

August 20, 1969

Mr. Roger Paul Villeneuve  
503 W. Commercial (No. 10)  
Coos Bay, Oregon

Dear Mr. Villeneuve:

In response to your telephone call late last Friday I am enclosing two copies of our report on the Horse Sign Butte property. There is a service charge of \$3.00 for these copies.

In assessing the merits of a mining operation such as this there are several factors which must be considered. Access to the property over roads and bridges capable of handling heavy trucks is, of course, of prime importance. If new roads and bridges must be constructed over public lands the permission and specifications of the granting agency must be secured. Assuming that only open pit mining and no milling will be conducted at the site, the requirements for water would be minimal. The program for actual mining depends to a certain extent on the nature of the ownership of the property, possible stream pollution, and any levelling and resoiling requirements. In this particular instance it might be possible to simply mine the "ore" horizon with visual control, although almost certainly some preliminary drilling must be done to determine size and tenor of the ore body.

The actual mining can possibly be done with bulldozers equipped with rippers. Loading could be by means of a simple ramp and grizzly. The size of the load would be determined by the lowest load limit on either road or bridges during bad weather. The mine-run ore would have to be upgraded before shipment. Since the mine is located in a remote area it would seem logical to concentrate the ore at some point where power, water, and other facilities were readily available. If the plant is located in or near Gold Beach, these requirements can be met but some thought must be given to disposal problems of waste materials, both solid and liquid.

The services of a registered professional mining engineer are recommended. A mining engineer can examine the property, obtain samples and assays, lay out an exploratory program, determine the feasibility of the enterprise, develop a mining and milling program, and supervise generally the entire operation. A list of three local engineers is attached for your convenience.

We would like to suggest that extreme caution be exercised in the decision of whether to mine the deposit or not. The two reports that have been made by geologists do not indicate the probable tonnage or grade of the ore, no mill tests have been made, and no mining, hauling or milling costs have been estimated. The estimates of tonnage that have been made for the deposit as a whole strongly indicate that no large tonnage of recoverable ore exists.

Sincerely yours,

Ralph S. Mason  
Mining Engineer

RSM:lk  
Encl.

September 4, 1969

Mr. Roger Villeneuve  
503 West Commercial Street  
Coos Bay, Oregon

Dear Mr. Villeneuve:

It was a pleasure talking to you about development of your magnetite deposit in our phone conversation of August 21, 1969.

We have talked with Mr. Mason at the Department of Geology in Portland, Oregon, and we discussed the development of your magnetite property. Because of the lack of detailed information concerning ore reserves, quality of the ore, and remote location, it would seem that further development work should be undertaken to evaluate the true worth of this deposit. This evaluation should consist of extensive drilling, sampling and testing by a laboratory such as Twining Laboratories in California. A laboratory such as this would perform crushing and liberation tests to determine where the values lie. This ore evaluation would be very important in determining whether or not magnetic separation would recover titanium and vanadium with the magnetite.

We would suggest hiring a registered professional mining engineer as a consultant to accurately evaluate the property and determine the most efficient mining techniques and the cost of mining the ore.

At the absolute minimum, in order to recover the magnetite from a slurry of 30% solids, you would require a magnetic wet drum separator which may be purchased from us for \$10,000. This magnet would produce 925 gauss at 2". Unless a detailed and complete evaluation of the ore property is made, the cost of magnetic separation could easily triple if roughing and cleaning the magnetic product is necessary. Because we must guarantee the performance of our equipment, we require complete information on the mesh of the ore to be processed through the magnetic separator, the efficiency desired, and an accurate determination of the capacity. I have enclosed a copy of our wet separator bulletin which shows the diversity and complexities of various flow sheets at various large plants and indicates the necessity for detailed knowledge in designing a concentrator plant.

Mr. Roger Villeneuve


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September 4, 1969

We look forward to learning of your progress in this development and to working with you as your planning becomes more detailed.

Sincerely,

DINGS MAGNETIC CO.



David A. Rasmussen

DAR:ml

Enc: BulletinB-1500

cc: Mr. Mason  
Dept. of Geology, State of Oregon  
Portland, Oregon

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