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PRINTED: 04/23/2002

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: DRAGOON PROJECT

ALTERNATE NAMES:
CFI DRAGOON PROJECT

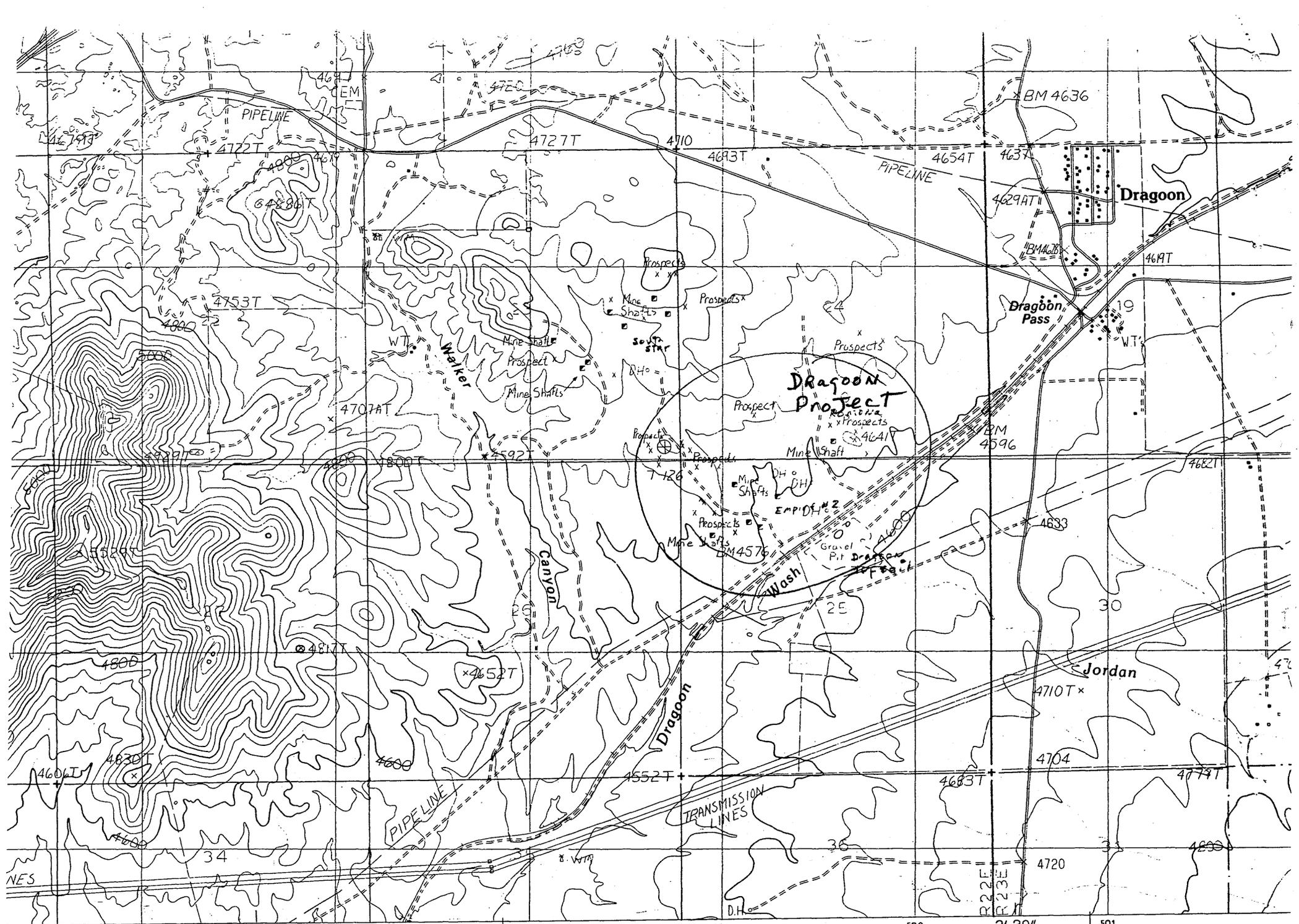
COCHISE COUNTY MILS NUMBER: 806

LOCATION: TOWNSHIP 16 S RANGE 22 E SECTION 25 QUARTER N2
LATITUDE: N 32DEG 01MIN 10SEC LONGITUDE: W 110DEG 03MIN 16SEC
TOPO MAP NAME: DRAGOON - 7.5 MIN

CURRENT STATUS: DEVEL DEPOSIT

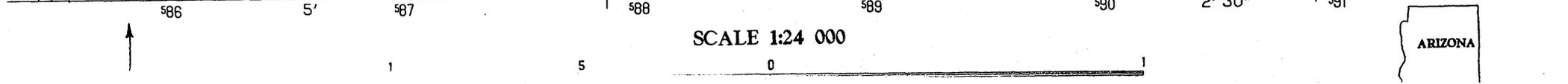
COMMODITY:
COPPER OXIDE
COPPER SULFIDE
ZINC

BIBLIOGRAPHY:
ADMMR DRAGOON PROJECT FILE
CLAIMS EXTEND INTO SEC 24 S2
SEE ADMMR PRINCESS GROUP FILE
CF&I DRAGOON PROJECT REPORT, 1975, BROOKS, J
IN HEINRICHS, G. COLLECTION #1-35



SCALE 1:24 000

ARIZONA



Arizona Copper Reserves and Resources
Compiled by the Arizona Dept. Mines and Mineral Resources

Printed: 04/23/2002
Last Updated: 04/23/2002

DRAGOON

Alternate name(s):

Company:

Sullivan, James
7459 E. Alameria Rd.
Scottsdale, AZ 85257
480-945-4800

Location:

Township 16 S Range 22 E Sec. 25
Latitude/Longitude: 32.02 110.05
20 miles NE of Benson, Cochise Co.

Mineralization type and reserve/resource:

| Type | Tons (millions) | Grade (%) | |
|--------------|--------------------|-----------|------|
| Acid Soluble | 27 | 0.47 | ASCu |

Reserve information and sources:

CFand I Dragoon Project, 1975, by James Brooks. [Heinrichs, G. Collection #1-35]

Comments:

A limited insitu leach test has been conducted.

DRAGOON PROJECT

COCHISE COUNTY

HEM WR 8/13/88: The Dragoon Project, Cochise County was visited. This copper skarn deposit was formerly held by CF & I Steel Corporation under State prospecting permits, several patented claims and the Alpha Claim Group. The Alpha Group is now held by James Sullivan, P O Box 3030, Scottsdale, AZ 85257. An unconfirmed report places reserves at 25 mst 0.5 - 0.6% acid soluble copper. At the Psyche patented claim, a deep shaft near the south boundary of Section 24 exposes a N20W vertical quartz vein along a faulted zone in limestone now altered to greenish brown garnetite. Copper oxides are moderately abundant in the 2-3' vein. White crystalline marble was observed west of the shaft as a window through the pediment gravels which cover the area. Most of the dump has been removed for decorative copper stained stone.

CF&I are still drilling on their Dragoon Project. From one to three drills were operating. (A body of mineralized material has been found. At this point it probably does not constitute an ore body) GWI Quarterly Report 3/1969

Mine Visit - CF&I Steel Corp project at Dragoon, moving to new hole.
GWI WR 12/13/69

CF&I Steel Corp. is still drilling at their Dragoon project.
GWI Quarterly Report 2/27/70

CF&I were still drilling at their Dragoon project.
GWI QUARTERLY REPORT 4/1/70

The CF&I Dragoon project was down for evaluation. GWI Quarterly Report 6-30-70

CF&I are reported to be working on an agreement with another company for a joint venture deal on their Dragoon Project. GWI Quarterly Report 10-1-70

Superior Oil Company Minerals Division and the CF&I Steel Corporation are in the process of working out a joint agreement for exploration of CF&I's Dragoon property. Under the proposed agreement, management of future drilling and exploration will be under the direction of Superior. To the present time CF&I has drilled approximately 30 holes. The main line of the Southern Pacific goes thru the property. GWI Quarterly Report 12-31-70

Mine visit. Superior Expl. Dragoon Project. GWI WR 10/5/71

Johnson Camp: Superior Minerals has taken over the CF&I project at Dragoon, the Continental Copper project north and east of Johnson Camp, and has a joint project with Cyprus on their Johnson Camp holdings. They also have added claims on their own in the area. GWI QR 9/71

MNG/ 5/16/79 Engineer's Report - Confidential File. 6/5/79 a.p.

MG WR 7/19/85: The Dragoon (Cochise County) oxide-copper deposit, owned by CF & I Steel Corp., is covered by the Alpha claim group.

DRAGON PROJECT

COCHISE COUNTY

Two drills working - 3 shifts each. GWI WR 12-20-68

Active Mine List April 1969 - Exploration

DRAGOON PROJECT
C.F.I. Corporation

Cochise County

Exploring west of Dragoon - one drill

GWI Q Rep 4/68

Still drilling at Dragoon

GWI WR 5/4/68

Closed down - shortage of personnel - resume later

GWI 6-1-68

CF& I has resumed exploration activities on its Dragoon Project in Cochise County
Pay Dirt Nov. 1968

Mine Visit - one drill operating GWI WR 11-16-68

JABA Inc.
Mining Exploration



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NEWS RELEASE

July 24, 1998

**JABA acquires 4 billion pound copper resource and plans
 southwestern United States in situ copper leach mine.**

JABA is pleased to announce that it has executed a binding letter agreement for a lease with option to purchase a skarn-hosted porphyry copper project in southeastern Arizona from Delta Exploration Group LLC of Scottsdale, Arizona. The acquisition price consists of one million shares of JABA Inc., US\$7.5 million in cash paid substantially out of operating profits of the planned mine, a royalty of 5% of profits in perpetuity commencing after payment of the US\$7.5 million and other non-material considerations. The agreement is subject to Alberta Stock Exchange approval.

James Briscoe, Chief Executive Officer of JABA and a Registered Geologist in the states of Arizona and California, has reviewed the data and provides the following description of the project.

The project consists of two drill indicated zones in which 4 billion pounds of oxide copper have been delimited. JABA proposes to install an in situ leach mine with solvent extraction - electro winning (SXEW) to produce electrolytic (wire grade) copper. Favorable geology, geophysics and geochemistry reveals potential for substantial expansion of the oxide copper resource in all directions from the drilled areas. New geochemical exploration technology can pinpoint additional high grade zones for leaching. Computer models completed in December 1996 show a high grade oxide copper core.

More than 150 holes have been drilled in the area over the past 30 years, primarily by the minerals division of a large oil company. In the northern zone, 64 holes have recently been computer modeled, with a resulting resource estimate of 440 million tons grading 0.39% oxide copper at a 0.1% cut off, or approximately 3.4 billion pounds of copper. In the southern zone, cross sectional calculations show 105 million tons grading 0.26% oxide copper at a 0.1% cut off or 546 million pounds of copper. High-grade core zones exceeding 1% copper exist within surrounding lower average grades so that perhaps 2 billion pounds of copper may be available in these higher grade areas. Both deposits contain significant potential for discovery of additional adjacent oxide resources. The copper oxide is contained in a garnet-pyroxene skarn surrounded by marble and limestone. At depth, the oxide, which has a thickness of 600 to 850 feet, merges into primary chalcopyrite mineralization. Alluvial cover above mineralization ranges from 250 feet to 600 feet. The water table is essentially static at a 400 foot depth. Infrastructure is ideal with power, water, transportation including major highways and local roads, lodging and a nearby skilled labor force as well as mild year around weather.

The southern zone has already undergone permitting followed by a successful in situ leach test conducted approximately 15 years ago. The test was terminated and the property relinquished for reasons unrelated to economics. Recent property consolidation and technological advances have now made implementation of the project practical. Geological conditions make the properties particularly suited to in situ leaching with no possibility of escape of leach solutions. Carbonate rocks surrounding the oxide copper will react with any potentially escaping leach solution to immediately form an impermeable gypsum barrier, encapsulating the leachant and preventing any pollution or loss of copper. Shallow depth and static water table will combine to keep costs low. Within the same mining district and same mineral type, some 106 million pounds of electrolytic grade copper has been produced from a now exhausted open pit heap leach with solvent extraction electro-winning (OPHL SXEW) proving the leachability of the contained oxide copper.

JABA has commenced a 90 day due diligence period for confirmation of data and further testing. JABA expects the due diligence to be rapid as Delta Exploration has done a superlative job of retaining intact core and other primary data from previous exploration, spanning a period of 30 years, which was done in a professional and detailed manner. Guilbert and Briscoe are already quite familiar with the project and one of Dr. Guilbert's students did a master's thesis on the northern resource zone under his direction at the University of Arizona. Many of the consultants who have previously worked on the project are available to form the core of the development team.

As the project advances, JABA, in line with previous joint ventures, may seek a partner with the financial resources to ensure its development to its full potential.

Potential JV partners continue to examine and consider several of JABA's other exploration projects.

On behalf of the Board,
 James A. Briscoe
 CEO

The Alberta Stock Exchange has neither approved nor disapproved the contents of this News Release

JABA Inc. is a public company, Alberta Stock Exchange, Canada, Stock symbol JBA
 John M. Guilbert, Ph.D., Chairman of the Board, Professor Emeritus University of Arizona
 James A. Briscoe, Chief Executive Officer, Registered Professional Geologist, Arizona #9424 California #518 JABA Inc. is a public

DRAGON
I-10 mine (f)
Cochise

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Clarification Announcement on the value of JABA's ISL--SX-EW Project, southeastern Arizona, J. M. Guilbert, October 2, 1998

JABA Inc. management has been advancing the due diligence evaluation of its *in-situ*-leach—solvent extraction-electrowinning copper projects in the Cochise Mining District in Arizona, for which it has recently (July 24, 1998) signed a Letter of Agreement with Delta Exploration, LLC, of Scottsdale, Arizona. The drilled-off resource includes four billion pounds of 'oxide copper' (chrysocolla) in two near-by areas previously known as the I-10 and **Dragon** bodies, now to be called Sullivan North and Sullivan South. Both consist of porphyry-copper-related skarn zones between a shallow quartz monzonite porphyry intrusion and a thick section of Paleozoic limestones. Early due diligence study has focused on land titles, and has shown that all titles are in order. Due diligence on the 140 existing drill holes, their assays, environmental permitting, and technological-engineering reports in hand is proceeding rapidly and favorably by JABA and by The Winters Company consultants of Tucson. Development of the Sullivan property as a fast-track, early copper producer has become practical both through recent consolidation of the land position and by developments in *in situ* leaching technology. Further details are given in JABA News Releases of July 24, August 17, and September 28 and Clarifications of July 30 and August 19, all available on their web site at www.JABA.com.

In an effort to inform JABA shareholders of the economic significance of this acquisition and as points of information for potential joint venture partners, some interesting projections and facts can be pointed out.

The 'four billion pounds of copper' represents a major asset. The news releases assert that this resource has already been drill-defined, and that the only foreseeable adjustment of reserves upon further drilling will be *upward*. Four billion pounds of copper assumes real value 'in the ground' as well as upon extraction. Even at copper prices as low as the present approximately US 80 cents a pound, the raw value is \$ 3.2 billion dollars. JABA has about 22 million shares outstanding, so the copper-value-in-the-ground is (at 80 cents per pound) US\$143 per share of JABA stock (C\$219). After extraction, even if one pessimistically assumes only 50% recovery and an 'all-in' production cost of 50 cents a pound (leaving a profit of 30 cents a pound), the profit value generated is \$600 million, or \$26.86 (C\$41.09) per JABA share. A copper price increase over US 80 cents yields a 'bonus' per penny up-tick of \$20 million further profit (89 cents per share). Each percentage point of improved recovery over 50% generates another \$12 million profit, or \$0.53 per share. And each cent of reduced all-in production cost below 50 cents per pound adds yet another \$0.89 per JABA share. There are some 'downside risks' such as low transmissivities or reagent costs. But a reasonable scenario of 70% recovery and 40-cents-per-pound cost at 80-cent copper generates a return of \$1.12 billion, or US\$50.13 (C\$76.70) per share, and an optimistic but plausible scenario of 80% recovery and 30-cents-per-pound cost at 80-cent copper values creates a profit of US 1.6 billion dollars, each current JABA share being worth US \$71.62. Most forecasters recognize the cyclical price of copper — at 90 cents and \$1 per pound copper, the last *profit* numbers become \$1.92 and \$2.24 billion and \$85.94 and \$100.27 (C\$131.49 and C\$153.41) per present JABA share respectively. JABA shares have traded as high as C\$0.50 this year, and presently trade at around C\$0.11.

These figures are forward-looking and clearly involve assumptions, but the basic arithmetic is solidly positive. JABA's business plan is to seek a joint venture partner to assist with both capital investment and technology, so the foregoing 'per share' figures will be reduced somewhat according to and depending upon the specifics of the joint venture agreement. But note that capital costs to be provided by the JV partner are included in the production cost and profit figures given above — returns to JABA shareholders should remain robust.

These figures are presented as realistic and rational projections — details of the calculations can be provided. They are given to indicate to present and future JABA shareholders, and to potential joint venture partners, that there is great real value at Sullivan North and South and that the cash flow-through and indicated profits from the property are attractive.

* Except for historical information contained herein, the statements on this clarification are forward-looking statements which involve unknown risks and uncertainties which may cause a company's actual results in the future periods to differ materially from forecasted results. These risks and uncertainties include, among other things, product price volatility, product demand, market competition and risk inherent in the companies operations.

ARIZONA DEPARTMENT OF MINERAL RESOURCES
Mineral Building, Fairgrounds
Phoenix, Arizona

1. Information from: J. Brooks.
Address: 7503 E. Osborn Rd. Scottsdale.
2. Mine: Area around old Empire 3. No. of Claims - Patented none
Unpatented _____
4. Location: Mostly in sections # 23-24-25-26 T16S R22E just west of the town
of Dragoon
5. Sec _____ Tp _____ Range _____ 6. Mining District Dragoon
7. Owner: CF&I Corp.
8. Address: 7503 E. Osborn Road, Scottsdale
9. Operating Co.: Same
10. Address: _____
11. President: _____ 12. Gen. Mgr.: _____
13. Principal Metals: _____ 14. No. Employed: _____
15. Mill, Type & Capacity: _____
16. Present Operations: (a) Down (b) Assessment work (c) Exploration
(d) Production (e) Rate _____ tpd.
17. New Work Planned: This is an exploartion project, mostly on prospecting
permits on state land.
18. Misc. Notes: One drill working at present time.

CF&I Corporation is still drilling on its
property near Dragoon. *PAY D.I.R.T. 12/7/69*

Page 4

The exploration drilling program at
Dragoon by CF&I is continuing.
PAY D.I.R.T. 12/9/69

Date: December 5, 1968

G.W. Irvin
(Signature)

G. W. Irvin
(Field Engineer)