



CONTACT INFORMATION

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PRINTED: 12/18/2002

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: BONANZA GROUP

ALTERNATE NAMES:
EVYLIN MINE GROUP

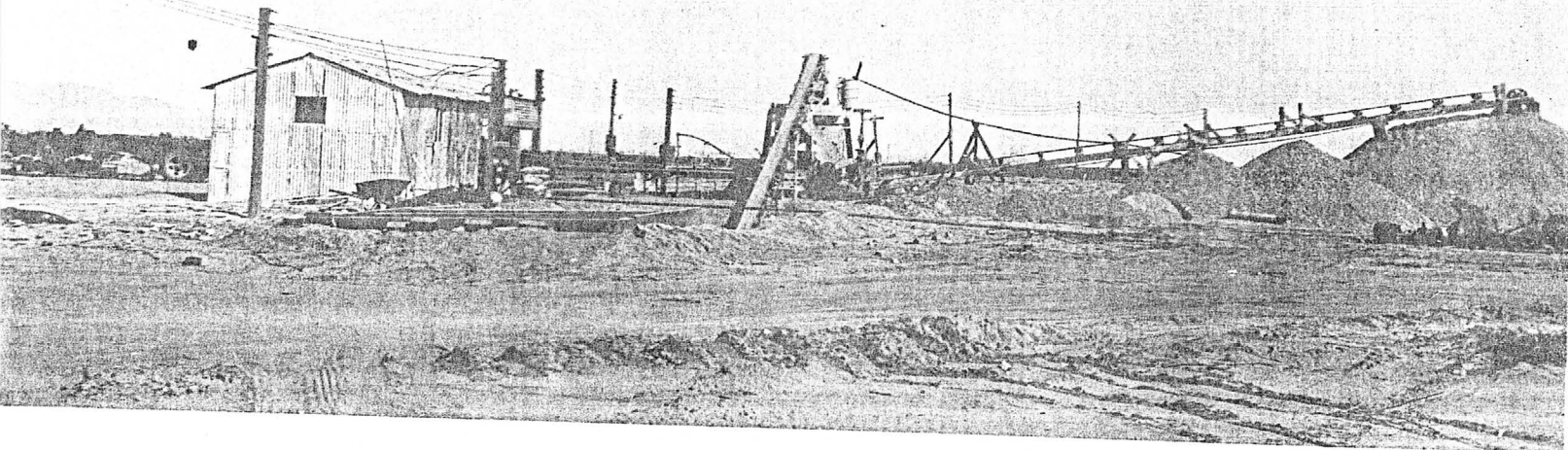
LA PAZ COUNTY MILS NUMBER: 40

LOCATION: TOWNSHIP 7 N RANGE 13 W SECTION 23 QUARTER SW
LATITUDE: N 33DEG 55MIN 38SEC LONGITUDE: W 113DEG 35MIN 14SEC
TOPO MAP NAME: SALOME - 15 MIN

CURRENT STATUS: PAST PRODUCER

COMMODITY:
COPPER SULFIDE
GOLD LODE
SILVER
IRON
URANIUM

BIBLIOGRAPHY:
ADMMR BONANZA GROUP FILE
KEITH, S.B., 1978, INDEX OF MINING PROPERTIES
IN YUMA COUNTY, AZ, ARIZ BUREAU OF MINES
BULLETIN 192, P. 143
PEIRCE, H.W., ET. AL., 1970, COAL, OIL,
NATURAL GAS & URANIUM IN ARIZONA, ARIZONA
BUREAU OF MINES BULLETIN 182, P 288
AZBM BULL LISTED LOCATION AS SEC. 26



NUMBER A-10-10

MINE BONANZA GROUP

COUNTY LAPAZ, WIENDEN

FORMAT: B&W COLOR SLIDE NEGATIVE

SIZE: S P L

SUBJECT CONCENTRATOR

NEGATIVE X

DATE 2-1-1952

DESCRIPTION _____





UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

June 27, 1952

Mr. Lamar W. Lamb
Mountain View Ranch
Cowles, New Mexico

Dear Mr. Lamb:

This will acknowledge receipt of your letter of June 24, 1952, concerning the Bonanza Mining Company.

This office is part of the Accident Prevention Branch of the Bureau of Mines and the only association we have had with the Bonanza Mining Company was to schedule an accident-prevention class to be started last April. However this class was not started due to the sudden closing of the mine.

I am forwarding a copy of your letter to Mr. Walter R. Storms, Chief, Arizona-New Mexico Research & Development Branch, Bureau of Mines, University Station, Tucson, Arizona, and to the Arizona Department of Mineral Resources, Minerals Exhibit Building, State Fairgrounds, Phoenix, Arizona. Possibly you may hear further from one or both of these sources.

If you should reopen the mine and have any safety problems, feel free to call on this office at any time.

Sincerely yours,

Allen D. Look

ALLEN D. LOOK
Chief, Arizona Section

cc: J. H. East
E. H. Denny
W. R. Storms
R. I. C. Manning ✓
Angelo Pais (through John Garcia)
Files

ADL/s

Mountain View Ranch

Cowles, New Mexico

June 24, 1952

Mr. Allen D. Look, Chief, Arizona Section
420 Ellis Building
Phoenix, Arizona

Dear Mr. Look:

I have recently associated myself in business with a group of men who own the "Bonanza Mining Company." I will officiate in the capacity of General Manager. Before starting work, I would like to acquaint myself with all information available concerning the "Bonanza Mining Company."

In the Annual Report of the Arizona State Inspector of Mines, mention is made only of Roy R. McDonald, Manager; Character of Ore: Gold, Silver, Copper. Average number of men employed: 16. Inspected 4 times in 1951.

I have been able to procure only the above mentioned information.

Will you please tell me how I might know more about this mine, and what the intelligent approach would be to find out if it could be opened as a paying proposition.

For reference concerning the authenticity of this letter, I refer you to Mr. David Barrow, c/o Grace-Barrow Chevrolet Co., Denton, Texas, President of "Bonanza Mining Company."

Mr. Look, I would appreciate no end receiving this information, and assure you that I will be looking forward to meeting and working with you.

Very truly yours,

/s/ ✓ LaMar W. Lamb

LaMar W. Lamb

P. S. Angelo J. Pais, Deputy to John A. Garcia, State Mine Inspector, suggested that I write you for the above requested information.

L.W.L.

C
O
P
Y


VALLEY OF THE SUN
CLIPPING BUREAU Inc.
PHOENIX

Phoenix Gazette Arizona
MAR 26 1949



VALLEY OF THE SUN
CLIPPING BUREAU Inc.
PHOENIX

Arizona Republic Phoenix
MAR 27 1949



Bonanzo Mining Co.

6-3422

1801 E Thomas

Ref.

March 23, 1942

Mr. R. R. MacDonald
1315 West Jefferson St.
Phoenix, Arizona

Dear Mr. MacDonald:

I am enclosing herewith a copy of mine owner's report filed with this department covering the BONANZA GROUP in Yuma County.

I shall be glad to submit a copy of this report to anyone making inquiry for a property such as yours.

Assuring you of my desire to be helpful, and with best wishes, I am

Yours very truly,

J. S. Coupal


JSC:LP
Enc.

BONANZA GROUP

LA PAZ COUNTY
T7N R13W Sec 26

NJN Wr 2/24/84: Ethel and Don C. Adams, 4702 E. Grand View Road, Phoenix, Az 85032, Ph: 867-4590, visited. They reported they have the Highlander and Highlander #1-26 unpatented claims covering the Bonanza Group, La Paz County, Which is located in unsurveyed Sec 26, T7N R13W. They have additional information on the property which they promised to bring in on their next visit. They would like interested parties to visit the property which is available by a lease/purchase option.

NJN WR 8/15/86: Ethel and Don Adams (c) owners of the Bonanza Group (file) La Paz County visited and reported that they wish to remain on our 4-sale list. They were previously listed 2/24/84. They report that some evaluations they have had done indicates they have a large placer tonnage of gold which can be recovered by thiourea leaching, according to tests done in California by Precious Metal Recovery.



ENGINE + MINING JNL

2-49 - VOL. 150 - NO. 2

ENGINE + MINING JNL

5-49 - VOL. 150 - NO. 5

ENGINE + MINING JNL

6-49 - VOL. 150 - NO. 6

BONANZA GROUP

YUMA COUNTY

ACC advises no fees paid since 1954 - company not in good standing as of this date.
Officers now are listed as:

W. D. Barrow, Pres., 1727 W. Devonshire, Phoenix
Jos. S. Jenckes, V.P., (Jenckes law firm)
Jack E. Brown, Secretary

FPK Note 12-9-57

BONANZA MINING CO.

AMENDED LOCATION STADIA SURVEY
OF THE

BONANZA GROUP

ELLISWORTH MINING DISTRICT,

YUMA COUNTY, ARIZONA.

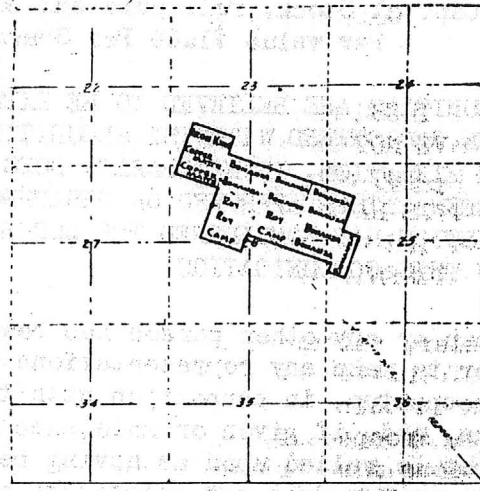
SURVEY N° 43316

By Henry E. Jones

FCA

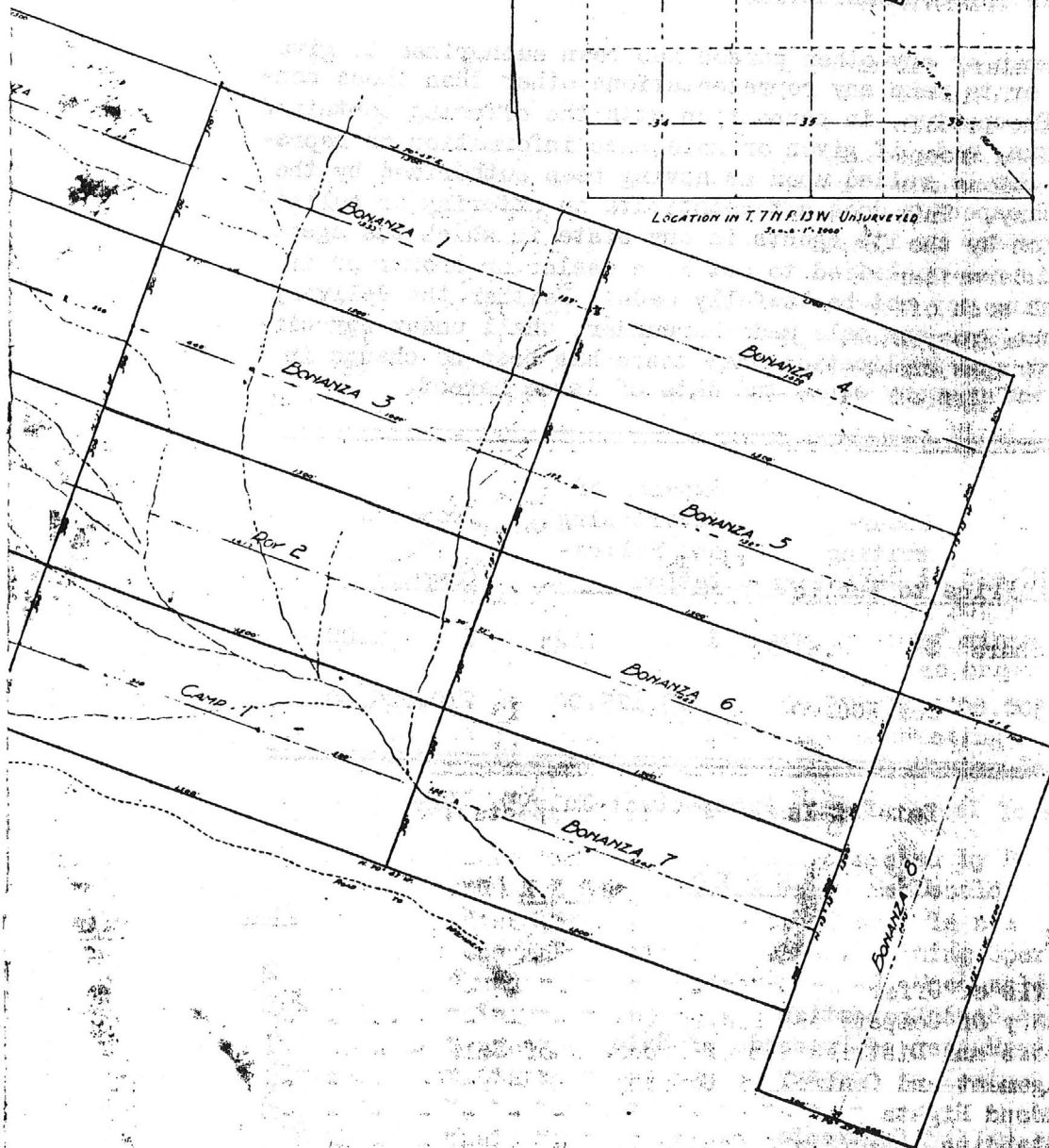
BONANZA MINING CO

WENDEN ARIZONA



LOCATION IN T. 7 N. R. 13 W. Unsurveyed

Scale 1" = 2000'



WENDEN, ARIZONA

(1)

P R O S P E C T U SBONANZA MINING COMPANY

(An Arizona Corporation)

105,000 Shares

Common Capital Stock, full-paid and non-assessable
Par value \$1.00 Per Share

BECAUSE THESE SECURITIES ARE BELIEVED TO BE EXEMPT FROM REGISTRATION, THEY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION; BUT SUCH EXEMPTION, IF AVAILABLE, DOES NOT INDICATE THAT THE SECURITIES HAVE BEEN EITHER APPROVED OR DISAPPROVED BY THE COMMISSION OR THAT THE COMMISSION HAS CONSIDERED THE ACCURACY OR COMPLETENESS OF THE STATEMENTS IN THIS COMMUNICATION.

No dealer, salesman or any other person has been authorized to give any information or to make any representations other than those contained in this Prospectus, in connection with the offering contained in this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized by the Company. This Prospectus does not constitute an offering or solicitation by the Company or its agents in any state in which the agent or underwriter is not qualified to act as a dealer or broker or in which such offering may not be lawfully made. Neither the delivery of the Prospectus, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in the affairs of the company since the date of issue hereof.

	<u>Price to Public</u>	<u>Under- writing Commissions</u>	<u>Expense of Advertising and Solici- tation</u>	<u>Proceeds to Company</u>
Per Share \$	2.50	\$.375	\$.125	\$ 2.00
Total	262,500.00	39,375.00	13,125.00	210,000.00

Date of Issue of this Prospectus: July 5, 1949

I N D E X

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(2)

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THE OFFER

BONANZA MINING COMPANY

(An Arizona Corporation)

Offers for sale to the public in Arizona (and in such other states as it may hereafter become legally authorized and qualified to make this offer)

105,000 shares of its common capital stock
(full-paid and non-assessable)

at a selling price of \$2.50 per share. The company has an authorized capital of \$1,000,000.00 divided into 1,000,000 shares of a par value of \$1.00 per share. To date, 538,920 shares have been issued. The offer is being made for the benefit of the issuer, Bonanza Mining Company.

HISTORY OF COMPANY AND PROPERTIES

Bonanza Mining Company was incorporated October 19, 1948 in the State of Arizona. The original incorporators were, principally, Roy R. MacDonald and his mother, Laura R. MacDonald, and a group of miners from the mining town of Superior, Arizona. The company was organized to acquire, develop and operate what is generally known as the Bonanza claims in northern Yuma County, Arizona, a group now consisting of Seventeen (17) unpatented mining claims in the Ellsworth Mining District about 7-3/4 miles northwest of Wenden.

These properties for many years had been owned and operated by R. R. MacDonald, Sr., (now deceased) and his wife, Laura R. MacDonald. Mr. MacDonald was the original discoverer and locator of what is now the Copper Matte 1 Claim, where the main shaft is located. Mining operations started about the year 1900 under the direction of R. R. MacDonald, Sr. and continued until 1941, mainly by lessees, with the ore mined being shipped to smelters at different periods, located at Swansea, Hayden, Superior, Miami, Jerome and Clarkdale, Arizona.

Upon the death of Mr. MacDonald Sr., in 1945, his one-half (1/2) community interest in the mine passed by inheritance to his son, Roy R. MacDonald and his daughter, Elaine Spry. Roy R. MacDonald acquired the interest of his sister Elaine Spry by deed, the consideration

(3)

being the transfer to her of his one-third ($1/3$) interest in the Yuma Copper Mine, located Twenty-seven (27) miles northwest of Salome, Arizona. Laura R. MacDonald, widow of the discoverer, on the death of her husband, under Arizona community property law, became vested with a one-half ($1/2$) interest in her own right. Thus, no actual cash was paid by either Roy R. MacDonald or his mother for their interests in the mine, the latter having acquired her interest by virtue of being the wife of the original discoverer and locator, and the former, a one-fourth ($1/4$) interest by descent, and one-fourth ($1/4$) by exchange of other mining property.

All mining and shipping was suspended during the war period because the group of mining claims was located within the army bombing area known as Tract M-22 and also the Presidential Directive L-208. After the organization of Bonanza Mining Company (October 19, 1948), the claims were transferred to the company by the MacDonalds in return for 520,000 shares of its \$1.00 par value common capital stock (260,000 shares to each). The fair value of the property was determined to be \$520,000.00 by the Board of Directors, on October 22, 1948 (MacDonald not voting). The directors arrived at their valuation after they had investigated the extent of the property, its production history, geological conditions, state of development, and they or their representatives had personally visited the mine and made numerous independent samplings of the ore bodies. Members of the Board, at that time were: Roy R. MacDonald, John Valdin, Sherrill Rogers, Robert C. Burns and Reuel N. Pomeroy. All were miners of many years experience, except Pomeroy, who was the company's attorney.

At the present time, Laura R. MacDonald owns 254,225 shares and Roy R. MacDonald 253,700 shares of the \$1.00 par value common capital stock of the corporation. Their combined holdings represent approximately 94% of the total issued and outstanding capital stock of 538,920 shares.

\$6,765.00 was raised through the sale and issuance to the original incorporators of 6,765 shares at par (\$1.00 per share), during the first two months of the company's existence. These funds enabled the company to commence diamond drilling operations which were carried to a depth of 745 feet, at a cost of \$4,449.50. The results of these drilling operations were such that the Board of Directors felt justified in raising sufficient funds from the sale of additional capital stock to finance the further development of the mine.

To date, 18,920 shares of stock are issued and outstanding, in addition to the 520,000 shares issued to the MacDonalds, as follows:

	Proceeds Received By Company
18,990 shares at \$1.00 per share -	\$ 18,390.00
530 shares at \$2.50 per share (less \$160.00 commissions)-	1,165.00
<hr/> 18,920 shares	<hr/> \$ 19,555.00

PURPOSE AND DISTRIBUTION OF PROCEEDS OF SALES

(4)

Agents' commissions of 15% will be paid on all stock sold. In this connection, some of the officers, directors and promoters who are acting as selling agents will be paid the same commission, namely 15%. The cost of selling and advertising, over and above agents' commissions, is estimated at and will not exceed 5% of the selling price. If all the stock offered for sale is sold it will net the company \$210,000.00.

The purposes for which the net proceeds from the securities are to be used and the distribution thereof (as nearly as can be estimated at present) are as follows:

For administrative, clerical, accounting and legal expense	-	\$ 10,000.00	
For surface mining equipment and machinery	-	20,000.00	
For a reduction works (floata- tion plant)	-	90,000.00	
For general mining operations and development work (estimate only):			
Sinking shaft	-	\$ 37,500.00	
Timbering and cutting sta- tions	-	5,000.00	
Driving raises-		12,000.00	
Underground equipment and machinery	-	10,000.00	
Drifting, crosscutting and ore bins	-	25,500.00	90,000.00
Total			\$ 210,000.00

MANAGEMENT AND CONTROL

The officers and directors of the company are:

Roy R. MacDonald, President and Director
Wenden, Arizona

Dr. Robert C. Evans, Vice President
1622 East Catalina Drive
Phoenix, Arizona

(5) Laura R. MacDonald, Secretary and Treasurer
Wenden, Arizona

John Valdin, Director
Hill Street
Superior, Arizona

Reuel N. Pomeroy, Director
222 Main Street
Superior, Arizona

Sherrill Rogers, Director
Superior, Arizona

George K. Angius, Director
Miami, Arizona

Roy R. MacDonald will be actively in management of the affairs of the corporation. Following is a brief resume of his business and mining experience:

Has successfully operated various mining enterprises and properties in Arizona from time to time throughout his life, either as lessee, manager or owner. Mr. MacDonald operated the Golden Key Mine, at Congress, Arizona, as owner and operator; the Dora Mine at Octave, Arizona, under lease and option; the Golden Star Mine at Wenden, as operator; the Avalon Gold Mine at Wenden, as owner; Yuma Copper Mine, Vicksburg, Arizona, as partner; and the Bonanza Mine at Wenden, as operator.

DIVIDEND RIGHTS

The principal stockholders, Roy R. MacDonald and Laura R. MacDonald, as a gesture of good faith and as an added inducement to present stockholders and prospective investors in the capital stock of the company, to purchase the stock being offered for sale, have made a written, irrevocable assignment of all dividends which they or either of them may be entitled to receive over and above 52% of the total dividends at any time declared by the Board of Directors, for a period of seven years.

The Assignment reads as follows:

ASSIGNMENT OF DIVIDENDS

We, Roy R. MacDonald and Laura R. MacDonald, of Wenden, Arizona, for the purposes and considerations hereinafter expressed, do hereby transfer and assign to the stockholders (other than ourselves) of Bonanza Mining Company, an Arizona corporation of record as of the date of the declaration of any dividend declared by the Board of Directors of said corporation, all dividends which we, and each of us, are entitled to receive under such declaration, over and above 52% of the total dividends at any time declared by the Board of Directors. Each of said beneficiary stockholders, shall be entitled to receive his or her proportionate share of the dividends hereby assigned which his or her stock holdings bear to the total of the capital

stock held by such beneficiary stockholders, less their proportionate share of any governmental tax or assessment which may be imposed by reason of this assignment and transfer. The Board of Directors, at the time of the declaration of any such dividends, is hereby authorized, empowered and directed to deduct from the aggregate dividends due and payable to us, pro rata, according to our respective stock interests, the dividends hereby assigned, and pay over to said stockholder assignees, the amount of such dividend to which they may be entitled in accordance with the tenor and effect hereof.

This assignment is made as a gesture of good faith and an added inducement to present stockholders and prospective investors in the capital stock of said corporation to purchase stock therein.

This assignment shall exist for a period of seven years from date hereof. At the termination of said seven-year period, this assignment shall be null and void.

Dated this 9th day of June, 1949.

(Signed) Roy R. MacDonald

(Signed) Laura R. MacDonald

STATE OF ARIZONA)
COUNTY OF MARICOPA) SS

On this the 9th day of June, 1949, before me, Roslyn B. Acosta, the undersigned officer, personally appeared Roy R. MacDonald and Laura R. MacDonald, known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same for the purpose therein contained.

In Witness Whereof, I hereunto set my hand and official seal.

(Notarial Seal)

(Signed) Roslyn B. Acosta
Notary Public
My Commission expires:
July 31, 1949."

The dividends assigned to the stockholders from the MacDonald holdings would, of course, be due the stockholders in addition to the dividends on their own stock due them at such times as may be declared by the Board of Directors.

CONTRACTS AND OPTIONS FOR PURCHASE OF STOCK

The following options granted by the company and contracts for purchase of stock are outstanding:

- (1) An option granted by resolution of the Board of Directors October 29, 1948, to Dr. Thomas P. Walton, of Phoenix, Arizona, for the purchase of 20,000 shares of stock at \$1.00 per share.

(7)

This option has been exercised and stock ferred to Dr. Walton to the extent of 8,685 shares, leaving a balance under the option of 11,315 shares. This option will expire May 29, 1950. The consideration for the option was the initial purchase by Dr. Walton, on the incorporation of the company, of 1,000 shares of its capital stock (par value \$1.00) at \$1.00 per share, and promotional services.

- (2) The company has contracted to sell to Reuel N. Pomeroy, of Superior, Arizona, 1,000 shares of its capital stock at \$1.00 per share and has taken his installment promissory note in payment therefor. No shares will be issued until paid for in cash. Said note bears date April 29, 1949, and is payable in 8 monthly installments of not less than \$100.00 commencing May 29, 1949. Balance due on this note is \$800.00. Mr. Pomeroy is a director of the company.

IDENTIFICATION OF PROPERTIES

The unpatented mining claims owned by Bonanza Mining Company are shown on a plat, copy of which is hereinafter appended, and are described as follows:

Iron King 1	Bonanza 3
Copper Matte 2	Roy 2
Copper Matte 1	Camp 1
Bonanza	Bonanza 4
Bonanza 2	Bonanza 5
Roy 1	Bonanza 6
Roy	Bonanza 7
Camp	Bonanza 8
Bonanza 1	

The remaining claims shown on the plat in dotted lines do not belong to Bonanza Mining Company but are either owned or held under lease and option by Roy R. MacDonald, and are referred to as the "Bonanza Central" group of claims. The mining geologist report of R. Burton Rose and also the mining engineering report of E. W. Mills hereinafter set forth, are reports on the entire property owned by Bonanza Mining Company and the Bonanza Central claims. These mining reports should, therefore, be read and considered with this fact in mind.

The diamond drill hole and the main shaft referred to in the reports are both located on the property of Bonanza Mining Company.

SUMMARY

Bonanza Mining Company is a company organized and operated by mining men of experience who have faith in the future of the company's mine.

Because of the fact that it is a comparatively new corporation and has not yet shipped or mined its ore, no profit and loss statement

is available. However, previous leasees and operators of the claims have operated the properties at a profit.

The directors and officers of the company believe, based on their own experience, and on the engineering data available, that Bonanza Mining Company is one of the best mining ventures in the State of Arizona. As indicated in the engineering reports attached to this Prospectus, the properties have been proven to contain deposits of commercial high grade ore, mostly copper, with gold content, and the geology of the country and formation and position of the ore veins point strongly to the probability that the ore now known to exist is but a small fraction of a very large deposit of high grade copper-gold ore which lies beneath the surface and which can be mined at a good profit.

NAMES AND ADDRESSES OF AGENTS

Purchasers in Arizona desiring to invest in the stock hereby offered may contact the following agents:

Reid F. Ellsworth
1620 East Harvard St.
Phoenix, Arizona

Mrs. Elizabeth Foxwell
3447 East Thomas Road
Phoenix, Arizona

Sherrill Rogers
General Delivery
Superior, Arizona
(Mr. Rogers is a Director of the company)

John Valdin
Hill Street
Superior, Arizona
(Mr. Valdin is a Director of the company)

Sandra W. McFate
1729 East Palm Lane
Phoenix, Arizona

Thomas P. Walton
1130 N. Central Avenue
Phoenix, Arizona

Reuel N. Pomeroy
222 Main Street
Superior, Arizona
(Mr. Pomeroy is a Director of the company)

Roy R. MacDonald
Wenden, Arizona
(Mr. MacDonald is President and Director of the company)

Robert C. Evans
1622 E. Catalina Drive
Phoenix, Arizona
(Dr. Evans is Vice-President of the company)

George K. Angius
P. O. Box 1801
Miami, Arizona
(Mr. Angius is Director of the company)

Russell Foxwell
613 Lennox Street
Baltimore 17, Maryland

James R. Anderson
739 West Coronado Road
Phoenix, Arizona

Edgar E. Ackerman
1738 West Glenrosa
Phoenix, Arizona

Edwin Kittell
1937 East Portland
Phoenix, Arizona

George O. Barth
1801 E. Thomas Road
Phoenix, Arizona

Orpha V. Farmer
Cactus, Arizona

Respectfully submitted,

BONANZA MINING COMPANY, an
Arizona corporation,

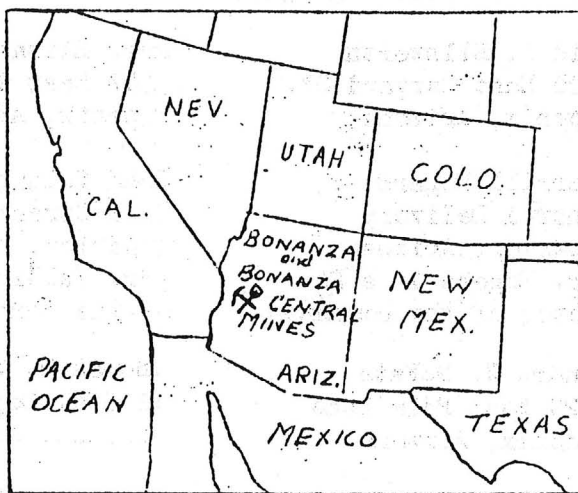
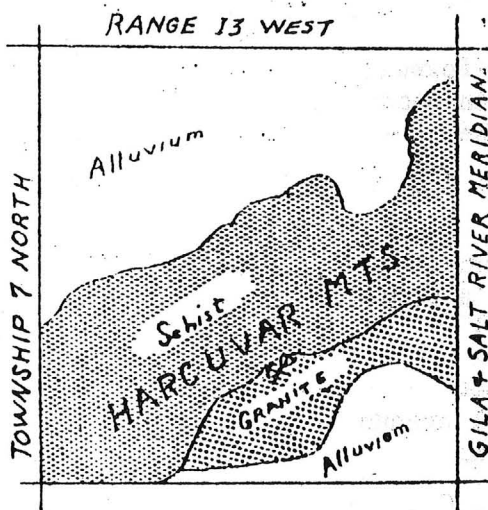
BY:

Roy R. MacDonald
Its PresidentR. Burton Rose, M. A.
Mining Geologist
P. O. Box 583
San Jose, CaliforniaBONANZA and BONANZA CENTRAL MINES

Yuma County, Arizona

A Resume Report

1949



* Regional Geology

✗ Bonanza and Bonanza Central
Mine - location.

Index Map

* From Arizona State Geologic
Map.

Name of Property: Contingent claims groups, including seventeen claims held by Bonanza Mining Corporation and nineteen claims in Bonanza-Central Mine group held by Roy R. MacDonald.

Kind of Mine: Copper ore deposit carrying gold content and minor silver values.

Location: Ellsworth Mining District, seven 3/4 miles northwest of Wenden, northern Yuma County, Arizona; in T. 7 N. R. 13W. Gila and Salt River Meridian, being part of Sections 22, 23, 25, 26 and 27.

Area: 36 full mining claims, 720 acres. This area covers the major portion of the mineralized zone, approximating one thousand feet in width and three miles in length.

Topography: Steep hill slope region varying in elevation from 2,300 feet to 3,800 feet. Hills rise from level desert plain.

Climate: Year round outdoor working conditions, hot through the summer months.

Accessibility: Good dirt road to Wenden 7-3/4 miles distance, located on U. S. Highway 60 and shipping point on the Santa Fe Railroad.

Ore: Sulfide copper ores, partly oxidized, showing secondary enrichment in the form of chalcocite replacement of the original chalcopyrite. These ore masses parallel and also replace the persistent diabase dykes throughout the claims; apparently in close relation to the intensity of hydrothermal alteration. The average copper content is relatively high, with an associated gold content ranging from minor amounts to over an ounce per ton. The vein material in general is highly oxidized, both on the surface and at the points of deepest exploration.

Assay values range between \$38.00 and \$118.00 with typical ore samples. A random ore shipment return from leasing operations in 1936 (Smelter lot 8691) showed 6.77% copper, 0.17 oz. silver and 0.69 oz. gold for a 13.8435 ton lot. The following listed assays show the type of ore encountered in sinking operations this year at the Bonanza shaft:

<u>Assay</u>	<u>Level</u>	<u>Silver Oz.</u>	<u>Gold Oz.</u>	<u>Copper %</u>
526 Bo.	255	Trace	.02	5.03
532 Bo.	260	.2	.03	8.73
528 Bo.	262	Trace	.01	6.37
527 Bo.	267	.1	.02	10.06
540 Bo.	271	4.7	.02	7.14
533 Bo.	273	.2	.08	14.18
533 Bo.	278	.1	.04	17.42

(All ore produced to date over the past fifty years of surface leasing operations has been of shipping grade value - packed out on burros to the desert road end).

Geology: As shown on the accompanying plate, the regional geology is that of a mountain range of Pre-Cambrian age schist and granite separating two alluvial filled desert valleys. A major structural zone extends across this range in a North 70 degree West direction. This zone contains some nineteen or more near parallel diabase dykes with the same strike, or longitudinal axis. At the surface these dykes dip eastward at varying degrees. With depth they appear to converge and become nearly vertical. Dynamic metamorphic action on a regional scale produced this deep seated shear zone and provided the loci for the diabase dyke and subsequent copper ore emplacement. Intense hydrothermal alteration and progressive leaching accompanied the deposition of the copper sulfide ores.

(13)

The host rock in this mineralized zone or belt is an altered true granite showing the effects of the metamorphic action and the hydrothermal alteration accompanied by some sericitization. The magnitude of these effects, consistently found throughout the 1,000 foot by three mile zone, indicates a deep seated direct source for the copper mineralization now exposed at the surface. This concept is further indicated by the close relationship of the copper ores mined with the areas of most intense hydrothermal action.

These factors indicate that the copper content should be the same, or better, with increased depth; rather than being limited to surface erosion and oxidation enrichment. This is confirmed by the close association of the chalcocite secondary enrichment of the primary chalcopyrite copper ore and the hydrothermal alteration halos. Also, the leaching of the diabase dykes seems to increase in depth associated with replacement by copper mineralization. Longitudinally, the extent of the mineralized zone is unknown since it does not terminate, but disappears under the desert surface on both sides of the range.

Development: Many shallow cuts, shafts and trenches show as a result of the extensive surface shipping of ore. Deeper development includes the following:

1. Diamond drill hole (1949). This drill hole was run 745 feet deep on a 65° angle. 14 feet of 4% copper ore was cut at the 360 foot point.
2. Bonanza shaft. Previously sunk to 250 feet, this shaft has been continued to the 325 foot level (1949) and turned to near vertical. Ore shows in the shaft or is cut by drill holes from the 250 foot level to the bottom.
3. Mollina shaft 110 feet.
4. Roy shaft 65 feet vertical - 70 foot crosscut.
5. Roy #2 50 feet deep.
6. New Deal claim shaft 100 feet.
7. Shaft on summit 100 feet.
8. Roy tunnel 300 feet long.
9. Lower tunnel summit 175 feet.
10. Upper tunnel summit 125 feet.

Required development: The proving of ore at depth is the most important development phase. Sinking of the Bonanza shaft should be carried out as a first objective, supplemented by deep diamond drilling. Sinking a thousand feet on this type of deposit is more important than drifting many times that footage above the bottom level of the shaft.

At 500 feet, or better at the 1,000 foot level if possible, the dyke system should be crosscut to determine the relative degrees of alteration in the individual dykes; together with copper content. This data should control drifting development plans.

The most logical development of the higher Bonanza Central group can be done most effectively by drifting from the Bonanza shaft at depth on an ore bearing dyke and then raising to the surface at a point in ore. It should be noted that this would make a considerable amount of broken surface ore economic by elimination of the too costly pack operation now necessary.

Water supply: Water is not available at the mine site, but ample quantities are obtainable for any size operation at not more than a seven mile distance and can be piped.

Power: Electricity and a natural gas supply line are both located approximately three miles from the mine assuring adequate power as required.

Equipment: Present equipment is limited to a prospect type hoist, headframe and compressor connected for sinking operations at the Bonanza shaft. Associated blacksmith equipment is installed.

Mill Tests: Past production of shipping grade smelter ore has shown it to be highly desirable and often subject to bonus payments.

Costs: Based on past production records the total mining, milling and smelting costs should not exceed \$12 per ton.

Freight facilities: Truck haul eight miles to railroad. Railroad rate \$2.20 per ton to Clarkdale smelter; \$3.50 per ton to Hayden, Arizona. Both are copper smelters.

Living accommodations: None at mine. Ample quarters and meals at Wenden.

Timber and vegetation: None.

Financial statement: Registered Arizona corporations; data on file as required.

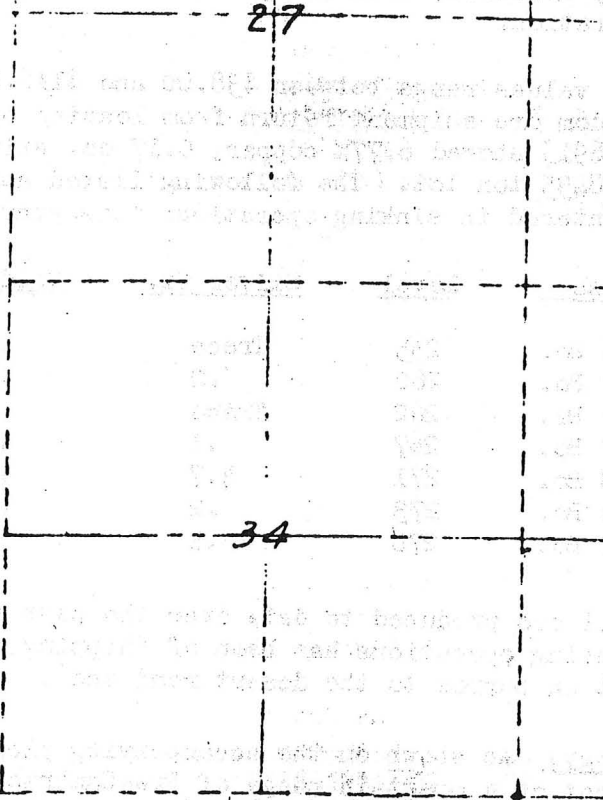
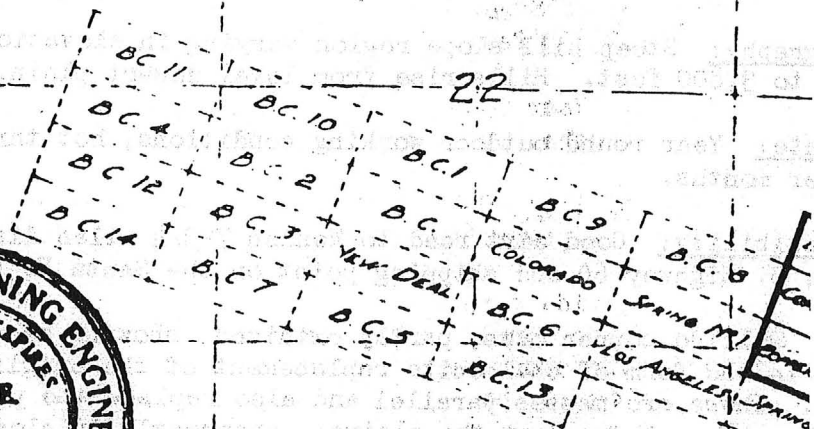
Titles: Government location claims (36). All filing and assessment requirements complied with.

Maps and reports: Claims maps in preparation by registered Arizona state surveyor. No previous mine reports known.

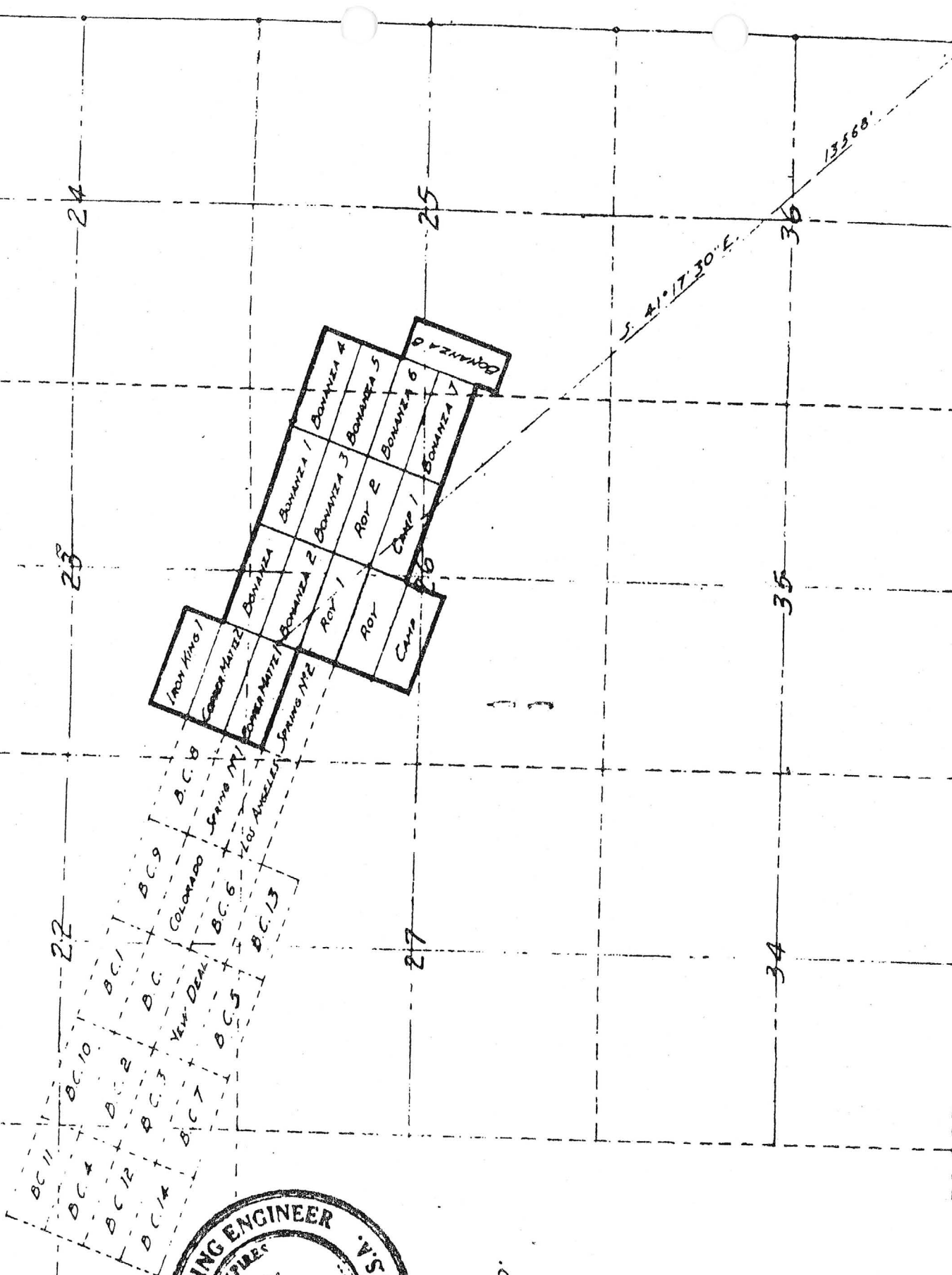
The above described combined mining property was visited last month and found to be a very promising type of copper deposit from the viewpoint of structural factors as outlined and the past production record under a single family ownership through the past fifty years. This record is particularly interesting in view of the many surface ore outcrops shipped and the meager development conducted throughout the whole period of ore shipping. Development at depth is fully



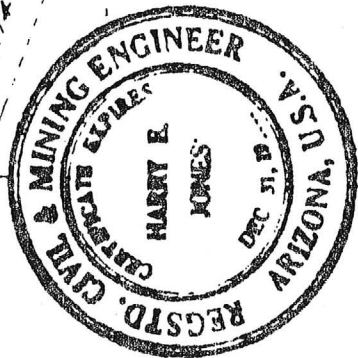
SCALE
1" = 200'



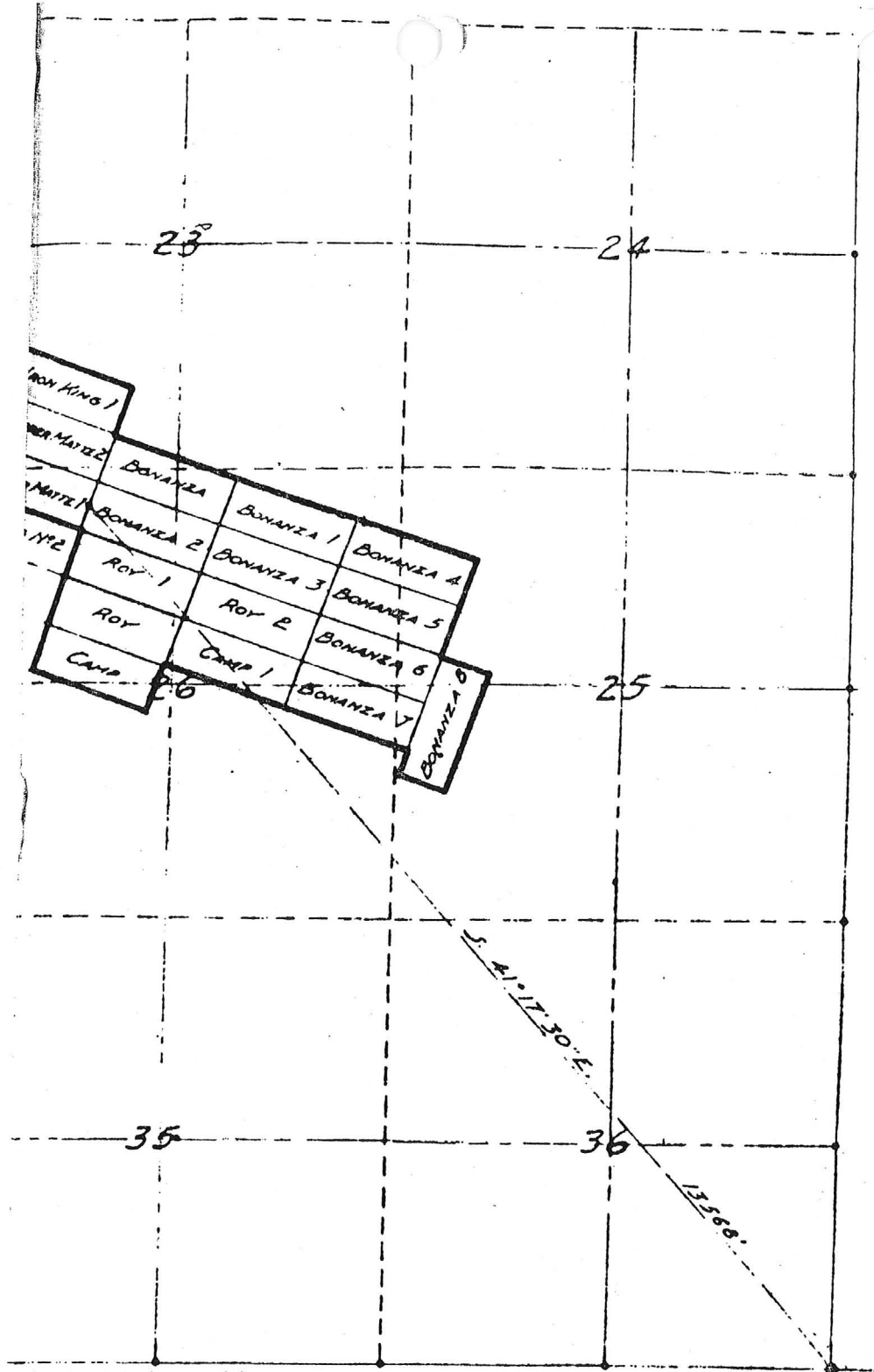
LOCATION IN T. 7,
S.



LOCATION IN T. 7 N. R. 13 W. UNSURVEYED
 SCALE - 1" = 2000'



SCALE
 1" = 200'



N.R. 13 W. UNSURVEYED

SCALE - 1" = 2000'

(15)

warranted and has exceptional production potentialities.

Respectfully submitted,

(Signed) R. BURTON ROSE

R. Burton Rose, M. A.
Mining Geologist

Dated: May 20, 1949

RESUME OF PROFESSIONAL BACKGROUND AND EXPERIENCE
OF
EDWIN WALTER MILLS, REGISTERED MINING ENGINEER
SALOME, ARIZONA

Mr. Mills is a graduate of Lawrence Scientific School, Harvard University, Cambridge, Massachusetts, class of 1902. After graduation he took a position with Oriental Consolidated Mining Company which operated mines in Korea. This firm held a concession in northern Korea of 500 ~~square~~ square miles granted them by the Korean Government. Mr. Mills went to Korea where he served his apprenticeship and obtained valuable, practical mining experience. Eventually he became superintendent of one of the five camps on the concession, namely the Taracol Camp.

Subsequently he went to work at the Chiksan concession, Fifty-four (54) miles south of Seoul as exploration superintendent. The Chiksan mine was operated by Americans living in Kobe, Japan. Mr. Mills worked there two years and helped develop the Sandgek.

In 1910, in the course of his business, he met Mr. Herbert Hoover and Mr. Lindon Bates, a very famous civil engineer who had contacted Mr. Mills on behalf of the Anglo Continental Mining Company of London, and retained him to examine properties in Northern Korea and Japan. Thereafter, he spent many years in Japan and China, mostly in Honshu and Kyushu.

Mr. Mills developed what is known as the Tulumchung in north central Korea which was on a concession of 240 square miles. He served as consulting engineer for the Warlord of Manchuria.

1916
In ~~1916~~, after a nine-month stay in the United States, Mr. Mills joined the staff of Naval Attache at Peking. He then went to Vladivostok to make an examination of the famous lead-zinc mines worked by the Germans prior to the war at Tetyukhe, Twenty-four (24) miles inland. Mr. Mills has served as exploration superintendent of the Suang Mining Company which had its offices in London. He has had Forty-seven (47) years experience in mining. He has written papers for the London Mining Journal and for the Royal Asiatic Institute in London.

(19)

The BONANZA and the BONANZA CENTRAL MINES are mining ventures of unusual merit and possibilities, and offer definitely the prospect of becoming large producers of commercial copper-gold ores.

Full and clear vision is necessary to properly evaluate all of the commercial advantages accruing to the credit of the BONANZA and BONANZA CENTRAL MINES, AND THESE ARE PRIMARILY DUE to their favorable geological, topographical and climatic setup.

RECOMMENDATIONS: The most important phase of development is the proving of ore in depth. Hence the necessity of sinking the BONANZA SHAFT to a depth of 1,000 feet, and cutting out a station on the 500-foot level, so that crosscuts can be run from this station to both the hangingwall and the footwall of the system of diabase dykes. Lay out plans for drifts and crosscuts on this 500-foot level to provide for the mining of copper-gold ores for shipment to the smelter, while the work of sinking the BONANZA SHAFT to a depth of 1,000 feet is progressing.

In due course have milling and metallurgical tests run for the purpose of working out a proper flow-sheet for the treatment of the ores mined. It would also be advisable to have thorough metallurgical tests made regarding the recovery of the titanium contained in the diabase dykes.

It is also well worthwhile to make plans for the construction of a good milling plant and reduction works, so that the copper-gold ores can be treated more economically than being shipped to a smelter for treatment, and thus saving considerable expense.

Respectfully submitted,

(Signed) EDWIN WALTER MILLS
Edwin Walter Mills,
Consulting Mining Engineer

Salome, Arizona
May 31, 1949

(Seal):
Registered Mining Engineer
Arizona, U. S. A.
Edwin W. Mills
Certificate expires: Dec. 31, 1949

Mr. Roy R. MacDonald, President
Bonanza Mining Company
Wenden, Arizona

Dear Sir:

Attached hereto is the Balance Sheet of Bonanza Mining Company as at April 30, 1949. This statement has been prepared from the records of the company without outside verification; however, bank accounts were reconciled, and stock records inspected as part of our work in maintaining the records of the company.

As shown by the Balance Sheet, all costs of organization and operation have been treated as developmental costs and will continue to be

DEVELOPMENT WORK: Other than the many shafts, trenches, and shallow cuts, from which ore was mined and shipped in the early days, there are also the following deeper workings:

1. Diamond Drill Hole (1949), drilled to a depth of 745 feet at an angle of 65 degrees. (f 360 feet).
2. Bonanza Shaft: This shaft previously sunk to a depth of 250 feet, but to this date in 1949 the sinking has been continued to a depth of 325 feet. At this depth the shaft is nearly vertical. Ore shows in the shaft and has also been cut by drill holes from the 250' level to the shaft bottom.
3. Mollina Shaft: 110 feet in depth.
4. Roy Shaft: 65 feet vertical depth, and 70 foot crosscut.
5. Roy Shaft #2: 50 feet in depth.
6. New Deal Claim Shaft: 100 feet in depth.
7. Summit Shaft: 100 feet in depth.
8. Roy Tunnel: 300 feet in length.
9. Summit Lower Tunnel: 175 feet in length.
10. Summit Upper Tunnel: 125 feet in length.

CONCLUSIONS: The results of the exploration work thus far indicate strongly the existence of a deep-seated large body of copper-gold ores of commercial value, within this well-mineralized zone approximately 1,000 feet in width, with a length of three miles.

It will not require much more work in the BONANZA SHAFT to get the necessary workings in such shape that copper ores can be mined for shipment to the smelter. Strong indications point to the definite development of a large tonnage of commercial ore also for mining and milling operations.

The climatic conditions are very favorable for year-round mining and milling operations.

The mining claims are readily accessible by a good dirt road, 7-3/4 miles long, connecting with U. S. Highway 60, and the Santa Fe Railway, at Wenden.

Good transportation facilities are afforded by both U. S. Highway 60 and the Santa Fe Railway.

Sufficient electric and gas power, and water can be made available for all requirements.

(17)

content of 0.1% to 1% of titanium, per ton. This warrant thorough testing to determine whether or not this titanium content can be recovered as a profitable by-product. The outlook is favorable for doing so.

ASSAYS: During this year, 1949, ore samples were taken during the sinking of the BONANZA SHAFT which showed the following values:

<u>Assay No.</u>	<u>Shaft Depth</u>	<u>Silver Oz. Per Ton</u>	<u>Gold Per Ton</u>	<u>Copper Percent Per Ton</u>
526 Bo.	255'	Trace	0.02	5.03
532 Bo.	260'	0.2	0.03	8.73
528 Bo.	262'	Trace	0.01	6.37
527 Bo.	267'	0.1	0.02	10.06
540 Bo.	271'	4.7	0.02	7.14
533 Bo.	273'	0.2	0.08	14.18
533 Bo.	278'	0.1	0.04	17.42

Inasmuch as all of the old mine records were destroyed by fire a number of years ago, it is not possible to give any detailed assays of the ore shipments made by the various leasers and the owner of these mining claims. However, there is a copy of an ore shipment made to the Miami Plant, International Smelting and Refining Company, dated Spt. 1, 1936, designated as Smelter Lot 8691, of 13.8435 dry tons of copper-gold ore which assayed, as follows: Copper 6.77%, Silver 0.17 oz. and Gold 0.69 oz., per ton.

ORE ESTIMATE: Although there are many shallow cuts, shafts and trenches that produced shipping ore in the early days, there was not sufficient development work done to make reasonably accurate estimates of Positive and Probable Ore Reserves. It may be stated, however, that with the further development work to be done in the sinking of the BONANZA SHAFT, with levels, crosscuts and drifts and raises, very favorable geological conditions exist that will certainly ensure the development of a very large tonnage of Positive and Probable Ores.

OPERATING COSTS: Operating costs will vary according to the plan of treatment, that is: Milling or smelting operations. Until a definite plan has been worked out by tests for an efficient milling flow-sheet, no definite costs can be quoted at this time. Smelting costs may also vary according to trucking, freight and smelter charges.

WATER AND POWER: There is no water available on the mining claims, but an ample supply can be obtained in the vicinity of Wenden, about seven miles distant, which can be piped to the desired place to be used.

Electric power and natural gas lines are both located within three miles of the mining claims, and adequate power can be obtained at very reasonable rates.

He is a fellow of the Royal Asiatic Society and has been a fellow of the Royal Geographical Society. He is a member of the American Institute of Mining Engineers.

At the present time, Mr. Mills is Vice Chairman of the Board of Governors of the Department of Mineral Resources of the State of Arizona and Chairman of the Ellsworth Council of the Arizona Small Mine Operators Association.

Edwin Walter Mills
Consulting Mining Engineer

BRIEF REPORT ON THE BONANZA AND BONANZA CENTRAL MINES

Yuma County, Arizona

GENERAL: The BONANZA MINE group comprises 17 contiguous mining claims, and the BONANZA CENTRAL MINE group comprises 19 contiguous mining claims adjoining the BONANZA MINE group, making a combined total of 36 mining claims, with a total of 720 acres. This area covers the major portion of the mineralized zone which is approximately 1,000 feet in width and three miles in length.

These two groups of mining claims are located in northern Yuma County, in the Ellsworth Mining District, about 7-3/4 miles northwesterly from the Town of Wenden on U. S. Highway 60, in Township 7 North, Range 13 West, Gila and Salt River Base and Meridian.

GEOLOGY: The geology of this area is primarily Pre-Cambrian schist and granite which is traversed by a mineralized zone in a North 70° West direction. The host rock is a highly altered granite which extends throughout this mineralized zone. This zone contains at least 19 more or less parallel diabase dykes with approximately the same northwesterly strike of 70 degrees. In depth these diabase dykes are nearly vertical and would seem to indicate favorable ore deposition in depth, even better than shown in the surface workings.

ORE OCCURRENCE AND MINERALIZATION: Copper sulphide ores, showing considerable secondary enrichment in the form of chalcocite which has replaced the original chalcopyrite. The vein material is highly oxidized, both on the surface and in the deepest workings. These ore occurrences are parallel to and also replace the numerous diabase dykes which traverse these groups of mining claims.

The average copper-content is relatively high; gold is also associated with the copper, and the gold-content ranges from small amounts to over one ounce per ton of ore.

Typical ore samples have shown total assay values ranging from \$38.00 to \$118.00 per ton.

Of great importance has been the discovery of the occurrence of titanium in the diabase dykes. Preliminary analyses have shown a

so considered until the mine reaches a stage of commercial production.
All the items in this category are reflected on a cash basis.

Respectfully,

CARSON, WALMSLEY AND HENRY,

BY: (Signed) MARVIN HENRY
Marvin Henry,
Certified Public Accountant

Phoenix, Arizona
June 7, 1949

BONANZA MINING COMPANY

Wenden, Arizona

BALANCE SHEET

APRIL 30, 1949

ASSETS

<u>Cash in Bank:</u>		\$ 320.90
<u>Accounts Receivable:</u> (Due from Stockholders)		89.75
<u>Notes Receivable:</u> (Stock Subscription)		1,000.00
<u>Equipment:</u>		
Chevrolet Car	\$ 225.00	
Office Equipment	109.38	
Mine Equipment	<u>244.66</u>	579.04
<u>*Mineral Deposit:</u>		520,000.00
<u>Development Costs:</u>		
Travel	1,438.43	
Test Drilling	4,449.50	
Organization and legal expense	2,556.44	
Office Expense	66.60	
Salaries and Wages	7,077.73	
Mine Road	143.00	
Water Hauling	244.73	
Equipment Rent	1,620.00	
Mine Supplies, Repairs, Gas and Oil	2,021.39	
Hauling and Freight	112.12	
Insurance	164.17	
Capital Stock Taxes	612.70	
Assaying	17.50	
Stock Commissions	160.00	
Telephone	158.87	
Accounting	37.50	
Payroll Taxes and Miscellaneous	<u>24.77</u>	<u>20,905.45</u>
		<u>\$ 542,895.14</u>

(21)

LIABILITIES AND CAPITAL

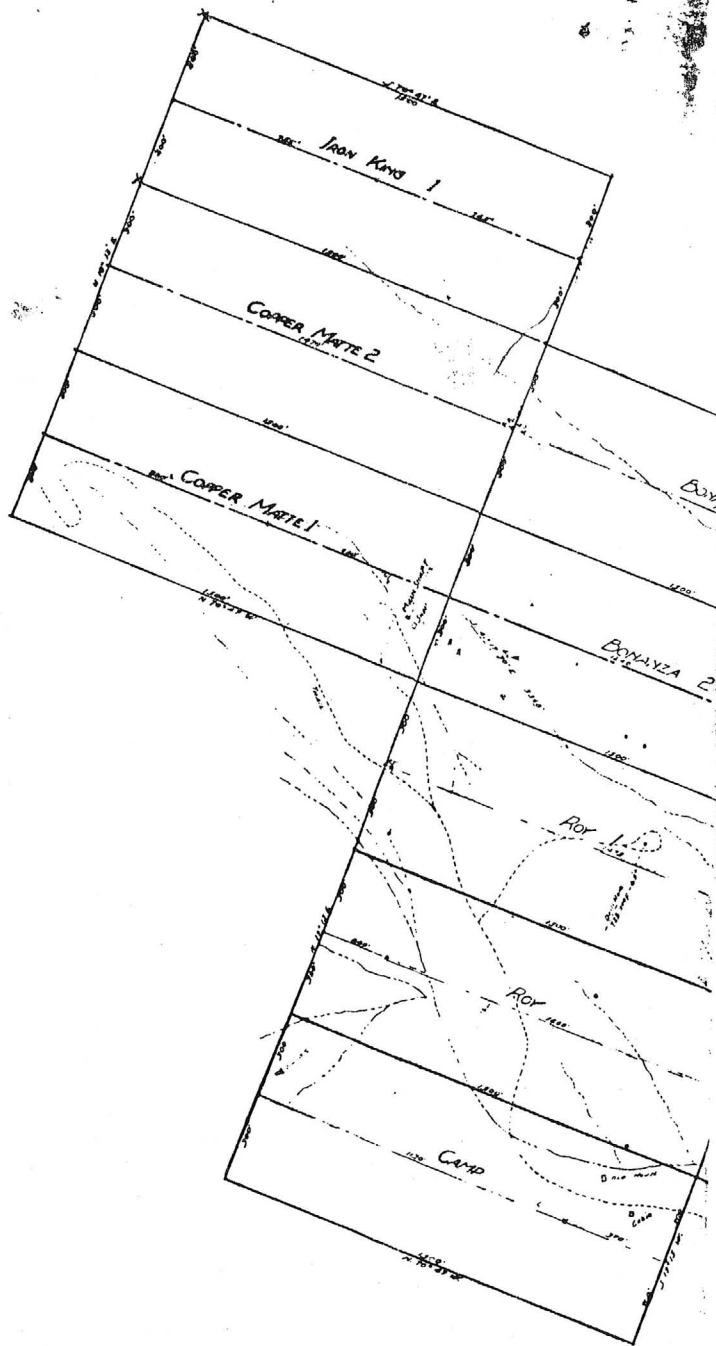
Liabilities:

Loans Payable to Stockholders	2,000.00	
Employees W. H. Tax	215.40	
Accrued Payroll Taxes	<u>24.74</u>	\$ 2,240.14

Capital:

Capital Stock (Authorized 1,000,000 Shares Par Value \$1.00)		
Issued and Out- standing -	538,920.00	
Subscribed but not Issued -	<u>1,000.00</u>	539,920.00
Paid in Surplus	<u>735.00</u>	<u>540,655.00</u>
TOTAL LIABILITIES AND CAPITAL		\$ <u>542,895.14</u>

*Acquired through issue of this
amount of stock at par value.



-MEMORANDA-

A REPORT ON THE
PROPERTY OF THE BONANZA MINING COMPANY

WENDEN, YUMA COUNTY, ARIZONA

CONCLUSIONS:

From a survey of the surface conditions and the workings there, as well as of the underground workings, it is believed that the proposed development program to prospect for the ore is justified. It has a reasonably good chance of opening up good grade ore in sufficient quantity not only to operate the pilot concentrator but for a larger plant.

Through lack of knowledge and opportunity to investigate elsewhere the feasibility of the proposed process of concentrating the ores, no personal opinion regarding its success or failure is possible.

LOCATION:

The mine is located seven miles north of Wenden, Arizona in the Harcuvar Mountains.

CLAIMS:

They consist of two groups of unpatented claims which are continuous. The southern half of 21 claims is incorporated under the name of the Bonanza Mining Company and the shaft from which the present work is being done is located here. Very little surface work has been done on these claims.

The northern group with 36 claims is incorporated as the Bonanza Central Mining Co. This half, it is said, has been worked profitably in the past from the surface on showings identical with those of the southern half.

GEOLOGY:

The claims cover a very wide zone of parallel and remarkably persistent and continuous diabase dikes at least eight in number, in a shear zone in gneiss. These dikes contain veins which run along, in and parallel to the dikes and dip with them steeply to the east. The original mineralization in them was chalcopryrite (copper, iron sulphide) and silica. On the surface most of this chalcopryrite has been altered to oxides with some residual nuggets of chalcopryrite.

The number and strength of the mineralization of the vein dikes as well as the longitudinal extent speak well for the chances of finding good ore in depth.

The shaft is being sunk on one of the vein dikes known as the hanging wall vein and is down to the 600 level where a station is being cut preparatory to drifting both ways on the vein. Some oxidation is still found here and will be found until the permanent water level, at a still undetermined depth, is reached.

Increasing amounts of sulphide ore is reported as having been found in the shaft during sinking, especially in the lower part.

There is a 500 level in the shaft from which a one-hundred foot drift has been driven to the south and a two-hundred foot drift to the north. About 150 feet of this drift has been prepared for stoping of ore which with the ore from the further development work will be sent to the concentrator which is being built at Wenden when it is ready to operate.

The 500 level drifts found sulphide ore containing some oxides.

It is very likely that the amount of sulphide, hence the value of the ore will increase during the further sinking of the shaft also with depth below the surface in the north drifts because these drifts gain considerable ground over them as they are advanced.

The less the amount of the oxides the better the chance of good recoveries of the value of the ore if the flotation process of concentration is employed.

GENERAL:

The plant on the surface is in excellent condition and adequate for the proposed development program, which is to sink the shaft and drift on the vein on a number of the lower levels and to run crosscuts to pick up the several veins parallel to the hanging wall vein.

An inclined 700 plus foot diamond drill hole from a point south of the shaft cut a number of the above mentioned dike veins in which it is reported sulphide ore was found in several of them.

Two crushers are being installed at the shaft in which the ore will be crushed to a size suitable to be used in the concentrator at Wenden.

The proposed process for beneficiating the ores at the concentrator at Wenden is not standard practice. It is an innovation and if it is successful in fulfilling the claims made for it, it should be able to make a profit for the Bonanza Mining Company.

Assay results from shipments to the smelter of the material found in shaft sinking and development work on the 500 level are used to evaluate the ore. This method is superior to channel sampling and was used.

Bonanza Mine

Salome 15' (Sec. 26, T. 7N., R. 13W.)

Yuma County

Reference: Arizona Dept. of Mineral Resources
Yuma County (file) Bonanza Mine

present owner: Bonanza Mining Co., 1801 E. Thomas,
Phoenix, Az. (1952 information)

history of the mine:

Bonanza Mining Company began mining copper from the Bonanza mine in 1949. At that time the ore assayed as high as \$81 a ton, and averaged at \$38 a ton. Percentage of ore ranges from 4% to 17% in the outcroppings.

geology:

There is a zone of parallel and remarkably persistent diabase dikes (at least 8) in a shear zone in gneiss. The dikes contain veins which are parallel to the dikes and dip steeply to the east. The original mineralization was chalcopryite and silica. Alteration of the chalcopryite to oxides with some nuggets of chalcopryite occurs at the surface.

claims:

There are two groups of continuous unpatented claims. The southern half known as the Bonanza Mining Company consists of 31 claims. Very little surface work has been done on these claims. Most

Benanza Mine (cont.)

work is done from the shaft.

The northern group incorporates 36 claims under the name of the Benanza Central Mining Co. This area has been worked profitably on the surface in the past.

6-26-47
Bonanza - (94)
Ray McDonald,
near Wenden

G.P. 60 min
Met. Az & 9450 ft
220' Dumps can be sampled
water to 70' 150'

350' deep
60' yard
4' trip pickup
only

R. R. Macdonald,
1315 W. Jefferson St. Box 3, Wenden 9-17-45
Phoenix, Arizona

BONANZA GROUP, Yuma Co.

DEPARTMENT OF MINERAL RESOURCES
State of Arizona
MINE OWNER'S REPORT

Date: March 13, 1942

1. Mine: BONANZA GROUP
2. 8 miles north from Wenden, Arizona.
3. Mining District & County: Ellsworth
Mining District, Yuma County, Arizona.
4. Former Name:
5. Owner: R. R. MacDonald
6. Address (Owner): 1315 West
Jefferson St., Phoenix, Arizona.
7. Operator:
8. Address (Operator):
9. President, Owning Co:
- 9A. President, Operating Co:
10. Gen. Mgr:
14. Principal Minerals: Copper & Gold.
11. Mine Supt:
15. Production Rate:
12. Mill Supt:
16. Mill - Type & Cap:
13. Men Employed:
17. Power - Amt. & Type:

18. Operations - Present:

BONANZA GROUP

Cu, Au

Yuma

14 - 2

T 7 N, R ¹³~~15~~ W

19. Operations - Planned:

R. R. MacDonald, Wenden

'42

20. Number Claims, Title, etc: 6 claims, title by location since 1900.

21. Description - Topography & Geography: This property is at the base of
Harcuvar Mountain; elevation 2400 feet.
No hills to climb or steep grades.

22. Mine Workings - Amt. & Condition: 1 shaft - 200 ft. incline; about
350 ft. of drifting from 110 ft. level;
25 ft. crosscutting at the 200; has a
series of shafts and open cuts ranging
from 10 ft. to 65 ft. on the different
claims.

(over)

- 23.00
23. Geology & Mineralization: Contact vein and diabase and dolomite dikes. It is igneous rock, sulphide ore.
24. Ore - Positive & Probable, Ore Dumps, Tailings:
- 24A. Dimensions and Value of Ore body: The veins vary in sizes from 1 ft. to 5 ft. Runs from 5% to 10 and 12% copper and \$5.00 to \$17.00 gold. There is a 65 ft. vertical shaft that was sampled that ran $4\frac{1}{2}\%$ copper - \$5.00 gold for a width of 14 ft. This is on the Ray Claim in the group.
25. Mine, Mill Equipment and Flow-Sheet:
26. Road Conditions, Route: Good road year around. Route: 8 miles northerly direction from Wenden, Arizona, shipping point.
27. Water Supply: No water developed at mine.
28. Brief History: This property has shipped 100 tons or more, but mostly development work was being done.
29. Special Problems, Reports Filed:
30. Remarks: Good living conditions - House, blacksmith shop, gallows frame, ladders and skids in 200 foot shaft in first class condition.
31. If property for sale - Price, terms and address to negotiate:
- Price \$10,000.00; three year lease and option to buy - payments \$100.00 a month and 10% royalty on all ores shipped or milled. All payments and royalty to be applied on purchase price - \$10,000.00 to be paid in full on, or before expiration of lease.
32. Signature: (Signed) ROBERT R. MacDONALD
1315 West Jefferson Street,
Phoenix, Arizona



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES



June 27, 1952

Mr. Lamar W. Lamb
Mountain View Ranch
Cowles, New Mexico

Dear Mr. Lamb:

This will acknowledge receipt of your letter of June 24, 1952, concerning the Bonanza Mining Company.

This office is part of the Accident Prevention Branch of the Bureau of Mines and the only association we have had with the Bonanza Mining Company was to schedule an accident-prevention class to be started last April. However this class was not started due to the sudden closing of the mine.

I am forwarding a copy of your letter to Mr. Walter R. Storms, Chief, Arizona-New Mexico Research & Development Branch, Bureau of Mines, University Station, Tucson, Arizona, and to the Arizona Department of Mineral Resources, Minerals Exhibits Building, State Fairgrounds, Phoenix, Arizona. Possibly you may hear further from one or both of these sources.

If you should reopen the mine and have any safety problems, feel free to call on this office at any time.

Sincerely yours,

Allen D. Look

ALLEN D. LOOK
Chief, Arizona Section

cc: J. H. East
E. H. Denny
W. R. Storms
R. I. C. Manning ✓
Angelo Pais (through John Garcia)
Files

ADL/s

Mountain View Ranch

Cowles, New Mexico

June 24, 1952

Mr. Allen D. Look, Chief, Arizona Section
420 Ellis Building
Phoenix, Arizona

Dear Mr. Look:

I have recently associated myself in business with a group of men who own the "Bonanza Mining Company." I will officiate in the capacity of General Manager. Before starting work, I would like to acquaint myself with all information available concerning the "Bonanza Mining Company."

In the Annual Report of the Arizona State Inspector of Mines, mention is made only of Roy R. McDonald, Manager; Character of Ore: Gold, Silver, Copper. Average number of men employed: 16. Inspected 4 times in 1951.

I have been able to procure only the above mentioned information.

Will you please tell me how I might know more about this mine, and what the intelligent approach would be to find out if it could be opened as a paying proposition.

For reference concerning the authenticity of this letter, I refer you to Mr. David Barrow, c/o Grace-Barrow Chevrolet Co., Denton, Texas, President of "Bonanza Mining Company."

Mr. Look, I would appreciate no end receiving this information, and assure you that I will be looking forward to meeting and working with you.

Very truly yours,

/s/ ✓ LaMar W. Lamb

LaMar W. Lamb

P. S. Angelo J. Pais, Deputy to John A. Garcia, State Mine Inspector, suggested that I write you for the above requested information.

L.W.L.

C
O
P
Y

March 23, 1942

Mr. R. R. MacDonald
1315 West Jefferson St.
Phoenix, Arizona

Dear Mr. MacDonald:

I am enclosing herewith a copy of mine owner's report filed with this department covering the BONANZA GROUP in Yuma County.

I shall be glad to submit a copy of this report to anyone making inquiry for a property such as yours.

Assuring you of my desire to be helpful, and with best wishes, I am

Yours very truly,

J. S. Coupal

JSC:LP
Enc.

BONANZA MINING CO.

AMENDED LOCATION STADIA SURVEY
OF THE

BONANZA GROUP

ELLSWORTH MINING DISTRICT,

YUMA COUNTY, ARIZONA

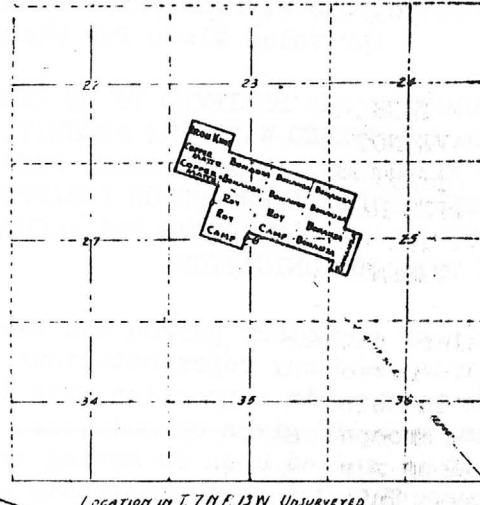
SURVEY N° 43316

Dr. Henry E. Jones

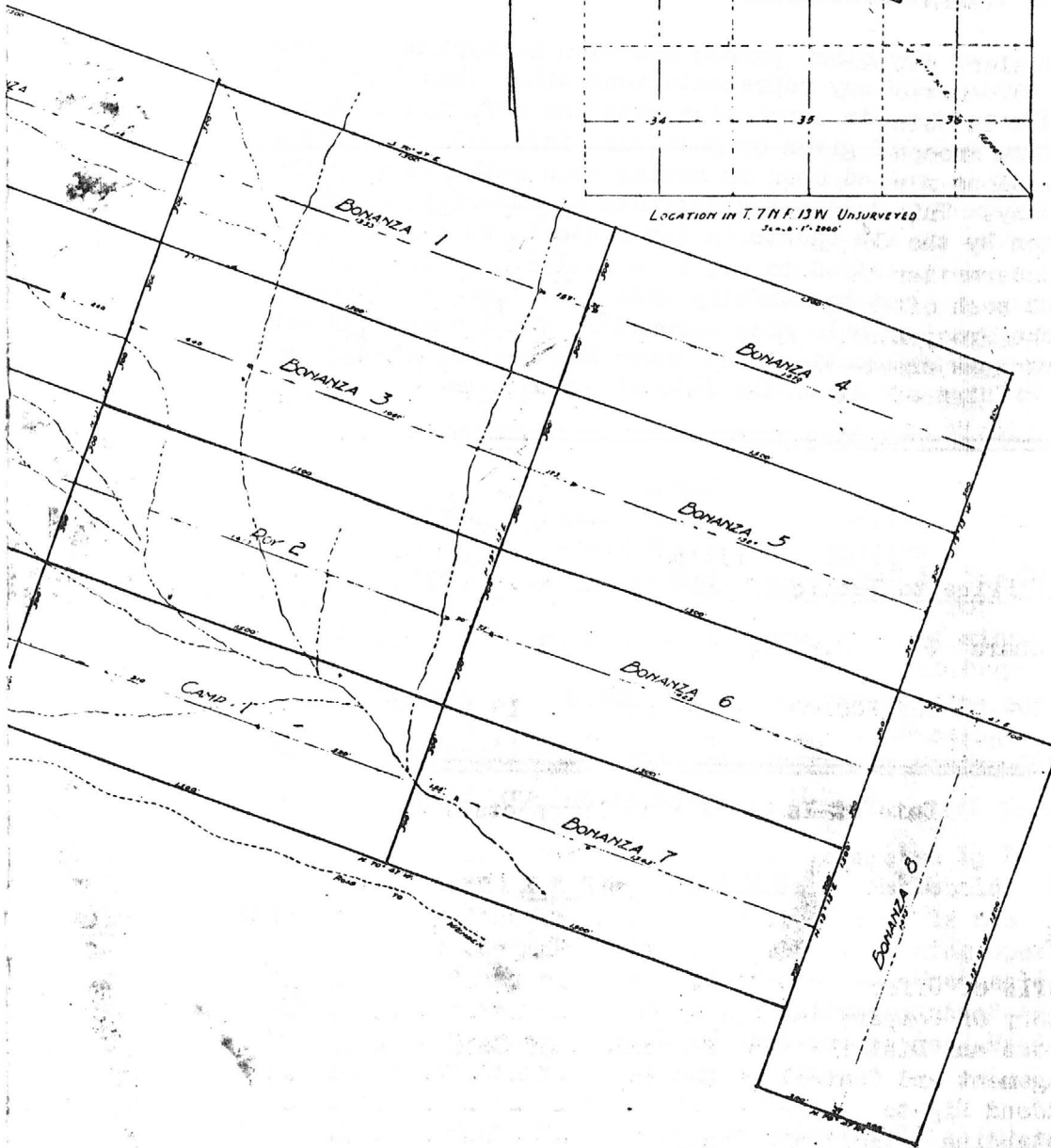
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BONANZA MINING CO

WENDEN ARIZONA



LOCATION IN T.7N. E.13W. UNSURVEYED
Scale 1" = 1000'



WENDEN, ARIZONA

P R O S P E C T U SBONANZA MINING COMPANY

(An Arizona Corporation)

105,000 Shares

Common Capital Stock, full-paid and non-assessable
Per value \$1.00 Per Share

BECAUSE THESE SECURITIES ARE BELIEVED TO BE EXEMPT FROM REGISTRATION, THEY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION; BUT SUCH EXEMPTION, IF AVAILABLE, DOES NOT INDICATE THAT THE SECURITIES HAVE BEEN EITHER APPROVED OR DISAPPROVED BY THE COMMISSION OR THAT THE COMMISSION HAS CONSIDERED THE ACCURACY OR COMPLETENESS OF THE STATEMENTS IN THIS COMMUNICATION.

No dealer, salesman or any other person has been authorized to give any information or to make any representations other than those contained in this Prospectus, in connection with the offering contained in this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized by the Company. This Prospectus does not constitute an offering or solicitation by the Company or its agents in any state in which the agent or underwriter is not qualified to act as a dealer or broker or in which such offering may not be lawfully made. Neither the delivery of the Prospectus, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in the affairs of the company since the date of issue hereof.

	<u>Price to Public</u>	<u>Under- writing Commissions</u>	<u>Expense of Advertising and Solici- tation</u>	<u>Proceeds to Company</u>
Per Share	\$ 2.50	\$.375	\$.125	\$ 2.00
Total	262,500.00	39,375.00	13,125.00	210,000.00

Date of Issue of this Prospectus: July 5, 1949

I N D E X

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THE OFFER

BONANZA MINING COMPANY

(An Arizona Corporation)

Offers for sale to the public in Arizona (and in such other states as it may hereafter become legally authorized and qualified to make this offer)

105,000 shares of its common capital stock
(full-paid and non-assessable)

at a selling price of \$2.50 per share. The company has an authorized capital of \$1,000,000.00 divided into 1,000,000 shares of a par value of \$1.00 per share. To date, 538,920 shares have been issued. The offer is being made for the benefit of the issuer, Bonanza Mining Company.

HISTORY OF COMPANY AND PROPERTIES

Bonanza Mining Company was incorporated October 19, 1948 in the State of Arizona. The original incorporators were, principally, Roy R. MacDonald and his mother, Laura R. MacDonald, and a group of miners from the mining town of Superior, Arizona. The company was organized to acquire, develop and operate what is generally known as the Bonanza claims in northern Yuma County, Arizona, a group now consisting of Seventeen (17) unpatented mining claims in the Ellsworth Mining District about 7-3/4 miles northwest of Wenden.

These properties for many years had been owned and operated by R. R. MacDonald, Sr., (now deceased) and his wife, Laura R. MacDonald. Mr. MacDonald was the original discoverer and locator of what is now the Copper Matte 1 Claim, where the main shaft is located. Mining operations started about the year 1900 under the direction of R. R. MacDonald, Sr. and continued until 1941, mainly by lessees, with the ore mined being shipped to smelters at different periods, located at Swansea, Hayden, Superior, Miami, Jerome and Clarkdale, Arizona.

Upon the death of Mr. MacDonald Sr., in 1945, his one-half (1/2) community interest in the mine passed by inheritance to his son, Roy R. MacDonald and his daughter, Elaine Spry. Roy R. MacDonald acquired the interest of his sister Elaine Spry by deed, the consideration

(3)

being the transfer to her of his one-third ($1/3$) interest in the Yuma Copper Mine, located Twenty-seven (27) miles northwest of Salome, Arizona. Laura R. MacDonald, widow of the discoverer, on the death of her husband, under Arizona community property law, became vested with a one-half ($1/2$) interest in her own right. Thus, no actual cash was paid by either Roy R. MacDonald or his mother for their interests in the mine, the latter having acquired her interest by virtue of being the wife of the original discoverer and locator, and the former, a one-fourth ($1/4$) interest by descent, and one-fourth ($1/4$) by exchange of other mining property.

All mining and shipping was suspended during the war period because the group of mining claims was located within the army bombing area known as Tract M-22 and also the Presidential Directive L-208. After the organization of Bonanza Mining Company (October 19, 1948), the claims were transferred to the company by the MacDonalds in return for 520,000 shares of its \$1.00 par value common capital stock (260,000 shares to each). The fair value of the property was determined to be \$520,000.00 by the Board of Directors, on October 22, 1948 (MacDonald not voting). The directors arrived at their valuation after they had investigated the extent of the property, its production history, geological conditions, state of development, and they or their representatives had personally visited the mine and made numerous independent samplings of the ore bodies. Members of the Board, at that time were: Roy R. MacDonald, John Valdin, Sherrill Rogers, Robert C. Burns and Reuel N. Pomeroy. All were miners of many years experience, except Pomeroy, who was the company's attorney.

At the present time, Laura R. MacDonald owns 254,225 shares and Roy R. MacDonald 253,700 shares of the \$1.00 par value common capital stock of the corporation. Their combined holdings represent approximately 94% of the total issued and outstanding capital stock of 538,920 shares.

\$6,765.00 was raised through the sale and issuance to the original incorporators of 6,765 shares at par (\$1.00 per share), during the first two months of the company's existence. These funds enabled the company to commence diamond drilling operations which were carried to a depth of 745 feet, at a cost of \$4,449.50. The results of these drilling operations were such that the Board of Directors felt justified in raising sufficient funds from the sale of additional capital stock to finance the further development of the mine.

To date, 18,920 shares of stock are issued and outstanding, in addition to the 520,000 shares issued to the MacDonalds, as follows:

	<u>Proceeds Received By Company</u>
18,990 shares at \$1.00 per share -	\$ 18,390.00
530 shares at \$2.50 per share (less \$160.00 commissions)-	1,165.00
<u>18,920 shares</u>	<u>\$ 19,555.00</u>

PURPOSE AND DISTRIBUTION OF PROCEEDS OF SALES

(4)

Agents' commissions of 15% will be paid on all stock sold. In this connection, some of the officers, directors and promoters who are acting as selling agents will be paid the same commission, namely 15%. The cost of selling and advertising, over and above agents' commissions, is estimated at and will not exceed 5% of the selling price. If all the stock offered for sale is sold it will net the company \$210,000.00.

The purposes for which the net proceeds from the securities are to be used and the distribution thereof (as nearly as can be estimated at present) are as follows:

For administrative, clerical, accounting and legal expense -	\$ 10,000.00	
For surface mining equipment and machinery -	20,000.00	
For a reduction works (floatation plant) -	90,000.00	
For general mining operations and development work (estimate only):		
Sinking shaft -	\$ 37,500.00	
Timbering and cutting stations -	5,000.00	
Driving raises-	12,000.00	
Underground equipment and machinery -	10,000.00	
Drifting, crosscutting and ore bins -	25,500.00	90,000.00
Total		\$ 210,000.00

MANAGEMENT AND CONTROL

The officers and directors of the company are:

Roy R. MacDonald, President and Director
Wenden, Arizona

Dr. Robert C. Evans, Vice President
1622 East Catalina Drive
Phoenix, Arizona

(5) Laura R. MacDonald, Secretary and Treasurer
Wenden, Arizona

John Valdin, Director
Hill Street
Superior, Arizona

Reuel N. Pomeroy, Director
222 Main Street
Superior, Arizona

Sherrill Rogers, Director
Superior, Arizona

George K. Angius, Director
Miami, Arizona

Roy R. MacDonald will be actively in management of the affairs of the corporation. Following is a brief resume of his business and mining experience:

Has successfully operated various mining enterprises and properties in Arizona from time to time throughout his life, either as lessee, manager or owner. Mr. MacDonald operated the Golden Key Mine, at Congress, Arizona, as owner and operator; the Dora Mine at Octave, Arizona, under lease and option; the Golden Star Mine at Wenden, as operator; the Avalon Gold Mine at Wenden, as owner; Yuma Copper Mine, Vicksburg, Arizona, as partner; and the Bonanza Mine at Wenden, as operator.

DIVIDEND RIGHTS

The principal stockholders, Roy R. MacDonald and Laura R. MacDonald, as a gesture of good faith and as an added inducement to present stockholders and prospective investors in the capital stock of the company, to purchase the stock being offered for sale, have made a written, irrevocable assignment of all dividends which they or either of them may be entitled to receive over and above 52% of the total dividends at any time declared by the Board of Directors, for a period of seven years.

The Assignment reads as follows:

ASSIGNMENT OF DIVIDENDS

We, Roy R. MacDonald and Laura R. MacDonald, of Wenden, Arizona, for the purposes and considerations hereinafter expressed, do hereby transfer and assign to the stockholders (other than ourselves) of Bonanza Mining Company, an Arizona corporation of record as of the date of the declaration of any dividend declared by the Board of Directors of said corporation, all dividends which we, and each of us, are entitled to receive under such declaration, over and above 52% of the total dividends at any time declared by the Board of Directors. Each of said beneficiary stockholders, shall be entitled to receive his or her proportionate share of the dividends hereby assigned which his or her stock holdings bear to the total of the capital

stock held by such beneficiary stockholders, less their proportionate share of any governmental tax or assessment which may be imposed by reason of this assignment and transfer. The Board of Directors, at the time of the declaration of any such dividends, is hereby authorized, empowered and directed to deduct from the aggregate dividends due and payable to us, pro rata, according to our respective stock interests, the dividends hereby assigned, and pay over to said stockholder assignees, the amount of such dividend to which they may be entitled in accordance with the tenor and effect hereof.

This assignment is made as a gesture of good faith and an added inducement to present stockholders and prospective investors in the capital stock of said corporation to purchase stock therein.

This assignment shall exist for a period of seven years from date hereof. At the termination of said seven-year period, this assignment shall be null and void.

Dated this 9th day of June, 1949.

(Signed) Roy R. MacDonald

(Signed) Laura R. MacDonald

STATE OF ARIZONA)
COUNTY OF MARICOPA) SS

On this the 9th day of June, 1949, before me, Roslyn B. Acosta, the undersigned officer, personally appeared Roy R. MacDonald and Laura R. MacDonald, known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same for the purpose therein contained.

In Witness Whereof, I hereunto set my hand and official seal.

(Notarial Seal)

(Signed) Roslyn B. Acosta
Notary Public
My Commission expires:
July 31, 1949."

The dividends assigned to the stockholders from the MacDonald holdings would, of course, be due the stockholders in addition to the dividends on their own stock due them at such times as may be declared by the Board of Directors.

CONTRACTS AND OPTIONS FOR PURCHASE OF STOCK

The following options granted by the company and contracts for purchase of stock are outstanding:

- (1) An option granted by resolution of the Board of Directors October 29, 1948, to Dr. Thomas P. Walton, of Phoenix, Arizona, for the purchase of 20,000 shares of stock at \$1.00 per share.

(7)

This option has been exercised and stock referred to Dr. Walton to the extent of 8,685 shares, leaving a balance under the option of 11,315 shares. This option will expire May 29, 1950. The consideration for the option was the initial purchase by Dr. Walton, on the incorporation of the company, of 1,000 shares of its capital stock (par value \$1.00) at \$1.00 per share, and promotional services.

- (2) The company has contracted to sell to Reuel N. Pomeroy, of Superior, Arizona, 1,000 shares of its capital stock at \$1.00 per share and has taken his installment promissory note in payment therefor. No shares will be issued until paid for in cash. Said note bears date April 29, 1949, and is payable in 8 monthly installments of not less than \$100.00 commencing May 29, 1949. Balance due on this note is \$800.00. Mr. Pomeroy is a director of the company.

IDENTIFICATION OF PROPERTIES

The unpatented mining claims owned by Bonanza Mining Company are shown on a plat, copy of which is hereinafter appended, and are described as follows:

Iron King 1	Bonanza 3
Copper Matte 2	Roy 2
Copper Matte 1	Camp 1
Bonanza	Bonanza 4
Bonanza 2	Bonanza 5
Roy 1	Bonanza 6
Roy	Bonanza 7
Camp	Bonanza 8
Bonanza 1	

The remaining claims shown on the plat in dotted lines do not belong to Bonanza Mining Company but are either owned or held under lease and option by Roy R. MacDonald, and are referred to as the "Bonanza Central" group of claims. The mining geologist report of R. Burton Rose and also the mining engineering report of E. W. Mills hereinafter set forth, are reports on the entire property owned by Bonanza Mining Company and the Bonanza Central claims. These mining reports should, therefore, be read and considered with this fact in mind.

The diamond drill hole and the main shaft referred to in the reports are both located on the property of Bonanza Mining Company.

SUMMARY

Bonanza Mining Company is a company organized and operated by mining men of experience who have faith in the future of the company's mine.

Because of the fact that it is a comparatively new corporation and has not yet shipped or mined its ore, no profit and loss statement

is available. However, previous leasees and operators of the claims have operated the properties at a profit.

The directors and officers of the company believe, based on their own experience, and on the engineering data available, that Bonanza Mining Company is one of the best mining ventures in the State of Arizona. As indicated in the engineering reports attached to this Prospectus, the properties have been proven to contain deposits of commercial high grade ore, mostly copper, with gold content, and the geology of the country and formation and position of the ore veins point strongly to the probability that the ore now known to exist is but a small fraction of a very large deposit of high grade copper-gold ore which lies beneath the surface and which can be mined at a good profit.

NAMES AND ADDRESSES OF AGENTS

Purchasers in Arizona desiring to invest in the stock hereby offered may contact the following agents:

Reid F. Ellsworth
1620 East Harvard St.
Phoenix, Arizona

Mrs. Elizabeth Foxwell
3447 East Thomas Road
Phoenix, Arizona

Sherrill Rogers
General Delivery
Superior, Arizona
(Mr. Rogers is a Director of the company)

John Valdin
Hill Street
Superior, Arizona
(Mr. Valdin is a Director of the company)

Sandra W. McFate
1729 East Palm Lane
Phoenix, Arizona

Thomas P. Walton
1130 N. Central Avenue
Phoenix, Arizona

Reuel N. Pomeroy
222 Main Street
Superior, Arizona
(Mr. Pomeroy is a Director of the company)

Roy R. MacDonald
Wenden, Arizona
(Mr. MacDonald is President and Director of the company)

Robert C. Evans
1622 E. Catalina Drive
Phoenix, Arizona
(Dr. Evans is Vice-President of the company)

George K. Angius
P. O. Box 1801
Miami, Arizona
(Mr. Angius is Director of the company)

Russell Foxwell
613 Lennox Street
Baltimore 17, Maryland

James R. Anderson
739 West Coronado Road
Phoenix, Arizona

Edgar E. Ackerman
1738 West Glenrosa
Phoenix, Arizona

Edwin Kittell
1937 East Portland
Phoenix, Arizona

George O. Barth
1801 E. Thomas Road
Phoenix, Arizona

Orpha V. Farmer
Cactus, Arizona

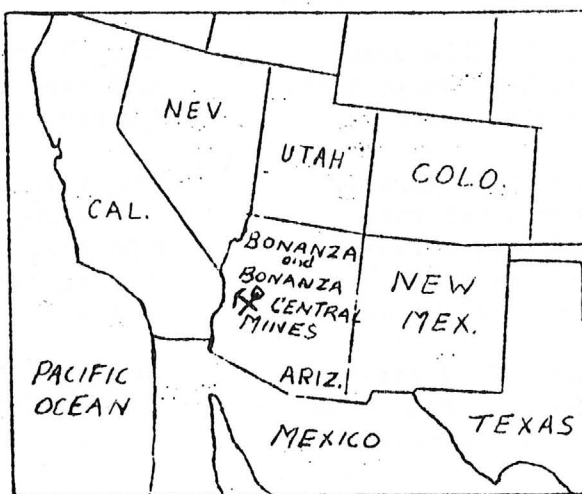
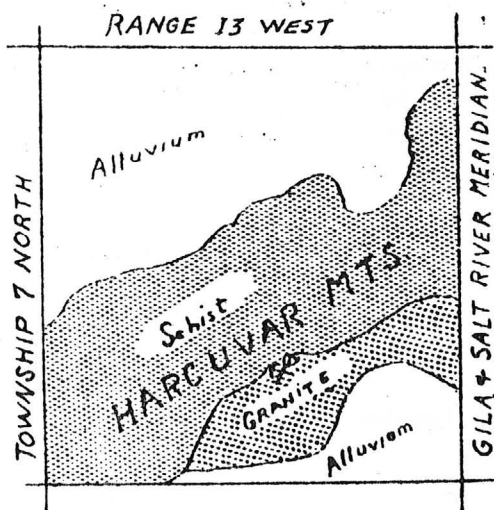
Respectfully submitted,

BONANZA MINING COMPANY, an
Arizona corporation,BY: Roy R. MacDonald
Its PresidentR. Burton Rose, M. A.
Mining Geologist
P. O. Box 583
San Jose, CaliforniaBONANZA and BONANZA CENTRAL MINES

Yuma County, Arizona

A Resume Report

1949



* Regional Geology

✗ Bonanza and Bonanza Central
Mine - location.

Index Map

* From Arizona State Geologic
Map.

Name of Property: Contingent claims groups, including seventeen claims held by Bonanza Mining Corporation and nineteen claims in Bonanza-Central Mine group held by Roy R. MacDonald.

Kind of Mine: Copper ore deposit carrying gold content and minor silver values.

Location: Ellsworth Mining District, seven 3/4 miles northwest of Wenden, northern Yuma County, Arizona; in T. 7 N. R. 13W. Gila and Salt River Meridian, being part of Sections 22, 23, 25, 26 and 27.

Area: 36 full mining claims, 720 acres. This area covers the major portion of the mineralized zone, approximating one thousand feet in width and three miles in length.

Topography: Steep hill slope region varying in elevation from 2,300 feet to 3,800 feet. Hills rise from level desert plain.

Climate: Year round outdoor working conditions, hot through the summer months.

Accessibility: Good dirt road to Wenden 7-3/4 miles distance, located on U. S. Highway 60 and shipping point on the Santa Fe Railroad.

Ore: Sulfide copper ores, partly oxidized, showing secondary enrichment in the form of chalcocite replacement of the original chalcopyrite. These ore masses parallel and also replace the persistent diabase dykes throughout the claims; apparently in close relation to the intensity of hydrothermal alteration. The average copper content is relatively high, with an associated gold content ranging from minor amounts to over an ounce per ton. The vein material in general is highly oxidized, both on the surface and at the points of deepest exploration.

Assay values range between \$38.00 and \$118.00 with typical ore samples. A random ore shipment return from leasing operations in 1936 (Smelter lot 8691) showed 6.77% copper, 0.17 oz. silver and 0.69 oz. gold for a 13.8435 ton lot. The following listed assays show the type of ore encountered in sinking operations this year at the Bonanza shaft:

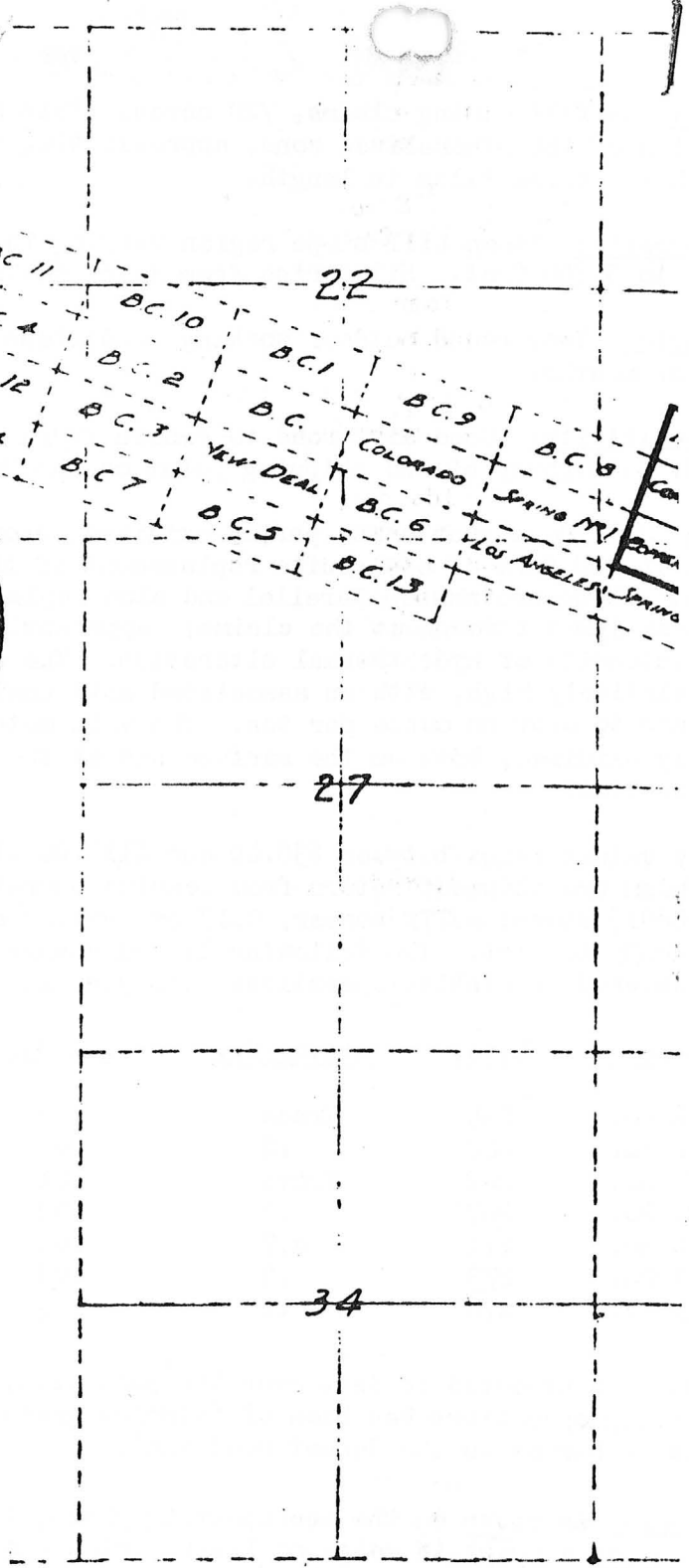
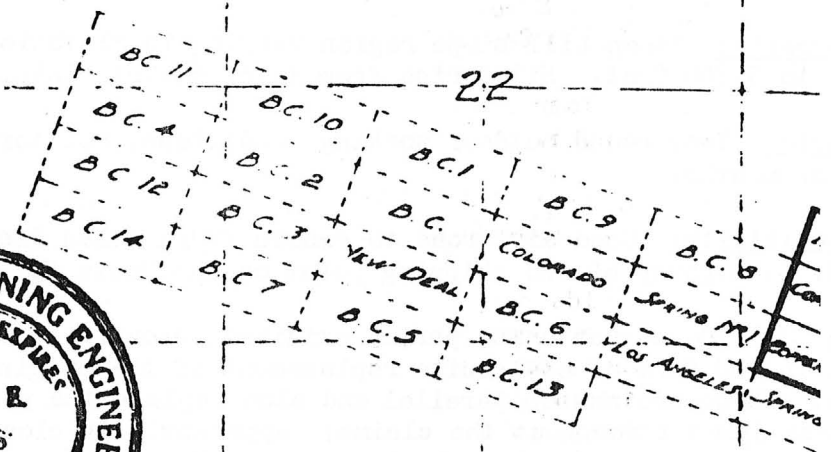
<u>Assay</u>	<u>Level</u>	<u>Silver Oz.</u>	<u>Gold Oz.</u>	<u>Copper %</u>
526 Bo.	255	Trace	.02	5.03
532 Bo.	260	.2	.03	8.73
528 Bo.	262	Trace	.01	6.37
527 Bo.	267	.1	.02	10.06
540 Bo.	271	4.7	.02	7.14
533 Bo.	273	.2	.08	14.18
533 Bo.	278	.1	.04	17.42

(All ore produced to date over the past fifty years of surface leasing operations has been of shipping grade value - packed out on burros to the desert road end).

Geology: As shown on the accompanying plate, the regional geology is that of a mountain range of Pre-Cambrian age schist and granite separating two alluvial filled desert valleys. A major structural zone extends across this range in a North 70 degree West direction. This zone contains some nineteen or more near parallel diabase dykes with the same strike, or longitudinal axis. At the surface these dykes dip eastward at varying degrees. With depth they appear to converge and become nearly vertical. Dynamic metamorphic action on a regional scale produced this deep seated shear zone and provided the loci for the diabase dyke and subsequent copper ore emplacement. Intense hydrothermal alteration and progressive leaching accompanied the deposition of the copper sulfide ores.



SCALE
1" = 200'



LOCATION IN T. 7,
S.