MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. _____ Docket No. 6820

Application
- [x] 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- [ ] Withdrawn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
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [ ] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments (amended 7/1/70 " 7/16/70)

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)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab) 7-30-71
- [ ] 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

72195-65

Ajax Mine

{ Wanless, B.N., 1914, Mining districts of the Dillon quadrangle, Montana and adjacent areas: U.S. Geol. Survey Bull. 574, p. 78.

"The Ajax mine was not visited by the writer, but deserves mention because it has been producing recently. It is near the head of Lake Creek, about 15 miles west of Jackson, or 50 miles west of Apex, on the Montana side of the Continental Divide. It is reported to have a strong quartz vein carrying argentiferous galena in slates. It was equipped with a 10-stamp mill and concentrator in 1905."

Mention to Willard in ~~two~~ referral letter when & if.

In Montana

Ajax Mine

Secs. 7 & 8

T. 6S, R. 17W.

WK

Re Forest Service Maps

Original Proposal

$125,000

1. 2 miles access road
2. Core drilling
3. Adits (2) 200' to 300' w/ x cuts
4. A sampling program of old & new underg'd workings. ~~[illegible]~~
5. A shop and a cabin

Cost Estimates

Purchase of a crawler tractor	$50,000
Portable core drill purchase	4,000
Drifting equipment	10,000
Shop	

Amended Proposal

1. An extensive sampling program (prelim)
2. A minor amount of drilling from within existing workings (to outline ore body) $10,000
3. an access road

$7,000 for equip. rental

2,000 for sampling

HOWARD E. MORSE ET AL 97-208
800 S. WASH. 134-31
DILLON MONTANA

EDNA & EDITH LODE	6-17	15.03	24
HATTIE & ERMA LODE		9.66	
AJAX LODE-SEC.6		20.66	
AJAX EXT. LODE		17.62	
TOTAL ACRES - - - - - -		62.97	

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Beaverhead, State of Mont,

described as follows:[2] AJAX LODE - AJAX EXTENSION - EDNA & EDITH HATTIE & ERMA - SURVEY-No's 6766 - 7130 - 7131 - 7132 - Located in Sections 7, 8, and 17 township 23 North, Range 17 West

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 Ajax Mining Co. Clayton Boone JENKINS, Don Jenkins, James Jenkins,[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.)

None

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 _____ (State "None" or "See Annex No. ____".)

Dated this 1st day of July, 1970.

Howard E. Morse	(Seal)	800 S. Washington Dillon, Montana	(Street) (City & State)
Robert M. Pitts	(Seal)	122 So. Michigan Chicago IL 60603	(Street) (City & State)
	(Seal)		(Street) (City & State)
	(Seal)		(Street) (City & State)
	(Seal)		(Street) (City & State)
	(Seal)		(Street) (City & State)

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)

Copy

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

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Howard E. Morse (Seal)	800 S. Washington St.	(Street)
	Dillon, Mont. 59725	(City & State)
x Robert M. Potter (Seal)	ROBERT M. POTTER, M.D. 122 S. MICHIGAN AVE. CHICAGO, ILL. 60603	(Street)
		(City & State)
_____ (Seal)	_____	(Street)
		(City & State)
_____ (Seal)	_____	(Street)
		(City & State)
_____ (Seal)	_____	(Street)
		(City & State)
_____ (Seal)	_____	(Street)
		(City & State)

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)

Copy

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

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MME Form 52
Jan. 1959

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DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
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	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
	(Seal)		(Street) (City &) (State)
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_____ (Corporate Seal)

MME Form 40
(Revised Nov. 68)

Budget Bureau No. 42-R1368
Approval expires Dec. 1971

OFFICIAL COPY
M. E.
RECEIVED
JAN 11 1971
INITIALS CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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.)*

Ajax Mining Co.
Sula, Montana

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6820

DATE RECEIVED

REGION

DIVISION CODE

Revised Application

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED Montana

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Clayton Jenkins	Sula, Montana	
Don Jenkins	1221 W. Porphyry Butte, Montana	
James Jenkins	Darby Montana	

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Gold - Silver

ESTIMATED COST OF PROJECT ~~$ [illegible]~~ $21,600.00

PROPERTY NAME Ajax Mine

LOCATION COUNTY Beaverhead STATE Montana

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. II). 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 Department of the Interior, U.S. Geological Survey, Office of Minerals Exploration, Washington, D. C., 20242, 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.

Sept. 18, 1970
DATED

Clayton Jenkins
BY *(Signature)*

Manager
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 (1) true copies of your letters to credit sources which show date of loan request, amount and terms requested, and proposed use of loan funds and (2) true copies of 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 ner, lessee, purchaser under contract, or other. If you are not the ner, submit one true copy of the lease, contract, or other document ith address of owner) under which you control the property. Describe liens, mortgages, or other encumbrances on the land and state book d page number and official place where recorded.

(b) State the legal description (section, township, and range; metes nd 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 signed by owner on MME Form 52. If the agreements cannot be obtained, state reasons and whether you can furnish a performance bond.

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.

(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) 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. State your reasons for expecting to find ore.

(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, address, and telephone number 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 time and materials *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 price 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).]

THIS INDENTURE made this 1st day of October, A.D. 1967,

WEEN:

HOWARD E. MORSE, of Dillon, Montana, and
ROBERT M. POTTER, of Chicago, Illinois,
hereinafter termed the LESSORS,

and

HARRY BOOZER, of Hamilton, Montana, and
CLAYTON JENKINS, of Sula, Montana,
hereinafter called the LESSEES,

WITNESSETH:

That the said lessors for and in consideration of the royalties hereinafter reserved and the covenants and agreements hereinafter expressed and by the said lessees to be kept and performed have granted, demised and leased, and by these presents do grant, demise and lease, unto said lessees the following described mines and mining property situated in Beaverhead County, Montana, to-wit:

The Edna and Edith Lode Mining Claim, Survey No.7131
The Hattie and Erma Lode Mining Claim, " " 7132
The Ajax Lode Mining Claim, " " 6766
The Ajax Extension Lode Mining Claim, " " 7130

Together with the appurtenances.

TO HAVE AND TO HOLD unto the said lessees for the term of FIVE (5) YEARS, commencing October 1st, 1967, and ending and expiring at noon, October 1st, 1972, unless sooner forfeited or determined through the violation of any covenant hereinafter against the said lessees reserved.

And in consideration of such demise, the said lessees do covenant and agree with the lessors as follows, to-wit:

1. To enter upon said mine, or premises, and work the same mine fashion, in manner necessary to good and economical mining, so as to take out the greatest amount of ore possible, with due regard to the development and preservation of the same as a workable mine and to the special covenants hereinafter reserved.

2. To work and mine said premises as aforesaid, working at least eight hundred (800) man hours per year in each and every year from the date hereof during the life of this lease.

3. To well and sufficiently timber said mine at all points where proper, in accordance with good mining; and to repair all old timbering wherever it may become necessary.

4. To allow said lessors and their agents from time to time to enter upon and into all parts of said mine for purposes of inspection.

5. To occupy and hold all cross or parallel lodes, spurs or mineral deposits of any kind which may be discovered by the said lessees, or any person under them, in any manner, by working within, or from the demised ground as the property of said lessors with privilege to said lessees of working the same as parcel of said demised premises.

6. To keep at all times the drifts, shafts, tunnels and other workings thoroughly drained and clear of loose rock and rubbish, unless prevented by extraordinary mining casualty.

7. To pay to the lessors as Royalty seven and one-half (7½%) percent of the net proceeds on all ore extracted from said mines; the smelter returns to be sent to the First National Bank of Dillon, at Dillon, Montana, and division made at said Bank. The lessors shall have the right at all times to inspect the books of the lessees to determine the amount of the net proceeds.

8. To deliver to said lessors the said premises with the appurtenances, and all improvements in good order and conditions, with all drifts, shafts, tunnels and other passages thoroughly clear of loose rock and rubbish, and drained, and the mine ready for immediate continued working (accident not arising from negligence alone excusing) without demand or further notice, on the said 1st day of October, A.D. 1972, at noon, or at any time previous, upon demand for forfeiture.

AND IN CONSIDERATION of the acceptance of the foregoing lease and the expenditures to be made there under and the well and faithful keeping of the covenants thereof, the said lessees shall have the right and option to purchase the said demised premises by payment of the sum of FIFTY THOUSAND ($50,000.00) DOLLARS on or before the 25th day of September, A.D. 1969, time being of the essence of the contract as to such payment. And upon the tender of such payment the lessors will make, execute, acknowledge and deliver at their own cost and charges, good and sufficient deed or deeds of warranty to be delivered to the lessees or such person or company as they shall nominate, conveying the said premises clear of incumbrance. In the event the option herein given is exercised, all royalties paid by lessees to the lessors shall be deducted from the purchase price of $50,000.00.

The forfeiture, surrender or termination of the above lease for any cause shall render this option void, and the above mentioned payment may not thereafter be tendered.

It is understood between the parties hereto that the lessees, at the end of this lease period of five years shall have the refusal of a renewal of this lease. It is further understood that the present royalty rate shall at that time be subject to a possible renegotiation.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals.

Howard E. Marsee (SEAL)

Robert M. Potter (SEAL)
LESSORS

Harry Booze (SEAL)

Clayton Jenkins (SEAL)
LESSEES

William L. Emenick
Assistant Chief
Office of Minerals Exploration

Ajax Mining Co.
Sula, Mont.
Sept. 18, 1970

We have chosen a specific target area consisting of about 1200 feet along the strike of the vein. The proposed exploration is shown on the map. This should cover the area adequately enough to determine an average grade and a tonnage factor.

The cost of drilling will vary depending on the method used. Since the holes would be relatively short and the rock is fractured it is felt that the longhole method would give better results than core drilling. A summary of costs is given at this time.

	Access Road To Drill Site (Shown on map) — —	$1000.00
$3.87½/ft wk	Longhole drilling (1600 feet) (Shown on oblique view) — —	$6200.00
	Lab analysis of cuttings (5' interval – Gold, & Silver) — — —	1400.00
$48.80 wk	Drifting 250' (8'x8') — — — — — — — — — —	12200.00
	Geo-chem Exploration (covers ≅ 55 acres) (Traverses layed out, samples taken, analysis — —	800.00
	Total	~~$21600.00~~ 21600.00

The above costs were determined by consulting contractors, professional engineers and business firms as shown below.

Longhole drilling: — in fractured quartzite, and using own equipment (main lines, compressor, etc.) — also includes moving and set up costs.

Anaconda Co.	$6200.00
Mark Bossard (Mining Engineer)	6000.00
Montana Mining Assoc.	6500.00
Dr. Fred Earll (Head Geological Eng. Dept. - Mont. Tech)	6000.00

Lab Analysis of Cuttings:

Jones & Lawson (Butte, Mont.)	$1450.00
Frontier Lab (Melrose, Mont.)	1400.00

Drifting 250 feet: = $48.00/ft

Anaconda Co.	$12200.00
Boyles Bros.	12500.00
Mont. Mining Assoc.	12000.00
Mark Bossard	12000.00
Fred Earll	12400.00
O'Keefe Drilling Co.	12000.00

Our part of the exploration costs would be taken care of in the following manner:

$\frac{1}{4}$ of $21,600.00 = $5400.00

Geo-chem traverses layed out and taken	$450.00
Cash and labor (use of HD-16 to build Access road)	4950.00

— record of the value of labor performed would be carefully made.

Sincerely,

Clayton Jenkins - James Jenkins - Don Jenkins

Clayton Jenkins James Jenkins Don Jenkins

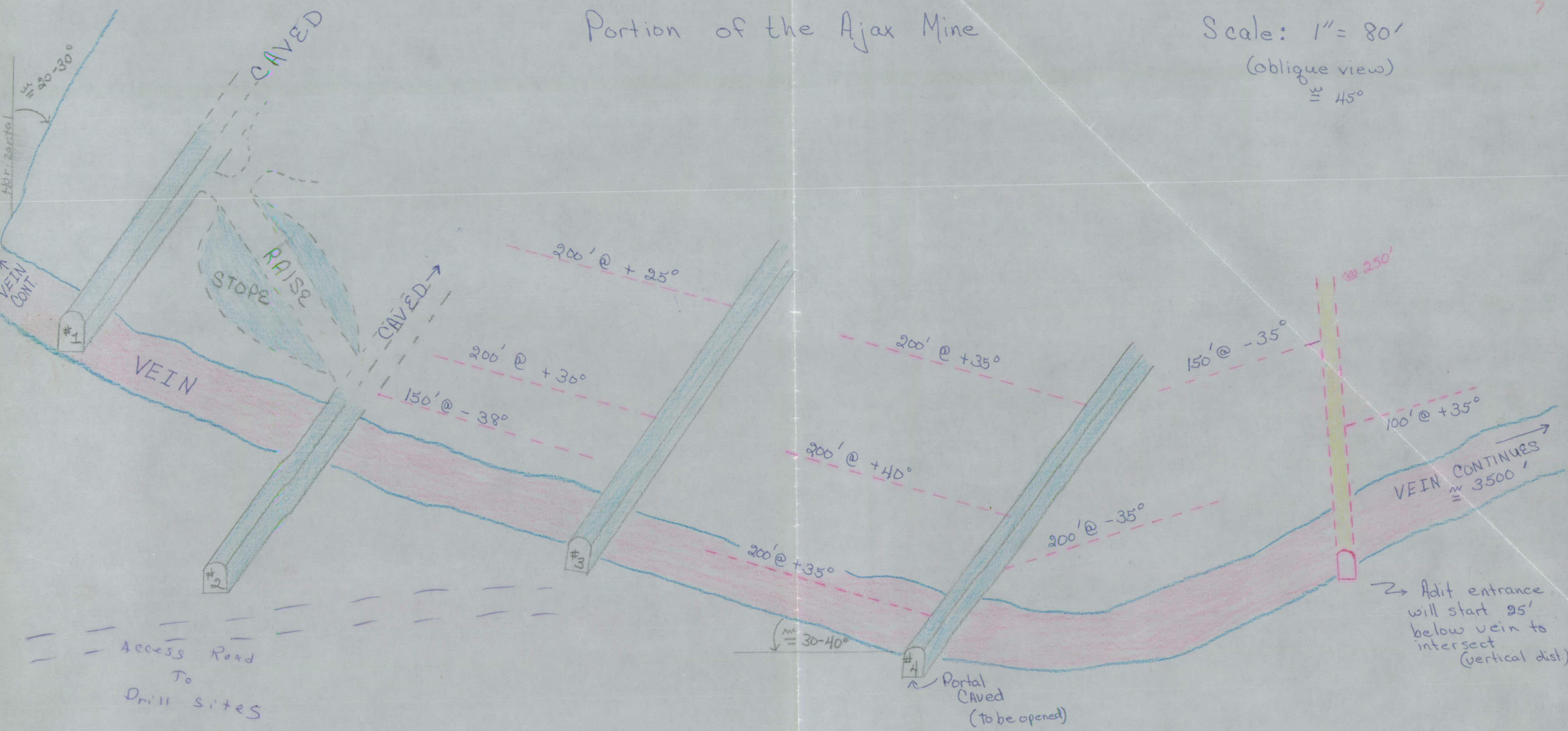
Ajax Mining Co.

Please Return

Proposed Drilling
Proposed Drift
Existing Workings

Proposed Exploration of A Portion of the Ajax Mine

Scale: 1" = 80'
(oblique view)
≅ 45°



Ajax Mining Co.
Sula, Montana
Dec. 28, 1970

Citizen's State Bank
Hamilton, Montana

Gentlemen:

I am writing to make formal application for a loan needed for exploration of mineral property - particulars are as follows:

I will need $21,600.00 to be used for mine exploration of the Ajax Mineral Property, located 30 miles S.W. of Wisdom, Montana. Repayment of the loan would be from funds realized after the mine is in operation, which could be within the next 15-18 months.

I will have an investment in excess of $8000.00 which will include external development of the property and road building.

I would appreciate hearing from you at your earliest convenience.

Sincerely,
Clayton Jenkins

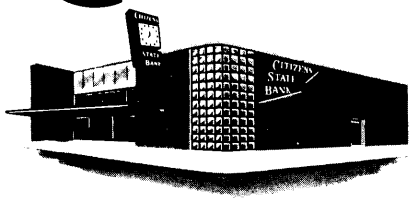
Citizens State Bank

V. C. HOLLINGSWORTH
PRESIDENT

R. D. FLIGHTNER
VICE PRESIDENT

EARLE C. WRIGHT
CASHIER

MARVIN F. BELL
ASST. VICE PRES.



DRAWER 393
CORNER MAIN & 1ST
HAMILTON, MONTANA
59840

HELEN McKILLOP
DON McGOURTY
ROBERT J. HANSON
RICHARD N. CLARK
ASSISTANT CASHIERS

December 30, 1970

Clayton Jenkins
Ajax Mining Co.,
Sula, Montana

Dear Mr. Jenkins:

Thank you for your letter inquiring about the possibility of obtaining a loan for #21,600.00 for the purpose of mine exploration of the Ajax Mineral Property.

The nature, amount, and repayment schedule of this application does not conform to the current lending policy of our bank.

It is, therefore, impossible for us to accomodate you at this time. The rejection of this loan in no way reflects upon the charater, credit standing, or ability of you, the applicant.

Sincerely yours,

R. N. Clark

R. N. Clark

RNC/c

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Ajax Mining Co.
Sula, Montana
Dec. 28, 1970

Ravalli County Bank
Hamilton, Montana

Gentlemen:

I am writing to make formal application for a loan needed for exploration of mineral property - particulars are as follows:

I will need $21,600.00 to be used for mine exploration of the Ajax mineral property, located 30 miles S.W. of Wisdom, Montana. Repayment of the loan would be from funds realized when the mine is in operation, which could be ~~realized~~ within the next 15-18 months.

I will have an investment in excess of $500,000 - which will include external development of the property and road building.

I would very much appreciate hearing from you at your earliest convenience.

Sincerely,
Clayton Jenkins

THE RAVALLI COUNTY BANK

224 PINCKNEY STREET, BOX 113, HAMILTON, MONTANA 59840 406-363-1222

CHARLES H. JAMES, CHAIRMAN
LINCOLN N. SHONKWILER, PRESIDENT
GEORGE M. STEWART, VICE PRESIDENT
WALLACE D. SCOTT, CASHIER
NORMAN J. WROBEL, ASST. CASHIER

December 30, 1970

Mr. Clayton Jenkins
Sula, Montana, 59871

Dear Mr. Jenkins:

This is to advise you that we are unable to grant the loan of $21,600.00 you applied for to be used for mine exploration of the Ajax mineral property.

We are not in a position to approve such a loan, as we are not making loans for the time and under the terms you require.

This is not a reflection on your credit standing, Mr. Jenkins, as we are unable to consider the loan for the reasons stated and did not make a credit investigation.

Sincerely,

Wallace D. Scott

WALLACE D. SCOTT,
Cashier

WDS/r

MME Form 40
(Revised Nov. 68)

Budget Bureau No. 42-R1368
Approval expires Dec. 1971

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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.)*

CLAYTON B. JENKINS
Lost Trail Camp.
Sula, Montana 59871

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER

DATE RECEIVED

REGION

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

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

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
DONALD. JENKINS	BUTTE - MONT	
JAMES JENKINS	DARBY MONT	

STATE IN WHICH FIRM IS ORGANIZED
MONT

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Gold. - Silver

ESTIMATED COST OF PROJECT
$27,000.00

PROPERTY NAME	LOCATION COUNTY	STATE
AJAX	BEAVERHEAD	MONT.

Amended Application

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. II). 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 Department of the Interior, U.S. Geological Survey, Office of Minerals Exploration, Washington, D. C., 20242, 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.

august 10, 1970
DATED

Clayton B. Jenkins
BY *(Signature)*
Operation Manager
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 (1) true copies of your letters to credit sources which show date of loan request, amount and terms requested, and proposed use of loan funds and (2) true copies of 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 e copies of Lien and Subordination Agreements signed by owner on ME Form 52. If the agreements cannot be obtained, state reasons d whether you can furnish a performance bond.

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.

(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) 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. State your reasons for expecting to find ore.

(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, address, and telephone number 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 time and materials *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 price 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).]

MME Form 40
(Revised Nov. 68)

Amended

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Budget Bureau No. 42-R1368
Approval expires Dec. 1971

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.)*

Ajax Mining Co.
Lost Trail Camp
Sula, Montana

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: OME-6820

DATE RECEIVED: 7/10/70

REGION: P-I

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

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

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Clayton Jenkins	Lost Trail Camp	Manager
Don Jenkins	Butte, Mont.	Engineer
James Jenkins	Darby, Mont.	Heavy Equipment operation

STATE IN WHICH FIRM IS ORGANIZED: Montana

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Gold — Silver

ESTIMATED COST OF PROJECT: $75,000

PROPERTY NAME	LOCATION COUNTY	STATE
Ajax	Beaverhead	Montana

Amended Application

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CERTIFICATION

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July 1, 1970
DATED

Clayton B. Jenkins
BY *(Signature)*

Manager
TITLE

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Copy to Regional

INFORMATION REQUIRED WITH THIS APPLICATION

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Furnish detailed estimates of the necessary costs for time and materials *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 price 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).]

R.F-OME 6820

Amended Application for O.M.E. Loan

I. Same as original
II. Same as original
III. Same as original
IV. Same as original
V. Exploration Work:

In view of the fund shortage we have decided to try and include a minimum amount of exploration that still give us the necessary information as to the mine's potential.

We believe three areas must be considered to ever bring this mine into production. These are as follows:

(1) an extensive sampling program
(2) a minor amount of drilling from within the existing workings
(3) an access road

These three areas will be the only factors considered for the application. //

In order to determine grade and tonnage of ore, the existing workings must be cleaned and systematically sampled. We believe $2,000.00 will cover analysis charges plus the purchase of used rails and an ore car (if these two items are eligible)

Holes would be drilled primarily from existing workings to outline the ore body and to serve as a check of the sampling done. Only a few holes would be driven to eliminate large capital investments. The holes would be driven radially from adits no. 2, 3 & 4 and + 40° to the East. As soon as weather permit the underground workings will be mappe

No specific targets - all of this is preliminary work.

with the geology and proposed drill holes shown. Approximately 1000 feet of long hole or core drilling should suffice.

All the work described herein requires equipment. The existing road is not adequate to transport machinery into the mine. It is hardly a jeep road although we have spoke of it as such. Absolutely no machinery could be moved over this jeep trail and to rehabilitate it would cost as much or more than the proposed access road and would not serve the purpose even then. We therefor feel that rental only of a crawler tractor and drilling equipment is a must. We have checked thoroughly into rental prices and have determined a price of $3500/month for a cat and $3500/month for a drill totalling $7000 for one month. Bids on the long hole drilling or core drilling are going to be obtained but after talking with contractors it will cost about $5000-$10,000 depending on the method and conditions. A cat operator must be hired for a month and blasting powder will be needed to blast rock. It is felt that $20,000-$25,000 will do the job.

VI. Same as original

VII. Estimate of Costs:

cat rental (for one month)	$3500
drill rental (rock blasting)	$3500
core drilling	$10,000
sampling analysis	$2,000
blasting equipment	$500
fuel, oil, etc.	$500
cat operator	$700
drill operator	$700

SLEEPING QUARTERS - AT or NEAR CLAIMS
COOKING & EATING QUARTERS " " EAST-?

Channel samples were taken as already shown on the sketches sent in. The samples were taken across the width of the vein. The channels were cut about two to four inches wide.

Clayton Jenkins
(Manager)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 11 1970
INITIALS CODE

June 8, 1970

Memorandum

To: Chief, OME

From: Field Officer, Region I

Subject: Transmittal of new application (Gold-Silver)
Ajax Mining Company
Ajax Mine
Beaverhead County, Montana

Transmitted herewith is an application from Mr. Clayton Jenkins for OME assistance to explore for gold-silver ore at the old Ajax mine. The application, dated January 3, 1970, specified that the applicant was a partnership of the three Jenkins men. Additional information, received June 8, 1970, in response to my letter of February 12, 1970, includes a document wherein the three Jenkins agree to become co-partners under the name of Ajax Mining Company.

The property is high on the east slope of Beaverhead Mountains and is a few miles south of the Jack DeBoer property (OME 6816). The applicant has incorrectly located it in T. 23 N., rather than T. 4 S. Snow conditions prevent access until sometime in July--if required, both properties could be examined during the same trip.

Winchell (1914, p. 78) mentions that there was a 10-stamp mill and concentrator at the Ajax mine in 1905 and that the ore was in a quartz vein carrying argentiferous galena. The applicant adds little more concerning the geology, other than some assay data.

It is doubtful that the exploration proposal of the applicant can be recommended; however, a more modest program might have some merit.

REFERENCE CITED

Winchell, A. N., 1914, Mining districts of the Dillon quadrangle, Montana and adjacent areas: U. S. Geol. Survey Bull. 574, 191 p.

Enclosures

Willard P. Puffett

Willard P. Puffett

MME Form 40
(Revised Nov. 68)

Budget Bureau No. 42-R1368
Approval expires Dec. 1971

OFFICIAL COPY O. M. E. JUN 11 1970 SPOKANE, WASH.

RECEIVED FEB 11 1970 O. M. E. SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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.)*

Clayton Boone Jenkins
Lost Trail camp
Sula, Montana ~~59871~~ 59871

James Clayton Jenkins
Darby, Montana

Donald LeRoy Jenkins
1221 W. Porphyry
Butte, Montana

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6820

DATE RECEIVED: 6-11-70

REGION: I

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL ☐
- CORPORATION ☐
- PARTNERSHIP ☑
- OTHER *(Specify)* ☐

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Listed above		

STATE IN WHICH FIRM IS ORGANIZED: Montana

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Gold, Silver

ESTIMATED COST OF PROJECT: $ 125,000 00

PROPERTY NAME	LOCATION COUNTY	STATE
Ajax Mine	Beaverhead	Montana

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. II). 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 Department of the Interior, U.S. Geological Survey, Office of Minerals Exploration, Washington, D. C., 20242, 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.

RECEIVED JUN 8 1970 O. M. E. SPOKANE, WASH.

Jan. 3, 1970
DATED

Clayton Jenkins
BY *(Signature)*

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 (1) true copies of your letters to credit sources which show date of loan request, amount and terms requested, and proposed use of loan funds and (2) true copies of 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 signed by owner on MME Form 52. If the agreements cannot be obtained, state reasons and whether you can furnish a performance bond.

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.

(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) 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. State your reasons for expecting to find ore.

(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, address, and telephone number 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 time and materials *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 price 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).]

June 3, 1970

Mr. Willard D. Puffett
Field officer, OME
Spokane Washington

RECEIVED
JUN 8 1970
O.M.E.
SPOKANE WASH.

Dear Mr. Puffet

I have included partnership agreements with my two sons. at first I was going to operate under (Clayton Jenkins and sons) but decided to go into partnership. Included in this ~~envelo~~ envelope are lien papers. It took some time to get lien agreements as one owner was vacationing in California this past winter

Sincerely
Clayton Jenkins

P.S. As it is time to start work at AJAX and also on road, I hope you can push this loan rapidly. C.J.

Lost Trail Camp
Sula, Montana 59871
May 22, 1970

Mr. Willard P. Puffett
Field Officer, OME
Spokane, Washington 99201

RECEIVED
JUN 8 1970
O.M.E.
SPOKANE, WASH.

Dear Mr. Puffett:

It has taken more time than expected to gather the information you requested in your letter recieved February 12. The only information that we cannot give you at this time would be geologic maps of the under ground workings. The snow cover in the area is quite extensive and it will probably be late in June before we can get in to the mine without the use of heavy machinery to open the way. Most of the underground workings are unaccesible anyway however, the area where the samples were taken could be mapped. Rough sketches are included to give you an idea where the samples were taken.

Sincerely,
Don Jenkins
Don Jenkins

Clayton Jenkins
Sula, Mont. 59871

FEB 11 1970
O.M.E.
SPOKANE, WASH.

Information Required for O.M.E. Loan

I. Financial Eligibility:

a.) not able to borrow this large a sum of money from banking institutions (evidence of efforts made to obtain credit is included)
b.) property leased from Howard Morse of Dillon, Montana and Robert M. Potter for a period of six years with option to buy or release at date of expiration (a copy of the lease is included)
c.) labor, use of equipment owned by applicants, and some cash that will be put into the operation

II. Applicants Right in Land

a.) lessee with option to purchase (patents recorded with Bureau of Land Management in Billings, Montana)
b.) land located in sections 7, 8, and 17, township 23 North, Range 17 West
(W.M.) T4S T6S MPE.

Name of Claims and Survey No.'s

1.) Ajax Lode ..... ~~6569~~ 6766
2.) Ajax Extension 7130
3.) Edna & Edith 7131
4.) Hattie & Erma 7132

III. Physical Description:

a.) maps and data included
b.) work done by Al Noyes from 1890-1904

Clayton Jenkins
Sula, Mont. 59871

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FEB 11 1970
M.E.
SEDRO-WOOLLEY, WASH.

Physical Description Continued:

c.) no production records available
d.) ore reserves not known, this is one reason why we want to explore and develop the area. According to the geologist who described the property in 1904, the vein is strong for at least four-thousand feet.
e.) the property to be developed consists of a fissure vein. The country rock is quartzite which is part of the Ravalli Group. The host rock has been tilted to a steep angle and has been shattered. The primary ores present as far as can be determined are:
    1.) gold
    2.) silver
    3.) If the mine should ever produce, lead & copper will probably be present
f.) The vein is exposed for approximately a mile and varies from 10 feet to 50 feet in depth where exposed, and where exposed in old adits it appears that it is up to 200 feet in width. Although the vein appears to be extensive only a very small portion has been exploited, and this work was done during the late 1800's and early 1900's with crude equipment in a practically inaccessable area. The operation was not very well organized. An economic geologist from the Montana Bureau of Mines and Geology examined the property during the latter part of this summer and concluded that a program which would explore and develop the property would warrant the biggest

Clayton Jenkins
Eureka, Mont 59917

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O. M. E.
SPOKANE, WASH.

Physical Description f.) Continued:

opposition to this project is inaccessibility which is gradually improving with the present development of logging roads and Forest Service multiple use roads. During the years the mine was operated, these new developments were not present. For these reasons we believe that once the property is developed, including an access road into the mine, the mine could be operated profitably.

g.) you may keep all maps, but would like the Homer Young's Peak Quadrangle returned; and the lease agreements.

IV. Accessibility:

a) O. M. E. representative would be met by one or more of the applicants named on application form.
Included is a map showing directions to the mine. The mine is located 30 miles south of Wisdom, Montana by way of dirt road and by jeep trail. The last two or three miles consist of jeep trail.
The mine workings are shown on maps included with application.

b.) The shipping points are as follows:
1.) East Helena approximately 180 miles Northeast
2.) Anaconda approximately 100 miles North
3.) Possibly Bunker Hill approximately 250 miles to the Northwest

Clayton Jenkins
Kalispell, Mont 59871

FEB 11 1970
O. M. E.
SPOKANE, WASH.

V. Exploration Work:

a.) Proposed exploration is also shown on the map of the Ajax Mine. This will consist of approximately 2 miles of road to be built. Core drilling will be done at certain intervals along the vein and one or possibly two adits driven into the vein just above the road to be built. The adit(s) should be 6'x6' or 8'x8' and will be between 200' and 300' in length with crosscuts to expose ore shoots. Also a sampling program should be established which will include sampling of the old workings and new underground excavations. A shop and cabin will have to be built. If the core drilling done is sufficient no adits will be driven, but this is not likely.

b.) Shown on map (approximately 2 miles) road to be built by large crawler tractor with rippers and small drill used for blasting rock where necessary.

c.) the work would begin the summer after the contract is awarded and may be completed the same summer. If not the work will be completed the following summer. Work would begin about July 1 or sooner and would terminate about the middle of November depending on snow conditions.

VI. Experience:

a.) work will be supervised by the three applicants with help from professional geologists and mining engineers. Clayton Jenkins has been involved in mining

Clayton Jenkins
Silver, Mont. 59871

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FEB 11 1970
O. M. E.
SPOKANE, WASH.

Experience Continued:

operations for the past 25-30 years. James Jenkins has worked in the Curlew Mine at Victor, Montana and has worked with heavy equipment for about 10 years. Don Jenkins will graduate from Montana College of Mineral Science and Technology in 1970 with two degrees, one in Geological Engineering and the other in Mining Engineering. Don has worked for the Montana Bureau of Mines and Geology inspecting mining operations and examing mineral resources in a section of Montana for the past summer.

VII. Estimate of Costs:

a.) If contracting is done
1.) $50/ foot for 600 feet (drifting) ... $30,000.00
2.) $10/ foot for 2000 feet (drilling) ... $20,000.00
If contracting is not done but instead equipment is purchased and work done with labor, the costs are shown under b.) & d.)

b.) personal services of the three applicants (4-6 months) $12,000.00
consulting geologist at $100/ day for about a week ... $600.00
consulting mining engineer at $100/day for about 2 weeks ... $1,200.00
laborers for drifting at $24/day for about 2 months (probably 4-6 laborers) ... $8,000.00
cat operator at $30-35/day for one month ... $1,100.00

services are available

Clayton Jenkins
Eula, Mont. 59871

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FEB 11 1977
D.M.E.
BUREAU OF MINES

Estimate of Costs Continued

c.) operating materials and supplies
1.) fuel: gas 1500 gal. at 32.5¢ $475.00
diesel 5000 gal. at 22¢ $1,000.00
oil 100 gal. $200.00
grease $50.00
Explosives (including detinators and fuses) $1,200.00
tools: miscellaneous tools $200.00

d.) D-8 crawler tractor rent for one month at $4,000.00 per month $4,000.00
D-6 crawler tractor purchase $50,000.00
drill and compressor rent for one month at $4,000.00 per month $4,000.00
portable core drill purchase $4,000.00
rock bolts purchase $300.00
drifting equipment (rock drills, mucking machine, etc.) at a cost between $5-10,000.00
track or rails $1,000.00
ore car $400.00
Willy's jeep provided $1,000.00
small crawler tractor provided valued at $6,000.00
4-wheel drive pickup provided valued at $3,100.00
2-2wheel drive pickups provided valued at $800.00
ventilation system $2,000.00
water pumps and hose $1,000.00
arc welder and acetylene welder $800.00
possibly other equipment will be provided
e.) repairs: cabin $900.00
cat $200.00

Clayton Jenkins
Ruby, Mont 59871

FEB 11
SPOKANE, WASH.

Estimate of Costs Continued:

f.) shop	24'x48'	$3500.00	to store & repair equipment
bunkhouse	16'x24'	$1,400.00	to house employees
cookhouse	16'x24'	$1,200.00	to board employees
cabin & office	16'x24'	$1,200.00	housing & office work

(cabin, office, bunkhouse and cookhouse would be equiped by applicants)

powder house	8'x10'	$400.00	storage of explosives
tool shop	8'x10'	$240.00	storage & repairing tools

construction will be supervised by Clayton Jenkins who has done carpenter work for many years.

g.) cat repairs	$300.00
drilling equipment repairs	$200.00
drifting equipment repairs	$200.00
workmen's compensation	$350.00
liability insurance	$200.00
accounting work	$800.00

THE RAVALLI COUNTY BANK

WALLACE D. SCOTT, CASHIER

224 PINCKNEY STREET, BOX 113, HAMILTON, MONTANA, 59840 406-363-1222

RECEIVED
FEB 11 1970
O.M.E.
SPOKANE, WASH.

November 21, 1969

Mr. Clayton Jenkins
Sula, Montana, 59871

Dear Mr. Jenkins:

In reference to your loan for $125,000.00 for mining exploration and development, this Bank is unable to make this loan at this time due to lack of money.

This is not a reflection on your credit standing, Mr. Jenkins, as we are unable to consider the loan for the reason stated above.

Sincerely,

Wallace D. Scott
WALLACE D. SCOTT,
Cashier

WDS/r

RECEIVED
JUN 8 1970
O. M. E.
SPOKANE, WASH

February 15, 1970

Ravalli County Bank
Hamilton, Montana

Gentlemen:

I would like to request a loan in the amount of $125,000.00.

Purpose of this money is for exploration work on the Ajax Mine in Beaverhead County, Montana, of which I am lessee. Also, core drilling of the vein; bulldozing 2 miles of road to the mine; complete a sampling program of the old workings and new underground excavations and construction of a shop and living quarters.

Repayment will be from the income of this mine, after production starts, at the rate of approximately $7,500.00 per year after the mine is in production.

I have $15,000.00 worth of machinery which I can offer your bank for collateral initially, with an assignment on the production of the mine, at a later date.

Very truly yours,

Clayton Jenkins

Clayton Jenkins
Sula, Montana

THE RAVALLI COUNTY BANK

WALLACE D. SCOTT, CASHIER

224 PINCKNEY STREET, BOX 113, HAMILTON, MONTANA, 59840 406-363-1222

RECEIVED
JUN 8 1970
SPOKANE, WASH.

April 21, 1970

Mr. Clayton Jenkins
Sula, Montana, 59871

Dear Mr. Jenkins:

We have reviewed your loan application in the sum of $125,000.00 for the purpose of developing the Ajax Mine in Beaverhead County.

We are not in a position to approve such a loan, as we are not making loans for the time and under the terms you require.

This is not a reflection on your credit standing, Mr. Jenkins, as we are unable to consider the loan for the reasons stated and did not make a credit investigation.

Sincerely,

Wallace D. Scott

WALLACE D. SCOTT,
Cashier

WDS/r

RECEIVED
JUN 8 1970
O. M. E.
SPOKANE, WASH.

March 10, 1970

Citizens State Bank
Hamilton, Montana

Gentlemen:

I would like to request a loan in the amount of $125,000.00.

Purpose of this money is for exploration work on the Ajax Mine in Beaverhead County, Montana, of which I am lessee. Also, core drilling of the vein; bulldozing 2 miles of road to the mine; complete a sampling program of the old workings and new underground excavations and construction of a shop and living quarters.

Repayment will be from the income of this mine, after production starts, at the rate of approximately $7,500.00 per year after the mine is in production.

I have $15,000 worth of machinery which I can offer your bank for collateral initially, with an assignment on the production of the mine, at a later date.

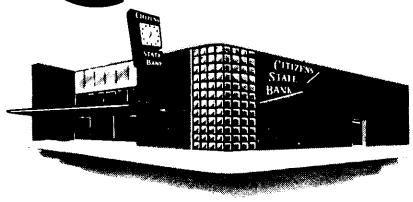
Very truly yours,

Clayton Jenkins

Clayton Jenkins
Sula, Montana

V. C. HOLLINGSWORTH
PRESIDENT
R. D. FLIGHTNER
VICE PRESIDENT
EARLE C. WRIGHT
CASHIER
MARVIN F. BELL
ASST. VICE PRES.

Citizens State Bank



DRAWER 393
CORNER MAIN & 1ST
HAMILTON, MONTANA
59840

HELEN McKILLOP
DON McGOURTY
ROBERT J. HANSON
RICHARD N. CLARK
ASSISTANT CASHIERS

RECEIVED
JUN 8 1970
O. M.
SPOKANE, WASH.

March 18, 1970

Clayton Jenkins
Sula, Montana

Dear Mr. Jenkins:

We have reviewed your loan application in the amount of $125,000.00 for the purpose of developing a mine, specifically, the Ajax Mine, in Beaverhead County.

The nature, amount, and repayment scheule of this application does not conform to the current lending policy of our bank.

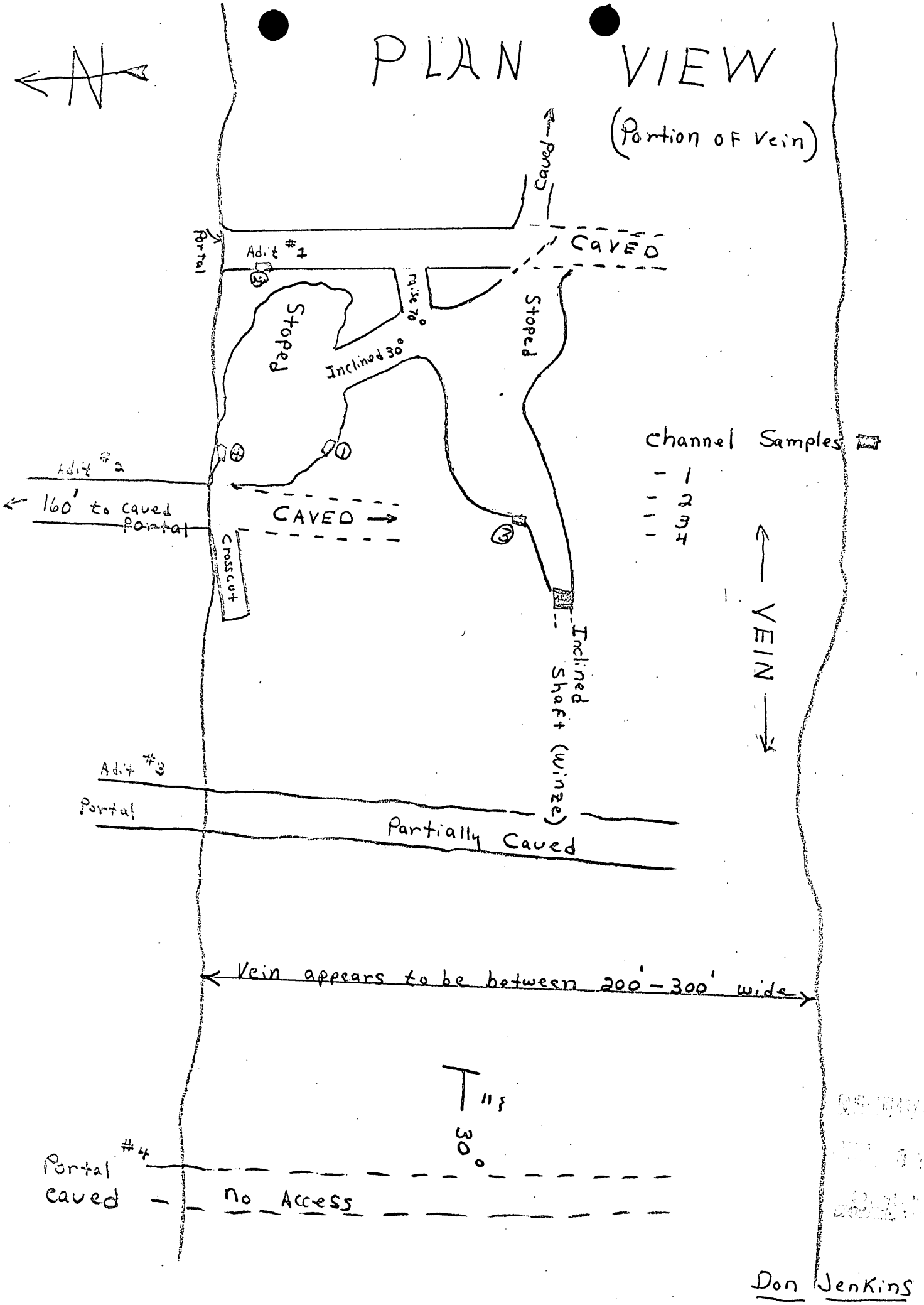
It is, therefore, impossible for us to accomodate you with this loan. The rejection of this application in no way reflects upon the character, credit standing, or ability of you, the applicant.

Sincerely,

R. N. Clark
Ass't Vice Pres.

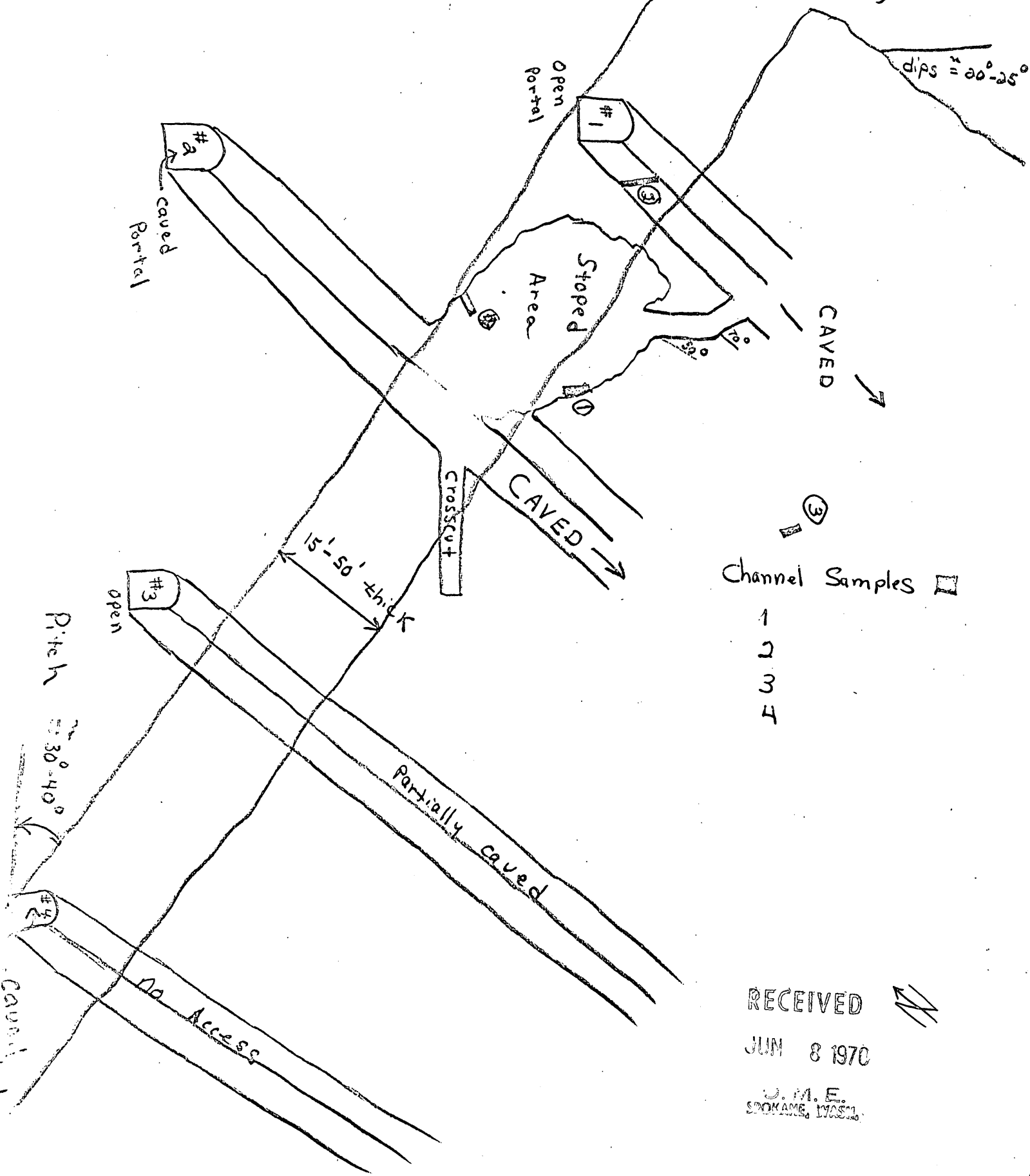
c/c

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION


PLAN VIEW
(Portion of Vein)
N
Caved
CAVED
Portal
Adit #1
Raise 70°
Stoped
Stoped
Inclined 30°
Channel Samples
1
2
3
4
Adit #2
160' to caved Portal
CAVED
Crosscut
Inclined Shaft (winze)
VEIN
Adit #3
Portal
Partially Caved
Vein appears to be between 200'-300' wide
T 11 S
30°
Portal #4
caved
No Access
Don Jenkins

Sketch Showing Relationship OF Adits
(Portion OF vein)

Side View (Perspective)



RECEIVED
JUN 8 1970
U.M.E.
SPOKANE, WASH.

ARTICLES OF CO-PARTNERSHIP

ARTICLES OF CO-PARTNERSHIP, Made and entered into this 7th day of May, 1970, by and between Clayton Jenkins, Don Jenkins, and James Jenkins, Ravalli County, Montana,

WITNESSETH:

That the said above named parties have agreed, and by these presents do agree, to become co-partners in business together under and by the firm, name and style of Ajax Mining Co., in the business of mining and operating a certain quartz lode mining claim known as the Ajax, which mines are at the present time held by Clayton Jenkins, one of the parties hereto, under lease from Howard E. Morse, of Dillon, Beaverhead County, Montana, and Robert M. Potter, Chicago, ~~County~~, Illinois; said co-partnership is to commence on the 8th day of May, 1970, and to continue for such further time as may be mutually agreed upon and until these articles of co-partnership are dissolved.

The interest in said co-partnership of the various co-partners is to be as follows, to-wit: Clayton Jenkins, 33⅓% interest; Don Jenkins, 33⅓% interest; and James Jenkins, 33⅓% interest.

Said co-partnership is to work and develop the mining property heretofore alluded to, and the proceeds from the operation of said property is to be distributed in the following manner: Out of the first moneys recieved from the proceeds of sale of any ore from said mine, all bills and outstanding debts of the partnership are to be paid, then the wages of the men operating and actually working on said premises is to be paid on the basis of the current scale of miner's wages for each day of labor performed by said operators. ~~Any overplus after the paying of such operating expenses will be applied to the purchase of mining equipment belonging to said partners, and which equipment shall be purchased on the basis of the value of the equipment as evidenced by the purchase price paid~~

~~therefore by said~~ Partners. Any remaining moneys is to be applied first to the establishment of an operating fund, the amount of which is to be reached by agreement of the partners, and the remaining profits shall thereafter be divided amongst the co-partners hereof on a pro-rata share basis as their interest in said co-partnership appears above.

It is agreed, by and between the said partners hereto, that each shall and will at all times during said partnership, bear, pay and discharge, as their interests shall appear, all rents and other expenses that may be required for the support and management of said operations; and that all gains, profits and increase that shall come, grow or arise, from or by means of said co-partnership, shall be divided as their interest in said partnership appears, after the above listed payments have been made.

It is understood and agreed, however, between the partners of this agreement, that any ores derived as a result of this partnership, are subject to the royalty payments contained in that certain lease held by Clayton Jenkins from Howard E. Morse and Robert M. Potter above mentioned, which lease was entered into on the 1st day of October, 1967, which leases is to run for a period of Eight years from and after said 1st day of October, 1967.

Extension agreement

It is further agreed, by and between the parties hereto, that there shall be kept at all times, during the continuance of their co-partnership, perfect, just and true books of accounts, wherein each of said co-partners shall enter and set down, as well all money by them or either of them, recieved, paid, laid out, and expended, in and about the said operation, as also all the supplies and equipment by them or any of them, bought or sold, and all other matters and things whatsoever, to the said co-partnership operation in anywise belonging; and which said books shall be used in common between the said co-partners, so that any of them may have accesss thereto, without any interruption and hinderance of any of the others, or other sooner determination of their co-partnership, the said co-partners, each with the

other, shall and will, make a true, just and final account of all things relating to their said business; and in all things truly adjust the same; and that all and every stock and stocks, as well as gains and increase thereof, which shall appear to be remaining, either in money, equipment, supplies, ore, or otherwise, shall be divided amongst the said partners as their interests herein appear.

It is further understood by and between the parties hereto, that should any co-partner at any time wish to be free of this agreement, and to withdraw from said co-partnership, he may do so by stating in writing that he is no longer interested in said co-partnership, and delivering or mailing the same, or a copy thereof, to the remaining co-partner. In such event, the interest of such withdrawn co-partner shall revert to the other co-partners on a pro rata basis as their interest shall then appear. Such withdrawn partner shall no longer have any claim on any of the equipment or profits of said operation. One co-partner may sell his partnership share in this co-partnership, to another co-partner or another party, only if it is agreeable with the remaining co-partners. The co-partnership shall not in any way be responsible for the personal debts incurred by any ofthe other co-partners, unless such debts are incurred in the actual operation of said property.

IN WITNESS WHEREOF, each of said co-partners has hereunto set his hand the day and year first above written.

x Don Jenkins
James Jenkins
Clayton Jenkins

(NOTARY SEAL)
STATE OF MONTANA) SS.
COUNTY OF SILVER BOW)

On this 6 day of May, 1970 before me, Victor Burt, a Notary Public for the State of Montana, residing at Butte, Montana, personally appeared Don Jenkins, known to me to be one of the persons whose names are subscribed to the within and foregoing ARTICLES OF CO-PARTNERSHIP, and acknowledged to me that be executed the same.

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

Vic Burt
Notary Public for the State of Montana, residing at Butte, Montana.
My commission expires 8/27/71.

(NOTARY SEAL)
STATE OF MONTANA) SS.
COUNTY OF RAVALLI)

On this 5th day of ~~May~~, June 1970 before me, Shirley Thorn, a Notary Public for the State of Montana, residing at Darby, Montana, personally appeared James Jenkins and Clayton Jenkins known to me to be two of the persons whose names are subscribed to the within and foregoing ARTICLES OF CO-PARTNERSHIP, and acknowledged to me that they executed the same.

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

Shirley Thorn
Notary Public for the State of Montana, residing at Darby, Montana
My commision expires Nov. 12, 1972.

PROPERTY OF
GEOLOGICAL
LABORATORY
MATRUSH EC

OUR MOTTO: — WHAT THERE IS IN IT, NO MORE NO LESS.

EDMUND E. PHILLIPS, Vice-Pres.— Mgr. M. E. PHILLIPS, Secretary

THE COLORADO ASSAYING COMPANY

(INCORPORATED)

ASSAYERS AND CHEMISTS

303—623-2842 2244 BROADWAY

DENVER, COLORADO 80201

Dec. 17, 1969

REPORT ON DETERMINATIONS MADE FOR —

Mr. Clayton Jenkins
Sula,
Montana. 59871

SAMPLE MARKS	METALS	Amount per Ton Ozs.	Hds.	PER CENT		Value per Ton Dollars	Cents
#4	Gold		.38			15	.20
	Silver	25	.30			50	.60
#5	Gold	1	.08			43	.20
	Silver	5	.10			10	.20

GOLD AT $40. PER OUNCE SILVER AT $2. PER OUNCE

LEAD AT _____ PER UNIT COPPER AT _____ PER UNIT

THE COLORADO ASSAYING COMPANY

By Ed Phillips

Clayton Jenkins
Sula, Mont. 59871

RECEIVED
FEB 11 1971
O.I.
SPOKANE, WASH.

Field no.	Lab no.	assay Description	Oz. per ton Au	Oz. per ton Ag	% Cu	% Pb	% Zn	%	%	%	%	%	%
1		Don Jenkins	1.380	17.95	± 1°					11/17/69			
2		" "	0.580	0.90	± .5								
3		" "	0.350	0.40									
4		" "	0.870	5.90	± .2								
							Jones & Lamson						
		Charges $14.00											
							Frank Jones						
							Clayton Jenkins						
							Sula, Mont. 59871						

Clayton Jenkins
Sula, Mont. 59871

Original

RECEIVED
FEB 11 1970
O.M.E.
SPOKANE, WASH.

TO WHOM IT MAY CONCERN:

Whereas, on the 1st day of October, 1967, a lease on the Ajax Mining Claims between Howard E. Morse of Dillon, Montana, and Robert M. Potter of Chicago, Illinois, hereinafter termed the lessors and Harry Boozer of Hamilton, Montana, and Clayton Jenkins of Sula, Montana, hereinafter termed the lessees, and whereas the present lease expires on October 1st, 1972.

The Lessors hereby agree to a three year extension of the above mentioned lease from October 1st, 1972, to October 1st, 1975, subject to all of the provisions and terms of the original lease.

In witness whereof, the lessors hereby set their hands and seals, this 11th day of September, 1969.

Howard E. Morse

Howard E. Morse

Robert M. Potter

Robert M. Potter

Lessors

Clayton Jenkins
Sula, Mont. 59871

FEB 11 1970
O. M. E.
SPOKANE, WASH.

ASSIGNMENT OF LEASE

KNOW ALL MEN BY THESE PRESENTS:

That we, HARRY BOOZER and GRACE L. BOOZER, his wife, of Hamilton, Montana, hereinafter referred to as Lessee, for and in consideration of the sum of One Dollar and other valuable considerations, to them in hand paid by CLAYTON JENKINS of Sula, Montana, hereinafter referred to as Assignee, do hereby ASSIGN, TRANSFER AND SET OVER unto Assignee herein, that certain lease dated October 1, 1967, between Howard E. Morse of Dillon, Montana, and Robert M. Potter of Chicago, Illinois, as Lessors, and Harry Boozer of Hamilton, Montana, and Clayton Jenkins of Sula, Montana, as Lessees, copy of which is hereto attached and marked Exhibit "A".

Assignee herein does hereby agree to carry out and perform all the terms and conditions of said lease in all particulars and takes this assignment subject thereto.

WITNESS our hands this 27th day of January, 1970.

Harry Boozer
Grace L. Boozer
Lessees

Clayton Jenkins
Assignee

Clayton Jenkins
Sula, Mont. 59871

STATE OF MONTANA)
: ss.
County of Ravalli)

On this 27th day of January in the year nineteen hundred and seventy before me, the undersigned, a Notary Public for the State of Montana, personally appeared

HARRY BOOZER and GRACE L. BOOZER, his wife; and
CLAYTON JENKINS

known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

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

(SEAL)

Marion G. Johnson
Notary Public for the State of Montana.
Residing at Hamilton, Montana.
My commission expires July 18, 1971

STATE OF)
: ss.
County of)

On this _____ day of _____ in the year nineteen hundred and _____ before me, the undersigned, a Notary Public for the State above named, personally appeared

known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

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

_____
Notary Public for the State of
Residing at
My commission expires

Clayton Jenkins
Stevi, Mont. 59871

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/17/71	Emerick	120
	Kirkemo	
		120
8/18/71	Gair	
		220
		120
		220

AIRMAIL

AUG 1 8 1971

Mr. Don L. Jenkins
Ajax Mining Company
1221 West Porphyry #403
Butte, Montana 59701

Re: OME-6820 (Gold-Silver)
C. Jenkins, D. Jenkins, J. Jenkins
d/b/a Ajax Mining Company
Ajax Mine
Beaverhead County, Montana

Dear Mr. Jenkins:

A careful review of your application for financial assistance to explore the subject property and other information available to us indicates that the probability of disclosing significant reserves of gold and silver on your property is not sufficiently promising to justify Government participation in the proposed exploration. Accordingly, we regret to inform you that your application for assistance is denied.

We wish to thank you for your interest in the minerals exploration program and for bringing your property to our attention.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

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

WLEmerick/gla 8-17-71

United States Department of the Interior

GEOLOGICAL SURVEY
656 U. S. Court House
Spokane, Wash., 99201

August 17, 1971

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 20 1971
INITIALS | CODE
Cac | 120 MN
~~130~~
HK ~~120~~
220

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Assay data
OME-6820 (Gold-Silver)
C. Jenkins, D. Jenkins, and J. Jenkins
d/b/a Ajax Mining Company
Ajax Mine
Beaverhead County, Montana

The following assay results were received after I submitted my field examination report.

Sample No.	Gold Oz/ton	Silver oz/ton	Lead %
901C	0.22	13.7	50.1
902C	0.26	2.35	

Sample 901C was of selected ore that came from the stope wall between adit No. 1 and No. 2. It was composed of galena and oxidized lead minerals. Probably representative of the highest grade ore in the mine.

Sample 902C was of oxidized vein material on the dump of Adit No. 1. It was collected to determine whether the oxidized material might be rich in gold.

I did not cut samples across the exposed vein in any place--outside the mined areas there was no visible sulfides in the vein. The above assay results will not change my recommendation that the application be denied.

Willard P. Puffett
Willard P. Puffett

cc: Director

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/17/71	Emerick	120
8/17/71	Kirkemo	
		120
		220

August 17, 1971

Memorandum

To: The File

From: W. L. Emerick
Office of Minerals Exploration

Subject: OME-6820 (Gold-Silver)
C. Jenkins, D. Jenkins, J. Jenkins
d/b/a Ajax Mining Company
Ajax Mine
Beaverhead County, Montana

Justification for Denial of Application

The Applicant submitted an application, dated August 10, 1970, proposing the opening and timbering of an adit, core drilling, drifting, and some bulldozer work and new buildings at an estimated cost of $27,000. On September 18, 1970, the Applicant submitted a modified program of exploration consisting of bulldozer work, long-hole drilling, and drifting at an estimated cost of $21,600.

As a result of a field examination, the Field Officer, Region I, recommended denial of the application because (1) none of the Applicant's proposals have merit, (2) adequate maps of the property are lacking, (3) exploration plans are not specific, (4) much of the proposed work would be preparing access roads and transporting equipment to the property, and (5) drilling sites on the surface were not specified and no satisfactory drilling sites underground could be determined. Further, it was pointed out that the lack of adequate roads to the property, the steep topography, and the short working season at the altitude of the property would seriously discourage mining. Considerable mapping and further study of the property is needed by the Applicant in order to develop a feasible exploration program. The probability that an exploration program on the property would disclose significant reserves of gold and silver is not promising enough to justify Government participation in the exploration program proposed.

I concur with the Field Officer that the application be denied.

W L Emerick

W. L. Emerick

cc: Director's Reading File
Mineral Resources
OME docket

OME ReadingFile
Mr. Kirkemo
WLEmerick/gla 8-17-71

United States Department of the Interior

GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

July 30, 1971

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O. M. E.
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AUG 2 1971
INITIALS | CODE
120
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130

Memorandum

To : Chief, Office of Minerals Exploration

From : Field Officer, Region I

Subject: Field Examination OME-6820
C. Jenkins, D. Jenkins, and J. Jenkins
d/b/a Ajax Mining Company
Ajax Mine
Beaverhead County, Montana

INTRODUCTION

The Jenkins family has requested OME assistance to explore the vein at the Ajax mine, about 30 miles southwest of Wisdom, Montana, for gold and silver ore. Ore formerly was produced from the vein in the early part of the present century; the property has been idle for many years.

I examined the mine on Sunday, July 25, 1971, in company with Don Jenkins, who drove me to near the property in his vehicle, and then we walked the remaining mile up steep slopes and across snow fields to the old mine openings. We made a tape and brunton survey of the underground workings and I collected two samples for assay. The examination required about 9 hours, including the travel to and from Wisdom, Montana.

RECOMMENDATION

The application should be denied. None of the applicant's proposals have merit and suffer from lack of adequate maps. Perhaps, if he maps and further studies the property, the applicant might formulate a feasible exploration project. The Ajax vein has contained some fair ore and more exploration may discover an additional modest tonnage. Lack of adequate roads, steep topography and short working season could discourage mining.

APPLICANT

Ajax Mining Company
Lost Trail Camp
Sula, Montana 59871

ON SITE FLD. REPORT

A partnership composed of the following individuals:

Clayton Jenkins, Lost Trail Camp, Sula, Montana 59871
James Jenkins, Darby, Montana 59829
Don L. Jenkins, 1221 W. Porphyry #403, Butte, Montana 59701

PROPERTY

The property consists of four patented claims in T. 6 S., R. 17 W. (unsurveyed) Beaverhead County, Montana, as follows:

Claim Name	Survey No.
Ajax Lode	6766
Ajax Extension	7130
Edna and Edith	7131
Hattie and Erma	7132

A claim map is in the application.

LOCATION AND ACCESSIBILITY

The applicant's property includes much of a cirque southeast of Ajax Lake near the head of Big Swamp Creek, a tributary of Big Hole River. Altitudes range from 8,600 to 9,200 feet (see Dillon, Montana, Idaho 2-degree sheet). The mine openings are on the southeast wall of the cirque and can be reached by a foot trail. A jeep trail leads to an old ore bin on the flats in the bottom of the cirque, some 300 to 500 feet lower than the lowest mine working.

If the snow has melted, it is possible to drive a 4-wheel drive jeep to the old ore bin. On the day of the examination, snow blocked the jeep trail about a mile from the ore bin. To reach the property by road it is best to inquire locally for there are many logging roads and trails and one could easily follow the wrong one. From Wisdom, Montana, one travels on the County Road south for 7 miles to the Twin Lakes turn off. The road to the mine is not well marked beyond this junction.

DEVELOPMENT

The vein, generally well exposed in the cirque walls, has been explored by four adits, two of which are now inaccessible (Figure 1 - Plan, Location, and index maps, Ajax Mine, T. 6 S., R. 17 W. [unsurveyed] Beaverhead County, Montana). There has been extensive stoping in and above the two highest adits. No. 3 adit, 434 feet long and 165 feet downdip from No. 2 adit, apparently did not intersect ore for there are only two small underhand stopes and one small overhead stope off the adit. The No. 4 adit, whose portal is covered beneath talus and snow, reportedly was the site of some stoping. The four adits have explored the vein along a slope distance of more than 800 feet.

The stoped areas in and above the No. 1 and No. 2 adits contain much sloughed rock and are not safe for examination. Adit No. 3 is untimbered and contains little sloughed rock. Track and ventilation pipe are in the No. 3 adit. Water fills the underhand stopes off the No. 3 adit, but the stopes in the No. 1 and No. 2 adit are dry.

GEOLOGY

The Ajax Mine was developed on a quartz vein striking ENE and dipping 30-40° S. that cuts ripple-marked and crossbedded gray quartzite striking NNE and dipping 40°E. The quartzite presumably is part of the Ravalli Quartzite of Precambrian age.

The mine area is a deeply eroded cirque on the east side of the crest that marks the Idaho-Montana boundary. Total relief is 2,000-3,000 feet. Bedrock is magnificently exposed along the steep slopes but snow and talus cover much of the flat areas and lower slopes. Timberline is at about 8,000 feet, several hundred feet lower than the mine.

Quartzite forms most of the bedrock but there are streaks of dark, amphibolitic material, and a few metamorphosed mafic dikes. Dark gray streaks in the quartzite are probably of magnetite, and these commonly mark cross laminae. Epidote, some in large crystals, is a conspicuous alteration product on quartzite blocks in the talus; however, epidote was not conspicuous in bedrock near the vein.

The Ajax vein strikes about N. 70°E. and dips 40°S. and can be traced in outcrops for several hundred feet along the cirque wall. Most commonly it is rusty with iron-stain but in a few exposures the quartz is white and barren looking. Some exposures are of white, barren quartz, overlain by rusty, mineralized quartz. The vein splits near the No. 1 adit portal and more than one vein was mined in the stopes above the No. 1 and No. 2 adit.

The vein makes a sharp contact with the quartzite on the outcrop but is underlain by 5-6 inches of soft gouge in the stope above No. 2 stope (figure 1). Slivers of country rock and some white mica occur in the vein between the No. 3 and No. 4 adits.

The vein has been partially oxidized above the No. 2 adit. Primary ore minerals include mainly galena with minor chalcopyrite. Oxidation products of these minerals are plentiful. Mr. Don Jenkins reports that plattnerite, lead dioxide, was identified in the stope above the No. 2 adit. Mr. Jenkins showed me specimens containing free gold that he had collected from the dump near the No. 1 adit portal.

The vein ranges from 2 to 10 feet thick and appears to be strong and continuous, although obscured in a few places by talus on the outcrop. Ore minerals are not conspicuous in outcrop below the No. 2 adit. The No. 3 adit obviously followed the vein for several hundred feet, but at the face the rock is streaked amphibolitic material with stringers of quartz that dip in opposite direction to the general dip of the vein.

Time did not permit geologic mapping in Adit No. 3, but I hope that Mr. Jenkins will do this now that we have made a rough map of the adit. Don Jenkins recently graduated from the Montana School of Mines with a degree in Mining Engineering.

The applicant reports that samples of the vein in the stopes and in the No. 1 adit assayed from 0.350 to 1.380 ounces gold per ton, and 0.40 to 17.95 ounces silver per ton (see application). He did not report the thickness of the vein where sampled or if the samples represented full vein thickness.

I collected two samples: one of oxidized material from the dump near the No. 1 adit portal and one of galena-rich vein material from the stope a few feet above the No. 2 level. Assay data will be forwarded when received.

APPLICANT'S PROPOSAL

The applicant originally proposed constructing 2 miles of road to the mine, core-drilling 2,000 feet, and drifting 600 feet. He later modified his proposal to include an extensive sampling program, a minor amount of drilling from within the existing workings, and an access road. Total cost of the latter proposal was estimated at $25,000. Another proposal, dated August 10, 1970, was for opening and timbering Adit No. 2, core drilling 940 feet, drifting 180 feet, and some bulldozer work and new buildings. Total cost of this proposal was estimated to be $27,000.

APPRAISAL OF PROPOSAL

The applicant did not have a good map of the mine workings and could not adequately portray the objective of his planned exploration efforts. A large proportion of the costs would be in preparing an access road and transporting equipment to the property. The sites from which drilling could be done were not specified--the steepness of the slopes and the relatively flat dip of the vein creates problems in obtaining satisfactory hole intersections. There is no satisfactory site for exploration drill holes from the accessible adits.

After the examination and the preparation of the map made from the brunton and tape survey, Don Jenkins admitted that he could not be sure just how to adequately explore the vein further. I suggested that he might want to reopen the No. 4 adit to determine the character of the vein and extent of stoping. If circumstances permitted, maybe a new adit downdip from the No. 4 adit would be feasible. I did caution him that OME would not participate in the cost of reopening the No. 4 adit.

CONCLUSION

The applicant has not formulated a feasible project to explore the Ajax vein. He has yet to prepare adequate maps of the mine. The tape and brunton survey map we made during the examination will give him a start in his mapping. Perhaps he will add necessary details to this map.

At present there is no reason to recommend OME participation in any of the applicant's proposals. With further study, the property might merit an exploration project.

Willard P Puffett

Willard P. Puffett

Enclosure: Figure 1 - Plan, Location and Index Maps, Ajax Mine, T. 6 S., R. 17 W. (Unsurveyed) Beaverhead County, Montana.

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

June 24, 1971

Mr. Don L. Jenkins
Ajax Mining Company
1221 W. Porphyry #403
Butte, Montana 59701

Cal 1 20 mo
1 20
HK ~~120~~

Re: OME-6820 (Gold-Silver)
Ajax Mine
Beaverhead County, Mont.

Dear Mr. Jenkins:

Thank you for your recent letter letting me know about the snow conditions at your mine. I now plan to be in Dillon, Mont., on or about July 7-9, 1971. During this time, I want to visit the Ajax mine.

Will you please let me know where I can contact you by telephone? When my plans can be more definite, I will call you and let you know where I'll be staying in Dillon and we can discuss arrangements for the mine examination.

Sincerely yours,

Willard P. Puffett
Field Officer, Region I

cc: OME
Director

OME-6820 (Gold & Silver)
BEAVERHEAD COUNTY, Montana

OFFICIAL
COPY
O. M. E.
RECEIVED
JUN 21 1971

INITIALS	CODE
Cel	207
	~~120~~
HK	~~120~~

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO: ~~Chief~~ Chief, OME

1. Re: OME-6820 (Gold-Silver)

2. Ajax Mining Company

3. Ajax Mine

Beaverhead County, Montana

4.

5. Willard P. Puffett

FROM: Field Officer, Region I

	DATE	INITIALS
O. M. E.		
RECEIVED		
MAR 1 1971		
MINERALS CODE		
	2/25/71	WPP

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: Attached is letter from applicant with remarks concerning future field examination of Ajax mine. Request regarding original of lease was discussed with you via telephone- agreed that you will return copy marked original of lease to the applicant.

Lease returned 2/25/71 WPP

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

RECEIVED
FEB 25 1971
O.M.E.
SPOKANE, WASH.

1221 West Porphyry #403
Butte, Montana 59701
February 19, 1971

Mr. Willard P. Puffett
Field Officer, O.M.E.
Spokane, Washington 99201

Dear Mr. Puffett:

In reply to your latest letter we of course are looking forward to your visiting the Ajax early this summer. We will keep in touch and let you know as to an approximate date on which the mine can be visited without fighting mud and snow. We hope to move our bulldozer into the area sometime in May so that we can begin improving the road which leads into the mine. If all should go well we hope to considerably improve the accessibility below the mine.

I would like to mention a few other pertinent items at this time. In your letter you wanted to know the dimensions of the vein. I would like to request that you check your records to see if this is not mentioned, for if it is not mentioned in your records then apparently some material has been misplaced or perhaps lost in the mail. I have mentioned this in material previously sent to you, and for this reason alone I am concerned with the possibility that you do not have all the information that has been sent to you. I hope that if there are any questions whatsoever you will feel free to contact us, for it is our intention that all the facts be made available to you. Judging from the existing workings and underground exposure of the vein,the vein varies from 50 to 150 feet wide and from 8 to 20 feet thick. The surface exposure is about 8 feet thick, but it increases as one moves inward into the mountain.

We are planning to clean as much of the underground workings as possible and take additional channel samples early this summer. Also I am planning to map the underground geology, perhaps with some help given by the Montana Bureau of Mines and Geology, early this summer, and of course this information will be made available to you.

I should mention one other item before I close. This pertains to the original copy of the lease agreement. You mentioned it was sent to Clayton Jenkins some time ago; however, it has not been received as yet. I know you must be very busy but perhaps you could check into this for me. Actually all other documents sent to your office are not of much concern to us, but the original copy of the lease agreement is somewhat more valuable to us. Thank you for your time.

Respectfully yours,

Don Jenkins

Don Jenkins

Ajax Mining Co.

RECEIVED
FEB 25 1971
SPOKANE WASH.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/25/71		120
	Emerick	120
		130
2/25	cc	220
		120M

FEB 25 1971

Mr. Clayton Jenkins
Ajax Mining Company
Lost Trail Camp
Sula, Montana 59871

Re: OME-6820 (Gold-Silver)
C. Jenkins, D. Jenkins, and J. Jenkins
d/b/a Ajax Mining Company
Ajax Mine
Beaverhead County, Montana

Dear Mr. Jenkins:

Enclosed is the copy of your lease marked original which you requested Willard P. Puffett, Field Officer, Region I, to return to you.

Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Mineral Resources File
OME Docket
OME ReadingFile
OME Region I
Mr. Emerick

WLEmerick/bsl 2/25/71

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

ORIGINAL
COPY
O. M. E.
RECEIVED
JAN 26 1971
INITIALS | CODE
130
Ccl 120
HK 120
W2 120

January 22, 1971

Mr. Clayton Jenkins
Ajax Mining Company
Lost Trail Camp
Sula, Montana 59871

Re: OME-6820 (Gold-Silver)
C. Jenkins, D. Jenkins, and J. Jenkins
d/b/a/ Ajax Mining Company
Ajax Mine
Beaverhead County, Montana

Dear Mr. Jenkins:

I want to arrange for an examination of the Ajax mine at the earliest date that the weather will permit. I assume that the examination cannot be made before mid-June.

Enclosed are your map showing the proposed exploration and the blue line copy of the Homer Youngs Peak 7-1/2 minute quadrangle. A copy of the lease agreement was returned to you last year.

In the meantime, before the examination, I'd appreciate receiving any more information that you might learn about the vein at the Ajax mine. For example, your application does not give the vein thickness.

Sincerely,

Willard P. Puffett
Field Officer, Region I

Enclosures

cc: OME

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/18/71	Emerick	120
		120
1/18	cc	220
		120M

JAN 18 1971

AIRMAIL

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6820 (Gold-Silver)
C. Jenkins, D. Jenkins, and J. Jenkins
d/b/a Ajax Mining Company
Ajax Mine
Beaverhead County, Montana

The subject application is referred to you for further study, a field examination if warranted, and recommendations.

It appears we have gotten as much information as we can from the applicant in the combined material accompanying the original and two modified applications that have been submitted.

We are enclosing a copy of the latest modified application dated September 18, 1970, two pages of handwritten data accompanying the application, copies of new bank letters, and one map which applicant indicates should be returned. We have a duplicate of this map.

Harold Kirkemo (gla)

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Emerick
130

WLEmerick/bsl 1/18/71

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/18/71	Emerick	120
		120
		220
		120M

JAN 18 1971

AIRMAIL

Mr. Clayton Jenkins
Ajax Mining Company
Lost Trail Camp
Sula, Montana 59871

Re: OME-6820 (Gold-Silver)
C. Jenkins, D. Jenkins, and J. Jenkins
d/b/a Ajax Mining Company
Ajax Mine
Beaverhead County, Montana

Dear Mr. Jenkins:

This will acknowledge receipt of your modified application, dated September 18, 1970, for financial assistance in exploring the subject property.

We are now referring the application for further consideration to Mr. Willard P. Puffett, Field Officer, Region I, Office of Minerals Exploration, U. S. Geological Survey, 656 U. S. Court House, W. 920 Riverside Avenue, Spokane, Washington 99201.

Mr. Puffett will notify you if additional information concerning the application is needed and possibly to make arrangements for an on-site examination of the property. Nothing in this letter should be construed as a committment by the Government to grant an exploration contract.

Sincerely yours,

Harold Kirkemo gla

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region I
Mr. Emerick

WLEmerick/bsl 1/18/71

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/1/70		120
	Emerick	120E
12/2	Carr	220
		120M

DEC 1 1970

AIRMAIL

Mr. Clayton Jenkins
Ajax Mining Company
Lost Trail Camp
Sula, Montana 59871

Re: OME-6820 (Gold-Silver)
C. Jenkins, D. Jenkins, and J. Jenkins
d/b/a Ajax Mining Company
Ajax Mine
Beaverhead County, Montana

Dear Mr. Jenkins:

Thank you for your letter of November 24, 1970, advising that you have delayed submitting information necessary to complete your application because work at the Ajax property could not be undertaken before May 1971.

Please note in our letter to you of June 23, 1970, that we mentioned a number of items should be furnished to complete the application. Some of these may require some time to prepare, and without them we cannot resume processing the application. We suggest that you not delay in submitting the material because other applications completed and under consideration have first priority on our limited funds.

Contracts prepared for approved applications specify that work shall begin on or before a certain date. If a project area is inaccessible during winter, the date for start of work can be set for sometime in the spring.

Submittal of the information mentioned to you in June should not be construed as a commitment that a contract will be granted.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region I w/cy
incoming letter
Mr. Kirkemo

HKirkemo/gla 12-1-70

Ajax Mining Company
Sula, Mont. 59871
Nov 24, 1970

Mr. Harold Kirkemo
Office of Minerals Exploration
Dear Mr. Kirkemo

Received your letter of Nov. 6, 1970 in regard to OME-6820

It will be sometime in May 1971 before we can do anything at the Ajax property so have not been in any hurry to get the additional information you ask for.

I still want to get the loan to go ahead and do exploration work.

Sincerely yours.
Clayton Jenkins

OFFICIAL
COPY
O. M. E.
RECEIVED
NOV 30 1970
INITIALS | CODE
~~A 30~~
Wal A 20 m
A 20
A 20

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/6/70	Emerick	120E
		120
11/6	cal	220
		120M

AIRMAIL

NOV 6 1970

Mr. Clayton Jenkins
Ajax Mining Company
Lost Trail Camp
Sula, Montana 59871

Re: OME-6820 (Gold-Silver)
C. Jenkins, D. Jenkins, and J. Jenkins,
d/b/a Ajax Mining Company
Ajax Mine
Beaverhead County, Montana

Dear Mr. Jenkins:

On August 19, 1970, we requested additional information which is necessary for the processing of your application.

If you need additional time to prepare this information, please let us know. If we do not receive a reply from you within thirty days from the date of this letter, we must assume that you are no longer interested in proceeding with your application and we shall consider it as having been withdrawn.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region I
Mr. Emerick

WLEmerick/gla 11-6-70

MGE Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/19/70	Emerick	120
9-19	Cae	220
		120M

AUG 19 1970

AIRMAIL

Mr. Clayton Jenkins
Ajax Mining Company
Lost Trail Camp
Sula, Montana 59871

Re: OME-6820 (Gold-Silver)
C. Jenkins, D. Jenkins, and J. Jenkins,
d/b/a Ajax Mining Company
Ajax Mine
Beaverhead County, Montana

Dear Mr. Jenkins:

This is in reply to your letter of August 10, 1970, submitting an amended application for financial assistance to explore the Ajax Mine at a total estimated cost of $25,000.

We have reviewed the amended application and proposal, as well as applicable information submitted previously, and find that the following additional information is required to complete the application.

1. New bank letters will be needed because the ones submitted with your original application are for a loan of $125,000. Government participation in the total estimated cost of your amended application is considerably less than this amount.

2. It is not clear how you propose to furnish your share of the cost of exploration.

3. A map is needed showing the number, location, direction, and proposed depth of drill holes from the surface. What is the specific target of the drill holes?

4. A revised map is needed showing the location, extent, and purpose of the proposed adit work. Is this work to be an extension of Adit No. 2 or entirely new work?

Owing to the curtailed circumstances of the OME program during fiscal year 1971, OME funds will be limited to the exploration of specific geologic targets and it is not likely that the work involved in opening and timbering Adit No. 2 and in erecting a new building would be favorably considered.

We shall be pleased to continue processing your application upon receipt of the requested information. Nothing in this letter should be construed as a commitment by the Government to grant an exploration contract.

Sincerely yours,

William L. Emerick

William L. Emerick
Assistant Chief
Office of Minerals Exploration

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region I w/cy of incoming ltr.
Mr. Emerick

WLEmerick/bsl 8/19/70

Aug 10, 1970
Sells, Ariz.

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 18 1970
INITIAL CODE
1120
6a 1120
W 1120

William L. Emerich
O. M. E. RE: 6820 (Gold & Silver)
Washington D.C. 20242

your letter of July 22, 1970 received and will send new application forms.

Copy to R-1 w/ appl forms

Just returned from a jaunt and am writing this letter at a old cabin 3/4 of a mile from the old workings. The adits are caved in except the one at highest elevation and are to dangerous to do much investigating. I would like to open No. 2 adit or drive an new adit at a lower elevation to discover ore and also do some core drilling. It would be necessary to build a couple of small buildings to use in connections with the above mentioned operation. I feel that it would be a good idea to do some geochemical checking also. Some cat work would have to be done to set up for core drilling.

Please let me know if above proposal qualify's for assistance.

Sincerely Yours.
Clayton Jenkins

Aug 10 1970

William S. Emerick
O.M.E.
Washington D.C. 20242
Dear Sir
The following will be an estimated cost of proposed work at NJA X property.

open and timber Addit No. 2	$5,000.00 NG.
940 ft Core Drilling	$8,500.00 ✓
180 ft New addit at $55.00 per ft	9,900.00 ✓
Cat work (16 hr. at $25.00 per Hr.)	400.00
Buildings	3,200.00 NG
	$27,000.00 total

RE O.M.E. 1820

Sincerely
Clayton Jenkins

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/22/70	Emerick	120
7/22	Cole	220
		120M

AIRMAIL

Mr. Clayton Jenkins
Ajax Mining Company
Lost Trail Camp
Sula, Montana 59871

JUL 22 1970

Re: OME-6820 (Gold-Silver)
C. Jenkins, D. Jenkins, and J. Jenkins,
d/b/a Ajax Mining Company
Ajax Mine
Beaverhead County, Montana

Dear Mr. Jenkins:

We have reviewed your amended application for financial assistance to explore the Ajax mine at a total estimated cost of $25,000.

The amended application proposes:

(1) an extensive sampling program;
(2) a minor amount of drilling from within existing workings to outline the ore body; and
(3) an access road.

None of these proposals as outlined qualifies for assistance under the OME program. The OME program is limited to the exploration of specific geologic targets in specific areas, and excludes participation in work required to reach or delineate these targets and to obtain the necessary supporting evidence. Such information must be obtained by the Applicant at his own expense prior to the submittal of an application.

As the proposals do not qualify for assistance under the OME program, we can deny the application, suggest that you consider withdrawing the application, or allow you an opportunity to submit another amended application. In the event you can submit a proposal which would qualify for consideration we will hold the application for 30 days from the date of this letter. A new set of application form is enclosed. If we do not hear from you within 30 days we will place your application in our inactive files and consider it as withdrawn.

Sincerely yours,

William L. Emerick

William L. Emerick
Assistant Chief
Office of Minerals Exploration

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Region I
OME Reading File
Mr. Emerick

WLEmerick/bsl 7/22/70

Enclosures

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/23/70		120
	Emerick	120E
6/23	CC	220
		120M

AIRMAIL

Mr. Clayton Jenkins
Ajax Mining Company
Lost Trail Camp
Sula, Montana 59871

JUN 23 1970

Re: OME-6820 (Gold-Silver)
C. Jenkins, D. Jenkins, and J. Jenkins,
d/b/a Ajax Mining Company
Ajax Mine
Beaverhead County, Montana

Dear Mr. Jenkins:

This is in response to your application for financial assistance to explore the Ajax mine.

Budget constraints on the OME program have limited our contracting activities in the fiscal year ending June 30, 1970, and funds are expected to be limited also in the next fiscal year. This situation precludes at this time considering a contract large enough to support your proposal for work estimated to cost $125,000. Perhaps a more modest program is possible. We note from the preliminary review of your application that several items entailing considerable expense are ineligible for assistance under the program. The following comments relate to the incomplete portions of your application and possible revision of material already submitted. A set of the application form is enclosed in the event you wish to submit an amended application.

Item 1(c) You state that you would furnish your share of the cost of the exploration work by labor, use of equipment owned by the Applicant, and some cash. Our experience has been that depreciation on operator-owned equipment will not normally cover an operator's share of the costs. Under an OME contract, depreciation on an operator's equipment is an allowable cost to the extent of 1/60th of the fair market value or the book value, whichever is less, for each month actually used on the project. As your share of the costs of the work would be not less than 25 percent of the total costs, we would need to be assured that you have sufficient cash in addition to the allowance for depreciation on your equipment to meet your share of a contract.

Item 2(c) We are returning the Lien and Subordination Agreements (MME Form 52) executed by Messrs. Moore and Potter as the proposed exploration contract would be between the Government and C. Jenkins, D. Jenkins, and J. Jenkins, d/b/a Ajax Mining Company. This entry should replace "Clayton Boone Jenkins" on the sixth line to be

completed on the front of the form. Further, on the back of the form, item 6 should be completed and the date of signature shown. Each of the five copies of the form should be completed, dated, and signed.

Item 3(f) The widths of samples for which assays were submitted should be reported. The assays of a few scattered samples are not truly representative of the material in the target vein. Is it possible to sample across the width of the vein in the accessible workings or on the outcrop?

Item 5(a) The location, bearing, inclination, and depth of each proposed drill hole should be listed and posted on a map.

5(b) The cost of building two miles of access road and purchasing equipment would far exceed the share of total expenses usually allowed for these items on OME contracts. Because OME funding is limited, assistance loans are held rigorously to clearcut exploration of specific targets and to items which are essential to conduct such work. The jeep road to the property should suffice for a modest exploration program. Access roads to individual drill sites are essential to a project and are an allowable item under a contract. The location, length, and type of access roads to drill sites should be stated and shown.

Item 7(a) Cost estimates for any work to be performed by an independent contractor should be supported by bids from three contractors if possible.

In view of the exclusion of noneligible cost items from your original application, perhaps you would consider reducing the total estimated cost of the project.

Submittal of the information necessary to complete your application and to revise the original cost estimate should not be construed as a commitment that a contract will be granted.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Mineral Resources
OME docket

OME Reading File
OME Region I
Mr. Kirkemo

HKirkemo/gla 6-23-70

June 11, 1970

Ajax Mining Company
Lost Trail Camp
Sula, Montana 59871

Subject: OME-6820

Gentlemen:

Your application for exploration assistance, dated January 3, 1970, submitted to our office at Spokane, Washington, has been assigned Docket No. OME-6820.

Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to Region I

OFFICIAL
COPY
O. M. E.
RECEIVED
FEB 16 1970
INITIALS | CODE
HK 1 20
220

Office of Minerals Exploration
656 U. S. Court House
W. 920 Riverside Avenue
Spokane, Wash. 99201

February 12, 1970

Mr. Clayton B. Jenkins
Lost Trail Camp
Sula, Montana 59871

Re: OME application (Gold-Silver)
Ajax Mine
Beaverhead County, Montana

Dear Mr. Jenkins:

I will need some more information from you before I can send your recent application to our Washington, D. C., office. A copy of OME form 40 is enclosed for your guidance in responding to this letter.

True copies of your letters to the banks are required. These letters should include the amount requested, the use to which the funds will be put, your proposed method of repayment, and nature of collateral to secure the loan.

The lease and assignment indicate that you are the lessee. The application states that the applicant is a partnership composed of three individuals. Is there a formal arrangement between you and the other members of the partnership regarding control of the land? If so, submit copies. Also, as the land is leased, it is necessary that you have the enclosed Lien and Subordination agreements completed and signed by the owners of the claims.

We would very much like to have geological maps of the underground workings and locations of any samples that you have assayed. As Mr. Don Jenkins will soon be a graduate Mining Geologist, he should be able to prepare such maps. I understand however that the property is probably snow covered now and preparation of maps might be delayed. We have a report in U. S. Geological Survey Bulletin 574 that states the Ajax mine was operating in 1910 and 1911 and was equipped with a 10-stamp mill and concentrator. If you have additional information regarding the past operations, please forward it.

All information in the application should be submitted in duplicate. We can duplicate the information that you have submitted in single copy; however, please submit duplicate copies of the additional data requested in this letter.

Sincerely,

Enclosures
cc: OME

Willard P. Puffett
Field Officer, OME
Region I

U.S. GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OME-6820 (GOLD-SILVER)

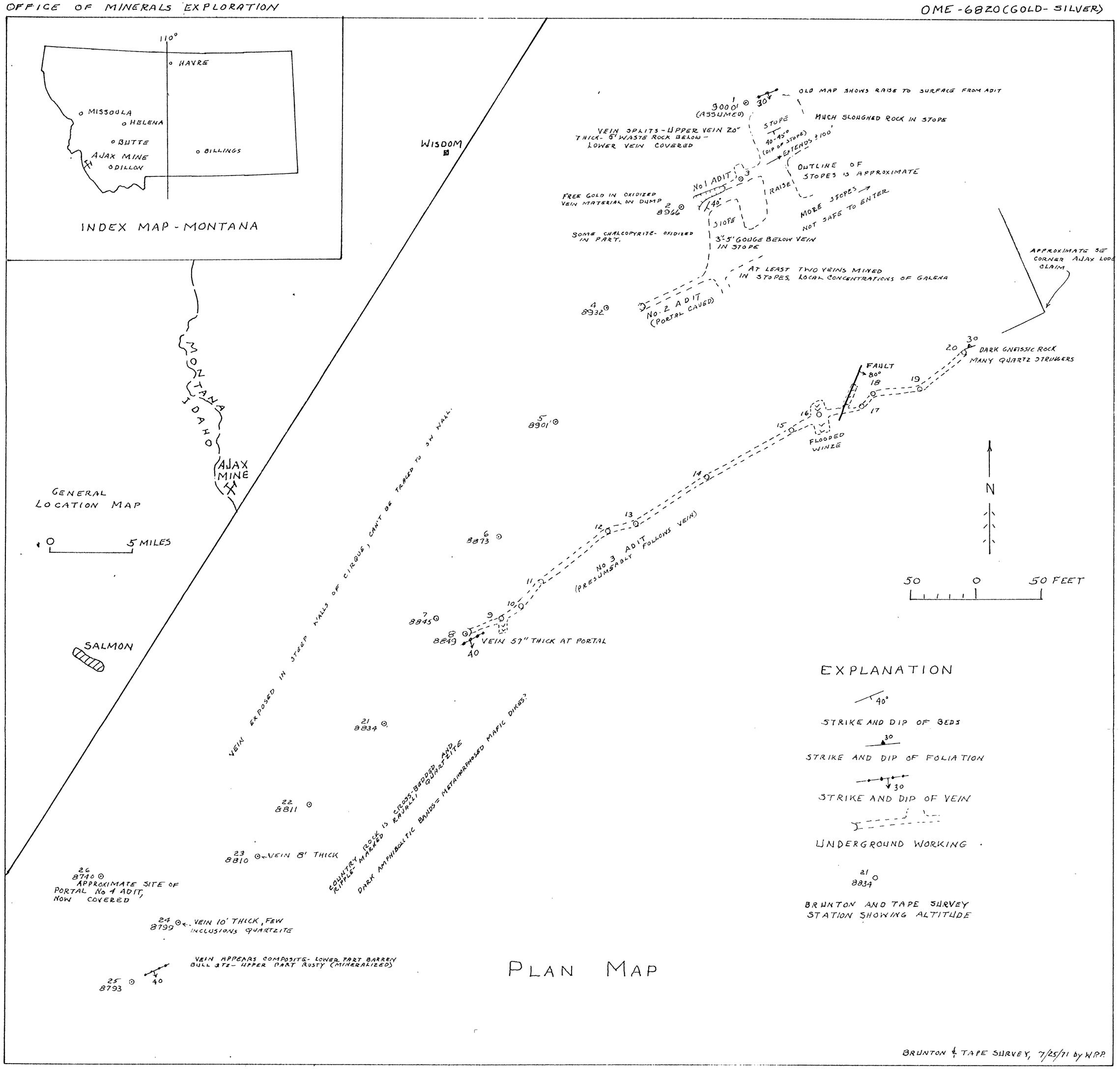
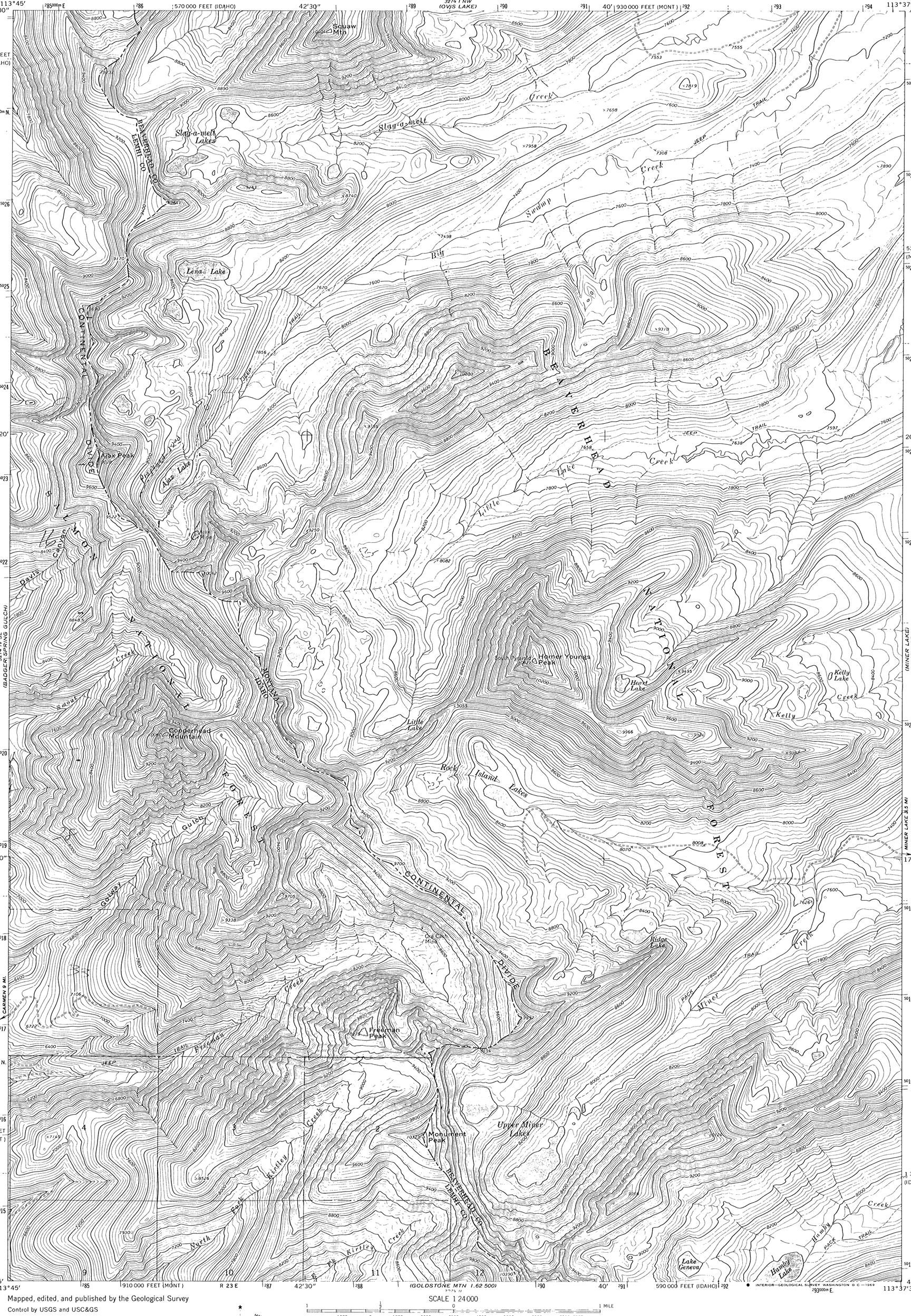


FIGURE 1 - PLAN, LOCATION AND INDEX MAPS, AJAX MINE, T.6S, R.17W. (UNSURVEYED)
BEAVERHEAD COUNTY, MONTANA

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

ADVANCE PROOF
SUBJECT TO CORRECTION
SCALE 1:24 000
F

HOMER YOUNGS PEAK QUADRANGLE
MONTANA–IDAHO
7.5 MINUTE SERIES (TOPOGRAPHIC)



Mapped, edited, and published by the Geological Survey

Control by USGS and USC&GS

Topography by photogrammetric methods from aerial photographs taken 1965. Field checked 1966

Polyconic projection. 1927 North American datum
10,000-foot grids based on Montana coordinate system, south zone and Idaho coordinate system, central zone
1000-meter Universal Transverse Mercator grid ticks, zone 12, shown in blue

Where omitted, land lines have not been established

UTM GRID AND 1966 MAGNETIC NORTH DECLINATION AT CENTER OF SHEET

SCALE 1:24 000

CONTOUR INTERVAL 40 FEET
DATUM IS MEAN SEA LEVEL

THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
FOR SALE BY U. S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225, OR WASHINGTON, D. C. 20242
A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

MONTANA
QUADRANGLE LOCATION

ROAD CLASSIFICATION
Unimproved dirt

HOMER YOUNGS PEAK, MONT.–IDAHO
N4515–W11337.5/7.5
1966
AMS 3274 I SW–SERIES V894

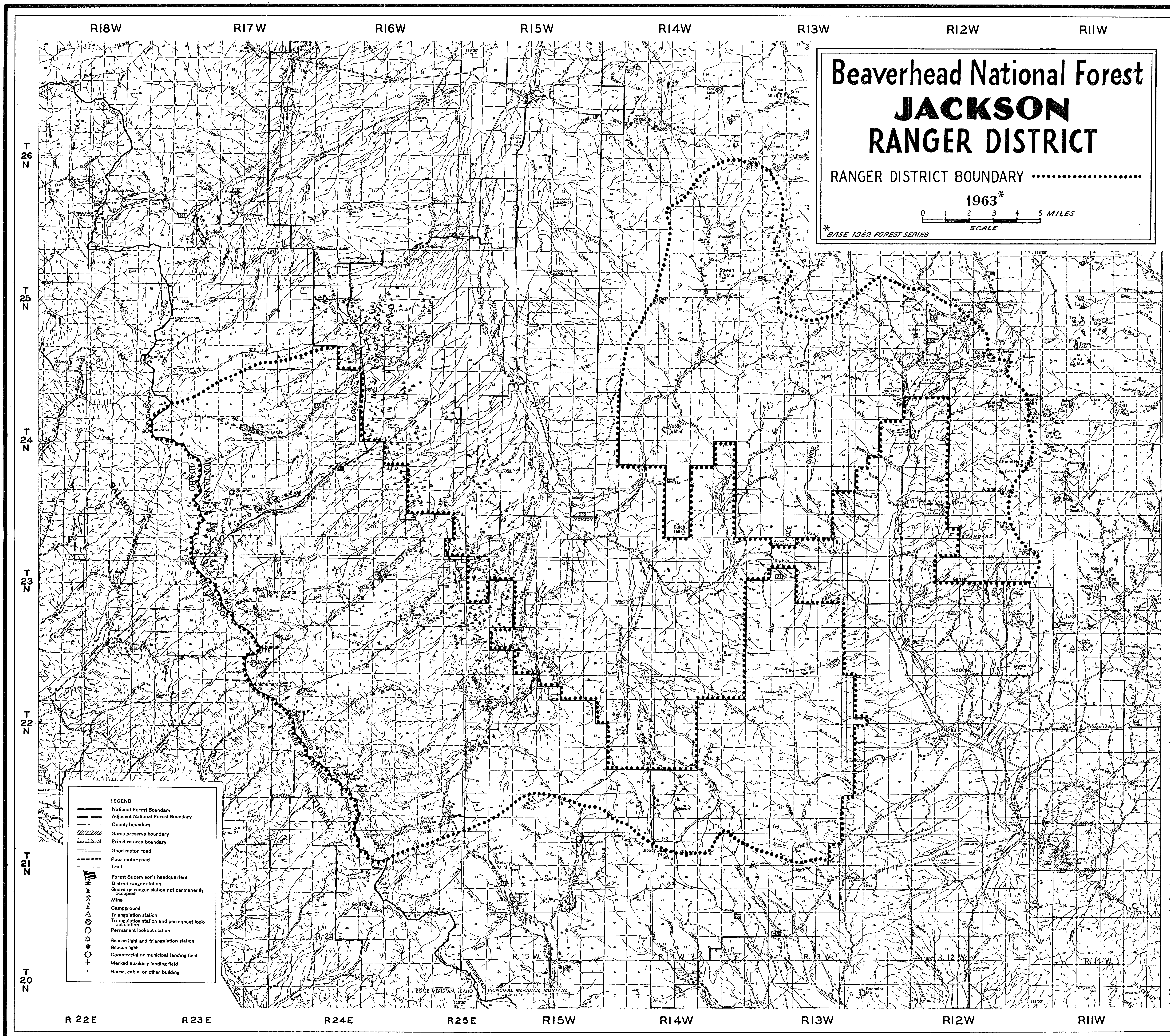
formerly
Ajax Peak SW, Mont.-Idaho
FM
Eileen
A-1
(D)
BGN (Pending)
FM

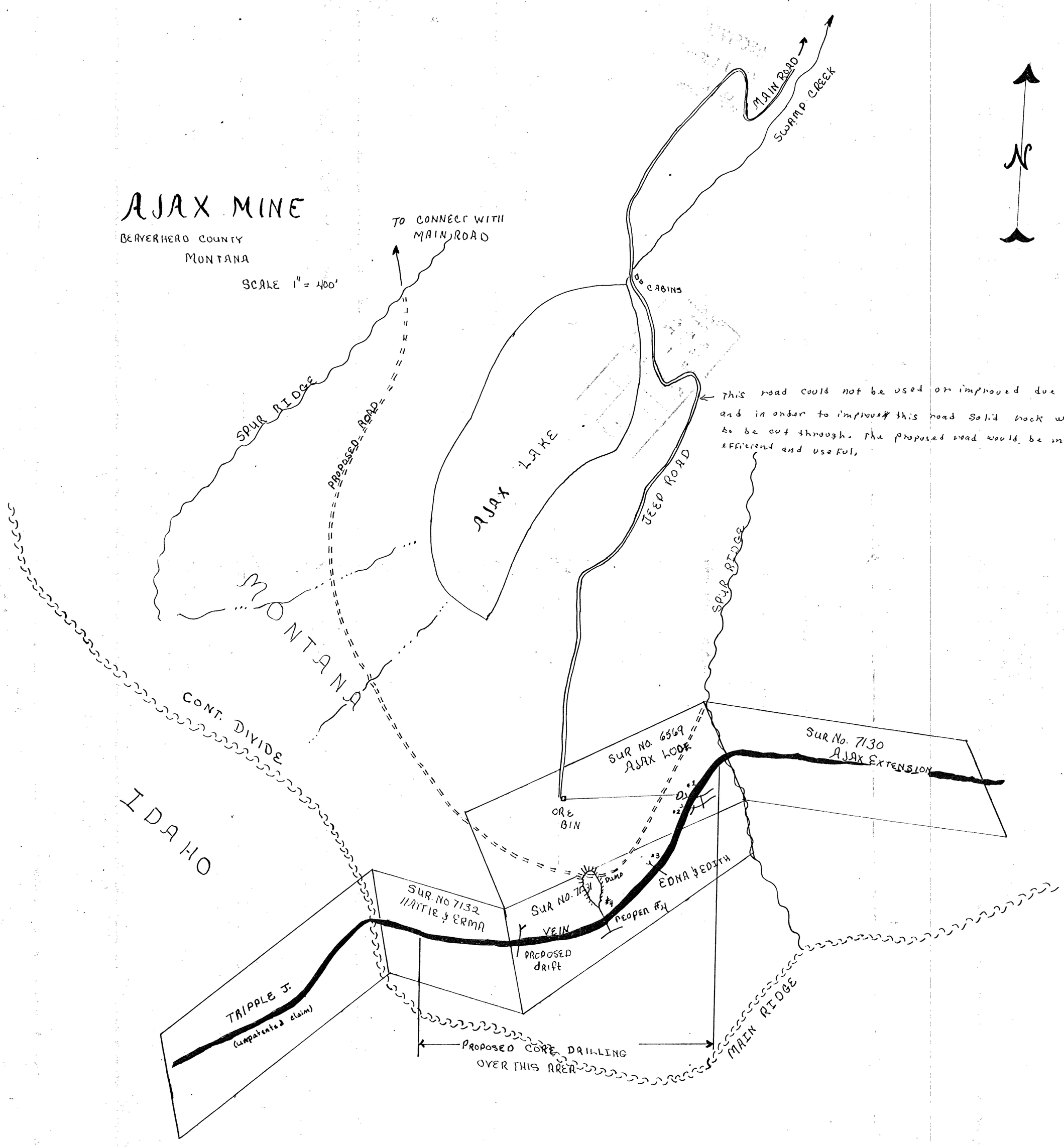
NOTE

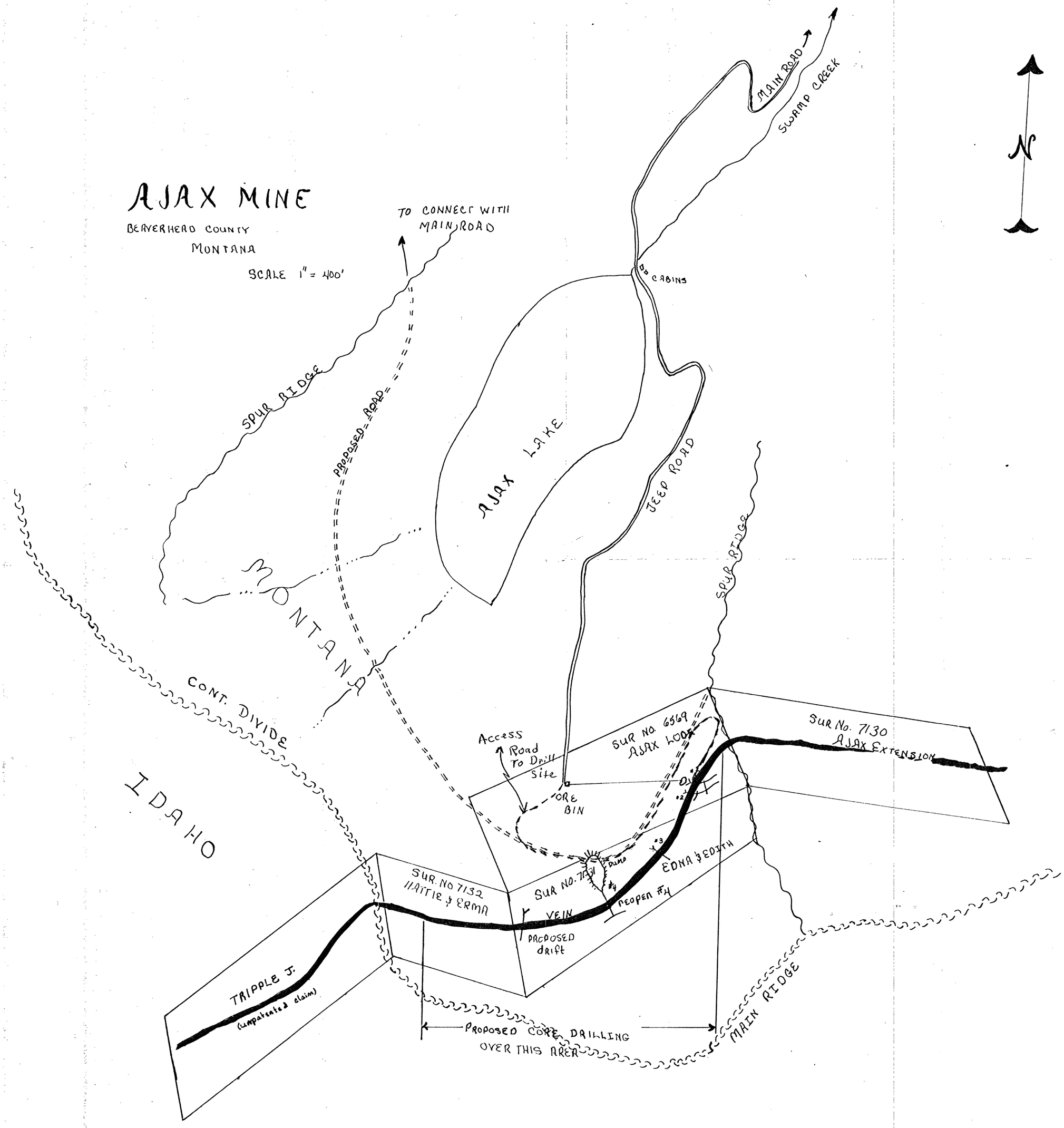
This proof is sent to you for your review and comment. If you observe errors or have suggestions please make notations on the face of the map, sign and return one copy within TEN days.

RETURN TO
ROCKY MOUNTAIN REGION ENGINEER
U S GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Signature
Title
Organization


Beaverhead National Forest
JACKSON
RANGER DISTRICT
RANGER DISTRICT BOUNDARY
1963*
0 1 2 3 4 5 MILES
SCALE
*BASE 1962 FOREST SERIES
LEGEND
National Forest Boundary
Adjacent National Forest Boundary
County boundary
Game preserve boundary
Primitive area boundary
Good motor road
Poor motor road
Trail
Forest Supervisor's headquarters
District ranger station
Guard or ranger station not permanently occupied
Mine
Campground
Triangulation station
Triangulation station and permanent lookout station
Permanent lookout station
Beacon light and triangulation station
Beacon light
Commercial or municipal landing field
Marked auxiliary landing field
House, cabin, or other building
R18W R17W R16W R15W R14W R13W R12W R11W
R 22E R23E R24E R25E R15W R14W R13W R12W R11W
T 26 N
T 25 N
T 24 N
T 23 N
T 22 N
T 21 N
T 20 N
T 2S
T 3S
T 4S
T 5S
T 6S
T 7S
T 8S
T 9S
BOISE MERIDIAN, IDAHO
PRINCIPAL MERIDIAN, MONTANA


AJAX MINE
BEAVERHEAD COUNTY
MONTANA
SCALE 1" = 400'
TO CONNECT WITH MAIN ROAD
MAIN ROAD
SWAMP CREEK
N
DB CABINS
This road could not be used or improved due to steepness, and in order to improve this road solid rock would have to be cut through. The proposed road would be much more efficient and useful.
SPUR RIDGE
PROPOSED ROAD
AJAX LAKE
JEEP ROAD
SPUR RIDGE
MONTANA
CONT. DIVIDE
IDAHO
SUR No. 6569
AJAX LODE
SUR No. 7130
AJAX EXTENSION
ORE BIN
EDNA & EDITH
SUR. NO 7132
HATTIE & ERMA
SUR NO. 7131
VEIN
PROPOSED drift
reopen #4
TRIPPLE J.
(unpatented claim)
PROPOSED CORE DRILLING
OVER THIS AREA
MAIN RIDGE


AJAX MINE
BEAVERHEAD COUNTY
MONTANA
SCALE 1" = 400'
TO CONNECT WITH MAIN ROAD
MAIN ROAD
SWAMP CREEK
CABINS
SPUR RIDGE
PROPOSED ROAD
AJAX LAKE
JEEP ROAD
SPUR RIDGE
MONTANA
CONT. DIVIDE
IDAHO
Access Road To Drill Site
ORE BIN
SUR NO. 6569 AJAX LODE
SUR No. 7130 AJAX EXTENSION
EDNA & EDITH
SUR. NO 7132 HATTIE & ERMA
SUR NO. 7131
Dump
Reopen #4
VEIN
PROPOSED drift
TRIPPLE J.
(unpatented claim)
PROPOSED CORE DRILLING OVER THIS AREA
MAIN RIDGE
N