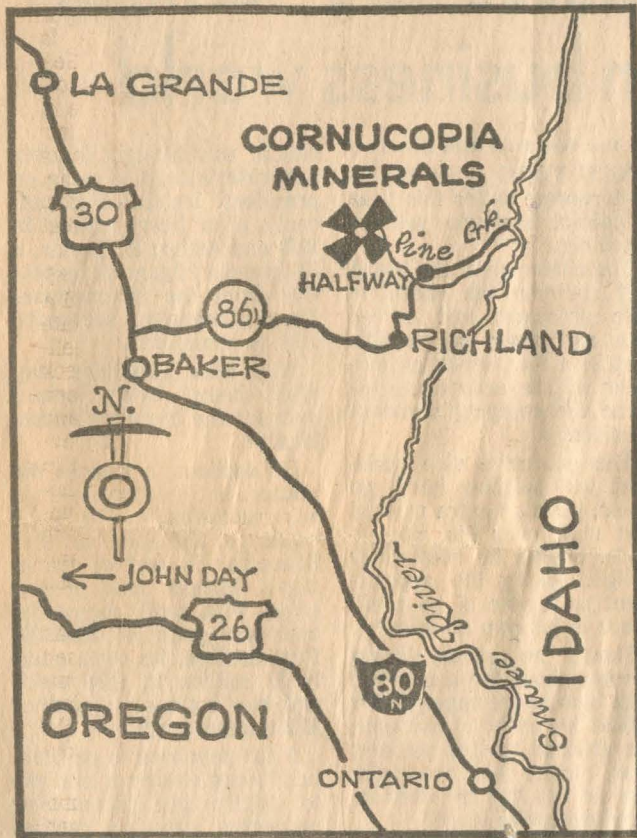


# There's gold, hard work in them thar hills



By ANDREW MERSHON

of The Oregonian staff

HALFWAY — Howard Yates pulled up his hip boots and started out into the murky water. The vacuum hose jumped in his work-hardened hands as the gasoline-fired pump started, and rock clattered down the makeshift sluice box on the shore.

There is very little romance in the Cornucopia Minerals Co. diggings here on Pine Creek, just a lot of back-breaking work. "It's a simple little old sand and gravel operation," Yates commented. "The simplest kind of mining."

Yates' open pit mine is unique, however, because it is the first to comply with the Mine Lands Reclamation Act in Oregon.

The gravels he is washing for nuggets are located in a steep canyon, at the head of which is the historic Cornucopia Mine.

Yates believes the nuggets he is finding have no relation to the old Cornucopia, except that both deposits may have been laid down at the same time in geologic history.

The Pine Creek canyon has been worked before, he pointed out, "but the companies who really tried were underfinanced or lacked the proper equipment."

## Financing heavy

Yates and his group of 11 other Denver, Colo., investors, have put about \$200,000 into the mine so far, and plan to put half that into it next year.

"We have no idea how long this will last," he said. "There's good gold on those upper banks, but we're still more or less testing."

The price of bullion gold is of no concern to Yates. His market is jewelry gold, unaltered nuggets and flakes that go for \$85 to \$150 per ounce. Bullion gold on the open market is now about \$60 in London.

Yates is fighting winter



OPEN PIT — Cornucopia Minerals mining operation near Halfway looks like highway project Crane (left) digs into

gravel banks, dumps gold-laden dirt into combination grizzly-sluice at right, behind shed.

into the economy. Soon, perhaps next year, he hopes to do even more with the founding of his own jewelry factory, employing local housewives to make the tie tacks and earrings from his nuggets.

For the present, he markets his gold in Denver, Seattle, San Francisco, and Lewiston, Idaho. "There's some good things to the gold mining business. In this operation, we've got cash flow with every shovelfull.

"Another thing about the gold business: No credit. Payment is always in cash or certified check. I take it in and lay it on the man's desk, he hands me the money. No 30- or 60-day accounts."

Cornucopia Minerals has other mining properties in Arkansas, near Tonopah

When he had his briefcase stuffed with permits and comments, he went back to Halfway to begin mining. "Then Baker County came out and said I needed a permit from them.

"I would have sure got one if your name had been on the list," I told the man. Then I went down to the planning commission and explained what we planned to do and everything was okay."

In order to keep from muddying Pine Creek, a prime trout stream in the area, Yates diverts the stream at every level. "The big thing is, don't muddy up that little creek," he said.

Yates worked for several years in the oil field supply business, helping to design natural gas plants and refineries.

Later he got into real estate development, putting together Vail Village West in Colorado, then sold out his interest in the ski resort. Within a year, he found Cornucopia.

Initially, he said, he had a difficult time interesting investors in an Oregon gold mine.

"I thought there was a lot of con artists in the oil business, but it can't hold a light to this mining business," he laughs.

"So I wasn't surprised when I went out to put this group together that everybody thought I was crazy.

"Hell, maybe I am. A man would have to be a little nuts to enjoy this kind of life. But there's a lot of gold here, and I aim to get it."

London.

Yates is fighting winter now, hoping to keep his equipment running until Dec. 1, but the work days are growing shorter all the time in the shady canyon. "Some mornings it takes until noon for the ice to melt enough so we can run the pumps," he sighed. Snowflakes began to fall as he talked. "We might be caught sooner than we think."

Cornucopia Minerals has 2 1/2 miles under lease on the canyon, and options on another 2 1/2 miles. The patented claims and deeded land are owned by David Steinmetz, Beaverton, who takes his \$600 per month rental in gold.

Steinmetz' family has worked the canyon for many years.

Since the early 1960s, he has leased it to various operators, including the predecessor to Yates, a Boise group which closed down operations in 1968.

#### Value a secret

With a pending stock issue due this winter, Yates was unable to reveal how rich the mine is for fear of running afoul of the Securities and Exchange Commission.

But 10 minutes of picking at the sluice box on a recent frosty morning turned up perhaps \$50 in small nuggets and flakes.

Yates, a chemical engineering graduate of Purdue (1948), designed his own combination rock grizzly (screen) and sluice (gold-washing apparatus) for operations in the canyon.

"The normal configuration is lineal, with all these grids stretched out straight, but we don't have the room here. This canyon is awfully small, so I had this unit built in Seattle and we assembled it here on the site."

The sluice-grizzly stands about 15 feet high, 20 feet long and five feet wide. At the first step, rock and gravel is dumped in over the grizzly, which ejects boulders and larger rock. Then the gravel runs over a series of grid screens, washed all the way down with water. At the end, carpet laid in the bottom of the box catches the fine material and the nuggets catch in the steel riffles.

Cornucopia's operation has been a bonanza for the little town of Halfway; Yates says he puts \$10,000 per month

other mining properties in Arkansas, near Tonopah, Nev., and Oroville, Calif. So far, only Halfway is producing profits.

Pine Creek gold is averaging 840 fine, which means the nuggets are running 84 per cent gold and 16 per cent silver.

#### Quality high

The quality is high for a placer in this day and age. But the Cornucopia property is the only operating commercial placer mine in the continental United States.

Yates plans to work his claims gradually up to the head of the canyon, filling in and reclaiming the land behind him. At each bench level, he will leave a small pond for stocking with fish and several recreational home sites.

This reclamation plan, conceived before the state requirements went into effect, took nearly a month for approval. "I didn't think we came under the act," Yates commented, "but look around a little bit and you can see what some of these old mines have done to the country. I think it's a good thing, and that's why I went to the trouble I did."

He spent a month in Portland and Salem, traveling between state offices, hand-carrying his development plan and selling it to half a dozen bureaus and departments.

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PICKING NUGGETS — Cornucopia President Howard Yates "high-grades" the sluice box he had fabricated in Seattle for the Pine Creek mine. Riffles the under-laid with carpeting, which catches fine gold.

*Mining Journal May 30, 1940*

**FIRST MINING COMPANY ENJOINED  
UNDER FAIR LABOR STANDARDS**

**T**HE Cornucopia Gold Mines, a corporation with principal offices in Seattle, Washington, has been restrained from violations of the Fair Labor Standards Act, according to an announcement of the Wage-and-Hour Division, U. S. Department of Labor. This is the first Wage-and-Hour case in which judgment has been entered against a mining company. The corporation, operating a mine and mill near Cornucopia, Oregon, is engaged in the mining and concentrating of ore containing gold and silver.

A judgment entered in the United States District Court for the western district of Washington, northern division, on May 3,

provides for the payment of restitution. Approximately \$18,000 in back wages for overtime worked is due some 283 employes.

An important stipulation contained in the judgment is that time spent by employes in traveling from the portal of the mine to the working face and from the face back to the portal is to be deemed time worked. This means that hereafter the miners are assured of wages from the time they enter the mine until they leave it. Heretofore, the miners were required to show only six hours of work on their time cards although they were actually in the mine for eight hours. The mining company previously had not paid for the two hours consumed by the men riding into the tunnel in the mine property and going

*Mining Journal, June 15, 1940*

**Edward Miles**, formerly mine foreman of the Chelan Division of the Howe Sound Company at Holden, Washington, has gone to Cornucopia, Oregon, as superintendent of the Cornucopia Gold Mines, Inc.