November 5, 1957

Mr. Harold J. Hull Wallace, Idaho

Re: Fort Knox Group,

Jackson County, Oregon

Dear Harold:

It occurred to me that perhaps I had not been explicit enough in some respects in my letter to you of October 30th. I will try to rectify this.

In that letter I said that the "Fort Knox claims are in serpentine, which has proved to be a notably poor host rock for ore bodies of any size in Oregon".

The following is a verbatim quote from Bob Anderson's report:

"Conclusion -

Although there is sufficient structure and mineralization exposed in one bulldozer cut on the property to warrant further work, it is expected that some small tonnage of direct shipping ore will be developed but that the pod or pods found will be insufficient to support a real mining operation.

It is felt that the property warrants no further consideration by Sunshine."

In discussing this with Bob today, he agreed with me that as a small prospect it might be of interest to a small group, or a syndicate with some gambling money. He also remarked that if the old tunnel could be reopened without too much expense, it might be worthwhile to see what had been found underground.

I am not recommending anything—I am merely trying to give you a more accurate picture as given to me. I sometimes think that because a prospect is not of interest to Sunshine, it

should not be of interest to anyone; that is, of course, completely illogical.

With kindest regards,

Sincerely yours,

Rowland King

RKimj cc: J. W. Greenough

October 30, 1957

Mr. Harold Hull Wallace, Idaho

Dear Harold:

I am just now in receipt of reports by R. L. Anderson, one of our field engineers, on the properties in Jackson County, Oregon, and Siskiyou County, California, that Mr. Van Nielson of Grants Pass, Oregon, showed to him.

One of the Jackson County properties was called "Mountain View" and the other one "Fort Knex".

While both of these groups show some copper values, the "Fort Knox" claims are in serpentine, which has proved to be a notably poor host rock for one bodies of any size in Oregon.

The "Mountain View" vein was traced for several hundred feet at the surface. It consisted of white bull quartz with a minor amount of copper mineralization throughout about 100 feet of the exposed length. As is so often the case, it was not possible to see or sample the vein in old shafts, due to either no ladders or standing water. Mr. Anderson was able to gather sufficient information to enable him to form definite opinions about both groups. He has recommended that neither of these groups is of further interest to Sunshine.

The "Lucky Strike" property in Siskiyou County, showed some fair copper values in several samples taken; however, the widths of from one to three feet and the lack of any strong vein structure served to discourage any further interest in this group.

We are very sorry that our report has to be so negative. A prospect has to give some fair indications of a reasonable tonnage of ore on which some profit can be made. The cost of exploring and developing a prospect to the productive stage is, as I am sure you know, extremely high at this time. Therefore, it

becomes increasingly necessary to judge carefully before committing ourselves to a project that may run into a considerable sum and then be dropped.

Sincerely yours,

Rowland King, Chief Engineer - Exploration Mining Mivision

RK:mj
CC/J. W. Greenough

H. J. HULL PIATT HULL ALDEN HULL

H. J. HULL & SONS ATTORNEYS AT LAW WALLAGE, IDAHO

November 1, 1957



Mr. Rowland King
Chief Engineer-Exploration
Mining Division
Sunshine Mining Company
Peyton Building
Spokane, Washington

Dear Rowland:

Thank you for your report of Bob Anderson's examination of the Van Neilson properties in Oregon. While his findings are disappointing, we nevertheless want you to know we appreciate the interest you have taken in the matter. Someday I hope we may be able to submit something worth while.

With best personal regards, I am,

Sincerely yours,

HJH:sa

cc: Joseph Greenough