

*Grand Tour Cu.
Oregon*

January 9, 1961

Mr. D. C. Toye, President
D. C. Toye and Company, Inc.
3020 Northeast 37th Avenue
Portland 13, Oregon

Dear Don:

Thank you for your letter of August 8 and letter and billing of August 18. Your extra efforts toward obtaining good drilling and sampling results and your added efforts toward reducing costs are commendable and are appreciated.

I did not and do not now feel that your performance, under the conditions obtaining, was under par. Certainly neither your efforts, nor those of the two conscientious drillers, could have been improved. Did you know that they went up one Sunday afternoon on their own time to move the compressor and improve other conditions preparatory to attempting better results the next day?

An improvement in the sampling technique probably would have been obtained, at least while drilling dry, with the type of collector we have been using in southern Arizona. However, I had trouble keeping up with your boys when they had good, dry ground.

Enclosed is a rough sketch (very rough) of the cuttings collector.

Hope you have had good and profitable seasons the last couple years and that you have a very Happy 1961.

Very truly yours,

R. L. Anderson

RLA:js



D. C. TOYE & COMPANY, INC.

3020 N. E. 37TH AVENUE
PORTLAND 13, OREGON
PHONE AT. 7-1647

August 9, 1958

Mr. R.L. Anderson
Sunshine Mining Company
738 Peyton Building
Spokane 1, Washington

Dear Bob:

I took it from the fact that you cut the drilling off short at Medford that your samples didn't show the values you had hoped for. I am very sorry for that, but, as you know, my greater disappointment while we were together, was in the thought that our performance was under par. My conscience has been eased considerably by the fact that our footage at Coos Bay using the same equipment and men is running the customary 6 to 800 l.f. daily. I guess I'll have to admit that the drill has its limitations in the conditions of broken ground, water, and greater depths, that we experienced at Medford.

The purpose of this letter is to let you know that our delay in billing you comes from the fact that we haven't yet completed our dealings with the suppliers in Medford. At this writing I believe that all bills are in for payment, but we are in process of writing John Garner concerning the rentals charged. The compressor rental came to \$200.00, which I believe was assessed us on the basis that any useage less than a week would entitle them to a higher weekly rate, rather than the monthly prorata that we usually pay. Also the D-6 was billed to us at \$250.00, a full week's rate. Since Garner's company was extremely helpful to us, I didn't have the heart to quibble with him over the compressor charge, but I did ask him to see if he could get us some relief on the D-6 cat charge. He seems to be acting as the billing agent for the company that actually rented the cat to us, so we have addressed the correspondence to him.

We should be able to send you the final billing within ten days, and it probably won't vary much from what you and I discussed. We do not want any profit from you under the circumstances, but there may be a small item up to 5% of the total direct charges to cover our indirect costs, such as insurance, office, etc.

Thank you for this very interesting and valuable experience.

Very truly yours,

D.C. TOYE & COMPANY, INC.

By 
D.C. Toye, Pres.

DCT/t



D. C. TOYE & COMPANY, INC.

3020 N. E. 37TH AVENUE
PORTLAND 13, OREGON

PHONE AT. 7-1647

August 18, 1958

Mr. R.L. Anderson
Sunshine Mining Company
738 Peyton Building
Spokane 1, Washington

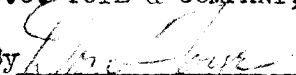
Dear Bob:

We were able to get John Garner to reduce his rental on the compressor and the D-6 cat by \$50.00 each. All bills are now in and paid by us. We are sending only copies of major items to substantiate our statement, since we felt that the minor items were self explanatory.

We've tried to be as fair as possible in considering each item of cost, since the main object was to break even. We trust that the statement will meet with your approval.

Very truly yours,

D.C. TOYE & COMPANY, INC.

By 
D.C. Toye, President

DCT/t



D. C. TOYE & COMPANY, INC.

3020 N. E. 37TH AVENUE
 PORTLAND 13, OREGON
 PHONE AT. 7-1647

STATEMENT

August 18, 1958

To: Sunshine Mining Company
 738 Peyton Building
 Spokane, 1, Washington

For: Furnishing all labor, equipment, materials, supplies, insurance, etc.,
 for test drilling and sampling on your property located approximately
 25 miles North and East of Medford, Oregon:

Labor _____	\$ 405.41
Payroll Taxes _____	54.28
Freight Transport Hired _____	198.00
Our Flatbed & Pickup Trucks —	165.00
Heavy Equipment _____	600.00
Drill Bits & Steel _____	93.20
Fuels & Lubes _____	40.44
Small Tools & Sample Box _____	24.77
Air Freight _____	7.58
D.C. Toye Travel Expense _____	<u>50.00</u>
Direct Expense _____	\$1638.68
5% to cover Overhd—	<u>81.93</u>
AMOUNT DUE _____	\$1720.61

*Original approved & sent to
 main office for payment*

S. K. S.

Grand Cove File

FORD M. CONVERSE
LOGGING
2885 S. W. FAIRVIEW BLVD.
PORTLAND 1, OREGON

October 24, 1958

Sunshine Mining Company
P. O. Box 1080
Kellogg, Idaho

Dear Sirs:

On September 26, 1958, I wrote you a letter and made it to the attention of Mr. Anderson. In the letter I asked the following questions:

"I have not heard anything about the Grand Cove Mine at Medford since I left you at Medford.

"I would like to get a report on the depth of holes and what they might have assayed. I can use this for assessment work. Also, what Sunshine plans are for it."

I would appreciate it if you would place my letter in the proper hands to get an answer. I am still interested to know how his samples run up there.

Mr. J.B. Colson was also familiar with the property, as he passed on it.

Sincerely yours,

Ford M. Converse

F. M. Converse

FWC:g

SUNSHINE MINING CO.

738 PEYTON BUILDING
SPOKANE 1, WASHINGTON

Amber Hills Motel
Salome, Arizona
October 23, 1958

Mr. Ford M. Converse
2885 SW Fairview Blvd.
Portland L, Oregon

Dear Ford:

Your letter to me addresssed to Kellogg, Idaho has been forwarded to me here at Salome.

At the time of my departure from Spokane a month ago the assays of your Grand Cove holes had not been received but I have since been informed that there was virtually no copper, silver, or gold in any five-foot section of any hole.

Upon my return to Spokane a copy of the assay returns will be sent you. Enclosed herewith is a copy of the sketch of 1 inch to fifty feet which shows the location and depth of each of the seven holes drilled.

For your proof of labor, the direct cost to Sunshine, exclusive of my time and expenses, was in the vicinity of \$1700. A more definite cost statement will be sent with the assays upon my return to Spokane.

Sunshine is definitely not interested in proceeding with furnther work on your Grand Cove group. Consequently this letter is to notify you of Sunshine Mining Company's cancellation of its lease on your Grand Cove group. You may feel free to interest other parties immediately toward further exploration and development of the property.

Best regards to you and Carl.

Very truly yours,

R. L. Anderson
Field Engineer

C

O

P

Y

August 26, 1958

Mr. Carl McInnis
1234 N. W. 25th Avenue
Portland, Oregon

Dear Mr. McInnis:

James B. Colson, chief geologist at the Sunshine Mining Company, has referred to me your letter dated August 15 relative to a bauxite occurrence in N. W. Oregon.

At the present time, we feel that we should not undertake a project of this nature, but wish to thank you nevertheless for bringing the matter to our attention.

Very truly yours,

S. K. Garrett
Chief Geologist

SKG:sh

cc: John Edgar
Peyton building

James B. Colson
Kellogg office

August 25, 1958

Mr. J.B.Colson
Sunshine Mining Company
Kellogg, Idaho

Dear Mr. Colson:

Reference further contemplated meeting on bauxite and iron deposit. Mr. Metzger of the Harvey Aluminum Company is pretty well tied up here at present and we were wondering if you and Mr. Garrett could come down here for a day or two.

It seems to me that this might be better as we have a plant here that we want you to look at and I think we would have a lot more to show you if you can make it down here. In any event, let us know.

Yours truly,

(signed)

Carl N. McInnis

CNMcI/f

COPY



Sunshine Mining Company

P. O. BOX 1080

PHONE 2257

Kellogg, Idaho

August 20, 1958

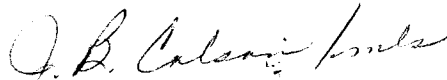
Mr. S. K. Garrett
West 50 Mission
Spokane, Washington

RE: 'Bouxite Deposit
North West Oregon

Dear Mr. Garrett:

I talked to Mr. McInnis today on phone. I suggested you call him either Monday or Tuesday. He desires word on a meeting either in Portland or Spokane.

Respectfully,



J. B. COLSON
Chief Geologist
Sunshine Mine

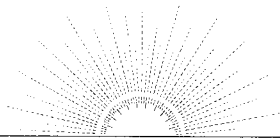
JBC:mls

Mr. McInnis address and telephone:

Mr. Carl McInnis
1234 N. W. 25th Avenue
Portland 10, Oregon

Capitol 8-7268
McInnis Lumber Company

*See Memphis Cove
File*



Sunshine Mining Company

P. O. BOX 1080

PHONE 2257

Kellogg, Idaho

August 18, 1958

Mr. S. K. Garrett
Sunshine Mining Company
West 50 Mission
Spokane, Washington

Dear Mr. Garrett:

Enclosed is the letter received August 18th, from Mr. McInnis.

Mr. McInnis is a partner with Mr. Converse, whose copper property the Sunshine drilled in Oregon.

I am not adequately aware of aluminum possibilities in Oregon, though I have heard of some promising deposits there.

Respectively,

J. B. COLSON
Chief Geologist
Sunshine Mine

JBC:mls
Enc.
cc: J. E. Edgar

FORD M. CONVERSE
LOGGING
2885 S. W. FAIRVIEW BLVD.
PORTLAND 1, OREGON

August 15, 1958

Mr. J. B. Colson
P. O. Box 1080'
Khallegg, Idaho

Dear Mr. Colson:

Reference to today's conversation regarding a huge bauxite proposition here in northwestern Oregon:

I have been considering the feasibility of outlining a proposal to you by letter, but I find it would be impossible.

We have several million tons of bauxite ore in this country which will run 30% bauxite and 25/30% iron. We have been in contact with Mr. Art Metzker, Harvey's engineer at Salem, Oregon, and they want to go ahead and drill the holdings on which we have an option.

To give you a brief outline, Harvey has never been a milling concern. They have always been forced to buy their ore on the open market. They have established a plant at The Dalles, Oregon, which cost them in the neighborhood of sixty million dollars. Mr. Metzker advises that from the milling and mining standpoint, if you want to go ahead on any proposal, that they have worked out a process whereby the alumina can be extracted and also the iron ore can be extracted as a bi-product and these two ores in conjunction would make a very satisfactory return. We can expect one hundred per cent cooperation from Metzker on this and he has a lot of engineering and technical data which would be at our disposal.

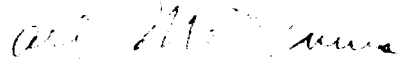
I suggest, therefore, that you answer this letter and that we get together and hold a meeting, as there are many pertinent and important factors that should be discussed in detail. Will you please advise whether we should come up there or can you get your principals here to meet us in Portland. Time is of the essence on this and I hope you will expedite the matter all possible. If you wish us to come up, we will be glad to contact Mr. Metzker and arrange to meet you in Spokane; or else, I think the best thing to do would be for your group to meet us in Salem, Oregon, at Harvey's plant on any date that you specify. If you wish to

Page #2

fly down, we can arrange to meet you at the Portland Air Base and we can go on down to Salem and return to Portland by car.

Many thanks for past favors, and as mentioned above, hope you will expedite this all possible as I believe it is deserving of your very serious attention.

Yours truly,



Carl McInnis

CM:g

50 W. Mission xxxxxxxxxxxxxxx

January 5, 1959

Mr. Ford M. Converse
2885 S. W. Fairview Boulevard
Portland 1, Oregon

Dear Ford:

Enclosed are assay returns at five-foot intervals on holes one through seven. Note that 35 assays were made for silver and gold on holes two, three, and 40 feet of hole four with such poor results that only every tenth interval on the remainder were assayed for the precious metals. These returns, coupled with the print of the map already sent to you, complete the drilling data due you.

Pertaining to costs applicable toward assessment work, our direct cost of drilling as billed by the contractor, Mr. D. C. Toye, was \$1,720.61. Sunshine's additional expense, incurred by my travelling and presence at the job, will be in excess of \$280.00. The two will total over \$2,000.00, all expended in 1958.

Happy New Year to you and Carl.

Very truly yours,

R. L. Anderson
Field Engineer

RLA:mj
Enclosure

XXXXXXXXXXXXXX

July 17, 1958

AIR MAIL

Mr. Ford M. Converse
2885 S. W. Fairview Boulevard
Portland 1, Oregon

Dear Ford:

Please find enclosed the original and first copy of the much delayed Mining Lease on your Grand Cove Group of claims north of Medford, Oregon. Please note that a change has been made in the manner by which royalties are to be calculated, notably a straight ten percent on net smelter returns rather than a sliding scale down to six and one-half percent on mine ore. This is the way in which I should have written it originally for it is the only really satisfactory method for both parties and the only workable basis by which the smelter can make the deduction of royalty and pay directly to you, the Lessor.

As I explained at Medford, net smelter returns will already have taken into account (1) the flotation or leaching loss at the mill; (2) the deduction of 1% by the smelter from the copper assay; (3) and the one-cent or two-cent lower price paid by the smelter for copper than the standard quotation. This is customary smelting practice but varies slightly between smelters.

This means that whereas Sunshine will be standing for ninety percent of these losses and deductions, you as Lessor will be standing for only nine percent and Taylor for only one percent. I hope this will be acceptable to you, because my superiors are quite insistent that net smelter returns be the basis for calculation and I agree.

Excepting for this one item I think there have been no appreciable changes in the contract. Our attorney had to O.K. the contract but he would not do so without rewriting parts of it to make it acceptable in legal terminology.

Am sending a copy of the lease to Taylor, along with a copy of this letter not only because he is an interested party but because you and he will want to discuss it before signing or rejecting.

The contract is actually more liberal than most present-day contracts on this type deposit, 7½% or 8% being more customary now. I believe you should be pleased with the contract as rewritten.

Mr. Ford M. Converse
July 11, 1958

Page Two

Found out that Morrison-Knudsen equipment would not be available until the week of July 14th, hence the delay. Later a call from a contractor in Portland informed me that Morrison-Knudsen equipment will not be available and that he had been recommended to call me and negotiate for the job. I am satisfied we can get the job started sometime during the week of the 13th of July.

Very truly yours,

R. L. Anderson

RLA:mj

Enclosure

cc: Mr. G. Cleveland Taylor
2981 Purinton Drive
Sacramento 21, California

XXXXXXXXXXXX

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Portland 1, Oregon

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Very truly yours,

R. L. Anderson

RLA:mj

Enclosure

cc: Mr. G. Cleveland Taylor
2981 Purinton Drive
Sacramento 21, California

G. CLEVELAND TAYLOR
MINING ENGINEER
2381 PURINTON DRIVE
SACRAMENTO 21, CALIFORNIA

July 16, 1958

Mr. S. K. Garrett, Chief Geologist
Sunshine Mining Company
50 West Mission, Spokane 1, Washington

Dear Mr. Garrett:

Am wondering how things are proceeding in the investigation of the Converse copper property near Medford, Oregon. When Bob Anderson and I left Medford, on the morning of July 4th we had Converse pretty well in agreement on a contract on the Grand Cove claims, but there were some conditions regarding the surrounding property Converse was trying to tie up which Anderson expected to discuss with you on his return to Spokane. I hope that all has been arranged satisfactorily and that Anderson is proceeding with the testing.

I neglected to tell Bob Anderson that I would like to have a copy of the contract which resulted, for my files. It of course does not need to be a signed copy.

What appears to be the same rock structure as the Grand Cove showings has been found a couple of miles in each direction from the showings and it certainly seemed advisable to get some sort of a tie up until the drilling could be done. This was mentioned to Rowland King some time ago and he was in agreement.

A large part of the area in which we are interested is apparently open Government land and it was agreed Converse would cover the necessary ground with location. If I had been driving my own car and had my transit and tapes I would have stayed over a day or so and given them a hand. Converse has done a lot of timber location work however and I presume he made out with a compass.

Shall be glad to have the Medford address of Bob Anderson as I may be up that way again, on some other business, and should like to see him then.

Sincerely yours



G. Cleveland Taylor

P. S.

I appreciate the speed in getting Mr. Anderson to Sacramento after my last letter to Rowland King

T.

50 W. Mission xxxxxxxxxxxxxx

June 27, 1958

Mr. G. Cleveland Taylor
Hotel Medford
Medford, Oregon

Dear Grover:

The matter of the Converse copper prospect has been discussed here and a decision made to undertake some exploration work, providing a satisfactory agreement can be made with Mr. Converse.

In your letter to me of April 21, 1958, you speak of having a letter from Converse in which he said that "he would like to make a ten percent deal". We assume that he means a 10% net smelter, or equivalent, settlement. (If leaching is done the royalty would have to be arrived at somewhat differently.) He would not expect any cash down but would want some continuous work, or release the property. It seems likely that a clause could be inserted providing for a minimum number of shifts per year to protect him and at the same time work no unnecessary hardship on Sunshine if operating or economic conditions are unfavorable. Will you take this up with Mr. Converse right away, and be prepared to draft an agreement so that work can be started very soon?

R. L. Anderson is in Nevada right now; we will advise him to meet you at Medford as soon as he completes the Nevada assignment. This should be sometime during the week starting June 30. He can submit any agreement that you will have arrived at to this office for approval, and if it is satisfactory, he can proceed with the work.

I am retiring from active duty on August 1st, and do not expect to be in the office during July. S. K. Garrett will be Chief Geologist in charge of the exploration work, and further correspondence should be directed to him; however, I will be here on Monday, June 30, and if you have been in touch with Mr. Converse and want to tell me the results of your conversation, you can call me at Fairfax 8-3661, or Riverside 7-1718, at home.

I am making tentative plans for a trip south in the fall; if I do not see you before, we may get together in Sacramento. I have enjoyed our contacts during the past nineteen years and am sorry that we are unlikely to have any more, at least in a business way. My kindest regards to Mrs. Taylor and yourself.

Yours very truly,

Rowland King
Chief Engineer - Exploration
Mining Division

RK:mj
CC/JE

MK

WILLIAM B. MURRAY
ATTORNEY AND COUNSELLOR AT LAW
525 FAILING BUILDING
PORTLAND 4, OREGON
CAPITOL 6-3819

June 27, 1958

Sunshine Mining Company
Exploration Division
738 Peyton Building
Spokane, Washington

Attention: Mr. Rowland King
Chief Engineer

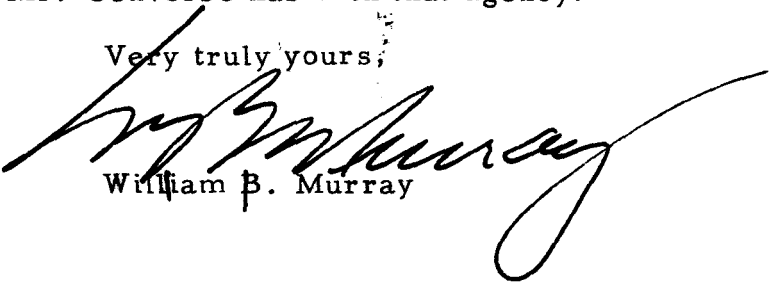
Gentlemen:

Ford Converse, owner of the Grand Cove Claims in Southern Oregon, told me that you were interested in his property.

I suggested to him that he duplicate and mail to you a copy of his contract with the Defense Minerals Exploration Administration, together with a map of the proposed exploration of claims, D. M. E. A. -4600.

You will therefore find enclosed a copy of the D. M. E. A. contract which Mr. Converse has with that agency.

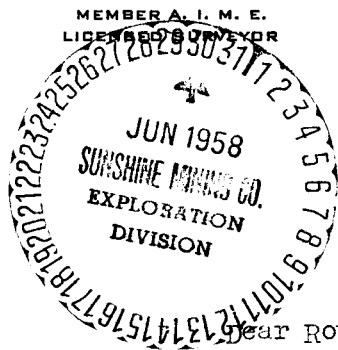
Very truly yours,


William B. Murray

WBM:ld
Encl.

G. CLEVELAND TAYLOR
MINING ENGINEER
2381 PURINTON DRIVE
SACRAMENTO 21, CALIFORNIA

Medford, Oregon June 26, 1958.



Dear Rowland:

When I arrived here today I find that recent rains have made it impossible to take the drill to the Grand Cover property for a few days. I called Converse at Portland and find that in order to play safe on getting assessment work started before the end of June Converse has sent a couple of men down to do some surface cuts.

I have been a bit concerned about this drilling, before a contract has been arranged with Converse, as in the event one of the holes went into some higher grade ore (and it might) then he might be a bit harder to deal with. As it is he has agreed to all of the conditions mentioned and a deal satisfactory to you can no doubt now be arranged.

If I were developing the property I would not want to be bothered with the D. M. A. loan anyway as they want to tell you where to drill the holes and how deep they go etc., when I should want to decide the location myself and the depth would probably be decided by what I found in each.

Anyway I am returning to Sacramento tomorrow so write me there.

Sincerely

G. Cleveland Taylor

Called Taylor 6/26/58 - 8:45 a.m. in Sacramento. R.R. Anderson to meet here there today, proceed to Medford duty out. meet Converse there, draft an agreement and submit to Spokane office

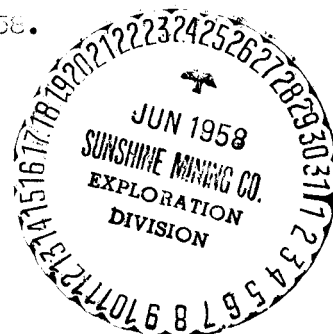
MEMBER A. I. M. E.
LICENSED SURVEYOR

REGISTERED PROFESSIONAL ENGINEER
TELEPHONE - IVANHOE 9-4119

G. CLEVELAND TAYLOR

MINING ENGINEER

2381 PURINTON DRIVE
SACRAMENTO 21, CALIFORNIA June 25, 1958.



Mr. Rowland King
Sunshine Mining Company
50 West Mission St.,
Spokane, Washington

Dear Rowland:

Am leaving tomorrow for Redford to supervise some development work for Converse at his copper prospect. He explained to Colson that he had to get some work started there for assessment work before July first.

Expect to be up there for ten days or so so please write me there at Hotel Redford as I will be in touch with Converse. In the event you have already written me here it will be forwarded to me at Redford.

Hurridly

A handwritten signature in cursive script, appearing to read "G. Taylor".

G. Cleveland Taylor

2581 Purinton Drive, Sacramento 31, Calif. May 29 1958

Mr. Rowland King
Sunshine Mining Company
30 Mission, Spokane, 1, Wash.

Dear Rowland:

Have your letter of May 26 and would suggest the Medford Hotel, at Medford, California, as a meeting place.

Please give me as much notice ahead as you can. It is a good sized drive for me and I want to make it in the one day.

Sincerely yours



G. Cleveland Taylor

50 W. Mission xxxxxxxxxxxxxx

May 29, 1958

AIR MAIL

Mr. G. Cleveland Taylor
2381 Purinton Drive
Sacramento 21, California

Re: Converse Copper Property

Dear Grover:

Our mine geologist, Jim Colson, plans to leave here by plane for Medford on Monday, June 2.

If you have not written telling me where you want to meet, will you let us know by wire or phone, early on Monday.

His schedule calls for arrival at Medford at 9:45 P. M. Monday.

Yours very truly,

Rowland King
Chief Engineer - Exploration
Mining Division

RK:mj
CC/JE

50 W. Mission xxxxxxxxxxxxxxx

May 26, 1958

Mr. G. Cleveland Taylor
2381 Purinton Drive
Sacramento 21, California

Re: Converse Copper Property

Dear Grover:

I have your letter of May 20. We are trying to arrange matters here in order that one of our field men can meet with you and Mr. Converse soon.

Where do you suggest the meeting be held? I presume in Medford, but what hotel or motel?

You will be advised as soon as we have a man available.

Yours very truly,

Rowland King
Chief Engineer - Exploration
Mining Division

RK:mj
CC/JE



2381 Purinton Drive, Sacramento 21, Calif.
May 20, 1958.

Mr. Rowland King
Sunshine Mining Company
50 West Mission
Spokane, Washington

Dear Rowland:

Have just returned from the trip into the Mother Lode and can be available any time to meet your engineer at Medford for a look again at the Converse property.

Please advise me of the time and I will then notify Mr. Converse so that he can be there also,

Sincerely yours

G. Cleveland Taylor

cc to Mr. Ford Converse

G. CLEVELAND TAYLOR
MINING ENGINEER
2381 PURINTON DRIVE
SACRAMENTO 21, CALIFORNIA May 5, 1958.



Mr. Rowland King
Sunshine Mining Company
50 W. Mission
Spokane, Washington

Dear Rowland:

I have your letter of May 1, regarding the Converse property.

When your engineer visits the Converse property again it would be best for both Mr. Converse and myself to meet him there for the proper negotiations of a deal.

Commitments which I have will keep me busy until after May 20 and a recent letter from Mr. Converse indicates that he will also be tied up until about that time. It would be well then to notify me when he is available (your engineer), after that date and will at that time notify Mr. Converse, who I am sure will be there at the appointed time.

Sincerely yours

A handwritten signature in cursive script, appearing to read "G. Taylor", written in dark ink.

G. Cleveland Taylor

cc to Ford Converse

May 1, 1958

Mr. G. Cleveland Taylor
2381 Purinton Drive
Sacramento 21, California

Re: Converse Copper Property

Dear Grover:

I have your letter of April 21, and note that Mr. Converse has agreed to a 10% royalty deal. I can see no objection to the inclusion of adjacent ground in the agreement--if the deposit is of interest there should be ample ground certainly.

In the third paragraph of your letter you say that Mr. Converse "would want continuous work or turn the property back, or some minimum advance royalty in the event of a shut-down, etc." It would be well to have some figures on the amount of work that Converse expects and also what minimum advance royalty he has in mind.

Bob Anderson is on an extended field trip and will not be available for sometime; before closing any final deal with Converse, we would like to have another one of our engineers go over this thing carefully. The man we have in mind is also away, but he will probably be available within a week or ten days.

I will get in touch with you as soon as we are ready and we can make the necessary plans for the visit.

Sincerely,

Rowland King
Chief Engineer - Exploration
Mining Division

RK:mj
CC/JE

G. CLEVELAND TAYLOR
MINING ENGINEER
2381 PURINTON DRIVE
SACRAMENTO 21, CALIFORNIA

April 21, 1958.



Mr. Rowland King
Sunshine Mining Company
738 Peyton Building
Spokane, Washington

Dear Rowland:

Our recent correspondence did not dispose of the Converse copper property near Medford, Oregon. Your engineer Mr. Anderson, after his examination, said that he was recommending some exploration work there when I came up with a satisfactory deal with Mr. Converse.

I have a letter signed by Ford Converse saying that he would like to make a ten percent deal, but he would want it to include other ground which he can acquire adjacent which is not covered by the present claims (this of course should be desirable as Anderson and I saw what we thought was the same structure some distance away and it may be quite large.

Mr. Converse said further that he would want no cash down, but he would want continuous work or turn the property back, or some minimum advance royalty in the event of a shut down etc. He agrees to pay me a ten percent of what he receives, or a small over-riding royalty could be arranged.

The second paragraph of your letter to me under date of December 23, 1957 states

"The advance royalty, or rental, is all right; however while we are exploring and developing the ground, I do not feel that we should be required to make advance royalty payments. Once we get into production the royalties are in force, and if we fail to produce after that, we should expect to pay a rental, or advance royalty, unless the reason for our failure is beyond our control. These matters can be discussed if and when a formal proposal is made."

These facts appear to indicate that there will be no difficulty in arriving at a satisfactory arrangement and as the time is arriving when the assessment work will have to be considered and we should like to know your wishes that we may be able to properly co-operate with you.

With best regards I am,

Sincerely yours

G. Cleveland Taylor
G. Cleveland Taylor

cc to Mr. Ford Converse

C O P Y

From U. S. G. S. Bulletin No. 893

GRAND COVE AREA

"The Grand Cove prospect, in Jackson County, reveals native copper as nodules in volcanic breccia between vesicular flows of dark labradoric andesite or basalt without any vein or indications of sulphides. It thus differs markedly from the mineral deposits previously described. The seven claims of the property comprise parts of Secs. 29, 32, 33 and 35, T. 35 S., R. 2 E., 5 miles north of Lakecreek, on an open gently sloping upland bench. The distance by road from Medford, by way of Brownsboro and Salt Creek, is 26 miles. The $1\frac{1}{2}$ miles nearest the prospect could not be traveled by car in 1931.

The workings consist of an open cut 60 feet long with a maximum depth of 10 feet and a shaft reported to be 30 feet deep on a gently sloping bench at an altitude of nearly 2,900 feet. The deposit was discovered in 1917 by L. A. Obenchain, while searching for manganese. A carload of ore is said to have been shipped to the Tacoma smelter, but no data on the shipment are available.

The copper is confined to volcanic breccia associated with vesicular black labradorite andesite or basalt that is nearly horizontal but dips slightly to the west at the prospect. The flow rock contains red spots that are iddingsite pseudomorphs after olivine and calcite amygdules that are stained greenish near the rock. The breccia is highly altered to clay minerals and contains little greenish spots and veinlets consisting mainly of chrysocolla with a little malachite and very little azurite. (my leaching test appears to indicate there is very little chrysocolla, G.C.T.) Limonite and some manganese oxide occur in irregular black spots and fracture fillings through the altered rock. The copper occurs in dendritic form in nodules, some of which are 6 inches long. The copper is partly changed to cuprite, which in turn is surrounded by opal and chalcedony, with small amounts of chrysocolla and malachite. Openings are partly filled with the chocolate-colored clay mineral beidellite.

Prospecting has not been sufficient to reveal the full extent of the deposit. The copper ore appears to be very erratic in its distribution."

Samples of the rock were taken to Mr. Hollis Dole, Director of the Oregon Department of Geology and Mineral Resources, and Mr. Dole called the rock olivine-basalt. He believes the copper came from the basalt and that it has been deposited at certain ground water levels and the ore will ~~will~~ be found in those horizons and drilling should be done with this in mind. He further said that proper shallow drilling over the area might be expected to show a considerable deposit that could be mined with power equipment.

G. Cleveland Taylor

G. CLEVELAND TAYLOR
MINING ENGINEER
2381 PURINTON DRIVE
SACRAMENTO 21, CALIFORNIA

December 21, 1957.



Mr. Rowland King
Sunshine Mining Company
758 Peyton Bldg.,
Spokane 1, Washington

Dear Rowland:

I have a letter from Ford Converse which indicates he is willing to give a long-time lease on his Medford property provided that additional areas nearby which he thinks are potential mineral bearing, be included in the same deal, and that a minimum royalty (advance) be paid annually in the event there is no operation. Please let me know if you would be interested in such a deal and we can then work out the details. He said that the present drilling agreement mentioned in the news clipping could then be passed on to you, if you were interested.

I expect to have my finished written report on the Gray Eagle very soon and I would like you to hold off any final decision on that property until you have had an opportunity to go over it. My conclusions you already have.

With best season's Greetings I am

Yours sincerely

A handwritten signature in cursive script that reads "G. Cleveland Taylor".

G. Cleveland Taylor

December 23, 1957

Mr. G. Cleveland Taylor
2381 Purinton Drive
Sacramento 21, California

Re: Grand Cove Prospect

Dear Grover:

Your letter of December 21st just now received. We will be interested in having Converse submit a definite proposal to you, which can be passed on to us.

The advance royalty, or rental, is all right; however, while we are exploring and developing the ground, I do not feel that we should be required to make advance royalty payments. Once we get into production the royalties are in force, and if we fail to produce after that, we should expect to pay a rental, or advance royalty, unless the reasons for our failure are beyond our control. These matters can be discussed if and when a formal proposal is made.

I note your remarks about the Gray Eagle report. We will make no final decision until we receive it.

Merry Christmas to Mrs. Taylor and yourself.

Sincerely,

Rowland King
Chief Engineer - Exploration
Mining Division

RK:mj
CC/JE

Copy

December 7, 1957

Mr. Ford Converse
2885 S. W. Fairview Blvd
Portland 1, Oregon

Dear Mr. Converse:

I wrote you some time ago that I had taken a Sunshine Mining Company engineer to inspect your Medford copper property and would give you their reactions later on. About the middle of November I had a letter from the engineer which said, in part,-- "have written a favorable report on the Converse property and expect that the company will be interested in doing considerable drilling if you can come up with a favorable agreement, from Converse.

Before writing you I wrote to Sunshine asking if they would be interested in a straight long time lease on a ten percent royalty basis and suggested that if they were not to give me some outline of what kind of a deal they would require.

Today I have a letter from the head of the exploration department and he sent me the inclosed note and attached clipping. Please advise me of your plans and wishes on the mine so I can advise them.

From my past contacts and discussions with you I naturally assumed the property was open for a deal. I hate to bother my friends to go to the trouble of making an examination unless the property examined is open.

Shall be glad to hear from you, With best regards I am,

Very truly yours

G. Cleveland Taylor

SUNSHINE MINING COMPANY

Memorandum for:

G. C. Taylor

Date December 5, 1957

This clipping regarding Converse and the Grand Cave mine came from yesterday's local paper.

Mr. Converse must have had his application in several months ago; did you know this?

Regards,

Rowland King

C O P Y

June 5, 1956.

Mr. Ford Converse
1234 N. W. 25th., Ave.,
Portland 10, Oregon

Dear Mr. Converse:

As mentioned in my letter of May 24, a leaching test has been made on your copper ore. A composite sample was made up from the rejects of my 4 samples and one sample of a shallow drill hole which had been put down below my sample No. 2.

The leaching test was made by the Morse Laboratories here in Sacramento and a copy of the report is inclosed herewith. This pilot test shows an extraction of 97% of the copper after 2 hours agitation in the acid solution. This is quite encouraging.

You will recall that the average of my 5 samples, as assayed by the Morse Laboratories, was 3.41% copper. The composite sample tested by leaching assayed 3.10% copper.

The laboratory had no means of classification and it was decided to grind the sample to about 100-mesh and make a pilot test for the purpose of determining whether or not a satisfactory extraction of the contained copper could be made by acid leaching.

It is quite probable that a good extraction can be made with a much coarser grind than used in this test. In order to determine the best economic grind for leaching a series of tests will eventually be necessary.

This test does indicate, however that the ore can be successfully treated by acid leaching. The next step now appears to be that of proving a sufficient tonnage of ore to justify a plant.

Some sort of shallow drilling, with careful sampling, is probably the quickest and most economical means of proving the ore. I expect to see Mr. Hugh Wright, owner of the Siskon Mine, at Reno this coming Saturday and will discuss the situation with him. They have tried out many kinds of drilling at the Siskon and his opinion would be valuable.

.....
Sincerely yours

G. Cleveland Taylor

Mr. Anderson:

My recent experience at the Gray Eagle convinces me that the rotary drill used there would be ideal for quickly proving the Converse property. The ground should be dry however,

G. C. T.
G. C. T. 10-19-57.