E-2173

For royalty payment of $2,117.80 dated 1/17/66, see royalty transmittal letter file.

E-2173

For royalty payment of $3,077.46, dated 11/12/65, see transmittal letter file.

MAY 27 1965

AIR MAIL

Mr. Arnold M. Nordale, President
Keystone Mines, Inc.
P. O. Box 2415
Juneau, Alaska

Re: OME-6304 (Gold-Silver)
Keystone Mines, Inc.
Keystone Mines
Fairbanks District, Alaska
Contract 2173

Dear Mr. Nordale:

Our Acting Field Officer, Region I, has forwarded to this office your check no. 28, dated May 11, 1965, in the amount of $3,325.19, in payment of royalty due to the Government to December 31, 1964, under the terms of the above referenced contract.

It is our understanding that the Acting Field Officer in a letter to you dated May 4, 1965, cited Article 5(d) of the contract which provides that the Operator shall furnish the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, including two copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production. This you have failed to do. In order that our records may be complete, please furnish Mr. D. R. MacLaren, Acting Field Officer, OME, Region I, So. 157 Howard Street, Spokane, Washington 99204, with the requested documents at your earliest convenience.

Sincerely yours,

George Fumich, Jr

Acting Director

AMAlley/ama 5-26-65

cc:
Docket
Director's Reading File
CA & A Division
Region I

May 26, 1965

Memorandum

To: Chief, Branch of Fiscal Services
Office of Management Operations
Office of the Secretary

/s/ Anne M. Alley

From: Contract Administration and Audit Division

Subject: OME-6304 (Gold-Silver)
Keystone Mines, Inc.
Keystone Mine
Fairbanks District, Alaska
Contract 2173

Enclosed for deposit to the subject OME account under symbol 142039 as a royalty receipt is check no. 28, dated May 11, 1965, drawn by Keystone Mines, Inc., in the amount of $3,325.19 on the Main Office, First National Bank of Fairbanks, Fairbanks, Alaska. Also enclosed is your copy of the transmittal memorandum from the Acting Field Officer, Region I.

Enclosures

AMAlley/ama 5-26-65

cc:
Docket
Director's Reading File
CA & A Division
Region I

So. 157 Howard Street
Spokane, Washington 99204
May 24, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 26 1965

INITIALS	CODE

Memorandum

To: Chief, Division of Exploration Operations

From: Acting Field Officer, Region I

Subject: Transmittal of royalty payment
OMB-6304 (Gold-Silver)
Keystone Mines, Inc.
Keystone Mine
Fairbanks District, Alaska
Contract 2173

Enclosed are two Thermo-Fax copies of a self-explanatory letter dated May 11, 1965, from the subject Operator and Check No. 28 dated May 11, 1965, in the amount of $3,325.19 drawn on the Main Office of the First National Bank of Fairbanks, Fairbanks, Alaska, with copies of our usual memorandum to the Fiscal Section. This payment, made in response to my letter of May 4, 1965, to the Operator, was not accompanied by any of the documentation required by Article 5(d) of the contract which was cited and emphasized in the second paragraph of my May 4th letter.

I am routing this through your office as it appears I cannot "get through" to the Operator and am at a bit of a loss as to how I can make the point any clearer. Perhaps, a request from your end will "reach" him.

D. R. MacLaren

Enclosures

OME (2)

Box 630

Juneau, Alaska
May 11, 1965

Mr R R MacLaren
Acting Field Officer
Office of Minerals Exploration
South 1571 Howard Street
Spokane, Wash - 99204

OME 630A
Contract 2173
Kigoton Mines, Inc
Juneau, Alaska

Dear Mr MacLaren,

In reviewing the terms of the Office of Minerals Exploration regulation pertaining to the repayment of financial assistance we find that we have been negligent in not making royalty payments as production occurred. The omission was due to misunderstanding and oversight.

Enclosed is a check in the amount of $3,325.19 which is the royalty due OME to December 31st 1964. We have received advance payments from the Northern Commercial Company for sponge gold deposited with them since but have received no mint return. When they are received and the settlements are made a further accounting will be made with OME.

Very truly yours
[illegible] M. Nordale

RECEIVED
MAY 19 1965
OME

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

Air Mail

MAY 4 1965

Mr. Arnold M. Nordale
President
Keystone Mines, Inc.
P. O. Box 2415
Juneau, Alaska

Re: ME-6504 (Gold-Silver)
Keystone Mines
Fairbanks District, Alaska
Contract 2173

Dear Mr. Nordale:

From the statement near the end of your letter of April 12, 1965, it appears that Keystone Mines, Inc., has received a total of $66,503.70 from the sale of gold produced at the Keystone Mine since August 29, 1963, the date of the OME contract.

Article 5(d) of the OME contract provides that the Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, such as two copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

Article 6(b) states in part: "The Operator * * * shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) * * * from the date of the contract * * *."

Article 6(c)(1) states the amount of royalty and describes how it shall be determined, and Article 6(c)(2) states that the royalty shall be computed and paid currently upon each lot sold, held * * * as the case may be.

From the above, it appears that royalty in the amount of a least $3,325.19 is over due, some of it since the end of 1963. A prompt computation and payment of the royalty due is requested.

The documents, none of which are signed or certified, are returned.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosures

cc: J. A. Herdlick
OME (2)
MacLaren
CPF

Director's Reading File
Resources Research Branch Chief
CA&A Division
DRMacLaren/mls

MME FORM 60
SEPT. 1959

RECEIVED
JAN 14 1965

FEB 1 1965

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OMR 6306
Contract No. 2173 as amended
14-23-090-
Contract Amount $ 70,190.00
Gov't. Participation % 50 $35,095
Mineral(s) Gold, Silver

OPERATOR'S MONTHLY VOUCHER

For Month of December 1964

Operator's Name KEYSTONE MINES, INCORPORATED
Address P. O. Box 650, Fairbanks, Alaska

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contract: etc.						
~~Mining, Drifts,~~ Crosscuts	505.00	235.00	740.00			
Bulldozing	3,777.50	935.00	5,712.50			
Drifting	0	557.50	557.50			
Crosscutting	0	1,050.00	1,050.00			
~~Drifting~~ 17% station	0	200.00	200.00			
Station & sets	0	14,165.00	14,165.00			
Shaft sinking	0	550.00	550.00			
~~Bulldozing~~ Jobber						
(2) Salaries:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	~~5,282.50~~	~~17,272.50~~	~~20,555.00~~	3,282.50	17,272.50	20,555.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Dec. 31, 1964 *Payee KEYSTONE MINES, INC.

Per Arnold M. Nordale Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

1,641.25
100.00 to Suspense
$ 1,541.25 to Operator

Signature Bob
(Authorized Certifying Officer)

Date 1/22/65 Vou. No. 1112-4

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2173

Signature [illegible] Title Acting Field Officer, Reg. I Date JAN 22 1965

Approved by OME Executive Officer or Alternate:

Signature [illegible] Title Acting Field Officer, Reg. I Date JAN 22 1965

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and ~~four~~ three copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
JAN 14 1965
OMS

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of December 1964 Docket No. OMB 6304

Operator's Name KEYSTONE MINES, INC. Contract No. 14-23-090-2173 as amended

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	ft	50.5	67.5	3,712.50	50.5	67.5	$ 3712.50
Crosscutting	ft	0	6.5	357.50	—	6.5	357.50
Raising							
Shafts	ft	0	123	14,145.00	—	123	14,145.00
Winzes							
Other Underground station	ft	0	17½	1,050.00	—	17½	1,050.00
Drilling, Core-Diamond							
Loading pocket	ea	0	1	350.00	—	1	350.00
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous sta. sets	ea	0	4	200.00	—	4	200.00
Timbering, drifts, crosscuts	ft	50.5	74	740.00	50.5	74	740.00
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				20,555.00			$ 20,555.00

REMARKS

(Continue on back)

REMARKS
1/ Request for a recess period is being processed; ∴ withhold $100.00 from funds due, pending resumption of work.

(Continue on back)

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

Date Dec. 31, 1964 Operator KEYSTONE MINES, INC.

Per Arnold M. Nordale Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D P MacLaren

Title Acting Field Officer, Reg. I
Government Representative

Date JAN 22 1965

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and ~~four~~ three copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

State of Alaska
Department of Natural Resources

Division of Mines and Minerals

Form M-1-8-62-3M

Assay Office Fairbanks

Date December 15, 1964

REPORT OF ASSAY

On samples received from Keystone Mines

Address Fairbanks

Assay No.	Sample Marked	OUNCES PER TON		Value per Ton	Percentage of
		GOLD	SILVER		
29291	# 1	0.07	0.46	$ 3.03	Silver at $1.28 per ounce
29292	# 2	0.91	1.16	33.23	

Assayer.

and Minerals

Form M-1-8-2-M

REPORT OF ASSAY

On samples received [illegible]

Address [illegible]

Assay No.	[illegible]	[illegible]	[illegible]	[illegible]
		GOLD	SILVER	
[illegible]	[illegible]			
[illegible]	[illegible]			
[illegible].18	[illegible]			
29319	[illegible]			
29320				
29321	[illegible]			

State of Alaska
Department of [illegible]

Division of Mines
and Minerals

Form M-1-8-62-3M

Date [illegible]

REPORT OF ASSAY

On samples received from [illegible]

Address [illegible]

Assay No.	Samples Marked	[illegible]	Value per Ton	Percentage of
		GOLD	SILVER	
[illegible]27				
[illegible]28				
[illegible]29				

Assayer

KEYSTONE MINES, INC.
ONE NARRATIVE REPORT FOR DECEMBER 1964

During December 1964, 30½ feet of drift was completed on the east drift of the 147 foot level. Eight inch by eight inch timber is being used. Posts are battened so that the average opening in the clear is 3' by 7'. The ground at times is somewhat heavy and tends to "run" thereby requiring that all openings be timbered immediately. The use of a mucking machine to remove the broken rock immediately allows timbering to be installed without delay and hence tends to prevent sloughing. Tight lagging is necessary to prevent sloughing of the back and walls. The country rock is flat lying and is the typical birch creek schist of the area. The vein was faulted as indicated on the sketch map and the drift is being turned to intersect the vein again- quartz having been found at the face as stated on the sketch map. Considerable water was encountered at the fault which shifted the vein.

Assay samples were taken as indicated on the sketch map. The grab samples are representative of each round in which some quartz is encountered. Other samples are taken on the face whenever the vein is exposed. Assay results are included herewith.

December was extremely cold this year, however, operations have continued.

Arnold M. Nordale

Arnold M. Nordale
President
KEYSTONE MINES, INC.
Box 630
Fairbanks, Alaska

RECEIVED
JAN 14 1965
OKE

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of the Secretary
Accounting Section
Washington

JANUARY 28, 1965

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: KEYSTONE MINES, INC
P O BOX 630
FAIRBANKS, ALASKA

Amount Claimed:	Differences (Explaoned Below)	Amount Approved
$3,282.50		$3,282.50 1,641.25 Govt'Share - 100.00 $1,541.25 to Operator
Bu. Voucher No.	Payee's Invoice No.	Period
1112 - 4	OME 6304 Cont. 2173	December, 1964

EXPLANATION

$100.00 withheld pending resumption of work.

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

Suspension made by:

(Sgd) OPAL A. SHELTON
Signature

OPAL A. SHELTON
CHIEF, ACCOUNTING SECTION
Title

52887

3710 Brooklyn Ave N.E.
Seattle 5, Washington
Dec 26th 1964

Re: OME-6304 (Gold-Silver)
Keystone Mines, Inc.
Keystone Mines
Fairbanks Dist., Alaska
Contract 2173

...ashaven
...t Officer
...mines Exploration
...Howard Street
Washington 17 D.C.

Dear Mr McCuron.

Thank you for acknowledge the receipt of your letter of Nov. 3rd which was addressed to me at Fairbanks and forwarded to me here.

With respect to paragraph 2 of your letter I was aware of the slow progress being made. For that reason I signed the contract with the ... and entered into a rescue with Frank Burns of Spokane with whom I believe you are acquainted. Owing to the slow progress made and the fact that we were unable to sink the shaft below the 53 foot level the approval of Amendment No 1 was obtained. It appears impossible that the 800 feet of drifting will be finished by March 1st 1965. We therefore request that the ... contract be extended ... May 15th 1965.

... from the drifting ... the ... has been ... a complete

report of all information gained together with a statement of the gold recovered and tonnage milled when the work is completed. Since receiving your letter I have written for this information and I will forward it on to you as soon as I receive it

Sincerely yours
Conrad M Nerst

RECEIVED

800

No. 157 Howard Street
Spokane, Washington 99204
December 3, 1964

Air Mail

Mr. Arnold M. Herdale
President
Keystone Mines, Inc.
P. O. Box 630
Fairbanks, Alaska

Re: OME-6304 (Gold-Silver)
Keystone Mines
Fairbanks District, Alaska
Contract 2173

Dear Mr. Herdale:

I have been advised by our Washington office that an amendment will be prepared along the lines requested in your letter of November 9, 1964.

A review of the files causes us some concern regarding the progress of the OME work. Starting in November 1963, an average of only 24 feet of shaft per month was sunk for the first 5 months. Progress then declined to 16 feet in February, 8 in March, none in April, 10 in May, none in June (but 17.5 feet of station was driven during that month), and in July, 6 feet of shaft plus 15.5 feet of cross-cutting and drifting. Nothing was done in August, in September the shaft was sunk 13 feet, and only a little advance was made in October. In the meantime, between 200 and 300 feet of drifting and raising was done on the 50-foot level to the detriment of OME work. With two contractors on the job the OME work should progress more rapidly especially if both faces on the 147-foot level are advanced simultaneously. We would like to see a more rapid rate of advance on the remaining OME drifting as the completion date under the contract is February 29, 1965. March 1, 1965

Apparently, you have been will testing and milling stoped ore from the 50-foot level. If any sales of gold concentrates or ore have been made from production after the date of the contract, August 29, 1963, royalty thereon is due the Government. Will you please submit a detailed account of all ore milled since that date and the recoveries therefrom either in the form of free gold or concentrates and any sales that have been made.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: J. A. Herdlick

DRMacLaren:mls

cc: OME(2)
MacLaren
Voucher file
CFF

Director's Reading File
Resources Research Branch Chief

MK Form 7

11/25		130
		120M
		800
		110
		100
		220
		120M

Memorandum

To: Acting Chief Officer, Region I

From: Chief, Division of Exploration Operations

Subject: OPL-6324 (Gold-Silver)
Keystone Mines, Inc.
Keystone Mine
Fairbanks District, Alaska
Contract [illegible]

We have reviewed your memorandum of November 20, 1964, and enclosures relating to the Keystone examination of Bruce Thomas and requested amendments.

We shall amend the contract to allow work east of the shaft to approach the south side line of the Lucillita claim closer than the 100 feet now stipulated in the contract. Our main reason for limiting work near the property boundaries sometimes as much as 500 feet is not because of extralateral rights but because of the possibility of the discovery of blind veins or spurs which might not crop out on the land in the contract and therefore, because of extralateral rights, the Government could not collect royalty on production thereafter. It would seem that the Operator, for his own protection, would acquire an interest in Fractional No. 1 claim immediately to the south.

We shall also amend the contract to allow the requested drifting around the shaft station [illegible], without having seen the area, it seems to be a lot of dead work for a new undertaking. The Operator should try to keep the extra footage to a minimum. It would appear that a Y switch would be better than putting a curve in the turnaround.

To date we have received no royalty under the contract. Apparently the Operator [illegible] mining and milling stopped [illegible] from the 50-foot level [illegible]. Possibly no sales have been made. If there [illegible] any production since the date of the contract, [illegible]. The Operator should submit detailed information [illegible] since that date and the recoveries therefrom either [illegible] concentrate.

23263

Progress of the work set forth in the contract has been disappointing. Starting in November 1963, an average of 24 feet of shaft was sunk for the first three months. It then dropped off to 16 in February, 8 in March, nothing in April, 10 in May, nothing in June (but the station was driven), and 6 feet in July with 15.5 feet of drifting and cross-cutting. Nothing was done in August, and 13 feet of shaft was sunk in September. As the shaft length is approximate, it is not necessary to deepen the shaft to the full 126 feet if it now suffices at its present length. Only a little footage was driven in October. In the meantime, the Operator has drifted and raised between 200 and 300 feet on the 50-foot level to the detriment of the UMZ work. Now, with two contractors on the job, anything could happen with the limited hoisting capacity. For efficiency of the UMZ operation, both faces should be driven simultaneously on the 147-foot level. It might be well to mention to the Operator that we would like to see a more rapid rate of advance on the remaining drifting. Under the contract, the period for completion of the work is February 29, 1965.

GCSelfridge/gla (11-25-64)
cc to: Director's Reading File
Docket
Review Committee
Mr. Selfridge

MME FORM 60
SEPT. 1959

RECEIVED Via DEC 3 1964 Air Mail

DEC 1 8 1964

OME 6304

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Nov. 1964

Docket No. 2173 as amended
Contract No. ~~70,190.00~~ 50 35,095.00
14-23-090- ~~Gold, Silver~~
Contract Amount $
Gov't. Participation % $
Mineral(s)

OPERATOR'S MONTHLY VOUCHER

For Month of

Operator's Name KEYSTONE MINES, INCORPORATED
Address ~~P. O. Box 630, Fairbanks, Alaska~~

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
xxxxxxTimbering, drifts & crosscuts	80.00	155.00	235.00	80.00		
(1) Independent Contracts:	440.00	495.00	935.00	440.00		
Bulldozing	0	357.50	357.50			
xxxx 17½ station	0	1050.00	1050.00			
Drifting Station, 4 sets	0	200.00	200.00			
Crosscutting Shaft sinking	0	14145.00	14145.00			
Drilling xxxxxxxx loading pocket	0	350.00	350.00			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
	$520.00	16,752.50	17,272.50			
TOTAL				520.00	16,752.50	17,272.50

Nov. 30, 1964 KEYSTONE MINES, INC.

I certify that the above bill is correct and just and that payment therefor has not been received.

Arnold M. Nordale President
Date Payee

Per Title

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 260.00

Signature BMB
(Authorized Certifying Officer)

Date 12/17/64 Vou. No. 904-3

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2173

Signature D R MacKaren Title Acting Field Officer, Reg. I Date DEC 11 1964

Approved by OME Executive Officer or Alternate:

Signature D R MacKaren Title Acting Field Officer, Reg. I Date DEC 11 1964

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and ~~four~~ three copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and ~~four~~ three copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

MME FORM 61
SEPT. 1959

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via
DEC 3 1964
Air Mail
OME
POLICY DIVISION

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT — For Month of Nov. 1964 — Docket No. OME 6304

Operator's Name KEYSTONE MINES, INC. — Contract No. 14-23-090- 2173 as amended

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	ft	8	17	935.00	8	23.5	1,292.50
Crosscutting	ft	0	6½	357.50			
Raising							
Shafts	ft	0	123	14145.00	—	123	14,145.00
Winzes							
Other Underground Station	ft	0	17½	1050.00	—	17.5	1,050.00
~~Drilling-Diamond~~ Loading Bucket	ea	1	1	350.00	—	1	350.00
~~Rotary~~							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous Sta. sets	ea	0	4	200.00	—	4	200.00
Timbering drifts & crosscuts	ft	8	23½	235.00	8	23.5	235.00
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				17,272.50			17,272.50

REMARKS

Eight feet in the west drift was completed, including timbering.

(Continue on back)

REMARKS

Claimed and approved in Oct. voucher

(Continue on back)

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

Date Nov. 30, 1964 Operator KEYSTONE MINES, INC.

Per Arnold M. Nordale Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D. R. Wackerow

Title Acting Field Officer, Reg. I
Government Representative

Date DEC 11 1964

(INSTRUCTIONS ON REVERSE)

KEYSTONE MINES, INC.

OME NARRATIVE REPORT FOR NOVEMBER 1964

During November, 8 feet of drift was completed on the east drift of the 147' level. Reimbursement is being requested for the 8 feet of drift and 8 feet of timbering. Samples were not taken in this section other than the sample shown on Sketch #11, July 31, 1964. The country rock continues to be flat lying and is composed of quartzitic, micaceous graphitic schists. Some of the country rock contains sulfides (pyrite).

The broken rock in the bottom three feet of the shaft was removed and the space is being used as a sump. Conventional shaft timbering has not been placed in this lower 3 foot section.

Beginning about the first of November, new personnel were employed to do the drifting specified in the OME contract. Work accomplished during the month consisted of reinforcing the timbering in the 147 foot station, pocket and drifts. Some "working" ground in the vicinity of the station seems to have been stabilized. A larger pump has been installed on the 147 foot level and the drainage pipe on the service extended farther from the shaft collar. The head-frame has been reinforced and some additional equipment is available for the drifting program (compressor, larger mine car, mucking machine, etc.).

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DEC 3 1964
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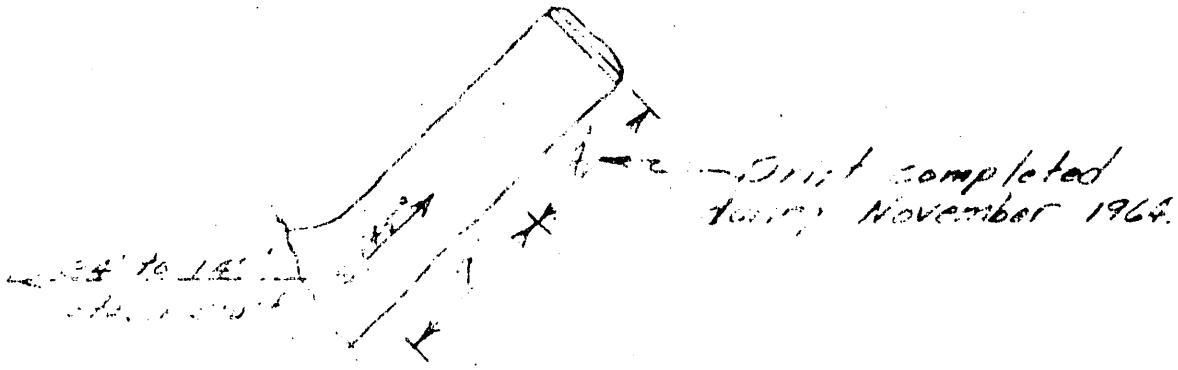
SPOKANE WASHINGTON

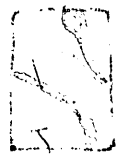
Westerne Mines Inc.

Sketch of

Open [illegible] completed in November 1964

Scale: Appro. 1" = 10'





MME FORM 60
SEPT. 1959

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Via
NOV 9 1964
Air Mail
OME

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. ~~OME 6304~~
Contract No.
14-23-090 ~~2173 as amended~~
Contract Amount ~~$70,190.00~~
Gov't. Participation ~~50 $35,095.00~~
Mineral(s) ~~Gold, Silver~~

OPERATOR'S MONTHLY VOUCHER

For Month of ~~October~~

Operator's Name ~~KEYSTONE MINES, INCORPORATED~~
Address ~~P. O. Box 630, Fairbanks, Alaska~~

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Timbering, drifts,						
(1) Independent Contracts:						
Bulldozing ~~& crosscut~~	0	155.00	155.00			
Drifting	0	495.00	495.00			
Crosscutting	0	357.50	357.50			
Drilling ~~17½ sta.~~	0	1,050.00	1,050.00			
Station sets (4)	0	200.00	200.00			
Shaft sinking	0	12,650.00	14,145.00			
(2) Personal Services:						
Bookkeeping pkt. (1)	350.00	0.00	350.00			
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	350.00	16,402.50	16,752.50	350.00	16,402.50	16,752.50

I certify that the above bill is correct and just and that payment therefor has not been received.

Date ~~Oct. 31, 1964~~ *Payee ~~KEYSTONE MINES, INC.~~

Per ~~Arnold M. Nordale~~ Title ~~President~~

Arnold M. Nordale

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 175.00

Signature _____ (Authorized Certifying Officer)

Date 11/25/64 Vou. No. 751-2

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2173

Signature D.R. Macharen Title Acting Field Officer, Reg. I Date NOV 19 1964

Approved by OME Executive Officer or Alternate:

Signature D.R. Macharen Title Acting Field Officer, Reg. I Date NOV 19 1964

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and ~~four~~ three copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

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Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
Via
NOV 9 1964
Air Mail
OME
WASHINGTON

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of Oct. 1964 Docket No. OME 6304

Operator's Name KEYSTONE MINES, INC. Contract No. 14-23-0902173 as amended

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	ft	0	9	495.00	} —		$ L
Crosscutting	ft	0	6½	357.50		15.5	852.50
Raising							
Shafts	ft	0	123	14,145.00	—	123	14,145.00
Winzes							
Other Underground station	ft	0	17½	1,050.00	—	17.5	1,050.00
Drilling, Core-Diamond							
Loading ~~Rmx~~ pkt.	ea	1	1	350.00	1	1	350.00
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous sta. sets	ea	0	4	200.00	0	4	200.00
Timbering, drifts							
Roads and Trail & crosscts	ft	0	15½	155.00	0	15.5	155.00
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				$16,752.50			$ 16,752.50

REMARKS

The loading pocket at the 147' level was completed during Oct. 1964. The maximum capacity of the pocket is about 400 cubic feet.

(Continue on back)

REMARKS

L See note L July MME-61

(Continue on back)

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

Date Oct. 31, 1964 Operator KEYSTONE MINES, INC.

Per Arnold M. Nordale Title President

Arnold M. Nordale

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D R Wyschaven

Title Acting Field Officer Reg. I
Government Representative

Date NOV 19 1964

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and ~~four~~ three copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

KEYSTONE MINES, INC.
P. O. BOX 630
Fairbanks, Alaska

October 31, 1964

Mr. D. R. MacLaren
Acting Field Officer, OME
Region I
U. S. Dept. of the Interior
OFFICE OF MINERAL EXPLORATION
South 157 Howard Street
Spokane, Washington 99204

Re: OME 6304 (Gold-Silver)
Contract 2173 as amended
Keystone Mines, Inc.
Fairbanks District, Alaska

Dear Mr. MacLaren:

In accordance with the specifications of our OME contract, as amended, I am forwarding you herewith the original and three copies of:

Operator's Monthly Voucher (MME form 60), Oct. 1964
Operator's Progress Report (MME form 61), Oct. 1964
Operator's Narrative Report, including
Narrative
Sketch map #14 showing work accomplished during Oct. 1964

Reimbursement requested for Oct. 1964 is for the completed loading pocket.

Very truly yours,

Arnold M. Nordale

Arnold M. Nordale
President
KEYSTONE MINES, INC.
P. O. Box 630
Fairbanks, Alaska

AMN:EHB:jp
Enclosures

RECEIVED
Via
NOV 9 1964
Air Mail
OME
SPOKANE, WASHINGTON

KEYSTONE MINES, INC.
OME Narrative Report for October 1964

The final round in the shaft sinking phase of Keystone's OME contract was drilled and blasted. Because of water conditions the broken material has not yet been removed nor the specific area timbered. As a result the memaining footage for the shaft is not being requested for the October work.

Pumping of water continued to be necessary for the shaft work.

The loading pocket at the 147 foot level was completed and accordingly reimbursement is being requested. The maximum capacity of the pocket is approximately 400 cubic feet, well over the required minimum capacity of 350 cubic feet.

Some initial drifting along the vein was done on the 147 foot level but reimbursement for this work is not being requested at the present time.

The drift on the 50 foot level was advanced about 16½ feet during the month.

Some ore was milled as has been done in the past.

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Via
NOV 9 1964
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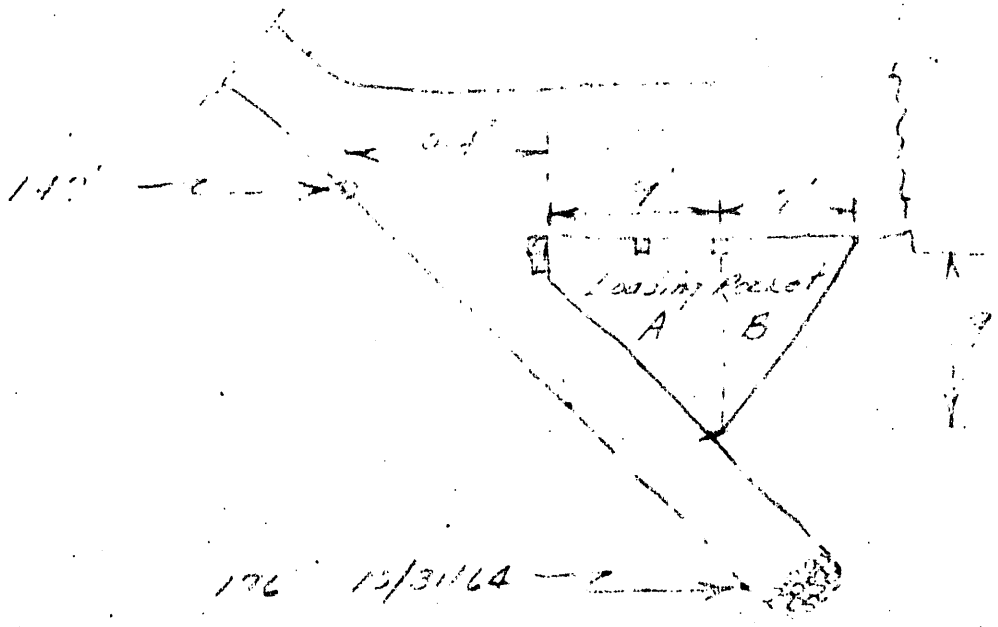
WASHINGTON

Keystone Mines, Inc.
Sketch of
Openings Completed in October 1964
Scale: Approx. 1"=10'



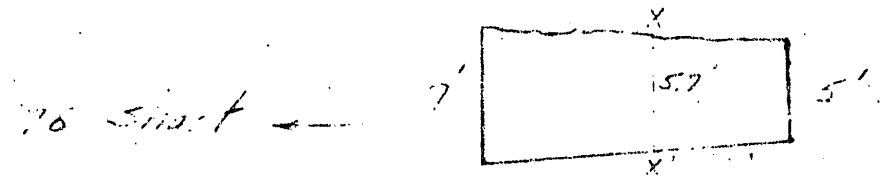
Approx. Capacity

$A = \frac{(7)(5)(60')}{2} = 243$ cu.ft

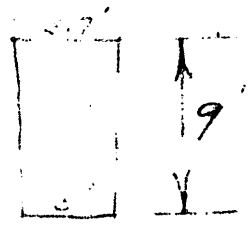
$B = \frac{(7)(9)(50')}{2} = 1575$ cu.ft

Total (Approx) = 400 cu.ft

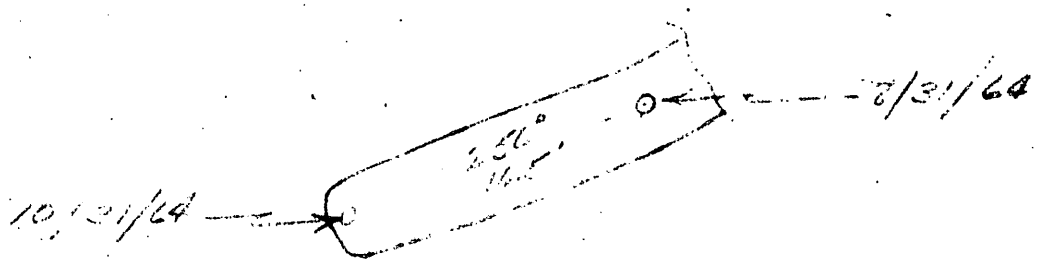
Elev. Shaft



Plan
Loading Pocket



Cross Section XX'



Plan
50' Level

MME FORM 60
SEPT. 1959

RECEIVED Via Mail OCT 5 1964

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6304
Contract No. 14-23-090-2173 as amended
Contract Amount $70,190.00
Gov't. Participation 50 $35,095.00
Mineral(s) Gold, Silver

OPERATOR'S MONTHLY VOUCHER

For Month of Sept. 1964

Operator's Name Keystone Mines, Inc.
Address P. O. Box 630, Fairbanks, Alaska

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Timbering, drift,	0	155.00	155.00			
Drifting & crosscut	0	495.00	495.00			
Crosscutting	0	357.50	357.50			
Drilling 17½' station	0	1,050.00	1,050.00			
Station sets (4)	0	200.00	200.00			
Shaft sinking	1,495.00	12,650.00	14,145.00			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	1,495.00	14,907.50	16,402.50	1,495.00	14,907.50	16,402.50

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Sept. 30 1964 *Payee Keystone Mines, Inc.

Per Arnold M. Nordale Title President

Arnold M. Nordale

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 747.50

Signature BAB
(Authorized Certifying Officer)

Date 10/14/64 Vou. No. 494-3

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2173

Signature D.P. MacKaren Title Acting Field Officer, Reg. I Date OCT 6 1964

Approved by OME Executive Officer or Alternate:

Signature D.P. MacKaren Title Acting Field Officer, Reg. I Date OCT 6 1964

OPERATOR'S MONTHLY REPORT

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THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
Via
OCT 5 1964
as Mail
O.M.E.
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OME 6304

OPERATOR'S PROGRESS REPORT, Keystone Mines, Inc. For Month of Sept. 1964 Docket No. 2173 as amended

Operator's Name _____ Contract No. 14-23-090- _____

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
	ft	0	9	495.00			
Drifting	ft	0	6½	352.50	0	15.5	852.50
Crosscutting	ft	13	123	14,145.00	13	123	14,145.00
Raising							
Shafts Station	ft	0	17½	1,050.00	0	17.5	1,050.00
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Sta. sets	ea.	0	4	200.00	0	4	200.00
Timbering, drifts & crosscut	ft	0	15½	155.00	0	15.5	155.00
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				16,402.50			16,402.50

REMARKS
13 feet of shaft was completed during the month of Sept. 1964. The loading pocket at the 147 foot level is about 75% completed.

(Continue on back)

REMARKS
See July 1964 MME-61 with

(Continue on back)

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

Sept. 30, 1964 Keystone Mines, Inc.

Date Arnold M. Nordale Operator President

Per _____ Title _____

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [illegible]

Title Acting Field Officer, Reg. I
Government Representative

Date OCT 6 1964

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP.,D.C.59- 61577

KEYSTONE MINES, INC.
OME Narrative Report for Sept. 1964
****

During September the shaft was extended 13 feet to give it a total length of 176 feet, 126 feet of which is under OME contract. Sinking of the shaft will continue in October to a depth to complete the shaft sinking portion of the OME contract. The loading pocket at the 147 foot level was completed to the extent of about 75%.

The country rock continued to be the typical schist encountered throughout the shaft. Pumping continued to be necessary for shaft work. The location of the loading pocket will be shown on the sketch map when the pocket is completed.

The drift on the 50 foot level was not advanced during the month although some ore was mined above the 50 foot level for milling as in past months.

Plans have been completed for a contractor to concentrate on driving a drift on the 147 foot level along the vein. Work should begin on this phase in the not too distant future.

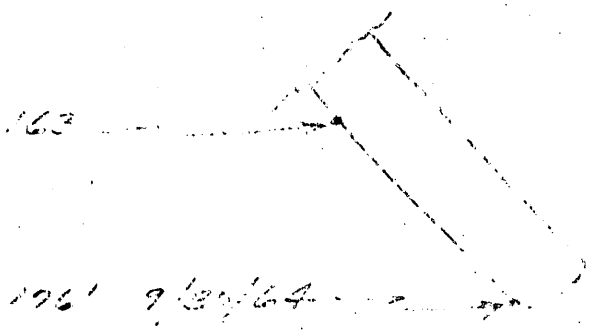
Arnold M. Nordale

Arnold M. Nordale
President
KEYSTONE MINES, INC.
P. O. Box 630
Fairbanks, Alaska

RECEIVED
OCT 5 1964
Air Mail
OME
SPOKANE, WASHINGTON

#13
9/30/64
EHB

Keystone Mines, Inc.
Sketch of
Openings Completed in September, 1964
Scale: Approx 1" = 10'



Plan Shaft

EXTRA COPY
O. M. E
RECEIVED OCT 14 1964

DATE	INITIALS	CODE

EXTRA COPY
O. M. E
RECEIVED SEP 4 1964

DATE	INITIALS	CODE
		800

KEYSTONE MINES, INCORPORATED

OME Narrative Report for August 1964

During August the following work was accomplished.

(a) Six feet of shaft was driven which is now being timbered. Shaft sinking will continue in September 1964. A new electric pump has been obtained and this will be installed in the future. This pump should allow for more efficient removal of water in the shaft and thereby facilitate shaft sinking.

2173

(b) The drift on the 50 foot level was extended 51 feet in a westerly direction giving a total length of about 360.5 feet from the shaft. The ore remains generally continuous along the drift. A raise in the vein from the fifty foot level to the surface has been completed. On the surface the collar of the raise is 158 feet, azimuth of 280°, from the center of the shaft hoisting compartment. Ore was generally continuous in the vein. Ore encountered in drifting and raising was test milled as in previous months.

Reimbursement is not being requested for work done on the 50 foot level.

Arnold M. Nordale

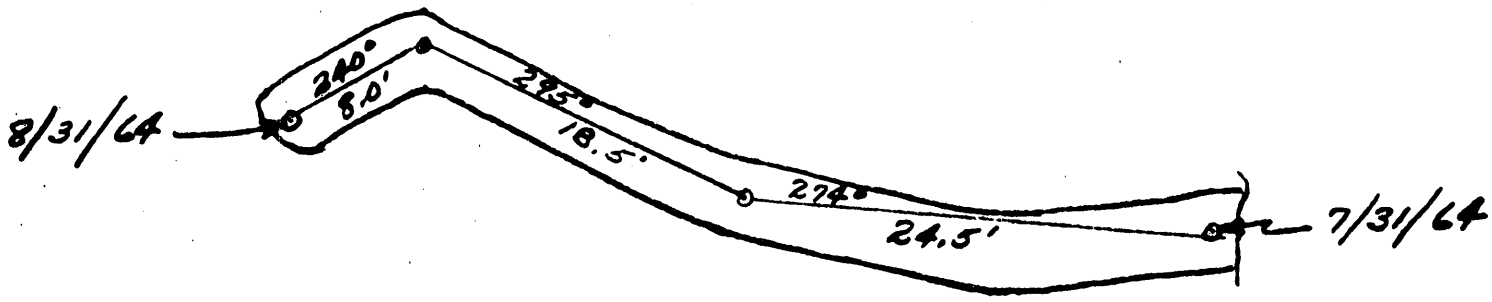
Arnold M. Nordale
President
Keystone Mines, Inc.
P. O. Box 630
Fairbanks, Alaska

AMN:EHB:jp

RECEIVED
SEP 2
OME
SPOKANE, WASHINGTON

Keystone Mines, Inc.
Sketch of
Openings Completed in August 1964

Scale: Approx. 1" = 10'



Plan
50' Level

A raise was driven to the surface as indicated in the narrative report.

#12
8/31/64
ENB

Hoy-stone Mines Inc.
Sketch of
Openings Completed in August 1964

Scale: Approx. 1"=10'

Plan
50' Level

A raise was driven to the surface as indicated in the narrative report.

MME FORM 60
SEPT. 1959

RECEIVED
Via
AUG 10 1964
Air Mail
OME
SPOKANE, WASHINGTON

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OME 6304

Docket No.
Contract No. 2173 as amended
14-23-090-~~0,190.00~~
Contract Amount $ 50 35,095
Gov't. Participation %
Mineral(s) ~~Gold-Silver~~

OPERATOR'S MONTHLY VOUCHER

For Month of July 1964

Operator's Name KEYSTONE MINES, INCORPORATED
Address P. O. Box 630, Fairbanks, Alaska

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
Development ~~Crosscut~~						
Building ~~timbering~~	155.00	0.00	155.00			
Drifting	495.00	0.00	495.00			
Crosscutting	357.50	0.00	357.50			
Raising	0.00	1,050.00	1,050.00			
~~Raise~~ station	50.00	150.00	200.00			
station sets (1)	590.00	11,960.00	12,650.00			
shaft sinking						
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	1,747.50	13,160.00	14,907.50	1,747.50	13,160.00	14,907.50

I certify that the above bill is correct and just and that payment therefor has not been received.

Date July 31, 1964 Payee Keystone Mines, Inc.

Per Arnold M. Nordale Title President

Arnold M. Nordale

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 873.75

Signature BWB
(Authorized Certifying Officer)

Date 8/18/64 Vou. No. 265-2

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2173

Signature D.R. MacLaren Title Acting Field Officer, Reg. I Date AUG 17 1964

Approved by OME Executive Officer or Alternate:

Signature D.R. MacLaren Title Acting Field Officer, Reg. I Date AUG 17 1964

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
Via
AUG 10 1964
Air Mail
OME
SPOKANE, WASHINGTON

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of July 1964 Docket No. OME 6304

Operator's Name KEYSTONE MINES, INC. Contract No. 14-23-090-2173 as amended

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	ft	9	9	$495.00	15.5	15.5	11 852.50
Crosscutting	ft	6½	6½	357.00			
Raising							
Shafts	ft	6	110	12650.00	6	110	12,650.00
Winzes							
Other Underground station	ft	0	17½	1050.00	0	17.5	1,050.00
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous station sets ea		1	4	200.00	1	4	200.00
Drift & crosscut timbering	ft	15½	15½	155.00	15.5	15.5	155.00
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				$14,907.50			14,907.50

REMARKS
During July 1964 the fourth timber set for the station was installed and 6½ feet of crosscutting and 9 ft of drifting were completed and timbered to meet OME specifications. Six feet of shaft was driven and timbered giving a total shaft depth of 163 feet from the collar of which 110 feet is included in the OME contract.

(Continue on back)

REMARKS
11 $357.00 claimed for x-cutting apparently a typographical error — note claimed total to date

(Continue on back)

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

Date July 31, 1964 Operator Keystone Mines, Inc.

Per Arnold M. Nordale Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D. R. MacKeever

Title Acting Field Officer, Reg. I
Government Representative

Date AUG 12 1964

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

I, Edwin Ebbert, Contractor for the Keystone Mines Inc. hereby certify that I have been paid in full to date.

Date:	month	day	year
	July	31	1964

/s/ Edwin W. Ebbert
(Signed Edwin Ebbert)

We, the undersigned working for Edwin Ebbert, Contractor for Keystone Mines. hereby certify that we have been paid in full to date.

/s/ Ben Wilson
/s/ Dexter Doner
/s/ Don Hawkins
/s/ Paul Smith

EXTRA COPY
O. M. E.
RECEIVED AUG 20 '64
DATE

State of Alaska
Department of Natural Resources

Division of Mines and Minerals

Form M-1-0-0-GSS

Assay Office Fairbanks

Date July 25, 1961

REPORT OF ASSAY

On samples received from Arctic Mining

Address 22[illegible] Fairbanks, Alaska

Assay No.	Sample Marked	OUNCES PER TON		Value per Ton	Percentage of
		GOLD	SILVER		
26738	150 ft level west side at station 4 ft of quartz	0.65	0.72	$23.55	
26739	150 ft level 15 ft east of station 2 ft of quartz	0.30	0.70	$12.40	

Donald Stein
Assayer.

KEYSTONE MINES, INCORPORATED

OME Narrative Report for July 1964

During July 1964 the following work was accomplished.

a) On the 147 foot level the last (fourth) timber set was installed for the station thereby completing the station timbering. The station rock work was completed in June 1964. From the station the remaining crosscut of 6½ feet was trimmed and timbered to meet OME specifications (8" x 8" timbers and 5' x 7' in the clear). The drift (9') to the east along the vein was also trimmed and timbered to meet OME specifications. Assay results from two samples taken on this level are included, the locations of the samples are shown on the accompanying sketch.

b) Six feet of shaft was driven and timbered. The country rock was typical of that previously encountered. Pumping of water from the shaft continues although the amount is decreasing compared to that pumped in the spring and early summer months.

c) The drift on the 50 foot level was extended 40½ feet in a northwesterly direction giving a total length of about 319½ feet from the shaft. The ore is continuous along the drift although some minor faulting has taken place. The width of the vein in places was as much as 3½ feet. The raise begun last month has not been completed. The ore from this level continues to be test milled. Reimbursement is not being requested for the work done on the 50 foot level.

Arnold M. Nordale

Arnold M. Nordale
President
KEYSTONE MINES, INC.
P. O. Box 630
Fairbanks, Alaska

RECEIVED
Via
AUG 10 1964
air Mail
OME
SPOKANE, WASHINGTON

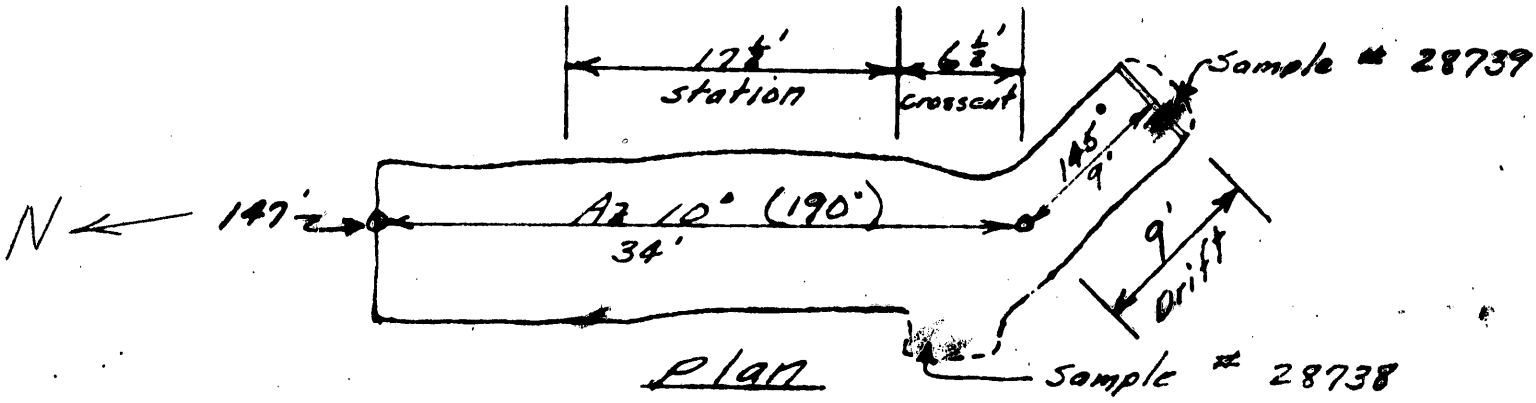
Keystone Mines, Inc

Sketch of

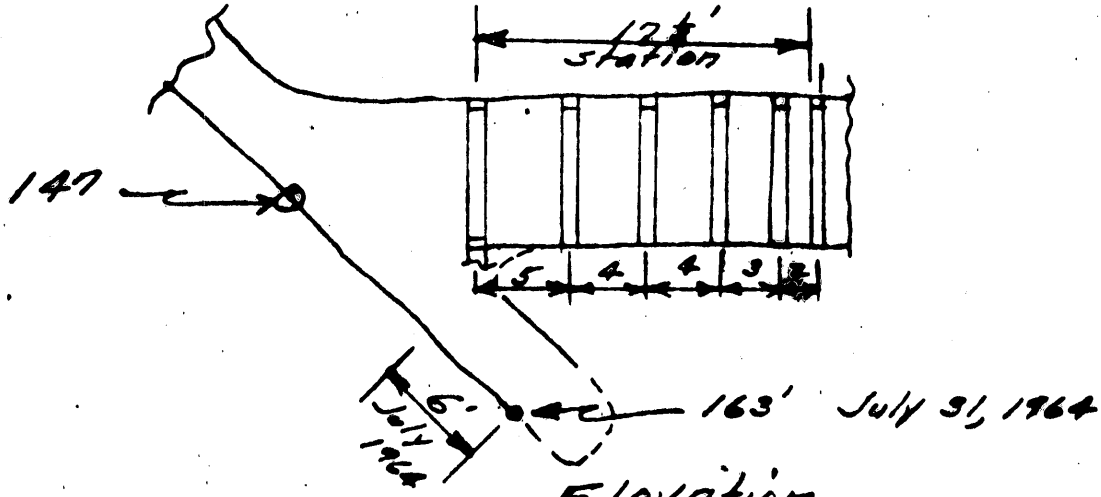
Openings Completed in July 1964

Scale: Approx. 1" = 10'

#11
7/31/64
EHB

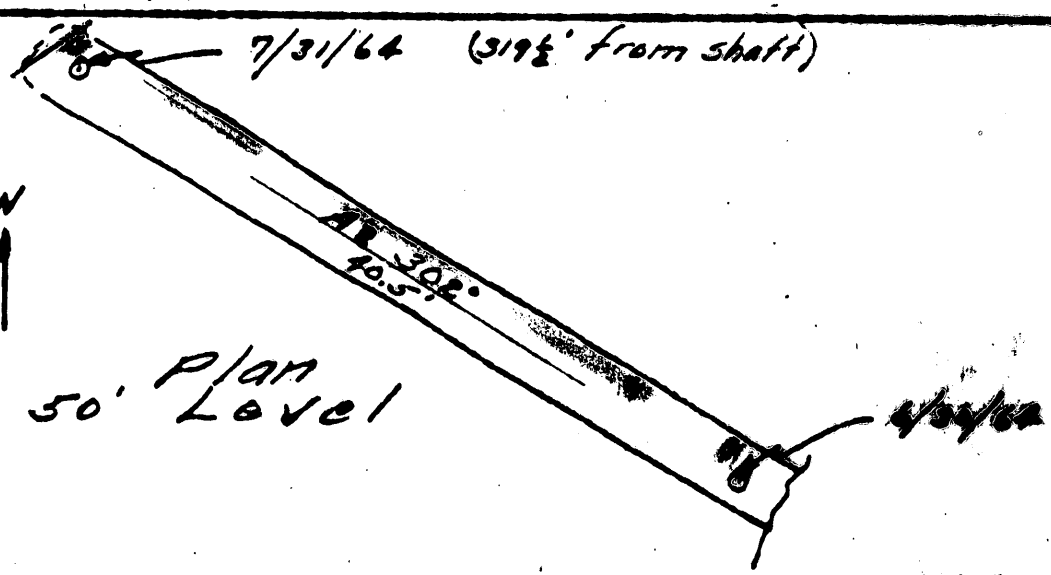


Plan



Elevation

147' Level



50' Plan Level

Keystone Mines Inc

Sketch of

Openings Completed in July 1964

Scale: Approx. 1" = 10'

MME FORM 60
SEPT. 1959

RECEIVED
Via
JUL 8 1964
air Mail
OME
SPOKANE, WASHINGTON

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OME 6304

Docket No.
Contract No. 2173 as amended
14-23-090-70,190
Contract Amount $0 35,095
Gov't. Participation
Mineral(s) Gold, Silver

OPERATOR'S MONTHLY VOUCHER

For Month of June 1964

Operator's Name KEYSTONE MINES, INCORPORATED
Address P. O. Box 630 Fairbanks, Alaska

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting						
~~Drifting~~ 17½' station	1050	0.0	1050.00			
3 station sets	150	0.0	150.00			
shaft sinking	0	11960.00	11960.00			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	$1200.00	$11960.00	$13160.00	1200.00	11,960.00	13,160.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date June 30, 1964 Payee KEYSTONE MINES, INC.

Arnold M. Nordale

Per Arnold M. Nordale Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 600 00

Signature Bell B
(Authorized Certifying Officer)

Date 7/17/64 Vou. No. 77-4

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2173

Signature D R Mackoen Title Acting Field Officer, Reg. I Date JUL 13 1964

Approved by OME Executive Officer or Alternate:

Signature D R Mackoen Title Acting Field Officer, Reg. I Date JUL 13 1964

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

RECEIVED
JUL 15 1964
OFFICE OF THE SECRETARY
FISCAL SECTION

MME FORM 6.1
SEPT. 1959

RECEIVED
Via
JUL 8 1964
Air Mail
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UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT — For Month of ~~June 1964~~ — Docket No. ~~OME 6304~~

Operator's Name ~~Keystone Mines, Inc.~~ — Contract No. 14-23-090-~~2173 as amended~~

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							
Shafts							
Winzes	ft	0	104	11,960.00	~~0~~	104	11,960.00
Other Underground	station ft	17½	17½	1,050.00	17½	17½	1,050.00
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
station sets	ea	3	3	150.00	3	3	150.00
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				~~$13,160.00~~			13,160.00

REMARKS

Seventeen and one-half feet of station allowed in the contract was completed on the 147' level. Three of the four station sets allowed were installed.

(Continue on back)

REMARKS

(Continue on back)

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

Date ~~June 30, 1964~~ Operator ~~KEYSTONE MINES, INC.~~

Per Arnold M. Nordale Title ~~President~~

Arnold M. Nordale

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D. W. Zachary

Title Acting Field Officer, Reg. I
Government Representative

Date JUL 13 1964

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP.,D.C.59- 61577

I, [redacted], contractor for the Lorraine Homes [redacted] hereby certify that I have been paid in full to date.

[redacted] [redacted] [redacted] [redacted]

June 30 1944

/s/ Edwin W. Ellert

[redacted]

[redacted] the undersigned [redacted] for [redacted] [redacted] hereby certify that we have [redacted] in full to date.

/s/ Paul Smith

/s/ Fred C. Lindemann

/s/ Paul J. Ellert

KEYSTONE MINES, INCORPORATED

Narrative Report for month of June 1964

During June 1964 the following underground openings were driven:

(a) The crosscut at the 147 foot level was enlarged into a station. Reimbursement is being requested for 17½' of station as allowed in the contract. The width is slightly longer than 8 feet. 8" x 8" timbers were used and posts are 7½ feet. Three station sets were installed and reimbursement is being requested for these. An additional set was ready for installation and reimbursement for this probably will be requested in the July report.

(b) Approximately 38 feet of drift was driven on the 50 foot level in a westerly direction giving a total length of opening on this level of about 279 feet. (The sum of 38 feet plus the 244 reported in May 1964 was adjusted because of a change in direction of the drift.) The ore was continuous along the drift driven in June and some widths observed were as much as three feet. Ore from this level continues to be test milled. From the level a raise is being driven to the surface to provide better ventilation. This raise is not shown on the accompanying sketch.

Reimbursement for the work done on the 50 foot level is not being requested.

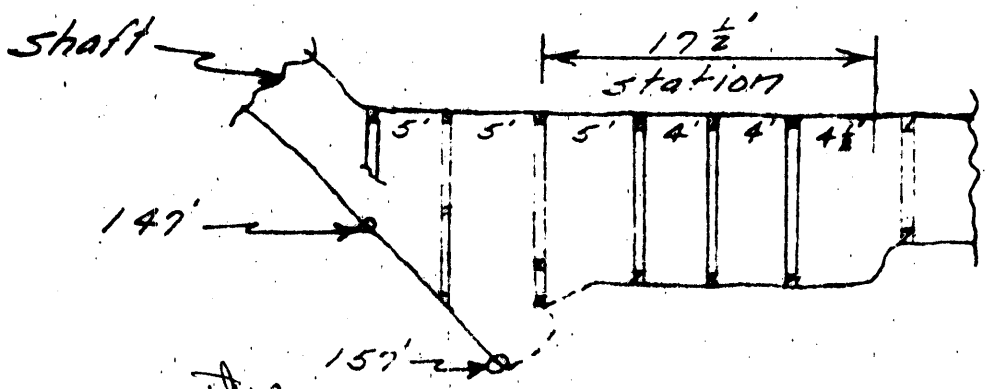
RECEIVED
JUL 8 1964
OME
SPOKANE, WASHINGTON

Arnold M. Nordale

Arnold M. Nordale
President
KEYSTONE MINES, INC.
P. O. Box 630
Fairbanks, Alaska

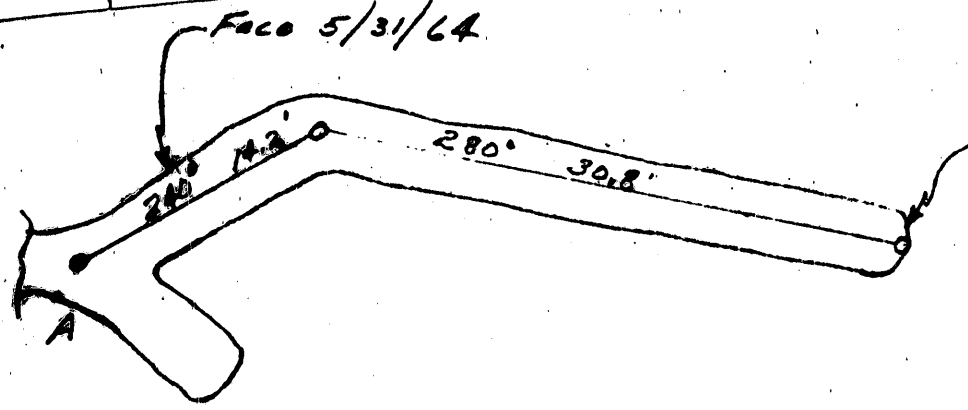
#10
6/30/64
EHB

Keystone Mines, Inc.
Sketch of
Openings Completed in June 1964.
Scale: Approx. 1"=10'



Elevation
Shaft & Station @ 147' Level

RECEIVED
JUL 21 1964
O. M. E.
DATE
OFFICIAL FILE COPY

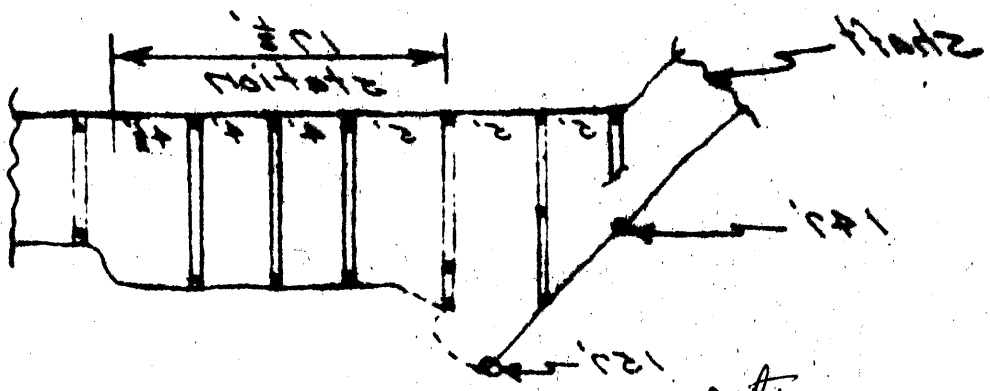


Vein not mapped.
Exposed in back
for full length of
drift.

50' Level (Brunton)
Plan

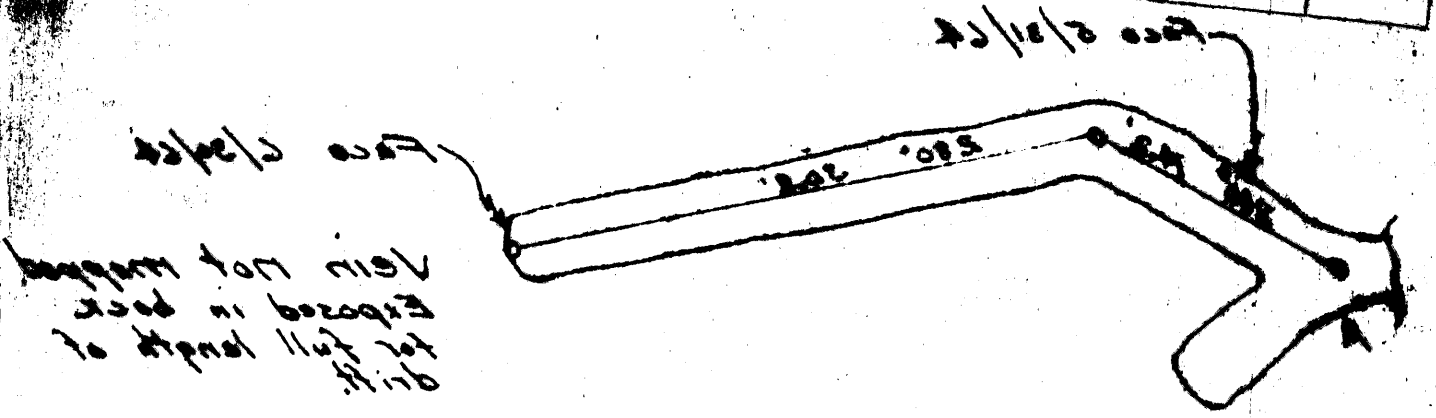
N

Keystone Mines, Inc.
Sketch of
Openings Completed in June 1964
Scale: Approx. 1"=10'



Shaft & Station @ 142' Level
Elevation

extra
OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 21 1964
DATE | INITIALS



50' Level (Brunton)
Plan

#10
6/30/64
EHG

KEYSTONE MINES, INC.
P. O. Box 630
Fairbanks, Alaska

800

June 30, 1964

Mr. D. R. MacLaren
Acting Field Officer, OME
Region I
U. S. DEPT. OF THE INTERIOR
Office of Mineral Exploration
South 157 Howard Street
Spokane, Washington 99204

Re: OME 6304 (Cold-Silver)
Contract 2173 as amended
Keystone Mines, Inc.
Fairbanks District, Alaska

Dear Mr. MacLaren:

In accordance with the specifications of our OME contract, as amended, I am forwarding you herewith the original and three copies of:

Operator's Monthly Voucher (MME form 60), June 1964
Operator's Progress Report (MME form 61), June 1964
Operator's Narrative Report, including
Narrative
Sketch map #10 showing work accomplished during June 1964
Statement of wages paid for June 1964

Reimbursement for June 1964 is being requested at the present time for 17½ feet of station and 3 station sets.

Very truly yours,

Arnold M. Nordale

Arnold M. Nordale
President
KEYSTONE MINES, INC.
P. O. Box 630
Fairbanks, Alaska

AMN:EHB:jp
Enclosures

RECEIVED
Via
JUL 8 1964
Air Mail
O M E
SPOKANE, WASHINGTON

MME FORM 60
SEPT. 1959

RECEIVED
Via
JUN 3 1964
Air Mail
OME
SPOKANE, WASHINGTON

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6304
Contract No. 14-23-090-2173 as amended
Contract Amount $70,190
Gov't. Participation x50 $35,095
Mineral(s) Gold, Silver

OPERATOR'S MONTHLY VOUCHER

For Month of May 1964

Operator's Name KEYSTONE MINES, INC.
Address P. O. Box 630, Fairbanks, Alaska

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting						
Drilling						
Shaft sinking	$1150	$10,810	$11,960			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	$1150	$10,810	$11,960	1,150.00	10,810.00	11,960.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date May 31, 1964* Payee Keystone Mines, Inc.
Arnold M. Nordale
Per Arnold M. Nordale Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 575.00

Signature BAB
(Authorized Certifying Officer)

Date 6/9/64 Vou. No. 1637

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 4173

Signature [illegible] Title Acting Field Officer, Reg. I Date JUN 4 1964

Approved by OME Executive Officer or Alternate:

Signature [illegible] Title Acting Field Officer, Reg. I Date JUN 4 1964

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
JUN 3 1964
via air mail
MME
SPOKANE, WASHINGTON

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT

For Month of ~~May 1964~~ Docket No. ~~OME 6304~~

Operator's Name ~~KEYSTONE MINES, INC.~~ Contract No. 14-23-090-~~2173 as amended~~

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							
Shafts	~~ft~~	~~10~~	~~104~~	~~$11,960~~	10	104	$11,960.00
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				~~$11,960~~			$11,960.00

REMARKS

Ten feet of shaft was driven during May 1964 for which reimbursement is being requested. Some work was done on the ore pocket at about the 147' level.

(Continue on back)

REMARKS

(Continue on back)

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

Date ~~May 31, 1964~~ Operator ~~Keystone Mines, Inc.~~

Per Arnold M. Nordale Title ~~President~~

~~Arnold M. Nordale~~

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D. R. Zachary

Title Acting Field Officer, Reg. I
Government Representative

Date JUN 4 1964

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP.,D.C.59- 61577

KEYSTONE MINES, INCORPORATED
Narrative Report for month of May 1964

During May 1964 the following underground openings were driven:

(a) The main shaft was driven an additional ten feet to reach a total depth of 157 feet from the collar. Some excavation was done for an ore pocket at about the 147' point in the shaft. No change in the birch creek schist country rock was observed.

(b) The crosscut at the 147 foot level was turned and extended into a drift which followed the vein to the east. About eight feet of drift was driven along the vein. At the face the vein varied in width from 12 to 18 inches, had a strike of about S 35° E. and a dip of about 67° S. Reimbursement for the 8 feet of drift is not being requested at present.

(c) Approximately 83 feet of drift was driven on the 50 foot level in a westerly direction giving a total length of opening of about 244 feet. The vein, somewhat broken and offset by minor faults, was followed. About 40 tons of ore from this level was test milled during the last week of May 1964.

During May 1964 the amount of water that had to be pumped from the mine increased considerably due to surface thawing. "Spring" road conditions are improving.

Arnold M. Nordale

Arnold M. Nordale
President
KEYSTONE MINES, INC.
Box 630
Fairbanks, Alaska

RECEIVED
Via
JUN 3 1964
Air Mail
OME
SPOKANE, WASHINGTON

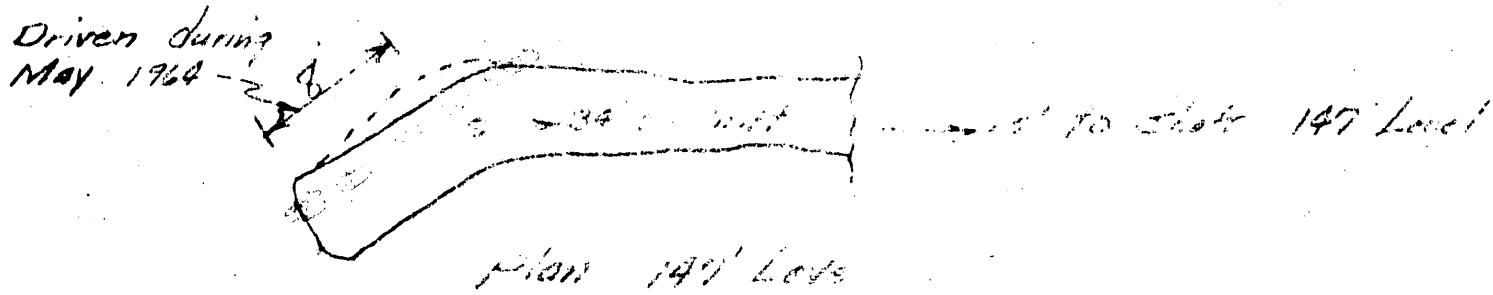
RECEIVED
JUN 8 1964
OFFICE OF THE SECRETARY
FISCAL SECTION

#9
5/31/64
EHB

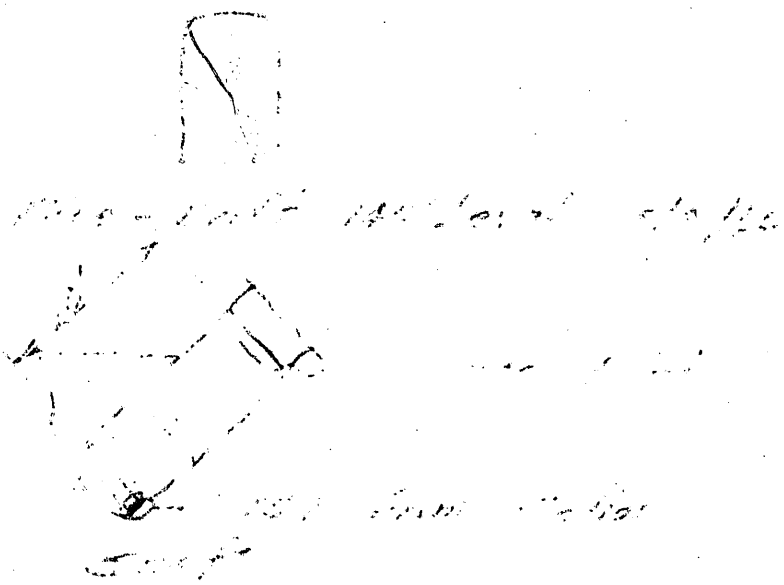
Keystone Mines, Inc.

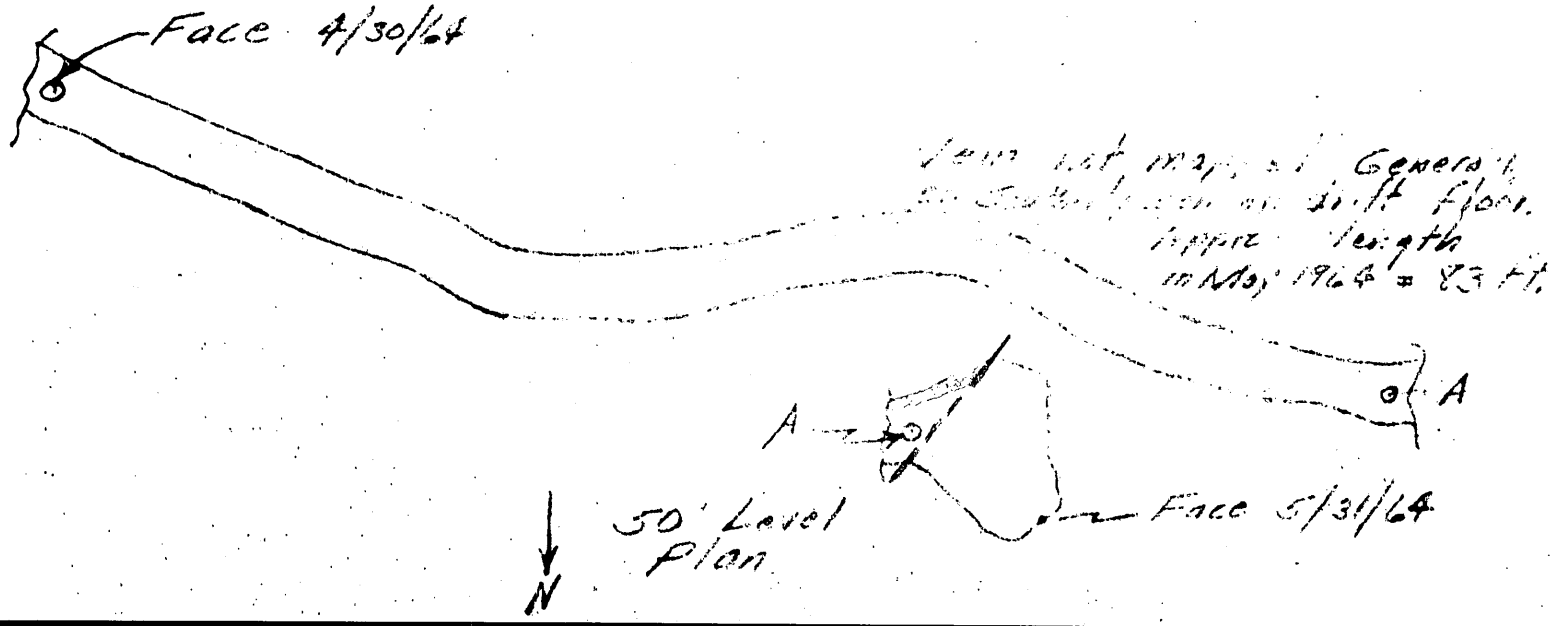
Sketch of
Openings Completed in May, 1964

Scale: Approx 1" = 10'



Plan 147' Level





50' Level
Plan

I, Edwin Ebbert, Contractor for the Keystone Mines, Inc. hereby certify that I have been paid in full to date.

Date:	month	day	year 1964
	May	31	1964

Edwin W. Ebbert

Signed Edwin Ebbert

We, the undersigned working for Edwin Ebbert, Contractor for Keystone Mines, Inc. hereby certify that we have been paid in full to date.

Paul J. Ebbert

Ben Wilson

Henry C. Honea

Dexter Honea

COPY

KEYSTONE MINES, INC.
P. O. Box 630
Fairbanks, Alaska

EXTRA COPY
O. M. E
RECEIVED JUN 8 1964

DATE	INITIALS	CODE
		800

May 31, 1964

Mr. D. R. Maclaren
Acting Field Officer, OME
Region I
U. S. DEPT. OF THE INTERIOR
Office of Mineral Exploration
South 157 Howard Street
Spokane, Washington 99204

RE: OME 6304 (Gold-Silver)
Contract 2173 as amended
Keystone Mines, Inc.
Fairbanks District, Alaska

Dear Mr. MacLaren:

In accordance with the specifications of our OME contract, as amended, I am forwarding you herewith the original and three copies of:

Operator's Monthly Voucher (MME form 60), May 1964
Operator's Progress Report (MME form 61), May 1964
Operator's Narrative Report, including
Narrative
Sketch map #3 showing work
accomplished during May 1964
Statement of wages paid for May 1964

Reimbursement is being requested at the present time for ten feet of shaft driven during May 1964.

Very truly yours,

Arnold M. Nordale

Arnold M. Nordale
President
KEYSTONE MINES, INC.
P. O. Box 630
Fairbanks, Alaska

RECEIVED
Via
JUN 3 1964
Air Mail
O M E
SPOKANE, WASHINGTON

AMN:EMB:sm
Enclosures

MME FORM 6

REV. 2-59

REFERENCE SLIP

OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, Div. of Fld. Operations	5/7/64	
2.		
3.		
4.		
5. D. R. MacLaren		
FROM: Acting Fld. Officer, Reg. I		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS: OME-6304 (Gold-Silver)
Keystone Mines, Inc.
Keystone Mines
Fairbanks District, Alaska
Contract 2173

Transmittal of Operator's narrative report and sketch for April 1964. No distribution of MME Forms 60 and 61 was made to fiscal as no reimbursement was requested.

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

M56300-62

KEYSTONE MINES, INC.
P. O. Box 630
Fairbanks, Alaska

EXTRA COPY
O. M. E.
RECEIVED MAY 11 1964

DATE	INITIALS	CODE
		800

April 30, 1964

Mr. D. R. Maclaren
Acting Field Officer, OME
Region I
U. S. DEPARTMENT OF THE INTERIOR
Office of Mineral Exploration
South 157 Howard Street
Spokane, Washington 99204

RE: OME 6304 (Gold-Silver)
Contract 2173, as amended
Keystone Mines, Inc.
Fairbanks District, Alaska

Dear Mr. MacLaren:

In accordance with the specifications of our OME contract, as amended, I am forwarding you herewith the original and three copies of:

Operator's Monthly Voucher (MME form 60), Apr 1964
Operator's Progress Report (MME form 61), Apr 1964
Operator's Narrative Report, including
Narrative
Sketch map #8 showing work
accomplished during Apr 1964

Reimbursement is not being requested at the present time for work accomplished during April 1964.

Very truly yours,

Arnold M. Nordale

Arnold M. Nordale
President
Keystone Mines, Inc.
P. O. Box 630
Fairbanks, Alaska

AMN:EHB:jp
Enclosures

RECEIVED
via
MAY 7 1964
air mail
O M E
SPOKANE, WASHINGTON

Keystone Mines, Incorporated

Narrative Report for Month of April 1964

During April 1964 about 26 feet of crosscut was driven at the 147 foot level. The vein was intersected in the back at a distance of about 30' from the 147' reference point in the footwall of the shaft as shown on the accompanying sketch. The vein at this point has a width of 24 inches, a strike of 125°, a dip of 37° S. and pans free gold as well as considerable sulfide. The quartz is white and iron staining is lacking. The vein has been faulted in several directions resulting in segments of ore. Generally, the structure appears strong. The country rock in the crosscut is flat, blocky layers of mica, quartzite birch creek schist.

About 31' of drift was driven during April 1964 on the fifty foot level. The drift followed the vein system and continued westerly. Considerable vein iron stained quartz and occasionally white quartz, containing sulfides, were in the system and from which free gold can be panned.

During the month a hoist was installed to replace the one that had been in prior use. An ore bin and chute were installed at the 50' level. Snow plowing was necessary to keep the roads open to the mine. At the present time the spring thaw has set in with day temperatures rising slightly about 40° and night temperatures being just below freezing.

The mine workings continue to make water but the quantity is being handled in a satisfactory manner.

Arnold M. Nordale

Arnold M. Nordale
President
Keystone Mines, Inc.
Box 630
Fairbanks, Alaska

AMN:EHB:jp

RECEIVED
Via
MAY 7 1984
Air Mail
O M E
SPOKANE, WASHINGTON

800

C O P Y C O P Y

P. O. Box 2415
Juneau, Alaska
April 20, 1964

Mr. D. R. MacLaren
Acting Field Officer
Office of Minerals Exploration
South 157 Howard Street
Spokane, Washington 99204

OME-6304
Contract 2173

Dear Mr. MacLaren:

This will acknowledge the receipt of your letter of April 17th.

You might be interested to know that the crosscut struck the vein at 30 feet. The vein is 2 feet wide and a grab sample taken when first found gave an assay value of $18 in gold and $200 in silver.

As soon as the crosscut is advanced to fully expose the vein systematic sampling will be commenced.

Sincerely yours,

/s/ ARNOLD M. NORDALE

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APR 22 1964
OME
SPOKANE, WASHINGTON
(VIA AIR MAIL)

MME FORM 60
SEPT. 1959

RECEIVED
Via
APR 6 1964
Air Mail
OME
SPOKANE, WASHINGTON

APR 23 1964

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6304
Contract No. 14-23-090-2173 as amended
Contract Amount $72,950.00
Gov't. Participation % 50 $36,475.00
Mineral(s) Gold-Silver

OPERATOR'S MONTHLY VOUCHER

For Month of March 1964

Operator's Name Keystone Mines, Inc.
Address Box 630, Fairbanks, Alaska

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting						
Drilling						
shaft sinking	$920	9890	$10,810			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	$920	9890	$10,810	920.00	9,890.00	10,810.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date March 31, '64 *Payee Keystone Mines, Inc.

Arnold M. Nordale
Arnold M. Nordale Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 460.00

Signature BWB
(Authorized Certifying Officer)

Date 4/22/64 Vou. No. 1413-2

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2173

Signature [illegible] Title Acting Field Officer, Reg. I Date APR 13 1964

Approved by OME Executive Officer or Alternate:

Signature [illegible] Title Acting Field Officer, Reg. I Date APR 13 1964

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
Via
APR 6 1964
Air Mail
OME
SPOKANE, WASHINGTON

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of March 1964 Docket No. OME 6304

Operator's Name Keystone Mines Incorporated Contract No. 14-23-090-2173 as amended

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							
Shafts	ft	8	94	10,810	8	94	$ 10,810
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				$10,810			$ 10,810

REMARKS

Eight feet of shaft was driven and a crosscut was begun into the hanging wall at the 147 foot level, for the purpose of intersecting the vein. Fourteen feet of crosscut was driven; however, refund is not requested for this at the present time.

(Continue on back)

REMARKS

(Continue on back)

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

Date March 31, 1964 Operator Keystone Mines, Inc.

Per Arnold M. Nordale Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [illegible]

Title Acting Field Officer, Reg. I
Government Representative

Date APR 13 1964

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

I, Edwin Ebbert, Contractor for the Keystone Mines Inc. hereby certify that I have been paid in full up to and including ,

Signed Edwin Ebbert

We, the undersigned working for Edwin Ebbert, Contractor for Keystone Mines Inc. hereby certify that we have been paid wages in full to date,

Signed Paul Ebbert

Signed Paul Smith

KEYSTONE MINES, INCORPORATED
Narrative Report for month of March 1964

RE: OME 6304 (Gold-Silver)
Contract 2173
Keystone Mines, Inc.
Fairbanks District, Alaska

Eight feet of shaft was driven and timbered during March, 1964. The hoisting compartment is 4' x 4' in the clear and the manway is 4' x 3' in the clear with standard 8" x 8" timber sets being used. Timber sets installed during the month were on 4' center because of the tendency of the hanging wall to slough. Four foot spacings between sets have been used from the inclined depth of 83' to the present inclined depth of 147'. Round logging, three inch minimum diameter is being used where necessary. The total depth of the inclined shaft (45° dip) is 147 feet of which 94 feet has been excavated under the OME contract.

At the 147' level a crosscut has been started in the hanging wall in an attempt to intersect the vein. This crosscut has been driven 14' from a point in the footwall of the shaft and the vein has not been intersected. At the 14' point a small quartz reinlet (½" width) with same gauge is in the face as shown on the accompanying sketch. Panning a sample showed a considerable amount of pyrite but no gold. The country rock continues to be Birch Creek schist, mostly flat layers of mica-quartzite schist containing pyrite. Faulting has taken place and resulting gouge streaks are present.

On March 15th, 1964, the bunk house occupied by the workers and located at the mine was destroyed by fire. One man was burned slightly and another moderatly. No less of life resulted from the fire. Since then three trailors have been moved into the general vicinity of the shaft and hence all personnel are living relatively near the shaft sinking operation.

Just prior to the fire a schedule of two shifts per day was initiated but was changed immediately after the fire occurred to one shift using four men per shift.

No earthquake damage occurred underground on March 27, 1964 although the "quake" was felt on the surface. The Fairbanks area was relatively damage-free as compared to south central Alaska where major damage was done in areas such as Anchorage, Seward and Valdez and also in other communities.

Water continues to be present but is being handled in a satisfactory manner.

Arnold M. Nordale

/s/ Arnold M. Nordale
President
Keystone Mines, Inc.
Box 630
Fairbanks, Alaska

AMN:EHB:jp

RECEIVED
APR 15 1964
OFFICE OF THE SECRETARY
FISCAL SECTION

RECEIVED
Via
APR 6 1964
Air Mail
OME
SPOKANE, WASHINGTON

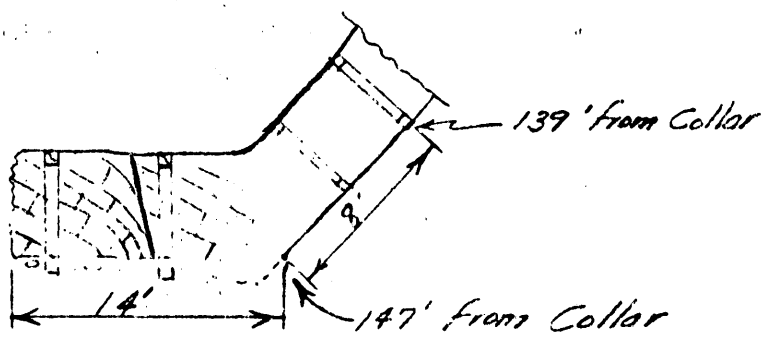
RECEIVED
APR 15 1964
OFFICE OF THE SECRETARY
FISCAL SECTION

#7
3/31/64
EHB

Keystone Mines Inc.
Sketch of Shaft and 147' Crosscut

Scale: Approx 1" = 10'

Face in Crosscut 14' from Shaft Wall



West Wall

800

KEYSTONE MINES, INC.
P. O. Box 630
Fairbanks, Alaska

March 31, 1964

Mr. D. R. MacLaren
Acting Field Officer, OME
Region I
U. S. DEPT. OF THE INTERIOR
Office of Mineral Exploration
South 157 Howard Street
Spokane, Washington 99204

RE: OME 6304 (Gold-Silver)
Contract 2173, as amended
Keystone Mines, Inc.
Fairbanks District, Alaska

Dear Mr. MacLaren:

In accordance with the specifications of our OME contract, as amended, I am forwarding you herewith the original and three copies of:

Operator's Monthly Voucher (MME form 60) for March 1964
Operator's Progress Report (MME form 61) for March 1964
Operator's Narrative Report, including
Narrative
Sketch map #7showing work
accomplished during March 1964
Statement of wages paid

This month a request is made for reimbursement for only the shaft sinking completed and not the crosscutting done.

Very truly yours,

Arnold M. Nordale

Arnold M. Nordale
President
Keystone Mines, Inc.
P. O. Box 630
Fairbanks, Alaska

RECEIVED
APR 6 1964
Air Mail
OME
SPOKANE, WASHINGTON

AMN:EHB:jp
Enclosures

MME FORM 60
SEPT. 1959

RECEIVED
Via
MAR 9 - 1964
Air Mail
OME
SPOKANE, WASHINGTON

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OMB 6304
Contract No. 14-23-090-2173 as amended
Contract Amount $ 72,950
Gov't. Participation 50 36,475
Mineral(s) Gold-Silver

OPERATOR'S MONTHLY VOUCHER

For Month of February 1964

Operator's Name Keystone Mines, Inc.
Address P. O. Box 630, Fairbanks, Alaska

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and		*The amount reported previously was $8100 and this has been adjusted to $8050 on the basis of Amendment #1, to the contract and dated 1-29-64				
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting						
Drilling						
Shaft sinking	$1,840	$8,050*	$9,890			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	$1,840	$8,050*	$9,890	1,840.00	8,050.00	9,890.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Feb. 29, 1964 Payee Keystone Mines, Inc.
Arnold M. Nordale
Per Arnold M. Nordale Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 920.00

Signature BHB
(Authorized Certifying Officer)

Date 3/12/64 Vou. No. 1204-1

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2173

Signature D R Macharen Title Acting Field Officer, Reg. I Date MAR 9 1964

Approved by OME Executive Officer or Alternate:

Signature D R Macharen Title Acting Field Officer, Reg. I Date MAR 9 1964

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

RECEIVED
MAR 11 1964
OFFICE OF THE SECRETARY
FISCAL SECTION

MME FORM 61
SEPT. 1959

RECEIVED
Via
MAR 9 P. 1964
Keystone Mines, Inc.
P. O. Box 630, Fairbanks, Alaska
Per Mail
SPOKANE, WASHINGTON

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

February 1964

OME 6304

2173 as amended

OPERATOR'S PROGRESS REPORT

For Month of _____ Docket No. _____

Operator's Name _____ Contract No. 14-23-090- _____

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Shafts –	ft	16	86	$9,890	16	86	$ 9,890
~~Drifting~~							
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.				$9,890			
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)							$ 9,890

REMARKS: Sixteen feet of shaft was driven and timbered during February 1964. Contract 2173 was amended and the unit allowance for shafts was changed from $130.00 per foot to $115.00 per foot. Costs to date, shown above, is based on the unit rate of $115.00 per foot.

(Continue on back)

REMARKS

(Continue on back)

Feb. 29, 1964 Keystone Mines, Inc.

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

Arnold M. Nordlee, President

Date _____ Operator _____

Per _____ Title _____

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D. R. MacPherson

Title Acting Field Officer, Reg. I
Government Representative

Date MAR 9 1964

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

RECEIVED
MAR 11 1964
OFFICE OF THE SECRETARY
FISCAL SECTION

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

I, Edwin Ebbert, Contractor for the Keystone Mines Inc. hereby certify that I have been paid in full up to and including February 29, 1964.

Signed Edwin Ebbert

We the undersigned working for Edwin Ebbert, Contractor for Keystone Mines Inc. hereby certify that we have been paid wages in full to date, February 29, 1964.

Signed Paul Ebbert

Signed Paul Smith

KEYSTONE MINES, INCORPORATED
Narrative Report for February 1964

RE: OME 6304 (Gold-Silver)
Contract 2173
Keystone Mines, Inc.
Fairbanks District, Alaska

Sixteen feet of shaft was driven and timbered during February, 1964. The hoisting compartment is 4' X 4' in the clear and the manway is 4' X 3' in the clear with standard 8" X 8" timber sets being used. Timber sets installed during the month were on 4' center because of the tendency of the hanging wall to slough. Four foot spacings between sets have been used from the inclined depth of 83' to the present inclined depth of 139 feet. Round logging, three inch minimum diameter is being used where necessary. The total depth of the inclined shaft (45° dip) is 139 feet of which 86 feet has been excavated under the OME contract.

The vein has not been intersected by the shaft and hence no sampling was done. The country rock continues to be Birch Creek schist with flat layers of quartzite schist alternating with mica-graphitic chloritic schist. Faulting has taken place and resulting gange streaks are present.

Progress was slow during the month again due to difficulties with the two compressors. A 500 cmf unit was obtained to replace the two smaller machines. Water continues to be present, accumulating at a rate of 200-250 gallons per hour, but is being handled in a satisfactory manner.

Arnold M. Nordale

/s/ Arnold M. Nordale
President
Keystone Mines, Inc.
Box 630
Fairbanks, Alaska

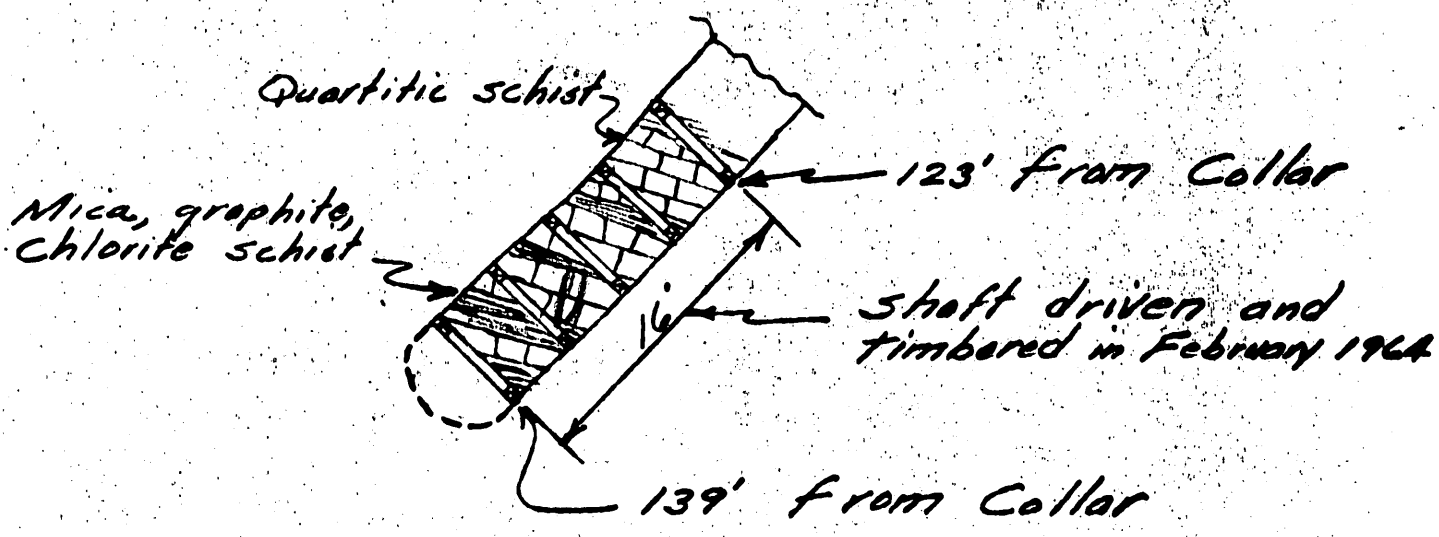
RECEIVED
Via
MAR 9 - 1964
Annual
OME
SPOKANE, WASHINGTON

EHB:AMN:jp

#6
2/29/64
EHB

Keystone Mines, Inc.
Sketch of Shaft
West Wall

Scale: Approx. 1" = 10'



EXTRA COPY
O. M. E.
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DATE	INITIALS	CODE

MME FORM 60
SEPT. 1959

RECEIVED
FEB 3 1964

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OMB-6304

Docket No.
Contract No. 2173
14-23-090-79,900
Contract Amount $0 39,950
Gov't. Participation Gold-Silver
Mineral(s)

OPERATOR'S MONTHLY VOUCHER

For Month of January 1964

Operator's Name Keystone Mines, Inc.
Address P. O. Box 630, Fairbanks, Alaska

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting						
Drilling						
Shaft sinking	$3,120	$5,980	$9,100			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	$3,120	$5,980	$9,100	2,760.00	5,290.00	8,050.00

I certify that the above bill is correct and just and that payment therefor has not been received. Jan. 31, 1964 Keystone Mines, Inc.

Date Arnold H. Nordale Payee

Per Arnold H. Nordale Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1,380.00

Signature BHB
(Authorized Certifying Officer)

Date 2/24/64 Vou. No. 1108-5

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2173

Signature D R Mackaven Title Acting Field Officer, Reg. I Date FEB 1 4 1964

Approved by OME Executive Officer or Alternate:

Signature D R Mackaven Title Acting Field Officer, Reg. I Date FEB 1 4 1964

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED FEB 3 1964

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of ~~January 1964~~ Docket No. ~~OME-6394~~

Operator's Name ~~Keystone Mining, Inc.~~ Contract No. 14-23-090-~~2173~~

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							$ 1
Shafts	~~Ft~~	~~24~~	~~70~~	~~$9,100~~	24	70	$ 8,050.00
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							$
TOTAL TO DATE *(per MME Form 60)*				~~$9,100~~			$ 8,050.00

REMARKS

Only shaft sinking was done during January 1964. Unit contract prices used are those given in the original contract and not the anticipated prices in the amendment requested on Dec. 13, 1963. It is believed that the costs shown in the Nov., Dec. 1963 and Jan. 1964 reports will be adjusted when the amendment is approved.

(Continue on back)

REMARKS

1 See Amendment No 1 - Unit cost for shafting $115/ft

(Continue on back)

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

Date ~~Jan. 31, 1964~~ Operator ~~Keystone Mines, Inc.~~

Per ~~Arnold M. Nordquist~~ Arnold M. Nordquist Title ~~President~~

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D K MacKeen

Title Acting Field Officer, Reg. I
Government Representative

Date FEB 14 1964

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

I, Edwin Ebbert, Contractor for the Keystone Mines Inc.

hereby certify that I have been paid in full up to and including January 31, 1964.

Signed Edwin Ebbert

We the undersigned working for Edwin Ebbert, Contractor for Keystone Mines Inc. hereby certify that we have been paid wages in full to date, January 31, 1964.

Signed Paul Smith

Signed Paul Ebbert

KEYSTONE MINES, INC.
Narrative Report for January 1964

Re: OME 6304 (Gold-Silver)
Contract 2173
Keystone Mines, Inc.
Fairbanks, District, Alaska

During the month of January 1964, twenty four (24) feet of shaft was driven and timbered with standard 8" x 8" timber giving a hoisting compartment of 4' x 4' in the clear and a manway of 4' x 3' in the clear. The shaft which has now reached an inclined depth of 123 feet has been continued on a dip of 45°. The hanging wall of the shaft continues to be somewhat heavy and so the timber sets are being continued on four foot (4') centers. Four foot sets have been used between 83 and 123 feet plus three inch diameter round logging where necessary. The total depth of the inclined shaft excavated under the OME contract is 70 feet and the total depth of the shaft from the collar is 123 feet.

The vein has not been intersected by the shaft at the 123 foot point and hence no sampling was done. The country rock continues to be in relatively flat layers with a dip of about 15° to the north and an east-west strike. Layers of blocky quartzitic schist occur with mica-graphitic-chloritic schist. Some minor movements have taken place in the country rock.

Progress was somewhat slowed during the month by equipment problems, especially the compressors but these have been remedied. Water continues to make in the shaft at a rate that is about 200 gallons per hour. A new pump to better handle the water situation has been ordered.

Arnold M. Nordale

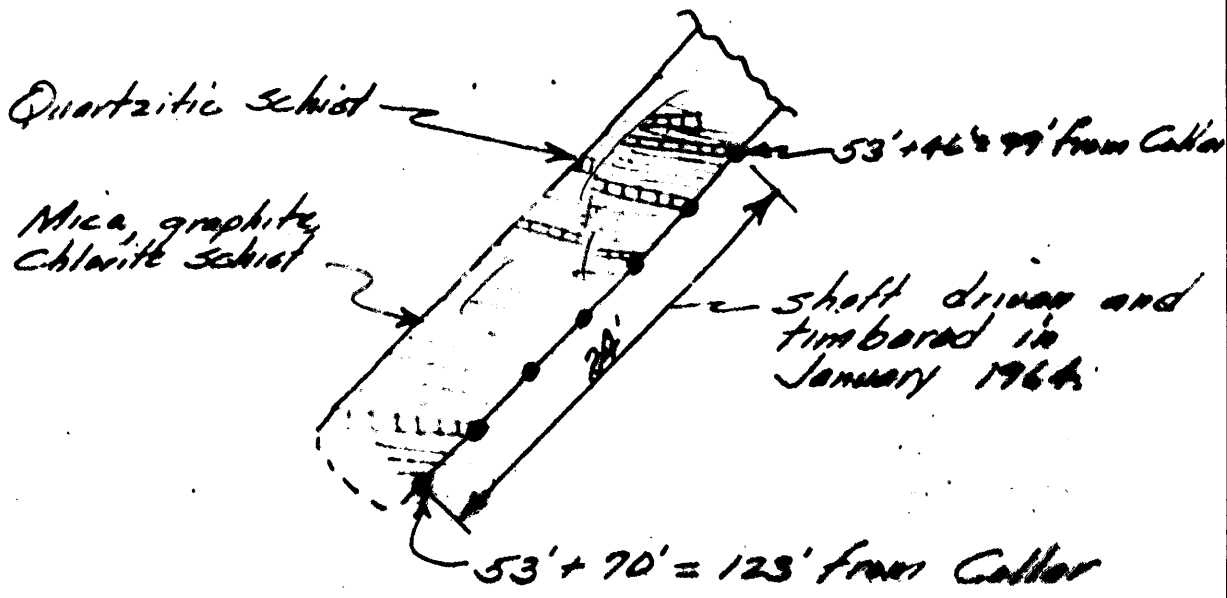
Arnold M. Nordale
President
Keystone Mines, Inc.
P. O. Box 630
Fairbanks, Alaska

RECEIVED
FEB 3 1964

Keystone Mines, Inc.
Sketch of Sta. 7
West Wall

#5
1/31/64

Scale: Approx 1" = 10'



Legend

• Location of sets

~ Fault

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of the Secretary
Accounting Unit
Washington

ADMINISTRATIVE SUSPENSION STATEMENT

February 24, 1964

Name and Address of Payee: Keystone Mines, Inc.
P. O. Box 630
Fairbanks, Alaska

Amount Claimed:	Differences (Explained Below)	Amount Approved
$9,100.00	$1,050.00	$8,050.00 (Gov't. Share $4,025.00)
Bu. Voucher No.	Payee's Invoice No.	Period
1108	OME Contract 2173	Nov. '63; Dec. '63; and Jan. 64

EXPLANATION

Shaft sinking unit price, per contract amendment #1, is $115/ft.

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

Suspension made by:

(Sgd) OPAL A. SHELTON
Signature

OPAL A. SHELTON
Chief, Accounting Unit
Title

74165

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DATE	IN	CODE

MME FORM 60
SEPT. 1959

RECEIVED
JAN 7 1964

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. ~~OME-6304~~
Contract No.
14-23-090- ~~2173~~
Contract Amount $ ~~$79,900~~
Gov't. Participation ~~50~~ $ ~~39,950~~
Mineral(s) ~~Gold-Silver~~

OPERATOR'S MONTHLY VOUCHER

For Month of ~~December 1963~~

Operator's Name Keystone Mines, Inc.
Address P. O. Box 630, Fairbanks, Alaska

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting						
Drilling						
Shaft sinking	$2860	$3120	$5980.00			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	$2860	$3120	$5980.00	2,530.00	2,760.00	5,290.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Dec. 31, 1963 Payee Keystone Mines, Inc.
Arnold M. Nordale
Per Arnold M. Nordale Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1,265.00

Signature Bass
(Authorized Certifying Officer)

Date 2/24/64 Vou. No. 1108-4
(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2173

Signature D.R. Jackson Title Acting Field Officer, Reg. I Date FEB 14 1964

Approved by OME Executive Officer or Alternate:

Signature D.R. Jackson Title Acting Field Officer, Reg. I Date FEB 14 1964

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
JAN 7 1964

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OME-6304

2173

OPERATOR'S PROGRESS REPORT

For Month of December 1963

Docket No.

Operator's Name Keystone Mines, Inc.

Contract No. 14-23-090-

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting	Ft	22	46	$5980.00			
Raising							
Shafts					22	46	$ 5,290.00
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases				$5980.00			
Analytical Work							
TOTAL TO DATE (per MME Form 60)							$ 5290.00

REMARKS

Only shaft sinking was done during December 1963. Contract prices used are those given in the original contract and not the anticipated prices in the amendment requested on Dec. 13, 1963. It is anticipated that the cost shown in the Nov. and Dec. 1963 reports will be adjusted when the amendment is approved.

(Continue on back)

REMARKS

See Amendment No 1 - Incent fee for shafting $(15)/ft

(Continue on back)

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

Date Dec. 31, 1963 Operator Keystone Mines, Inc.

Arnold M. Nordale

Arnold M. Nordale President

Per Title

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D R Mackenzie

Title Acting Field Officer, Reg. I
Government Representative

Date FEB 14 1964

(INSTRUCTIONS ON REVERSE)

REMARKS (Cont.)

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

I, Edwin Ebbert, Contractor for the Keystone Mines Inc. hereby certify that I have been paid in full up to and including December 31, 1963.

Edwin N. Ebbert

We the undersigned, working for Edwin Ebbert, Contractor for the Keystone Mines Incorporated, hereby certify that we have been paid wages in full to December 31, 1963.

Paul Smith

Paul R. Ebbert

Keystone Mines, Incorporated
Narratice Report for December 1963

Re: OME 6304 (Gold-Silver)
Contract 2173
Keystone Mines, Inc.
Fairbanks District, Alaska

- -

During the month of December 1963, twenty two (22) feet of shaft was driven and timbered with standard 8" X 8" timber giving a hoisting compartment of 4' X 4' in the clear and a manway of 4' X 3' in the clear. The shaft is being continued on a dip of 45°. Because of some heavy ground encountered in the hanging wall between 83' and 99' the sets in this area are spaced on four (4) foot centers instead of the normal six (6) feet. Plus three (3) inch diameter lagging is being used where needed. The total depth of shaft excavated under the OME contract is 46 feet. The bottom of the completed shaft is 99 feet below the collar.

The vein has not been intersected by the shaft at the 99' point. Some faulting with ¼ to ½ inch wide gouge containing some quartz fragments is present on the wall. This material, also containing pyrite, did not pan free gold. The shaft penetrated the typical schist country rock as indicated on the accompanying sketch.

The water conditions continue to be present but is being handled to allow shaft sinking to continue.

No samples were taken during December 1963 because the vein was not intersected.

Arnold M. Nordale
Arnold M. Nordale
President
Keystone Mines, Inc.
P. O. Box 630
Fairbanks, Alaska

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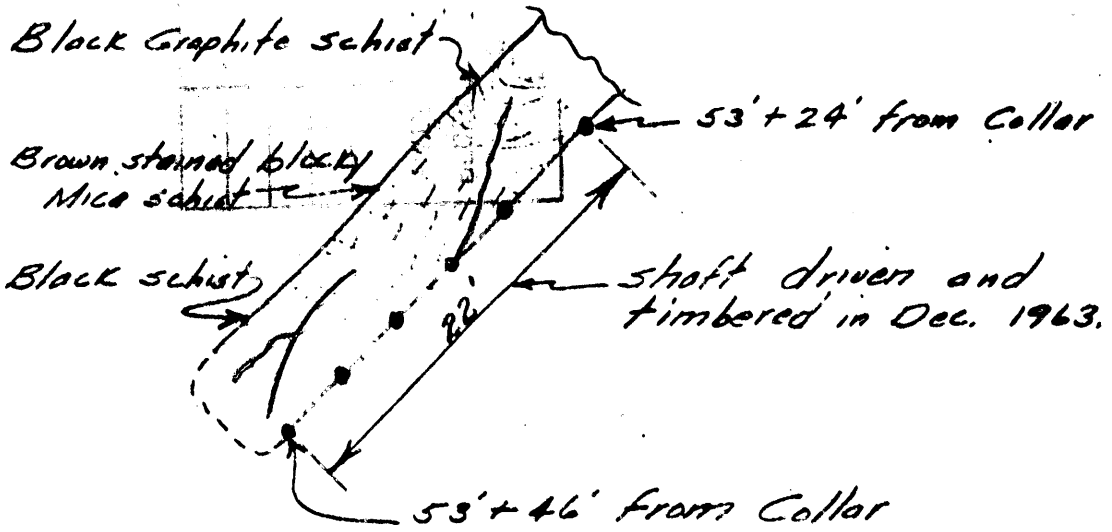
JAN 7 1964

Keystone Mines Inc.
Sketch of Shaft
West Wall

#4
12/31/63

Scale: Approx. 1" = 10'



Manway size in clear 3'x4'
Hoist Comp. size in clear 4'x4'

Legend

• Location of Sets

~ Fault

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DATE CODE

MME FORM 60
SEPT. 1959

RECEIVED
DEC 5 1963

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME-6304
Contract No. 2173
14-23-090- ~~$79,900~~
Contract Amount $50 ~~$39,950~~
Gov't. Participation % ~~Gold-Silver~~
Mineral(s)

OPERATOR'S MONTHLY VOUCHER

For Month of November 1963

Operator's Name Keystone Mines, Inc.
Address ~~P. O. Box 630, Fairbanks, Alaska~~

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
~~Fixed Unit Costs~~ and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting						
Drilling						
Shaft sinking	3120.00	0	3120.00			
	(Initial request)					
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	~~3120.00~~	~~0~~	~~3120.00~~	2,760.00		2,760.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Nov. 30, '63 Payee Keystone Mines, Inc.

Per Arnold M. Nordale Arnold M. Nordale Title President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1,380.00

Signature BAB
(Authorized Certifying Officer)

Date 2/24/64 Vou. No. 1108-3

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2173

Signature D R MacBoren Title Acting Field Officer, Reg. I Date FEB 1 4 1964

Approved by OME Executive Officer or Alternate:

Signature D R MacBoren Title Acting Field Officer, Reg. I Date FEB 1 4 1964

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
DEC 5 1963

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT — For Month of November 1963 — Docket No. ONB-6304

Operator's Name Keystone Mines, Inc. — Contract No. 14-23-090-2173

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							
Shafts Ft	24		24	$3120.00	24	24	2760.00
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				$3120.00			2760.00

REMARKS

This report is the initial Operator's progress report under the provisions of the contract 2173. The shaft units indicated are those that have been fully completed under the terms of the contract. Only shaft sinking was done during November 1963.

(Continue on back)

REMARKS

1 See Amendment No. 1 - Unit price for shafting @ 115/ft

(Continue on back)

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

Date Nov. 30, 1963 Operator Keystone Mines, Inc.

Arnold M. Nordale

Arnold M. Nordale Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [illegible]

Title Acting Field Officer, Reg. I
Government Representative

Date FEB 14 1964

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP.,D.C.59- 61577

We, the undersigned working for E. Ebbert, Contractor for the Keystone Mines Inc. hereby certify that we have been paid wages in full to date November 30, 1963.

Paul J Ebbert
(signed: Paul J Ebbert)

Paul Smith
(signed: Paul Smith)

I, E. Ebbert, contractor for the Keystone Mines Inc. hereby certify that I have been paid in full up to and including November 30, 1963.

Edwin W. Ebbert

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF MINES & MINERALS

Room 105,
State Office Building
Fairbanks 99701

November 29, 1963

Keystone Mines, Inc.
Box 630
Fairbanks, Alaska 99701

Dear Sirs:

On this date I visited the site of shaft-sinking operations being carried on by Keystone Mines, Inc. on the Nordale group of claims in the Fairbanks District. I found that the work being done conforms to the requirements of the State Mine Safety Regulations now in force.

Very truly yours,

Robert H. Saunders

Robert H. Saunders
State Mining Engineer

Keystone Mines, Inc.
Narrative Report for November 1963

Re: OME-6304 (Gold-Silver)
Keystone Mines, Inc.
Fairbanks District, Alaska
Contract 2173

During the month of November 1963 shaft sinking was initiated under the OME contract. The exact point of beginning is 53 feet down the shaft (see October 1963 report) from a point located at the collar of the shaft established for the specific purpose of having a reference for the beginning of the OME contract work.

Shaft sinking was and is being done on a 45° dip. Timbering is being done in compliance with the contract using 8" x 8" timber sets on 6 foot centers. The interpretation of 8" x 8" sets as generally applied consists of 8" x 8" caps, posts and sills and 4" x 8" dividers. Round lagging, plus 3" in diameter is used where needed. The hoisting compartment is 4' x 4' in the clear and the manway is 4' x 3' in the clear. During November 24' of shaft has been sunk and timbered.

As was indicated in the October 1963 narrative report the vein has apparently faulted into the hanging wall and was not intersected in the section of shaft completed. Generally, the country rock is a mica schist that is lying nearly flat. Near the bottom of the shaft some faulting and folding of the schist has taken place. A layer of quartzite schist containing pyrite was intersected as well as some graphite schist with pyrite. The folding and faulting may be indicative of the nearness of the structure that contains the quartz vein. Because the vein

was not intersected, no samples were taken for assays.

Work during the month was slowed because of a water condition encountered in the shaft sinking. The difficulty for the month has been resolved by obtaining and installing a sump pump that removes the water from the shaft to the surface.

A report of compliance with State mining regulations is included this month because of the change in timbering used which went beginning in November 1963. Normally the State engineers do not make such monthly reports.

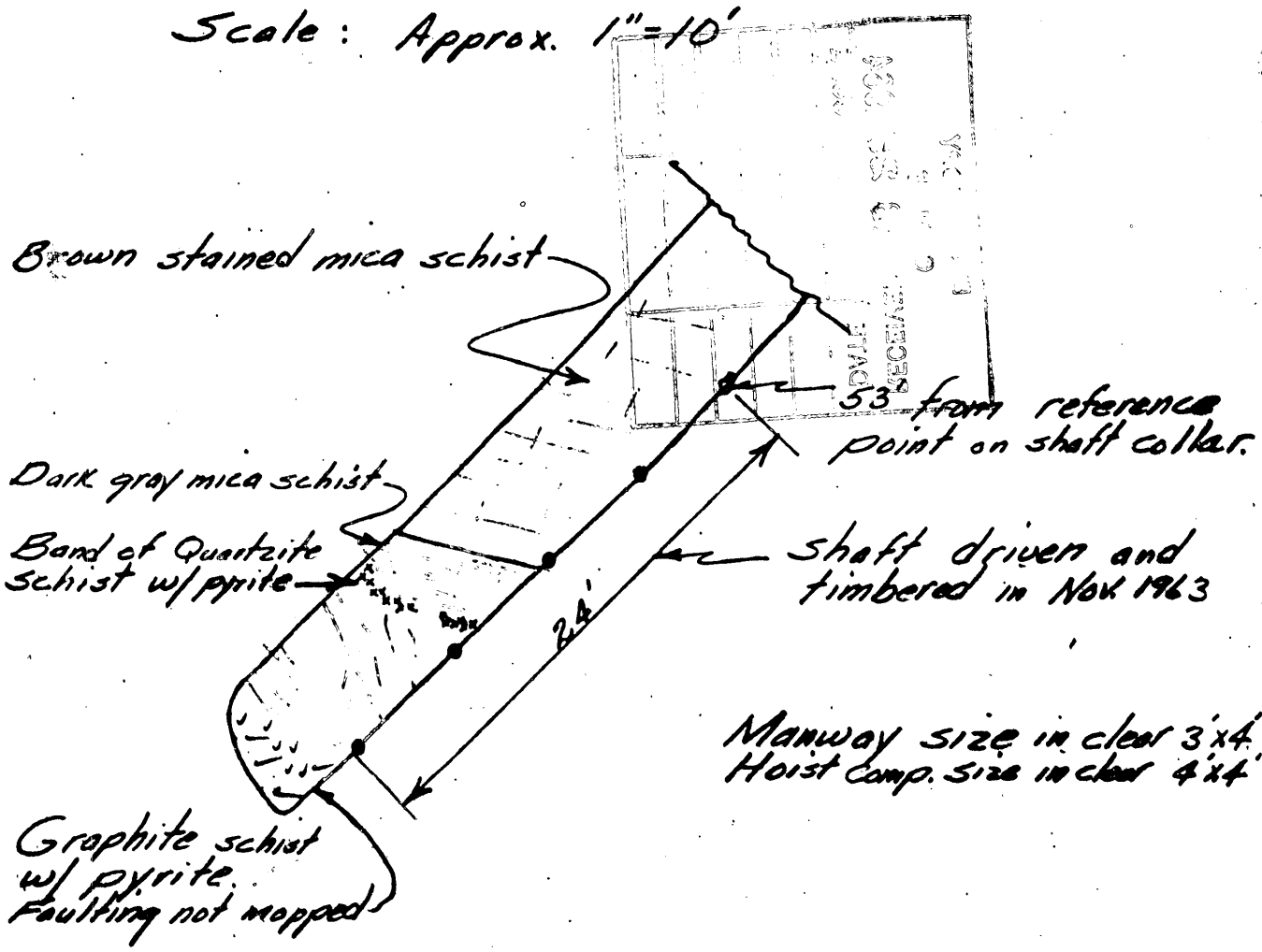
Arnold M. Nordale

Arnold M. Nordale
President
Keystone Mines, Inc.
P. O. Box 630
Fairbanks, Alaska

Keystone Mines, Inc.
Sketch of Shaft
West Wall

#3
11/30/63

Scale: Approx. 1" = 10'



Legend

• Location of sets

EXTRA COPY
O. M. E
RECEIVED FEB 25 1964
DATE | CODE

800

Fairbanks, Alaska
February 3, 1964

Mr. J.A. Herdlick
Director Area VIII
Mineral Resources Office
Bureau of Mines
P.O. Box 2688
Juneau, Alaska

Dear Jerry:

At the request of Earl Beistline I accompanied him on his usual end of the month inspection of the Keystone Mines shaft sinking project. Earl prepares Keystones' OME monthly reports during the absence of Arnold Nordale.

The shaft was advanced 24 feet during January by a contractor crew of three men. It is now down a total depth of 123 feet on the incline. Heavy ground, water, and freezing problems retards work. The heavy ground is a fractured crinkled talcy chlorite-schist interbedded with thin layers of quartzite schist, and in places is severely contorted and crumpled by drag folding. The foliation of the schist strikes E-W and dips 15° N, and the shaft is inclined 45° south. The back of the shaft caves along talcy parting planes parallel to foliation; the parting planes are lubricated with water and the back will chamber if lagging is not driven ahead before mucking below the bottom set. It has been necessary to reduce set spacings from 6 to 4 foot centers between levels 83 to 123. The shaft makes about 200 gallons of water per hour and frequent freezing of water lines and the air motor on the sump pump causes many delays.

The vein is in the hanging wall of the shaft and the contractor estimates that about 14 feet of crosscut will intersect it. This is based on the assumption that dip at depth conforms with dip between the surface and 50 level. Considering some local thrust faults in drag folds I think it is expecting too much to predict a general attitude for the vein on surface and one opening or the 50 level. The bottom round in the shaft appears to be getting into more solid ground and it is anticipated a crosscut will be started at or near the 140. I think that another intersection of the vein at or near this level will assist considerably in arriving at a general attitude. The way the vein flattens and steepens along the 50 level it could be one foot or forty feet from the back of the shaft at the 140. I am certain a little more experience at depth will help considerably in future development planning.

I think the contractor crew is doing a commendable job under present adverse conditions, and Keystone is fortunate to have them. They appear

to be fellows that will stick with the job until the breaks start going their way and then start making up for lost footage. I am sure Bob Thorne remembers what it was like over at Gilmore Dome back in 1942-43 — well the fellows at Keystone are getting a taste of the same weather conditions.

Kindest personal regards.

Sincerely yours,

Bruce T. Thomas

KEYSTONE MINES, INC.
P. O. Box 630
Fairbanks, Alaska

800

January 31, 1964

Mr. D. R. MacLaren
Acting Field Officer, OME
Region I
U. S. DEPT. OF THE INTERIOR
Office of Mineral Exploration
South 157 Howard Street
Spokane, Washington 99204

Re: OME-6304 (Gold-Silver)
Keystone Mines, Inc.
Fairbanks District, Alaska
Contract 2173

Dear Mr. MacLaren:

In accordance with the specifications of our OME contract, I am forwarding you herewith the original and four copies of:

Operator's Monthly Voucher (MME form 60)
Operator's Progress Report (MME form 61)
Operator's Narrative Report, including
- Narrative
- Sketch map #5 showing work accomplished during Jan. 1964
- Statement of wages paid

As was done for the month of December 1963, the forms have been completed using the original contract price because we have not learned if the amendment has been officially approved. I assume that your office will make the necessary corrections. Please let me know of anything that I can do to expedite this matter.

Very truly yours,

Arnold M. Nordale
President
Keystone Mines, Inc.
Box 630
Fairbanks, Alaska

AMN:EHB:jp
Enclosures

KEYSTONE MINES, INC.
P. O. Box 630
Fairbanks, Alaska

EXTRA COPY
O. M. E.
RECEIVED
DATE
800

December 31, 1963

Mr. D. R. MacLaren
Acting Field Officer, OME
Region I
U. S. DEPT. OF THE INTERIOR
Office of Mineral Exploration
South 157 Howard Street
Spokane, Washington 99204

Re: OME-6304 (Gold-Silver)
Keystone Mines, Inc.
Fairbanks District, Alaska
Contract 2173

Dear Mr. MacLaren:

In accordance with the specifications of our OME contract, I am forwarding you herewith the original and four copies of:

Operator's Monthly Voucher (MME form 60)
Operator's Progress Report (MME form 61)
Operator's Narrative Report, including
Narrative
Sketch map #4 showing work accomplished during Dec. 1963
Statement of wages paid

The forms have been completed using the original contract price because we have not learned if the amendment has been officially approved. I assume that your office will make the necessary corrections. Please let me know of anything that I can do to expedite matters.

Although sufficient copies of forms 61 and 62 are on hand for one more report, we would appreciate receiving an additional supply.

Very truly yours,

Arnold M. Nordale

Arnold M. Nordale
President
KEYSTONE MINES, INC.
Box 630
Fairbanks, Alaska

RECEIVED
JAN 7 1964

AMN:EHB:jp
Enclosures

So. 157 Howard Street
Spokane, Washington 99204
November 15, 1963

EXTRA COPY
O. M. E.
RECEIVED NOV 18 1963
DATE | INITIALS | CODE
800

AIRMAIL

Mr. Arnold M. Nordale
President
Keystone Mines, Inc.
P. O. Box 630
Fairbanks, Alaska

Re: OME-6304 (Gold-Silver)
Keystone Mines
Fairbanks District, Alaska
Contract 2173

Dear Mr. Nordale:

I have read with interest your narrative report of the work that was done at the Keystone mine during October. This report is particularly appreciated as it gives us an opportunity to call to your attention various departures from the contract specifications that would cause an appreciable delay in processing a voucher for the OME work had one been submitted.

The contract price of $130.00 per foot for "200 feet of shaft, plus hoist, etc." is based on 8" x 8" timber, 4' x 4' hoisting compartment and 4' x 3' manway. Therefore, these are minimum sizes that can be accepted at this unit cost.

It is noted that the timber installed is only 6" x 6" and that the manway is only 4' x 2½'. It is doubtful that 6" x 6" caps, posts, girts, and dividers to which 2" pieces have been nailed could be considered as meeting the 8" x 8" contract specification. In any case, the addition of the 2" pieces, according to your statement at the top of page 2, has apparently reduced the skipway to 3'10" x 3'10" and the manway to 3'10" x 2'4".

Also noted is your statement on page 3 under Future "Sinking of the shaft under OME contract will begin during November 1963. The place of beginning will be at about the present 50 foot level." However, in the contract Exhibit A, Description of the Work, indicates in the first two paragraphs the general location of the shaft site and provision for installation of a headframe. Thus, it appears that the intent of the contract is that the shaft be started at the surface; the $130.00 per foot for shaft sinking includes provision for a headframe.

Presumably, your intention is that the present shaft will be continued at 45° until it intersects the vein and that below the 50-foot level it will conform to the contract specifications as to timber and compartment size. This still leaves the question of acceptability for CMF participation in the first 50 feet of the shaft.

If 6" x 6" timber and a 4' x 2½' manway meets with the regulations of the Alaska Department of Mines and Minerals and you prefer those sizes, you should request an amendment to that effect. However, until such an amendment is authorized and approved, you would be proceeding at your own risk and if the request were approved, the unit price for shaft sinking would be reduced. If you wish to proceed below the 50-foot level meeting the present contract specifications, the work from the shaft collar to that point will have to be disallowed as it does not meet the contract specifications.

With regard to the 50-level stope and any other ore that is being test milled, your attention is directed to Article 6 of the contract regarding royalty due the Government.

I am glad to have the opportunity to call to your attention the problems raised by deviating from the contract specifications before they become more serious. With the exception of the level station for which the contract price is based on a maximum length, all prices are based on the minimum sizes cited in the specifications. Any changes involving less than specified minimums or more than specified maximums necessitate contract amendments which you should request; your request should include a statement as to why the requested change is deemed necessary or advisable.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, CMF
Region I

cc: CMF(2) w/Orig.&2 cys of narrative,
accompanying papers, and map

MacLaren

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

KEYSTONE MINES, INC.
P. O. Box 630
Fairbanks, Alaska

October 29, 1963

Mr. D. R. MacLaren
Acting Field Officer, OME
Region I
U. S. Department of the Interior
OFFICE OF MINERALS EXPLORATION
South 157 Howard Street
Spokane, Washington 99204

Ref: OME-6304 (Gold-Silver)
Contract 217
Keystone Mines, Inc.
Fairbanks District, Alaska

Dear Mr. MacLaren:

In accordance with the specifications of our OME contract, I am forwarding you herewith an original and three copies of the narrative report for October 1963. Because a voucher for the month of October 1963 is not being submitted, I am not forwarding you copies of MME forms 60 and 61, Operator's Monthly Voucher and Operator's Progress Report.

Very truly yours,

Arnold N. Nordale

Arnold N. Nordale
President
Keystone Mines, Inc.
Box 630
Fairbanks, Alaska

ANN:jp
Enclosures
Narrative report for October 1963
and accompanying material

RECEIVED
Viola
NOV 5 1963
Mail
U.S.G.S.
SPOKANE, WASH.

KEYSTONE MINES, INC.

Narrative Report for October 1963

Re: OME-6304 (Gold-Silver)
Contract 2173
Keystone Mines, Inc.
Fairbanks District, Alaska

Current

Because of the importance of installing a surface plant and to get underground before interior Alaska winter conditions begin, Keystone Mines, Inc. has done some initial work on the Kawilita mining claim. Payment is not being requested during October 1963 and hence the Operator's Monthly Voucher form and the Operator's Progress report form are not being submitted.

Work accomplished includes the installation of a surface plant which consists of a 22' X 26' wood-frame hoist-compressor house, a 16' X 32' supply tent, an 8' X 16' wannigan, a headframe, haulage track leading to the waste dump and truck loading ore chute, and a road system to allow access to the claim from the main highway system. Photograph #1 shows a portion of the surface plant and map #1 shows the relative location of the units.

An inclined (45°) two compartment shaft was sunk to the fifty foot level. Six inch by six inch timbers were initially used to frame the shaft sets and appropriate lagging was used to provide ground support. The hoisting compartment is 4' X 4' in the clear and the manway is 4' X 2½' in the clear where six inch timbers were used. The first 30' of shaft timber has had

the 6" timbers increased to 8" by adding a 2" piece to the posts. The compartments are reduced 2" each in this length.

The hoisting plant installation and the timbered shaft meets the State of Alaska mining regulations as is shown by the accompanying statement of an engineer of the State Division of Mines and Minerals. Photograph #2 shows the timbering in the shaft.

The inclined shaft was begun on the vein and continued on the vein to a depth of about 30 feet at which point the veins evidently faulted into the hanging wall of the shaft. A cross-cut driven at the 50' level in a southerly direction intersected the vein about 12 feet from the hanging wall. The vein at this point had a dip of about 60° indicating that the shaft if continued on the present dip will intersect the vein at a lower elevation if geological conditions do not change.

At the fifty foot level a drift was driven in a westerly direction following the vein structure for a distance of an estimated 130 feet. Photograph #3 shows a portion of the 50 foot level and map #1 shows the relative location of the drift with reference to the shaft.

Ore recovered from the drift and ore from some stoping at selected areas above the level is being test-milled at the present time. Soon milling will probably be stopped for the winter months.

Assay values are shown on sketches 1 and 2.

The above information, although not pertaining to the work proposed in the contract, provides background data that will

allow a rather complete picture to be obtained of the entire operation.

Future

Sinking of the shaft under the OME contract will begin during November 1963. The place of beginning will be at about the present 50 foot level. Shaft timber sizes and compartment sizes specified in the contract will be used and the sampling procedure specified will be followed.

Enclosures

Map 1, Plan of surface installation and underground workings.

Photographs

1. Portion of surface plant.
2. Shaft timbering.
3. 50' level.

Sketches

1. Section showing shaft and assay values.
2. Plan showing 50' level and assay values.

Letter, State Mining Engineer

RECEIVED
Via
NOV 5 1963
Air Mail
U.S.G.S.

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF MINES & MINERALS

Room 105,
State Office Building
Fairbanks 99701

October 30, 1963

Keystone Mines, Inc.
B ox 630
Fairbanks, Alaska 99701

Dear Sirs:

I have visited the site of shaft-sinking and drifting operations being carried on by Keystone Mines, Inc. on the Nordale group of claims in the Fairbanks District. My most recent visit to the property was on this date. I have found that the work being done conforms to the requirements of the State Mine Safety Regulations now in force.

Very truly yours,

Robert H. Saunders

Robert H. Saunders
State Mining Engineer

RECEIVED
Via
NOV 5 1963
Air Mail
U.S.
FAIRBANKS, ALASKA

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Keystone Mines, Inc.
P.O. Box 630
Fairbanks, Alaska

pertaining to Exploration ~~Project~~ Contract 14-23-090-2173, OME No. 6304, including Amendments Nos. 1, for November 1963 to ....., inclusive, covering a gold-silver project at the Keystone Mines, Fairbanks Mining and Recording Precinct ~~County~~, Fourth District, Alaska.

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

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

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

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

Total cost billed by Operator			$ .....
Less: Proceeds from property disposition			
Net cost claimed by Operator			.....
Exceptions:			
Prior to this review	$		
Less: Reinstatements		$	
Herewith			
Acceptable cost claimed by Operator			.....
Acceptable costs not claimed, to ..... offset exceptions			
Total acceptable cost			.....
Acceptable cost not claimed		$	
Less: Offset above			
Total acceptable cost, if claimed			$

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

Payable on audited claim	$ .....
Paid to date	
Balance due	$
Additional payable, if claimed	$

Royalty

.....

E. D. Talbert, OME Auditor

14-23-080-2173 Keystone Mines, Inc. OMB-6304

Contract ....

Reasons for Report of Review in lieu of a final audit:

( ) a ..... portion ($ .....) of the acceptable costs was under a contract provision for contribution by the Government on the basis of fixed unit costs for work performed;

( ) a ..... portion ($ .....) of the acceptable costs covered work performed at unit rates under independent contract;

( ) the Monthly Reports were supported by documentary evidence of the acceptable actual costs under the contract;

( ) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible .... exceptions;

( ) .....
.....
.....

Exceptions .....:

63369-59

14-23-090-2173
OMB-6304

Keystone Mines, Inc.
P.O. Box 630, Fairbanks, Alaska.

45-113

			(1) Contract	(2) Nov. '63	(3) Dec. '63	(4) Jan. '64	(5) Feb. '64	(6) Mar. '64	(7) May '64	(8) June '64	(9) July '64	(10) Sep '64	(11) Oct 64	(12) Nov	(13) Dec
1	Short Form	8/29/63													
2	Start by	10/1/63		10/3/63											
3	Complete by	2/28/65													
4	Interest	6½%													
5															
6	Fixed Unit Costs:														
7	Shaft (incl hoist, etc)	@ $115.00	$14490.00	$3120.00	$2860.00	$3120.00	$1840.00	$920.00	$1150.00	$ —	$690.00	$1495.00			2777.50
8	Station, lin. ft	@ 60.00	1050.00	—	—	—	—	—	—	1050.00	—	—			
9	Station sets	@ 50.00	200.00	—	—	—	—	—	—	150.00	50.00	—			
10	Coaling pocket		350.00	—	—	—	—	—	—	—	—		$350.00		
11	Drift/Raise	@ 55.00	4950.00	—	—	—	—	—	—	—	852.50			440.00	2777.50
12	Timbering	@ 10.00	400.00	—	—	—	—	—	—	—	155.00			80.00	505.00
13	Assay, Au & Ag	@ 2.00	600.00	—	—	—	—	—	—	—	—				
14															
15															
16	Total		$7019.00	$3120.00	$2860.00	$3120.00	$1840.00	$920.00	$1150.00	$1200.00	$1747.50	$1495.00	$350.00	$520.00	3282.50
17	Govt. Part (50%)		3509.50	1380.00	1265.00	1380.00	920.00	460.00	575.00	600.00	873.75	747.50	175.00	260.00	1641.25
18	Date Pd.			2/24/64	2/24/64	2/24/64	3/12/64	4/20/64	6/9/64	7/17/64	8/18/64	10/14/64	11/25/64	12/17/64	1/27/65
19	Acc. Govt. Part			1380.00	2645.00	4025.00	4945.00	5405.00	5980.00	6580.00	7453.75	8201.25	8376.25	8636.25	10277.50
20															
21															
22															

Notes: (a) No work closer than 100' of boundary
(b) Mine rails 12 lb., air lines ½", water lines 1", & vent tube 12"; shaft timber frame approx 30' in height
(c) Shaft no closer than 500' to west end of Kawalita claim. Two compartments 8"x8" sets on 6' centers, 4x4 and 4x3' compt.
(d) Shaft station no more than 17½' length, not less than 7½' x 8'
(e) Rodding pocket, with prior Govt. approval, capacity of 350 cu ft of broken ore & waste
(f) Drift, 5x7, in general E and W direction, for aggregate of not more than 800'
(g) Raise, 5x7, with prior Govt. approval into footwall or hanging wall of ore structure, for not more than aggregate of 100'

FEB 8 1966

Memorandum

To: Chief Auditor

From: Chief, Office of Mineral Exploration

Subject: OME-6304 (Gold-Silver)
Keystone Mines, Inc.
Keystone Mine
Fairbanks District, Alaska
Contract 2173

Enclosed is a copy of a memorandum, dated February 1, 1966, from the Field Officer of Region I and the original of the October 1965 voucher of the subject Operator. Will you please prepare a Report of Review as requested by the Field Officer. $200.00 should still be withheld pending receipt of an acceptable Operator's final report.

Please return all of the enclosed material to us when it has served its purpose.

(signed) FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc to: Director's Reading File
Division File
Economic Geology File
Budget & Finance, Miss Gabor
OME File
OME Region I
OME Reading File
Mr. Selfridge
CAAA

GCSelfridge/gla 2-8-66

Audit's Copy

EXPLORATION CONTRACT
KEYSTONE MINES, INC.
OME-6304

AMENDMENT NO. 7

It is agreed this 26th day of August, 1965, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Keystone Mines, Inc., hereinafter called the "Operator," that Exploration Contract 2173 (OME-6304), dated August 29, 1963, as amended, is further amended effective August 10, 1965, as follows:

The time fixed in Item 2 of Amendment No. 4 for the completion of the work is extended from 24 to 31 months from the date of the contract or until March 29, 1966.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration, U. S. Geological Survey

KEYSTONE MINES, INC.

By Arnold N. Nordhe

Title President

RECEIVED

AUG 16 1965

OME
SPOKANE, WASHINGTON

Audit's Copy

EXPLORATION CONTRACT
KEYSTONE MINES, INC.
OME-6304

AMENDMENT NO. 6

It is agreed this 27th day of July, 1965, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Keystone Mines, Inc., hereinafter called the "Operator," that Exploration Contract 2173 (OME-6304), dated August 29, 1963, as amended, is further amended effective the date of the contract as follows:

In Exhibit A of the contract:

1. Under the heading Description of the Work, the last sentence in Item 2 of Amendment No. 3 is deleted and replaced as follows:

> With prior Government approval, crosscuts may be driven into the footwall and/or hanging wall of the vein, but the aggregate length of such crosscuts shall not exceed 100 feet nor shall all of the drifting and/or crosscutting exceed an aggregate of 900 feet.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

KEYSTONE MINES, INC.

By Arnold M. Nordaas

Title President

Audit's copy

EXPLORATION CONTRACT
KEYSTONE MINES, INC.
OME-6304

AMENDMENT NO. 5

It is agreed this 20th day of April, 1965, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Keystone Mines, Inc., hereinafter called the "Operator," that Exploration Contract 2173 (OME-6304), dated August 29, 1963, as amended, is further amended as follows:

The time fixed in Item 1. (a) of Amendment No. 4 for the end of the work suspension period is extended from May 1, 1965, to July 1, 1965.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By [signature]
Acting Director, Office of
Minerals Exploration

KEYSTONE MINES, INC.

By Arnold M. Nordale

Title President

Audit's Copy

EXPLORATION CONTRACT
KEYSTONE MINES, INC.
OME-6304

AMENDMENT NO. 4

It is agreed this 29th day of January, 1965, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Keystone Mines, Inc., hereinafter referred to as the "Operator," that Exploration Contract 2173 (OME-6304), dated August 29, 1963, as amended, is further amended as follows:

1. (a) Work under the contract shall be suspended during the period beginning January 11, 1965, and ending not later than May 1, 1965.

(b) No costs incurred by the Operator during the suspension shall be allowable for contribution by the Government.

(c) The Government will not contribute to any cost of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of the work.

(d) The Operator at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The time fixed by the contract for the completion of the work is extended from 18 months to 24 months, or until August 29, 1965.

3. The maximum period for royalty payments and for the lien to secure payments thereof provided for in the contract is extended from ten (10) years to eleven (11) years from the date of the contract.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By George Tessmann
Acting Director, Office of Minerals Exploration

KEYSTONE MINES, INC.
By Ernest M. Nordale
Title President

Audit's Copy

EXPLORATION CONTRACT
KEYSTONE MINES, INC.
OME-6304

AMENDMENT NO. 3

It is agreed this 15th day of December, 19 64, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Keystone Mines, Inc., hereinafter referred to as the "Operator" that Exploration Contract 2173 (OME-6304), dated August 29, 1963, as amended, is further amended effective the date of the contract as follows:

In Exhibit A of the contract:

1. Under the heading General Provisions, the third paragraph is deleted and replaced as follows:

> The Government will not participate in the cost of work performed at locations which are within 100 feet of any land not subject to this contract, with the exception that work performed immediately east of the shaft may approach the south side line of the Kawalita claim but not pass beyond the vertical projection thereof.

2. Under the heading Description of the Work, the fifth paragraph as amended in Amendment No. 2 is deleted and replaced as follows:

> From the shaft station drive a crosscut in a southerly direction to intersect the vein, from where a drift shall be driven easterly along the vein. From this drift at a point not more than 50 feet from the shaft station crosscut, drive a "bypass" drift westerly in the hanging wall of the vein in such a manner that it may leave a 30-foot pillar and then will intersect the vein at a point approximately 90 feet west of the shaft station crosscut from which point drifting will be continued westerly on the vein. With prior Government approval, crosscuts may be driven into the footwall and/or hanging wall of the vein, but the aggregate length of such crosscuts shall not exceed 100 feet nor shall all of the drifting and/or crosscutting exceed an aggregate of 800 feet.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By [signature]
Acting Director, Office of Minerals Exploration

KEYSTONE MINES, INC.

By Arnold M. Nordeen

Title President

MME Form 14
March 1961

Contract No. Idm-E) 14-23) 2173

No. 282

Docket No. DMEA) MME) 6304

Date of Action ~~May 11, 1964~~
Executed minus amendment

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OBLIGATION DOCUMENT

To: Chief, Fiscal Section, Office of the Secretary

From: Chief, Division of Administrative Management

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:

Keystone Mines, Inc.
P. O. Box 630
Fairbanks, Alaska

Date of Contract	Region	State	Commodity
August 29, 1963	I	Alaska	Gold, silver
	Reserve		Obligation
Prior Amount	0		$36,475.00
Increase	0		0
Decrease	0		1,380.00
Revised Amount	0		$35,095.00

Remarks:

cc: 110
800
210

88995-61

Audit's Copy

EXPLORATION CONTRACT
KEYSTONE MINES, INC.

OME-6304

AMENDMENT NO. 2

It is agreed this 27th day of April, 1964, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Keystone Mines, Inc., hereinafter referred to as the "Operator" that Exploration Contract No. 2173 (OME-6304), dated August 29, 1963, as amended, is further amended effective the date of the contract as follows:

1. Amendment No. 1, dated January 29, 1964, is rescinded.

2. In Article 1(b) of the contract the figures $79,900.00 and $39,950.00 are replaced by the figures $70,190.00 and $35,095.00, respectively.

3. In Exhibit A

(a) Under the heading Description of the Work, the first two paragraphs are deleted and replaced as follows:

A timber headframe, hoist, cable, and skip meeting the regulations of the Alaska Department of Mines and Minerals shall be placed in operating service at the incline shaft site on the Kawilita claim. From the bottom of the shaft estimated to be 53 feet below the collar of the shaft, sink the shaft approximately 126 additional feet following as nearly as possible the general dip of the "Large Vein" shown on Fig. 1.

(b) The fifth paragraph is deleted and replaced as follows:

From the shaft station a crosscut shall be driven into the hanging wall to intersect the vein. From this crosscut drifts shall be driven in a general east and west direction along the vein structure. The drifting and crosscutting shall not exceed an aggregate of 800 feet. With prior Government approval crosscuts may be driven into the footwall and/or hanging wall of the vein structure. The aggregate length of such crosscuts shall not exceed 100 feet.

(c) Under the heading Estimated Cost of Project, all words and figures are deleted and replaced as follows:

Fixed Unit Costs

126 feet of shaft, plus hoist, etc. @ $115.00/ft.	$14,490.00
17½ lineal feet of station @ $60.00/ft.	1,050.00
4 station sets @ $50.00 each	200.00
Loading pocket 1/	350.00
900 feet of drifting and crosscutting @ $55.00/ft.	49,500.00
400 feet timbering in drifts and crosscuts @ $10.00/ft.	4,000.00
300 samples assayed for gold and silver @ $2.00/sample	600.00
Total Estimated Cost	$70,190.00
Government Participation @ 50%	$35,095.00

1/ The completed job is the unit of work.

This amendment reduces the original shaft footage and unit cost and increases the unit cost for drifting and crosscutting with a corresponding decrease in the estimated total cost of the contract and the aggregate amount which the Government may be required to contribute.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By George Turnock
Acting Director, Office of Minerals Exploration

KEYSTONE MINES, INC.

By Conrad M. Nordlace

Title President

No. 157 Howard Street
Spokane, Washington 99204
April 17, 1964

EXTRA COPY O. M. E RECEIVED APR 20 1964		
DATE	INITIALS	CODE
		800

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: SMX-6304 (Gold-Silver)
Keystone Mines, Inc.
Keystone Mines
Fairbanks District, Alaska
Contract 2175

Enclosed are two Thermo-fax copies of a letter dated April 10, 1964, from the subject Operator and our reply. Also enclosed is a sketch I have prepared from the Operator's narrative reports and sketches.

On the first page of his letter the Operator describes certain problems that have arisen and requests clarification of the type of side line -- whether vertical or extralateral -- specified in Exhibit A, paragraph 3 of the General Provisions of the contract. On the next page he requests in effect that the level station, crosscutting, drifting, etc., which the contract states shall be done about 200 feet below the shaft collar be permitted about 150 feet below the collar.

The section through the shaft which accompanied the Operator's narrative for October 1963 shows no graphic description of the geology. However, a side note states: " . . . . Vein was reported to be offset several times toward the hanging wall and finally moved into the hanging wall." On my sketch the vein as shown above the 50-foot level is purely schematic. The Operator's sections showing the shaft below the 50-foot level indicate at least 3 faults any or each of which could account for the vein at the 150-foot level being ahead of the presently shown face of the crosscut.

As nearly as I can determine from the available maps and sections, the south side line of the Kawilita claim which is an exterior property boundary is about 160 feet south of the shaft at the 150-foot level. This is comparable to the Operator's estimate of 175 feet. If there should be no more offsetting faults between the southernmost one shown and the south boundary, and if the vein on the 150 level is somewhere between the last fault and where I have provisionally shown it, and if the dip of the vein does not flatten, then the shaft could be continued and the drifting done between the

150 and 200 levels, possibly at the 200 level. However, it is most probable that the offsetting fault pattern will continue so that on the 150-foot level the vein may not be found until the crosscut reaches or nearly reaches the 100-foot-from-boundary limit. In this case, or nearly so, a crosscut from the shaft to the vein would necessitate crossing the 100-foot-from-boundary line in order to cut the vein.

A plan of the 50-foot level accompanies the October 1963 Narrative Report. This shows several swings in strike which may be the case at the 150-foot level or deeper. If so, and the vein is found to be close to the 100-feet-from boundary line, any swing in strike toward the south could force an abrupt cessation of OME assistance for any portion of drift that might cross the 100-foot limit, unless and until another swing brought the vein back to the north. The chance of this situation being encountered will increase with depth below the 150-foot level.

By eliminating 25 feet of shaft sinking (95[1] feet already driven plus a 30-foot sump subtracted from 150 feet authorized) the total cost of the contract and the Government's participation respectively will be reduced by $2,875.00 and $1,437.50. Also the potential backs in the plane of the vein will be on the order of 150 feet. Based on the values of the samples taken on the 50-foot level, the value of the potential discovery would still be significant with respect to cost of the project.

It is therefore recommended that the Operator's requested amendment be approved.

D. R. Maclaren

Enclosures

Co. 157 Howard Street
Spokane, Washington 99204
April 17, 1964

Air Mail

Mr. Arnold M. Nordale
President
Keystone Mines, Inc.
Box 2415
Juneau, Alaska

Re: OME-6504 (Gold-Silver)
Keystone Mines
Fairbanks District, Alaska
Contract 2173

Dear Mr. Nordale:

Your letter of April 10, 1964, has been forwarded to our Washington D. C. office for consideration of your request that the contract be amended to permit drifting on the 150 level rather than at the 200 level.

All claim or exterior property boundaries mentioned in the OME contract relative to exploration are vertical boundaries. However, any ore that might be produced by virtue of extralateral rights is subject to royalty payable to the Government.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: J. A. Herdlick

OME(2)
MacLaren

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

P.O. Box 2415
Juneau, Alaska
April 10, 1964

Mr. D. R. Macharen
Acting Field Officer
Office of Minerals Exploration
South 157 Howard Street
Spokane, Washington, 99204

OME 6304
Contract 2173
Keystone Mines, Inc.
Fairbanks, Alaska

Dear Mr. Macharen:

With reference to the second paragraph in the Narrative Report for the month of March in which it was stated that a crosscut had been driven in the hanging wall of the shaft, the purpose of this crosscut was to determine the precise location of the vein. Projections had been made of the dip of the vein as it appeared at the 50 foot level and of the slope of the shaft which indicated that an intersection should occur at approximately the 120 foot level.

When the shaft had passed that point and had reached the 150 foot level it became obvious that some further displacement of the vein had taken place and rather than continue the shaft blindly it was decided to find out definitely with a short crosscut. It was believed that the vein would be found within a very few feet from the shaft and no large size crosscut would be warranted nor would we expect the OME to participate in its cost.

The crosscut has now reached more than 20 feet with no evidence of the vein. This, naturally, has brought up several points for consideration, particularly with regard to present and future procedure.

The principal conditions and points of uncertainty are:

(1) The location of the vein both in respect to the shaft and in respect to the southerly side line of the Kawilita Claim which adjoins adversely owned ground.

(2) The strike of the vein is not parallel with the claim side lines and converges with the southerly side line in an easterly direction.

(3) The deeper the shaft is sunk the more acute the above condition becomes if paragraph 3 of the General Provisions alludes to a vertical boundary line determination.

(4) At the 150 foot level the bottom of the shaft is approximately 175 feet from the southerly side line or 75 feet within the 100 feet limitation. If the shaft is continued at the same slope to the 200 foot depth these figures would be reduced by about 35 feet which would allow for only a 40 foot vein offset and would preclude any drifting on the vein in an easterly direction.

Therefore we request your approval of the following proposals:

(1) That the pressure grouting at the 150 foot level shall be enlarged to conform with OME specifications as set forth in Contract No. 2173 and that payment for the concrete shall be made by OME according to add contract.

(2) That if and when the vein is reached a station and skip loading pocket shall be established and constructed at the 150 foot level.

(3) That the shaft shall be sunk an additional 30 feet to accomodate the loading pocket, pump platform and to provide ample sump capacity. The present water inflow is estimated at 600 gallons per hour.

(4) That drifts on the vein at the 150 foot level shall be started in either one or both directions and continued as conditions determine.

Very truly yours,

Keystone Mines, Inc.

Arnold M. Mendale

Arnold M. Mendale
President

RECEIVED
APR
OME
SPOKANE WASHINGTON

MME Form 14
March 1961

No. 267

Contract No. Idm-E) 14-23) 2173

Docket No. DMEA) MME) 6304

Date of Action ~~February 17, 1964~~ Executed Minug amend.

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OBLIGATION DOCUMENT

To: Chief, Fiscal Section, Office of the Secretary

From: Chief, Division of Administrative Management

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:

Keystone Mines, Inc.
P. O. Box 630
Fairbanks, Alaska

Date of Contract	Region	State	Commodity
August 29, 1963	I	Alaska	Gold-Silver
	Reserve		Obligation
Prior Amount	)0		$39,950.00
Increase	0		0
Decrease	~~0~~		~~3,475.00~~
Revised Amount	0		$36,475.00

Remarks:

cc: 110
800
210

88995-61

Audit's Copy

EXPLORATION CONTRACT
KEYSTONE MINES, INC.
ONE-6304

AMENDMENT NO. 1

It is agreed this 29th day of January, 1964, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government" and Keystone Mines, Inc., hereinafter referred to as the "Operator" that Exploration Contract No. 2173 (ONE-6304), dated August 29, 1963, is amended effective the date of the contract as follows:

1. In Article 1(b) of the contract the figures $79,900.00 and $39,950.00 are replaced by the figures $72,950.00 and $36,475.00, respectively.

2. In Exhibit A

(a) Under the heading Description of the Work, the first two paragraphs are deleted and replaced as follows:

"A timber headframe, hoist, cable, and skip meeting the regulations of the Alaska Department of Mines and Minerals shall be placed in operating service at the incline shaft site on the Kawilita claim. From the bottom of the shaft estimated to be 53 feet below the collar of the shaft, sink the shaft approximately 150 additional feet, following as nearly as possible the general dip of the 'Large Vein' shown on Fig. I."

(b) Under the heading Estimated Cost of Project, all words and figures are deleted and replaced as follows:

"Fixed Unit Costs

150 feet of shaft, plus hoist, etc. @ $115.00/ft.	$17,250.00
17½ lineal feet of station @ $60.00/ft.	1,050.00
4 stations sets @ $50.00 each	200.00

Loading pocket 1/	$ 350.00
900 feet of drifting and crosscutting @ $55.00/ft.	49,500.00
400 feet timbering in drifts and crosscuts @ $10.00/ft.	4,000.00
300 samples assayed for gold and silver @ $2.00/sample	600.00
Total Estimated Cost	$72,950.00
Government Participation 50%	$36,475.00

1/ The completed job is the unit of work."

This amendment reduces the original shaft footage and unit cost and increases the unit cost for drifting and crosscutting with a corresponding decrease in the estimated total cost of the contract and the aggregate amount which the Government may be required to contribute.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By [signature]
Acting Director, Office of
Minerals Exploration

KEYSTONE MINES, INC.

By Arnold M. Nardi

Title President

800

No. 157 Howard Street
Spokane, Washington 99204
February 3, 1964

Air Mail

Mr. Arnold M. Nordale
President
Keystone Mines, Inc.
Box 2415
Juneau, Alaska

Re: CMS-6504 (Gold-Silver)
Keystone Mines
Fairbanks District, Alaska
Contract 2175

Dear Mr. Nordale:

In accordance with my letter of January 14, 1964, advising you that our Washington office would amend your contract allowing the starting point of the contract shaft work to be at a point 93 feet below the collar, reducing the unit cost of the shaft work from $140.00 to $115.00 per foot, and increasing the unit cost of drifting from the bottom of the shaft from $53.00 to $55.00 per foot, as you requested, enclosed are the original and four copies of Amendment No. 1 signed by the Acting Director for the Government.

If the proposed amendment is satisfactory, please sign all copies, retain the Operator's copy, and return the other copies to this office. I will then start processing your vouchers for November 1963 through January 1964.

If the amendment is not satisfactory, please return all copies to us unsigned with a statement of your proposed changes for consideration.

Sincerely yours,

D. E. MacLaren
Acting Field Officer, CMS
Region I

Enclosures

cc: CMS(2)
Voucher file
MacLaren

Resources Research Branch Chief
MLSmelser:mls

Directorate Tracer

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

SY-1201 (4-60)

SYMBOLS

DL = Day Letter

NL = Night Letter

LT = International Letter Telegram

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination

241P PST JAN 19 64 PRA055

PR SEA144 NL PD SEATTLE WASH 19

D R MAC LAREN, OFFICE OF MINERALS EXPLORATION

SOUTH 157 HOWARD ST SPOKANE WASH

RE OME 6304 CONTRACT 2173 WE WILL SINK SHAFT UNDER AMENDMENT FROM 53 FEET BELOW COLLAR TO 200 FEET BELOW COLLAR OR A DISTANCE OF 147 FEET STOP PLEASE MAIL PROPOSED AMENDMENT TO BOX 2415 JUNEAU ALASKA

KEYSTONE MINES INC ARNOLD M NORDALE

6304 2173 53 200 147 2415.

RECEIVED

JAN 20 1964

900

800

No. 157 Howard Street
Spokane, Washington 99204
January 14, 1964

Air Mail

Mr. Arnold M. Nordale
President
Keystone Mines, Inc.
Box 650
Fairbanks, Alaska

Re: OAE-6308 (Gold-Silver)
Keystone Mines
Fairbanks District, Alaska
Contract 2173

Dear Mr. Nordale:

I have been advised by our Washington, D. C. office that an amendment will be prepared allowing the starting point of the contract shaft work to be at a point 55 feet below the collar, reducing the unit cost of the shaft work from $130.00 to $115.00 per foot, and increasing the unit cost of drifting from the bottom of the shaft from $55.00 to $55.00 per foot, as you have requested.

However, before preparing the amendment, it is necessary for us to know whether you will sink the shaft 200 feet below the collar or 200 feet below the starting point. This is not quite clear in item 1 of your letter of December 13, 1963.

As explained in my letter of November 15, 1963, and during our December meeting in Spokane, we cannot process your vouchers until the amendment has been executed and becomes part of the contract. The only suggestion I can make that might expedite matters would be for you to send us a wire stating whether you intend to bottom the shaft 200 feet or 255 feet below the shaft collar. You might also advise whether the proposed amendment should be sent to your Fairbanks' address or to Box 2415, Juneau.

Sincerely yours,

D. A. Maclaren
Acting Field Officer, OAE
Region I

cc: Arnold M. Nordale
Box 2415
Juneau, Alaska

DMMaclaren:mls
cc: OAE(2)
Voucher file
Maclaren
Director's Reading File
Resources Research Branch Chief

MME Form 14
March 1961

No. 231

Contract No. Idm-E) 14-23) 2173

Docket No. DMEA) MME) 6304

Date of Action October 1, 1963
Executed contract

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OBLIGATION DOCUMENT

To: Chief, Fiscal Section, Office of the Secretary

From: Chief, Division of Administrative Management

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:

Keystone Mines, Inc.,
P. O. Box 630
Fairbanks, Alaska

Date of Contract	Region	State	Commodity
August 29, 1963	I	Alaska	Gold-Silver

	Reserve	Obligation
Prior Amount	$39,950.00	0
Increase	0	$39,950.00
Decrease	$39,950.00	0
Revised Amount	0	$39,950.00

Remarks:

6½% interest

cc: 110
800
210

88995-61

RECEIVED
SEP 3 1963
U.S.G.S.
BINGHAM, WASH.

MME Form 51
June 1963

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

Audit's Copy

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME 5304	Gold-Silver	14-23-090-2173	Fairbanks District	Alaska

It is agreed AUG 29 1963 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Keystone Mines, Inc., an Alaskan Corporation

whose mailing address is P.O. Box 630 Fairbanks, Alaska, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before Oct 1, 1963 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 18 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ 39,900.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $ 19,950.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.-- Simple interest at the rate of 6 1/4 percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

None

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

None

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 14. Changes and added provisions.--

Executed in quintuplicate the day and year first above written.

KEYSTONE MINES, INC.
(Operator)

By Arnold M. Nordale

Title President

THE UNITED STATES OF AMERICA

By George Turnick

Director, Office of Minerals Exploration

I, Eugene F. Schreiber (Name), certify that I am the secretary of the corporation named as Operator herein; that Arnold M. Nordale (Name), who signed this contract on behalf of the Operator, was then President (Title) of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Eugene F. Schreiber

[CORPORATE SEAL]

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

EXPLORATION CONTRACT
KEYSTONE MINES, INC.
OME-6304

ANNEX I

The land referred to in Article 2 of the contract consists of nine (9) patented and fourteen (14) unpatented lode mining claims, including all rights pertaining thereto, lying within secs. 20, 21, 22, 27, 28, and 29, T. 3 N., R. 2 E., Fairbanks Mining and Recording Precinct, Fourth District, Alaska. The patent and recording data of the claims are as follows:

Patented Claims

Name of Claim	Survey No.	U. S. Patent No.
Willie	2198	1230877
Marigold	"	"
Pioneer	"	"
Henry Ford	"	"
Henry Clay	"	"
Hope		1062411
Fairbanks		"
Keystone		"
Kawilita		"

Unpatented Claims

Recorded in the Office of the Recorder, Fairbanks Recording District, Alaska:

Name	Book	Page
Wolf	23	192
Ruth Fraction	23	135
Minnehaha	23	135
Free Gold	23	135
Pennsylvania	23	135
Henry Ford No. 2	23	135
Henry Ford No. 3	23	135
Henry Ford No. 4	23	135
Laughing Waters	23	135
Fern	23	135
Buttonweezer	23	135
Caribou Fraction	23	135
Caribou No. 1	23	135
Caribou No. 2	23	135

The Operator has rights to the claims under the terms of an Option Agreement, dated August 19, 1963, by and between Nordale Hotel Corporation, an Alaskan corporation; Algo Company, a Minnesota corporation and Eugene F. Schreiber, an individual residing in Fairbanks, Alaska.

The locations of the claims are shown on the map entitled, "Fig. 1, Keystone Mines, Inc., Lode Claims . . .," attached hereto and made part hereof. The outer boundary of the property under this contract is shown in green on map Fig. 1.

Lien and Subordination Agreements executed by the Optionors of the claims are attached hereto and made part hereof.

Special Agreement

In the event the Operator or any subsidiary thereof at any time during 10 years from the date of this contract acquires any interest, title, or equity in any land situated within 1500 feet of the Kawilita claim, listed in this Annex I, it is agreed that such land shall thereupon automatically be included as land subject to all of the provisions of this contract.

EXPLORATION CONTRACT
KEYSTONE MINES, INC.
OME-6304

EXHIBIT A

The purpose of this project is to explore for gold and silver-bearing ore bodies by means of sinking a shaft, crosscutting, and drifting on a vein traversing Precambrian Birch Creek schist country rock.

General Provisions

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

The location, direction, and extent of each work item shall be subject to Government approval.

The Government will not participate in the cost of work performed at locations which are within 100 feet of any land not subject to this contract.

All significantly mineralized areas traversed in the shaft, drifts, and crosscuts shall be sampled by cutting channels normal to the trend of mineralization at intervals of not more than 10 feet and in addition a representative bulk sample shall be taken of each round broken in such areas.

Each sample shall be split as necessary and then assayed for gold and silver. The Operator shall store one split in a suitable container properly identified as to the location where it was obtained. The stored samples shall be made available for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples.

True copies of assay certificates for all samples shall be submitted with the Operator's monthly progress report which shall also include a map or sketch showing the work completed during the reporting period. The map or sketch should show the general geologic conditions of the area traversed and the location and assay values of the samples.

Mine rails in the drifts and crosscuts shall not be less than 12-pound size, air lines not less than 2 inches in diameter, and water lines not less than 1 inch in diameter. The shaft and drifts shall be ventilated, using not less than 12-inch diameter ventilation tubing.

Description of the Work

At a location not closer than 500 feet to the west end line of the Kawilita claim an inclined shaft shall be sunk approximately 200 feet on the dip of the "Large Vein" shown on Fig. 1. A collar set shall be placed at the shaft site selected and a timber headframe approximately 30 feet in height shall be placed in position on timber sills resting on solid bedrock.

A hoist, cable, and skip meeting the regulations of the Alaska Department of Mines and Minerals shall be placed in operating service at the shaft site.

The shaft shall have two compartments, using standard 8" x 8" timber sets on 6-foot centers. The hoisting compartment shall be not less than 4' x 4' and the manway 4' x 3' in cross section in the clear of timber and shall comply with the regulations of the Alaska Department of Mines and Minerals. At a point above the bottom of the shaft a station shall be cut into the hanging wall and with prior Government approval a skip loading pocket shall be established.

The shaft station shall be not more than 17½ feet in length and not less than 7½ feet high and 8 feet wide and shall be timbered as necessary using not less than standard 8" x 8" sets or equivalent round timber. The loading pocket shall have a storage capacity of not less than 350 cubic feet of broken ore or waste.

From the shaft station drifts shall be driven in a general east and west direction along the vein structure for not more than an aggregate of 800 feet. With prior Government approval crosscuts may be driven into the footwall and/or hanging wall of the vein structure. The aggregate length of such crosscuts shall not exceed 100 feet.

The drifts and crosscuts shall be not less than 5' x 7' in cross section in the clear of timber and shall be timbered as necessary using standard 8" x 8" sets or equivalent round timber.

Estimated Cost of Project

Fixed Unit Costs

200 feet of shaft, plus hoist, etc. @ $130.00/ft.	$26,000.00
17½ lineal feet of station @ $60.00/ft.	1,050.00
4 station sets @ $50.00 each	200.00
Loading pocket 1/	350.00
900 feet of drifting and crosscutting @ $53.00/ft.	47,700.00
400 feet timbering in drifts and crosscuts @ $10.00/ft.	4,000.00
300 assays for gold and silver @ $2.00/assay	600.00
Total Estimated Cost	$79,900.00
Government Participation @ 50%	$39,950.00

1/ The completed job is the unit of work.

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

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

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

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

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

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

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

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

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

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

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the ~~Contract~~ Fourth District, State of Alaska;

described as follows:[2] in an Option Agreement, dated August 19, 1963, between the Nordale Corporation, The Algo Company, a Minnesota corporation, and Eugene F. Schreiber, as Optionors: and Keystone Mines, Inc., as Optionee,

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

Keystone Mines, Inc.[3]

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

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

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

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

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

None

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

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

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

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

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

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

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

Dated this 28th day of August, 1963.

Arnold M. Nordale (Seal)	517-2nd Ave (Street)	Fairbanks, Alaska (City & State)
Nordale Corporation		
(Seal)	(Street)	(City & State)
Eugene F. Schreiber (Seal)	324-3rd Ave (Street)	Fairbanks Alaska (City & State)
Eugene F. Schreiber (an individual)		
(Seal)	(Street)	(City & State)
(Seal)	(Street)	(City & State)
(Seal)	(Street)	(City & State)

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

(Corporate Seal)

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the ~~County of~~ Fourth District, State of Alaska, described as follows: 2/ in an Option Agreement, dated August 19, 1963, between the Nordale Hotel Corporation, The Algo Company, a Minnesota corporation, and Eugene F. Schreiber, as Optionors; and Keystone Mines, Inc., as Optionee.

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

Keystone Mines, Inc. 3/

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

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

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

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

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

None

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

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

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

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

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

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

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

Dated this 28th day of August, 19 63.

		(Street)
		(City & State)
(Seal)		
The Algo Company	Box 1537	(Street)
William L Basham President	Fairbanks Alaska	(City & State)
(Seal)		
		(Street)
		(City & State)
(Seal)		
		(Street)
		(City & State)
(Seal)		
		(Street)
		(City & State)
(Seal)		
		(Street)
		(City & State)
(Seal)		

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

(Corporate Seal)

MME Form 14
March 1961

No. 225

Contract No. Idm-E 14-23) 2173

Docket No. DMEA) MME) 6304

Date of Action ~~August 29, 1963~~
Approved contract

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OBLIGATION DOCUMENT

To: Chief, Fiscal Section, Office of the Secretary

From: Chief, Division of Administrative Management

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:

Keystone Mines, Inc.
Box 630
Fairbanks, Alaska

Date of Contract	Region	State	Commodity
August 29, 1963	I	Alaska	Gold-Silver

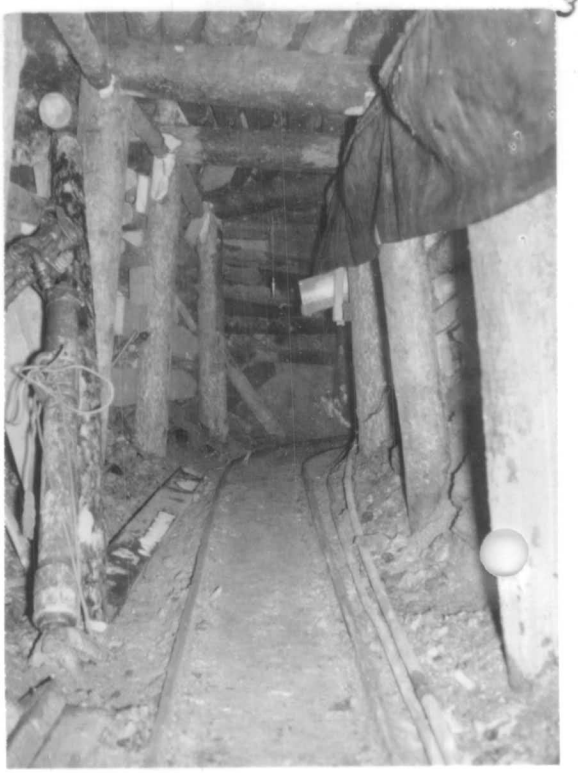
	Reserve	Obligation
Prior Amount	0	0
Increase	$39,950.00	0
Decrease	0	0
Revised Amount	$39,950.00	0

Remarks:

6 1/4% interest

cc: 110
800
210

88995-61


3

#1

2

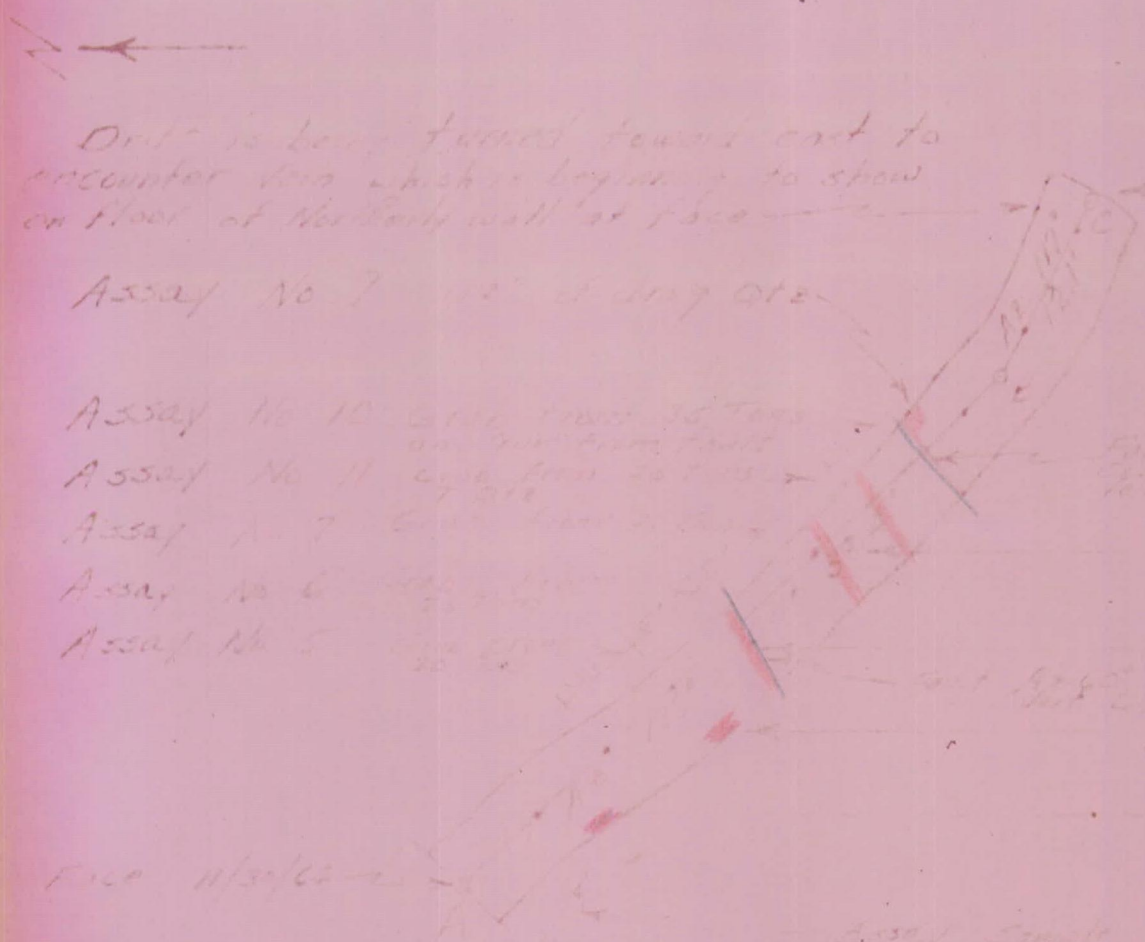
16
12/31/64
EHB

Kerr Lake Mines, Inc.

Sketch of

Drift Completed in December 1964

Scale Approx. 1" = 10'



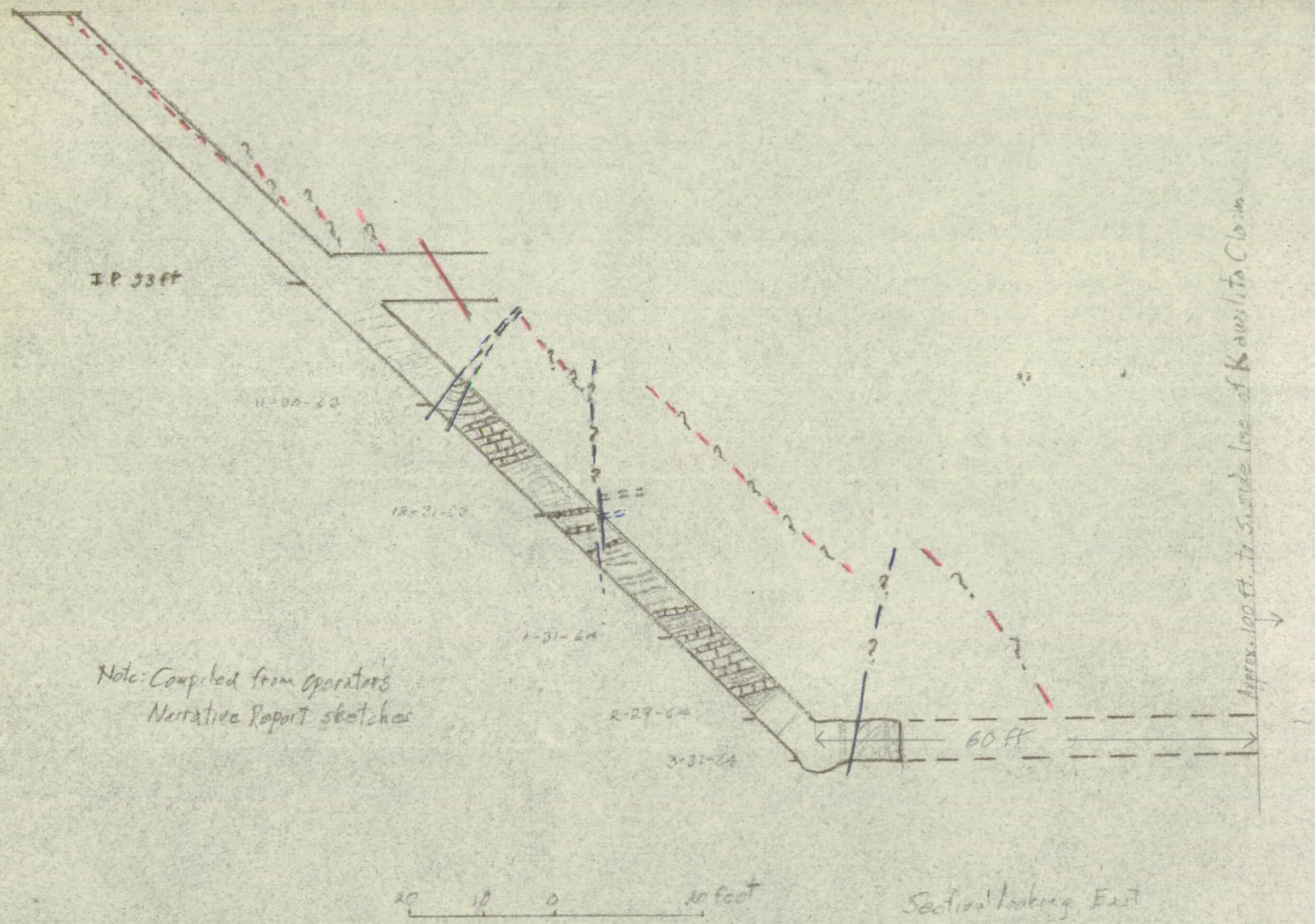
Samples 1, 5, 6, 7, 10 & 11 are grab samples taken from muck all broken in respective rounds. Each sample is made up of a grab taken from each car trammed from a particular round.

Samples 2, 3, 4, 8 and 9 are samples of the vein taken at respective faces.

Plan

East Drift 1467 Level

OME-6304



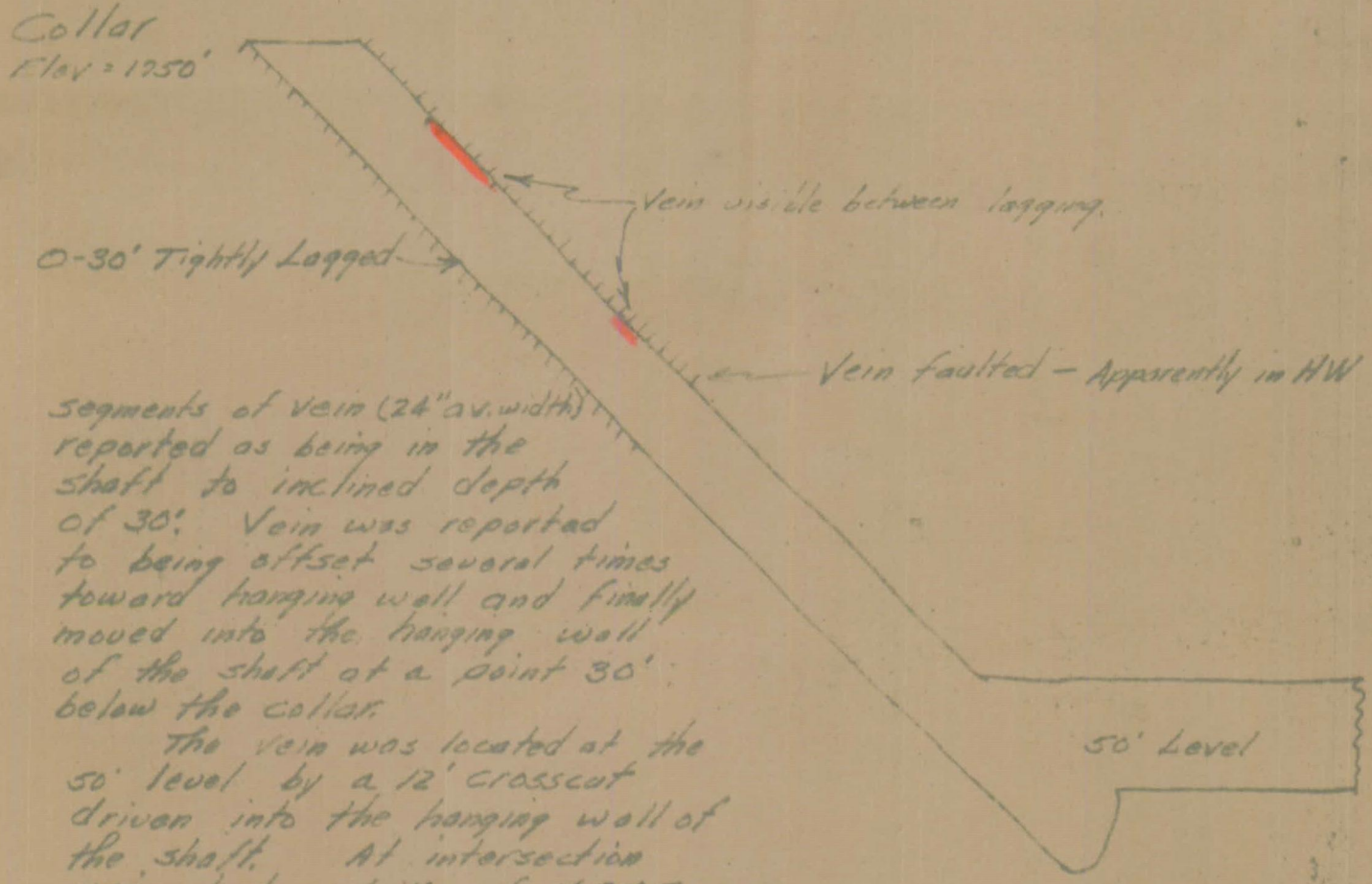
Note: Compiled from Operator's Narrative Report sketches

Section looking East through Keystone Shaft
Keystone Mines Inc.
Keystone Mine
Fairbanks District Alaska
April 1963

Keystone Mines, Inc.
Sketch of Shaft
East Wall

#1
10/31/63

Scale: Approx 1" = 10'



segments of vein (24" av. width) reported as being in the shaft to inclined depth of 30'. Vein was reported to being offset several times toward hanging wall and finally moved into the hanging wall of the shaft at a point 30' below the collar.

The vein was located at the 50' level by a 12' crosscut driven into the hanging wall of the shaft. At intersection vein had a strike of N 86° E and a dip of 60° S.

Assays

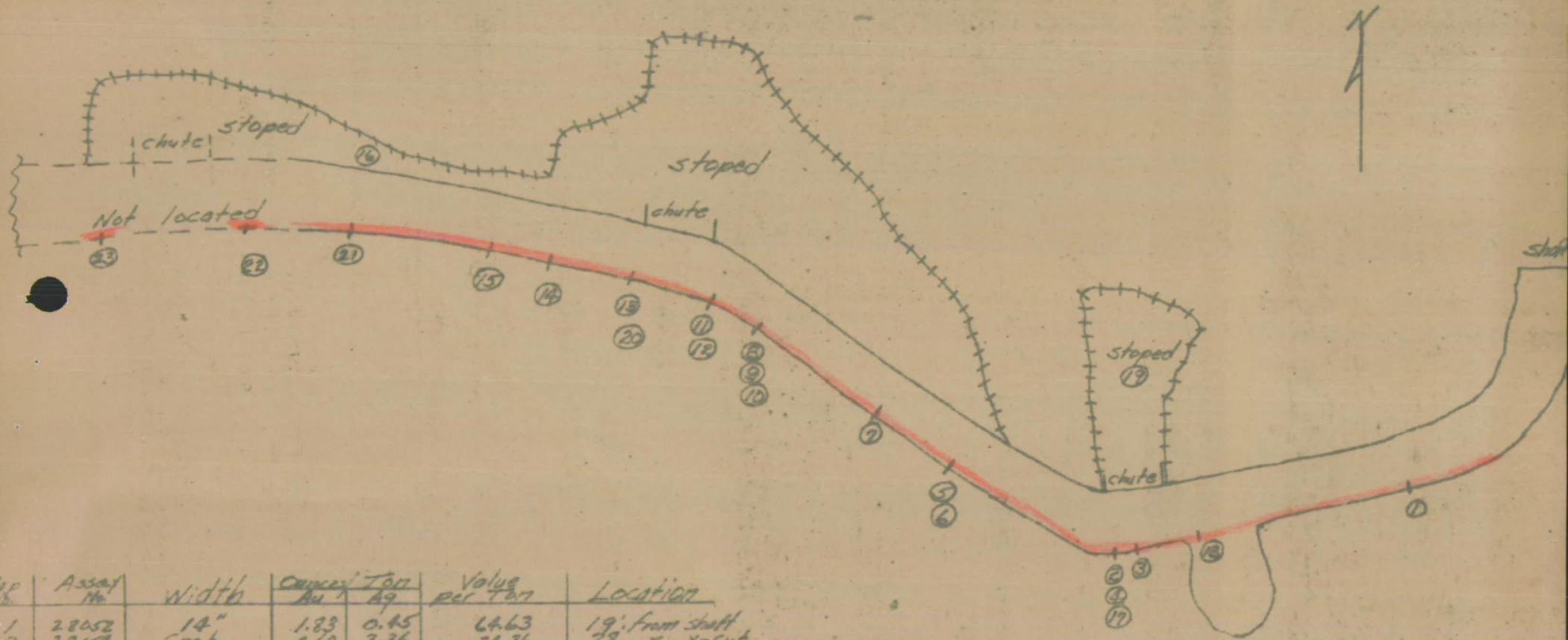
Assay No.	Location	Width	Ounces/Ton Au	Ounces/Ton Ag	Value per Ton
27692	Surface	38"	2.03	1.22	$72.62
27693	5' from Collar	26"	7.79	2.75	274.07
27758	10' " "	30"	0.88	1.38	32.58
28091	12' " "	24"	5.00	0.98	176.13
28092	13' " "	24"	0.38	0.20	13.55
27830	15' " "	18"	0.02	0.35	1.11
27831	20' " "	18"	0.10	0.44	4.03
27857	30' " "		1.03	1.30	
27858	35' " "		Tr	Nil	
27859	40' " " 3-4' Hole Hole		Tr	Nil	
27860	40 " " 4-6' " "		Tr	Nil	

Assays by Alaska State Division of Mines, Fairbanks

EMB

Keystone Mines, Inc.
Sketch of 50' Level - Plan
Scale Approx. 1" = 10'.

#2
8/31/63



Map No.	Assay No.	Width	Ounces/Ton Au	Ounces/Ton Ag	Value per Ton	Location
1	28052	14"	1.83	0.45	64.63	19' from shaft
2	28158	Grab	0.60	3.36	24.36	28' " X-Cut
3	28152	18"	1.35	0.28	47.61	26' " "
4	28153	24"	52.10	2.06	1826.12	28' " "
5	28198	6"	1.28	0.06	44.86	38' " "
6	28194	30"	4.30	1.70	152.68	38' " "
7	28195	24"	0.06	nil	2.10	44' " "
8	28224A	24"	0.50	0.20	17.76	55' " "
9	28223B	24"	0.17	0.25	6.39	55' " "
10	28224C	30"	0.78	0.24	27.61	55' " "
11	28256	Grab	2.32	65.86	165.50	60' " "
12	28259	23"	3.63	1.87	129.45	60' " "
13	28260	18"	0.16	5.96	13.23	65' " "
14	28261	30"	0.24	2.14	11.22	70' " "
15	28295	32"	0.83	0.47	29.66	75' " "
16	28296	24"	0.09	6.26	11.16	85' " "
17	28297	—	3.25	0.70	114.65	28' " "
18	28298	—	3.24	1.96	115.92	23' " "
19	28321	—	0.11	0.89	4.99	stope
20	28325	—	24.48	26.28	891.08	25' from X-Cut
21	28361	13"	0.79	16.28	48.49	85' " "
22	28362	24"	0.09	4.00	8.27	90' " "
23	28378	12"	14.42	11.48	519.40	100' " "

Vein shown in floor of drift. True width and minor faulting not shown.

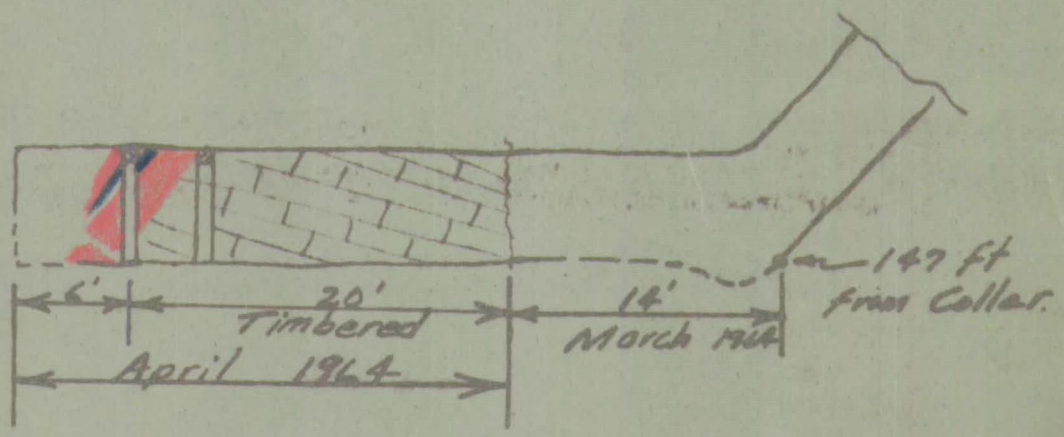
(5) Map Assay Number
Assays by Alaska State Division of Mines, Fairbanks

#8
4/30/64
EHB

Keystone Mines, Inc.

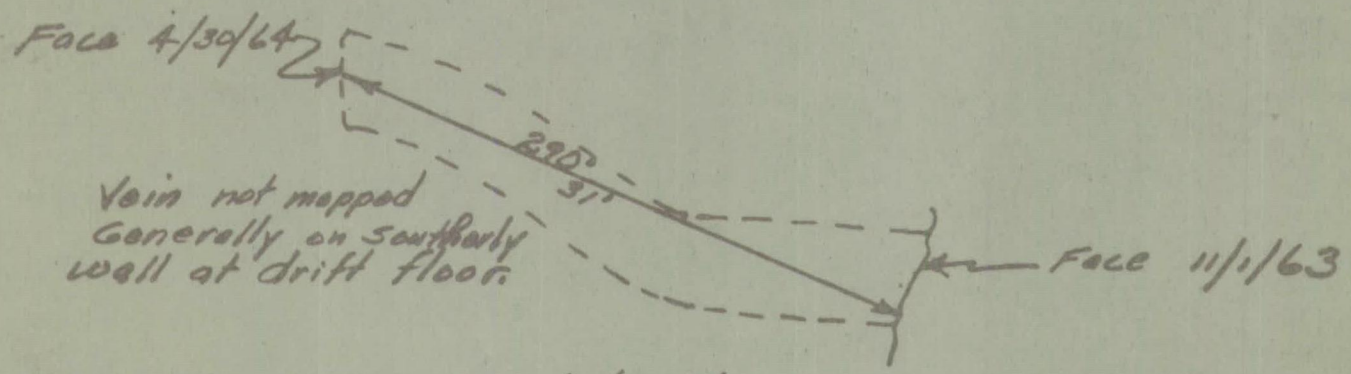
Sketch of openings completed in April, 1964

Scale: Approx. 1" = 10'



147' Level
West Wall

Direction of Crosscut: About 10° (Azimuth)



50' Level
Plan

FIG - 1

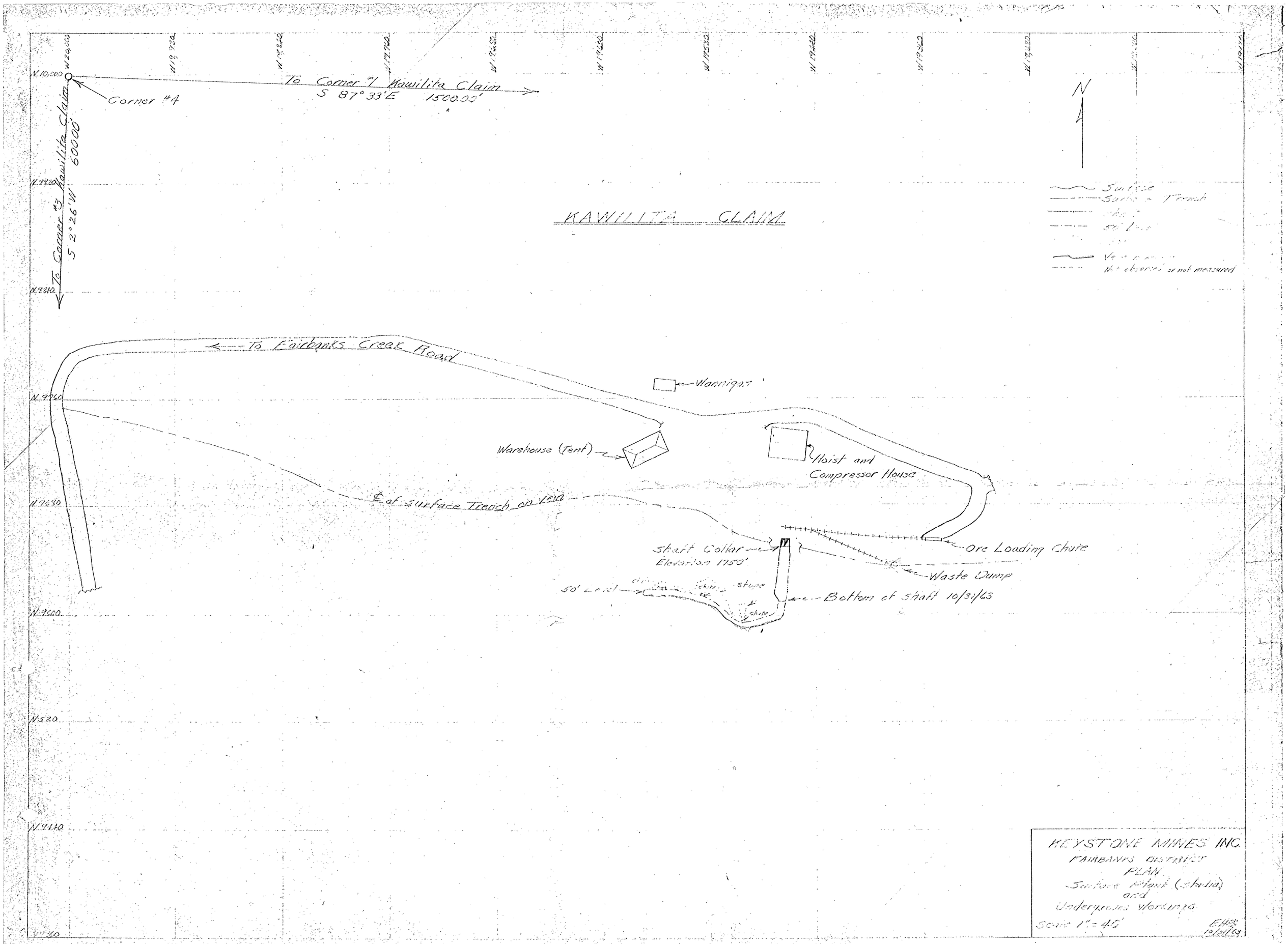
KEYSTONE MINES INC.

LODE CLAIMS

FAIRBANKS ALASKA

Scale 1" = 800'

OME 6304


KAWILITA CLAIM
To Corner #1 Kawilita Claim
S 87° 33' E 1500.00'
Corner #4
To Corner #3 Kawilita Claim
S 2° 26' W 600.00'
N
Surface
Surface Trench
Vein
Not observed or not measured
To Fairbanks Creek Road
Warniqas
Warehouse (Tent)
Hoist and
Compressor House
℄ of Surface Trench on vein
Shaft Collar
Elevation 1750'
Ore Loading Chute
Waste Dump
50' Level
stope
chute
Bottom of shaft 10/31/63
N 9910
N 9930
N 9950
N 9970
N 9990
N 10010
N 10030
N 10050
N 10070
N 10090
W 19,000
W 19,020
W 19,040
W 19,060
W 19,080
W 19,100
W 19,120
W 19,140
W 19,160
W 19,180
W 19,200
W 19,220
W 19,240
W 19,260
W 19,280
W 19,300
W 19,320
W 19,340
W 19,360
W 19,380
W 19,400
W 19,420
W 19,440
W 19,460
W 19,480
W 19,500
W 19,520
W 19,540
W 19,560
W 19,580
W 19,600
W 19,620
W 19,640
W 19,660
W 19,680
W 19,700
W 19,720
W 19,740
W 19,760
W 19,780
W 19,800
W 19,820
W 19,840
W 19,860
W 19,880
W 19,900
W 19,920
W 19,940
W 19,960
W 19,980
W 20,000
KEYSTONE MINES INC.
FAIRBANKS DISTRICT
PLAN
Surface Plant (Kawilita)
and
Underground Workings
Scale 1" = 40'
EHB
10/31/63