

BROQUINDA, INC.



40° TEMPERATURE
85% HUMIDITY
AIR CONDITIONED

POLAR PANTRY -

Ice Refrigerator

RECEIVED
MAR 22 1938

19TH ST AND 2ND AVE SOUTH
P. O. BOX 35 22ND ST. STATION
ST. PETERSBURG, FLORIDA
Chicago, Ill.
March 15th
1 9 3 8

STATE DEPT OF GEOLOGY
& MINERAL INDS.

Mr. J.E.Morrison,
Mining Geologist, State of Oregon
802 East H St.
Grants Pass, Ore.

Dear Sir.....

Can you furnish me any information regarding the properties of the U.S.Chrome, Inc.

I understand this company is incorporated in your state and the properties are located on the north slope of Salmon Mountain, in Sec. 19, 20, 21 and 22, Twp. 32, Range 12 South in Curry County. I may have County name wrong.

I also understand these properties contain both gold and chromium. Any information you can give me will be greatly appreciated, regarding condition of mill, timber and ore possibilities and their extent, if you have such information.

Thanking you in advance, I am,

Sincerely yours,

C.A. Smith

CAS/ms

180 E. Delaware,
Chicago, Ill.

Mr. Nixon suggested that I send letters of this character up to him for reply.

March 25, 1938

Mr. C. A. Smith
180 E. Delaware
Chicago, Illinois

Dear Sir:

We are in receipt of your letter of March 15th, addressed to Mr. J. E. Morrison, Mining Geologist at Grants Pass, Oregon. He has forwarded your letter to us for reply. We are writing to the Corporation Commissioner to learn whether or not the U. S. Chrome, Inc., is an Oregon corporation, ^{or a foreign corporation} qualified to do business in Oregon. When we receive a reply from him we will gladly send such information as we receive from him.

We do have an informal report from Mr. Morrison upon the Salmon Mountain property, which is located in the identical sections, township, and range as given in your letter to Mr. Morrison. It would seem probable that this property and the properties of the U. S. Chrome, Inc., are the same. This may be disclosed when we get the information from the Corporation Commissioner.

Mr. Morrison visited the property in November, 1937, and reports about as follows:

"The property consists of some 80 unpatented mining claims on the north slope of Salmon Mountain at an elevation of 2100 feet, ten miles southwest of Powers in Coos County, Oregon, and more specifically described as Secs. 19, 20, 21, and 22, T. 32 S., R. 12 W., Willametter meridian.

"At the present time the property cannot be reached by road. The company has four men surveying for right of way to connect with U. S. Forestry road at China Flats on Coquille River, a distance of five miles. This road, when completed, will connect them with Powers, the closest railroad.

"The property was discovered in the early eighties and beginning in 1885 was operated for thirteen winters. I was informed by a man who worked on the property the last two seasons it operated, that the reason for closing was due to insufficient water to make it pay as a hydraulic mine. From 1898 to 1936 the property was worked intermittently but without any appreciable production.

"The present company acquired the property in 1936 and in the summer of this year started construction of a 100 ton test mill for the purpose of ascertaining whether or not the ore body was sufficiently large enough to pay on a large scale operation. This mill should be completed in January of 1938, if the present force of ten men is maintained. The flow sheet consists of fine grinding in a Gibson 100 ton balanced rod mill followed by amalgamating plates, rag frames, and Wilfley tables.

"The United States Geological Survey Port Orford Folio by Diller describes the property as follows: 'The Salmon Mountain mine, on the north slope of Salmon Mountain, at an elevation of 2,100 feet, is hydraulic, using water with nearly 200 feet head, brought across the divide from the upper part of Johnson creek. The cut is about 50 feet deep, the same in width, and 500 feet long, with a range of 200 feet in height. It is in rather fragmental material of igneous origin, except at the lower end, where Eocene shales and sandstones occur. Although closed at the present time, it has been worked during the rainy season at intervals for a number of years. When running under good head the mine paid \$75 to \$100 a day and the gold is said to be rather uniformly distributed through the whole mass. This fragmental material of volcanic origin forms a bench with small depressions on the steep slope of Salmon Mountain, and appears to be due to a slide.

"The rock is dark, often purplish or greenish, sometimes brecciated, much fractured, and easily goes to pieces. Although much altered, it retains traces of its ophitic structure which connects it with the basalts. Near the upper limit of its exposure, above the bulkhead it is more solid and is associated with a rock rich in glaucophane, with sandstones and indurated shales bounding it on both sides.

"The gold of the mine appears to be derived from small quartz veins, such as have been prospected in the immediate vicinity. Its intimate association with this igneous rock is exceptional and unlike anything else seen in the region. The branch of Salmon Creek which heads near the mine contains much of the same sort of debris in its bed and yields a small amount of gold annyally to several miners.

"A short distance southwest of the Salmon Mountain Placer mine, a quartz mine was opened by several tunnels running in a southerly direction into the hill. One of these showed a two inch quartz vein, with smaller veinlets, containing besides some pyrite occasional visible traces of free gold. Veins of this sort are found in the pebbles of Cretaceous sandstone which occur in the adjacent Eocene conglomerate, so that the formation of the veins belongs near the close of the Cretaceous."

"I was unable to see a great deal of the formation because the old hydraulic cut and tunnels were caved and there were no new exposures.

"The mine superintendent, Billy McLaughlin, is extending every effort to erect the test plant as cheaply as possible without slighting workmanship; second hand equipment being placed wherever possible."

We regret that we do not have more particular information, but this Department only got into action last July after a lapse of some fourteen years, and we have consequently been unable to cover the State as we would like to do. From the above statements regarding the property, you will note that no reference is made to chrome only; the discussion is concerned with gold deposits. It is in an area in which chrome could occur and might have considerable chrome on the property, although individual chrome bodies are not usually large.

If you contemplate making a material investment in this property, we suggest that you employ a consulting mining engineer in whom you have full confidence so that you may have proper advice as to the property itself, the competency and integrity of its personnel, etc.

If there is any additional information which you desire, and we are able to furnish it, we will be only too glad to assist you.

Very truly yours,

AMS:vm

A. M. Swartley
Consulting Mining Engineer

March 29, 1938

Mr. C. A. Smith
180 E. Delaware
Chicago, Illinois

Dear Mr. Smith:

We have this morning received a letter from the Corporation Department of this State, which reports that a corporation of record by the name, U. S. Chromium, Inc., with its headquarters at Powers, Oregon, filed articles September 7, 1937. The corporation has an authorized capitalization of 75,000 shares of no par value Common Stock, and it has not filed any reports so its officers are unknown.

Its incorporators were James Draper, Avis Hart, and Tom C. Chappell. The articles were signed and executed at Chicago before Mabel Grant, a notary public for Cook County. Presumably its officers are all non-residents, for the reason that it filed a power of attorney under the provisions of Chapter 184, Oregon Laws, 1935, naming E. C. Roberts of Myrtle Point, Oregon, its Attorney-in-Fact in this state.

We trust this information will be of some use to you.

Very truly yours,

AMS:vm

A. M. Swartley
Consulting Mining Engineer