JOHN R. HARVEY
GRANTS PASS
OREGON

Feb. 18 1939

Mr J Ellerson
402 E I. St
City

Dear Morrison -

In listing Old Channel Mine Galice - Put it under my name. 202 Lundberg bldg GP. - I am 1/2 owner and looking after the property for myself & partners -

Thanks 1/ours truly

J R Harvey

What do you hear about Legislature on Bureau Potution. ?

Mineral lots 37, 38, 39, 40, 42 & 43
Total of 75 7 acres T 34/35 S R 8 W
J. R. Harvey & F. C. Franciscus

Telephone 222

Ronald C. Parker 724 Old Stage Road North • Cave Junction, Oregon 97523 • Phone: (503) 592-2047

Registered Professional Geologist Consultant in Exploration and Mining Geology

September 26, 1989

Mr. Richard L. Whitley
Champion International Corporation
Two Greenspoint Plaza, Suite 800
16825 Northchase Drive
Houston, Texas 77060-6095

Re: Old Channel drilling results

Dear Dick:

Walt Freeman and I got together a couple of hours ago to discuss the Bondar - Clegg analytical report for the 173 rotary hole samples submitted in August. We both are of the opinion that nothing more need be done at the south end of the property since the gold values reported for all but three samples (C5, 28-35; C8NW, 105-110; D4, 45-50) are negligible. Also, the ten yard bulk sample yielded only 1.361 grams of gold, equal to 4.4×10^{-2} troy ounce, and thus only 4.4×10^{-3} troy ounce per yard. At $365 gold, this would be worth only $1.61/yard.

Although we agree that the south end of the property is not worth any further effort, we feel that the potential at the north end has still not been adequately tested. If you will review the 1988 Bondar - Clegg report, you will note that 7 of the 15 holes included some very substantial values (RDH's 5, 6, 7, 8, 9, 11 and 12). We think it would now be worthwhile to do some infill and offset drilling in the area included in these holes. You will recall that we "saved" 20 holes from the original 50 planned for just this purpose.

Walt and I also agree that Max Hull's crew should put in another 2 - 3 days on the property laying out these holes and, also, surveying in the locations of the 1988 holes. At the same time, the surveyors can establish collar elevations for all these holes, an absolutely essential requirement if we are to make the best use of the data.

Walt will be in touch with you late this week in regard to the specifics of this proposed third stage of drilling. If it is to be completed this year, we will have to move very quickly.

Sincerely yours,

Ronald C. Parker

cc: Walt Freeman

STATE OF OREGON INTEROFFICE MEMO

TO: FILE DATE: June 14, 1990

FROM: FRANK R. HLADKY

SUBJECT: ROCKY GULCH AND LAST CHANCE PLACERS,(NORTHEASTERN EXTENSION OF OLD CHANNEL MINE) GALICE DISTRICT, JOSEPHINE COUNTY, OREGON

Introduction

DOGAMI geologists Frank Hladky and Tom Wiley visited the BLM's evaluation of Geoff Garcia's placers on May 16.

Location

North Fork of Rocky Gulch, E½ sec. 26, T. 34 S., R. 8 W., includes stranded gravels of the northeast extension of the Old Channel Mine.

Current Status

Currently owned and operated by:

Geoff and Charlotte Garcia
12303 Galice Road
Merlin, OR 97532
474-2721

History

See file.

Regional Geology

The district is underlain by northeast-striking metavolcanics and metasediments of the Jurassic Galice Formation.

Local Geology

Stranded Pleistocene(?)-Pliocene(?) gravels more than 250 feet above the present drainage of Rocky Gulch, known as the Old Channel gravels, rest unconformably atop Jurassic Galice Formation.

Ore Bodies

Coarse (coarse sand to granule size) placer gold contained within the boulder-dominated Old Channel gravels. Deposits vary in degree of cementation, generally increasing with depth or distance from present land surface.

Reserves

Unknown. See file for historical production.

Equipment

Sluice boxes, D-6 cat, back-hoe.

Plan

Geoff Garcia's claims are currently being evaluated by Jerry Capps of the Medford BLM office as part of Mr. Garcia's application to patent.

References

Bondar-Clegg, Inc.
12980 West Cedar Dr.
Lakewood, Colorado 80228
(303) 989-1404

September 20, 1989

Ronald C Parker
724 Old Stage Road North
Cave Junction, Oregon 97523

Dear Mr. Parker,

Amalgamation assay analyses were performed on the one-hundred-seventy-three samples which you submitted to the Extractive Metallurgy Division of Bondar-Clegg, Inc. on behalf of Champion International Corporation. The results of the analyses have been presented in the attached tables.

Upon receipt, the samples were quantitatively transferred to individual bottles and slurried to 50% solids with deionized water. The amalgamation assays were initiated by adding mercury to the slurries at a concentration of 100 pounds per ton of dry material and placing the bottles on a laboratory jar-mill. The bottles were agitated on the jar-mill for four hours. After the amalgamation period, the amalgams were recovered from the slurries and the mercury was dissolved from the amalgams using a 20% nitric acid solution. The weight of the free-gold recovered from each sample was determined using a CAHN, Model C31, electrobalance.

After recovering the mercury from the slurries, the amalgamation residues were vacuum filtered, dried, weighed, and thoroughly blended by passing them individually through a Jones-Riffle splitter several times. A single split obtained from each blended amalgamation residue was ground to 80% passing 150 mesh using a ring-and-puck pulverizer. These splits were analyzed for refractory-gold using a fire-assay lead-preconcentration procedure (at a 30 gram analysis weight) with a atomic absorption finish. Several samples had erratic results noted upon gold analysis by fire assay; these samples have been designated with a asteric "*" symbol. Samples which were determined to contain less than our detection limits (0.002 mg for amalgamation and 5 ppb for the residue analysis) have been marked with a "<" symbol. The residue from the bulk sample was analyzed for gold and determined to be greater than our detection limit of 10,000 ppb; it was noted with a ">" symbol. Where a less than was determined, total gold values were presented for the upper limit.

Please note that, because of the software utilized for this report, the "*" and "<" symbols are slightly displaced from the following value.

Bondar-Clegg, Inc.
12980 West Cedar Dr.
Lakewood, Colorado 80228
(303) 989-1404

BONDAR-CLEGG

As per your request, gold concentrations (as troy ounces per cubic yard and grams per cubic meter) were calculated using the data provided with the samples at the time of their submittal.

Thank you for choosing Bondar-Clegg, Inc. for this project. If you have any questions concerning this or furture projects, please call me at (303)989-1404.

Sincerely,

Terence E. Albert
Bondar-Clegg, Inc.

E89-31362.0

Attachments

cc: Mr. Richard L. Whitley
Champion International Corporation
Two Greenspoint Plaza, Suite 800
16825 Northchase Drive
Houston, TX 77060

Mr. Walt Freeman
P.O. Box 344
Cave Junction, OR 97523

Ronald C. Parker 724 Old Stage Road North • Cave Junction, Oregon 97523 • Phone: (503) 592-2047

Registered Professional Geologist Consultant in Exploration and Mining Geology

August 12, 1989

Mr. Greg Sprenger
Bondar - Clegg Incorporated
12980 West Cedar Drive
Lakewood, Colorado 80228

Dear Greg:

As discussed over the phone with you yesterday, I will be shipping a large quantity of rotary drill concentrates to Denver within the next day or two. The samples, packed wet in plastic containers, will be sent via United Airlines Package Express and presumably will be delivered to the counter at Stapleton. Your instructions are about the same as those given to you in my letter of June 8, 1988, except that you can skip the composite Pt/Pd analyses on this group of samples. As a convenience to you, the specific instructions contained in that earlier letter are reiterated here:

1. First, determine free gold present by amalgamating **all** of the **wet** sample (i.e., as received, though you may decant excessive water as required). Do **NOT** dry the sample prior to amalgamation since subsequent rewetting could result in some of the fine gold being floated off.
2. **After** the amalgamation has been completed, dry and weigh the remaining concentrate which should now be minus the free gold. I want these weights reported in grams.
3. Perform a classic gravimetric fire assay for Au only on the concentrate from 2. above. Return whatever concentrate is not needed for the Au assay to me in Cave Junction.

Results are to be reported as:

1. Actual **weights** determined by a) amalgamation, and b) fire assay.
2. Troy ounces per cubic yard.
3. Grams per cubic meter.

The sample **volumes** that you will need to calculate 2. and 3. above are included in the enclosed list of sample numbers.

I might add here that the format you used for the 1988 report was entirely satisfactory, so please do it that way again.

Two copies of the results **and your invoice** should be sent to:

Mr. Richard L. Whitley
Champion International Corporation
Two Greenspoint Plaza, Suite 800
16825 Northchase Drive
Houston, Texas 77060-6095

One copy of the results only should be sent to me at my letterhead address and **one** additional copy to:

Mr. Walt Freeman
P.O. Box 344
Cave Junction, Oregon 97523

If you have any questions at all about these instructions, please phone me during regular business hours.

Yours truly,

Ronald C. Parker

Encl.
cc w/encl: R.L. Whitley
W. Freeman

Ronald C. Parker 724 Old Stage Road North • Cave Junction, Oregon 97523 • Phone: (503) 592-2047

Registered Professional Geologist Consultant in Exploration and Mining Geology

August 3, 1988

Mr. Joseph L. Stafford
Champion International Corporation
Two Greenspoint Plaza, Suite 800
16825 Northchase Drive
Houston, Texas 77060

Re: Old Channel Placer: Further recommendations following completion of Stage I drilling

Dear Joe:

This will acknowledge your letter of July 26 with which you included a copy of Walt Freeman's "Preliminary Evaluation (of the) Old Channel Placer Gold Prospect". I have since reviewed this report, as you requested, and it is my opinion that Walt has given adequate consideration to the limited amount of data available to him and that his suppositions and conclusions probably are reasonable ones. I would like to qualify that statement, however, by noting that I am not knowledgeable on the subject of stripping costs which obviously would be critical to the success of any proposed mining operation at this site.

You will recall, when we first discussed an approach to evaluating the Old Channel property last fall, it was with the idea in mind that we would proceed slowly and carefully in successive stages that would be apt to give us increasingly more reliable information at correspondingly higher costs. Stage I, just completed, clearly has been successful in that it has provided some very useful and encouraging information as to the configuration and grade of an unmined segment of the channel that presumably is continuous, at a depth of about 60 feet, between the two existing pits on the Courtney Hydraulic claim (M.L. 42). Though I am unaware of any comparable development of it, the much larger Ankeny Hydraulic claim (M.L. 43) that adjoins the Courtney to the southwest has at least been prospected by a number of drifts along both Bartley and Sailor Jack Gulches, as shown on the enclosed map. It seems to me, then, that a second stage of exploration should be concerned with proving that the channel extends southwestward from the area just drilled. This may require 50 or more additional holes for which Clouser's small reverse circulation drill would be adequate since, as in Stage I, we are seeking data that really is more qualitative than quantitative.

Contrary to Freeman's recommendation, I think it would be premature to get involved in expensive bulk sampling in an area that we already know has some potential. The priority, I believe, should focus on determining the length and thickness of the channel in a southwesterly direction. The fact of the matter is that the "small profitable operation" suggested by Freeman for the area just drilled would not, in itself, be

sufficient to attract an experienced and adequately financed operator. On the other hand, if it can be demonstrated that the channel offers the potential of at least several million yards in the entire block of ground that lies south of Galice Creek, then it may be possible to arouse the interest of a legitimate mining company. If so, the hope would be that the mining company, and not Champion, would commit to a proper quantitative evaluation of the claims which presumably would have to involve a clam drill and thus, some very substantial exploration costs in comparison to those for small diameter rotary drilling. Though I am not personally familiar with clam drilling or its capabilities, my information thus far suggests that it might offer the only practical means of obtaining adequate samples from the large portion of the property that has had no development.

As to the potential environmental problems that could arise, especially because of the proximity of the claims to the Rogue River, I would suppose that proper impoundment of the washed material and wastewater would be of paramount importance. And so, even at this early stage of exploration, it might be prudent to consider these problems and to consult with the Oregon DEQ and other agencies that would be involved in the permitting process if a modern placer mine were to be seriously considered at this location. I would also recommend that a search for water rights be undertaken if this information is not already available to you.

In conclusion, I am genuinely encouraged by the first stage drilling of the Old Channel and do believe it may prove to be of more than marginal interest. I have no reservations, therefore, about recommending a second, much more extensive rotary drilling program that would target the buried channel southwesterly from the Courtney claim and, also, would attempt to further define the channel in the area already drilled. If undertaken, such a drilling program, including sample preparation, assaying, road work, and consulting fees, would be apt to cost $75,000 - $100,000, depending on the number of holes required.

Also enclosed with this letter are six copies of the final version of the geologic map that were supposed to have accompanied Freeman's report. An itemized invoice for my time and expenses involved in Stage I, including this letter, will follow shortly.

Sincerely yours,

Ronald C. Parker

Encls.

BONDAR-CLEGG

July 8, 1988

Ronald C Parker
724 Old Stage Road North
Cave Junction, Oregon 97523

Dear Mr. Parker,

Amalgamation assay analyses have been completed on the seventy-five samples which you submitted to the Extractive Metallurgy Division of Bondar-Clegg, Inc. on behalf of Champion International Corporation. The results of the analyses are contained in the attached tables.

Upon receipt, the samples were quantitatively transferred to individual bottles and slurried to 50% solids with deionized water. The amalgamation assays were initiated by adding mercury to the slurries at a concentration of 100 pounds per ton of dry material and placing the bottles on a laboratory jar-mill. The bottles were agitated on the jar-mill for four hours. After the amalgamation period, the amalgams were recovered from the slurries and the mercury was dissolved from the amalgams using a 20% nitric acid solution. The weight of the free-gold recovered from each sample was determined using a CAHN, Model C31, electrobalance. These results are contained in Appendix A.

After recovering the mercury from the slurries, the amalgamation residues were vacuum filtered, dried, weighed, and thoroughly blended by passing them individually through a Jones-Riffle splitter several times. A single split obtained from each blended amalgamation residue was ground to 80% passing 150 mesh using a ring-and-puck pulverizer. These splits were analyzed for refractory-gold using a fire-assay lead-preconcentration procedure (at a one-quarter assay-ton analysis weight) with a gravimetric finish. These results are contained in Appendix A. As per your request, gold concentrations (as troy ounces per cubic yard and grams per cubic meter) were calculated using the data provided with the samples at the time of their submittal. This information is contained in Appendix B.

Additionally, composite samples for each drill hole were prepared by compositing approximately 50 grams of the individual amalgamation residues from corresponding drill holes. The composites were thoroughly blended by passing them individually through a Jones-Riffle splitter several times. A split of each composite was then analyzed for platinum and palladium by a fire-assay lead-preconcentration procedure with an atomic absorption spectrophotometric finish. The composite weights and analyses are contained in Appendix C.

Bondar-Clegg, Inc.
12980 West Cedar Dr.
Lakewood, Colorado 80228
(303) 989-1404

Thank you for choosing Bondar-Clegg, Inc. for this project. If you have any questions concerning this or furture projects, please call me at (303)989-1404.

Sincerely,

Greg Sprenger

Greg Sprenger
Bondar-Clegg, Inc.

OSB-0412

Attachments

cc: Mr. Joseph Stafford
Champion International Corporation
Two Greenspoint Plaza, Suite 800
16825 Northchase Drive
Houston, TX 77060

Mr. Walt Freeman
P.O. Box 344
Cave Junction, OR 97523

BONDAR-CLEGG

July 11, 1988

Mr. Joseph Stafford
Champion International Corporation
Two Greenspoint Plaza, Suite 800
16825 Northchase Drive
Houston, TX 77060

Dear Mr. Stafford;

Attached please find the reissue of pages 10 and 11 of report 098-0412 (Greg Sprenger to Ronald C. Parker). As per our conversation of July 11, 1988 the initial presentation of this report was missing composite analysis data for platinum and palladium on holes six and fifteen.

I hope that this has not caused you any inconvenience.

Sincerely,

T. E. Albert

Terence E. Albert
Manager, Extractive Metallurgy
Bondar-Clegg, Inc.

cc: ✓Ronald C. Parker
724 Old Stage Road North
Cave Junction, Oregon 97523

Mr. Walt Freeman
P.O. Box 344
Cave Junction, Oregon 97523

Bondar-Clegg, Inc.
12980 West Cedar Dr.
Lakewood, Colorado 80228
(303) 989-1404

BONDAR-CLEGG

July 8, 1989

Ronald C Parker
724 Old Stage Road North
Cave Junction, Oregon 97523

Dear Mr. Parker,

Amalgamation assay analyses have been completed on the seventy-five samples which you submitted to the Extractive Metallurgy Division of Bondar-Clegg, Inc. on behalf of Champion International Corporation. The results of the analyses are contained in the attached tables.

Upon receipt, the samples were quantitatively transferred to individual bottles and slurried to 50% solids with deionized water. The amalgamation assays were initiated by adding mercury to the slurries at a concentration of 100 pounds per ton of dry material and placing the bottles on a laboratory jar-mill. The bottles were agitated on the jar-mill for four hours. After the amalgamation period, the amalgams were recovered from the slurries and the mercury was dissolved from the amalgams using a 20% nitric acid solution. The weight of the free-gold recovered from each sample was determined using a CAHN, Model C31, electrobalance. These results are contained in Appendix A.

After recovering the mercury from the slurries, the amalgamation residues were vacuum filtered, dried, weighed, and thoroughly blended by passing them individually through a Jones-Riffle splitter several times. A single split obtained from each blended amalgamation residue was ground to 80% passing 150 mesh using a ring-and-puck pulverizer. These splits were analyzed for refractory-gold using a fire-assay lead-preconcentration procedure (at a one-quarter assay-ton analysis weight) with a gravimetric finish. These results are contained in Appendix A. As per your request, gold concentrations (as troy ounces per cubic yard and grams per cubic meter) were calculated using the data provided with the samples at the time of their submittal. This information is contained in Appendix B.

Additionally, composite samples for each drill hole were prepared by compositing approximately 50 grams of the individual amalgamation residues from corresponding drill holes. The composites were thoroughly blended by passing them individually through a Jones-Riffle splitter several times. A split of each composite was then analyzed for platinum and palladium by a fire-assay lead-preconcentration procedure with an atomic absorption spectrophotometric finish. The composite weights and analyses are contained in Appendix C.

Bondar-Clegg, Inc.
12980 West Cedar Dr.
Lakewood, Colorado 80228
(303) 989-1404

Thank you for choosing Bondar-Clegg, Inc. for this project. If you have any questions concerning this or furture projects, please call me at (303)989-1404.

Sincerely,

Greg Sprenger

Greg Sprenger
Bondar-Clegg, Inc.

098-0412

Attachments

cc: Mr. Joseph Stafford
Champion International Corporation
Two Greenspoint Plaza, Suite 800
16825 Northchase Drive
Houston, TX 77060

Mr. Walt Freeman
P.O. Box 344
Cave Junction, OR 97523

Ronald C. Parker 724 Old Stage Road North • Cave Junction, Oregon 97523 • Phone: (503) 592-2047

Registered Professional Geologist Consultant in Exploration and Mining Geology

June 20, 1988

Mr. Greg Sprenger
Bondar - Clegg Incorporated
12980 West Cedar Drive
Lakewood, Colorado 80228

Dear Greg:

Delivered to you herewith are three additional samples to supplement the 72 air expressed to you on June 8; these are the last of them and they are identified as follows:

Sample No.	Vol. (yd^3)	Vol. (M^3)
RDH-6, 0-50 ft	0.17186	0.13140
RDH-13, 0-60 ft	0.20624	0.15769
Bulk sample	Approx. 20	Approx. 15.292

The instructions for these samples are exactly the same as those given you in my letter of June 8 except, of course, that no compositing is required prior to the Pt/Pd analyses.

Since I don't like to deal with unnecessary amounts of paper, please hold the report until all of the work on all 75 samples has been completed.

Very truly yours,

Ronald C. Parker

cc: J.L. Stafford
Walt Freeman

Ronald C. Parker 724 Old Stage Road North • Cave Junction, Oregon 97523 • Phone: (503) 592-2047

Registered Professional Geologist

Consultant in Exploration and Mining Geology

June 8, 1988

Mr. Greg Sprenger
Bondar - Clegg Incorporated
12980 West Cedar Drive
Lakewood, Colorado 80228

Dear Greg:

Delivered to you herewith, in three large boxes comprising one lot shipment, are 72 plastic containers of tabled and panned rotary drill hole concentrates to be treated in much the same manner as we discussed over the phone recently. Although I am aware that you were taking notes as we talked, I think it also advisable that I provide some instructions in writing as well since a lot of money has already been spent in obtaining the samples. Specifically, I would like you to do the following:

1. First, determine free gold present by amalgamating all of the wet sample (i.e., as received though you may decant excessive water as required). Do NOT dry the sample prior to amalgamation since subsequent rewetting could result in some of the fine gold being floated off.
2. After the amalgamation step has been completed, dry and weigh the remaining concentrate which should now be minus the free gold. I want these weights reported (in grams).
3. Perform a classic gravimetric fire assay for Au only on one split of the concentrate from 2. above (not on three as we had talked about since I don't think there's much refractory gold to worry about). However, I want the remaining concentrate saved for possible additional assays and for use in Step 4.
4. Perform Pt and Pd analyses by fire assay/AA on a single sample for each hole prepared by compositing a split of the individual samples from each hole.

Results are to be reported as:

1. Actual weights determined by a) amalgamation, and b) fire assay.
2. Troy ounces per cubic yard.
3. Grams per cubic meter.

The sample volumes that you will need in order to calculate 2. and 3. above are included in the enclosed list of sample numbers.

Two copies of the results and your invoice should be sent to:

Mr. Joseph L. Stafford
Champion International Corporation
Two Greenspoint Plaza, Suite 800
16825 Northchase Drive
Houston, Texas 77060

One copy of the results only should be sent to me at my letterhead address and another copy to:

Mr. Walt Freeman
P.O. Box 344
Cave Junction, Oregon 97523

If you have any questions at all about these instructions, please phone me during regular business hours. If not, I shall look forward to receiving the results in about 3-4 weeks. Incidentally, Champion established an open accout with B-C's Vancouver lab last fall.

Very truly yours,

Ronald C. Parker

cc: J.L. Stafford
Walt Freeman