

Jacksonville Ore
June 12 - 35

Mr. W. M. Fleming
244 Central Bldg
Seattle Wash

Dear Sir:

yours received for which I thank you - I prospected in the mine all day yesterday and found some good ore to the right of shaft but not much of it is left as they mined the bulk years ago - From where the quartz quit, which is a short distance from shaft, to face of drift, there is no quartz - In the left drift the vein extend to face but the ore don't look as good as does on right of shaft - The best move I believe would be to sink in the shaft deeper and then block ore to the right and left, to do this the shaft would have to be lined with new timbers and equiped with water pumps and hoyst -

There is only a limited supply of water

just enough to run a small mill, and as the vein is narrow it would not be a good idea to plan on a too big mill.

In order to put the mine on a good practical working condition a complete equipment of machinery such as mill, pump, hoist, compressor, jack hammer steeper and steel, also rails, pipes, lumber and general supplies would have to be bought. I have enough money to get those things but I don't believe I could safely pay the \$150⁰⁰ down which you asked as money is hard to get and would not want to get short of funds before I get returns from the mine. The only way I could handle would be on a base of 10 per cent royalty, on that base I could start operations at any time.

Please ans, as soon as possible, and if you decide to come to Jacksonville please mention date of your coming.

I am very truly yours
Frank Gustis
Jacksonville Ore

Medford, Oregon.
Gen Del
June 25th, 1932

C.Kirk Hillman Co,
Seattle, Wash.

Attention: Mr.C.Kirk Hillman.

My Dear Mr.Hillman:-

Thank you for your letter of June 24th requesting information as to the Fleming mine at Ruch Oregon.

This property consists as development work done shows of a ledge some two hundred and fifty feet in width between a slate dyke and granite dyke. The original discovery was made on a quartz vein of approximately two foot thickness. A double side shaft was sunk on this vein to a depth of approximately one hundred and sixty feet. With the exception of some lenzing and twisting the vein stood almost perpendicular to the hundred foot level and then shows a gentle dip into the hill. This shaft was then intercepted at the one hundred foot level by a tunnel of approximately two hundred feet from the side of the hill and about two thirds of the way in intercepted a quartz vein of almost eight foot width and a smaller vein lies between this and the discovery vein.

While the discovery vein has consistently shown some high values in assays the average can very conservatively be stated at \$12.50 per ton. My authority for this is actual milling as I installed a Huntington Mill and milled approximately three hundred tons from four different stopes on the discovery vein and plated an average of over nine dollars per ton. No attempt was made at concentrating and an examination of the tailing pile shows considerable free gold and a high grade concentrate, assays of such concentrate at a fifty to one ratio have run over \$4000.00 to the ton and tend to show the need of paying especial attention to concentration in operating this property.

From the junction of the main tunnel with the shaft at the one hundred foot level several hundred feet of tunnel drift with the discovery vein in

both a northwesterly and southeasterly direction, and the estimate of ore blocked out on three sides at the present time is over three thousand tons. All in all about \$25,000.00 worth of development work has been done on this property and as values are increasing with depth shows great promise of being a consistent producer.

Some time ago my father and I took up the matter of incorporating with Mr. Mark Getman of Seattle. We suggested a capitalization of \$60,000.00 of which Mr. Getman felt he could interest sufficient capital to net \$14,000.00 it being intended to place a thirty to fifty ton mill and equipment on the Applegate River about two miles from the property designed so as to be able to take care of custom milling for which there now exists a demand and is rapidly growing. This phase of the work it is desired be carried on either under Mr. Getmans direction or cooperation such as he himself may choose.

At this time it is desired to place in immediate operation the present equipment which is at the mining property and with a small outlay can be made to mill from nine to ten tons per day; this can be done at an expense of little over \$2000.00 but an additional reserve for wages of \$1000.00 should be on hand.

The principal expenditures to be made to get into production at once are as follows:-

Additional rails and spikes	\$ 42.00
" mine car	40.00
Mill and engine repairs	100.00
Misc shafting and boxes	60.00
Gas storage tank	85.00
Belting	35.00
Classifier	75.00
Mill return	50.00
2-2hp gas engines	70.00
Concentrating table	375.00
Plates	75.00
Mill house alterations	200.00
Steel and tools	65.00
Powder caps a fuse	50.00
Additional cabins	200.00
Misc stores	150.00
Emergency fund	318.00
Reserve for wages in commencing operations	1000.00

\$3000.00

#3

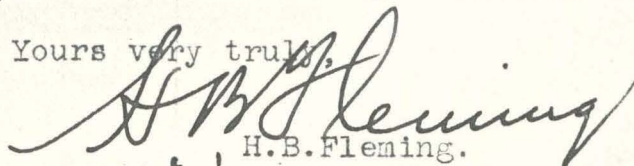
The cost of mining and milling ore can be kept within \$2.75 per ton.

With 3000 tons ready to break down, this equipment will have more than sufficient tonnage on which to operate until the large mill on the river can be put into operation. The smaller equipment at the mine could be used to a great advantage on the select of higher grade ores of which considerable quantities occur.

As to the interest to be given for the first investment of \$3000.00 believe that a two for one in the company to be organized would be about right but am open to suggestions along this line.

Hope this gives you most of the desired information.

Yours very truly,

A handwritten signature in cursive script, appearing to read 'H.B. Fleming', written in dark ink. The signature is fluid and somewhat stylized, with a large initial 'H' and 'F'.

H.B. Fleming.