

CONTACT INFORMATION

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PRINTED: 12/17/2002

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: BUSTED TRACK

ALTERNATE NAMES:

LA PAZ COUNTY MILS NUMBER: 801

LOCATION: TOWNSHIP 4 N RANGE 20 W SECTION 13 QUARTER NE LATITUDE: N 33DEG 41MIN 30SEC LONGITUDE: W 114DEG 16MIN 15SEC TOPO MAP NAME: MIDDLE CAMP MTN - 7.5 MIN

CURRENT STATUS: EXP PROSPECT

COMMODITY: GOLD

BIBLIOGRAPHY: ADMMR BUSTED TRACK FILE

BUSTED TRACK

LA PAZ COUNTY

RRB WR 8/15/86: John Winn, 4179 Lantern Lane, Mobile, Alabama 36609 has invested in Sterling Minerals Corp. but has been unable to contact them. (Busted Track, La Paz County). He will appreciate any information we can find as to the whereabouts of the principals.

RRB WR 8/29/86: John Winn, investor, reports that he contacted Sterling Minerals Corp. (Busted Track Placer) at a Tucson telephone number 623-4601. The telephone at the plant in La Paz County is 927-5924. He was told that the necessary equipment had been shipped and that they should be in operation soon after Labor Day.

MG WR 1/1/88: Mr. Dick Leisure confirms that operations at the Busted Track placer (file) La Paz County are to begin soon.

MG WR 10/31/87: Mr. Ruben Moulds of Sterling Minerals Corp reportes that his Busted Track project (file) La Paz County has been re-financed and that the placer operation should begin soon. Capacity is still expected to be 150 to 200 yd/hr.

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RRB WR 5/13/88: Apparently Sterling Minerals is making another attempt to operate the Busted Track (file) La Paz County as I have received several out of state calls from potential investors in the property.

BUSTED TRACK

LA PAZ COUNTY

RRB WR 11/29/85: John Winn of Mobile, Alabama called to inquire about Sterling Minerals who are aking for investments in a gold placer operation northwest of Quartzsite, Arizona on the northeast side of the Dome Rock Mountains called the Busted Track. He says that they claim to have 2000 acres averaging .02 oz au which they are selling by the acre to investors. Roland Moulds and Richard Liesure are the geologists for the operation. BLM microfiche shows the Busted track claims as association placers in Sec 13, T4N R2OW and Secs 18, 19 T4N R19W.

RRB WR 1/10/86: Dave Jenkins, who is some sort of investment broker, called to inquire about the Sterling Minerals Placer near Quartzsite. Apparently Sterling is trying to raise operating capitol.

RRB WR 1/31/86: Dave Jenkins, Columbus, Ohio called to see if I had any further information on Busted Track Placers near Quartzsite, La Paz County. He said that they had given a start-up date of February 1, 1986. I called Sterling Minerals Corp. (Busted Track) and was told that Mr. Moulds had been called to New York in December but was expected back soon. I was also told that the start-up date of February 1 would not be met but that Mr. Moulds would send me the promised report on the property when it was completed.

MG WR 2/21/86: Mr. Richard Leisure reports that the Sterling Minerals Corp. purchased a trommel and other gravity separation equipment from a Continental Materials operation in Nevada and moved this machinery to the Busted Track placer (LaPaz Co) in 1985 (?). Mr. Rubin Moulds is in charge of Sterling. The property is well defined and apparently will sampled. After additional funds are raised mining will begin. The anticipated product is gold nuggets for jewelry.

RRB WR 3/28/86: Tom Bogacki, Springfield Const. Co., Wilkes Barre PAG called to inquire about Sterling Minerals Corp's placer operation on the Busted Track Claims near Quartzsite, La Paz Co. He said he would send us the promotional literature used by their representative. They are selling 16 acre parcels which "should yield 250 oz of gold" each for \$22,500.

AUG-17-1993 12:02 FROM

TO'RO LKUII

CEET

BUREAU OF LAND MONT.-YUMA TO

70424668 r.UJ

P.02/03

ASO RESOURES P.

READING FILE

AZA 23385 (055)

MAR 18 1993

PERSONAL SERVICE

Mr. Reuben F. Moulds, President Western Sterling Mines, Inc. 5132 North Shannon Road Tucson, AZ 85705

NOTICE OF NONCOMPLIANCE

Dear Mr. Moulds:

This Notice of Noncompliance was originally sent on October 10, 1990. We have no confirmation of its receipt. Therefore, we are resending it via personal service, with the 30-day period referred to in the fifth paragraph of this letter beginning upon receipt of this second notice.

On September 11, 1990, July 16, 1992, and February 28, 1993, field inspections were conducted of your operation known as the Busted Track Project, our case file No. AZA 23385. This project is located in sections 12 and 13, T. 4 N., R. 20 M., and sections 18 and 19, T. 4 N., R. 19 W., Gila and Salt River Maridian, Arizona. The associated mining claims are the Busted Track, Busted Track Nos. 1 through 7, and Gravel Mesa Nos. 1 through 4, with serial Nos. AMC 151741 through AMC 151752. Be advised that your operation is in noncompliance with the regulations contained in Title 43, Code of Federal Regulations, Subpart 3809, Sections 1-4 and 3-7.

The regulations contained in Title 43. Code of Federal Regulations, Subpart 3809, Section 1-4, require an approved Plan of Operations prior to commencing operations which exceed a disturbance level of 5 acres. Also, the regulations at Title 43. Code of Federal Regulations, Subpart 3809, Section 3-7, require operators to maintain the site of their operations, associated structures, and facilities, in a safe and clean condition during any nonoperating periods. The field examination found the level of disturbance at the Busted Track Project to exceed 5 acres. The structures and equipment at the site are deteriorating and may pose a threat to public health and safety.

On December 22, 1988, Western Sterling Mines, Inc., submitted a Plan of Operations for the Busted Track Project. The environmental assessment for this Plan developed eight mitigating measures and the submission, prior to Plan approval, of a performance bond in the amount of \$42,000. To date, a

READING FILE

Williams Daniel

AUG-17-1993 12:03 FRO: BUREAU OF LAND MGMT.-YUMA TO

ASO RESOURES

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bond has not been posted, and as a consequence, Western Sterling's Plan has not been approved.

Within 30 days of receipt of this Notice of Noncompliance, you must begin reclamation of the site.

Failure to comply with the requirements of this Notice of Noncompliance within the time frame specified may result in your being enjoined by appropriate court order from continuing such operations and being held liable for damages for such unlawful acts.

You have the right to appeal to the Arizona State Director in accordance with Title 43, Code of Federal Regulations, Subpart 3809, Section 4. If you exercise this right, your appeal, accompanied by a statement of reasons and any arguments you wish to present, which would justify reversal or modification of the decision, must be filed in writing. Such an appeal must be mailed to the Yuma District Office, 3150 Winsor Avenue, Yuma, Arizona \$5365, within 30 days after the date of this decision. This decision will remain in effect during appeal unless a written request for a stay is granted.

Sincerely,

MICHAEL A. TAYLOR

Michael A. Taylor Area Manager

cc: Deputy State Director, Mineral Resources (AZ-920)

DDANIELS: TT: 3/17/93: J: \YRA\R_MOULDS.LTR

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> தாதல் திரையும் பிட்டி போன்றையிலாம் பல பிடையில் பிடிய தல் பிடிய தல் பிடிய தல் பிடிய தல் பிடிய மற்று பிடியில் இத்தும் மாயர் அமையால் பிட்டில் பிடியில் பிட்டியின் நிறையுக்கு தொண்டு பிடிய பிடிய பிட்டில் பிருந்தும் திரியில் பிடியில் பிடியில் பிடியில் பிடியில் பிடியில் பிடியில் பிடியில் பிடியில் பிட பிடிய பிட்டில் பிருந்தும் திரியில் பிடியில் பிடியில் பிடியில் பிடியில் பிடியில் பிடியில் பிடியில் பிடியில் பிட பிடிய பிட்டில் பிடியில் பிட்டிய திரியில் பிடியில் பிடியில் பிடியில் பிடியில் பிடியில் பிடியில் பிடியில் பிடியில பிட்டிய பிட்டிய பிட்டிய திரியில் பிடியில் பிடியில் பிடியில் பிட்டியில் பிடியில் பிடியில் பிடியில் பிட்டியில் பிட பிட்டிய பிட்டிய பிட்டிய பிட்டிய திரியில் பிடியில் பிட்டிய பிட்டிய பிட்டிய பிட்டிய பிட்டு பிட்டிய பிட்டிய பிட்டு பிட்டிய திரியில் பிட்டிய பிட்டிய பிட்டிய பிட்டும் பிட்டிய பிட்டிய பிட்டிய பிட்டு

TOTAL P.03

DEPARTMENT OF MINERAL RESOURCES STATE OF ARIZONA FIELD ENGINEERS REPORT

Mine Busted Track Placer

Date December 5, 1985

District

Engineer Richard R. Beard

Subject: Mine Visit

Information from: Ruben Moulds & Richard Leisure

Operated by: Sterling Minerals Corp. P.O. Box 597 Quartzsite, AZ 85346 (602) 927-5924

Location:

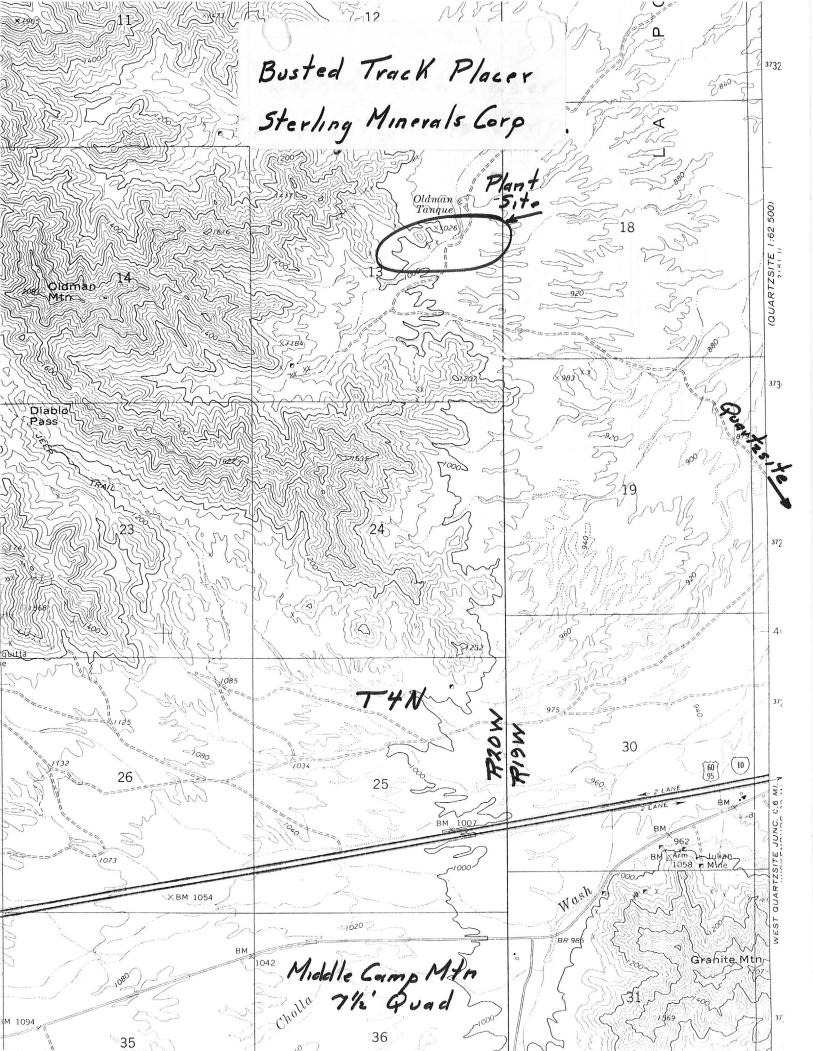
Sec. 13, T4N R2OW & Secs. 18, 19, T4N R19W on east flank of Dome Rock Mtns.

USGS Middle Camp Mtn. $7\frac{1}{2}$ ' Quad.

Met Mr. Moulds and Mr. Leisure at the office in Quartzsite and followed them to the property. The plant is under construction and will process 150 yds/hr through a 3 inch grizzly and then a 3/8 inch screen. The minus 3/8 inch material will then go to a trommel to be washed and fed to jigs and tables. George Roseveare developed the flow sheet.

Mr. Leisure said that some sampling has been done but that the proof of the property will be by operating.

Mr. Moulds promised to send progress report complete with photographs to the Department.



ADMMR REPORT OF INVESTIGATION (file. INVOLVING BUSTED TRACK AND GRAVEL MESA PLACER CLAIM GROUP PLOMOSA MINING DISTRICT NORTHWEST OF QUARTZSITE, ARIZONA Prepared By JAMES R. YOUELL AMES R YOUELL James R. Youell Registered Geologist Box 338 Wenden, Arizona 85357 TRI J-Y

Telephone: (602) 859-3491

ABSTRACT

THIS PROPERTY OFFERS VALUABLE OPPORTUNITIES IF DEVELOPMENT PROCEEDS IN AN ORGANIZED FASHION. IT CAN BE COMMENCED WITH SMALL FINANCIAL RISK AND BE STOPPED WHEN THE OBSTACLES BECOME INSURMOUNTABLE.

ONE RESERVATION I WOULD STIPULATE, AND THAT IS, THAT ENOUGH CAPITAL BE ASSURED FOR PART #1 AND #2 - OR \$42,000.00.

RESPECTFULLY SUBMITTED YOUEL JAMES R.

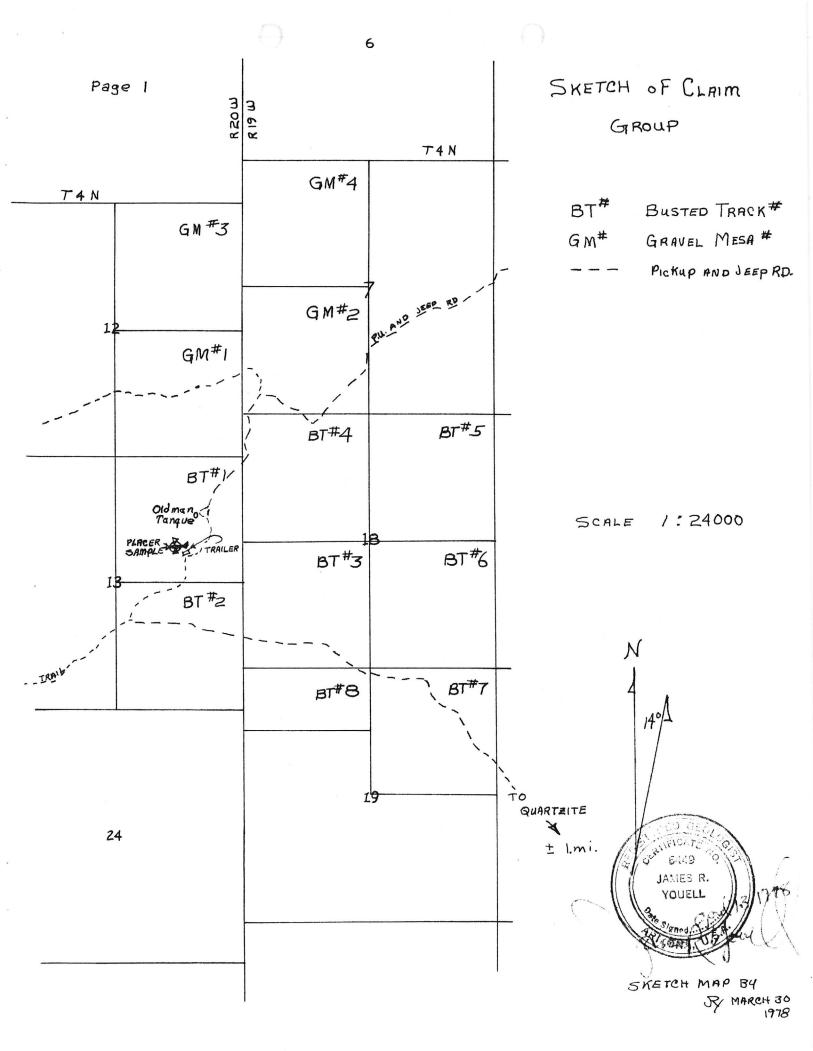
LOCATION

The twelve placer claims, Busted Track 1 - 4 and Gravel Mesa, 1 - 7, consist of 1840 acres. They are located 2.5 miles north westerly from Quartzsite, Arizona. Access is gained by driving west of the junction of highway 95 and the old I-10 to 59th Street, then north of 59th Street to the first left out of town (about 1/8 mile).

Follow this gravel road for approximately 2.2 miles until an aluminum trailer house is sighted. This trailer house was used as a base camp.

Quartzsite, Arizona, is located at the junction of Interstate Highway 10 and Arizona Highway 95, approximately 21 miles east of the Colorado River at Blythe, California.

The claims are posted, marked and recorded at the County Recorder's Office in Yuma County, Yuma, Arizona. The record are as follows:



SUMMARY OF CLAIMS:

| | · · · | | | | 2 S | |
|---|--|--|--|---|--|--|
| NAME | DOCKET | PAGE | AREA | SEC | TWP | RANGE |
| Busted Track #1 Busted Track #2 Busted Track #3 Busted Track #4 Busted Track #5 Busted Track #6 Busted Track #6 Busted Track #7 Busted Track #8 Gravel Mesa #1 Gravel Mesa #2 Gravel Mesa #3 Gravel Mesa #4 | 837 837 837 837 837 837 837 866 837 837 837 837 | 336 337 338 339 340 341 342 183 345 346 347 348 | 160 160 1 1 1 1 1 1 1 1 1 1 1 | $ \begin{array}{r} 13 \\ 13 \\ 18 \\ 18 \\ 18 \\ 19 \\ 19 \\ 19 \\ 12 \\ 7 \\ 12 \\ 7 \\ 7 \\ 12 \\ 7 \\ 7 \\ 7 \\ 12 \\ 7 \\ 7 \\ 12 \\ 7 \\ 7 \\ 12 \\ 7 \\ 7 \\ 12 \\ 7 \\ 7 \\ 12 \\ 7 \\ 7 \\ 12 \\ 7 \\ 7 \\ 12 \\ 7 \\ 7 \\ 12 \\ 7 \\ 7 \\ 12 \\ 7 \\ 7 \\ 12 \\ 7 \\ 7 \\ 12 \\ 7 \\ 7 \\ 7 \\ 12 \\ 7 \\ $ | 4N 4N 4N 4N 4N 4N 4N 4N 4N 4N 4N | 20W 20W 19W 19W 19W 19W 19W 20W 19W 20W 19W 20W |

These claims are valid and all required work for assessment has been done since the staking in December of 1974 and May of 1975. The 1840 acres of gravel appears to thicken to the east, how much will await proper testing.

Many shallow exposures on the west margin of the claims have been sampled with test pits. A bluff of 36 feet is formed on Gravel Mesa #2 claim, cut when the wash is running through Oldman Tanque. The eastern claims have or would appear to hold thicker sections of gravel where the Dome Rock Mountains slope into Tyson Wash. The drainage is southerly traversing La Posa Plain.

THE ROCKS

Primary source for the poorly indurated Graywacke, tertiary to recent gravels, is Quartz Diorite. Quartz Diorite makes up the bedrock exposures in the Dome Rock Mountains to the immediate west of the placer locations. The Quartz Diorite is intersected by numerous small Quartz veins from less than one inch to two feet or more.

Shear zones are common on the larger veins with progressive stages of injection of Quartz. Mineralization of native Gold, Iron Sulfides and traces of Copper Sulfate is found. The Copper Sulfate undoubtedly was due to Chalcopyrite mineral, which leaves a distinctive oxidized Gossan. The Copper was evidenced only in one outcrop about 100 yards west-northwest of the trailer house.

Scheelite, CaWO₄, a Tungsten ore mineral, was found in every sample panned and identified with a 2537A short wave UV lamp. The flourescence was blue-white, indicating low Molybdenum content.

SAMPLING

In the company of Mr. Paul Bauer and Mr. Harvey Cohen, I undertook a sight examination of the Busted Track and Gravel Mesa Placer Claims, which are located as described and recorded.

It was a misty Thursday, March 2, 1978. The lode or source area was examined and three samples were taken corresponding to the January 25 addendum - Locations #1, sample #2. .02 oz./ton, at Location #2 trace, at Location #5 a sample from the dump of vein material 2.4 oz/ton. At \$175./oz. that is \$3.50,trace, \$420.00 respectively. Assay reports included.

On March 26, 1978, it was considered appropriate to ascertain some properties of the placer gravel. Two holes were excavated, then volume calculated and the material screened. The first hole was near lode sample site #5. A small hole was dug containing .15yd³. The -1/2 fraction, $162.^{24\#}/ft.^{3}$ contained .07yd³ or 47% -1/2 fraction. The sample did not go to bedrock. No further testing.

Another sample hole was dug in the bench about 100 yards north west of the trailer. This sample is also referred to under "The Rocks".

The volume of the hole excavated from the side of a small prospect pit contained $.20yd^3$ The -4 fraction, $162.^{24\#}/ft.^3$ contained $.09yd^3$ or 45% -4 fraction.

From these two samples it was ascertained that approximately 60% of the bank run gravel can be scalped before further processing.

The sample from the test pit 100 yd north west of the trailer was processed in a mechanical rocker box.

The procedure was as follows:

Careful inspection of the system to be sure that all riffles and screens were clear and free from any extraneous matter or previously run samples.

Water system checked and working.

The weighed -4 sample fraction was run through rocker box.

The cleanup revealed the usual black sand, magnetite, specularite, native gold, native gold in quartz nuggets, scheelite.

The gold was separated from the dried cleanup sample, put under a microscope using tweezers and weighed using class S weights on a zero balanced chainamatic beam analytical scale. The results were as follows:

| Large nugget est. | .60% | 194.7 mg. | 116.82 mg. |
|--------------------|----------|------------|------------|
| Small nugget est. | .80% | 67.4 mg. | 53.92 mg. |
| On magnetite est. | | | 4.30 mg. |
| Fine free gold wei | | | 323.0 mg. |
| Fines not weighed | but obse | erved est. | 8.0 mg. |
| | | | |
| TOTAL GOLD | | | 506.04 mg. |

For conservative calculation purposes we will use only the free gold:

323 mg. = .323 g.

.323 g. (.03215) = .01038 oz. Au.

This sample represents:

 $\frac{.01038 \text{ oz}}{.20 \text{ yd.}}$ = .05192 oz. per yd.³ Au.

A brief explanation is due at this point. First, these local outcrop and shallow workings establish the presence of nearby gold placers; the outcrop and shallow workings in themselves are not economical at this point in time. It is the placer which is the primary interest.

Secondly, gold, a noble metal, is by character difficult to sample. Special procedures are in order. A bulk sample is necessary. If the gold is fine, and chances are good - (a pile of -10 mesh rock, say 100 lbs., well folded and quartered), that each quarter will contain the same value. For instance, the same sample with the same value in gold, but this time, instead of fine gold, have the gold in two nuggets, one twice the weight of the other. What will the assay be? If the

sampler should happen to combine two quarters that have no nuggets, results would be disappointing; but it would be equally disappointing if a combination brought both nuggets to the assayer and a value four times the true value, were recorded.

The character of the gold in the Dome Rock Mountains is for coarse clean gold nuggets along with finer particles. It will be necessary to require large bulk sampling techniques in the five to ten ton range in order to accurately evaluate the property.

While at the property, a prospector who was panning, with permission, reported finding two nuggets about two hundred feet up stream from Oldman Tanque. They were from 1/2 and 1/4 pennyweight respectively along with about 1/2 oz. of finer free gold.

HISTORY

In January, 1862, prospectors in the Dome Rock Mountains discovered gold seven miles east of La Paz, (just month of present day Ehrenberg, Arizona) in what was then termed El Arroyo De La Tenaja. (USGS bull. 451, H. Bancroft).

Nuggets weighing 47 oz. came from the claim of Don Juan Ferre along with many smaller one and two oz. nuggets. These records were not uncommon for the Dome Rock Mountains.

Due to the shortage of water, dry washers were in common use and much of the finer fraction was lost which tended to reinforce the coarse gold legend. It has been my experience that with careful wet concentrating the fine fraction is recoverable and more easily handled.

PLANNING

What to do with 1840 acres? Where to start? 1840 ac. x 43560 square feet/ acre x 3 feet = 8,905,600 yd.³. It is readily evident that more and careful planning be done to sample and ascertain the real value of these properties.

There are several approaches to sampling the 1840 acres. One approach might be the systematic approach; drill on 1,000 ft. grid pattern. Use a churn or Becker Hammer Drill with reverse circulation to cut contamination to a minimum. This is a very expensive process for drilling alone. Sampling and assaying will further raise the cost.

Placer mining has been traditionally a "poor man's" operation, where one person with a lot of work can prosper.

I am a bootstrap type thinker who originated on the Edinburgh side of the wall. This property could be very profitable if sampled and developed by stages.

There are three questions that require answers before intelligent planning can be undertaken.

Part 1. Gold - best first location, value present.
Part 2. Water - best location, quantities available.
Part 3. Mill - best location, type of mill.

Part 1. GOLD. A small but economic quantity can be found in the shallow overburden along the washes from Tyson Wash South, and in particular down stream from the known lode values.

This prospecting can be accomplished by a back hoe - loader, combined with a dump truck and 1 1/2 inch mesh slanted screen. At least four (4) such locations can be sampled and five yards of screen samples hauled to Quartzsite for testing from each location.

Estimated cost of first phase

| 1. | Back hoe loader @ \$25./hr., 12 hrs. | \$300.00 |
|-----|--|-------------|
| 2. | Dump truck @ \$30./hr, 6 hrs. | 180.00 |
| 3. | Logging holes Engr., and follow through mill | test 600.00 |
| 4. | Misc. supplies and expendable plastic tarps, | |
| | fencing for holes, clean up, labor | 800.00 |
| | 1 1/2 screen and frame | 300.00 |
| 6. | Misc. contingencies, property over runs | 1,000.00 |
| 7. | Report and engineering data | 600.00 |
| | | |
| EST | IMATED EXPENDABLES FOR FOUR TEST HOLES | \$3,780.00 |

The best location should be bracketed by three additional backhoe test pits which will block out reserves for proposed pilot mill. Reserve sampling \$2,835.00

| 8. | Mill test for 7 mill samples approximately 5 to | 10 |
|-------|---|-----------------------------|
| | tons each, 2 days @ 225./day | 450.00 |
| 9. | Labor for cleanup and sample prep. | 96.00 |
| 10. | Dead time for mill during cleanup 1/2 day | 112.00 |
| 11. | Assays of tails, head (after crusher but before | |
| | mercury plates) weighing and report | 1,000.00 |
| 12. | Plastic tarp and stockpiling protection | 300.00 |
| 13. | Armored car service 2./mi., 300 miles | 600.00 |
| 14. | Misc. and sundry contingencies | 600.00 |
| | , , | 000.00 |
| TOTA | L MILL TESTING | \$3,158.00 |
| | | φ σ , 1 50.00 |
| TOTAL | L PART I GOLD | \$9,773.00 |
| | | ψ,,,,, |

When the mill tests are complete and the best placer tonnages are blocked out it is time to begin preliminary mill plant design and water study development can proceed.

Part 2. WATER. The project is not off and running until sufficient water is available for mill operation and reclamation proposals. With the properties in such close proximity to Quartzsite, an intrinsic value for local retirement development should not be overlooked inasmuch as the water, a major expense, is still available after the mineral values are extracted.

Estimate of cost for water source

| 1. | Geologic investigation, field reconnaisance | \$600.00 |
|-----|---|------------|
| 2. | Geophysics field survey | 500.00 |
| *3. | Test borings using 6" down the hole hammer | \$8,000.00 |

| Pump test for water quantity and quality Pump and well casing with screens Pipe and surface system Written reports for state and local water evaluation considerations, | 15,000.00 |
|---|-------------|
| TOTAL PART 2. WATER | \$36,000.00 |

* An alternative to item 3 would be to lease with option to buy, a boring machine - Mobile B-80 with Atlas Copco ODEX system to be utilized for gravel exploration beyond the back hoe depth of 12 to 18 feet. The ODEX system is as reliable as Churn Drill Cased Holes, and penetration rates average 30 to 40 feet per hour. By the time we reach Part 2, a good reserve will justify the acquisition of particular pieces of equipment for installation of a mill water system and future deeper gravel prospecting.

Part 3. MILL. Mill location size and design cannot completely be committed until a dependable water supply is assured by pump testing, at which time, 30 to 40 days after sampling is begun, the mill design can proceed with "mucho gusto." The estimated expenses are left with many variables but for purposed of this report will be roughed out.

A pilot mill system to handle 500 yd. of bank run per day will scalp nearly 60%, leaving 200 yd. of -4 mesh material, to be screened, amalgamated, tabled, and the tailings stockpiled for future processing. Other processing systems such as jigging, sluice boxes, may offer higher recovery but water requirements could prove too great. Further testing of bank run gravels will provide an insite for mill design.

A pilot mill cost estimate

| 1. | Mill design and inspection, 60 days | 1 | \$12,000.00 |
|----|---|---|-------------|
| 2. | Electric plant (stand by 130% duty) | ÷ | 20,000.00 |
| 3. | Mill & equipment, used and repairable | | 85,000.00 |
| 4. | Holding ponds and dams | | 8,000.00 |
| 5. | Tailing handling system | | 15,000.00 |
| 6. | Outside systems repair shop | | 10,000.00 |
| 7. | Support vehicles 966 loader | | 130,000.00 |
| 8. | Support vehiclesp.u., trucks, motorpatrol | | 80,000.00 |
| 9. | Miscellaneous and contingencies | | 40,000.00 |
| | | | |

TOTAL ESTIMATE FOR MILL AND EQUIPMENT

\$400,000.00

JAMES R. YOUELL

A mill of this capacity should handle the bank run gravels for close to \$1.25/yard at projected inflation which converts to .625 cents/ton.

TOTAL COST UNTIL MILL STARTUP

| PART 1 PART 2 PART 3 Mill startup - permits, power, personnel, | \$9,773.00 36,000.00 400,000.00 |
|---|---------------------------------------|
| payroll for 30 days | 30,000.00 |
| ESTIMATED TOTAL INVESTMENT BEFORE RETURNS | \$475,773.00 |

These figures are intelligent estimates at this place in time. Many outside factors can destroy the balance. It all must start with an image and brought into final operation. Reclamation projects must be begun almost before the end of the first year so as to "grease the skids" to more rapid development of the GEOTO balance of the property. This will also influence parents proceed

Arizona Testing Laboratories

815 West Madison · Phoenix, Arizona 85007 · Telephone 254-6181

For Mr. James R. Youell Post Office Box 338 Wenden, Arizona 85357 Date

March 7, 1978

ASSAY CERTIFICATE

| LAB NO. | IDENTIFICATION | OZ. PE | RTON | PERCENTAGES | | | |
|---------|--|--------|--------|-------------|-----|--|--|
| | | GOLD | SILVER | COPPER | | | |
| 6378 | #2, Top of rise on surface vein of portal #1 | 0.02 | | | | | |
| | #3 150 yd. west of trailer pits | trace | 4 s | | | | |
| | #5 Showers | 2.4 | | | | | |
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Respectfully submitted, stered Ass ARIZONA TESTING LABORATORVES 1'0 6253 DE EUGENE Ø Claude E. McLean, Jr. ZONA

