MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE  Contract No. _____  Docket No. 6753

Application
- [x] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

**Left Side**

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [ ] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement — 1 cy
- [x] Application and Attachments

**Right Side**

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab) 4/28/69
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

**Left Side**

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

**Right Side**

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

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

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

72195-65

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
September 16, 1968

OFFICIAL COPY
SEP 18 1968
INITIALS | CODE

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Transmittal of New Application (Gold-Silver)
AVCO Mines
Ashland Mine
Jackson County, Oregon

The enclosed application in many respects is similar to one received April 12, 1965, from Ashland Mine, Oreg. Ltd. (OME-6438). The supporting documents are the same in both applications. However, there are a few discrepancies between statements in the narrative and the documentary support.

In the narrative under II(a) 1. it is said that the letters to the banks are dated July 1, 1968, and under II(a) 2. it is said that the sum requested is $50,000. The letters submitted are not dated and they request $16,000. One of the banks in reply mentions $50,000, the other mentions no amount. It is strange that each bank replied August 6, 1968, to letters said to be dated July 1, 1968. The amount requested from banks relative to OME-6438 was $50,000. In this case the estimated total cost of the project is $238,980, which suggests that the requests to the banks are not acceptable.

The leases appear to be in order. Lien and Subordination Agreements comprise one MME Form 52 and one photocopy with each copy of the application. Even if the photo copies are acceptable there is still one copy lacking. Also, both leases are included on each MME-52. This is irregular but might serve as fulfilling the requirement -- if there were five copies of the form.

On pages 3 and 4 of Appendix E mention is made of plate 4 which should show the locations where samples were taken. No plate 4 was received. However, such a plate is included with the application in OME-6438, as are ozalid prints of the maps submitted herewith.

Much of the applicant's proposal is copied verbatim from the prior application, the balance is paraphrased from the original. Even

MME Form 40
Jan. 65

RECEIVED
SEP 13 1968
O. M. E.
PORTLAND, WASH.

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

# APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

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

A V C O MINES

543 Third Street

Lake Oswego, Oregon 97034

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6453

DATE RECEIVED 9-18-68

REGION I

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

| NAME | ADDRESS | TITLE |
|---|---|---|
| Jack W. Saunders | 726 McVey Avenue<br>Lake Oswego, Ore. 97034 | President |
| Harold Benson | 1621 Alta Vista Drive<br>Corvallis, Ore. 79330 | 1st Vice-Pres. |
| Alice M. Savage | 3615 N. E. Davis<br>Portland, Oregon | Secretary |

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE

gold, silver

ESTIMATED COST OF PROJECT

$ ~~262,450.00~~ ~~$191,275.00~~ $238,980.00 8/2/68

| PROPERTY NAME | LOCATION COUNTY | STATE |
|---|---|---|
| | Jackson other | Oregon other |

## GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior,* ~~Washington 25, D. C., or with the nearest OME Field Office.~~ Washington, D. C., 20242, or with the nearest OME Field Office.

## CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

~~July 15~~ August 1, 1968
DATED

Jack W. Saunders
BY *(Signature)*

President
TITLE

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

# INFORMATION REQUIRED WITH THIS APPLICATION

## Financial Eligibility:

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

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

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

## 2. Applicant's Rights in Land:

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

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

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

## 3. Physical Description:

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

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

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

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

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

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

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

## 4. Accessibility of Property:

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

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

## 5. Exploration Work:

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

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

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

## 6. Experience:

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

## 7. Estimate of Costs:

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

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

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

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

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

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

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

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

GPO 1964 O-DUP. SEC., WASH., D.C

ASHLAND VALLEY DEVELOPMENT
AND MINING CO
dba AVCO MINES

[illegible]
[illegible] Geological [illegible]
West 920 Riverside [illegible]
Spokane, Washington 99201

Attention [illegible]

Dear Mr. McLaren:

Attached to this letter is an application for an exploration Loan on the Ashland Mine property. We have completed a moderate surface work, and believe we now can proceed with the underground exploration work with great possibilities of success. We would greatly appreciate your help in obtaining the funds that would make possible this exploration work.

Sincerely,

Jack W. [illegible]

JWS: WR

APPLICATION
for
[illegible] ASSISTANCE IN EXPLORATION
August 19, 1968

I.

Interest of Applicant in Property which May Qualify For Exploration.

Ashland Valley Development and Mining Company (Ashland Valley Mines) has an operating lease from Ashland Valley Vista, Inc., Owners, covering approximately 600 acres of contiguous patented mining claims in vicinity of Ashland, Oregon. (See Appendix A hereto for details of lease.) As will be noted Applicant has the right of possession for the length of time required for both exploration and to protect the government's interest thereafter, and also subordination agreement as required (see Appendix C).

II.

Availability of Funds From Other Credit Sources

(a) Within 90 days preceding the filing of this application, efforts have been made to borrow funds for exploration from the bank with which the company does business, and another bank. Attached hereto are copies of correspondence with the Citizens Bank of Oregon, Lake Oswego, Oregon, and with the First National Bank of Oregon, Portland, Oregon, (see Appendix B) which show:

(i) The applications for loan are dated July 1, 1968.

(2) The amount of the loan requested was $50,000.

(3) The proposed use of the funds was to finance the program of exploration work described in this application, i.e., 4,000 feet of drifting on the vein, rehabilitation of drifts and cross cuts, bulldozing, 1200 feet of core drilling, and a program of sampling and assaying.

(4) Both banks rejected the loan applications.

(b) AVCO Mines, a corporation, has no affiliates, parents, or controlling companies or organizations.

(c) The Corporation hereby certifies that it would not ordinarily undertake the proposed exploration under current conditions and circumstances at its sole expense.

III.

Pertinent Geology of the Property

See Appendix D for information in detail.

IV.

Reasons for Expecting to Find Ore

See Appendix E hereto for details.

V.

Proposed Exploration Work

(a) Summary: The exploration work to be performed with OME assistance is planned to include 4,000 feet of new, standard size drifts, 9' wide and 7' high, suitable for operating a mucking machine, to explore along the strike of the vein on four levels, from new portals; some rehabilitation of old workings to provide a starting

point for another 100' of drifting from the Deadman's shaft, recovery of the York cross cut and drift to explore a block of reported virgin ground, together with 1,200' of core drilling from the surface to explore the vein on open apex cut, plus a sampling program. Operating facilities presently existing on the property consist of a 50 ton per daycapacity ball mill housed in a wooden building located at the northern end of theproperty, as shown on Plate 1. A list of the equipment in the mill has been shown in Exhibit B to the contract under which the property is being purchased from the VanCurlers. Water is piped to the mi-l from a small reservoir (this has been greatly enlarged) which is fed by an intermittent stream and drainage from the adits. Electric power has been installed at the mill. The Mill equipment is in usable condition.

(b) Drifting from new portals: The location of the five proposed new adits is shown on Plates 1 and 2 in the pocket part. The 4,000 feet of drifting is divided as follows:

Drift No. 1: Drifting from a portal at elevation 2,580 to explore along the strike of the newly discovered "Lucky Long Lom" vein for 1,585 feet intercepting the 900' tunnel level on a 28 grade. This drift will provide a haulage way for ore transportation to the mill, will drain the mine workings to this level, and will give access to the downward extension of the West Side orebody.

Drift No. 2: Drifting from a portal at elevation 2,750 to explore along the strike of the vein for 580 feet.

Drift No. 3: Drifting from a portal at elevation 2,870 to explore along thestrike of the vein for 500 feet.

Drift No. 4: Drifting from a portal at elevation 3,000 foexplore along the strike of the vein for 480 feet.

Drift No. 5: Drifting from portal elevation 2,580 on Ashland vein for 1,000 feet of drifting from inside Drift No. 1 should it meet the Ashland vein at sufficient depth.

(c) Exploration of old workings: (1) Clean up York tunnel and ore shoot to determine adviseability of opening 250' level on vein approximately 250' of rehabilitation. This block of ground has been exposed on the surface with a dozer trench and provided the ore used in mill tests conducted in 1968.

(2) Deadman Shaft: Rehabilitate and timber the Old Deadman shaft to the 90' level and drift 100' on the ore exposed reported to assay $40.00 per ton. This shaft is east of the York adit, near the top of the ridge. It is not indicated on the accompanying maps for the reason that its exact location was not determined.

(3) Core Drilling: 1,200' of core drilling consisting of 12 holes each 100' deep to explore the lower section of the vein between elevation 3,300 and 3,200 in

the vicinity of the Mill tunnel, as indicated on Plate 2. topography of this area is too flat to explore by adits.

(4) Sampling: Sampling the new drifts every 10 feet by taking 308 samples in a distance of 3,085 feet. A minimum of 160 additional samples will also be required for miscellaneous testing.

(d) Accessibility of Property:

(1) Mr. Thomas W. Brown, Box 2255, Ashland Mine Road, Ashland, Oregon 97520 will act as a guide to the O.M.E. representative. The property is reached via a paved road approximately 1-1/2 miles from Ashland. Plate 1 shows where the road to the mine leaves Highway 99 approximately 1/4 mile south of the Southern Pacific Railroad overpass.

The vein is exposed on the surface in the vicinity of the York shaft and West Side shaft. The 250' level is open from the portal to the West Side Shaft. A considerable part of the old workings is accessible from the 250' level, as is shown on Plate 4.

Four access roads are needed to reach the portals of the new drifts. They are shown on Plate 1 in the pocket part. They will be dirt construction, made by a bulldozer.

(2) Road to the portal of the No. 1 drift at elevation 2,500' will start from the mill, will be

approximately 1,200' in length, and approximately 30' in width so that trucks can pass going each direction. This will be the main haulage way for ore to the mill. It is shown on Plate I in red.

(3) Road to the portal of the No. 3 drift at elevation 2,870 will start from the county road at approximate elevation 2,950, will be approximately 800' long and approximately 20' wide. It is shown on Plate I in green.

(4) Road to the portal of the No. 2 drift at elevation 2,750 will branch off from the road to the No. 3 drift at approximate elevation 2,900 and will be approximately 600' long and 20' wide. It is shown on Plate I in blue.

(5) Road to the portal of the No. 4 drift at elevation 3,000 takes off from the county road at approximately the same elevation and will be approximately 500' long and 20' wide. It is shown on Plate I in orange.

(6) Shipping and supply points: Mill concentrates are shipped to the American Smelting and Refining Company's smelter at Tacoma, Washington, approximately 450 miles distant. Mining supplies are available in Portland, Oregon, and San Francisco, California. Labor is available locally in Ashland.

(e) <u>Anticipated time schedule</u>: The work will be started 30 days from the date the O.M.E. contract is executed and will be completed within 24 months. The

following table shows the anticipated rate of progress for various types of underground work.

| Type of Work | Anticipated Monthly Progress |
|---|---|
| Drifting | 250 feet |
| Rehabilitation | 200 feet |
| Core Drilling | 400 feet |

Road building: Two weeks would be needed for construction of road No. 1 before drifting could start on the No. 1 drift at elevation 2,560. The rest of the road work could be completed while drifting is in progress. Road Nos. 2, 3, and 4 would require more time than road No. 1 because they would run on the steep slope of the hill, while road No. 1 leads through more accessible ground on the side of a narrow gulch. It is estimated that two months would be required for roads 3, 4 and 5.

Drifting: The No. 1 drift could commence approximately 6 weeks after the O.M.E. contract is signed, as soon as access road No. 1 is completed and the portal opened. At 250' per month, the No. 1 drift would require 14 months for 5,000 feet. An additional six months would be needed for drifts Nos. 2, 3 and 4 at two months each.

Rehabilitation Work: Rehabilitation of the York crosscut tunnel could start approximately one month from the date the O.M.E. contract is signed. Approximately five weeks time should accomplish 450' of this work at 200' per month.

Work on rehabilitating the Deadman's shaft should follow completion of work on the York tunnel and is

estimated to require about 30 days for the shaft and about three weeks for drifting 100 feet.

Core drilling: Core drilling could start a month after the O.M.R. contract is signed. At 400' per month, or four holes a month, the 12 holes could be completed in three months time.

Sampling would be carried on as the drifts advance and do not call for any separate time estimate.

(f) Experience: Jack A. Saunders, President of AVCO Mines, also President of Ashland Valley Vista, Inc., while having limited mining experience, has owned and operated his own securities business for many years (see resume').

Thomas W. Brown, a principal stockholder and Board Member, has had many years of mining experience (see resume').

Other Board Members of AVCO Mines are: Alice Savage, (Secretary-Treasurer), Harold Benson, David Hamm, William Miller and Cecil Talley.

The applicant intends to carry out the exploration program through independent contracts, and through use of our men and equipment, and the applicant will depend upon the technical skill and experience of Thomas Brown, Jack Saunders and David Hamm. Mr. Brown's qualifications and experience have been set forth in a resume' attached to this application. He will act as consultant.

Mr. Hamm has had many years of experience in mining, milling and industrial work.

While the exploration program is in progress, the

applicant will be represented at the property by Messrs. Brown, Saunders and/or Mann.

VI.

**Cost Estimates**

See Appendix F hereto for detail.

THOMAS BROWN

# RESUME' OF PAST EXPERIENCE

1930 - 1936 In charge of development and production Blue Channel Group, Iowa Hill, Calif., Placer, for Gilmore Bros., Nevada City, Calif.

1936 - 1940 In charge of development and productions of Mississippi Bar, American River Fair Oaks, Sacramento, Calif. Owners, Ace Giddings and Bigelow Bros. Sacramento.

Early 1941 - 1948 In charge of Operation and production of 60 stamp mills, Amalgamation Concentration, Plumas Eureka Mine, Johnsville, Plumas Co. Calif. Owner, Lundee Bros. Quincy, California.

1949 - 1952 In charge of mill operation and production Snow Peak Mine. Also Harris Placers, Bodenson boat, Sumter Valley Baker County, Oregon, Hode Harris, Portland, Ore.

1953 - 1961 Building and putting into operation floating-type (doodlebug) Placer Washing plants Elk City, Idaho and Golden, Idaho; Alder Gulch, Alder City, Montant, Helena, Montana, and many others. Business owned and operated by myself personally, Tom Brown.

Late 1961 - Early 1964 Research, history and commercial possibilities of Famous Kersage Mine, Virginia City, Montana. Owner, V. G. Smith, Helena, Mont.

1965 - Employed by self - Experting, consultant for construction and installation of many types of Ore mills, floation. Amalgamation Concentration, Merle Crowe precipitation and cyanidation plants.

Previous to 1930, back to 1925, in charge of Mining and production, Freeman Quicksilver properties, Lovelock, Nevada.

Presently, operating as Production Manager, AVCO Mines, Ashland, Oregon

# RESUME OF PAST EXPERIECE

JACK W. SAUNDERS

1939 to 1959, V. P. Saunders
Motors Longview, Washington.

1941 to 1951, Gen. Mgr. Equitable Savings & Loan assn.
Portland, Oregon.

1951 to 1961, President Western Investors Fund,
Portland, Oregon.

1961 to 1964 Retired.

1964 to present, President Saunders Investment Co.
543 Third St. Lake Oswego, Oregon.

1964 to present, President Flo Container Inc.
543 Third St. Lake Oswego, Oregon.

1967 to present, President Ashland Valley Vista Inc.
543 Third St. Lake Oswego, Oregon.

1968 to present, President Avco Mines
543 Third St. Lake Oswego, Oregon

the cost estimate is copied from the former application except that the unit costs for drifting and rehabilitation have each been increased by $5.00; the cost of core drilling by $0.50. No bids from independent contractors are included.

As this is in essence a repeat of the former application, preliminary processing will be aided by reviewing the following memoranda, letters, and reports in Docket OME-6438:

1. Memorandum of April 13, 1965, transmitting the application to D.C.

2. Memorandum of April 27, 1965, referring application to the Field.

3. Memorandum of August 19, 1965 -- Examination Report.

4. Letter of August 25, 1965, Chief, OME, to Norman L. Easley re. mortgage of $3,900.

5. Letter of August 31, 1965, Easley to Chief, OME, replying to the above letter.

6. Letter of September 20, 1965, Field Officer to Easley making an alternate proposal.

7. Letter of October 21, 1965, Easley to F.O. with report by his consultant, D. E. Loughran.

8. Memorandum of October 29, 1965, Addendum to Application Report of August 19, 1965.

9. Letter of January 31, 1965, Easley to F.O. re. demise of Ella Van Curler, the mortgage previously mentioned, and a change in name of the applicant corporation.

10. Letter of February 4, 1966, F.O. to Easley replying to Easley's letter of February 3, 1966.

11. Letter of May 6, 1966, Easley to F.O. returning and rejecting a proposed contract.

This is as good a bet as it was when the contract was offered the prior operator. That contract discarded the parts of the proposal that are obviously preparation for mining in favor of a purely exploratory venture. However, it should first be determined whether:

Operator's Copy

MME Form 50
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. GEOLOGICAL SURVEY

EXPLORATION CONTRACT
(Long Form)

| Docket No. | Commodity | Contract No. | County | State |
|---|---|---|---|---|
| OME-6438 | Gold | 2212 | Jackson | Oregon |

It is agreed DEC 1 4 1965 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Norman L. Easley, Ben F. Gassaway, Jack W. Saunders,

d/b/a The Ashland Mine, Oreg. Ltd., an Oregon partnership,

whose mailing address is 11607 S.W. Military Road, Portland, Oregon, 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 February 1, 1966 (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 12 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $ 24,390.00. The Government will contribute 50 percent of the allowable costs as they are incurred, in a total sum not in excess of $12,195.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

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

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

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

See Annex I

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

See Annex I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 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) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) 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. 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 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. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(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; however, the original of the Operator's Monthly Voucher shall be supported by documentary evidence, such as certified copies or transcripts of payrolls and invoices, for all costs claimed under Article 6 (a) (1).)

(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 related costs.

(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 the 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. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article, or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

CATEGORY (3)--OPERATING MATERIALS AND SUPPLIES.--Includes such items as drill bits and steel, explosives, fuel, pipe, power, timber, rail, and small tools costing less than $50 each.

CATEGORY (4)--OPERATING EQUIPMENT.

Subcategory (a)--Rental.--The number of each rented item [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)--Purchases.--The total of this subcategory is a maximum.

Subcategory (c)--Depreciation.--All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)--INITIAL REHABILITATION AND REPAIRS.--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

Subcategory (a)--Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).--The total of this subcategory is a maximum.

Subcategory (b)--Initial rehabilitation and repairs of operating equipment.--The total of this subcategory is a maximum.

CATEGORY (6)--NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

(e) Lien for payment.--To secure the payment of royalty (see Article 7(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 purchaser 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 8. Interests in purchased property.--(a) Title and ownership.--All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions although title thereto shall be taken in the name of the Operator.

(b) Preservation of property.--Until the final disposal of any property in which the Government has an interest, the Operator shall preserve and protect same for the best interest of the Government, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

(c) Disposal of property.--Upon the completion of the work, termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, sale to others, purchase by the Operator, or sale or transfer to the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government, the Operator shall not sell at any price any item of property that cost more than $500, and shall not sell at less than 25 percent of the purchase price any item of property that cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or offers. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, explosives, pipe, or rail), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item, the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the exploration.

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; and

(3) enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 9. 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 contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; 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 contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to final accounting and reporting; 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 9 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 13.

ARTICLE 10. 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 11. 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 12. 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 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, 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, U. S. Geological Survey, 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, U. S. Geological Survey," as used herein includes his duly authorized representative.

ARTICLE 14. 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 U. S. Geological Survey 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 15. 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 16. Changes and added provision.--

_____

_____

_____

_____

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

THE ASHLAND MINE, OREG. LTD.
(Operator)

By _____
Norman L. Easley

By _____
Ben F. Gassaway

By _____
Jack W. Saunders

Title Partners

By Arthur A. Baker
Director
U. S. Geological Survey

I, _____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that

_____, who signed this contract on behalf of the Operator, was then
(Name)

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

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

_____

[ CORPORATE SEAL ]

EXPLORATION CONTRACT
THE ASHLAND MINE, OREG. LTD.
OME-6438

ANNEX I

The land, including all rights pertaining thereto, consists of seven tracts of land in secs. 1, 6, 7, and 12, T. 39 S., R. 1 E. and R. 1 W., Willamette base and meridian, Jackson County, Oregon.

The descriptions of the tracts are as follows:

Tract A: The E½ of the NW¼, the E½ of the W½ of the SW¼, and the SE¼ of the SW¼ of sec. 7, T. 39 S., R. 1 E., containing 160 acres.

Tract B: The W½ of the NW¼ of the SW¼, and the NW¼ of the SW¼ of the SW¼ of sec. 7, T. 39 S., R. 1 E., containing 30 acres.

Tract C: The W½ of the NW¼ of sec. 7, T. 39 S., R. 1 E., containing 80 acres.

Tract D: Also known as Lot No. 377, consists of ten (10) patented lode claims containing approximately 152 acres under Patent No. 38829 in sec. 12, T. 39 S., R. 1 W., as follows: A. N. King, Patton Extension, Rogers and Roach, Nutshell, Anna M., Katrina, G. F. Reynolds, R. M. Bennett, Helen H., and Jenipher. Excepting therefrom that portion of the above claims lying within secs. 7 and 18, T. 39 S., R. 1 E.; and secs. 1 and 13, T. 39 S., R. 1 W.; and that part of the Anna M. lode claim lying within the boundaries of the Golden Octopus lode claim as described in Volume 49, Page 370 of the Deed Records of Jackson County, Oregon.

Tract E: The SW¼ of the SW¼ of the SW¼ of sec. 7, T. 39 S., R. 1 E., containing 10 acres.

Tract F: The SW¼ of sec. 6, T. 39 S., R. 1 E., containing 160 acres.

Tract G: The SE¼ of the SE¼ of sec. 1, T. 39 S., R. 1 W., containing 40 acres.

The Operator has rights to the above lands under the terms of an Agreement To Purchase Mining Properties and Equipment dated February 11, 1964, by and between Dewey Van Curler and Ella Van Curler, husband and wife, and Mary O. Van Curler, Widow of Fred Van Curler, as "Sellers" and Norman L. Easley, as "Buyer".

A Lien and Subordination Agreements dated June 24, 1965, executed by the "Sellers" is attached hereto and made part hereof.

The outer boundary of the above-listed tracts is shown in green on Plate 5 entitled "The Ashland Mine Incorporated, Ashland, Oregon, Proposed Exploration and Property Lines," attached hereto and made part hereof.

EXPLORATION CONTRACT
THE ASHLAND MINE, OREG. LTD.
OME-6438

EXHIBIT A

The purpose of this project is to explore by bulldozing trenches to bedrock, and diamond core drilling from prepared drill sites on the surface for gold-bearing ore bodies in a fissure vein traversing country rock that is principally tonalite which has been intruded by aplitic dikes and contains inclusions of schistose and sedimentary rocks.

General Provisions

The bulldozer used for trenching, preparing access roads, and leveling drill sites shall be not less than a Caterpillar D-8 dozer size or an equivalent unit of any other make.

Significantly mineralized vein material exposed in the dozer trenchs shall be sampled by cutting channels normal to its trend. No sample shall represent more than five lineal feet of vein. One split of such samples shall be identified as to source and location and then stored for Government inspection and possible use.

All drill holes shall be completed not less than standard BX or BXWL core size.

Mineralized core shall be split and one split assayed. The other split shall be stored in proper sequence with the unsampled core. No sample shall represent a hole length of greater than five feet.

Facilities shall be provided for recovering diamond drill sludge and such sludge shall be retained when drilling in significantly mineralized ground. Whenever the core recovery is found to be less than 60 percent, the corresponding retained sludge and such core segments as may have been recovered shall be assayed separately and the results combined according to standard practice to form a representative sample.

The core from diamond drilling shall be stored in boxes identified as to hole number with markers in the core sections to indicate the depths represented. Splits of the sludge samples shall be stored in suitable containers properly identified as to source and location.

All samples, from whatever sources, shall be assayed for gold and silver. In addition, special samples selected by the Operator shall be assayed for their mercury content. The stored core and sample splits are for Government inspection and possible use. With prior Government approval, confirmed in writing, the Operator may dispose of the stored core and samples.

True copies of assay certificates of all samples shall be submitted with the Operator's monthly report which shall also include maps or sketches showing the work completed during the reporting period and the locations of all samples taken. The maps or sketches should also show the general geological formations and structures traversed by the work performed.

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

No work under this contract shall be performed closer than 200 feet to the outer boundary of the project area.

The location, direction, and extent of each work item shall be subject to Government approval.

The work shall be divided into two stages. The Operator shall complete the required access roads, trenching, and drilling under Stage I and so much of Stage II work as is approved in advance and confirmed in writing by the Government. The approximate locations of the work items under Stage I are indicated in red on Plate 5 referred to in Annex I.

## Descriptions of the Work

### Stage I

The work shall consist of bulldozing access roads to and excavating four trenches at intervals of approximately 800 feet across the projected location of the Ashland vein. The approximate locations of these trenches are indicated on Plate 5. The trenches shall be deep enough to expose the vein and its dip and strike shall be determined.

When the location and attitude of the Ashland vein have been accurately determined, prepare the necessary access roads and the eleven (11) diamond drill sites as shown on Plate 5. The locations of the sites as indicated are tentative and shall depend on the location and attitude of the vein as determined by the trench work. However, the interval between drill holes shall be not less than 250 feet as indicated on Plate 5. From the sites

selected eleven (11) vertical holes shall be drilled to an average depth of 150 feet in order to intersect and traverse the Ashland vein. The hanging wall of the vein is estimated to lie at a depth of about 200 feet measured in the plane of the vein or about 130 feet vertically below each drill site. All holes shall traverse the vein structure and bottom about 6 inches in country rock.

Not more than 100 hours of bulldozing, 1,650 feet of diamond drilling, a combination of 490 feet of reaming and casing and/or 142 hours of cementing and redrilling, and 15 days of service by a consulting engineer-geologist shall be performed; and not more than 150 samples for gold and silver and 50 samples for mercury shall be assayed under this Stage I of the contract.

## Stage II

If Stage I drilling indicates the presence of one or more ore zones, then not to exceed four additional holes to further explore such areas, or one area, may be drilled under Stage II at locations agreed upon by the Government and the Operator.

Access roads shall be bulldozed to the drill sites and the sites leveled. The holes shall be so located as to intersect the vein at a depth of about 390 feet measured in the plane of the vein or about 250 feet vertically. It is estimated that the average depth of the holes will be about 275 feet in order to traverse the vein and bottom in about six inches of the footwall country rock. No hole drilled in this stage shall be closer than 250 feet to any other hole drilled under Stage II.

Not more than 25 hours of bulldozing, 1,100 feet of diamond drilling, a combination of 320 feet of reaming and casing and/or 93 hours of cementing and redrilling, and 10 days of service by a consulting engineer-geologist shall be performed; and not more than 60 samples for gold and silver and 20 samples for mercury shall be assayed under this Stage II of the contract.

## Estimated Costs of the Work

### Stage I

**Actual Costs**

Category (1) **Independent Contracts**

| | | |
|---|---|---|
| 100 hours of bulldozing to repair old roads, construct new access trails, cut four trenches, and level 11 drill stations @ $18.00/hour | | $ 1,800.00 |
| **Diamond drilling** | | |
| Mobilization and demobilization, including all set-ups and moves | $ 200.00 | |
| 1,650 feet of drilling @ $6.00/foot of hole | 9,900.00 | |
| 490 feet of reaming and casing @ $3.50/foot and/or 142 hours of cementing and redrilling @ $12.00/hour | 1,715.00 | 11,815.00 |
| Categories (2) through (7) - None | | |
| Total Estimated Actual Cost Stage I | | $13,615.00 |

**Fixed Unit Costs**

| | | |
|---|---|---|
| Consulting engineer-geologist to lay out access roads, trenches, and drill sites; to sample trenches, log and sample drill core, prepare maps, etc., 5 days/month for 3 months, 15 days @ $65.00/day | 975.00 | |
| 150 samples assayed for gold and silver @ $3.50/sample | 525.00 | |
| 50 assays for mercury @ $3.50/assay | 175.00 | |
| Total Estimated Fixed Unit Costs Stage I | | $ 1,675.00 |

| | | |
|---|---|---|
| Total Estimated Costs Stage I | | $15,290.00 |

## Stage II

**Actual Costs**

Category (1) Independent Contracts

| | | |
|---|---|---|
| 25 hours bulldozing access roads and drill sites @ $18.00/hour | | 450.00 |
| 1,100 feet diamond drilling @ $6.00/foot of hole | $6,600.00 | |
| 320 feet of reaming and casing @ $3.50/foot and/or 93 hours cementing and redrilling @ $12.00/hr. | 1,120.00 | 7,720.00 |
| Categories (2) through (7) - None | | |
| Total Estimated Actual Cost Stage II | | $ 8,170.00 |

**Fixed Unit Costs**

| | | |
|---|---|---|
| Consulting engineer-geologist (duties described under Stage I) 5 days/month for 2 months 10 days @ $65.00/day | 650.00 | |
| 60 samples assayed for gold and silver @ $3.50/sample | 210.00 | |
| 20 assays for mercury @ $3.50/assay | 70.00 | |
| Total Estimated Fixed Unit Costs Stage II | | $ 930.00 |
| Total Estimated Cost Stage II | | $ 9,100.00 |

## SUMMARY

| | |
|---|---|
| Total Estimated Cost Stage I | $ 15,290.00 |
| Total Estimated Cost Stage II | $ 9,100.00 |
| Total Estimated Costs of the Work | $ 24,390.00 |
| Government Participation @ 50% | $ 12,195.00 |

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 202, Executive Order 11246, September 24, 1965)

"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 nondiscrimination 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 labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, 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. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
'(5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor 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 such 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. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, 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 Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, 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.'"

1. Acceptable bank letters will be submitted.

2. One Lien and Subordination Agreement is acceptable for two leases when executed by all the lease signers.

3. The mortgage with tracts F and G as security has been settled.

4. The applicant will accept the reduced program.

5. There are other properties with stronger evidence of success to be considered.

When these items have been satisfactorily settled, a new cost estimate will be in order.

D. R. MacLaren

D. R. MacLaren

Enclosure

APPENDIX A
Application for Financial
Assistance
August 15, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 18 1968
INITIALS | CODE

MINING LEASE

THIS AGREEMENT made and entered into this 10th day of May, 1968, by and between ASHLAND VALLEY VISTA, INC. an Oregon corporation, hereinafter referred to as CORPORATION and ASHLAND VALLEY DEVELOPMENT AND MINING COMPANY, hereinafter referred to as MINING COMPANY

W I T N E S S E T H :

GRANTING CLAUSE

Subject to the terms and conditions hereinafter set forth, CORPORATION, for and in consideration of royalties, rents, covenants and agreements hereinafter expressed to be paid, kept and performed by MINING COMPANY, has leased, let and demised and by these presents does lease, let and demise unto MINING COMPANY the real and personal property set forth in Attachment #1, subject however to the Real and Personal Property Contract for the purchase of mining properties and equipment wherein Mary O. Van Curler, a single woman and John D. Bowman and Irene Ellen Bowman, husband and wife, are Vendors and Ashland Valley Vista, Inc., is Vendee, dated January 15, 1968, and recorded in Jackson County, Oregon under Recorder's number 68-02076, on the 13th day of March, 1968. It is expressly understood that this lease is subject to that agreement, and wherein the two conflict, the purchase contract on record in Jackson County shall govern.

TO HAVE AND TO HOLD the same for the purpose of mining precious metals and a further license to remove precious metals upon the terms and conditions set forth in this agreement.

TERM:

The length of this agreement shall be indefinite; and shall commence immediately upon the execution of this agreement and continue so long as no less than two men, other than in management perform no less than 300 hours work per month, actively engaged in the mining of precious metals; that from the beginning of this agreement MINING COMPANY shall have a period of 90 days within which to attain said level, but thereafter must maintain the same at a continuous level; should MINING COMPANY fail to maintain this clause of the lease, then license and lease shall terminate on 30-days notice, and if not corrected in said 30 days, MINING COMPANY its successors and assigns shall have ten (10) days additional time within which to remove themselves from the premises.

ROYALTIES:

MINING COMPANY shall have and is hereby given and granted the right to ship and dispose of, only for marketing, at the best prices reasonably to be obtained, any and all ores, concentrates or other products taken on or from said property; the CORPORATION shall receive 30% of the net mill, mint or smelter returns as the result of said ores, concentrates or other products of the operations hereunder, marketed by MINING COMPANY.

MINING COMPANY shall notify CORPORATION of each shipment within 10 days and shall direct smelter or other purchaser of ores, concentrates or products hereunder, to deduct from the returns, the royalties herein provided for, and to transmit the same to CORPORATION with a copy of the settlement sheet.

After the expiration of one (1) year, the royalties referred to above shall increase to 40% to CORPORATION, unless otherwise agreed upon by the parties.

BONDING AND INSURANCE:

MINING COMPANY shall allow, if desired by CORPORATION, the bonding of its performance or any portion thereof under this agreement. MINING COMPANY shall insure against all liability, fire and protection of workmen, and shall furnish to CORPORATION upon its request evidence of said insurance.

USE:

The premises are to be used for the purpose of mining precious metals and there shall be no other use, nor shall MINING COMPANY suffer or permit any offensive, obnoxious or illegal use of the premises during the term of this agreement, and further agrees that it shall conduct its operations in a workman and miner-like manner, not permitting unusual or unnecessary waste upon the premises, and limiting the disfigurement of said premises to that which is reasonable under the circumstances.

INDEMNIFICATION:

MINING COMPANY shall indemnify and defend CORPORATION from any claim, loss or liability arising out of, or related to any activity of MINING COMPANY on said premises, or any condition

of said premises or any condition on said premises in the possession and control of MINING COMPANY, including any such claim which may be caused or contributed to in whole or in part by CORPORATION'S own negligence or failure to effect any repair or maintenance.

UTILITIES:

MINING COMPANY assumes and agrees to pay any costs, or charges for water, electricity, gas, oil, trash disposal or any other private or public utilities service which shall be provided for the premises during the term of this agreement.

ALTERATIONS, IMPROVEMENTS, FIXTURES AND EQUIPMENT:

If, by way of any default or non-compliance, this agreement shall be terminated by CORPORATION, any alterations, or improvements to the real property, including fixtures and equipment attached thereto shall become the property of CORPORATION.

All tools, supplies and movable equipment placed on said premises by MINING COMPANY, excepting all buildings, shall remain the personal property and the property of MINING COMPANY, and the same may be removed from said premises within ten (10) days after the termination of this agreement.

DEFAULT:

All terms of this agreement are by express agreement of the parties hereto, made express conditions. Default or want of compliance with any term of provision of this agreement shall be deemend a breach of an express condition; such breach, default or non-compliance with any term or provision of this agreement shall operate to give CORPORATION the immediate right to terminate this agreement upon 30 days notice, if the same has not been corrected within said 30 days; the failure on the part of CORPORATION to terminate this lease upon the occurance of breach and notice, default or non-compliance, shall not operate as a waiver of right to assert any subsequent similar breach, or any other breach, default or non-complaince as a basis for immediate termination of this agreement.

CORPORATION shall have all rights normally allowed by law for the enforcement of this lease and agreement, and shall not be deemed to have waived any of them under this agreement. Said rights include, but are not limited to, the following: forceable entry and detainer, specific performance and breach of contract.

TAXES:

All real property taxes shall be paid by CORPORATION; all personal property taxes shall be paid by MINING COMPANY.

LIENS:

MINING COMPANY will not permit or suffer any mechanics or materialmen's or other liens of any kind or nature to be enforced against said premises for any work done or materials furnished thereon, at the instance or request, or on behalf of MINING COMPANY, and MINING COMPANY agrees to indemnify and to hold harmless the CORPORATION and CORPORATION'S property from and against any and all liens, claims, costs, demands and expenses of whatsoever nature, in any way connected with or growing out of such work done, labor performed or materials or other things furnished; further MINING COMPANY agrees to keep said property posted to the effect that CORPORATION and the parties referred to in Attachment I will not be responsible for any labor or materialmen's liens or in the event MINING COMPANY shall fail to do so, the CORPORATION may post said notices.

PERSONAL PROPERTY:

There is upon said premises certain mining equipment and other personal property which is a part of this agreement, and that an inventory is included in Attachment I.

MINING COMPANY agrees to keep the property included in said inventory in good repair, reasonable wear and tear excepted, and if any of the personal property on said inventory shall be lost, destroyed, stolen or damaged, while MINING COMPANY is in possession hereunder, MINING COMPANY shall replace the same with personal property of equal value and usefullness, and the lien of this agreement shall extend to such replacements; where damaged MINING COMPANY agress to make the necessary repairs.

SUCCESSORS IN INTEREST:

The covenants, conditions and terms of this agreement shall extend to and be binding upon and inure to the benefit of the administrators, executors, successors and assigns of the parties.

ATTORNEYS' FEES

If any suit or action shall be instituted in connection with any controversy arising out of this agreement, the prevailing party shall be entitled to recover, in addition to costs incurred therein, such sum as the Court may adjudge reasonable as attorney's fees.

In the event the decision of the trial court is appealed to any Court of higher jurisdiction, the prevailing party shall be entitled to recover, in addition to costs incurred therein, such sum as the Court may adjudge reasonable as attorney's fees in such appeal.

BOOKS AND RECORDS:

MINING COMPANY, its agents or assigns shall keep and maintain adequate books and records of the operations under this agreement. CORPORATION, its agents, attorneys or assigns shall have access, at all reasonable times, to said books and records and MINING COMPANY, its successors, agents and assigns shall assist CORPORATION, its agents, attorneys or assigns in inspecting said books.

RIGHT OF ENTRY:

CORPORATION, its agents, attorneys or assigns shall, at all times herein, have the right to enter upon the premises and descend into any and all parts of the premises, and MINING COMPANY, its agents and assigns, shall render all assistance within its power to enable CORPORATION to do so, with the use of all passages, ropes, windlasses, ladders and other means of ingress and egress for such purpose.

POSSESSION:

MINING COMPANY covenants and agrees to occupy and hold said property, all crevices, side veins, spurs, feeders, crosslodes, parrallel lodes or mineral deposits of any kind, which may be discovered and working under this agreement, or any tunnel running to intersect any of the above, or by any lessee or person, or persons under it, in any manner at any point within the two-mile radius above referred to, the same shall be the property of the CORPORATION with the privilege to MINING COMPANY to work the same, as an appurtenance of the premises herein during the term of this agreement.

ASSIGNMENT AND SUBLEASE:

Any assignment by MINING COMPANY of this agreement, or of any or all of the rights hereunder, shall be inoperative and void and this agreement shall come to an end unless said assignee, or sub-lessee shall execute in writing an agreement to CORPORATION to assume all obligations, responsibilities, promises, liabilities and the like under this agreement, unless CORPORATION gives prior written consent thereto. Under no circumstances however, is MINING COMPANY relieved of any of the obligations under this agreement.

SUBORDINATION:

It is hereby acknowledged by MINING COMPANY that all rights hereunder are subject to the Contract between Mary O. Van Curler, a single woman and John D. Bowman and Irene Ellen Bowman, husband and wife, VENDOR and CORPORATION herein, as VENDEE, dated the 15th day of January, 1968, and recorded in Jackson County, Oregon, under recorder's number 68-02076.

PARTIAL RECONVEYANCE TO CORPORATION:

Due to the fact that the premises in this agreement encompass a large portion of land, at any time a portion of the land is deemed unfit, not longer practical or valuable for the purpose of mining, or that mining operations have been completed in that area, the same will be reconveyed to CORPORATION in order that CORPORATION may make other use of that portion of the property, if it so desires.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first herein written.

ASHLAND VALLEY VISTA, INC., an Oregon corporation

By T. Todd Brown V.P.

By Alice M. Savage, Secy.

ASHLAND VALLEY DEVELOPMENT AND MINING COMPANY, an Oregon corporation

by Jack W. Saunders Pres.

By William A. Miller V. Pres.

STATE OF OREGON )
) ss
County of Multnomah )

On this 10th day of May, 1968, personally appeared Harold Benson and Alice M. Savage who being duly sworn did say that they are 1st Vice Pres. and Secretary respectively of ASHLAND VALLEY VISTA, INC., an Oregon corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and they acknowledged said instrument to be its voluntary act and deed.

Before me:

Vincent L. Robeson
Notary Public for Oregon
My Commission Expires: 11/3/68

STATE OF OREGON )
) ss
County of Multnomah )

On this 10th day of May, 1968, personally appeared Jack W. Saunders and William A. Miller who being duly sworn did say that they are President and 3rd Vice Pres. Respectively of ASHLAND VALLEY DEVELOPMENT AND MINING COMPANY, an Oregon corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and they acknowledged said instrument to be its voluntary act and deed.

Before me:

Vincent L. Robeson
Notary Public for Oregon
My Commission Expires: 11/3/68

68-02076

# REAL AND PERSONAL PROPERTY CONTRACT
for the Purchase of
MINING PROPERTIES AND EQUIPMENT

THIS AGREEMENT made and entered into this 15 day of January, 1968, by and between MARY O. VAN CURLER, a single woman, and JOHN D. BOWMAN and IRENE ELLEN BOWMAN, husband and wife, hereinafter referred to as Vendor and ASHLAND VALLEY VISTA, INC., an Oregon corporation, hereinafter referred to as Vendee.

## WITNESSETH:

Vendor agrees to sell to Vendee and Vendee agrees to purchase from Vendor the following described real property, together with the buildings, improvements and other appurtenances thereon, to-wit:

TRACT A: The E 1/2 NW 1/4, the E 1/2 W 1/2 SW 1/4, and SE 1/4 SW 1/4, Sec. 7, Twp. 39, S. R 1 E.W.M in Jackson County, Oregon, (Tax account #7391E, Tax lots #4 & #8)

TRACT B: The W 1/2 NW 1/4 SW 1/4 and NW 1/4 SW 1/4 SW 1/4, Sec. 7, Twp. 39 S. R 1 E.W.M. in Jackson County, Oregon, (Tax Account #7391E, Tax Lot #6)

TRACT C: The W 1/2 NW 1/4 Sec. 7, in Twp. 39 S, R 1 E.W.M. in Jackson County, Oregon. (Tax Account #7391E, Tax Lot #5)

TRACT D: The Ashland Consolidated Quartz Claim, known as Lot No. 377, consisting of the following claims:

"A.N. King Lode Claim": Beginning at a point from which the E quarter corner of Sec. 12, in Twp. 39 S, R 1 W.W.M. in Jackson County, Oregon, bears S 71° 02' E 301.25 ft. distant; thence N 57° 36' W 803.2 ft to corner #2; thence South 9° 16' E 1491.5 ft. to corner #3; thence South 57° 36' E 803.2 ft to corner #4; thence N 9° 16' W 1491.5 ft to corner #1, the point of beginning.

"Patton extension of the A. N. King Lode Claim": Beginning at a point from which the East quarter corner of Sec. 12, in Twp. 39 S, R 1, W.W.M. in Jackson County, Oregon, bears S 71° 02' E 301.25 ft. distant; thence N 9° 16' W 1491.65 ft. to corner #2; thence N 57° 36' W 803.2 ft. to corner #3; thence S 9° 16' E 1491.65 ft to corner #4; thence S 57° 36' E 803.2 ft to corner #1, the point of beginning.

"Rogers and Roach Lode Claim": Beginning at a point from which the NE corner of Sec. 12, Twp. 39 S, R 1 W.W.M. in Jackson County, Oregon, bears N 67° 55' E 1093.9 ft. distant; thence N 48° 58' W 1463.0 ft to corner #2; thence S 41° 15' W 598.5 ft to corner #3; thence S 48° 58' E 1463.0 ft to corner #4; thence N 41° 15' E 598.5 ft. to corner #1, the point of beginning; excepting that portion of such property lying in Sec. 1, Twp. 39 S, R 1, W.W.M.

2-13-68 J.E.B.
M.O.V.C. 2-13-68
2-13-68

68-02076

"[illegible] Lode Claim": Beginning at a point from which the [illegible] of Sec. 12, twp 39S, R 1 W.W.M., in Jackson County, Oregon, bears N.44°12'W 289.0 ft. distant; thence N 9°16'W 1500.0 ft to corner #2; thence N57°36'W 803.2 ft to corner #3; thence S9°16'E 1500.0 ft to corner #4; thence S57°36'E 803.2 ft to corner #1, the point of beginning.

"[illegible] Lode Claim": Beginning at a point from which the [illegible] corner of Sec.12, Twp 39S, R 1 W.W.M in Jackson County, Oregon, bears N42°36'E 589.7 ft distant; thence S54° [illegible] ft to corner #2; thence N35°56'W 1500.0 ft to corner #3; thence N54°04'E 600.0 ft to corner #4; thence S35°56'E 1500.0 ft to corner #1, the point of beginning.

"Katrina Lode Claim": Beginning at a point from which the NE corner of Sec.12, Twp 39S, R 1 W.W.M. in Jackson County, Oregon [illegible] 1204.5 ft distant; thence S80°45'W 600.0 ft to corner #2; thence S8°56'E 1490.35 ft to corner #3; thence N80° [illegible] ft to corner #4; thence N8°56'W 1490.35 ft. to corner #1, the point of beginning.

"G.F. Raynolds Lode Claim": Beginning at a point from which the NE corner of Sec.12, twp 39S, R 1W.W.M. in Jackson County, Oregon, bears S63°65'E 849.8 ft distant; thence S80°44'W 600.0 ft to corner #2; thence S9°16'E 1500.0 ft to corner #3; thence N80° [illegible] ft to corner #4; thence N9°16'W 1500.0 ft. to corner [illegible] beginning.

"[illegible] Lode Claim": Beginning at a point from which the [illegible] of Sec.12, Twp 39S, R 1 W.W.M. in Jackson County, Oregon [illegible] S45°38'E 154.4 ft distant; thence S80°56'W 600.0 ft. to corner #2; thence S 9°16'E 1500.0 ft to corner #3; thence N80°56'E 600.0 ft to corner #4; thence N 9°16'W 1500.0 ft to corner #1, the point of beginning.

"[illegible] Lode Claim": Beginning at a point from which the NE [illegible] Sec.12, Twp 39S, R 1 W.W.M, Jackson County, Oregon, [illegible] N18°35'E 507.0 ft distant; thence S80°56'W 600.0 ft to corner #2; thence S 9°42'E 1500.0 ft to corner #3; thence N80° [illegible] ft to corner #4; thence N 9°42'W 1500.0 ft to corner #1, the point of beginning.

"Jeniphere Lode Claim": Beginning at a point from which the East quarter corner of Sec.12, Twp 39S, R 1 W.W.M. Jackson County, Oregon, bears N18°35'E 745.9 ft distant; thence N80° [illegible] ft to corner #2; thence N 9°00'W 1500.0 ft to corner [illegible] 600.0 ft to corner #4; thence S 9°00'E [illegible] ft to corner #1, the point of beginning.

[illegible] THEREFROM all that portion of the above described mining claims enbraced within the West half of Section 7, and the NW¼NW¼ (Lot No. 4) of Section 18, in Twp 39S, R 1 E.W.M.; the East half of SE¼ of Sec. 1 and the NE¼ of Sec. 13, in TWP 39S R 1 W.W.M. in Jackson County, Oregon.

[illegible] THEREFROM that part of the "Anna M. Lode Claim" [illegible] within the boundaries of the Golden Octopus Lode Claim [illegible] in Vol. 49, page 370, Deed Records, Jackson [illegible], Oregon.

(Tax Account #1239W, Tax Lot #96)

2/7/68
2/9/68
2/13/68
M.O.V.C.
2-13-68
J.C.B.
2-13-68

TRACT E: The SW 1/4 SW 1/4 SW 1/4, Sec. 7, Twp. 39 S, R 1 E.W.M. in Jackson County, Oregon. (Account #7391E, Tax Lot #7)

TRACT F: The SW 1/4 of Sec. 6, Twp. 39 S, R 1 E.W.M. in Jackson County, Oregon. (Account #7391E, Tax Lots #10 and #10-1)

EXCEPTING therefrom 57.6 acres sold under contract by Fred Van Curler and Mary Opal Van Curler to Harold W. Cronin and Marjorie Ann Cronin, husband and wife, on September 12, 1961, and described as follows: Beginning at the West quarter corner of Sec. 6, Twp. 39 S, R 1 E.W.M. in Jackson County, Oregon; thence S 89° 52' E along the north line of the SW 1/4 of said section, 2762.2 ft. to the NE corner thereof; thence S 0° 17' W along the east line of said SW 1/4 1224.0 ft.; thence West 12.0 ft.; thence N 0° 17' E 153.0 ft.; thence W 213.30 ft.; thence N 62° 00' W 1114.3 ft.; thence S 64° 00' W 1728.0 ft. to SW corner of the NW 1/4 SW 1/4 of said Sec. 6; thence N 0° 14' E along the west line thereof 1321.8 ft. to the point of beginning.

TRACT G: The SE 1/4 SE 1/4 Sec. 1, Twp. 39 S, R 1 W.W.M. in Jackson County, Oregon. (Account #391W, Tax Lot #10)

TRACT H: Tax Lot 201; TRACT I: Tax Lot 202; TRACT J: Tax Lot 203; TRACT K: Tax Lot 204; TRACT L: Tax Lot 205 and TRACT M: Tax Lot 206, otherwise described as Lots 1, 2, 5, 6, 7 and 12; all in Sec. 12, Twp. 39 S, R 1 W.W.M. in Jackson County, Oregon. (Tax Account #391W12, Lots 201-206)

EXCEPTING from the above described premises that part lying within public roads and subject to those grants of easement and rights-of-way in Vol. 191 at page 161 and Vol. 312 at page 341 and Vol. 401 at page 53 of the Deed Records of Jackson County, Oregon, and to the terms, conditions, stipulations and reservations affecting title of Vendors to Tract D recorded in Vol. 112 at page 268 of the Deed Records of Jackson County, Oregon, and those grants of easements and rights recorded in Vol. 33 at page 541 and in Vol. 214 at page 573 of the Deed Records of Jackson County, Oregon.

Vendor and Vendee further agree that the following personal property (consisting of milling and mining equipment) is to be included in this contract:

Fifty-ton Ball Mill consisting of the following in the circuits:
- 10 x 12 Primary Jaw Crusher - 20 H. P. Fairbanks Morse dust-free motor (induction)
- Belt bucket - 2 H. P. electric motor
- Wisconsin #12 Hammer-mill - O.B. 10 H.P. electric motor
- Mill Feed - bevel drive (home-made)
- 75 H.P. electric motor
- 5 x 8 foot Amalgam plate
- 5 x 16 foot Wilfley table - 3 H.P. electric motor
- 5 x 16 foot Scanlon table - 3 H.P. electric motor
- Wemco middlings return pump
- Wemco tailings pump

All electric boxes, main switch and other electric outlets and lines are installed.

Other mill equipment consisting of the following:
- Denver Equipment Co. 12 x 16 duplex jig
- Hobart welder
- Vise, blacksmith forge, anvil, tool grinder
- 1500 gasoline tank and electric pump

Mining equipment consisting of the following:
- Two 3000 gallong water tanks
- One skip car - 28 gauge
- 1000 feet of rail (6 lb. to 20 lb.) plus 2000 feet of rail in the mine
- One 125 CFM Chicago Pneumatic compressor
- One K-8 6 x 6 Army Dump Truck (1942?)
- One GMC 1951 1-1/2 ton dump truck
- One D-2 Caterpillar loader with angle blade
- Two jackhammers
- One jack leg

Vendee agrees to cooperate in the filing of a Security Agreement under the Uniform Commercial Code provisions on the personal property above listed.

PURCHASE PRICE AND TERMS:

The purchase price which Vendee agrees to pay and Vendor agrees to accept shall be the sum of FIFTY SEVEN THOUSAND and NO/100ths ($57,000) DOLLARS, in addition to other past considerations heretofore paid to Vendor; that said sum shall be payable as follows:

1. $2,000.00 shall be paid immediately upon execution of this contract;

2. The balance of FIFTY FIVE THOUSAND and NO/100ths ($55,000.00) DOLLARS shall be paid in monthly installments of not less than FOUR HUNDRED ($400.00) DOLLARS, in any one payment, including interest at the rate of 5-1/2% per annum on the unpaid balance; the first payment to be made on the 15th day of February, 1968, and a like payment on the 15th day of each month thereafter until the whole sum of principal and interest has been paid.

3. In the event 12% of the smelter or mint returns from the mining operations carried on on said property exceeds the foregoing schedule of payments, the Vendor may elect, at any time, to take said percentage in cash in lieu of the foregoing payments until the purchase price is paid.

PREPAYMENT PRIVILEGE:

Vendee shall have the privilege of increasing any payment or prepaying the whole consideration at any time, provided however that such additional payments shall not be credited as regular future payments, nor excuse Vendee from making the regular payments provided for in this agreement.

TAXES AND LIENS:

Vendee agrees to pay all taxes which are hereafter levied against the property when due, or to interpose a successful defense thereto, all public, municipal and statutory liens which may be hereinafter lawfully imposed upon the premises.

[illegible] the premises and property posted to [illegible] not be responsible for any labor or [illegible] event Vendee shall fail to do so, then [illegible] shall notify, or serve notice of this demand upon Vendee to post the same within a period of 10 days.

POSSESSION:

[illegible] possession at the present time, shall be [illegible] immediately from the [illegible] provided however, that MARY O. VAN CURGER shall [illegible] use of the residence on said property during the life of this agreement, provided further that she shall reside on said property continuously.

[illegible] AND FIXTURES:

[illegible] all improvements now located on which shall [illegible] the premises shall remain a part of the real [illegible] at any time prior to the expiration of this agreement, without the written consent of Vendor, except as otherwise provided for in this agreement.

[illegible] permit or suffer any waste of the property [illegible] and shall maintain the property and all [illegible] improvements, and alterations thereof in good condition [illegible] otherwise provided in this agreement.

TITLE, INSURANCE AND WARRANTY:

Vendees shall be responsible for any expense incurred in [illegible] policy covering Vendees in the amount [illegible] their previous investment in said [illegible]

[illegible] that they are the sole and exclusive owners of said property and equipment, with the except a mortgage to Jackson County Savings and Loan Association, recorded in Vol. 394, page 376, [illegible] of Jackson County, Oregon, which covers a portion [illegible] that said mortgage is the responsibil[illegible] Vendors [illegible] that said mortgage is to be satisfied [illegible] this agreement. Vendors further agree that should Vendees be required to make payments on said mortgage by reason of the failure of Vendors to do so, that the entire amount so paid by Vendees shall be deducted from the payments due hereunder

M.O.V.C. 4/3/68
2-13-68
J.E.B.
2-13-68

68-020076

DELIVERY OF DEED:

Upon payment of the entire purchase price for the property as provided herein, and performance by Vendee of all other terms, conditions and provisions hereof, Vendor shall forthwish execute and deliver to Vendee a good and sufficient warranty deed conveying said property to Vendee.

DEFAULT PROVISIONS:

In the event Vendee shall fail to perform any of the terms of this agreement, time of payment and performance being of the essence, Vendor shall at their option, subject to the requirements of Notice as herein provided, have the following rights:

(a) To foreclose this contract by strict foreclosure in equity;

(b) To declare the full, unpaid balance of purchase price immediately due and payable;

(c) To specifically enforce the terms of the agreement by suit in equity;

Vendee shall not be deemed in default for failure to perform any covenant or condition of this contract, other than the failure to make payments as provided herein, until notice of said default has been given by Vendor to Vendee and Vendee shall have failed to remedy said default within 30 days after the giving of said notice. Notice for this purpose shall be deemed to have been given by the deposit in the mail of a certified letter containing said notice and addressed to the registered agent of Vendee, Vincent G. Robeson, Suit 300 - 1500 Lloyd Plaza Building, 1500 N. E. Irving Street, Portland, Oregon, 97232.

Vendee shall have a 10-day grace period from the due date of payments, prior to being deemed in default; if said payment is not paid within said 10 days, then Vendee shall be in default with no requirement of written notice or demand.

SALE OF MINING EQUIPMENT:

Vendees shall have the right and power to sell the equipments and machinerylocated upon the premises, and more fully described above, or any part thereof, provided however that payment is made prior to the removal of the equipment from the premises and that the proceeds from said sale, after deducting the expense

of said sale, shall be paid directly to Vendors and shall apply as a payment against this contract, but such payment shall not be construed to be in lieu of any monthly payments.

MINING AND REMOVAL OF MINERALS:

Vendee shall have the right to develop, produce, excavate, mine, manufacture or otherwise remove, or cause to be removed by licensing or leasing, minerals from said premises, provided however, that the same is done in a workmanlike manner and that the waste suffered upon the property shall not be greater than necessary or normal within the mining industry.

HOLD HARMLESS:

Purchasers agree to hold Sellers harmless from any and all loss or damages to the property included in this contract.

WAIVER:

Failure of the Vendor, at any time, to require performance by Vendee of any of the provisions hereof shall in no way affect Vendor's rights hereunder to enforce the same, nor shall any waiver by Vendor of any breach hereof be held to be a waiver of any succeeding breach, or a waiver of this non-waiver clause.

SUCCESSOR INTERESTS:

The covenants, conditions and terms of this agreement shall extend to and be binding upon and inure to the benefit of the heirs, administrators, executors, successors and assigns of Vendee and Vendor.

ATTORNEY'S FEES:

If any suit or action shall be instituted in connection with any controversy arising out of this agreement, the prevailing party shall be entitled to recover, in addition to the costs incurred therein, such sum as the Court may adjudge reasonable attorney's fees. In the event that the decision of the trial court

68-02076

is appealed to any court of higher jurisdiction, the prevailing party shall be entitled in addition to costs incurred therein, such sum as the Court may adjudge reasonable as attorney's fees in such appeal.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first hereinabove written.

VENDOR:

Mary O. Van Curler (Seal)
Mary O. Van Curler

~~Dewey Van Curler~~ (Seal)

John D. Bowman (Seal)
John D. Bowman

Irene Ellen Bowman (Seal)
Irene Ellen Bowman

VENDEE:

ASHLAND VALLEY VISTA, INC. an Oregon corporation

By Jack W. Saunders
President

BY Ann M. Sauage
Secretary

STATE OF OREGON )
County of Jackson ))

On this 13th day of ~~January~~ February, 1968, before me personally appeared MARY O. VAN CURLER, a single woman, ~~DEWEY VAN CURLER, a single man,~~ JOHN D. BOWMAN and IRENE ELLEN BOWMAN, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

Helen Louise Taylor
Notary Public for Oregon
My Commission Expires: 9/28/68

HELEN LOUISE TAYLOR NOTARY PUBLIC STATE OF OREGON

68-02076

STATE OF OREGON }
County of Multnomah } ss

On this 25th day of January, 1968, personally appeared JACK W. SAUNDERS and ALICE M. SAVAGE, who being duly sworn did say that he, Jack W. Saunders is the President, and she, Alice M. Savage, in the Secretary of ASHLAND VALLEY VISTA, INC. and that the seal affixed to the foregoing instrument is the corporate seal of said corporation; and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and they acknowledged said instrument to be its voluntary act and deed.

Before me:

Vincent G. Rodeson
Notary Public for Oregon
My Commission Expires: 1/26/68

VINCENT G. RODESON NOTARY PUBLIC STATE OF OREGON

State of Oregon, County of Jackson--SS.
The within instrument received and filed at 3:52 o'clock P m. the 13th day of March 19 68 recorded in Official Records for Jackson County Oregon. C. D. Maddox County Clerk.
By Nola Renee Barkley Deputy

APPENDIX B
Application for Financial Assistance
August 15, 1968


SAUNDERS INVESTMENT CO.

FORMERLY WESTERN INVESTORS FUND

131 - NORTH STATE STREET, SUITE 10
LAKE OSWEGO, OREGON 97034
TELEPHONE 636-7631

JACK W. SAUNDERS, President


(Copy of letter sent to
First National Bank of Oregon)

Just two copy
no date
signature

First National Bank of Oregon
Portland,
Oregon

Gentlemen:

The Ashland Valley Exploration and Development Co. plans to reactivate the Ashland Mine in Jackson County, Oregon.

Exploring the vein at the surface with a dozzer for sampling and a diamond core drilling program for below surface prospecting have been proposed.

This work will cost approximately $20,000. The Ashland Valley Exploration and Development Co. wish to make application to your bank for financial assistance to complete this work. Please advise if your bank would consider a loan of $16,000.00 at your standard rate of interest for this type of business and an appointment date for the discussion.

Yours truly,

ASHLAND VALLEY EXPLORATION
AND DEVELOPMENT COMPANY

J. W. Saunders
Acting President

JWS:jc

FIRST NATIONAL BANK OF OREGON

BURLINGAME BRANCH, 7615 S.W. 13TH AVENUE, P.O. BOX 3131, PORTLAND, OREGON 97208

August 6, 1968

Mr. J. W. Saunders
131 North State Street
Lake Oswego, Oregon 97034

Dear Mr. Saunders:

Your loan application submitted on behalf of AVCO Mines for $50,000, for the purpose of exploration work, has been reviewed and declined.

It has been the policy of this bank to limit its credit relationships which involve speculative risk and, in our opinion, your proposed investment, because of its nature, would be classified as a speculative venture.

Yours very truly,

LeRoy Fox
Manager

LF:lh

1-15-68

EXHIBIT "A"

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 18 1968
INITIALS | CODE

ASHLAND MINE PROPERTY

TRACT A: The E½NW¼, the E½SW¼, and E½SW¼, Sec. 7, Twp 39, S. R 1 E.W.M in Jackson County, Oregon (Tax Account #7391E, Tax Lots #4 & 5)

TRACT B: The W½NW¼SW¼ and NW¼SW¼SW¼, Sec. 7, Twp 39 S., R 1 E.W.M. In Jackson County, Oregon. (Tax Account #7391E, Tax Lot #6)

TRACT C: The W½NW¼ Sec. 7, in Twp 39S, R 1 E.W.M. In Jackson County, Oregon. (Tax Account #7391E, Tax Lot #5)

TRACT D: The Ashland Consolidated Quartz Claim, Mineral Lot No. 377, consisting of the following claims:

"A.N. King Lode Claim": Beginning at a point from which the E quarter corner of Sec. 12, in Twp. 39 S, R 1 W.W.M. in Jackson County, Oregon, bears S 71°03' E 301.25 ft. distant; thence N 57°36' W 803.2 ft to corner #2; thence South 9°16' E 1491.5 ft to corner #3; thence South 57°36' E 803.2 ft to corner #4; thence N 9°16' W 1491.5 ft to corner #1, the point of beginning.

"Patton extension of the A. N. King Lode Claim": Beginning at a point from which the East quarter corner of Sec. 12, in Twp 39 S, R 1, W.W.M. in Jackson County, Oregon, bears N71°03'E 301.25 ft. distant; thence N9°16'W 1491.65 ft. to corner #2; thence N 57°36' W 803.2 ft. to corner #3; thence S9°16'E 1491.65 ft to corner #4; thence S57°36'E 803.2 ft to corner #1, the point of beginning.

"Rogers and Reach Lode Claim": Beginning at a point from which the NE cornerof Sec. 12, Twp 39 S, R 1 W.W.M. in Jackson County Oregon, bears N67°55'E 1093.9 ft. distant; thence N40°50'W 1463.0 ft to corner #2; thence S41°15'W 598.5 ft to corner #3; thence S48°58'E 1469.0 ft to corner #4; thence N41°15'E 598.5 ft. to corner #1, the point of beginning; excepting that portion of such property lying in Sec. #1, Twp. 39 S, R 1, W.W.M.

"Nutshell Lode Claim": Beginning at a point from which the SE corner of Sec. 12, twp 39S, R 1 W.W.M., in Jackson County, Oregon, bears N.44°12'W 289.0 ft. distant; thence N 9°16'W 1500.0 ft to corner #2; thence N57°36'W 803.2 ft to corner #3; thence S9°16'E 1500.0 ft to corner #4; thence S57°36'E 803.2 ft to corner #1, the point of beginning.

"Anna M. Lode Claim": Beginning at a point from which the East quarter corner of Sec.12, Twp 39S, R 1 W.W.M in Jackson County, Oregon, bears N42°33'E 309.7 ft distant; thence N54°04'W 600.0 ft to corner #2; thence N39°56'W 1500.0 ft to corner #3; thence N54°04'E 600.0 ft to corner #4; thence S 39°56'E 1500.0 ft to corner #1, the point of beginning.

"Katrina Lode Claim": Beginning at a point from which the corner of Sec.12, Twp 39S, R 1 W.W.M. in Jackson County, Oregon bears N72°16'E 1284.5 ft distant; thence S30°45'W 600.0 ft to corner #2; thence S8°56'E 1490.35 ft to corner #3; thence N30°45'E 600.0 ft to corner #4; thence N8°56'W 1490.35 ft. to corner #1, the point of beginning.

"G.F. Raynolds Lode Claim": Beginning at a point from which the NE corner of Sec.12, twp 39S, R 1W.W.M. in Jackson County, Oregon, bears S63°65'E 849.8 ft distant; thence S30°45'W 600.0 ft to corner #2; thence S9°16'E 1500.0 ft to corner #3; thence N30°44'E 600.0 ft to corner #4; thence N9°16'W 1500.0 ft. to corner #1, the point of beginning.

1-15-68

ASHLAND MINE PROPERTY

TRACT A: The E½NW¼, the E½W½SW¼, and SE¼SW¼, Sec. 7, Twp. 39, S. R 1 E.W.M in Jackson County, Oregon, (Tax account #7391E, Tax lots #4 & #8)

TRACT B: The W½NW¼SW¼ and NW¼SW¼SW¼, Sec. 7, Twp 39 S,R 1 E.W.M. In Jackson County, Oregon, (Tax Account #7391E, Tax Lot #6)

TRACT C: The W½NW¼ Sec. 7, in Twp 39 S, R 1 E.W.M. IN Jackson County, Oregon. (Tax Account #7391E, Tax Lot #5)

TRACT D: The Ashland Consolidated Quartz Claim, known as Lot No. 377, consisting of the following claims:

"A.N. King Lode Claim": Beginning at a point from which the E quarter corner of Sec. 12, in Twp. 39 S, R 1 W.W.M. in Jackson County, Oregon, bears S 71°02' E 301.25 ft. distant; thence N 57°36' W 803.2 ft to corner #2; thence South 9°16' E 1491.5 ft to corner #3; thence South 57°36' E 803.2 ft to corner #4; thence N 9°16' W 1491.5 ft to corner #1, the point of beginning.

"Patton extension of the A. N. King Lode Claim": Beginning at a point from which the East quarter corner of Sec. 12, in Twp 39 S, R 1, W.W.M. in Jackson County, Oregon, bears S71°02'E 301.25 ft. distant; thence N9°16'W 1491.65 ft, to corner #2; thence N 57°36' W 803.2 ft. to corner #3; thence S9°16'E 1491.65 ft to corner #4; thence S57°36'E 803.2 ft to corner #1, the point of beginning.

"Rogers and Roach Lode Claim": Beginning at a point from which the NE cornerof Sec. 12, Twp 39 S, R 1 W.W.M. in Jackson County Oregon, bears N67°55'E 1093.9 ft. distant; thence N48°58' W 1463.0 ft to corner #2; thence S41° 15'W 598.5 ft to corner #3; thence S48°58'E 1463.0 ft to corner #4; thence N41°15' E 598.5 ft. to corner #1, the point of beginning; excepting that portion of such property lying in Sec. 1, Twp.39,S, R 1, W.W.M.

"Nutshell Lode Claim": Beginning at a point from which the SE corner of Sec. 12, twp 39S, R 1 W.W.M., in Jackson County, Oregon, bears N.44°12'W 289.0 ft. distant; thence N 9°16'W 1500.0 ft to corner # ; thence N57°36'W 803.2 ft to corner #3; thence S9°16'E 1500.0 ft to corner #4; thence S57°36'E 803.2 ft to corner #1, the point of beginning.

"Anna M. Lode Claim": Beginning at a point from which the East quarter corner of Sec.12, Twp 39S, R 1 W.W.M in Jackson County, Oregon, bears N42°36'E 589.7 ft distant; thence S54° 04'W 600.0 ft to corner #2; thence N35°56'W 1500.0 ft to corner #3; thence N54°04'E 600.0 ft to corner #4; thence S35°56'E 1500.0 ft to corner #1, the point of beginning.

"Katrina Lode Claim": Beginning at a point from which the NE corner of Sec.12, Twp 39S, R 1 W.W.M. in Jackson County, Oregon bears N72°16'E 1284.5 ft distant; thence S80°45'W 600.0 ft to corner #2; thence S8°56'E 1490.35 ft to corner #3; thence N80° 45'E 600.0 ft to corner #4; thence N8°56'W 1490.35 ft. to corner #1, the point of beginning.

"G.F. Raynolds Lode Claim": Beginning at a point from which the NE corner of Sec.12, twp 39S, R 1W.W.M. in Jackson County, Oregon, bears S63°65'E 849.8 ft distant; thence S80°44'W 600.0 ft to corner #2; thence S9°16'E 1500.0 ft to corner #3; thence N80° 44'E 600.0 ft to corner #4, thence N9°16'W 1500.0 ft. to corner #1, the point of beginning

EXHIBIT "B"

Exceptions and Encumbrances

1. That part lying within public roads.

2. Title is claimed through a mineral patent from the United States, recorded in Volume 112 page 268 of the Deed Records of Jackson County, Oregon, and the title to said premises is subject to the conditions, stipulations and reservations in said patent contained. (Affects Tract D).

3. A strip of land 100 feet in width to be used by the Oregon and California Railroad Company for right of way, and other railroad purposes, when the said railroad of said O.& C.RR CO., or any of its branches is or shall be located on the premises, and rights in connection therewith; reserved in deed from the Oregon and California Railroad Company to The Ashland Mining Company, recorded in Volume 33 page 541 of the Deed Records of Jackson County, Oregon. (Affects NE of NW of Tract A, and Tract C)

4. Easement for a private road leading to and from what is known as the Ashland Mine; set out in deed recorded in Volume 214, page 573 of the Deed Records of Jackson County, Oregon. (Affects SW of SW Section 6, of Tract F).

5. Right of way for the transmission and distribution of electricity, and for other purposes, granted to The California Oregon Power Company, a California corporation, by instrument recorded in Volume 191, page 161 of the Deed Records of Jackson County, Oregon. (Affects Tracts A-B-C-F).

6. Rights of way for the transmission and distribution of electricity, and for other purposes, granted to the California Oregon Power Company, a California corporation, by instrument recorded in Volume 312 page 341, and Volume 401, page 53, of the Deed Records of Jackson County, Oregon. (Affects Tract F)

7. Mortgage from Fred Van Curler and Mary Opal Van Curler, husband and wife, to Jackson County Federal Savings and Loan Association a corporation organized and existing under the laws of the United States of America, recorded July 26, 1961, in Volume 394, page 376 of the Mortgage Records of Jackson County, Oregon, to secure the payment of a note for $3,900.00 dated July 25, 1961, (Affects Tracts F & G)

8. Real and Personal Property Contract for the Purchase of Mining properties and Equipment, dated January 15, 1968, by and between Mary O. Van Curler, a single woman, and John D. Bowman and Irene Ellen Bowman, husband and wife, Vendors, and Ashland Valley Vista Inc., an Oregon corporation, as Vendees, recorded March 13, 1968 Recorder's file No. 68-02076

9. Mining Lease, dated January 23, 1968, where in Ashland Valley Vista, Inc., an Oregon corporation is Lessor and Thomas W. Brown, is Lessee; said lease being subsequently assigned as to Lessee's interest to Ashland Valley Development and Mining Company.

OFFICIAL COPY
O. K. E.
RECEIVED
SEP 18 1968
INITIALS | CODE

# CONTRACT OF INDEMNITY

As an inducement to and in consideration of the execution by MARY O. VANSCHRIEFF, a single woman, and JOHN E. EOWMAN and IRENE ELLEN EOWMAN, husband and wife, of a lien and subordination agreement bearing date of January 9, 1968, a copy of which is attached hereto and incorporated herein as though fully set forth, wherein the above-named individuals agreed to subordinate their rights as the unpaid sellers of certain real property and mining claims by deed January 15, 1968, for the sale of and purchase of certain real property and personal property by Ashland Valley Vista, Inc., an Oregon corporation, to the Bureau of the Public Lands for sums to be advanced by the United States to Ashland Valley Development and Mining Company, an Oregon corporation, for the exploration of mining claims by that corporation upon the real properties subject to the aforesaid contract of sale and purchase, and;

The undersigned JACK W. SAUNDERS, HAROLD BENSON, WILLIAM A. MILLER and ALICE M. SAVAGE, said individuals being the owners of all of the shares of capital stock of Ashland Valley Vista, Inc., the above-named purchaser, do hereby, individually and severally, covenant and agree to indemnify MARY O. VANSCHRIEFF, JOHN E. EOWMAN and IRENE ELLEN EOWMAN for any and all losses sustained by them, and to save such individuals harmless from any and all claims of every kind and description arising from, or in connection with, the exercise by the United States or any agency, department or instrumentality thereof of the right of security granted the United States under the aforesaid lien and subordination agreement and exploration contract which shall impair the seller's security under the aforesaid contract of purchase, and;

In the event the United States or any agency, department or instrumentality [illegible] shall have suit to foreclose or enforce any lien or claim arising [illegible] corporation contract to be made with the Ashland Valley Development [illegible] against such real property, the undersigned do further, individually and severally, promise and agree to assume and promptly pay upon demand therefor the entire sum then owing and unpaid to the sellers under the terms of Contract dated January 16, 1968, wherein Ashland Valley [illegible] agreed to purchase certain real and personal property in Jackson County, Oregon. Such demand shall be sufficient if addressed to the undersigned at Suite 300, 1500 Plaza Building, 1500 N. E. Irving Street, Portland, Oregon 97[illegible], with postage thereon prepaid.

This Contract of Indemnity shall be binding upon and inure to the benefit of the heirs, executors, and administrators and assigns of the parties hereto.

IN WITNESS WHEREOF, the undersigned have executed this Agreement in quintuplicate on the date, or dates, below set forth.

Jack W. Saunders

Jack W. Saunders
Date: 5/10 1968

Harold Benson

Harold Benson
Date: 5/10 1968

William A. Miller

William A. Miller
Date: 5/10 1968

Alice M. Savage

Alice M. Savage
Date: 5/10 1968

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 |

A

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of Jackson, State of Oregon,

described ~~as follows~~: 2/ See Exhibit "A" Attached hereto

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

ASHLAND VALLEY DEVELOPMENT AND MINING COMPANY 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.)

See Exhibit "B" attached hereto

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 *27* day of *February*, 19*68*.

| | | |
|---|---|---|
| *Mary O. Van Curler* | (Seal) | *2255 Ashland Street Rd.* (Street)<br>*Ashland Oregon* (City & State) |
| *Irene E. Gorman* | (Seal) | *102 Cutler Creek Rd.* (Street)<br>*Ashland, Oregon* (City & State) |
| _____ | (Seal) | _____ (Street)<br>_____ (City & State) |
| _____ | (Seal) | _____ (Street)<br>_____ (City & State) |
| _____ | (Seal) | _____ (Street)<br>_____ (City & State) |
| _____ | (Seal) | _____ (Street)<br>_____ (City & State) |

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

_____ (Corporate Seal)

INT.-BUR. CO., WASH., D.C. 21103

## REASONS APPLICANT EXPECTS TO FIND ORE

(a) Past operation:

The historical operations of the mine are described in the reprint from Oregon Metal Mines Handbook, Vol. II, of a report by Parks & Swartley, based partly on an earlier report by W.V. Winchell, which reprint is included in the geological report by Mr. D. E. Loughran attached hereto. This shows development by previous operators in round numbers as follows: original tunnels 6,000 feet, shafts 1,100 feet, raises 1,500 feet; later development 2,400 feet, total 11,000 feet. It reported that development explored the vein for a depth of about 1,200 feet on the dip. The presently accessible portions of these workings are shown on the map attached hereto marked Plate 4 in the pocket part.

The mine was worked originally from the West Side shaft, from which a drift on the 352' level was driven to the west. The ore was hoisted to the surface and treated at the mill which existed then on the east side of the Mountain. A second discovery of ore on the surface was developed by the York shaft, from which the York adit ran easterly to intercept the vein at approximately the 100' level. This ore was hauled to the same mill.

The West Side shaft was continued to the 900' level. After an adit was driven at the 250' level on the West

side of the mountain to connect with this shaft, it served as the haulage level, and another mill, no longer in existence, was constructed at the portal of the 250' level adit. Ore was mined on both sides of the West Side shaft to the 900' level. Below the 500' level, this shaft is now caved unrecoverably. The workings which remain open are chiefly on the 250' level. The York shaft, which was driven down to the York tunnel on approximately the 150' level, is caved beyond repair. The York crosscut tunnel is approximately 300' in length from the portal to the vein. At present, the portal is caved, making the tunnel inaccessible.

The past production reported by Parks & Swartley in the Oregon Metal Mines Handbook, Vol. II, came from approximately 1,400 feet of the vein. In the area of the West Side shaft, the ore body was being mined in 1942 from what was called the 900' level, and it is reported that the operation had encountered values up to $500 per ton at that level when the mine was shut down by executive order in 1942. Ore should extend below that level to an unknown depth.

The vein has a known length of approximately 6,000 feet of which some 4,600 feet is unexplored. This section of the vein has a reasonable chance of producing a grade of ore equal to that mined in the past.

Some indication of the type of ore mined in the past is furnished by the samples taken from the old workings by

the sampling program conducted in 1904 by Messrs. Easley and Cassaway. Plate 4 in the pocket part shows the locations where the samples were taken, and the following assay certificates show values in silver and gold. We conclude from these assays that the former operators did a thorough job of removing the pay ore from the areas where they worked. Although only a few of these recent samples show ore of commercial grade, yet occasional samples indicate that some of the ore removed was exceptionally rich.

We have reproduced as a part of this application all the reports and maps which are available to us concerning this property. We list these as follows:

1) Geological report by D. E. Loughran, Supplemented by the reprint from Oregon Metal Mines Handbook Vol. II of the report of Parks and Swartley.
2) Geological Report by Lloyd Frizzell.
3) Maps in pocket part:

   <u>Plate 1</u>, Map of Mine workings and vein outcrop, showing location of the portals of drifts Nos. 1, 2, 3, and 4 of the proposed exploration, and the index maps showing the location of the property.

   <u>Plate 2</u>, Sections of the vein, showing

existing underground workings and proposed new work.

Plate 3. Geological map of the 250' level on a scale of one inch to fifty feet.

Plate 4. Plan view of the underground workings on a scale of 100' to the inch showing sample location.

Published data concerning past production are found in the report by Parks and Swartley reprinted from Oregon Metal Mines Handbook Vol. II in the appendix to Mr. Loughran's report attached hereto. About 1939, Parks and Swartley wrote: "Production previous to present operations is reported to have been about $1,300,000 partly from shipping ore, but mostly from milling ore at the old five-stamp mill formerly located at Ashland. A continuous modest production has been maintained under present operations from 1933-1939, entirely from milling at the new Ashland plant."

While a 12-man operation is said to have been conducted by Mr. P. B. Wickham from 1941 to 1942, the record of production for that period is not available to the applicant.

(b) Recent operation:

The mine has had a very limited operation since being taken over by AVCO Mines. It hasmot been operated on a regular schedule since the nation's gold mining was shut down in 1942. Operation has consisted of road repair, geological sampling investigations and mine maintenance. During the past year, the work done by the applicants

included: rebuilding roads to the York surface workings, the 250 foot level and the ridge by a great deal of dozer operation, building heavy rock base and regrading. Ore for experimental mill runs was mined, hauled to the mill, crushed and run through the mill.

(c) There are no reserves of measured ore known at present.

(d) Geological features of the property: The ore minerals are gold, and silver, with minor amounts of copper and unknown quantities of mercury. The mineralization occurs in fault fissure veins in a diorite stock. Several veins have been exposed in the workings. While the only vein that has yet been worked is theAshland vein, from which all the known production has come, some smaller veins have been exposed. A 90 foot shaft in the foot wall of the Ashland vein east of the York tunnel, known as the Deacman's vein, was abandoned after a fatal accident occured. A rumor that ore running $40 a ton was found here at a depth of 90 feet calls for further prospecting. Two smaller unexplored veins are also exposed in the 250' level crosscut, as is shown on Plate 3. Plate 3 illustrates the vein structure at that level. In addition, a new quartz vein (Lucky Long Tom) of considerable size at this apex, has been uncovered by dozer operation.

The Ashland vein strikes North 15° East and dips 40° to the West. It is approximately 6,000 feet in length and

and has been mined on the dip for 1,200 feet in the vicinity of the West Side shaft. It is accessible on the 250' level for a distance of 1,100 feet along its strike, and it is strong and persistent for the entire distance. The vein is composed of crushed and altered diorite in places cemented by quartz. Quartz also occurs in stringers and blobs throughout the vein. The vein has been mineralized by hot ascending solutions carrying gold and silver, with minor amounts of copper, lead and mercury, and in places, considerably pyrite.

## COST ESTIMATES

(A) Cost estimates by types of work.

Independent contracts will be let for each of the types of work scheduled. Written bids will be submitted at or below the following maximum estimates of costs. It would be applicant's intention to do part or all work provided it can be done on a competitive basis.

Bids?

| | | |
|---|---|---|
| 1) Dozer work: at $30.00 per hour | | |
| Building road No. 1 - 80 hours | $2,400.00 | |
| Roads Nos. 2,3,4-320 hours | 9,600.00 | |
| Portals and preparations of core drill holes - 100 hours | 3,600.00 | |
| Total Dozer Work - 500 hours | | $ 15,600.00 |
| 2) Drifting: at $45.00 per foot | | |
| Drift No. 1 - 1,585 feet | $78,959.00 | |
| Drift No. 2 - 500 feet )See | 21,750.00 | |
| Drift No. 3 - 500 feet )Pages | 21,750.00 | |
| Drift No. 4 - 420 feet )6 & 7 | 18,220.00 | |
| Drift No. 5 - 1,000 feet (See Pages 4 & 5) | 49,770.00 | |
| Total Drifting - 4,005 feet | | $190,499.00 |
| 3) Rehabilitation work: at $35.00 per foot | | |
| a) Recovering York crosscut and drift - 450 feet | $10,915.00 | |
| b) Rehabilitating Deadman's shaft - 90 feet | 3,835.00 | |
| c) Drift from Deadman's Shaft - 100' | 4,915.00 | |
| Total Rehabilitation | | $ 19,665.00 |
| 4) Core drilling: at $6.50 per foot 1,200 ft. (12-100' holes) | | $ 8,810.00 |
| 5) Sampling: 800 assays at $5.50 each (Cost of taking 800 samples is included in the cost of the drifting contract.) | | ~~$ 4,400.00~~ |
| TOTAL PROGRAM | | $238,980.00 |

ITEM #1: of 3 Items

1,585 foot Tunnel of 4,000 feet total 7 x 9 foot cross section prorating factor .366

LABOR

| | |
|---|---|
| 160 working days, 2 shifts @ 10 linear feet per day (3 men per shift) per day total: $132.00 | $ 26,000.00 |
| Superintendent $1,100.00 per month; $48.00 per day; prorated over 3 locations @ $16.00 per day per location | 5,040.00 |
| Industrial Accident, Social Security, unemployment: 15% | 4,500.00 |

EQUIPMENT AND MATERIAL

| | | |
|---|---|---|
| 1. | 2-365 CFM Diesel compressors @ $5,337.50: $10,675.00 prorated over 4,000 feet of drift | 3,235.00 |
| 2. | 2-Jack leg drills @ $1,540. each | 3,080.00 |
| 3. | 3500 linear ft. 16 lb. rail @ $250.00 per ton | 2,332.00 |
| 4. | 4' x 8' air receiver | 800.00 |
| 5. | 790 ties @ $1.00 per tie | 790.00 |
| 6. | 500 lbs. rail spikes | 127.00 |
| 7. | 300 linear ft. air hose | 2066000 |
| 8. | 6 sets drill steel - 1,2, and 3 lengths ] | 680.00 |
| 9. | Miscellaneous tools, shovels, picks, etc. $600. prorated | 220.00 |
| 10. | Chain saw $230.00 prorated | 84.00 |
| 11. | Power gaining saw $230.00 prorated | 84.00 |
| 12. | 3 - 21 cu. ft. 24 gauge dump cars @$200.00 each | 600.00 |
| 13. | 24 gauge, three ton, 220-440 battery type locomotive $4,400.00 prorated | 1,530.00 |
| 14. | 1 Eimco or equal mucking machine (1200) | 3,500.00 |
| 15. | 220-440 Diesel generator 50 k.w. $4,000.00 prorated | 1,465.00 |
| 16. | Panel and Electric installation $1,500.00 prorated | 544.00 |
| 17. | 1585' 3" Air line @ $115.00 lb. iron | 1,720.00 |
| 18. | 1585' 2" Water line @ $62.00 galvanized | 930.00 |
| 19. | 1585' 6" gauge vent line @ $60.00 | 900.00 |
| 20. | 24' x 20 compressor house and blacksmith shop $1,800.00 prorated | 650.00 |
| 21. | 10,000 B.M. 3 x 8 #1 rough | 1,100.00 |
| 22. | 10,000 B.M. 2 x 8 #1 rough | 1,000.00 |
| 23. | 4,000 B.M. 4 x 8 caps | 400.00 |
| 24. | 25 bundles of mine wedges | 70.00 |
| 25. | #45 Gelatin powder - 12 lb. per ft. @ $30.00 p.h. | 3,600.00 |
| 26. | caps $26.600/100 | 805.00 |
| 27. | 12 mine lights & electric charges | 800.00 |
| 28. | 24" 5 hp. squirrel cage blower for ventilation | 500.00 |
| 29. | 125 carabaloid drill bits @$14.00 each | 1,910.00 |
| 30. | 250 8'8" tips for stalls and posts | 375.00 |
| 31. | 10,000 gal. diesel fuel | 1,680.00 |
| 32. | 4,000 gal. gasoline | 1,200.00 |
| 33. | 300 lbs. common nails, assorted sizes | 50.00 |
| 34. | Miscellaneous air lines, valves and dampers | 450.00 |
| 35. | Miscellaneous motor oils and greases | 170.00 |

ITEM #1 (Cont.)

| | |
|---|---|
| Medical supplies, stretcher, etc. | $ 100.00 |
| 24 shifts preparation to starting portal, completion and installation of equipment | 2,640.00 |
| Engineering and survey | 2,392.00 |
| Equipment hauling charges, permits, insurance, loading and unloading | 3,500.00 |
| Power consumption @ $5.00 per day | 800.00 |
| Sub Total | $ 82,609.00 |
| Less pro rate of recovery | 3,650.00 |
| Total | $ 78,959.00 |

Per Foot: $49.75

ITEM #2: of 3 Items

1,000 ft. drift on the Ashland vein; pro rate factor .250

LABOR

| | |
|---|---|
| 100 working days, 2 shifts @ 10 linear feet per day (3 men per shift) $132.00 per day | $ 13,200.00 |
| Superintendent, $1,100.00 per month pro rated | 4,800.00 |
| Payroll taxes 15% | 2,800.00 |

EQUIPMENT AND MATERIAL

| | | |
|---|---|---|
| 1. | 2 - 365 CFM Diesel compressor, pro rate $9,000.00 | 3,240.00 |
| 2. | 2 - Jack leg drills | 3,080.00 |
| 3. | 2,000 linear ft. 16 lb. rail at $250.00 per ton | 1,266.00 |
| 4. | 4' x 8''air receiver | 800.00 |
| 5. | 500 ties @ $1.00 each | 500.00 |
| 6. | 315 lbs. rail spikes | 76.00 |
| 7. | 300 linear ft. air hose | 266.00 |
| 8. | 6 sets drill steel - 1, 2, and 3 lengths | 680.00 |
| 9. | Miscellaneous tools, shovels, picks, etc. $600. pro rated | 150.00 |
| 10. | Chain Saw $230.00 pro rated | 57.00 |
| 11. | Power gaining saw $230.00 pro rated | 57.00 |
| 12. | 3 - 21 cu. ft. 24 gauge dump cars @ $200.00 each | 600.00 |
| 13. | 24 gauge, 3 ton, 220-440 battery type locomotive $4,400.00 pro rated | 1,100.00 |
| 14. | 1 - Eimco or equal, 1200 mucking machine | 3,500.00 |
| 15. | 220-440 Diesel generator 50 k.w. $4,000.00 pro rated | 1,000.00 |
| 16. | Panel and Electric installation $1,500.00 pro rated | 377.00 |
| 17. | 1,000 3" Air line @ $115.00 per hundred feet Black iron | 1,150.00 |
| 18. | 1,000 2" Water line @ $62.00 per hundred feet galvanized | 620.00 |
| 19. | 1,000 6" gauge vent line @ $60.00 per hundred feet | 600.00 |
| 20. | 24" x 20 compressor house and blacksmithsshop $1,800.00 pro rated | 450.00 |
| 21. | 6,000 B.M. 3 x 8 #1 rough | 660.00 |
| 22. | 6,000 B.M. 2 x 8 #1 rough | 600.00 |
| 23. | 3,000 B.M. 4 x 8 caps | 300.00 |
| 24. | 15 bundles of mine wedges | 42.00 |
| 25. | #45 Gelatin powder | 2,080.00 |
| 26. | caps | 593.00 |
| 27. | 12 mine lights & electric charges | 580.00 |
| 28. | 24" 5 hp. squirrel cage blower for ventilation | 580.00 |
| 29. | 80 carabaloid drill bits @ $15.00 | 1,200.00 |
| 30. | 158 8'8" tips for stalls and posts | 230.00 |
| 31. | 6,300 gal. diesel fuel | 1,060.00 |
| 32. | 2,500 gal. gasoline | 760.00 |
| 33. | 190 lbs. common nails, assorted sizes | 30.00 |
| 34. | Miscellaneous air lines, valves and dampers | 280.00 |
| 35. | Miscellaneous motor oils and greases | 100.00 |

| | |
|---|---|
| 24 shifts preparation to starting portal, completion and installation of equipment | 2,600.00 |
| Engineering and survey | 2,300.00 |

ITEM #2 (Cont.)

| | |
|---|---|
| Equipment hauling charges, permits, insurance, loading and unloading | $ 2,000.00 |
| Power consumption @ $5.00 a day | 500.00 |
| Sub Total | $56,864.00 |
| Less recovery pro rate | 7,092.00 |
| Total | $49,772.00 |

Per Foot: $49.77

ITEM #3: of 3 Items
1,420 feet of 4,000 foot tunnel
3 exploratory drifts on Ashland and long tom;
pro rating factor .353

LABOR

| | |
|---|---|
| 142 working days, 2 shifts @ 10 linear feet per day (3 men per shift) $132.00 per day | $ 25,200.00 |
| Superintendent | 4,500.00 |
| Payroll Taxes 15% | 4,450.00 |

EQUIPMENT AND MATERIAL

| | | |
|---|---|---|
| 1. | 365 CFM Diesel compressor pro rated | 4,200.00 |
| 2. | 3,000 linear feet 16 lb. rail | 2,000.00 |
| 3. | 4' x 8' air receiver | 800.00 |
| 4. | 710 ties @ $1.00 each | 710.00 |
| 5. | 450 lbs. rail spikes | 108.00 |
| 6. | 300 linear foot air hose | 266.00 |
| 7. | 6 sets drill steel - 1, 2, and 3 lengths | 680.00 |
| 8. | Miscellaneous tools, shovels, picks, etc. pro rated | 153.00 |
| 9. | Chain saw pro rated | 74.00 |
| 10. | Power gaining saw pro rated | 74.00 |
| 11. | 2 - 21 cu. ft. 24 gauge dump cars | 400.00 |
| 12. | 24 gauge, 3 ton, 22-440 battery type locomotive pro rated | 1,570.00 |
| 13. | 220-440 Diesel generator 50 k.w. pro rated | 1,420.00 |
| 14. | Panel and electric installation pro rated | 537.00 |
| 15. | 1420' 3" Air line | 1,650.00 |
| 16. | 1420' 2" Water line | 885.00 |
| 17. | 1420' 6" gauge vent line | 860.00 |
| 18. | 24' x 20 compressor house and blacksmith shop-pro rated | 640.00 |
| 19. | 10,000 B.M. 3 x 8 #1 rough | 1,100.00 |
| 20. | 10,000 B.M. 2 x 8 #1 rough | 1,000.00 |
| 21. | 4,000 B.M. 4 x 8 caps | 400.00 |
| 22. | 25 bundles of mine wedges | 70.00 |
| 23. | #45 Gelatin powder | 2,950.00 |
| 24. | caps | 743.00 |
| 25. | 12 mine lights & electric charges | 827.00 |
| 26. | 24" 5 hp. squirrel cage blower for ventilation | 580.00 |
| 27. | 120 carbaloid drill bits @ $15.00 | 1,800.00 |
| 28. | 150 - 8'8" tips for stalls and posts | 225.00 |
| 29. | 8,950 gal. diesel fuel | 1,510.00 |
| 30. | 5,700 gal. gasoline | 108.00 |
| 31. | 200 lbs. common nails, assorted sizes | 30.00 |
| 32. | Miscellaneous air lines, valves, and dampers | 150.00 |
| 33. | Miscellaneous motor oils and greases | 140.00 |

(Medical supplies, stretcher, etc. - Charged on Item #1 not included in total for this page)

| | |
|---|---|
| 30 shifts preparation to starting 3 portals, completion and installation of equipment | 3,240.00 |

ITEM #3 (Cont.)

| | | |
|---|---|---|
| Engineering and survey, 10 shifts, 3 portals | $ | 906.00 |
| Equipment hauling charges, permits, insurance, loading and unloading - charged on Item #1 | | |
| Power consumption @ $5.00 per day | | 700.00 |
| Sub Total | $ | 67,756.00 |
| Pro rate of recovery | + | 3,356.00 |
| Total | $ | 64,400.00 |

Cost Per Foot: $45.53

## REHABILITATION WORK ON YORK VEIN

Clean out and timber approximately 100' of winze:

| | | |
|---|---|---|
| 1. | 3 mon, 10 shifts | $ 660.00 |
| 2. | 1,000 Bd. feet timber | 120.00 |
| 3. | 8,000 Bd. feet Logging | 800.00 |
| 4. | 300 lbs. Nails | 45.00 |

Clean out and timber approximately 250' of Drift:

| | | |
|---|---|---|
| 5. | 3 men, 30 shifts | 5,940.00 |
| 6. | 2,500 Bd. feet timber | 300.00 |
| 7. | 24,000 Bd. ft. logging | 2,000.00 |
| 8. | Air compressor rental value | 600.00 |
| 9. | Air tuggers rental value | 250.00 |
| 10. | Fuel oil ETC. at $5 | 200.00 |
| | TOTAL | $10,915.00 |

## 100' DRIFT OFF DEADMAN'S VEIN+

| | | |
|---|---|---|
| | 4 men per shift | |
| | 10 working days, 2 shift, 10 per day | $ 1,760.00 |
| | (Note: Extra man to run hoist) | |
| | Superintendent pro rated portion | 480.00 |
| | Payroll taxes 15% | 280.00 |
| | Equipment and all major items show prorated cost. | |
| 1. | Compressor | 320.00 |
| 2. | Driller | 308.00 |
| 3. | 200 Ft. Rail | 126.00 |
| 4. | 3 x 6 Air Receiver | 250.00 |
| 5. | 50 ties at $1.00 each | 50.00 |
| 6. | 31 Lbs. Rail spikes | 7.50 |
| 7. | Percentage cost of hose, drill, steel and other tools | 181.00 |
| 8. | 200 feet 2" Airline | 115.00 |
| 9. | 200 feet 1" Waterline | 60.00 |
| 10. | 200 feet 6" vent line | 120.00 |
| 11. | 600 Bd. Feet 3x8 | 66.00 |
| 12. | 600 Bd. Feet 2x8 | 660.00 |
| 13. | 300 Bd. Feet 4x8 caps | 30.00 |
| 14. | 2 bundles Mine wedges | 4.00 |
| 15. | #45 Blasting Powder | 2,008.00 |
| 16. | Caps | 60.00 |
| 17. | Mine lights & charges | 58.00 |
| 18. | 8 Carbaloid bits at $15.00 | 120.00 |
| 19. | 15 8'8" tips for stalls & posts | 23.00 |
| 20. | 630 gal. diesel fuel | 106.00 |
| 21. | 250 gal. gasoline | 76.00 |
| 22. | 100 lbs. nails | 15.00 |
| 23. | Miscellaneous valves and pipes | 28.00 |
| 24. | Miscellaneous oils and greases | 10.00 |
| | TOTAL | $40,915.50 |

## 1200 FEET CORE DRILLING PROGRAM

| | | |
|---|---|---|
| 1. | 3'Months, 2 shifts, 2 men per shift | $ 3,280.00 |
| 2. | 1200 gal. gasoline | 336.00 |
| 3. | Equipment cost at $300.00 per month | 600.00 |
| 4. | Bits, drillsteel & Parts | 1,000.00 |
| 5. | Site preparation @ $300.00 per hole | 3,600.00 |
| | TOTAL | $ 8,816.00 |

APPENDIX D
Application for Financial
Assistance
August 15, 1968
Portland, Oregon
February 22, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 18 1968
MINERALS CODE

The Ashland Mine, Incorporated,
Mr. Norman Easley, President
Portland, Oregon

Re: The Ashland Mine (gold)

Dear Sir,

At your request, I examined the surface exposures and the 250 foot level of the Ashland mine in southern Oregon. On my return to Portland, I prepared the accompanying map, which shows the important mine features, including a projection of the vein at the surface northerly and southerly from the main mine workings. In addition to my personal observations at the mine, I have utilized Mineral Survey No. 377, showing a plat of the claims as of January 8, 1900, and U. S. Geological Survey Quadrangles Ashland and Talent.

The mine is located approximately one mile by road north and west of Ashland. The lower end of the property and mill site are at elevation 2450, and the mine surface workings are at elevation 3350. The county road to the millsite is narrow but paved. The same road from the millsite to the mine workings is excavated in weathered diorite and can be maintained with reasonable care throughout the year.

This part of Oregon has a mild climate with 20 inches of rain allowing for trouble-free year round operation. Water for milling is available in the intermittent stream in the narrow gully at the property and from the mine workings. Electric power has been installed in the mill.

## GEOLOGY

The geological sequence of events in the formation and mineralization of the veins at the Ashland mine are as follows:

1. Intrusion of the quartz diorite in early Cretaceous followed by formation of the aplite dikes and segregations in the diorite andinclusions of small to relatively large blocks of the older mica schists and sandstones, caught up in the magma during stoping or intrusion.
2. Fracturing of the quartz diorite stock on cooling.
3. Subsidence and deposition of the Hornbrook formation of later Cretacious age and the Umpqua formation of Eocene or early Tertiary.
4. Uplift and intrusion of basalt, diorite and rhyolite dikes in late Tertiary (Pliocene) and a reopening and faulting along the older fissures and formation of new fissures in the Tertiary rocks.
5. Deposition of quartz, gold, sulphides of iron, copper and minor lead and zinc by hot ascending solutions in the open fractures.
6. Continued mineralization into the Pleistocene and possibly the Recent, depositing cinnabar, native quicksilver, and probably some near surface gold.

Quoting from Emerson's Economic Geology, chapter on Deposits Formed at Shallow Depths by Hot Solutions: "Practically all the quicksilver deposits the world over belong to this group." This fact, and the occurrence of similar gold mineralization in veins formed entirely in Tertiary host rocks in the same general

region as the Ashland mine suggest a Tertiary age to the gold and minor quicksilver of the Ashland mine. In this classification of ore bodies are those of the Comstock lode Goldfield and Tonapah, Nevada, Cripple Creek, Colorado, etc.

Three veins are exposed in the workings of the mine, namely: the Ashland vein, Deadman's vein and an undeveloped northwest vein in the cross-cut tunnel on the 250 foot level. The Deadman's vein is developed by a 90 foot shaft located near the top of the ridge, and the Northwest vein by the cross-cut only. The entire production from the mine so far, which has amounted to between $1,300,000 and $1,500,000, has come from the Ashland vein.

Two ore shoots are indicated by the workings as shown on the map. However, the area between the two may be stoped on the upper levels. There are no stopes under the York or North orebody from the 250 level, but the several raises indicate stopes above.

The vein above the 250 level south of the West Shaft is stoped to the shaft but is intact below the level on both sides of the shaft. The stope here appears to be quite wide, probably in excess of fifteen feet and is partially filled. The drift south is blocked off and appears to be filled.

The Ashland vein consists of a mineralized fault fissure in the diorite, which strikes approximately N 15° E and dips to the Southeast 40°. In the 250 foot level, it is 18 inches to 8 feet in width, enlarging at the West Side shaft to apparently 15 feet. In places, small horses or fault blocks of drag aplite are exposed in the fissure, and small dikes of aplite normal to the vein in the footwall are abruptly cut off at the hanging wall gouge. The vein filling, consisting of broken fragments and lenses of altered diorite and aplite, is mineralized with gold and silver bearing quartz, pyrite and minor amounts of copper oxides and limonite and copper carbonates and sulphates near the surface. The richer oxidized ores have deep green copper or heavy brown limonite stains.

The article on the mine in the Oregon Metal Mines Handbook Vol II, published by the Oregon State Bureau of Mines and Geology, gives a first-hand description of the property by Mr. H. V. Winchell and others during the operating periods. It is reprinted herein. Mr. Winchell was one of the best known and respected geologists of his time.

## FUTURE OPERATIONS AND RECOMMENDATIONS

Mr. Winchell states that the milling ore assayed from $3.00 to $30.00 per ton, averaging $13.00, which converted to present day gold prices would be $5.07 and $50.70 per ton, averaging $21.97. $21.97 per ton ore for an average width of 4 feet, a conservative estimate for the present exposed portions of the vein, can be mined and milled profitably at the present price of gold. The accompanying map showing the possible trace of the outcrop to the north of the mine workings shows a considerable section of the vein unexplored. The production areas of the mine show mineable ore in the West shaft orebody to below 900 feet on the dip of the vein and in the York shaft to a depthof 200 feet, and the ore was relatively continuous in the upper oxidized zone

between the two orebodies. Ore assaying $30 per ton is reported in the Mill tunnel (See map). Therefore, the unexplored section of vein between the Mill tunnel and the York orebody offers good prospects for producing ore at least to a depth similar to the York orebody.

The surface along the outcrop of the vein for a distance of 1800 feet to the south of the Mill tunnel is relatively flat and therefore not suitable for tunnel sites. The vein can be explored from elevation 2560 to the York orebody by a series of tunnels from the surface. This section of vein is approximately 4000 feet in length and could produce a considerable tonnage of ore. Similar prospects exist to the South of the West side shaft. This program should be preceded by exposure of the vein at the surface with a dozer where feasible.

The present mill has been operated as a custom plant on chrome ore and it worked satisfactorily for this purpose. It has a grinding capacity of fifty tons per day and is equipped for table concentration. Two small amalgamation plates have been installed ahead of the tables for gold recovery, but with little success. Tests made on the ore by the American Cyanimid Co. are reported to indicate that flotation should be used for the fine gold and a jig for the coarse. This procedure would also require a classifier in closed circuit with the ball mill in order to maintain proper grind for the flotation process.

Accordingly, the writer recommends that the owners of the property consider seriously appropriating funds for further geologic examination, mapping and sampling. The unexplored prospects described above merit an application to the United States Department of the Interior Office of Minerals Exploration for financial assistance with a drilling and drifting program to explore the virgin section of the vein.

Very truly yours,

David E. Loughran

David E. Loughran, E.M.

REPORT ON DAVID E.LOUGHRAN, E.M. (Continued)

1933-1934

Superintendent and part owner, Midas Gold Mining Company, Atlantic City, Wyoming

1934-1936

Tunnel inspector and Labor Foreman, Fort Peck Dam, Montana, Corps of Engineers

1936-1939

General Foreman, Snake Butte Quarry, Harlem, Montana, Corps of Engineers

1939-1942

Engineering Geologist, Chief Geologist, Tulsa District, Corps of Engineers, Tulsa, Oklahoma

1942-'946

Captain and Major, U. S. Army

1946-1956

Engineering Geologist, Chief Geologist, Tulsa District; Chief Foundation Section, Detroit Dam and The Dalles Dam, Oregon, Corps of Engineers

1956-present

Consulting geologist, Portland, Oregon

SUMMARY:

Experience includes mine examinations; mine supervision, and management; mill construction and operation; foundation studies for large structures; geology, mining methods; mine surveying and sampling; core boring; mining and excavation equipment.

# REPORT ON DAVID E. LOUGHRAN, E.M.

## EDUCATION:

Degree of E.M. (Engineer of Mines), 1919, School of Mines, University of Montana, Butte, Montana

## EXPERIENCE:

1914-1919

Student, School of Mines
Practical miner and sampler; summer and part time.
Anaconda Copper Mining Company, Butte, Montana.

1919-1920

Mine foreman
Goldsmith Mine, Butte, Montana

1920-1922

Mine Superintendent, Corbin Copper Co., and Alta Consolidated Mining Company, Wicks, Montana

1922-1923

Mine Superintendent, Timoblack Mining Co.
Butte, Montana
Mining Engineer, Champion Mine
Race Track, Montana

1923-1925

Mining Engineer and shift boss, mill man,
Jib Consolidated Mining Co., Basin, Montana

1925-1926

Superintendent of Mines, Anaconda Copper Mining Company, Rico, Colorado

1926-1931

Geologist, Anaconda Copper Mining Company,
Salt Lake City, Utah

1931-1933

President and General Manager, Sacramento Gold and Quicksilver Mining Company, Mercur, Utah

shoots and bunches throughout the mine, and runs from $50 to $500 per ton in gold, averaging about $100. The milling ore carries from $3 to $30 per ton in gold and during the year 1898 averaged about $13 per ton. About 55 percent of the gold is recovered from the plates, and about 10 percentis obtained from the concentrates. The last ore milled produced concentrates worth about $75 per ton as compared with an average value of $50 to $60 per ton, indicating increased value with depth.

"Two principal ore shoots are known in the mine, although a large portion of the ore outside of these shoots would pay for treatment, and although more orless scattered bodies of shipping ore are encountered everywhere in the vein, suggestive of similar and more continuous as well as larger bodies in depth.

"The best defined and most regular ore shoot is that formerly worked through the York shaft and now producing ore in the upper and lower adits. This ore is largely oxidized and is worth from $25 to $40 per ton; the shoot pitches toward the south at an angle which decreases considerably about 200 feet above the lower adit.

"Another ore shoot has been worked in the West shaft, and produced shipping and milling ores to the lowest levels reached. This ore was not so much oxidized, but in places it was very rich, some large masses showing free gold and rich sulphides all over the fractured surfaces.

"These two ore shoots seem to converge downwards and there is good reason to believe that they are either upward branches of onelarge ore body or that they will be found close together forming a large and rich deposit at greater depth.

"According to J. P. Burrall, of New York, the ore north of the shaft was regular in quantity, but of rather low grade; south of the shaft the ore contained more quartz and pyrite and was of higher grade. Large bunches of pyrite were sorted out for shipment to a smelter. Near the shaft the ore was irregular both in quantity and value, but evidently grew better in both respects as the work progressed to the south. A mill run made in March, 1899, yielded about $40 a ton on the plates and a concentrate carrying about $325 a ton. At that date the development work was reaching an important ore shoot which pitched to the south. The high grade pyrite sulphide ore contained free gold, recoverable by panning, while low grade ore of similar appearance yielded nothing on panning.

"Soon afterward the mine was closed by injunction proceedings brought by owners of adjoining ground, and very little work, aside from the construction of a 10-stamp mill, has been done since.

"In 1898 and 1899 the ore from the Ashland mine was treated in a 5-stamp mill operated by water power. It was located at the city of Ashland, about four miles from the mine. The cost of hauling ore from the mine to the mill was between $0.75 and $1.00 per ton. Since then a 10-stamp mill has been erected at the mouth of the West shaft at an elevation of 3,350 feet by aneroid. It is equipped with a 6 by 10 Blake crusher, two 5-stamp batteries, Challenge feeders, two 5 by 15 foot amalgamating plates in sections of 7 1/2 feet, and two 6-foot Johnston vanners.

The mill has been but slightly used. Both mill and hoist were operated by steam from a horizontal fire-tube boiler, which is still on the ground.

"The prospects for making a valuable and important gold mine at the Ashland are very unusually good and it is to be hoped that difficulties in regard to ownership may be adjusted so that development may proceed.

"This mine has recently been taken over by Mr. A. W. Bartlett, of Ashland, Oregon and associates. Mr. Bartlett proposes to mine and mill a large tonnage of ore above the 250-foot level in the old stopes and in the wall rocks, where he claims sufficient mineralization has taken place to allow them to be worked with profit. Mr. Bartlett purchased a part of the mill machinery of the Braden mine and installed it at the Ashland during August and September, 1916"

Under the present ownership the mine was opened in 1931 and milling began in 1933. The mine was closed late in 1939, and then reopened in 1941.

General: Water supply is limited but can be increased by pumping from the mine. Timber is sufficient for mining needs. There is insufficient snowfall to hamper operations. A county road leads to the mine property. There is unlimited space for dumps. Power (3 phase, 220 volt) is delivered to the mine.

Production: Production previous to present operations is reported to have been about $1,300,000, partly from shipping ore but mostly from milling ore treated at the old five-stamp mill formerly located at Ashland. A continuous, modest production has been maintained under present operations from 1933 - 1939, entirely from milling at the new Ashland plant.

Development: In round numbers: Original tunnels 6,000 feet; shafts 1,100 feet; raises 1,500; new development, 2,400 feet; total 11,000 feet. Development explores the vein for a depth of about 1,200 feet on the dip.

Equipment: Ten-stamp mill buildings, bins, etc., all new. Mine equipment includes: Compressors, drills, air lines, pumps, hoists, water lines, storage tank, cars, skips, tracks, drill-sharpener, shop equipment, tools, etc. Mill equipment inclused: stamp mill, plates, rock crusher, concentrating table, cyanide tanks, with piping, shafting, pulleys, belting, etc., complete. Power equipment includes: 1-75 H.P. electric motor, 1-20 H. P. electric motor, and 1-3 H.P. electric motor, complete with starters, switches, etc.

Geology: Country rock is reported as tonalite by Winchell (14) and as granodiorite by Wells (39). The vein is a "fissure vein" about 4-12 feet wide. It strikes NE-SW and dips 45° SE.

There are two principal ore shoots proven in the main workings--a north shoot and a south shoot. On the north shoot less is known, but the south shoot occupies a zone ranging between 300 and 400 feet in length with a rake of some 45° northeast. These shoots are separated by about 600 feet along the vein, but recent development has disclosed considerable ore in the zone between and may prove eventually either

a center shoot or that the shoots are practically connected on certain planes. The ores are usually massive quartz containing metallic gold and silver as well as some galena and pyrite. The quartz is white to bluish to nearly black in color.

Throughout the history of the mine, milling ores have assayed from $5.00 to $40.00 per ton. Shipping ores have assayed $79.00 to $240.00 per ton. Free gold amount to 65-95 percent. Gold bullion has assayed 740-780 fine and concentrates from $150.00 to $350.00 per ton. The production from ores treated during 1934, 1935, and 1936 has been in excess of 90 percent from free gold and less than 10 percent from concentrates.

No exact estimate of available tonnage and value of ore has been made. Early mining was confined to a grade of ore exceeding $15.00 per ton in value and this led to removal of the better ores developed about the main working level. Size and values or ore bodies have shown a marked increase with depth; the highest values now being encountered are on the "900" level, north.

Ore Treatment: Stamp milling is followed by amalgamation and concentration. Cyanidation was tried but found unnecessary on ores from the lower levels where values are mostly in coarse free gold.

Recovery on ores now being treated by amalgamation and gravity concentration is approximately 90 percent, largely due to the clean character of the ore and presence of coarse free gold. Tailings are being impounded for future treatment.

Informant: P. B. Wickham, 1939

Reference: Parks & Swartley, 16; 16 (quoted)
Burch, 41: 107

REPRINT FROM OREGON METAL MINES HANDBOOK Vol. II

ASHLAND MINE (gold) Ashland area

Owner: P. B. Wickham, Ashland, Oregon

LOCATION: E 1/2 sec. 12, t. 39 S., R. 1 W., three miles northwest of the City of Ashland at an elevation of 3,500 feet.

Area: 276 acres of patented land.

History: Parks & Swartley reported as follows:

"The Ashland mine is opened by means of the West shaft, about 900 feet deep, as measured on the incline of about 38°, reaching a vertical depth of about 800 feet beneath the top of the ridge. It is opened further by an adit, cross-cutting westward about 500 feet to the vein and drifting on the vein about 1,500 feet to the shaft at a depth of 250 feet on the incline. The vein is also reached by the York shaft and an upper adit connected therewith. The chief vein has an average strike of N. 19° E. and a dip of about 40° E. There are two important ore shoots in the vein, one being opened by the York shaft and the other by the West shaft. Both pitch to the south and seem to converge downward. Most of the ore above the adit level has been removed. The vein is regular and persistent, varying in thickness from 2 to 12 feet; the quartz varies in thickness from 0 to 10 feet and occurs in lenses reported to pitch to the south. The vein varies only gently in strike and dip and is not faulted sofar as open to inspection. It is in a country rock of coarse tonalite, fine-grained diorite, hornblendite and mica schist cut by a few dikes of aplite. The aplite is much more abundant on the hillsides of the mine than it is in the workings.

"According to information received from H. V. Winchell of Minneapolis, who examined this mine in 1899, there are several quartz veins on the Ashland ground, only two of which have been developed.

"In size the veins vary from a foot to ten or twelve feet in thickness and some of their outcrops can be traced for considerable distances across the Ashland claims. Near the surface and to a depth of one hundred feet or more the veins are oxidized and the sulphides have been removed by leaching. Below this depth, however, the ore is still free-milling showing that the gold is mechanically associated with the pyrite instead of occurring in such an intimate admixture or combination that the ore is refractory and only to be treated by some chemical process like smelting or cyaniding.

"The vein filling is quartz and pyrite with more or less country rock. The walls are very smooth and well defined and there is always a gouge or selvage that makes easy mining or stoping of the ore.

"The vein on which the greatest amount of development work and mining has been done varies in thickness from two to twelve feet. The ore is of two grades, shipping ore and milling ore. The shipping ore occurs in somewhat irregular

ASSOCIATED GEOLOGISTS
2814 FAVILL LANE
GRANTS PASS, OREGON - 97526
479-4116

Preliminary Examination of the Ashland Mine, Sec. 1 & 12, Twp. 39S., R. 1, W. W. M., Sec. 6 & 7, Twp. 39S., R. 1 E. W. M., Jackson County, Oregon

## 1. INTRODUCTION

### A. Purpose & Scope:

The purpose of this examination was to determine the economic potential of the Ashland Mine in respect to ore-reserves above the 350 ft. level. In addition, mapping and sampling of new sections of the vein were undertaken to determine if new reserves exist in areas of the mine not previously developed.

### B. Location & Climate:

The Ashland Mine is approximately 3/4 of a mile west of the city of Ashland at an elevation ranging from 2,430 ft. above sea-level at the mill adit to 3,360 ft. at the apex of the vein at the York shaft. The mine area is traversed by a good road, which from the mill to town is hard-surfaced. The mine is accessible all year around with a mild climate that enables work to be carried on at the highest levels during the winter months. The mine and mill are located near a good water supply which can be expanded by damming the main streams and utilizing the water associated with the Ashland vein structure.

### C. Acknowledgments:

The writer wishes to express his appreciation to Mr. E. McTimmonds, Mr. C. Smith, and Mr. B. Cassaway for their assistance in the examination and to Mr. Len Ramp, State Geological Department, for his cooperation.

## II SUMMARY

The Ashland Mine contains a vein that has been exposed by mapping on the surface and by underground development for 5,000 ft. in length and

approximately 900 ft. in depth. The strike of the vein has not actually been followed either on the surface or underground for its entire 5,000 ft. of length but the mapping of the vein structure indicates that the southern-most point of the vein (west shaft area and the northern-most point mill adit),(See Map.) have the same attitude, i. e. dip and strike and that structurally they can be projected to be the same vein. In addition to structural features, the vein occupies the same geological environment at both the north and south ends. i. e. the rock types and vein material present are the same. The vein is in the same relative position to the contact of the tonalite and the vein host rock-the biotite hornblende diorite-mica schist rock phase.

The vein varies in width from 2 ft. to over 20 ft. In some places the vein consists of all quartz and in other places the vein contains no quartz but is made up of sheared altered rock and clay gouge. No matter what the vein filling, or the rock-type in the walls, the hanging wall is well-defined. The footwall is not always as well defined. An interesting feature of the vein is that nearly all the intersecting veins and dykes cut into the Ashland vein from the footwall side. It is apparent from the old workings that the ore-shoots in the vein are related to intersections of veinlets in the footwall. Over 100 samples were taken in the old workings from the 350 ft. level up. These samples did not indicate any large shoots of ore to be present in the old workings; however, some small, high-grade shoots do remain but under present economic conditions it is doubtful whether they could be mined at a profit.

3 samples taken at the mill adit at point of intersection of the x-cut with the vein indicated that the vein is mineralized at this level. The samples taken were not sufficient to indicate ore; however, this does not rule out the possibility of ore-shoots being present in the vein at this locality. The presence of an ore shoot could be determined only by additional exploration work.

It must be pointed out that the mill adit is approximately the same level as the 900 ft. level of the west shaft. Free gold and a good sulfide ore-shoot were mined on the 900 ft. level of the west shaft area indicating that the ore goes to this depth.

## 111 CONCLUSIONS

It is the writer's opinion based on the sampling of the old workings that the ore-shoots remaining are too small to be mined profitably at this time.

The mapping and sampling do indicate that the Ashland vein is mineralized throughout a length of 5,000 ft (+) and to a depth of at least 900 ft. The mineralization is too sparse in much of the vein to constitute ore; however, the records show that the ore occurs in localized shoots within the vein and that these shoots of ore have produced in excess of $1,500,000.00. This production has come from 2 shoots 1500 ft. apart. Therefore there probably exists other ore-shoots of equal value in this vein structure.

This report is respectfully submitted in Grants Pass, Oregon, this 15th day of December, 1964 by

ASSOCIATED GEOLOGISTS

Lloyd E. Frizzell, B. Sc.

ASSOCIATED GEOLOGISTS
2814 FAWN LANE
GRANTS PASS, OREGON 97526
Phone 479-4114

#2.

# ASSAY CERTIFICATE

## A. H. WOODWELL

Sumpter, Oregon, July 13-18 19 64

M Associated Geologists

2814 Favill Lane, Grants Pass, Oregon 97526

| SAMPLE NO. | OWNER'S MARK ON SAMPLE | GOLD | | | SILVER | | | TOTAL VALUE PER TON | | PERCENTAGE OF | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Oz. per Tn. | Value per Ton | | Oz. per Tn. | Value per Ton | | | | | | |
| 13066 | #9 | .06 | $ 2 | 10 | tr | | | $ 2 | 10 | | | |
| 13067 | 10 | tr | | | no | | | | | | | |
| 13068 | 11 | .02 | | 70 | no | | | | 70 | | | |
| 13069 | 12 | .02 | | 70 | no | | | | 70 | | | |
| 13070 | 13 | tr | | | no | | | | | | | |
| 13071 | 14 | .04 | 1 | 40 | no | | | 1 | 40 | | | |
| 13072 | 15 | .02 | | 70 | .10 | $ | 12 | | 82 | | | |
| 13073 | 16 | tr | | | no | | | | | | | |
| 13074 | 17 | tr | | | no | | | | | | | |
| 13075 | 18 | tr | | | .10 | | 12 | | 12 | | | |

A H Woodwell Assayer

#1.

# ASSAY CERTIFICATE

## A. H. WOODWELL

Sumpter, Oregon, July 13-18 19 64

M. Associated Geologists

2814 Pavill Lane, Grants Pass, Oregon 97526

| SAMPLE NO. | OWNER'S MARK ON SAMPLE | GOLD Oz. per Tn. | GOLD Value per Ton | | SILVER Oz. per Tn. | SILVER Value per Ton | | TOTAL VALUE PER TON | | PERCENTAGE OF | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 13055 | #1-B | .02 | $ | 70 | no | | | $ | 70 | | | |
| 13056 | 1-T | .06 | 2 | 10 | no | | | 2 | 10 | | | |
| 13057 | 2-B | no | | | no | | | | | | | |
| 13058 | 2-T | tr | | | tr | | | | | | | |
| 13059 | 3 | .34 | 11 | 90 | 1.12 | $ 1 | 44 | 13 | 34 | | | |
| 13060 | 4 | .46 | 16 | 10 | .60 | | 77 | 16 | 87 | | | |
| 13061 | 5 | .04 | 1 | 40 | .05 | | 06 | 1 | 46 | | | |
| 13062 | 6 | .03 | 1 | 05 | .05 | | 06 | 1 | 11 | | | |
| 13064 | 7 | .06 | 2 | 10 | .10 | | 12 | 2 | 22 | | | |
| 13065 | 8 | .14 | 4 | 90 | .60 | | 77 | 5 | 67 | | | |

A H Woodwell Assayer

#3.

# ASSAY CERTIFICATE

A. H. WOODWELL

Sumpter, Oregon, July 13-18 19 64

M Associated Geologists

2814 Favill Lane, Grants Pass, Oregon

| SAMPLE NO. | OWNER'S MARK ON SAMPLE | GOLD Oz. per Tn. | GOLD Value per Ton | SILVER Oz. per Tn. | SILVER Value per Ton | TOTAL VALUE PER TON | PERCENTAGE OF |
|---|---|---|---|---|---|---|---|
| 13076 | #19 | .01 | $ 35 | no | | | |
| 13077 | 20 | tr | | no | | | |
| 13078 | 21 | .02 | 70 | no | | $ 70 | |
| 13079 | 22 | .02 | 70 | no | | 70 | |
| 13080 | 23 | .01 | 35 | no | | 35 | |
| 13081 | 24 | tr | | no | | | |
| 13082 | 25 | tr | | no | | | |
| 13083 | 26 | no | | no | | | |
| 13084 | 27 | .06 | 2 10 | tr | | 2 10 | |
| 13085 | 28 | tr | | no | | | |

A H Woodwell Assayer

#4.

# ASSAY CERTIFICATE

## A. H. WOODWELL

Sumpter, Oregon, July 13-18 19 64

M Associated Geologists

2814 Favill Lane, Grants Pass, Oregon 97526

| SAMPLE NO. | OWNER'S MARK ON SAMPLE | GOLD Oz. per Tn. | GOLD Value per Ton | | SILVER Oz. per Tn. | SILVER Value per Ton | | TOTAL VALUE PER TON | | PERCENTAGE OF | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 13086 | #29 | .06 | $ 2 | 10 | tr | | | $ 2 | 10 | | | |
| 13087 | 30 | .04 | 1 | 40 | tr | | | 1 | 40 | | | |
| 13088 | 32 | .02 | | 70 | no | | | | 70 | | | |
| 13089 | 33-T | .06 | 2 | 10 | .20 | $ | 25 | 2 | 35 | | | |
| 13090 | 33-B | .02 | | 70 | no | | | | 70 | | | |
| 13091 | 37-T | .18 | 6 | 30 | .10 | | 12 | 6 | 42 | | | |
| 13092 | 37-B | .06 | 2 | 10 | .20 | | 25 | 2 | 35 | | | |
| 13093 | 38 | .02 | | 70 | tr | | | | 70 | | | |
| 13094 | 39 | .04 | 1 | 40 | no | | | 1 | 40 | | | |
| 13095 | 40 | .02 | | 70 | no | | | | 70 | | | |

A H Woodwell Assayer

#5.

# ASSAY CERTIFICATE

## A. H. WOODWELL

Sumpter, Oregon, July 13-18 19 64

M Associated Geologists

2814 Fayill Lane, Grants Pass, Oregon 97526

| SAMPLE NO. | OWNER'S MARK ON SAMPLE | GOLD | | | SILVER | | | TOTAL VALUE PER TON | | PERCENTAGE OF | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Oz. per Tn. | Value per Ton | | Oz. per Tn. | Value per Ton | | | | | | |
| 13096 | #41 | .02 | $ | 70 | no | | | $ | 70 | | | |
| 13097 | 42 | .04 | 1 | 40 | no | | | 1 | 40 | | | |
| 13098 | 42-Grab | .04 | 1 | 40 | .10 | $ | 12 | 1 | 52 | | | |
| 13101 | 43 | .22 | 7 | 70 | .30 | | 38 | 8 | 08 | | | |
| 13102 | 44 | .04 | 1 | 40 | .40 | | 51 | 1 | 91 | | | |
| 13103 | 45 | .04 | 1 | 40 | .40 | | 51 | 1 | 91 | | | |
| 13104 | 46 | 3.72 | 130 | 20 | 3.40 | 4 | 38 | 134 | 58 | | | |
| 13105 | 47 | tr | | | tr | | | | | | | |
| 13106 | 48 | .02 | | 70 | no | | | | 70 | | | |
| 13107 | 49 | .40 | 14 | 00 | .40 | | 51 | 14 | 51 | | | |

A H Woodwell Assayer

#3.

# ASSAY CERTIFICATE

## A. H. WOODWELL

Sumpter, Oregon, July 13-18 19 64

M. Associated Geologists

2814 Favill Lane, Grants Pass, Oregon 97526

| SAMPLE NO. | OWNER'S MARK ON SAMPLE | GOLD Oz. per Ton | GOLD Value per Ton | | SILVER Oz. per Ton | SILVER Value per Ton | | TOTAL VALUE PER TON | | PERCENTAGE OF | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 13108 | # 50-T | .06 | $ 2 | 10 | .20 | $ | 25 | $ 2 | 35 | | | |
| 13109 | 50-B | tr | | | no | | | | | | | |
| 13110 | 51 | .04 | 1 | 40 | .20 | 1 | 25 | 1 | 95 | | | |
| 13111 | 52 | .02 | | 70 | 1.40 | 1 | 80 | 2 | 50 | | | |
| 13112 | 53 | tr | | | no | | | | | | | |
| 13113 | 54 channel cut | tr | | | no | | | | | | | |
| 13114 | 54 grab | tr | | | no | | | | | | | |
| 13115 | 55 | .02 | | 70 | no | | | | 70 | | | |
| 13116 | 56 | .38 | 13 | 30 | 1.00 | 1 | 29 | 14 | 59 | | | |
| 13117 | 57 grab | .84 | 29 | 40 | 1.20 | 1 | 54 | 30 | 94 | | | |

A H Woodwell Assayer

#7.

# ASSAY CERTIFICATE

A. H. WOODWELL

Sumpter, Oregon, July 13-18 19 64

M Associated Geologists

2814 Favill Lane, Grants Pass, Oregon 97526

| SAMPLE NO. | OWNER'S MARK ON SAMPLE | GOLD Oz. per Tn. | GOLD Value per Ton | SILVER Oz. per Tn. | SILVER Value per Ton | TOTAL VALUE PER TON | PERCENTAGE OF |
|---|---|---|---|---|---|---|---|
| 13118 | #58 | .05 | $ 1 05 | .10 | $ 12 | $ 1 17 | |
| 13119 | 59 | .02 | 70 | tr | | 70 | |

A H Woodwell Assayer

# ASSAY CERTIFICATE

A. H. WOODWELL.

Sumpter, Oregon, July 29-Aug. 5 19 64

M Associated Geologists

2814 Favill Lane, Grants Pass, Oregon

| SAMPLE NO. | OWNER'S MARK ON SAMPLE | GOLD Oz. per Tn. | GOLD Value per Ton | | SILVER Oz. per Tn. | SILVER Value per Ton | | TOTAL VALUE PER TON | | PERCENTAGE OF | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 13130 | #60 | .03 | $ 1 | 05 | .20 | $ | 25 | $ 1 | 30 | | | |
| 13131 | 61 | .02 | | 70 | .15 | | 19 | | 89 | | | |
| 13132 | 62 | tr | | | no | | | | | | | |
| 13133 | 63 | tr | | | no | | | | | | | |
| 13134 | 64 | tr | | | no | | | | | | | |
| 13135 | 65 | tr | | | no | | | | | | | |
| 13136 | 66 | .02 | | 70 | no | | | | 70 | | | |
| 13137 | 67 | .02 | | 70 | no | | | | 70 | | | |
| 13138 | 68 | tr | | | no | | | | | | | |
| 13139 | 69 | .03 | 1 | 05 | .05 | | 06 | 1 | 11 | | | |

A H Woodwell Assayer

# ASSAY CERTIFICATE

A. H. WOODWELL

Sumpter, Oregon, July 29-Aug. 5 19 64

M Associated Geologists

2814 Favill Lane, Grants Pass, Oregon

| SAMPLE NO. | OWNER'S MARK ON SAMPLE | GOLD Oz. per Tn. | GOLD Value per Ton | | SILVER Oz. per Tn. | SILVER Value per Ton | | TOTAL VALUE PER TON | | PERCENTAGE OF | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 13143 | #70 | .62 | $21 | 70 | .40 | $ | 51 | $ 22 | 21 | | | |
| 13144 | 71 | .07 | 2 | 45 | no | | | 2 | 45 | | | |
| 13145 | 72 | .02 | | 70 | no | | | | 70 | | | |
| 13146 | 73 | .24 | 8 | 40 | .40 | | 51 | 8 | 91 | | | |
| 13147 | 74 | .06 | 2 | 10 | .20 | | 25 | 2 | 35 | | | |
| 13148 | 75 | .02 | | 70 | no | | | | 70 | | | |
| 13149 | 76 | tr | | | no | | | | | | | |
| 13150 | 77 | .02 | | 70 | .10 | | 12 | | 82 | | | |
| 13151 | 78 | tr | | 05 | .05 | | 06 | | 06 | | | |
| 13152 | 79 | tr | | | .05 | | 06 | | 06 | | | |

A H Woodwell Assayer

# ASSAY CERTIFICATE

## A. H. WOODWELL

Sumpter, Oregon, July 29- Aug. 5 19 64

Associated Geologists

2814 Favill Lane, Grants Pass, Oregon

| SAMPLE NO. | OWNER'S MARK ON SAMPLE | GOLD Oz. per Tn. | GOLD Value per Ton | | SILVER Oz. per Tn. | SILVER Value per Ton | | TOTAL VALUE PER TON | | PERCENTAGE OF | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 13165 | 90 | tr | $ | | .10 | $ | 12 | $ | 12 | | | |
| 13166 | 91 | tr | | | .05 | | 06 | | 06 | | | |
| 13167 | 92 | tr | | | .40 | | 51 | | 51 | | | |
| 13168 | 93 | .02 | | 70 | .05 | | 06 | | 76 | | | |
| 13169 | 94 | .02 | | 70 | no | | | | 70 | | | |
| 13170 | 95 | 1.08 | 37 | 80 | .40 | | 51 | 38 | 31 | | | |
| 13171 | 96 | .03 | 1 | 05 | .05 | | 06 | 1 | 11 | | | |
| 13172 | 97 | tr | | | no | | | | | | | |
| 13173 | 98 | .02 | | 70 | .10 | | 12 | | 82 | | | |
| 13174 | 99 | .03 | 1 | 05 | .05 | | 06 | 1 | 11 | | | |

A H Woodwell Assayer

# ASSAY CERTIFICATE

October 1 1964

Norman L. Easley

Ashland Mine. Ashland, Oregon

| Owner's Marks on Sample | GOLD Ozs per Ton | GOLD Value per Ton | | SILVER Ozs per Ton | SILVER Value per Ton | | TOTAL VALUE PER TON | | PERCENTAGE OF | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| No. 1 Disc. 16" | .70 | $24. | 50 | - | - | - | $24. | 50 | | | | |
| No. 2 Disc. 3½" | .64 | $22 | 40 | - | - | - | $22. | 40 | | | | |
| No. 3 H.W. | trace | - | - | - | - | - | Trace | | | | | |
| No. 4 N.W. | .01 | $--. | 35 | - | - | - | $--. | 35 | | | | |
| Concentrates. | .69 | $24. | 15 | - | - | - | $24. | 15 | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |

$15.00

Carl W. Yates. Yreka, California ASSAYER

Additional samples taken at the Mill Adit by Ben F. Gassaway.

# ASSAY CERTIFICATE

A. H. WOODWELL

Sumpter, Oregon, July 29 - Aug. 5 19 64

M[illegible]ciated Geologists

2814 Favill Lane, Grants Pass, Oregon

| SAMPLE No. | OWNER'S MARK ON SAMPLE | GOLD Oz. per Tn. | GOLD Value per Ton | | SILVER Oz. per Tn. | SILVER Value per Ton | | TOTAL VALUE PER TON | | PERCENTAGE OF | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 13175 | | .06 | $ 2 | 10 | .15 | $ | 19 | $ 2 | 29 | | | |
| 13176 | | .03 | 1 | 05 | no | | | 1 | 05 | | | |
| 13177 | | tr | | | no | | | | | | | |
| 13178 | | tr | | | no | | | | | | | |
| 13179 | | tr | | | no | | | | | | | |
| 13180 | | tr | | | no | | | | | | | |
| 13181 | | .02 | | 70 | no | | | | 70 | | | |
| 13182 | | .10 | 3 | 50 | .20 | | 25 | 3 | 75 | | | |
| 13183 | | tr | | | no | | | | | | | |
| 13184 | | .03 | 1 | 05 | tr | | | 1 | 05 | | | |

A H Woodwell Assayer

# ASSAY CERTIFICATE

December 12 1964

Norman L. Easley

11607 S.W. Military Road, Portland 19, Oregon

| Owner's Mark on Sample | GOLD | | SILVER | | TOTAL VALUE PER TON | PERCENTAGES OF | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Ozs per Ton | Value per Ton | Ozs per Ton | Value per Ton | | Cu | | | |
| 183 | .54 | $18.90 | 2.60 | $3.35 | $22.25 | .11 | | | |
| 184 | 2.03 | 71.05 | 6.72 | 8.67 | $79.72 | .76 | | | |

[illegible] you but I had them
[illegible] by Eisenhower [illegible]
Carl Yates

Carl W. Yates
ASSAYER
Carl W. Yates. Yreka, California

CYANAMID

AMERICAN CYANAMID COMPANY
EXPLOSIVES AND MINING CHEMICALS DEPARTMENT
500 SOUTH 2ND WEST, SALT LAKE CITY, UTAH 84110
AREA CODE 801 328-0651

1430 Harvard Way Reno, Nevada

November 10, 1964

Mr. Ben Gassaway
Ashland Mine
Ashland Mine Road
Ashland, Oregon

Dear Mr. Gassaway:

We have completed our preliminary flotation test work and microscopic examination of your Ashland Mine gold ore. The microscopic examination indicated that flotation would be the best way to treat this gold ore.

Under separate cover, we are sending samples from our flotation tests. Please have these samples assayed for gold, silver, and copper. Upon receipt of your assays, we will submit a formal report.

Yours very truly,

AMERICAN CYANAMID COMPANY

R. W. Adams

R. W. Adams, Field Engineer
Explosives & Mining Chemicals Dpe.

RWA

CYANAMID

AMERICAN CYANAMID COMPANY
EXPLOSIVES AND MINING CHEMICALS DEPARTMENT
560 SOUTH 2ND WEST, SALT LAKE CITY, UTAH 84110
AREA CODE 801 328-0651

1430 Harvard Way Reno, Nevada

January 12, 1965

Mr. Norman L. Easley
11607 S. W. Military Road
Portland, Oregon

Dear Mr. Easley:

Attached please find a copy of flotation test log sheet No. 1. This sheet outlines our preliminary test on a sample of Ashland Mine Ore.

From the attached log sheet, you may note that 75% of the gold, 63% of the silver, and 86% of the copper were recovered in a concentrate. This concentrate assayed 33.6 oz. Au/t, 94.5 oz. Ag/t, and 14.5% copper.

Microscopic examination of the flotation tailing indicated that this ore will require finer grind than achieved in our test. Major amounts of silver and copper minerals were locked with insol in the plus 65 mesh portion of the tailing. Also, some coarse gold did not float. This gold could easily be recovered with a jig in your grinding circuit.

We have attached a color photograph of the flotation concentrate taken at a magnification of 183 diameters. In this photograph, you may note the large amount of chalcocite. Since this mineral consumes cyanide, it would not be economical to treat your ore by cyanidation.

If you have any questions concerning this test work, please feel free to call on us.

Yours very truly,

AMERICAN CYANAMID COMPANY

[illegible]

[illegible]/nf
cc: Mr. Don Galloway
Ashland Mine
Ashland, Oregon

| Point of Addition | Conditions: Time Min. | % Solids | pH | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Flotation | 4 | 25 | 7.2 | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |

REMARKS 301 Designates AERO Xanthate 301
208 " AEROFLOAT 208 Promoter
15 " AEROFLOAT 15 Promoter

METALLURGICAL RESULTS

| Product | Weight % | Weight GMS | | Assays Au oz/to | Assays Ag oz/t | Assays Cu % | | | % Distribution Au | % Distribution Ag | % Distribution Cu | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Head* | 100. | 00 | | 2.03 | 6.72 | 0.76 | | | 100.0 | 100.0 | 100.0 | |
| | | | | | | | | | | | | |
| Tail | 95. | 51 | | 0.54 | 2.60 | 0.11 | | | 25.5 | 36.9 | 14.5 | |
| Concentrate | 4. | 49 | | 33.61 | 94.5 | 14.5 | | | 74.5 | 63.1 | 85.5 | |
| | | | | ** | ** | ** | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |

RATIO OF CONCENTRATION

REMARKS

* 1 ton run - 9/15/64
** Calculated

Grind: 11.3% + 65 mesh

# ASSAY CERTIFICATE

A. H. WOODWELL

Sumpter, Oregon, July 29- Aug. 5 19 64

M. ciated Geologists

2814 Favill Lane, Grants Pass, Oregon

| SAMPLE NO. | OWNER'S MARK ON SAMPLE | GOLD Oz. per Tn. | GOLD Value per Ton | | SILVER Oz. per Tn. | SILVER Value per Ton | | TOTAL VALUE PER TON | | PERCENTAGE OF | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 13165 | | .03 | $ 1 | 05 | tr | $ | | $ 1 | 05 | | | |
| 13166 | | .12 | 4 | 20 | .10 | | 12 | 4 | 32 | | | |
| 13167 | | .03 | 1 | 05 | no | | | 1 | 05 | | | |
| 13168 | | 1.36 | 47 | 60 | .40 | | 51 | 48 | 11 | | | |
| 13169 | | tr | | | no | | | | | | | |
| 13191 | | | | | | | | | | | | |

A H Woodwell Assayer

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 5/5/69 | E Peterson | 120 |
| 5/5/69 | Kirkemo | 120 |
| 5/6 | Kilgore | |
| 5/1 | Clyne | |
| | | |
| | | |
| | | |
| | | |
| | | 220 |

MAY 8 1969

AIRMAIL

Mr. Jack Saunders
President
A V C O Mines
543 Third Street
Lake Oswego, Oregon 97034

Re: OME-6753 (Gold-Silver)
A V C O Mines
Ashland Mine
Jackson County, Oregon

Dear Mr. Saunders:

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

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

Sincerely yours,

Harold Kirkemo (glr)

Harold Kirkemo, Chief
Office of Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Region I
Mr. Peterson
130

ECPeterson/bsl 5/5/69

rm 7

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 5/5/69 | Kirkemo | 120 |
| | | 120 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | 220 |

May 5, 1969

Memorandum

To: The File

From: Edward C. Peterson
Office of Minerals Exploration

Subject: OME-6753 (Gold-Silver)
A V C O Mines
Ashland Mine
Jackson County, Oregon

Justification for Denial of Application

The Applicant proposes to explore untested segments of the Ashland vein for gold and silver-bearing ore bodies by a program of mine rehabilitation, underground drifting and long-hole drilling, and diamond drilling from surface sites at a total estimated cost ranging from $56,545.95 to $238,980.00.

The OME field examiner who visited the Ashland mine on April 8, 1969, found no geologic evidence on the property to justify the proposed exploration. Underground workings were not accessible to the examiner and samples taken of a vein exposed in a bulldozer cut assayed only a trace of gold and silver. No other mineralized exposures were observed during the examination.

A recent bulldozing and trenching program completed by the Applicant at a reported cost of $30,000.00, failed to expose any mineralized extensions of the Ashland vein in the area he wishes to test with OME assistance. In addition, assays of samples taken of underground workings in 1964 by the former owners indicated that the unmined portions of the vein are weakly mineralized. It appears that all known ore shoots were mined out before the property closed prior to 1907.

Under these circumstances, the OME examiner concluded that there was less than a fair chance of discovering any significant ore reserves with the proposed work and recommended that the application be denied.

I concur with the recommendation.

Edward C. Peterson

Edward C. Peterson

s Reading File
ic Geology File
Docket
ME Reading File
Mr. Peterson
Peterson/bsl 5/5/69

Ome

IN REPLY REFER TO

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
April 25, 1969

APR 28 1969
(Dispatched)

OFFICIAL COPY
O. M. E.
RECEIVED
APR 30 1969

| INITIALS | CODE |
|---|---|
| gla | 120 |
| bsl | 120 |
| HK | 120 |
| | |
| EM | 120 |

Memorandum

To: Chief, Office of Minerals Exploration

From: Willard P. Puffett, Geologist, OME, Region I

Subject: Application Examination Report
OME-6753 (Gold-Silver)
A V C O Mines
Ashland Mine
Jackson County, Oregon

On-site Exam Report

## INTRODUCTION

In April 1965, the Ashland Mine, Oregon, Ltd., applied for OME assistance in exploration for gold and silver ore at the Ashland mine, Jackson County, Oregon (Docket No. OME-6438). The applicant was a partnership of Messrs. Norman L. Easley, Ben F. Gassaway, and Jack W. Saunders. An OME Contract No. 2212, dated December 14, 1965, was awarded the applicant. The proposed work included bulldozing and diamond drilling at an estimated total cost of $24,390.00, of which the Government would contribute 50 percent or $12,195.00. However, the contract was never signed because the applicant had leased the property to Gold City, Inc., who planned to develop the mine into a tourist attraction. All copies of the unsigned contract were returned to Washington, the docket was placed in the inactive files, and the application was considered withdrawn.

A new OME application for exploration at the Ashland mine was submitted on August 15, 1968, by A V C O Mines, a corporation, whose president is Mr. Jack W. Saunders, formerly a partner of Ashland Mine, Oregon, Ltd. The new application was for a project that would cost a total of $238,980.00. Much of the data in the new application was a copy of that formerly submitted and made a part of Docket No. OME-6438. The new application was assigned Docket No. OME-6753.

I visited the mine on Tuesday afternoon, April 8, 1969. Present at the mine were Mr. Jack W. Saunders, president of A V C O Mines, Mr. Thomas Brown, Supervisor of Operations, and Mr. Pearl Saunders, Maintenance Man. We visited various parts of the property and spent most of the afternoon inspecting new bulldozer cuts and attempting to enter old adits and shafts. In the evening I discussed certain aspects of the exploration proposal with Mr. Saunders.

## RECOMMENDATION

It is recommended that the application be denied. Recent work completed by the applicant has failed to expose gold-bearing veins north of the old mine workings. Additional work, if carefully supervised, might find extensions of the productive veins, but the possibility of finding new ore shoots is less than fair.

## LOCATION AND ACCESSIBILITY

The property consists of 11 claims plus 7 rectangular tracts that are in the NW$\frac{1}{4}$ sec. 7 and SW$\frac{1}{4}$ sec. 6, T. 39 S., R. 1 E., and the SE$\frac{1}{4}$ sec. 1, and NE$\frac{1}{4}$ sec. 12, T. 39 S., R. 1 W., W.M. Jackson County, Oregon. A paved road leads from the city of Ashland to the property. An unsurfaced county road crosses the property and from this road there have been access roads bulldozed to the shafts and adits. The steep slopes are heavily timbered with brush and outcrops of bedrock are rare.

The veins have been exposed in 3 shafts and 3 adits (fig. 1). None of the shafts can now be safely entered. The adits were partially caved near their portal on April 8, 1969, and deep water near the portal prevented entry. The shafts are on and near the crest of a northwest-trending ridge at altitudes between 3,300 and 3,400 feet. The mill and Mill adit are near the base of the northeast slope at an altitude of about 2,450 feet.

## GEOLOGY

Wells (1939) has mapped the bedrock as tonalite and granodiorite. He described these as light-gray granitic rocks composed essentially of sodic plagioclase and quartz with minor amounts of biotite or hornblende or both.

There are at least three different rock types exposed at the Ashland mine. There are two types of rock in the open cut southwest of the mill (fig. 1). Light-gray, medium-grained granitic rock with widely scattered biotite flakes as much as $\frac{1}{4}$ inch across appears to be the country rock. Cutting the granitic rock is green schistose rock, somewhat friable, that contains inclusions of the granitic rock. Possibly, the schistose rock is a roof pendant of rock older than the granite. The exposures in the open-cut, however, suggest that it is a highly metamorphosed mafic dike. The rock in the trench adjacent to the York shaft is very similar to the schistose rock in the open-cut but is mixed with coarse-grained granitic rock.

The third type of rock is exposed upslope from the Deadman shaft where bulldozing has exposed a wide area of bedrock. This rock is light-gray, coarse-grained to pegmatitic granite with conspicuous graphic texture. Biotite flakes $\frac{1}{2}$ inch thick and 1-2 inches long are widely scattered. In general, the mafic minerals are rare and the biotite forms less than 1 percent of the rock. Mr. Brown apparently considered this type of rock to be vein material for he said that he had panned colors from it.

The veins are of quartz and dip about 40° E. The vein in the Deadman shaft is reported to dip to the west, but this could not be verified. Reports submitted with the application describe the veins as quartz fillings in shear zones that range from 2 to 20 feet thick. The hanging wall is well defined, but the footwall is less distinct. Two ore shoots nearly 1,500 feet apart were mined. These pitched to the south and appeared to be converging with depth. The main value was in free-milling gold, but copper and lead sulfides were reported to be in some parts of the vein.

The only vein that was seen during the OME examination was in the open-cut southwest of the mill. Bulldozing had exposed a low-dipping vein that is at least 27 inches thick. A sketch of part of the open-cut (fig. 1) shows the relationship of the vein to the green schist. The vein dips into the schist and appears to be truncated by it. Some brecciated quartz vein material is in the schist. Both the quartz vein and the quartz in the schist were sampled and assayed only a trace of gold and silver.

Sampling of the veins in the then accessible workings in 1964 by L. E. Frizzell for a report by Associated Geologists (see report in application) indicates that the unmined portions of the vein are low in gold and silver. Only 7 samples out of 59 assayed more than 0.10 ounces of gold per ton; the remaining samples contained much lower amounts. The width of the samples are not tabulated in Frizzell's report. He did report, however, that the vein in the Mill adit contains values but are not rich enough to be mined.

There is some doubt as to how many veins have been explored on the property. The Ashland vein has been developed in the York and the West shaft. The vein reported to be in the Deadman shaft is obviously a different one from that in the York shaft; very little is reported about this vein and, in fact, no vein was seen near the collar of the shaft at the time of the OME inspection. The vein in the open-cut southwest of the mill is not on the projected position of the Ashland vein; this vein could be the Long Tom vein referred to in the application. The vein in the Mill adit is probably the northeast extension of that one in the open-cut. Frizzell reports that all intersecting veins cut into the Ashland vein from the footwall side and the ore shoots are related to the intersections of veinlets in the footwall.

The veins are known to be persistent for several hundred feet along strike and dip. The ore shoot in the West shaft was developed downdip to the 900 level and reportedly the ore at this depth was as rich as that near the surface.

The vein north from the York shaft has been explored by an adit, the approximate position of which is shown on figure 1. Bulldozed access roads have cut across the projected position of the vein, but no vein is reported in these road cuts. The vein in the open-cut southwest of the mill is not the Ashland vein unless it has been offset along faults.

## HISTORY OF MINE

The reports submitted with the application indicate that there has been about 1.5 million dollars worth of ore produced from the mine. The early production was prior to 1907, for a Mr. David Snyder, local resident near the mine, said the mine was dormant when he moved into the area at that time. The mine was reopened in 1931 and was operated until 1939. It was reopened in 1941 and was closed the following year due in part, at least, to the war. The long period of non-operation before 1931 might have been due to ownership problems, but information on this is lacking. It is significant that the property was idle for many years and one must conclude that known ore shoots had been mined out before the mine closed prior to 1907.

The recent history of the activities at the mine can be learned from the applications in Docket Nos. OME-6438 and OME-6753. Apparently, there has been considerable money spent in mapping and sampling the old mine workings and several thousand dollars has been spent in cutting bulldozer trails and operating the mill. None of the recent work has been successful in finding a new ore shoot in the Ashland vein.

## APPLICANT'S PROPOSAL

The applicant's planned exploration is essentially identical to that proposed in the earlier application (Docket No. OME-6348). There are, however, some ambiguities in the new application that have not been explained. The estimated cost of the project on MME Form 40 is $238,980.00. The letter requesting a loan from the First National Bank of Oregon, Portland, Oregon, states that the work will cost $20,000.00. The bank's reply mentions that AVCO Mines applied for a loan of $50,000.00.

The summary of proposed exploration work in the application includes 4,000 feet of new drifts, rehabilitation of some old workings, plus 1,200 feet of core drill from the surface. The new drifting will be done on the Ashland vein from five new adits to be located on the slope northeast of the York shaft.

An addenda to the application captioned "Detailed description of proposed work at the Ashland mine," discusses the driving of 2,000 feet of tunnel in "virgin ore along the Ashland vein," and from this tunnel "long hole the hanging wall of the Ashland vein out into the Long Tom (vein)." At the end of the tunnel "we should be into what . . . will be*heavy silver deposit with a great deal of galena . . ."

I attempted to learn from Mr. Thomas Brown if the applicant had considered modifications of the proposed exploration. A possible modification would be similar to that work outlined in the contract that was prepared for but unsigned by the Ashland Mine, Oregon, Ltd., in 1965 (Docket No. OME-6438, Contract No. 2212). Mr. Brown was not certain what the applicant had proposed and suggested that I discuss this with Mr. Saunders. The discussion with Mr. Saunders was equally as unenlightening. However, I did get the impression that they would seriously consider a program of bulldozing to be followed by diamond drilling. This work would explore for the vein between the Mill adit and the York shaft.

No bids for drilling or bulldozing were submitted with the application. Mr. Brown indicated that the D-8 bulldozer at the property could be used at a cost of $22.00 per hour for machine, fuel, and operator. He had no information on bids from diamond drillers but did know of a driller in the area who would be willing to bid on the proposed work.

## APPRAISAL OF APPLICANT'S PROPOSAL

The history of production from the Ashland mine indicates that the Ashland vein is persistent along strike and dip and that the gold content persists to depth. Many parts of the vein obviously are barren and the ore is localized in shoots. Exploration along the strike of the vein northeast from the York shaft might find another ore shoot; however, the vein exposed in the open-cut and the Mill adit contains only very sparse amounts of gold.

The program of exploring the vein from five new adits and rehabilitating some old workings cannot be favorably considered. Even though the vein might be followed in these new adits, there is no assurance that an ore shoot will be found. If the two known ore shoots in the old workings are separated by 1,500 feet of relatively barren vein, it seems that new ore shoots might be at about the same horizontal interval along the vein.

The driving of a 2,000-foot long tunnel from which long holes will be drilled cannot be favorably considered. I know of no reason to expect to find a heavy silver deposit in any part of the property.
*a

According to the application, recent work at the property has included bulldozing along the veins at a cost of about $30,000.00. This work includes trenching near the York shaft, excavating the open-cut southwest of the mill, and building access roads. Reportedly, no assays of vein material were obtained because "assays have been very difficult to obtain as the state is the only one in Oregon that does assays and they limit it absolutely to two for any one person every thirty days." The presence of gold in the veins was learned by crushing the rock and panning it.

It is significant that this rather large amount of funds spent on recent exploration at the property has failed to find mineralized extensions of the Ashland vein.

Possibly, a carefully supervised exploration program that would include bulldozing trenches across the projected extension of the Ashland vein at 200-foot intervals and to be followed by diamond drilling might find another ore shoot in the Ashland vein. As this is the only vein known to contain ore shoots on the property, no consideration should be given to exploring other veins. The probabilities of finding a new ore shoot is less than fair. The known ore shoots are separated by 1,500 feet of relatively barren vein; the length of the known ore shoots is not known. There is an area of unexplored ground about 3,000 feet long northeast from the York shaft in which the Ashland vein might occur. It is in this area that exploration should be planned. As the chances for finding a new ore shoot are less than fair, it is important that any work planned be very competently supervised in order to minimize wasted efforts.

## COMPETENCY OF THE APPLICANT

There were three members and employees of the A V C O Mines at the property during the examination. Mr. Jack W. Saunders is president of the company but readily admits to a lack of knowledge about mining. Mr. Thomas Brown, who has supervised the recent exploratory work, is an elderly man with many years experience in placer mining operations. However, Mr. Brown quickly becomes exhuasted after a small amount of exertion and admits to having had two heart attacks during the past year. The third man, Mr. Pearl Saunders, maintains the equipment at the mine but does not willingly enter underground workings. Mr. Saunders depends on Mr. Brown to supervise any planned exploration work.

The recent work at the mine has been unsuccessful in finding new ore shoots even though a reported $30,000.00 has been spent. In spite of the expenditure of this large sum of money, no assays were obtained from commercial assayers. The questionable health of Mr. Brown suggests that he might not be able to competently supervise an exploration project in which OME participates.

## SUMMARY AND CONCLUSIONS

The ore shoots in the Ashland vein have been mined from the West shaft and the York shaft and have produced a reported 1.5 million dollars worth of gold. Exploration might find another ore shoot in a relatively unexplored area northeast of the York shaft, but the chances are considered less than fair. The exploration as proposed by the applicant cannot be favorably considered. The personnel presently employed by the applicant are not considered to be competent to supervise an exploration project in which OME participates. It is concluded that the application should be denied.

Willard P. Puffett

Willard P. Puffett

Enclosure
Distribution:
OME
USGS(SRO)
Docket
Puffett

## REFERENCE CITED

Wells, F. G., 1939, Preliminary geologic map of the Medford quadrangle, Oregon: Oregon Dept. of Geol. and Min. Industries.

MME FORM REFERENCE SLIP
REV. 2-5 OFFICE OF MINERALS EXPLORATION

| TO: Chief, OME | DATE | INITIALS |
|---|---|---|
| 1. | 3/4/69 | |
| Re: OME-6753 (Gold-Silver) | | |
| 2. A V C O Mines | | |
| Ashland Mine | | |
| 3. Jackson County, Oregon | | |
| 4. | | |
| 5. D. R. MacLaren | | |
| FROM: Fld. Officer, Reg. I | | |

OFFICIAL ~~COPY~~
O. M. E.
RECEIVED
MAR 6 1969
INITIALS CODE

FOR: Check items for action desired

| | | | |
|---|---|---|---|
| ____ Action | ____ Reply for signature | ____ Surname | |
| ____ Approval | ____ Investigate | ____ Signature | |
| ____ Comment | ____ Recommendations | ____ File | |
| ____ Conference | ____ Rewrite | | |
| ____ Instructions | x Your information | | |

REMARKS:

Reply to our letter of February 26, 1969, to A V C O.

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

Vincent G. Robeson
ATTORNEY AT LAW
543 THIRD STREET
LAKE OSWEGO, OREGON 97034
TELEPHONE 636-4516

February 28,1969

Mr. D. R. MacLaren
Field Officer, OME
Region 1
U. S. Department of Interior
Geological Survey
West 920 Riverside Ave.
Spokane, Washington 99201

RE:OME-6753(Gold-Silver)
AVCO Mines
Ashland Mine Jackson County Oregon

Dear Mr. MacLaren:

This Office represents AVCO Mines, and Mr. Saunders the Preseident of AVCO Mines has turned over to me your letter of the 26th of February, 1969, in order that I might answer your questions. As to when the property will be open for inspection, this is something that Mr. Saunders will have to advise you of.

Your item one is absolutely correct, Mr. Easley took by purchase agreement in his own name for Ashland Mine, Oregon Ltd. He later transferred the same by assignment to the partnership. That assignment has been recorded in Jackson County. Dewey Van Curler later transferred his interest to his daughter, Irene Ellen Bowman, who is married to John Bowman. Gold City Inc. the resort corporation never got of the ground and defaulted on whatever lease they may ahve had two years ago. The property was then sold by the partnership to a corporation by the name of Ashland Valley Vista Inc., who re-negotiated the contract of purchase with Mary O. Van Curler and John D. and Irene Ellen Bowman, husband and wife making it a direct sale from Mrs. Van Curler and the Bowmans to Ashland Valley Vista Inc. Later Ashland Valley Vista Inc., leased the property to the Ashland Mining and Development Co. dba AVCO Mines, and this is were we sit today. With Mary O. Van Curler and Irene Ellen Bowman owning the Title to the property, John D. Bowman involved only because of his marriage to Irene Ellen Bowman. With a direct contract of sale recorded to Ashland Valley Vista Inc., who have leased the property to AVCO Mines.

I assume that this will answer the questions you have regarding this matter, but if you have any further questions regarding the Title, or how the matter has been handled to this point, please contact the undersigned.

Very truly yours,

Vincent G. Robeson

Vincent G. Robeson

VGR:wb

RECEIVED
MAR 4 1969
SPOKANE, WASH.

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 Jackson, State of Oregon,

described ~~as follows~~[2] as attached hereto, Exhibit A

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

ASHLAND VALLEY DEVELOPMENT AND MINING COMPANY[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.)

See Exhibit B attached hereto

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 12th day of January, 19 69.

| | | |
|---|---|---|
| Mary O. Van Gerber (Seal) | 1015 Iowa st<br>Ashland Oregon | (Street)<br>(City & State) |
| Irene E. Bowman (Seal) | 102 Butler Creek Rd<br>Ashland OR | (Street)<br>(City & State) |
| John W. Bowman (Seal) | 102 Butler Creek Rd<br>Ashland OR | (Street)<br>(City & State) |
| ASHLAND VALLEY VISTA, INC.<br>J. Saunders Pres. (Seal) | ~~543 Third St.~~<br>Lake Oswego, Oregon 97034 | (Street)<br>(City & State) |
| Alice M. Savage, Sec'y (Seal) | 3615 N. E. Davis<br>Portland, Oregon 97232 | (Street)<br>(City & State) |
| (Seal) | | (Street)<br>(City & State) |

I, Alice M. Savage (Name), certify that I am the Secretary (Title—Secretary, etc.) of the corporation named herein; that J. W. Saunders (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.

Alice M. Savage

Alice M. Savage

(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 Jackson, State of Oregon,

described ~~as follows:~~[2] as attached hereto, Exhibit A

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

ASHLAND VALLEY DEVELOPMENT AND MINING COMPANY[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.)

See Exhibit B attached hereto

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 12th day of January, 19 69.

| | | |
|---|---|---|
| Mary O. Van Cooler (Seal) | 1015 Iowa st<br>Ashland, Oregon | (Street)<br>(City & State) |
| Irene E. Bowman (Seal) | 102 Butler Creek Rd<br>Ashland. Ore | (Street)<br>(City & State) |
| John D. Bowman (Seal) | 102 Butler Creek Rd<br>Ashland. Ore | (Street)<br>(City & State) |
| ASHLAND VALLEY VISTA, INC.<br>J. Saunders Pres. (Seal) | ~~10 343 Third St.~~ Butler Creek Rd<br>~~Lake Oswego, Oregon 97034~~ | (Street)<br>(City & State) |
| Alice M. Savage, Secy (Seal) | 3615 N. E. Davis<br>Portland, Oregon 97232 | (Street)<br>(City & State) |
| (Seal) | | (Street)<br>(City & State) |

I, Alice M. Savage (Name), certify that I am the Secretary (Title—Secretary, etc.) of the corporation named herein; that J. W. Saunders (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.

Alice M. Savage

Alice M. Savage

(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 Jackson, State of Oregon,

described ~~as follows:~~[2] as attached hereto, Exhibit A

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

ASHLAND VALLEY DEVELOPMENT AND MINING COMPANY[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.)

See Exhibit B attached hereto

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 12th day of January, 19 69.

| | | |
|---|---|---|
| Mary O. Van Cooler (Seal) | 1015 Iowa st<br>Ashland Oregon | (Street)<br>(City & State) |
| Irene E. Bowman (Seal) | 102 Butler Creek Rd<br>Ashland Ore | (Street)<br>(City & State) |
| John D. Bowman (Seal) | 102 Butler Creek Rd<br>Ashland Ore | (Street)<br>(City & State) |
| ASHLAND VALLEY VISTA, INC.<br>J. W. Saunders Pres (Seal) | 543 Third St.<br>Lake Oswego, Oregon 97034 | (Street)<br>(City & State) |
| Alice M. Savage (Seal) | 3615 N. E. Davis<br>Portland, Oregon 97232 | (Street)<br>(City & State) |
| (Seal) | | (Street)<br>(City & State) |

I, Alice M. Savage (Name), certify that I am the Secretary (Title—Secretary, etc.) of the corporation named herein; that J. W. Saunders (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.

Alice M. Savage

Alice M. Savage

(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 Jackson, State of Oregon,

described ~~as follows~~: 2/ as attached hereto, Exhibit A

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

ASHLAND VALLEY DEVELOPMENT AND MINING COMPANY 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.)

See Exhibit B attached hereto

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 12th day of January, 19 69.

| | | |
|---|---|---|
| Mary O Van Curler (Seal) | 1015 Iowa st (Street)<br>Ashland, Oregon (City & State) | |
| Irene E. Bowman (Seal) | 102 Butler Creek Rd (Street)<br>ASHLAND - ORE (City & State) | |
| John D Bowman (Seal) | 102 Butler Creek Rd (Street)<br>ASHLAND - ORE (City & State) | |
| ASHLAND VALLEY VISTA, INC.<br>J W Saunders Pres. (Seal) | 543 Third St. (Street)<br>Lake Oswego, Oregon 97034 (City & State) | |
| Alice M. Savage, Secy (Seal) | 3615 N.E. Davis (Street)<br>Portland, Oregon 97232 (City & State) | |
| (Seal) | (Street)<br>(City & State) | |

I, Alice M. Savage (Name), certify that I am the Secretary (Title—Secretary, etc.) of the corporation named herein; that J. W. Saunders (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.

Alice M. Savage

Alice M. Savage

(Corporate Seal)

OME

U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
February 26, 1969

RECEIVED
FEB 28 1969

Mr. Jack Saunders
President
A V C O Mines
543 Third Street
Lake Oswego, Oregon 97034

Re: OME-6753 (Gold-Silver)
A V C O Mines
Ashland Mine
Jackson County, Oregon

Dear Mr. Saunders:

Your application for OME assistance in exploration has been referred to this office for further processing.

It will be necessary to have open for inspection all of the trenches and the quartz face at the proposed tunnel site mentioned in your letter of February 14, 1969. Also, the exposures in the vicinity of the Deadman Shaft at the top of the property and at 200 feet in depth mentioned in your undated letter to Mr. Johnson (received February 4, 1969) should be accessible for inspection. When I visited the property June 12, 1965, these exposures were inaccessible due to caving. Kindly advise us when the ground is free of snow so that as soon as possible thereafter we can schedule an inspection.

In the meantime, clarification of a couple of points relative to property rights will save some time in our processing.

Item 1. At the time a prior application was being processed the property was owned by Dewey and Ella Van Curler and Mary O. Van Curler who transferred their rights by Purchase Agreement to Norman L. Easley, general partner of a group d/b/a Ashland Mine, Oreg. Ltd. The Purchase Agreement was extended to February 11, 1966, by a document that also acknowledged payments had been made up to February 11, 1965. In the meantime, Ella Van Curler passed away and her rights went to her husband, Dewey.

Item 2. A letter dated February 3, 1966, from Norman L. Easley stated in part: "On September 14, 1965, the Ashland Mine, Oreg. Ltd.

*ASHLAND VALLEY DEVELOPMENT AND MINING CO.*

dba *AVCO MINES*

543 Third Street • Telephone 636-4516
LAKE OSWEGO, OREGON 97034
Jack W. Saunders, *President*

February 14, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 18 1969
INITIALS | CODE
120
110

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

Frank E. Johnson Chief
Office of Mineral Exploration

Dear Mr. Johnson:

The second paragraph of your letter" no additional exploration has been performed on the Ashland property since your previous application for assistance was submitted in 1965."

This is not quite the case Mr. Johnson, we have opened up a large quartz face at the location we wish to start our tunnel. We did very extensive work on an open cut to the point where we were closed down by safety regulations. We have done several hundred hours of cat work along the surface of the Vein and have built good service roads to all of the working locations. In all more than $30,000.00 has been spend in exploritory work.

Regarding the use of our equiptment I am sure we would be satisfied to use it for the allowances you would authorize. We are very certain from the work we have done, that a very successful mine can be made of the Ashland Mine when the work outlined in our request has been completed.

Very truly yours,

Jack W. Saunders

JWS:wb

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 2/10/69 | Peterson | 120 |
| 2/10/69 | Kirkemo | 120 |
| | | 110 |
| | | |
| | | |
| | | |
| | | |
| 2/10 | CAC | 220 |
| | | 120M |

FEB 10 1969

**AIRMAIL**

**Memorandum**

**To:** Field Officer, Region I

**From:** Chief, Office of Minerals Exploration

**Subject:** OME-6753 (Gold-Silver)
A V C O Mines
Ashland Mine
Jackson County, Oregon

The subject application is referred to Region I for further consideration and recommendations.

The application lacks much of the geologic evidence needed to justify any exploration of the property; however, a review of the previous request for assistance to explore the Ashland mine (OME-6438) suggests that some work may be warranted. If you agree, perhaps a drilling program similar to the one previously recommended by OME should again be considered.

If a contract is recommended, the Applicant should be requested to submit a detailed cost estimate, and bids for any bulldozing, drilling, etc., that may be required. Should work be contemplated on Tracts F and G, Lien and Subordination Agreements will be needed.

For your records, we are enclosing Thermo-fax copies of most of the material submitted by the Applicant in response to our letter of September 24. We are also in receipt of acceptable bank correspondence and Lien and Subordination Agreements, copies of which are not enclosed.

FRANK E. JOHNSON (gla)

Frank E. Johnson

Enclosures

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. Peterson - 120

ECPeterson/bsl 2/10/69

leased all rights for 99 years to Gold City, Inc." The Ashland Mine, Oreg. Ltd. application was then withdrawn.

In view of the above history it would appear that had Ashland Mine, Oreg. Ltd., or Gold City, Inc., allowed their respective leases to lapse the property would have reverted to Dewey Van Curler and Mary O. Van Curler.

In order to bring our records up-to-date, please advise us as to how John D. and Irene Ellen Bowman acquired their rights in the property, and what happened to the leases mentioned in items 1 and 2 above. This can undoubtedly be done in a few sentences, but the question should be clarified.

Sincerely,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls

cc: OME

Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 2/10/69 | Peterson | 120 |
| 2/10/69 | Kirkham | 120 |
| | | 110 |
| | | |
| | | |
| | | |
| | | |
| | | 220 |
| | | 120M |

FEB 10 1969

AIRMAIL

Mr. Jack Saunders
President
A V C O Mines
543 Third Street
Lake Oswego, Oregon 97034

Re: OME-6753 (Gold-Silver)
A V C O Mines
Ashland Mine
Jackson County, Oregon

Dear Mr. Saunders:

Thank you for your recent letter enclosing additional information in support of the subject application for financial assistance.

In reviewing this material we note that no additional exploration has been performed on the Ashland property since your previous application for assistance was submitted in 1965. Without new supporting geologic evidence it is doubtful that Government participation in the work as proposed can be justified.

For your information, allowable costs under an OME contract do not include full book value allowances to the Operator for his equipment used on a contract. Rather, for each piece of his equipment used on a project the Operator is compensated by allowing depreciation to the extent of 1/60th of the fair market value of the equipment or its book value, whichever is less, for each month used. If the equipment is rented, a fair rental charge per month is allowed.

We are now referring your application for further consideration to Mr. D. R. MacLaren, Field Officer, Region I, U. S. Geological Survey, U. S. Courthouse, Room 656, West 920 Riverside Avenue, Spokane, Washington 99201.

Mr. MacLaren will inform you on what further action he may take concerning the application.

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geolgoy File
OME Docket
OME Reading File
Region I - 130
Mr. Peterson/bsl 2/10/69

ASHLAND VALLEY DEVELOPMENT
AND MINING CO.
dba AVCO MINES

543 Third Street • Telephone 636-4516
LAKE OSWEGO, OREGON 97034
Jack W. Saunders, *President*

OFFICIAL
COPY
O. M. E.
RECEIVED
FEB 4 1969
INITIALS CODE

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

ATTENTION: Mr. Frank E. Johnson, Chief
Office of Mineral Exploration

Dear Mr. Johnson:

In accordance with your letter of September 24, 1968, I will attempt to cover each of the items as you have requested them. The first item in your letter asks how the company proposes to furnish its share of the cost. Last summer, prior to making our first application to OME, we started to work on the property building roads and doing all of the preliminary work that would be necessary in preparing for the proposed exploration work.

We have built 2.7 miles of access road to the various pinpointed geological spots as shown on the map that would be necessary to carry supplies and materials to and from the work planned. We will furnish the machinery, air compressors, drills, cat work, diamond drilling and so forth, and we now own this equipment and would plan on using it in connection with the proposed work. We have on hand at this time the rails, ore cars, mucking machines and so forth that would be supplied to the miners so that they may carry out this work. The balance of the cash necessary to carry out our part of the program is either on hand now or would be supplied by the stockholders and owners of AVCO Mines.

It would be our intention to drill holes at 200 foot intervals on the virgin Ashland vein, 200 feet in depth, and as shown on the map. Also, four holes in virgin ground again on what is known as the Deadman, showing at the top of the property and at 200 feet in depth. The actual cost for this drilling would, we estimate, run at $9.50 per foot.

All estimates have been made by two professional miners who have spent their entire working lives in mines in and around our part of the country. We have tried in many ways to obtain other estimates, but these two miners who would plan on doing the work are the only ones in this part of the country who are interested at this time.

On the second page of your letter, Mr. Johnson, first paragraph, you stated that the mortgage dated July 25, 1961, in the sum of $3900 on tracts F and G, that it would be required that we have a lein and subordination agreement from the Jackson County Federal Savings and Loan Association. Mr. Johnson, neither of these two tracts are on the ground on which we plan to do the exploration. We are enclosing the four additional copies of the executed lein and subordination agreement that you referred to, properly signed. Also enclosed is the map showing the various locations of the work to be done, a revised cost estimate corresponding to the estimated cost of our work, letters to and from two banks, the Community Bank of Lake Oswego and the First National Bank of Oregon, and the detailed description of proposed work.

1. Four additional copies of the executed lein and subordination agreement
2. Map showing various locations of work to be done
3. Revised cost estimate of work to be done
4. Copy of letter to First National Bank
5. Copy of letter to Community Bank of Lake Oswego
6. Letter from First National Bank
7. Letter from Community Bank
8. Detailed description of proposed work

Sincerely,

Jack W. Saunders

Jack W. Saunders

JWS:aj

these phenocrysts show Carlsbad twinning visible to the eye. Aplite and pegmatite dikes cut the mass. "Knots" or segregations are common. Weathering is deep. Along the railroad right-of-way toward the California line, a few "dikes" of a granite similar to the Ashland quarry granite were found. This suggests that the rock in the quarry may represent a slightly different phase of intrusion from that of the main mass.

Equipment: A Lane granite saw with 8 blades, powered with a 40 h.p. motor; two pneumatic surfacing machines; three polishing machines; 1 grinding stone and stands; various carving tools and equipment. Quarrying equipment includes a 10-ton derrick and electric hoist; an Ingersoll Rand compressor; 4 plug drilling machines; trucks and miscellaneous tools.

Quarrying: The "upper quarry" was opened by the Ashland Granite Quarries, Inc. for the purpose of removing building stone. The saw was installed nearby. The weathered rock and waste rock was dumped below but no large amount of commercial rock was removed. This upper level has been opened but is undeveloped.

The "lower quarry" was used to produce monumental stone. The face of the quarry is about 50 feet high and the quarry floor is about 50 feet across. Quarrying had been started below the floor level and a sizable dump was made. In this area, there were huge blocks awaiting removal and final dressing. Unfortunately, the waste from the development of the "upper quarry" was largely dumped into the "lower quarry" and considerable work will be required to clean out this working place.

Some monumental stone, in the rough, is piled around the dressing shed awaiting dressing and polishing. It is understood that small orders for monumental stone are being filled from time to time.

Economics: The monumental stone has been examined and pronounced equal in quality to the better grades of the famous Barre granite. The fine grain and uniform distribution of minerals makes it valuable for monumental purposes. In the past the main difficulty has been lack of adequate financing that will permit production of the stone while a sales force is presenting the finished product to the trade. People are familiar with the Barre granite and buy on the reputation of the stone. A "reputation" will have to be built for this stone.

Reference: Parks, 14:16-17.
Petrographic report by C. L. Jessries & R. J. Colony, Columbia University, No. 441.

Informant: R.C.T.; April 12, 1942.

ASHLAND MINE (gold) Ashland area

Owner: P. B. Wickham, Ashland, Oregon.

Location: E½ sec. 12, T. 39 S., R. 1 W., three miles northwest of the City of Ashland at an elevation of 3,500 feet.

Area: 276 acres of patented land.

History: Parks & Swartley reported as follows:

"The Ashland mine is opened by means of the West shaft, about 900 feet deep, as measured on the incline of about 38°, reaching a vertical depth of about 800 feet beneath the top of the ridge. It is opened further by an adit, crosscutting westward about 500 feet to the vein and drifting on the vein about 1,500 feet to the shaft at a depth of 250 feet on the incline. The vein is also reached by the York shaft and an upper adit connected therewith. The chief vein has an average strike of N. 19° E. and a dip of about 40° E. There are two important ore shoots in the vein, one being opened by the York shaft and the other by the

West shaft. Both pitch to the south and seem to converge downward. Most of the ore above the adit level has been removed. The vein is regular and persistent, varying in thickness from 2 to 12 feet; the quartz varies in thickness from 0 to 10 feet and occurs in lenses reported to pitch to the south. The vein varies only gently in strike and dip and is not faulted so far as open to inspection. It is in a country rock of coarse tonalite, fine-grained diorite, hornblendite and mica schist cut by a few dikes of aplite. The aplite is much more abundant on the hillsides of the mine than it is in the workings.

"According to information received from H. V. Winchell of Minneapolis, who examined this mine in 1899, there are several quartz veins on the Ashland ground, only two of which have been developed.

"In size the veins vary from a foot to ten or twelve feet in thickness and some of their outcrops can be traced for considerable distances across the Ashland claims. Near the surface and to a depth of one hundred feet or more the veins are oxidized and the sulphides have been removed by leaching. Below this depth, however, the ore is still free-milling, showing that the gold is mechanically associated with the pyrite instead of occurring in such an intimate admixture or combination that the ore is refractory and only to be treated by some chemical process like smelting or cyaniding.

"The vein filling is quartz and pyrite with more or less country rock. The walls are very smooth and well defined and there is always a gouge or selvage that makes easy mining or stoping of the ore.

"The vein on which the greatest amount of development work and mining has been done varies in thickness from two to twelve feet. The ore is of two grades, shipping ore and milling ore. The shipping ore occurs in somewhat irregular shoots and bunches throughout the mine, and runs from $50 to $500 per ton in gold, averaging about $100. The milling ore carries from $3 to $30 per ton in gold and during the year 1898 averaged about $13 per ton. About 55 percent of the gold is recovered from the plates, and about 10 percent is obtained from the concentrates. The last ore milled produced concentrates worth about $75 per ton as compared with an average value of $50 to $60 per ton, indicating increased value with depth.

"Two principal ore shoots are known in the mine, although a large portion of the ore outside of these shoots would pay for treatment, and although more or less scattered bodies of shipping ore are encountered everywhere in the vein, suggestive of similar and more continuous as well as larger bodies in depth.

"The best defined and most regular ore shoot is that formerly worked through the York shaft and now producing ore in the upper and lower adits. This ore is largely oxidized and is worth from $25 to $40 per ton; the shoot pitches toward the south at an angle which decreases considerably about 200 feet above the lower adit.

"Another ore shoot has been worked in the West shaft, and produced shipping and milling ores to the lowest levels reached. This ore was not so much oxidized, but in places it was very rich, some large masses showing free gold and rich sulphides all over the fractured surfaces.

"These two ore shoots seem to converge downwards and there is good reason to believe that they are either upward branches of one large ore body or that they will be found close together forming a large and rich deposit at greater depth.

"According to J. P. Burrall, of New York, the ore north of the shaft was regular in quantity, but of rather low grade; south of the shaft the ore contained more quartz and pyrite and was of higher grade. Large bunches of pyrite were sorted out for shipment to a smelter. Near the shaft the ore was irregular both

in quantity and value, but evidently grew better in both respects as the work progressed to the south. A mill run made in March, 1899, yielded about $40 a ton on the plates and a concentrate carrying about $325 a ton. At that date the development work was reaching an important ore shoot which pitched to the south. The high grade pyrite sulphide ore contained free gold, recoverable by panning, while low grade ore of similar appearance yielded nothing on panning.

"Soon afterward the mine was closed by injunction proceedings brought by owners of adjoining ground, and very little work, aside from the construction of a 10-stamp mill, has been done since.

"In 1898 and 1899 the ore from the Ashland mine was treated in a 5-stamp mill operated by water power. It was located at the city of Ashland, about four miles from the mine. The cost of hauling ore from the mine to the mill was between $0.75 and $1.00 per ton. Since then a 10-stamp mill has been erected at the mouth of the West shaft at an elevation of 3,350 feet by aneroid. It is equipped with a 6 by 10 Blake crusher, two 5-stamp batteries, Challenge feeders, two 5 by 15 feet amalgamating plates in sections of 7½ feet, and two 6-foot Johnston vanners. The mill has been but slightly used. Both mill and hoist were operated by steam from a horizontal fire-tube boiler, which is still on the ground.

"The prospects for making a valuable and important gold mine at the Ashland are very unusually good and it is to be hoped that difficulties in regard to ownership may be adjusted so that development may proceed.

"This mine has recently been taken over by Mr. A. W. Bartlett, of Ashland, Oregon, and associates. Mr. Bartlett proposes to mine and mill a large tonnage of ore above the 250-foot level in the old stopes and in the wall rocks, where he claims sufficient mineralization has taken place to allow them to be worked with profit. Mr. Bartlett purchased a part of the mill machinery of the Braden mine and installed it at the Ashland during August and September, 1916."

Under the present ownership the mine was opened in 1931 and milling began in 1933. The mine was closed late in 1939, and then reopened in 1941.

General: Water supply is limited but can be increased by pumping from the mine. Timber is sufficient for mining needs. There is insufficient snowfall to hamper operations. A county road leads to the mine property. There is unlimited space for dumps. Power (3 phase, 220 volt) is delivered to the mine.

Production: Production previous to present operations is reported to have been about $1,300,000, partly from shipping ore but mostly from milling ore treated at the old five-stamp mill formerly located at Ashland. A continuous, modest production has been maintained under present operations from 1933-1939, entirely from milling at the new Ashland plant.

Development: In round numbers: Original tunnels 6,000 feet; shafts 1,100 feet; raises 1,500; new development, 2,400 feet; total 11,000 feet. Development explores the vein for a depth of about 1,200 feet on the dip.

Equipment: Ten-stamp mill buildings, bins, etc., all new. Mine equipment includes: Compressors, drills, air lines, pumps, hoists, water lines, storage tank, cars, skips, tracks, drill-sharpener, shop equipment, tools, etc. Mill equipment includes: stamp mill, plates, rock crusher, concentrating table, cyanide tanks, with piping, shafting, pulleys, belting, etc., complete. Power equipment includes: 1-75 H. P. electric motor, 1-20 H. P. electric motor, and 1-3 H. P. electric motor, complete with starters, switches, etc.

Geology: Country rock is reported as tonalite by Winchell (14) and as granodiorite by Wells (39). The vein is a "fissure vein" about 4-12 feet wide. It strikes NE - SW and dips 45° SE.

There are two principal ore shoots proven in the main workings---a north shoot and a south shoot. On the north shoot less is known, but the south shoot occupies a zone ranging between 300 and 400 feet in length with a rake of some 45° northeast. These shoots are separated by about 600 feet along the vein, but recent development has disclosed considerable ore in the zone between and may prove eventually either a center shoot or that the shoots are practically connected on certain planes. The ores are usually massive quartz containing metallic gold and silver as well as some galena and pyrite. The quartz is white to bluish to nearly black in color.

Throughout the history of the mine, milling ores have assayed from $5.00 to $40.00 per ton. Shipping ores have assayed $79.00 to $240.00 per ton. Free gold amounts to 65-95 percent. Gold bullion has assayed 740-780 fine and concentrates from $150.00 to $350.00 per ton. The production from ores treated during 1934, 1935, and 1936 has been in excess of 90 percent from free gold and less than 10 percent from concentrates.

No exact estimate of available tonnage and value of ore has been made. Early mining was confined to a grade of ore exceeding $15.00 per ton in value and this led to removal of the better ores developed above the main working level. Size and values of ore bodies have shown a marked increase with depth; the highest values now being encountered are on the "900" level, north.

Ore Treatment: Stamp milling is followed by amalgamation and concentration. Cyanidation was tried but found unnecessary on ores from the lower levels where values are mostly in coarse free gold.

Recovery on ores now being treated by amalgamation and gravity concentration is approximately 90 percent, largely due to the clean character of the ore and presence of coarse free gold. Tailings are being impounded for future treatment.

Informant: P. B. Wickham, 1939.

Reference: Parks & Swartley, 16:16 (quoted).
Burch, 41:107

BARRON MINE (gold, silver, zinc, lead, copper) Ashland area
see Alton Mine

Owner: Mrs. W. H. Lydiard, 16 Geneva, Medford, Oregon.

Location: sec. 23, T. 39 S., R. 2 E.

History: Callaghan & Buddington reported as follows:

"The Barron Mine is in Jackson County, nearly 8 miles in a direct line east-southeast of Ashland, and the property consists of three 40-acre tracts in sec. 23, T. 39 S., R. 2 E. It is reached by a steep mountain road 3 miles in length from the Green Springs Highway. The mine is in a gulch that slopes toward the valley of Sampson Creek at an altitude of 3,400 feet, or 1,200 feet above Emigrant Creek. The mountain slopes are open rather than thickly forested as in most of the other mineralized areas.

"The country rocks are chiefly coarse andesite breccias, but there are flows and dikes of labradorite andesite, some basalt, and some rhyolite on the slope above the mine. A dike of dacite porphyry trending N. 30° W. is exposed in Sampson Creek over a mile south of the mine; the trend changes locally to N. 5° E. on the ridge north of the creek.

"The breccias do not show bedding, and few data on structure could be obtained. A thin flow exposed in the crosscut strikes N. 52° W. and dips 16° N.E. Observations at other points indicate that the regional strike is

## Principal Lode Mines

Ashland mine: The Ashland vein is one of the most persistent in southwestern Oregon. It has been traced for more than a mile along its strike and to a depth of about 1200 feet down dip, and it extends beyond the limits of the workings. The vein is a quartz fissure from 2 to 12 feet wide; it strikes about N. 20° E. and dips 45° SE. The enclosing rocks are highly altered sediments of the Applegate Group that are in large part replaced by diorite. Quartzite, quartz mica schist, and hornblende-biotite-quartz diorite are found alongside the vein. Ore minerals are gold, pyrite, and minor chalcopyrite.

Underground workings at the Ashland mine total 11,000 feet including shafts and raises (plate 2, in pocket). Ore mined varied considerably from $3 to $30 per ton in the milling ore and the shipping ore averaged $100 (at the old price of $20.67, according to Parks and Swartley, 1916).

Shorty Hope mine: The Shorty Hope vein strikes northwest and dips steeply. The mine workings, which total 3500 feet, lie one mile west of the Ashland mine. At one time a tunnel was proposed to connect the two mines so that the ore could be processed at one mill. Ore at the Shorty Hope is similar to but somewhat lower grade than that at the Ashland mine. The average assay of mill heads at the Shorty Hope was reported to be $18.35 per ton. Its total production, including concentrates from a 10-stamp mill and some high-grade shipping ore, was about $30,000, all prior to 1939. The vein is reported to have an estimated 50,000 tons of ore reserves above the main working level.

## Lode Mines of the Ashland Area

### Ashland mine

Ashland Area, 1

Location: Jackson County; the workings straddle the Willamette Meridian in the SW¼ sec. 6, NW¼ sec. 7, T. 39 S., R. 1 E., and the E½ sec. 12, T. 39 S., R. 1 W. Elevations range from about 2500 to 3450 feet.

Development: Total 11,000 feet of tunnels, shafts, and raises explore vein to 1200 feet on dip.

Geology: Quartz vein in Applegate metasediments and diorite is 2 to 12 feet wide, strikes N. 20° E., and dips 45° SE. Ore minerals are gold, pyrite, and minor chalcopyrite.

Production: Discovered 1886. The first mill was a five-stamp in Ashland. Later a 10-stamp mill operated at the mine. Gross production was $1,500,000.

References: Winchell, 1914:114-117; Parks and Swartley, 1916:16-18; Burch, 1942:107; and Department Bulletin 14-C (Jackson), 1943:23-26.

### "Burdic Group" (includes the Ruth, Little Pittsburgh, and Growler mines)

Ashland Area, 2

Location: Jackson County, sec. 13, T. 39 S., R. 1 W. These are separate properties, and not previously written up as a group.

Development: Growler (NE¼ sec. 13) contained about 190 feet in one adit, including a 40-foot drift plus a small stope, and a 40-foot inclined shaft south of the tunnel (1937). The Burdic (center, sec. 13) contained more than 300 feet in two adits (1914). The Ruth (NW¼ sec. 13), about 500 feet east of Wagner Creek, contained about 150

Roseburg, Oregon
November 21, 1968

Mr. Jack W. Saunders
543 3rd Street
Lake Oswego, Oregon.

Dear Mr. Saunders.

After I left your office last Wednesday, I decided to type the report on the Ashland Mine, my book gives. It was written before 1916. I hope this will help you.

The Ashland Mine, report as follows; Copied from the book word for word.

---

The Ashland Mine is opened by means of the West shaft, about 900 feet deep, as measured on the incline of about 38 degrees, reaching a vertical depth of about 800 feet beneath the top of the ridge. It is opened further by an adit, crosscutting westward about 500 feet to the vein and drifting on the vein about 1500 feet to the shaft at a depth of 250 feet on the incline. The vein is also reached by the York shaft and an upper adit connected therewith. The chief vein has an average strike of N.19° E. and a dip of about 40° E. There are two important ore shoots in the vein, one being opened by the York shaft and the other by the West shaft. Both pitch to the south and seem to converge downward. Most of the ore above the adit level has been removed. The vein is regular and persistent, varying in thickness from 2 to 12 feet; the quartz varies in thickness from 0 to 10 feet and occurs in lenses reported to pitch to the south. The vein varies only gently in strike and dip and is not faulted so far as open to inspection.

It is in a country rock of coarse tonalite, fine grained diorite, hornblendite and mica schist cut by a few dikes of aplite. The aplite is much more abundant on the hillside east of the mine than it is in the workings.

According to information received from H. V. Winchell of Minneapolis, who examined this mine in 1899, there are several quartz veins on the Ashland ground, only two of which have been developed.

Report by H. V. Winchell, 1899:

In size the veins vary from a foot to ten or twelve feet in thickness and some of their outcrops can be traced for considerable distances across the Ashland claims. Near the surface and to a depth of one hundred feet or more the veins are oxidized and the sulphides have been removed by leaching. Below this depth, however, the ore is still free-milling, showing that the gold is mechanically associated with the pyrite instead of occurring in such an intimate admixture or combination that the ore is refractory and only to be treated by some chemical process like smelting or cyaniding.

The vein filling is quartz and pyrite with more or less country rock. The walls are very smooth and well defined and there is always a gouge or selvage that makes easy mining or stoping of the ore.

The vein on which the greatest amount of development work and mining has been done varies in thickness from two to twelve feet. The ore is of two grades, shipping ore and milling ore. The shipping ore occurs in somewhat irregular shoots and bunches throughout the mine, and runs from $ 50 to $ 200 per ton in gold, averaging about $ 100. The milling ore carries from $ 3 to $ 30 per ton in gold and during the year 1898 averaged about $ 13.00 per ton.

About 55 per cent of the gold is recovered from the plates, and about 10 per cent is obtained from the concentrates. The last ore milled produced concentrates worth about $ 75 per ton as compared with an average value of $ 50 to $ 60 per ton, indicating increasing value with depth.

Two principal ore shoots are known in the mine, although a large portion of the ore outside of these shoots would pay for treatment, and although more or less scattered bodies of shipping ore are encountered everywhere in the vein, suggestive of similar and more continuous as well as larger bodies in depth.

The best defined and most regular ore shoot is that formerly worked through the York shaft and now producing ore in the upper and lower adits. This ore is largely oxidized and is worth from $ 25 to $ 40 per ton; the shoots pitches towards the south at an angle which decreases considerably about 200 feet above the lower adit.

Another ore shoot has been worked in the West shaft, and produced shipping and milling ores to the lowest levels reached. This ore was not so much oxidized, but in places it was very rich, some large masses showing free gold and rich sulphides all over the fractured surfaces.

These two ore shoots seem to converge downwards and there is good reason to believe that they are either upward branches of one large ore body or that they will be found close together forming a large and rich deposit at greater depth.

---

According to J. P. Burrall, of New York, the ore north of the shaft was regular in quantity, but of rather low grade; south of the shaft the ore contained more quartz and pyrite and was of higher grade.

Large bunches of pyrite were sorted out for shipment to a smelter. Near the shaft the ore was irregular both in quantity and value, but evidently grew better in both respects as the work progressed to the south. A mill run made in March, 1899, yielded about $ 40 a ton on the plates and a concentrate carrying about $ 325 a ton. At that date the development work was reaching an important ore shoot which pitched to the south. The high grade pyrite sulphide ore contained free gold, recoverable by panning, while low grade ore of similar appearence yielded nothing on panning.

Soon afterward the mine was closed by injunction proceedings brought by owners of adjoining ground, and very little work, aside from the construction of a 10-stamp mill, has been done since.

In 1898 and 1899 the ore from the Ashland mine was treated in a 5-stamp mill operated by water power. It was located at the city of Ashland about four miles from the mine. The cost of hauling ore from the mine to the mill was between $ 0.75 and $ 1.00 per ton. Since then a 10-stamp mill has been erected at the mouth of the West shaft at an elevation of 3350 feet by aneroid. It is equipped with a 6 by 10 Blake crusher, two 5-stamps batteries, Challenge feeders, two 5 by 15 feet amalgamating plates in sections of 7-1/2 feet, and two 6 foot Johnston vanners. The mill has been but slightly used. Both mill and hoist were operated by steam from a horizontal fire-tube boiler, which is still on the ground.

The prospects for making a valuable and important gold mine at the Ashland are very unusually good and it is to be hoped that difficulties in regard to ownership may be adjusted so that development may proceed.

This mine has recently been taken over by Mr. A. W. Bartlett, of Ashland, Oregon, and associates. Mr. Bartlett proposes to mine and

mill a large tonnage of ore above the 250-foot level in the old stopes and in the wall rocks, where he claims sufficient mineralization has taken place to allow them to be worked with profit. Mr. Bartlett purchased a part of a mill machinery of the Braden mine and installed it at the Ashland during August and September, 1916.

---

I have the reports of the other mines adjoining the Ashland mine, and in the vicinity.

If there is any way I can be of any help please be free to call.

I enjoyed our short meeting the other day. Thank you for your time.

Yours Truly,

Jas C. Nixon

P.S. Mailing address

J. C. Nixon
P. O. Box 374
Roseburg, Oregon 97470

I live at the Parkrose Trailer Court, trailer No.12, the phone number is 672-2322, they have to call me to the phone.

DETAILED DESCRIPTION OF PROPOSED WORK
ASHLAND MINE

Careful study over the past year with a great deal of panning and some assays [assays have been very difficult to obtain as the state is the only one in Oregon that does assays and they limit it absolutely to two for any one person every thirty days]. It has therefore been necessary to use a mortar and pestle and to find colors, if any, through panning. The Long Tom vein is exposed for quite an area and runs parallel to the Ashland vein with approximately the same dip. If the proposed tunnel is driven 2,000 feet in virgin ore along the Ashland vein, we could long hole the hanging wall of the Ashland vein out into the Long Tom and could very well arrive at a factor as to whether it is of commercial value or not. And I believe that by long holing into the vein, approximately every 100 feet, as we drive the tunnel, we can pretty well arrive at what the possibilities are.

The Ashland vein on the map is laid out in such a way that it shows the patented claims, the depths and elevations and the distances from the mill to the portal on the proposed new tunnel. Mr. Tom Brown, who has lived on the property all of 1968 and has spent most of his waking hours studying the vein's structure and the topography of the claims, recommends that the work be done

on the area shown, as it is all virgin country and at the lowest places on the vein that are exposed either by cut or ordinarily exposed by erosion. It can be seen that a massive sheer zone exists and he believes that right at the end of the proposed 2,000 foot tunnel that we should be into what he believes will be a heavy silver deposit with a great deal of galena showing up in the veins at that point. A study of the old York vein and workings on the 100 to 250 foot levels shows that the extreme north end of the existing York drift has heavy galena just coming in at that point. He recommends that this tunnel be driven into the Ashland vein and as shown on the map that it would give us at the end of the 2000 foot drift from the proposed portal, approximately 500 and some feet of backs and be on the Ashland vein at all times. At the portal of the proposed tunnel, the Ashland vein is approximately 24 feet wide and in good, solid formation of heavy quartz, heavily mineralized and samples panned from this vein area show good colors.

In 1965 when we made application to the OME a geologist was sent to our property to look over the geology and at that time, felt there was a great possibility for good results at the Ashland Mine. We would hope that it would be possible for your man to look it over again and to evaluate the program that we have hopes of achieving.

It must be borne in mind, Mr. Johnson, that very little work has been done on our property, with the exception of what we have done this year, since 1941 when President Roosevelt closed down all of the mines in and around this area.

We are enclosing a very thorough geological report made by H.V. Winchell in 1899 and a photocopy of the Parks and Swartley as taken from the Oregon Metal Handbook, Volume II. I am also enclosing a photocopy of page 273 of the State of Oregon Department of Geology and Mineral Industries Gold and Silver in Oregon, which briefly covers the amount of work on and the production of the Ashland Mine.

Recommendation concerning

the Auco Mines, Ashland, Oregon

I, Elmer T. Weeks and Herman W. Weeks, in 1959 opened the Ashland Mine, then owned by the Van Culler Bros. of Ashland, Oregon, tested and examined the Ashland vein and its many stopes and cross cuts for approximately six weeks and have first hand knowledge of the Ashland Mine.

And for this reason Mr. Tom Brown of the Auco Mines in Ashland, Oregon recommended us to consider certain works to be made at the Auco Mine.

We therefore submit the following figures, estimates, and costs, approximate values of mining equipment on hand, and approximate cost of mining equipment to be purchased, and cost of removing mining equipment from the mine as rails, air pipe, air receivers, removing equipment to proposed site, constructing certain buildings as machinery and compressor house, Blacksmith and drying house, evacuation of material for tunnel site. For the proposed tunnel, we hereby submit a bid of $28.35 per foot.

We also recommend the use of ceiling rods or roof supports rods in place of timber when and where it may be needed, that in a tunnel 7x9 there should be at least one row of roof support rods between 5 and 7 ft. apart where it is needed to maintain tunnel safety.

28.35 2000
$56700

Herman Weeks
Elmer Weeks

| | Est. cost | 10 % ADDED TO ALL PURCHASES | 5 % ADDED TO LABOR |
|---|---|---|---|
| Receiver and rail, to be moved out of tunnel | $1,200.00 | | $1,260.00 |
| Compressor pipe, " " " " " " | 800.00 | | 840.00 |
| 200 lb rail spikes " " " " " " | 60.00 | 66.00 | |
| 150 lb rail bolts | 53.00 | 58.30 | |
| 4 - 2½ valve and reducers | 57.00 | 62.70 | |
| 30 rail, used on hand, 4000 ft. | 1,500.00 | 1,650.00 | |
| 4000 board ft. 4x6, $100.00 per M | 400.00 | 440.00 | |
| 1 - ton mine car, on hand | 100.00 | 110.00 | |
| 1 - gaining saw, blade type | 150.00 | 165.00 | |
| 1 - chipper | 200.00 | 220.00 | |
| 1 - 1200 Anco mocking machine | 1,800.00 | 1,980.00 | |
| 200 ft. pipe, slip type joint, 6 inch | 200.00 | 220.00 | |
| 1800 ft, 6 inch air sack | 480.00 | 484.00 | |
| 18 - 6 inch damper type tees, 20 guage | 72.00 | 79.20 | |
| 3 - sets drill steel, 2 - 4 - 8, 1 inch steel | 460.00 | 506.00 | |
| 6 carbloyd bits, 1½ - 13/4 - 2 | 295.00 | 324.50 | |
| 1 - D8 Cat, 10 ft. blade - logging winch, on hand | | | |
| Approx. 100 hr. Cat time for project tunnel work $24.00 per hr. | 2,400.00 | 2,640.00 | |
| Cut samples every 5 ft. along Ashland vien 100 samples @ $3.00 per sample | 300.00 | 330.00 | |
| Wage Scale, $38.00 per man, 2 men | 76.00 | 83.60 | |
| Mucking machine man, $36.00 per day | 36.00 | 39.60 | |
| Approx. 1o ft. per day tunnel work 200 working days, approx. cost | 22,400.00 | | 23,400.00 |
| Supervision work, $800.00 per month, Approx. 7 months | 5,600.00 | | 5,880.00 |
| Engineering, total | 35.00 | | 36.75 |
| Preparing building, compressor house, setting machinery and housing | 1,400.00 | | 1,470.00 |
| 2000 gallons Gasoline | 600.00 | 660.00 | |
| Oil and greases | 164.00 | 180.40 | |
| Misc. Insurance, approx. | 1,800.00 | 1,980.00 | |

| | | 10% ADDED TO ALL PURCHASES | 5% ADDED TO LABOR |
|---|---|---|---|
| 1 - 5000 watt Generator, approx. | $450.00 | $495.00 | |
| 2000 ft. water proof Lume wire | 225.00 | 247.50 | |
| 4 hand shovels, No. 2 | 22.00 | 24220 | |
| 4 picks | 21.60 | 23.76 | |
| 4 and 6 ft. pinch bars | 12.50 | 13.75 | |
| 1 - 6 inch blower, on hand | 85.00 | 93.50 | |
| 2 - 24 inch Pipe wrenches | 18.85 | 20.74 | |
| 100 pieces 16 ft. 8 inch poles | 150.00 | 165.00 | |
| 2000 ft. 2x8 Lagging | 225.00 | 247.50 | |
| Blasting powder, 45% $28.50 per 100 lb - 1 ton | 600.00 | 660.00 | |
| 1000 ft. blasting under water fuse | 60.00 | 66.00 | |
| 1000 Blasting caps | 80.00 | 88.00 | |
| 1 - Compressor 165 cubic ft, on hand, Chicago Automatic | 3,000.00 | 3,300.00 | |
| 200 ft. Air hose , on hand | 200.00 | 220.00 | |
| 2 - Jack hammers, on hand | 450.00 | 495.00 | |
| 1 - Jack leg, on hand | 500.00 | | 525.00 |
| 1 - 16x24 combination Blacksmith and dry house | 1,800.00 | | $1,890.00 |
| 1 - First Aid kit | 40.00 | 44.00 | |
| 2 - Stretchers, on hand | 20.00 | 22.00 | |
| 1 - Black forge, on hand | 35.00 | 38.50 | |
| Misc. Blacksmith tools | 75.00 | 82.50 | |
| 1 - 300 amp Lincoln Welder, on hand | 450.00 | 495.00 | |
| 1 - 4x8 Air Receiver, on hand | 335.00 | 365.50 | |
| 1 - Jeep pickup, 4 wheel drive, on hand | 1,100.00 | 1,210.00 | |
| | $56,545.95 | | |

FIRST NATIONAL BANK OF OREGON

BURLINGAME BRANCH, 7615 S.W. 13TH AVENUE, P.O. BOX 3131, PORTLAND, OREGON 97208

January 17, 1969

Mr. J. W. Saunders, President
AVCO Mines, Inc.
543 Third Street
Lake Oswego, Oregon 97034

Dear Mr. Saunders:

Thank you for your letter of December 27, 1968.

Your loan application submitted on behalf of AVCO Mines for the sume of $56,545.95 for the purpose of exploratory mining work in the Ashland Area, after given careful consideration, has been declined.

It has been the policy of this bank to limit its credit relationships which involve speculative risk and, in our opinion, your proposed investment, because of its nature, would be so classified as speculative.

Yours very truly,

LeRoy Fox
Manager

LF:lh

December 27, 1968

First National Bank of Oregon
Portland
Oregon

Gentlemen:

The AVCO Mines, Inc. plans to reactivate the Ashland Mine in Jackson County, Oregon. It is our plan to drive an exploratory tunnel along the Ashland vein that traverses some 30 patented mining claims. We plan also to erect certain buildings necessary: a machinery and compressor house, blacksmith and drying house, as well as an underground storage for blasting powder. The work is estimated to run a total of $56,545.95 by competent miners.

We expect to start the above work on or about February 1, 1969, and we would like to have the repayment spread over a period of at least five years. We are planning on making an application to the United States Department of Interior Geological Survey, Washington, D.C. 20242, for an OME Loan. The government participation, if approved, would equal the above amount which would represent 75% of the total cost.

Please advise us if your bank would consider making this loan to the AVCO Mines at your standard rate of interest for this type of business.

In the event that you would be interested in making such a loan we would be glad to arrange an appointment with you for further discussion.

Yours truly,

J.W. Saunders

AVCO Mines, Inc.
by J.W. Saunders, President

JWS:aj

COPY

THE Community BANK

120 North State Street
Lake Oswego, Oregon 97034

January 16, 1969

Mr. J. W. Saunders, President
AVCO Mines, Inc.
543 Third Street
Lake Oswego, Oregon 97034

Dear Mr. Saunders:

We have given careful consideration to the request for credit accommodations in an amount of slightly in excess of $56,000.00, which was made by way of your December 27, 1968, letter. It is our understanding that a repayment program to run for a period of at least five years is required.

Unfortunately, we must tell you that credit of this amount to run for the period requested could not now qualify for approval under our present policy.

We do appreciate your making inquiry of us concerning this situation.

Very truly yours,

MCE:c

M. C. Evans, President

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

December 27, 1968

Community Bank
Lake Oswego
Oregon 97034

Gentlemen:

The AVCO Mines, Inc. plans to reactivate the Ashland Mine in Jackson County, Oregon. It is our plan to drive an exploratory tunnel along the Ashland vein that traverses some 30 patented mining claims. We plan also to erect certain buildings necessary: a machinery and compressor house, blacksmith and drying house, as well as an underground storage for blasting powder. The work is estimated to run a total of $56,545.95 by competent miners.

We expect to start the above work on or about February 1, 1969, and we would like to have the repayment spread over a period of at least five years. We are planning on making an application to the United States Department of Interior Geological Survey, Washington, D.C. 20242, for an OME Loan. The government participation, if approved, would equal the above amount which would represent 75% of the total cost.

Please advise us if your bank would consider making this loan to the AVCO Mines at your standard rate of interest for this type of business.

In the event that you would be interested in making such a loan we would be glad to arrange an appointment with you for further discussion.

Yours truly,

J.W. Saunders

AVCO Mines, Inc.
by J.W. Saunders, President

JWS:aj

COPY

ASHLAND VALLEY DEVELOPMENT
AND MINING CO.
dba AVCO MINES

543 Third Street • Telephone 636-4516
LAKE OSWEGO, OREGON 97034
Jack W. Saunders, *President*

November 25, 1968

United States Department of the Interior
Geological Survey
Washington D.C. 20242
Mr. Frank E. Johnson Chief
Office of Mineral Exploration

6453

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 27 1968
INITIALS CODE

RE: yours of 11/20/68

Dear Mr. Johnson:

I am sorry for our delay in answering your September 24th letter. It has been difficult to get bids on our revised Exploration program. We should have them in your hands very shortly. Thank you for being patient.

Sincerely

J. W. Saunders, President

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 27 1968
INITIALS CODE

JWS:Wb

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 11/20/68 | Peterson | 120 |
| | | 120 |
| | | 110 |
| | | |
| | | |
| | | |
| | | |
| 11/20 | cae | 220 |
| | | 120M |

AIRMAIL

Mr. Jack Saunders
President
A V C O Mines
543 Third Street
Lake Oswego, Oregon 97034

NOV 20 1968

Re: OME-6753 (Gold-Silver)
A V C O Mines
Ashland Mine
Jackson County, Oregon

Dear Mr. Saunders:

On September 24 we wrote you outlining certain information which was necessary to continue the processing of your application. To date, we have not received this data. Will you please inform us of your plans regarding the application. If you have decided not to pursue it further, will you please so inform us.

Sincerely yours,

FRANK E. JOHNSON (glr)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Region I
Mr. Peterson

ECPeterson/bsl 11/20/68

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 9/23/68 | Pelyn | 120 |
| | Kirkemo | 120 |
| | | 110 |
| | | |
| | | |
| | | |
| | | |
| 9/24 | cac | 220 |
| | | 120M |

AIRMAIL

Mr. Jack Saunders
President
A V C O Mines
543 Third Street
Lake Oswego, Oregon 97034

SEP 24 1968

Re: GME-6753 (Gold-Silver)
A V C O Mines
Ashland Mine
Jackson County, Oregon

Dear Mr. Saunders:

We have carefully reviewed your application for financial assistance and find that the proposal to rehabilitate old mine workings and test known ore bodies is considered development (preparation for mining) and, therefore, ineligible for GME assistance. In addition, the information furnished indicates that although small bodies of ore-grade material may occur at the Ashland mine, their over-all potential does not justify the cost of the proposed $239,000.00 project.

Under the circumstances, we suggest that you consider a modest program of exploration drilling from surface sites to test the Lucky Long Tom and the unexplored northeast extension of the Ashland vein. Perhaps you can obtain sample and assay data and other geologic evidence to support such a program.

If a revised proposal is submitted you will also have to furnish the following additional information to complete the application.

In the event of an exploration contract, state how the company proposes to furnish its share of the costs.

Please furnish true copies of new letters to the banks requesting an exploration loan and their letters of reply. Your letters should state the amount of the loan (estimated Government participation), purpose, date, and terms requested. The letters submitted with the application were undated, unsigned, and the loans requested were not in the amount of Government participation.

Please advise whether the Jackson County Federal Savings and Loan Association still holds the mortgage dated July 25, 1961, in the sum of $3,900.00 with Tracts F and G as surety.

In the event of an exploration contract we will require either proof that the mortgage has been paid, or properly executed Lien and Subordination Agreements from the bank.

Furnish four (4) additional copies of the executed Lien and Subordination Agreements for the property mentioned in the purchase agreement. Only one was received with the application. Lien and Subordination Agreements (five copies MMM Form 52) are enclosed for your possible use.

A claim map or sketch showing the claims involved and their relation to present workings and proposed exploration is required.

A revised cost estimate corresponding to the estimated costs for the new proposal is needed. If the proposed work is to be contracted (drilling, drifting, bulldozing, etc.), cost estimates should be supported by bids from three contractors for each work item if possible.

The proposed work should be described fully, indicating the specific geologic targets you wish to test, and give individual locations and footages for each item of work. Also furnish information relative to the location of samples you may take, how sampled, sample widths, and copies of the assay certificates.

Comment on the results of the recent exploration mentioned in the application. Please note that Plate 4 showing the location of samples taken underground was not received.

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

Sincerely yours,

FRANK E. JOHNSON (gh)

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Region I
Mr. Peterson

ECPeterson/bsl 9/23/68

APPENDIX C
Application for Financial Assistance
August 15, 1968

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

| |
|---|
| 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 JACKSON, State of Oregon,

described ~~as follows~~ 2/ As attached hereto, Exhibit "A"

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

ASHLAND VALLEY DEVELOPMENT AND MINING COMPANY 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.)

See Exhibit B attached hereto

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 18 day of March, 1968.

ASHLAND VALLEY VISTA, INC.

| | | |
|---|---|---|
| J. Darin Davis Bra (Seal) | 725 McVey<br>Lake Oswegb, Oregon 97034 | (Street)<br>(City & State) |
| Alice M. Savage, Sec (Seal) | 3615 NE DAVIS<br>PORTLAND, OREGON | (Street)<br>(City & State) |
| (Seal) | | (Street)<br>(City & State) |
| Mary O. Van Cuyler (Seal) | 1015 Fern st Ashland Oregon | (Street)<br>(City & State) |
| Irene E. Bowman (Seal) | 102 Butler Creek Rd.<br>Ashland, Oregon | (Street)<br>(City & State) |
| John D Bowman (Seal) | 102 BUTLER CR. Rd –<br>Ashland, ORE – | (Street)<br>(City & State) |

I, ALICE M. SAVAGE (Name), certify that I am the Secretary-Treasurer (Title—Secretary, etc.) of the corporation named herein; that Jack W. Saunders (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.

Alice M. Savage
Alice M. Savage

(Corporate Seal)

September 18, 1968

Mr. Jack Saunders President
A V C O Mines
543 Third Street
Lake Oswego, Oregon 97034

Subject: OME-6753

Dear Mr. Saunders:

Your application for exploration assistance, dated August 15, 1968, submitted to our office at Spokane, Washington, has been assigned Docket No. OME-6753.

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

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region I

U.S. GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OM 6753 (GOLD-SILVER)

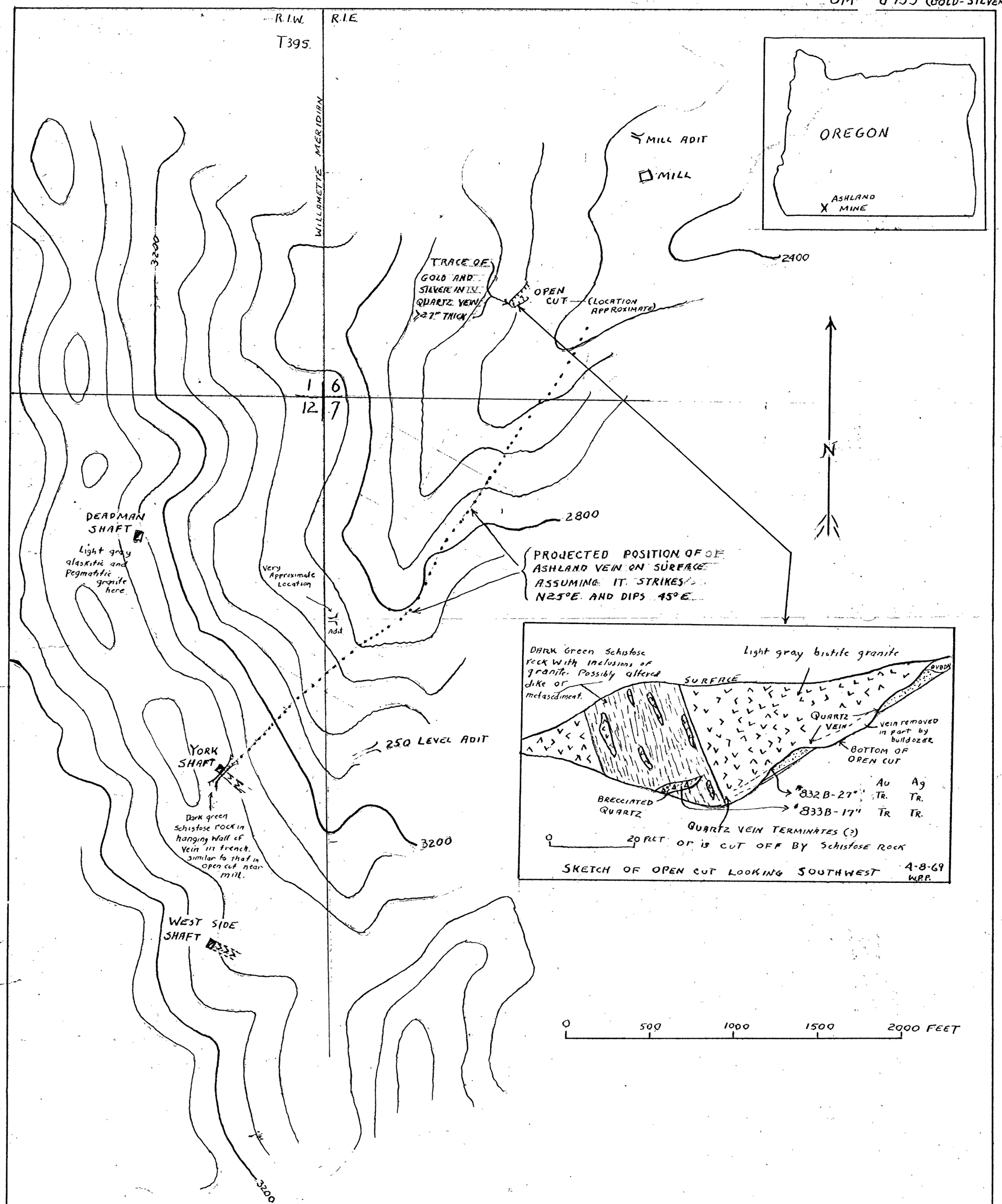
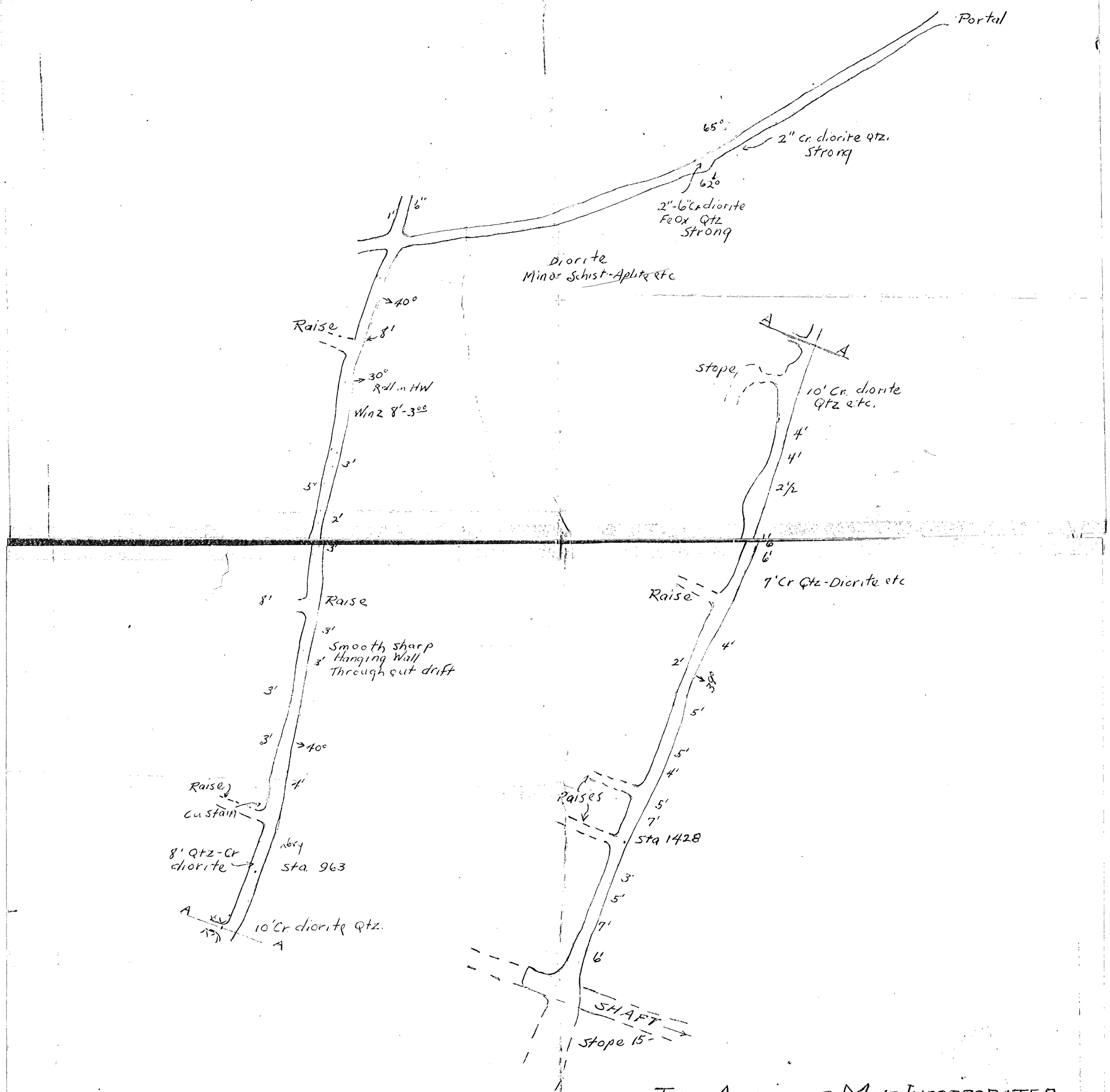



FIGURE 1 INDEX MAP ASHLAND MINE

JACKSON COUNTY, OREGON

CONTOURS ENLARGED FROM TOPOGRAPHIC SHEET (TALENT, OREGON-CALIF.)

MODIFIED FROM MAP SUBMITTED BY ASHLAND MINES (AVCO)



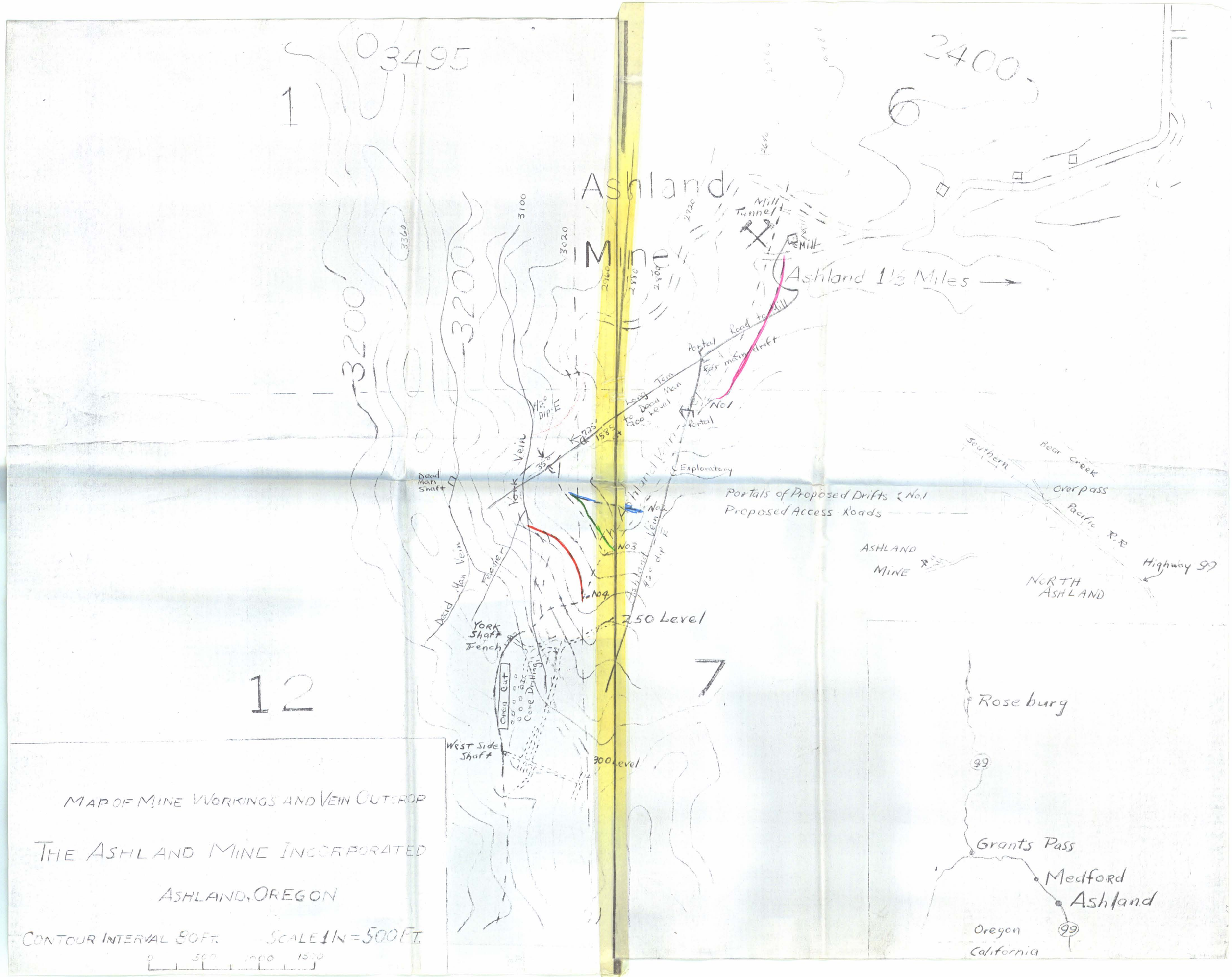

THE ASHLAND MINE INCORPORATED

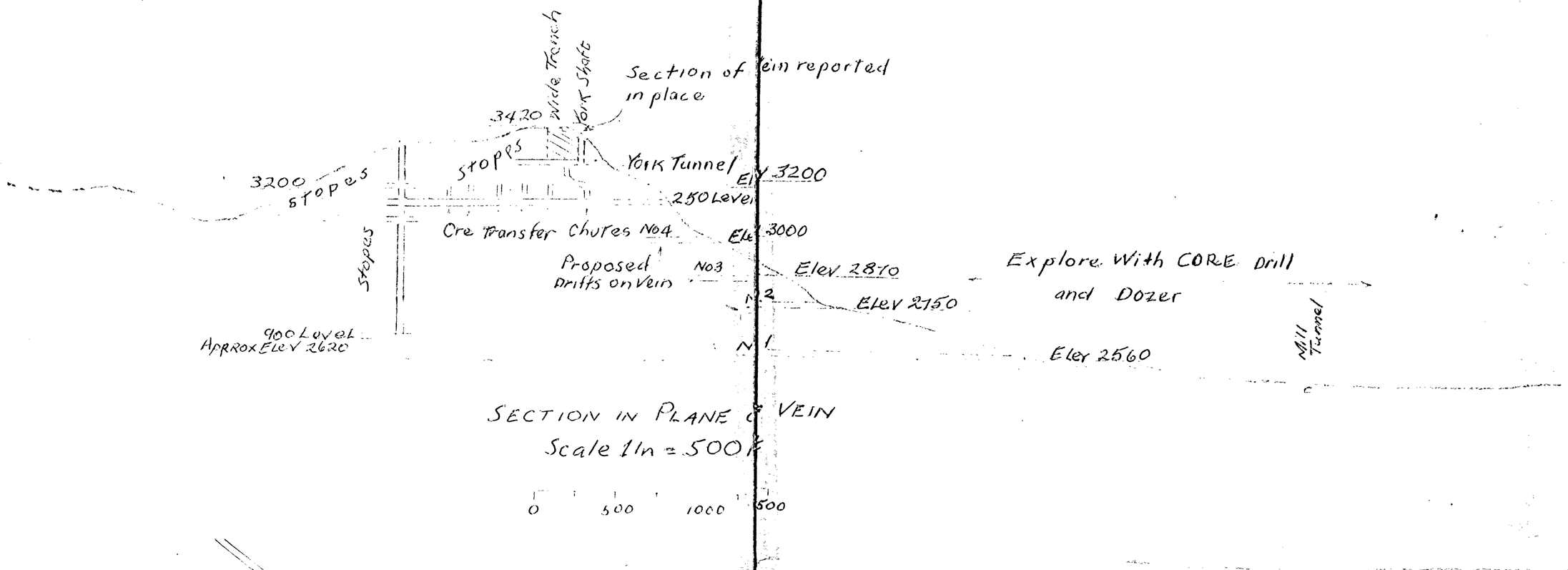
ASHLAND, OREGON

250 FOOT LEVEL

Scale 1 In. = 50 Ft.

PLATE 3


Ashland Mine
MAP OF MINE WORKINGS AND VEIN OUTCROP
THE ASHLAND MINE INCORPORATED
ASHLAND, OREGON
CONTOUR INTERVAL 50 FT.
SCALE 1 IN = 500 FT.
0 500 1000 1500
1
6
7
12
3495
3200
3100
3360
3020
2400
Mill Tunnel
Mill
Ashland 1½ Miles
Portal
Road to Mill
For main drift
Long Tom to Dead Man Goo Level
No 1
Portal
York Vein
Dip: F
Dead Man Shaft
Exploratory
Ashland Vein
Portals of Proposed Drifts
Proposed Access Roads
No 2
No 3
No 4
Dead Man Vein
Feeder
Ashland Vein
250 Level
York Shaft
Trench
Open Cut
Core Drilling
West Side Shaft
300 Level
Southern Pacific R.R
Bear Creek
Overpass
ASHLAND MINE
NORTH ASHLAND
Highway 99
Roseburg
99
Grants Pass
Medford
Ashland
Oregon
California
99



WEST SIDE SHAFT

Scale 1in = 100Ft.

0 100 200 300

SECTION THRU MILL TUNNEL

Scale 1in = 100Ft

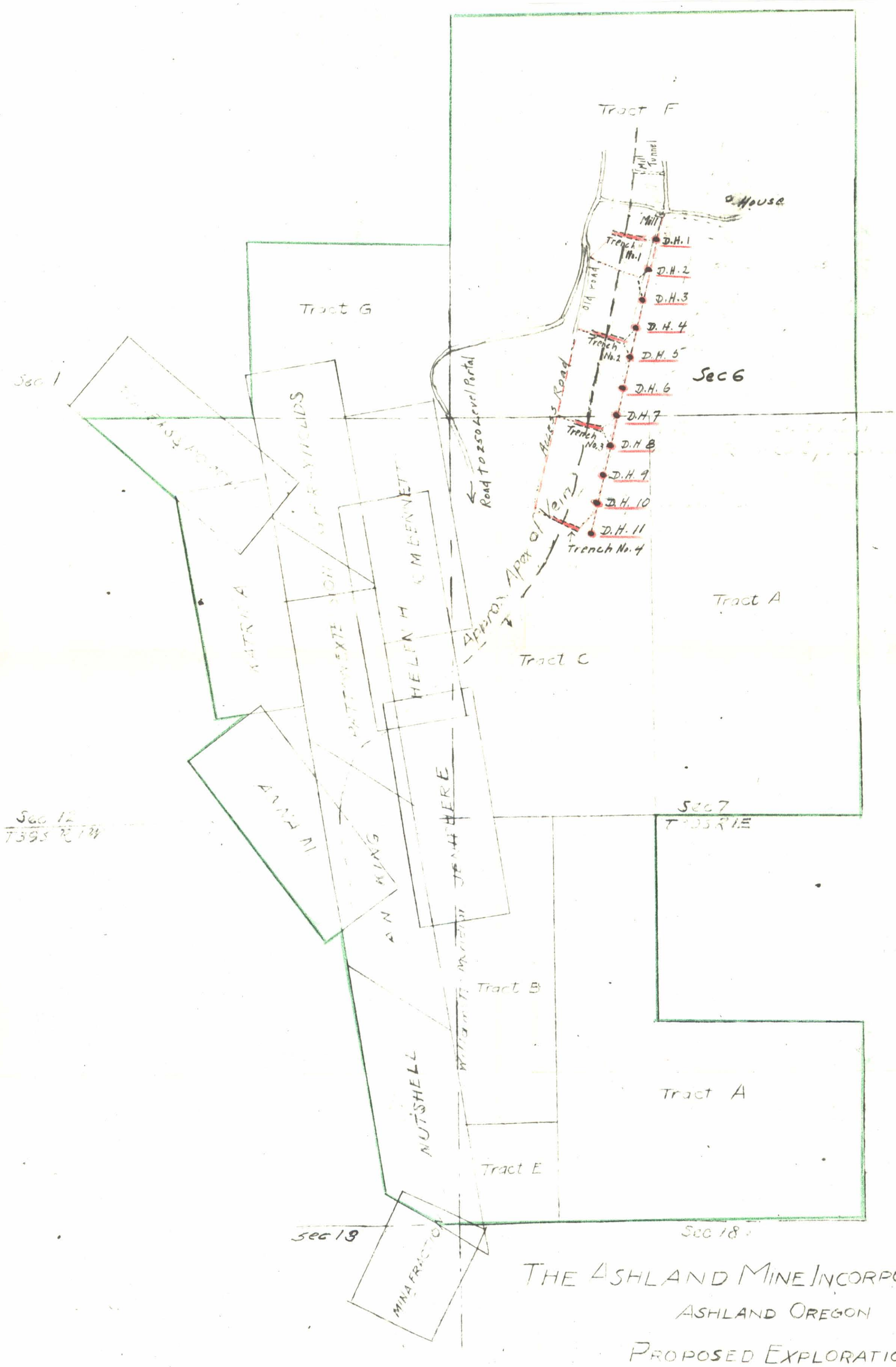
Churn Drill Hole

THE ASHLAND MINE INCORPORATED

ASHLAND, OREGON

Proposed Exploration and Sections

PLATE 2




THE ASHLAND MINE INCORPOPATED

ASHLAND OREGON

PROPOSED EXPLORATION

AND

PROPERTY LINES

Scale 1 In = 500 Ft

Plate 5