



## CONTACT INFORMATION

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Phoenix, AZ 85007  
602-771-1601  
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[inquiries@azgs.az.gov](mailto:inquiries@azgs.az.gov)

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PRINTED: 10-25-2006

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: CARRY NATIONS GOLD MINES

ALTERNATE NAMES:  
CHASTAIN

LA PAZ COUNTY MILS NUMBER: 227

LOCATION: TOWNSHIP 5 N RANGE 12 W SECTION 28 QUARTER C  
LATITUDE: N 33DEG 44MIN 46SEC LONGITUDE: W 113DEG 30MIN 56SEC  
TOPO MAP NAME: HOPE - 15 MIN

CURRENT STATUS: PAST PRODUCER

COMMODITY:  
GOLD LODE  
SILVER

BIBLIOGRAPHY:  
AZBM FILE DATA  
ADMMR CARRY NATIONS GOLD FILE

#4

*JH copy*  
*W/ATTACHMENTS*

1 Jerry L. Haggard, SBN 002667  
2 JERRY L. HAGGARD, P.C.  
3 1248 East Victor Hugo Avenue  
4 Phoenix, Arizona 85022  
5 Telephone: (602) 863-1119  
6 Fax: (602) 863-1119  
7 Email: jhaggard@azbar.org

8 Attorney for Defendants Named Below

9 SUPERIOR COURT OF ARIZONA  
10 IN AND FOR THE COUNTY OF LA PAZ

11 INTERNATIONAL ENERGY and  
12 RESOURCES, INC.,

13 Plaintiff,

14 v.

15 SCOTT SPOONER, et al.,

16 Defendants.

No. CV 2004-0029

**THIRD SUPPLEMENTAL  
RULE 26.1 DISCLOSURE  
STATEMENT OF  
DEFENDANTS NAMED  
BELOW**

(Unclassified Civil)

17 Pursuant to Rule 26.1, Ariz.R.Civ.P., Scott Spooner, Linda Spooner and  
18 Spooner & Associates, Inc. ("Defendants") hereby submit their third supplemental  
19 Rule 26.1 disclosure statement.

20 Defendants reallege and incorporate herein all denials, allegations, defenses,  
21 and counterclaims contained in their First Amended Answer and Counterclaims to  
22 Plaintiff's Complaint. Defendants also incorporate herein all information contained  
23 in any of the parties' disclosure statements, answers to interrogatories, responses to  
24 requests for production of documents, responses to requests for admissions,  
25 correspondence, depositions taken in this action, and any motion, pleading, or any  
26 other document, item, or exhibit exchanged by the parties.  
27  
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1 Defendants make this third supplemental disclosure based upon the limited  
2 information available at the preliminary stage of this case. Plaintiff may have  
3 important information, materials, or documents which are currently unknown to  
4 Defendants.

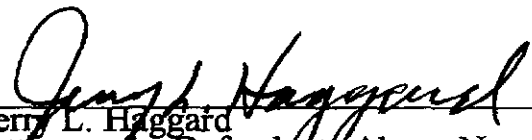
5 Part VIII of Defendants' First Supplemental Disclosure Statement is hereby  
6 supplemented by adding the following items thereto:

7 73. Complaint with ten attachments filed in the Arizona Corporation  
8 Commission, Securities Division, on February 23, 2005.

9 74. Letter dated February 15, 2005 from Scott D. Spooner to the Arizona  
10 Corporation Commission, Securities Division.

11 Dated this 24th day of February, 2005.

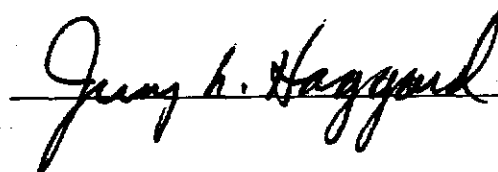
12  
13 JERRY L. HAGGARD, P.C.

14  
15   
16 Jerry L. Haggard  
17 Attorney for Defendants Above Named

18  
19  
20 **COPY** of foregoing mailed  
21 this 24th day of February, 2005,  
22 to:

23 Charles E. Cruise  
24 Cruise Law Offices, P.L.L.C.  
25 1301 Joshua Avenue, Suite C  
26 Parker, AZ 85344

27 W. Scott Donaldson  
28 Attorney at Law  
6868 North 7th Avenue, Suite 204  
Phoenix, AZ 85013



VERIFICATION

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STATE OF LOUISIANA        )  
PARISH of Calcasieu        ) ss.

I, Scott D. Spooner, the undersigned, declare:

I have read the foregoing Third Supplemental Disclosure Statement and am informed and believe that the factual information contained therein is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

(Signature Forthcoming)

\_\_\_\_\_  
Scott D. Spooner

SUBSCRIBED and SWORN to before me the undersigned Notary Public, this day of \_\_\_\_\_, 2005.

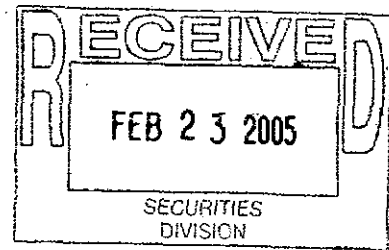
\_\_\_\_\_  
Notary Public

My Commission expires:

\_\_\_\_\_

**ARIZONA CORPORATION COMMISSION  
SECURITIES DIVISION**

**COMPLAINT**



1. YOUR Name: **Scott Spooner**  
Address: **503 Texas Eastern Road**  
City, State, Zipcode: **Ragley, LA 70657**  
Home Phone: **337/855-4517**  
Cell Phone: **337/515-0660** Fax: **702/975-2914**  
E-mail: **scottspooner@bellsouth.net**

2. Name of FIRM and/or PERSON complained against:

**International Energy and Resources, Inc. "IER"  
John Owen - CEO, Don Brown - President, Rachael Mathis -  
Vice President, Eric Monk**

Address: **3839 Briar Grove Lane #8206**  
City, State, and Zipcode: **Dallas, TX 75287**  
Phone: **214/387-4050** **866/543-4653**

Name of Stockbroker or Salesperson: **John Owen, Don Brown, Rachael Mathis,  
International Energy and Resources, Inc., Dale Miesen, Miesen Development  
Corp.<sup>1</sup>, Eric Monk**

3. Type of investment complained about (select all that apply):

Stocks  Bonds  Viaticals  Annuities  Promissory notes   
Mutual funds  Other (describe) **-Working interests in Chastain Mine**

4. Dates of investment transaction(s): **2000 to present**

5. Place of transaction(s); specify the states in which you and the salesperson were located at the time of the transaction: **Chastain mine property, La Paz County, Arizona; Italian Grotto Restaurant, Scottsdale, Arizona; Scottsdale Marriott Hotel, Scottsdale, Arizona.**

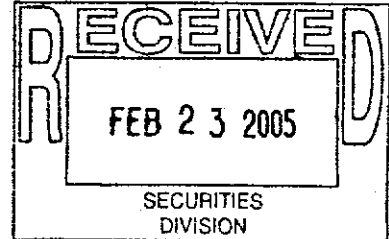
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<sup>1</sup> See Attachment 1 hereto.

*From the desk of Scott Spooner*

February 15, 2005

Arizona Corporation Commission  
Securities Division  
1300 West Washington  
Phoenix, AZ 85007



Re: International Energy and Resources, Inc.

Dear Sir or Madam:

Enclosed are the original and one copy of my Complaint regarding the illegal sales and offers to sell working interests in a mining property in La Paz County, Arizona described in the enclosed Complaint. Please call me if you have any questions regarding the enclosed Complaint. I will appreciate being kept advised of the progress of your investigation. I can be reached at (337) 855-4517.

Sincerely,

A handwritten signature in cursive script that reads "Scott D. Spooner".

Scott D. Spooner



ARIZONA CORPORATION COMMISSION  
WWW.CC.STATE.AZ.US

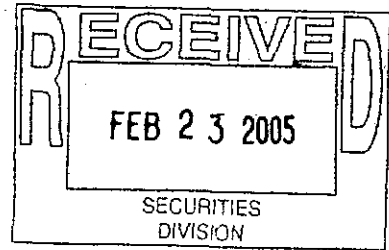
**MICHAEL A. SMEDINGHOFF**  
SPECIAL INVESTIGATOR  
SECURITIES DIVISION

1300 WEST WASHINGTON STREET  
PHOENIX, ARIZONA 85007  
IN-STATE TOLL FREE PHONE: (877) 811-3878

PHONE: (602) 542-0662  
FAX: (602) 594-7470  
EMAIL: ACCSEC@CCSD.CC.STATE.AZ.US

ARIZONA CORPORATION COMMISSION  
SECURITIES DIVISION

COMPLAINT



1. YOUR Name: **Scott Spooner**  
Address: **503 Texas Eastern Road**  
City, State, Zipcode: **Ragley, LA 70657**  
Home Phone: **337/855-4517**  
Cell Phone: **337/515-0660** Fax: **702/975-2914**  
E-mail: **scottspooner@bellsouth.net**
  
2. Name of FIRM and/or PERSON complained against:  
  
**International Energy and Resources, Inc. "IER"**  
**John Owen - CEO, Don Brown - President, Rachael Mathis -**  
**Vice President, Eric Monk**  
Address: **3839 Briar Grove Lane #8206**  
City, State, and Zipcode: **Dallas, TX 75287**  
Phone: **214/387-4050** **866/543-4653**  
Name of Stockbroker or Salesperson: **John Owen, Don Brown, Rachael Mathis,**  
**International Energy and Resources, Inc., Dale Miesen, Miesen Development**  
**Corp.<sup>1</sup>, Eric Monk**
  
3. Type of investment complained about (select all that apply):  
  
Stocks  Bonds  Viaticals  Annuities  Promissory notes   
Mutual funds  Other (describe) **-Working interests in Chastain Mine**
  
4. Dates of investment transaction(s): **2000 to present**
  
5. Place of transaction(s); specify the states in which you and the salesperson were located at the time of the transaction: **Chastain mine property, La Paz County, Arizona; Italian Grotto Restaurant, Scottsdale, Arizona; Scottsdale Marriott Hotel, Scottsdale, Arizona.**

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<sup>1</sup> See Attachment 1 hereto.



6. Witnesses to the transaction(s):  
**Robert Chastain, Russ Dugdale, Richard Austin, Tom Couste, Eric Monk, Dale Miesen**
7. Amount involved in transaction(s):  
**2% working interest for each \$1million invested with a minimum investment of \$50,000 for a .10% working interest**

8. Did you sign any papers or documents? Yes \_\_\_\_\_ No **X** (If Yes, please attach copies of them.)

9. How and when did you first learn about the investment identified in item 3? (For example, ad in newspaper, personal contact, materials in the mail, recommendation by an investment adviser, suggestion from a friend, etc.)

**Received two promotional brochures in 2001: "Offering in The Chastain Mine", Attachment 2; "The Chastain Mine Overview", Attachment 3.**

10. Have you complained to the Company or Firm? Yes **X** No \_\_\_\_\_

If yes, to whom? **Charles Cruise, IER attorney** When? **May 5, 2004**

What was the response?

**Denied that the working interests were securities or were sold or offered for sale within or from the State of Arizona.**

11. Have you contacted other government or regulatory agencies? Yes **X** No \_\_\_\_\_

If yes, provide name and address of agency, and the person handling your complaint.

**La Paz County Superior Court, International Energy and Resources, Inc. v. Spooner, CV2004-0029, 1316 S. Kofa Street, Parker, AZ 85344, Judge Michael J. Burke.**

12. Names, telephone numbers and/or addresses of any other known investors:

**Gary Horowitz, c/o Italian Grotto Restaurant, 3915 Scottsdale Road,  
Scottsdale, AZ 85251**

**Roger Carrington, 18 Ace Court, Fairfax, CA 94390**

**Noel McNulty, 6328 Monarch Drive, El Paso, TX 79912**

13. Does an attorney represent you regarding your investment described in item 3?  
Yes \_\_\_ No X **My attorney represents me in the litigation identified in  
item 11 above.**

If yes, provide attorney's name and address:

**Jerry L. Haggard, P.C.**

**1248 East Victor Hugo Avenue**

**Phoenix, AZ 85022 Phone: 602/863-1119**

14. Have you or any other victims filed a lawsuit against the company or individual  
identified in item 2? Yes \_\_\_ No X **IER filed a lawsuit against me and  
I have answered and counterclaimed against IER.**

If yes, provide name of state/county/case number/date. (Attach copies of court  
documents).

**See item 11 above. Attachment 4 is the IER Complaint. Attachment 5 is  
Spooner's First Amended Answer and Counterclaim.**

15. What were you told about the investment identified in item 3? Were any  
statements false? **YES -- The following statements made in the attachments 2  
and 3 hereto are false:**

a. **"IER took over [the Chastain Claims] in the late part of 2001."  
Attachment 2, page 5.**

b. **"probable reserves of 66,500,000 short tons at a value of \$2,289.00 per  
short ton give the property a value of \$152.2 billion." Attachment 2,  
page 8.**

- c. "[T]he total ore reserves of the areas we elected to start mining would be \$515,495,605." Attachment 2, page 10.
- d. "IER currently owns a 90% net revenue interest in 102 lode mining claims known as The Chastain Mine". Attachment 2, page 11.
- e. "Based on current geological studies the estimated return on the investment would be 25.76:1 after 10 years of production." Attachment 2, page 11.
- f. "Platinum, silver, copper and other valuable metals extracted with the gold could equal or surpass the value of the gold itself." Attachment 2, page 14.

g.

**"Economic Projections Year 1"**

"Profit	\$44,210,000.00"
"1 unit minimum investment (\$50,000.00) = (Attachment 2, page 14)	\$ 44,310.00"

**"Economic Projections Year 2"**

"Profit	\$44,310,000.00"
"Year 2 return minimum investment = (Attachment 2, page 15)	\$ 38,517.00"

**"Economic Projections Years 3, 4 and 5"**

"Profit	\$886,200,000.00"
"Return on minimum investment/yr (Attachment 2, page 15)	\$ 150,654.00

**"Return on Investment"**

**"Year 1-2"**

"Return on minimum investment	\$82,827.00"
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**"Year 3-10"**

"Return on minimum investment	\$1,205,232.00"
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**"Total Return"**

**"Minimum Investment of \$50,000.00"**

**" = \$1,288,059.00"**

**" = \$25.76:1 R.O.T."**

**(Attachment 2, page 16)**

- h. "IER took over [the Chastain Claims] in the late part of 2001".  
Attachment 3, page 5.**
- i. "Probable reserves of 66,500,000 short tons at a value of \$2,289.00 per ton give the property a value of \$152.2 billion." Attachment 3, page 8.**
- j. "[T]he total ore reserves of the areas we elected to start mining would be \$515,495,605." Attachment 3, page 10.**
- k. "IER currently owns a 90% net revenue interest in 102 lode mining claims known as The Chastain Mine." Attachment 3, page 16.**

**l.**

**"Economic Projections Year 1"**

<b>"Profit</b>	<b>\$7,694,400.00"</b>
<b>"1 unit minimum (\$50,000.00) receives</b>	<b>\$ 50,000.00"</b>

**(Attachment 3, page 17)**

**"Economic Projections Years 2&3"**

<b>"Profit</b>	<b>\$48,090,000.00"</b>
<b>"Return on Minimum investment/yr</b>	<b>\$ 40,876.50"</b>

**(Attachment 3, page 18)**

**"Economic Projections Year 4 & 5"**

<b>"Profit</b>	<b>\$961,800,000.00"</b>
<b>"Return on minimum investment/yr</b>	<b>\$ 163,506.00"</b>

**(Attachment 3, page 18)**

**"Return on Investment"**

**"Year 1-2"**

<b>"Return on minimum investment</b>	<b>\$131,753.00"</b>
--------------------------------------	----------------------

**"Year 3-10"**

**"Return on minimum investment**

**\$1,144,542.00"**

**"Total Return"**

**"Minimum Investment of \$50,000.00"**

**" = \$1,216,295.00"**

**" = 25.52:1 R.O.I."**

**(Attachment 3, page 19)**

- m. **Attachments 2 and 3 fail to disclose any risk to investors.**
- n. **Attachments 2 and 3 make untrue statements of material fact and omit to state material facts necessary (the statements made not to be misleading).**
- o. **The working interest securities described in Attachments 2 and 3 are not registered with the Arizona Corporation Commission Securities Division as required by law (See Attachment 6). The persons selling and offering to sell those working interest securities are not registered as brokers or sellers (See Attachment 7).**
16. Did you discuss with anyone your investment objectives and the amount of risk that was acceptable to you regarding the investment identified in item 3?  
Yes \_\_\_ No \_\_\_ - N/A
- If yes, please specifically describe to whom you spoke, when, and what you said.
17. Are you willing to sign an affidavit or testify regarding your transaction?  
Yes X No \_\_\_
18. Please explain the entire circumstances surrounding your complaint in the space provided below. If you need more space, attach another sheet of paper. It is important to include all detail about the transaction, no matter how unimportant you may think they are. Please be specific about names, dates, or documents. State what

part, if any, of the transaction occurred outside of Arizona. It is better to include too much information, rather than too little information. Describe the type of investment and any documents you received about your investment.

Scott Spooner, the undersigned, is a geologist who provided geologic services to IER on what IER refers to as the Chastain Mine in La Paz County, Arizona between 2000 and 2002. During that time I took mineral samples from the Chastain property, had them assayed and provided reports to IER, one of which is copied on page 18 of Attachment 2 and on page 22 of Attachment 3. I accompanied Roger Carrington and other investors on tours of the Chastain Mine property to explain the geology of the property and witnessed IER representatives offering to sell working interests to those investors. I terminated my services to IER in March 2003 because my invoices were not being paid.

IER filed suit against me, my wife and Spooner & Associates and others on March 10, 2004. Complaint, Attachment 4. Among the claims against Mr. Spooner and Spooner & Associates is the claim that Mr. Spooner has caused IER to have "experienced problems with investors who, in absence of the actions of Spooner, would otherwise have invested in [IER's] mining operation on the Claim [Chastain Mine]." Complaint, Attachment 4, ¶ 21. IER has claimed damages against me in an amount not less than the sum of \$1,000,000. Complaint, Attachment 4, ¶ 23.<sup>2</sup>

Ten mining claims (Robison 0, 4, 6, 7, 8, 9, 11, 12, 14, 15) that IER calls part of the "Chastain Mine" were conveyed by Robert Chastain to Scott Spooner by Quitclaim Deed dated February 13, 2003. Attachment 8. IER claims title to those Robison mining claims. Complaint, Attachment 4, ¶ 13. IER claims title to those Robison mining claims based on a verbal agreement with Mr. Chastain allegedly made in August, 2001. Attachment 9, which is an "Agreement Letter" dated October 8, 2003. Verbal agreements for the conveyance of lands or tenements are invalid unless they are in writing and acknowledged by the

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<sup>2</sup> Scott Spooner has asserted affirmative defenses to those claims against him for the reasons, among others, that any sales and offers to sell working interests in the Chastain Mine were illegal because those working interests are deemed securities which have not been registered with the Arizona Corporation Commission, are being sold and offered by dealers and salesmen who have not been registered as securities dealers or salesmen and are being offered and sold in violation of the Federal Securities laws. See First Amended Answer and Counterclaim, Attachment 5, ¶ 21.

grantor. A.R.S. ¶ 33-401. Furthermore, Mr. Chastain has disavowed any such conveyance to IER. Attachment 10. Nevertheless, IER misrepresented in Attachment 2, page 5, and Attachment 3, page 5 that IER "took over" the Chastain claims in late 2001.

It has become necessary to file Complaint in the Arizona Corporation Commission for three reasons. First, I know that many of the representations made in Attachments 1 and 2 are untrue or misleading and that unknowledgeable people are investing substantial sums in the Chastain Mine claimed by IER based on those misrepresentations or omissions of fact. Second, this Complaint is being filed to further confirm through findings of the Arizona Corporation Commission that the \$1 million claim that IER has made against me for allegedly interfering with sales of those working interests to potential investors is invalid because those sales and offers to sell are illegal. Third, I did not consent to my November 6th, 2001 letter being included in the promotional brochures, Attachments 2 and 3, and did not know that letter was included until I obtained those brochures in late 2001. That letter does not support IER's representations of ore reserves or values made in attachments 2 and 3 and identified in item 15 above. However, because my letter dated November 6, 2001 is included in the promotional brochures (without my consent), I am concerned that investors who may lose some or all of their investments may claim that I was a participant in IER's misrepresentations. Therefore, as part of this proceeding, I hope to establish that I did not approve of my letter being in Attachments 2 and 3 and that I did not approve those Attachments 2 and 3.

The person identified in Item 12 above are among those whom I believe have invested or have been offered to invest in the Chastain Mine and I believe there are other investors. However, IER has refused to disclose to me in discovery in the La Paz County litigation the names of those investors and potential investors with whom I allegedly interfered.

19. If your complaint is against a dealer or salesman, may the Securities Division send a copy of your complaint to the company or individual complained against?  
Yes X No \_\_\_\_\_
20. Declaration: I declare that the information contained in this complaint is true and accurate, to the best of my knowledge, and the information may be used to further

investigate the complaint. Note: A.R.S. § 41-1010 requires that a person disclose the person's name to the agency when reporting an alleged violation of the law.

Name: **Scott Spooner**

Date: **February 11, 2005**

Signature: *Scott D. Spooner*



## **LIST OF ATTACHMENTS**

1. Miesen Participation Agreement (unsigned).
2. Offering in the Chastain Mine.
3. The Chastain Mine Overview.
4. Complaint.
5. First Amended Answer and Counterclaims.
6. Nonregistration Certificate of IER.
7. Nonregistration Certificate of Chastain Mine.
8. Quitclaim Deed dated February 13, 2003.
9. Chastain Agreement Letter dated October 8, 2003.
10. Chastain Statement dated September 7, 2004.

**ATTACHMENT 1**

PARTICIPATION AGREEMENT

Between: Dale Miesen or Miesen Development Corp. (hereinafter "**Miesen**")

And: International Energy and Resources, Inc. (hereinafter "**IER**")

THIS PARTICIPATION AGREEMENT  
(the "**Agreement**") is made effective on March \_\_\_\_, 2002

**BETWEEN: Miesen**, of Grapevine, Texas, PARTY OF THE FIRST PART,

**AND: IER**, of Dallas, Texas, PARTY OF THE SECOND PART.

**WHEREAS** the parties hereto wish to enter into transactions concerning certain confidential and sensitive financial transactions utilizing proprietary contacts, technical, strategic information, or other special and valuable information, and have signed a non-circumvention and non-disclosure agreement thereto, which shall be enforceable with this agreement;

**WHEREAS** IER is desirous of receiving financial backing (funds) to capitalize "Chastain" and/or other claims for the purpose of mining noble metals;

**WHEREAS** Miesen has a desire to enter into this Agreement to bring said funds to IER and to have exclusive assignment of certain claims for the purpose of utilizing them for financial leverage and/or "asset trading programs";

**IT IS HEREBY AGREED AS FOLLOWS:**

1. IER shall, upon receipt of funds from Miesen and/or associates or investors, pay Miesen a commission of five percent (5%) of said funds and irrevocably assign Miesen a ten percent (10%) equity share in proportion to the amount of equity share that said funds shall purchase by way of the "private offering" of IER pertaining hereto.
2. Miesen shall retain the right to charge investors additional funds for the costs and or other fees or commissions associated with their efforts in this respect, and/or in their efforts to arrange for financial transactions associated with the utilization of certain assigned ore or property claims/assets referenced herein.
3. The parties hereto agree that they shall keep totally confidential any and all names, telephones, telex or facsimile numbers and promises not to disclose to any other party any matters arising between the parties hereto, and promises not to disclose to any other person or entity any such information without the written permission of the other party, unless it has been agreed to inherently in this or other written agreements duly signed by both parties. This Agreement shall become effective upon its execution by the Recipient (hereinafter referred to as the "Effective Date"). Notwithstanding any provisions herein to the contrary, the Recipient's obligations under this Agreement shall continue for a period of three (3) years from the Effective Date or such longer period established by active

participation by Miesen in raising funds, utilizing assets hereto, or other business transactions for the mutual benefit of IER.

4. Should any provision of this Agreement be determined to be unenforceable or prohibited by any applicable law or treaty, which shall then be inoperative, the remaining provisions shall be valid and binding.
5. This Agreement shall ensue to the benefit of, and be binding upon the parties and their respective successors, heirs and assigns.
6. This Agreement shall be governed by and interpreted in accordance with the laws of the United States of America. Any disagreement or dispute herein, shall be finally resolved by either party pursuing any available right or remedy in a court of competent jurisdiction within the United States of America. This Agreement contains the entire understanding between the parties hereto relating to the subject matter hereof and supersedes all prior and collateral communications, reports, understandings and agreements (if any) between the parties.

[Remainder of this page intentionally left blank.]

**IN WITNESS WHEREOF THIS PARTICIPATION AGREEMENT, the "Agreement", was executed by the parties below in Dallas, Texas, County of Dallas:**

**Miesen Development Corp. ("Miesen") (Party of the First Part)**

Address: 2701 Whitby Lane, Grapevine, TX 76051

\_\_\_\_\_  
Signature of Authorized Officer ) Office Held: President

Signed on \_\_\_\_\_, \_\_, 2002:

\_\_\_\_\_  
)  
(Name of Witness in block letters.)

is affixed in accordance with its articles of association or incorporation in the presence of:

\_\_\_\_\_  
)  
Signature of Witness

\_\_\_\_\_  
)  
Office Held:

\_\_\_\_\_  
(Notary, if any)

**International Energy and Resources, Inc. ("IER") (Party of the Second Part)**

Address: \_\_\_\_\_, Dallas, TX \_\_\_\_\_

\_\_\_\_\_  
Signed on \_\_\_\_\_, \_\_, 2002

\_\_\_\_\_  
Signature of Authorized Officer ) Office Held: \_\_\_\_\_

\_\_\_\_\_  
)  
(Name of Witness in block letters.)

is affixed in accordance with its articles of association or incorporation in the presence of:

\_\_\_\_\_  
)  
Signature of Witness

\_\_\_\_\_  
)  
Office Held:

\_\_\_\_\_  
(Notary, if any.)

**ATTACHMENT 2**

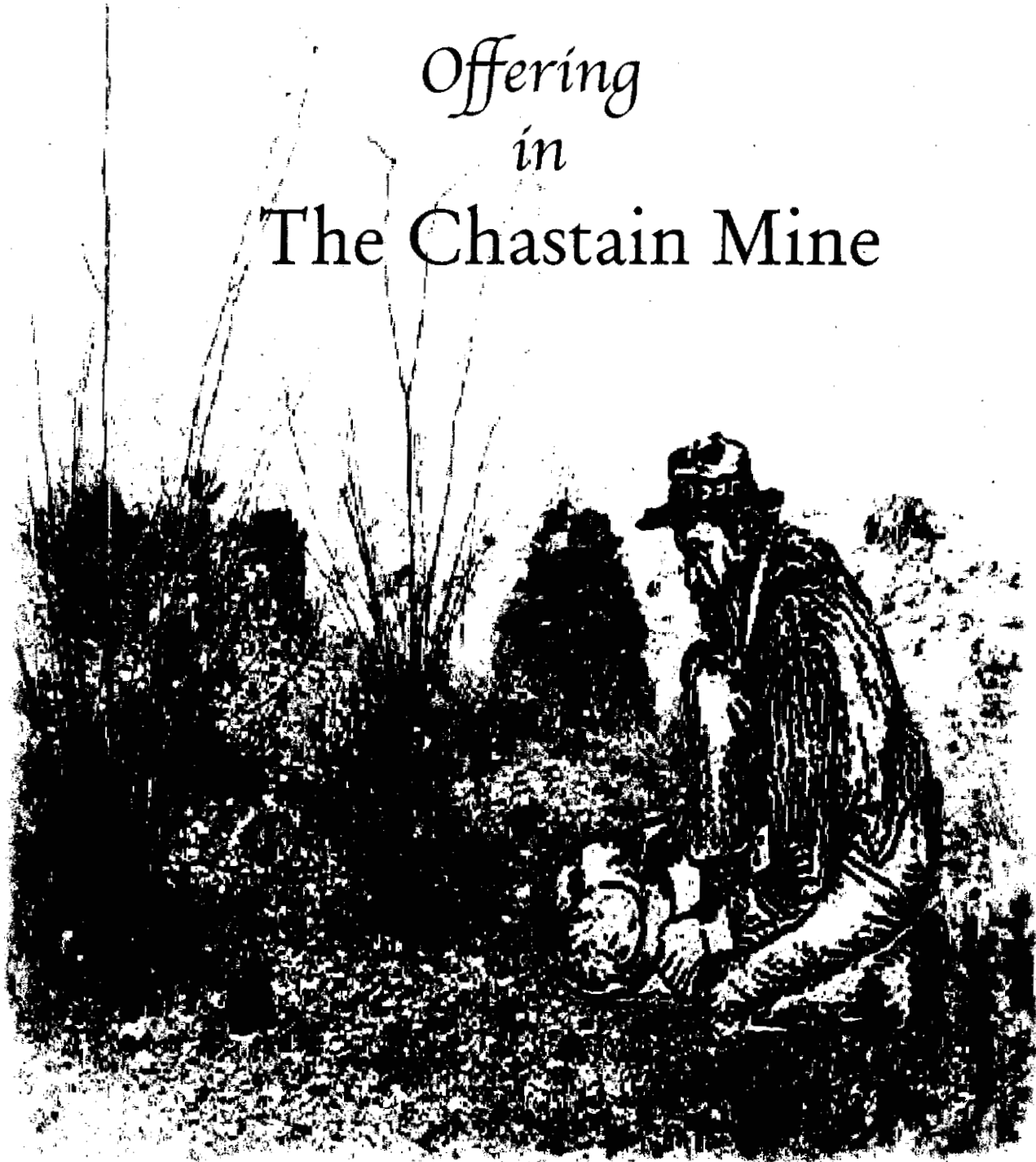


*International Energy and Resources, Inc.'s*

*Offering*

*in*

**The Chastain Mine**





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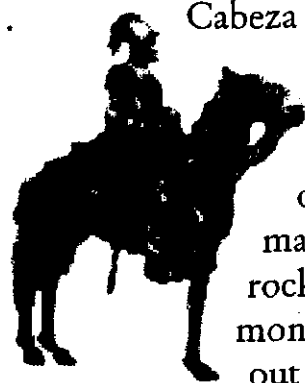
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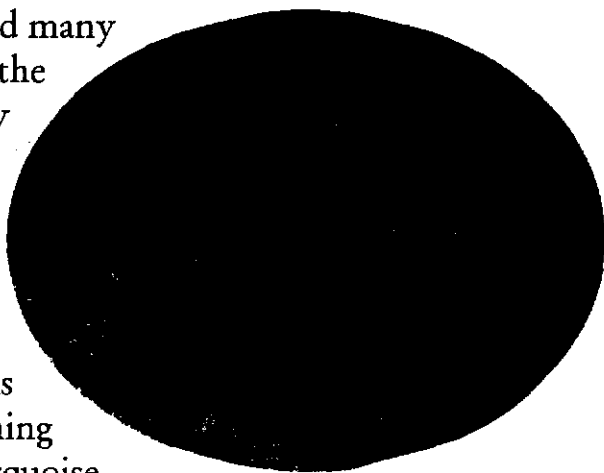


# History

The Chastain Mine consists of 102 lode mining claims in the Ellsworth Mining District, La Paz County east of Salome, Arizona. It is a property rich in history with evidence of exploration dating back to the time of the Spanish gold conquests in Arizona.



Cabeza de Vaca's fabled Cities of Gold led many Spanish explorers to the area in the 1500's through 1700's. Many Spanish explorers reported areas of rich mineralization and would mark these areas with stacks of cut rock. These historical rock piles, monuments, can be found throughout the Chastain property. There is also evidence in La Paz County of mining by the local Indians for hematite, cinnabar, and turquoise.

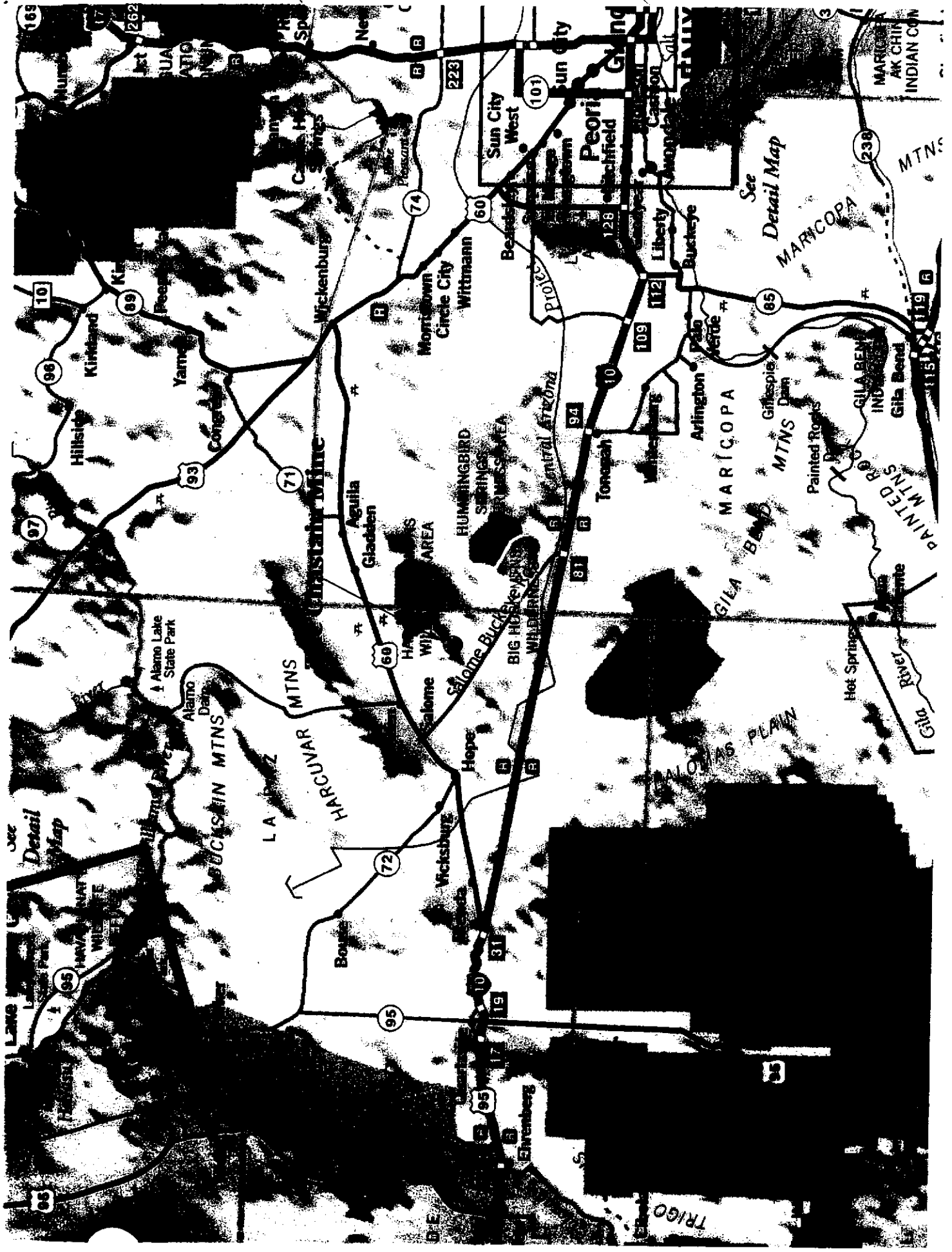


## *Spanish Monument Chastain Mine*

In the 1800's gold prospectors used long wooden claim stakes with metal tobacco cans attached to them. In these cans they would leave messages to fellow miners and stake to their claim. These claim stakes are found on the Chastain Property. Modern exploration began in the area in 1861 with Arizona's first gold rush along the Gila River (near Yuma). In 1862 the La Paz placer deposits were discovered by Paulino Weaver along the Colorado River. Joseph Rutherford Walker led a party of 30 prospectors into the area in 1863 along the Hassayampa River where numerous gold finds were made including the famous Rich Hill Strike. It is said that one member of the party went looking for a strayed burro and found gold, giving proof to the local saying that "any stupid ass" can find gold. What is unusual about the Rich Hill strike is that there was so much gold in the cracks and crevices that the prospectors were able to dig it out with knives and spoons. More than half a million dollars in gold was produced from the deposit.



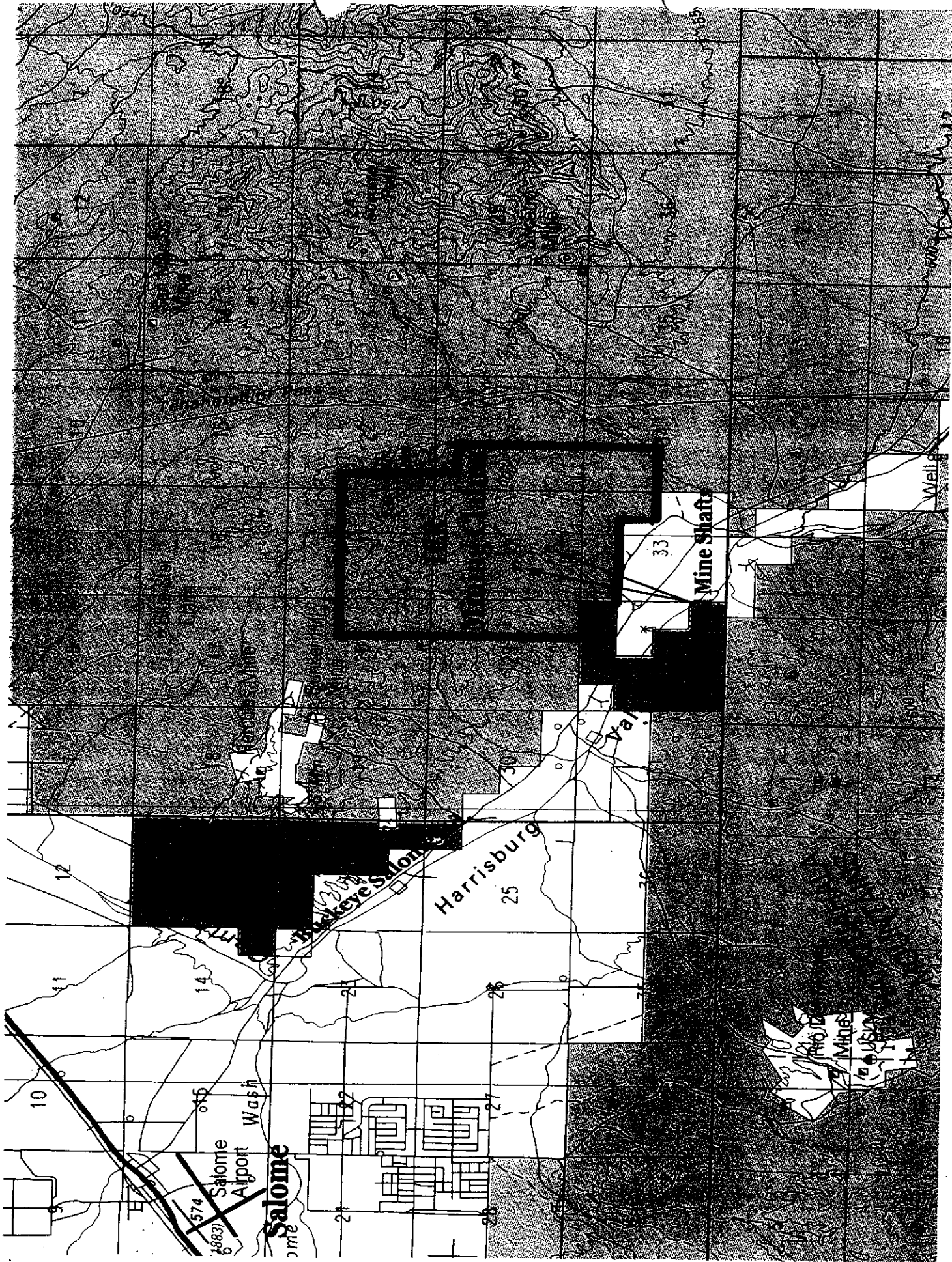
## *1800's Claim Stake*

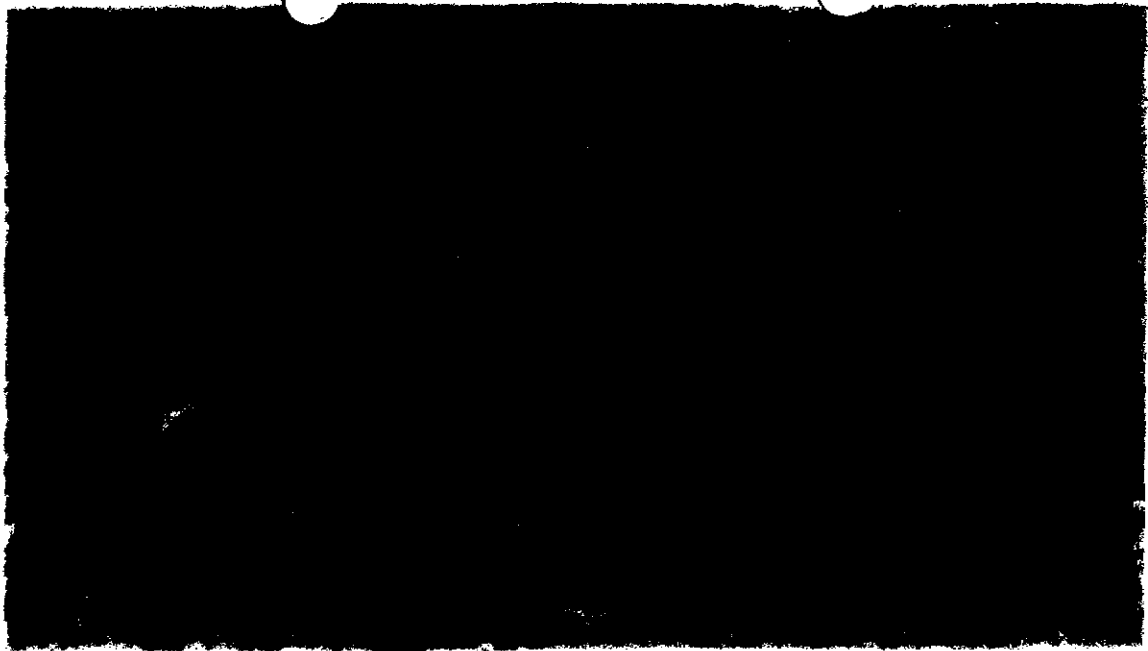


See Detail Map

See Detail Map

TRIGO





### *Old Rock House*

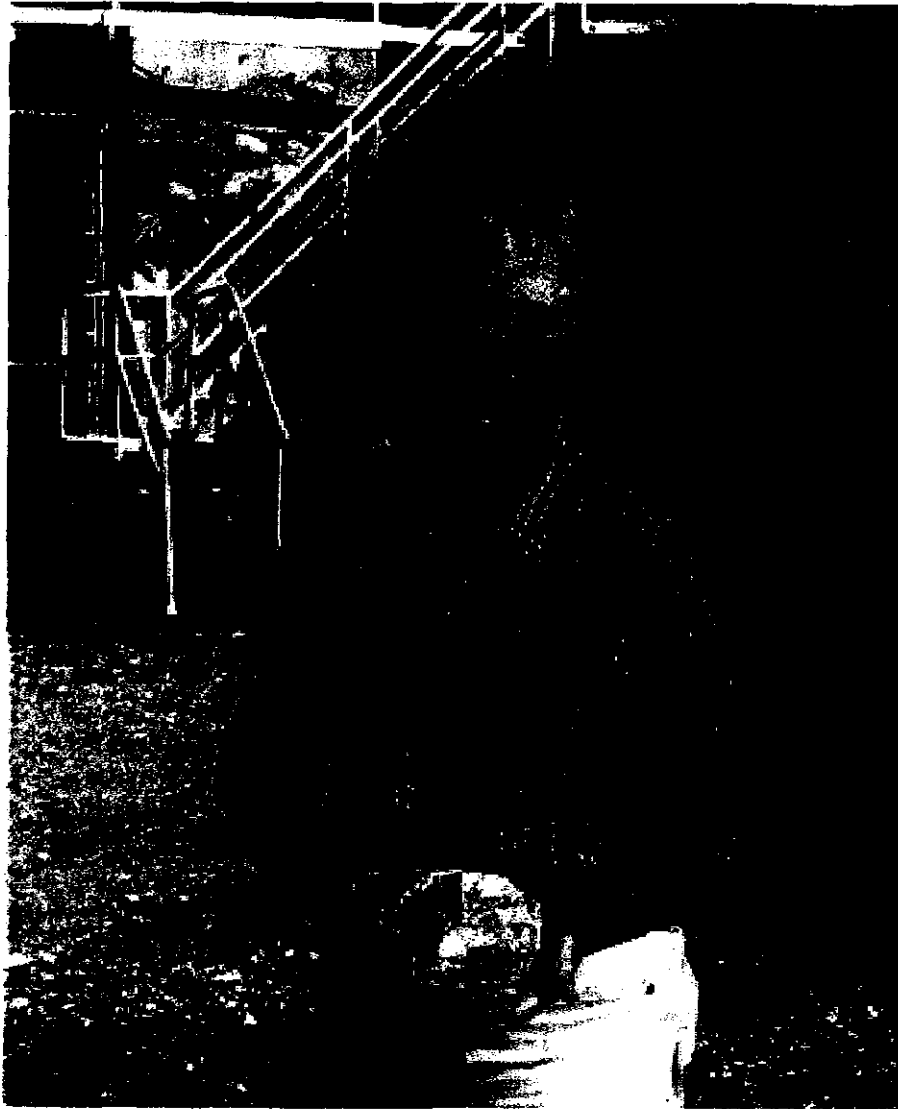
There are numerous adits and mill sites as well as an old rock house that show that the Chastain Property has been mined consistently throughout the 1800's to the 1900's. In the early 1900's Sam Robison mined the area, which is now International Energy and Resources, Inc. (IER) claims #3 - #5, #8 - #12, #14 - #18, #20-#24, #26-#30, #32-#35, #37-#40, #42-#45, #47-#49, #52, and #53. Some time after Robison mined the property Robert Chastain interviewed one of Robison's surviving daughters, Alice. She recalled carrying buckets of ore down to our house for father to process and sell. He made \$43 a week when at the time the average household made only \$16 per week. She also recalled her father driving to El Paso with 12 tons of ore, and returning with \$3,800, using part of the money to buy us all new shoes. At that time gold was selling for \$34 per ounce, making a value of 9 ounces per ton (opt).



*Old Mill Site*

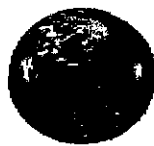


*Old Mill*



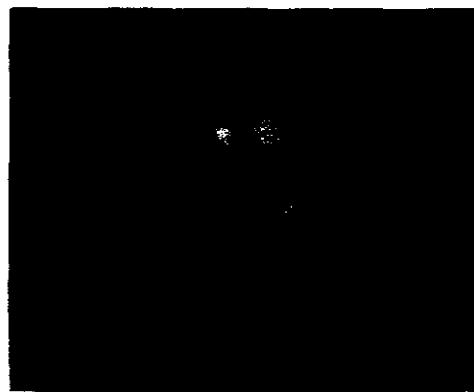
*Robert Chastain*

With this knowledge Mr. Chastain set up a mill site and a leaching pad. Assays of up to 6 opt were found by Mr. Chastain. He continued to mine the property until 1999. Mr. Chastain maintained the claims until IER took over in the late part of 2001. Robert Chastain has over 50 years of experience in the mining industry in Europe and the United States. Lack of funding has prevented him from fully developing this property. He believes that this property could well be the largest gold mine in the U.S.



# Geological Survey

The Chastain mine area is part of the Basin and Range Physiographic Province. This is best described as north to south trending mountain ranges with intervening valleys resulting from regional extensional tectonics. According to the US Bureau of Mines, this general area has been subjected to detachment faulting. The movement of the detachment fault causes the rocks on the upper plate to become severely fractured and brecciated making them ideal conduits for mineralized fluids. Mineralization and alteration occurs in the severely fractured and brecciated rocks over the entire claim's group. Hematite mineralization is found on the property in quartz veins and pods of brecciated quartz. A four-foot wide quartz vein continues through the property and outcrops over 0.5 miles just north of the claim group boundary. This vein has hematite filled pockets carrying visible free-milling gold. The gold and platinum group metals readily occur with the hematite, pyrite, and chalcopyrite mineralization. Visible gold is not uncommon in samples from the site. In the fall of 2001 IER conducted assays that were panned for free gold. All samples revealed free milling gold in sizes ranging from .3mm to .5mm.



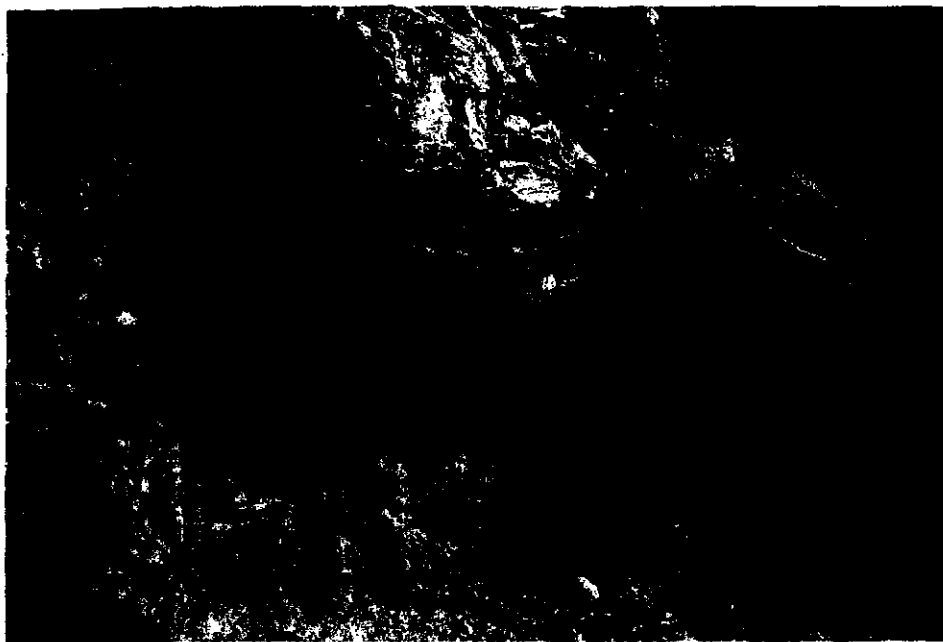
*Fire Assay*



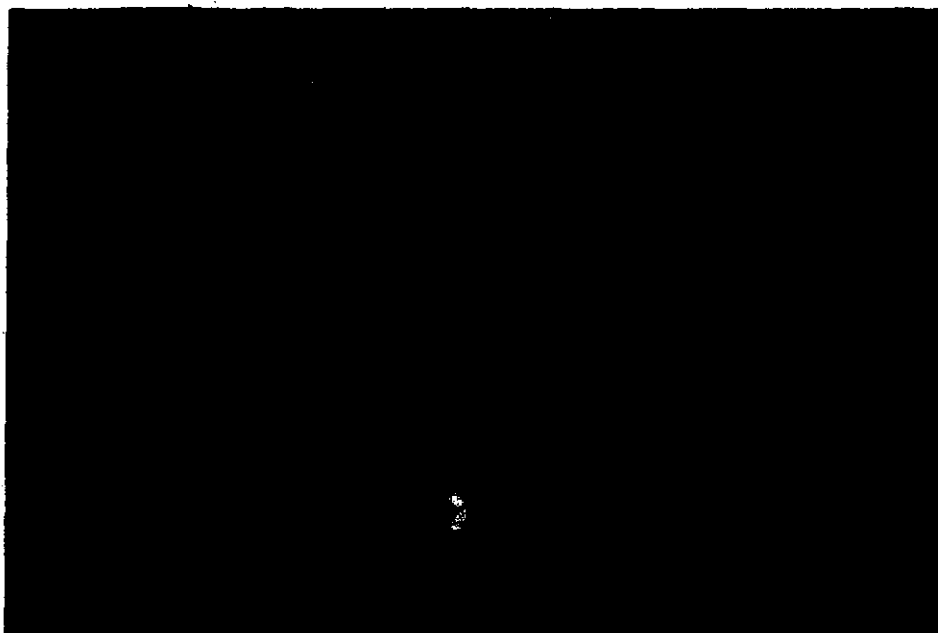
*Buttons  
Chastain fire assay*

In 1988, Mr. Chastain conducted a cyanide leaching project. The recovery of the precious metals from leaching was minimal; however, 280 ounces of gold were shipped to Handy and Harman refineries. Another pilot project was conducted in 1992. Mr. Chastain milled 300 tons of

ore in a ball mill and passed it over a Wilfley concentrating table. Gold became visible as the Wilfley table gravity separated the precious metals from the gangue. The gold appeared as a shining solid thin line on the table's edge.

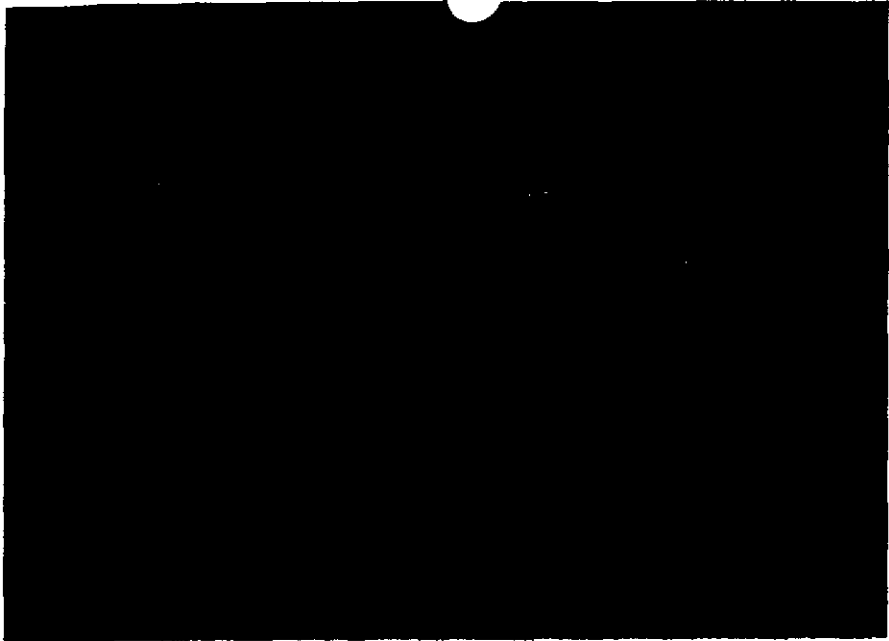


*The Upper Pit Adit and Vein*



The property has undergone extensive mineral exploration. The entire area contains numerous roads and dozer cuts exposing mineralization. A large pit was excavated to remove approximately 50,000 tons of ore for processing. In the mid 1980's an exploration drilling program, consisting of twenty-five drill holes, was con-

ducted on the claims. These holes were drilled by a reverse circulation air rotary drill to a depth of approximately 200 feet. All drill holes intersected mineralized zones. In 1986 a magnetometer survey study, which extended beyond the boundary of the mining claims, was conducted on the property. The resistivity readings of this survey revealed the presence of a massive subsurface body of ore that was highly mineralized.



IER has conducted extensive testing during 2001 to define the extent and quality of the ore on the site. Research, geological surveys, and blasting were successful in proving the value of the property. Blasting was used to test mineralization. This was conducted at three locations. Assays from these areas ranged from 6 ounces per ton to .03 ounces per ton. Based upon assay data, the probable reserves of 66,500,000 short tons at a value of \$2,289.00 per ton give the property a value of \$152.2 billion.

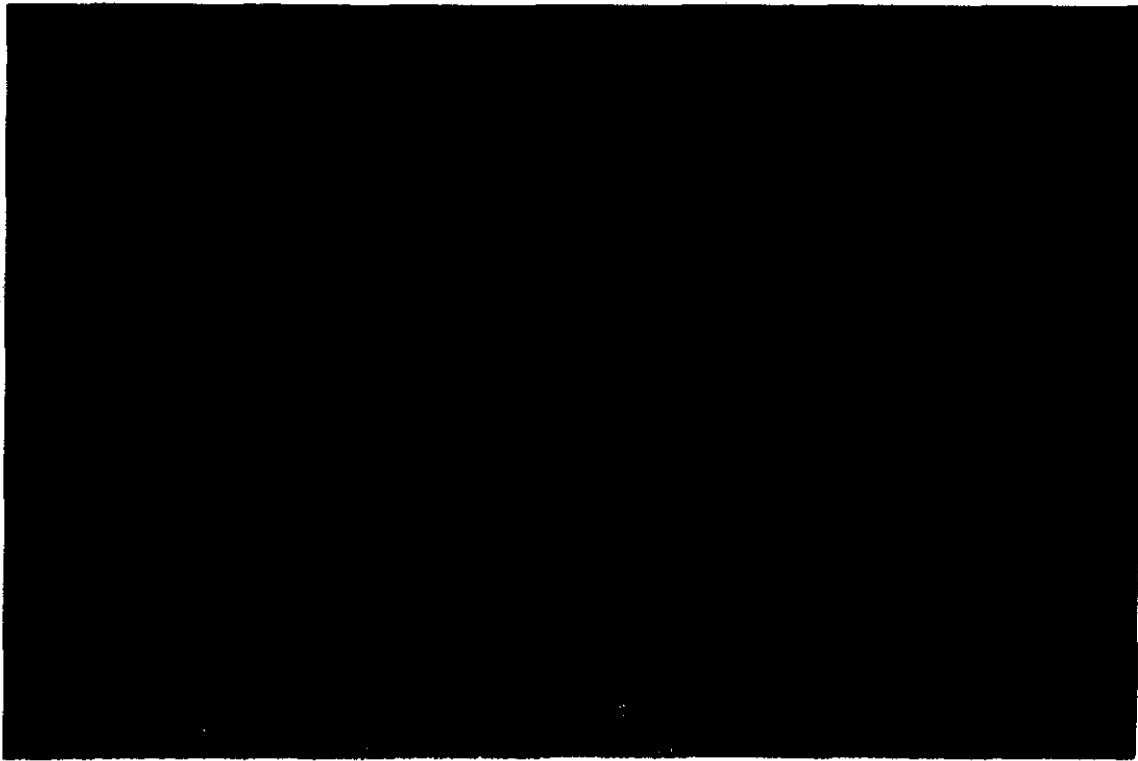
*IER's blast of the Upper Pit*



*IER crushing ore  
in preparation for assays*

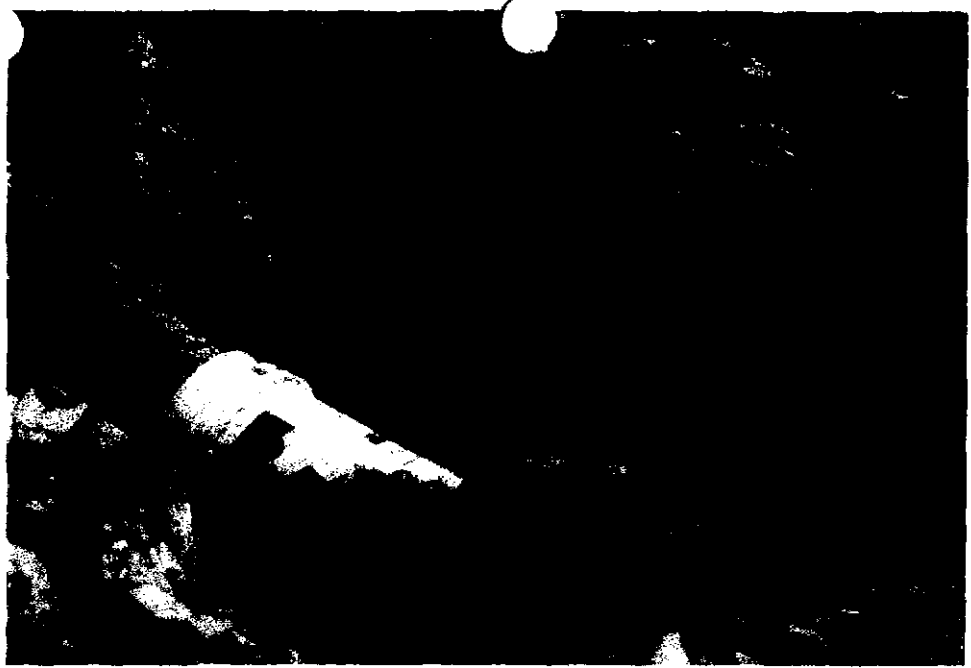


There are numerous adits and shafts on the Chastain property. IER elected to start with the following areas because of the existing work that had been performed and the accessibility. The Upper Pit has measured and indicates reserves of 213,333 tons with an average gold of 1.34 opt giving a total of 285,866 ounces. The average silver is .38opt giving a total of 81,067 oz. The combined total value is \$83,265,941.00. At the Lower Pit the measured and indicated reserves are 162,963 tons with an average gold of .81 opt, giving a total of 132,000 oz of gold. The average for silver is 1.1 opt with a total value of 179, 259 oz of silver. The combined value for the Lower Pit is \$39,086,665.00.



*Lower Pit*

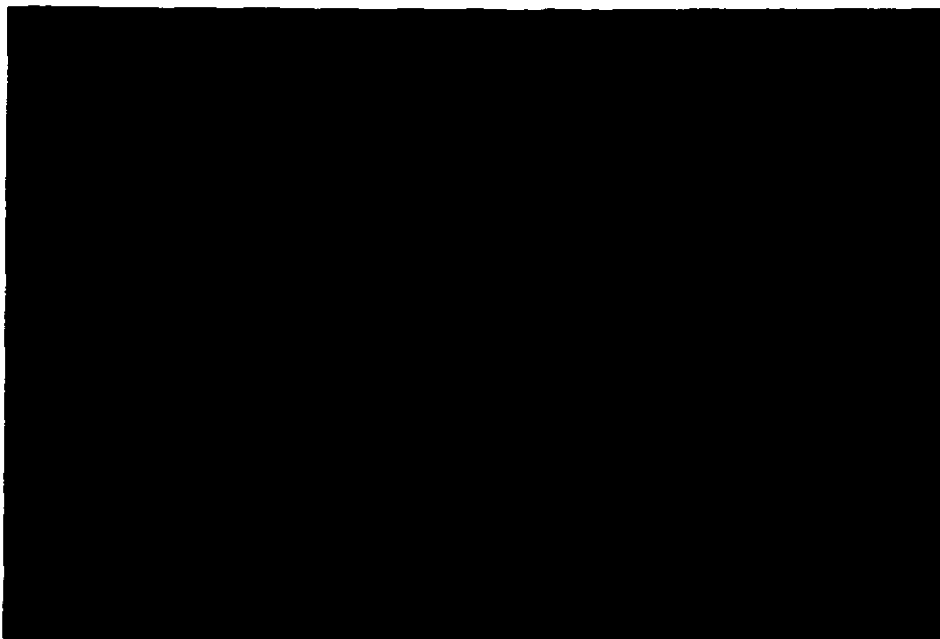
The West Vein, The Owl Vein, The Roger Vein, and the crushed ore pile have a combined total of 304,301 tons of ore with an average gold of .53 opt, giving a total of 160,650 oz. The average Silver for the four areas above is .10 oz per ton, giving a total of 29,707 oz. The total value of these four areas is \$46,709,131.00. In addition there is a stockpile of ore with a total of 50,000 tons. The 1000-ton pile of crushed ore was taken from



*West Vein Adit*

this 50,000-ton pile. The average of gold is .33 opt giving us a total of 16,500 oz of gold. The average for silver is .06 opt for a total of 3,000 oz of silver. The combined total value of this 50,000-ton pile is \$4,798,500.00. The totals for all the indicated areas are 594,971 oz of gold and 293,033 oz of silver. Using \$290 per oz for gold and \$4.50 per oz for silver, the total dollar value of ore reserves is \$173,860,238. However we found that if different fluxes were used during the assaying we had an increase of 175 - 418 % in values. If the conservative amount of 175% is used the increase in value of reserves would be \$309,255,416. If the higher percentage is used the increase in value ore reserves would be \$726,735,794. If the two are averaged the total ore reserves of the areas we elected to start mining would be \$515,495,605. Once IER has completed the first 60 days of the pilot operation we will be able to tell how many tons of recoverable reserves there are. It is also important to understand that the assays performed on the seven locations were done using material

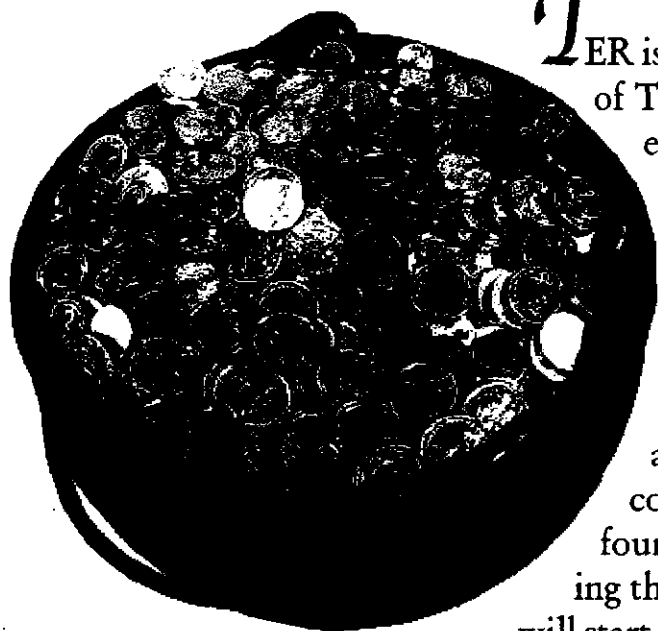
around 20 and 60 mesh. A report done by Seth Properties LLC shows that ore ground down to -150 mesh from -80 mesh sizes to determine what size has the best recovery.



*Inside West Vein Adit*

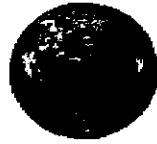


# International Energy and Resources, Inc. Offering



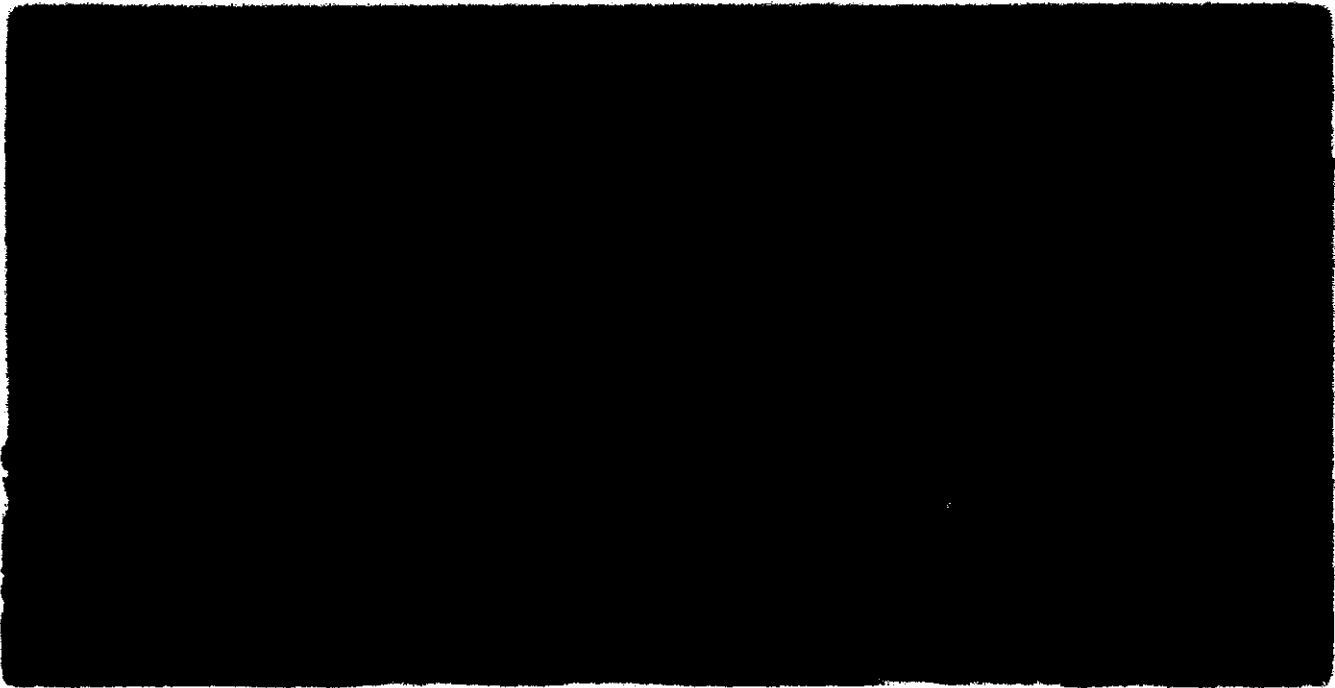
**I**ER is a company incorporated under the laws of the state of Texas. IER currently owns a 90% net revenue interest in 102 lode mining claims known as The Chastain Mine. IER is offering a 2% working interest for 1 million dollars to accredited investors with a minimum participation of .10% interest for 50 thousand dollars. IER will hold a 15% back-in interest after investor receives their full investment. IER intends to start a pilot project in the spring of 2002, and will run it for approximately 30-90 days. After completion of the Pilot Project and from the results found IER will determine the best method of processing the ore for commercial production. At this time IER will start building a plant to process 1,000 tons of ore per day.

This is expected to start in the third quarter of 2002 and be completed by the middle of the fourth quarter of 2002. IER will operate the 1,000 ton a day plant for two years. In years 3, 4 and, 5 IER will increase production to 20,000 tons per day. At this time the 1 million dollar interest will reduce to .4%. From the geological studies done it is anticipated to take a minimum of 20 years to mine the existing ore reserves at a rate of 20,000 tons per day. However it is likely due to the size of the property and as more geological studies are completed the life of the project is anticipated to exceed 50 years. Based on the current geological studies the estimated return on the investment would be 25.76:1 after 10 years of production.

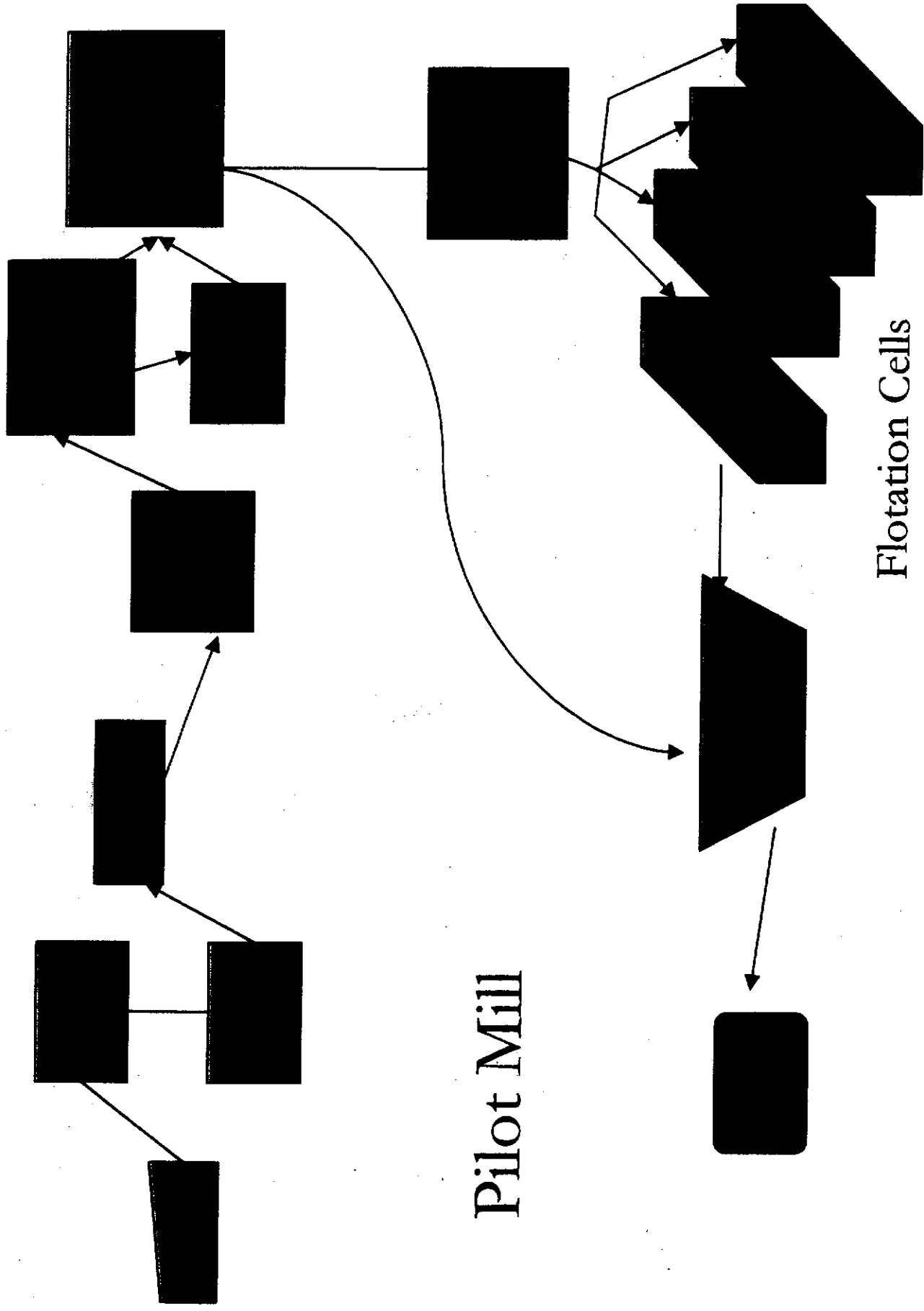


## Use Of Funds

**I**ER has negotiated the purchase of 7 acres of private land adjacent to mining claims. It is IER's intention to place 4 buildings and a pilot operation on this property. The buildings will be used for an office, a lab, and housing for onsite personnel. IER will drill holes over most of the claims area for the purpose of defining ore reserves and to determine which area of claims has the richest gold concentrations. While we are drilling and sampling these areas we will run the pilot operation to prove recovery and best method of recovery for these defined reserves. This operation will be used continually throughout the entire exploration of the Chastain Mine. With the latest technology available and continued exploration of the property we anticipate finding the strongest concentration of ore and developing the most economic method for mining and extracting the gold and silver.



*Example of Pilot Mill*



Pilot Mill

Flotation Cells



## *Economic Projection*

**I**t is anticipated that gold prices and demand will increase but we will use the same price for the purpose of economic projections. Platinum, silver, copper and other valuable metals extracted with the gold could equal or surpass the value of the gold itself but are not included in the stated projections. An average of .7 oz/ton has been calculated for the Chastain Mine site. See Geological Survey section for details. Gold at \$290/oz is assumed throughout the projection. An initial cost of \$50/oz for operating expenses is used for year one through five.

### *Economic Projections Year 1*

1,000 tons/day x 300 days = 300,000 tons	
300,000 tons x .7 oz. gold/ ton = 210,000 oz. of gold	
210,000 oz. gold x \$290/oz. = \$60,900,000.00	
\$60,900,000.00 x 90% N.R.I.	\$54,810,000.00
Cost	
210,000 oz. of gold x \$50/oz. =	-(10,500,000.00)
Profit	\$44,310,000.00
1 unit minimum investment (\$50,000.00) =	\$44,310.00

## *Economic Projections Year 2*

1,000 tons/day x 300 days = 300,000 tons	
300,000 tons x .7 oz. gold/ ton = 210,000 oz. of gold	
210,000 oz. gold x \$290/oz. = \$60,900,000.00	
\$60,900,000.00 x 90% N.R.I.	\$54,810,000.00
Cost	
210,000 oz. of gold x \$50/oz.	-(10,500,000.00)
Profit	\$44,310,000.00
1 unit minimum (\$50,000.00) =	\$44,310,00.00
Year 1 and 2 return on minimum =	\$88,620.00
Investor's investment (\$50,000.00)	
Amount back-in interest will be held on	\$38,620.00
-15% back-in interest	(\$5,793.00)
<i>Year 2 return minimum investment</i>	<i>\$38,517.00</i>

## *Economic Projections Year 3, 4, and 5*

20,000 tons/day x 300 days = 6,000,000 tons	
6,000,000 tons x .7 oz. gold/ to = 4,200,000 oz. of gold	
4,200,000 oz. gold x \$290/oz. = \$1,218,000,000.00	
\$1,218,000,000.00 x 90% N.R.I.	\$1,096,200,000.00
Cost	
4,200,000 oz. of gold x \$50/oz. =	-(210,000,000.00)
Profit	\$886,200,000.00
Investor's investment -(\$50,000.00)	\$177,240.00
-15% back-in interest	(\$26,586.00)
<i>Return on minimum investment/YR.</i>	<i>\$150,654.00</i>

Return on Investment

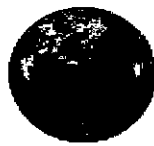


Year 1-2  
Return on minimum investment  
\$82,827.00

Year 3-10  
Return on minimum investment  
\$1,205,232.00

Total Return  
Minimum Investment of \$50,000.00  
= \$1,288,059.00  
= 25.76:1 R.O.I





## *Chastain Mining Team*

Scott Spooner is a registered professional geologist with 20 years mining experience in government and private industry. His work involved environmental planning, development implementation, and regulatory compliance of major land use projects on public lands. Eleven of the years were with the Bureau of Land Management as a permit reviewer and writer. His major duties were development of the Environmental Impact statements required by NEPA. Mr. Spooner spent the past ten years as a consulting geologist and project manager in mining exploration, permit acquisition, and mine closure reclamation. He holds degrees in Geology, Wildlife Science, Range Science and Biology.

Robert A. Chastain has been in the mining industry for over 50 years. He has been recognized by his peers in Utah, Germany, Alaska, and Arizona as an expert in surveying and planning developing mills, and processing plants. He was the chief engineer for Grubstake Mining, which is still operating in Europe. In 1990 he helped to form Spooner and Associates, Inc., and currently works as an advisor to them. Mr. Chastain's knowledge and connections in the mining industry make him a huge asset to our team.

Thomas Couste' is a highly experienced project manager, engineer, and environmental technician. His area of expertise include mining permits, site suitability, reclamation plans, debris and landfill permitting, wetland delineation, 404 permitting, field inspection, phase II soil and groundwater sampling programs, and engineering design for development projects. Mr. Couste' is currently the project manager of Spooner and Associates.

Russell M. Dugdale has been responsible for process development, operations, and modification for various mines for the past 30 years. Mr. Dugdale was the chief metallurgist for Pegasus Gold Mining Company at the Zortman-Landusky Mine in Montana. There he was responsible for setting up fire assaying and atomic absorption labs. His work then took him the Montana Dept. of State Lands where he supervised heap-leaching operations, and neutralized heaps at Gilt Edge Mine. From 1988-1999 Mr. Dugdale set up an assay laboratory for Tenneco Minerals Company where he trained and supervised personnel. He then founded Metallurgical Services, Inc., assisting new operations to start their projects and to be compatible with government regulations.

Eric C. Monk is the owner and operator of ECM CADD and Graphics. His company provides CAD, Modeling, and GIS services to many local and national engineering and consulting firms, including the United States Core of Engineers, and the Department of Defense at Fort Polk, LA. In the past he has worked in all phases of field surveying, as well as operating software required to perform survey/volume calculations civil and structural design, chemical plant design, and database management.



## *Exhibits*

*Letter from Spooner and Associates 11/6/01	18-19
*Auric Assays 11/6/01	20-21
*Austin Assay 10/16/01	22
*Austin Assays 10/12/01	23-24
*Austin Assays 10/10/01	25-27
*Austin 11/5/99	28
*Seth Assay	29

November 6, 2001

International Energy and Resources, Inc.  
3839 Briargrove Lane, Suite 8206  
Dallas, TX 75287  
Attn: John Owen

RE: Chastain Mine Salome, Arizona

Dear Mr. Owen:

I just wanted to update you on the activities at the Chastain Mine gold properties near Salome, Arizona. As you are aware, we have intermittently performed limited sampling and drilling at several mineralized areas and vein structures on the property. At the Chastain property, there are a number of shear and brecciated zones, which exhibit strong mineralization. Exposure of mineralization from hydrothermal activity is reflected in these zones as evidenced in the open pits. Drilling has occurred in the Upper and Lower pit veins as well as the Owl and West Prospect veins.

The Upper pit vein and East vein are structurally interconnected both having the same strike and dip however, the east vein tends to be predominately quartz and quartz breccias while the upper pit is sericitized rock and brecciated quartz along the shear zone.

The Roger vein, located north of the Upper pit vein, is a highly mineralized quartz vein consisting of multiple fissures and veinlets. A historical inclined shaft approximately 60 feet deep has been developed in this vein.

The Owl vein is located just south of the Lower pit vein. Historical working include a 35 foot shaft and other underground workings have been developed on this vein. This vein exhibits similar structure and mineralization as the Upper pit vein.

Samples were collected for assay from drilling the mineralized targets and assayed at the International Energy & Resources in-house laboratory in Congress, Arizona. In addition, a 1000 ton crushed ore pile located near the lower pit was also sampled.

Location	Avg Au opt	Avg Ag opt	Reserves measured & indicated	Ounces Au	Ounces Ag
Upper pit vein	1.34	0.38	213,333 tons	285,866	81,067
Lower pit vein	0.81	1.1	162,963 tons	132,000	179,259
West vein	0.22	0.04	4,444 tons	978	178
Owl vein	0.34	0.06	170,667 tons	58,027	10,240
Crushed ore pile	0.33	0.06	1,000 tons	330	60
Roger vein	0.79	0.15	128,190 tons	101,270	19,229
		<b>Total</b>	<b>680,597 tons</b>	<b>578,471</b>	<b>290,033</b>

Assay values derived for the above table stems from historical exploration programs including sampling and drill hole data as well as recent sampling and drilling programs conducted by International Energy & Resources.

The Chastain Mine has received a great deal of fieldwork in the past. However, almost 700,000 tons of reserves can be demonstrated from this existing work on the property. Numerous additional targets on the property, primarily to the west and east of the Upper and Lower pits, require evaluation through extensive exploration and sampling. Inferred reserves are estimated to be greater than 1 million tons of ore. As exploration continues, the Chastain property may well prove to exceed 5 million tons of ore reserves.

If you require any additional information concerning the Chastain property, please let me know.

Sincerely,



Scott Spooner RPG  
Senior Project Geologist

REPORT OF ANALYSIS

JOB NO. VRH 008  
November 6, 2001  
196251-196266  
PAGE 1 OF 1

AURIC RESOURCES INTL., INC.  
Attn: Mr. William Berridge  
P.O. Box 1738  
Wickenburg, AZ 85358-1738

Analysis of 16 Coarse Pulp Samples

ITEM	SAMPLE NO.	FIRE ASSAY	
		Au (oz/t)	Ag (oz/t)
1	196251	.570	.12
2	196252	.180	<.10
3	196253	.065	<.10
4	196254	.018	<.10
5	196255	.505	.27
6	196256	.028	<.10
7	196257	.575	.18
8	196258	.085	<.10
9	196259	.070	<.10
10	196260	.018	<.10
11	196261	.710	.33
12	196262	.130	.19
13	196263	.060	.10
14	196264	.010	<.10
15	196265	.330	<.10
16	196266	.100	.16



William Berridge

VRH008 - Intl. Energy and Resources, Inc. (John Owan)  
 Chastain Mine samples

TEST#	ITEM#	SAMPLE NO.	FIRE ASSAY		
			Au(oz/t)	Ag(oz/t)	
101601(a)	1	196251	0.570	0.12	1st tray (pond tailings)
	2	196252	0.180	-0.10	2nd tray ( " " )
101601(b)	3	196253	0.065	-0.10	1st tray (East Pit pulverized)
	4	196254	0.018	-0.10	2nd tray ( " " " )
101601(c)	5	196255	0.505	0.27	1st tray (West Pit pulverized)
	6	196256	0.028	-0.10	2nd tray ( " " " )
101601(d)	7	196257	0.575	0.18	1st tray (Upper Pit pulverized - major)
	8	196258	0.085	-0.10	2nd tray ( " " " " )
101601(e)	9	196259	0.070	-0.10	1st tray (Upper Pit - 20 mesh)
	10	196260	0.018	-0.10	2nd tray ( " " " " )
101601(f)	11	196261	0.710	0.33	1st tray (Upper Pit - 60 mesh)
	12	196262	0.130	0.19	2nd tray ( " " " " )
101601(g)	13	196263	0.060	0.10	1st tray (Upper Pit crusher - 30 mesh)
	14	196264	0.010	-0.10	2nd tray ( " " " " " )
101601(h)	15	196265	0.330	-0.10	1st tray (Upper Pit crusher - 60 mesh)
	16	196266	0.100	0.16	2nd tray ( " " " " " )

Samples brought by  
 R. Chaostain by *Scott*  
 request.  
 All samples screen - 20  
 mesh

John Owen  
 Project R Chaostain

**RICHARD D. AUSTIN**  
 Pyrometallurgist  
 114 Grandview Avenue  
 Congress, Arizona 85332  
 (520) 427-8588

**ASSAY RESULTS**

DATE: 10-16-01

SAMPLE	AU and AG	NOTATIONS
1. East Pit	3.1 g/ton	Agitated fluxing for
2. West Pit	1.1 g/ton	remelt assays
3. Upper Pit	2.9 g/ton	Lead 30 grammes
4.		Borax 15 grammes + (cover)
5.		Char 3.2 grammes
6.		Bi Carb 10 grammes
7.		Pill weight, 33 grammes
8.		Fire fused 1500° F
9.		Cupelling @ 1000° F drop
10.		Temp back after button clears
11.		Na-Regulus
12.		NO-Spice

*Richard Austin*  
 Pyrometallurgist

**ALL ASSAYS BASED ON SAMPLE SUBMITTED BY CUSTOMER**

Note: One assay ton equals 28.35 grams. Each milligram of precious metals taken from an assay ton equals one Troy ounce of precious metals per ton of ore.

7  
 70

Samples brought by  
 R. Chastain by draft  
 request.  
 All samples screen-20  
 mesh

John Owen  
 Project R Chastain

**RICHARD D. AUSTIN**  
 Pyrometallurgist  
 114 Grandview Avenue  
 Congress, Arizona 85332  
 (520) 427-8588

**ASSAY RESULTS**

DATE: 10-16-01

SAMPLE	AU and AG	NOTATIONS
1. East Pit	3.1 g/ton	Adjusted fluxing for remelt assays
2. West Pit	1.1 g/ton	Lead 20 grammes
3. Upper Pit	2.9 g/ton	Borax 15 grammes + (cover)
4.		Flux 3.2 grammes
5.		Bi Carb 10 grammes
6.		Pill weight, 33 grammes
7.		Fire fused @ 1500 °P
8.		Cupelling @ 1000 °P drop
9.		Temp back after button clears
10.		Wt - Regular
11.		ND - Spence
12.		Richard Austin Pyrometallurgist

**ALL ASSAYS BASED ON SAMPLE SUBMITTED BY CUSTOMER**

Note: One assay ton equals 29.16 grams. Each milligram of precious metals taken from an assay ton equals one troy ounce of precious metals per ton of ore.

7  
 70



1000 1000 1000  
 Bucket, screened to 20 mesh  
 1-A5 29.166 grammes

John Dewing  
 Project, R. Chastain

**RICHARD D. AUSTIN**  
 Pyrometallurgist  
 114 Grandview Avenue  
 Congress, Arizona 85332  
 (602) 427-6566

**ASSAY RESULTS**

DATE: 10-12-01

SAMPLE	AU	and	AG	NOTATIONS
1. <u>Pile location</u>			<u>.331 g/72</u>	<u>Lead 60 grammes</u>
2. _____				<u>Barry 10 grammes</u>
3. _____				<u>Flour 3.1 grammes</u>
4. _____				<u>Bi-Sorb 10 grammes</u>
5. _____				<u>Pill weights 32 grammes</u>
6. _____				<u>Reduction 1500°</u>
7. _____				<u>Cupel @ 1000°</u>
8. _____				<u>drop back after pill</u>
9. _____				<u>Clears.</u>
10. _____				<u>No. Regulas</u>
11. _____				<u>No. Spices</u>
12. _____				<u>Note High in (mag)</u>

Richard Austin  
 Pyrometallurgist

**ALL ASSAYS BASED ON SAMPLE SUBMITTED BY CUSTOMER**

Note: One assay ton equals 29.16 grammes. Each milligram of precious metals taken from an assay ton equals one troy ounce of precious metals per ton of ore.

Chastain Property  
 South shaft  
 Head ore  
 29.166 AB  
 Screened to -20 mesh

**RICHARD D. AUSTIN**  
 Pyrometallurgist  
 114 Grandview Avenue  
 Congress, Arizona 85332  
 (520) 427-8566

John Owens  
 Mr. Spooner  
 Project R. Chastain

**ASSAY RESULTS**

DATE: 12-12-01

SAMPLE	AU	AG	NOTATIONS
1.		and	1- AB 29.166
2. South shaft		.315 g/ton	Lead 60 GRAMMES
3.			Botax 25 GRAMMES
4.			Soda Ash 10 GRAMMES
5.			Flour 7.1 GRAMMES
6.			Mill weight 31 GRAMMES
7.			Precision 1500 °P
8.			Cupel @ 1800 °P
9.			Drop back after cupel
10.			clears.
11.			No-Regules
12.			No-Spinner

Richard Austin  
 Pyrometallurgist

**ALL ASSAYS BASED ON SAMPLE SUBMITTED BY CUSTOMER**

Note: One assay ton equals 29.16 grams. Each milligram of precious metal taken from an assay ton equals one troy ounce of precious metal per ton of ore.

Day objects  
 five pieces by disintegration  
 and results low gold silver  
 before part. Composit of  
 all buttons submitted and  
 corrected and parted with  
 50/50 nitric. Residue taken  
 back to another cupelled  
 with lead and buttons  
 weighed for percent of gold  
 83.5% Gold and  
 16.5% silver.

John Owen  
 Project, R. Chesters

**RICHARD D. AUSTIN**  
 Pyrometallurgist  
 114 Grandview Avenue  
 Congress, Arizona 85332  
 (520) 427-6568

**ASSAY RESULTS**

DATE: 10-10-01

SAMPLE	AU and AG	NOTATIONS
1. upper drill hole	.323 g/ton	Drill hole bucket samples screened to 20-mesh. 5 assays done at 10 grammer size pieces by disintegration with 20 grammer fine lead and 4 grammer lead.
2. face exposed	.210 g/ton	
3. East 2-1 to 6 feet	.770 g/ton	
4. East 2-6 to 12 feet	.540 g/ton	
5. East 3-1 to 6 feet	.251 g/ton	
6. East 3-6 to 12 feet	.311 g/ton	
7. East 4-1 to 6 feet	1.530 g/ton	
8. East 4-6 to 12 feet	.916 g/ton	
9. East 5-0 to 1 feet	.213 g/ton	
10. East 5-6 to 12 feet	.771 g/ton	
11. East 6-0 to 6 feet	.500 g/ton	
12. East 6-6 to 12 feet	.318 g/ton	

6750 g/ton  
 3010 g/ton  
 107 g/ton  
 557 g/ton  
 4140 g/ton

Composit of all buttons  
 83.5% gold.  
 16.5% silver

Richard Austin  
 Pyrometallurgist

**ALL ASSAYS BASED ON SAMPLE SUBMITTED BY CUSTOMER**

Note: One assay ton equals 29.16 grams. Each milligram of precious metals taken from an assay ton  
 equals one Troy ounce of precious metals per ton of ore.

*John Eversell  
Project: R Chastaine*

**RICHARD D. AUSTIN**  
 Pyrometallurgist  
 114 Grandview Avenue  
 Congress, Arizona 85332  
 (520) 427-8588

**ASSAY RESULTS**

DATE: 10-10-01

SAMPLE	AU and AG	NOTATIONS
1. East 7 - 0 to 6 feet	.423 g/oz	} .400 g/oz
2. East 7 - 6 to 12 feet	.393 g/oz	
3. East 8 - 0 to 6 feet	.401 g/oz	} .451 g/oz
4. East 8 - 6 to 12 feet	.512 g/oz	
5. East 9 - 0 to 6 feet	.384 g/oz	} .344 g/oz
6. East 9 - 6 to 12 feet	.304 g/oz	
7. East 10 - 0 to 6 feet	Trace	} .231 g/oz
8. East 10 - 6 to 12 feet	.213 g/oz	
9. East 11 - 0 to 6 feet	.300 g/oz	} 2.96; 4.000 in math or avg. g/oz
10. East 11 - 6 to 12 feet	.293 g/oz	
11. East 12 - 0 to 6 feet	.403 g/oz	} .398 g/oz
12. East 12 - 6 to 12 feet	.394 g/oz	

*Richard Austin*  
 Pyrometallurgist

**ALL ASSAYS BASED ON SAMPLE SUBMITTED BY CUSTOMER**

Note: One assay ton equals 29.16 grams. Each milligram of precious metals taken from an assay ton equals one Troy ounce of precious metals per ton of ore.

*John C. ...  
Proprietor; R. Austin*

**RICHARD D. AUSTIN**  
Pyrometallurgist  
114 Grandview Avenue  
Congress, Arizona 85332  
(520) 427-4544

**ASSAY RESULTS**

DATE: 10-10-01

SAMPLE	AU	AG	NOTATIONS
1. East 12 - 1 to 6 feet	.281 g/ton		} .263 g/ton av. on avg.
2. East 13 - 6 to 12 feet	.244 g/ton		
3. East 14 - 5 to 12 feet	.331 g/ton		
4. East 15 - 6 to 12 feet	.251 g/ton		
5. _____	_____	_____	_____
6. _____	_____	_____	_____
7. _____	_____	_____	_____
8. _____	_____	_____	_____
9. _____	_____	_____	_____
10. _____	_____	_____	_____
11. _____	_____	_____	_____
12. _____	_____	_____	_____

*Richard Austin*  
Pyrometallurgist

**ALL ASSAYS BASED ON SAMPLE SUBMITTED BY CUSTOMER**

Note: One assay ton equals 20.16 grams. Each milligram of precious metals taken from an assay ton equals one troy ounce of precious metals per ton of ore.

**RICHARD D. AUSTIN**  
**Pyrometallurgist**  
 114 Grandview Avenue  
 Congress, Arizona 85332  
 (520) 427-6566

*Rob Chantaco  
 Head etc.*

**ASSAY RESULTS**

DATE: 11-5-99

SAMPLE	AU	AG	NOTATIONS
1. <u>Better.</u>	<u>Gold + Silver</u>		<u>Flux 1-A6 29.166</u>
2. <u>(1)</u>	<u>(6.0 oz/100)</u>		<u>40 grammes Borax</u>
3. <u>900 fines</u>	<u>per ton of ore</u>		<u>15 grammes soda Ash</u>
4. <u>or better.</u>			<u>50 grammes Red Lead</u>
5. <u>90% Gold</u>			<u>4 grammes Flour</u>
6. <u>good guess</u>			<u>2 grammes Niter (sarkopid)</u>
7. _____			<u>Melt @ 1800 °F, 1 hr.</u>
8. <u>.02% x 100 x 14.589</u>			<u>Reducing powder 10.8 grammes</u>
9. <u>= oz/100 per pound.</u>			<u>Prill weight 39.8 grammes</u>
10. _____			<u>metallic makeup -</u>
11. _____			<u>(Bi), (Cu), (Zn), (Pb) and (Al) 5%</u>
12. _____			<u>Smiths Fire Assay Method.</u>

Richard Austin  
 Pyrometallurgist

**ALL ASSAYS BASED ON SAMPLE SUBMITTED BY CUSTOMER**

Note: One assay ton equals 29.16 grams. Each milligram of precious metals taken from an assay ton equals one troy ounce of precious metals per ton of ore.

July 19, 1997

To: David Tullos  
From: Seth Properties LLC  
Re: High Grade Complex Ore (black sand)

A sample of complex ore was delivered to Seth's lab on July 16, 1997 by Rob Chastain. This "black sand" does not appear to be normal black sand one would find in placer or hard rock deposits. It has been subjected to high temperatures evidenced by remaining slag. It also holds carbon. There was no evidence of free gold. The samples as received were ground to -80 mesh.

Three, sixty gram samples were leached without additional grinding.

Au. = 0.50 oz/ton  
Au. = 0.43 oz/ton  
Au. = 0.52 oz/ton

Three more sixty gram samples were ground to -150 mesh and leached in the same manner.

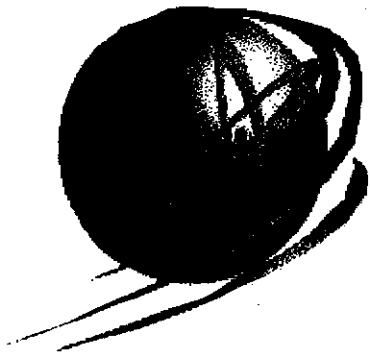
Au. = 0.97 oz/ton  
Au. = 1.10 oz/ton  
Au. = 0.92 oz/ton

These preliminary recovery tests indicate the presents of gold and possibly some of the platinum group metals. If this ore was ground to -400 mesh or finer the recovered values may increase.

Further workup on this ore is beyond the scope of this lab at this time.

**ATTACHMENT 3**





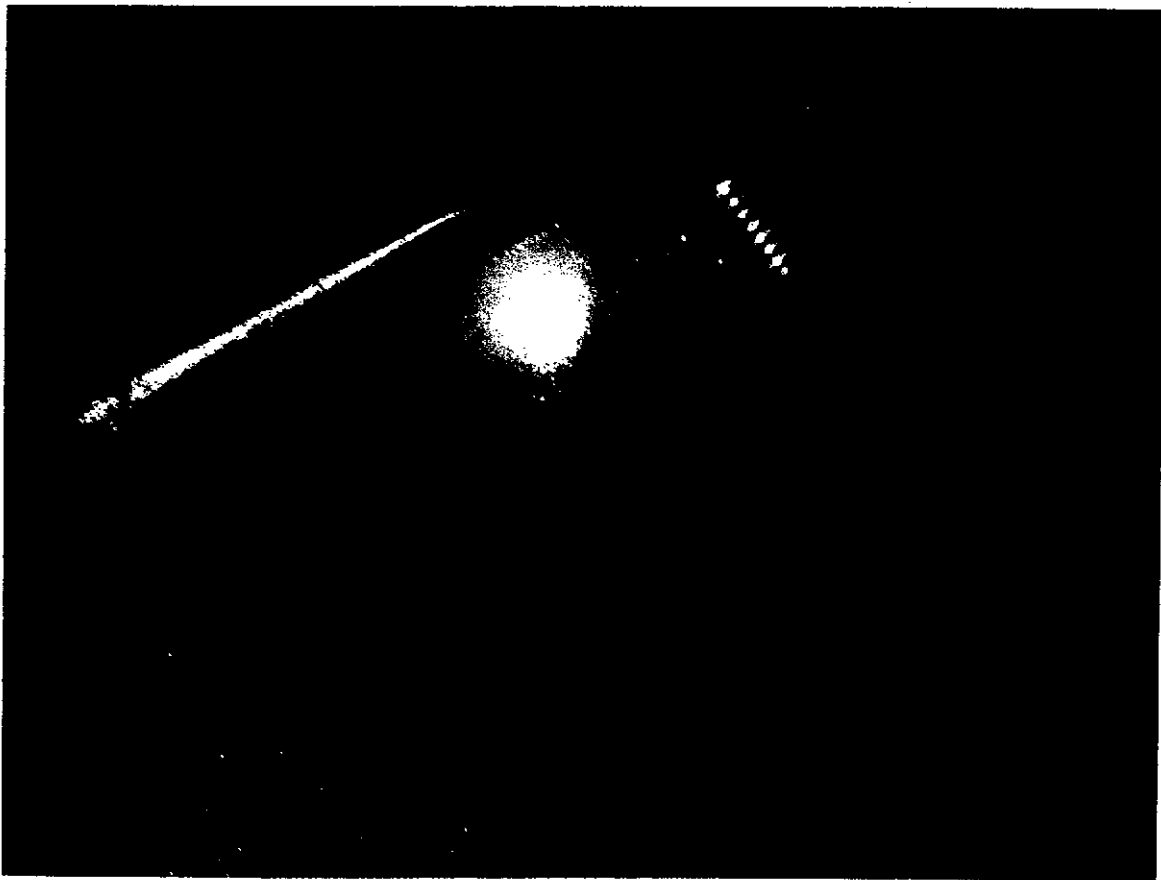
INTERNATIONAL

*Energy and Resources, Inc.*

*Our Company is as Good as Gold*

# THE CHASTAIN MINE

Overview





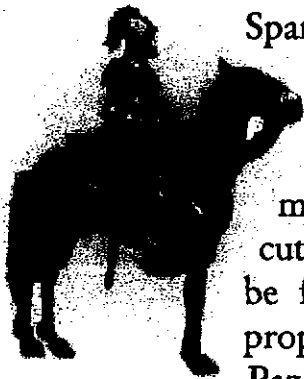
## *Table of Contents*

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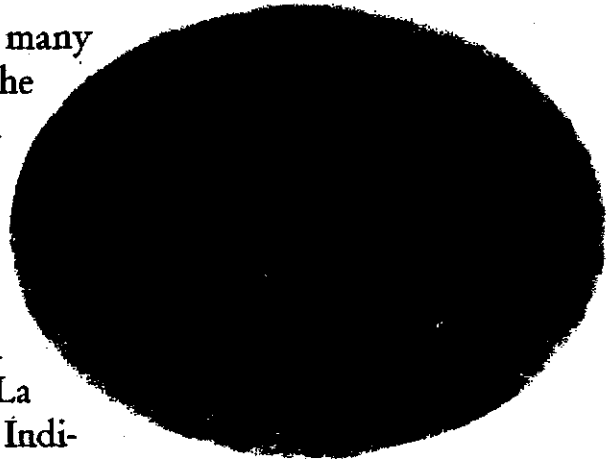


## History

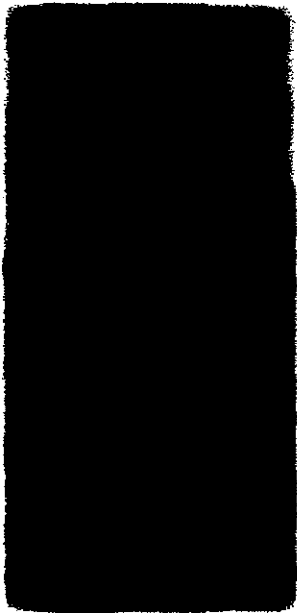
The Chastain Mine consists of 102 lode mining claims in the Ellsworth Mining District, La Paz County east of Salome, Arizona. It is a property rich in history with evidence of exploration dating back to the time of the Spanish gold conquests in Arizona.



Cabeza de Vaca's fabled Cities of Gold led many Spanish explorers to the area in the 1500's through 1700's. Spanish prospectors reported areas of rich mineralization and would mark these areas with stacks of cut rock. These monuments can be found throughout the Chastain property. There is also evidence in La Paz County of mining by the local Indians for hematite, cinnabar, and turquoise.



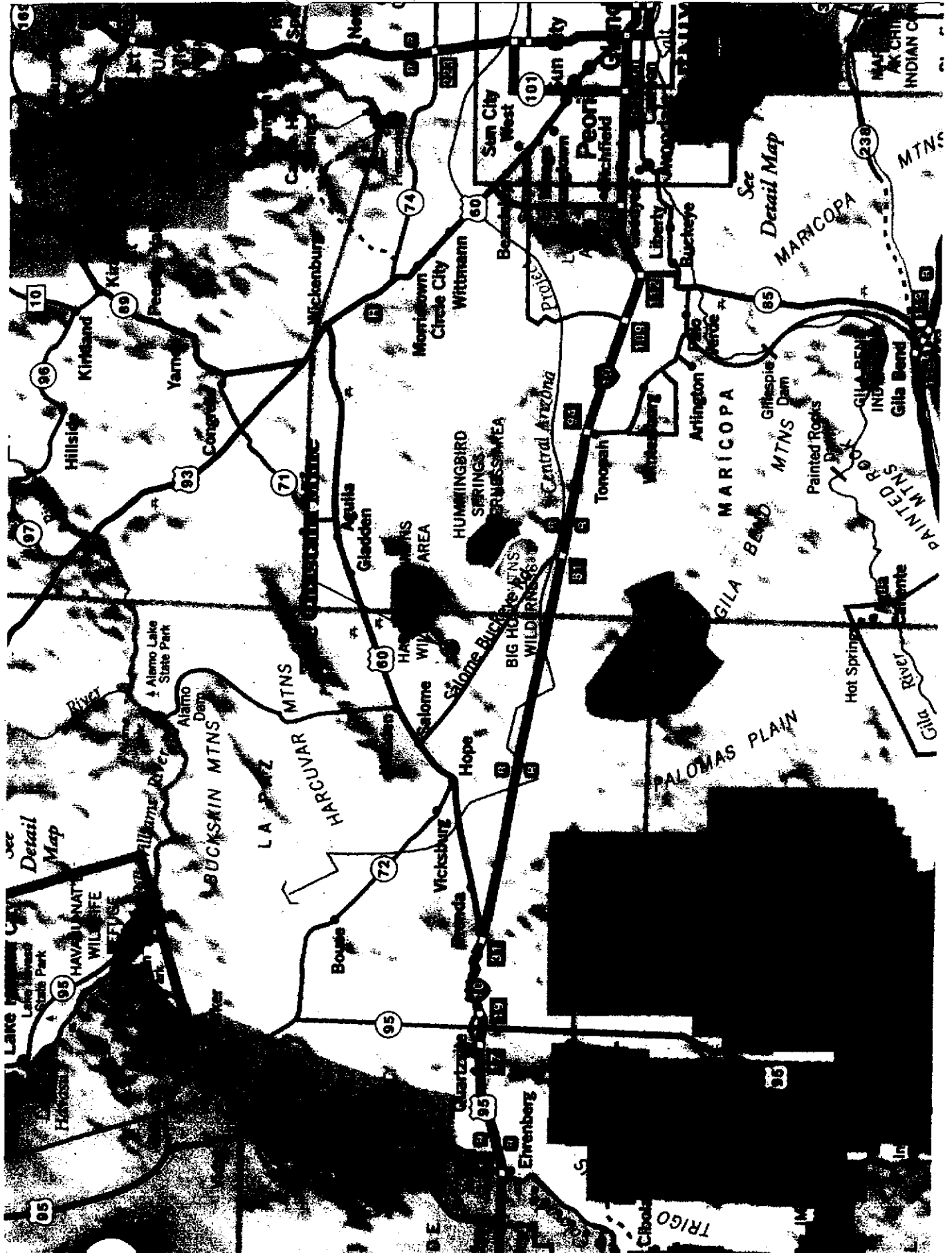
*Spanish Monument  
Chastain Mine*

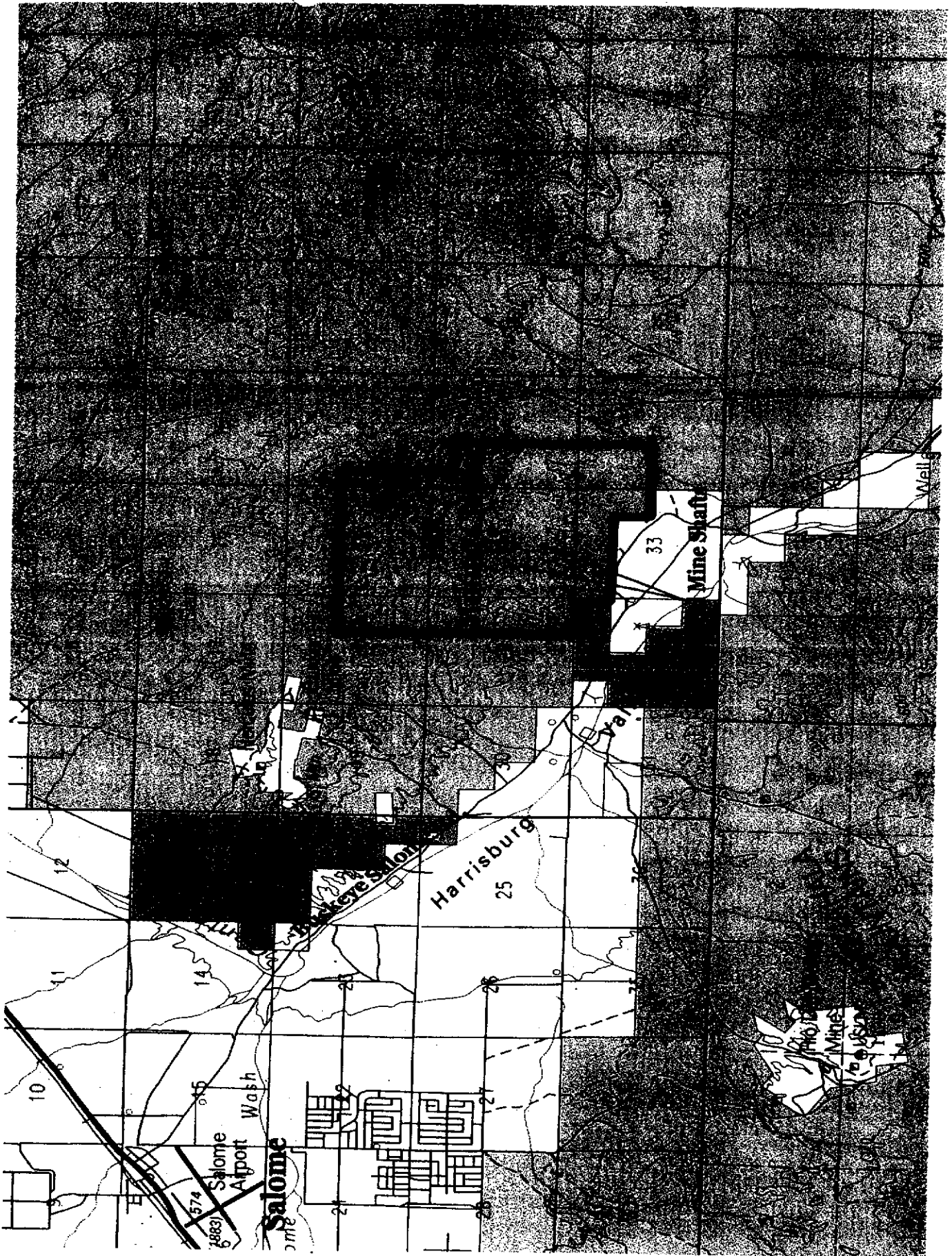


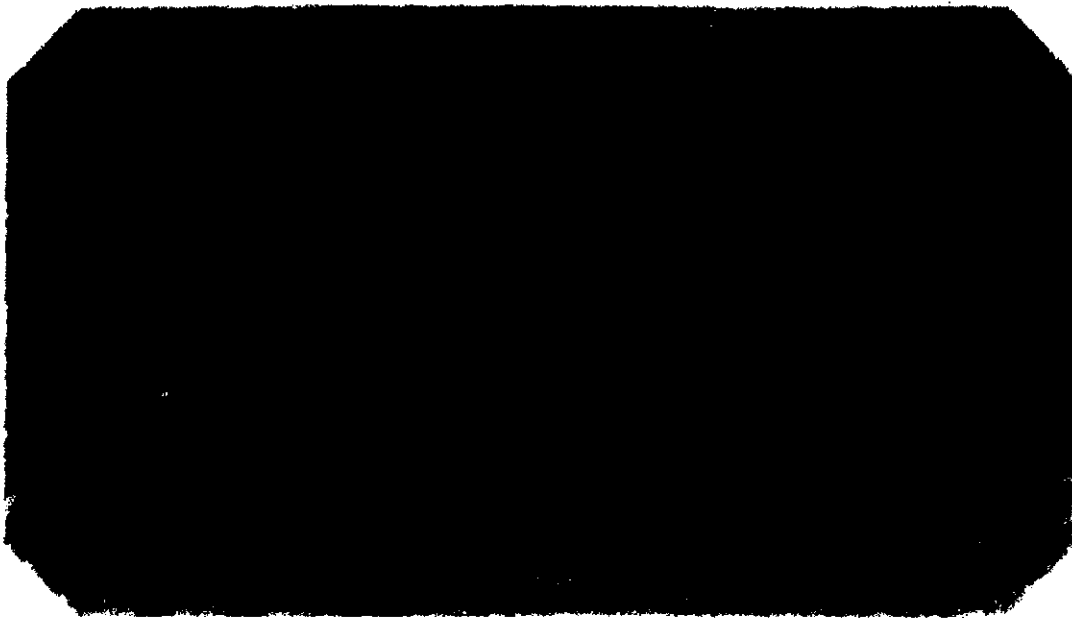
*1800's Claim  
Stake  
Chastain Mine*

In the 1800's gold prospectors used long wooden claim stakes with metal tobacco cans attached to them. In these cans they would leave messages to fellow miners and stake to their claim. These claim stakes are found on the Chastain Property.

Modern exploration began in the area in 1861 with Arizona's first gold rush along the Gila River (near Yuma). In 1862 the La Paz placer deposits were discovered by Paulino Weaver along the Colorado River. In 1863 Joseph Rutherford Walker led a party of 30 prospectors into the area along the Hassayampa River. Numerous gold finds were made, including the famous Rich Hill Strike. What is unusual about the Rich Hill strike is that there was so much gold in the cracks and crevices that the prospectors were able to dig it out with knives and spoons. More than half a million dollars in gold was produced from the deposit.







*Old Rock House*

There are numerous adits and mill sites as well as an old rock house that show that the Chastain Property has been mined consistently throughout the 1800's to the 1900's. In the early 1900's Sam Robison mined the area, which is now International Energy and Resources, Inc. (IER) claims #3 - #5, #8 - #12, #14 - #18, #20 - #24, #26 - #30, #32 - #35, #37 - #40, #42 - #45, #47 - #49, #52, and #53. Some time after Robison mined the property Robert Chastain interviewed one of Robison's surviving daughters, Alice. She recalled carrying buckets of ore down to her house for her father to process and sell. He made \$43 a week when at the time the average household made only \$16 per week. She also recalled her father driving to El Paso with 12 tons of ore, and returning with \$3,800. He used part of the money to buy all 10 of his daughters new shoes. At that time gold was selling for \$34 per ounce, making a value of 9 ounces per ton (opt).



*Old Mill Site*



*Old Mill*

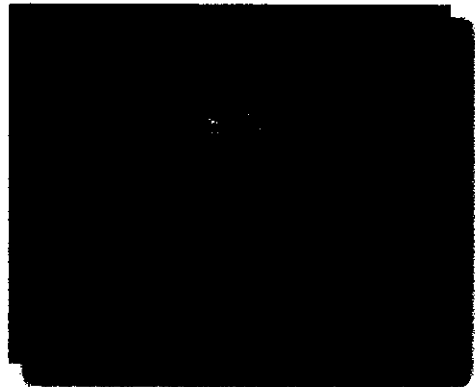


With this knowledge Mr. Chastain set up a mill site and a leaching pad. Assays of up to 6 opt were found by Mr. Chastain. He continued to mine the property until 1999. Mr. Chastain maintained the claims until IER took over in the late part of 2001. Robert Chastain has over 50 years of experience in the mining industry in Europe and the United States. Lack of funding has prevented him from fully developing this property. He believes that this property could well be the largest gold mine in the U.S.



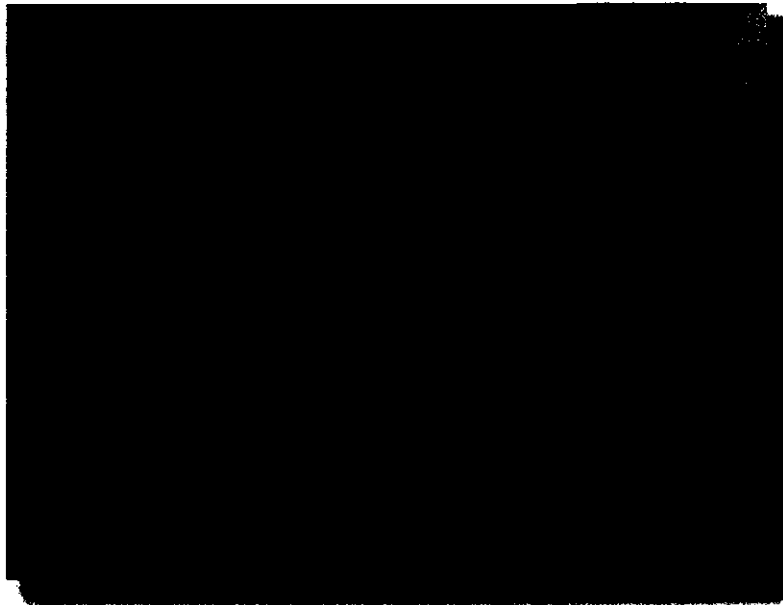
## Geological Survey

The Chastain mine area is part of the Basin and Range Physiographic Province. This is best described as north to south trending mountain ranges with intervening valleys resulting from regional extensional tectonics. According to the US Bureau of Mines, this general area has been subjected to detachment faulting. The movement of the detachment fault causes the rocks on the upper plate to become severely fractured and brecciated making them ideal conduits for mineralized fluids. Mineralization and alteration occurs in the severely fractured and brecciated rocks over the entire claim's group. Hematite mineralization is found on the property in quartz veins and pods of brecciated quartz. A four-foot wide quartz vein continues through the property and outcrops over 0.5 miles just north of



*Fire Assay*

the claim group boundary. This vein has hematite filled pockets carrying visible free-milling gold. The gold and platinum group metals readily occur with the hematite, pyrite, and chalcopyrite mineralization. Visible gold is not uncommon in samples from the site. In the fall of 2001 IER conducted assays that were panned for free gold. All samples revealed free milling gold in sizes ranging from .3mm to .5mm.



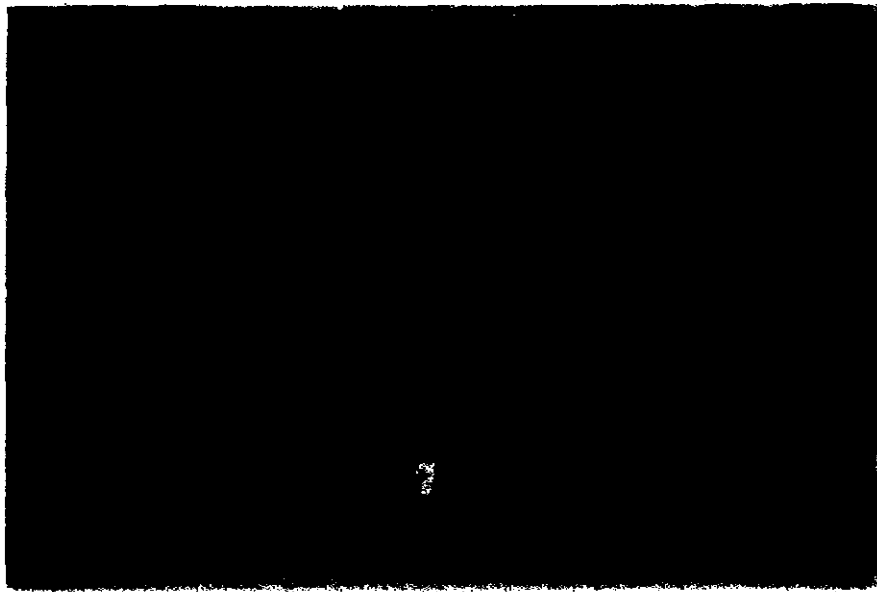
*Buttons  
Chastain fire assay*



In 1988, Mr. Chastain conducted a cyanide leaching project. The recovery of the precious metals from leaching was minimal; however, 280 ounces of gold were shipped to Handy and Harman refineries. Another pilot project was conducted in 1992. Mr. Chastain milled 300 tons of ore in a ball mill and passed it over a Wilfley concentrating table. Gold became visible as the Wilfley table gravity separated the precious metals from the gangue. The gold appeared as a shining solid thin line on the table's edge.



*The Upper Pit Adit and Vein*



The property has undergone extensive mineral exploration. The entire area contains numerous roads and dozer cuts exposing mineralization. A large pit was excavated to remove approximately 50,000 tons of ore for processing. In the mid 1980's an exploration drilling program, consisting of twenty-five drill holes, was con-

ducted on the claims. These holes were drilled by a reverse circulation air rotary drill to a depth of approximately 200 feet. All drill holes intersected mineralized zones. A magnetometer survey study, which extended beyond the boundary of the mining claims, was conducted on the property in 1986. The resistivity readings of this survey revealed the presence of a massive subsurface body of ore that was highly mineralized.



IER has conducted extensive testing during 2001 to define the extent and quality of the ore on the site. Research, geological surveys, and blasting were successful in proving the value of the property. Blasting was used to test mineralization. This was conducted at three locations. Assays from these areas ranged from 6 ounces per ton to .03 ounces per ton. Based upon assay data, the probable reserves of 66,500,000 short tons at a value of \$2,289.00 per ton give the property a value of \$152.2 billion.

*IER's blast of the Upper Pit*



*IER  
crushing ore  
in preparation for assays*

There are numerous adits and shafts on the Chastain property. IER elected to start with the following areas because of the existing work that had been performed and the accessibility. The Upper Pit has measured and indicates reserves of 213,333 tons with an average gold of 1.34 opt giving a total of 285,866 ounces. The average silver is .38 opt giving a total of 81,067 oz. The combined total value is \$83,265,941.00. At the Lower Pit the measured and indicated reserves are 162,963 tons with an average gold of .81 opt, giving a total of 132,000 oz of gold. The average for silver is 1.1 opt with a total value of 179, 259 oz of silver. The combined value for the Lower Pit is \$39,086,665.00.



*Lower Pit*

The West Vein, The Owl Vein, The Roger Vein, and the crushed ore pile have a combined total of 304,301 tons of ore with an average gold of .53 opt, giving a total of 160,650 oz. The average Silver for the four areas above is .10 oz per ton, giving a total of 29,707 oz. The total value of these four areas is \$46,709,131.00. In addition, there is a stockpile of ore with a total of 50,000 tons. The 1000-ton pile of crushed ore was taken from



*West Vein Adit*

this 50,000-ton pile. The average of gold is .33 opt giving us a total of 16,500 oz of gold. The average for silver is .06 opt for a total of 3,000 oz of silver. The combined total value of this 50,000-ton pile is \$4,798,500.00. The totals for all the indicated areas are 594,971 oz of gold and 293,033 oz of silver. Using \$290 per oz for gold and \$4.50 per oz for silver, the total dollar value of ore reserves is \$173,860,238. However, we found that if different fluxes were used during the assaying, we had an increase of 175 - 418 % in values. If the conservative amount of 175% is used, the increase in value of reserves would be \$309,255,416. If the higher percentage is used, the increase in value ore reserves would be \$726,735,794. If the two are averaged, the total ore reserves of the areas we elected to start mining would be \$515,495,605. Once IER has completed the first 60 days of the pilot operation we will be able to tell how many tons of recoverable reserves there are. It is also important to understand that the assays performed on the seven locations were done using material

around 20 and 60 mesh. A report done by Seth Properties LLC shows that ore ground down to -150 mesh from -80 mesh increases the value 121%. Once the pilot operation is started, we will mill the ore down to different sizes to determine what size has the best recovery.



*Inside West Vein Adit*



## *IER Plan of Operation*

**I**ER has negotiated the purchase of 7 acres of private land adjacent to mining claims. It is IER's intention to place 4 buildings and a pilot operation on this property. The buildings will be used for an office, a lab, and housing for onsite personnel. IER will run the pilot operation for 30-90 days to prove the best recovery method. IER expects it will then take 3 weeks to build and set up a plant on the 7 acres to process 200 tons /day. After the first 2 months of operation IER believes the plant will be self-sufficient. At this time IER will run the drilling program for 6 months under the direction of Pincock Allen and Holt (PAH). Funding for this program will be from the production of the 200 ton/day plant. IER will run the 200 ton/day plant for 6 months to 1 yr. After 1 year (depending on recovery) IER will build a plant to process 1000 tons of ore/day. The cost for this plant is estimated by PAH to be 3 million dollars with a lease purchase on equipment. IER will run this plant for 2 yrs. In year 4 IER expects to increase production to 20,000 tons/day, running this operation through year 10. It is important to note that IER will do a continuous drilling program and pilot plant to prove reserves and recoverability. This phase and production will be under the guidance of PAH a third party consultant that has credibility to sign off on a reserve study that would make the reserves bankable and SEC approvable (see [www.pincock.com](http://www.pincock.com) for further PAH info). With the latest technology available and continued exploration of the property, we anticipate finding the strongest concentration of ore and developing the most economic method for mining and extracting gold and silver.



*Example of Pilot Plant*

# Pilot Plant

## SET UP COST

## MONTHLY COST

CLAIMS	\$15,000.00	
LAB	\$20,000.00	
LIVING QUARTERS		\$1,000.00
WELL	\$7,000.00	
ELECTRICITY	\$1,500.00	\$1,000.00
PHONE	\$600.00	\$500.00
STORAGE	\$1,500.00	
MILL	\$10,000.00	\$5,000.00
1-4 WHEEL DRIVE BACKHOE	\$2,000.00	\$4,000.00
1 DUMP TRUCKS		\$2,000.00
1 PICKUP TRUCK	\$1,200.00	\$600.00
TOTAL SET UP	\$58,800.00	

## LABOR

## PER DAY COST

MINE SUPERVISOR	\$750.00	\$15,000.00
GEOLOGIST	\$500.00	\$10,000.00
MINING ENGINEER	\$500.00	\$10,000.00
METALLURGICAL ENGINEER	\$500.00	\$10,000.00
METALLURGICAL ENGINEER ASST	\$300.00	\$6,000.00
BACKHOE OPERATOR	\$200.00	\$4,000.00
MILL WORKERS (3)	\$480.00	\$9,600.00

## OVERHEAD

MAIN OFFICE		\$2,500.00
STAFF		\$10,000.00
TOTAL COST PER MONTH		\$91,200.00
<b><u>TOTAL SETUP + 3 MO. RUNNING</u></b>		<b>\$332,400.00</b>

## RECOVERY OF GOLD FROM PILOT PLANT

10 TONS/DAY X 20 DAYS X 3 MO. X .7 OZ/TON =  
420 OZ OF GOLD X 310/OZ =

\$130,200.00

# 200 ton/day plant

## SET UP COST

## MONTHLY COST

LAB	\$20,000.00	
FIELD OFFICE		\$1,500.00
LIVING QUARTERS		3@ \$1,000.00 = \$3,000.00
WELL	\$7,000.00	
ELECTRICITY	\$1,500.00	\$1,000.00
PHONE	\$600.00	\$500.00
STORAGE	\$1,500.00	
MILL	\$100,000.00	\$30,000.00
4 WHEEL DRIVE BACKHOE	\$8,000.00	\$10,000.00
FRONT END LOADER	\$8,000.00	\$10,000.00
2 DUMP TRUCKS	\$8,000.00	\$10,000.00
3 PICKUP TRUCKS	\$3,600.00	\$1,800.00
TOTAL SET UP	\$158,200.00	

## LABOR

## PER DAY COST 20 DAYS/MO

MINE SUPERVISOR	\$750.00	\$15,000.00
GEOLOGIST	\$500.00	\$10,000.00
MINING ENGINEER	\$500.00	\$10,000.00
METALLURGICAL ENGINEER	\$500.00	\$10,000.00
METALLURGICAL ENGINEER ASST.	\$300.00	\$6,000.00
BACKHOE OPERATOR	\$200.00	\$4,000.00
FRONT END LOADER OPERATOR	\$200.00	\$4,000.00
DRIVER DUMP TRUCK (2)	\$400.00	\$8,000.00
MILL WORKERS (5)	\$800.00	\$16,000.00

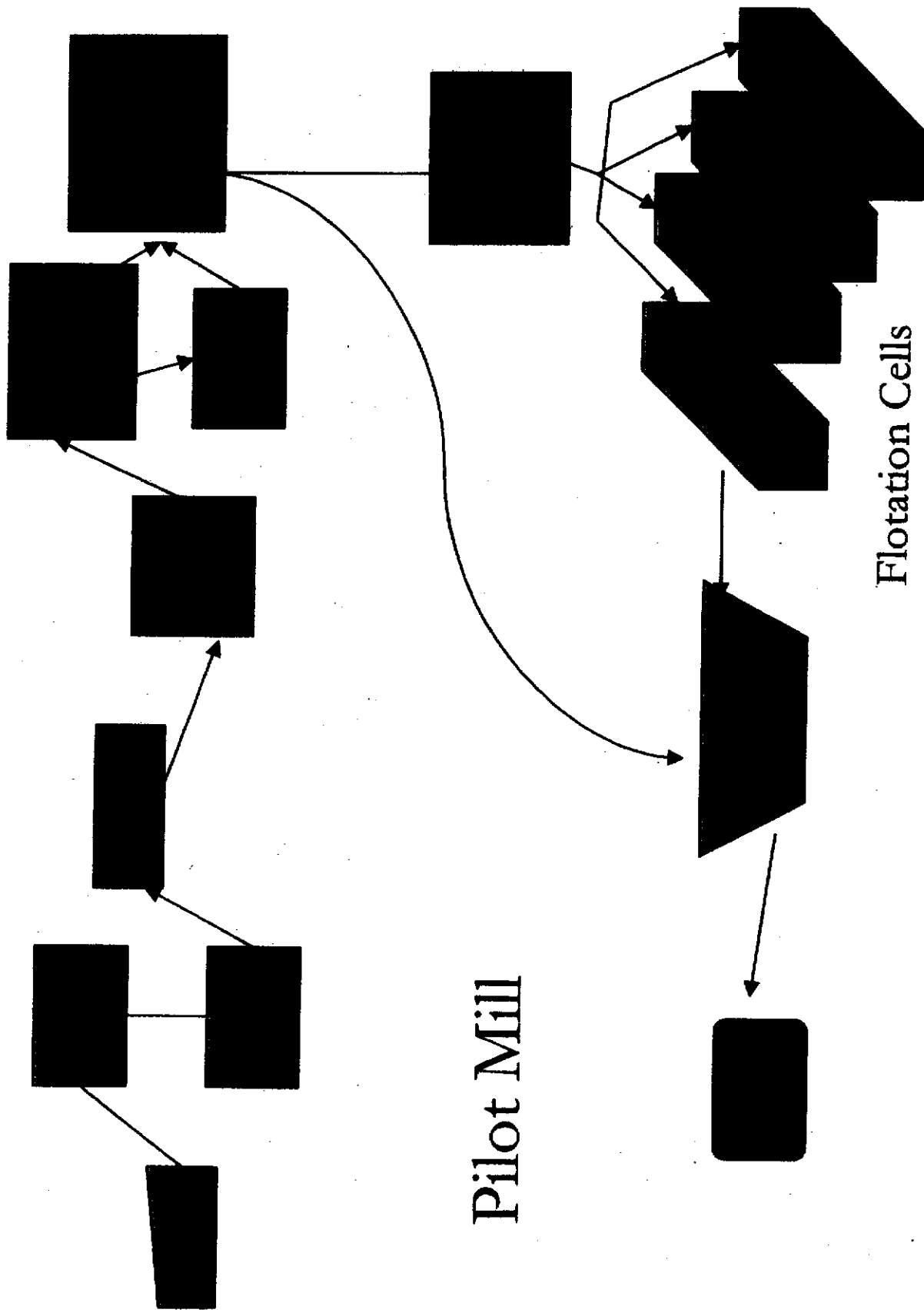
## OVERHEAD

MAIN OFFICE		\$2,500.00
STAFF		\$10,000.00
TOTAL COST PER MONTH		\$163,300.00
<u>TOTAL SETUP + 2 MO. RUNNING</u>		\$484,800.00

# 6 Month Drilling Program

ROAD BUILDING	\$80,000.00
DRILL RIG MANNED 14,000/MO	\$84,000.00
PICKUPS 3	\$10,800.00
PINCOCK ALLEN AND HOLT	\$50,000.00
<b><u>PERSONNEL</u></b>	
GEOLOGIST	\$114,000.00
GEO ASSISTANT	\$36,000.00
MINING ENGINEER	\$60,000.00
SURVEY	\$30,000.00
METALLURGICAL ENGINEER	\$60,000.00
METALLURGICAL ASSISTANT	\$36,000.00
CADD ENGINEER	\$60,000.00
<b>TOTAL COST</b>	<b>\$620,800.00</b>





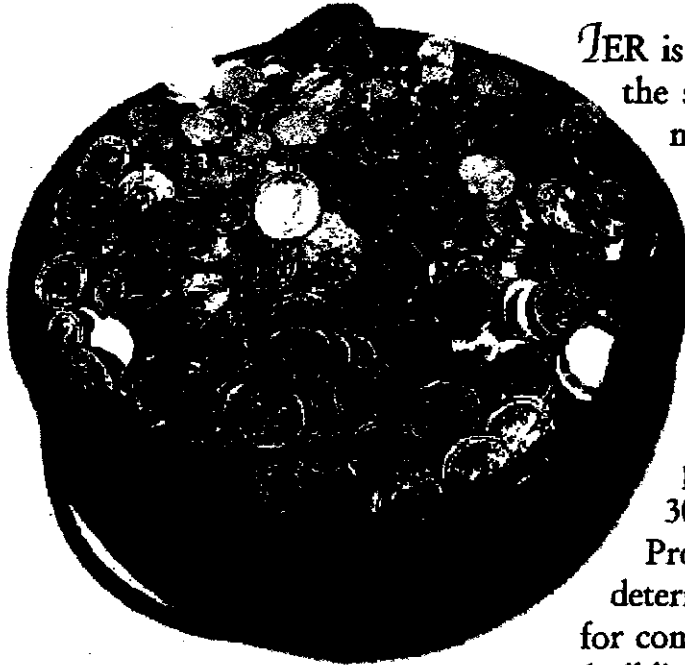
Pilot Mill

Flotation Cells



# International Energy and Resources, Inc.

## Summary of Offering



IER is a company incorporated under the laws of the state of Texas. IER currently owns a 90% net revenue interest in 102 lode mining claims known as The Chastain Mine. IER is offering a 2% working interest for 1 million dollars to accredited investors with a minimum participation of .10% interest for 50 thousand dollars. IER will hold a 15% back-in interest after investor receives their full investment. IER intends to start a pilot project and will run it for approximately 30-90 days. After completion of the Pilot Project and from the results found IER will determine the best method of processing the ore for commercial production. At this time IER will start building a plant to process 200 tons of ore per day.

IER will operate the 200 ton / day plant for 6 months-1 year. IER intends to distribute up to 50% of the net profits from the 200 ton / day operation to its working interest partners until their investment is returned. At this time production will go to 1,000 tons/day and the 1 million dollar working interest will go to 2% as described above. In years 4 and 5 IER will increase production to 20,000 tons per day and the 1 million dollar interest will reduce to .4%. From the geological studies done thus far it is anticipated to take a minimum of 20 years to mine the existing ore reserves at a rate of 20,000 tons per day. However it is likely due to the size of the property and as more geological studies are completed the life of the project is anticipated to exceed 50 years. Based on the current geological studies, the estimated return on the investment would be 25.52:1 after 10 years of production.

The above summary is not an offering, and is intended to be used for informational purposes only.

To Recieve your full memorandum of offering and disclosure please contact IER

[ierinc@earthlink.net](mailto:ierinc@earthlink.net)

1(866)543-GOLD



## *Economic Projection*

**I**t is anticipated that gold prices and demand will increase but we will use the same price for the purpose of economic projections. Platinum, silver, copper and other valuable metals extracted with the gold could equal or surpass the value of the gold itself but are not included in the stated projections. An average of .7 oz/ton has been calculated for the Chastain Mine site. See Geological Survey section for details. Gold at \$310/oz is assumed throughout the projection. An initial cost of \$50/oz for operating expenses is used for year one through five. It is possible that all estimates of price quantity and cost may change once production starts.

### *Economic Projections Year 1*

200 tons/day = 48,000 tons/yr.	
48,000 tons x .7 oz. gold/ ton = 33,600 oz. of gold	
33,600 oz. gold x \$310/oz. = \$10,416,000.00	
\$10,416,000.00 x 90% N.R.I.	\$9,374,400.00
Cost	
33,600 oz. of gold x \$50/oz. =	-( \$1,680,000.00)
Profit	\$7,694,400.0
1 unit minimum (\$50,000.00)	
Recieves	\$50,000.00

## *Economic Projections Year 2 & 3*

1,000 tons/day x 300 days = 300,000 tons	
300,000 tons x .7 oz. gold/ ton = 210,000 oz. of gold	
210,000 oz. gold x \$310/oz. = \$65,100,000.00	
\$65,100,000.00 x 90% N.R.I.	\$58,590,000.00
Cost	
210,000 oz. of gold x \$50/oz.	-( \$10,500,000.00)
Profit	\$48,090,000.00
1 unit minimum (\$50,000.00) =	\$48,090.00
-15% back-in interest	(\$7,213.00)
<i>Return on Minimum investment/yr</i>	<i>\$40,876.50</i>

## *Economic Projections Year 4 & 5*

20,000 tons/day x 300 days = 6,000,000 tons	
6,000,000 tons x .7 oz. gold/ to = 4,200,000 oz. of gold	
4,200,000 oz. gold x \$310/oz. = \$1,302,000,000.00	
\$1,302,000,000.00 x 90% N.R.I.	\$1,171,800,000.00
Cost	
4,200,000 oz. of gold x \$50/oz. =	-( \$210,000,000.00)
Profit	\$961,800,000.00
Investor's investment -( \$50,000.00)	\$192,360.00
-15% back-in interest	(\$28,854.00)
<i>Return on minimum investment/yr</i>	<i>\$163,506.00</i>



## Return on Investment

### Year 1-2

Return on minimum investment

\$131,753.00

### Year 3-10

Return on minimum investment

\$1,144,542.00

### Total Return

Minimum Investment of \$50,000.00

= \$1,276,295.00

= 25.52:1 R.O.I



## *Chastain Mining Team*

Scott Spooner is a registered professional geologist with 20 years mining experience in government and private industry. His work involved environmental planning, development implementation, and regulatory compliance of major land use projects on public lands. Eleven of the years were with the Bureau of Land Management as a permit reviewer and writer. His major duties were development of the Environmental Impact statements required by NEPA. Mr. Spooner spent the past ten years as a consulting geologist and project manager in mining exploration, permit acquisition, and mine closure reclamation. He holds degrees in Geology, Wildlife Science, Range Science and Biology. Robert A. Chastain has been in the mining industry for over 50 years. He has been recognized by his peers in Utah, Germany, Alaska, and Arizona as an expert in surveying and planning developing mills, and processing plants. He was the chief engineer for Grubstake Mining, which is still operating in Europe. In 1990 he helped to form Spooner and Associates, Inc., and currently works as an advisor to them. Mr. Chastain's knowledge and connections in the mining industry make him a huge asset to our team. Thomas Couste' is a highly experienced project manager, engineer, and environmental technician. His area of expertise include mining permits, site suitability, reclamation plans, debris and landfill permitting, wetland delineation, 404 permitting, field inspection, phase II soil and groundwater sampling programs, and engineering design for development projects. Mr. Couste' is currently the project manager of Spooner and Associates. Russell M. Dugdåle has been responsible for process development, operations, and modification for various mines for the past 30 years. Mr. Dugdåle was the chief metallurgist for Pegasus Gold Mining Company at the Zortman-Landusky Mine in Montana. There he was responsible for setting up fire assaying and atomic absorption labs. His work then took him the Montana Dept. of State Lands where he supervised heap-leaching operations, and neutralized heaps at Gilt Edge Mine. From 1988-1999 Mr. Dugdåle set up an assay laboratory for Tenneco Minerals Company where he trained and supervised personnel. He then founded Metallurgical Services, Inc., assisting new operations to start their projects and to be compatible with government regulations. Eric C. Monk is the owner and operator of ECM CADD and Graphics. His company provides CAD, Modeling, and GIS services to many local and national engineering and consulting firms, including the United States Core of Engineers, and the Department of Defense at Fort Polk, LA. In the past he has worked in all phases of field surveying, as well as operating software required to perform survey/volume calculations civil and structural design, chemical plant design, and database management.



## Exhibits

*Letter from Spooner and Associates 11/6/01	21-22
*Auric Assays 11/6/01	23-24
*Austin Assay 10/16/01	25
*Austin Assays 10/12/01	26-27
*Austin Assays 10/10/01	28-30
*Austin 11/5/99	31
*Seth Assay	32

November 6, 2001

International Energy and Resources, Inc.  
3839 Briargrove Lane, Suite 8206  
Dallas, TX 75287  
Attn: John Owen

RE: Chastain Mine Salome, Arizona

Dear Mr. Owen:

I just wanted to update you on the activities at the Chastain Mine gold properties near Salome, Arizona. As you are aware, we have intermittently performed limited sampling and drilling at several mineralized areas and vein structures on the property. At the Chastain property, there are a number of shear and brecciated zones, which exhibit strong mineralization. Exposure of mineralization from hydrothermal activity is reflected in these zones as evidenced in the open pits. Drilling has occurred in the Upper and Lower pit veins as well as the Owl and West Prospect veins.

The Upper pit vein and East vein are structurally interconnected both having the same strike and dip however, the east vein tends to be predominately quartz and quartz breccias while the upper pit is sericitized rock and brecciated quartz along the shear zone.

The Roger vein, located north of the Upper pit vein, is a highly mineralized quartz vein consisting of multiple fissures and veinlets. A historical inclined shaft approximately 60 feet deep has been developed in this vein.

The Owl vein is located just south of the Lower pit vein. Historical working include a 35 foot shaft and other underground workings have been developed on this vein. This vein exhibits similar structure and mineralization as the Upper pit vein.

Samples were collected for assay from drilling the mineralized targets and assayed at the International Energy & Resources in-house laboratory in Congress, Arizona. In addition, a 1000 ton crushed ore pile located near the lower pit was also sampled.



Location	Avg Au opt	Avg Ag opt	Reserves measured & indicated	Ounces Au	Ounces Ag
Upper pit vein	1.34	0.38	213,333 tons	285,866	81,067
Lower pit vein	0.81	1.1	162,963 tons	132,000	179,259
West vein	0.22	0.04	4,444 tons	978	178
Owl vein	0.34	0.06	170,667 tons	58,027	10,240
Crushed ore pile	0.33	0.06	1,000 tons	330	60
Roger vein	0.79	0.15	128,190 tons	101,270	19,229
		Total	680,597 tons	578,471	290,033

Assay values derived for the above table stems from historical exploration programs including sampling and drill hole data as well as recent sampling and drilling programs conducted by International Energy & Resources.

The Chastain Mine has received a great deal of fieldwork in the past. However, almost 700,000 tons of reserves can be demonstrated from this existing work on the property. Numerous additional targets on the property, primarily to the west and east of the Upper and Lower pits, require evaluation through extensive exploration and sampling. Inferred reserves are estimated to be greater than 1 million tons of ore. As exploration continues, the Chastain property may well prove to exceed 5 million tons of ore reserves.

If you require any additional information concerning the Chastain property, please let me know.

Sincerely,



Scott Spooner RPG  
Senior Project Geologist

REPORT OF ANALYSIS

JOB NO. VRH 008  
 November 6, 2001  
 196251-196266  
 PAGE 1 OF 1

AURIC RESOURCES INTL., INC.  
 Attn: Mr. William Berridge  
 P.O. Box 1738  
 Wickenburg, AZ 85358-1738

Analysis of 16 Coarse Pulp Samples

ITEM	SAMPLE NO.	FIRE ASSAY	
		Au (oz/t)	Ag (oz/t)
1	196251	.570	.12
2	196252	.180	<.10
3	196253	.065	<.10
4	196254	.018	<.10
5	196255	.505	.27
6	196256	.028	<.10
7	196257	.575	.18
8	196258	.085	<.10
9	196259	.070	<.10
10	196260	.018	<.10
11	196261	.710	.33
12	196262	.130	.19
13	196263	.060	.10
14	196264	.010	<.10
15	196265	.330	<.10
16	196266	.100	.16

Will



VRH008 - Intl. Energy and Resources, Inc (John Owen)  
 Chastain Mine samples

ISSI#	ITEM #	SAMPLE NO.	FIRE ASSAY		
			Au(oz/t)	Ag(oz/t)	
101601(a)	1	196251	0.570		0.12 - 1st tray (pond tailings)
	2	196252	0.180		-0.10 - 2nd tray ( " " )
101601 (b)	3	196253	0.065		-0.10 - 1st tray (East Pit pulverized)
	4	196254	0.018		-0.10 - 2nd tray ( " " " )
101601 (c)	5	196255	0.505		0.27 - 1st tray (West Pit pulverized)
	6	196256	0.028		-0.10 - 2nd tray ( " " " )
101601 (d)	7	196257	0.575		0.18 - 1st tray (Upper Pit pulverized - mag. r)
	8	196258	0.085		-0.10 - 2nd tray ( " " " " )
101601 (e)	9	196259	0.070		-0.10 - 1st tray ( Upper Pit - 20 mesh)
	10	196260	0.018		-0.10 - 2nd tray ( " " " " )
101601 (f)	11	196261	0.710		0.33 - 1st tray ( Upper Pit - 60 mesh)
	12	196262	0.130		0.19 - 2nd tray ( " " " " )
101601 (g)	13	196263	0.060		0.10 - 1st tray ( Upper Pit crusher - 20 mesh)
	14	196264	0.010		-0.10 - 2nd tray ( " " " " " )
101601 (h)	15	196265	0.330		-0.10 - 1st tray ( Upper Pit Crusher - 60 mesh)
	16	196266	0.100		0.16 - 2nd tray ( " " " " " )

Samples brought by  
R. Chestain by a  
request.  
All samples screen 20  
mesh

John Owen  
Project R Chestain

**RICHARD D. AUSTIN**  
Pyrometallurgist  
114 Grandview Avenue  
Congress, Arizona 85332  
(602) 427-6666

**ASSAY RESULTS**

DATE: 10-16-01

SAMPLE	AU and AG	NOTATIONS
1. East Pit	3.1 g/ton	Quoted fluxing for
2. West Pit	1.1 g/ton	remelt assay
3. Upper Pit	2.9 g/ton	Lead 32 grammes
4.		Borax 15 grammes + (cover)
5.		Flux 3.2 grammes
6.		Pi Carb 10 grammes
7.		Pill weight, 33 grammes
8.		Pre fused 1500 °P
9.		Cupling @ 1000 °P drop
10.		Temp back after button doors
11.		Na-Regulas
12.		NI-Spruce

Richard Austin  
Pyrometallurgist

**ALL ASSAYS BASED ON SAMPLE SUBMITTED BY CUSTOMER**

Note: One assay ton equals 28.35 grams. Each milligram of precious metals taken from an assay ton equals one troy ounce of precious metals per ton of ore.

7  
D/O

Samples brought by  
 R. Chastain by Seattle  
 request.  
 All samples screen - 20  
 mesh

John Owen  
 Project R Chastain

**RICHARD D. AUSTIN**  
 Pyrometallurgist  
 114 Grandview Avenue  
 Congress, Arizona 85332  
 (520) 427-6555

**ASSAY RESULTS**

DATE: 12-16-01

SAMPLE	AU and AG	NOTATIONS
1. East Pit	3.1 g/ton	Agitated fluxing for <del>remelt assays</del>
2. West Pit	1.1 g/ton	Lead 30 grammes
3. Upper Pit	2.9 g/ton	Borax 15 grammes + (cover)
4.		Flux 3.2 grammes
5.		Pi Carb 10 grammes
6.		Pill weight, 33 grammes
7.		Prec. fused 1500 °P
8.		Cupelling @ 1000 °P drop
9.		Temp back after button clears
10.		Na-Regulas
11.		NO-Spices
12.		Richard Austin Pyrometallurgist

**ALL ASSAYS BASED ON SAMPLE SUBMITTED BY CUSTOMER**

Note: One assay ton equals 25.16 grams. Each milligram of precious metals taken from an assay ton equals one troy ounce of precious metals per ton of ore.

7  
 D/O

1000 tons worth  
 Bucket, assayed to 20 mesh  
 1-A 29.166 grammes

John Owens  
 Proprietor, R. Chastain

**RICHARD D. AUSTIN**  
 Pyrometallurgist  
 114 Grandview Avenue  
 Congress, Arizona 85332  
 (602) 427-6586

**ASSAY RESULTS**

DATE: 10-12-01

1.	SAMPLE	AU and AG	NOTATIONS
	<u>Pile #1000 tons</u>	<u>.331 g/ton</u>	<u>Lead 60 grammes</u>
			<u>Barax 40 grammes</u>
			<u>Flour 3.1 grammes</u>
			<u>Bi-Carb 10 grammes</u>
			<u>Pill weights 32 grammes</u>
			<u>Re-fusion 1500°</u>
			<u>Cupel @ 1000°</u>
			<u>drop back after pill</u>
			<u>Clears.</u>
			<u>No - Regulas</u>
			<u>No - Splice</u>
			<u>Note High in (Mg)</u>
			<u>Richard Austin</u>
			<u>Pyrometallurgist</u>

**ALL ASSAYS BASED ON SAMPLE SUBMITTED BY CUSTOMER**

Note: One assay ton equals 20.48 grams. Each milligram of precious metals taken from an assay ton equals one troy ounce of precious metals per ton of ore.

Chastain Property  
 South shaft  
 Head ore  
 29.166 AB  
 Screened to -20 mesh

RICHARD D. AUSTIN  
 Pyrometallurgist  
 114 Grandview Avenue  
 Congress, Arizona 85332  
 (520) 427-4586

John Owens  
 Mr. Director  
 Project R. Chastain

ASSAY RESULTS

DATE: 12-12-01

SAMPLE	AU	AG	NOTATIONS
1.			
2. South shaft		and	1 - At 29.166
3.		.315 g/oz	Lead 60 grammes
4.			Borax 25 grammes
5.			Soda Ash 12 grammes
6.			Flour 3.1 grammes
7.			Bill weight 31 grammes
8.			Fire Fusion 1500 °P
9.			Cupel @ 1000 °P
10.			Drop back after cupel
11.			clears.
12.			12-Regulas
			10-Spines
			Richard Austin Pyrometallurgist

ALL ASSAYS BASED ON SAMPLE SUBMITTED BY CUSTOMER

Note: One assay ton equals 29.16 grams. Each milligram of precious metal taken from an assay ton equals one troy ounce of precious metal per ton of ore.

7A

John Evers,  
District R Chastain

**RICHARD D. AUSTIN**  
Pyrometallurgist  
114 Grandview Avenue  
Congress, Arizona 85332  
(520) 427-8888

**ASSAY RESULTS**

DATE: 10-10-01

SAMPLE	AU and AG	NOTATIONS
1. East 7 - 0 to 6 feet	.403 g/20	.400 g/20
2. East 7 - 6 to 12 feet	.398 g/20	
3. East 8 - 0 to 6 feet	.401 g/20	.451 g/20
4. East 8 - 6 to 12 feet	.512 g/20	
5. East 9 - 0 to 6 feet	.384 g/20	.344 g/20
6. East 9 - 6 to 12 feet	.304 g/20	
7. East 10 - 0 to 6 feet	Trace	.231 g/20
8. East 10 - 6 to 12 feet	.213 g/20	
9. East 11 - 0 to 6 feet	.300 g/20	2.96; HARD in matrix on avg. g/20
10. East 11 - 6 to 12 feet	.293 g/20	
11. East 12 - 0 to 6 feet	.403 g/20	.398 g/20
12. East 12 - 6 to 12 feet	.394 g/20	

*Richard Austin*  
Pyrometallurgist

**ALL ASSAYS BASED ON SAMPLE SUBMITTED BY CUSTOMER**

Note: One assay ton equals 29.16 grams. Each milligram of precious metals taken from an assay ton equals one Troy ounce of precious metals per ton of ore.



Dry objects  
 fire fusion by decomposition  
 and results low gold value  
 before parts. Consistent of  
 all buttons, consisted of  
 connected, started with  
 50/50 mixture. Residual  
 back to smaller particles  
 with lead and brittle  
 weight for fusion of gold  
 or silver 83.5% Gold and  
 16.5% silver.

John Owen  
 Project R. Austin

**RICHARD D. AUSTIN**  
 Pyrometallurgist  
 114 Grandview Avenue  
 Congress, Arizona 85332  
 (602) 427-8868

**ASSAY RESULTS**

DATE: 10-10-01

SAMPLE	AU and AG	NOTATIONS
1. upper drill hole	.323 g/ton	Drill hole bucket samples screened to 20-mesh. 1/2 assay tons of 10 grams five fusions by decomposition with 30 grammes free lead and 4 grammes borax  Consistent of all buttons 83.5% gold. 16.5% silver  - Avg factors + -
2. face upper part	.210 g/ton	
3. East 2-1 to 2 feet	.378 g/ton	
4. East 2-6 to 12 feet	.640 g/ton	
5. East 3-1 to 6 feet	.251 g/ton	
6. East 3-6 to 12 feet	.311 g/ton	
7. East 4-1 to 6 feet	1.330 g/ton	
8. East 4-6 to 12 feet	.276 g/ton	
9. East 5-0 to 4 feet	.253 g/ton	
10. East 5-6 to 12 feet	.771 g/ton	
11. East 6-0 to 6 feet	.500 g/ton	
12. East 6-6 to 12 feet	.328 g/ton	

Richard Austin  
 Pyrometallurgist

**ALL ASSAYS BASED ON SAMPLE SUBMITTED BY CUSTOMER**

Note: One assay ton equals 25.12 grams. Each milligram of precious metals taken from an assay ton  
 equals one Troy ounce of precious metals per ton of ore.

①

*John Casner,  
Project; R. Austin*

**RICHARD D. AUSTIN**  
Pyrometallurgist  
114 Grandview Avenue  
Congress, Arizona 85332  
(520) 427-6888

**ASSAY RESULTS**

DATE: 12-10-01

SAMPLE	AU	AG	NOTATIONS
1. East 12 - 1 to 6 feet	.281 g/ton		} .262 g/ton, av. on avg.
2. East 13 - 6 to 10 feet	.244 g/ton		
3. East 14 - 5 to 10 feet	.331 g/ton		
4. East 15 - 6 to 12 feet	.251 g/ton		
5.			
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12.			

*Richard Austin*  
Pyrometallurgist

**ALL ASSAYS BASED ON SAMPLE SUBMITTED BY CUSTOMER**

Note: One assay ton equals 20.46 grams. Each milligram of precious metals taken from an assay ton equals one troy ounce of precious metals per ton of ore.

**RICHARD D. AUSTIN**  
**Pyrometallurgist**  
**114 Grandview Avenue**  
**Congress, Arizona 85332**  
**(520) 427-6566**

*Rob Chantier  
 Head etc.*

**ASSAY RESULTS**

**DATE:** 11-5-99

<u>SAMPLE</u>	<u>AU</u>	<u>AG</u>	<u>NOTATIONS</u>
1. <u>Button.</u>	<u>Gold &amp; Silver</u>		<u>Flux 1-At 29.166</u>
2. <u>(C)</u>	<u>(6.0 oz/100)</u>		<u>40 grammes Borax</u>
3. <u>.900 fines</u>	<u>per ton ore</u>		<u>15 grammes soda Ash</u>
4. <u>or better.</u>			<u>50 grammes Red Lead</u>
5. <u>90% Gold</u>			<u>4 grammes Flour.</u>
6. <u>good guess.</u>			<u>2 grammes Niter (Sarkford)</u>
7. _____			<u>Melt @ 1800 °F, 1 hr.</u>
8. <u>.02% x lbw x 14.589</u>			<u>Reducing powder 10.8 grammes</u>
9. <u>= oz/ton per pound.</u>			<u>Prill weight 39.8 grammes</u>
10. _____			<u>metallic makeup -</u>
11. _____			<u>(Bi), (Cu), (Zn), (Pb) and (Al) 0%</u>
12. _____			<u>Smiths fire fusion Method.</u>

Richard Austin  
**Pyrometallurgist**

**ALL ASSAYS BASED ON SAMPLE SUBMITTED BY CUSTOMER**

Note: One assay ton equals 29.16 grams. Each milligram of precious metals taken from an assay ton equals one troy ounce of precious metals per ton of ore.

July 19, 1997

To: David Tullos  
From: Seth Properties LLC  
Re: High Grade Complex Ore (black sand)

A sample of complex ore was delivered to Seth's lab on July 16, 1997 by Rob Chastain. This "black sand" does not appear to be normal black sand one would find in placer or hard rock deposits. It has been subjected to high temperatures evidenced by remaining slag. It also holds carbon. There was no evidence of free gold. The samples as received were ground to -80 mesh.

Three, sixty gram samples were leached without additional grinding.

Au. = 0.50 oz/ton  
Au. = 0.43 oz/ton  
Au. = 0.52 oz/ton

Three more sixty gram samples were ground to -150 mesh and leached in the same manner.

Au. = 0.97 oz/ton  
Au. = 1.10 oz/ton  
Au. = 0.92 oz/ton

These preliminary recovery tests indicate the presents of gold and possibly some of the platinum group metals. If this ore was ground to -400 mesh or finer the recovered values may increase.

Further workup on this ore is beyond the scope of this lab at this time.

**ATTACHMENT 4**

1 CRUISE LAW OFFICES, P.L.L.C.  
2 1301 JOSHUA AVENUE, SUITE C  
3 PARKER, AZ 85344  
4 (928) 669-6659  
5 Charles E. Cruise, Attorney No. 02905  
6 Attorney for Plaintiff

7  
8 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
9  
10 IN AND FOR THE COUNTY OF LA PAZ

11 INTERNATIONAL ENERGY AND )  
12 RESOURCES, INC., )

13 Plaintiff, )

14 vs. )

15 SCOTT SPOONER and LINDA )  
16 SPOONER, his wife; SPOONER & )  
17 ASSOCIATES, INC., a corporation; )  
18 WESTERN EXPLORATION & MINING )  
19 CO., a corporation; INTER-AMERICAS )  
20 MINING, INC., a corporation; DOES 1 - 10 )  
21 INCLUSIVE; BLACK COMPANIES 1 - 10 )  
22 INCLUSIVE, )

23 Defendants )

NO. CV 20040029

SUMMONS

24 THE STATE OF ARIZONA: TO THE ABOVE DEFENDANTS:

25 You are hereby summoned and required to appear and defend this action within twenty  
26 (20) days of service if served within the State of Arizona and within thirty (30) days of service if  
27 served outside the State of Arizona.

28 Appear and defend means that you must within the above time period file an answer or  
other pleading with the Clerk of the Superior Court accompanied by the proper filing fees and  
serve a copy upon the attorney for the Plaintiff. The name and address of the attorney for  
Plaintiff is:

Charles E. Cruise, Esq.  
1301 Joshua Avenue, Suite C  
Parker, Arizona 85344  
(928) 669-6659

A copy of the Complaint filed in this action may be obtained by contacting the La Paz

1 County Clerk of the Superior Court, 1316 Kofa Avenue, Parker, AZ 85344 (928) 669-6131.

2 Failure to appear and defend will result in a judgment against you and granting the other  
3 relief requested in the Complaint.

4 Requests for reasonable accommodation for persons with disabilities must be made to the  
5 Court by parties at least three working days in advance of a scheduled court proceeding.

6 SIGNED AND SEALED THIS DATE: March 16, 2004

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SHERI NEWMAN  
CLERK OF THE SUPERIOR COURT  
SEAL

By Cynthia Colver  
Deputy Clerk

1 CRUISE LAW OFFICES, P.L.L.C.  
2 1301 JOSHUA AVENUE, SUITE C  
3 PARKER, AZ 85344  
4 (928) 669-6659  
5 Charles E. Cruise, Attorney No. 02905  
6 Attorney for Plaintiff

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IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
IN AND FOR THE COUNTY OF LA PAZ

INTERNATIONAL ENERGY AND )  
RESOURCES, INC., )  
Plaintiff, )  
vs. )  
SCOTT SPOONER and LINDA )  
SPOONER, his wife; SPOONER & )  
ASSOCIATES, INC., a corporation; )  
WESTERN EXPLORATION & MINING )  
CO., a corporation; INTER-AMERICAS )  
MINING, INC., a corporation; DOES 1 - 10 )  
INCLUSIVE; BLACK COMPANIES 1 - 10 )  
INCLUSIVE, )  
Defendants )


NO. CV 20040029

CERTIFICATE OF COMPULSORY  
ARBITRATION

The undersigned certifies that the largest award sought by the plaintiff, including punitive damages, but excluding interest, attorney's fees and costs, exceeds limits set by Local Rule for Compulsory Arbitration. This case is not subject to the Uniform Rules of Procedure for Arbitration.

DATED this 0 day of March, 2004.

CRUISE LAW OFFICES, P.L.L.C.

By   
Charles E. Cruise  
Attorney for Plaintiff



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1 **CRUISE LAW OFFICES, P.L.L.C.**  
2 **1301 JOSHUA AVENUE, SUITE C**  
3 **PARKER, AZ 85344**  
4 **(928) 669-6659**  
5 *Charles E. Cruise, Attorney No. 02905*  
6 *Attorney for Plaintiff*

7  
8 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**  
9 **IN AND FOR THE COUNTY OF LA PAZ**

10 **INTERNATIONAL ENERGY AND**  
11 **RESOURCES, INC.,**

12 **Plaintiff,**

13 **vs.**

14 **SCOTT SPOONER and LINDA**  
15 **SPOONER, his wife; SPOONER &**  
16 **ASSOCIATES, INC., a corporation;**  
17 **WESTERN EXPLORATION & MINING**  
18 **CO., a corporation; INTER-AMERICAS**  
19 **MINING, INC., a corporation; DOES 1 - 10**  
20 **INCLUSIVE; BLACK COMPANIES 1 - 10**  
21 **INCLUSIVE,**

22 **Defendants**

**NO. CV 20040079**

**COMPLAINT**

**(Non-classified Civil)**

23 **Plaintiff, by and through counsel, alleges as follows:**

24 **GENERAL ALLEGATIONS**

25 **Following are General Allegations that are common to one or more of the separate claims**  
26 **for relief alleged herein.**

27 **1. Plaintiff is a corporation organized and existing in the State of Texas that is authorized**  
28 **to do business in the State of Arizona.**

**2. Plaintiff is informed and believes, and alleges on information and belief, that**  
**defendant, Scott Spooner ("Spooners"), is a resident of the State of Louisiana.**

**3. Spooner & Associates, Inc. ("Associates") is a corporation that does business in La**  
**Paz County, State of Arizona.**

**4. Western Exploration & Mining Co., ("Western") is a corporation that does business in**

1 La Paz County, State of Arizona.

2 5. Inter-Americas Mining, Inc. ("Mining"), is a corporation that does business in La Paz  
3 County, State of Arizona.

4 6. The actions of any individual defendant named herein or later added by substitution for  
5 a fictitious designation, as to the acts as alleged herein, were done for and on behalf of that  
6 individual and the marital community existing between that individual and the person identified  
7 as the spouse of that individual.

8 7. At all times relevant hereto, Spooner was married to Linda Spooner; the actions of  
9 Spooner were for and on behalf of Spooner and the marital community consisting of Spooner and  
10 Linda Spooner.

11 8. Does, 1 - 10, inclusive and Black Companies, 1 - 10, inclusive, are fictitious  
12 designations for individuals or entities who claim or who may claim an interest in and to the  
13 subject matter of this action; the true names of these individuals or entities will be substituted for  
14 the fictitious designation as these names become known to plaintiff.

15 9. Defendants have caused an event or events to occur in La Paz County, State of  
16 Arizona, out of which this claim arose.

17 10. At all times relevant hereto, Spooner was and is an authorized agent of Associates,  
18 and Western, who was acting within the scope and authority of his agency relationship with  
19 Associates and Western.

20 11. At all times relevant hereto, the business activities and finances of Spooner, Western  
21 and Associates, were and are so intertwined and intermeshed that each was and is the alter ego  
22 for the others.

23 12. At all times relevant hereto, Spooner held himself out to be, and continues to hold  
24 himself out to be, a geologist and mining engineer.

25 13. At all times relevant hereto, plaintiff was and is the owner of those certain lode  
26 mining claims, situated in La Paz County, Arizona, more particularly known and described as  
27 follows:

28 Robinson No. 0

AMC 356333

1	Robinson No. 4	AMC 356334
2	Robinson No. 6	AMC 356335
3	Robinson No. 7	AMC 356336
4	Robinson No. 8	AMC 356337
5	Robinson No. 9	AMC 356338
6	Robinson No. 11	AMC 356339
7	Robinson No. 12	AMC 356340
8	Robinson No. 14	AMC 356341
9	Robinson No. 15	AMC 356342,

10 hereinafter, for the sake of convenience, referred to as, "the Claims".

11 14. On or about January, 2001, plaintiff entered into a contract with Spooner and  
 12 Associates whereby Spooner was to perform certain geological sampling, drilling, consultant and  
 13 general agent services ("Consulting Services") for plaintiff in the development and production of  
 14 the Claims and was otherwise in a fiduciary relationship with plaintiff.

15 15. Spooner continued to act in the fiduciary capacity with plaintiff until approximately  
 16 December 4, 2003.

17 16. On or about December 17, 2002, Spooner was elected to the position of Vice-  
 18 President of the plaintiff.

19 17. During the period that Spooner was engaged with plaintiff as alleged herein, Spooner  
 20 gained insider knowledge of plaintiff and plaintiff's operations of the Claims.

21 18. During the period that Spooner was engaged with plaintiff as alleged herein, Spooner  
 22 misappropriated funds belonging and assets belonging to plaintiff, filed notices on the Claims on  
 23 his own behalf and for his own account, over charged plaintiff for services he did perform and  
 24 billed plaintiff for services that were not performed.

25 19. During the period in which he was engaged as the agent for, and was otherwise in a  
 26 fiduciary relationship with, plaintiff, Spooner engaged in conduct detrimental to the interests of  
 27 plaintiff including, but not limited to, the following:

- 28 • During the period, February through June, 2001, directed plaintiff to perform work on the

1 Santa Maria Mining Claim without a proper mining notice being first filed with the  
2 United States Bureau of Land Management ("BLM"), thus causing plaintiff to violate  
3 federal law;

4 • in September through November, 2001, directed plaintiff, as plaintiff's consulting  
5 geologist, to do exploratory work on BLM lands when there was no proper mining claim  
6 in existence;

7 • In September, 2001, advised persons who had assigned the Claim to plaintiff to not  
8 perform annual assessment work on the Claim in an effort to cause the Claim to be  
9 deemed abandoned by the assignor.

10 20. As a direct and proximate cause of the interference with and mis-direction of  
11 plaintiff, plaintiff's development of the Claim has been seriously delayed and lucrative contracts  
12 between BLM and plaintiff have been hindered and delayed.

13 21. As a further direct and proximate result of the actions of Spooner, as alleged herein,  
14 plaintiff has experienced problems with investors who, in absence of the actions of Spooner,  
15 would otherwise have invested in plaintiff's mining operation on the Claim.

16 22. As a further direct and proximate result of the actions of Spooner, as alleged herein,  
17 plaintiff has been exposed to potential liability to the BLM for because of the unauthorized work  
18 by plaintiff on the Santa Maria claim and the work on the BLM land where no claim was in  
19 place.

20 23. As a further direct and proximate result of the actions of Spooner, as alleged herein,  
21 plaintiff has been damaged in an amount to be proven at trial, but in no event less than the sum of  
22 \$1,000,000..

23 24. As a further direct and proximate result of the actions of Spooner, as alleged herein,  
24 defendants have acquired an interest in and to the Claims that was never intended and for which  
25 no compensation was paid to plaintiff.

26 25. Plaintiff has made all demands, has given all notices and has performed all acts  
27 reasonably necessary to this cause of action.

28 26. During the period in which Spooner was engaged as consultant for plaintiff and was

1 in a fiduciary relationship with plaintiff, Spooner over-charged plaintiff for services in an amount  
2 to be proven at trial, but in no event less than the sum of \$24,488.71.

3 27. The sum of \$24,488.71 was liquidated as of October 29, 2003 and plaintiff is entitled  
4 to pre-judgment interest on said sums from the date they were liquidated to the date of judgment  
5 herein, at the highest legal rate.

6 28. This is a matter arising out of contract and plaintiff is entitled to reasonable  
7 attorney's fees pursuant to contract and pursuant to Ariz.Rev.Stat. §12-341.01 and, if this matter  
8 goes by default, plaintiff is entitled to no less than the sum of \$1500 as and for attorney's fees.

9 COUNT ONE

10 As and for Count One, plaintiff alleges as follows:

11 29. Re-alleges each and every one of the General Allegations and incorporates each such  
12 allegation herein as by reference as though fully set forth.

13 30. Spooner and Associates sold Consultant Services to plaintiff from January 5<sup>th</sup>  
14 through December 4, 2003.

15 31. Consultant Services are "Merchandise" pursuant to A.R.S. § 44-1521.

16 32. Spooner, Associates and Western have committed consumer fraud, as defined in  
17 A.R.S. § 44-1521, et seq.

18 33. The representations by Spooner, for and on behalf of Associates, were made with the  
19 intent that plaintiff would rely upon them in connection with the sale of the aforesaid Consultant  
20 Services.

21 34. The representations by defendants as alleged herein were in conscious disregard of  
22 the rights of plaintiff and plaintiff is entitled to punitive or exemplary damages as a result thereof,  
23 in an amount to be proven at trial.

24 COUNT TWO

25 In the alternative or as and for a separate claim for relief, as and for Count Two of the  
26 complaint, plaintiff alleges as follows:

27 35. Re-alleges each and every one of the General Allegations and incorporates each such  
28 allegation herein by reference as though fully set forth.

1 36. Spooner, Associates and Western represented that Consultant Services were being  
2 and had been performed by said defendants for plaintiff, as alleged herein.

3 37. The representations by said defendants were false.

4 38. The representations by said defendants were material

5 39. At the time the representations were made, said defendants knew them to be false or  
6 they were ignorant of the truth of the representations.

7 40. In making the representations, said defendants reasonably contemplated that plaintiff  
8 would contract and pay for the consultant services based on these representations.

9 41. Plaintiff was ignorant of the falsity of the representations by said defendants.

10 42. Plaintiff relied upon the representations by said defendants in contracting for the  
11 Consulting Services.

12 43. Plaintiff had a right to rely on the representations of said defendants in making the  
13 purchase of the Consulting Services.

14 44. As a consequence of the representations by defendants, plaintiff was injured and  
15 damaged as alleged herein.

16 45. The actions of defendants as alleged herein were willful and in conscious disregard  
17 of the rights of plaintiff and plaintiff is entitled to exemplary damages as a result thereof.

18 **COUNT THREE**

19 In the alternative or as and for a separate claim for relief, as and for Count Three of the  
20 complaint, plaintiff alleges as follows:

21 46. Re-allege each and every one of the General Allegations and incorporate each such  
22 allegation herein as though fully set forth.

23 47. As a result of the actions of the defendants as alleged herein, the defendants have  
24 received goods and services for which they have not paid.

25 48. Defendants have been unjustly enriched at the expense of plaintiff.

26 49. Plaintiff has been damaged as alleged herein.

27 **COUNT FOUR**

28 In the alternative or as and for a separate claim for relief, as and for Count Four of the

1 complaint, plaintiff alleges as follows:

2 50. Re-allege each and every one of the General Allegations and incorporate each such  
3 allegation herein as though fully set forth.

4 51. Plaintiff is entitled to the imposition of a constructive trust on the Claims in favor of  
5 Plaintiff.

6 COUNT FIVE

7 In the alternative or as and for a separate claim for relief, as and for Count Five of the  
8 complaint, plaintiff alleges as follows:

9 52. Re-allege each and every one of the General Allegations and incorporate each such  
10 allegation herein as though fully set forth.

11 53. Spooner and Associates breached their contract with plaintiff by failing to perform  
12 the Consulting Services, or by breaching their fiduciary obligations to plaintiff.

13 54. Plaintiff performed its contract in full and has given all required notices and has done  
14 all acts required of him.

15 55. During the course of the contract with Spooner and Associates, plaintiff paid fees to  
16 Spooner and Associates in the approximate amount of \$203,157.98.

17 56. Plaintiff is entitled to an order of this court requiring Spooner and Associates, and  
18 each of them, to disgorge all fees paid by plaintiff and to pay over said fees to plaintiff.

19 COUNT SIX

20 In the alternative or as and for a separate claim for relief, as and for Count Six of the  
21 complaint, plaintiff alleges as follows:

22 57. Re-allege each and every one of the General Allegations and incorporate each such  
23 allegation herein as though fully set forth.

24 58. Defendants, and each of them, claim some right, title or interest in and to the Claims.

25 59. Plaintiff is entitled to an order of this court quieting the title to the Claims, and each  
26 of them, in plaintiff.

27 COUNT SEVEN

28 In the alternative or as and for a separate claim for relief, as and for Count Seven of the

1 complaint, plaintiff alleges as follows:

2 60. Re-allege each and every one of the General Allegations and incorporate each such  
3 allegation herein as though fully set forth.

4 61. Spooner breached his fiduciary duty to plaintiff.

5 COUNT EIGHT

6 In the alternative or as and for a separate claim for relief, as and for Count Eight of the  
7 complaint, plaintiff alleges as follows:

8 62. Re-allege each and every one of the General Allegations and incorporate each such  
9 allegation herein as though fully set forth.

10 63. Spooner negligently advised plaintiff to perform work on the Santa Maria Claim  
11 when there was not mining notice in place;

12 64. Spooner negligently advised plaintiff to perform exploratory work on unclaimed  
13 BLM property.

14 COUNT NINE

15 In the alternative or as and for a separate claim for relief, as and for Count Six of the  
16 complaint, plaintiff alleges as follows:

17 65. Re-allege each and every one of the General Allegations and incorporate each such  
18 allegation herein as though fully set forth.

19 66. Spooner intentionally interfered with the contractual relationship then existing  
20 between plaintiff and plaintiff's assignor of the Claim.

21 WHEREFORE, plaintiff requests judgment against defendants, and each of them, as  
22 follows:

23 A. For damages in the sum of the sum of \$24,488.71 for overcharges.

24 B. For prejudgment interest on of the foregoing amount from the date of liquidation to  
25 the date of judgment herein at the highest legal rate.

26 C. In the alternative or as and for an additional claim for relief, for an order of this court  
27 requiring defendants, Spooner and Associates, and each of them, to disgorge all fees received by  
28 them, or either one of them, and pay said fees over to plaintiff, in a sum to be proven at trial but



1 in no event less than the sum of \$203,157.98.

2 D. For exemplary damages according to proof.

3 E. That the court impose a constructive trust on the Claims in favor of plaintiff and  
4 declare that the defendants, and each of them, hold any title they have as trustee for the benefit of  
5 plaintiff.

6 F. Quieting title to the Claims in plaintiff and declaring that defendants hold no right,  
7 title or interest therein.

8 G. For plaintiff's costs and attorney's fees and for plaintiff's ongoing costs and attorney's  
9 fees as may be applied for from time to time, and if this matter should go by default, for  
10 attorney's fees in the amount of \$2,500.

11 H. For such other and further relief as may be appropriate.

12 Dated this 10 day of March, 2004.

CRUISE LAW OFFICES, P.L.L.C.

13  
14  
15 By 

Charles E. Cruise

Attorney for Plaintiff

**ATTACHMENT 5**

1 Jerry L. Haggard, SBN 002667  
2 JERRY L. HAGGARD, P.C.  
3 1249 East Victor Hugo Avenue  
4 Phoenix, Arizona 85022  
5 Telephone: (602) 863-1119  
6 Fax: (602) 863-1119  
7 Email: jhaggard@azbar.org

8 Attorney for Defendants Named Below

9 SUPERIOR COURT OF ARIZONA  
10 LA PAZ COUNTY

11 INTERNATIONAL ENERGY AND )  
12 RESOURCES, INC., )  
13 Plaintiff )  
14 v. )  
15 SCOTT SPOONER, et al., )  
16 Defendants. )

NO. CV 2004-0029

**FIRST AMENDED  
ANSWER AND  
COUNTERCLAIMS**

17 Scott D. Spooner, Linda Spooner, and Spooner & Associates, Inc.  
18 (“Defendants”), by and through their undersigned attorney, hereby answer the  
19 Complaint by Plaintiff, International Energy and Resources, Inc., as follows:

- 20 1. Answering paragraph 1, Defendants lack sufficient information to admit  
21 or deny the allegations in paragraph 1 and, therefore, deny the same.
- 22 2. Defendants admit the allegations in paragraph 2.
- 23 3. Answering paragraph 3, Defendants admit that Spooner & Associates,  
24 Inc. is a corporation that has done business in La Paz County, Arizona, and  
25 affirmatively alleges that said corporation is not presently doing business in La Paz  
26 County, Arizona.
- 27 4. Defendants lack sufficient information to admit or deny the allegations  
28 in paragraph 4 and, therefore, deny the same.

1           5. Defendants lack sufficient information to admit or deny the allegations  
2 in paragraph 5 and, therefore, deny the same.

3           6. Defendants deny the allegations in paragraph 6 as to Scott Spooner and  
4 Linda Spooner.

5           7. Answering paragraph 7, Defendant Scott Spooner admits that he was  
6 married to Linda Spooner at all times relevant hereto and denies the remaining  
7 allegations in paragraph 7.

8           8. Answering paragraph 8, Defendants lack sufficient information to admit  
9 or deny the allegations in paragraph 8 and, therefore, deny the same.

10          9. Defendant Spooner & Associates, Inc. admits the allegations in  
11 paragraph 9. Defendants Scott Spooner and Linda Spooner deny the allegations in  
12 paragraph 9.

13          10. Answering paragraph 10, Spooner admits that he was and is an  
14 authorized agent of Associates, and admits he was acting within the scope and  
15 authority of his agency relationship with Associates, and denies the remaining  
16 allegations of paragraph 10.

17          11. Defendants deny the allegations in paragraph 11.

18          12. Answering paragraph 12, Spooner admits that, at all times relevant  
19 hereto, he held himself out to be and continues to hold himself out to be, a geologist.  
20 Mr. Spooner denies that he has held, or continues to hold, himself out to be a mining  
21 engineer.

22          13. Defendants deny that Plaintiff was and is the owner of the mining claims  
23 identified by the AMC numbers listed in paragraph 13. Defendants affirmatively  
24 allege that the names of the mining claims identified by said AMC numbers are  
25 "Robison" and deny that the names of said claims are "Robinson".

26          14. Answering paragraph 14, Scott D. Spooner and Spooner & Associates,  
27 Inc. admit that on or about January 2001, Plaintiff requested Spooner & Associates,  
28

1 Inc. to perform geological services and arrange for drilling services to be performed  
2 for Plaintiff by a private contractor and affirmatively allege that no written contract  
3 was entered for said services. Defendants deny that Scott D. Spooner or Spooner  
4 & Associates, Inc. was requested to perform drilling, consultant or general agent  
5 services for the development and production of the Claims and deny that Scott D.  
6 Spooner or Spooner & Associates, Inc. was otherwise in a fiduciary relationship with  
7 the Plaintiff.

8 15. Defendants deny the allegations in paragraph 16.

9 16. Answering paragraph 16, Defendants lack sufficient information to  
10 admit or deny the allegations in paragraph 16 and, therefore, deny the same. Scott  
11 Spooner affirmatively alleges that if he was elected to the position of Vice-President  
12 of Plaintiff, Spooner was never notified of, nor accepted, that position.

13 17. Defendants deny the allegations in paragraph 17.

14 18. Defendants deny the allegations in paragraph 18.

15 19. Defendants deny the allegations in paragraph 19.

16 20. Defendants deny the allegations in paragraph 20.

17 21. Defendants deny the allegations in paragraph 21. Defendants  
18 affirmatively allege on information and belief that Plaintiff has not been damaged for  
19 the following reasons:

20 A. Plaintiff has sold, and/or offered to sell, to investors securities in  
21 the form of working interests in the Chastain Mine and the  
22 Claims that were not registered pursuant to Chapter 12, Articles  
23 6 and 7 of the Arizona Securities Act, A.R.S. §§ 44-1871, et  
24 seq.

25 B. Plaintiff has violated A.R.S. § 44-1841, among other statutes, by  
26 selling, and/or offering to sell said unregistered securities.  
27

1 C. Plaintiff has published literature promoting the sales of the  
2 unregistered securities in violation of A.A.C. R-14-4-103, among  
3 other regulations.

4  
5 D. Plaintiff has sold, and/or offered to sell said unregistered  
6 securities while not being registered as a securities dealer or  
7 salesman, in violation of A.R.S. § 44-1842, among other statutes.

8  
9 E. Plaintiff has sold, and/or offered to sell said unregistered  
10 securities in violation of A.R.S. § 44-1991, among other statutes,  
11 prohibiting fraud in connection with the sale, and/or offer to sell,  
12 said unregistered securities.

13  
14 F. Plaintiff is engaged in racketeering for selling unregistered  
15 securities in violation of the Arizona Racketeer Influenced and  
16 Corrupt Organizations Act, A.R.S. §§ 13-2301, et seq.

17  
18 G. Plaintiff has sold, and/or offered to sell, said unregistered  
19 securities in violation of the United States Securities Act of 1933.

20  
21 22. Defendants deny the allegations in paragraph 22.

22 23. Defendants deny the allegations in paragraph 23 and affirmatively allege  
23 that Plaintiff has not been damaged for the reasons stated in answer to paragraph 21  
24 above.

25 24. Defendants deny the allegations in paragraph 24.

26 25. Defendants deny the allegations in paragraph 25.

27 26. Defendants deny the allegations in paragraph 26.

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27. Defendants deny the allegations in paragraph 27.

28. Defendants deny the allegations in paragraph 28.

29. Defendants incorporate by reference their answers contained in paragraphs 1 through 28.

30. Defendants deny the allegations in paragraph 30 and affirmatively allege that Spooner & Associates, Inc. provided geological services to Plaintiff during the period January 5, 2003 until March 28, 2003 after Plaintiff ceased paying Spooner & Associates, Inc. for its services.

31. The characterization of A.R.S. § 44-1521 is a conclusion of law which requires no response and, on that basis, paragraph 31 is denied.

32. Defendants deny the allegations in paragraph 32.

33. Defendants deny the allegations in paragraph 33.

34. Defendants deny the allegations in paragraph 34.

35. Defendants incorporate by reference their answers contained in paragraphs 1 through 34.

36. Answering paragraph 36, Defendants Scott Spooner and Spooner & Associates deny that they performed geological services for Plaintiff in all respects as alleged in the complaint and admit that they performed geological services as described in the Answers in paragraph 14 above.

37. Defendants deny the allegations in paragraph 37.

38. Defendants deny the allegations in paragraph 38.

39. Defendants deny the allegations in paragraph 39.

40. Defendants admit they contemplated that Plaintiff would pay for the services of Spooner & Associates, Inc. and deny that any representations made by Defendants were false.

41. Defendants deny that any representations made by Defendants were false.

1           42. Defendants lack sufficient information to admit or deny the allegations  
2 in paragraph 42 and, therefore, deny the same.

3           43. Paragraph 43 states a conclusion of law and is a statement of Plaintiff's  
4 case, requiring no answer, and therefore, is denied.

5           44. Defendants deny the allegations in paragraph 44.

6           45. Defendants deny the allegations in paragraph 45.

7           46. Defendants incorporate by reference their answers contained in  
8 paragraphs 1 through 45.

9           47. Defendants deny the allegations in paragraph 47.

10          48. Defendants deny the allegations in paragraph 48.

11          49. Defendants deny the allegations of paragraph 49.

12          50. Defendants incorporate by reference their answers contained in  
13 paragraphs 1 through 49.

14          51. Defendants deny the allegations in paragraph 51.

15          52. Defendants incorporate by reference their answers contained in  
16 paragraphs 1 through 51.

17          53. Defendants deny the allegations in paragraph 53.

18          54. Defendants deny the allegations in paragraph 54.

19          55. Answering paragraph 55, Defendants admit that Plaintiff paid Spooner  
20 & Associates, Inc. approximately \$203,000 in fees.

21          56. Defendants deny the allegations in paragraph 56.

22          57. Defendants incorporate by reference their answers contained in  
23 paragraphs 1 through 56.

24          58. Linda Spooner and Spooner & Associates, Inc. deny the allegations in  
25 paragraph 58. Scott Spooner admits the allegations in paragraph 58.

26          59. Defendants deny the allegations in paragraph 59.

27          60. Defendants incorporate by reference their answers contained in  
28



1 paragraphs 1 through 59.

2 61. Defendants deny the allegations in paragraph 61.

3 62. Defendants incorporate by reference their answers contained in  
4 paragraphs 1 through 61.

5 63. Defendants deny the allegations in paragraph 63.

6 64. Defendants deny the allegations in paragraph 64.

7 65. Defendants incorporate by reference their answers contained in  
8 paragraphs 1 through 64.

9 66. Defendants deny the allegations in paragraph 66.

10  
11 **AFFIRMATIVE DEFENSES**

12 Defendants, in further answer to Plaintiff's complaint, now allege the following  
13 affirmative defenses to the extent they are applicable or may be applicable: estoppel,  
14 contributory negligence, failure of consideration, fraud, illegality, statute of frauds,  
15 statute of limitations, and waiver.

16  
17 **RELIEF REQUESTED**

18 WHEREFORE, having fully answered Plaintiff's Complaint, Defendants  
19 respectfully request that the Complaint be dismissed, that the Plaintiff take nothing  
20 thereby and that the Defendants be awarded their costs, attorneys fees and such other  
21 further relief as the Court deems just and proper under the circumstances.

22  
23 **COUNTERCLAIMS**

24 Defendants/Counterclaimants, for their counterclaims against Plaintiff/  
25  
26 Counterdefendant, without waiving their answers and defenses set forth above, allege  
27 as follows:

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**Counterclaim I**

(Payment Due for Services)

1. Spooner & Associates, Inc. provided mapping, geological, sampling and permitting services to Plaintiff/Counterdefendant during the period from July 26, 2001 through March 28, 2003.

2. The value of those services for which payment has not been made is \$77,230.04.

3. Spooner & Associates, Inc. submitted invoices to Plaintiff/Counterdefendant demanding payment of \$77,230.04.

4. Plaintiff/Counterdefendant has not made payment for \$77,230.04.

5. Spooner & Associates, Inc. Is entitled to payment in the amount of \$77,230.04 plus interest from Plaintiff.

**Counterclaim Count II**  
(Quiet Title)

6. Defendants/Counterclaimants incorporate by reference their allegations in paragraphs 1 through 5 of their counterclaim.

7. Defendant/Counter claimant Scott D. Spooner is a resident of Louisiana.

8. Defendant/Counter claimant Spooner & Associates, Inc. is a corporation organized and existing in the State of Louisiana and authorized to do business in Arizona.

9. Plaintiff/Counterdefendant has caused an event or events to occur in La Paz County, State of Arizona, out of which this claim arises.

10. Jurisdiction of this counterclaim is conferred on this court by Article 6 of the Arizona Constitution.

11. On or about September 1, 1995, Robert Chastain located the following

1 mining claims in Section 28, Township 5 North, Range 12 West in La Paz County,  
2 Arizona and filed those claims in the Bureau of Land Management with the following  
3 AMC numbers::

4	Robison No. 0	AMC 335891
5	Robison No. 4	AMC 335892
6	Robison No. 6	AMC 335893
7	Robison No. 7	AMC 335894
8	Robison No. 8	AMC 335895
9	Robison No. 9	AMC 335896
10	Robison No. 11	AMC 335897
11	Robison No. 12	AMC 335898
12	Robison No. 14	AMC 335899
13	Robison No. 15	AMC 335900

14 hereinafter referred to as “the First Robison Claim Group”.

15 12. By Lease Agreement dated September 21, 2000, Robert Chastain leased  
16 to Inter-Americas Mining, Inc. the First Robison Claim Group.

17 13. The said Lease Agreement was executed by Scott D. Spooner as the  
18 Vice President on behalf of Inter-Americas Mining, Inc.

19 14. On information and belief, Inter-Americas Mining, Inc. consented to  
20 Plaintiff conducting exploration on some or all of the mining claims within the First  
21 Robison Claims Group.

22 15. During late 2001, Robert Chastain consented to  
23 Plaintiff/Counterdefendant conducting exploration on the First Robison Claim Group.

24 16. On information and belief, during the fall of 2001, Plaintiff/  
25 Counterdefendant entered an agreement with Robert Chastain regarding the First  
26 Robison Claim Group.

27 17. On or about September 1, 2001, the First Robison Claim Group became  
28 invalid due to Mr. Chastain failing to timely file proper documents in the Bureau of  
Land Management.

1 18. Between August 2001 and November 2001, Spooner & Associates, Inc.  
2 performed mapping and mineral sampling on the First Robison Claim Group for  
3 Plaintiff/Counterdefendant.

4 19. On or about March 18, 2002, Robert Chastain relocated the Robison  
5 mining claims described in paragraph 13 of Plaintiff's Complaint (the "Second  
6 Robison Claim Group").

7 20. On or about September 25, 2003, Plaintiff/ Counterdefendant located  
8 35 mining claims in Section 28 named "IER" claims, wholly or partly, over the  
9 Second Robison Claim Group while being on those claims with the agreement and  
10 permission of Inter-Americas and Robert Chastain.

11 21. The Second Robison Claim Group covers the same land as the First  
12 Robison Claim Group.

13 22. By Deed of Assignment dated February 1, 2003, Inter-Americas  
14 assigned to Western Exploration and Mining Co., Inc. the Lease Agreement dated  
15 September 21, 2000 with Robert Chastain.

16 23. By quit-claim deed dated February 13, 2003, Robert Chastain conveyed  
17 the Second Robison Claim Group of claims to Scott D. Spooner.

18 24. The said quit-claim of the Second Robison Claim Group to Scott D.  
19 Spooner is subject to the Lease Agreement with Inter-Americas assigned to Western  
20 Exploration.

21 25. The IER claims located by Plaintiff/Counterdefendant are held in trust  
22 for Scott D. Spooner subject to the Inter-Americas lease and any agreement that was  
23 entered between Robert Chastain and Plaintiff/Counterdefendant prior to February  
24 13, 2003.

25  
26 WHEREFORE, Defendant/Counterclaimants respectfully request judgment as  
27 follows:

1 A. That Defendant/Counter claimant Spooner & Associates, Inc. is entitled  
2 to payment for services rendered in the amount of \$77,230.04 plus interest.

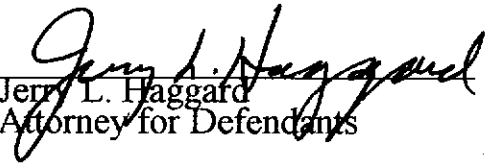
3 B. That Scott D. Spooner holds a constructive trust on the IER claims that  
4 occupy the same land as the Second Robison Claim Group, subject to the Lease  
5 Agreement between Chastain and Inter-Americas and subject to any agreement  
6 between Plaintiff/Counterdefendant and Robert Chastain that was entered preceding  
7 February 13, 2003.

8 C. Attorney's fees and costs as allowed by law.

9 D. Such other and further relief as the court may deem just and proper.

10 Dated this 5<sup>th</sup> day of May, 2004.

11 JERRY L. HAGGARD, P.C.

12  
13 By   
14 Jerry L. Haggard  
Attorney for Defendants

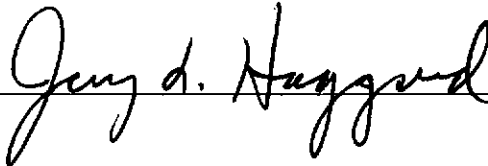
15 **Original** and one copy express mailed  
16 this 5<sup>th</sup> day of May, 2004, to:

17 Clerk of the La Paz County Superior Court  
18 1316 South Kofa Avenue  
19 Parker, AZ 85344

20 **Copy** of the foregoing was mailed this 5<sup>th</sup>  
21 day of May, 2004, to:

22 Charles E. Cruise, Esq.  
23 Cruise Law Offices, P.L.L.C.  
24 1301 Joshua Avenue, Suite C  
25 Parker, AZ 85344

26 Scott W. Donaldson, Esq.  
27 6868 N. Seventh Avenue, Suite 204  
28 Phoenix, AZ 85013



**ATTACHMENT 6**

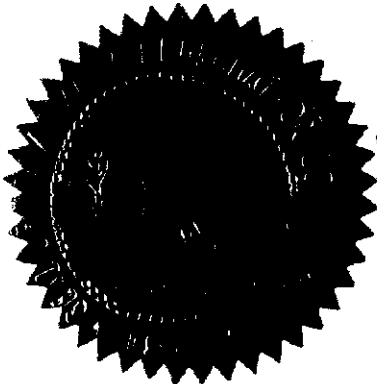
# STATE OF ARIZONA



## *Corporation Commission*

*To all to Whom these Presents shall Come, Greeting:*

I, MATTHEW J. NEUBERT, Director of Securities of the Arizona Corporation Commission, do hereby certify that I am a public officer having official duties with said Commission and having legal custody of the records of said Division and that I have caused to be made, under my direction, a diligent search of the records of the Securities Division of the Arizona Corporation Commission and said search discloses that during the period of January 1, 2000 to present, International Energy and Resources, Inc. has not filed with the Arizona Corporation Commission a notice filing for securities pursuant to Article 4 of the Securities Act of Arizona (A.R.S. § 44-1841 *et seq.*) or Article 12 of the Arizona Investment Management Act (A.R.S. § 44-3321 *et seq.*); has not registered securities with the Arizona Corporation Commission by description as provided in Article 6 of the Securities Act of Arizona (A.R.S. § 44-1871 *et seq.*) or by qualification as provided in Article 7 of the Securities Act of Arizona (A.R.S. § 44-1891 *et seq.*); has not received an exemption from the Arizona Corporation Commission authorizing the sale of securities pursuant to the provisions of A.R.S. §§ 44-1846 or 44-1843.01(B), or R14-4-101, R14-4-102, R14-4-126, R14-4-135, R14-4-137, R14-4-139 or R14-4-140 of the Arizona Administrative Code; has not been registered with the Arizona Corporation Commission as a dealer pursuant to Article 9 of the Securities Act of Arizona (A.R.S. § 44-1941 *et seq.*); and has not made a notice filing or been licensed with the Arizona Corporation Commission as an investment adviser pursuant to Article 4 of the Arizona Investment Management Act (A.R.S. § 44-3151 *et seq.*).



**IN WITNESS WHEREOF**, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE OFFICIAL SEAL OF THE ARIZONA CORPORATION COMMISSION, AT THE CAPITOL, IN THE CITY OF PHOENIX, THIS 8<sup>th</sup> DAY OF JULY, 2004 A.D.

BY

A handwritten signature in black ink, appearing to read "M. Neubert".

MATTHEW J. NEUBERT, Director of Securities

**ATTACHMENT 7**



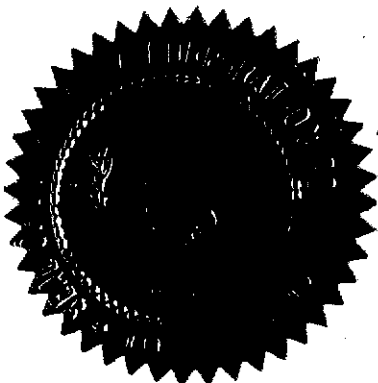
# STATE OF ARIZONA



## *Corporation Commission*

*To All to Whom these Presents shall Come, Greeting:*

I, MATTHEW J. NEUBERT, Director of Securities of the Arizona Corporation Commission, do hereby certify that I am a public officer having official duties with said Commission and having legal custody of the records of said Division and that I have caused to be made, under my direction, a diligent search of the records of the Securities Division of the Arizona Corporation Commission and said search discloses that during the period of January 1, 2000 to present, Chastain Mines has not filed with the Arizona Corporation Commission a notice filing for securities pursuant to Article 4 of the Securities Act of Arizona (A.R.S. § 44-1841 *et seq.*) or Article 12 of the Arizona Investment Management Act (A.R.S. § 44-3321 *et seq.*); has not registered securities with the Arizona Corporation Commission by description as provided in Article 6 of the Securities Act of Arizona (A.R.S. § 44-1871 *et seq.*) or by qualification as provided in Article 7 of the Securities Act of Arizona (A.R.S. § 44-1891 *et seq.*); and has not received an exemption from the Arizona Corporation Commission authorizing the sale of securities pursuant to the provisions of A.R.S. §§ 44-1846 or 44-1843.01(B), or R14-4-101, R14-4-102, R14-4-126, R14-4-135, R14-4-137, R14-4-139 or R14-4-140 of the Arizona Administrative Code.



**IN WITNESS WHEREOF**, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE OFFICIAL SEAL OF THE ARIZONA CORPORATION COMMISSION, AT THE CAPITOL, IN THE CITY OF PHOENIX, THIS 8<sup>th</sup> DAY OF JULY, 2004 A.D.

BY

A handwritten signature in black ink, appearing to read "M J Neubert".

MATTHEW J. NEUBERT, Director of Securities

**ATTACHMENT 8**

When recorded return fee

*SPOONER & ASSOC*  
*Box 12685*  
*503 Texas Eastern Rd*  
*LAKE CHARLES LA*  
*70612*



2003-02155

Page 1 of 2

Requested By: SPOONER & ASSOC

PATRICIA L WALL, RECORDER

OFFICIAL RECORDS OF LA PAZ COUNTY, AZ

04-18-2003 02:25 PM Recording Fee \$10.00

LF298-04  
R298-04

## QUITCLAIM DEED

THIS QUITCLAIM DEED, executed this

*13th* day of *FEBRUARY*, 20 *03*

by first party, Grantor,

Robert A. Chastain

whose post office address is

P.O. Box 21465, Wickenburg, AZ 85358

to second party, Grantee,

Scott D. Spooner

whose post office address is

503 Texas Eastern Road, Ragley, LA 70657

WITNESSETH, That the said first party, for good consideration and for the sum of

Dollars (\$ 10.00 )

paid by the said second party, the receipt whereof is hereby acknowledged, does hereby remise, release and quitclaim unto the said second party forever, all the right, title, interest and claim which the said first party has in and to the following described parcel of land, and improvements and appurtenances thereto in the County of La Paz, State of Arizona, to wit:

Robison No. 0	AMC 356333
Robison No. 4	AMC 356334
Robison No. 6	AMC 356335
Robison No. 7	AMC 356336
Robison No. 8	AMC 356337
Robison No. 9	AMC 356338
Robison No. 11	AMC 356339
Robison No. 12	AMC 356340
Robison No. 14	AMC 356341
Robison No. 15	AMC 356342

IN WITNESS WHEREOF, The said first party has signed and sealed these presents the day and year first above written. Signed, sealed and delivered in presence of:

\_\_\_\_\_  
Signature of Witness  
\_\_\_\_\_  
Print name of Witness  
\_\_\_\_\_  
Signature of Witness  
\_\_\_\_\_  
Print name of Witness

Robert A. Chastain  
Signature of First Party  
Robert A. Chastain  
Print name of First Party  
Robert A. Chastain  
Signature of First Party  
Robert A. Chastain  
Print name of First Party

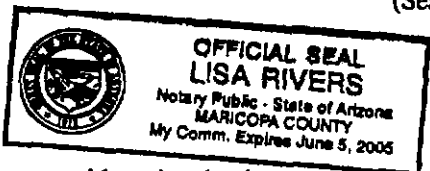
State of Arizona  
County of Maricopa  
On February 13, 2003 before me,

Robert A. Chastain

appeared  
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.  
Lisa Rivers  
Signature of Notary

Affiant \_\_\_\_\_ Known \_\_\_\_\_ Produced ID \_\_\_\_\_  
Type of ID DL -AZ D00241218  
(Seal)



State of \_\_\_\_\_  
County of \_\_\_\_\_  
On \_\_\_\_\_ before me,  
appeared

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.  
WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary

Affiant \_\_\_\_\_ Known \_\_\_\_\_ Produced ID \_\_\_\_\_  
Type of ID \_\_\_\_\_  
(Seal)

\_\_\_\_\_  
Signature of Preparer  
\_\_\_\_\_  
Print Name of Preparer  
\_\_\_\_\_  
Address of Preparer

**ATTACHMENT 9**

## Agreement Letter

Let this letter serve as a binding agreement to our verbal agreement of August 2001 between International Energy and Resources (IER) and Robert A. Chastain, for the 20 years of geological research, development and the 10 claims listed below:

Robison No. 0	AMC 356333
Robison No.4	AMC 356334
Robison No. 6	AMC 356335
Robison No. 7	AMC 356336
Robison No. 8	AMC 356337
Robison No. 9	AMC 356338
Robison No. 11	AMC 356339
Robison No. 12	AMC 356340
Robison No. 14	AMC 356341
Robison No. 15	AMC 356342

These claims are included in what we now call The Chastain Mine, which consists of 102 lode mining claims located in the Ellsworth district of La Paz County, Arizona. Robert Chastain agrees to sign over his 10 claims as listed above and any historical claims within the 102 claims as filed by IER, to IER for a 2.5% royalty on all of IER's 102 claims. Robert A. Chastain wishes to have this royalty placed in *Irrevocable Living Trust for Robert A. Chastain and Anne L. Call.*

  
Robert A. Chastain

10/8/03  
Date

  
John Owen, CEO IER

10/8/03  
Date

  
Misti Mathis

10/8/03  
Date

EXHIBIT u  
OF \_\_\_\_\_

**ATTACHMENT 10**

Affidavited

Sept 7, 2004

Respon to no 5

- 1 False these 10 Robson were Quick Claim deeded to Scott Spooner in Feb. 2003 I had no athority to enter into The agreement refered to <sup>99</sup> Affidavid no 5 Dated 10/8/03

Robert A. Chastain



