

FALL CREEK Copper Mine
JOSEPHINE

MEMORANDUM

Sunshine Mining Company

P. O. Box 1080 KELLOGG, IDAHO 83837

To: Bill Cox
From: Tim Smith
Re: FALL CREEK COPPER PROPERTY

Date: 12/9/74

On 9/11/74 and 9/19/74, I visited and sampled the Fall Creek Copper prospect with the owner Robert (Bud) Cornett. The property is located about 9 miles down the Illinois River from Selma, Oregon. The road is narrow and winding in places, and the river must be forded so the property is only open during the summer and early fall months. Weather is not prohibitive to year-round operation.

The property is in serpentine surrounded on three sides by basic flows, tuffs, and agglomerates of the Galice Formation. Shearing, faulting, and folding are the prominent structural features.

Mr. Cornett staked his claims after the Oregon Scenic Rivers Act became effective, so a portion of his claims are invalid. The area is now being considered for part of the National Wild and Scenic Rivers program, and it seems certain that it will be affected as a area under the classification of Scenic River. Thus, mineral location will have to be persued through the Minerals Leasing Act.

A road four to five miles long will have to be built to avoid the river itself. Most mining activity could be carried out, out of sight of the river so mining would be possible under the Scenic Rivers Act.

The deposit might be as large as 90,000 tons with the grade possibly as high as 11 - 13% Cu. However, the old story of no market for direct shipping high grade ore or cons kill most hopes for producing from a property of this size.

The following are the results of samples that I took and other people have taken.

(See Attached Table)

AMERICAN
SMELTING
AND
REFINING
COMPANY



P. O. BOX 1677, TACOMA, WASHINGTON 98401

A. L. LABBE
MANAGER
C. H. RANDT
ASSISTANT MANAGER
M. C. TEATS
GENERAL SUPERINTENDENT
BEN R. PETRIE
ACCOUNTING MANAGER

September 11, 1973

Mr. Robert Cornett
P O Box 291
Grants Pass, Oregon 97526

Dear Mr. Cornett:

The ore sample referred to in your letter dated August 28 has been received and assayed with the following results:

Oz/Ton		P e r c e n t							
Au	Ag	Cu	As	Ni	SiO ₂	Fe	CaO	S	Al ₂ O ₃
0.06	0.41	35.5	0.3	0.1	4.2	20.2	0.6	10.4	1.0

This is, of course, an excellent copper ore. However, it is not a siliceous fluxing ore and, as explained in our earlier correspondence, this is the only type of material we are buying. We are therefore unable to offer you a market for it.

Thank you for calling it to our attention.

Yours truly,

CHRandt
C. H. RANDT

CHR:kb

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE
SISKIYOU NATIONAL FOREST
Illinois Valley Ranger Sta.
Cave Junction, Oregon 97523

REPLY TO: 2810 - Mining Claims

November 24, 1971

SUBJECT: Illinois River



TO: Mr. Robert Cornett
P. O. Box 291
Grants Pass, Oregon 97526

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

I recently observed your mining claim notice posted on the Fall Creek Trail near the Illinois River. It is advisable for me to inform you of public law and Forest Service policy concerning the location of mining claims near the Illinois River.

On October 2, 1968, the Congress of the United States passed Public Law 90-542. This law provides for a National Wild and Scenic River System. Among its provisions is one that controls the location of mining claims along the Illinois River. The provision effectively withdraws the Illinois River from mineral entry. In other words, any claims filed on the Illinois River after October 2, 1968, are null and void. The area withdrawn from mineral entry is the bank and all land situated within 1/4 mile of the bank of the river.

I hope you will understand that, as the agency responsible for the administration of the National Forest and of the Illinois River area, we must be sure that all activities are in accordance with the law.

If you have any questions, please come to see us so we can discuss the matter.

Edward Lewis Jr.
EDWARD LEWIS, JR.
Acting District Ranger

COPY

September 10, 1974

Mr. Robert Rosenblat
Box 587
Green Valley, Arizona 85614

Dear Mr. Rosenblat:

We are enclosing a report on the Fall Creek Copper prospect in answer to your request.

The deposit has not been drilled. The exposures are only fair and further exploration and mapping is needed to adequately evaluate the prospects. More claims could possibly be located. There are other prospects in the area, both gold and chromite.

The group from New Mexico is concerned about the proximity of the Wild and Scenic Illinois River and the possible restrictions if mining were attempted.

We hope that this information helps answer your questions on Mr. Cornett's property.

Sincerely,

Len Ramp
Resident Geologist

LR:rep

Encl: copy of Fall Creek Copper prospect report
by T. Close P. 66, 67, 68, 69

cc: Robert Cornett P.O. Box 291, Grants Pass, Ore. 97526

August 28, 1975

Mr. Robert Cornett
P.O. Box 291
Grants Pass, Oregon 97526

Dear Bud:

I have now taken the time to read all of the correspondence which you gave me regarding your Fall Creek copper property and I regret that I have to agree with the negative position taken by both Ranchers and American Selco. In spite of the fact that the property could well be of economic interest, even if only as a small, high grade operation, the problems created by its location within the Illinois River scenic corridor would far outweigh any other considerations. Furthermore, in reading through the correspondence, it would appear that part of the area which you located had already been withdrawn from mineral entry and your title, therefore, would be at best dubious until the matter had been resolved through litigation.

In view of the above, I do not feel that it would be in my client's best interest for me to even look at the prospect. I hope you can understand my position in this matter and I do want to thank you again for bringing the property to my attention.

Sincerely yours,

Ronald C. Parker

file Fall Cr. Cu

GR
Geology Considered

"MINING - ENTERPRISES"

RECEIVED
OCT 26 1981
Governor's Office

- MINE RESEARCH & DEVELOPMENT -



P.O. Box 914 • Arnold, CA 95223

"MEADOWMONT CENTER"

(209) 795-1100
(209) 795-3736

"PLACER & LODGE MINES"
GOLD, PLATINUM & SILVER

Paul L.

October 21, 1981

Please answer & copy me

The Honorable Victor Atiyeh
Governor of Oregon
Salem, Oregon 97310

Sir:

Our company is preparing for a mining operation in Josephine County, Oregon. The mine site is located in the Siskiyou National Forest adjacent to Fall Creek and the Illinois River.

It is our desire to not only comply with state and federal regulations governing this type of operation, but to go beyond them in helping to preserve the natural beauty of the area.

Toward this end, we request your assistance. Can your office provide us with copies of existing or pending laws, information about Oregon's Scenic Waterways Systems, or perhaps the names and locations of any mining operations within the state which you feel are exemplary?

We are looking forward to becoming responsible corporate citizens of Oregon and would like to actively participate in any programs being developed to support conservation and reasonable land use.

If there are any local or regional committees with whom we could work, we would appreciate information on how to contact them.

Thank you for your consideration in this matter.

Sincerely,

Robert A. Reif
Business Administrator

RAR:sr

RECEIVED-PTLD
OCT 2 1981
DEPT. OF GEOLOGY
& MINERAL INDUSTRIES

HOME ADDRESS
E. D. "DEBBS" POTTS
754 NE MADRONE STREET
GRANTS PASS, OREGON 97526

JAMES W. JONES
EXECUTIVE ASSISTANT



OREGON STATE SENATE
SALEM, OREGON
97310

COMMITTEES
CHAIRMAN:
STATE AND FEDERAL
AFFAIRS/RULES
SUBCOMMITTEE No. 4
WAYS AND MEANS
HUMAN RESOURCES
WELFARE
MEMBER:
EDUCATION
WAYS AND MEANS
ADMINISTRATIVE ASSISTANTS:
MILLIE KRAFT AND
HARRIET SKOOG
PHONE 378-8314

September 3, 1975

Mr. Bud Cornett
P. O. Box 291
Grants Pass, Oregon 97526

Dear Bud,

First of all, please forgive me for not answering your letter sooner.

I certainly want to thank you for taking the time to write and give me the very informative and detailed information on scenic rivers in the State. I will be working on this in the future as I have in the past, and am taking the privilege of using your letter for reference, not only to the Federal Government, but to the State Departments as well.

Again, thanks so much for giving me the benefit of your research and thinking. It is much appreciated. Best wishes.

Yours sincerely,

E. D. "Debbs" Potts
State Senator

EDP:mk

November 15, 1974

Robert K. Potter, Coordinator
Oregon Scenic Waterways System
Oregon State Highway Division
Highway Building
Salem, Oregon 97310

Dear Sir:

Subject: Prospecting and mining adjacent to and within the
Illinois River Scenic Waterway

I'm writing on behalf of myself and the Ranchers Exploration and Development Corporation from New Mexico, to secure a permit to explore mining claims located near Fall Creek, Section 4, Township 38 South, Range 9 West, Josephine County. The proposed exploration is to drill three holes in order to determine whether a commercial copper ore body exists. We also need assurance that we can mine the ore if it is found in commercial quantities. We are prepared to comply with the necessary regulations to preserve scenic and environmental qualities of the area.

We are enclosing a plat and a map to show the locations. You will notice, part of the claims extend inside the Scenic Waterway $\frac{1}{4}$ mile corridor. Three small X's have been placed on the map to pinpoint the proposed drill sites. Also please note that all drill sites are not visible from the river as they are on the south side of the ridge. Two of the proposed drill sites are within the quarter mile zone and the other one is outside the area.

I have had these claims continuously since 1969, and have used and maintained the existing "jeep" road during this time. We need your permission, however, to use the road temporarily to transport the drill rig in and then back out again. It is clearly understood by Ranchers and me that any disturbance of the surface or vegetation within the $\frac{1}{4}$ mile corridor be avoided or kept at a minimum in order to preserve scenic values.

With your permission to drill and mine the ore if it is there, we plan, again with your permission, to build another road to supply unseen access to the property. This road will be completely outside the withdrawn zone and will offer year round operation for the mine. It is to connect Fall Creek to a Forest Service road, which is three miles to the south. If this can be accomplished we propose, with your approval, to abandon the existing road and if needed revegetate the surface, thus removing any scars that can be seen from the river.

The prospect, if it becomes a mine should lend itself to underground operation which will cause very little disturbance of the surface. Any disturbance can be filled in and natural vegetation replanted by the operators. We expect no water or air pollution to accompany the operation. We plan to ship the ore to an out-of-state smelter and will not attempt to concentrate it on the premises.

Robert K. Potter, Coordinator
Oregon Scenic Waterways System
November 15, 1974
Page 2

COPY

We will greatly appreciate your looking into this matter as soon as possible. We look forward to receiving your guidelines and instructions for carrying out this exploration. We stand ready to comply with any reasonable requests and suggestions you may have for preserving the environment of this area.

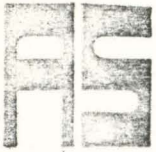
Sincerely,

Robert Cornett

RC:rep

Encls: map as indicated

cc: U. S. Forest Service
Ranchers Exploration & Dev. Corp.



AMERICAN SELCO INCORPORATED

SUBSIDIARY OF SELECTION TRUST LIMITED, LONDON, ENGLAND

1000 BIBLE WAY — SUITE NO. 66
RENO, NEVADA — 89502

TELEPHONE (702) 786-7982

July 6, 1975

Mr. Robert Cornett
P. O. Box 291
Grants Pass, Oregon 97526

Dear Bud:

I have now completed evaluation of the data collected during my recent examination of your Fall Creek copper property and wish to inform you that American Selco will take no further action there. I believe the prospect has the potential to support a relatively small, high-grade mine, but there simply does not appear to be sufficient evidence that the known zones can generate sufficient tonnage for the size operation of interest to our Company. Although the unresolved "Wild River" problem obviously affects our decision, we might be willing to face this if the target were sufficiently attractive.

I wish to thank you, Bud, for your patience in furnishing me with documentation of the Wild River legislation and correspondence. If there is any way I can be of assistance in confirming the potential value of the Fall Creek deposits with the various governmental agencies, please let me know.

Best of luck with your continued efforts at Fall Creek.

Yours very truly,
AMERICAN SELCO INCORPORATED

John F. Prochnau
Regional Geologist

JFP:DH

cc: R. N. Parkinson
L. Bradshaw



RANCHERS EXPLORATION AND DEVELOPMENT CORPORATION

Box 6217 / 1776 Montano Road, N.W. / Albuquerque, New Mexico 87107 / Telephone (505) 344-3542

January 30, 1975

Mr. Robert Cornett
Box 291
Grants Pass, Oregon 97526

Dear Bud:

I recently received a copy of a letter from W. P. Ronayne of the Siskiyou National Forest to you regarding their denial of granting mining and exploration rights within the Scenic Rivers boundary. After all the effort that you have put into the matter, it is somewhat discouraging to receive this notice.

As you know, on the basis of our evaluation, the property within the Scenic River area appears to have the most potential and I don't think we would be interested in going forward with a program without this area; however, this would have to be determined by further study. You have been most kind in reserving first right of refusal to Ranchers. Since there may be other companies that are interested in the properties, please feel free to negotiate with them since we are hesitant to go forward without the property within the Scenic River withdrawal.

I would like to keep in touch with you so let me know about your progress.

Best regards,

John E. Motica

JEM:mac



RANCHERS EXPLORATION AND DEVELOPMENT CORPORATION

Box 6217 / 1776 Montano Road, N.W. / Albuquerque, New Mexico 87107 / Telephone (505) 344-3542

January 2, 1974¹⁵

Mr. Robert Cornett
Box 291
Grants Pass, Oregon 97526

Dear Bud:

This is to let you know that I have been receiving the various letters you have been sending regarding your Fall Creek mining claims. I certainly feel that you are doing all that is possible towards getting mining rights to the properties. Feel free to use Ranchers' name if necessary as being interested in conducting an exploration program.

Let's hope that the problems can be resolved in 1975.

Best regards,

John E. Motica

JEM:mac



RANCHERS EXPLORATION AND DEVELOPMENT CORPORATION

Box 6217 / 1776 Montano Road, N.W. / Albuquerque, New Mexico 87107 / Telephone (505) 344-3542

October 16, 1974

Mr. Robert Cornett
Box 291
Grants Pass, Oregon 97526

Dear Bud:

I appreciate your sending copies of correspondence with various governmental agencies regarding the Fall Creek property. It sounds like you were getting "the run-around" between the Forest Service and State Highway Division.

We would definitely be interested in doing some drilling on the claims providing we could get access to the property and wouldn't get kicked off the land once we were there. It appears that both the State and Forest Service may be involved. We would appreciate your help positively determining which of these bodies we must deal with in order to proceed with a drilling program.

Please advise me of the progress you may make.

Sincerely,

John E. Motica
Vice President
Geology

JEM:mac



RANCHERS EXPLORATION AND DEVELOPMENT CORPORATION

Box 6217 / 1776 Montano Road, N.W. / Albuquerque, New Mexico 87107 / Telephone (505) 344-3542

March 11, 1974

Mr. Robert Cornett
Box 291
Grants Pass, Oregon 97526

Dear Bud;

I appreciate having the information on an alternate road into your copper property at Fall Creek. This may solve any problems regarding the building of a bridge across the Illinois River to your claims.

I hope to arrange to visit Grants Pass in the near future and make a field visit to Fall Creek. I will keep you advised of my plans.

Yours very truly,

John E. Motica
Vice President
Geology

JEM:mac



RANCHERS EXPLORATION AND DEVELOPMENT CORPORATION

Box 6217 / 1776 Montano Road, N.W. / Albuquerque, New Mexico 87107 / Telephone (505) 344-3542

January 4, 1974

Mr. Robert Cornett
Box 291
Grants Pass, Oregon 97526

Dear Robert;

I appreciated having the opportunity to meet you personally during my recent visit to Grants Pass and regret that I didn't have more time to spend with you.

I am looking forward to visiting the Fall Creek property. I would appreciate your letting me know when the property is accessible. As you know, Larry and I tried to visit the property but couldn't find a way to cross Fall Creek. I think it's aptly named.

As I mentioned to you during our brief visit, there are several matters that I would like to have studied further especially the Scenic River withdrawal. Should commercial ore be discovered, I am sure we would want a year-round operation and am wondering what restrictions there might be for building a bridge across the Illinois River.

I appreciate having the report by Terry Close as well as your ideas as to the type of agreement that you and your associates desire. I'm sure that an acceptable agreement can be worked out.

I will keep you advised of our plans to move forward towards getting the property explored.

Sincerely,

John E. Motica
Vice President
Geology

JEM:mac



RANCHERS EXPLORATION AND DEVELOPMENT CORPORATION

Box 6217 / 1776 Montano Road, N.W. / Albuquerque, New Mexico 87107 / Telephone (505) 344-3542

October 12, 1973

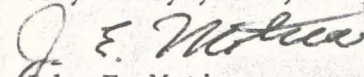
Mr. Robert Cornett
Box 291
Grants Pass, Oregon 97526

Dear Robert,

I am replying to your recent letter regarding your Fall Creek copper properties. On the basis of the examination by Larry Lahusen, the property certainly has merit for further study. Larry was planning a trip to Grants Pass to spend a few more days studying the geology in more detail. However, he ran into some unexpected delays in completing a project at the Big Mike mine in Winnemucca. Hopefully, he can make it in the near future. He will notify you in advance of his visit.

We are somewhat concerned about the conflict of the claims with the Scenic River System land withdrawals. I understand that the law was passed in October, 1968 and your claims were filed sometime in 1969. I would like to have any additional thoughts you may have as to how it might be possible to undertake exploration and development of the properties.

Very truly yours,


John E. Motica

JEM:mac

HOME ADDRESS
E. D. POTTS
754 NE MADRONE ST.
GRANTS PASS, OREGON 97526



OREGON STATE SENATE
SALEM, OREGON
97310

November 8, 1974

Mr. Robert Cornett
P. O. Box 291
Grants Pass, Oregon 97526

Dear Bob:

Subject: Illinois River, Mining Within
the Protected Corridor

As I understand it, all USFS lands within one-fourth of one mile of the Illinois were withdrawn from mineral entry pursuant to PL 90-542, the National Wild and Scenic Rivers Act, which the Congress passed in October 1968. The withdrawal stands until completion of the Federal study, now under way, to determine if the Illinois should be added to the National Wild and Scenic River System. Another act of Congress would probably be required to alter the withdrawal. Frankly, I think that is not feasible at this time.

The USFS expects to present its study to the President and Congress in about two years. I don't know what the outcome will be, but I will be surprised if the USFS doesn't recommend inclusion of at least as much of the river as the State covers with the Oregon Scenic Waterway. Congressional action will determine finally how much of the river, if any, is included.

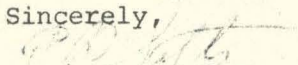
Meanwhile, I think there is very little the state can do in this matter. We cannot direct the Federal management of USFS lands. Practically speaking, the State's jurisdiction under the Oregon Scenic Waterways Act (ORS 390.805 to 390.925) does not extend to Federal land, even within 1/4 mile of the river.

Whether you would want to undertake the expense of exploration in these circumstances, not knowing whether mining would be permitted eventually, would be a matter of personal judgment.

Bob Potter, the State Scenic Waterways Coordinator, advises me that Federal funds have not been used for the Scenic Waterway program, either for study, administration or any other purpose.

My suggestion, Bob, is to continue to present your case for protection of the mining industry to the USFS, to our Congressional Delegation and to the next Governor, who will, I expect, have the loudest single voice in establishing the State's position on any administration proposal for the Illinois.

Sincerely,


E. D. "Debbs" Potts