

September 10, 1917.

George H. Leekley,
Seattle, Wash.

Dear Sir:

I hereby give and grant to you the exclusive right and option to purchase for the sum of Thirty-five Thousand Dollars (\$35,000.00), for a period of thirty days from the date hereof, the following described mining property, to-wit:

Those certain mining claims known as the Jewett, Group consisting of the Jewett, Ladd, Transfer, Columbia, Jackson, Josephine and Vergennes Lode Mining Claims, designated by the Surveyor General as Lot #475, embracing a portion of sections 27, 28, 33 and 34 in Township 36 South of Range 5 West of the Willamette Meridian, all being patented mining claims, and in addition thereto that certain quartz mining claim known as the McKinley Mining Claim, and also the East one-half of the Northeast quarter and the Northwest quarter of the Northeast quarter of Section 33, Township 36 South of Range 5 West of the Willamette Meridian, all in Josephine County Oregon.

Upon election to purchase, the sum of Seventeen Thousand Five Hundred Dollars (\$17,500.00) cash shall be paid, and the balance shall be paid in royalties upon the basis of twenty-five per cent (25%) of the gross output. Upon election to purchase and the payment made as aforesaid, a contract shall be entered into with provisions protecting the owners of the mine as to continuous development and operation and reduction of ores, as well as other provisions.

During the thirty day period, you or your agents shall have the right to go in and upon the premises and sample and test the same in order to determine the value and extent of the ore, but this possession shall not be for the purpose of operating or developing.

I should want some period established when the payment of the purchase price should be ultimately paid, say at the end of two years.

Very truly yours,



OSB/FMS

Memorandum: 28 Apr 1997

From: Bert Ivie, Chief Assay Chemist.

To: American Mining Company.

Subject: Evaluation of Work Accomplished and Recommendations.

Mike Cope
dropped this
off for you.
"Confidential"

1. Fire Assay analysis' of Mill Head sampled from each bucket, crushed and blended in an approved manner on Apr. 24, 1997 is equal to 0.045 oz Gold Dore' to the ton processed. This means that if Gold is valued at \$300 to the oz. The Gold in the ore is worth \$13.50. If 100 tons were crushed and milled and all of the Gold Dore' was recovered without any losses, it would be worth \$1350.

2. At the present time with the way the mill is set up, it's impossible to accomplish economical production. Even if it were feasible to mine, crush, mill and concentrate just 3 tons in one day, the Gold Dore' is only worth \$40.50 when the Head Ore is at 0.045 oz/ton.

3. Some of the exploration identification ores have shown results much more promising; for example, ore obtained on the 21st of April, identified as Green, assayed about 0.520 oz/ton which is \$156 per ton ore; that which is identified as Quartz, assayed at 1.000 oz/ton, which is \$300 per ton ore.

There have been other exploration samples assayed at 0.130, 0.170, nine others showing a trace, which is a way of indicating Gold is present, but is too small to weigh up, and three others not showing any Gold at all.

4. An analysis of products obtained from the shaker table shows that the Gold Dore' can be recovered gravimetrically, but there are sufficient losses that either a leach or other method of claiming the metal should be developed: for example; concentrate from the table identified as #2 product conc., assayed at 112 oz/ton or a value of \$33,600 per ton of concentrate; another #2 conc, averaged 94.85 oz/ton and another at 84.40 oz/ton.

5. Various samples (and they were random samples and not metallurgical samples) were obtained from a 25 April 1997 test. The mill Head assayed at 0.045 oz/ton, a product #1 assayed at 1672 oz/ton, a product #2 assayed at 84 oz/ton, a random tail assayed at 0.365 oz/ton and a magnetic sample assayed at 35 oz/ton.

What this means is that with time and effort a raw Gold Dore' product can be produced, although, unless the Mill Head is over 1.000 oz/ton, a real profit would be hard to obtain. It also means that if product #2 was developed and its' dilution factor was 8 to 10 times what product #1 was, it's feasible to see a concentrate developed for sale at the 50 oz/ton level and much more tonnage would proceed through the mill. The losses would substantially increase though. For example: if the Head ore assayed at 1.000 oz/ton, as noted in the Quartz exploration sample, and 3 tons of ore were forced through this existing recovery plant, 100 to 200 lbs of concentrate could be obtained and probably with a loss of half of the Gold. It would take 10 to 20 days to obtain one full ton of concentrate. Its' value after processing would be about \$1300.

6. Exploration samples are recommended to establish value and to identify practical ore grades of the mine. A system of mapping should be initiated as soon as possible to establish value and identity.

7. Metallurgical tests are needed to determine practical recovery methods, for example, different leach recovery systems should be examined as well as recovery by flotation. An examination of various gravity recovery methods should also be examined. Various experts could be approached, etc.

8. Some of the products and by-products acknowledged at this time can include: raw Gold, and/or high grade Gold Dore' conc; a product conc. rich enough to ship to a smelter; Silica, further tests are needed; Iron Oxide and possible cementation; other crushed rock products; other product elements, such as Cobalt, Nickel, Copper, and others needing identification, etc.

I would expect, many other products and by-products could be examined as development proceeds.

Bert Ivie

Josephine County Historical Society

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Grants Pass, Oregon 97526

Phone 479-7827
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March 26, 1998

Subject: Jewett Mine being reopened in 1922

The following is an exact copy of the information derived from the Oregon Observer newspaper in Grants Pass. The Oregon Observer was the competing newspaper to the Grants Pass Courier. It was started in 1890 and was purchased by the courier in 1929.

May 3, 1922 Ore. Observer

JEWETT MINE BEING REOPENED


After years of idleness, the old Jewett mine on Jewett creek is again being worked, with the prospects of becoming one of the biggest producing mines in Southern Oregon. Dr. A.M.Knapp and William G. Tait of Medford are associated in the enterprise. Dr. Knapp being on the ground superintending the work.

Dr. Knapp states that ore has been blocked out which will yield \$100,000 at the least. A seven stamp mill is being erected and will be completed within the next two weeks. Ore is being mined and dumped in the bins ready to start work as soon as the mill is finished. About 25 ton can be treated a day, the ore running from \$20.00 to \$124 per ton in gold values. There is also some value in platinum but this is not to be saved until later.

Twelve men are at work on the property and are putting a dam across Jewett creek for a reservoir, Dr. Knapp having filed on the water of the creek. The main ore body consists of two veins, extending far into the mountain. One tunnel has been run into the mountain 350 feet and a drift 200 feet has been cut. The other tunnel is 200 feet with a drift of 200 feet. The mountain is the most undisturbed that he has ever seen Dr. Knapp stated, the vein being well defined. He also stated that there is nearly a whole mountain of low grade ore which will ultimately be milled.

The present mill is only a starter, which will be used to demonstrate that the ore can be mined profitably said Dr. Knapp. Plans include a large mill ultimately on Rogue River where the ore can be treated and where the power of the river can be utilized. Dr. Knapp has visions of opening a producer which will be second to none in the state. Mines can be profitably operated on low grade ore running as low as four dollars a ton and with thousands of tons of high grade ore in sight, he feels that the property is a "mint". The mine is not over four miles from the city and is located near Fruitdale. Dr. and Mrs. Knapp are living in Fruitdale having purchased a 10 acre tract under the ditch. They expect to do a little farming on the side.

I certify that this is a true copy of the above information.


Michael L. Oaks,
Historic Sites Director
Josephine County Historical Society

JCHS

Josephine County Historical Society
512 SW Fifth Street ~ Grants Pass, Oregon 97526
Phone 479-7827 ~ Fax 479-7827

March 26, 1998

Subject: **The Jewett Mine**


December 15, 1926 Ore. Observer

J. McFadden was in the city Friday from the Jewett Mine, which he is operating with Mr. Coats. They have a ledge of five feet of rich Gold ore and are putting in machinery to handle it.

February 2, 1927 Ore. Observer

Work on the Golden Mary mine near this city will be resumed within a short time according to P.X. Johnson former manager of the property who has returned from Portland where he has been in conference with interests back of the developement.

I certify that these are copied as presented from
the Oregon Observer newspaper of Grants Pass.



Michael L. Oaks
Josephine County Hist. Soc.

Memorandum: 23 June 1997

From: Bert Ivie, Chief Assay Chemist

Subject: 115 lbs of 140 lb rock found from quartz vein at crown source.

To: Michael Cope and investors.

A Metallurgical Test was conducted on 20 June 1997 to determine the typical recovery of a portion of a 140 lb rock taken from the "Crown" pocket. The rock was taken from an area being excavated in this area. It was first broken up with a sledgehammer and fed into a jaw crusher, then through a pulverizer to about a minus 60 mesh size, and then hand fed to the shaker table where water was introduced in order to eliminate that which is not Gold. Extreme care was taken to collect all the Gold products possible and keep the tailings as low in Gold as possible. The following assays are below:

Raw Gold product (6.232 gms), Dore' recovered = .29408 gms. mostly Gold, which = 13,742.06 oz/ton.

Magnetic product, About 10-15 grams recovered = 12.04 oz/ton. (.00301 gms from a 1/4 assay ton)

Product #2, Appears to be less than 1/4 lb of material recovered at 78.80 oz/ton. .01970 gms from a 1/4 assay ton.

Product #3, which is most of what was left on the table assayed at 0.075 oz/ton, average.

The tailing, or the material that went off the table was randomly collected in a timely manner to try to determine the losses. It was dried and assayed and the result was 2 assays at 0.30 and 0.11 oz/ton.

A random Head was taken from the material and assayed at 0.20 and 0.37.

The calculated head indicates that this was a very good test. It calculated as 0.194 oz/ton. It also was run on the AA machine and found to contain small amounts of Zinc and Nickel. Differences are due to the free Gold factor.

CONCLUSION: (For a full ton) A factor of 17.39 times the work and the material that went on this small shaker table would produce about 5.11 grams of Gold at a value of about \$50. But, if the shaker table was replaced with a reasonable recovery system that would allow processing of 100 tons/day, a recovery of 16.44 oz/Gold per day at a value of about \$5000 is feasible.

That is over \$100,000 per month and is likely.

If a leach recovery system were in operation at the same time, and leached product #3 and the tailing, another \$90,000/month might be produced.

If product #2 and the Magnetic concentrate were saved, another \$10-15,000 might be produced.

This totals at \$205,000 per/month.

This test is also **NOTED** to show a nugget variable, which ultimately means more values are likely!

Bert Ivie

The following accounting is likely:

50 tons @ 0.5 oz/ton = 25 oz Gold = about \$7500/day.
50 tons for 30 days.....= \$225,000/mon.
50 tons for 30 days times 12= \$2,700,000/Year.

7. Other considerations:

The environmental recovery plan on this mine is such that if accomplished, it alone will bring in huge profits. The unique location is ideal for magnificent buildings or homes or businesses as Southern Oregon continues its phenomenal growth. Building materials, property, and water can be available. I really believe the potential of this project is tremendous and any investors involved should take a good look at future opportunities.

Bert Ivie



Memorandum: 9 July 1997

From: Bert Ivie, Chief Assay Chemist

To: American Mining Co.

Subject: 1108 lbs of mill run, average Ore Grade for Gold recovery. Evaluation and recommendations.

1. On July 2nd, Ron, Michael, and Myself made an all out effort to obtain a full ton of Ore Grade material for a practical metallurgical test using the equipment on hand. We hand collected 1108 lbs of ore before the excavator quit running and we were unable to continue. The problem was diagnosed as water in the diesel and since we had no other fuel we had to be content with the 1108 lbs.

2. On July 3rd, we weighed and crushed the ore, transported the crushed material to the rod mill and hand worked the flow through the chutes to the shaker table. The products were obtained and taken to the lab. for evaluation. A raw Gold product was able to be produced at this time.

20.74 grams of product produced 4.600 grams of Gold.

3. Further evaluation was not possible on July 7th, because there was not enough fuel. I was asked to help with a flat tire on the borrowed grader.

4. On July 8th, I was able to proceed with the laboratory work and evaluation of the Metallurgical test.

Less than 0.25 lbs of product #2 at 157.30 oz/ton.
Less than 0.25 lbs of magnetic product at 29.20 oz/ton.
An incalculable amount of product #3 at 0.58 oz/ton.
Roughly 1050 lb of tailing at 0.175 oz/ton.

5. Accounting: 3 men for 2 days = abt. \$55 in Gold
1108 lbs ore = 4.600 grams/Au = \$49 - Gain
1050 lbs tail = 2.9 grams = \$31 - Lost
Product #2 = 0.6 grams = \$6 - Gain
Product #3 = 0.5 grams = \$5 - Lost
Magnetic Pro. = 0.1 grams = \$1 - Lost

Calculated Head = 0.503 oz/ton Gold
Actual random assay = 0.59 oz/ton Gold

6. Summary Outlook: Absolutely no profit can be realized using the pilot plant equipment, but if you can see the realistic opportunity, huge profits can be obtained. As equipment and operating expenses are secured from investors, it is easy to imagine a permitted property to operate on a 50 ton/day goal. See other side!

Memorandum Update: 16 May 1997

From: Bert Ivie, Chief Assay Chemist

To: American Mining Company

Subject: Progress update, recommendations, and consultation assessment.

1. In retrospect, a review of established goals sometimes helps in developmental progress. Some recommended goals relating to the mining side are as follows:

A. Development of Saleable Products; such as Raw Gold, Product #2 (assaying from 52.30 oz/ton to 1672.02 oz/ton); and a possible Magnetic Concentrate (last assaying at 35.08 oz/ton). See Memorandum dated 25 Apr 1997.

B. To identify and value other products and byproducts that now may include an Iron Concentrate; a Silica product; a Iron Oxide pigment; a possible Clay material for making construction products such as bricks or tiles; and others, etc.

Some possible products being investigated at this time include Nickel and Cobalt. Indications are present that the minerals may be present. As standards are obtained, equipment can be used to further investigate. Cobalt and Nickel are both used in making alloys in the steel industry. Some Arsenic and for sure Sulfur is present and needs to be identified. Plans are being initiated for analysis. An initial look at all assayed samples and a few needing a closer examination have shown absolutely no Platinum Group Metals at this time, and even Silver seems scarce to non-existent so far.

The elements Titanium and Aluminum also need to be looked for-There are indications of substantial lodes. Magnesium, Calcium, Manganese, Antimony, Bismuth, Copper, Lead, Zinc, Cadmium, and Mercury are also players and do need to be examined.

As recommended in the previous Memo., mapping is essential for all development work. Some further Assays have been accomplished as follows: Exploration samples from 29 Apr 1997 show .110 oz/ton, .015, .330, .140, Trace. On 2 May 1997, assay of exploration sample was .095, a Mill Head was at .250 oz/ton. An Iron Oxide sample was examined and resulted in a Trace of Gold; less than .010% Nickel, Zinc, and Lead; 6-7% Iron and about 77.3% Insoluble. Most of this insoluble is probably Silica, but should be determined.

Exploration samples assayed on 12 May 1997 include 6 showing a Trace of Gold and 5 others from a fault area showing .060 to 0.440 oz/ton. I am told these are mostly surface samples.

A SYSTEMATIC MAPPING STRUCTURE IS HIGHLY RECOMMENDED FOR FURTHER IDENTITY OF THIS PROPERTY!

On 14 May 1997, assays of other exploration samples showed .030, .078, and tailings from outside the Jewett mine was at .025.

Also on 14 May 1997, two metallurgical tests were initiated. Coarse ground samples are being test leached using both Saline/Nitric for one and Ozone/water for the other. A Gold AA Lamp is needed for completion.

Analysis of exploration samples accomplished on 15th and 16th May have assayed as follows: 4.600 oz/ton, 0.980, 0.250, 0.200, 0.120, 0.300, 0.120, 0.080, 0.070, 3.380, and 0.120.

C. Examination of permitting requirements should be looked at sincerely and future

goals established.

D. Mine and Mill development Goals and appropriate safety and environmental safeguards need to be examined as well.

2. Michael asked me to indicate a cost breakdown for the Metallurgical and Laboratory work already accomplished. I will try, but I know I'll forget something. Please know this is only an estimated breakdown and if obtained from outside services and it is not a billing!

18 Nov 1995 - Lab. Leach tests and report	\$350
Feb 1997 - Reviewed, observed, and recommendations.....	\$525
2-4 Mar 1997 - Reviewed project, obtained information, called suppliers	\$350
Mar 1997 - Established Goals, helped find parts and obtained basic Assay supplies and identified problems and tried to assay with a ceramic kiln before it quit working. Obtained lab. Source and recommended equipment.....	about \$3000
Apr 1997 - Helped repair Mill, Generator, Misc. Work, assayed over 100 samples, offered mining information and council, initiated Reports and recommendations. And found and obtained Product buyers, etc.....	about \$5000
May 1997 - Continuation of development and reports and recommendations And assays.....	\$???

It is hard to place a value on work you obtain from a sincere friend!

3. Please note that the small laboratory at the mine site is just basic and cannot obtain the impossible. Lamps and other equipment are needed. A sink and exhaust system and running water is needed. Stabilization of the laboratory trailer is impossible at present and many weighings are necessary in assay determinations. Errors are likely, but the overall observations are practicable.

4. A management recommendation is that some type of quorum leadership be developed for further mine progress. Many important tasks need to be considered and initiated.

Bert Ivie