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PRINTED: 12-29-2011

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: FOUR BAGGER GROUP

ALTERNATE NAMES:

PASQUALE NEGRO
PATSY PROPERTY

GILA COUNTY MILS NUMBER: 210C

LOCATION: TOWNSHIP 2 N RANGE 15.5E SECTION 35 QUARTER C
LATITUDE: N 33DEG 28MIN 22SEC LONGITUDE: W 110DEG 44MIN 44SEC
TOPO MAP NAME: CAMMERMAN WASH - 7.5 MIN

CURRENT STATUS: PAST PRODUCER

COMMODITY:

SILVER
COPPER OXIDE
MANGANESE

BIBLIOGRAPHY:

USGS CAMMERMAN WASHQUAD
ADMMR FOUR BAGGER MINE FILE
BLM AMC FILE 56691
ADMMR "U" FILE CU 23 & MANGANESE
USAEC PRELIM RECONN REPORT 172-480 1953 P 42
CLAIMS EXTEND INTO SEC 34

FOUR BAGGER

GILA COUNTY
T2N R15.5E Sec 35

MILS Index #210C

AKA: Pasquale Negro
Patsy Property
Fame patented Claims

USGS Cammerman Wash, Az. 7.5 (Included in file)

USAEC prelim. recon. report 172-480, 1953, p. 42

U file, Cu23 and Manganese

Sec. 26

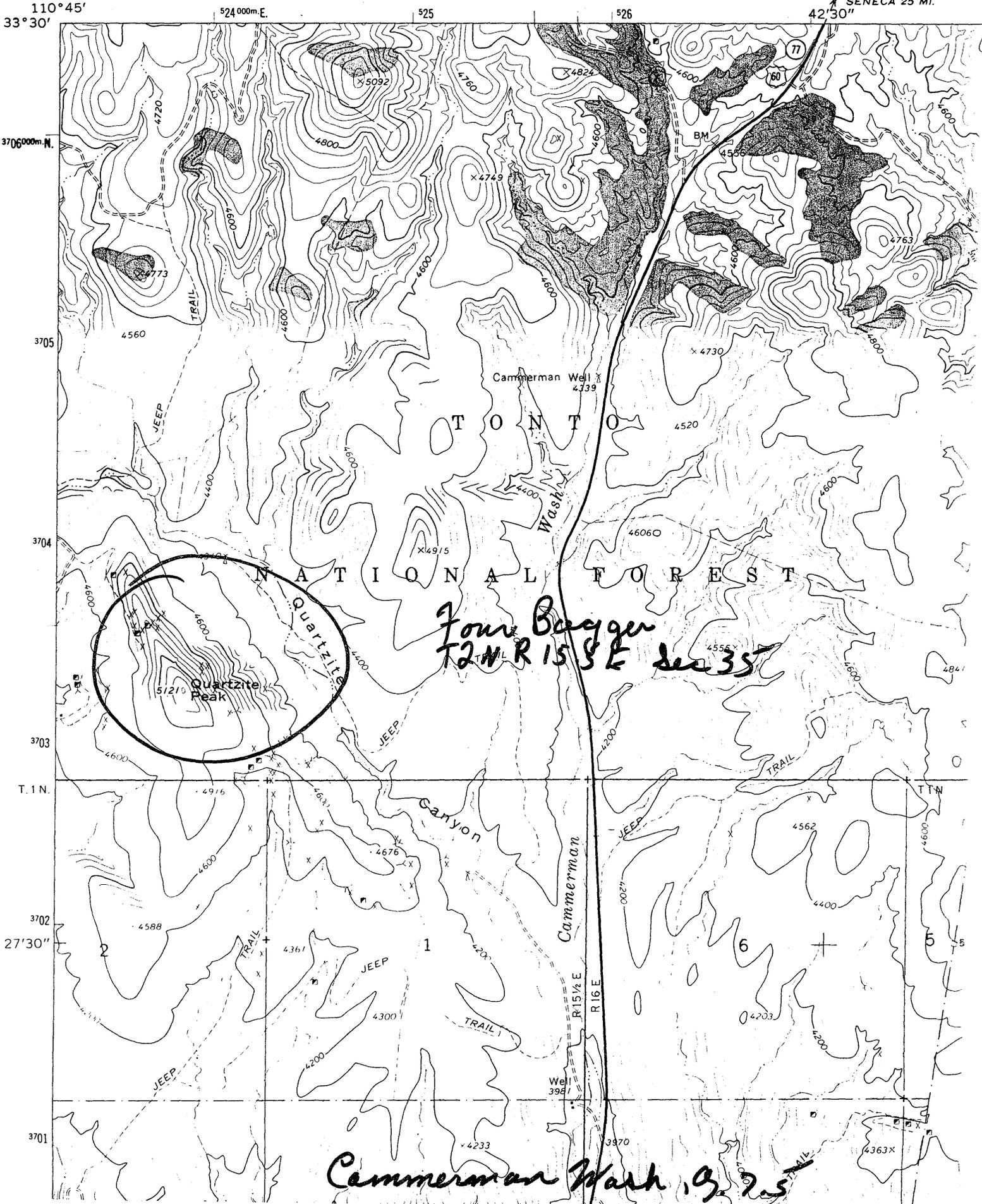
Sec. 35

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UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SHOW LOW 78 MI.
SENECA 25 MI.



FOUR
BAGGER (Mine File)

Do Not Reproduce

GILA CO.

KP/WR 12/12 /74 - Alan and Neil Danielson, 801 E. McKellips, Apt. 17C, Tempe, The two men stated that they leased 33 lode claims, located 8 miles due north of Globe from Rocky Miller. They claim the property has veins running nearly \$200/ton in silver, lead, copper and gold. They desire to install a mill and ship to El Paso. They have purchased (lease-option) 16 claims known as the Silver Creek Property of 16 claims from Lou Ellsworth south of Globe on Highway 77. This is also stated to be a silver, lead, gold and copper property. 6/8/79 a.p.

KP/WR 12/6/78 - Rocky Miller & John Cogle have staked a group of 32 claims, the Four Bagger 1-32 in the Globe area (exact location was not given). The claims encompass an agate breccia in which a dark quartz substance has cemented fragment of white banded agate. The claims are reported to be on the same structure as the Fame Vein which supposedly produced \$12,000,000 in silver. 6/8/79 a.p.

KAP WR 6/6/80: James E. Hall, an accountant, 6042 West Medlock Drive, Glendale, Arizona 85301, reported he is involved in trying to develop the FOUR BAGGER CLAIMS in Richmond Basin, Gila County. The claims are leased from Rocky Miller. A Mr. Thanstrom of California is the consulting metallurgist engineer on the project. Plans are to include a gravity mill to concentrate the silver ores. Hall reports that you can get 10 ozs of silver any where on the property. He also reported that the ASARCO lead smelter in El Paso will buy the concentrate. These ores have historically been high in manganese and difficult to process.

KAP WR 9/21/84: Met briefly with Rocky Miller, of Globe. He reported Inspiration has purchased over 35,000 tons of flux from one of his claims on Quartzite Peak in the area of Sec 35 & 36, T2N R15½E at or near the Fame Mine (Four Bagger Mine- file), Gila County. Anton Rocky Miller's address is 918 N. Broad, Globe, Phone 425-5150.

NJN WR Perry Fletcher reported he has recently shipped 300 tons of silver flux to ASARCO's Hayden Smelter from the Fame patented claims (4 Bagger-file) Gila County.

COPPER
PENNY
MINING COMPANY, INC.

6042 West Medlock Drive
Glendale, Arizona 85301
Phone: (602) 937-5728

TO: MR. TOM MCKENZIE
FROM: MR. J. R. PHILLIPS, DIRECTOR
DATE: DECEMBER 10, 1983
RE: FOUR BAGGER MINE, GLOBE, ARIZONA

Dear Mr. McKenzie:

With regard to our discussions concerning our property in Globe, Arizona, known as the Four Bagger Mine, held under lease from the owner of record, Mr. Anton Miller, of Globe, Arizona, I propose as follows:

1. To grant to you, or your assigns, a 90 day exploration option to conduct such drilling, sampling, and mapping, as may be deemed necessary to evaluate the property. Such option will require an advance payment of \$5,000 to offset our costs of maintaining the lease during the exploration period. You must further agree to furnish copies of all data collected during the exploration period relevant to the property in question, including drill logs, assay reports, and mapping results.

2. Copper Penny agrees to make available copies of all data currently in our possession relevant to the property.

3. At the end of the option period, you, or your assigns may acquire the lease from Copper Penny, in its entirety, for the sum of \$750,000, to be paid at the rate of \$1.00 per ton for the first 750,000 tons.

4. The Company must be actively engaged in exploration or development of the property for 10 months out of every 12 month period.

5. It is stipulated that the following conditions must be adhered to:

a. All discussion, contact, etc., will be limited to Copper Penny personnel. No independent, direct, discussions or contact will be engaged in with Anton Miller, by you or your assigns, relevant to this proposal or matters concerning the lease.

b. The lease, until such time as our \$750,000 is paid in full, must be kept in full force and effect, with all required payments being made by you. You will also indemnify Copper Penny against liability or responsibility for any action undertaken by you, or any failure of action to meet required obligations as set forth in the lease, during the time we are still involved by virtue of not being paid in full.

McKenzie, December 10, 1983
Page Two

c. Should the company decide to sell or assign the property to another party, other than signatory to our original agreement, all conditions must apply to the assignee or purchaser in full force.

d. Should you decide to drop, forfeit, or surrender the lease at any time, prior to the payment of our royalty in full, the lease must be returned to Copper Penny in good standing.

Thank you for your interest in the property; if you have any questions or comments regarding this proposal, please do not hesitate to call or write.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. R. Phillips".

J. R. Phillips
Director

MINING LEASE AND PURCHASE AGREEMENT

THIS AGREEMENT, made and entered into this 16th day of August, 1983, by and between MILLER ENTERPRISES, INC., a Nevada Corporation, ANTON H. MILLER and ESTHER L. MILLER, his wife, as their interest may appear, all Parties of the First Part, hereinafter referred to as "Lessors," and COPPER PENNY MINING COMPANY, INC., an Arizona Corporation, Party of the Second Part and hereinafter referred to as "Lessee," concerns those unpatented lode mining claims located in Gila County, Arizona, known as the "Four Bagger Mine" and as more particularly described in the attached Exhibit "A" made a part of this agreement by reference thereto, and referred to hereinafter as the "Property."

Lessors hereby grant to the Lessee a lease agreement with an end purchase price, on the Property, subject to the following terms, conditions, warranties, and representations, TO-WIT:

1. Lessors represent and warrant to Lessee that Lessors own and have the exclusive possession of the Property and that they have the full right, power, and capacity to enter into this agreement upon said terms as set forth herein. Lessor further warrants that they have performed all of the required location and assessment work up to and including the 1983 mining year, in strict accordance with applicable state and federal regulations.
2. The term of this agreement shall be ten (10) years from the effective date hereof unless sooner terminated in the manner set forth herein, or unless the buy-out price is paid.
3. Lessors hereby grant, demise, lease, and let the subject premises exclusively unto the Lessee, with exclusive right to enter onto the property for the purpose of exploration, development, mining, extracting, milling, and marketing therefrom all ores, minerals, and other substances of whatever nature, without reservation, as may be found on the Property.
4. Lessors agree to assist in whatever capacity may be required for Lessee to obtain those permits and licenses that may be required by various state and/or federal agencies.
5. An advance royalty payment will be paid to Lessors by Lessee, upon the execution of this agreement, in the amount of Five Thousand (\$5,000) Dollars. No further advance royalty payments will then be due for a period of six (6) months. After that time, advance royalty payments in the amount of One Thousand (\$1,000) Dollars will be due each month for a period of one year. At the end of that year--eighteen months from the execution of this agreement, the advance royalty shall increase to Two Thousand (\$2,000) Dollars per month for an additional year. At the end of that time period, thirty months from the date of this agreement, the advance royalty shall increase to Three Thousand (\$3,000) Dollars, where it shall remain for the duration of this agreement. All advance royalty

for One Hundred (\$100) Dollars per ton, or less, will pay a royalty of Five Percent (5%) of net; material sold for Two Hundred (\$200) Dollars per ton or less will pay a royalty of Seven and One-Half Percent (7½) of net; material sold for Three Hundred (\$300) Dollars per ton or more will pay a royalty of Fifteen Percent (15%) of net. These royalty payments shall be offset against the minimum advance royalty payments on a month by month basis, with no carry over of production royalties to subsequent months. All production royalty payments apply to the total purchase price of the property.

7. Advance royalty payments shall be due and paid by the fifteenth day of the month in which they are due, while production royalty payments are due thirty days (30) after the end of the calendar month in which each sale or shipment occurred.

8. The Property has an end purchase price of Three Million Five Hundred Thousand Dollars (\$3,500,000). When the total of all payments made to the Lessors by the Lessee accrues to this amount, the Lessors shall provide to the Lessee a quit-claim deed to the entire property, and all of the title documents in their possession.

9. Lessee shall measure ore mined, weigh all products, and in general keep such records as are required to accurately compute royalty payments, all in accordance with accepted industry standards. Lessors, or their authorized agents, at their own expense and risk, may enter upon the Property, at all reasonable times, for the purpose of inspection of the work in progress, verification of records and accounts used in computation of royalty payments, and to determine if Lessee is in compliance with the terms of this agreement. Such inspections shall not unnecessarily hinder or interrupt the ongoing operations of the Lessee. Royalty payments made by Lessee to Lessor shall be made either directly to the Lessors, or to an authorized bank or agent, at the direction of the Lessors. Any changes of depository by Lessors will require written notice from Lessors to Lessee. Payments made by mail, postmarked on or before the due date, shall be deemed a timely payment hereunder.

10. Lessee shall indemnify and hold harmless the Lessors from any liability or injury to third parties that may arise from any operations undertaken within the terms of this agreement. Lessee shall further assume all responsibility for personal injury to or death of any person or damage to property resulting from the negligence or actionable fault of Lessee, its agents or employees, arising out of its exploration and development work or mining or other operations on or in connection with the Property and Lessee does hereby indemnify and hold Lessors harmless from any liability or obligation arising out of such injury or damage. Lessee further agrees to obtain proper public liability insurance, in accordance with accepted practice, upon the Property and the opera-

11. Lessors may post a Notice of Non-Liability on the Property, as provided by law, and Lessee shall use its best efforts to keep said notice posted while it is in the possession of said Property, but Lessee may change the location of such notice from time to time to the extent required to prevent unreasonable interference with the operations of Lessee.

12. Lessee agrees that, commencing with the 1983-1984 mining year, commencing on September 1, 1984, Lessees shall be responsible for the completion and filing with appropriate state and federal agencies all of the required assessment work to keep the unpatented mining claims that compose the property in good and valid standing. Lessee agrees to be responsible for performance of the work for any year that Lessee has possession of the Property, by virtue of this agreement, for a period of six (6) months or more. Lessee further agrees to hold harmless Lessors for actions of any court or government agency with regard to work done or filings made, that might adversely affect the status of the Property. Lessee further agrees to maintain and repair access roads on the property now in existence. Lessee agrees to perform all work in a good, workmanlike manner, and to comply with and conform to all mining laws and regulations, both state and federal, and to be responsible for any required restoration work, prior to termination of this agreement. This does not apply to work done by previous leaseholders. Lessors authorize Lessee to apply for patent in the Lessors' name and behalf on the Property.

13. Lessors shall furnish to Lessee all maps, assay reports, production records, histories, drill logs, and title documents as they may have in their possession, for duplication. The original documents shall remain property of Lessors until such time as title to the Property has transferred to Lessee, through completion of the buy-out. In the event that Lessee should terminate the lease prior to a buy-out, he shall, within thirty (30) days furnish Lessors with copies of all reports, records, assays, maps and logs compiled by Lessee during the course of its operation.

14. All taxes levied against the Property, or assessed against prior production or operations shall be the responsibility of the Lessors. Lessee shall be responsible for taxes, Ad-Velorum or otherwise, arising subsequent to the execution of this agreement, for activities conducted under the terms of this agreement. All parties agree to contest or challenge any levies that they may deem excessive, but both parties agree that they will not allow title to the Property to be lost through non-payment of said taxes.

15. In the event of default by Lessee, in the performance of its obligations hereunder, Lessors shall give to Lessee written notice specifying the default. If said default is not corrected within thirty (30) days after

MILLER-COPPER PENNY LEASE PURCHASE AGREEMENT
AUGUST, 1983--PAGE FOUR

16. Lessee may terminate this agreement at any time by giving written notice to Lessors to that effect. From the date of said notice of termination, all responsibility of the Lessee for payments or work shall cease, as long as Lessee is in compliance with the other terms of this agreement, and all right, title, and interest of the Lessee, with respect to the Property, shall also cease. Upon such termination, Lessee shall deliver to Lessors, a written release surrendering this agreement as to the Property. Upon either the default cancellation or termination of this agreement, the Lessee shall have sixty (60) days to remove all machinery, facilities, equipment, or other property placed thereon by the Lessee, from the Property; however, this does not apply to supports placed in mine workings, which must be left intact.

17. Notices or communications required or permitted hereunder shall be effective when either personally delivered, or deposited with the U.S. Postal Service by postage paid registered or certified mail, to the parties at the following addresses:

TO LESSORS:

Miller Enterprises, Inc.
and Anton H. Miller
P.O. Box 1640
Globe, Arizona 85501

TO LESSEE:

Copper Penny Mining Company, Inc.
6042 West Medlock Drive
Glendale, Arizona 85301

Either party may, by giving written notice, change their mailing address for future notices. Notices sent to an incorrect address due to failure of that party to notify the other party of the change shall be considered delivered and effective.

18. A memorandum or short form of this agreement, or this agreement in its entirety shall be recorded in the Gila County Courthouse, Globe, Arizona, and with the United States Bureau of Land Management, Phoenix, Arizona, to inform third parties of rights grant hereunder.

19. In the event of the repeal or substantial changes in the mining law in effect on the date hereof, Lessee shall have whatever rights may be afforded to Lessors under such law, including, but not limited to, whatever preferred right Lessors may have to a lease from a government agency, subject, however, to the payment to Lessors of the royalties prescribed herein.

20. The rights of Lessee under this agreement may be assigned only with prior written consent of Lessors, which consent shall not be unreasonably withheld, and any purported assignment without the consent of Lessors shall be void. Any assignment of Lessee's rights under this agreement, to any subsidiary or affiliate or to any financially responsible party, shall entitle such assignee to succeed to all the rights and obligations of the Lessee hereunder

Lessee with reference to the Property are embodied in this Agreement, which supersedes all prior agreements or understandings between the parties hereto with reference to the Property. The compensation herein provided shall be deemed payment to Lessors in case of termination of this agreement on the Property for damages or liquidation hereunder.

22. This agreement, in its entirety, shall be binding upon all of the heirs, assigns, and executors of all of the parties hereto.

23. In accordance with the previously executed Letter of Intent, dated the 28th day of July, 1983, to be replaced by this Lease, Lessee agrees, at the first Board of Directors Meeting of the Copper Penny Mining Company, to transfer to Lessors Twelve and One-Half (12½%) Percent of the issued common stock of the Company to Lessors. Exhibit "B" attached to this agreement and made a part of it by reference hereto, is a Corporate Resolution to that effect, containing a non-dilution of interest provision, as previously specified in the aforementioned Letter of Intent.

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MILLER-COPPER PENNY LEASE PURCHASE AGREEMENT
AUGUST, 1983--PAGE SIX

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first shown hereinbefore.

LESSORS:

ANTON H. MILLER

ESTHER L. MILLER

MILLER ENTERPRISES, INC.

by ANTON H. MILLER (title)

ATTESTED TO:

ESTHER L. MILLER, CORPORATE SECRETARY
MILLER ENTERPRISES, INC.

LESSEE:

COPPER PENNY MINING COMPANY, INC.

by HAROLD G. YOUNG (title)

ATTESTED TO:

by J. R. PHILLIPS (title)

STATE OF ARIZONA)
)
COUNTY OF GILA)

SS.

EXHIBIT "A"

| <u>NAME</u> | <u>BOOK</u> | <u>PAGE</u> | <u>SERIAL NUMBER</u> |
|-----------------|-------------|-------------|----------------------|
| EXPEDIENT No. 1 | 41 | 144 | A MC 56691 |
| EXPEDIENT No. 2 | 41 | 144 | A MC 56692 |
| EXPEDIENT No. 3 | 41 | 169 | A MC 56693 |
| FAME FRACTION | 41 | 329 | A MC 56694 |
| FAME EXTENSION | 41 | 223 | A MC 56695 |
| FOUR BAGGER | 41 | 504 | A MC 56696 |
| FAIR DEAL | 49 | 217 | A MC 56697 |
| NEW DEAL | 49 | 218 | A MC 56698 |
| SQUARE DEAL | 49 | 217 | A MC 56699 |
| SILVER HILL | 49 | 567 | A MC 56700 |
| SILVER GULCH | 49 | 567 | A MC 56701 |
| ROCK POINT | 49 | 567 | A MC 56702 |
| RAINBOW'S END | 49 | 568 | A MC 56703 |
| SILVER ROCK | 49 | 568 | A MC 56704 |
| BASIN TRAIL | 49 | 568 | A MC 56705 |
| TRAILS MEET | 49 | 569 | A MC 56706 |
| SILVER TRAIL | 49 | 569 | A MC 56710 |
| SILVER CROSS | 49 | 569 | A MC 56708 |
| LAST MEET | 49 | 570 | A MC 56707 |
| EAGLES NEST | 49 | 570 | A MC 56709 |

| <u>NAME</u> | <u>DOCKET</u> | <u>PAGE</u> | <u>SERIAL NUMBER</u> |
|--------------------|---------------|-------------|----------------------|
| BROKEN PICK | 115 | 434 | A MC 56712 |
| LOST KEYS | 115 | 435 | A MC 56713 |
| SILVER MARY No. 1 | 11 | 107 | A MC 56714 |
| SILVER MARY No. 2 | 11 | 108 | A MC 56715 |
| SILVER MARY No. 3 | 11 | 109 | A MC 56716 |
| SILVER MARY No. 4 | 11 | 110 | A MC 56717 |
| SILVER MARY No. 5 | 11 | 300 | A MC 56718 |
| SILVER MARY No. 6 | 11 | 365 | A MC 56719 |
| SILVER MARY No. 7 | 11 | 301 | A MC 56720 |
| SILVER MARY No. 8 | 11 | 366 | A MC 56721 |
| SILVER MARY No. 9 | 11 | 302 | A MC 56722 |
| SILVER MARY No. 10 | 11 | 367 | A MC 56723 |
| MARY'S FRACTION | 11 | 368 | A MC 56729 |
| SILVER MARY No. 11 | 374 | 140 | A MC 56724 |
| SILVER MARY No. 12 | 374 | 141 | A MC 56725 |
| SILVER MARY No. 13 | 374 | 142 | A MC 56726 |
| SILVER MARY No. 14 | 374 | 143 | A MC 56727 |
| SILVER MARY No. 15 | 374 | 144 | A MC 56728 |
| SILVER TRAIL No. 2 | 378 | 122 | A MC 56711 |