairs on building	450.00
d.Cost of new buildings at landing and at source of work	6,400.00
e. Cost of compressor on tractor etc.	6,500.00
f.Rental of boat transportation, freight	500.00
g.None	
h.Hand tools, provisions, supplies etc.	9,760.00
i.None	
Total	$70,010.00

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERI[illegible]

DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMEA-2437

Date received 3-20-52

Participation

Name and address of applicant

Date

FILL IN THIS BLOCK

Date of application

Estimated cost $70,010.00

Mineral or metal

Percentage of Government participation

Location of mine

Date of filing MF-100

DMA Docket Number, if available

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAR 20 1952

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?

*2. If a partnership, state names and addresses of partners.

*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.

*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.

*5. Are you the owner or the lessee of the property?

6. If owner, state what claims, liens, or encumbrances, if any, are against the property.

7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.

9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

(Name of company) By R. E. Krautter (Signature of authorized official) E. Smith

(Date) (Title)

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

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Answers to Form MF 103

1. Partnership

2. Henry Neseth, Alf Torgramsen, Don Petacche, Tom von Scheele of Kodiak, Alaska.
Nels Christiansen, R. E. Krautter of Old Harbor, Alaska
Paul Hansen of Pallisades, Cal.

3. No Corporation

4. Henry Neseth: Experience in Iron mines in Minnesota, also placer mines in Alaska
R. E. Krautter: one year experience at the Kennicott Copper Corp. mine at Latouche. Crusher and ball mill experience. Three years experience at Tofty Gulch. Tunnelling in frozen ground. Three experience on one copper prospect in vicinity of Old Harbor, shown on map.
Nels Christiansen : Experience in 2 hard rock prospects, also driller on running a tunnel nearly one mile long.

5. The property is owned by the Peninsula Exploration Co. Members mentioned in Item 4.

6. The property is free of debt, etc.

7. Not a lease.

8. No production. In exploration stage.

9. The Peninsula Exploration Co. is prepared to stand their share of venture. Work will be done wholly by members of the Peninsula Exploration Co.

10. (a) Real property consists of one building at upper croppings, complete blacksmith outfit, drills, one small jack-hammer, 2 boats, at service of venture, 10 cs. dymamite, one tent at beach landing, which we want to replace by a house with sufficient room to store supplies before going up the mountain.
(b) Exploration to be conducted on Property owned by Exploration Co. on Sitkalidak Island, Kodiak Recording District, consisting of 10 claims with Copper Indications on all-- Water Location and Dock Location as shown on map.

11. No former name of property. Present name known as Sitkalidak Vein Deposit.

12. Property is located on Sitkalidak Island laying off East side of Kodiak Island, around 70 miles from the U. S. Naval Base at Kodiak, Alaska.

12, cont'd. Property on croppings and location of proposed Mill is 1½ miles from the ocean at or on Amee Bay, a land-locked deep-water bay, suitable for a dock. Product from mill would be transported to market by water or smelted on property. See map showing location.

13. Have planty of water for mill. Would use oil engine for Exploration work.

14. On Property at present there is one dwelling and one storage tent.

15. The ore could be milled close to portsl of tunnel and concentrates shipped to Tacoma Smelter or smelted on property, as ore carries the right percentage of lime and Pyrrhotite to make it self-smelting.

16. The property or croppings was discovered in 1931 but due to low price etc. we did nothing with it. The croppings show from a foot to 2 foot of high grade on the hanging wall which the Tacoma Smelter offered us $34.50 at smelter. There is a large body of low grade material also. This assay from smelter may be verified by asking smelter for same; sample sent in by R. E. Krautter of Old Harbor, Alaska.

17. Mine not in production.

18. Mine not in production.

19. None.

The Exploration

20. Copper and graphite with a by-product of Pyrrhotite. The copper ore carries from 50 to $1.00 in gold and silver per ton.

21. Building 1½ miles of road and running tunnel on croppings which would be used in actual production. We estimate the time required to run tunnel on or undercutting vein at 3 or 4 places to take a little over one year, say 16 months.

22. As we have 5 croppings showing as high as 16% for a foot on the hanging wall and a lower grade continuation for from 20-30 foot, we expect to find shipping or milling ore. See our map attached showing open cuts and croppings.

23.

Answers to Form MF 103, p. 3

23.a.Labor, 5 muckers @ $2.50 hr. for 16 mo.	$38,400.00
b.Foreman, 1 for 16 mo.	8,000.00
c.Cost of repairs on building	450.00
d.Cost of new buildings at landing and at source of work	6,400.00
e. Cost of compressor on tractor etc.	6,500.00
f.Rental of boat transportation, freight	500.00
g.None	
h.Hand tools, provisions, supplies etc.	9,760.00
i.None	
Total	$70,010.00

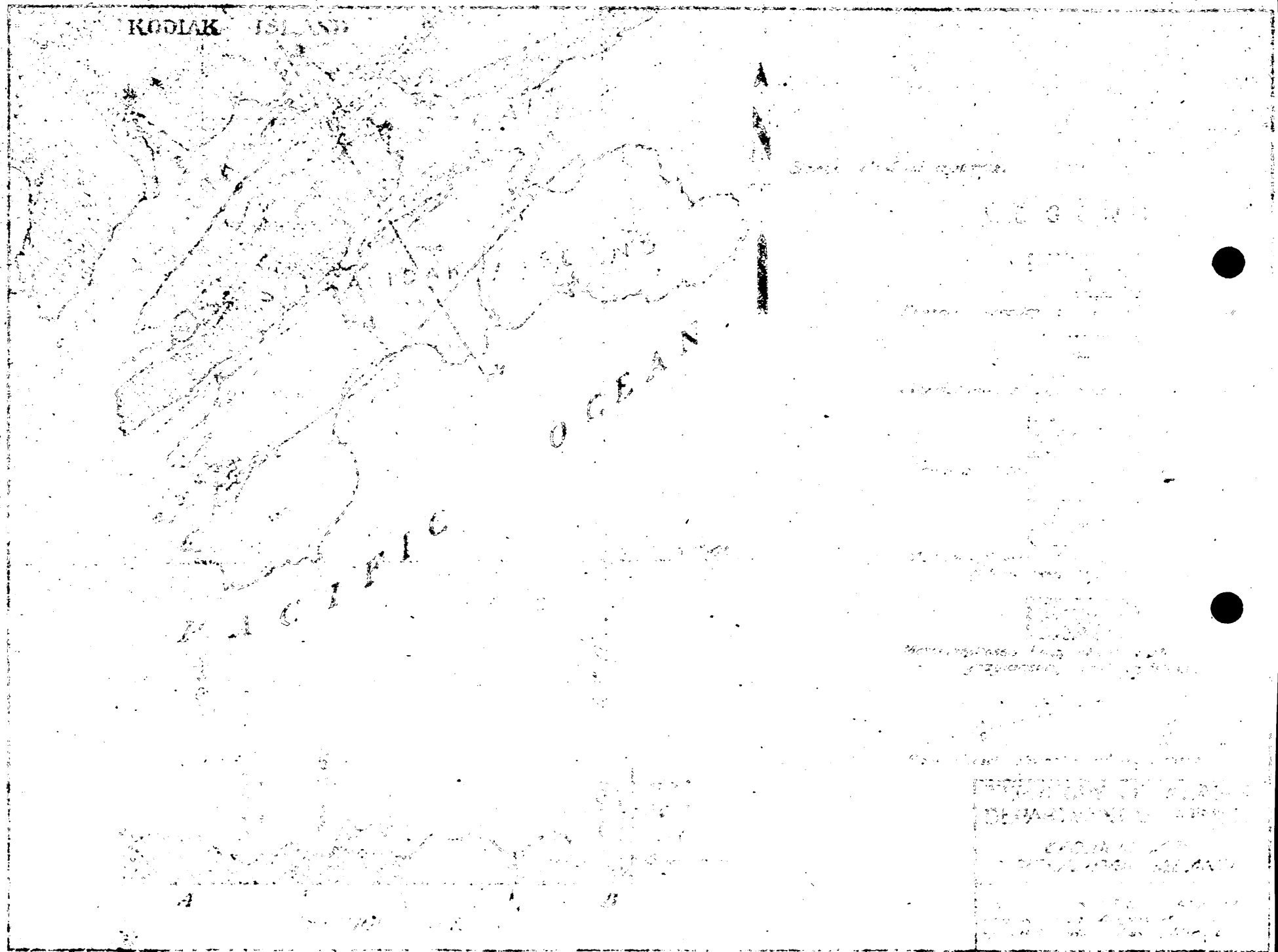
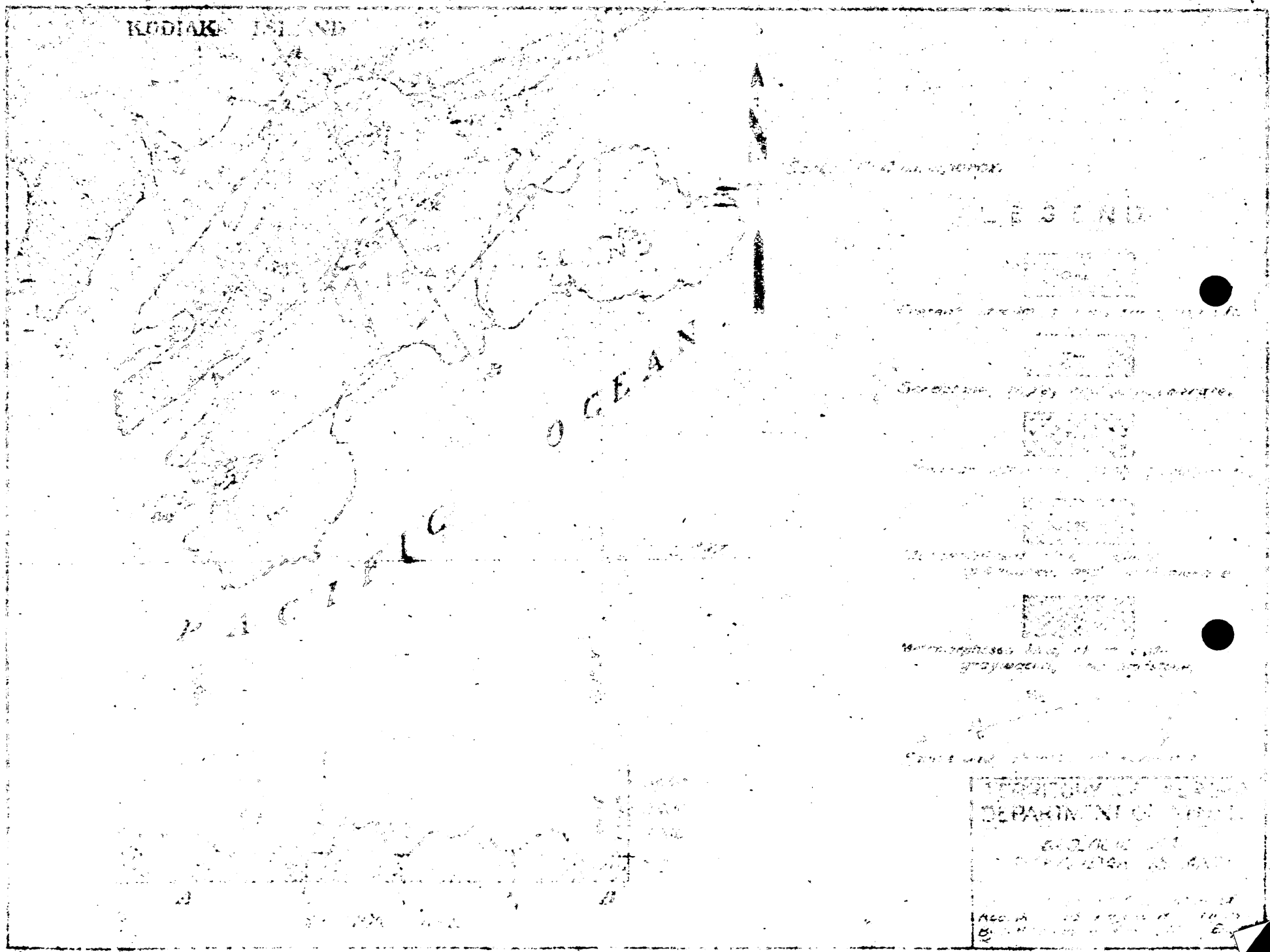


PLATE II

PLATE III



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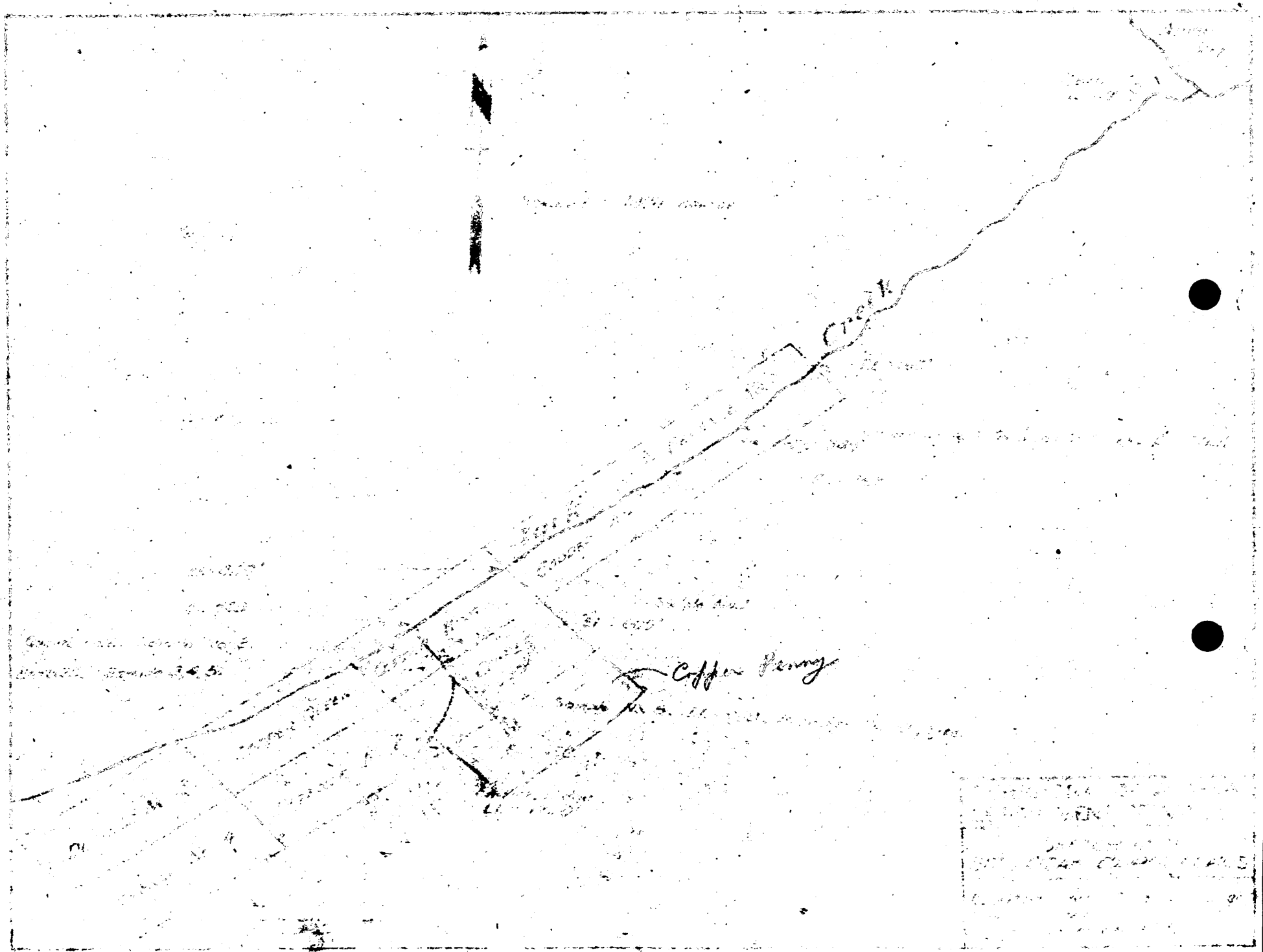
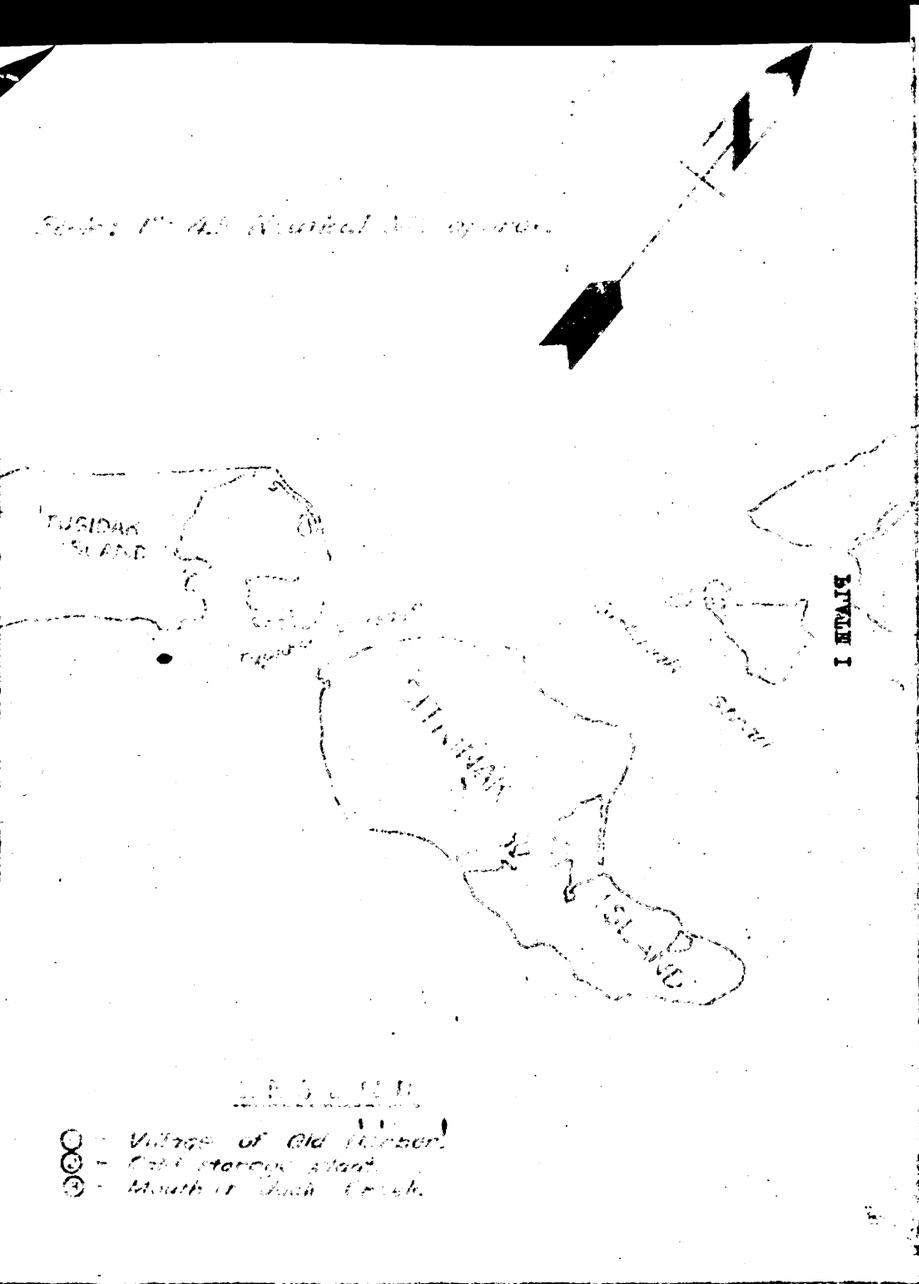


PLATE III


Scale: 1" = 4.5 Nautical Miles approx.
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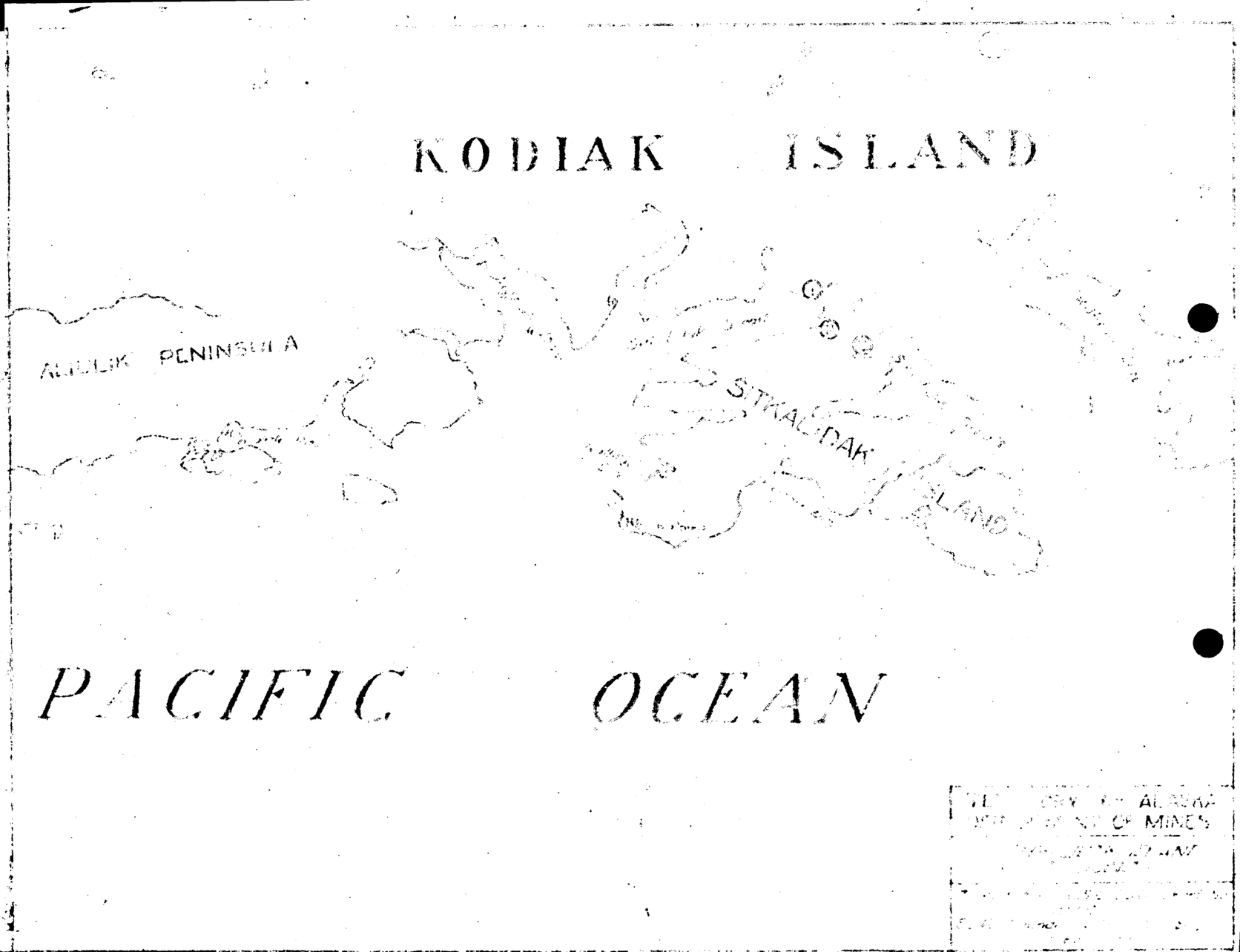
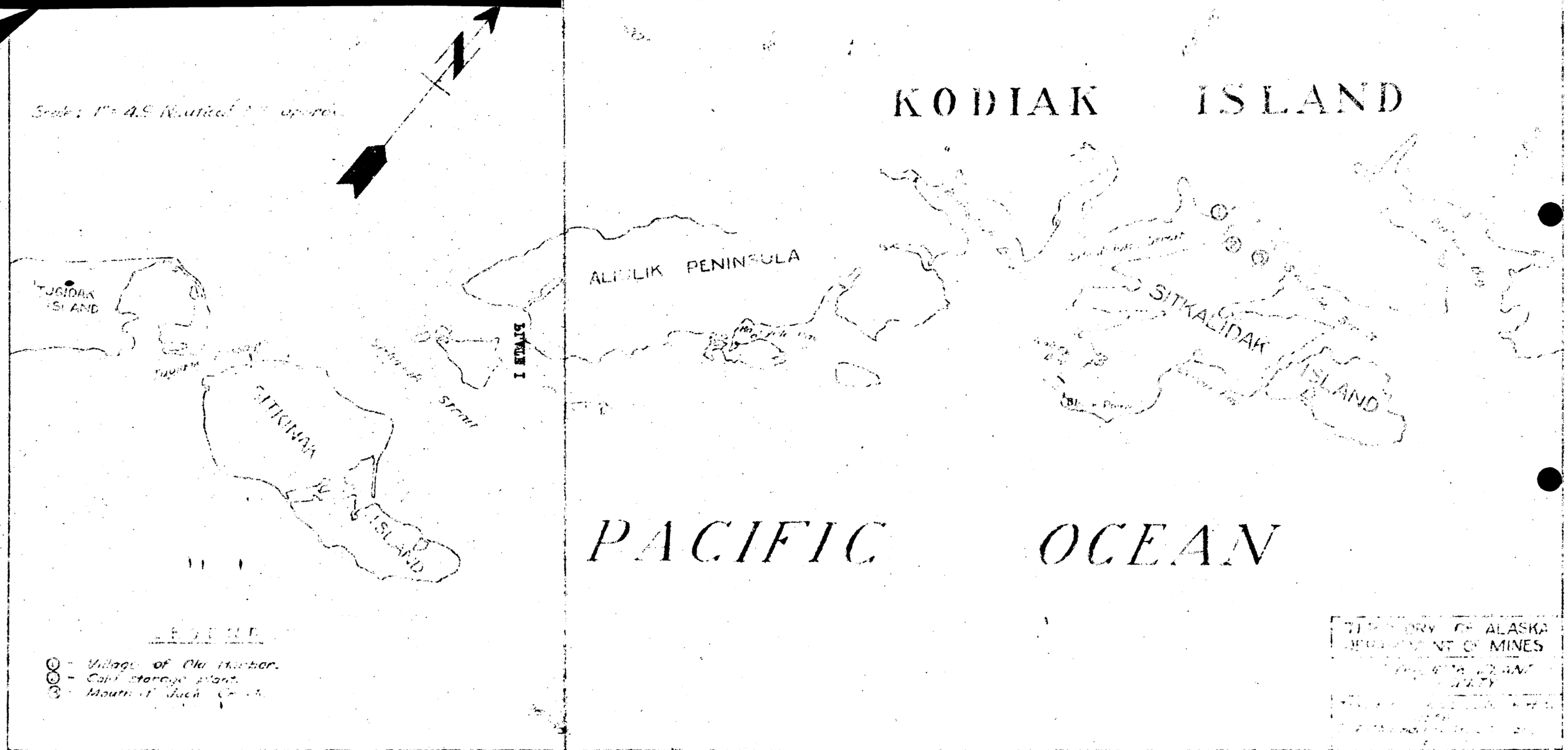
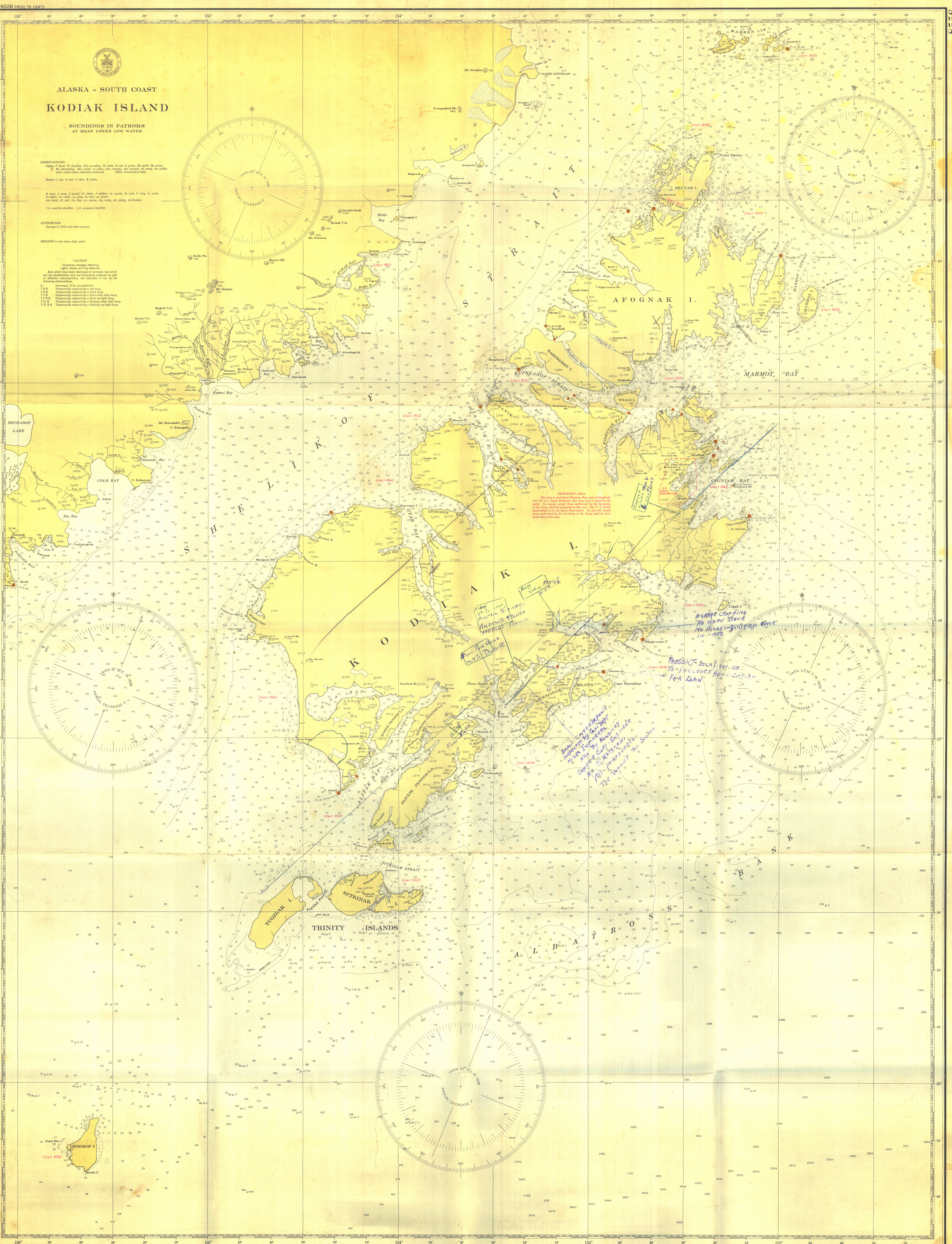
SHUYAK ISLAND
SITKALIDAK ISLAND
Village of Old Karluk
Coal storage plant
Mouth of Duck Creek.


KODIAK ISLAND
ALITUK PENINSULA
SITKALIDAK ISLAND
PACIFIC OCEAN


KODIAK ISLAND
ALITIK PENINSULA
SITKALIDAK ISLAND
SITKINAK ISLAND
PACIFIC OCEAN
LEGEND
Village of Old Harbor.
Cold storage plant.
Mouth of Duck Creek.

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



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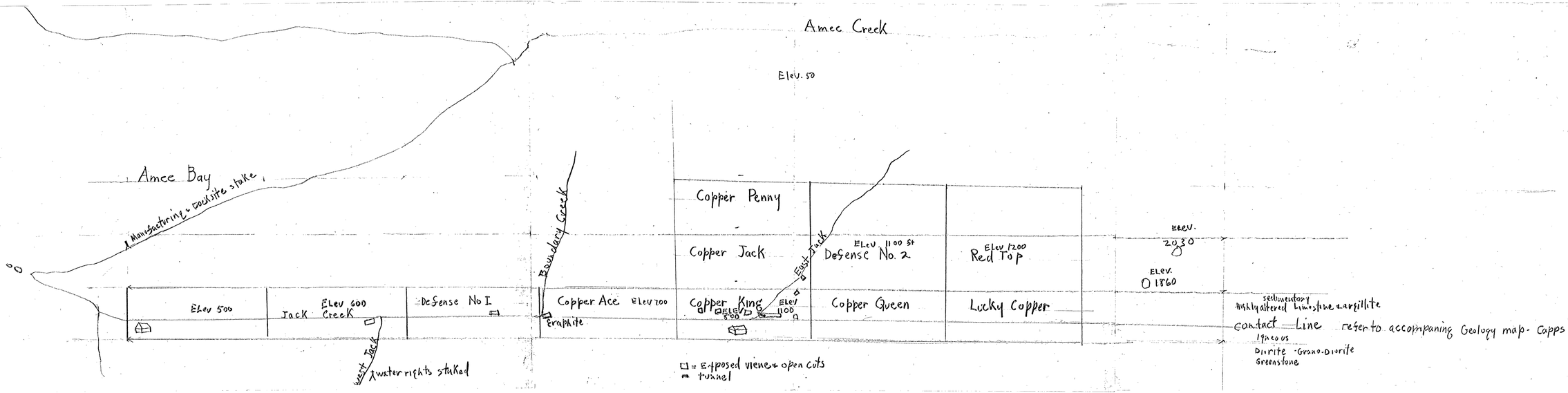
Amee Creek
Elev. 50
Amee Bay
Manufacturing & townsite stake
Elev 500
Jack Creek
Elev 600
Defense No I
West Jack
water rights staked
Boundary Creek
Graphite
Copper Ace
Elev 700
Copper Penny
Copper Jack
Copper King
Elev 500
Elev 1100
East Jack
Defense No. 2
Elev 1100 ft
Copper Queen
Red Top
Elev 1200
Lucky Copper
Elev. 2030
Elev. 1860
= Exposed viewer open cuts
= tunnel
sedimentary
Highly altered Limestone & argillite
contact Line refer to accompanying Geology map - Capps
Igneous
Diorite - Grano-Diorite
Greenstone