DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE Idm-E NO._____ DMEA NO. 4918

Application
- [ ] Denied
- [x] Withdrawn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:

75 pg

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
- [ ] Owner's Consent to Lien and Subordination Agreement
- [XX] Application and attachments

Right Side

- [ ] Project summary (final)
- [ ] Work Comoleted analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semi-Annual 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
- [ ] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. _____: Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

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

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

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty material

17963

Form MF-103
Revised Feb. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1035.3
Approval expires June 30, 1958

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

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

WILLIAM D. MORRISON and

WILLIAM D. MORRISON, JR.

18600 Strathern St.,
Reseda, California.

RECEIVED JAN 15 1958 D.M.E.A.

APPLICANT NOT TO USE THIS BLOCK

Docket Number: DMEA-4918

Date Received: 1/15/58

Government Participation %:

Region: I

Division Code: 600

BUSINESS ORGANIZATION (Check one)

- Individual [ ]
- Corporation [ ]
- Partnership [x]
- Other (Specify) [ ]

State in which firm is organized:

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
William D. Morrison	18600 Strathern St., Reseda, California.	Partner
William D. Morrison, Jr.	830 San Pedro St., Ventura, California.	Partner

Mineral(s) for which you wish to explore: Mica

Estimated Cost of Project: $ 60,000.00

LOCATION OF PROPERTY

Name	County	State
Sitklan Island	Ketchikan	Territory of Alaska

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order-I, Amended, "Government Aid in Defense Exploration Projects." 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 four 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 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. 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 2(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 Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA 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.

September 24, 1957.
Dated

William D. Morrison
BY *(Signature)*

William D. Morrison Jr.
Partner
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. *Applicant's Property Rights:*

(a) 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 land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *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 lands, including existing mine workings. Describe all production facilities.

(b) State your interest, if any, in operations stated in 2*(a)*.

(c) State, as far as 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 on the property, giving quantities and grades and sampling methods used, supporting your statement with copies of assay certificates and assay maps if available.

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

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

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

3. *Accessibility of Project:*

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative; give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:*

(a) Describe fully the proposed exploration project giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and longitudinal and cross sections as necessary. Show the 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 *property boundaries* or to the closest identifiable corner.

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

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and how many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:*

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:*

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

(a) Independent contracts. State the cost of any proposed independent contract for the performance of all or any part of the work, expressed in units of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, 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. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

(c) Operating materials and supplies. List items of material and supplies with their cost. 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 operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of necessary *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 on the exploration project.

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

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(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 – No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. *(a)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Amended.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

INT.-DUP. SEC., WASH., D.C. 15539

MF - 103

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER L, UNDER THE DEFENSE PRODUCTION ACT OF 1954, as AMENDED.

1. Applicant's Property Rights:

(a) Legal Description:

Mineral claims in the County of Ketchikan, Territory of Alaska, U.S.A. more particularly as recorded with the U.S. Commissioner's Department at Ketchikan, Alaska, as being:

Mainland Group
(1) Pearson No. 1, Vol. 14, p. 115
(2) " No. 2, Vol. 14, p. 116
(3) " No. 3, Vol. 14, p. 116
(4) Last Chance Vol. 14, p. 44
(5) Hyder Mica No. 9, Vol. 14, p. 114
(6) " " No.10, Vol. 14, p. 114
(7) Millsite No. 10027, Vol. 14
(8) Naket Feldspar No. 10026, Vol. 14
(9) Naket Mica No. 2, Vol. 14, p. 144
(10) " " No. 3, Vol. 14, p. 44

Sitklan Island Group
(11) Morris Mica No. 1, Vol. 14, p. 42
(12) " " No. 2, Vol. 14, p. 42
(13) Hyder Mica No. 1, Vol. 14, p. 43
(14) " " No. 2, Vol. 14, p. 113
(15) Bennett Mica Vol. 14, p. 115
(16) Ater Mica Vol. 14, p. 114
(17) Garnett Vol. 14, p. 80

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 15 1958
DATE | INITIALS | CODE

(b) The foregoing claims will be known as "B.C. MICA MINES LTD".

(c) The Applicants are optionees of the above described land as shown by document denominated "Exhibit A" attached hereto and incorporated herein.

(d) None.

2. Physical Description

NOTE: A copy of a report descriptive of these mineral properties made by B.W.W. McDougall, P. Eng., Consulting Mining Engineer of Vancouver, B. C. is attached hereto denominated "Exhibit B". Most of the information required under this heading is given in this report.

Also attached hereto are maps of the area in question.

(a) Previous work effected on these claims is in the nature of a few opencuts. The mineral occurrences are immediately adjacent to navigable waters at Sitklan Island and the adjacent mainland. The Applicants established a temporary camp in April, 1957. Since then trails have been made to facilitate entry to present-known places of interest. These trails are adequate for access re-examination purposes. Applicants have also, by means of light opencutting, conducted with the aid of a portable gasoline-driven rock-drill, exposed considerable mica-bearing areas in the pegmatite zones.

(b) Applicants' interest in the operation stated in 2(a) is that of optionee as shown by Exhibit A attached hereto.

(c) There has been no production from these mineral claims.

(d) The mineral sought is muscovite mica. Other minerals which may possibly occur include beryl, potash feldspar and possibly one or more of the comparatively rare minerals which are frequently found in similar geologic associations. It is, at this time, impossible to provide estimates of assured ore volumes or grades. It can, we believe, be reasonably expected that one certain place constituting a very small mass of the total pegmatite structures, contains a minimum of 'probable' and 'possible' of good muscovite-bearing materials amounting to 1,000,000. The grade is considered to be of such probable commercial interest as to warrant careful, systematic and complete exploration.

(e) Reference is again made to the accompanying report for information pertaining to geology. Briefly- muscovite in attractive concentrations, occurs in acid pegmatites. Pegmatite belts or dikes, believed to be conformable in attitude to the general strike and dip of the gneissic and schistose host rocks, occur in considerable volumes and are known to underlie large areas on both Sitklan Island and on the mainland. Muscovite "books" are in evidence at most places where there are pegmatitie outcrops. On Sitklan Island, quite apart from extensive mainland exposures, three separate dikes of pegmatite have been identified and these have a estimated total or combined width of probably more than 2,000 feet. The lengths have not yet been fully cruised but are certainly to be measured in the thousands of feet.

(f) All information concerning this point is covered in the accompanying report.

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 15 1958
DATE | INITIALS | CODE

(g) Reports are attached hereto.

3. Accessibility of Project:

(a) All information concerning this point is covered in the accompanying report. There are no roads on the mineral claims but the anticipated working sites are near the shore lines of the Island and of the near-by mainland. A glance at CGS chart 8141 will show that the waters of Tongass and Sitklan Passages are navigable for ships of any draft.

The Applicants will personally meet the DMEA representatives if this is necessary, but the Juneau, Alaska, office of the DMEA is familiar with this property, having previously inspected the same.

(b) Answered in (a) above.

4. The Exploration Project:

(a) The mineral for which exploration is being directed are Muscovite Mica and, possibly, beryl and potash feldspar. Muscovite is the primary or principal mineral sought. The geological formation being pegmatite, there are possibilities for other valuable minerals beside those mentioned. In regard to the quality of the mica mineral, the size of many of the crystals or "books" is such as to justify anticipation that some reasonable percentage of the total muscovite content can be sorted out for electrical insulating purposes.

(b) Not applicable.

(c) The work of preparing camp accommodations was commenced by B.C. Mica Mines Limited in April of 1954. Exploration work with the aid of a gasoline-driven rock drill commenced in June of 1954. In April of 1957, additional exploration work was carried on by the Applicants. It is planned to expend the operations in the early spring to the point where trial shipments can be mined and shipped.

5. Experience:

Applicants operated two tungsten mines and one manganese mine at Wenden, Arizona, for approximately one year, and have spent 3 years in field prospecting. Applicants will personally supervise the operation and will have the aid and assistance of Optionor, B.C. Mica Mines Limited.

6. Estimate of Costs:

(a) None.

(b) Applicants' Optionor, B. C. Mica Mines Limited, has expended approximately $15,000.00 in preliminary exploratory operations. Having assimilated the information made available by the work effected up to this time, it is planned to commence the next phase of the project which is intended to demonstrate by actual mining and test shipping - also, possibly making a beginning at processing on the premises. It will be understood that the production, processing and marketing of mica is quite dissimilar to that pertaining to metal bearing oxides or sulphides such as lead zinc or copper ores or concentrates. In the following preliminary, expense estimates for the next phase of the operation the total figure to be dealt with by such estimates is $60,000.00. It will, further, be appreciated that it is very difficult, if not impossible, to plan for the maximum efficiency in regard to the expenditure of this sum with precision in respect to all details. The approximate cost of the project planned to commence about September is as follows:

10 men @ $20.00 daily (wages plus board) 25 days per mo.	$ 5,000.00
Supplies,-(principally explosives & sundries, motor and diesel fuel and lubricants),-$60.00 per day for 25 days per mo.	1,500.00
Services for consulting engineer,-$500.00 per month,	500.00
Office and clerical services, @ $300.00 per month,	300.00
Travelling Expense, per month	200.00
Workmen's Compensation & incidentals, etc., per month	500.00
Total per month	$ 8,000.00

(c) This is indicated in the above tabulation as $60.00 per operating day or $1,500.00 per month.

(d) Operating equipment proposed includes the following:

200 CFM Portable diesel-driven air compressor	5,000.00
2 Jack Hammers - rock drills - with drill rods and tungsten-carbide bits and including minor tool requirements,	1,600.00
One portable (underground type) air-driven hoist with 300 feet of 3/8" cable,-	750.00
500 feet of 12-lb. mine rail together with fish plates, track bolts and track spikes,-	250.00
Miscellaneous tools and other incidentals,-	250.00
Unforeseen,	150.00
	$ 8,000.00

NOTE: Good used equipment from a reliable dealer will be satisfactory for most of the above listed items; in this event the total cost should be up to 25% less than the amount indicated. The figures indicated are estimated.

(e) Nil.

(f) There will be required, at Sitklan Island, temporary loading and unloading facilities,- $ 1,000.00
Construction of 250' of inclined haulage way using 12-lb rail - on Sitklan Island, 500.00

Permanent camps and quarters to house approx. 15 men,-NOTE: Most of the necessary equipment has already been purchased by the Company,-	10,000.00
Total:	$ 11,500.00

NOTE: The amount estimated for equipment and structures is here indicated as $19,500 or, say, $20,000.00. From the initial $60,000 figure there would be some $40,000.00 left after the construction item was taken care of to carry on the operation. On the basis of an operating expenditure of $8,000.00 monthly this would support the operation for a period of five months.

7. (a) Applicants believe that with the aid of Optionor, B.C. Mica Mines Limited, and present capital, they will be able to furnish their share of the cost of the proposed project in accordance with the regulations on Government participation stated in Section 7 of DMEA Order as amended.

   (b) With the aid of Optionor, B. C. Mica Mines Limited, Applicants can furnish some cash and at the present time have on hand at the mine a boat, motor, camping equipment for six or eight persons, a gasoline driven drill with all attachments, power saws, gasoline stoves, and generating system, which equipment will be used in the operation.

THIS AGREEMENT made in triplicate this 25th day of November, A.D. 1957.

Official EXTRA COPY
DMEA
RECEIVED
DATE | CODE

BETWEEN:

B.C. MICA MINES LTD. (Non-Personal Liability), a company duly incorporated under the laws of the Province of British Columbia (and duly registered in the Territory of Alaska), having its registered office at 516 Vancouver Block, 736 Granville Street in the City of Vancouver in the Province of British Columbia,

(hereinafter called the "Company" of the First Part)

AND:

OVELA COTE, Mine Manager, of 1877 West Broadway in the City of Vancouver in the Province of British Columbia,

(hereinafter called the "Party of the Second Part")

AND:

WILLIAM D. MORRISON and WILLIAM D. MORRISON, JR., Partners, of the City of San Fernando in the State of California, one of the United States of America,

(hereinafter called the "Contractors" of the Third Part)

WHEREAS the Company, by Agreement dated the 24th day of November, A.D. 1954; between Sitklan Mica Company Inc., the Vendor of the First Part; B.C. Mica Mines Ltd., the Purchaser of the Second Part; and Ovela Cote and William M. Bennett, the Parties of the Third Part; has acquired and holds certain mica claims in the County of Ketchikan, Territory of Alaska, U.S.A., namely: Pearson Nos. 1, 2 and 3, Last Chance, Hyder Mica Nos. 1, 2, 9 and 10, Millsite No. 10027, Naket Feldspar No. 10026, Naket Mica Nos. 2 and 3, Morris Mica Nos. 1 and 2, Bennett Mica, Ater Mica and Garnett; and Viola, Viola No. 2 and Cote Fraction, by subsequent staking;

AND WHEREAS the Party of the Second Part has assigned One Hundred and Fifty Thousand (150,000) of his escrow shares of B.C. Mica Mines Ltd. (N.P.L.) in Trust, for the use of the Company;

AND WHEREAS the Contractors, by Option Agreement dated the 2nd day of June, A.D. 1957, have the right by way of option to enter a Mine Management Contract with the Company;

AND WHEREAS the Parties hereto are desirous of entering a binding Mine Management Contract upon the terms and conditions in the Option Agreement hereinbefore described;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the Company agrees and doth hereby grant to the Contractors a binding Mine Management Contract, upon the following terms and conditions, namely:-

1. The Company doth hereby give absolute right to the Contractors, and/or the Contractor Company, to enter upon its property, and the Contractors, and/or the Contractor Company to be formed, covenants and agrees they will enter upon the said mining claims and work the same mining fashion, in manner necessary to good economical mining, so as to take out the greatest amount of metal, minerals and other products possible, with due regard to safety, development and preservation of the said premises as a workable mine or mines; to work and mine the said premises as steadily and continuously, from the earliest date possible after the first day of January, 1958, weather permitting, until the termination of this Contract, in consistency with good management, and conservation, as aforesaid, as weather and the season of the year will permit, and subject always to any force majeur, catastrophy or contingency beyond the power of the Contractors, and/or the Contractor Company to be formed, to control; to keep all sluices, ditches, drains, waterways and passage ways cleared of loose rock and rubbish, and to do all the things necessary to promote the usefulness of the said mining property as a workable mine, including the engineering, drilling, diamond drilling, and other acts required to fully develop the same; to do no act that would impede mining operations or impair the operating condition of the said mining claims, and generally to so conduct operations to confirm to the laws of the United States and the Territory of Alaska; and to do no act or suffer no default which might in any manner involve the Company, or its equity in the said mining claims, in liability of any kind or character.

2. The Company covenants with the Contractors, and/or the Contractor Company to be formed, that the said mining claims are valid and subsisting according to the "Mining Act" of Alaska, and are duly recorded at Ketchikan in the Territory of Alaska, and comprise the following claims, namely:- Pearson Nos. 1, 2 and 3, Last Chance, Hyder Mica Nos. 1, 2, 9 and 10, Millsite No.

10027, Naket Feldspar No. 10026, Naket Mica Nos. 1 and 2, Bennett Mica, Ater Mica, Garnett, Viola, Viola No. 2, and Cote Fraction.

3. The Company covenants to make all necessary returns to be kept in good standing at all times, both in the Province of British Columbia and in the Territory of Alaska, and to pay all expenses incidental thereto.

4. The Contractors covenant and agree to form a Company to carry out the operation under the Mine Management Contract herein; to furnish all the capital and to pay the expenses of the said operation; and to fully equip and operate the said mine to the capacity of the mine, consistent with good management and the available market.

5. The Contractors, and/or the Contractor Company to be formed, covenant and agree to do all necessary assessment work at their own expense and make all necessary returns therefore, to keep the mining claims, hereinbefore enumerated, in good standing; to pay all taxes and assessments payable in respect to the operation of the mine before delinquency which might become a lien or charge upon the premises or the products thereof; not to permit waste; and not to use the premises or products thereof for any illegal purpose.

6. It is mutually covenanted and agreed, in the event the Contractors, and/or the Contractor Company to be formed, may elect not to develop any one or more of the said claims, they may be releived of further assessment work thereon, provided they shall have given six months notice in writing prior to the first day of July of that year, to the Company at its registered address, and thereafter the said claim or claims shall have been removed from this Contract.

7. The Contractors, and/or the Contractor Company, covenants and agrees that regular monthly work progress reports shall be sent to the registered address of the Company and the said reports are to be made available to any or all of the Directors of the Company at any time, such reports to include mine progress, shafts, tunnels, clearings, new buildings, docks, etc., amount of mica (or other materials) mined, and amount of mica (or other materials) sold; and further covenants and agrees that an audited state-

ment of accounts of the said Contractors, and/or the Contractor Company to be formed, shall be submitted annually to the Company, one month prior to the end of the Company's fiscal year, namely, December 31st.

8. The Party of the Second Part covenants that he has transferred into Trust One Hundred and Fifty Thousand (150,000) of his escrow shares of the Company, and the Company covenants that a further Fifty Thousand (50,000) of its escrow shares will be set aside to bonus the diligent and efficient management of the mining claims as aforesaid, under the Mine Management Contract herein, and the said escrow shares shall be transferred to the said Contractors, and/or the Contractor Company to be formed, at the times and in the amounts as follows:

(a) Fifty Thousand (50,000) escrow shares upon the termination of the first year's successful operation of the mine, that is to say, after the yearly audited statement, as aforesaid, has shown profit which the Parties hereto mutually agree warrants a distribution thereof, but not so as to imperil the following operation, and shall be a minimum of Two Thousand ($2,000.00) Dollars for distribution;

(b) Fifty Thousand (50,000) escrow shares upon the termination of the second consecutive year's successful operation of the mine, as aforesaid;

(c) Fifty Thousand (50,000) escrow shares upon the termination of the third consecutive year's successful operation of the mine, as aforesaid; and

(d) Fifty Thousand (50,000) escrow shares upon the termination of the fourth consecutive year's successful operation of the mine, as aforesaid.

No distribution shall be made until such time as the profits to be divided shall be a minimum of Two Thousand ($2,000.00) Dollars.

9. The net profits of the said operation shall be divided in the ratio of Sixty (60%) per cent to the Contractors, and/or the Contractor Company to be formed, and Forty (40%) per cent to the Company herein; and the term "net" shall be deemed to mean the gross receipts from the sale of mica, mica products, and any and all other ores, minerals, products and by-products mined by the Contractors, and/or the Contractor Company to be formed, less the direct cost of mining and processing, freight and handling charges from the place or places of origin to the place or places of marketing; and shall include all direct cost of operation,

labor, power, maintenance of machinery and buildings, packaging of products, local handling from point to point including out-loading of finished products, freight charges to destination, marine and other insurance, inspection and/or other charges leviable by Government or other authorities; and shall not include capital cost of buildings, plant or machinery, or replacements thereof, amortization or Company administration; and the first charge thereon shall be Ten (10%) per cent royalty (which shall be deemed to mean Five (5%) per cent thereof will be due and payable by the Company, and Five (5%) per cent thereof will be due and payable by the Contractors, and/or the Contractor Company to be formed) which is due and owing to the Sitklan Mica Company Inc. in the amount of Fifty-five Thousand ($55,000.00) Dollars, as per the Agreement recited in the first paragraph hereof.

10. It is mutually covenanted and agreed between the Company and the Contractors, and/or the Contractor Company to be formed, that, in the event of either Party desiring to terminate this Contract for cause, there shall be a three months notice in writing given by the Party desirous of such termination to the other contracting Party at it or their respective registered address.

It is further provided that, should the Contractors, and/or the Contractor Company to be formed, give notice of termination hereof, all payments made hereunder and all fixed improvements shall be forfeited to the Company as liquidated damages, and the Company shall have the right to re-enter and take possession of the property and fixed equipment; and the said Contractors, and/or the Contractor Company to be formed, shall thereafter be estopped from any and all claims hereunder.

11. The Parties hereto, and each of them, mutually covenant and agree that they will give such further assurances and execute such further documents as may be required to give full effect to the covenants, agreements and provisos herein contained.

Time shall be of the essence of this Contract.

This Contract shall enure to the benefit of and be binding upon the Parties hereto, their heirs, executors, admini-

strators and assigns, respectively, and shall continue indefinitaly until terminated for cause, as aforesaid.

IN WITNESS WHEREOF the Company has caused its seal of office to be affixed in the presence of the proper officers duly authorized in that behalf, and the Party of the Second Part and the Contractors have set their hands and seals, respectively, on the day and date first above written.

THE CORPORATE SEAL OF B.C. MICA MINES LTD. (N.P.L.) was duly affixed in the presence of:

X B.W.W. McDougall

Ovela Cote

Ovela Cote

SIGNED, SEALED AND DELIVERED by Ovela Cote in the presence of:

Viola McCrossan

SIGNED, SEALED AND DELIVERED by William D. Morrison and William D. Morrison, Jr. in the presence of: A. Charles Hacker 18540 Ingomar Ave., Rosedale, California

William D. Morrison Jr.

William D Morrison Jr

William D Morrison

[illegible]

[illegible]

[illegible]

Vancouver, British Columbia

BETWEEN:

B.C. MICA MINES LTD. (N.P.L.)

AND:

OVELA COTE

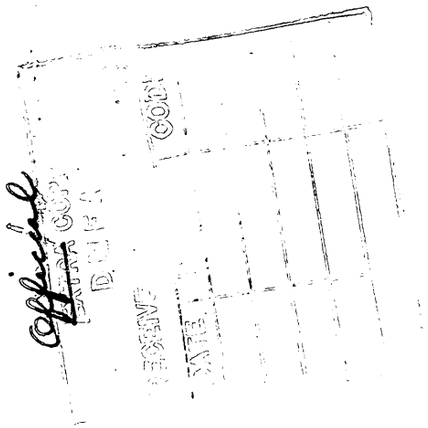
AND:

WILLIAM D. MORRISON and

WILLIAM D. MORRISON, JR.

MINE MANAGEMENT CONTRACT

V. DeB. McCrossan
Barrister and Solicitor
Vancouve r, B.C.



OFFICIAL FILE COPY
DMEA
RECEIVED JAN 15 1958
DATE | INITIALS | CODE

B. C. MICA MINES LIMITED

NOTES RE GEOLOGY & DEVELOPMENT PROPOSALS:

Sitklan Island and the adjacent mainland are underlain by gneisses and schists,-the general strike is NW-SE and the dips, for the most part, are steeply to the NE.

On Sitklan Island three major pegmatite occurrences are recognized: the No. 1 zone occurs exactly at Pt Mansfield,- it follows, more or less the Island coast line SE. This zone is probably about 500 feet in width. About 200 feet distant from the SW wall of this dike, the intervening distance being underlain by gneiss, there occurs the NE contact or wall of the No. 2 zone. This is about 700 feet wide. Some 550 feet, more or less, SW from the SW contact of the No. 2 pegmatite zone there occurs the NE wall of the No. 3 zone. This is at least 1,000 feet in width. The distances, as given, are as estimated from pacing etc. The lengths of these zones or dikes have not yet been fully traced out but they are probably to be measured in the thousands of feet.

One of the dikes or pegmatite zones - probably the No. 3 - appears to cross Sitklan Passage and to reoccur on the mainland shore. It strikes inland northwesterly and the Pearson claims are staked on it. Where it can be seen in its reasonable entirety it is about 150 feet in width. Mica can be seen almost everywhere that exposures of the pegmatite occur,- many such mica appearances, of course, are sparse.

The pegmatites persist - either continuously or intermittently - to the NW into the Nakat Inlet and Harbor area. There are extensive occurrences in this section which have been seen only at a few spots in detail by this writer. Mica occurs at such spots or landings as were visited but such occurrences are sparse.

The pegmatites appear to conform in strike and dip to the enclosing gneisses and schists.

The most important concentration of mica presently known on these claims is on Sitklan Island, near point Mansfield at the NE corner of the Island and about 300 feet from the shoreline. This is on the Hyder Mica No. 1 claim. The altitude here is about 150 - 175 feet and the angle of inclination upwards from the proposed boat landing place is from 30 to 35 degrees. The place is suitable for a ground-surface tramway operated by a hoist from either the top or bottom. To make any substantial progress jack hammers operated by compressed air are essential. It is proposed to carry a 'floor' or a series of such inwards against the rise of the slope which lies at an angle of 15 to 20 degrees. The topography is suitable for this bench-type of opencutting. The compressor may be stationed either at the shoreline or near the opencut. In the interests of economy it should be operated close to the cut.

At the landing, near the foot of the proposed ground-surface tramway, there is deep water close to the shore. The shore is rocky and some temporary sort of landing is proposed for fishing-type craft, small outboard boats and barges.

It will be appreciated that this Company entered the area before there were camps or any shelter other than that of the launch. It required a month or more to provided comfortable temporary camp conveniences. As a result work on the claims has been under way for only a little more than two months. Most of this work has been purely exploratory - involving tracing out the pegmatites and conducting light opencut work to expose occurrences.

The Company recognizes only two courses, in regard to the required follow-up development,-that is diamond-drilling or exposing one of the best-appearing mica concentrations by an extensive benched-type cut. Diamond drilling cannot give us information about the size and quality of muscovite crystals and we have elected to conduct extensive opencutting accompanied by careful testing of the muscovite by competent authority.

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 15 1958

DATE	INITIALS	CODE

EXHIBIT B.

PRELIMINARY REPORT ON

B.C.B. MICA PROPERTY

SITUATED ON

SITKLAN ISLAND & ADJACENT MAINLAND

TERRITORY OF ALASKA

OWNED OR CONTROLLED BY

B. C. MICA MINES LTD.

January 6th, 1954
416 Bank of Nova Scotia Bldg.,
Vancouver, B.C.

B.W.W. McDougall, P. Eng.,
Consulting Mining Engineer

B.C.B. MICA PROPERTY

SITKLAN ISLAND & ADJACENT MAINLAND, TERRITORY OF ALASKA

INTRODUCTION

This report is based on information obtained during an examination made on December 8th to 10th, inclusive, 1953. The writer was accompanied on this examination by Messrs. O. Cote of Vancouver and F.W. Blasher of Seattle. Mr. Blasher is one of the stakers of the mineral claims which comprize the property and he has conducted prospecting operations in the areas over some considerable period of time.

The area has been known to contain mica-bearing formations for a number of years but no determined effort appears to have been made to effect sufficient prospecting and preliminary exploration work to delimit and map the extent of these formations or, except at very few places, to expose by trenching and opencutting, the mica contained in such formations.

There are no cabins on or in the vicinity of the mineral claims. A sturdy fishing vessel was chartered for the occasion of this examination; this boat, besides being our means of conveyance to and from the property, provided living quarters while we were conducting the examination. The weather was continuously stormy and the heavy gales, rains, dull mist-rimmed skies, etc. limited visability and very considerably shortened the length of the working days and otherwise impaired conditions for conducting this sort of work. It was desirable, too, that a geological reconnaissance of the rock formations along the coastlines with the aid of a skiff equipped with an outboard motor be made. However, though the skiff and motor were available, the heavy seas prevented such reconnaissance. There was no snow of consequence below the 300-foot contour but above this altitude a light covering of wet snow made it impossible to trace formations or structures. The fact is, however, that there is an abundance of mica-bearing formations below the 300-foot horizon and the extents of these above and beyond this altitude is not considered to be of great importance at this time.

From the foregoing descriptions of circumstances attending this examination it will be understood that this report must of necessity be preliminary in character.

PROPERTY

MINERAL CLAIMS & SITUATIONS:

The mineral claims comprizing this property, as at present constituted, are approximately as follows:

On Sitklan Island, vicinity of Point Mansfield:
Hyder Mica No. 1, Hyder Mica No. 2, Bennett Mica, Morris Mica No. 1, Morris Mica No. 2 and Ater Mica.

On Kanagunut Island, southern end;
Garnet.

On Alaskan Mainland, vicinity of north shore of Sitklan Passage opposite or north from Sitklan Island:

Hyder Mica No. 9 (Mill Site), Hyder Mica No. 10, Pearson No. 1, Pearson No. 2, Pearson No. 3, Last Chance, Har No. 1, Feldspar and two others the names of which are not presently available to the writer.

The names of the claims as here set forth are as supplied to me. I am advised that there are in the Group, as at present constituted, some 17 mineral claims which are owned or controlled by the Company. All are unsurveyed locations which have been staked and recorded in accordance with the mining regulations of the Territory of Alaska. The approximate locations of these 17 mineral claims with reference to each other and to the geography of the region are indicated on a small-scale sketch accompanying this report.

The above-enumerated mineral claims are situated at the extreme south easterly tip of the Territory of Alaska. More particularly they are situated on Sitklan and Kanagunut Islands and on the mainland of Alaska directly across or northerly from Sitklan Island and Sitklan Passage or channel; also - they are at the entrance to Pearse Canal which waterway, together with the Portland Canal, form the boundary between Alaska and British Columbia inland for a distance of about 90 miles from the Pacific Ocean at Dixon Entrance.

Assuming that the operations center of this mineral claim Group to be on the northerly coast of Sitklan Island near Point Mansfield some air-line distances to the nearest population centers are as follows:

From Ketchikan, Alaska, to property south easterly 56 miles,
From Hyder, Alaska, to property, south westerly 88 miles,
From Port Simpson, B.C., to property, N.W. 17 miles,
From Prince Rupert, B.C., to property, N.W. 33 miles.

The approximate geographic position is 54° 56' N. Latitude and 130° 40' W. Longitude.

The geography of the area is more readily understood from reference to charts accompanying this report than from detailed written descriptions. The property is in the Ketchikan region of Alaska and it is but a few miles distant from the boundary line with British Columbia.

TOPOGRAPHY AND ACCESS:

The general topography of Sitklan Island and of the adjacent mainland is shown on the U.S.C.& G.S.Chart No. 8141, a copy of which accompanies this report. From this it will be observed that Sitklan Island is about 2½ miles in length, that it is partly divided by a westerly-fronting fiord and that the terrain in the northerly section attains an altitude of between 600 and 700 feet. The shoreline fronting Sitklan Passage on the north is, for the most part, steep and rugged and the terrain rises steeply. Those parts of the area which were inspected disclose few rock outcrops though it is suspected that, for the most part, the soil overburden is comparatively shallow over much of the area. The terrain is somewhat rugged in places and, particularly,immediately above the shoreline. On the mainland the topography, particularly that immediately above the shoreline is similar to that of the island. The highest point on the mainland peninsula is shown, on the chart, to be 1,029 feet - and, in the vicinity of the higher mineral claims, about 700 feet.

Since mining operations on these properties are likely to be of the quarrying type it can be stated that topographic conditions are quite favorable for conducting the sort of operations which will be required for mining mica contained in pegmatite dykes or other intrusive masses.

In respect to access it is, at this time, assumed that entry to the properties will be by way of Tongass and Sitklan Passages. It will be observed from reference to chart No. 8141 that both these waterways are navigable for ocean-going vessels - also that Sitklan Passage, being somewhat removed from the more open reaches of Tongass Passage, is to a considerable degree, sheltered from the heavy gales which occasionally occur. Any operations conducted on these properties must, of course, be considered as, in part, maritime. Transportation to and from must be by ship or 'plane.

GENERAL ECONOMICS

CLIMATE:

It is presumed that average precipitation and temperatures in the Sitklan Island region are somewhat similar to those prevailing at Ketchikan some 56 miles to the NW and at Port Simpson, a B.C. fishing hamlet, less than 20 miles to the SE. At this latter place the annual precipitation averages about 92 inches. I am reliably informed that though snow may fall at sea level on Sitklan Island during the months December to March, it seldom accumulates to any considerable depth and seldom remains for any considerable length of time. The mild moist climate which characterize all this NW coastal area of North America is due to the warm Asiatic current which sweeps northerly up towards the Bering Sea thence south easterly along the coast and Islands of America. There is, of course, some frost but this is not severe nor should it, in any important way, adversely affect the carrying forward of year-round operations. The region is, however, commonly affected by prolonged wintry gales.

TIMBER:

Sitklan and Kanagunut Islands and the Mainland coast are more or less completely overgrown by forest. Cedar and hemlock appear to be the principal trees. However most of the forest growth is stunted and low - in certain areas it is very sparse and there is little vegetation save tundra. From merely casual and incomplete inspection it is reasonably certain that there is not sufficient commercial timber on the mineral claims to warrant the installation of a portable sawmill and attempting to provide lumber and dimensioned timber for the construction work required on the property and in its proper development. There is, however, sufficient timber growth for poles, pit-props, lagging and similar needs and, of course, for camp fuel.

WATER:

There are small continuously-flowing creeks on both Sitklan Island and on the adjacent Mainland. The position or location of these will probably have considerable influence on the choice of camp and operation sites.

POWER:

Power for all purposes can be made available only by the use of oil-burning engines. In the event that an important and sizable production operation is established it is to be anticipated that oil storage tanks would be erected near the shoreline and diesel fuel pumped in from tankers.

TRANSPORTATION:

This matter has been referred to in a preceding paragraph. It is impossible at this time to predict what type of transport may eventually be required on Sitklan Island and on the near-by Mainland in order to transfer quarried material to treatment plants and dock-side storage. During the exploration and early development stages of operations no considerable expense for such transport is to be expected. The known mica-bearing formation on the Island is close to tidewater and that on the Mainland is possibly half a mile from the northerly shoreline of Sitklan Passage.

The anticipated sites of operations are not far distant from the famous steamer route known as the "Inside Passage" which route is travelled by ships plying between Puget Sound and southern British Columbia ports to Alaskan Ports. Assuming that a profitable operation will be established substantial expense must eventually be incurred for dockage facilities. During the earlier stages of the operation, however, a properly constructed landing float will probably serve adequately for landing equipment and supplies and for outloading quarry or specialized mineral products to barges or freighters. Thus ocean-going transport can be made available by merely providing suitable dockage. I have been told that the Union Steamship Company of Vancouver will provide weekly freight and passenger service to the Wales Island cannery situated in Canadian territory on Wales Harbor and on Wales Island, if and when there is need for such service. I believe that only minor repairs are needed to arrange for steamer landings at the cannery wharf. This cannery, now closed down, is less than four miles distant from Point Mansfield on Sitklan Island. Wales Harbor, and the cannery site, also provides a safe landing for float 'planes.

It will always be necessary to have available a sturdy motor launch - one capable of negotiating these waters during times of heavy gales. It will obviously be necessary to have reliable and safe transport between the property and Ketchikan and other near-by points.

COMMUNICATIONS:

Since the region and the operation sites are so close to the steamer routes there should be little difficulty in establishing at least weekly mail and small-freight services with southern points. In respect to more urgent communication requirements two-way radio service with Ketchikan and (or) other points can be had at reasonably nominal cost. The necessary apparatus, at the commencement of exploration work, can probably be advantageously operated from a launch. If found advisable, the equipment could be set up ashore later.

INTERNATIONAL ASPECTS:

At this time the writer has not had opportunity to study matters pertaining to customs and immigration as affecting the business of conducting mining operations. It may be expected that most of the equipment and supply items would be purchased in Seattle. Ketchikan would, most likely, be the Port of Entry in regard to purchases made in Canada.

SUMMARY:

It will be understood that these mica-bearing mineral claims are situated in the Territory of Alaska in a region which is practically uninhabited. The nearest Alaskan town is Ketchikan some 56 miles distant to the NW and the nearest British Columbia settlement is Port Simpson some 17 miles to the SE. The adjacent waters, however, are near or on sea lanes.

All the external circumstances affecting mining operations on this property, so far as these can be foreseen at this time, are favorable for conducting mining work economically. Furthermore, and since the mining operation if established will most certainly be a quarrying one, the total capital requirements from the exploration to the production stage would seem to be relatively light. This latter statement, of course, assumes that explorations reveal mica of required quality and in sufficient amounts to permit of profitable production.

GEOLOGY

Much useful geological information can be obtained from a study of the shorelines. All or most of these are rocky and, particularly at low or half-tide times, can be examined effectively. However, due to the steepness of shoreline cliffs in some places, a skiff equipped with outboard motor is required. During the time of the examination there was almost continuous stormy weather and heavy gales made it impossible to conduct much shoreline work. The shorelines which were inspected and traversed include, on Sitklan Island, from Point Mansfield westerly along the southerly shore of Sitklan Passage and southerly from the same Point along the north easterly shore of the Island. The inland portions of the Island visited are within a few hundred feet of Point Mansfield. On the mainland besides traversing a few hundred feet of shoreline near the mouth of a small creek we travelled inland for a distance of about 3,000 feet.

The shorelines of both Islands and Mainland adjacent to Sitklan Island are underlain by gneisses which strike northwesterly and dip northeasterly. The lamination planes of these gneisses have been greatly accentuated by the action of sea water and the structure is readily apparent, in fact conspicuous, almost as far as one can see. Formation strikes observed vary from about N 25° W to N 45° W and the dips from possibly 45° to 75°. The rocks are relatively coarse grained and probably vary from granodiorite, through monzonite to hornblende diorite and even more basic types.

Within these massive gneissic rocks are two, and possibly several, large dykes of acid pegmatite. These are 'through-going' for large distances. It is possible that one or more of these may persist under the waters of Sitklan Passage between the Mainland and Sitklan Island. After acid feldspars and quartz, muscovite is the most abundant mineral in these pegmatites.

On the easterly shoreline of Sitklan Island one of these dykes can be traced along the shore for an estimated distance of more than 1,500 feet. To the SE it presumably persists under overburden - to the NW it plunges under the waters of Sitklan Passage and may re-appear on the Mainland a mile or more away. No work has been done on this particular dyke. It contains some muscovite. This occurrence is most interesting particularly because it can be observed in its relation to the enclosing rocks along the water-washed hanging-wall side. In the immediate vicinity are several aplite dykes whose clear-cut, decisive, contacts are in sharp contrast with the 'merging' type of contact which is usually characteristic of pegmatite occurrences.

Another pegmatite occurrence, presumably parallel to the one above mentioned can be seen emerging from the sea and traversing the steep terrain fronting on Sitklan Passage. Some 250 to 300 feet (estimated) from the shoreline and at an altitude of about 150 feet some opencut work has been done. The dyke, at this place, appears to be about 300 feet in width and though the full width is not adequately exposed for inspection it appears to carry excellent muscovite content for much, if not all, of this width. This cut

and the mineralization it discloses is one of the principal mineral 'showings' presently known on the property. It will be referred to in a later paragraph.

The pegmatite occurrences appear to conform, more or less, in dip and strike with the attitude of the enclosing gneisses. That is they strike roughly NW - SE and dip steeply to the NE. The attitude of the pegmatitic intrusive masses in relation to the gneissic host rocks is of considerable importance and the 'conformable' feature would seem to indicate loci of origin for these dykes at substantial distances below the present position of the gneisses. The suggestion is that the pegmatites may reasonably be expected to extend to horizons far below sea level. Also - there is no recognized reason for anticipating drastic changes in the general mineral make-up of these rocks at considerably increased depths.

The opencut referred to in an earlier paragraph and which has been excavated a few hundred feet from Point Mansfield at an altitude of 150 to 200 feet exposes only a part of the width of the dyke. The locality provides the best opportunity for a study of the mineral make-up of the dyke available on the entire property. As mentioned earlier, the dyke is believed to be 300 feet or more in width. The opencut is very irregular and the walls of the dyke are not clearly delimited by this cut. Feldspar and quartz occur in ragged, irregular, inter-growths. On the surface the feldspars are grey to pale pink in color. Muscovite occurs in profusion in 'books' up to an inch or more in thickness and having areas of up to 5" x 5" and probably even larger. These muscovite crystals are without any recognized special orientation with reference to the walls of the dyke or its structural attitude. The crystals seem to occur in all positions - in places merely the ends of the 'books' can be seen in the quartz-feldspar matrix and in others the flat sides of the crystals show. In fact the mica crystals occur in every conceivable attitude in respect to each other and to the attitude of the formation. At this place muscovite is estimated to constitute as much as one-third or more of the total mass of the pegmatite. The three essential minerals, of course, are quartz, feldspar and muscovite and the specific gravities of these three minerals in order are 2.65, 2.60 and 2.75. From this it is seen that muscovite is the heaviest of the three minerals.

In this same vicinity there is a dyke of massive pyroxene or pyroxenite which is intrusive into the pegmatite. In fact it forms a part of the pegmatite and is apparently conformable to it in general attitude. The width of this basic occurrence is probably in excess of 8 feet.

The deepest surface workings penetrate to depths of only a few feet below the surface and, in consequence all the mica that can now be seen is more or less affected by weathering. It may, I believe, be anticipated that a portion of the muscovite content of the pegmatites can be sorted out for trimmed sheet mica in varying commercial sizes. The qualities of flexibility and elasticity are good. It is slightly 'smoky' in color but otherwise transparency and freedom from stain are good and the important quality of cleavage is excellent.

On the Mainland pegmatite formations persist across the peninsula as far as we were able to penetrate. It seems likely that these igneous bodies continue north westerly possibly to the Nakat Inlet region. One of these dykes was traced to a distance of possibly 3,000 feet from the shoreline and it is believed to be continuous for this distance and for thousands of feet farther to the NW. An outcrop of this dyke about 11,000 feet from the shoreline and at an altitude of 300 feet is well exposed due to almost complete absence of overburden at this place. At this place it has an estimated width of about 100 feet with 'merged' contact walls. It appears to conform in dip and strike with the general

attitude of the gneissic country rocks. Only a very small cut has been blasted at this place. It shows good mica content and careful observation of bare outcrops reveals considerable mica which is exposed on the ends of the 'books'. Snow prevented tracing this occurrence farther to the NW. There is some possibility that this pegmatite occurrence may be the continuation of one of those exposed on Sitklan Island. There is reliable information to the effect that a trapper found sheet mica on the mainland of exceptionally large dimensions which was actually sticking out of the rock.

FURTHER DISCUSSIONS RE MUSCOVITE OCCURRENCES

It may thus be stated that, on this property, there are virtually "unlimited" volumes of pegmatite rock above sea level and that much if not all of this volume contains muscovite though in very uneven concentrations. It is, at this time, I think, reasonable to anticipate that adequate exploration work will disclose sizable volumes, within the larger intrusive masses, which will adequately repay exploitation. From this it follows that the first expenditures should be exploratory to determine the precise locations and extents of the mica-bearing pegmatites, to properly map these and to prospect the outcrops for the denser concentrations of muscovite. All commercial mica on this property will be found in pegmatitic formations but all pegmatite rock masses will not necessarily contain commercial masses. If, as is suspected by this writer, mica is proven to occur in large more or less concentrated masses within the much greater and leaner masses of pegmatite the ways and means of conducting further exploration and development work up to the production stage will most certainly be more easily planned.

WHAT ARE PEGMATITES?

The term 'pegmatite' is more or less commonplace to engineers,geologists and others with experience in mining and kindred subjects. It is,however, a term not so well known, and possibly entirely unknown, to some who may be interested in knowing about the mica occurrences which are under description in this report. Since, in the B.C.B. Mica Property, the valuable mineral sought occurs only in pegmatites some brief description and discussion may be of general interest.

Dykes, veins and pegmatites are phenomena which accompany, follow, or are otherwise associated with large-scale igneous intrusions. Dykes are commonly of similar composition to the main masses of the intruding rock magmas but of differing textures because of more rapid cooling or consolidation. Veins are commonly of quartz and (or) carbonates accompanied by one or several sulphides and (or) oxides of the common metals which have been deposited by heated mineral-bearing solutions differentiated from the parent magmas. Such veins may occur in rock formations adjacent to the intrusives themselves or actually in upper portions of the main intrusive bodies. Pegmatites partake of the nature of both dykes and veins. An ordinary dyke may grade into a pegmatite and at another place a true fissure vein - all three phases being parts of the same occurrence.

Intruding masses are characteristically accompanied by large proportions of volatile constituents which include water, compounds of boron, fluorine, chlorine, phosphorus, sulphur, carbon, arsenic and other elements. It sometimes happens that the more fluidic portions of the up-welling magmas are driven off from the parent bodies and, by virtue of the tremendous thrusting or intrusive power due to the super-heated volatiles, thrust their way into the already crystallized parts of the igneous body or into rock formations which border

these. It will be understood that these 'specialized' fluidic portions of magma masses may have from 10% to upwards of 75% of volatile constituents. Vapor pressures from these fluidic substances probably explain the origin of much of the intrusive force.

It is essential, however, to the development of pegmatites that the fluidic portions of the intruding magmas be contained and retained into the rock masses into which they have been thrust and come, more or less, to rest - and that the escape of the volatiles to the surface through deep-seated fracturing or shearing be prevented by sealing due to great depth of overlying impervious rock. The resulting fluidic masses crystallize slowly. Under such conditions of 'consolidation' very large crystals of the essential minerals, usually quartz, feldspar and muscovite, commonly result. The very coarsely crystalline characteristic is due to the relatively mobile nature of the original mass and to the very long period of time during which the mass was sufficiently hot for crystallization to proceed.

In addition to quartz, feldspar and muscovite pegmatites commonly contain some or many other minerals. Among these may be mentioned beryl, tantalite, columbite, radio-active compounds of thorium and uranium, spodumene, tourmaline, apatite, zoistite, molybdenite, magnetite and many others. Some of these minerals are economically valuable if present in sufficient quantity. The occurrence of beryl has been reported on Sitklan Island - doubtless many other accessory minerals occur in these pegmatites. At the present time however it is not suggested that these other minerals may be present in commercial quantities. As a matter of fact there has apparently been little or no attempt to search for minerals other than muscovite and, probably, massive feldspar.

From the foregoing descriptions it will be understood that the pegmatite formations in the region hereunder described came into their present positions at a considerable distance below the surface as it was at the time of the great Coast Range intrusions, and that they have been exposed at the surface now obtaining by deep and drastic erosion. The pegmatites are more acid in general composition than the enclosing gneisses - the extraction of the more siliceous and mobile fractions of the magmas as pegmatites is another characteristic of this type of phenomena. Gneisses along with the pegmatite dykes or other forms of intrusions are all part of the Coast Range intrusions which are believed to have occurred in Jura-Cretaceous times.

THE GARNET MINERAL CLAIM ON KANAGUNUT ISLAND

Due to the stormy weather I was unable to inspect the Garnet mineral claim which is located near the southerly end of Kanagunut Island. I have been informed that the granitic intrusives, presumably gneisses, are here in contact with limestones and, perhaps, other sedimentaries and that garnets of the gem and semi-gem variety occur in considerable abundance in the limestones near igneous-rock contacts. There is no further available data from which an economic appraisal of this occurrence can be attempted at this time.

USES OF MICA

Of the several varieties of mica two are of outstanding economic importance for the reason that they are almost entirely free of iron content. These varieties are Muscovite sometimes called white or potash mica and

phlogopite sometimes referred to as amber or magnesia and potash mica. So far as is recognized all mica contained in the Sitklan Island Region pegmatites is of the muscovite variety.

Muscovite and phlogopite micas are used as natural sheet and circular punchings for the insulation of many electrical devices - it is also used as built-up sheet for the same or similar purposes. Wet or dry ground mica is used in the manufacture of roofing, certain types of paints, in the rubber trades, in highway or street paving mixtures, in foundry work, in lubricants, wall paper manufacture, pipe enamels and in the manufacture of high-frequency electrical insulators. The mineral, in its several marketable forms has been, at least until recently, on the 'desired mineral' list.

In the operation of mica deposits or mines it has, I believe, been the experience that not more than about 3.0% of the total mica content is sufficiently free of defects and is of adequate size to be trimmed into rectangular sheets and not more than 8.0% is usable as cut or punched circular shapes up to two inches in diameter. The remainder is scrap which may be marketed as such with or without the removal of adhering waste rock. This material, of course, requires further processing before being available to the manufacturing trades. The scrap may be cleaned of adhering rock and wet or dry ground products prepared for marketing direct to the manufacturers. The metallurgical or processing is relatively simple and the equipment and plant required is normally much cheaper than mills for treating gold, silver and base metal ores.

RE MARKET PRICES FOR MICA PRODUCTS

The most recent list of prices paid for mica is not available to the writer as this is being written. Prices paid in Canada for such products in 1950, as reported by the Canadian Department of Mines, Ottawa, for that year, are as follows:

1" x 1" & 1" x 2"	Trimmed	Sheet	Mica	$ 0.30 per pound
1" x 3"	"	"	"	0.75 " "
2" x 3"	"	"	"	1.25 " "
2" x 4"	"	"	"	1.60 " "
3" x 5"	"	"	"	2.10 " "
4" x 6"	"	"	"	2.60 " "
5" x 8"	"	"	"	3.25 to $3.60 per lb.

Grinding scrap sold for about $15.00 to $22.00 per ton according to quality. The products imported included blocks, sheets, splittings, films waste and scrap.

I am informed that mica and mica products produced in the Territory of Alaska may be exported to foreign markets should it be to the producer's advantage to do so.

CONCERNING MINING METHODS

On both Sitklan Island and the near-by Alaskan Mainland mining will be entirely by quarrying methods. The general plan presently visualized is that a quarry bottom would be carried forward at a planned height above the high tide mark. It is anticipated that the mica will not be uniformly disseminated throughout the pegmatites but will be found to occur in sizable concentrations more or less erratically distributed. Some pattern for the concentrations may eventually be found. It is accordingly inferred that not all of the

pegmatitic material will necessarily be economically valuable. In mining it is anticipated that the waste and under-grade material would be removed to shoreline or under-water dump by bulldozer, dragline or other mechanical device. The valuable mica or mica-bearing material would be shipped with or without processing. It is obvious, of course, that a great deal of "know-how" will have to be acquired as the operation proceeds and the ultimate nature of this undertaking, in respect to degree and precise nature of processing which may eventually be undertaken, cannot be predicted at this time.

Mining will most likely be by the use of jack hammers and portable compressors. If a near-sea-level floor is carried forward the low-grade must be broken with the high-grade for only in this manner can mining costs be kept at the lowest possible limit. If, during the early stages of mining, suitable concentrations of mica-bearing material are broken and assembled for shipment it may be found that this can be profitably marketed without important processing. In this event the operation would consist merely of breaking, removing to dockside and out-loading to barges or ships. However these matters have still to be determined.

It will be understood that a great deal of information must be made available from exploration operations before any fixed plan for production can be worked out. Most of the muscovite deposits in the world occur in pegmatites but many pegmatites carry little or very minor amounts of the mineral.

RE INITIAL EXPLORATIONS AND ESTIMATED COSTS OF SAME

As will have been inferred from foregoing descriptions and discussions, it is this writer's opinion that the pegmatites of the Sitklan region warrant proper exploration. Up until the present time there has been comparatively little really systematic work done and in the absence of any known attempt at mapping it is quite possible that there are many locations where good mica occurrences have been noticed which are now forgotten about and quite unknown. Recommendations as to procedure in conducting explorations as given here are not intended to be final or, necessarily, firmly fixed - they are presented as a general guide only. These recommendations are as follows:

1. Acquire by lease or otherwise camp and living accommodations at the Wales Island cannery and effect such alterations to existing wharfage facilities as will be needed for ship landings.

2. A sturdy launch and one or two skiffs - with at least one outboard motor, will be required from the outset.

3. From headquarters thus established at Wales Island harbour three miles or so distant from Sitklan Island the launch would be used to commute the working crews back and forth between headquarters and working sites on the Island and on the near-by Mainland. A crew of eight or ten men would probably be suitable for the work immediately contemplated.

4. As working sites or initial bases, and from incomplete information available, it is suggested that the initial base on the Island be in the

immediate vicinity of a cove on the NE end of the island fronting on Tongass Passage and near Point Mansfield. Running water is available here and the terrain is suitable for buildings and for penetration inland. A landing float could be provided at this place if such is found to be necessary as may be the case. On the Mainland site near the mouth of the small creek may prove suitable though further investigation is desirable before making decision.

5. Exploration work should be conducted to opencut the full widths of the mica-bearing pegmatites at intervals not exceeding 200 feet at the outset and at 100-foot intervals in places where there are important concentrations of mica.

To facilitate such work one or more Warsop gasoline-driven rock drills, together with a plentiful supply of drill-rod sets and either Throw-Away or Tungsten-Carbide bits, are required. Besides these items a good supply of ordinary prospecting tools such as picks, shovels, mattocks, single and double-bitted axes, a couple of portable forges, pry-bars and other items would be required. In places the terrain is such that opencuts can probably be made to advantage as benches in the hillsides. Where feasible every reasonable attempt should be made to establish the positions of both walls of the pegmatite occurrences. This information will be very important and of continuing value in the event that a profitable production operation is established.

6. The opencut work need not be particularly extensive as regarding individual cuts. It is of much greater importance, initially, to prove the existence of mica concentrations over the greatest possible widths and distances rather than to spend too much effort in blasting out large cuts where the mica 'showings' may be particularly 'good'.

7. In general this work should be carried forward to open up the surface exposures at regular intervals over as much territory or of the contained pegmatitic formations as possible for the capital available. It is anticipated that, following the completion of the 'first stage' of exploration, sufficient information will have been made available on which a proper 'follow-up' or development plan can be based.

The cost of advancing the undertaking through this 'first stage' of serious exploration is difficult to estimate with close accuracy. I think that the property warrants an initial or strictly exploration of $30,000.00 and that funds which may be made available for this purpose are properly to be regarded as 'risk' capital.

It is likewise quite impossible at this time to present any adequate idea as to tonnages or volumes of mica-bearing formations that may be disclosed by comprehensive explorations. The volumes of pegmatites above sea level are almost 'inexhaustable'. If we refer to the principal opencut area near Point Mansfield on Sitklan Island, there is a possible mica-bearing rock volume extending from sea level to an altitude of 200 feet or more. Assuming a width of 250 feet and a presently 'proven' length of 300 feet, all of which dimensions are considered quite conservative, there would be a volume of 600,000 tons. This section of mica-bearing formation is really a minute portion of the total pegmatite volumes on these properties. It is, however, quite impossible to estimate or suggest a unit or over-all value to the probable mica-bearing volumes or tonnages.

GENERAL SUMMARY AND CONCLUSION

On Sitklan Island and on the adjacent Alaskan Mainland there are extensive occurrences of acid pegmatites in which limited prospecting work and inspections have revealed concentrations of mica of probable substantial economic importance. Though the region is, at present, largely uninhabited it is readily accessible being, in fact, situated near the established steamer routes in the vicinity. All external circumstances affecting the carrying forward of mining operations, so far as these are recognized or foreseen, are reasonably favorable. The possibilities for establishing a profitable production operation depend on the quality and quantity of mica which can be developed in the pegmatitic formations.

It is my opinion that the property as described and discussed in foregoing pages fully warrants the expenditure of capital as indicated in exploration work. Further- it is anticipated that the mineral disclosures resulting from such initial exploration work will warrant additional expenditure of capital leading, eventually, to profitable production.

Respectfully submitted

Signed "B.W.W. McDougall" P. Eng.

Consulting Mining Engineer

~~Lessor~~

January 6th, 1954
416 Bank of Nova Scotia Bldg.,
Vancouver, B.C.

~~William D. Morrison~~
~~Box 665~~
~~San Fernando, Cal.~~

Phone NOrmandy 4-5052

"The Test Tells The Tale"

Same Location Over 22 Years

HERR LABORATORY

ASSAYERS AND CHEMISTS

5176 Hollywood Blvd. ◆ Hollywood 27, California

Nov.19,1957

Submitted by Mr. William Morrisson
Box 665
San Fernando,Calif.

Received August 27,1957

Semi quantitative spectro -chemical analysis

Number	Marked	Ozs.. per ton		Value per ton	Percentage		
		Gold	Silver		Copper	Lead	Zinc
8342	Mica	X	X		0.006	X	X
					Silica		35.10
					Alumina		16.50
					Iron		16.00
					Magnesia		13.00
					Calcium		14.00
	Note - Muscovite Mica.				Potassium		4.00
					Sodium		1150
					Balance -water and undetected.		

Charges $5.00 Pd.

Assayer

Our liability for error or negligence related to the work covered by this certificate is limited to the fees charged.

Official
COPY
DMA
RECEIVED
1958

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/10	Houk	600
3/29	Johnson	110
"	Hartnedy	100
		220

600

MAR 24 1958

Messrs. William D. Morrison
and William D. Morrison, Jr.
18600 Strathern Street
Reseda, California

Re: Docket No. DMEA-4918-Mica
Mainland and Sitklan Island
Groups of Claims
William D. Morrison and
William D. Morrison, Jr.
Ketchikan District, Alaska

Gentlemen:

This is with reference to our letter of January 24, 1958, requesting additional information needed to process the subject application.

As we have not received a reply to our letter, we are considering your application as having been withdrawn and are placing it in our inactive files.

We regret the necessity of taking such action, however, it is taken without prejudice to your proposed project. If at some future time you desire to reopen this case, you may do so by filing a new application, referring to the subject application by the DMEA docket number, and furnishing the information previously requested, together with any other information that you think might be helpful.

Sincerely yours,

[illegible] (for)

Administrator

LGHouk:gad 3/18/58
Copy to: Admr. R. File
Field Team, Region I
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/20	Houk	600

March 18, 1958

Memorandum

To: Mr. Allen S. Dakan, Director
Division of Operations, Control and Statistics

From: Lawrence G. Houk, Director
Division of Nonmetallic Minerals

Subject: Withdrawal of application - Docket No. DMEA-4918-Mica
Mainland and Sitklan Island
Group of Claims
William D. Morrison and
William D. Morrison, Jr.
Ketchikan District, Alaska

We are notifying the applicants that since data needed to continue processing the subject application has not been received by March 24, 1958, we are considering the matter closed.

The subject application may be withdrawn from the pending category and placed in the withdrawn.

LGHouk:gad 3/18/58
Copy to: Admr. R. File
Mr. Houk

8623

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

February 11, 1958

ORIGINAL FILE COPY
DMEA
RECEIVED FEB 17 1958
DATE | CODE
2/18 | C | 220
600

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

Re: Docket No. DMEA-3437 (Mica)
B. C. Mica Mines, Ltd.
B. C. Mica Mines Prospects
Sitklan Island, Alaska

Docket No. DMEA-4918 (Mica)
William D. Morrison and
William D. Morrison, Jr.
Mainland and Sitklan Island
group of claims, Alaska

Dear Mr. Selfridge:

This is in further reference to your letter of January 20, 1958 and our reply of February 3.

We have just received a reply from E. M. MacKevett, who says that there are no data on the area in the Survey files but that C. L. Sainsbury has described the general area and the geology of the pegmatites quite well in U. S. Geological Survey Bulletin 1024-G.

Sincerely yours,

A. E. Weissenborn

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

cc: USBM (2)
MacKevett

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

February 3, 1958

DATE	INITIALS	CODE
2/6	C	220
2/6	Hrub	600

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

Re: Docket No. DMEA-3437 (Mica)
B. C. Mica Mines, Ltd.
B. C. Mica Mines Prospects
Ketchikan County, Sitklan
Island, Alaska

Docket No. DMEA-4918 (Mica)
William D. Morrison & William D.
Morrison, Jr.
Mainland & Sitklan Island Groups
of claims
Ketchikan County, Alaska

Dear Mr. Selfridge:

We are unable to find a file on the B. C. Mica Mines, Ltd., nor Lorain's letter of March 5, 1955 to you. However, we are forwarding a copy of the application to E. M. MacKevett and will ask him to see whether the Survey has any information on the pegmatites of this area.

In view of the Administrator's letter to the applicant, we will not take any action towards a field examination or preparation of a report until we hear further from you.

Sincerely yours,

A. E. Weissenborn

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

cc: USBM (2)
MacKevett

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/24	Hook	600
"	Morrison	110
"	Anthony	100
1/27	[illegible]	220
		600

600

JAN 24 1958

Messrs. William D. Morrison
and William D. Morrison, Jr.
13600 Strathern Street
Reseda, California

Re: Docket No. DMEA-4918-Mica
Mainland and Sitklan Island
Groups of Claims
William D. Morrison and
William D. Morrison, Jr.
Ketchikan District, Alaska

Gentlemen:

Your application for exploration assistance has been examined and we will require additional data before it can be processed.

It is suggested that you submit a revised application and that you follow closely and answer in detail all questions asked in Form MF-103, (copies enclosed). The proposed work should be fully described and should include sketch maps of the property. Give a brief history of the project supervisors showing time and dates and the official positions which they have held. Please show the number, size, and type of construction of the buildings you propose, and any favorable factual information that has resulted from new work which may provide our basis for reconsidering the previous denial. Your reply to Question 6b, indicates you desire the exploration assistance to mine the pegmatite. The DMEA does not participate in work of this nature. Please note Sec. 8 of DMEA Order-1, Revised, (copy enclosed) which reads: "The Operator must have, preserve, and maintain a sufficient interest in the land, as owner, lessee, or otherwise, for the purposes of the exploration project contract." The Mine Management Contract Agreement does not provide sufficient interest in the land for the purposes of an exploration project contract because it is not for a fixed term. A copy of the lease from Sitklan Mica Company, Inc., of November 1954, and Consents to Lien and Subordination Agreement from them and everyone else holding an interest in the land should also be provided.

Two prior applications for Government exploration assistance have been received on the subject property. The first, application DMEA-3049, received on May 29, 1953, was denied July 16, 1953, because of the improbability of making a significant discovery of strategic mica. The second application by

8623

B. C. Mica Mines, Ltd., DMEA-3437, was considered closed and transferred to the inactive files because the Applicant failed to supply the requested information. Because of the past history the Government will reconsider this application only if evidence is supplied which will show that new work has been completed with favorable results, and that you supply a four or five pound representative sample of the best quality of the larger sizes of strategic mica.

May I point out that any strategic mica from the subject area would not be eligible to receive the premium prices being paid for domestically produced mica. Under the Purchase Program for Domestic Mica, Title 32A, Code of Federal Regulations, Revision 3, Section 2c, "Domestic origin" means mined within the United States (the forty-eight States and the District of Columbia). This program is administered by the General Services Administration.

We will postpone processing your present application pending receipt of a revised application, samples of mica, favorable results of the new work, and evidence of sufficient interest in the land. We wish to allow you ample time, however, if the requested information and samples are not received within sixty days from the date of this letter your application will be considered withdrawn.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosures 6

LGHouk:gad 1/17/58
Rewritten 1/24/58
Copy to: Admr. R. File
Field Team, Region I
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : L. G. Houk, DMEA

DATE: JAN 23 1958

FROM : R. P. Dwyer

SUBJECT: Proposed letter--Morrison and Morrison, DMEA-4918 (Mica)

1. Add this to last sentence on first page: "because it is not for a fixed term."

2. Cite CFR in reference to "domestic purchase program" as follows: "Title 32A, Code of Federal Regulations, Revision 3, section 2c." Also suggest adding a sentence stating that "This purchase program is administered by General Services Administration."

3. Add a paragraph that we require copy of lease from Sitklan Mica Co., Inc., of November 1954, and Consent to Lien and Subordination Agreement from them and everyone else holding interest in the land.

Robert P. Dwyer

Robert P. Dwyer

DMEA-Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/17	Hook	600
		140
		140
		120
		110
		100
		220

RECEIVED
JAN 17 1958
ASSOC. SOLICITOR
MINERAL RESOURCES

600

Messrs. William D. Morrison
and William D. Morrison, Jr.
18600 Strathern Street
Reseda, California

INTERIOR DEPT.
JAN 17 1958
SOLICITOR

Re: Docket No. DMEA-4918-Mica
Mainland and Sitklan Island
Groups of Claims
Ketchikan County, Alaska

Gentlemen:

Your application for exploration assistance has been examined and found to be deficient in that you failed to set forth a specific program for exploration. ~~We would be pleased to receive a four or five pound sample of the best quality of mica in the larger sizes for evaluation as to its strategic quality.~~

Two prior applications for Government exploration assistance have been received. The first, DMEA-3049, on May 29, 1953, and it was denied July 16, 1953, because of the improbability of making a significant discovery of strategic mica. The second application by B. C. Mica Mines, Ltd., DMEA-3437, was considered closed and transferred to the inactive files because the Applicant failed to supply the requested information.

The present application is inadequate. It is suggested that you submit a revised application and that you follow closely and answer in detail all questions asked in Form MF-103, (copies enclosed). The proposed work should be fully described and should include sketch maps of the property. Give a brief history of the project supervisors showing time and dates and the official positions which they have held. Please show the number, size, and type of construction of the buildings you propose, and any favorable factual information that has resulted from new work which may provide our basis for reconsidering the previous denial. Your reply to question 6b, indicates you desire the exploration assistance to mine the pegmatite. The DMEA does not participate in work of this nature. Please note Sec. 8 of DMEA Order-1, Revised, (copy enclosed) which reads: "The Operator must have, preserve, and maintain a sufficient interest in the land, as owner, lessee, or otherwise, for the purposes of the exploration project contract." The Mine Management Contract Agreement does not provide sufficient interest in the land for the purposes of an exploration project contract, because it is not for a fixed term.

[illegible]

8627

May I point out that any strategic mica from the subject area would not be eligible to receive the premium prices being paid for domestically produced mica. Under the Purchase Program for Domestic Mica, Title 32A, Revision 3, Section 2c, "Domestic origin" means mined within the United States (the forty-eight States and the District of Columbia).

We will hold in abeyance the processing of your present application pending receipt of a revised application, samples of mica, favorable results of the new work, and evidence of sufficient interest in the land.

Sincerely yours,

Administrator

Enclosures 6

LGHouk:gad 1/17/58
Copy to: Admr. R. File
Field Team, Region I
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 20 1958

DATE	INITIALS	COST
1/20	C	220
1/21	Houk	600

IN REPLY REFER TO:

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

January 17, 1958
Re: DMEA 4918
Wm. D. Morrison & Son
(B. C. Mica Co.)
Sitklan Island Claims
Ketchikan Dist., Alaska
$60,000.00 - Mica

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of application

The applicants request assistance in exploring by means of open cutting large pegmatite dikes containing as now known segregations of muscovite. Beryl, feldspar and other constituents of pegmatites would be of secondary interest.

Exploration began in 1954 with a gasoline rock drill. The intention is to enlarge the cuts and if possible make shipments. Such an operation requires the requested operating equipment, permanent camps, and temporary loading facilities. In effect they intend to do both exploratory work and mining.

Members of the old Juneau staff are said to have visited the operation. Perhaps information is available in Spokane.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

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

January 17, 1958

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4918 (mica)

Applicant: William D. Morrison and William D. Morrison, Jr.

Name and Location of Property: Sitklan Island, Ketchikan County, Territory of Alaska

Date Application Rec'd. by Br. of Ceramic & Fertilizer Mtls. 1/16/58

Comments:

1. Applicants ask for $60,000 to commence mining operations on a group of mining claims on which they state mica-bearing pegmatites occur. Occurrence of mica is substantiated by report of a consulting mining engineer.

2. The application is deficient in not including an exploration plan, but rather requests money for five months of mining operations; the applicants seem to be under the misapprehension that DMEA advances funds for mining.

Recommendation:

It is recommended that the applicants be requested to submit samples of mica from claims and be informed as to the nature of DMEA exploration assistance so that they may submit more pertinent information.

DMEA
RECEIVED JAN 17 1958

DATE	INITIALS	CODE
1-17	gb	220
1/20	[illegible]	600

W. F. Dietrich

W. F. Dietrich

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/17	Houk	600
1/20	[illegible]	130
"	Johnson	110
"	[illegible]	100
1/21	[illegible]	220
		600

600

JAN 20 1958

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

Re: Docket No. DMA-3437-Misc
B. C. Mica Mines Ltd.
B. C. Mica Mines Prospects
Ketchikan County, Sitklan
Island, Alaska

Docket No. DMA-4918-Misc
Mainland and Sitklan Island
Groups of Claims
Ketchikan County, Alaska

Dear Mr. Weissenborn:

Reference is made to the letter of March 4, 1955, to Mr. George C. Selfridge from Mr. V. A. Lorain on the subject application, stating, "Mr. Velikanje has been withholding preparation of his report of the survey examination until the operators indicate their serious intentions by submitting a revised application."

Recent application, DMA-4918, is on the same property and is most inadequate for evaluation purposes. We would, therefore, be pleased to receive Mr. Velikanje's report.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

LGHouk:rsi 1/17/58

Approved:

Frank D. Lamb (FDL)
Member, Bureau of Mines

Thor H. Kiilsgaard (THK)
Member, Geological Survey

Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

P.S. If his report is not available, we would like to have any other information on the property that you have available.

8623

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

January 16, 1958

Messrs. William D. Morrison
& William D. Morrison, Jr.
18600 Strathern Street
Reseda, California

Gentlemen: Subject: DMEA-4918

Your application for exploration assistance, dated September 24, 1957 submitted to our office at Washington, D. C. has been assigned Docket Number DMEA-4918 and referred to the Nonmetallic Minerals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to:

Region I