

CONTACT INFORMATION

Mining Records Curator
Arizona Geological Survey
1520 West Adams St.
Phoenix, AZ 85007
602-771-1601
<http://www.azgs.az.gov>
inquiries@azgs.az.gov

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Arizona Department of Mines and Mineral Resources Mining Collection

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11/27/96

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES FILE DATA

PRIMARY NAME: EUREKA

ALTERNATE NAMES:

JUNIPER
ONEIDA

MOHAVE COUNTY MILS NUMBER: 91B

LOCATION: TOWNSHIP 22 N RANGE 17 W SECTION 10 QUARTER NW
LATITUDE: N 35DEG 18MIN 41SEC LONGITUDE: W 114DEG 04MIN 47SEC
TOPO MAP NAME: STOCKTON HILL - 7.5 MIN

CURRENT STATUS: DEVEL DEPOSIT

COMMODITY:

SILVER
LEAD SULFIDE
GOLD LODE
IRON HEMATITE
IRON SULFIDE

BIBLIOGRAPHY:

ADMMR EUREKA FILE
A.E.C. PRELIM. RECONN. RPT. 172-485, P. 93
(NERALY UNREADABLE, NOTES THAT OCCURRENCE IS
IN A QUARTZ FISSURE VEIN, NO ANOMOLOUS
RADOACTIVITY WAS DETECTED)

State of Arizona

DEPARTMENT OF MINES & MINERAL RESOURCES
Mineral Building, Fairgrounds
Phoenix, Arizona 85007
(602) 255-3791

The listed companies have informed this department that they do custom assaying for the general public. All assays are performed by or under the supervision of an assayer registered by the State of Arizona, Board of Technical Registration, as required by law.

Samples for assay are usually delivered or mailed to an assay office. However, the assay office chosen should be contacted prior to shipping samples.

There are many additional registered assayers in Arizona, many of whom are employed by the major mining companies, who do not do assay work for the general public.

For additional information on mining, prospecting and mineral resources in Arizona, contact the Arizona Department of Mines and Mineral Resources, Mineral Building, Fairgrounds, Phoenix, Arizona 85007 (602) 255-3791 or Department of Mines and Mineral Resources, 416 W. Congress, Room 161, Tucson, Arizona 85701 (602) 628-5399.

John H. Jett, Director

Compiled by
Richard R. Beard
Mining Engineer

August, 1985

PHOENIX

Arizona Testing Laboratories
817 W. Madison
Phoenix, Arizona 85007
Claude E. McLean Jr.,
Registered Assayer
Telephone: 254-6181

Silver Systems Inc
2114 W. Desert Cove
Phoenix, Arizona 85029
Jim Roy Weatherby.
Registered Assayer
Telephone: 939-3691 (home)
861-2130 (work)

EUREKA

PIMA COUNTY

E → NJN WR 8/26/83: Corwin Coe of Corval Development (Arizona Silver) reported that they are active at the Eureka Mine, Mohave County. They have sunk a 300' inclined shaft and driven about 600' of development and exploratory drifting. Ore intercepted from various shoots was stockpiled.

YUCCA FLOTATION MILL

EUREKA (A) MOJAVE

BURRO CREEK (A) MOJAVE



11

Suite 1140 - 625 Howe Street, Vancouver, B.C. V6C 2T6

Phone: (604) 689-5588

Fax: (604) 689-4143

May 14, 1991

S H A R E H O L D E R S R E P O R T

Since the default by Mojave Mining Properties, Inc., dba Mojave Mining & Milling, Inc. ("Mojave") under the Yucca Flotation Mill Agreement for Sale mentioned in the Shareholders Report dated June 6, 1990 last year, Mojave has commenced legal action, in the District Court of Arizona, against Corval Development Inc. ("Corval"), the wholly owned U.S. subsidiary of Arizona Silver Corporation ("Arizona").

In the action Mojave claims, among other things, breach of contract and specific performance of the Yucca Flotation Mill Agreement for Sale.

Legal counsel for Arizona and Corval is of opinion that the legal action by Mojave is without merit. As a result Corval's attorneys in Arizona are taking all necessary steps to protect the rights of Corval under the Yucca Flotation Mill Agreement for Sale and in connection with the action.

During the past year all properties still retained have been kept in good standing.

ON BEHALF OF THE BOARD OF DIRECTORS

CORWIN E. COE / DIRECTOR

CAPITALIZATION

Authorized - 25,000,000 Common Shares

Issued - 8,474,750 Common Shares

LISTED

Vancouver Stock Exchange
Trading Symbol - ASC

United States - OTC ASC.V.
12g3-2(b) - Exemption #32-418

2. Summary of Significant Accounting Policies - cont'd

(e) Values

The amounts shown for resource properties and deferred costs represent costs to date and do not necessarily reflect present or future values.

(f) Foreign Exchange

The accounts recorded in U.S. currency have been translated into Canadian dollars on the following basis:

- monetary assets and liabilities at the rate of exchange in effect at the balance sheet date;
- non-monetary assets and liabilities at the rates of exchange in effect on the respective dates of transactions; and
- revenues and expenses at average rates of exchange for the year.

(g) Loss per Share

Loss per share is calculated based on the weighted average number of shares outstanding during the year.

3. Resource Properties

	1990	1989
--	------	------

(a) Burro Creek Mining Properties, Greenwood Mining District, Mohave County, Arizona U.S.A.

Burro and Telegraph Claims

The company has acquired a 50% interest in 4 patented and 40 unpatented claims. The Company is to act as operator of the joint venture and is required to pay 50% of the \$1,000 U.S. monthly lease payments for the patented claims. Exploration costs incurred to December 31, 1990 were \$620,034.

Payments	\$ 27,026 U.S.	\$ 32,442	\$ 23,682
		\$ 32,442	\$ 23,682
		Carried forward	\$ 32,442 \$ 23,682

ARIZONA SILVER CORPORATION
Notes to the Consolidated Financial Statements
December 31, 1990 - Page 3

3. Resources Properties - cont'd	<u>1990</u>	<u>1989</u>
Brought forward	\$ 32,442	\$ 23,682

(b) Eureka Mining Properties, Wallapai Mining District,
Mohave County, Arizona, U.S.A.

Eureka, Apollo, Ruby Mineral Claims

The Company, through two subsidiaries, exercised an option agreement dated December 6, 1982 whereby it acquired a 100% undivided interest subject to a royalty of 10% of net operating income on 15 mineral claims in Mohave County, Arizona.

The optionor was a company owned and controlled by a director of the Company.

Exploration costs incurred to December 31, 1990 total \$372,980.	<u>43,710</u>	<u>43,710</u>
Total resource properties	<u>\$ 76,152</u>	<u>\$ 67,392</u>

4. Fixed Assets

The major categories of fixed assets are as follows:

	Cost	Accumulated Depreciation	Net Book Value 1990	Value 1989
Mining equipment	\$ 22,722	\$ 5,924	\$ 16,798	\$ 36,402
Flotation mill and equipment	815,270	410,394	404,876	491,583
Office equipment	28,706	14,219	14,487	6,577
Gas pipeline	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>
	<u>\$ 866,700</u>	<u>\$ 430,537</u>	<u>\$ 436,163</u>	<u>\$ 534,564</u>

EUREKA

HAMM

EUREKA

MINE

STATE MINE INSPECTOR



JAN 3 1984

Office of State Mine Inspector

705 West Wing, Capitol Building
Phoenix, Arizona 85007
602-255-5971

NOTICE TO ARIZONA STATE MINE INSPECTOR

In compliance with Arizona Revised Statute Section 27-303* we are submitting this written notice to the Arizona State Mine Inspector (705 West Wing, Capitol Building, Phoenix, Arizona 85007) of our intent to start stop (please circle one) a mining operation.

COMPANY NAME CORVUS DEVELOPMENT INC.

CHIEF OFFICER ANDREW MARTIN, PRES.

COMPANY ADDRESS Box 1001, I.I.S.R. KINGMAN ARIZ. 86401

COMPANY TELEPHONE NUMBER 602-767-3878

MINE OR PLANT NAME EUREKA

MINE OR PLANT LOCATION (including county and nearest town, as well as directions for locating by vehicle)

TOWN, ARIZ. SEC 5, 10. 10 MILES EAST
ON SECTION 4111 ROAD OUT OF KINGMAN;
TRAVEL 1 MILE IN A WESTWARD DIRECTION.

TYPE OF OPERATION Mining PRINCIPAL PRODUCT EXPLORATION

STARTING DATE 12/30/82 CLOSING DATE 12/20/83

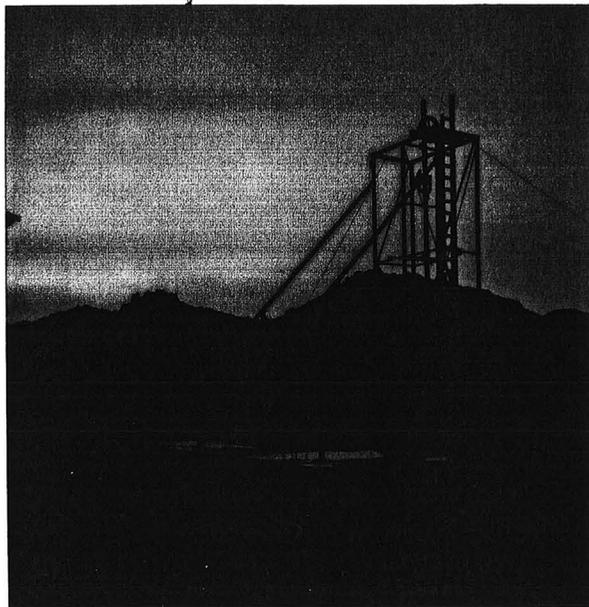
DURATION OF OPERATION 9-12 MONTHS

PERSON SENDING THIS NOTICE CORVUS CO.

TITLE OF PERSON SENDING THIS NOTICE OPERATIONS MANAGER

DATE NOTICE SENT TO STATE MINE INSPECTOR 12/29/83

*A.R.S. Section 27-303 NOTIFICATION TO INSPECTOR OF BEGINNING OR SUSPENDING OPERATIONS: When mining operations are commenced in any mine or when operations therein are permanently suspended, the operator shall give written notice to the inspector at his office prior to commencement or suspension of operations.



EUREKA

4/18/84

memo

to photo
scan file



ORO FINO GROUP, WALL . I MINING DISTRICT, MOHAVE COUN

For Information See: REPORT ON THE "CERBAT TRANSPORTATION DEVELOPMENT &
DRAINAGE TUNNEL"

&

REPORT ON THE "NELSON TRANSPORTATION TUNNEL"

in "Geology Reports" File.

See: "EUREKA AND EUREKA NO. 1" file

EXHIBIT "A"

ORO FINO GROUP OF MINES.

PROPERTY AND LOCATION:

This property, commonly known as the Oro Fino group of mines, consisting of 9 lode mining claims (not surveyed) located on and embracing within their boundary lines a strong ledge of quartz, carrying payable values in gold, silver and a fair proportion of lead; the former in high percentage. All the claims are held by location under the United States Mineral Laws and have a clear title; covering an area of perhaps 180 Acres. (See accompanying map). The names of the claims are as follows, viz: The Oro Fino, Oro Fino No. 1, Boss No. 2 - Gold Eagle - Spread Eagle - Eureka - Emma - Oro Fino No. 2 & Oro Fino No. 3. The Gold Eagle and Spread Eagle contiguous to one another, lying well up on the mountain side at an elevation of about 5400 feet. This mine was worked by the original locator, the ores somewhat assorted and sold to the smelters - to the extent of some \$8,000.00. The ores shipped were taken out of the stopes and drifts in tunnels No. 1 and 2.

The Boss No. 2 and its west extension, Eureka, lie at the base of the main range of mountains approximately 1000 feet to the North from the Eagle location, at an elevation of about 4900 feet.

The Oro Fino and its west extension "Emma" parallels the Boss and Eureka with adjoining side lines on the North, and covers, in part the big canyon below, at an elevation of about 4800 feet.

The Oro Fino No. 1 parallels the original Oro Fino, and in part the Emma lode, to the North.

The Oro Fino No. 2 and Oro Fino No. 3, are extension claims to the East of the original Oro Fino ground, apparently on the same continuous veins, and are of recent location. (Not of record).

The property is situated in what is known as the Cerbat Mountains, Wallapai Mining District, Mohave County, Arizona. There is a good wagon or auto road from the city of Kingman, the county seat of Mohave County, immediately to the mines, and the distance is 20 miles over this route. There is also a good auto road leading from Keystone Station, on a branch of the Santa Fe, railroad, and the distance to the mines is 5 miles over this route.

FORMATION:

The section of the county in which these mines lie consists of a country rock made up of medium grained gneissoid granite, cut from north to south by dykes of porphyry, hornblende, syanite and felsite. Accompanying the granite lying along side are frequently found dykes of porphyry of the felsite class; it is along the line of contact of these two formations that mineral veins occur; these carry the gold and silver

values in combination with metals of lead, copper or iron sulphides, or as found at the surface, are contained in quartz which is heavily stained with their oxides. On this property the veins are along the contact of a prominent dyke of granite and porphyry. The pay ore bearing material exists mainly as shoots along the line of contact and shows a good width of altered or porphyritic-quartz; strongly mineralized, and extending for long distances along course of dykes.

TIMBER:

The property is practically devoid of timber, except for house or domestic purposes which can be secured in ample quantity close by, such as cedar and small pines.

WATER:

Sufficient water for all purposes can be developed by boring or the sinking of a shaft on the Oro Pino grounds, and at a depth in my opinion, not to exceed 150 to 200 feet. In the small arroyas, adjacent to the main canyon, small springs are frequent; the water oozing out of the veins, where they cross the gulches, creating a regular and steady flow of water from 300 to 400 gallons per every 24 hrs.

DEVELOPMENT:

The openings on the Eagle vein is the principle work done, and consists of some 1400 feet of crosscut tunnels, drifts, winze or raise, mostly on the vein and ore body. In the various cross cut tunnels, viz: 1, 2, 3, 4 and 5, these openings are made 50 to 100 foot levels, and show the productive part of the vein to be from 30 to 40 feet in width, all the material is slightly mineralized. The payable ore shows persistently along the hanging wall side. A narrow cross drift about 15 feet long from the main tunnel, in tunnel No. 2, about 100 feet below the surface outcrop of the vein, toward the foot wall exposes payable ore similar in character to that of the hanging wall. A sample of the ore taken at this opening - 5 feet in width and across the pay streak, shows assay values of \$12.00 in gold and 2 ozs. silver, 2% lead. Not sufficient work has been done in this particular portion of the mine to prove the extent of, nor the value of this ore shoot. All indications point to the development of an immense ore body and of high grade milling values, in the further exploration toward the foot-wall side of the vein. The ore shows regular throughout all the openings, with a well defined pay streak on the hanging wall side, varying from 1 to 2, 3, and 4 feet in thickness. There is no doubt but that much of the ore vein material would pay a profit, when the proper openings are made, 8 or 10 feet thick if worked by a mill on the ground.

THE BOSS:

The work done in this mine consists of 1st - a 60 foot shaft (designated in this report as shaft No. 1), located near the west end line of the claim.
2nd - A 40 foot shaft (S. No. 2) located about 250 feet East of S. No. 1.
3d - Shaft No. 3, said to be 60 feet deep, accessible only about 30 feet below the collar of the shaft, down to water level, located about 300 feet East of S. No. 2.

4th - A cross cut tunnel, located at the lowest point of the hill near the gulch, about midway between shafts Nos. 2 and 3. This tunnel is started at right angles and driven a distance of about 100 feet, when it intersects the vein-foot wall side, where it continues, penetrating the ore and vein material through to the hanging wall - 30 feet wide, with a well defined pay streak of milling values on the hanging wall side, 2 feet and over in thickness. At this point the ore body is exposed about 100 feet below the surface outcrop. All the openings in this mine show well defined pay streaks, profitable milling values, from 1 to 2 and 4 feet thick.

ORO FINO:

The work done on this mine originally, and according to tradition consists of - 1st a shaft 110 feet deep, located near the center of the claim, and out of which shaft the original locators mined and sold to the smelters, ore to the extent of some \$7,000.00. The shaft is now filled with the caving of rock and dirt. The vein material, and a few specimens of the ore remaining on the dump would seem to verify this statement.

2d: A late shaft, 25 feet deep, located about 250 feet west from the original 110 foot shaft, and shows a pay streak, profitable milling values, 2 feet and over in thickness.

THE ORO FINO No. 1:

The work done on this mine consists, 1st of an open drift on the vein, some 20 feet long when it enters under cover, and driven a distance of about 75 feet, following the foot wall of the fissure. The ore is exposed, and shows regular and well defined, the entire distance, and a pay streak of profitable milling values, from 24 to 30 inches thick.

2nd: A cross cut tunnel, located about 150 feet west, from said open drift, near the gulch, started at right angles, and driven a distance of about 140 feet when it taps the ore vein. A drift on the vein or ore body has been run east following the payable ore, a distance of about 20 feet, exposing a well defined ore body, and of profitable milling values about 100 feet below the surface outcrop.

VEINS:

The Eagle vein is a true fissure, 40 to 50 feet between walls, dipping into the hill at an angle of about 75 degrees or 15" from a perpendicular, and takes a true course across the country, North, about 37 degrees West.

THE BOSS:

This is a strong fissure 30 feet or over, between walls, with a strike easterly and westerly direction, dipping into the hill at an angle of about 12 degrees from a perpendicular.

THE ORO FINO:

This vein runs apparently parallel with the Boss ledge, and dips to the contrary, North, into the mountain about 15 degrees from a perpendicular. The main portion of the Oro Fino vein is overlain and covered with debris, sand, etc. by erosion.

THE ORO FINO NO. 1:

This vein is a strong fissure, with a strike southeasterly and northwesterly direction, dipping into the hill, to the North, at an angle of about 3 degrees from a perpendicular.

ORE RESERVES:

The ore is of free milling and concentrating character. The average of the ore exposed in the Eagle mine is shown by sampling to be worth \$12.43 per ton, just as mined from the stopes. The values are in gold and silver, not counting the lead contents, which by former sampling shows from 1% to 2, or 3% to the ton of raw material. Concentrates, by the pan process, show from 10% to 20% lead to the ton of concentrates. All the various tunnels in the mine, except tunnel No. 5, are connected through to the surface, by upraises and drifts. The mine is well ventilated, dry and wholesome for the miner. It is estimated that there is now opened in this mine, and available for immediate treatment, not less than \$75,000.00 worth of ore. The main tunnel heading (T. No. 3, some 450 ft. long), has reached a depth on the vein under surface outcrop 200 feet; this with an allowance, say 50 feet below the tunnel level, "which from a practical view point, is a conservative estimate in a strong and permanent vein," with a length say 50 feet on either side of the raise or shaft, with an average pay streak of 2-1/2 feet thick; together with an estimate of the available ores in T. No. 4, by drift, winze 50 feet below the tunnel level and a raise through to T.No.3, and an average of 2-1/2 feet pay ore is what this estimate is based on, counting 15 cu. ft. to the ton of ore.

ORE VALUES:

The recent assays made from the various places and across the width of the pay ore in question, shows the following values:

Tunnel No. 3 ore shoot - Gold \$12.92
Silver .50 Total \$13.43

Tunnel No. 4 ore shoot - Gold \$10.95
Silver .50 Total \$11.45

"Tunnel No. 5 has not yet encountered the ore shoot, which is exposed in Tunnel No. 4. It was not sampled."

BOSS MINE:

Figuring the tonnage, available ore in this mine, on the same basis and in the same manner as estimated in the Eagle mine, we have, 1st - Shaft No. 1, calculating that the ore goes down 40 feet below the bottom of the shaft, or 100 feet deep, and 50 feet long on either side of the shaft, with a pay streak 4 feet thick; we have in round numbers \$22,000.00 worth in this portion of the mine.

2nd: Shaft No. 3. This shaft is available only to water level, about 30 feet below the collar of the shaft. Figuring the available ores as follows: say 50 feet deep - 100 feet long, and an average pay 1-1/2 feet thick; we have, in round numbers \$4600.00 worth in this portion of the mine.

4th - Cross Cut Tunnel: Figuring the available ores likewise in the above manner, say an ore body 150 feet deep - 100 feet

long, and an average pay - 2 feet thick; we have in round numbers \$21,500.00 worth in this portion of the mine.

"Shaft No. 2 was not sampled, not available, no ladder way."

ORO FINO:

25 foot Shaft, say an ore body 50 feet deep, 100 feet long, and an average pay streak 2 feet thick; we have in round numbers, \$10,000.00 worth in this mine.

ORO FINO No. 1:

Say an ore body 100 feet deep - 100 feet long, with an average pay streak 2 feet thick - counting 15 cu. ft. to the ton of ore - we have, in round numbers \$16,900.00 worth in this mine. The recent assays taken at the various places above enumerated, and across the pay streak in question, show the following values:

<u>BOSS No. 1 Shaft</u>	Gold	\$8.26	
	Silver	Trace	
<u>BOSS No. 3 Shaft</u>	Gold	\$9.29	
	Silver	Trace	
<u>BOSS C. C. Tunnel</u>	Gold	\$10.33	
	Silver	.50	Total \$10.83.
<u>ORO FINO - 25 ft. Shaft</u>	Gold	\$11.57	
	Silver	3.50	Total \$15.07.

<u>ORO FINO No. 1 Tunnel Openings.</u>	Gold	\$8.50	
	Silver	4.25	Total \$12.75

<u>TOTAL TONNAGE</u> - Eagle Mine	5832 Tons
Boss do	5166 do
Oro Fino do	666 do
Oro Fino No. 1 - 1333 do	
	12997 - Grand Total

<u>TOTAL VALUES</u>	EAGLE MINE	\$75,000.00	
	BOSS do	48,100.00	
	ORO FINO do	10,000.00	
	ORO FINO No. 1	16,900.00	
	Grand Total	\$150,000.00	-Gross Values.

The EURRKA and EMMA Lode Claims were not sampled, as only the amount of work has been done, as required on mineral locations. However, these claims are valuable showing strong croppings and a good grade of ore, and cover the continuity of their adjoining claims to the base of the hill-west.

THE ORO FINO No. 2 and ORO FINO 3 lode claims are of recent location, not of record. The claims are valuable in connection with the Oro Fino Group as a whole; covering the continuity of the Boss and Oro Fino veins (original locations) to East. These veins are easily traced by their surface outcrop, the ores of a similar character to that of the adjoining claims and of good milling values.

EXPENSE:

As the ground is soft and easily mined, the ores ought to be mined and milled at a cost not to exceed \$4.50 to the ton of ore, with a mill on the ground. At this rate, the work of mining and milling would involve an expense in round numbers approximately \$58,500.00. We have estimates on amounts of \$150,000.00 Gross Values. 150,000 less 58,500 leaves \$91,500.00 Net Profits on this grade of the ore.

IMPROVEMENTS AND ADVANTAGES:

There is a very good 5 roomed frame house on the ground which will furnish comfortable quarters for a large crew of miners. A blacksmith shop and tools of all kinds for a small crew of men. None of the workings in the mines are equipped with car and track, except the C. C. Tunnel on the Boss mine. All of the principle openings, tunnels, drifts, winze or raises are of good size - 4 x 6 or 7 feet in the clear and well timbered where necessary, and ready for immediate operations. The veins are large and the ground is soft, tho firm, and no country-rock would have to be broken, in mining the ore for the mill. The mining district is known as a producer of good gold ores lying in extensive bodies. The ORO-FINO GROUP is among the best, and commands itself as a good proposition for mining and milling. A better average value so near the surface, with occasional specimens of high grade ores, running into the hundreds of dollars in gold is rarely seen; such conditions as obtained in these mines never failed, in my observations of 30 or more years experience in the mining fields of the Rocky Mountains, Alaska and Old Mexico, to develop into great mines. All ores in the mines can be reduced by concentration, to a valuable shipping product, of from \$40.00 to \$75.00 or \$100.00 and over to the ton of concentrates. The ores vary in character; where the sulphides are ~~heavy~~ heavy 3 to 5 tons of the raw material may be reduced into 1 ton of concentrates. In other portions of the mines these conditions vary, and would require perhaps 10, 15 or 20 to 1, but of higher grade and better values.

NEIGHBORING PROPERTIES:

Among the largest producers, in close proximity, are the Golconda, with a record monthly output of shipping values of \$200,000.00 to \$250,000.00. The Golconda Mine has attained a depth of about 1000 feet, quite extensively developed, with a record output of bullion exceeding, as near as can be learned the \$4,000,000.00 Mark. The ORO FINO group of mines are situated about 2 miles on air line, north of the Golconda, and on the same west slope of the Cerbat Mountain Ridge. The Tennessee Mine, located about 3 miles, on air line Northerly direction from the Oro Fino - has a record output of bullion that will exceed the several million mark,

with a regular shipment of ores approximating \$200,000.00 per month. This mine has attained a depth of 1200 feet, where, as report has it, are found greater and better values than were found near the surface. Other mines in close proximity are the C. O. D. about 1 mile to the south, bearing a little east, with a record output of \$1,000,000 or more. The Lone Star, Buckeye, Ruth and others, about 1 mile north bearing a little west, with a record output of bullion of from \$250,000.00 to \$500,000.00. The lowest depth in the mines, not exceeding 300 feet deep. There are still other mines of minor productions that will make good in the further exploration and development of the ground.

IN GENERAL: Miners wages in the district are from \$3.50 to \$4.00 per day.

LUMBER: In Carload lots, delivered at Keystone Station \$26.00 to \$28.00 per 1000 feet. Fuel, Oil, distillate, gasoline, in 50 to 100 gal. tanks - 12 to 16¢ per gal. Supplies of all kinds from the mines to and from the railroad station, ought not exceed \$1.50 or \$2.00 per ton. The supplies can be gotten here as reasonable as in any other locality. The climate and weather conditions are excellent, and mining operations can be carried on every day in the year.

RECOMMENDATIONS:

I would respectfully recommend:

FIRST: That a cross drift be driven at right angles, at a point about 50 feet from Tunnel No. 3 - heading to cut the foot-wall of the Eagle vein. Thence a drift East and West on the fissure. By this operation you will, according to the indications and exposure, by a cross-cut in tunnel No. 2 above, prove up the ore shoot. It is my opinion that a large amount of ore reserves are available and of profitable milling values in gold and silver.

SECOND: That a shaft also be sunk near said T-No. 3 heading, to a depth not less than 100 feet; thence a drift west and east on the fissure. I am of the opinion that great values here exist, and a large tonnage of ore reserves can be placed in sight, of high grade, in gold, silver and in all probability a high percentage of lead.

THIRD: That a perpendicular shaft of good workable size be sunk on the original Oro Fino ground, at a point about 25 feet immediately to the north of the 25 foot shaft; to a depth of 100 feet; thence a drift North at right angles through to the ORO FINO No. 1 fissure. I am of the opinion, that great values will here exist in gold and silver, and that a large flow of water can be developed by this operation, for mill and domestic purposes.

The surface showings along the course of dykes are favorable and all indications show that other ore shoots just as good as in the other openings of the mines can be developed along the line of contact. I would also advise the installation of a small mill plant, not less than 10 or 15 tons capacity mill at once, with one concentrator of standard merit. The mill capacity could readily be increased when sufficient water be developed to warrant the erection of a big mill.

CONCLUSION

As a summary I wish to state that you have one of the finest group of mines, gold and silver proposition I have had an opportunity to see, along the course of the "CERBAT MINERAL BELT," extending from the famous Golconda mine, to the Tennessee mine at Chloride, and by following the lines I have indicated in the foregoing report as to future development, will place the property on a good paying basis, at the same time will not require very large expenditure of money.

From a technical and practical stand point of view these mines are situated in one of the richest and best geological fields in the west. It is a region of profound fissuring and extensive mineralization, showing a series of strong fissures in the porphyry formation. These veins belong to the well defined class called porphyritic veins—alluding to peculiar alteration of the adjoining rocks which seem to characterize them. This class of veins is noted for the production of high grade ores as well as low grade, and is responsible for more bonanza kings and large mining fortunes than any other class of ore deposits.

"The mines are conveniently situated,
and an ideal spot for a mining camp."

Respectfully submitted,

F. P. Andreas, Assayer and

Practical Miner.

Kingman, Arizona,

December 3, 1915.

ORO FINO GROUP, WALL I MINING DISTRICT, MOHAVE COUN

For Information See: REPORT ON THE "CENBAT TRANSPORTATION DEVELOPMENT &
DRAINAGE TUNNEL"

&

REPORT ON THE "NELSON TRANSPORTATION TUNNEL"

in "Geology Reports" File.

See: "EUREKA AND EUREKA NO. 1" file

3. Resources Properties - cont'd	<u>1990</u>	<u>1989</u>
Brought forward	\$ 32,442	\$ 23,682

(b) Eureka Mining Properties, Wallapai Mining District,
Mohave County, Arizona, U.S.A.

Eureka, Apollo, Ruby Mineral Claims

The Company, through two subsidiaries, exercised an option agreement dated December 6, 1982 whereby it acquired a 100% undivided interest subject to a royalty of 10% of net operating income on 15 mineral claims in Mohave County, Arizona.

The optionor was a company owned and controlled by a director of the Company.

Exploration costs incurred to December 31, 1990 total \$372,980.	<u>43,710</u>	<u>43,710</u>
Total resource properties	<u>\$ 76,152</u>	<u>\$ 67,392</u>

4. Fixed Assets

The major categories of fixed assets are as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value 1990</u>	<u>1989</u>
Mining equipment	\$ 22,722	\$ 5,924	\$ 16,798	\$ 36,402
Flotation mill and equipment	815,270	410,394	404,876	491,583
Office equipment	28,706	14,219	14,487	6,577
Gas pipeline	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>
	<u>\$ 866,700</u>	<u>\$ 430,537</u>	<u>\$ 436,163</u>	<u>\$ 534,564</u>

ARIZONA SILVER CORPORATION
Notes to the Consolidated Financial Statements
December 31, 1990 - Page 3

3. Resources Properties - cont'd	<u>1990</u>	<u>1989</u>
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State of Arizona

DEPARTMENT OF MINES & MINERAL RESOURCES
Mineral Building, Fairgrounds
Phoenix, Arizona 85007
(602) 255-3791

The listed companies have informed this department that they do custom assaying for the general public. All assays are performed by or under the supervision of an assayer registered by the State of Arizona, Board of Technical Registration, as required by law.

Samples for assay are usually delivered or mailed to an assay office. However, the assay office chosen should be contacted prior to shipping samples.

There are many additional registered assayers in Arizona, many of whom are employed by the major mining companies, who do not do assay work for the general public.

For additional information on mining, prospecting and mineral resources in Arizona, contact the Arizona Department of Mines and Mineral Resources, Mineral Building, Fairgrounds, Phoenix, Arizona 85007 (602) 255-3791 or Department of Mines and Mineral Resources, 416 W. Congress, Room 161, Tucson, Arizona 85701 (602) 628-5399.

John H. Jett, Director

Compiled by
Richard R. Beard
Mining Engineer

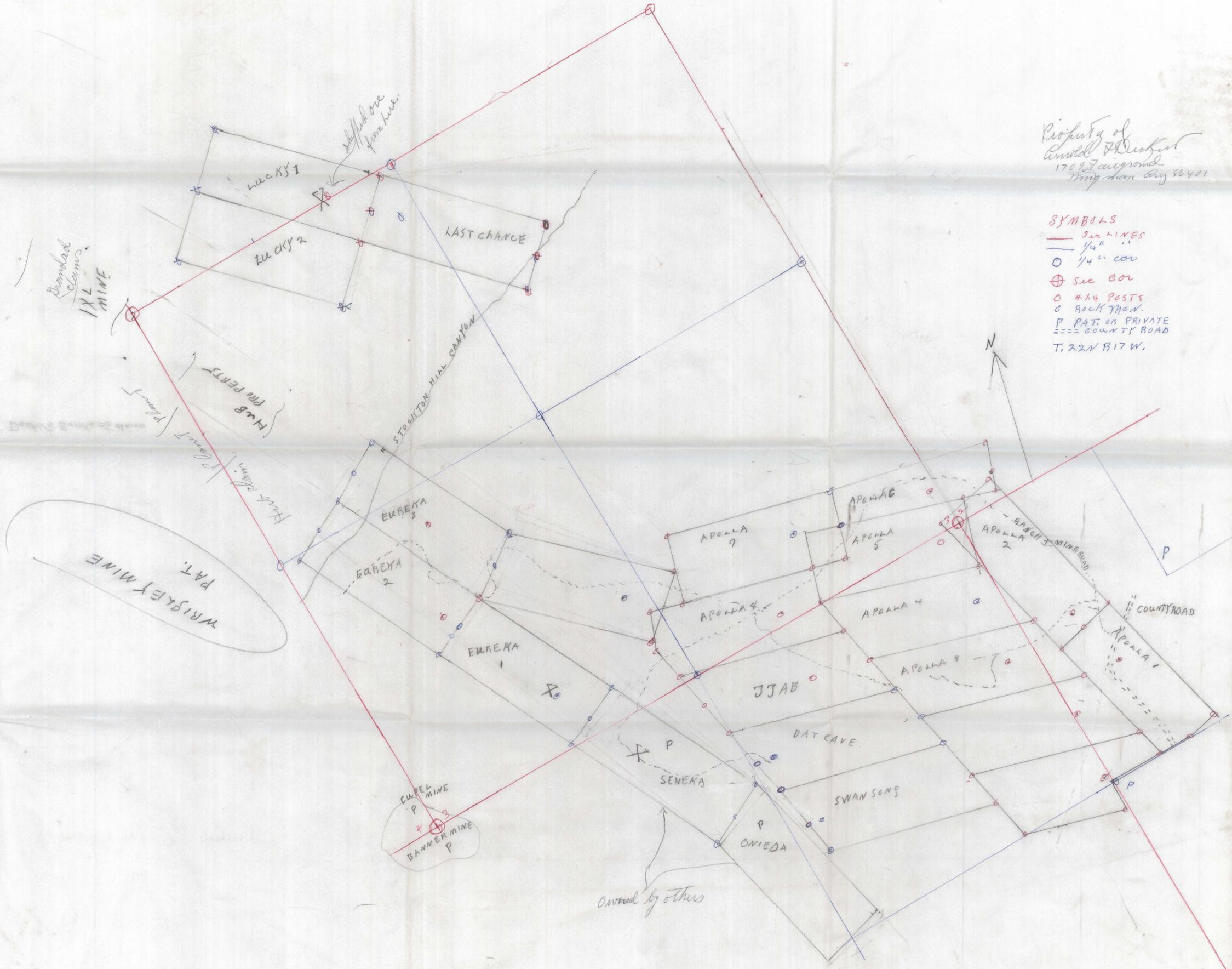
August, 1985

PHOENIX

Arizona Testing Laboratories
817 W. Madison
Phoenix, Arizona 85007
Claude E. McLean Jr.,
Registered Assayer
Telephone: 254-6181

Silver Systems Inc
2114 W. Desert Cove
Phoenix, Arizona 85029
Jim Roy Weatherby.
Registered Assayer
Telephone: 939-3691 (home)
861-2130 (work)

COD
MINE
OR
KINGMAN SILVER
MINE



Property of
Annie P. Decker
170 1/2 acre ground
Mingham Co. 86401

- SYMBOLS**
- See LINES
 - - - 1/4" cov
 - See COV
 - ⊕ 4x4 POSTS
 - ROCK MON.
 - P PAT. OR PRIVATE
 - === COUNTY ROAD
 - T. 22N R. 17W.

IXL MINE
Hatched claims
HUB PRO PENTY
Hatched claims
WRIGHTLEY MINE
PAT.

CUPEL MINE
P
BANNER MINE
P

Owned by others