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Wolf Creek, Oregon.
April 6th. 1936

Mr. G. W. Wilkenson
Medford, Oregon

Dear Sir:

In answer to your letter of April 4th. in regard to the working and testing of the Granite Hill Mine, while it was under lease to myself and brother O. C. McIntosh.

For our operations in the spring months of 1918 with a small Ruble Elevator of very crude construction our recovery was \$1560.00 from 3,000 cubic yards of material. This operation was in the lower end of the old Hull and Beck pit.

We cleaned our one of the old test pits that was mined above the head of the tunnel flume. From one-third of a cubic yard of Gravel taken from the side of the hole on and within three feet of bedrock we recovered \$3.50 at the old price of gold. There was another prospect pit in the above mentioned pit which we did not clean out which was considered the better of the two.

We made various other tests which I do not remember correctly after so long a time. We considered them all of good value.

The old test sheets and records of the Granite Hill Co. were there on the property in 1918. Their average value was 50¢ per cubic yard for a depth of 34 feet.

We were well satisfied with the values we found there but were compelled to give up our lease on account of conditions brought on by the World War.

With kind regards.

Yours very truly,

(Signed)

W. D. McIntosh.

C
o
p
y

"Wolf Creek, Oregon,
April 6th., 1936.

"Mr. G. W. Wilkinson,
Medford, Oregon

"Dear Sir:

"In answer to your letter of April 4th in regard to the working and testing of the Granite Hill Mine, while it was under lease to myself and brother O. C. McIntosh.

"For our operations in the spring months of 1918 with a small Ruble Elevator of very crude construction our recovery was \$1360.00 from 3,000 cubic yards of material. This operation was in the lower end of the old Hull and Beck pit.

"We cleaned out one of the old test pits in the pit that was mined above the head of the tunnel flume. From one-third of a cubic yard of Gravel taken from the side of the hold on and within three feet of bedrock we recovered \$3.50 at the old price of gold. There was another prospect pit in the above mentioned pit which we did not clean out which was considered the better of the two.

"We made various other tests which I do not remember correctly after so long a time. We considered them all of good value.

"The old test sheets and records of the Granite Hill Co. were there on the property in 1918. Their average value was 50¢ per cu. yard for a depth of 34 feet.

W. D. McIntosh letter - Cont'd:

"We were well satisfied with the values we found there but were compelled to give up our lease on account of conditions brought on by the World War.

"With kind regards.

"Yours very truly,

(Signed) "W. D. McIntosh"

consequence there are great probabilities of there being buried old delta gravels or channels of the Cretaceous Island under the present fan-blanket of detritus.

(4) That the great age of the deposit and the evident long period of deposition, erosion and reconcentration, of the detrital material make it likely that there is a very general distribution of the gold, and also that the lower true bed-rock zones should be rich and that it is necessary to explore for these. There is also a great chance of great deposition at the meeting point of the Silva Ranch.

There are a number of other interesting geological features but which do not have an immediate relationship to the interpretations of this residual deposit, so they are not germane to this report.

CONCLUSIONS:

I am personally satisfied that the structural conditions that built out this deposit and the richness and nearness of the sources of the gold, and the long period of detrital material concentration, all indicate a great probability that this ground will be found to be far richer than the average ground that consists of lower river deltas.

But conversely the larger proportion of detrital material, the greater depth, the abundance of water, does not require any considerable amount of engineering constructive effort, to meet conditions not entirely in accord with standard practice.

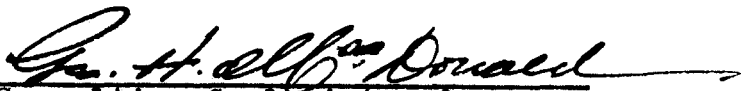
The endorsement of the project as a whole and the conclusions reached are based upon the following specific facts.

The structural and geological conditions are sound.

Natural resources both as to timber and water for operations, rest within the confines of the property.

Profitable values are proven, and no physical conditions need bar its future.

Respectfully submitted,


Consulting Geologist and
Operating Engineer.

November 1933.



Sunbeam

GOLD MINES COMPANY

ERLE C. ANNES - President
M. V. FISCHER - Secretary-Treasurer

612 PROVIDENT BUILDING - TACOMA, WASHINGTON

FIELD OFFICE: 108 North 6th Street - Grants Pass - Oregon

Address reply to Wm. F. Hayden, E. M.

September 22, 1936

George H. MacDonald, E. M.
4281 Gilbert Street,
Oakland, California


Dear Mr. MacDonald:

Received yours of the 19th instant relative to the Granite Hill property. I thank you very much for your kind interest.

The Granite Hill property was sold to large interests in Tacoma, Washington some months ago represented by M. V. Fischer and associates who intend to install a large dredge this coming spring and who will later develop the quartz deposits. If any change in their program should take place I will be very glad indeed to inform you. I have told Mr. Fischer and Mr. Annes, who is one of our associates and who is also a Mining Engineer of high standing, of your long and technical examination of this property and of your high opinion of same and that it was your desire to own and operate this property so if, as above stated, any change should take place in the disposition of this property we will be very glad to get in touch with you.

Thanking you for the many courtesies extended and with the assurance of my very high personal regards, I am.

Very truly yours,



Wm. F. Hayden,
Consulting Engineer.

WFH:G

Suite 203-5 at
108 N. Sixth Street
Grants Pass, Oregon
September 22, 1936

George H. MacDonald, E. M.
4281 Gilbert Street
Oakland, California

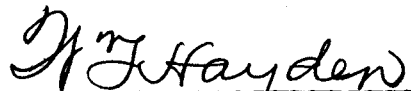
Dear Mr. MacDonald:

Your inquiry regarding the Hercules
Slate Deposits.

I got in touch with the owners yesterday and find that while they have a tentative contract out, it is purely verbal and when I told them you had inquired again they immediately stated that I could say that the property was open to you because of your efforts in connection with the handling of this property. Therefore, if your people are interested won't you get in touch with them and if you cannot bring them up we will take care of them here if you send them. It would be a great pleasure to me if you could handle this property for it takes just the type of Engineering that you can employ.

It was good to hear from you again.
Please let me hear from you at your earliest convenience. Do not address the Sunbeam Company except when you refer to the Granite Hill.

Very truly yours,


Wm. F. Hayden,
Consulting Mining Engineer

WFH:G

Inland Cal. Sept 18th 1936.

Wm F. Hayden E. M.
Grants Pass. Oregon.

Dear Mr Hayden;

Upon my return to my residence from Plymouth I found several inquiries relative to the Granite Hill Dredging area, they ask if this deal is open or not.

I have been away all the summer and have been busy in putting in a Cyanide plant to treat the tailings of the Plymouth and Empire Mines in Amador County, therefore I was not here when this mail arrived, Mrs MacDonald did not forward my mail, but since yesterday afternoon they phoned me via long distance for the information as to whether or not a deal can be arranged, in addition they also asked about the Slate deposits, you understand Hayden I had submitted these properties to them early in the year and had not followed them up owing to the element of time etc, etc.

Will you please forward this information in order that I may present your answer to them, I did however, tell them that I thought a deal had been closed.

Thanking you for all your past courtesies extended, I am with kind regards and best wishes,

Yours sincerely,

Geo H. MacDonald. E. M.

Mr G. W. Wilkinson,
1009 West Ninth Street,
Medford, Oregon.

Oakland, California.
Sept 24th 1938.

Dear Mr Wilkinson;

Under date of Sept 18th 1938 I wrote to Mr Wm. F. Hayden requesting him to give me the status of the Granite Hill Dredging area, this is the second request, .

I have been on the Mother Lode all summer erecting a cyanide plant and upon my return to my residence found several inquiries relative to your property, these people will not proceed any further unless they receive word from you and through me that a deal can be made, they are operators and not promoters.

Walser Johnson informs me that Hayden has inquired relative to the cost of a dredge and has tentatively "fishing" them out etc, which led me to believe that a deal can be made .

If you care to come here I will personally introduce you to these people and you can make your own deal thereby use your own judgement as to their responsibility etc.

In the anticipation of an early reply, believe me to remain,

Sincerely yours,

Geo. H. Mc Donald, E. M.

431 Gilbert Street,
Oakland, California.

108 N. Sixth Street,
Grants Pass, Oregon,
April 10, 1936.

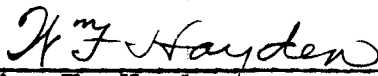
George H. MacDonald, E. M.,
4281 Gilbert Street,
Oakland, California

Dear Mr. MacDonald:

I wrote you yesterday concerning the Granite Hill and did the best I could. You may not understand the pressure brought upon me until I tell you the country is simply swarming with buyers for mines and the owners of the Slate have notified me that action must be taken by the 15th and we must so notify them or they ask the return of the report and the cancellation of the offer.

I know the hard work you are doing, but I know you appreciate the fact that I have done everything that I could, and I do so very much appreciate your good efforts.

Very Sincerely,


Wm. F. Hayden,
Consulting Mining Engineer

WFH:G

WILLIAM F. HAYDEN
CONSULTING MINING ENGINEER
GRANTS PASS, OREGON

OFFICES
SUITE 203-5, 108 NORTH SIXTH ST.

April 9, 1936

George H. MacDonald, E. M.,
4281 Gilbert Street,
Oakland, California

Dear Mr. MacDonald:

Mr. Wilkinson was in my office when your wire came yesterday but inasmuch as he had made other plans it was difficult for me to get anything out of him until too late to write you. When you failed to communicate with me for a period of ten or twelve days he naturally gave up hope of your doing anything but held on for several days because of his personal regard for you coupled with the hard work you have done in your effort to finance this property.

For the next few days the property will be in the hands of another party who states he will finance it. Two dredging crowds have been here and have made offers. Both were greatly pleased with the property and Mr. Wilkinson has made the statement that if the party who now has the right to purchase it fails he will hurriedly organize a Company to finance it as he must have cash to make the payment and feels that in selling the property for \$200,000 he would be losing a great deal of money that he might otherwise make. He did leave, however, with the statement that if you got your money in ahead of the other man and could show you were prepared to go through it would be acceptable and if you wished could go on with your endeavor but you would have to take your chances with the other parties until he was ready to organize, which I feel sure will be within the week.

This is the best I can offer you and outside of the above the letters

George H. MacDonald, E. M. - 2 -

4/9/36

sent you will have to stand. I have gone to so much expense that I could not afford to wire you and at any rate I could not make myself clear or help you any with the number of words I could use in a message. I do hope you come in "under the wire" for you have worked mighty hard.

With very kind personal regards and best wishes, I am,

Sincerely,

Wm. F. Hayden

Wm. F. Hayden,
Consulting Mining Engineer

WFH:G

WILLIAM F. HAYDEN
CONSULTING MINING ENGINEER
GRANTS PASS, OREGON

OFFICES
SUITE 203-5, 108 NORTH SIXTH ST.

April 6, 1936

George H. MacDonald, E. M.,
4281 Gilbert Street,
Oakland, California


Dear Mr. MacDonald:

Mr. & Mrs. Wilkinson called at my house yesterday afternoon and inasmuch as there has been no word of any kind from you for ten days they asked me to take down the Granite Hill deal.

They appreciate very very much the hard work you have done and this is the reason they have been kind enough to allow you the time they have to consummate a deal upon their Granite Hill holdings.

Mr. Knuteson I feel has lost an opportunity by the investment of a few dollars to make himself independently wealthy in his failure to exercise the deal he consummated here in my office with the owners, you and myself. I say professionally, and I believe you will agree with me, that the Granite Hill properties have a better chance for large and profitable production, probably totaling several millions, than any other property that I know of on the whole Pacific Coast yet unmined.

Sincerely yours,


Wm. F. Hayden,
Consulting Mining Engineer

WFH:G

WILLIAM F. HAYDEN
CONSULTING MINING ENGINEER
GRANTS PASS, OREGON

OFFICES
SUITE 203-5, 108 NORTH SIXTH ST.

April 6, 1936

George H. MacDonald, E. M.,
4281 Gilbert Street,
Oakland, California

Dear Mr. MacDonald:

Re: Columbian Mines.

I will ask you to forward me by first mail the reports on the Granite Hill, which include the photos. This is very essential since I do not have the negatives of the photographs. Therefore, please send same at once.

I would also appreciate your sending the Columbian Report as the owners feel that there is no longer any chance of your being able to handle this property and they have turned down opportunity after opportunity to at least have this mine examined. They also appreciate the hard efforts you have put forth and they are not withdrawing this property because of any lack of confidence in you as we all hope to do business with you on other occasions. You have been one bright spot on the horizon of our endeavors here for the last few months and your acquaintance and professional and fraternal help have been appreciated.

Again thanking you for all of your courtesies and kindnesses extended, I am,

Sincerely yours,

W. F. Hayden
Wm. F. Hayden

WFH:G

108 N. Sixth Street,
Grants Pass, Oregon,
March 31, 1936.
2:30 P. M.

George H. MacDonald, E. M.,
4281 Gilbert Street,
Oakland, California.

Dear Mr. MacDonald:

Mr. Wilkinson was just in and is simply astounded at the turn matters have taken relative to the Granite Hill Mine since Mr. Knuteson stated that he was absolutely sold on the mine and would devote his entire time to it from that day forward. He thinks like I do that Mr. Knuteson feels he is not getting enough out of it. In that case, I would make any reasonable sacrifice in order to get the deal over upon the plan outlined when you were here with the \$2,000 payment. Some way, somehow, this should be done.

Mr. Wilkinson is loath to take down the deal but has an offer from a dredging company to pay 25% down in ninety days and 25% every six months until the property is paid for. His only reason for not accepting is that they do not want to agree to a royalty arrangement. We have a chance if we accept it quickly but I feel sure we cannot hold it long. Therefore, I will appreciate a letter addressed to my office here where my secretary will give it prompt attention while I am out of the city, forwarding the information to me and replying to you.

We also had a man here yesterday who wants to engage or arrange for the purchasing of all of the black sand recovered in the dredge. He is offering up to \$80.00 a ton for a mixture of black sand and grey sand without it being a complete concentration - another avenue of profit. For the life of me I cannot see how Mr. Knuteson could turn down such a proposition. Please wire.

Sincerely,

Wm. F. Hayden
Wm. F. Hayden, E. M.

WFH:G

108 N. Sixth Street,
Grants Pass, Oregon,
March 31, 1936.

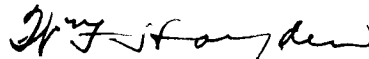
George H. MacDonald, E. M.,
4281 Gilbert Street,
Oakland, California

Dear Mr. MacDonald:

I am leaving for Portland
Wednesday. If you want to reach me Thursday
or Friday wire me there at the Multnomah Hotel.
Expect to be home Saturday morning.

I am fearful we are going
to lose the Granite Hill Mine. As you will
notice, the Mining Journal refers to it on Page
22 and they are having so many inquiries so you
must keep me posted up to the minute if we are
going to hold it. I believe it is one of the
biggest dredging and quartz deposits yet unmined
in this region. Surely Knuteson cannot afford
to drop it. My opinion is that he thinks you
and I each getting one-third is cutting him
down too much. I agree with him. I think if
you and I had one-third between us it is all we
should ask. I hinted this when you were here,
but it did not "take", so I let it go the way
we had originally discussed the matter, but by
all means keep me posted!

Cordially yours,



Wm. F. Hayden,
Consulting Mining Engineer

WEH:G

108 N. Sixth Street,
Grants Pass, Oregon,
March 25, 1936.

George H. MacDonald, E. M.,
4281 Gilbert Street,
Oakland, California.

Dear Mr. MacDonald:

Believe me, we certainly had a narrow escape. When Mr. Wilkinson returned home to discuss the Granite Hill situation with his wife he found her "up in arms" about the kind of a deal he had made. She felt that she was not receiving sufficient amounts as a cash payment and wanted all kinds of different guarantees, etc. In fact, she "blew up".

I did not get to see them until this morning for the reason I was called to the Pacific Coast and only returned this morning and they have spent practically the whole day in my office. I now have the matter all arranged and it stands exactly as when you left, but in Heaven's name, send me a wire since there has been no word reach me since you left. I know how busy you are and you may not have positive word to write me, but a wire or letter that you are progressing keeps our clients in a good humor. They have only had three offers for this property since you left so you can see what I am up against. Do not tell this to Mr. Knuteson, however, as he may think we are trying to urge matters.

I imagine the contracts will be in the morning mail so if you receive this and they have been sent why consign it to your "International" file.

Cordially and Sincerely,

Wm. F. Hayden

Wm. F. Hayden,
Consulting Mining Engineer.

*No 17th Street
for 9 days negotiates
dealers who have the
is a good deal
any thing
is OK
7/18*
WEH:G

108 N. Sixth Street,
Grants Pass, Oregon,
April 21, 1936.

George H. MacDonald, E. M.,
4281 Gilbert Street,
Oakland, California.

Dear Mr. MacDonald:

I am informed that you are in this part of the country looking at the Beryllium property concerning which I have been writing you for some months. Is this correct?

Will you not be good enough to let me hear from you in connection with our different properties? I have tried to hold the Granite Hill until the last moment for you, as well as the Slate deposits, but you know perfectly well Mac that there is no owner going to come into my office day after day for information concerning their properties when there is only an occasional letter from you concerning same. I know how hard it is, but I can't hold properties without action so in mercy's name get me some money, information or shoot the reports back so I can do something. It is unkind of you to hold them when I have done everything possible I can to help you in furnishing reports, samples, etc. You know what this costs in time and money.

I trust you can send the Granite Hill placer and nugget gold samples back as the places where the samples were gotten are now caved and I do not want to go out and pan to get more placer gold.

A wire stating that you have mailed these reports and samples will be greatly appreciated.

Very Sincerely,

Wm. F. Hayden

Wm. F. Hayden,
Consulting Mining Engineer

WEH:G

108 N. Sixth Street,
Grants Pass, Oregon,
April 16, 1936.

George H. MacDonald, E. M.
4281 Gilbert Street,
Oakland, California

Dear Mr. MacDonald:

I was not only surprised but grieved at the tone of your letter of the 11th instant. Can you not see that I have used every possible effort to keep not only the Granite Hill but all of our other properties in line for you, but I cannot control the owners indefinitely and it became my unpleasant duty to write you and you must remember that you promised word on the Granite Hill on a Tuesday and it was ten days later that I received a wire from you and then only on the instance of my letter. You cannot hold a property like the Granite Hill without at least some attention during the period and we still hope you will come in "under the wire".

As to the Slate deposits, the owner called at my office this noon and said if you had a client who looks good he would not want to take it down, but naturally he does want to know if you are interested and if not will you please return the reports? This is also true about the Columbian. I must make a settlement with these people and they will charge me double the amount they owe me if I do not return the report, which is several hundred dollars.

You seem to feel that you are the only one that has expense. I have expended hundreds of dollars on this proposition and I am now to the place where we must have action. I do trust Mac that you and I will have something together. We have just got to some way!

Please wire.

Cordially yours,

Wm. F. Hayden

Wm. F. Hayden, E. M.

WFH:G

108 N. Sixth Street,
Grants Pass, Oregon,
February 26, 1936.

George H. MacDonald, E. M.,
4281 Gilbert Street,
Oakland, California

Dear Mr. MacDonald:

I have your valued favors, for
which I thank you.

Naturally, I must confess that
things do not look very promising, but I never fail
a man who keeps trying and I believe you will never
quit - at least that is the way I feel about it.

I am not surprised if Mr. K receives
knocks about Grants Pass, but please tell him if you
will for me, and I would like you to emphasize this
fact, that it is only because of this fact that we are able
to get what we want, and at a price that is ridiculously
low, for such properties. When this country becomes,
what I believe it will be in a short time, a busy mining
district and it is not far from it now since Josephine
County alone shipped about half a million dollars in
gold last year, we will not be able to even get a look
at the mines we can buy now for a reasonable price.

I had a man here from Seattle this
last week who wanted to look at the Granite Hill and when
I refused to take him he went himself and I am very con-
fident that he will allow an expenditure of \$300,000
for the development of this property, placing a dredge
upon the gravel deposits and new equipment upon the quartz
mine, but I told him that the property is temporarily
being considered by others and that it was only fair to
notify them prior to allowing him to proceed with further
examination in order to conclude the matter. Therefore,
you can plainly see the interest taken in the different
properties here. Two are reported sold this week - large
properties involving great sums.

You can readily see, Mr. MacDonald,
that as goodweather approaches it will be next to impos-
sible for me to hold these properties open much longer
since the owners are receiving such encouragement as is
outlined above. They cannot be expected to sit tight and
wait and wait and wait on us.

George H. MacDonald, E. M. - 2 -

2/26/36

Therefore, I trust that you will see Mr. K. and urge that he come here to look over the situation at his very earliest convenience.

With best wishes and kind regards,
I am,

Sincerely,

Wm. F. Hayden
Wm. F. Hayden,
Consulting Mining Engineer.

WFH:G

P. S. I am enclosing a clipping from our local paper with regard to Mr. Wright. With all of the money he is making and as easily as he is making it is it not possible to get him back in the picture? It looks to me as if he is just the type of man to help such a situation as we have here along to a definite profitable conclusion.

*Don't hope we don't look
at this. We are waiting for
you to get a chance
to see*

GEORGE H. MACDONALD

ENGINEERING GEOLOGIST

MINING ENGINEER

Mr Harry C. Warwick.
3769 Jackson Street.
San Francisco. Calif.

Oakland Calif
Jan 19th 1956.

Dear Mr Warwick;

Re; Granite Hill Dredging.

Enclosed herewith please find a brief
resume of the property under the above caption.

It is very difficult indeed for an
engineer to present a situation such as I find affecting
the Granite Hill Dredging Ground. You know my position is
usually to minimize rather than emphasize. Therefore, I
trust that this compilation covering the area of this prop-
erty will be regarded as a conservative statement and as
near the facts as can be found in gathering information for
a summarization.

I candidly believe, Mr Warwick, that the
Granite Hill Dredging areas are actually a find, and the terms
will be \$2500 down. Another reasonable payment during the year
and a small yearly guarantee with a 10% royalty until \$200,000
is paid.

Thanking you for the courtesies extended,
I am,

Sincerely yours,

Geo H. Mac Donald.

OBJECT OF EXAMINATION: The object of the examination on which this report is based was to make a reconnaissance of the district as a whole, to check to some extent the data already obtained, - but more particularly to collect data from an operating point of view, - also to collect data as to the geology and the source of the gold, - and as to structural conditions of the gravel as affecting the distributing of gold over such a large area; and generally to express an opinion as to the feasibility and value of the project as a whole and more particularly with respect to dredging operations.

The writer pan-sampled the surface in several places and obtained gold in every pan, - other than this no other attempt was made to sample during the present, as a sufficient amount of work seems to have been done by other engineers along these lines, to indicate very valuable areas of gravel, and I would not consider a limited hand sampling as giving any additional data of immediate value. Any further sampling of such a large deposit must be carried out with the proper equipment and in a systematic manner.

LOCATION OF THE AREA UNDER CONSIDERATION: The location of the property is North and a little to the East of Grants Pass, Oregon, in Sections 25 and 26., Township 35.S., Range 5 W of Willamette Meridian, and principally in the Grants Pass quadrangle.

TOPOGRAPHY; CLIMATE; AND GENERAL CONDITIONS: The district is typical of the areas of southwestern Oregon; Granite Hill and Mineral Mountain rise abruptly from the broad and shallow area. They are bold and deeply eroded mountains, carved out from an extensive area of very early granite intrusions of batholithic proportions. The relief is rugged. The area is drained by the North and Middle forks of Louse Creek. The climatic conditions are favorable for work all the year.

GENERAL GEOLOGY OF THE DISTRICT: All the southwestern part of Oregon is geologically speaking, of great age. Weathering and erosion of the rock surfaces of mountain ranges has developed over a vast scale and thruout great epochs of time, with the result that large areas of underlying rocks of great age have been discovered by erosion. In other words, the gradual wearing down of the mountains and the levelling off processes and corresponding filling up of the valleys (constructional) has been going on with less interruption from young or recent mountain building forces and extrusive processes than is the case in California.

GEORGE H. MACDONALD

ENGINEERING GEOLOGIST

MINING ENGINEER

There is evidence over considerable areas of Tertiary eruptives, and some later flows of basalt, but over the greater part of southwestern Oregon there is evidence of the eroded end of the Cretaceous Shore Line. The mountain ranges are either a complex of schists with intrusions of granitic rocks, or else the remains of massive Tertiary extrusives.

There has been no detail geological work done in Southwestern Oregon and in the short time available during a rather hasty reconnaissance I could not possibly do more than make a general observance of the quite complex geological conditions surrounding the base of Granite Hill. I took no geological samples and made no identifications of rock other than megascopic field approximations.

Granite Hill is a mass of very early intrusives, granite, and appears to be distinctive.

There appears to be a fairly strong belt of schists, tentatively I can co-relate the schists as Archean, the granite is evidently intrusive to the schists, to the north end of Granite Hill the rocks evidently belong to the Paleozoic Era, and to the west there are two large masses of what appears to be a dark highly silicified schistose slate of great age, highly metamorphosed. I would classify them as a partly eroded roof pendant of what were the overlying rocks at the time of the intrusion. They are similar to many of the early Paleozoic Sedimentaries, I noticed a great number of fragments of the same rock scattered all thru the gravel even as far as twelve miles.

There is a more or less system (regular) of quartz veins, which have a north to south strike and dip into the hills. These have been worked as gold quartz mines of which Granite Hill was the principle producer, but in addition to the larger veins there is a vast complex network of quartz stringers, lenses, and pockety deposits, which cover Granite Hill, and particularly Mineral Mountain to the north.

The gradual weathering and decomposition of this vast complex of small gold bearing veins has been the source of the gold in the gravels below.

I consider the general indications are that there has been a number of successive periods of gold impregnations in and about Granite Hill; from very early geological time up

and probably including a final mineralization during Tertiary times,- the corresponding period of enrichment accompanying the Miocene intrusives in California. ①

TRANSPORT AND LINES OF COMMUNICATION: The distance to the property is nine miles from Grants Pass, Oregon. There is an excellent auto road to the property from the U. S. Highway No 99.

AREA OF CLAIMS AND TITLES: I have not investigated this matter as I have accepted the owners statement that an area up to 400 acres can be delivered with clear title when required.

The land is deeded land and is covered with good timber, the lumber for the dredge and buildings and other requirements could be cut on the ground for approximately \$6.00 per thousand feet.

WATER SUPPLY FOR DREDGING: The property has 46 $\frac{1}{2}$ second feet of rights on the North; Middle and South Forks of Louse Creek, there is ample water for operations.

THE GRAVEL DEPOSITS: Louse Creek has been known for many years for its placer gold and has been mined extensively for a distance of four miles below the Granite Hill Placer. Adjoining and below the Granite Hill property, the Forest Queen Mining Co, has been operating a large hydraulic plant using the Ruble elevator system. On the South Fork of Louse Creek above the Granite Hill property and on the Red Jacket claim a Mr Hull mined successfully for years, taking out a large amount of gold. It is stated that his returns for one years operation were \$92,000.00.

Altho the values on the Granite Hill property have been known for years, the grade in the creek was small and a large slide near the lower end of the ground prevented extensive hydraulic mining. Attempts were made to overcome these handicaps. A long tunnel was driven over 800 feet thru the slide, all in good pay dirt and which paid its own way, and instead of reaching bed-rock it still remained eight feet above and the drainage sought was not obtained.

In the fall of 1917 Mc Intosh brothers, secured a lease upon a 33 and 1/3rd per cent royalty basis and undertook to mine on the South Fork below the Hull workings. It was during the late World War when men and materials were almost impossible to secure. They built a crude

GEORGE H. MACDONALD
ENGINEERING GEOLOGIST
MINING ENGINEER

Ruble Elevator, using pipes for screens, etc.,. They installed a pipe line and giants, finishing their plant late in the season and handled 3000 cubic yards of ground. Their recovery was \$1,350.00 or 45 cents per yard at the old price of gold with an estimated loss of 25% of the values, while setting one of the giants they found an 8½ ounce nugget nine feet from bed-rock. These men being subject to the next draft into the Army at that time took off their equipment and lost the lease on the ground.

The Mc Intosh Brothers, while living at the Granite Hill property had access to the maps and test sheets of the Company which formerly owned the ground. The company had sunk numerous test pits before buying and the test sheets showed the ground to average fifty cents per cubic yard for an average depth of twenty four feet at the old price of gold.

They tested different holes, all being satisfactory. In one hole sunk to bed-rock in the large pit near the upper end of the tunnel, from which they ran but one-quarter of a yard of material, they secured \$3.50 at the old price of gold from the quarter-yard, one piece was an eighty cent nugget.

Embodied in the four hundred acres are 17 placer claims. The estimated yardage for commercial dredging would be approximately eight million yards. There are no boulders too large for a 7½ cu., ft., bucket to handle. The values are free from the surface to bed-rock. The gold is both coarse and fine, a large per cent shot gold. The ground washes readily and is easily handled, there apparently being no cement or tight gravel present. The percent of clay, if any, would be negligible.

The bed-rock where exposed by former operations is a soft decomposed granite, this makes it ideal for dredging.

A large pit, above referred to, washed at the upper end of the tunnel, and near the westerly perimeter of the property is ample for the construction of the hull of the dredge without requiring excavation of a pit. There is a road constructed to the pit.

The California, Oregon Power Co, would install electric power on the ground for \$2,500.00, which would be returned from monthly bills. Very low rates are obtainable.

RECOMMENDATIONS: I consider it essential to prove this property by a series of carefully dug shafts down to actual true-bed-rock, that these should be located by survey and a cross section should also be made, and as far as possible a contour line of the underlying bed-rock be established. 2

GEORGE H. MACDONALD

ENGINEERING GEOLOGIST

MINING ENGINEER

A consideration of the preliminary information compels me to advise that a further examination of the Granite Hill dredging ground is a sound undertaking.

Respectfully,

Geo H. Mac Donald.

4281 Gilbert Street.
Oakland, California.

108 N. Sixth Street,
Grants Pass, Oregon,
January 11, 1936

George H. MacDonald, E. M.,
4281 Gilbert Street,
Oakland, California.

Dear Mr. MacDonald:

I am pleased to mail you under separate cover a small sample of gold taken from the Granite Hill Dredging areas. This sample was taken from gravel in the face of the pit which the photo will show and from some pannings from prospect holes as they extend across the property, and was furnished by Mr. Wilkinson, principal owner of the property. While the amount is small, I wanted you to have it as quickly as possible.

The weather was bad yesterday and the photographs may be equally so. It was raining hard when the last two snaps were taken. We do hope they will be good. I am having prints made and will have them on the evening mail with this letter.

I do trust Mr. Wright is improving and that I will have word concerning him.

As to the Ajax, this property at the present time is in such a position that I do not believe it would pay us to undertake arrangements to develop it - at least until I see you and talk the matter over and it is a very difficult matter to get the information to you in a way that would interest capital, the main point being that there are so few tunnels open where an intelligent examination could be made without expending money to open tunnels that really show the ore. It would take at least \$1500 to \$2500 to do this. If you think this advisable I will present a short resume' for you. Otherwise will wait until you come.

I am making this a general letter. Therefore, may I ask if Mr. Wright is going to be incapacitated what disposition are you

George H. MacDonald, E. M - 2 -

1/11/36

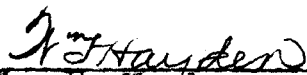
going to make of the Hercules Metamorphic Slate? I am hopeful that he will recover and be able to undertake this gigantic task of furnishing the capital for such a large project and let's hope and pray that he will. Something tells me he is better today and that the next news will be good.

A general letter from you covering our entire situation will be appreciated.

The letter with reference to Mr. Clark's reaction was greatly appreciated and has helped me wonderfully with the owners.

Thanking you for all of the courtesies extended, I am,

Very Sincerely,


Wm. F. Hayden,
Consulting Mining Engineer

WFH:G

Oakland Calif. Jan 5th 1936.

Wm F. Hayden. E. M.
Grants Pass. Oregon.

Dear Mr Hayden;

Your night letter and sample recieved and in reply thereto will say that Mr Wright is seriously injured and the outcome of his recovery is doubtful at this writing.

I did not get through with my conference with Mr Clark until late last night, owing to several factors entering it but he did show interest and promised me that he would get in touch with me Monday or Tuesday, in other words I have sold him now it is up to me to keep interest alive and get action to sample the dredging area first, my intentions are to take them in hand very gently "over the jumps" so to speak, all these men are the finest, especially Warner Clark, no better man ever lived than he, and on several occasions he has gotten off to a bad start insofar as mining is concerned, therefore I desire to keep him away from a "nine-hole", you understand old topper, Please follow out your suggestion ~~xxx~~ contained in your letter of Jan 2nd relative to photos and sample of gold which the fineness is desired, this will help immensley, remember the old chinese proverb - One picture says ten-thousand words, well - it will do so in this case, however Clark is sold, make no mistake about that.

Relative to the AJAX set-up, please get as much data on this as is possible, I have others whom may be interested in it, as you probably know that it is tough to get a group interested with a perfect set-up, therefore it is impossible to interest created with only a half-load, in my clientel there are brokers who may possibly underwrite an issue, but I must have something more than I have at the present moment to create their interest and then accelerate action.

Getting back to the Granite Hill, I have submitted my re-actions of ~~xxxxxxxx~~ reconnaissance made during the short visit etc, needless to say I dwelt upon the district as a whole particularly data from an operating point of view and collecting data of the sources of the gold as well as affecting the distribution of it over such a large area, I also expressed my opinion as to the feasibility and value of the project as a whole, but more particularly with respect to dredging operations.

I will appreciate your co-operation on that end and upon receipt of photos, gold, etc, I am positive that Mr Clark will have made his decision by that time.

Sincerely yours,


Geo H. Mac Donald. E. M.

108 N. Sixth Street
Grants Pass, Oregon
January 2, 1936

George H. MacDonald, E. M.,
4281 Gilbert Street,
Oakland, California

Dear Mr. MacDonald:

Have your very good favor of December 31, 1935, for which I thank you.

First, let me say I do not want to hurry you. What I wished was a reply from you acknowledging the receipt of the different documents and reports I sent you. I of course know it would be very bad business to even attempt to hurry Mr. Clark and my second letter which referred particularly to the bedrock in connection with the Granite Hill properties is to put you in a position so that you will know just how I feel about the property in question.

It looks, as I have told you before, like a "find", this because of later developments. I am sending you under separate cover a small sample of rock which shows free gold. While it is necessary to use a glass to find all of it, it is plainly discernable to the naked eye. This is from the new strike to which I referred and which I examined yesterday. I find that it parallels the great High Tariff vein on the Granite Hill which is reported to have produced profitable values at depth and which was milled in the Granite Hill milling plant. The deposit is about six feet in width, is simply a stock-work of small veinlets from one to six inches in width. Some of the veins have considerable width and the whole deposit pans a long string of gold in the pan. I have five or ten pounds of the ore to show you and if you need it before you return here I can send you enough so that you can pan it in Mr. Clark's presence, but I felt that the small sample would be all that would be necessary.

You will find many deposits on the Granite Hill where you can see the free gold showing in the ore visible to the naked eye and you and I know, and I feel Mr. Clark will understand, that the breaking down of these deposits from the higher elevations is what has caused the enrichment of the gravels in the large acreage of dredging deposits.

I am pleased to say to you that I am going out tomorrow to pan some of the gravel and I will send

1/2/36

you a small sample of the gold to test for fineness and I will either mail the film direct and have you have same developed there or I will have it developed and sent to you, showing the different locations of the Granite Hill deposits. I will take two of the pit where the barge would be built and two of the different faces of the gravels and a general view of the property, these films to be returned to me as soon as you have the prints made.

By the way, the McIntosh Brothers report that the bottom of the pit where the dredge would be floated is approximately eight feet above bedrock - that they sank a pit to bedrock and recovered in excess of \$7.00 in free gold from a quarter yard of the gravel that was washed, making approximately \$8.00 from one-third of a yard that was washed or practically \$24.00 bedrock at this point.

We are in a gold country Mr. MacDonald and it looks as though we have something to back up our claims.

Will appreciate a reply by early mail with the hope that Mr. Clark will have made his decision as to whether or not he will negotiate for these properties. He will have plenty of time to act to test and work out the whole plan once he tells us what he will do.

Very Sincerely,

W. F. Hayden

Wm. F. Hayden,
Consulting Mining Engineer

WFH:G

WILLIAM F. HAYDEN
CONSULTING MINING ENGINEER
GRANTS PASS, OREGON

OFFICES
SUITE 203-B, 108 NORTH SIXTH ST.

December 23, 1935

George H. MacDonald, E. M.,
4281 Gilbert Street
Oakland, California

Dear Mr. MacDonald:

The price of the 400 acres patented land which constitutes the holdings of the Granite Hill properties, both quartz and placer, is \$200,000.00 to us with a reasonable time in which to do testing of the deposits.

When the option is accepted a payment of \$2500.00 in cash must be made and a like amount within reasonable periods as a guarantee with a ten (10%) per cent royalty plus a reasonable yearly guarantee applying until the \$200,000.00 is paid.

Very truly yours,

W. F. Hayden

Wm. F. Hayden,
Consulting Mining Engineer

WFH:G

December 17, 1935

Mr. Warner Clark
225 Brush Street
San Francisco, California

Dear Mr. Clark:


Mr. George H. MacDonald of Oakland, California spent yesterday with me in the examination of the Granite Hill Dredging areas, as well as the Granite Hill Quartz property.

Mr. MacDonald's panning of the gravels satisfied him as to the values in his preliminary examination, as well as the large areas of the deposits consisting of two hundred acres, and while the areas of the quartz deposits were not examined at length I was able to describe same sufficiently so that he could easily understand the underground development and the favorable history of this mine.

I am preparing and mailing under separate cover a short resume of these deposits, prepared principally by the owner, but which I feel with some additional time spent in further examination the writer would be able to verify. In fact, it is our belief that a professional report would show the property to be very much better than the report given by the owner who has had years of mining experience.

I am sending this resume to Mr. MacDonald who will deliver same to you.

Very truly yours,


Wm. F. Hayden,
Consulting Mining Engineer

WFH:G

108 N. Sixth Street,
Grants Pass, Oregon,
November 21, 1935.

George H. MacDonald, E. M.,
4281 Gilbert Street,
Oakland, California

Dear Mr. MacDonald:

When you were here you asked me about Mr. LeRoy. I find that he seems to be a very fine old gentleman and very honest and sincere in his dealings and while I know nothing about him professionally he seems to be very conservative in his ideas. I am inclined to believe he is a fine gentleman and would not recommend a property that he had examined unless he felt sure it was as represented.

After the 26th day of this month I cannot guarantee the delivery of any of the properties on which I have sent you reports since a former associate reaches Chicago on that date and has asked me for these properties.

As to the Granite Hill Quartz Mine and Placer areas, I have completed a short report covering these properties. I consider these mines as worthy of extensive examination and development and I further believe that the dredging areas may be of the outstanding deposits of this type in this section of the country.

I meant to tell you that there would also be an opportunity of dredging the Carberry Mines and if you are not interested in this property I will ask you to return the little letter report I made upon same with the other two reports - the Columbian and the Alaska of Oregon if you are not interested in them as the absence of any communication from you indicates. Will ask that they be here by the 26th of this month provided you are not interested, as above stated.

Very truly yours,

W. F. Hayden

Wm. F. Hayden,
Consulting Mining Engineer

WFH: G

WILLIAM F. HAYDEN
CONSULTING MINING ENGINEER
GRANTS PASS, OREGON

TH ST.

November 15, 1935

Mr. Warner Clark
225 Bush Street
San Francisco, California

Dear Mr. Clark:

With regard to the Granite Hill Mine, which adjoins the Granite Hill Dredging areas to the northeast, this property contains some three mining claims and is located in Section 29, Township 35 S., R. 5 W., W.M. and is close to the north boundary of the Grants Pass Quadrangle.

This mine, according to records, up until 1907 had produced some \$65,000.00 in gold. When at the four hundred foot level a heavy flow of water was struck which flooded the mine.

The mine apparently has one of the best reputations in this part of the country as it was a steady producer before the water flooded them out. This water now has sunk to a level where it could be readily pumped out and the mine could go into operation very quickly with, we believe, large bodies of profitable ore accessible. The veins are five to twenty feet in width; there is considerable free gold with a concentrate (free gold extracted) which averages around \$75.00 per ton.

This is all of the information I would care to give without making an examination of this mine, which I would be very pleased to do at your direction.

Respectfully,

W. F. Hayden

Wm. F. Hayden,
Consulting Mining Engineer

WFH:G