



CONTACT INFORMATION

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Phoenix, AZ 85007
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PAK 1 10 OF 16
PRINTED: 01/15/2003

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: CONGRESS

ALTERNATE NAMES:

CONGRESS MINE, PATENTED 878
FRACTION, PATENTED 883
NIAGARA
NIAGRA
GOLDEN KEY
HERSKOWITZ PROPERTY
QUEEN OF THE HILLS
OHAHA
PLANET MIER
JAQUAYS
B AND M
PATENTED CLAIMS MS 2888 & 3523

YAVAPAI COUNTY MILS NUMBER: 440C

LOCATION: TOWNSHIP 10 N RANGE 6 W SECTION 23 QUARTER N2
LATITUDE: N 34DEG 12MIN 05SEC LONGITUDE: W 112DEG 50MIN 54SEC
TOPO MAP NAME: CONGRESS - 7.5 MIN

CURRENT STATUS: PAST PRODUCER

COMMODITY:

GOLD
SILVER
COPPER SULFIDE
FELDSPAR

BIBLIOGRAPHY:

ADMMR CONGRESS MINE FILE
ADMMR CONGRESS COLVO FILE
ADMMR NIAGARA MINE & MILL FILE
ADMMR GOLDEN KEY FILE
REPORT OF THE GOVERNOR OF AZ 1899 P 54-56
WILSON, E.D. ETAL. AZ LODE GOLM MINES AZBM
METZGER, O.H. GOLD MINING & MILLING IN THE
WICKENBURG AREA USBM IC 6991 1938 P 45

CONTINUED ON NEXT PAGE

PAISY C. JENNEY, County Recorder
By Deputy W. B. Deputy

NOTICE OF TERMINATION OF EASEMENT

TO: SHIRLEY C. DuBOIS
KATHRYN ELIZABETH WILLIAMS and WILLIAM BENNETT WILLIAMS
RUTH C. WILHOIT
DORIS C. CHILSON, and

to all other heirs, assigns and personal representatives of the
estate of E. A. Colburn, Jr., deceased:

You are herewith notified by D. W. Jaquays and Ethelyn C.
Jaquays, his wife, signatories hereto, of the termination and
cancellation of the easement and rights of way over the surface of
all the patented and unpatented lode mining claims included in the
"Congress" mine in Yavapai County, Arizona, as such easement and
rights of way thereon were set forth in that certain "Easement
Agreement" entered into between Hal Bogle and Dorothy T. Bogle,
his wife, et al, as first parties, and E. A. Colburn, Jr., as
second party, which "Easement Agreement" was recorded on 31 October,
1947 in Book 16 of Agreements, at pages 292-294, records of
Yavapai County, Arizona.

The ground for this termination and cancellation is the
failure since 1964 of E. A. Colburn, Jr., deceased, and his heirs,
et al, to comply with the performance requirements of said "Ease-
ment Agreement", and particularly with paragraphs #6 and #8
thereof, which provide as follows:

"6. Second party (E. A. Colburn, Jr.) shall
perform all assessment work necessary or re-
quired to maintain the possessory rights of
the parties to all unpatented mining claims
constituting a part of the Congress Mine and
shall furnish First Parties with proof of full
and complete performance thereof not less than
90 days prior to the expiration of each assess-
ment year."

"8. Breach by Second Party (E. A. Colburn, Jr.)
of any covenant or condition herein contained
shall operate immediately to terminate this
easement,..."

ALBERT H. MACKENZIE
ATTORNEY AT LAW
SUITE 711 - TITLE AND TRUST BUILDING
114 WEST ADAMS STREET
PHOENIX, ARIZONA 85003
(602) 253-3148

1 In consequence of such failure, said unpatented mining
2 claims have been allowed to lapse.

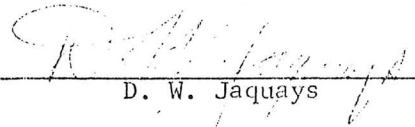
3 The right of termination and cancellation herewith
4 asserted and exercised by D. W. Jaquays and Ethelyn C. Jaquays,
5 his wife, derives by purchase thru mesne conveyances from the
6 said Hal Bogle and Dorothy T. Bogle, his wife, of the estate re-
7 served and retained in subject property by the Bogles as set forth
8 in that certain "Deed" also dated the 15th of October, 1947, and
9 recorded on 31 October, 1947, in Book 189 of Deeds, at pages 364-
10 365, records of Yavapai County, Arizona, which reservation pro-
11 vides as follows:

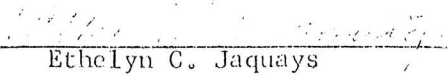
12 "1. The surface of said mining claims to a
13 depth of forty feet immediately beneath the
14 surface, including all improvements, mine
dumps and tailings dumps now located thereon."

15 The Jaquays acquired the reserved estate in question
16 thru a deed to them from Suzanne C. Lane, dated the 14th of
17 September, 1962, recorded in Book of Deeds 268, pages 487-496,
18 records of Yavapai County, Arizona.

19 It is to be noted that over and across the said reserved
20 forty feet surface depth, the Bogles coincidentally granted to the
21 said E. A. Colburn, Jr. in said "Easement Agreement" of 15 October,
22 1947, the easements and rights of way first referred to herein,
23 but expressly made such grant subject to the performance conditions
24 above recited in paragraphs #6 and #8, thereof, which conditions
25 have been breached.

26 DATED this 7 day of June, 1974.

27
28 
D. W. Jaquays

29
30 
Ethelyn C. Jaquays

31
32 -2-

A F F I D A V I T

STATE OF ARIZONA)
COUNTY OF MARICOPA) ss.

Before me personally appeared D. W. JAQUAYS and
ETHELYN C. JAQUAYS, his wife, and acknowledged that they executed
the above Notice for the reasons therein expressed.

Donald L. Grogg
Notary Public

My Commission Expires:

My Commission Expires Aug. 21, 1976

July 1st 1974

Mrs. Shirley DuBois
331 Verde Heights Dr.
Cottonwood, Arizona 86326

Dear Mrs. DuBois:

I am enclosing a copy of the notice of cancellation of certain easements granted to your father, Mr. Colburn at the time he purchased the underground rights on certain parcels making up the Congress Mine. As you are aware, I have purchased the surface rights and dumps from the other parties in these agreements. I very much dislike having to recind this easement agreement because of non-performance of certain portions of it, but on the advice of my attorney, it was considered necessary to preserve my rights on the unpatented claims from encroachment by a third party.

At the present time I am arranging the financing for a 300 ton a day mill on the Congress Property. The mill feed for the first three years will come mainly from the dumps presently owned by myself. Later, we plan to start mining underground on the property I have patented adjoining th 14 claims on which the underground is now owned by yourself and your sisters.

While a sucessful mining operation can be conducted without encroaching upon the underground owned by you and your sisters, I feel that it would be an opportune time for this portion of the mine to also be put into production. As my search of the records in the recorders office shows, you are owner of 75% of the property and the other 25% is divided between your three sisters. I am suggesting at this time that you confer with them about a price and terms that you would consider for the property and so advise me. If you would like to have me come to Cottonwood at your convenience to discuss this matter with you and your sisters, please do not hesitate to call or contact me.

Very truly yours,

D. W. Jaquays

P.S.: Would you please furnish me with the address of Mrs. Wilhoit and Mrs. Chilson. I have Mrs. Williams address. Enclosed is a stamped envelope for you reply.

Thank you

July 5th 1974

Mr. W. B. Williams
Box 131
Clarkdale, Arizona 86324

Dear Mr. Williams:

Enclosed is a copy of the notice of cancellation of easements granted Mr. Colburn at the time he purchased the underground rights of the Congress Mine. I very much dislike having to recind this easement agreement but on the advice of my attorney it was deemed necessary to preserve my rights on the surface of the patented claims from encroachment by a unauthorized party.

Very truly yours,

D. W. Jaquays

February 23rd 1974

Mr. Thelton D. Beck
Favour & Beck
P. O. Box 1433
Prescott, Arizona 86301

Dear Mr. Beck:

Enclosed is a copy of the State Mine Inspectors' report with further instructions concerning the handling of the Congress #3 shaft fire. I beleive this will clear up any doubts concerning the matter.

You may relay to Mr. Williams that I would be interested in re-activating on the same terms Mr. Colburn's old option with me on the mineralarights on the 14 patented claims in the Congress Group.

Thank you.

Sincerely,

D. W. Jaquays

GEORGE M. IRELAND
JOHN B. ROBINSON

LAW OFFICES OF
GEORGE M. IRELAND, P.C.
SUITE 300 GREAT WESTERN BANK BUILDING
122 NORTH CORTEZ STREET
PRESCOTT, ARIZONA 86301

AREA CODE 602
445-4790 AND 445-4792

August 14, 1974

Jaquays Asbestos Corporation
1219 South 19th Avenue
Phoenix, Arizona 85009

Attention: D. W. Jaquays

Re: Congress Mine

Dear Mr. Jaquays:

This office has been retained by Mr. and Mrs. W.B. Williams on behalf of themselves and the other owners of the lode claims comprising the above described mine.

Mr. and Mrs. Williams have turned over to us the correspondence from you to them dated February 2, 1974, wherein you indicate that you, on your own initiative, caused the sealing of the remaining shafts of this mine based upon an alleged fire in #3 shaft. Subsequent to this communication contact was made with Mr. Verne C. McCutchan, State Mine Inspector, who informs us that on the 20th you called concerning the alleged mine. Assuming you owned the mine the Mine Inspector used this as a basis in advising you to close the respective shafts. At the time of the conversation with you the State Mine Inspector's office was not aware of the fact that you were not the owner of such mines and were not in fact authorized to take the action that you did in closing these shafts.

In view of this, my clients have been advised to deny any responsibility for any expenses allegedly incurred by you in the closing of these shafts and we are investigating the costs of reopening these shafts which we feel would be a cost recoverable from you because of the unwarranted action taken by you in closing these shafts.

I am also informed that subsequent to that date, you have caused various obstructions to be placed in the access roads to these properties and have locked the gates upon these various roads thereby inhibiting and preventing, in some instances, my clients' access to the subject property. Access has also prevented prospective purchasers of these claims from investigating them; particularly since the shafts have been closed.

Mr. D.W. Jaquays
August 14, 1974
Page 2

For your information it is our feeling based upon the current law that my clients have the right to the surface of these claims, so much as may be necessary for them to reach and remove these minerals. Any interference in this right will subject the person interfering with such rights to damages and is further a basis to injunctive relief to prevent continued interference with the right of access enjoyed by the mine owners.

In furtherance of the foregoing, I request that you immediately provide my clients with a key to all locks that you have placed upon the various gates on the access road to the subject mine and that you cause the immediate removal of all obstacles on the roads to enable my clients to have reasonable access to the mine at all times.

You are further informed that it is my clients' intention to have the #3 shaft opened and that the expenses of such opening, based upon the results discovered following the reopening, will be assessed against you. Any continued interference with the right of ingress and egress to the subject claims by my clients or any of their agents will compel the institution of legal action against you to enjoin you from such continued conduct in addition to seeking damages incurred as a result of your conduct.

In conclusion, we would appreciate receiving an immediate response relative to your intentions concerning access to this area so that we may know how to proceed in this matter. We presume that an answer to our demands will be received within the next ten days. Otherwise, we will be compelled to proceed with the stated legal action.

Sincerely,



George M. Ireland

GMI:sat

cc: Mr. and Mrs. Williams

ALPHEUS L. FAVOUR
THELTON D. BECK
STEPHEN M. LEE
CHARLES ANTHONY SHAW

FAVOUR AND BECK
ATTORNEYS AT LAW
FIRST NATIONAL BANK BUILDING
PRESCOTT, ARIZONA 86301

POST OFFICE BOX 1433
TELEPHONE (602) 445-5222

March 28, 1974

Mr. W. B. Williams
P. O. Box 131
Clarkdale, Arizona 86324

Dear Mr. Williams:

In response to your March 26 letter we enclose the following:

1. October 9, 1973 letter from John E. Motica.
2. Magini Leasing & Contracting invoice, dated January 30, 1974, to D. W. Jaquays (if you discuss this matter directly with Jaquays do not overlook the fact that the Magini invoice shows services rendered to the Cordis Mines).
3. Jaquays' invoice dated January 31, 1974.
4. Jaquays' letter dated February 2, 1974.
5. Pages 5, 6 & 7 of 1957 agreement between E. A. Colburn, Jr., et ux, and Jaquays Mining Corporation.

You have already received copies of all other materials in our file relative to this matter.

Our statement for services rendered is enclosed as you have requested.

Yours truly,


Thelton D. Beck

TDB/bpg
Enclosures

JAQUAYS ASBESTOS CORP.

Producers of Fine Arizona Asbestos

1219 South 19th Avenue

PHOENIX, ARIZONA 85009

Phoenix 254-6494

Globe 425-2621

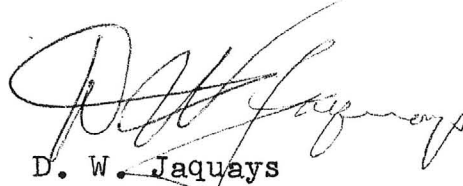
July 5th 1974

Mr. W. B. Williams
Box 131
Clarkdale, Arizona 86324

Dear Mr. Williams:

Enclosed is a copy of the notice of cancellation of easements granted Mr. Colburn at the time he purchased the underground rights of the Congress Mine. I very much dislike having to recind this easement agreement but on the advice of my attorney it was deemed necessary to preserve my rights on the surface of the patented claims from encroachment by a unauthorized party.

Very truly yours,



D. W. Jaquays

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007

PHONE 254-6181

For Jaquays Mining Company
1219 South 19th Avenue
Phoenix, Arizona 85009

Date June 5, 1974

Sample of Ore

Received: 6-3-74

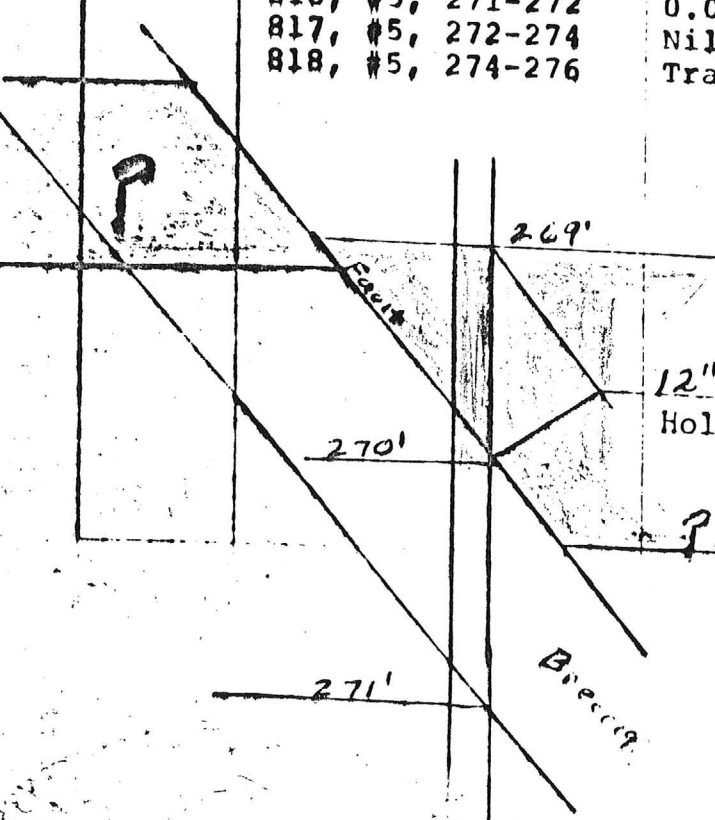
Submitted by: Mr. Jaquays

ASSAY CERTIFICATE

Gold figured at \$ 200.00 per ounce

Silver figured at \$ 5.00 per ounce

LAB. NO.	IDENTIFICATION	GOLD		SILVER		PERCENTAGES
		OZ. PER TON	VALUE	OZ. PER TON	VALUE	
7008	810, #5, 264-266	0.01	\$2.00	Nil		
	811, #5, 265-267	0.02	4.00	1.40	\$7.00	
	812, #5, 267-268	nil		Trace		
	813, #5, 268-269	0.02	4.00	Trace		
	814, #5, 269-270	0.82	164.00	0.95	4.75	
	815, #5, 270-271	0.03	6.00	0.05	0.25	
	816, #5, 271-272	0.02	4.00	Nil		
	817, #5, 272-274	Nil		Nil		
	818, #5, 274-276	Trace		Nil		



Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007

PHONE 254-6181

For: Jaquays Mining Company
1219 South 19th Avenue
Phoenix, Arizona 85009

Date: February 20, 1974

Lab. No.: 6185

Sample: Ore Marked: See Below
Sub-Soil of Congress Tailings dumps

Received: -----

Submitted by: same

REPORT OF LABORATORY TESTS

Hole	Sample No.	Gold oz/ton	Silver
1	651 1.3'	0.09	0.35
	652 1.3'	0.04	0.10
2	653 1.3'	0.05	0.15
	654 1.6'	0.04	0.10
	655 1.4'	0.12	0.25
3	656 1.4"	0.05	0.05
	657 1.5"	0.18	0.35
	658 1.5"	0.03	0.05
5	659 1.5'	0.04	0.20
	660 1.5'	0.20	0.55
5	661 1.5"	0.23	0.35
	662 1.2"	0.43	0.05
	663 1.5"	0.16	0.20
4	664 1.6"	0.03	0.05
	665 1.5"	0.08	0.25
8	666 1.5'	0.02	0.05
	667 1.5'	0.05	0.20
9	668 1.0"	0.07	0.05
10	669 1.5'	0.08	0.50
	670 1.5'	0.17	0.35
	671 1.5"	0.06	0.50
11	672 0.7'	0.11	0.15
	673 1.5'	0.04	0.20
12	674 1.4'	0.05	0.10
13	675 1.3'	0.05	0.20

Hole	Sample No.	Gold oz/ton	Silver
13	676 1.3'	0.05	0.05
	677 1.5'	0.13	0.15
14	678 1.5'	0.05	0.05
	679 1.5'	0.04	0.35
15	680 1.5"	0.19	0.35
	681 1.5"	0.38	0.25
16	682 1.5'	0.14	0.20
	683 1.5'	0.11	0.40
17	684 1.5'	0.22	0.15
	685 1.5'	0.15	0.45
18	686 1.3'	0.25	0.20
	687 1.5'	0.15	0.15
19	688 1.3'	0.07	0.05
	689 1.5'	0.13	0.20
20	690 1.5'	0.19	0.15
	691 1.5'	0.04	0.05
21	692 1.0'	0.05	0.20
	693 1.5"	0.04	0.15
22	694 1.5'	0.02	0.05
	695 1.5'	0.08	0.35
23	696 1.5'	0.16	0.05
	697 1.5"	0.16	0.20
24	698 1.5'	0.18	0.65

Hole	Sample No.	Gold oz/ton	Silver
	699 1.5'	0.10	0.45
25	700 1.5'	0.04	0.10
	701 1.5'	0.16	0.25
26	702 0.8'	0.04	0.10
	703 1.5'	0.08	0.10
A	704 1.2'	0.05	0.05
	705 1.5'	0.09	0.10
B	706 1.2'	0.08	0.05
	707 1.5'	0.14	0.10
C	708 0.8'	0.21	0.15
	709 1.5'	0.11	0.10
D	710 1.5'	0.44	0.20
	711 1.5'	0.15	0.25
27	712 0.8'	0.12	0.10
	713 1.5'	0.07	0.15
31	714 1.5'	0.07	0.15
32	715 1.5'	0.09	0.15
30	716 1.5'	0.08	0.15
28	717 1.5'	0.06	0.20
	718 0.9'	0.12	0.10
27	719 2.0'	0.02	0.15
101	720 2.0'	0.02	0.10
102	721 2.0'	0.01	0.05

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

Average
Au Ag
Top .112 .25
Bottom .122 .143

*Office of State Mine Inspector*

ROY DUNIVIN

DEPUTY STATE MINE INSPECTOR

DEWEY, ARIZONA 86327

January 21, 1974

I recieved a call from Verne C. McCutchan, State Mine Inspector this morning concerning a fire in the incline shaft at the old Congress Mine near Congress Junction.

I stopped at the Sheriff's Office in Prescott to see if they knew anything about this fire and was told to get in touch with Deputy Stringfellow at Yarnell.

Stringfellow said that he had noticed the fire but could not get into the mine as lots of smoke was coming out. Also, he thought vandals had set the fire but that they did not know who they were.

Stringfellow went with me to the mine and the fire had died out. The mine had been entered by some of Jaquay's men to see if anyone was in there.

A D-9 Cat dozer was preparing to fill the mine with old dump material. Some muck had already been pushed in and the operator was waiting for someone to give him the go-ahead signal before he finished the job.

I was told that Jaquays was going to start mining in this area very soon. He will probably notify the office when he does.

/s/ Roy Dunivin
Deputy State Mine Inspector

Mr. Dunivin's report is in error in that no dirt had been pushed into the shaft collar before he arrived. What he saw was old cave in the shaft collar.

DWF

February 2nd 1974

Mr. W. B. Williams
P. O. Box 131
Clarkdale, Arizona 86324

Dear Mr. Williams:

Concerning your holdings of the underground below the 14 patented claims at the Congress. I am trying to put together a deal with my holdings of the surface, dumps and adjoining claims. Have you arrived at a figure with which you would be willing to option your portion of the property?

I might add that on January 20th while visiting the property #3 shaft was discovered to be on fire. The Arizona State Mine Inspector was notified and orders were given to close up and seal all the shafts on the Congress Vein. This meant arranging for and hiring a bull dozer which I was fortunate in having delivered to the property the next morning. The numbers 1, 2 and 3 shafts have been sealed(buried) in order to put the fire out. I hope it did not progress into the mine timber.

In as much as part of this action was to protect your holdings I feel that you should pay at least half of the expenses. I do not have the total cost of sealing, but indications are it will be about \$1000.00. As soon as I have the total I will contact you.

In the meantime I would appreciate receiving an offer of sale from you on your holdings.

I hope the fire will not be serious enough to discourage my prospects from seriously considering the Congress.

Very truly yours,

D. W. Jaquays

Congress #3 Shaft Fire
Sunday Jan, 20, 1974
As reported by D. W. Jaquays

Entered East Side of Congress property accompanied by my wife, brother G. A. Jaquays and his wife, about 2 P.M., Jan. 20th.. At that time there was no evidence of smoke over #3 Shaft area. Found east area of property overrun by week end rock hounds and winter visitors. Told a few of them they were trespassing on private property then left. On way out about 3:30 P.M. heavy smoke was observed over No. 3 shaft, drove up to shaft and found heavy smoke pouring out of shaft. Drove to Congress and located Yavapai Deputy Sheriff Stringfellow. Told him of the fire and of the trespassers. He said he would check this out. He later went to #3 shaft and found heavy smoke pouring out of the shaft collar.

Left for Phoenix.

In Phoenix I tried to call the listed number of the Arizona State Mine Inspector. No answer and could find no night or week end phone number. Called the Maricopa County Sheriff's office to try to locate the Mine Inspector, they had no emergency phone number either.

Finally called Tony Bennett, Arizona State Dust Engineer and he gave me Vern McCutcheon's phone number, 948-2601.

Called Vern McCutcheon about 8:00 P.M. and reported the fire. He said he would inform his Deputy Mine Inspector, Mr. Donovan at Prescott.

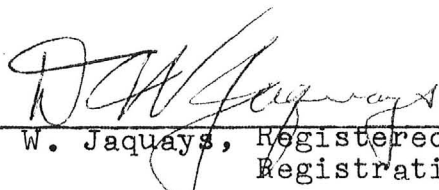
After the above calls were made I called Mr. D. R. Lindsay my assistant and asked him to arrange for a dozer to be on the Congress property as soon as possible. Also called Mr. John L. Kleiner a registered mining engineer in my employ and told him what had happened and arranged for him to report to the Congress Mine early Monday A. M..

Monday, Jan. 21st arrived at #3 shaft about 11:00 A.M. found D-9 Cat and operator standing by. A strong odor of smoke was still coming from the shaft, but draft was reversing, indicating that the fire may be progressing across the mine workings to old stope area. Mr. Kleiner and myself walked over to No. 2 Shaft which was caved but still open enough to permit a strong draft to surface. The draft had reversed enough to carry a strong odor of smoke from burning timber up and out of No. 2 Shaft. Checked No. 1 Shaft and found no draft, as this shaft has been caved solid for many years. Returned to #2 Shaft and found a strong odor of smoke could be detected 150 feet away from the shaft collar.

Returned to #3 Shaft and found that Deputy Mine Inspector Donovan had inspected the shaft while Mr. Kleiner and I were inspecting the other shafts. After a quick look at the #3 Shaft Mr. Donovan instructed the Dozer operator to "Close it up". These instructions were relayed to Mr. Kleiner and I on our return to the #3 Shaft area, by the Dozer operator. Mr. Kleiner, who has had many years experience fighting coal mine fires and myself concured with the Deputies decision to close the shafts.

The above decision while made reluctantly on my part, was I believe in the best interests of all people concerned, not only to protect the mine workings from extensive damage but also to prevent further exploration by unauthorized persons in a poisonous gas laden mine.

Signed


D. W. Jaquays, Registered Mining Eng.
Registration No. 1078

February 18th 1974

Mr. Thelton D. Beck
Favour & Beck
P. O. Box 1433
Prescott, Arizona 86301

Dear Mr. Beck:

In answer to your letter of February 12th concerning the Congress Mine fire. I can appreciate Mr. Williams' concern over the closing of #3 Shaft as this was the only remaining opening to the mine. As you can see from my diary of events on January 20th and January 21st, after the inspection by the Deputy State Mine Inspector Donovan, I had little choice in the matter.

A copy of the mine inspectors report or order is being mailed to me and I will send this on as soon as it is received.

When Mr. Williams is free to do so I would like to have him submit to me his terms and price on the mineral rights on his 14 patented claims. As it stands now it would be difficult for either of us to consummate a deal without becoming involved with each other later.

I think it would behove each of us to try to work together on the Congress as neither of us can really deal seperately and avoid possible complications as time goes on.

Very truly yours,

D. W. Jaquays

JAQUAYS ASBESTOS CORP.*Producers of Fine Arizona Asbestos*

1219 South 19th Avenue

PHOENIX, ARIZONA 85009

Phoenix 254-6494

Globe 425-2621

February 18th 1974

Mr. Thelton D. Beck
Favour & Beck
P. O. Box 1433
Prescott, Arizona 86301

Dear Mr. Beck:

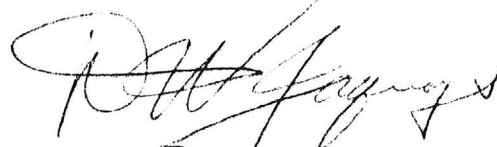
In answer to your letter of February 12th concerning the Congress Mine fire. I can appreciate Mr. Williams' concern over the closing of #3 Shaft as this was the only remaining opening to the mine. As you can see from my diary of events on January 20th and January 21st, after the inspection by the Deputy State Mine Inspector Donovan, I had little choice in the matter.

A copy of the mine inspectors report or order is being mailed to me and I will send this on as soon as it is received.

When Mr. Williams is free to do so I would like to have him submit to me his terms and price on the mineral rights on his 14 patented claims. As it stands now it would be difficult for either of us to consummate a deal without becoming involved with each other later.

I think it would behove each of us to try to work together on the Congress as neither of us can really deal seperately and avoid possible complications as time goes on.

Very truly yours,



D. W. Jaquays

February 18th 1974

Mr. Thelton D. Beck
Favour & Beck
P. O. Box 1433
Prescott, Arizona 86301

Dear Mr. Beck:

In answer to your letter of February 12th concerning the Congress Mine fire. I can appreciate Mr. Williams' concern over the closing of #3 Shaft as this was the only remaining opening to the mine. As you can see from my diary of events on January 20th and January 21st, after the inspection by the Deputy State Mine Inspector Donovan, I had little choice in the matter.

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I think it would behove each of us to try to work together on the Congress as neither of us can really deal seperately and avoid possible complications as time goes on.

Very truly yours,

D. W. Jaquays



State Mine Inspector

VERNE C. MCCUTCHAN
PHOENIX, ARIZONA 85007

February 6, 1974

Mr. D. W. Jaquays
Jaquays Mining Corp.
1219 S. 19th Ave.
Phoenix, Arizona 85007

Dear Mr. Jaquays:

Re: Congress Mine

Mr. Roy Dunivin, Deputy Mine Inspector and Deputy Sheriff Dan Stringfellow of Yavapai County, investigated the mine fire at the Congress Mine. I called Mr. Dunivin on January 21, 1974 and informed him of the fire that you reported to me on January 20, 1974. I instructed Mr. Dunivin to check on the cause of the fire and to try and determine who had started the fire. (I am enclosing a copy of his report.) Mr. Dunivin was advised of our telephone conversation and the availability of equipment to suppress the fire. I told Mr. Dunivin that a dozer was available and I had instructed you to smother the fire if necessary.

Although this mine was not operating at the time of the fire it still remains under the jurisdiction of the State Mine Inspector as provided by statutes 27-302, Operators Subject To the Act; and 27-301, Definitions - #3 Mine.

You are hereby instructed that no person shall enter this mine until such time it is declared safe and free of toxic gases. The State Mine Inspector will examine and test this mine if a written request is received in this office.

You are further instructed to post warning signs, cover and protect any dangerous openings.

Deputy Mine Inspectors have posted many of these old mines in the past and I want to thank you for your cooperation with them. It still remains your responsibility to see that signs are re-posted when vandals remove them.

It is my opinion that vandals were responsible for the Congress Mine fire.

Thank you for your cooperation.

Sincerely,

Verne C. McCutchan
State Mine Inspector

Vm:at

Congress #3 Shaft Fire
Sunday Jan, 20, 1974
As reported by D. W. Jaquays

Entered East Side of Congress property accompanied by my wife, brother G. A. Jaquays and his wife, about 2 P.M., Jan. 20th.. At that time there was no evidence of smoke over #3 Shaft area. Found east area of property overrun by weed and rock hounds and winter visitors. Told a few of them they were trespassing on private property then left. On way out about 3:30 P.M. heavy smoke was observed over No. 3 shaft, drove up to shaft and found heavy smoke pouring out of shaft. Drove to Congress and located Yavapai Deputy Sheriff Stringfellow. Told him of the fire and of the trespassers. He said he would check this out. He later went to #3 shaft and found heavy smoke pouring out of the shaft collar.

Left for Phoenix.

In Phoenix I tried to call the listed number of the Arizona State Mine Inspector. No answer and could find no night or week end phone number. Called the Maricopa County Sheriff's office to try to locate the Mine Inspector, they had no emergency phone number either.

Finally called Tony Bennett, Arizona State Dust Engineer and he gave me Vern McCutcheon's phone number, 948-2601.

Called Vern McCutcheon about 8:00 P.M. and reported the fire. He said he would inform his Deputy Mine Inspector, Mr. Donovan at Prescott.

After the above calls were made I called Mr. D. R. Lindsay my assistant and asked him to arrange for a dozer to be on the Congress property as soon as possible. Also called Mr. John L. Kleiner a registered mining engineer in my employ and told him what had happened and arranged for him to report to the Congress Mine early Monday A. M..

Monday, Jan. 21st arrived at #3 shaft about 11:00 A.M. found D-9 Cat and operator standing by. A strong odor of smoke was still coming from the shaft, but draft was reversing, indicating that the fire may be progressing across the mine workings to old stope area. Mr. Kleiner and myself walked over to No. 2 Shaft which was caved but still open enough to permit a strong draft to surface. The draft had reversed enough to carry a strong odor of smoke from burning timber up and out of No. 2 Shaft. Checked No. 1 Shaft and found no draft, as this shaft has been caved solid for many years. Returned to #2 Shaft and found a strong odor of smoke could be detected 150 feet away from the shaft collar.

Returned to #3 Shaft and found that Deputy Mine Inspector Donovan had inspected the shaft while Mr. Kleiner and I were inspecting the other shafts. After a quick look at the #3 Shaft Mr. Donovan instructed the Dozer operator to "Close it up". These instructions were relayed to Mr. Kleiner and I on our return to the #3 Shaft area, by the Dozer operator. Mr. Kleiner, who has had many years experience fighting coal mine fires and myself concurred with the Deputies decision to close the shafts.

The above decision while made reluctantly on my part, was I believe in the best interests of all people concerned, not only to protect the mine workings from extensive damage but also to prevent further exploration by unauthorized persons in a poisonous gas laden mine.

Signed

D. W. Jaquays
D. W. Jaquays, Registered Mining Eng.

ALPHEUS L. FAVOUR
THELTON D. BECK

FAVOUR AND BECK
ATTORNEYS AT LAW
FIRST NATIONAL BANK BUILDING
PRESCOTT, ARIZONA 86301

POST OFFICE BOX 1433
TELEPHONE (602) 445-5222

February 12, 1974

Mr. D. W. Jaquays
Jaquays Asbestos Corp.
1219 South 19th Avenue
Phoenix, Arizona 85009

Dear Mr. Jaquays:

William Bennett Williams of Clarkdale has contacted us regarding your February 2 letter and your February 4 mailing containing a January 31, 1974 billing.

Initially, Mr. Williams and the owners of the Congress patented claims are not in a position to either accept or reject your billing for the sealing of the shafts on the Congress Vein. Before making that decision, they will need additional information. Please advise us the date and hour when the fire or fires were discovered, by whom they were discovered, what other people besides the discoverer thereof witnessed evidence of burning, and who in the office of the State Mine Inspector gave orders to seal the shafts and by what means were such orders given. If you will furnish the requested information we will give further attention to your January 31, 1974 billing.

Please be advised that there is some question whether you had any legal authority to seal the shafts. If you had any justification for sealing any of the shafts, there remains a question whether you had authority to seal them all. As we believe you are aware, Mr. Williams is and has for some time been actively soliciting inspection of the claims by potential purchasers. Your actions have effectively cut off all access to the underground and you are therefore damaging the owners. In the absence of complete justification for your actions, we will demand that you remedy the loss of access at your own expense, and if there is substantial delay in this regard the owners will consider asserting a claim against you for damages.

Notwithstanding the potential for conflict which obviously is present, my clients nevertheless desire to resolve this matter amicably and we hope you will approach the resolution of this matter upon the same basis.

Mr. Williams is not at this time in a position to state an option figure. He is soliciting offers for the purchase of the property and if you can submit such an offer we would like to receive it.

Yours truly,

A handwritten signature in dark ink, appearing to read "Thelton D. Beck". The signature is fluid and cursive, with the first name "Thelton" and last name "Beck" clearly distinguishable.

Thelton D. Beck

TDB: sw

cc: Mr. W. B. Williams

D. W. JAQUAYS & CO.

MINING & CONTRACTORS EQUIPMENT

1219 South 19th Avenue

Telephone AL 2-8483

PHOENIX, ARIZONA

2929 S. 4th Avenue

Phone MAIn 4-4733

TUCSON, ARIZONA

P. O. BOX 328

Phone GARfield 5-2621

GLOBE, ARIZONA

Customer's
Order No.

Date Jan. 31, 1974

196

M

Congress Mine Fire Charges

Address

SOLD BY	CASH	COD	CHARGE	ON ACCT.	MDSE. RETD	PAID OUT	
QUANTITY	DESCRIPTION					PRICE	AMOUNT
John Kliener			2 days @ \$50.00				\$100.00
"	"		Expenses				22.00
"	"		Mileage 220 @ 10¢				22.00
D. W. Jaquays			Mileage 170 @ 10¢				17.00
"	"		1 Day				50.00
							\$211.00
Magini Leaseing Charges							\$872.02
Total							\$1083.02
1 to W. B. Williams							\$541.01
Sales Tax							

ALL claims and returned goods MUST be accompanied by this bill

66249

Rec'd by

MOORE DEALER - HOWARD OFFICE SUPPLY CO.

© M

JACQUAYS ASBESTOS CORP.*Producers of Fine Arizona Asbestos*

1219 South 19th Avenue

PHOENIX, ARIZONA 85009

Phoenix 254-6494

Globe 425-2621

July 1st 1974

Mrs. Shirley DuBois
331 Verde Heights Dr.
Cottonwood, Arizona 86326

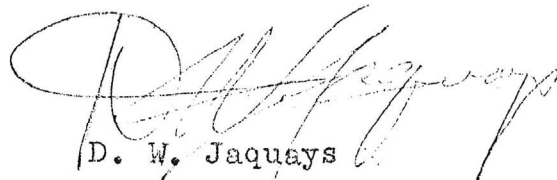
Dear Mrs. DuBois:

I am enclosing a copy of the notice of cancellation of certain easements granted to your father, Mr. Colburn at the time he purchased the underground rights on certain parcels making up the Congress Mine. As you are aware, I have purchased the surface rights and dumps from the other parties in these agreements. I very much dislike having to recind this easement agreement because of non-performance of certain portions of it, but on the advice of my attorney, it was considered necessary to preserve my rights on the unpatented claims from encroachment by a third party.

At the present time I am arranging the financing for a 300 ton a day mill on the Congress Property. The mill feed for the first three years will come mainly from the dumps presently owned by myself. Later, we plan to start mining underground on the property I have patented adjoining the 14 claims on which the underground is now owned by yourself and your sisters.

While a sucessful mining operation can be conducted without encroaching upon the underground owned by you and your sisters, I feel that it would be an opportune time for this portion of the mine to also be put into production. As my search of the records in the recorders office show, you are owner of 75% of the property and the other 25% is divided between your three sisters. I am suggesting at this time that you confer with them about a price and terms that you would consider for the property and so advise me. If you would like to have me come to Cottonwood at your convenience to discuss this matter with you and your sisters, please do not hesitate to call or contact me.

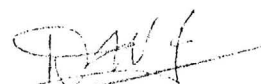
Very truly yours,



D. W. Jacquays

P.S.: Would you please furnish me with the address of Mrs. Wilhoit and Mrs. Chilson. I have Mrs. Williams address. Enclosed is a stamped envelope for you reply.

Thank you



MAGINI LEASING & CONTRACTING

2406 West Tuckey Lane
PHOENIX, ARIZONA 85015
Phone 242-4100

CUSTOMER'S ORDER NO.		PHONE		DATE	
NAME		D.W. JAGUAYS		JAN 30, 1974	
ADDRESS		1219 S. 19th AVENUE		PHOENIX, ARIZONA	
SOLD BY	CASH	C.O.D.	CHARGE	ON ACCT.	MDSE RET D.
PAID OUT					
QTY.	DESCRIPTION			PRICE	AMOUNT
	CORDIS MINES				
	CONGRESS JUNCTION, ARIZONA				
	Reliance Trucking				
5	HRS	D9		6500	325 00
4	HRS	STANDBY - D9		2000	80 00
					872 02
Congress Mine Fire					
January 20, 1974					
Jan. 21, 1974 all shafts on Congress Vein ordered sealed by Arizona State Mine Inspector					
TAX					
TOTAL					872 02

1466

All claims and returned goods
MUST be accompanied by this bill.

Form 610-T Available from **NEBS**, Townsend, Mass. 01469

Thomas J. Magini

GEORGE M. IRELAND, p.c.
ATTORNEY AT LAW
SUITE 300, GREAT WESTERN BANK BLDG.
122 NORTH CORTEZ STREET
PRESCOTT, ARIZONA 86301

Mr. and Mrs. Ben Williams

Clarkdale, Arizona

DATE	CHECK OR RECEIPT NO.	FEE	EXPENSES	CREDIT	BALANCE
5/74					
5/1/74		240.00	.75		.75
8/22/74		10.00			240.75
					250.75

March 5th 1973

Mr. W. B. Williams
Box 131
Clarkdale, Arizona 86324

Dear Mr. Williams:

This is a very delayed answer to your letter concerning the underground at the Congress but up until now I have not been able to generate any interest with anyone to even look at it except for possibly cleaning up the present dumps.

It may be that once I could interest someone in re-milling the dumps that they would be willing to re-open the mine if the price of gold holds at it's present level.

Have you and the Colburn heirs arrived at a price you would sell the underground for? If so let me know and I will try to put a package together with my holdings and see if we can work up a deal attractive enough so some one will take the whole thing over. I know for myself I would like to get it off my back and forget about it.

If you wish to discuss this with me my home phone number is 253-6998 and during the day it is 254-6494.

Very truly yours,

D. W. Jaquays

June 8, 1970

Mr. D. W. Jaguay's

Dear Sir,

Recently I had an offer to buy
the Congress Mine.

As the surface rights are in
your name, I wondered if you
would be interested in
buying the 14 Pat. Claims.

My wife and her three sisters,
heirs of E. A. Colburn Jr,
deceased, agreed to have
me handle the mine.

If you are interested, please
send me your bid.

Sincerely yours

W B Williams

Box 131

Clarkdale, Az.

86324

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA
FIELD ENGINEERS REPORTArea
Mine Rich Hill Gold Lode & Placer

Date December 20 & 21, 1973

District Rich Hill (Octave, Weaver, Stanton)
Yavapai County

Engineer R. E. LEHNER

Subject: Visit to area See Congress Mine Page 3Location: Secs 29, 32, T10N R4W and Secs 25, 26, 36 T10N R5W (about 9 miles east of Congress, Yavapai County)Owners: Many individuals

Resume of Activities: This gold placer and lode area is at the southwestern margin of the Weaver Mountains where Rich Hill is an isolated extension between the deeply eroded canyons at Antelope Creek on the west and Weaver Creek on the east. In the early 1880's loose nuggets were discovered on top of Rich Hill and this led to the finding of placers on Weaver & Antelope creeks. The loose gold beneath boulders and in crevices of rocks on Rich Hill was easily gathered, but more effort was required to work the bouldery gravels of Weaver & Antelope creeks by panning, jigging, tabling and sluicing. Along the washes and benches below Rich Hill, the placer material consists of iron-stained gravel and sand, up to 10 ft. or more in thickness, together with abundant subangular boulders that are 2 to 6 ft. in diameter. This placer material has been repeatedly worked and now that the price of gold is hovering at \$100/ounce, this area is very active again.

PLACERS:Weaver Creek (East side of Rich Hill)

1) DEVIL'S NEST CLAIM GROUP - Mr. Vivian Hale owns 14 placer and lode claims in the headwaters of Weaver Creek on the east side of Rich Hill (approx. W1/2 Sec 29 T10N R4W). These claims include the coarse and fine conglomeration of detrital material that has accumulated outward from the base of Rich Hill as it eroded. This loose unconsolidated material has been incised by many tributary courses of Weaver Creek so that now the detrital material occurs as benches and terraces between drainages. Within the drainages, Precambrian bedrock of schist or granite is commonly exposed. The gold-bearing gravels are usually iron stained and contain fragments of hematite, limonite and quartz, derived from gold-bearing veins that dissect Rich Hill. Gray-colored gravel which does not bear free-gold indicates that it was derived from a different source area.

This property has been reworked many times from crude hand-built contraptions and techniques to sophisticated jigs, rockers and hydraulic methods making use of a water well drilled on the property. At present one can still pick up a piece of limonite here and there up to the size of a walnut; crush it; pan it; and get some "color". The main interest on the property now is an exposed shear zone in the Precambrian schist which is capped by the red-colored detrital bouldery gravel. The owner says that this schist zone (40⁺ ft. wide) carries values that average 31oz gold/ton; 11 oz platinum/ton; and 21oz palladium/ton. Mr. Hale's helper (Bruce Allen) states that he is a metallurgist and has worked for the Atomic Energy Commission and told that values in the schist are complex salts in a colloidal state which are difficult to extract. He says that a Dr. Fritz (Severtson) a physicist from Houston, is acquiring Hale's property through an option-to-purchase agreement and that he intends to mine this zone. I collected a channel sample across this zone in the schist for the Arizona Bureau of

Mines to assay and study. I feel that it is probable that any gold in the schist could be the very fine material that has washed down and accumulated in this zone.

2) SEEN PROPERTY - This property consists of two claims (lode & placer?) on the southwest corner of the Devil's Nest group and is owned by a Jim Sweeney, et al. Part of their activity is chiseling away at an inclined 4-inch wide quartz vein for a length of about 15 feet, hand-cobbing the oxidized sulfide portions, pulverizing the material, panning, and retrieving a penny-weight (0.05 oz) or two of gold. On another portion of their ground they were setting up an operation where they would use a small hydraulic dredge that would pump the gravel into a flume which ran down hill to a jig where the coarse material (+1/8") was removed; the finer material traveling down-hill in the flume to a table where the gold would settle out first and then black sand with the fine, lighter rejects going into a settling tank. The water was recycled. It was told to me that it is necessary to move 200 yds/day to make a go of it.

Sweeney & his partners were concerned about finding a market (smelter) who would accept the black sand saying that it was gold bearing. I understand that they have given samples of the same to Mr. Jett who in turn has asked the Arizona Bureau of Mines to analyze them.

3) Miscellaneous Ownerships - South of the Hale property a Mr. Fred Elliston owns two claims, and south of Elliston there are four claims owned by Lyons. To the east of Hale's property is State land and there are several claims being worked there. Among the several owners there seems to be some dissension about the fact that claim corners are not maintained and they don't know where property boundaries are, and the amount of property promotion that is going on.

An outfit called Unico from Utah had a placer operation down Weaver Creek several months ago. They used a trammel and sluice in their operations, and failed to be successful in their venture. At their point of operations, the gold would have to be very fine being so far away from its source. To retrieve such fine material, if it existed there, an amalgamation process perhaps would have to be used.

ANTELOPE CREEK (West Side of Rich Hill)

1) MacElony (sp?) property contained much gold placering machinery and equipment (approx. 10N R5W sec 25 east side of road) No one home.

2) Jack Devault's Hardscrabble Mine is located just south of MacEloney's but on west side of road. No activity but old equipment around. A new grizzly and jig had been built in yard near home. No one home.

3) Weese placer property (approx. N. part of Sec 36 T10N R15W). Owner had left for Ohio for holidays according to a Mr. Kirkpatrick (caretaker). He couldn't tell me much about the property except that a geodesic dome adjacent to Weese's house contained a chemical assay laboratory owned by someone from Phoenix.

4) The Rich Hill Mining Corp. holds Hackberry claims Nos. 2, 3, 4, 5, 6 & 7, in Sec. 1, T9N R5W. Mr. I.A. LaRue is principal owner. No activity was under way at the time of my visit but it appeared that new bull dozer work had been performed. No one on property.

MISCELLANEOUS:

Octave Mine: This mine (Sec. 6 T9N R4W) was the principal one in the area, being discovered in the 1860's, but not worked extensively until late 1890's and early 1900's when cyanide process was used. Between 1907 & 1918 there was little mining, but development work was carried on till 1922. Between 1928 and 1930 there was a 50-ton flotation plant which treated 9,100 tons of ore containing equal proportion of gold and silver by weight. In 1934 the mine was idle, and the workings which extended to a depth of 2,000 feet on the incline and included four shafts with several thousand feet of drifts and extensive stopes on three ore shoots were under water.

The main Octave vein occurred within a fault fissure that strikes N 70° E and dips 20° to 30° NW. The vein consists of quartz with irregular masses and disseminations of fine-grained pyrite, galena and sparse chalcopryrite. The gold is tied in with the sulphides, chiefly galena.

Alvarado Mine: Sec 26, T10N R5W. It was developed by two inclined shafts about 1905 and made a small production. Surface equipment was dismantled in 1920. At present, Mr. Bill Muntz has the property and is working his Alaskan jade there as a concession.

Congress Mine: Several months ago Homestake Mining sampled dumps and have never returned. They apparently have dropped their interest in it. The surface belongs to Jaquays of Phoenix and the underground is owned by Ben Williams of Cottonwood.

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine Congress - Gold

Date May 26, 1960

District Martinez, Yavapai County

Engineer Travis P. Lane

Subject: Visit of May 24, 1960

Status: Currently developing.

Property & Ownership: The property, comprising 14 patented claims and 9 unpatented claims, is owned (the underground ~~rights~~ rights only) by E. A. Colburn, P.O. Box 157, Wickenburg, Arizona. It is located in the Martinez Mining District at the old abandoned town of Congress, $3\frac{1}{2}$ miles northwesterly from Congress Junction.

Operator: The Glendel Mining Company, Inc., D. W. Jaquays, Director and President, 1219 So. 19th Ave., Phoenix, Arizona, holds the claims under a lease and option to purchase agreement from Colburn. The company also holds by location a large number of claims adjoining the Colburn ground.

History: See file, also Arizona Bureau of Mines Bulletin No. 137 (1934) "Arizona Lode Gold Mines and Gold Mining." Briefly, this notable old gold producer was located in 1887 and was in active production during the years 1889-91 and 1894-10. Production during that period is reported to have amounted to approximately \$7,000,000 at the old gold price of \$20.67 per ounce (and including some minor silver value).

In 1938 a cyanide plant was constructed by Congress Mining Corp. under an R. F. C. loan to treat the tailings accumulated during the early milling operations. Later a crushing plant was installed and the plant treated mixed tailings and dump rock until June 1942 when operations were discontinued due principally to war conditions. Production during this period amounted to \$756,000.

Following the war Congress Metals Inc. rehabilitated the plant and treated mixed tailings and dump rock during the period Aug. 1946 - May 1947 producing approximately \$67,000. The total recorded production of the mine is slightly more than \$12,500,000 based upon today's prices for gold and silver (June 1960). 13,000,000

In 1958 E. A. Colburn leased with option to purchase to Jaquays Mining Corporation and the corporation assigned all rights, title, and interest in the claims to Glendel Mining Co., Inc.

The Glendel Company is currently conducting an extensive exploratory development program, the first phase of which is the driving of a long adit (eventually 3000') to intersect the old workings on the Congress and the Niagara veins at the 650' level of the Congress workings. Other known veins, and perhaps some unknown veins, will be intersected long before reaching these workings and the company expects to prove up in them sufficient ore to justify the erection of a 200 TPD mill. The company is making a public offering of 400,000 shares of its Common Capital Voting Stock at \$1.50 per share. A copy of the Company's prospectus is attached hereto.

The adit was begun and advanced 100' in 1959 by Ike Kusisto, contractor. At the time of a recent visit to the property (May 24th 1960) by the writer P.E. ("Pat") Sayre, contractor, was rigging up to continue the adit another 500', possibly 600'

Congress Mine (continued)

if necessary, to reach the company's immediate objective which is the downward projection of the Queen of the Hills vein below the old shaft workings on that vein. Compressor, mucking machine, tools, truck, timber etc. had been moved in and drifting was expected to get under way within the next day or so. The job will start on a one shift per day schedule but is expected to go to 2 shifts per day soon after with 5 men working, including Sayre.

JAQUAYS MINING CORP.

Producers of Fine Arizona Asbestos

1219 South 19th Avenue

PHOENIX, ARIZONA

Phoenix AL 2-8483

Globe GA 5-2621

February 22nd 1960

Mr. E. A. Colburn, Jr.
P. O. Box 152
Wickenburg, Arizona

Dear Mr. Colburn:

Enclosed please find two copies of an amendment to paragraphs five and six on page five of our Lease with option to purchase agreement.

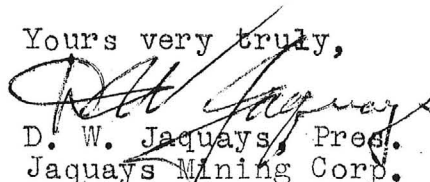
If this amendment meets with your approval kindly execute the original and return to us for our files.

Enclosed also is our check in the amount of \$600.00 for February, at the new royalty rate.

The \$3,000.00, covering the increase in royalty for the past 10 months will be forwarded to you shortly after the signed amendment is returned to us.

With kind personal regards, I remain

Yours very truly,



D. W. Jaquays, Pres.
Jaquays Mining Corp.

s

ALLISON STEEL MANUFACTURING CO.

JOBBER, FABRICATORS AND ERECTORS
GALVANIZERS - HEAVY MACHINING

MILD STEEL
STRUCTURAL STEEL
REINFORCING STEEL
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STAINLESS STEEL
BODY STEEL
CRUCIBLE DRILL STEEL
MORSE TWIST DRILLS
BOLTS - NUTS

MEMBER OF A. I. S. C.

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PHOENIX, ARIZONA

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January 13, 1960

Mr. D. W. Jaquays
D. W. Jaquays & Company
1219 South 19th Avenue
Phoenix, Arizona

Dear Mr. Jaquays:


I have asked Mr. Allison for his permission to sell you only the large black book of information covering the Congress Mine compiled by G. M. Colvocoresses, out of the Colvocoresses' Congress Mine File, and he said it would be all right.

The price of this information only will be \$600 and this will include the cost of reproducing everything that is contained in this book on the Congress.

If you are interested, let me know.

Very truly yours,

W. L. ALLISON PROPERTIES

By: 
Stella Freasier

s
e
f

cc - W. L. Allison

Wickenburg, Arizona
June 11, 1961

Jaquays Mining Corp.
1219 South 19th Ave.
Phoenix, Az. 86009

Dear Sir:

I will attempt in this letter to give you an idea of what ore we have on the Congress vein above the 650 foot level with which your present tunnel is intended to connect. In 1935 I was employed by the then Lessor as General Supt. of the mine and we made a thorough examination of the workings which were then open; since then there's been considerable caving. Among other places, I went in on the 650 foot level from the #2 shaft eastwardly and found considerable caving on that level but managed to get through almost to the #1 shaft, which was also caved; but just before reaching said shaft, we went into a cross cut in the hanging wall in a northerly direction and found the Cross Ledge. This is the level from which a winze was driven down to the 1000 foot level and upon which the map shows considerable stoping. Later on, a sample was taken from these fills and showed \$16.00 per ton. Also, a sample was taken of a ore pillar and assayed over \$300.00. I was able to get to the junction of this vein with the east fault but thought it too dangerous to travel that territory. I imagine this drift on the fault is pretty well caved from that said point to the north end of the 650 foot fault drift.

Returning to the Congress vein, I went up into a raise about opposite where the cross cut intersects the Congress vein. This raise is about 750 feet high and appears to be driven along the hanging wall of the dyke up about twenty feet. The entire dyke is stoped for I don't know what length as I didn't go to the other end. But this wide portion was about 30 feet high and the work continued on up the hanging wall vein.

The vein in the back was about 2 feet in width and I was told assayed at \$75.00 to \$150.00 per ton. It had been stoped up to this point but how long the stope was, I don't know. Possibly 100 ft. more.

While Mr. Allison was on the mine he opened up the #1 shaft down to about the two hundred foot level or perhaps a little deeper and drove westwardly on an old level; this drift contained quite a bit of stamming ore of a very good grade entirely enclosed in dyke matter. In other words, the ore had been situated on the foot wall side of the dyke towards the east, but was crossing the dyke in the direction of the hanging wall going west. We soon came to a north or south drift which was probably located on the "break" or what I consider a fault running in the northwest direction and dipping to the east and cutting most of the veins and displacing them about 40 feet in a southern direction. This fault dips about 65 to 70 degrees to the east contrary to the dips of other faults on the property.

The workings followed the fault on a northerly direction and finally broke through into the clear at about the intersection of what I suppose to be the Cross Ledge. This vein was also stoped and filled. I was able to get into a westwardly cross cut which disclosed the westward extension of the cross ledge. This vein was about 7 feet wide but carries very low values. The Cross Ledge has been stiped on the side of the hill for several hundred feet in spots; it is cut off by east fault. I consider the Queen of the Hills vein as faulted segment of the Cross Ledge. In the McKinley tunnel there is a body of ore of considerable length and width which extends to the surface a distance of possibly two hundred and fifty feet or more. This ore is said to run \$18.00 per ton and should extend for some distance below the tunnel level. In my opinion, it is a faulted segment from the hanging wall vein of the Congress ledge and this thrust fault probably had a horizontal throw of several hundred feet.

There is very little known, other than what I have already told you, about the hanging wall vein above the 650 foot level on account of working being badly caved. There are some hanging wall veins at and close to surface which might be of interest and a Geophysical survey showed promising anomalies in this same section.

Of course, you know that the workings above the 650 foot level are all filled. These fills have been sampled at most points where accessible and show a very good average grade of ore. When moving this material it will be necessary to keep a close watch on all walls for ore extensions.

All ore above the 650 foot level and west of the "break" is well defined and situated on the foot wall side of the dyke. Except for the upper most parts of the ore body at and near the 200 foot level and from the #2 shaft west, where it occupies a faulted segment of the Hanging Wall vein. Above this fault the ore has been transferred almost up the vein strike from about the 800 or 1000 foot level; the fault groves are almost vertical indicating the movement was practically parallel to the dip of the fault. Right on the station of #2 shaft there is very good ore on the Hanging Wall side of the dyke at the 650 foot level.

You are undoubtedly familiar with my description of the ore body on the seven hundred foot level of the #2 shaft, also that of the new workings on the thousand foot level between #2 and #3 shaft. So I will not go into those points. There is also high grade ore on the twelve hundred foot level east of #2 shaft, running 8 to 12 oz. gold.

Now, in relation to my saying a level is caved, I refer to small caves in the level at various points between which there are several hundred feet of open drift or tunnel. For instance, the nine hundred foot level west of #2 shaft is entirely clear except for a cave on the station; also the thousand foot level west of #2 shaft is in about the same situation.

I think you also have in your possession my reports on the Queen of the Hills claim and the relation of the vein which may be a faulted segment of the Cross Ledge as named on the west side of the east fault.

Now, in regard to the east fault itself. On surface it is very well covered up and there are no indications to show where it is except at widely scattered points. The place where it can most readily be seen is in the tunnel running in an eastwardly direction through the oldest #5 shaft workings and then turning to the northeast from the stope. The tunnel is ordinarily full of gas so that it is difficult to remain in it for any length of time. I was able to find three parallel faults running in direction of the east fault in this section of the tunnel and possibly separated by twenty or thirty feet between each fault. Consequently I believe that the east fault is a compound fault which would account for throwing the old timers off the track. I followed the fault out on the surface as near as I could with a Brunton Compass and located the point on the hill where it cut off the west extension on the Bellick dyke. Then I went up and ran down the outcropping of this dyke from the ore shoot on the hill and found that they didn't match by about three hundred and thirty feet. Part of this distance was undoubtedly absorbed by the two parallel companion faults. If it was still present at this point? Therefore, it is possible that the horizontal thrust of the east fault is at least three hundred and thirty feet. Undoubtedly the east ore foot wall side was raised and it is possible that one could solve the fault at reasonable expense. This would have no benefit for the Congress vein because the ore shoot apexes west of the intersection of the ore in and east fault but it would have and does have an effect on the ore in the Niagara vein. If you'll look at the Niagara map you'll notice that the east fault cuts off almost every ore shoot on the east side of the mine and also is doing the same on the bottom level. Therefore there must be a very considerable amount of ore east of the fault on the Niagara vein and it is important that this fault be solved.

If any more detailed information is needed it would probably be better if you could stop by and see me.

Very truly yours,


E.A. Colburn

July 31 1901

Dear Alice:

I found out about that silver gold property and it can be had perhaps cheap for cash if you have a man there such as you mentioned try to get an OK on it if it is well represented. It is quite a history for low grade silver ore lying

along the railroad some of it ore. There is lots of ore there now but in sulphide form. It is 20 to 30 to 50 ft wide & runs long & under the cliff which accounts for situation of ore from overlooking. The ore is about 70% silica & that much as this is in demand right

now, naturally, some money will have to be spent on it & someone else will have to do it, not me, but together we should

There is no expense in it which is bad for cyanide but can be handled even on the upper lands above the water. Plenty of timber to cut & cheaply. One to three men who should be working could run up and see it easily, but don't bring prospects the first time, but you could bring them in on it to what their appetite. This is a ship to the smelter \$2.00 per ton then smelt to get a good price now, after the centrifuge is about the only way to know. Another one would be just about right for the balance of our lives, if we work it with a day or so in the summer. I can get May to May with the & 700000 & 1000000

Very Important

January 14, 1961

Jaquays Mining Co.,
219 South 19th. Ave.,
Phoenix,
Arizona.

Dear Mr. Jaquays:

I have your letter of January 10th. referring to a change in price for the Congress Mine contract. I would not be interested in the suggested changes because of many things which I will not go into at the present time.

The price under this contract is not excessive and was purposely arranged so that it would only have to be paid out of the mine itself, so that should offer no obstacle to selling stock or arranging financing. The money down clause sounds all right but not the excessive reduction in total price nor the six months wait for said cash.

Lanes agreement will cause you no trouble at all for I have the right to use all surface ground except what is now occupied by roads and buildings. This right is contained in the original contract and a supplementary one covering some small plots around the shafts and for a mill site. Lane has a set of these papers and would be the logical place to get copies. These smaller plots are deeded to me as well as the right to follow any vein direct to the surface if so desired. The original contract specifies that they control to a depth of 40 feet.

There has been considerable interest in the Congress Mine, but we are not able to offer anyone any encouragement as long as you keep your agreement up to date.

Very sincerely yours,

E. A. Colburn, Jr.

JAQUAYS MINING CORP.*Producers of Fine Arizona Asbestos*

1219 South 19th Avenue

PHOENIX, ARIZONA

Phoenix AL 2-8483

Globe GA 5-2621

May 31st 1961

Mr. E. A. Colburn, Jr.
P. O. Box 152
Wickenburg, Arizona

Dear Mr. Colburn:

I have your letter of May 27th concerning the assesment work and the tax payments. As soon as the assesment work is recorded Mr. Lane will receive a copy of the recording.

I would appreciate it greatly if you could supply us any information you may have on any possible ore left especially above the old 650 level on the Congress Vein. Also any information on the hanging wall veins in the vicinity of No. 1 shaft and north towards the Queen of the Hills area.

One thing we did find east of the oldest No. 5 shaft was that what the oldtimers called the east fault was a post mineral ~~rh~~hyolite dike about 40 feet wide with no indication of movement inside the dike or on either wall. The same dike material was found on No. 6 shaft dump where they again mentioned being cut-off by a fault on the west end of the property. Surface positions of the eastward and westward extensions of the veins does not indicate any great displacement if any at all. I wonder now if the old timers really knew the difference between a fault and a dike.

Instead of trying to follow the vein south from the Bellick Winze we now intend to drive the haulage tunnel as fast as possible toward the old Congress Workings. We should hit the old Congress Workings in the prospect drift that was driven on the 650 level parallel to the north side of what they called the fault.

The new map should be completed shortly and a copy of it will be sent to you.

Very truly yours,


D. W. Jaquays

JAQUAYS MINING CORP.*Producers of Fine Arizona Asbestos*

1219 South 19th Avenue

PHOENIX, ARIZONA

Phoenix AL 2-8483

Globe GA 5-2621

January 10th 1961

Mr. E. A. Colburn, Jr.
P. O. Box 151
Wickenburg, Arizona

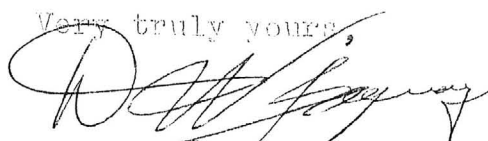
Dear Mr. Colburn:

We are now getting to a point where a decision must be made on financing the Congress operation through to production. To date everyone approached on aiding us in the financing shys off because of the \$300,000.00 price. Would you be interested in say \$50,000.00 cash and another \$50,000.00 to be paid at the minimum rate of \$600.00 per month or 10 percent royalty. If this proposal is agreeable to you a binder letter good for about six months would enable me to go ahead with my financing plans. This binder letter would in no way effect our present agreement unless the cash payment was made.

Another question that worries me is just how much trouble Lane's surface agreement is going to cause us. Have you a copy of this surface agreement and if not where can we obtain a copy?

With the best wishes for the coming year, I am

Very truly yours,



D. T. Jacquays, Pres.
Jaquays Mining Corp.

JAQUAYS MINING CORP.

Producers of Fine Arizona Asbestos

1219 South 19th Avenue

PHOENIX, ARIZONA

Phoenix AL 2-8483

Globe GA 5-2621

December 22nd 1960

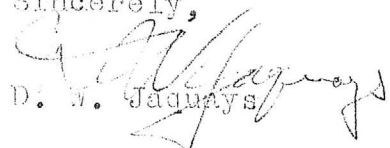
Mr. E. A. Colburn, Jr.
P. O. Box 152
Wickenburg, Arizona

Dear Mr. Colburn:

Thought the enclosed might come in handy
for the Holidays.

May I extend to you and Mrs. Colburn my
wishes for a Merry Christmas and a Very Happy
New Year.

Sincerely,


D. W. Jacquays

Regal Mine

Globe Mill

Canadian Mine

JAQUAYS MINING CORP.

Producers of Fine Arizona Asbestos

1219 South 19th Avenue

PHOENIX, ARIZONA

Phoenix AL 2-8483

Globe GA 5-2621

March 26th 1960

Mr. E. A. Colburn, Jr.
P. O. Box 152
Wickenburg, Arizona

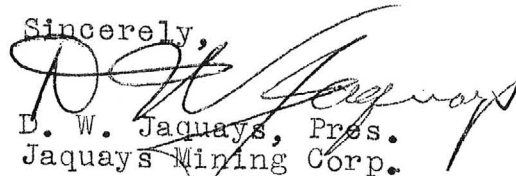
Dear Mr. Colburn:

Enclosed is our check number 3014 in the amount of \$1500.00 to cover one half of the additional royalty that was agreed upon and which is due you.

The balance of \$1500.00 will be forwarded to you in the near future.

Also enclosed is the regular royalty check for March in the amount of \$600.00.

Sincerely,


D. W. Jaquays, Pres.
Jaquays Mining Corp.

Regal Mine

Globe Mill

Canadian Mine

JAQUAYS MINING CORP.

Producers of Fine Arizona Asbestos

1219 South 19th Avenue

PHOENIX, ARIZONA

Phoenix AL 2-8483

Globe GA 5-2621

October 23rd 1961

Mr. E. A. Colburn, Jr.
P. O. Box 151
Wickenburg, Arizona

Dear Mr. Colburn:

Enclosed is your October 25th payment and as to progress in the haulage tunnel we are now in 1800 feet. There is about 750 feet left to go to connect with the old 650 level north of the dike or fault. Progress has been off the last month due to extremely hard ground and too we have to do about 50 feet of timbering in the drift where the ground loosened up.

We may within the next month stop advancing the haulage tunnel for a short time and do some diamond drilling ahead of the present face.

Very truly yours,


D. W. Jaquays

JAQUAYS MINING CORP.*Producers of Fine Arizona Asbestos*

1219 South 19th Avenue

PHOENIX, ARIZONA

Phoenix 254-6494

Globe GA 5-2621

December 7th 1962

Mr. E. A. Colburn, Jr.
P. O. Box 562
Clarkdale, Arizona

Dear Mr. Colburn:

In answer to your letter of November 1st, I delayed sending any further payments in order to wait and see what the world situation was going to develop. The more I think of it this is not the time to be spending money on a gold mine.

On September 14th I purchased the surface rights, dumps and water rights from Mrs. Lane and after studying the details of your agreement and Lane's there is little you have to offer without full cooperation of the owner of the surface and water rights when the time came to construct a mill.

In the event you do option the underground to another party I will expect you to notify us immediately so we will know who to look to for the assesment work and taxes.

As of now we are dropping our option with you on the subsurface mineral rights of the Congress Group. Perhaps at a later date if conditions improve and the deal is still open we will again give it another try.

Very truly yours,

D. W. Jaquays
D. W. Jaquays, Pres.
Jaquays Mining Corp.

P.O. Box 562,
Clarkdale,
Arizona.

November 1, 1962.

Jaquays Mining Corp.,
1219 South 19th. Ave.,
Phoenix,
Arizona.

Gentlemen;

This is to notify you that I have not received any payment which was due on account of your lease and option on the Congress Mine and which was due October 25th. 1962.

The above is a breach of the contract between us and unless remedied within a period of thirty days from date hereof will result in an abandonment of the said contract.

Very truly yours,

E. A. Colburn, Jr.

Phone: Paonia
303:527-3530

Leslie Taylor,
Rt. 1, A House,
Paonia, Colorado.
April 16, 1963.

*Chris, Nov 10, 84
You may find this interesting
Reading - Mike*

Mr. D. W. Jaquay,
1219 South 19th Avenue,
Phoenix, Arizona.

RE: B & M Claim on
Niagara Vein,
Endlining WHY NOT Claim.
Martinez Mining District
Yavapai County, Colorado.

Dear Mr. Jaquay:

After talking with you Long Distance, I finally got to my home place at Ridgway, Colorado, ~~some~~ 80 miles from here, last Sunday and got the data I told you of having on the B & M Claim which is on the Niagara Vein where your Number 6 Shaft is sunk some 1800 feet on the Northwestern end of your WHY NOT patented claim.

Mr. William M. Hoff of San Fernando, California, and myself, then at Prescott, Arizona, filed on this property June 13, 1952, as recorded in Book 2, Page 130 Official Records of Yavapai County, Colorado, and have done the required work with due recording since that time. The work is done to September 1, 1962, and must be re-newed before Sept. 1, 1963.

Through some over-sight of previous operators, the ground was open and we discovered it quite accidentally and immediately filed on it. The previous filing was under the name of YELLOW ROSE #3, and the Mine which was operated by Mr. Roy McDonald (now deceased) back in 1937, 1938, and 1939, and by Mr. Claude C. Findly in 1942 and 1943, was known as the Niagara Mine.

Immediately that we had filed on the ground, we started research to determine the past operation results and all the data we could get.

I found Mr. Harry Herskowitz, who mined for Mr. Roy McDonald, during 1937, 1938, and 1939, and learned that Mr. McDonald shipped several carloads of ore than ran 2 and 3 ounces gold from the shaft workings. This ore was supposed to have gone to Hayden and to Clarkdale. They found that at the point where the shaft straightens up some, that is, where it becomes more vertical, a 2 foot gold streak had these values. They cut back under the shaft and took this ore down about 40 feet below the 230 foot level, but only as a pocket in connection with the shaft and did not follow this ore either way on the vein. Then excessive water developed about 250 feet from the collar of the shaft, so they went downward but a little ways with this high-grading, or chloriding. Mr. McDonald could not get proper backing for pumping and developing further, so quit.

Mr. Herskowitz worked on this property a little over 5 years. He worked for Findly after working for McDonald. However, he was hoist engineer and pumpman. He states the mine makes about 300 gallons of water per minute to the 250 foot level and then 500 gallons per minute.

He told me that he had worked under Mr. Arthur Webster of Tolston, Arizona, and that they had cut 150 samples on the 230 foot level which averaged \$15 and \$16 per ton in gold and silver. However, the silver runs but about 2 ounces.

He told me that the vein on the 230 foot level is 9 to 11 feet in width and that the values are distributed all the way through it; that there were no hanging wall or footwall streaks that could be chlorided.

Mr. Herskowitz told me that there is ore in the northwesterly face of this 230 foot level drift of the same character and value as sampled throughout, but is a milling grade and Mr. McDonald could not hi-grade it at \$35 per ounce.

He stated that the ore is solid sulphides. There had been no stopping on this level when he left the mine, but he had heard that Mr. Findly had mined and milled some ore after he left the mine. (I ran this down)

He stated that the vein on the 350 level is split, and that they sampled the waste streak or horse with the foot and the hanging, and that 30 samples averaged \$4 and \$5 across the 10 to 15 foot widths.

He states that the vein splits into three fingers from the No. 6 shaft of the Congress Mine (WHY NOT CLAIM), and that they encountered but two of them on the Niagara property (B & M Claim). The drift on this 350 foot level was 100 feet long to the northwest and also has ore in the face just the same as what they had sampled all along.

Incidentally, Mr. Jaquay, he stated that McDonald shipped about half the dump from the WHY NOT shaft and made good with it by throwing out only the large chunks of waste.

Herskowitz told me that Engineer Arthur Webster would know about the diamond drilling that was done, but he never knew the results. He, Herskowitz, believes the property is strictly a milling proposition with the exception of the 2 foot highgrade streak they found in the foot and worked down to the heavy water level as stated above. He had no recollection of values in the face both ways from this pocket but states that it was not followed either way. The values were still in the bottom of this pocket when the heavy water stopped their mining.

Herskowitz told me that all the other men who worked with him were dead except this Arthur Webster, so I proceeded to locate Mr. Webster.

Notes from Arthur Webster, actually, Earl E. Webster.

I found Mr. Arthur Webster and he was quite courteous and helpful. He gave me the set of maps I am sending you which show the workings and were dated April 10, 1941, and are evidently the samples spoken of by Herskowitz but include the diamond drill hole log, under date of 2-24-41. The Niagara vein was dipping 44 degrees and the Congress vein was projected at 30 degrees. The drilling did not reach the Congress vein, but it is amazing to note the values obtained from the 301 feet of sludge between these two veins. *Note*

He recommended that the 2 foot hi-grade vein in the foot be developed as a shipper but stated that the values encountered otherwise were too low grade for a profitable milling operation, in the absence of further development of the property and the location of ore bodies that might have higher values from wall to wall. He was a man along in years but his mind was clear and his statement was conservative. He held a high regard for the property and had great faith in its proper development. I saw him about July of 1952.

Notes from Mr. Archie L. Poarch, who operated the mill that was then on the group of claims that belonged to this Niagara Mine, during 1942 and 1943, and notes or quotations from letter from Mr. Claude C. Findly, dated April 1, 1949, and again on April 8, 1949.

Incident to negotiations between Mr. Poarch and Mr. Findly, Mr. Findly wrote to Mr. Poarch, on April 1, 1949, as follows:-

Quote: "The 600 tons of ore per month which I would have the privilege of offering to you for milling at the set basis was to be Niagara ore. I don't know whether I will ever want you to mill ore for me but I don't want to be left without milling facilities if it is deemed advisable to start production from the Niagara at any time."

(A deal was pending to take the equipment off the Niagara property to another location and Findly was looking out for a place to get some ore milled when, as and if, he mined it.)

He continued: "As near as I could estimate, we pumped between 8,000,000 and 9,000,000 gallons of water to unwater the (Niagara) the last time we did it. This was from a point between the 250 foot level and the present 300 foot level. We were probably pumping around 50 gallons per minute. The present electric pump in the mine will pump about 110 gallons per minute to the mine adit and probably 40 to 50 gallons per minute to the storage tank (which was higher up on the hill and above the milling setup). This output to the storage tank might be raised but the pump, being a very high speed complete unit will have to be watched carefully if the capacity is stepped up as they burn out easily. Our water is seepage from the #6 workings. Whether we also get seepage from the Congress workings on the Congress vein is unknown. Ultimately there will be a water problem there but I felt I had plenty of water available to get well set and the investment ~~xxxx~~ repaid before I would have to tackle that problem.---

SIGNED Claude C. Findly.

Another letter, of April 8, 1949: Quote-"After the water is used up in the Niagara, there would be an unlimited supply of water in the #6 all the way down to the 1800 foot level, probably a supply for years. The shaft is probably in good shape below the 400 level. I am down now to 334 feet in my shaft and could easily connect with the 400 level of the #6 by sinking only 66 feet.-----".

SIGNED Claude C. Findly.

From his personal knowledge, Mr. Poarch told me the shaft was 350 feet deep; that this level was drifted to the north 100 feet, with ore all along and in the face, but that the drift was driven in the hanging wall. The ore dipped into the footwall of the shaft at about 200 feet. The 230 foot level is drifted to the northwest 400 feet. Drift on 230 foot level was bended back to the foot wall. Poarch took out ore and milled it that ran \$22 per ton. He says it is tough ore to float. It is sulphide ore, between 60 and 70 percent silica and also has 15 % calcium and iron in the ore. It is not a direct shipper proposition. He said that the ore, as mined, was from 9 to 11 feet wide, and that he stoped it up about three sets.

They ran 900 tons through the mill from the mine and from the dump, about 30 to 40 tons per day, and got a 90 percent recovery.

No ore was taken from the 350 foot level. The vein is split. They had cut back toward the footwall and contacted the vein on the foot. The shaft has been straightened up some at that elevation but is not back to the vein. He took 14 samples on 4½ feet of this foot wall streak which averaged \$18. He sampled the hanging wall area from 5 to 10 feet wide and 10 samples averaged \$10 per ton.

The water level was at 122 feet when he started operations. During the time he milled, the water level receded below the 230 foot level. He said the pumping averaged 325 gallons per minute, 24 hours per day. He says the timbers are in good shape, having been under water. He

Mr. Poarch said they had a transfer arrangement at the 230 foot level without benefit of a skip-pocket. There is no station on the 350 foot level. It seems that a drill station was cut on the 300 foot level and the 301 foot drill hole was driven from there toward the Congress vein, but did not intercept it.

It was estimated that it would take from a week to ten days, with proper pumping equipment, to unwater below the 230 foot level and gain access to the good ore that is in the 2 foot vein at that point.

The logical way to tackle this property is to unwater to the 350 foot level and then cross cut the footwall country until all the veinlets are contacted.

Mr. Poarch is strictly a milling operator and a good one. I have known him personally for a number of years. It was after Mr. Hoff and myself had filed on this ground that I learned that he knew about the mine from a personal and operative experience. They could not make a go of it with the small amount of development work done, i.e., with no substantial reserves of tested ore ahead, and they did not try to develop this good ore streak as a shipper.

We have some people who are considering the property with a view to developing it for an eventual milling deal, but with a view to "getting out" with the hi-grade streak if their exploration does not pan out satisfactorily.

My thinking is that your ownership of this ground would be more advantageous because of your adjoining holdings and eventual development program than to anyone else. Furthermore, under the circumstances of my partner's health and the fact that we are close pals, I am willing to dump it in your lap at a price much below what I consider it worth from any standpoint. The shaft, with access to the water storage, where the seepage from the old workings of the Niagara and Congress veins is strained to a certain advantage for milling operations, is worth a substantial amount of money.

No body wants to buy a gold mine for present operation. The gamble is in the time, of the day when gold will advance in price. And it is only a matter of time. That is why you acquired the splendid holdings you have. I will never forget the look on Mr. Colburn's face when Mr. Hoff and I called on him one day and told him we had discovered the Rose Quartz No. 3, which end-lined the WHY NOT was open for filing. He said he had no earthly idea of such a thing or would have grabbed it for the sake of that shaft and water contact, regardless of the ore.

Unless we sell this property now, I am going to have to take over my partner's interest, which I do not want to do. So I will be glad to have your advices as to what the property is worth to you at this time.

I am enclosing a copy of a letter from Mr. W.F. Staunton, written on October 27, 1933, to Mr. Gerald Sherman, and a copy of a letter written by Mr. G.M. Colvocoresses on August 30, 1948, to Messrs. Colburn, Richard Heilmann and Associates, together with a list of Samples of the Congress Mine by Byron Moyer, which may be of interest to you in case you have not already acquired these copies or even the originals.

Please return all the data listed below when you are not interested. Trusting we may get together on this B & M Claim for your inclusion with your present splendid holdings and with very best wishes for your success, I am

Yours sincerely, *Leslie Taylor*
Leslie Taylor

Enclosures: next page, No. 5.

5. D.W.J: 4/16/1963

Enc: Letter copy from Mr. W. F. Staunton to Gerald Sherman, Oct. 27, 1933 ;

Letter copy from Mr. G. M. Colvocoresses to Messrs. Colburn, Richard Heilmann and Associates, August 30, 1948.

List of Samples of the Congress Mine by Byron Moyer.

The above are enclosed herewith, and under separate cover, map roll:

1. Blueprint of NIAGARA CONGRESS SHAFT & WORKINGS SHOWING ASSAY VALUES AND SAMPLE LOCATION together with profile of shaft ;
2. Blueprint of NIAGARA CONGRESS MINING CORPORATION drill section, showing drill station and cross section of country between the Niagara Vein and the Congress vein with sludge samples for the 301 feet of drilling, which ~~did~~ not intercept the Congress vein.

Maps made by Mr. Earl E. Webster, April 10, 1941 and 2-24-41, respectively, from the workings of the Yellow Rose #3 unpatented mining claim, Martinez Mining District, Yavapai County, Arizona, which ground is now held as the B & M Claim.

Note: We have it from reliable authority that this claim, which was filed upon before the law was passed that withholds surface rights, can be patented any time you so desire.

Yours truly,


Leslie Taylor

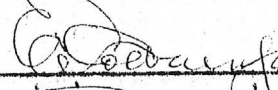
A M E N D M E N T

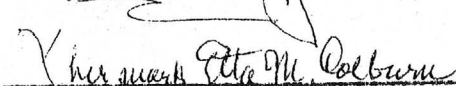
THIS AMENDMENT, covers paragraphs five (5) and six (6) on page five (5) of LEASE WITH OPTION TO PURCHASE, made and entered into on the 25th day of October, 1957 by and between E. A. COLBURN, JR., and ETTA M. COLBURN, his wife of Wickenburg, Maricopa County, Arizona, hereinafter called LESSORS, and JAQUAYS MINING CORPORATION, of Phoenix, Maricopa County, Arizona, Hereinafter called LESSEE.

WITNESSETH:

This amendment provides that the Three Hundred Dollar (\$300.00) per month minimum royalty as stipulated in paragraph five (5) on page five (5) of this lease will be increased to Six Hundred Dollars (\$600.00) per month minimum royalty, effective the 25th day of April, 1959. Said minimum royalty to remain in effect until milling plant stipulated in paragraph six (6) on page five (5) of this lease is installed and in operation.


In witness whereof, The parties have hereunto set their hands,





Lessors


JAQUAYS MINING CORPORATION

By: 

It's President

STATE OF ARIZONA)
County of Maricopa) ss

The foregoing amendment was acknowledged before me the 1st
day of MARCH, 1960 by E. A. COLBURN, JR., and
ETTA M. COLBURN, his wife. BY HER MARK.

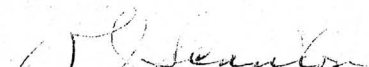


Notary Public

My commission expires: Oct 11, 1963

STATE OF ARIZONA)
County of Maricopa) ss

The foregoing amendment was acknowledged before me the 22nd
day of February, 1960 by JAQUAYS MINING CORPORATION, by its President



Notary Public

My commission expires:
My Commission Expires April 1, 1963

JAQUAYS MINING CORP.*Producers of Fine Arizona Asbestos*

1219 South 19th Avenue

PHOENIX, ARIZONA

Phoenix 254-6494

Globe 425-2621

February 28th 1964

Mr. E. A. Colburn, Jr.
P. O. Box 562
Clarkdale, Arizona

Dear Mr. Colburn:

In answer to your letter of February 27th we are still going to wait on the Congress until there are more favorable operating conditions.

As you know we purchased the surface rights and dumps from the Lane Estate and that took most of our reserve cash however I feel it was well spent for protection of the underground operations. In event you do have other people who may be interested in your portion of the Congress I am sure we could work with you in order to get the property consolidated into one deal again.

As it was before with Lane's attitude, there was little chance of getting a clean deal on the whole property.

We would still like for you to keep us posted as to the status of the assesment work and taxes on your portion of the Congress.

Very truly yours,



D. W. Jaquays, Pres.
Jaquays Mining Corp.

John F. Mercer

MINING BROKER

SUPERINTENDENT, SHANNON MINING & MILLING CO., INC.

OWNER OF SILVER REEF MINE

GOLD AND SILVER MINES FOR SALE
TUCSON, ARIZONA

April 1965.

CONGRESS MINESITUATED:

Three miles from Congress Junction, one mile off black top road; Martinez Mining District, Yavapai County, Ariz.

Railroad and Power Line at the Junction.

I made a thorough examination of this property before entering into our contract with Mr. Calburn, and found that the ore in the stopes, as to quality and quantity, is substantially of the same values and tonnage that Mr. Calburn's and Mr. Staunton's reports show it to be.

CLAIMS:

There are 14 patented claims and 12 unpatented, recorded at the County Seat of Yavapai County, Arizona.

COMMENTS

and

ESTIMATES:

Taking the estimates of tonnage in the stopes already mined, as represented by Staunton's report, namely, 700,000 tons at \$11.60 per ton, We have a gross value of:

Gross Value 700,000 tons @ \$11.60 = \$8,120,000.00.

Cost of pulling the stopes, @ \$1. per ton,	\$700,000
Cost of Milling @ \$2.50 per ton,	1,750,000
Royalties at 10%, \$1.16 per ton	812,000
Overhead, insurance, Taxes	350,000 50¢ per ton

Total Cost on this ore

\$3,612,000.

Net profit, apparent

\$4,508,000.

While this appears to be a very nice profit, one should not overlook the fact that this mine shows evidence of much more ore of twice the values indicated about this fill in the stopes in many places in the mine.

The mining costs of developing and mining new ore should not exceed \$4.00 per ton.

I am told that the available reports do not show all of the production the mine has made and that the correct amount is over Twenty-one Million Dollars. It is my own conclusion that

the mine has only been scratched as yet. There are many areas where one can start to mine very good grades of ore with little or no extra preparation.

Of course when a mine has been shut down for a number of years, there is always, to the uninitiated a very sad look about it. Portals caved in; some caving in of shafts and tunnels, buildings dilapidated and general air of sadness about the whole setup.

This mine is no exception, and I would like to point out what I would do if I were to operate it, and estimate costs.

There are six incline shafts, all needing some repair but all not necessary in the working of the mine, as they are all more or less connected up below ground and one or two would be all I would use. These are not in too bad shape. The No. 3 shaft could be cleaned up in a few days; it has rails and track already in and a great deal of the ore is readily accessible to it besides a lot of new ore in places. It has a head frame and sheave wheel in place. One contractor says he can fix this shaft up and be pulling ore in four days. Nevertheless, it all costs somebody something, - such as -

<u>REHABILITATION:</u> of shafts and tunnels and one	
of two of the buildings	\$ 5,000.00
Installing water and power lines	
for mill	10,000.00
Mill, 250 tons per day	70,000.00
Mill, moving & installing	10,000.00
Incidentals	5,000.00
	<hr/>
TOTAL	\$100,000.00

Of course one could not install a new 250 ton mill for \$100,000.00, with all the extras that go into such a deal, but in this case I happen to know where there is such a mill and it is practically new and includes a good steel building as well, and, if we put it on a good mine such as the Congress, they will not ask any money down, and will take a 5% royalty on ores processed until paid, if this is an item of interest; if not, it can possibly be purchased for somewhat less for cash. Ordinarily such a mill would cost around \$300,000.00.

There would be the cost of mining equipment in addition to the foregoing of approximately \$15,000. to \$20,000.

Very good depreciation is allowed on all mining equipment, and of course all the initial rehabilitation, labor and expenses can be written off entirely in the same year expended. There is also a 15% allowance for depletion of ore reserves on which there are no income taxes to pay, - on this 15% of the gold and silver produced:

Purchase Price
Terms: Cash

\$150,000.00

\$1,000,000.00

Balance:

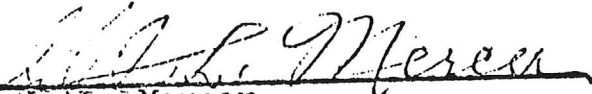
7.5% Royalty on ore up to \$15.00 and 10% on
higher grades.

\$50,000.00 minimum guaranteed Royalty, whichever
is greater

A mill must be installed with a minimum capacity of
100 tons per day.

On Tungsten and Uranium ores extracted, the royalty is
15%

Respectfully submitted.


J. L. Mercer.

CONGRESS MINE

1965

Dear Sirs:

This prospectus was prepared in order to acquaint you with the Congress Mine, Yavapai County, Arizona.

There are 14 patented claims and 12 unpatented in the property, all located in a block. The claims are on the flats and in the Date Creek Mountains in the Martinez Mining District.

The Mine is $2\frac{1}{2}$ miles, by good level dirt road, from Congress Junction which is a Station on the Santa Fe Railroad. The Junction is located on Highway 89 and State Highway 70.

Development consists of several shafts and many levels run at the intervals of around 75 feet as measured on the vein. These levels consist of many miles, perhaps 20 or more.

Congress Vein Workings

Shaft No. 1	1000 ft. deep
" " 2	1700 " "
" " 3	4000 " "

Niagara Vein Workings

Shaft No. 4	1900 ft. deep
" " 5	2050 " "
" " 6	1800 " "

Queen of Hills Winze 600 " "

Please refer to the 2 maps, Illustration #1

Past authenticated production has been close to \$ 8,000,000. mostly in gold with some silver and the production was had prior to 1910 when the price of gold was at \$20. I'm sure the gold deposit will be of interest to you but possibly the enclosed reports from the A.E.C. on the uranium samples will be of greater use to you.

There is ample dump room for both mine waste and mill tailings, possibly about 100 acres of flat land some of which is now occupied by tailings, but not filled by any means. There are also several mill sites on the property.

Some water is available from Martinez Creek, about 6500 ft. from the main workings. There is plenty of water in the old mine workings to keep a good sized mill in operation if the water is taken care of by filtering, etc. One report states that water pumped from the 2050 level of No. 5 shaft was equivalent to a flow of 6 gal. per minute. This was pumped for a period of 13 months.

The old operations left filled stopes on all the veins opened, and these fills or gobs form a great reserve tonnage of good grade gold ore. Original production was about 700,000 tons and there should be about twice that amount left in the stopes. Allowing for ore not recoverable and for waste contained therein I feel that a very low and conservative estimate of this tonnage would be 500,000 tons of gold and silver ore. The grade has been estimated by careful sampling on all exposed faces of the fills, by independent men @ \$ 11.60 per ton, which is the 1948 gold price of \$35. Mill samples have been in excess of this average running up to \$15. Refer to Illustration #2 for partial listing of fill analysis.

There are also payable deposits of gold ore in the ends of the old stopes, in parallel veins, in new veins not now developed and particularly in the bottom of #5 shaft. Probably the highest grade body would be at the bottom of this shaft where a body several hundred feet long is exposed for further mining down the dip which will go better than .7oz per ton. 140,000 tons were extracted immediately above this ore shoot.

The tonnage of the uranium ore is not especially well known just at the present time, but from indications, samplings and experience with conditions in the mine, I would judge that there should be available about 30,000 tons in and adjacent to No. 3 shaft. I would indicate an area 150 ft long, 800 ft high and 3ft wide extending from the 1000 ft

level and pitching at an approximate angle of 30 degrees west. This area has been developed by the shaft and the 650 ft and 1000 ft levels. There is a showing all the way down No. 2 shaft from the tunnel level to the 650 ft level which is in the hanging wall of the old gold stope. There are certain areas in the dyke where the gold stringers are closer together and which form pay ore for the whole dyke. The uranium ore, as shown in No. 3 shaft, seems to follow very closely the fissuring and shattering of the dyke, sometimes being nearly from dyke wall to wall.

In the Queen of the Hills we have a gold ore body which is associated with some pretty good spots of uranium ore which occurs both in the footwall and the hanging wall in gouge slips and fault fissures. Everywhere the uranium ore is largely localized in said fault gouge and in fault shattered rock regardless of whether it is dyke rock or vein material associated with the granite. Please refer to Illustration #3.

I realize that the uranium assay reports are brief and sketchy but this mine had been primarily a gold producer and at the time that uranium was discovered in the mine my father in law, Mr. Colburn, was primarily interested in the gold value of the property and knew very little about uranium.

The A.E.C.'s sampling program was very incomplete as they spent only part of one day for the gathering of ore samples. The AEC reported that some of the samples from #3 shaft ran up to 2.40% but on this I haven't any assay reports. Please refer to Illustration #4

As for the assays on WO_3 percentages the sampling has been very limited but it seems that dumps #1 and #2 do have the highest percentages of WO_3 . Please refer to Illustration #5

I have included a mining brief, from Mr. John Mercer of Tuscon Arizona, for your further information. I have many maps, correspondence stating locations of ore body's, conditions of shafts, etc. and if you have need of this information I would be more than happy to send you copies.

Awaiting your reply, I remain
Sincerely yours,

W.B. Williams
Box 131,
Clarkdale, Arizona 86324
Phone # 602-634 8841

LEASE WITH OPTION TO PURCHASE

THIS LEASE, made and entered into this 16th of February, 1965, by and between E. A. COLBURN, JR., of Wickenburg, Maricopa County, Arizona, hereinafter called PARTY OF THE FIRST PART, and IKE W. KUSISTO, P. O. Box 13237, Phoenix, Arizona, hereinafter called PARTY OF THE SECOND PART.

WITNESSETH:

Party of the First Part does hereby lease to Party of the Second Part for a term commencing the 16th of February, 1965, the following described patented and unpatented lode mining claims:

- PARCEL ONE: "Fractional" Lode Mining Claim, located in Martinez Mining District, designated by Surveyor General as Lot No. 43, known as Mineral Certificate No. 194, and described in Patent No. 18637, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona, in Book 30 of Deeds at Page 497, records of Yavapai County.
- PARCEL TWO: "Why Not" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 42, known as Mineral Certificate No. 193, and described in Patent No. 18636, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona, in Book 30 of Deeds at Page 493,, records of Yavapai County.
- PARCEL THREE: "Mosouri" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 41, known as Mineral Certificate No. 192, and designated in Patent No. 18635, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona, in Book 30 of Deeds at Page 488, records of Yavapai County.
- PARCEL FOUR: "Niagara" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 40 A, known as Mineral Certificate No. 191, and described in Patent No. 18634, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona, in Book 30 of Deeds at page 484, records of Yavapai County.
- PARCEL FIVE: "Congress" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 38, known as Mineral Certificate No. 189, and described in Patent No. 18632, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona, in Book 30 of Deeds at Page 476, records of Yavapai County.

- PARCEL SIX: "Queen of the Hills" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 39, known as Mineral Certificate No. 190, and described in Patent No. 18633, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona, in Book 30 of Deeds at page 480, records of Yavapai County.
- PARCEL SEVEN: "Excelsior" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 44, known as Mineral Certificate No. 218, and described in Patent No. 21242, dated May 11, 1892, recorded February 14, 1894, in the office of the County Recorder of Yavapai County, Arizona, in Book 33 of Deeds at page 620, records of Yavapai County.
- PARCEL EIGHT: "Ohio" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1190, known as Mineral Certificate No. 288, and described in Patent No. 27181, dated June 23, 1896, recorded March 18, 1897, in the office of the County Recorder of Yavapai County, Arizona, in Book 41 of Deeds at page 107, records of Yavapai County.
- PARCEL NINE: "Rich Quartz" Lode Mining Claim, located in the Martinez Mining District, designated by the Surveyor General as Lot No. 1192, known as Mineral Certificate No. 291, and described in Patent No. 27182, dated June 23, 1896, recorded March 18, 1897, in the office of the County Recorder of Yavapai County, Arizona, in Book 41 of Deeds at page 97, records of Yavapai County.
- PARCEL TEN: "Golden Eagle" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1191, known as Mineral Certificate No. 289, and described in Patent No. 27227, dated July 3, 1896, recorded March 18, 1897, in the office of the County Recorder of Yavapai County, Arizona, in Book 41 of Deeds at page 100, records of Yavapai County.
- PARCEL ELEVEN: "Incline" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1193, known as Mineral Certificate No. 290, and described in Patent No. 27228, dated July 3, 1896, recorded March 18, 1897, in the office of the County Recorder of Yavapai County, Arizona, in Book 41 of Deeds at page 94, records of Yavapai County.
- PARCEL TWELVE: "Old State" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1189, known as Mineral Certificate No. 287, and described in Patent No. 27441, dated October 6, 1896, recorded March 18, 1897, in the office of the County Recorder of Yavapai County, Arizona, in Book 41 of Deeds, at page 110, records of Yavapai County.

- PARCEL THIRTEEN: "Snow Storm" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1188, known as Mineral Certificate No. 285, and described in Patent No. 27870, dated February 26, 1897, recorded March 18, 1897, in the office of the County Recorder of Yavapai County, Arizona, in Book 41 of Deeds at page 104, records of Yavapai County.
- PARCEL FOURTEEN: "Golden Thread" Lode Mining Claim, located in the Martinez Mining District, designated by the Surveyor General as Lot No. 1352, known as Mineral Certificate No. 369, and described in Patent No. 31956, dated January 17, 1900, recorded March 26, 1901, in the office of the County Recorder of Yavapai County, Arizona, in Book 54 of Deeds at page 104, records of Yavapai County.
- PARCEL FIFTEEN: "Bellick" Lode Mining Claim, the certificate of location of which appears of record in the office of the County Recorder of Yavapai County, Arizona, in Book 24 of Mines at page 291, records of Yavapai County.
- PARCEL SIXTEEN: "Remnant" Lode Mining Claim, the certificate of location of which appears of record in the office of the County Recorder of Yavapai County, Arizona, in Book 25 of Mines at page 314, records of Yavapai County.
- PARCEL SEVENTEEN: "Boundary" Lode Mining Claim, the certificate of location of which appears of record in the office of the County Recorder of Yavapai County, Arizona, in Book 35 of Mines at page 161, records of Yavapai County.
- PARCEL EIGHTEEN: "Sunnyside" Lode Mining Claim, the certificate of location of which appears of record in the office of the County Recorder of Yavapai County, Arizona, in Book 45 of Mines at page 499, records of Yavapai County.
- PARCEL NINETEEN: "Highland" Lode Mining Claim, the certificate of location of which appears of record in the office of the County Recorder of Yavapai County, Arizona, in Book 45 of Mines at page 496, records of Yavapai County.
- PARCEL TWENTY: "Keystone" Lode Mining Claim, the certificate of location of which appears of record in the office of the County Recorder of Yavapai County, Arizona, in Book 50 of Mines at page 364, records of Yavapai County.
- PARCEL TWENTY-ONE: "East Extension of Golden Thread" Lode Mining Claim, the certification of location of which appears of record in the office of the County Recorder of Yavapai County, Arizona, in Book 51 of Mines at page 156, records of Yavapai County.

- PARCEL
TWENTY-TWO: "Martinez" Lode Mining Claim, the certification of location of which appears of record in the office of the County Recorder of Yavapai County, Arizona, in Book 66 of Mines at page 591, records of Yavapai County.
- PARCEL
TWENTY-THREE: "Ophir" Lode Mining Claim, the certificate of location of which appears of record in the office of the County Recorder of Yavapai County, Arizona, in Book 86 of Mines at page 341, records of Yavapai County.
- PARCEL
TWENTY-FOUR: Beginning at the Collar of the No. 2 Shaft on the Congress Vein, which is S. 60 57' 38" E. 2287.40 feet from the U.S. Mineral Monument No. 1, thence:
No. 2 Shaft to Corner 1: Due east 50'
Corner 1 to Corner 2: Due South 45'
Corner 2 to Corner 3: Due west 100'
Corner 3 to Corner 4: Due North 45'
Corner 4 to No. 2 shaft: Due east 50',
containing 0.103 acres, and situated in Section 14, Township 10 North of Range 6 West, G. & S. R. B. & M. Yavapai County, Arizona.
- PARCEL
TWENTY-FIVE: Beginning at the Portal of the No. 3 Shaft on the Congress Fein, which is S. 70 50' 56" E. 1217.64 feet from U. S. Mineral Monument No. 1, thence:
Portal No. 3 Shaft to Corner 1:
S. 13 16' W. 116'
Corner 1 to Corner 2: N. 76 44' W. 40'
Corner 2 to Corner 3: N. 13 16' E. 216'
Corner 3 to Corner 4: S. 76 44' E. 100'
Corner 4 to Corner 5: S. 13 16' W. 200'
Corner 5 to Corner 6: S. 28 00' E. 132'
Corner 6 to Corner 7: Due West 36'
Corner 7 to Corner 1: N. 37 00' W. 145'
Containing 0.63 acres and situated in Section 14, Township 10 North of Range 6 West, G. & S. R. B. & M., Yavapai County, Arizona.
- PARCEL
TWENTY-SIX: Beginning at a point on the South Edge of an old stamp Mill Site, designated as stake S 21, which is S. 55 05' 52" E., 2540.02 feet from U. S. Mineral Monument No. 1; which is S. 15 05' 18" E. 345.23 feet from the portal of No. 2 Congress Shaft; thence:
S. 21 to Corner 1: N. 75 W. 50'
Corner 1 to Corner 2: N. 15 E. 50'
Corner 2 to Corner 3: S. 75 E. 100'
Corner 3 to Corner 4: S. 15 W. 50'
Corner 4 to S. 21 N. 75 W. 50'
containing 0.115 acres and situated in Section 23 Township 10 North of Range 6 West, G. & S. R. B. & M. Yavapai County, Arizona.

PARCEL
TWENTY-SEVEN: Beginning at a point on the footwall of the No. 5 Niagara Shaft, designated as Stake S 22 which is S. 56 06' 40" E. 3411.28 feet from U. S. Mineral Monument No. 1, thence:
S. 22 to Corner 1: Due South 50'
Corner 1 to Corner 2: Due West 50'
Corner 2 to Corner 3: Due N. 130'
Corner 3 to Corner 4: Due E. 100'
Corner 4 to Corner 5: Due S. 130'
Corner 5 to Corner 1: Due West 50';
containing 0.298 acres and situated in Section 23, Township 10 North of Range 6 West, G. & S. R. B. & M., Yavapai County, Arizona.

SUBJECT to the reservations contained in that certain deed dated October 15, 1947, from Hal Bogle and Dorothy T. Bogle, his wife, and Congress Metals, Inc., a corporation, first parties to E. A. Colburn, Jr., second party, recorded in Book 189 of Deeds at Pages 364-365, records of the County Recorder of Yavapai County, Arizona.

PARTY OF THE SECOND PART, his associates, agents or assigns, shall have immediate possession of the mining claims described herein for the purpose of mining operations thereon and Party of the Second Part, his associates, agents, or assigns, agrees that all work performed on said mining claims shall be in a good miner-like fashion and in compliance with all state and federal rules and regulations pertaining to the mining industry.

PARTY OF THE SECOND PART, his associates, agents or assigns hereby agrees that during the term of this lease that he will pay, before delinquent, all ad valorem, sales and severance taxes commencing with October 21, 1965, that may during said period be levied or assessed on said demised premises, and the improvements thereon, and any and all personal property owned by him.

From and after the date hereof, Party of the Second Part, his associates, agents or assigns, shall pay to Party of the First Part a Five per cent (5%) royalty on all ores up to (\$15.00) Fifteen Dollars per ton; Ten per cent (10%) royalty on all ores over (\$15.00) Fifteen Dollars per ton; and Fifteen (15%) per cent on all Uranium and Tungsten ores mined from property.

The above values shall be based on the net amount paid by the smelter for each shipment of ore as evidenced by smelter returns made in duplicate, one copy of which shall belong to Party of the First Part. Commencing with the month of February, Party of the Second Part, his associates, agents or assigns, guarantees to pay Party of the First Part a minimum royalty of two hundred (\$200.00) Dollars per month which shall apply on the purchase price as hereinafter set out and will be credited in the 5, 10 and 15% royalty provisions as set out.

Party of the Second Part, his associates, agents, or assigns further agree to construct and install a milling plant, either cyanide or flotation and of a size to process the equivalent amount or volume of ore as a five foot by four foot (50 tons) ball mill, within a period of 18 months from date hereof for the purpose of processing ores and minerals removed from the above described property. Until said mill has been constructed, Party of the First Part, his associates, agents or assigns may ship and sell ores and minerals to other mills and smelters for processing, but after the completion of said mill, all ores and minerals shall be processed therein, except uranium and tungsten ores which may be marketed elsewhere.

The terms of this lease shall run fifteen (15) years or until the purchase price is paid in full as agreed herein or until the lease is otherwise terminated.

That as a part of the consideration given in this contract, E. A. Colburn Jr., hereby gives and grants to Ike W. Kusisto, the right and option to purchase said above described mining claims upon and under the following terms and conditions:

That the total purchase price shall be the sum of three hundred thousand (\$300,000.00) dollars. The payments on this purchase price will be the sum of two hundred (\$200.00) dollars per month as set out under the minimum royalty provisions herein, with the first payment to be paid on the 25th day of April, 1965. All royalties paid under this contract are to be credited to the purchase price.

In the event Ike W. Kusisto, his associates, agents, or assigns fail to perform under this contract, the Party of the First Part shall accept all payments made hereunder as their liquidated damage, and the Party of the Second Part, his associates, agents, or assigns shall be relieved of any further liability hereunder.

Party of the Second Part, his associates, agents, or assigns further agrees that it will be wholly responsible for all debts and liabilities incurred by it in the performance of work on said mining claims and will keep posted notices of non-liability as provided by law, which notices shall be furnished by Party of the First Party. Party of the Second Part further agrees that it will comply with the rules and regulations of the Arizona State Industrial Commission pertaining to insurance of employees.

Party of the Second Party, his associates, agents, or assigns agrees to perform all assessment work necessary to maintain the possessory rights of the parties to all unpatented mining claims and to furnish Party of the First Part with proof of full and complete performance thereof not less than ninety (90) days prior to the expiration of each assessment year.

Party of the Second Part, his associates, agents, or assigns shall have the right to terminate this agreement at any time while this contract is in effect by giving fifteen (15) days written notice mailed to Party of the First Part at Wickenburg, Arizona, of his intention to do so, and thereupon be relieved of any further liability hereunder. In the event of such termination or upon the termination for any cause under this lease, Party of the Second Part, his associates, agents, or assigns shall have the right, within sixty (60) days, to remove all his machinery, equipment and personal property from said mining claims. IT IS UNDERSTOOD AND AGREED, however, that Party of the Second Part, his associates, agents, or assigns, shall not remove any timbers, track or pipe from the underground working of said mining claims.

Eligible
See Kusisto
Party of the First Part shall have the privilege of entering upon said mining claims for the purpose of inspection, only after contacting the Foreman in charge because of the safety factor involved. If Party of the Second Part, his associates, agents, or assigns shall fail to perform the covenants imposed upon him by the terms hereof, as and within the time provided in this agreement, then at the option of lessors, on thirty (30) days written notice mailed to Party of the First Part at Phoenix, Arizona, this lease may be terminated unless Party of the First Part, his associates, agents or assigns shall have complied with the terms of this lease before the expiration of said thirty (30) day period.

This lease and option shall be assignable and the terms hereof shall be binding upon the heirs, executors, administrators, and assigns of the respective parties.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year above written.

E. A. Colburn Jr.

Party of the First Part

Ike W. Kusisto

Party of the Second Part

Feb 16, 1965
Phyllis A. Tansan
My Commission Expires Aug. 23, 1968

STATE OF ARIZONA }
County of Maricopa) ss

The foregoing lease and option to purchase was acknowledged before me the
12th day of February 1965,

Lida M. M...
Notary Public

My commission expires:

July 16, 1965