

Douglas

Cain Copper

November 13, 1941

Mr. J. Fred Johnson,
American Smelting & Refining Company,
McCormick Building,
Salt Lake City, Utah.

Dear Fred:

I have just returned from Alaska, hence the delay in replying to your letter of October 15.

Enclosed is my report and some correspondence that I had with Mr. Guess about the Cain copper property. I really do not know if the leached outcrop at the Cain property is an expression of a copper sulphide body beneath or a disseminated deposit of barren pyrite. Maybe we had better reread Augustus Lock's book on leached outcrops so that we can identify a true gossan.

At the time I looked at the property Mr. Guess was rather liberal with prospecting and exploration money and told me to go ahead and do some work that I indicated, but shortly after that the copper market began to take a down-hill slide so I thought there wasn't such a good chance to get anything. However, it may be all right.

Also enclosed is my report on the Silver Peak property with some correspondence attached. I believe this property is a better bet than the Cain. Since my report

J. Fred Johnson

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considerable work has been done and I understand some very good values were found in a winze. It is quite strange but this property was brought to me about a month ago and I asked the person at that time to get a firm option on it which he said he would do, so he will probably be back in the office before very long with it. It would not be a very expensive undertaking to run a short crosscut into the hanging wall for a diamond drill setup and do some drilling for depth.

I believe a lot of the sample markings that you saw in the Silver Peak are my cuts as I used a compressed air chipping machine and did some pretty good sampling. However, I do know that Gratton Lynch sampled the property for North American Mines and that Bob Livermore came out and after some consideration they decided to do nothing with the property.

I hardly think that a great deal would be gained by re-sampling the present exposures but I do feel that the chances are good for developing a small or moderate size property here if both the Silver Peak and Oregon Exploration Company, now known as the Umpqua Consolidated Mining Company, could be consolidated at an attractive figure.

Also enclosed is circular No. 2, publication of U.S.G.S., and you will find an article on and map of the Silver Peak beginning on page 15.

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I wish you would return to me the U.S.G.S. publication, also the reports and correspondence that I have taken from my file, after they have served your purpose.

If I can be of any further assistance let me know. I will write to you as soon as I hear from the person who is going to bring me the option on the Silver Peak.

Kindest regards.

Sincerely,

1108 Hoge Bldg.
October 10th, 1930

Mr. H. A. Guess,
120 Broadway,
New York City.

CAIN COPPER PROPERTIES
DOUGLAS COUNTY, ~~OREGON~~ Ore.

Dear Sir:

During September, a preliminary examination was made of this group of claims situated 7 miles South of the Silver Peak Mine, Douglas, Oregon.

The Silver Peak was examined and referred to in a report dated December 6th, 1928. At the time negotiations were opened a law-suit was pending. Later this law-suit was decided in favor of Silver Peak but the owners did not agree to a price and terms I felt was fair and no business developed.

Since then the mine shipped to the Tacoma Plant, as crude ore, 2755 tons averaging .05 ozs gold, 2.7 ozs. silver, 6% Copper, 2.2% zinc, 22% silica, 26% iron and 32% sulphur but discontinued shipping when the price of copper dropped and is now idle. The mine has considerable ore available and fair development possibilities for a small mine.

It is interesting to note that in the gossan at Silver Peak, not the faintest copper stain could be detected, neither did it give any gold values upon assay. The surface gossan was 40 to 70 feet wide and traceable at intervals for a thousand feet. At the Cain prospect, which I believe is part of the same lode or at least a contemporaneous deposit occurring under similar conditions, the surface exhibits massive gossan for 1600 feet in length and 150 feet across at its widest place. There is no development on the Cain group to indicate the depth to which oxidation extends and none to show that when sulphides are reached that they will be ores of copper. I am of the opinion that the gossan is definitely the capping of a large sulphide ore body but cannot predicate its character.

Two samples of this gossan assayed:

- #1 - .04 ozs gold per ton
- #2 - .08 ozs gold per ton.

The lode can be cut at a shallow depth by a short cross-cut tunnel, 100 feet perhaps and then drifting on this lode for two hundred feet will gain, at that point, a depth of about two hundred feet. This should reach the unaltered sulphides and reasonably determine their character and the economic importance of the lode by cross-cuts. In all, it will require 500 feet of tunnel work before a conclusion can be made.

This work can be contracted for \$16.00 per foot per by hand, and require five months. The ground is not hard and will stand well without timber.

The quantity and magnitude of the gossan is an incentive to do this work.

Mr. Cain is a man along in years and without means therefore, he must be taken care of somehow. I have worked out the following:

Pay Cain \$150.00 per month during our development but this pay not to continue for more than one year reserving the right to withdraw at any time without liability. American Smelting and Refining Company to provide all monies, and all advances thus made, to be returned with interest at 6% per annum from first profits after which we retain 55% of the profits and 45% goes to Cain and partners.

It will be necessary to build about 4 miles of pack trail from the end of a truck road, this will cost about \$3000.00. 500 feet of tunnel will cost \$8000.00, payment to Cain for six months will be \$900.00 and \$600.00 incidental expenses.

\$10,500.00 should be sufficient expenditure for exploratory work or two diamond drill holes probably placed will probably give the same results at one half the cost. Should a property develop, operating conditions would be favorable. The property is about nine miles from the Southern Pacific Railway at Riddle, Oregon.

I feel that the above outline work is warranted and ask your favorable consideration.

Very truly yours,

LAL:MB
CC A. H. Richards,

Samples	Ag.	As	Cu
1. 04		.60	
2. 0		Tr	
3. 08		0	.06
4. Tr		Tr	.17

WILLIAM J. ELMENDORF
 MINING ENGINEER
 905 ALLISON STREET
 SEATTLE, WASHINGTON

Sept. 17th. 1930

Mr. L. A. Levensaler,
 Hoge Building,
 Seattle, Washington.

Dear Sir:-

I examined the mining property known as the Cain Group in Douglas County, Oregon, on Sept. 10th. to 13th. 1930, as requested by you.

The mining claims are 6 in number and extend in a southwest direction from Peavine Creek to Grayback Mountain, a length of about 4 miles. Buckeye Nos 1 & 2 are the northeasterly claims, then, going southwest, two patented timber sections intervene and Grayback 1 & 2 and Bessie 1 & 2 extend the group to Grayback Mountain. These claims cover an outcrop of gossan and iron stained rock which is in line with and apparently the continuation of that upon which the Silver Peak and adjacent mines are located. This outcrop extends through the property, with certain interruptions, from its north to within a claim length of its south boundary. The best showing by far is on the north end.

The claims are in Secs 5, 6, 7, 13, Tp. 32 s. R. 6 & 7 W. and are reached by a trail from the Silver Peak Mine 7 miles long. The terrain is steep but not precipitous, superbly timbered, and while there is no wagon road to the Cain workings, no great difficulty or expense should be encountered in constructing one. The road would probably reach the railroad at some point south west of Riddle. About 5 miles of construction is said to be the shortest line.

On the Buckeye Claims a tunnel 185 feet in total length has been driven. This tunnel makes 3 turns and enters but does not cross the sheared zone above which the gossan outcrop shows. It reaches a depth of perhaps 60 feet at the face. In this tunnel some pyrite shows in the wall gouge apparently a remnant that has escaped oxidation. The gossan also shows in the face and elsewhere but, as the heart of the outcrop has not been penetrated, it is impossible to say whether the oxidation is complete at this depth. I saw no mineralization that I could identify as copper bearing in the tunnel. Assays on the two samples, one of gossan and the other of sulphides, taken from the tunnel are being assayed and the latter may show some copper.

The outcrop of gossan on the Buckeye claims is 1600 feet in length and, perhaps, 150 feet in width at its widest point. This outcrop is on a fissure zone through the granodiorites and greenstones which formation extends a considerable distance north of the Silver Peak mine and south of the Cain Group. Reference is made to the Riddle quadrangle of the U.S.G.S.

The property is a prospect with a strong outcrop of gossan extending, practically, throughout its length, which is weaker toward the south end. This outcrop shows no copper stain and no sulphides except at a few points. There the sulphides show no chalcopyrite or other copper ores. There is no development on the Cain group to indicate the depth to which the oxidation extends and none to show that when the sulphides are reached that they will be ores of copper. I am of the opinion that the gossan is definitely the capping of a sulphide ore body but cannot predicate its character.

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As a favorable indication for value of the property, the fact that the outcrop on the Silver Peak and the adjoining mines was similar, I think identical, in character to that on the Cain and that depth has developed good copper bearing sulphides. The Cain is a definite southerly extension of the Silver Peak outcrop in the same formation and it is reasonable to assume that the ores in depth will be similar.

The future development of the property may be economically done without equipment by driving a tunnel in from Peavine Creek on the line of the outcrop. Such a tunnel would gain, perhaps, 200 feet of depth with a drive of 300 feet and with increasing depth if extended. This should reach the unaltered sulphides and reasonably determine their character.

As a plan for more extensive development, I suggest the testing by geophysical methods of the outcrop, to determine, if possible, the most extensive sulphide ore body and the drilling to considerable depth at this, and perhaps other, points.

This letter is accompanied by a rough sketch of the location and conditions of the area.

Yours truly,

A handwritten signature in cursive script, appearing to read "W. C. Mumford". The signature is written in dark ink and is positioned below the typed name "Yours truly,".