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

The following file is part of the

Arizona Department of Mines and Mineral Resources Mining Collection

ACCESS STATEMENT

These digitized collections are accessible for purposes of education and research. We have indicated what we know about copyright and rights of privacy, publicity, or trademark. Due to the nature of archival collections, we are not always able to identify this information. We are eager to hear from any rights owners, so that we may obtain accurate information. Upon request, we will remove material from public view while we address a rights issue.

CONSTRAINTS STATEMENT

The Arizona Geological Survey does not claim to control all rights for all materials in its collection. These rights include, but are not limited to: copyright, privacy rights, and cultural protection rights. The User hereby assumes all responsibility for obtaining any rights to use the material in excess of "fair use."

The Survey makes no intellectual property claims to the products created by individual authors in the manuscript collections, except when the author deeded those rights to the Survey or when those authors were employed by the State of Arizona and created intellectual products as a function of their official duties. The Survey does maintain property rights to the physical and digital representations of the works.

QUALITY STATEMENT

The Arizona Geological Survey is not responsible for the accuracy of the records, information, or opinions that may be contained in the files. The Survey collects, catalogs, and archives data on mineral properties regardless of its views of the veracity or accuracy of those data.

PRINTED: 07/27/2001

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: GOLDEN HILLSIDE CLAIMS

ALTERNATE NAMES:
- SUN SET PAT. CLAIM 1568
- MAYDAY PAT. CLAIM 1568
- BLACK HAWK PAT. CLAIM 1568
- FAIR STAKE
- B&B CLAIMS

MARICOPA COUNTY MILS NUMBER: 404A

LOCATION: TOWNSHIP 2 N RANGE 8 E SECTION 36 QUARTER C
LATITUDE: N 33DEG 28MIN 30SEC LONGITUDE: W 111DEG 28MIN 50SEC
TOPO MAP NAME: GOLDFIELD - 7.5 MIN

CURRENT STATUS: UNKNOWN

COMMODITY:
- SILVER
- GOLD LODE

BIBLIOGRAPHY:
- ADMMR GOLDEN HILLSIDE FILE
- BLM MINING DISTRICT SHEET

05/08/89

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES FILE DATA

PRIMARY NAME: GOLDEN HILLSIDE CLAIMS

ALTERNATE NAMES:
SUN SET PAT. CLAIM 1568
MAYDAY PAT. CLAIM 1568
BLACK HAWK PAT. CLAIM 1568
FAIR STAKE
B&B CLAIMS

MARICOPA COUNTY MILS NUMBER: 404A

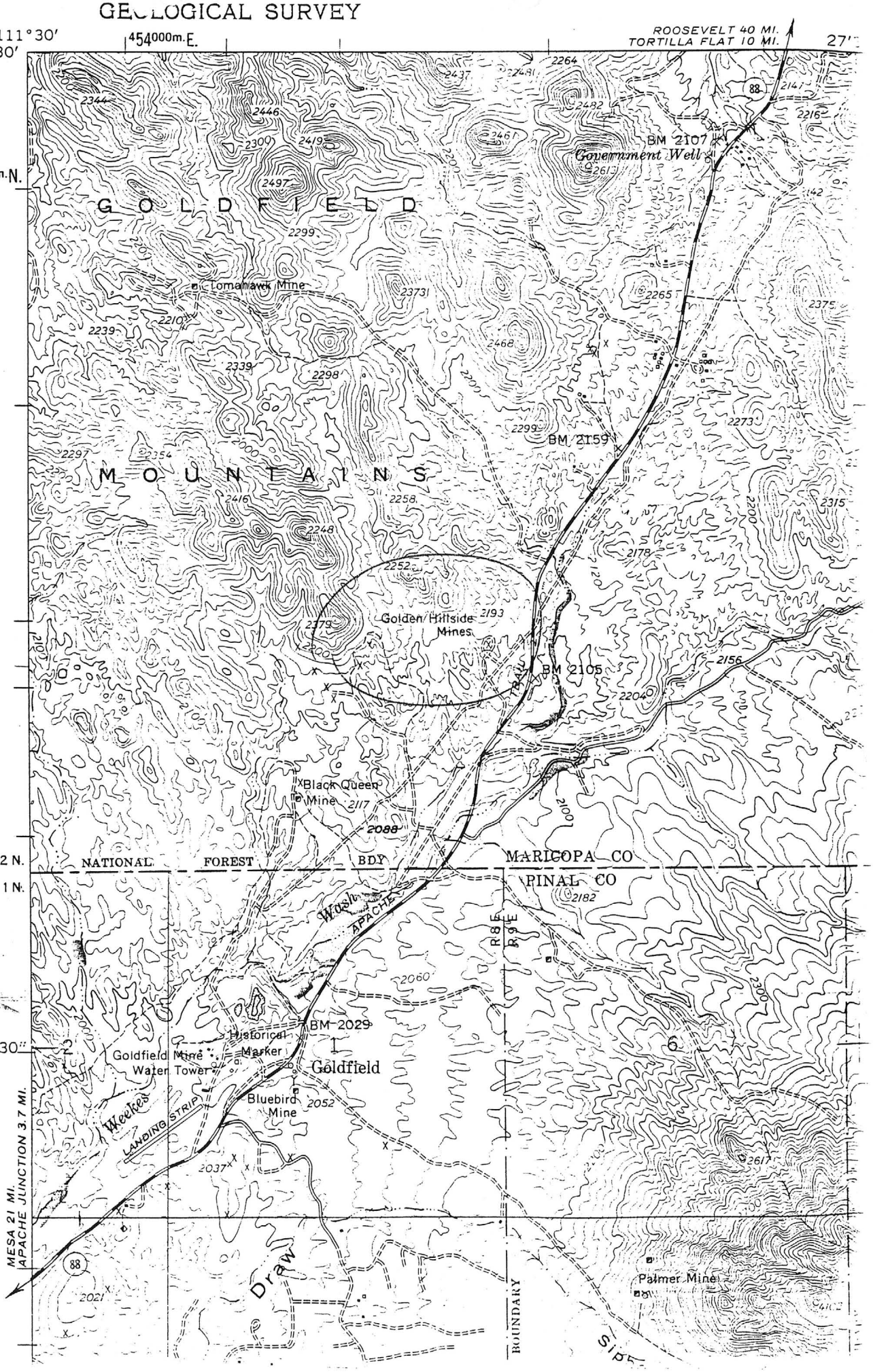
LOCATION: TOWNSHIP 2 N RANGE 8 E SECTION 36 QUARTER C
LATITUDE: N 33DEG 28MIN 30SEC LONGITUDE: W 111DEG 28MIN 50SEC
TOPO MAP NAME: GOLDFIELD - 7.5 MIN

CURRENT STATUS: UNKNOWN

COMMODITY:
SILVER
GOLD LODE

BIBLIOGRAPHY:
ADMMR GOLDEN HILLSIDE FILE (MISSING 3/89)
BLM MINING DISTRICT SHEET

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY



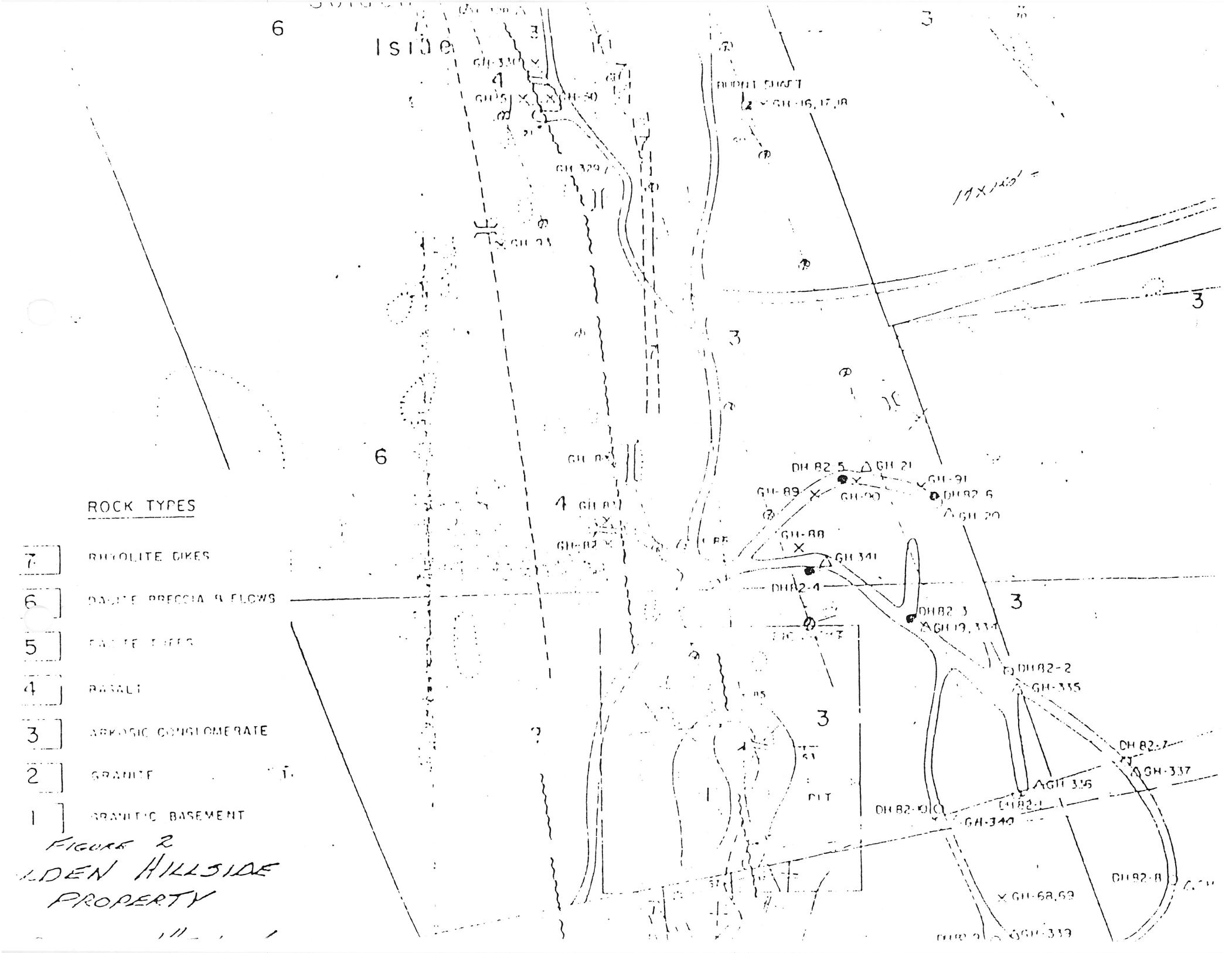
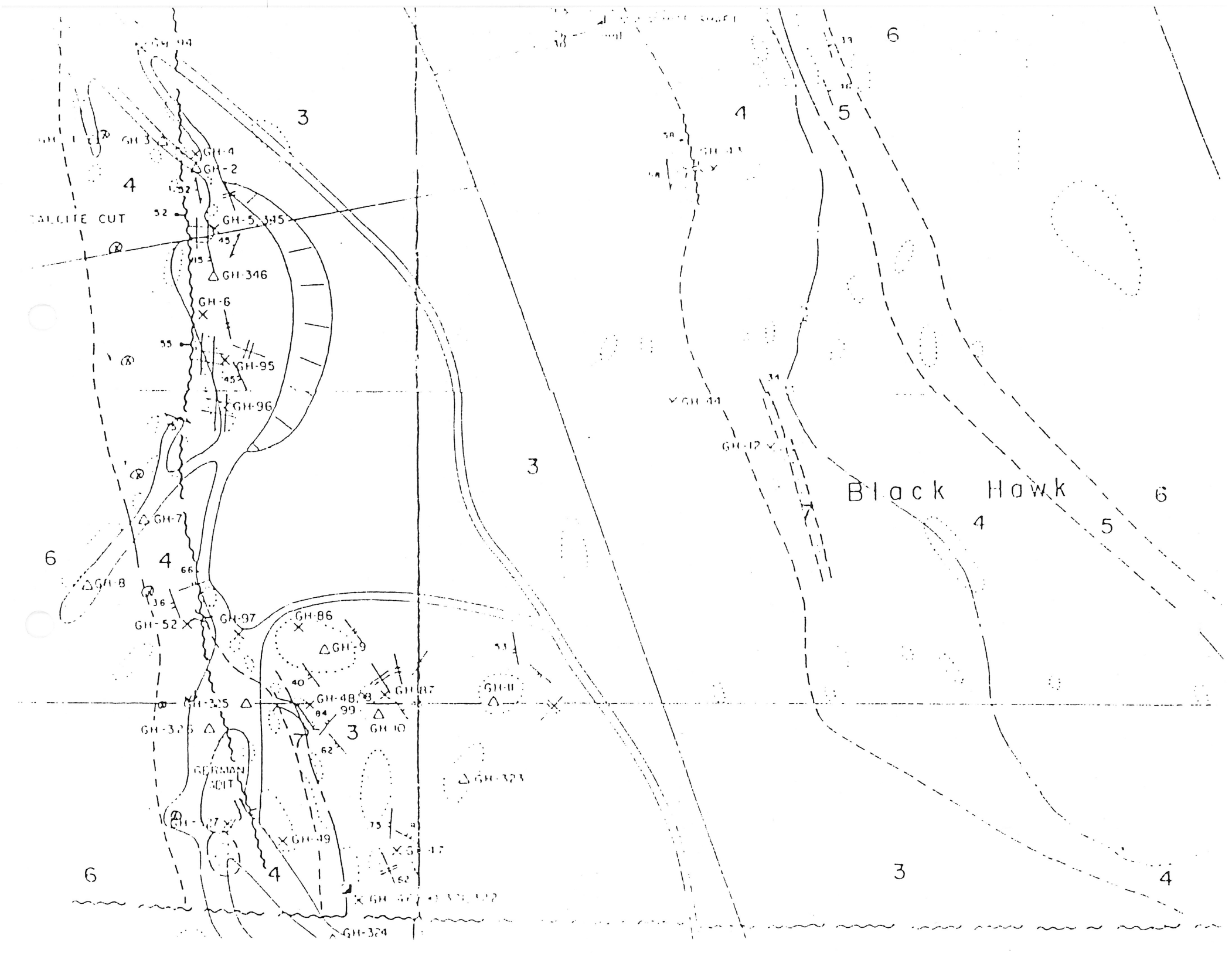
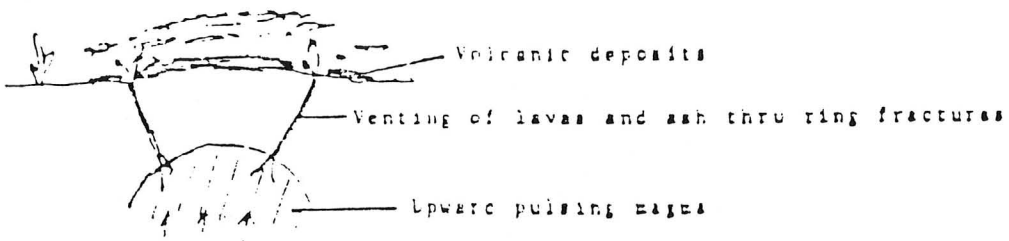


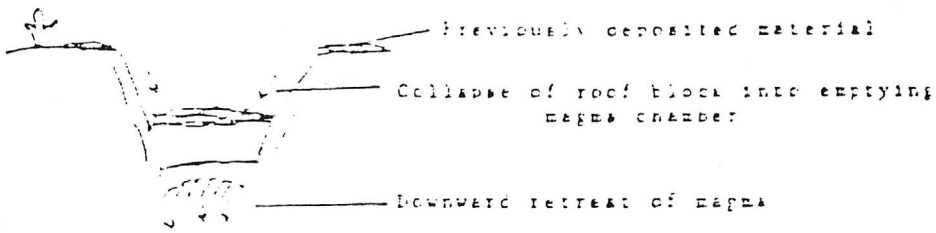
FIGURE 2
LDEN HILLSIDE
PROPERTY


Black Hawk
GH-1
GH-2
GH-3
GH-4
GH-5
GH-6
GH-7
GH-8
GH-9
GH-10
GH-11
GH-12
GH-44
GH-49
GH-52
GH-86
GH-95
GH-96
GH-97
GH-323
GH-324
GH-325
GH-326
GH-345
GH-346
GH-487
GERMAN SCHT
3
4
5
6

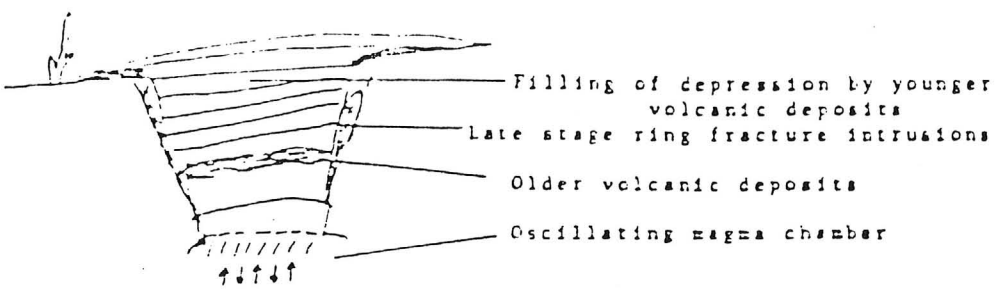
As magma pressure increases, volcanic material vents to the surface through ring fractures



Subsequent to venting the magma level lowers and typically the host block above the magma chamber collapses into the emptying magma chamber.

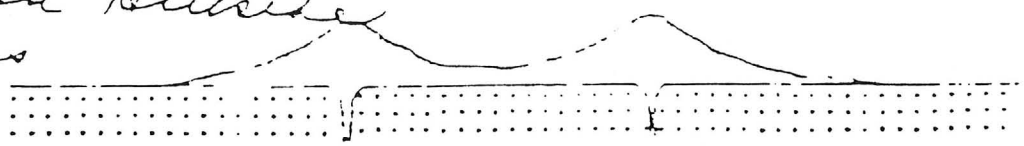


Any further venting will fill the depression formed during collapse, and commonly intrusions into the ring fracture zone mark termination of simple caldera formation.

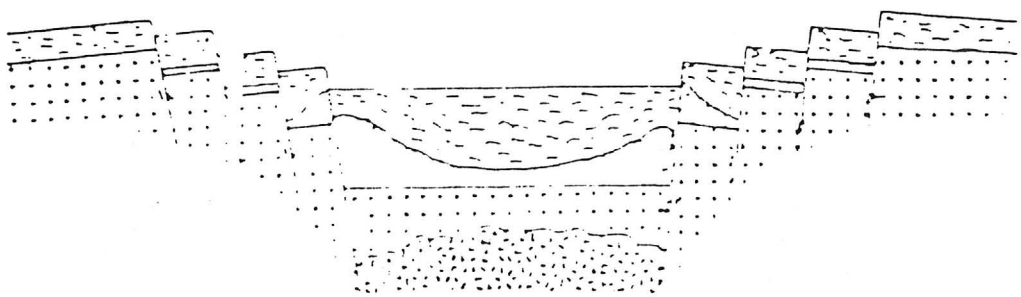


Ring fracture zones therefore can be envisioned as major conduits through which volcanic material vents to the surface in the formation of calderas. Ring fractures, the "plumbing" of caldera systems, also serve as channelways for the migration of hydrothermal solutions.

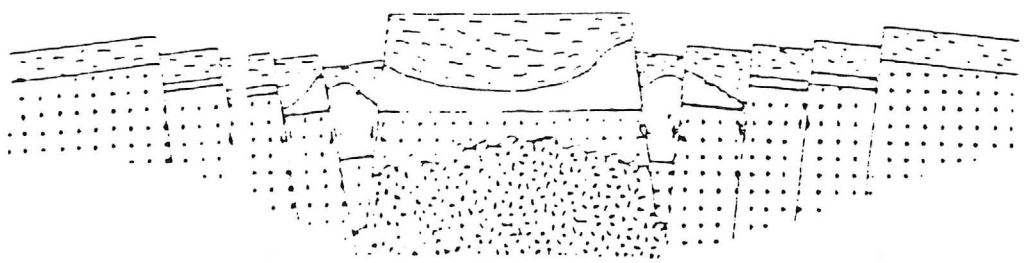
Bob Hinkins
Golden Hillside
Claims



A. Composite cone

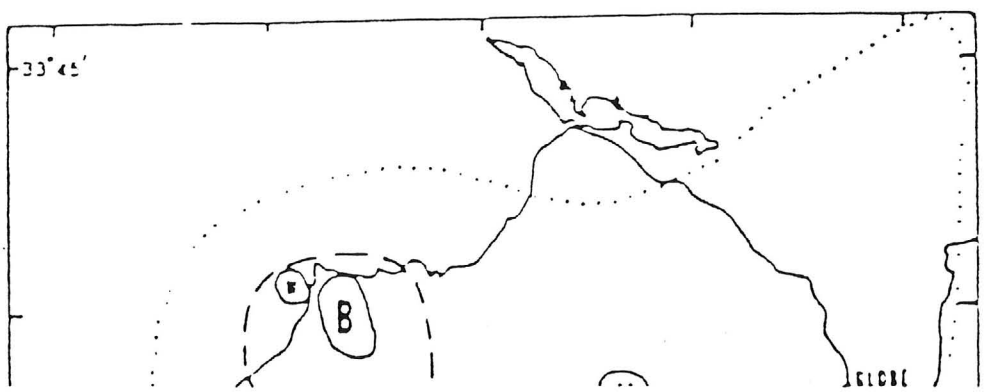


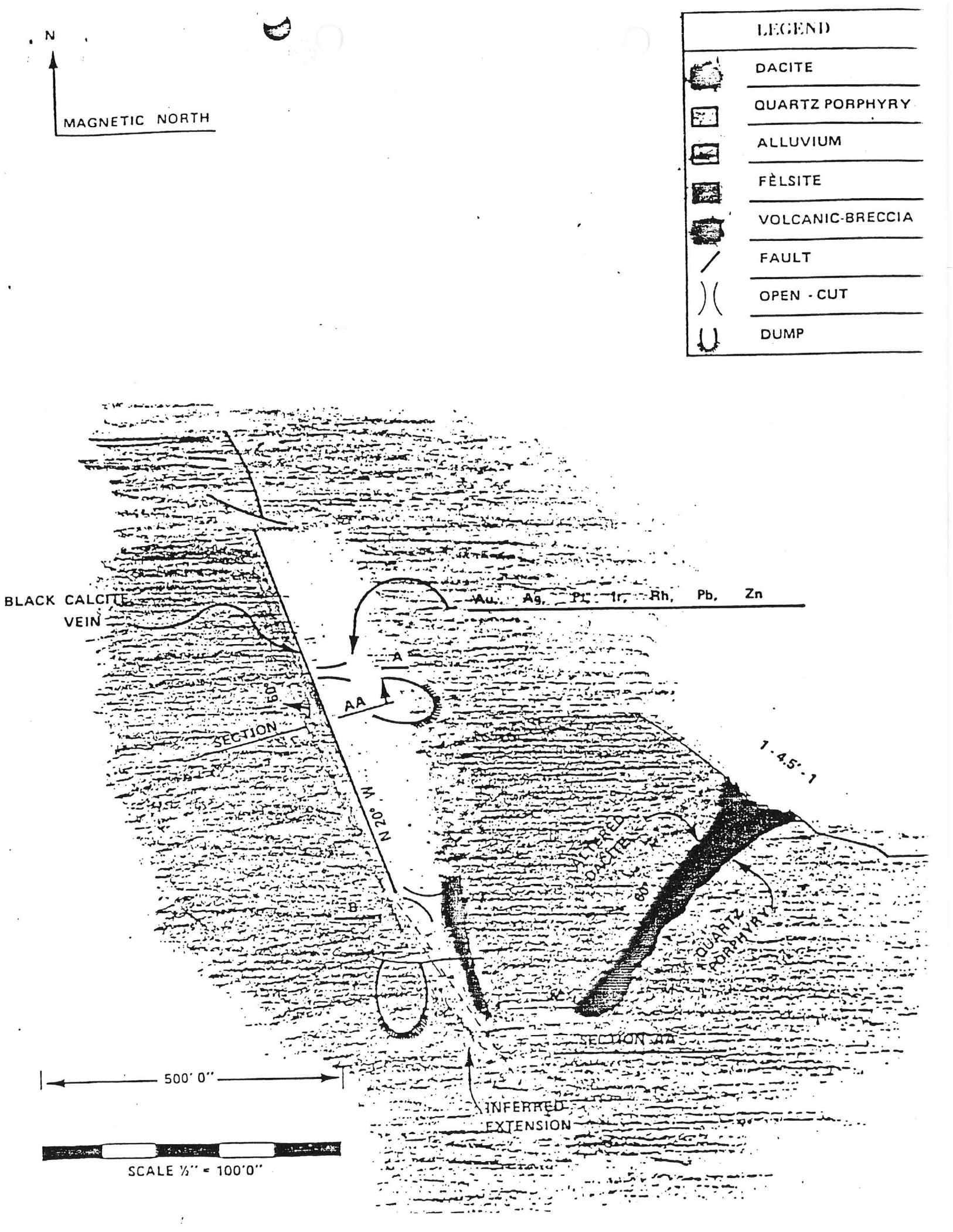
B Collapse caldera



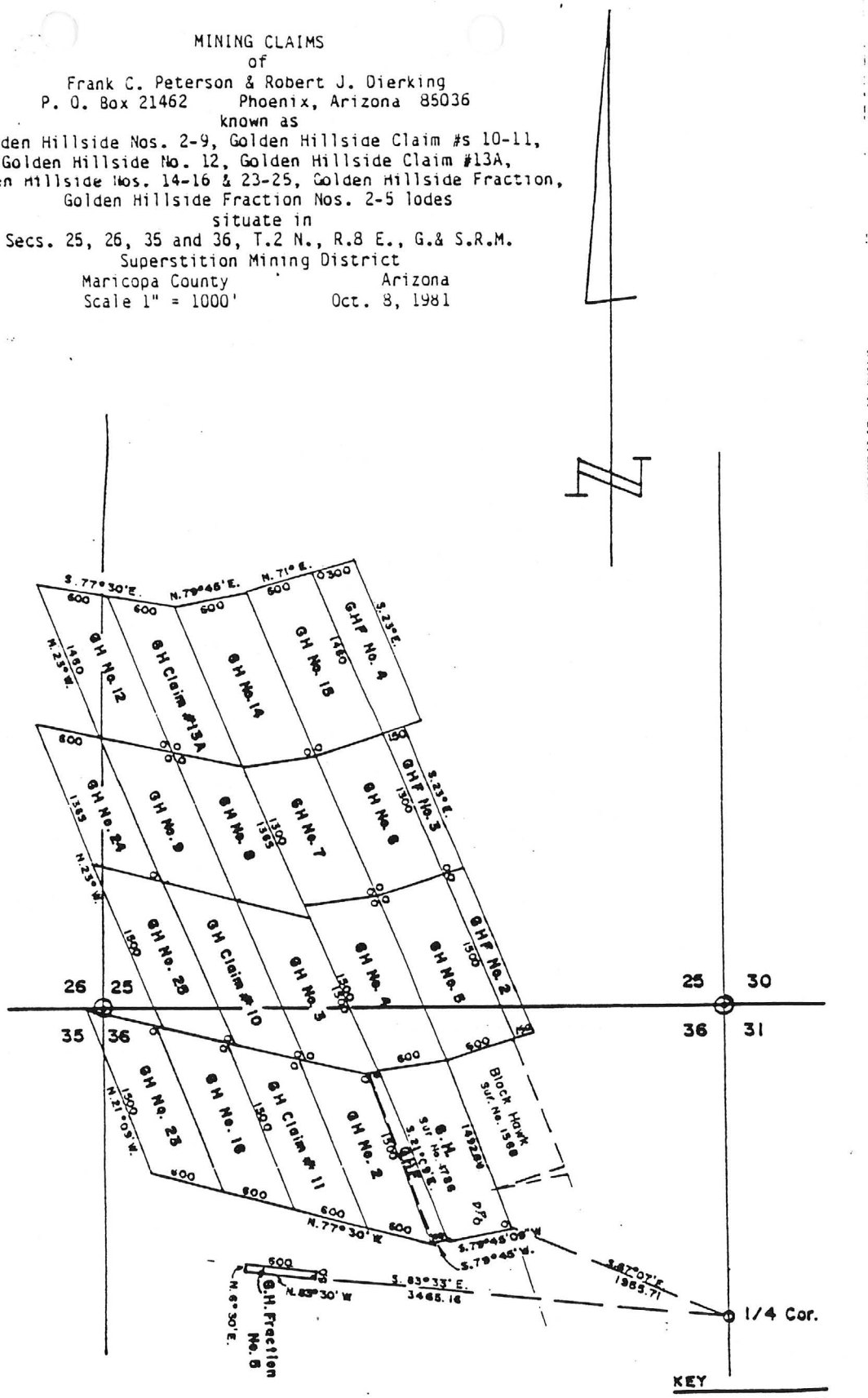
C. Resurgent dome

Figure 6.—Stages in caldera development




N
MAGNETIC NORTH
LEGEND
DACITE
QUARTZ PORPHYRY
ALLUVIUM
FELSITE
VOLCANIC-BRECCIA
FAULT
OPEN - CUT
DUMP
BLACK CALCITE VEIN
Au, Ag, Pt, Ir, Rh, Pb, Zn
A
AA
B
60°
SECTION
N 20° W
1-45-1
60°
DACITE
QUARTZ PORPHYRY
SECTION AA
500' 0"
INFERRED EXTENSION
SCALE ½" = 100'0"

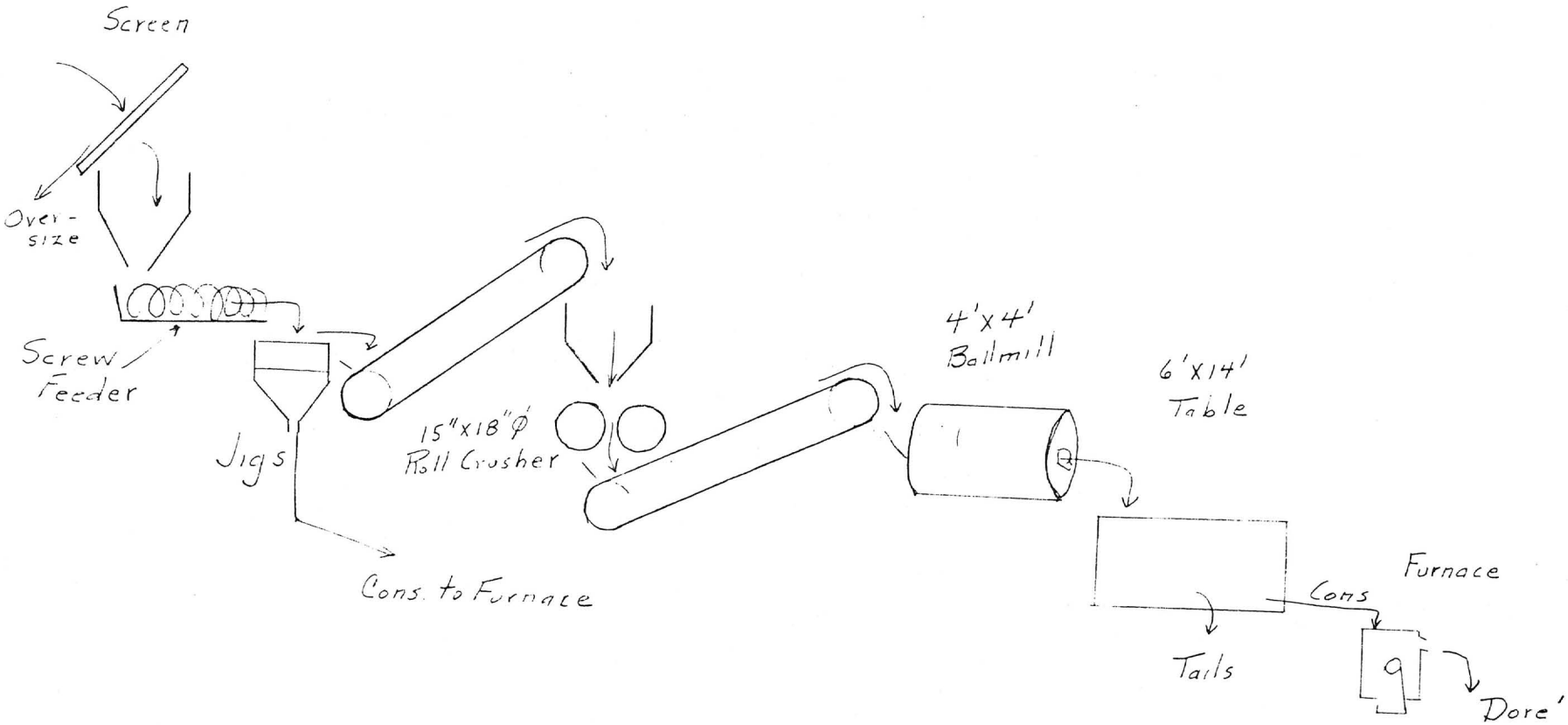
MINING CLAIMS
of
Frank C. Peterson & Robert J. Dierking
P. O. Box 21462 Phoenix, Arizona 85036
known as
Golden Hillside Nos. 2-9, Golden Hillside Claim #s 10-11,
Golden Hillside No. 12, Golden Hillside Claim #13A,
Golden Hillside Nos. 14-16 & 23-25, Golden Hillside Fraction,
Golden Hillside Fraction Nos. 2-5 lodes
situate in
Secs. 25, 26, 35 and 36, T.2 N., R.8 E., G.& S.R.M.
Superstition Mining District
Maricopa County Arizona
Scale 1" = 1000' Oct. 8, 1981

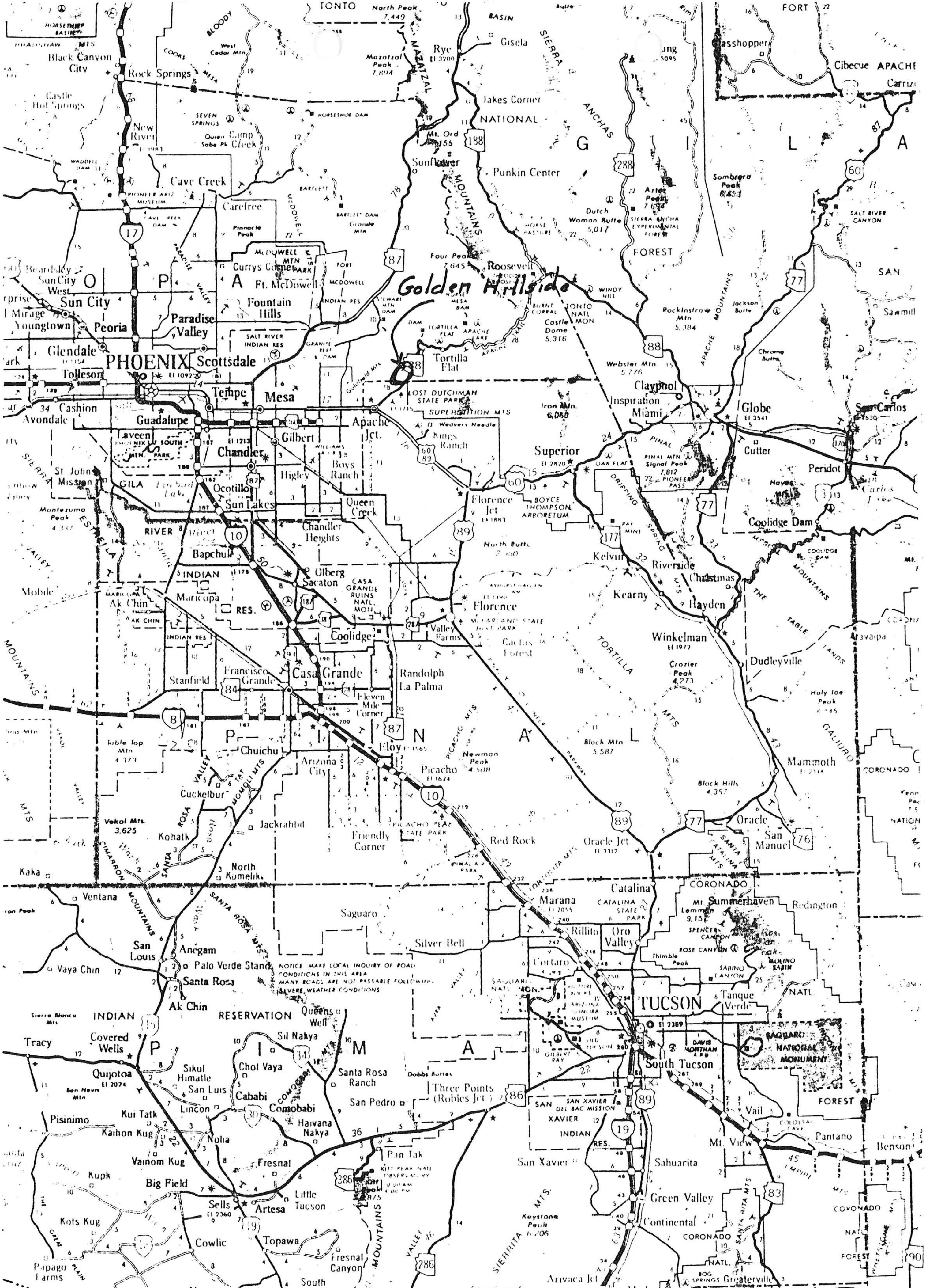


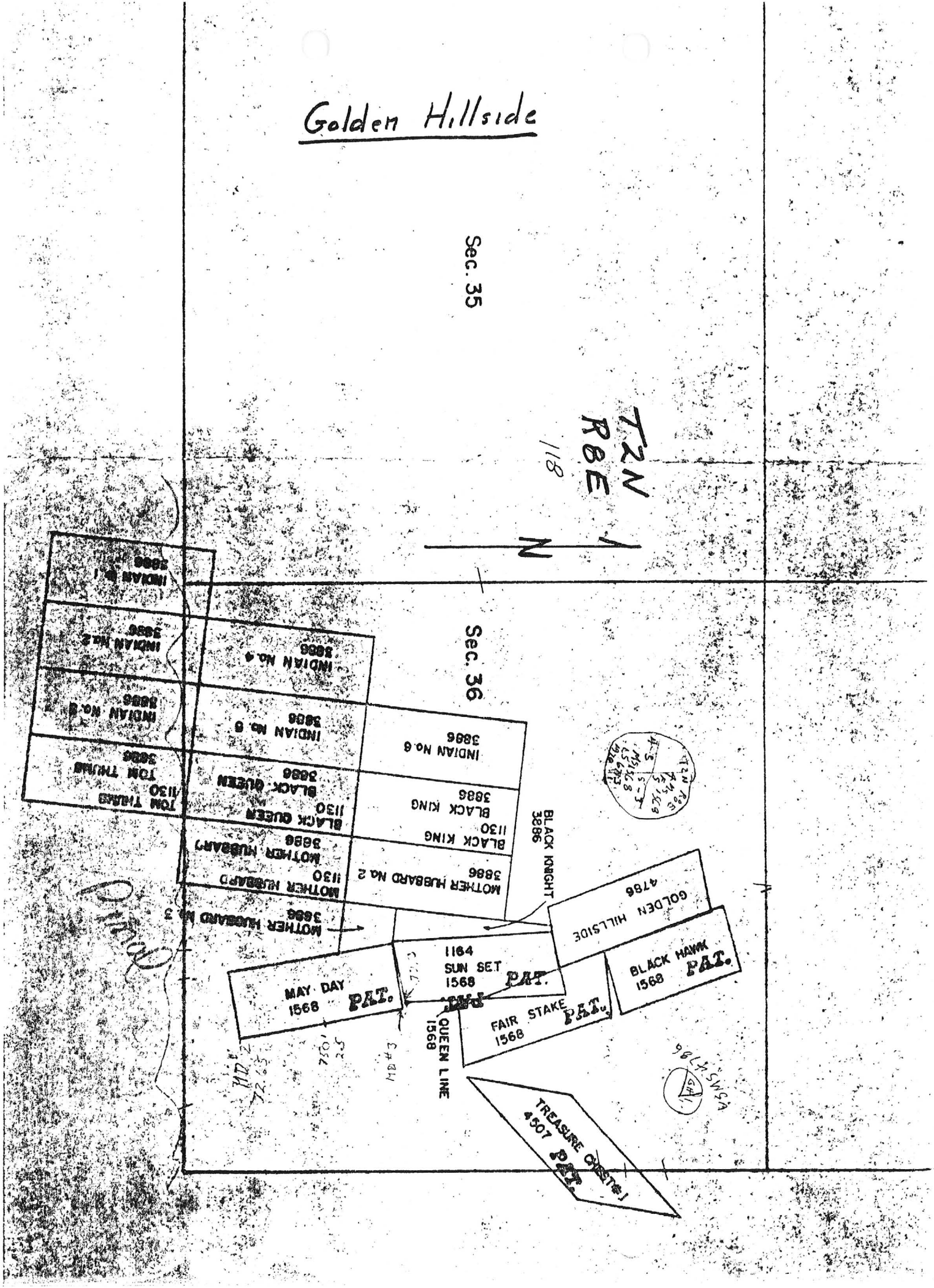
Note: o - denotes all mons.
Mons. are 2"x 2"x 4', 2"x 2"x 4'6",
4"x 4"x 4' and 4"x 4"x 4'6" posts.

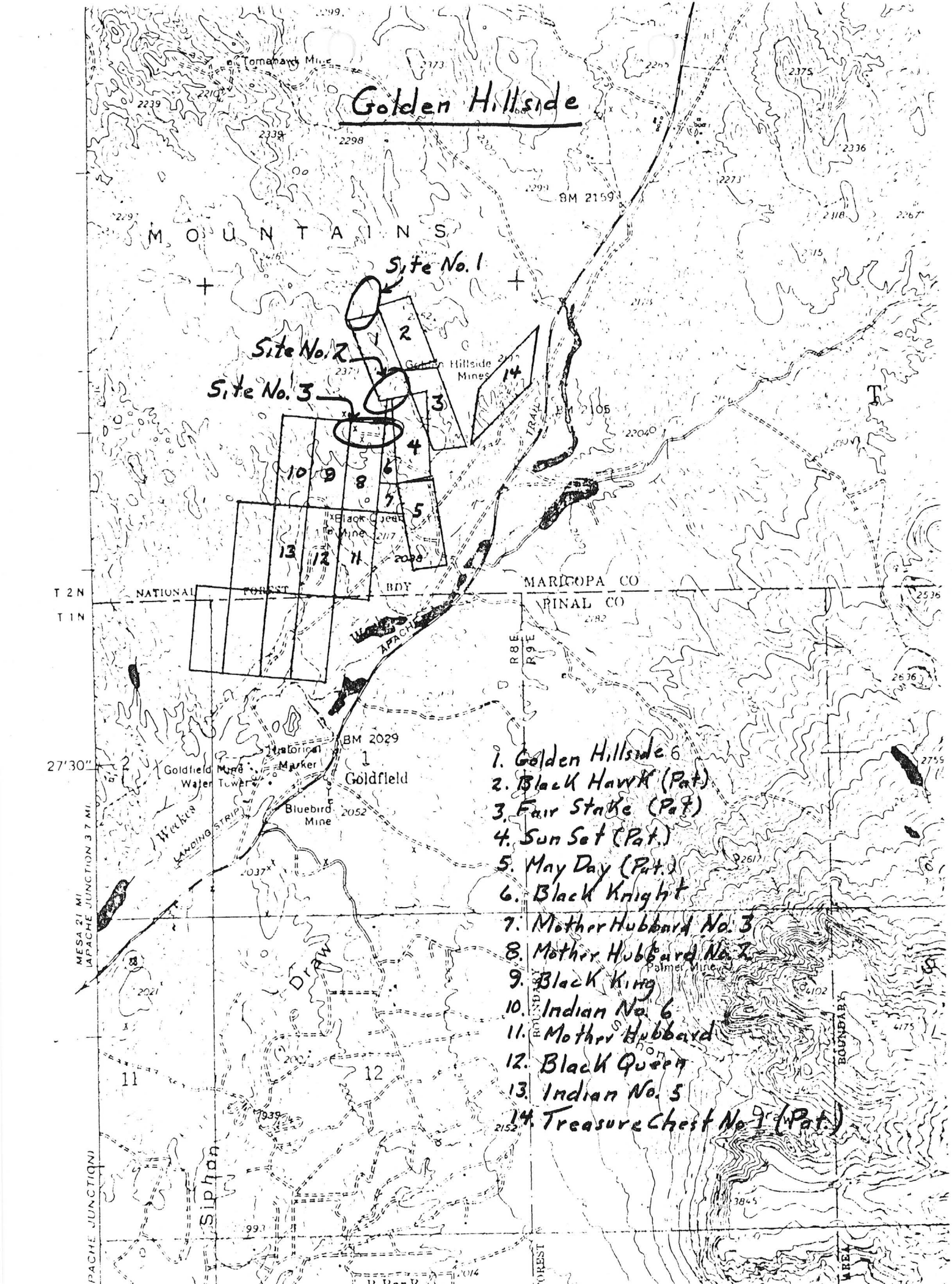
FIGURE 1

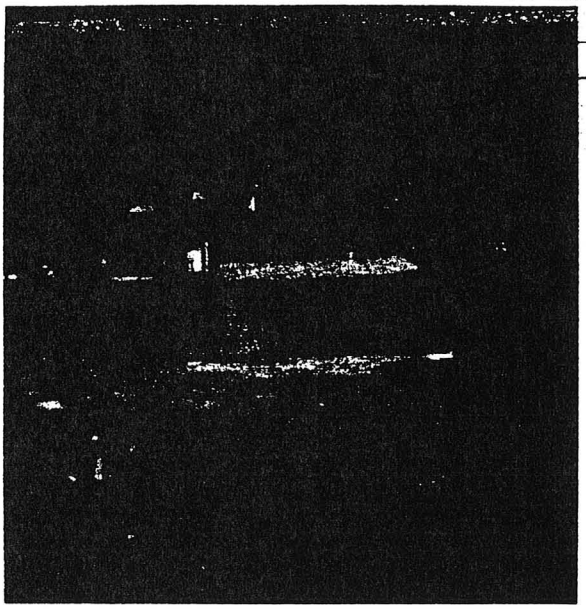
Golden Hillside
Site No. 1



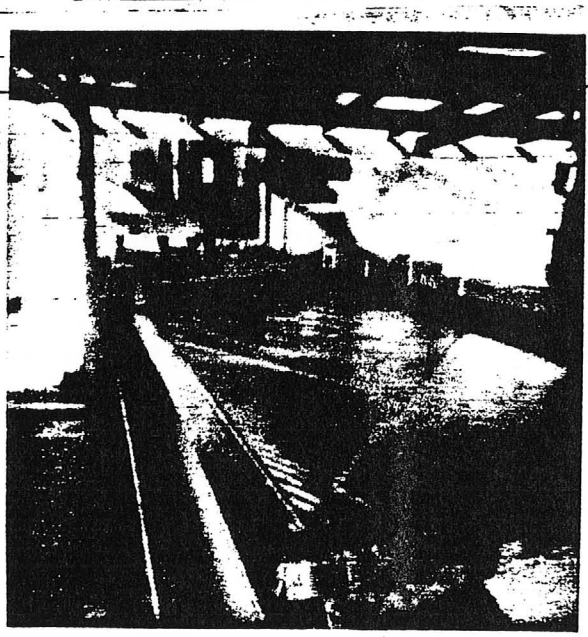

Golden Hillside
PHOENIX
TUCSON
Black Canyon City
Rock Springs
New River
Cave Creek
Carefree
Currys Corner
Ft. McDowell
Fountain Hills
Paradise Valley
Scottsdale
Sun City
Sun City West
Peoria
Youngtown
Glendale
Tolleson
Cashion
Avondale
Tempe
Mesa
Guadalupe
Apache Jct.
Gilbert
Chandler
Higley
Boys Ranch
Ocotillo
Sun Lakes
Queen Creek
Chandler Heights
Bapchule
Olberg
Sacaton
Casa Grande Ruins Natl. Mon.
Maricopa
Ak Chin
Mobile
St. Johns Mission
Stanfield
Francisco Grande
Casa Grande
Coolidge
Valley Farms
Florence
Florence Jct
Randolph
La Palma
Eleven Mile Corner
Eloy
Picacho
Arizona City
Chuichu
Cuckelbur
Kohatk
Jackrabbit
North Komelik
Friendly Corner
Red Rock
Oracle Jct
Oracle
San Manuel
Mammoth
Catalina
Marana
Rillito
Oro Valley
Cortaro
Summerhaven
Redington
Tanque Verde
South Tucson
Vail
Pantano
Benson
Mt. View
Sahuarita
San Xavier
Green Valley
Continental
Arivaca Jct
Greaterville
Saguaro
Silver Bell
Ventana
Kaka
San Louis
Anegam
Palo Verde Stand
Santa Rosa
Vaya Chin
Queens Well
Sil Nakya
Covered Wells
Tracy
Quijotoa
Sikul Himatle
San Luis
Chot Vaya
Cababi
Santa Rosa Ranch
San Pedro
Three Points (Robles Jct)
Comobabi
Haivana Nakya
Pisinimo
Kui Tatk
Kaihon Kug
Nolia
Vainom Kug
Fresnal
Kupk
Big Field
Sells
Artesa
Little Tucson
Kots Kug
Cowlic
Topawa
Fresnal Canyon
Papago Farms
Pan Tak
Kitt Peak
Gisela
Rye
Jakes Corner
Punkin Center
Roosevelt
Sunflower
Tortilla Flat
Lost Dutchman State Park
Superstition Mts
Kings Ranch
Superior
Boyce Thompson Arboretum
Claypool
Inspiration
Miami
Globe
San Carlos
Cutter
Peridot
Coolidge Dam
Kelvin
Riverside
Christmas
Kearny
Hayden
Winkelman
Dudleyville
Grasshopper
Cibecue
APACHE
NATIONAL
FOREST
GILA
PINAL
PIMA
MARICOPA
INDIAN
RESERVATION
TONTO
MAZATZAL
SIERRA ANCHAS
APACHE MOUNTAINS
TORTILLA MTS
PINAL MTS
SANTA CATALINA MTS
SIERRA ESTRELLA
SANTA ROSA MOUNTAINS
CORONADO
SAGUARO NATIONAL MONUMENT
NOTICE: MAKE LOCAL INQUIRY OF ROAD CONDITIONS IN THIS AREA. MANY ROADS ARE NOT PASSABLE FOLLOWING SEVERE WEATHER CONDITIONS


Golden Hillside
Sec. 35
Sec. 36
T2N
R8E
N
INDIAN No. 1
3886
INDIAN No. 2
3886
INDIAN No. 3
3886
INDIAN No. 4
3886
INDIAN No. 5
3886
INDIAN No. 6
3886
TOM THUMB
1130
3886
BLACK QUEEN
1130
3886
BLACK KING
1130
3886
BLACK KING
3886
MOTHER HUBBARD
1130
3886
MOTHER HUBBARD No. 2
3886
MOTHER HUBBARD No. 3
3886
BLACK KNIGHT
3886
GOLDEN HILLSIDE
4786
MAY DAY
1568 PAT.
1164
SUN SET
1568 PAT.
BLACK HAWK
1568 PAT.
FAIR STAKE
1568 PAT.
QUEEN LINE
1568
TREASURE CHEST
4507 PAT.

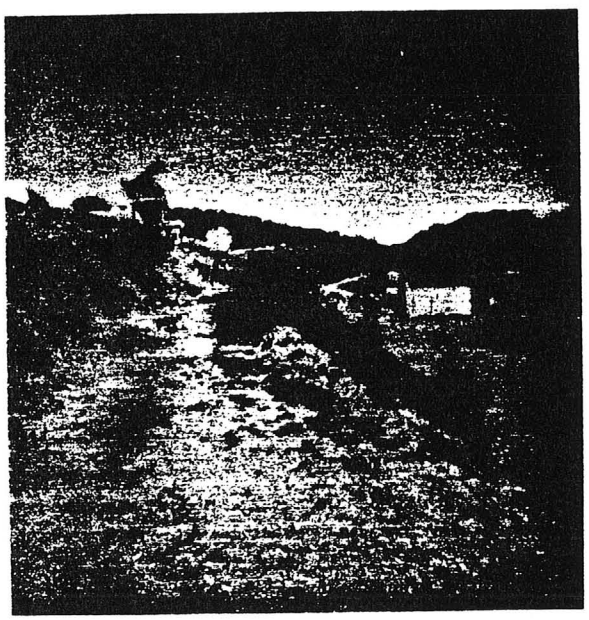

Golden Hillside
Site No. 1
Site No. 2
Site No. 3
MOUNTAINS
Tomahawk Mine
BM 2159
Golden Hillside Mines
Black Queen Mine
NATIONAL FOREST BDY
MARICOPA CO
PINAL CO
T 2 N
T 1 N
R8E
R9E
BM 2029
Historical Marker
Goldfield Mine Water Tower
Goldfield
Bluebird Mine
Weeks
LANDING STRIP
MESA 21 MI
APACHE JUNCTION 37 MI
Draw
Palmer Mine
BOUNDARY
Superstition
APACHE JUNCTION
1. Golden Hillside 6
2. Black Hawk (Pat)
3. Fair Stake (Pat)
4. Sun Set (Pat.)
5. May Day (Pat.)
6. Black Knight
7. Mother Hubbard No. 3
8. Mother Hubbard No. 2
9. Black King
10. Indian No. 6
11. Mother Hubbard
12. Black Queen
13. Indian No. 5
14. Treasure Chest No 9 (Pat.)



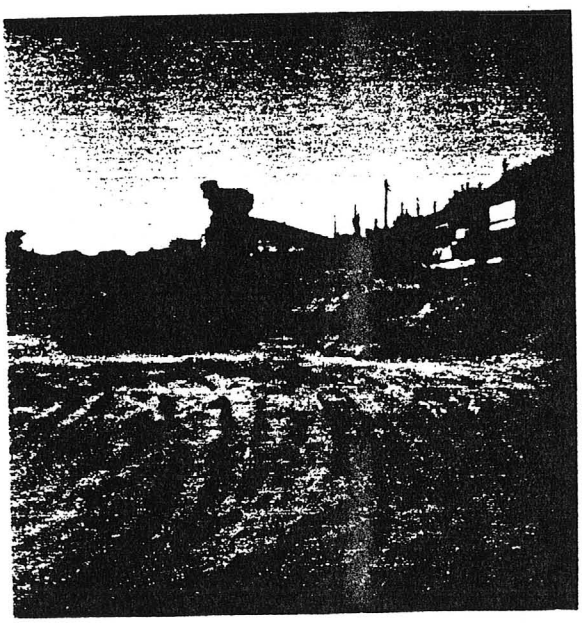
Golden Hillside 2/14/85
Site No. 1



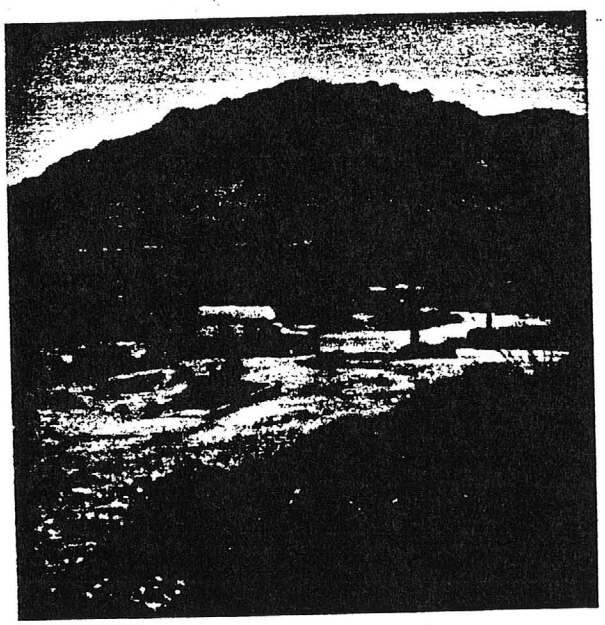
Golden Hillside 2/14/85
Site No. 1



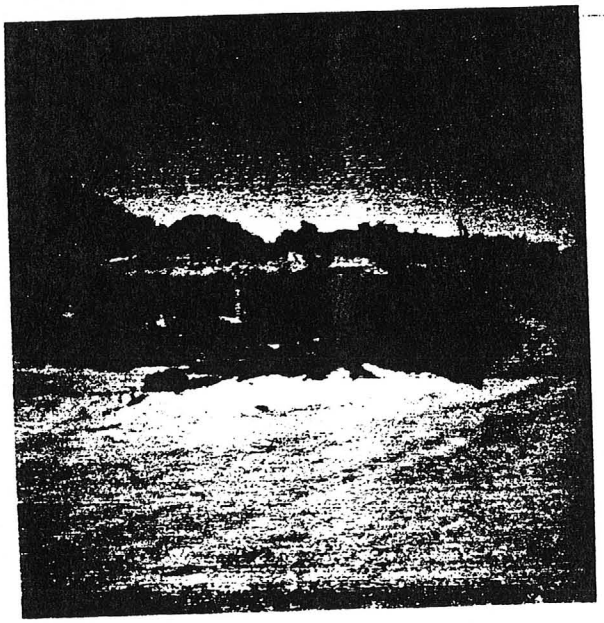
Golden Hillside 2/14/85
Site No. 1



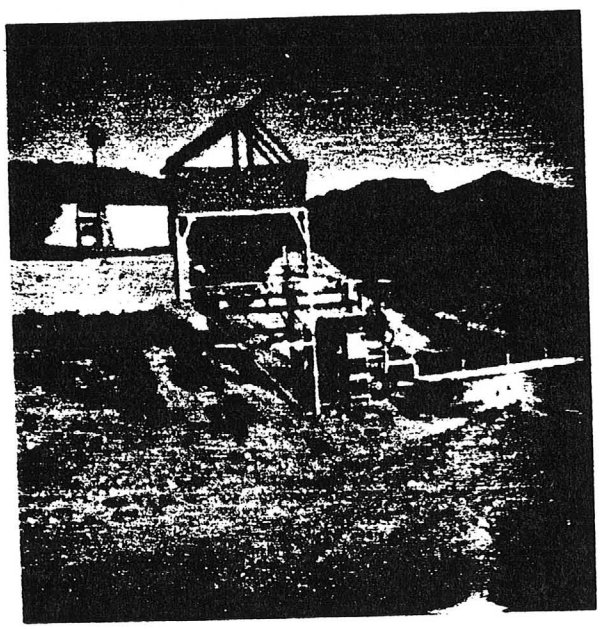
Golden Hillside 2/14/85
Site No. 2



Camp Golden Hillside 2/14/85
Site No. 3



Golden Hillside 2/14/85
Fresh Cut Subsoil Site No 2

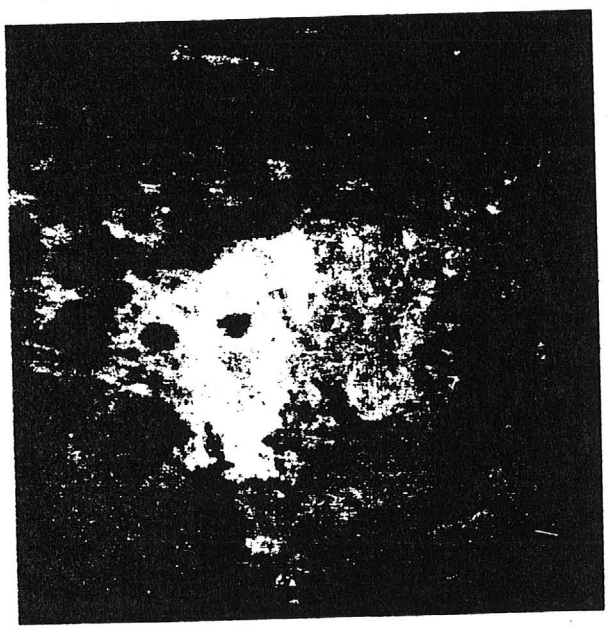


Golden Hillside 2/14/85
Site No. 1

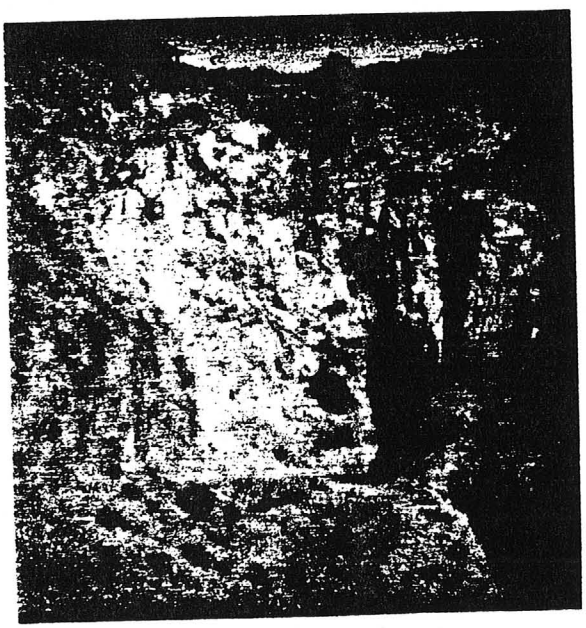
Golden Hillside 2/14/85
Site No. 1

Golden Hillside 2/14/85
Entrance to Site No 3

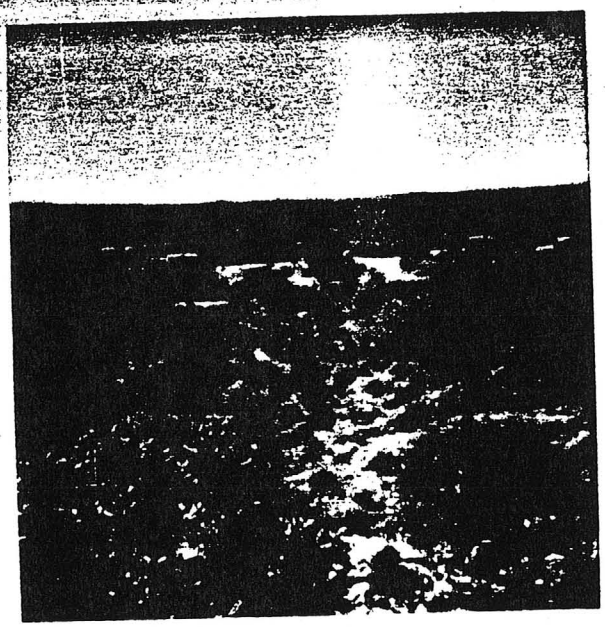
At Camp
Golden Hillside 2/14/85
Site No. 3



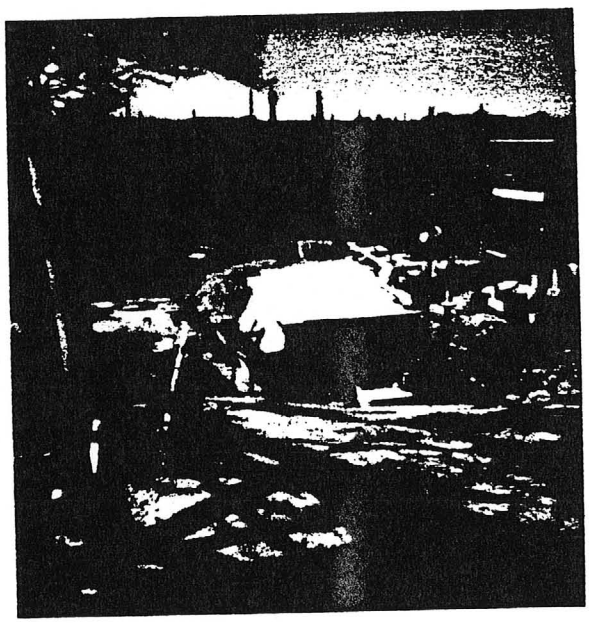
At Camp - East N of Camp
Golden Hillside 2/14/84
Old Workings



Old workings
Golden Hillside 2/14/85
Old Workings



Golden Hillside Site No. 3



Golden Hillside Site No. 3

GOLDEN HILLSIDE MARICOPA COUNTY

NJN WR 11/21/86: Duke Haltom, Cyclone Z Corporation (c), reported that 5 patented claims in the Goldfield District comprising the Mayday, Black Hawk, Fairstake, Queen Lil & Sun Set (Golden Hillside - file) have recently been sold to an unidentified party.

GOLDEN HILLSIDE MARICOPA COUNTY
(AKA: Sun Set Pat Claim 1568, Mayday Pat Claim 1568,
Black Hawk Pat Claim 1568, B&B Claims)
Maricopa County Mils #404A

USGS Goldfield Map

ADMMR - Pnx ofc file -(B&B& Golden Hillside Claims)

SEE: BLACK QUEEN MINE (FILE) #404B & 40C MARICOPA/PINAL COUNTIES

NJN WR 9/21/84: It was reported that Sam Schurman and Bob Murphy are planning a mining heap leaching operation at the Golden Hillside Property, Maricopa Co.

KAP WR 7/30/82: Chuck Benson of Reuter Equipment brought in two individuals who are trying to prove and promote a gold deposit at the Golden Hillside Mine in the Goldfields District of Pinal County. The discussion involved use of fire assay verses other methods and supposed unassayable ores.

GOLDEN HILLSIDE PROPERTY Do Not Reproduce MARICOPA COUNTY

KP WR 5/3/79: Frank C. Petterson and Bob Dierking reported they located the Golden Hillside Group. The group of 17 claims are located on what they called two distinct vein systems.

JHJ MEMO 1/22/80: Mr. Mike Hankins and father were in the office. They are working on the Golden Hillside Group with Mr. Petterson and Mr Dierking. They wanted to discuss chemistry of cyaniding and charcoal stripping. Dave Rabb suggested he consider a small Escapule plant.

RRB WR 7/30/82: Chuck Bentzen brought in Mr. Bob Dierking and a friend with S. S. International Trade Inc. who are planning to start an operation north of the Black Beauty, Golden Hillside Group, in Goldfields District, Maricopa County.

KAP WR 7/30/82: Chuck Bentzen of Reuter Equipment brought in 2 individuals who are trying to prove and promote a gold deposit at the Golden Hillside Mine in the Goldfields District of Maricopa County. The discussion involved use of fire assay verses other methods and supposed unassayable ores.

CJH WR 12/2/83: Nyal Niemuth reported that the advertisement by Mainstream Minerals Inc. pertains to the Golden Hillside property northeast of Goldfield's Mammoth and Black Queen Mines.

NJN WR 9/21/84: It was reported that Sam Schurman and Bob Murphy are planning a mining heap leaching operation at the Golden Hillside Property (f) Maricopa Co.

B&B&Golden Hills Clai

Do Not Reproduce

About 2 miles north and 3/4 mile west of the Mammoth Mr. William Varnes and his grown son have a side hill cut about 50 ft. long and 15 feet deep on a 4-5 foot manganocalcite vein purported to assay 1 oz. Au and 15 oz. Ag per ton. Here Mr. Simpson was found in the lab preparing drill hole samples for amalgamation tests; he said a Dr. (Phd) Schroeder of Germany was due to arrive soon. Meanwhile, the elder Mr. Varnes took me on an inspection of the above mentioned open cut mentioning that they had drilled out a tonnage in excess of 100,000,000 tons. When we returned to the lab, Mr. Schroeder was there and said they were conducting experiments on milling processes before building a 100 T/day mill. This property consisting of 15 unpatented claims in Sec. 36, T2N R8E is part of the old Golden Hillside mine, however, the present work hasn't been on that vein. The "new" vein has a diorite or diabase FW and 6-8 feet of heavy hematitic gouge on the H.W. It strikes NW and dips about 45° southwest. GW WR 11/17/75

C.H. Simpson, Phoenix, came in to discuss additional exploration at the Golden Hillside, 6 miles NE of Apache Junction. It was suggested they cut trenches perpendicular to the strike of the vein and at about 50 foot intervals. GW WR 12/9/75

STATE OF ARIZONA
DEPARTMENT OF MINES AND MINERAL RESOURCES
Mineral Building • State Fairgrounds • Phoenix, Arizona 85007
(602) 255-3791

THE GOLDEN HILLSIDE FILE WAS STOLEN FROM THE DEPARTMENT IN MARCH, 1989. WE HAVE ATTEMPTED TO DUPLICATE THE INFORMATION THAT WAS IN THE FILE. IF YOU HAVE ANY INFORMATION ON THIS PROPERTY THAT IS NOT CONTAINED IN THIS DUPLICATE FILE, AND WOULD ALLOW US TO COPY IT, WE WOULD GREATLY APPRECIATE IT.

MAY, 1989

416 W. Congress • Suite 190 • Tucson, Arizona 85701 • (602) 628-5399

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA

FIELD ENGINEERS REPORT

4-4 A

G

Mine B & B & Golden Hillside Claims

Date April 6, 1982

District Goldfield - Maricopa/Pinal Counties

Engineer Nyal J. Niemuth
Mineral Resource Specialist

Subject: Visit to B & B & Golden Hillside Claims

I met Reed Stallsmith and Vince Nieman on the Black Hand and Black Knight claims which connect the Golden Hillside and Black Queen Mine.

These gentlemen are partners with Daryl Hand who owns the aforementioned claims. They are also acting as watchman for Bob Dierking and Frank Peterson who own the Golden Hillside. Without permission from the owners they wouldn't let anyone on the Golden Hillside, but did report no activity there.

On the Blackhand and Black Knight claims things are in the exploration stage. Several of the old prospect pits have been cleaned out and sampled. They reported some samples assaying .2 oz./ton of gold and minor amounts of silver and lead. At one of the better spots they have sunk a 4" diameter shaft 50' deep with a rotary auger. During my visit they were putting a concrete collar on the shaft. After this is complete they plan to continue exploration and sampling underground.

The structure they are prospecting is a nearly vertical fault contact with granite as the footwall and volcanics being the hanging wall. It's strike is generally north and has a width of 1-3 feet. Some of the prospect pits are on a secondary structure that strikes north, northeast and dips west about 40°.

Equipment on the property consisted of 2 dump trucks, 2 trailers and a generator.

cc: Tucson office

Golden Hillside

A quiet, undisputed title has existed since 1907.

One 170-ft. shaft and an open pit containing good gold values has been developed. Significant wide spread low grade gold mineralization exists on the property.

Ten percussion rotary drill holes 6-inches in diameter were drilled in 1982. A summary of the holes is as follows:

Hole No.	Assay interval	Au oz./ton	Ag oz./ton
3	65' to 85'	0.175	0.08
4	25' to 155'	0.092	0.09
5	35' to 75'	0.058	0.09
	115' to 155'	0.048	0.06
6	15' to 25'	0.068	0.12
	95' to 135'	0.043	0.88

Leach tests indicate no chemical problems with cyanidation. No lime was necessary; very little cyanide was consumed. The pH was unchanged from starting conditions.

The gold averages 600 fine, the remainder being silver.

Overall findings indicate an irregular distribution of relatively large pockets of finely divided gold.

The owners will consider either a sale on cash or terms, or a lease N.S.R. royalty arrangement.

A report by Frank Buchella, P.E. done in October, 1987 is available.

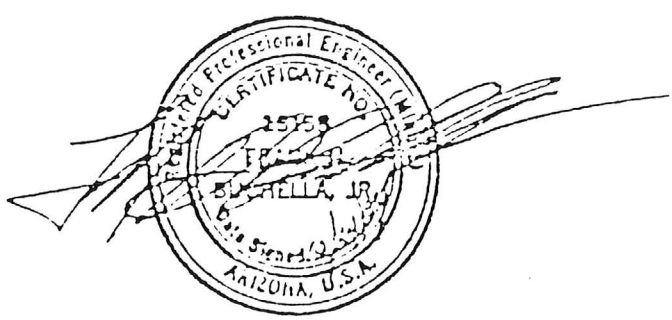
REPORT ON THE
GOLDEN HILLSIDE PROPERTY
APACHE JUNCTION, ARIZONA

FOR

HEWLETT MINERAL MANAGEMENT

OCTOBER 22, 1987

FRANK H. BUCHELLA, JR P.E.
MINING CONSULTANT
7949 N. SENDERO UNO
TUCSON, ARIZONA 85704



INTRODUCTION

History

In the early 1800's the Peralta Family of Mexico first came into the region and found rich free-milling ore on the surface. Lack of roads and the hostility of the Apache Indians discouraged prospecting in the Goldfield Superstition Mountain area until 1879. Prospecting and mining were then undertaken and the population is reported to have reached 1500 during the main mining boom of 1892-1904.

In the early 1900's the Mammoth Mine was born and became the largest and richest gold mine in Arizona. In recent years the Black Queen Property, south of the Golden Hillside Property, has been developed along similar structures that the Golden Hillside Property is on.

The Golden Hillside claims were registered in 1987 and mining was done throughout the Depression Years. In more recent times Messrs Joseph Stephan and Robert Dierking worked the property and developed a 170 foot shaft and a small pit that contained good values of gold.

Location

The Golden Hillside Property is located predominately in sections 25 And 36, T2N, R8E, G. & S. R. M. of the Superstition Mining District. The property, which consists of 17 unpatented claims totaling 340 acres lies 30 miles east of Phoenix and 8 miles north of Apache Junction in Maricopa County, Arizona. (Figure 1)

The property is reached by following State Highway 88 north seven miles from Apache Junction to the Tonto National Forest boundary and then northwest one mile by unimproved dirt road to the property.

The topography in the area is moderate with an elevation ranging from 2050 to 2280 feet above sea level. The vegetation is predominately cactus, palo verde and low desert brush.

GEOLOGY

Regional

The Golden Hillside property is located within the Basin and Range province near the point where the generally north trending mountain ranges change to a northwest trend. The ranges are separated by aggraded desert plains.

The oldest rocks in the area are precambrian granite intrusions consisting of granite and quartz monzonite. The intrusions form the basement rocks in the region.

The basement is overlain by a conglomerate with rounded to semi-rounded pebbles. The conglomerate is believed to be of early Tertiary age.

Throughout the Basin and Range province a period of intense deformation, sometimes called the Basin and Range distrubance began about 30 million years ago and continued until some 15 million years ago. This was a time of intense volcanic and tectonic activity and formed the major geological features of the area.

The Basin ranges represent fault blocks of complex internal structure which were elevated in reference to adjacent relatively depressed basins, plains or valleys. Many seem to be bounded by faults on one or more sides, which may occur within continuous zones or partly en echelon. The displacements of the faults range from relatively small amounts to several thousands of feet, and are regarded as dominantly of the normal type, but may also include reverse, thrust and lateral movements in several localities.

The Superior volcanic field covers the area, and five volcanic centers are known within the area. The Superstition cauldron is the major center, with others being the Black Mesa, Florence Junction, Haunted Canyon and Willow Springs. Some 4,000 cubic kilometers of volcanic ash and lava were extruded, covering an area of 8,000 square kilometers. The trend in rock types progresses from an early intermediate composition dome and lava stage through a silicic composition ash flow stage to a late mafic composition lava stage.

The history of the volcanic center can be summarized as follows: 1. Formation of early intermediate to mafic domes and composite volcanoes; 2. Caldera collapse with formation of welded tuffs; 3. Resurgence of central dome and intrusion of ring dikes.

The ring fracture system caused by caldera collapse is important, as this system is believed to have been the plumbing system for the migration of hydrothermal solutions. The hydrothermal solutions contained dissolved metals which eventually formed ore deposits.

Local

The oldest formation on the Golden Hillside property is the granitic basement consisting mainly of pink granite. This rock is generally coarse grained with large pink feldspar phenocrysts, but occasionally becomes finer grained. A fine grained sericitic granite, with sugary intergrowths of quartz and pink feldspar forms a small dike like body to the southeast of the pit. An arkosic conglomerate covers a large area on the Golden Hillside and Golden Hillside 4 & 5 claims. This unit strikes N 30 degrees W and dips 40 degrees to 50 degrees east. The conglomerate rest unconformably on the Precambrian basement.

The conglomerate is composed of moderately sorted, rounded to semi-rounded quartz and feldspar pebbles, usually less than 15 centimeters in diameter. Up section the conglomerate is very poorly sorted and composed chiefly of quartzite clasts but also containing limestone, chert, sandstone and metamorphic clasts. Boulders larger than one meter are found within this section. Generally the unit is poorly exposed, but weathered clasts of the quartzite are often observed on the surface.

A dark grey, to bluegrey and purple basalt unconformably overlies the conglomerate. Textures within the basalt range from flows to breccias. Near the contact of the basalt and dacite tuff, large breccia fragments up to 30 centimeters in diameter were observed. This unit is approximately 80 feet thick.

A 50 feet wide sequence of grey dacite tuffs overlie the basalt. This is the basal unit for very thick accumulations of dacite volcanics. The unit strikes N 35 degrees W to N 45 degrees W and dips 30 degrees to 45 degrees to the east.

Overlying the tuff is a large accumulation of grey dacite volcanics containing flows, tuffs and breccias. This unit covers most of the Golden Hillside property. The unit generally strikes north northwest.

A light grey rhyolite dike approximately 25 feet wide appears to have been emplaced along the N 5 degrees W fault zone which contains the gold mineralization. The dike outcrops at many places along the Golden Hillside claim. In many places the dike has been offset, indicating significant cross faulting.

The major structure on the property is a N 5 degrees W trending fault zone. This fault places the conglomerate in contact with the basalt and dacite volcanics. This fault dips at 35 degrees to 45 degrees to the west. A second fault zone 100 feet east of the major fault is some 15 feet wide and is exposed at the pit. This fault strikes N 5 degrees W and dips 85 degrees east. To the north of the Pit, a rhyolite dike outcrops along the expected strike of the fault. This dike would be similar to the dikes associated with the ring fracturing of the cauldron complex.

One major cross fault is found on the property 150 feet north of the Burnt Shaft. Displacement along the fault would appear to be in the range of 200 feet.

The conglomerate unit shows considerable fracturing. Three prominent fracture directions are apparent, N 5 degrees W to N 20 degrees W, N 20 degrees E, and E-W. In many cases small calcite or quartz veinlets occur within the fractures. Intersections of the main fault zones and cross fractures would appear to be the most favorable exploration targets.

Mineralization

The gold mineralization on the Golden Hillside property appears to be related to the major faults passing through the property. Quartz and calcite veinlets and stockworks are associated with the structures.

At the Calcite Cut a stockwork of black calcite occurs in the conglomerate below the footwall of the fault. The black calcite (manganiferous calcite) occurs as veins up to three feet wide near or within the fault zone. In the conglomerate below the footwall of the fault the calcite veining becomes a stockwork with 1 to 6 inch wide black calcite veinlets. The stockwork extends 15 feet from the fault before it is covered by overburden. The total width of the zone is not known.

A number of surface samples were taken along the fault zones and around the pit area with the following results: (figure 2)

Sample No.	Width (feet)	Gold ppm	Gold oz/ton	Silver ppm	Silver oz/ton	Description
GH-4	1.0	-	0.015	-	6.49	Stockwork
GH-5	grab	-	0.055	-	0.47	Stockwork
GH-6	4.0	-	0.015	-	0.45	Stockwork
GH-52	4.0	-	0.005	5.8	-	Stockwork
GH-55	2.5	-	0.032	6.0	-	congl., veinlets
GH-56	4.0	-	0.004	6.0	-	congl., veinlets
GH-57	7.0	0.020	-	1.2	-	fault breccia
GH-58	4.5	0.012	-	2.8	-	fault breccia
GH-59	10.0	0.013	-	4.4	-	quartz stockwork
GH-60	7.5	0.003	-	0.4	-	quartz stockwork
GH-61	4.0	0.001	-	1.0	-	fault breccia
GH-62	10.0	0.002	-	1.8	-	quartz stockwork
GH-63	10.0	0.006	-	3.0	-	quartz stockwork
GH-64	5.0	0.096	-	4.6	-	quartz stockwork
GH-65	4.0	160	-	1.6	-	quartz stockwork
GH-66	4.0	180	-	6.6	-	quartz stockwork
GH-67	grab	2,200	-	10.2	-	silicif., az. mal
GH-68	10.0	250	-	6.8	-	fract., congl.
GH-69	7.0	580	-	2.6	-	fract., congl.

Sample No.	Width (feet)	Gold ppb	Gold oz/ton	Silver ppm	Silver oz/ton	Description
GH-79	3.5	13,000	-	9.0	-	congl., veinlets
GH-80	4.0	30	-	2.2	-	congl., veinlets
GH-81	3.0	920	-	13.2	-	congl., veinlets
GH-82	15.0	290	-	1.2	-	basalt, veinlets
GH-83	11.0	150	-	5.0	-	basalt, veinlets
GH-84	3.0	60	-	0.2	-	congl., veinlets
GH-88	2.5	10	-	0.2	-	congl., veinlets
GH-89	2.0	10	-	0.2	-	congl., veinlets
GH-90	2.0	10	-	0.4	-	congl., veinlets
GH-91	2.5	10	-	0.2	-	congl., veinlets
GH-95	5.0	2,000	-	3.6	-	congl., veinlets
GH-96	4.0	20	-	3.2	-	congl., veinlets
GH-97	4.0	10	-	3.7	-	congl., veinlets
GH-330	7.0	60	-	2.0	-	congl., veinlets
GH-331	3.5	10	-	0.2	-	stockwork
GH-332	5.0	640	-	0.2	-	stockwork
GH-333	7.0	30	-	0.2	-	stockwork
GH-342	7.0	70	-	0.6	-	stockwork
GH-343	5.0	90	-	0.2	-	stockwork
GH-344	3.5	320	-	3.6	-	stockwork

The area of most widespread gold mineralization on the property extends from the Burnt Shaft south, to the south end of the drill zone. Within this area a number of trenches and workings exist where sampling indicated gold mineralization. The mineralization appears to be associated with a quartz stockwork near or within the fault zone, and calcite veining further away from the fault. Considerable course visible gold has been found within the trenches where samples GH-53:54 were taken. The visible gold occurs within quartz and calcite veinlets. Surface samples were taken with the following results:

Sample No.	Width (feet)	Gold ppb	Gold oz/ton	Silver ppm	Silver oz/ton	Description
GH-16	2.5	-	0.080	-	0.90	fract. congl.
GH-17	3.0	-	0.030	-	0.37	fract. congl.
GH-18	5.0	-	0.055	-	0.55	fract. congl.
GH-50	6.0	-	0.004	0.4	-	congl.
GH-51	7.0	-	0.001	0.2	-	congl.
GH-53	8.0	-	0.076	15.2	-	congl., veinlets
GH-54	3.0	-	0.032	6.2	-	congl., veinlets

Significant wide spread low grade gold mineralization exists on the property, over a strike length of 1,500 feet. The gold appears to be associated with N 5 degrees W faulting and quartz and calcite stock-works within the conglomerate unit. The quartz-calcite veinlets occur over much of the conglomerate. However away from the fault zone the mineralization is relatively weak, with the veinlets widely spaced.

Drill Results

Ten percussion-rotary drill holes 6 inches in diameter totalling 2,000 feet were drilled in 1982. The most significant intersections were in drill holes # 3, # 4, # 5 and # 6 which are located on the southeast corner of the property and northeast of the pit area. A summary of the holes is as follows:

Hole No.	Assay Interval	AU oz/ton	AG oz/ton
3	65' to 85'	0.175	0.08
4	25' to 155'	0.092	0.09
5	35' to 75'	0.058	0.09
	115' to 155'	0.048	0.06
6	15' to 25'	0.068	0.12
	95' to 135'	0.043	0.08

Leach Tests

Two composite samples of drill cuttings were analyzed in the laboratory using an agitated leach.

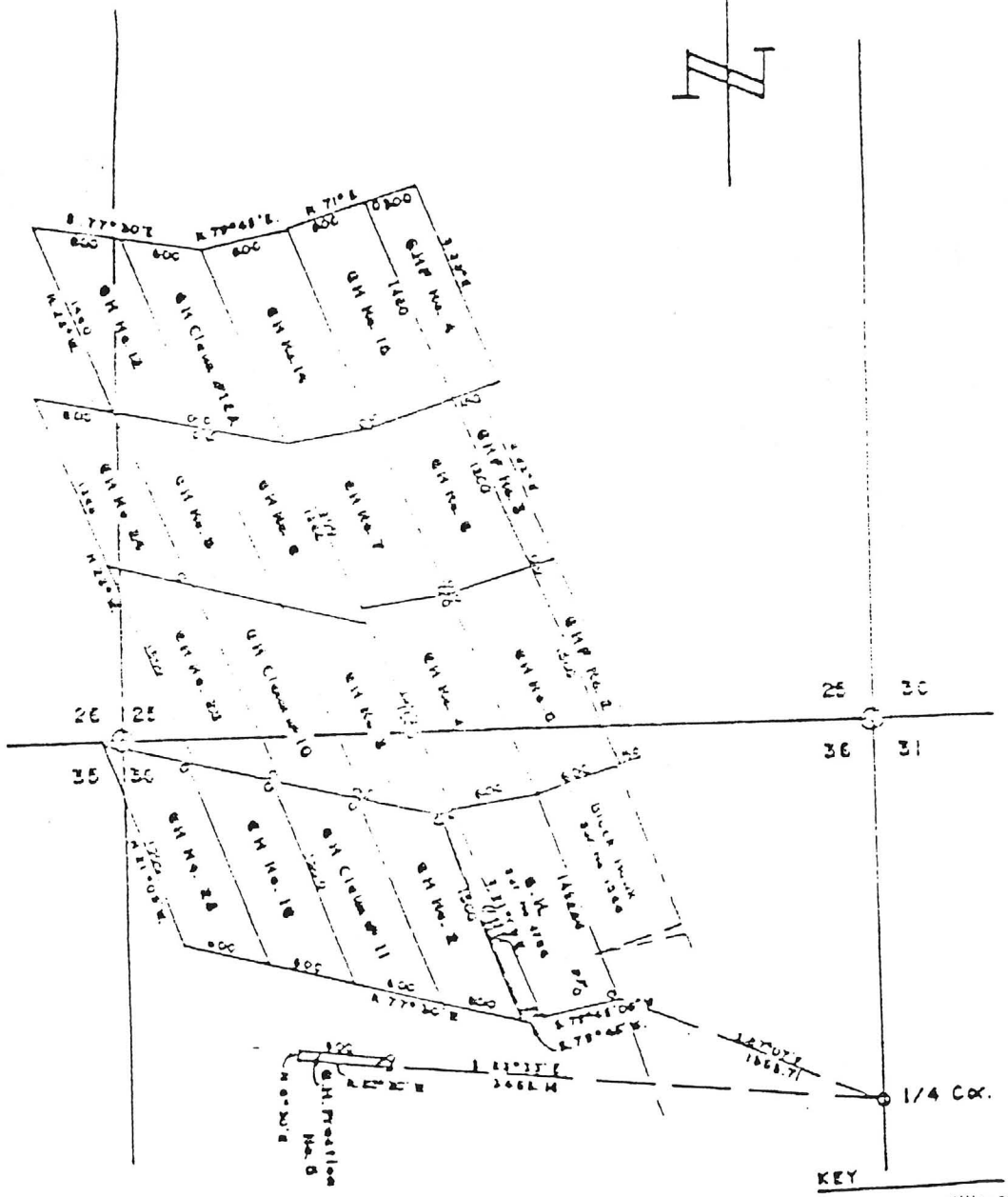
The rate of gold dissolution was measured in two bottle roll tests and was found to be moderately rapid and complete in 24 hours. The results are characteristic of fine gold in the barely-visible range (50-150 microns).

The overall findings indicate a very irregular distribution of relatively large pockets of finely divided gold. This type of distribution might result if the gold was present in the original (unoxidized) rock as fine dispersions within high-grade, large crystals of pyrite or other sulphide minerals. Distribution as large grains of gold telluride would also fit the observations.

The data indicate that recovered precious metal will assay approximately 60 percent gold, 40 percent silver.

Final test solutions contained negligible amounts of copper (less than 1ppm). Very little cyanide was consumed in the tests, and the final PH of 10.0 was unchanged from starting conditions. The results indicate there should be no chemical problems with cyanidation.

Mining Claims
of
Frank C. Peterson & Robert J. Dierks
P. O. Box 21462 Phoenix, Arizona
known as
Golden Hillside Nos. 2-9, Golden Hillside Claim #s 10-11,
Golden Hillside No. 12, Golden Hillside Claim #13A,
Golden Hillside Nos. 14-16 & 23-25, Golden Hillside Fraction,
Golden Hillside Fraction Nos. 2-5 loaes
situate in
Secs. 25, 26, 35 and 36, T.2 N., R.8 E., G.& S.R.M.
Superstition Mining District
Maricopa County Arizona
Scale 1" = 1000' Oct. 8, 1981



Note: o - denotes all mons.
Mons. are 2"x 2"x 4', 2"x 2"x 4'6",
4"x 4"x 4' and 4"x 4"x 4'6" posts.

Figure 1

*** EXHIBIT "A" ***

THE FOLLOWING UNPATENTED LODE MINING CLAIMS SITUATED IN THE SUPERSTITION MINING DISTRICT, MARICOPA COUNTY, ARIZONA, THE NAMES, THE DOCKETS AND PAGES OF RECORDING OF THE LOCATION NOTICES IN THE OFFICE OF THE MARICOPA COUNTY RECORDER, AND THE NUMBER ASSIGNED BY THE ARIZONA STATE OFFICE OF THE BUREAU OF LAND MANAGEMENT OF WHICH ARE AS FOLLOWS:

NAME OF CLAIM	DOCKET	PAGE	AMC #
GOLDEN HILLSIDE	6159	615	31512
GOLDEN HILLSIDE #2	10794	1000	31513
GOLDEN HILLSIDE #3	10993	383	31514
GOLDEN HILLSIDE #4	10993	384	31515
GOLDEN HILLSIDE #5	11038	956	31516
GOLDEN HILLSIDE #6	11038	957	31517
GOLDEN HILLSIDE #7	11038	958	31518
GOLDEN HILLSIDE #8	11066	515	31519
GOLDEN HILLSIDE #9	11048	868	31520
GOLDEN HILLSIDE CLAIM #10	11081	620	31521
GOLDEN HILLSIDE CLAIM #11	11081	621	31522
GOLDEN HILLSIDE #12	11068	516	31523
GOLDEN HILLSIDE CLAIM #13A	11081	622	31524
GOLDEN HILLSIDE #14	11092	863	31525
GOLDEN HILLSIDE #15	11092	864	31526
GOLDEN HILLSIDE #16	11439	448	31527
GOLDEN HILLSIDE #23	11439	449	31528
GOLDEN HILLSIDE #24	15604	221	143530
GOLDEN HILLSIDE #25	15604	223	143531
GOLDEN HILLSIDE FRACTION	15604	225	143532
GOLDEN HILLSIDE FRACTION #2	15604	227	143533
GOLDEN HILLSIDE FRACTION #3	15604	229	143534
GOLDEN HILLSIDE FRACTION #4	15604	231	143535
GOLDEN HILLSIDE FRACTION #5	15604	233	143536
BLACK STAKE	16102	1308	180272

Kappes, Cassiday & Associates

1845 Glendale Avenue, Sparks, Nevada 89431
702-356-7107 · Telex 170049

12 August, 1983

GOLDEN HILLSIDE DRILLHOLE CUTTINGS
CYANIDE BOTTLE ROLL TESTS

FINAL REPORT - 12 AUGUST, 1983

SUMMARY AND CONCLUSIONS

Two samples of drillhole cuttings, labelled "A" and "B" respectively, were tested for gold and silver solubility in cyanide, using agitated leach tests on pulverized and as-received samples. The results showed that essentially all of the gold is soluble in a 24 hour leaching period. Head and tails were analyzed by fire assay techniques and test solutions were assayed by direct AA analysis. The results of the leach tests are presented in Table 1.

Problems were encountered in obtaining consistent head assays of the two samples. Results of fire assays from two different commercial laboratories are included as the next-to-last line in Table 1. A total of four assays on one sample, and two on the other, were run. In all cases, the same pulverized portions used for the fire assays were also used for cyanide leach tests and the leach test tailings were fire assayed (a total of 11 fire assays were run as part of the test program).

Relatively good agreement is observed between calculated and assay heads when both the assay sample and the leach test feed sample are split from the same pulverized pulp. However, when the assay portions are split from the as-received samples (drillhole cuttings 1/4 inch and finer) prior to pulverizing, the head assay values vary over wide limits.

This type of assay behavior is sometimes an indication of coarse gold present in the samples. However, the good correlation between calculated head and assay head for splits from the same pulverized pulp indicates uniform gold distribution, and thus relatively fine gold.

The rate of gold dissolution was measured in two bottle roll tests and was found t: be moderately rapid and complete in 24 hours. The results are characteristic of fine gold in the barely-visible range (50-150 microns).

The overall findings indicate a very irregular distribution of relatively large pockets of finely divided gold. This type of distribution might result if the gold was present in the original (unoxidized) rock as fine dispersions within high-grade, large crystals of pyrite or other sulfide minerals. Distribution as large grains of gold telluride would also fit the observations.

Percent silver recoveries are not calculated because the silver fire assays are not accurate for this metal within the assay range. The data indicate that recovered precious metal will assay approximately 60 percent gold, 40 percent silver.

Final test solutions contained negligible amounts of copper (less than 1 ppm). Very little cyanide was consumed in the tests, and the final pH of 10.0 was unchanged from starting conditions. The results indicate that there should be no chemical problems with cyanidation.

The procedures which were used for the pulverized ore leach tests in the test program are as follows:

1. Dry the samples (the samples were received as five-pound bags of nearly dry material, mostly smaller than 1/4 inch).

2. Split out 200 grams of sample. Pulverize to below 100 mesh.

3. Split out a portion of the pulverized material and submit to a commercial laboratory for fire assay.

4. Split out 100 grams of pulverized material. Place in a 250 ml polybottle. Add 250 mls of solution containing 1.0 grams NaCN per liter. Adjust pH with lime, if necessary (this was not necessary).

TABLE 1. GOLDEN HILLSIDE DRILLHOLE CUTTINGS
24-HOUR AGITATED CYANIDE LEACH TEST RESULTS

Note: Each column represents a separate split at as-received size.

SAMPLE:	A Split 1 3270A/3273A		A Split 2 3334		A Split 3 3351		A Split 4 3334E		A Split 5 3334E	
LEACH TIME (hrs)	(Pulverized) oz/ton Au	Ag	(Pulverized) oz/ton Au	Ag	(As-Received) oz/ton Au	Ag	Au	Ag	Au	Ag
1	0.048	0.08	0.028	1.95	-	-				
2	0.115	0.12	0.043	-	0.014	0.01				
4	0.210	0.18	0.056	-	0.026	-				
8	0.344	0.26	0.071	-	-	-				
24	0.450	0.32	0.080	1.92	0.089	0.06				
Tail Assay (Fire):	0.004	0.08	0.001	0.29	0.004	<0.01				
Calculated Head Assay:	0.454	0.40	0.081	2.21	0.093	0.06				
Head Assay (Fire):	0.494	0.36	0.093	0.52			1.520	1.04	.014	0.31
Percent Gold Recovered:	99.1		98.8		95.7					

5. At pre-determined time intervals, check solution for pH, NaCN, gold and silver levels.

6. At end of test (24 hours), measure pH, NaCN, and copper content of solution.

7. Filter, dry, pulverize tailings. Submit to a commercial laboratory for fire assay.

For the as-received ore leach tests, 300 gram portions were split out of the main sample and leached in a similar manner with 450 mls of solution in a one-liter bottle.

In spite of the assay variability, the results indicted that the contained gold was cyanide soluble from both the drill-hole cuttings and the pulverized material.

In order to employ a larger sample for testing, it might be useful to run a series of mini-column leach tests on portions of the drillhole cuttings. This type of test would not substitute for a "total gold" assay, but the results would be appropriate if heap or vat leaching were being considered for processing the ore, and the large sample size might eliminate the sampling problems.

The procedure would be as follows:

1) Place one or two kilograms of drill cuttings in a 2-inch diameter leach column.

2) Percolate cyanide solution through the column for one week. Assay solution for gold content every other day.

3) At the end of the week, adsorb all dissolved gold and silver onto activated carbon and fire assay the carbon.

4) Dry, pulverize and fire assay the test tailings in duplicate.

We could run the above tests in our laboratory at a cost of $260.00 per test, including report, assuming at least five such tests were run and reported together ($350.00 if only one test is run). Once reproducibility were established it might be possible to eliminate one of the tailings assays or to shorten the leach procedures, so that future tests could be less expensive.

If the samples were received in our lab as five-pound or smaller samples, ready for testing, there would be no preparation charge. Compositing of samples, or handling of bulk samples, would be charged on a time/materials basis.

Good luck with your project.

Submitted by,

Daniel W. Kappes
KAPPES, CASSIDAY & ASSOCIATES

DWK/rp

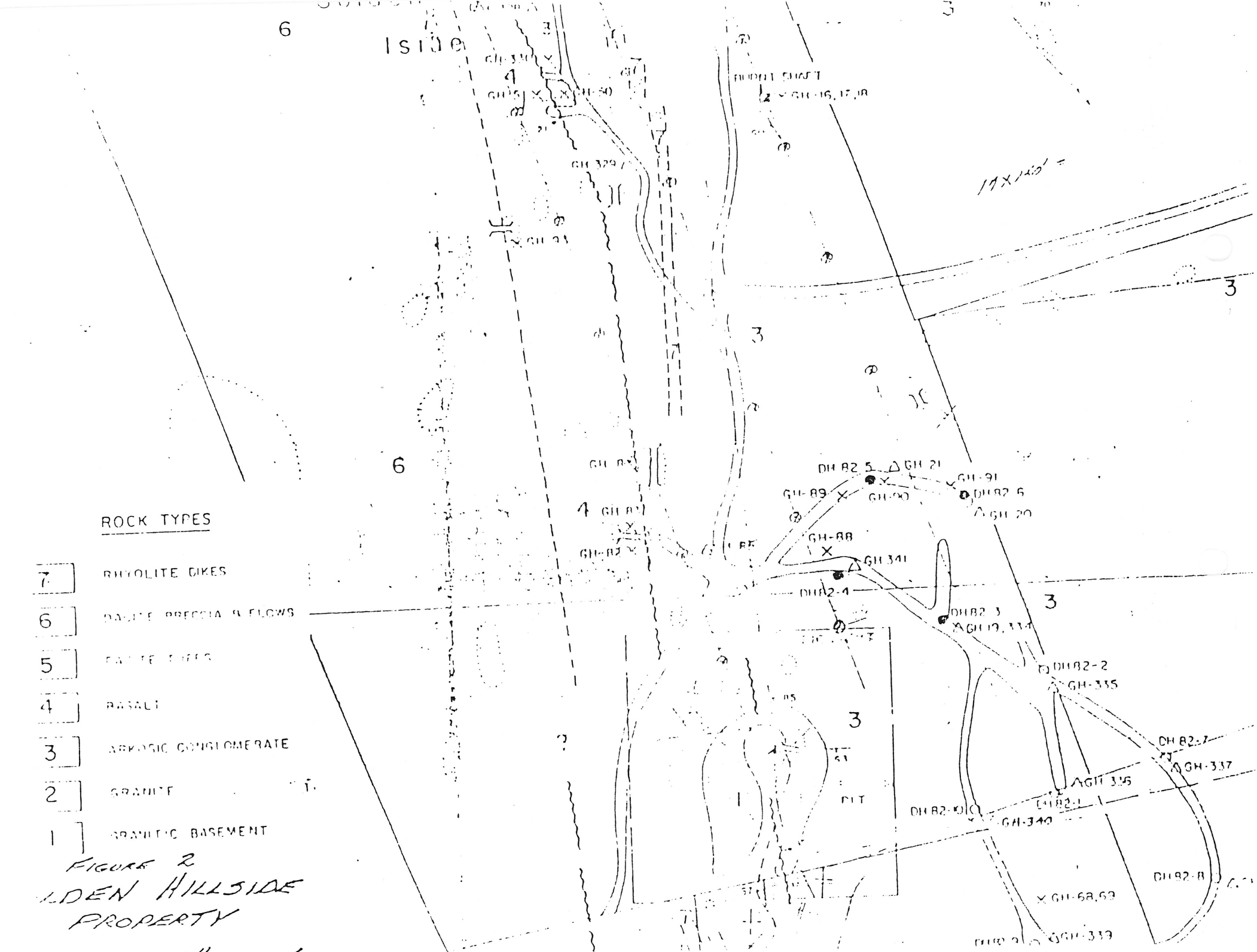
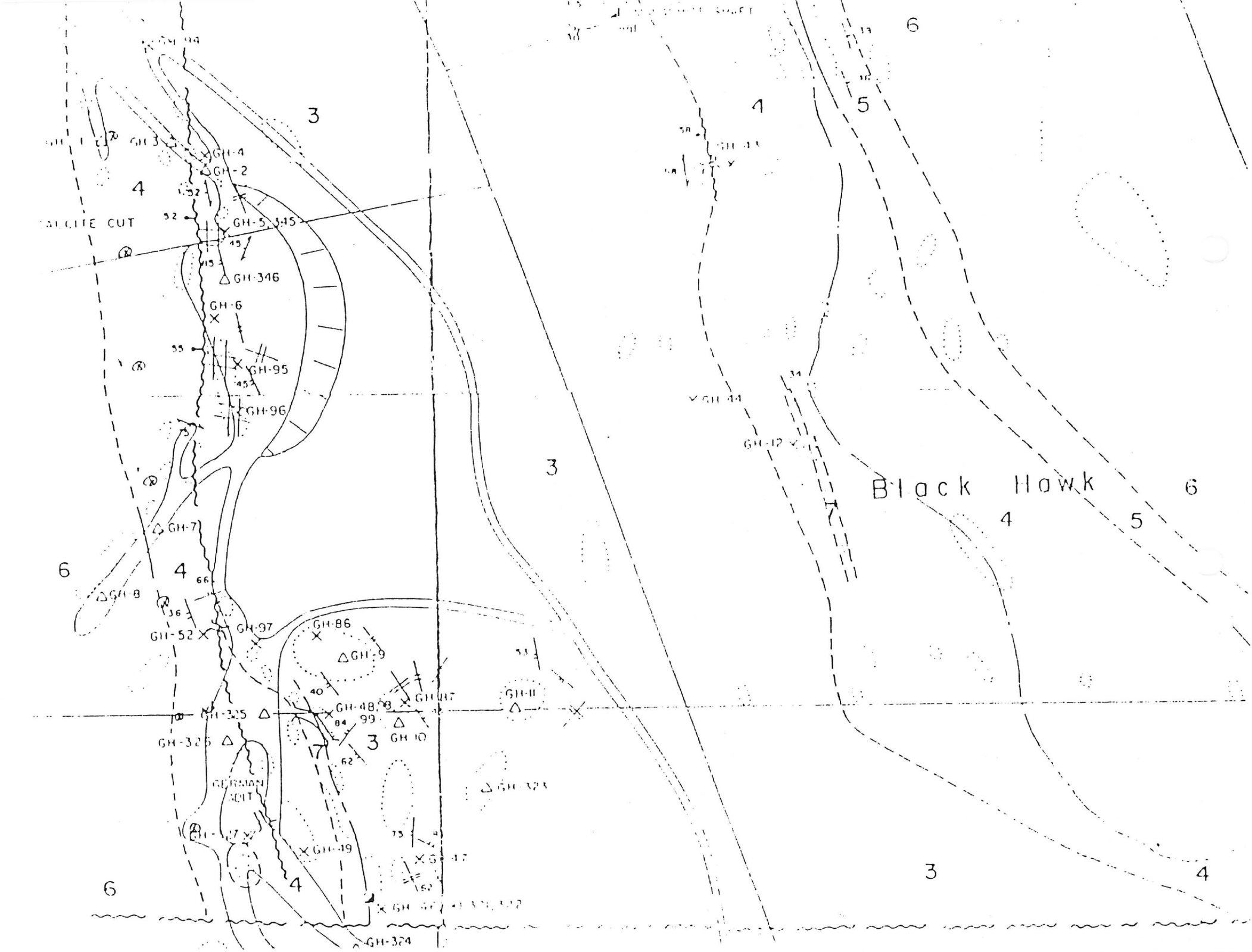
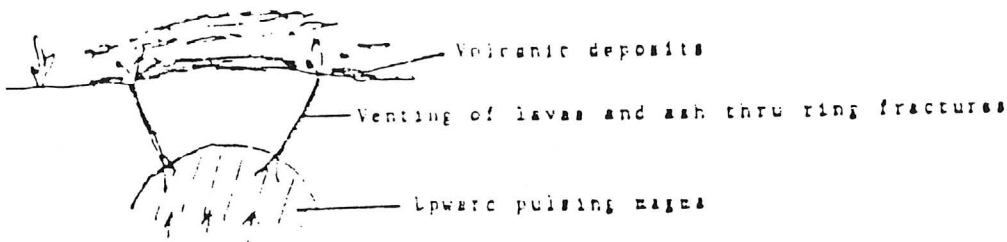


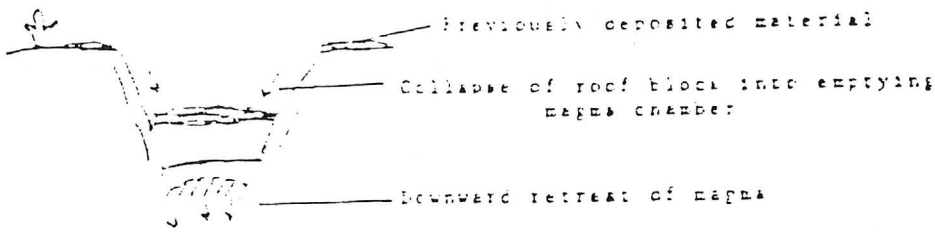
FIGURE 2
GOLDEN HILLSIDE
PROPERTY


Black Hawk
GH-1
GH-2
GH-346
GH-6
GH-95
GH-96
GH-7
GH-8
GH-52
GH-97
GH-86
GH-9
GH-48
GH-10
GH-11
GH-325
GH-326
GH-323
GH-49
GH-324
GH-12
GH-44
3
4
5
6

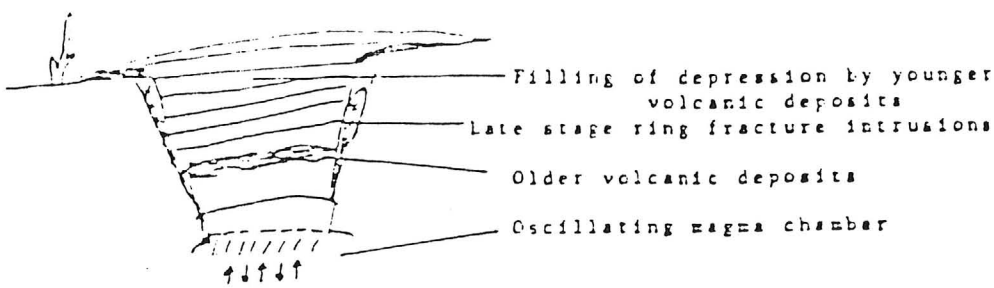
As magma pressure increases, volcanic material vents to the surface through ring fractures



Subsequent to venting the magma level lowers and typically the roof block above the magma chamber collapses into the emptying magma chamber.

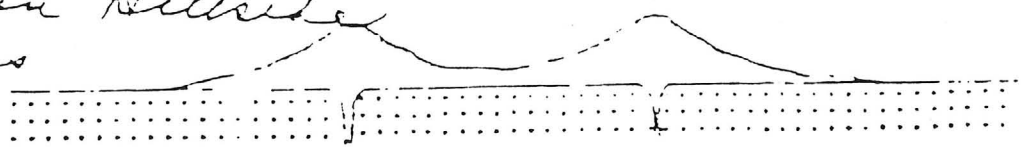


Any further venting will fill the depression formed during collapse, and commonly intrusions into the ring fracture zone mark termination of simple caldera formation.

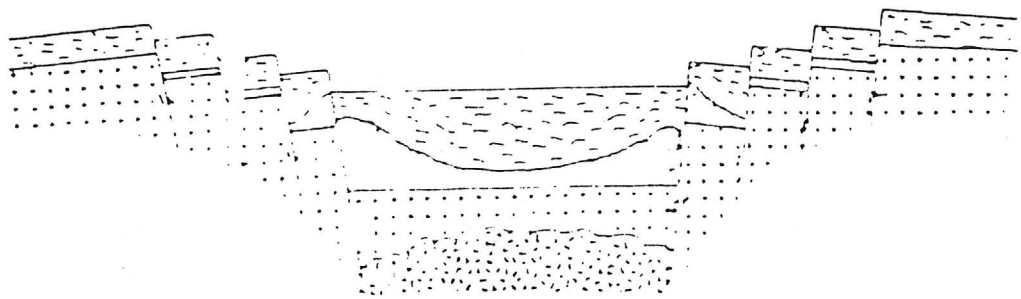


Ring fracture zones therefore can be envisioned as major conduits through which volcanic material vents to the surface in the formation of calderas. Ring fractures, the "plumbing" of caldera systems, also serve as channelways for the migration of hydrothermal solutions.

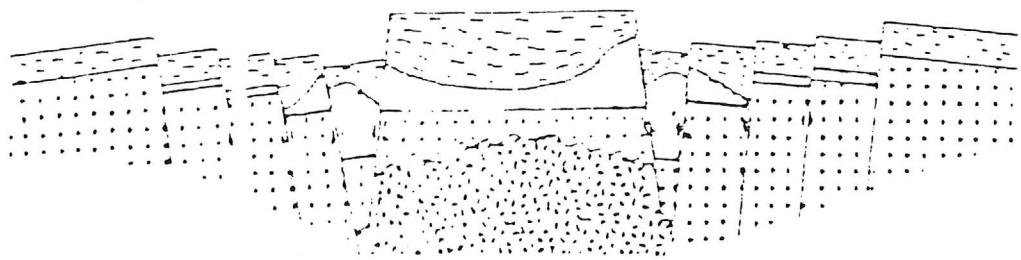
Cat Hunting
Golden Hillside
Claims



A. Composite cone

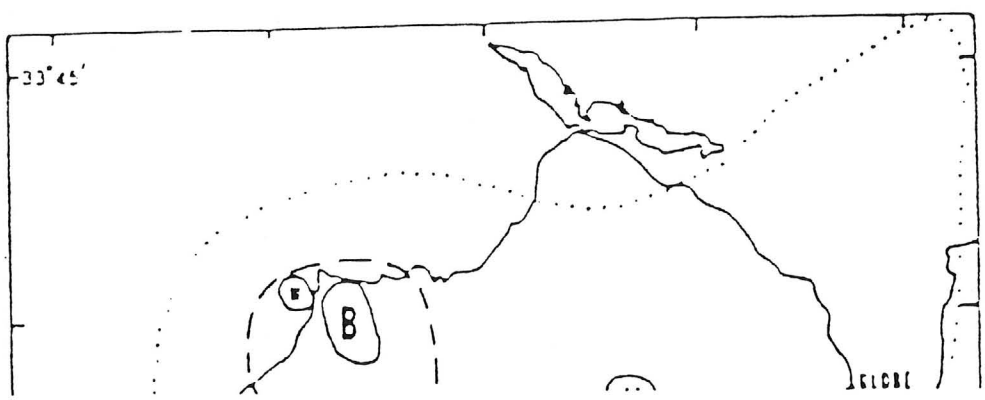


B Collapse caldera



C. Resurgent dome

Figure 6.—Stages in caldera development

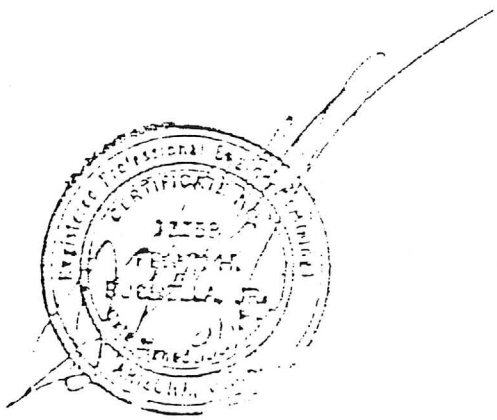


S[illegible] INTERNATIONAL, INC.

GOLDEN HILLSIDE PROPERTY

APACHE JUNCTION, ARIZONA

Feasibility Study
September 1, 1982



By

Frank H. Buchella, Jr. P.E.
Mining Consultant

Dave Rabb

TABLE OF CONTENTS

INTRODUCTION

History

In the early 1800's the Peralta Family of Mexico first came into the region and found rich free-milling ore on the surface. Lack of roads and the hostility of the Apache Indians discouraged prospecting in the Goldfield Superstition Mountain area until 1879. Prospecting and mining were then undertaken and the population is reported to have reached 1500 during the main mining boom of 1892-1904.

In the early 1900's the Mammoth Mine was born and became the largest and richest gold mine in Arizona. In recent years the Black Queen Property, south of the Golden Hillside Property, has been developed along similar structures that the Golden Hillside Property is on.

The Golden Hillside claims were registered in 1907 and mining was done throughout the Depression Years. In more recent times Mr.'s Joseph Stephan and Robert Sterking worked the property and developed a 170 foot shaft and a small pit that contained good values of gold.

Location

The Golden Hillside Property is located predominately in sections 25 and 36, T2N, R8E, G. & S.R.M. of the Superstition Mining District. The property, which consists of 17 unpatented claims totaling 340 acres and 4 patented claims totaling 72.3 acres, lies 30 miles east of Phoenix and 8 miles north of Apache Junction in Maricopa County, Arizona.

The property is reached by following State Highway 88 north seven miles from Apache Junction to the Tonto National Forest boundry and then northwest one mile by unimproved dirt road to the property.

The topography in the area is moderate with an elevation ranging from 2050 to 2280 feet above sea level. The vegetation is predominately cactus, palo verde and low desert brush.

rpose of Study

The overall purpose of the study is to determine the financial viability of he property. Work completed to date as part of the feasibility study included a illing and sampling program to determine minerable ore reserves and metallurgical sting to prove the amenability of the ore. This data has been incorporated in e feasibility study.

eology

The base of the geological formations is a precambrian granodiorite complex, hich formed a mountain range in the precambrian. This mountain range eroded and he detritus formed a conglomerate, which now covers the granodiorite. A postvolcanic ectonic movement intersected the complex in long N-S and shorter E-W striking aults. Along these faults and in numerous length and cross-clefts, hydrothermal olutions ascended, which provided a mineralization of gold, silver and platinum th quartz and calcite as gangue minerals. The mineralization zone extends for ,000 feet along the N-S strike with widths ranging from 6 feet to 500 feet. neralization has been proven to 425 feet and projected to 600 feet. The distribution the gold is quite uniform with some high grade stringers as demonstrated by the illing. The mineralization is cut off on the west by a very steep dipping fault. eas to the north and east are undefined.

e Reserves

Ten percussion-rotary drill holes 6 inches in diameter totaling 2,000 feet re drilled on an approximate 100 foot grid. One hole was drilled to 425 feet and ne were drilled to 175 feet. Eight holes bottomed in ore and nine holes carried nomic gold values. The areas to the north and in depth are open for expanding e reserves.

The drill holes were sampled and assayed every ten feet for gold and silver. e total cuttings were removed from the hole and split into two samples; one for saying and one for metallurgical testing. Check samples were run on two samples n each hole.

Sections and elevation maps were developed for the drilled out area. A pit was signed using the constraints of the fault on the west, the depth of the holes and aximum 100 foot area of influence. The ore reserves from this pit are as follows:

re Reserves (continued)

BENCH	TOTAL TONS	WASTE TONS	ORE TONS	GOLD OZ./TON
2175	32,000	32,000		
2125	892,000	501,000	391,000	.142
2075	780,000	296,000	484,000	.083
2025	485,000	125,000	360,000	.105
1975	250,000	18,000	232,000	.097
TOTAL	2,439,000	972,000	1,467,000	.106

Additional drilling to the east, north and in depth could double the ore eserves.

Although the silver assays were very high, silver was not taken into account the ore reserves due to the silver being tied up in the iron matrix resulting a very poor recovery.

e and Waste Handling

The life of the mine stripping ratio is two-thirds to one, but no premine ripping will be required as ore is exposed on the surface. The ore exposed at e surface is as good or better than the average of the total pit. As the mining ogresses waste will be removed, mostly from the west side of the pit and dumped an area with no ore potential.

Mining will be done with a track front end loader on 25 foot benches and uled to the waste dump and crusher with small offhighway type dump trucks. itially, mining will be scheduled at 1,500 tons per day, five days per week a one shift per day operation. A second shift will be added to double the nnage if more ore reserves are found through drilling. Ore will be stockpiled the primary crusher.

ushing

Ore from the mine will be loaded into a primary jaw crusher with a rubber tired ont end loader and reduced to minus 6 inches. Feed from the crusher will be nsported by conveyor to a secondary cone crusher that will reduce the ore to a nus 5/8 inch size. Screens will segregate the plus and minus 5/8 inch material. The s 5/8 inch material will be returned to the cone crusher and the minus 5/8 inch terial will be conveyed to a stockpile for delivery to the leaching vats. The ushing plant will operate one shift per day, five days a week. A second shift ll be added if the plant size is doubled.

ipment List

1 - 6 yd track loader

1 - 6 yd rubber tired loader

2 - 22 ton dump trucks

(continued page - 6)

Equipment List (continued)

1 - D-8 tracto. dozer with rippers

1 - 900 CFM air compressor

1 - 5,000 gallon watertruck

1 - air track drill

1 - flatbed truck

1 - pickup

1 - 3 stage closed circuit crushing plant

Manpower

1 - foreman

1 - crusher loader operator

1 - crusher operator

1 - crusher helper

4 - mine equipment operators

1 - mine helper

1 - mechanic

10 - TOTAL

Costs

There will be no capital costs incurred with the mining and crushing as all of the mining and crushing equipment will be leased.

Operating costs include labor plus a 25% fringe benefit cost and reflect the cost of fuel, explosives, tires, drill bits, cutting edges, operating supplies, crusher liners and maintenance supplies.

(U Phoenix AZ 85062

Phoenix, Sept. 12.78.

Dr. Gerd Schroeder
Consultant Geologist
Duesseldorf, Germany

REPORT ON GOLDEN HILLSIDE MINE, APACHE JUNCTION, ARIZONA

I. SUMMARY

This report is based on a preliminary and incomplete study of the gold ore deposit "Golden Hillside", near Apache Junction, Arizona. The study was made during Oct. and Nov. 1975 and consisted of drenching, drilling and sampling. It was made for a german financier , who, without any understanding for the complexity of a thoroughgoing geological evaluation, lost his interest, after the first drilling results did not show the expected values of 3 oz Au/ton, which were taken at the bottom of the shaft and in one part of the intermediate drift.

For any person familiar with gold deposits it goes without saying, that values of 3 oz Au/ton in very rare cases appear as the average grade of a mine.

At the time of the completion of this report only the sampling result of drill hole #2 was available, a copy of it is attache The sampled material was a mixture of the whole cuttings of the hole, the resulting grade of 0,13 oz Au/ton and 0,12 oz Pt/ton is therefore the average for the 165 feet length of the hole.

A recent drill hole below the calcite vein ran 0.46 oz Au/ton and 0.11 oz Pt/ton.

According to these preliminary and spotty results it can be sai that the deposit apparently consists of two ore shoots, one around the shaft and the other along the calcite vein.

Apart from the ore shoots the surface ground in many parts represents a kind of placer deposit with a grade of I to 3 g Au/ton, enough to justify a placer operation which could pay for a further exploration.

Since the occurrence of native copper in some samples indicates a possible concentration of mineral in depth, an exploration programme should include at least two holes of I200 feet depth at the shaft and at the calcite vein. The fact, that the mineralisation of gold in the calcite vein has been discovered only three years ago, is an indication for the possibility to find still one or two more ore concentrations on or around the property.

2. LOCATION

The Golden Hillside Mine is situated 7 miles N of Apache Junction on a hill W of the massif of the Superstition Mountains.

3. TOPOGRAPHY, VEGETATION, CLIMATE.

The topography of the mine consists of rolling hills, with differences in altitude of approx. 300 feet. Vegetation consists of cactus, palo verde- and mesquite trees. The climate is one of the best in the U.S., dry and warm with high temperatures up to Io6° F. from May to end of August and a short rainy season in September.

4.GEOLOGY.

The base of the geological formations of the "Goldfield-Mineralisation", of which the Golden Hillside is a northern prolongation, is a precambrian granodiorite complex, which formed a mountain range in the precambrian. This mountain range eroded and the detritus formed a conglomerate, which now covers the grandiorite. There are

no layers of the mesozoicum and only in the tertiary some volcanic series appear. A postvolcanic tectonic movement intersected the complex in long N-S - and shorter E-W striking faults. Along these faults and in numerous length- and cross-clefts hydrothermal solutions ascended, which produced a mineralisation of gold, silver and platinum with quartz and calcite as gangue minerals. Occasional also mercury, native copper, lead, zinc, hematite, magnetite, ilmenite and manganese occurs. The bedrock, especially on the hanging wall of quartz veins, is impregnated with very fine-grained gold.

The distribution of gold concentrations is sporadic, there are apparently 2 ore shoots of I50 feet horizontal length each and a width of about 6 feet, one at the calcite vein and one at the shaft The shaft has a depth of I40 feet.

The N-S striking faults dip to the W, near surface with 50-70°, according to the drillholes the dip increases with depth.

At the outcrop of the calcite vein, the formation is accompanie on the hanging wall by a diabas dyke, in direction to the foot wall a shear zone follows, then the 4 feet wide calcite vein is followed by a brecciated granodiorite which graduates into the undisturbed granodiorite.

The brecciated zone widens to the S, in direction to the Black Queen Mine and narrows again at the S- end of the formation, in t Goldfield Mine. Similar conditions can be observed at the eastern side of the road #88, in the area of the Hilltop Mine.

Apparently at the end of tertiary the granodiorite-stock was pressed upwards in a dome-like structure, consequently it broke and the resulting cleft-systems were filled by hydrothermal mineral solutions.

(f.

5. RECOMMENDATIONS.

At the Golden Hillside Mine by all foregoing explorations only the surface has been scratched, whereby two ore shoots have been found. The aim of a further, systematic exploration should be to search for a possible higher ore concentration in depth by drilling at least two holes of I200- I500 feet depth at the two existing ore shoots.

A geochemical sampling programme should take ground samples of I-2 feet depth in a grid of I00 x I00 feet in order to find the location of possible further ore shoots and to get an impression of the average grade of the mineralised cover of decomposed granodiorite. Thereby enough placer material should be found to justify a placer operation.

The shaft should be made accessible to resample the bottom and the two drifts.

G. Schroeder.

Dr. phil. nat. Gert Schroeder.

INTRODUCTION

History

In the early 1800's the Peralta Family of Mexico first came into the region and found rich free-milling ore on the surface. Lack of roads and the hostility of the Apache Indians discouraged prospecting in the Goldfield Superstition Mountain area until 1879. Prospecting and mining were then undertaken and the population is reported to have reached 1500 during the main mining boom of 1892-1904.

In the early 1900's the Mammoth Mine was born and became the largest and richest gold mine in Arizona. In recent years the Black Queen Property, south of the Golden Hillside Property, has been developed along similar structures that the Golden Hillside Property is on.

The Golden Hillside claims were registered in 1907 and mining was done throughout the Depression Years. In more recent times Messrs Joseph Stephan and Robert Dierking worked the property and developed a 170 foot shaft and a small pit that contained good values of gold.

Location

The Golden Hillside Property is located predominately in sections 25 And 36, T2N, R8E, G. & S. R. M. of the Superstition Mining District. The property, which consists of 17 unpatented claims totaling 340 acres lies 30 miles east of Phoenix and 8 miles north of Apache Junction in Maricopa County, Arizona. (Figure 1)

The property is reached by following State Highway 88 north seven miles from Apache Junction to the Tonto National Forest boundary and then northwest one mile by unimproved dirt road to the property.

The topography in the area is moderate with an elevation ranging from 2050 to 2280 feet above sea level. The vegetation is predominately cactus, palo verde and low desert brush.

GEOLOGY

Regional

The Golden Hillside property is located within the Basin and Range province near the point where the generally north trending mountain ranges change to a northwest trend. The ranges are separated by aggraded desert plains.

The oldest rocks in the area are precambrian granite intrusions consisting of granite and quartz monzonite. The intrusions form the basement rocks in the region.

The basement is overlain by a conglomerate with rounded to semi-rounded pebbles. The conglomerate is believed to be of early Tertiary age.

Throughout the Basin and Range province a period of intense deformation, sometimes called the Basin and Range distrubance began about 30 million years ago and continued until some 15 million years ago. This was a time of intense volcanic and tectonic activity and formed the major geological features of the area.

The Basin ranges represent fault blocks of complex internal structure which were elevated in reference to adjacent relatively depressed basins, plains or valleys. Many seem to be bounded by faults on one or more sides, which may occur within continuous zones or partly en echelon. The displacements of the faults range from relatively small amounts to several thousands of feet, and are regarded as dominantly of the normal type, but may also include reverse, thrust and lateral movements in several localities.

The Superior volcanic field covers the area, and five volcanic centers are known within the area. The Superstition cauldron is the major center, with others being the Black Mesa, Florence Junction, Haunted Canyon and Willow Springs. Some 4,000 cubic kilometers of volcanic ash and lava were extruded, covering an area of 8,000 square kilometers. The trend in rock types progresses from an early intermediate composition dome and lava stage through a silicic composition ash flow stage to a late mafic composition lava stage.

The history of the volcanic center can be summarized as follows: 1. Formation of early intermediate to mafic domes and composite volcanoes; 2. Caldera collapse with formation of welded tuffs; 3. Resurgence of central dome and intrusion of ring dikes.

The ring fracture system caused by caldera collapse is important, as this system is believed to have been the plumbing system for the migration of hydrothermal solutions. The hydrothermal solutions contained dissolved metals which eventually formed ore deposits.

Local

The oldest formation on the Golden Hillside property is the granitic basement consisting mainly of pink granite. This rock is generally coarse grained with large pink feldspar phenocrysts, but occasionally becomes finer grained. A fine grained scericitic granite, with sugary intergrowths of quartz and pink feldspar forms a small dike like body to the southeast of the pit. An arkosic conglomerate covers a large area on the Golden Hillside and Golden Hillside 4 & 5 claims. This unit strikes N 30 degrees W and dips 40 degrees to 50 degrees east. The conglomerate rest unconformably on the Precambrian basement.

The conglomerate is composed of moderately sorted, rounded to semi-rounded quartz and feldspar pebbles, usually less than 15 centimeters in diameter. Up section the conglomerate is very poorly sorted and composed chiefly of quartzite clasts but also containing limestone, chert, sandstone and metamorphic clasts. Boulders larger than one meter are found within this section. Generally the unit is poorly exposed, but weathered clasts of the quartzite are often observed on the surface.

A dark grey, to bluegrey and purple basalt unconformably overlies the conglomerate. Textures within the basalt range from flows to breccias. Near the contact of the basalt and dacite tuff, large breccia fragments up to 30 centimeters in diameter were observed. This unit is approximately 80 feet thick.

A 50 feet wide sequence of grey dacite tuffs overlie the basalt. This is the basal unit for very thick accumulations of dacite volcanics. The unit strikes N 35 degrees W to N 45 degrees W and dips 30 degrees to 45 degrees to the east.

Overlying the tuff is a large accumulation of grey dacite volcanics containing flows, tuffs and breccias. This unit covers most of the Golden Hillside property. The unit generally strikes north northwest.

A light grey rhyolite dike approximately 25 feet wide appears to have been emplaced along the N 5 degrees W fault zone which contains the gold mineralization. The dike outcrops at many places along the Golden Hillside claim. In many places the dike has been offset, indicating significant cross faulting.

The major structure on the property is a N 5 degrees W trending fault zone. This fault places the conglomerate in contact with the basalt and dacite volcanics. This fault dips at 35 degrees to 45 degrees to the west. A second fault zone 100 feet east of the major fault is some 15 feet wide and is exposed at the pit. This fault strikes N 5 degrees W and dips 85 degrees east. To the north of the Pit, a rhyolite dike outcrops along the expected strike of the fault. This dike would be similar to the dikes associated with the ring fracturing of the cauldron complex.

One major cross fault is found on the property 150 feet north of the Burnt Shaft. Displacement along the fault would appear to be in the range of 200 feet.

The conglomerate unit shows considerable fracturing. Three prominent fracture directions are apparent, N 5 degrees W to N 20 degrees W, N 20 degrees E, and E-W. In many cases small calcite or quartz veinlets occur within the fractures. Intersections of the main fault zones and cross fractures would appear to be the most favorable exploration targets.

Mineralization

The gold mineralization on the Golden Hillside property appears to be related to the major faults passing through the property. Quartz and calcite veinlets and stockworks are associated with the structures.

At the Calcite Cut a stockwork of black calcite occurs in the conglomerate below the footwall of the fault. The black calcite (manganiferous calcite) occurs as veins up to three feet wide near or within the fault zone. In the conglomerate below the footwall of the fault the calcite veining becomes a stockwork with 1 to 6 inch wide black calcite veinlets. The stockwork extends 15 feet from the fault before it is covered by overburden. The total width of the zone is not known.

A number of surface samples were taken along the fault zones and around the pit area with the following results: (figure 2)

Sample No.	Width (feet)	Gold ppb	Gold oz/ton	Silver ppm	Silver oz/ton	Description
GH-4	1.0	-	0.015	-	6.49	Stockwork
GH-5	grab	-	0.055	-	0.47	Stockwork
GH-6	4.0	-	0.015	-	0.45	Stockwork
GH-52	4.0	-	0.005	5.8	-	Stockwork
GH-55	2.5	-	0.032	6.0	-	congl., veinlets
GH-56	4.0	-	0.004	6.0	-	congl., veinlets
GH-57	7.0	0.020	-	1.2	-	fault breccia
GH-58	4.5	0.012	-	2.8	-	fault breccia
GH-59	10.0	0.013	-	4.4	-	quartz stockwork
GH-60	7.5	0.003	-	0.4	-	quartz stockwork
GH-61	4.0	0.001	-	1.0	-	fault breccia
GH-62	10.0	0.002	-	1.8	-	quartz stockwork
GH-63	10.0	0.006	-	3.0	-	quartz stockwork
GH-64	5.0	0.096	-	4.6	-	quartz stockwork
GH-65	4.0	160	-	1.6	-	quartz stockwork
GH-66	4.0	180	-	6.6	-	quartz stockwork
GH-67	grab	2,200	-	10.2	-	silicif., az. mal
GH-68	10.0	250	-	6.8	-	fract., congl.
GH-69	7.0	580	-	2.6	-	fract., congl.

Sample No.	Width (feet)	Gold ppb	Gold oz/ton	Silver ppm	Silver oz/ton	Description
GH-79	3.5	13,000	-	9.0	-	congl., veinlets
GH-80	4.0	30	-	2.2	-	congl., veinlets
GH-81	3.0	920	-	13.2	-	congl., veinlets
GH-82	15.0	290	-	1.2	-	basalt, veinlets
GH-83	11.0	150	-	5.0	-	basalt, veinlets
GH-84	3.0	60	-	0.2	-	congl., veinlets
GH-88	2.5	10	-	0.2	-	congl., veinlets
GH-89	2.0	10	-	0.2	-	congl., veinlets
GH-90	2.0	10	-	0.4	-	congl., veinlets
GH-91	2.5	10	-	0.2	-	congl., veinlets
GH-95	5.0	2,000	-	3.6	-	congl., veinlets
GH-96	4.0	20	-	3.2	-	congl., veinlets
GH-97	4.0	10	-	3.7	-	congl., veinlets
GH-330	7.0	60	-	2.0	-	congl., veinlets
GH-331	3.5	10	-	0.2	-	stockwork
GH-332	5.0	640	-	0.2	-	stockwork
GH-333	7.0	30	-	0.2	-	stockwork
GH-342	7.0	70	-	0.6	-	stockwork
GH-343	5.0	90	-	0.2	-	stockwork
GH-344	3.5	320	-	3.6	-	stockwork

The area of most widespread gold mineralization on the property extends from the Burnt Shaft south, to the south end of the drill zone. Within this area a number of trenches and workings exist where sampling indicated gold mineralization. The mineralization appears to be associated with a quartz stockwork near or within the fault zone, and calcite veining further away from the fault. Considerable course visible gold has been found within the trenches where samples GH-53:54 were taken. The visible gold occurs within quartz and calcite veinlets. Surface samples were taken with the following results:

Sample No.	Width (feet)	Gold ppb	Gold oz/ton	Silver ppm	Silver oz/ton	Description
GH-16	2.5	-	0.080	-	0.90	fract. congl.
GH-17	3.0	-	0.030	-	0.37	fract. congl.
GH-18	5.0	-	0.055	-	0.55	fract. congl.
GH-50	6.0	-	0.004	0.4	-	congl.
GH-51	7.0	-	0.001	0.2	-	congl.
GH-53	8.0	-	0.076	15.2	-	congl., veinlets
GH-54	3.0	-	0.032	6.2	-	congl., veinlets

Significant wide spread low grade gold mineralization exists on the property, over a strike length of 1,500 feet. The gold appears to be associated with N 5 degrees W faulting and quartz and calcite stock-works within the conglomerate unit. The quartz-calcite veinlets occur over much of the conglomerate. However away from the fault zone the mineralization is relatively weak, with the veinlets widely spaced.

Drill Results

Ten percussion-rotary drill holes 6 inches in diameter totalling 2,000 feet were drilled in 1982. The most significant intersections were in drill holes # 3, # 4, # 5 and # 6 which are located on the southeast corner of the property and northeast of the pit area. A summary of the holes is as follows:

Hole No.	Assay Interval	AU oz/ton	AG oz/ton
3	65' to 85'	0.175	0.08
4	25' to 155'	0.092	0.09
5	35' to 75'	0.058	0.09
	115' to 155'	0.048	0.06
6	15' to 25'	0.068	0.12
	95' to 135'	0.043	0.08

Leach Tests

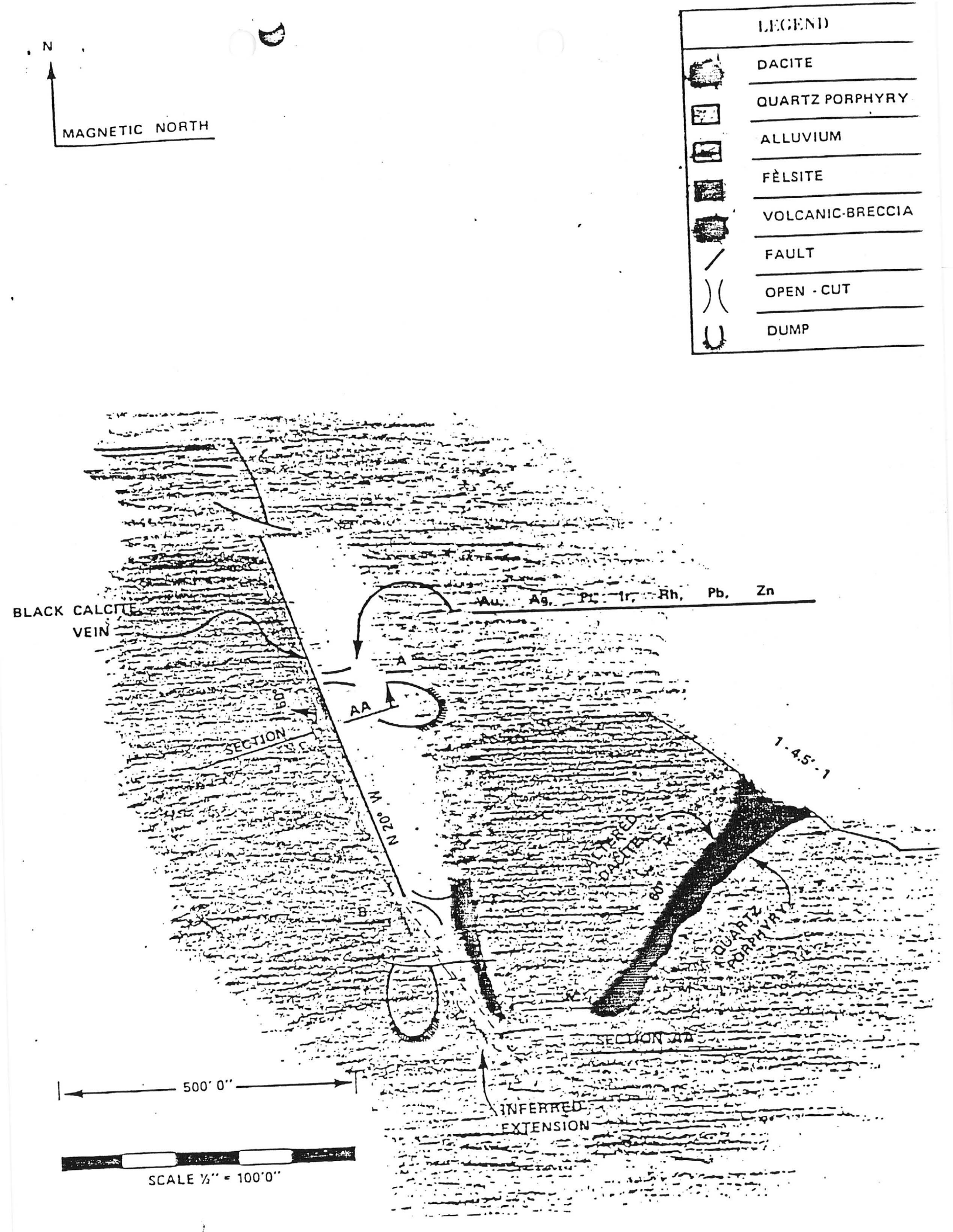
Two composite samples of drill cuttings were analyzed in the laboratory using an agitated leach.

The rate of gold dissolution was measured in two bottle roll tests and was found to be moderately rapid and complete in 24 hours. The results are characteristic of fine gold in the barely-visible range (50-150 microns).

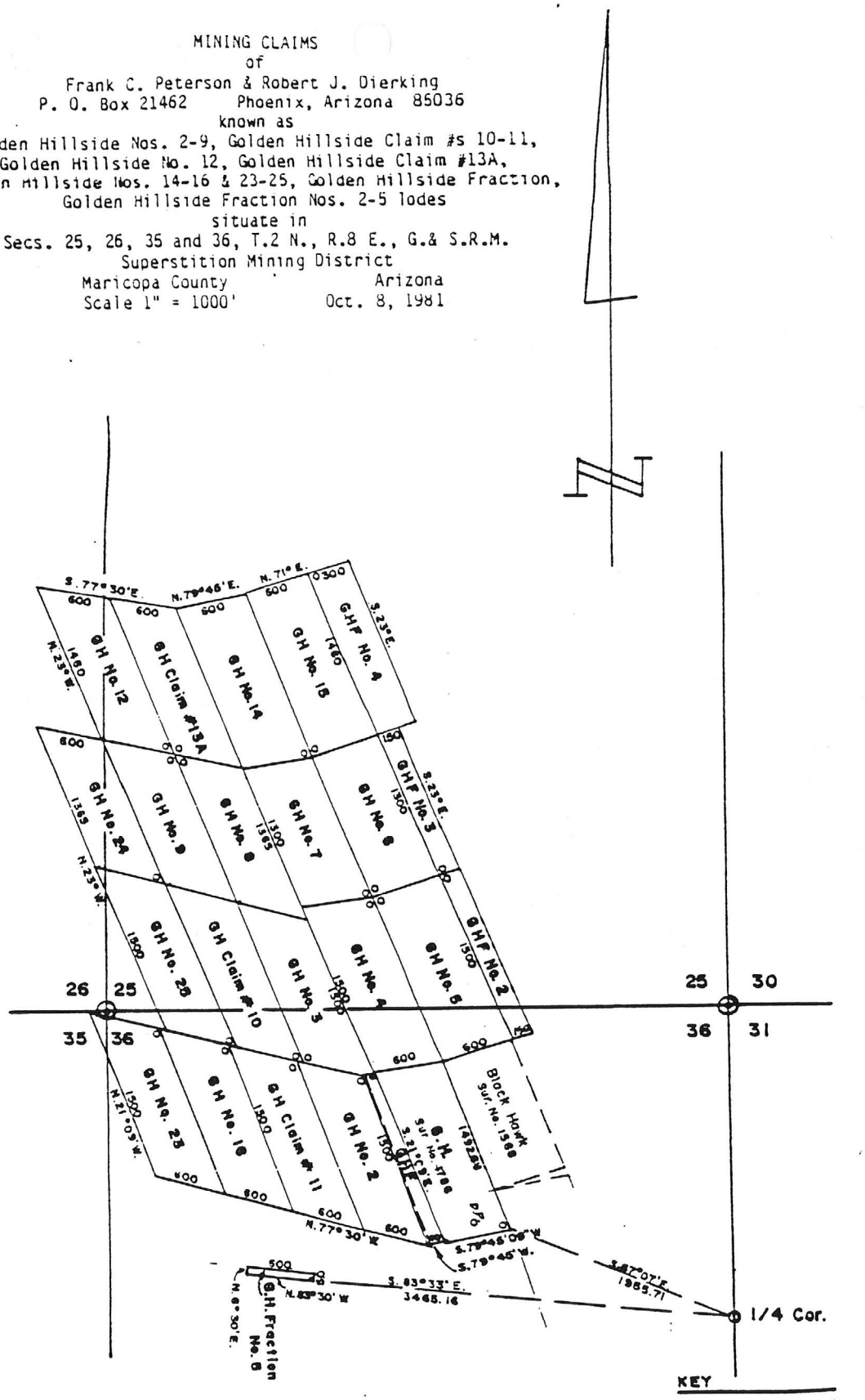
The overall findings indicate a very irregular distribution of relatively large pockets of finely divided gold. This type of distribution might result if the gold was present in the original (unoxidized) rock as fine dispersions within high-grade, large crystals of pyrite or other sulphide minerals. Distribution as large grains of gold telluride would also fit the observations.

The data indicate that recovered precious metal will assay approximately 60 percent gold, 40 percent silver.

Final test solutions contained negligible amounts of copper (less than 1ppm). Very little cyanide was consumed in the tests, and the final PH of 10.0 was unchanged from starting conditions. The results indicate there should be no chemical problems with cyanidation.


N
MAGNETIC NORTH
LEGEND
DACITE
QUARTZ PORPHYRY
ALLUVIUM
FELSITE
VOLCANIC-BRECCIA
FAULT
OPEN - CUT
DUMP
BLACK CALCITE VEIN
Au, Ag, Pt, Ir, Rh, Pb, Zn
A
AA
B
B
SECTION
N 20° W
1.4.5.-1
LAYERED DACITE
60°
QUARTZ PORPHYRY
C
C
SECTION AA
500' 0"
INFERRED EXTENSION
SCALE ½" = 100'0"

MINING CLAIMS
of
Frank C. Peterson & Robert J. Dierking
P. O. Box 21462 Phoenix, Arizona 85036
known as
Golden Hillside Nos. 2-9, Golden Hillside Claim #s 10-11,
Golden Hillside No. 12, Golden Hillside Claim #13A,
Golden Hillside Nos. 14-16 & 23-25, Golden Hillside Fraction,
Golden Hillside Fraction Nos. 2-5 lodes
situate in
Secs. 25, 26, 35 and 36, T.2 N., R.8 E., G.& S.R.M.
Superstition Mining District
Maricopa County Arizona
Scale 1" = 1000' Oct. 8, 1981



Note: o - denotes all mons.
Mons. are 2"x 2"x 4', 2"x 2"x 4'6",
4"x 4"x 4' and 4"x 4"x 4'6" posts.

FIGURE 1

THE FOLLOWING UNPATENTED LODE MINING CLAIMS SITUATED IN THE SUPERSTITION MINING DISTRICT, MARICOPA COUNTY, ARIZONA, THE NAMES, THE DOCKETS AND PAGES OF RECORDING OF THE LOCATION NOTICES IN THE OFFICE OF THE MARICOPA COUNTY RECORDER, AND THE NUMBER ASSIGNED BY THE ARIZONA STATE OFFICE OF THE BUREAU OF LAND MANAGEMENT OF WHICH ARE AS FOLLOWS:

NAME OF CLAIM	DOCKET	PAGE	AMC #
GOLDEN HILLSIDE	6159	615	31512
GOLDEN HILLSIDE #2	10794	1000	31513
GOLDEN HILLSIDE #3	10993	383	31514
GOLDEN HILLSIDE #4	10993	384	31515
GOLDEN HILLSIDE #5	11038	956	31516
GOLDEN HILLSIDE #6	11038	957	31517
GOLDEN HILLSIDE #7	11038	958	31518
GOLDEN HILLSIDE #8	11068	515	31519
GOLDEN HILLSIDE #9	11048	865	31520
GOLDEN HILLSIDE CLAIM #10	11081	620	31521
GOLDEN HILLSIDE CLAIM #11	11081	621	31522
GOLDEN HILLSIDE #12	11068	516	31523
GOLDEN HILLSIDE CLAIM #13A	11081	622	31524
GOLDEN HILLSIDE #14	11092	863	31525
GOLDEN HILLSIDE #15	11092	864	31526
GOLDEN HILLSIDE #16	11439	448	31527
GOLDEN HILLSIDE #23	11439	449	31528
GOLDEN HILLSIDE #24	15604	222	143530
GOLDEN HILLSIDE #25	15604	223	143531
GOLDEN HILLSIDE FRACTION	15604	225	143532
GOLDEN HILLSIDE FRACTION #2	15604	227	143533
GOLDEN HILLSIDE FRACTION #3	15604	229	143534
GOLDEN HILLSIDE FRACTION #4	15604	231	143535
GOLDEN HILLSIDE FRACTION #5	15604	233	143536
BLACK STAKE	16102	1308	180272

Gold, Silver and Platinum Ores
2 South McQueen Road • Mesa, Arizona 85202
Phone: (602) 892-4561

August 17, 1982

S.S. International Trade, Inc.
1630 E. 4th Avenue
Apache Junction, AZ 85220

SUBJECT: GOLDEN HILLSIDE MINE SAMPLES SUBMITTED BY FRANK H. BUCHELLA, JR.

Process used for analysis: Scorefire assay.

5 grams of ore
70 grams of litharge
15 grams of flour
5 grams of soda ash
5 grams of borax (as cover)
1 gram of silver (in-quart)

Furnace at 1950°F, 3½" scorefire, ending up with a 30 - 40 gram lead button.

Assay results as follows:

Sample No. & Depth			Au Oz./ton
1.	0 to 5'	Hole #1	0.03
2.	5 to 15'	"	Trace
3.	15 to 25'	"	0.01
4.	25 to 35'	"	Trace
5.	35 to 45'	"	0.04
6.	45 to 55'	"	0.12
7.	55 to 65'	"	0.10
8.	65 to 75'	"	Trace
9.	75 to 85'	"	0.02
10.	85 to 95'	"	0.04
11.	95 to 105'	"	0.08
12.	105 to 115'	"	0.70
13.	115 to 125'	"	0.14
14.	125 to 135'	"	0.15
15.	135 to 145'	"	0.02
16.	145 to 155'	"	0.62
17.	155 to 165'	"	0.04
18.	165 to 175	"	0.08

Jerry C. Henderson, Research Chemist

JCH:hh

REGISTERED ASSAYER
ARIZONA, U.S.A.

J and J Research and Development Inc.
Gold, Silver and Platinum Ores
2027 South McQueen Road • Mesa, Arizona 85202
Phone: (602) 892-4561

August 17, 1982

nternational Trade, Inc.
:. 4th Avenue
, Junction, AZ 85220

T: GOLDEN HILLSIDE MINE SAMPLES SUBMITTED BY FRANK H. BUCHELLA, JR.

ss used for analysis: Scorefire assay.

5 grams of ore
70 grams of litharge
15 grams of flour
5 grams of soda ash
5 grams of borax (as cover)
1 gram of silver (in-quart)

Furnace at 1950°F, 3½" scorefire, ending up with a 30 - 40 gram lead button.

y results as follows:

ple No. & Depth		Au Oz./ton
0 to 5'	Hole #2	0.02
5 to 15'	"	0.02
15 to 25'	"	0.03
25 to 35'	"	0.06
35 to 45'	"	0.08
45 to 55'	"	0.02
55 to 65'	"	0.04
65 to 75'	"	0.12
75 to 85'	"	0.06
85 to 95'	"	0.09
95 to 105'	"	0.02
105 to 115'	"	0.03
115 to 125'	"	Trace
125 to 135'	"	0.08
135 to 145'	"	0.08
145 to 155'	"	0.10
155 to 165'	"	0.14
165 to 175'	"	0.08

NOTE: Two (2) 1000 gm. silver inquarts were cupelled - 975.00 mg.

Jerry C. Henderson, Research Chemist

JCH:hh

REGISTERED ASSAYER

J and J Research and Development Inc.
Gold, Silver and Platinum Ores
2027 South McQueen Road • Mesa, Arizona 85202
Phone: (602) 892-4561

August 13, 1982

S.S. International Trade, Inc.
1630 E. 4th Avenue
Apache Junction, AZ 85220

SUBJECT: GOLDEN HILLSIDE MINE SAMPLES SUBMITTED BY FRANK H. BUCHELLA, JR.

Process used for analysis: Scorefire assay.

5 grams of ore
70 grams of litharge
15 grams of flour
5 grams of soda ash
5 grams of borax (as cover)
1 gram of silver (in-quart)

Furnace at 1950°F, 3½" scorefire, ending up with a 30 - 40 gram lead button.

Assay results as follows:

Sample No. & Depth			Au Oz./ton
1.	0 to 5'	Hole #3	0.04
2.	5 to 15'	"	4.80
3.	15 to 25'	"	0.02
4.	25 to 35'	"	0.09
5.	35 to 45'	"	0.02
6.	45 to 55'	"	2.04
7.	55 to 65'	"	0.12
8.	65 to 75'	"	0.08
9.	75 to 85'	"	1.22
10.	85 to 95'	"	0.06
11.	95 to 105'	"	0.03
12.	105 to 115'	"	Trace
13.	115 to 125'	"	0.02 NO SAMPLE
14.	125 to 135'	"	0.01
15.	135 to 145'	"	Trace
16.	145 to 155'	"	0.02
17.	155 to 165'	"	0.09
18.	165 to 175'	"	0.02
19.	175 to 185'	"	0.18
20.	185 to 195'	"	0.14
21.	195 to 205'	"	0.06

REGISTERED ASSAYER
547[illegible]

Jan[illegible] Research and Developme[illegible] Inc.
[illegible], Silver and Platinum Ores
2027 South McQueen Road • Mesa, Arizona 85202
Phone: (602) 892-4561

August 16, 1982

S.S. International Trade, Inc.
1630 E. 4th Avenue
Apache Junction, AZ 85220

SUBJECT: GOLDEN HILLSIDE MINE SAMPLES SUBMITTED BY FRANK H. BUCHELLA, JR.

Process used for analysis: Scorefire assay.

5 grams of ore
70 grams of litharge
15 grams of flour
5 grams of soda ash
5 grams of borax (as cover)
1 gram of silver (in-quart)

Furnace at 1950°F, 3½" scorefire, ending up with a 30 - 40 gram lead button.

Assay results as follows:

Sample No. & Depth		Au Oz./ton
1. 0 to 5'	Hole #4	0.22
2. 5 to 15'	"	0.16
3. 15 to 25'	"	0.14
4. 25 to 35'	"	0.20
5. 35 to 45'	"	0.11
6. 45 to 55'	"	0.20
7. 55 to 65'	"	0.04
8. 65 to 75'	"	0.03
9. 75 to 85'	"	0.08
10. 85 to 95'	"	0.02
11. 95 to 105'	"	0.16
12. 105 to 115'	"	0.05
13. 115 to 125'	"	0.12
14. 125 to 135'	"	0.09
15. 135 to 145'	"	0.16
16. 145 to 155'	"	0.03
17. 155 to 165'	"	0.09
18. 165 to 175'	"	0.14

Jerry P. Henderson

Jerry P. Henderson, Research Chemist

J and J Resear and Development I...
Gold, Silver and Platinum Ores
2027 South McQueen Road • Mesa, Arizona 85202
Phone: (602) 892-4561

August 16, 1982

. International Trade, Inc.
0 E. 4th Avenue
che Junction, AZ 85220

JECT: GOLDEN HILLSIDE MINE SAMPLES SUBMITTED BY FRANK H. BUCHELLA, JR.

ocess used for analysis: Scorefire assay.

5 grams of ore
70 grams of litharge
15 grams of flour
5 grams of soda ash
5 grams of borax (as cover)
1 gram of silver (in-quart)

Furnace at 1950°F, 3½" scorefire, ending up with a 30 - 40 gram lead button.

ssay results as follows:

Sample No. & Depth			Au Oz./ton
1.	0 to 5'	Hole #5	0.06
2.	5 to 15'	"	0.12
3.	15 to 25'	"	0.10
4.	25 to 35'	"	0.08
5.	35 to 45'	"	0.14
6.	45 to 55'	"	0.06
7.	55 to 65'	"	0.08
8.	65 to 75'	"	0.11
9.	75 to 85'	"	0.12
10.	85 to 95'	"	0.12
11.	95 to 105'	"	0.08
12.	105 to 115'	"	0.06
13.	115 to 125'	"	0.14
14.	125 to 135'	"	0.16
15.	135 to 145'	"	0.14
16.	145 to 155'	"	0.10
17.	155 to 165'	"	0.10
18.	165 to 175'	"	0.06

Jerry C. Henderson, Research Chemist

Ja[illegible]J P[illegible]search and Develop[illegible]nt Inc.
Gold, Silver and Platinum Ores
2027 South McQueen Road • Mesa, Arizona 85202
Phone: (602) 892-4561

August 16, 1982

S.S. International Trade, Inc.
1630 E. 4th Avenue
Apache Junction, AZ 85220

SUBJECT: GOLDEN HILLSIDE MINE SAMPLES SUBMITTED BY FRANK H. BUCHELLA, JR.

Process used for analysis: Scorefire assay.

5 grams of ore
70 grams of litharge
15 grams of flour
5 grams of soda ash
5 grams of borax (as cover)
1 gram of silver (in-quart)

Furnace at 1950°F, 3½" scorefire, ending up with a 30 - 40 gram lead button.

Assay results as follows:

Sample No. & Depth		Au Oz./ton
1. 0 to 5'	Hole #6	0.07
2. 5 to 15'	"	0.12
3. 15 to 25'	"	0.16
4. 25 to 35'	"	0.12
5. 35 to 45'	"	0.10
6. 45 to 55'	"	0.06
7. 55 to 65'	"	0.12
8. 65 to 75'	"	0.05
9. 75 to 85'	"	0.11
10. 85 to 95'	"	0.14
11. 95 to 105'	"	0.06
12. 105 to 115'	"	0.02
13. 115 to 125'	"	0.05
14. 125 to 135'	"	0.12
15. 135 to 145'	"	0.11
16. 145 to 155'	"	0.12
17. 155 to 165'	"	0.08
18. 165 to 175'	"	0.11

Jerry C. Henderson, Research Chemist

[illegible]ERED [illegible]
[illegible]ACK STONE
[illegible]5-479-[illegible]hh

Ja. l J P search and Developr nt Inc.
Gold, Silver and Platinum Ores
2027 South McQueen Road • Mesa, Arizona 85202
Phone: (602) 892-4561

August 19, 1982

S.S. International Trade, Inc.
1630 E. 4th Avenue
Apache Junction, AZ 85220

SUBJECT: GOLDEN HILLSIDE MINE SAMPLES SUBMITTED BY FRANK H. BUCHELLA, JR.

Process used for analysis: Scorefire assay.

5 grams of ore
70 grams of litharge
15 grams of flour
5 grams of soda ash
5 grams of borax (as cover)
1 gram of silver (in-quart)

Furnace at 1950°F, 3½" scorefire, ending up with a 30-40 gram lead button.

Assay results as follows:

Sample No. & Depth			Au Oz./ton
1.	0 - 5'	Hole #7	0.02
2.	5 - 15'	"	Trace
3.	15 - 25'	"	0.03
4.	25 - 35'	"	0.02
5.	35 - 45'	"	0.04
6.	45 - 55'	"	0.04
7.	55 - 65'	"	0.02
8.	65 - 75'	"	Trace
9.	75 - 85'	"	Trace
10.	85 - 95'	"	Trace
11.	95 - 105'	"	Trace
12.	105 - 115'	"	0.02
13.	115 - 125'	"	Trace
14.	125 - 135'	"	Trace
15.	135 - 145'	"	Trace
16.	145 - 155'	"	Trace
17.	155 - 165'	"	Trace
18.	165 - 175'	"	Trace

Cupel 1000 mg. Ag. Button weight after cupel 975.40 mg.

Jerry C. Henderson, Research Chemist

JCH:hh

REGISTERED ASSAYER
JACK STONE
8-17-83

J and J Research and Development Inc.
Gold, Silver and Platinum Ores
2027 South McQueen Road • Mesa, Arizona 85202
Phone: (602) 892-4561

August 19, 1982

S.S. International Trade, Inc.
1630 E. 4th Avenue
Apache Junction, AZ 85220

SUBJECT: GOLDEN HILLSIDE MINE SAMPLES SUBMITTED BY FRANK H. BUCHELLA, JR.

Process used for analysis: Scorefire assay.

5 grams of ore
70 grams of litharge
15 grams of flour
5 grams of soda ash
5 grams of borax (as cover)
1 gram of silver (in-quart)

Furnace at 1950°F, 3½" scorefire, ending up with a 30-40 gram lead button.

Assay results as follows:

Sample No. & Depth			Au Oz./Ton
1.	0 - 5'	Hole #8	0.03
2.	5 - 15'	"	0.04
3.	15 - 25'	"	0.07
4.	25 - 35'	"	0.07
5.	35 - 45'	"	0.06
6.	45 - 55'	"	0.02
7.	55 - 65'	"	0.08
8.	65 - 75'	"	0.04
9.	75 - 85'	"	0.06

Cupel of 1000 mg. Ag - Button weight 973.20 mg.

Flux: 30 grams ore
40 grams soda ash
30 grams borax
5 grams silica
110 grams litharge
10 grams flour
1000 mg. silver

0-5; 5-15; 15-25; 25-35; lead buttons weight 90 grams. Scorefire & cupel.

35-45; 45-55; 55-65; 65-75; 75-85; cupelled.

10.	85 - 95'	Hole #8	0.24
11.	95 - 105'	"	0.04
12.	105 - 115'	"	0.08
13.	115 - 125'	"	0.92
14.	125 - 135'	"	0.16
15.	135 - 145'	"	0.14
16.	145 - 155'	"	0.28
17.	155 - 165'	"	0.32
18.	165 - 175'	"	0.08

REGISTERED ASSAYER CERTIFICATE JACK STONE 5479 DEC. 31, 1983 ARIZONA, U.S.A.

Crucible assay 30 grams ore ~~1000 mg.~~ Ag.

Jerry C. Henderson, Research Chemist

Jan[illegible] J Research and Development Inc.
Gold, Silver and Platinum Ores
2027 South McQueen Road • Mesa, Arizona 85202
Phone: (602) 892-4561

August 18, 1982

S.S. International Trade, Inc.
1630 E. 4th Avenue
Apache Junction, AZ 85220

SUBJECT: GOLDEN HILLSIDE MINE SAMPLES SUBMITTED BY FRANK H. BUCHELLA, JR.

Process used for analysis: Scorefire assay.

5 grams of ore
70 grams of litharge
15 grams of flour
5 grams of soda ash
5 grams of borax (as cover)
1 gram of silver (in-quart)

Furnace at 1950°F, 3½" scorefire, ending up with a 30 - 40 gram lead button.

Assay results as follows:

Sample No. & Depth		Au Oz./ton
1. 0 - 5'	Hole #9	0.28
2. 5 - 15'	"	0.04
3. 15 - 25'	"	0.02
4. 25 - 35'	"	0.06
5. 35 - 45'	"	0.36
6. 45 - 55'	"	0.02
7. 55 - 65'	"	Trace
8. 65 - 75'	"	0.18
9. 75 - 85'	"	0.11
10. 85 - 95'	"	4.80
11. 95 - 105'	"	0.02
12. 105 - 115'	"	Trace
13. 115 - 125'	"	0.06
14. 125 - 135'	"	0.06
15. 135 - 145'	"	0.04
16. 145 - 155'	"	Trace
17. 155 - 165'	"	Trace
18. 165 - 175'	"	Trace

Jerry C. Henderson, Research Chemist

JCH:hh

REGISTERED ASSAYER
[illegible]
JAN STONE
5479

J and J Research and Development L...
Gold, Silver and Platinum Ores
2027 South McQueen Road • Mesa, Arizona 85202
Phone: (602) 892-4561

August 19, 1982

S.S. International Trade, Inc.
1630 E. 4th Avenue
Apache Junction, AZ 85220

SUBJECT: GOLDEN HILLSIDE MINE SAMPLES SUBMITTED BY FRANK H. BUCHELLA, JR.

Process used for analysis: Scorefire assay.

5 grams of ore
70 grams of litharge
15 grams of flour
5 grams of soda ash
5 grams of borax (as cover)
1 gram of silver (in-quart)

Furnace at 1950°F, 3½" scorefire, ending up with a 30–40 gram lead button.

Assay results as follows:

Sample No. & Depth			Au Oz./ton
1.	0 - 5'	Hole #10	10.49 ✓
2.	5 - 15'	"	0.02
3.	15 - 25'	"	0.02
4.	25 - 35'	"	0.04
5.	35 - 45'	"	0.02
6.	45 - 55'	"	0.03
7.	55 - 65'	"	0.02
8.	65 - 75'	"	0.06
9.	75 - 85'	"	0.08
10.	85 - 95'	"	0.09
11.	95 - 105'	"	0.02
12.	105 - 115'	"	Trace
13.	115 - 125'	"	0.04
14.	125 - 135'	"	0.02
15.	135 - 145'	"	0.08
16.	145 - 155'	"	Trace
17.	155 - 165'	"	0.06
18.	165 - 175'	"	0.06

Jerry C. Henderson, Research Chemist

JCH:hh

REGISTERED ASSAYER
STATE OF ARIZONA
J. C. STONE
DATE 83

MINING PROPERTIES LISTING

Clay Worst, Broker

1 The undersigned "Owners" either: (check one)
(X) own
or
( ) claim some interest or color of title in the following described mining claim(s) located in the State of Arizona:

Golden Hillside	AMC 31512	Golden Hillside #23	AMC 31528
Golden Hillside #2	31513	Golden Hillside #24	143530
Golden Hillside #3	31514	Golden Hillside #25	143531
Golden Hillside #4	31515	Golden Hillside FRAC	143532
Golden Hillside #5	31516	Golden Hillside FR#2	143533
Golden Hillside #6	31517	Golden Hillside FR#3	143534
Golden Hillside #7	31518	Golden Hillside FR#4	143535
Golden Hillside #8	31519	Golden Hillside FR#5	143536
Golden Hillside #9	31520	Black Stake	180272
Golden Hillside #10	31521		
Golden Hillside #11	31522		
Golden Hillside #12	31523		
Golden Hillside #13A	31524		
Golden Hillside # 14	31525		
Golden Hillside # 15	31526		
Golden Hillside #16	31527		

2 CLAY WORST, Broker, wishes to endeavor to effect a sale (or lease) of this property.

3 In consideration of the Broker's acceptance of the terms of this listing, and his promise to endeavor to effect a sale (or lease) of this property, we, as "Owners", appoint Clay Worst, as a licensed Broker, with the open, non-exclusive right to advertise and offer this property for sale (or lease), and to present to us any offers he may receive. The Broker shall not place a sign on the property.

4 Terms of Sale:

Full Purchase Price $ 345,000.00

Cash Down Payment $ 103,500.00

Term of Seller Carryback 8 years

Interest Rate on Carryback 10 percent

Installment Payments: (check one)
( ) quarterly
( ) semi-annual
(X) annual
( ) other: _____.

Amount of Installment: $ 45,267.73

Amortization Schedule: (check one)
( ) Regular Level Amortization.
( ) _____-year schedule with balloon payoff at the end of the _____ year.

Existing 1st. Mortgage $ free & clear

Name/address of mortgagee _____

_____

_____

Existing 2nd. Mortgage $ none .

Name/address of mortgagee _____

_____

_____

5 We, as "Owners" further agree that if the Broker produces a good faith offer from a purchaser in accordance with the terms and conditions of this Listing, or any other terms which we as "Owners" shall accept on any purchase offer (or lease) produced by the Broker, then we, as "Owners", agree:

(a) To cooperate with the Broker in furnishing, insofar as we are able, a merchantable title and a good and sufficient conveyance to the property.

(b) To give possession of the property to the Buyer (or Lessee):
(i) If processed within escrow, then upon close of escrow.
(ii) If processed outside of escrow, then upon recording of the instrument of conveyance.

(iii) Other: _____.

(c) To pay the Broker, from the proceeds of sale or lease, a commission of six percent (6 %) of any purchase price (or lease payments) which we receive for our equity in the property.

(d) In the event of a sale on terms (or a lease), the installment payments (or lease payments) shall be processed by a duly licensed collections agent as follows:

(i) The Broker's commission shall be deferred, and shall consist of abovementioned percent of the down payment and all installment payments (or lease payments), both as to principal and interest.

(ii) The fees for the collections service shall be divided equally between the Seller (Lessor) and the Buyer (Lessee).

(e) Any compensation which the Broker shall pay or assign to any third party for cooperation in effecting a sale shall be the Broker's responsibility, and the total commission paid by us shall not exceed the percentage stated in paragrapg 5(c) above.

6 The "Owners" advise the Broker that they: (check one)

( ) will not consider a lease,

or

( ) will consider a lease providing for royalty payments of _____ percent (_____%) of net smelter returns.

Due to the complexity of a mineral lease, any lease submitted by the Broker may be rejected by the Owner without cause, with no compensation due the Broker.

7 The Broker shall promptly notify the "Owners" in writing of the identity of any persons to whom the Broker, or the Broker's agent, has shown the property.

8 We, as "Owners", have the right to sell, lease or otherwise alienate our title to the property, to any person to whom the Broker, or the Broker's agent, has not shown the property during the term of this Listing, without any compensation being due the Broker.

9 Should we enter in good faith into such a sale (or lease) to any such outside third party, then this Listing shall immediately terminate.

10 If, within six (6) months after the expiration of this Listing, we should sell or lease the property to any person that the Broker has in writing notified us has been shown the property by the Broker or his agent during the term of this Listing, the same commission shall prevail.

11 This Listing shall remain in force for twelve months after the date hereof, unless earlier terminated as provided herein, or by mutual agreement of the parties hereto.

12 If only one "Owner" executes this Listing, then the plural pronouns "we", "us" and "our" when used in this contract also imply the singular "I", "me" or "mine".

13 The "Owners'" signatures hereon are made both on their personal behalf and on behalf of any other business entity under which they may hold title to the subject property.

14 The undersigned parties acknowledge receipt of a copy of this Listing.

Signed: Frank C. Peterson 11/7/88
Frank C. Peterson (date)

Signed: Robert J. Dierking Signed: (Mrs.) Rosemary C. Dierking

Date: 11/3/88 Date: 11-7-88

Address 1630 E. 4th. Avenue, Apache Jct. AZ 85220 Phone: 982-2149

In consideration of this Listing, I agree to endeavor to effect a sale (or lease) in accordance with the terms and conditions above set forth.

Signed: Clay Worst
Clay Worst, broker
5289 E. Apache Trail
Apache Junction, AZ 85219
Phone: (602) 982-2671

Date: Nov. 3, 1988

Listing No. 00009

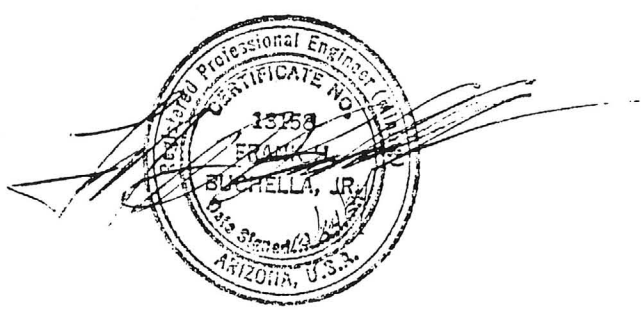
REPORT ON THE
GOLDEN HILLSIDE PROPERTY
APACHE JUNCTION, ARIZONA

FOR

Robert J. Dierking

OCTOBER 22, 1987

FRANK H. BUCHELLA, JR P.E.
MINING CONSULTANT
7949 N. SENDERO UNO
TUCSON, ARIZONA 85704



file

S.S. INTERNATIONAL, INC.

GOLDEN HILLSIDE PROPERTY

APACHE JUNCTION, ARIZONA

Feasibility Study
September 1, 1982

By

Frank H. Buchella, Jr. P.E.
Mining Consultant

Dave Rabb

TABLE OF CONTENTS

INTRODUCTION

History

In the early 1800's the Peralta Family of Mexico first came into the region and found rich free-milling ore on the surface. Lack of roads and the hostility of the Apache Indians discouraged prospecting in the Goldfield Superstition Mountain area until 1879. Prospecting and mining were then undertaken and the population is reported to have reached 1500 during the main mining boom of 1892-1904.

In the early 1900's the Mammoth Mine was born and became the largest and richest gold mine in Arizona. In recent years the Black Queen Property, south of the Golden Hillside Property, has been developed along similar structures that the Golden Hillside Property is on.

The Golden Hillside claims were registered in 1907 and mining was done throughout the Depression Years. In more recent times Mr.'s Joseph Stephan and Robert Pierking worked the property and developed a 170 foot shaft and a small pit that contained good values of gold.

Location

The Golden Hillside Property is located predominately in sections 25 and 36, T2N, R8E, G. & S.R.M. of the Superstition Mining District. The property, which consists of 17 unpatented claims totaling 340 acres and 4 patented claims totaling 76.2 acres, lies 30 miles east of Phoenix and 8 miles north of Apache Junction in Maricopa County, Arizona.

The property is reached by following State Highway 88 north seven miles from Apache Junction to the Tonto National Forest boundry and then northwest one mile by unimproved dirt road to the property.

The topography in the area is moderate with an elevation ranging from 2050 to 2280 feet above sea level. The vegetation is predominately cactus, palo verde and low desert brush.

rpose of Study

The overall purpose of the study is to determine the financial viability of e property. Work completed to date as part of the feasibility study included a illing and sampling program to determine minerable ore reserves and metallurgical sting to prove the amenability of the ore. This data has been incorporated in e feasibility study.

GEOLOGY AND ORE RESERVES

eology

The base of the geological formations is a precambrian granodiorite complex, hich formed a mountain range in the precambrian. This mountain range eroded and he detritus formed a conglomerate, which now covers the granodiorite. A postvolcanic ectonic movement intersected the complex in long N-S and shorter E-W striking aults. Along these faults and in numerous length and cross-clefts, hydrothermal olutions ascended, which provided a mineralization of gold, silver and platinum th quartz and calcite as gangue minerals. The mineralization zone extends for ,000 feet along the N-S strike with widths ranging from 6 feet to 500 feet. neralization has been proven to 425 feet and projected to 600 feet. The distribution the gold is quite uniform with some high grade stringers as demonstrated by the illing. The mineralization is cut off on the west by a very steep dipping fault. eas to the north and east are undefined.

e Reserves

Ten percussion-rotary drill holes 6 inches in diameter totaling 2,000 feet re drilled on an approximate 100 foot grid. One hole was drilled to 425 feet and ne were drilled to 175 feet. Eight holes bottomed in ore and nine holes carried onomic gold values. The areas to the north and in depth are open for expanding e reserves.

The drill holes were sampled and assayed every ten feet for gold and silver. e total cuttings were removed from the hole and split into two samples; one for saying and one for metallurgical testing. Check samples were run on two samples m each hole.

Sections and elevation maps were developed for the drilled out area. A pit was signed using the constraints of the fault on the west, the depth of the holes and aximum 100 foot area of influence. The ore reserves from this pit are as follows:

re Reserves (continued)

BENCH	TOTAL TONS	WASTE TONS	ORE TONS	GOLD OZ./TON
2175	32,000	32,000		
2125	892,000	501,000	391,000	.142
2075	780,000	296,000	484,000	.083
2025	485,000	125,000	360,000	.105
1975	250,000	18,000	232,000	.097
TOTAL	2,439,000	972,000	1,467,000	.106

Additional drilling to the east, north and in depth could double the ore eserves.

Although the silver assays were very high, silver was not taken into account the ore reserves due to the silver being tied up in the iron matrix resulting a very poor recovery.

MINING

e and Waste Handling

The life of the mine stripping ratio is two-thirds to one, but no premine ripping will be required as ore is exposed on the surface. The ore exposed at e surface is as good or better than the average of the total pit. As the mining ogresses waste will be removed, mostly from the west side of the pit and dumped an area with no ore potential.

Mining will be done with a track front end loader on 25 foot benches and uled to the waste dump and crusher with small offhighway type dump trucks. itially, mining will be scheduled at 1,500 tons per day, five days per week a one shift per day operation. A second shift will be added to double the nnage if more ore reserves are found through drilling. Ore will be stockpiled the primary crusher.

ushing

Ore from the mine will be loaded into a primary jaw crusher with a rubber tired ont end loader and reduced to minus 6 inches. Feed from the crusher will be ansported by conveyor to a secondary cone crusher that will reduce the ore to a nus 5/8 inch size. Screens will segregate the plus and minus 5/8 inch material. The us 5/8 inch material will be returned to the cone crusher and the minus 5/8 inch terial will be conveyed to a stockpile for delivery to the leaching vats. The ushing plant will operate one shift per day, five days a week. A second shift ll be added if the plant size is doubled.

ipment List

1 - 6 yd track loader

1 - 6 yd rubber tired loader

2 - 22 ton dump trucks

(continued page - 6)

Equipment List (continued)

1 - D-8 tractor dozer with rippers

1 - 900 CFM air compressor

1 - 5,000 gallon watertruck

1 - air track drill

1 - flatbed truck

1 - pickup

1 - 3 stage closed circuit crushing plant

Manpower

1 - foreman

1 - crusher loader operator

1 - crusher operator

1 - crusher helper

4 - mine equipment operators

1 - mine helper

1 - mechanic

10 - TOTAL

Costs

There will be no capital costs incurred with the mining and crushing as all of the mining and crushing equipment will be leased.

Operating costs include labor plus a 25% fringe benefit cost and reflect the cost of fuel, explosives, tires, drill bits, cutting edges, operating supplies, crusher liners and maintenance supplies.

.ts (continued)

	Per Month
Mine Equipment Lease	$22,500
Mine Labor	13,324
Mine Supplies	18,000
Sub-Total	53,824
Contingency	8,176
TOTAL MINING COST	$62,000
Crushing Equipment Lease	34,145
Crushing Labor	8,991
Crushing Supplies	7,000
Sub-Total	50,136
Contingency	7,864
TOTAL CRUSHING COST	$58,000
Total Tons Mined	32,500
Cost/Ton Mined	$1.91
Tons Ore Mined	20,000
Cost/Ton Ore Mined	$3.10
Cost/Ton Ore Crushed	$2.90

PROCESSING

urgical Testing

Metallurgical testing was conducted by four different methods. Recovery of old was good for all four methods but silver recovery was poor by all methods e silver is tied up in a complex iron matrix.

Method number one used ammonia thio sulfate and ammonia sulfate as reagents in ght hour leach and strip with zinc or resin. Recovery was good but the reagent is too high.

Method number two used potassium cyanide, an oxidizer and wetting agent in a hour leach and stripped with resin. Recovery was between 90 and 100 percent he addition of the oxidizer produces a high reagent cost.

Method number three used cyanide and wetting agent to resemble dump or vat . Recovery drops to 75 percent but operating costs are low. Additional testing be conducted on this method of recover prior to constructing the process ities.

Method number four used the patented "Dynaleach" process which is an ion ange recovery system. Recovery ranges between 90 and 100 percent, a moderate tal cost, low operating cost and a finished gold product. This method will sed for the feasibility study.

ess Description

Minus one-half inch ore is loaded onto concrete pads with a front end loader. material is leached for 72 hours which produces an effluent solution that is ir and free of suspended materials. The effluent is passed through a modern exchange resin material that has over 10 times the absorption capacity as carbon ch therefore required much smaller columns. Gold and silver is removed by a prietary selective desorbant solution at room temperature. Gold bars are produced n a purity of 99.95+.

ıcess Description (continued)

The system is provided with a concrete block building with laboratory test ipment, office space and a process chemical storage area. This building will .o house the process ion exchange recovery columns, process dumps, chemical ition tanks and precious metals refining equipment.

ıpower

1 - chemist
4 - operators
1 - laborer
6 - TOTAL

ts

The following costs are based on the use of two each "Dynaleach" process tem No. 2.5K units, operated side by side, as a single extraction facility. : plant can be expanded by adding units in series. Four 5,000 ton batches would processed per month.

Capital Cost	$ 528,000
Operating Cost	
Loading & Unloading of Ore	40,000
Chemicals	20,000
Maintenance, wages, supplies	32,000
Sub-Total	92,000
Contingency	9,000
TOTAL PROCESSING COSTS	$ 101,000
Total Tons processed	20,000
Cost/Ton processed	$5.05

ANCILLARY CONSIDERATIONS

lities

An access road will be improved from the paved highway to the Processing ınt; The Plant area leveled and drainage ditch cut using the mine equipment.

A water well will be needed at the Process Plant to provide 200 gallons per ıute. Cost will be $25,000 equipped.

Power will be brought in from the main line by the highway a distance of :-half mile. The cost of the line and transformer would be $32,000.

A telephone cable would be brought in from the line by the highway, cost 000.

TOTAL utility costs equal $62,000.

mitting

A plan of operation will have to be submitted and approved by the Bureau of d Management before any work starts on the property. The same plan can be mitted to the Forest Service for their approval. Time for approval - 30 days.

An "Application for installation permit" and an "Application for operating mit" will need to be filed with the Arizona Department of Health Services an air permit to operate the mine, crusher and processing plant. Time for roval - 45 days.

A training plan must be submitted to the Mine Safety and Health Administration approval prior to start-up. All personnel must be trained under this plan prior going to work.

Major cactus must be inventoried and purchased from the State. Once a permit obtained the cactus can be sold.

ministration

Administrative costs will include salaries for management, consultants, rmits, office trailer rental, vehicle rental and supplies, etc.

Salaries	$ 12,000
Consultants	8,000
Permits	500
Trailer Rental	500
Vehicle Rental	1,000
Supplies	5,000
TOTAL	$27,000
Cost/Ton Processed	$1.35

FINANCIAL SUMMARY

ital Cost Estimate
tial Capital Costs

Acquisition & Exploration	$ 368,000
Land	635,000
Processing Plant	528,000
Utilities	62,000
Administrative (3 months)	81,000
Working Capital (2 months)	496,000
	$2,170,000
Contingency	325,000
Total initial capital	$2,495,000
First year capital costs Exploration Drilling	150,000
Process Plant Expansion	300,000
Total Expansion Capital	450,000

initial capital costs are costs that have been incurred to date and that will incurred during the first six months of the project or until the first revenue received from the project. The first year capital costs are costs incurred ing the first year of operation for additional drilling to expand the ore erves and to expand the processing facilities should the reserves increase.

rating Cost Estimate
tial Operating Costs

		Per Ton Ore
Mining	$ 62,000	$3.10
Crushing	58,000	2.90
Administrative	27,000	1.35
Processing	101,000	5.05
TOTAL	$248,000	$12.40

xpansion Operating Costs		Per Ton Ore
Mining	$ 98,000	$2.45
Crushing	76,000	1.90
Processing	202,000	5.05
Administrative	27,000	0.68
TOTAL	$403,000	$10.08

erating costs include all costs relating to the operation of the property. erating cost per ton are less after the expansion due to a larger volume of erial being moved and the fixed costs such as administrative and equipment ising staying constant.

ancial Analysis

The cost estimates developed for the financial analysis are considered to be urate to within plus or minus 15 percent. The base data for all estimating pricing is August 1982. The price of gold use was the market price on ust 27, 1982 minus 15 percent.

M	PRE-OPERATING	YEAR 1	YEAR 2 ON
Production - oz. Au		22,896	45,792
Revenue		8,013,600	16,027,200
Operating Expense		2,976,000	4,836,000
Operating Cash Flow		5,037,600	11,191,200
Capital	2,495,000	450,000	
Cash Flow (Before Tax)	(2,495,000)	2,132,600	11,191,200

As it is unknown at this time what business constraint's will be set up on property, no after tax analysis was made.

nancial Analysis (continued)

The life of the property, based on the proven reserves with doubling production ter one year, is three and one-half years. If the reserves are doubled the fe would be six years.

Payback on the first capital investment would be six months whereas the payback the expansion would be after one month.

RECOMMENDATIONS

Go ahead with the project as soon as possible and get the property into oduction fast. As soon as the project is making money and running smoothly ill out the rest of the orebody and double production.

Start immediately on detailed metallurgical testing and design of the process cilities; get bids, select and order equipment; prepare design of the mine and her facilities; and prepare and submit all required permits.

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA

FIELD ENGINEERS REPORT

Mine Golden Hillside

Date 2/14/85

District Goldfield

Engineer R.R. Beard

Subject: Mine Visit

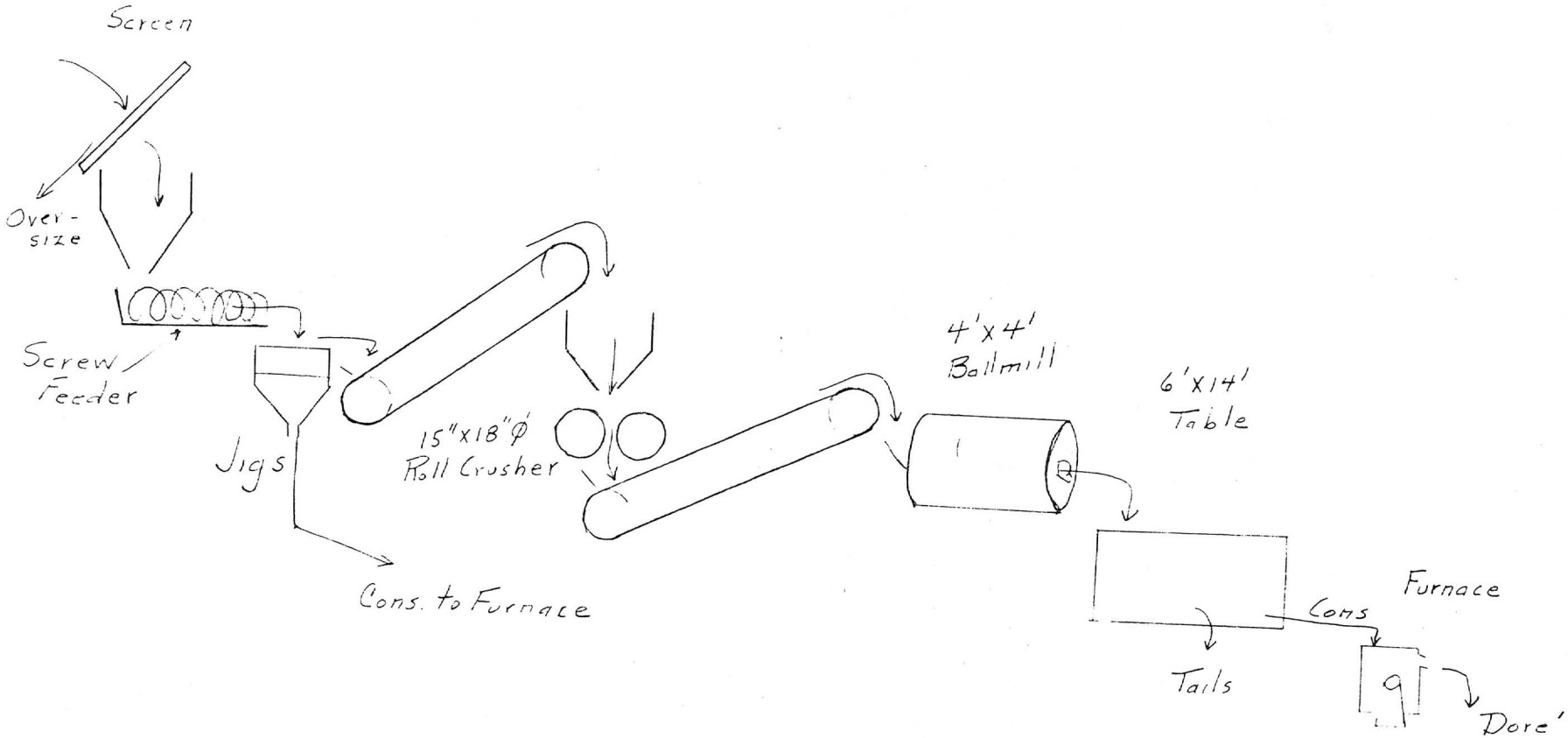
On the above date a visit was made to the Golden Hillside and surrounding claims. There was no one at any of the claims although recent activity was evident.

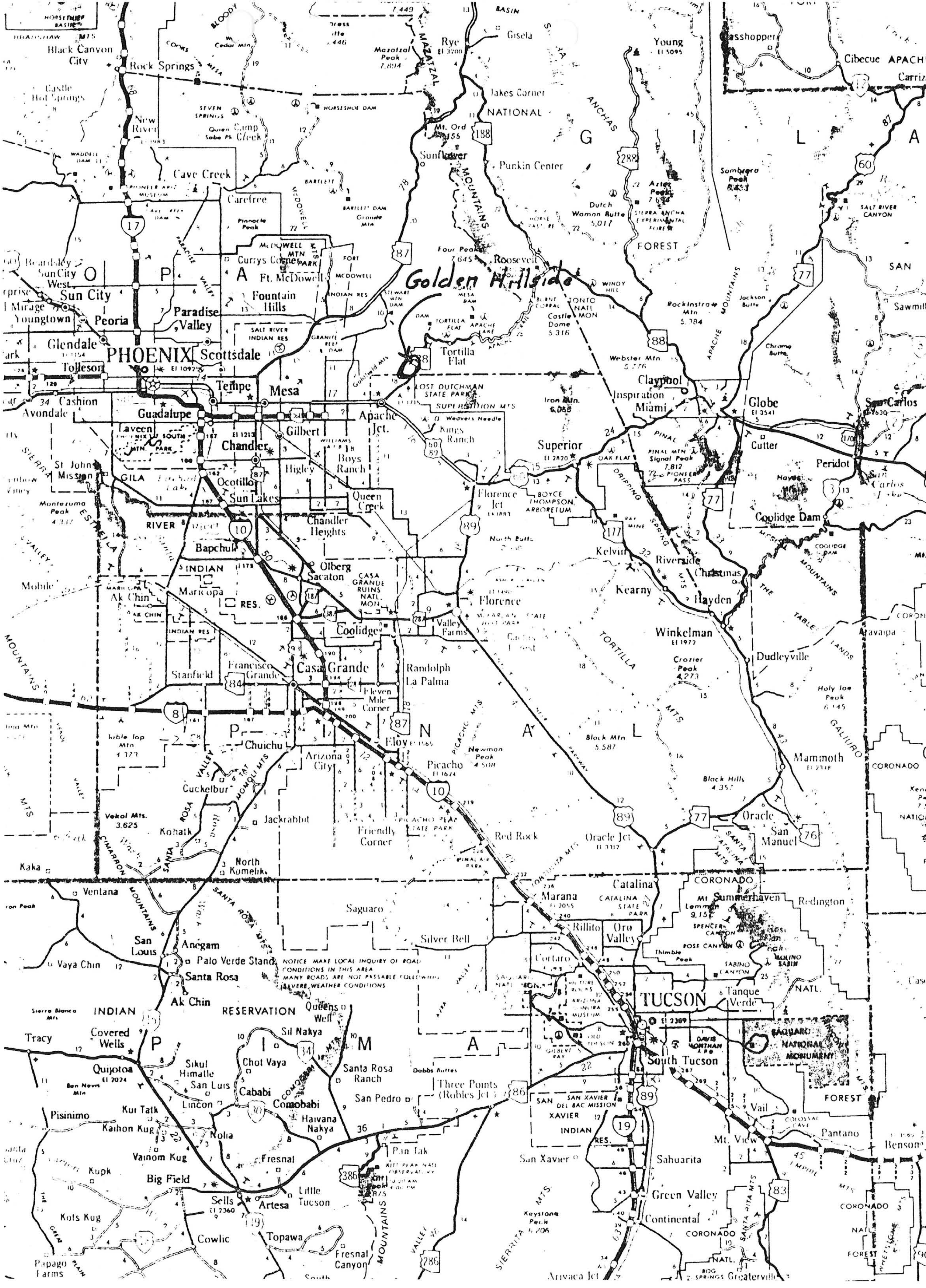
At the northern end of the area of activity at approximately Site No. 1 (see map) was a gravity mill consisting of the attached flow sheet (see photos).

Near the center of the area at approximately Site No. 2 (see map) was a screeing plant consisting of a bin, a feed belt, a Slugger Williams Hammer Mill, a belt, an Allis-Chalmers double deck screen and product belts. (see photo)

To the southwest at approximately Site No. 3 (see map) probably on the Black Knight or Mother Hubbard claims was a campsite that looked lived in. At this site was a pilot scale gravity mill and an apparently hand dug sample pit. (see photos)

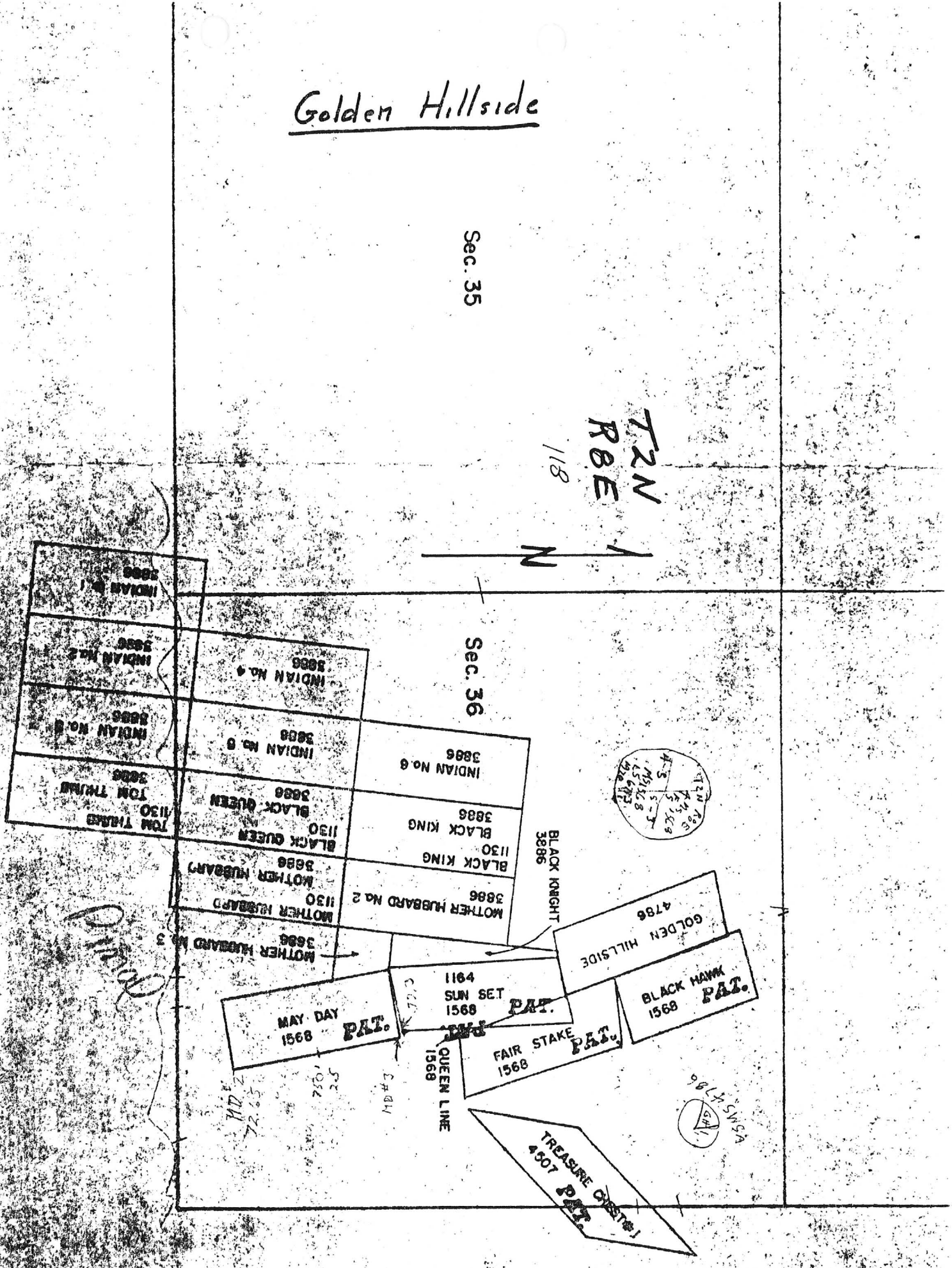
Golden Hillside
Site No. 1

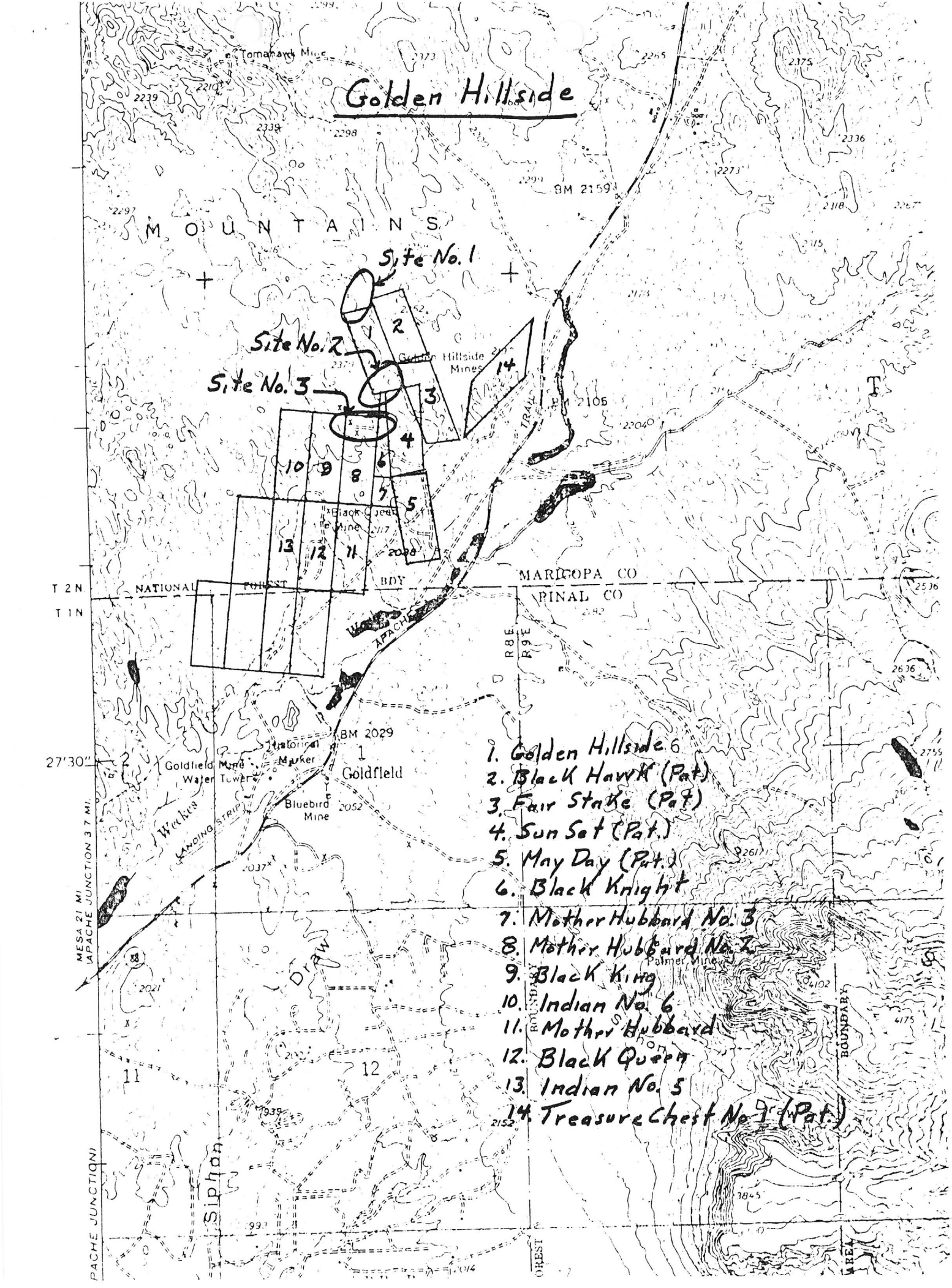




Golden Hillside
PHOENIX
Scottsdale
Tempe
Mesa
Glendale
Peoria
Sun City
Youngtown
Tolleson
Cashion
Avondale
Guadalupe
Chandler
Gilbert
Apache Jct.
Paradise Valley
Fountain Hills
Carefree
Cave Creek
New River
Rock Springs
Black Canyon City
Tortilla Flat
Lost Dutchman State Park
Superstition Mts
Kings Ranch
Boys Ranch
Higley
Queen Creek
Chandler Heights
Florence Jct
Boyce Thompson Arboretum
Superior
Miami
Inspiration
Claypool
Globe
San Carlos
Cutter
Peridot
Coolidge Dam
Roosevelt
Four Peaks
Punkin Center
Jakes Corner
Sunflower
Rye
Gisela
Young
Cibecue
Carrizo
Sawmill
Kelvin
Riverside
Christmas
Kearny
Hayden
Winkelman
Dudleyville
Mammoth
Oracle
San Manuel
Oracle Jct.
Florence
Valley Farms
Coolidge
Sacaton
Olberg
Bapchule
Maricopa
Ak Chin
Stanfield
Casa Grande
Randolph
La Palma
Eleven Mile Corner
Eloy
Picacho
Arizona City
Chuichu
Friendly Corner
Red Rock
Catalina
Marana
Rillito
Oro Valley
Cortaro
TUCSON
Tanque Verde
South Tucson
Summerhaven
Redington
Vail
Pantano
Mt. View
Benson
Sahuarita
Green Valley
Continental
San Xavier
Three Points (Robles Jct.)
San Pedro
Santa Rosa Ranch
Sells
Artesa
Little Tucson
Topawa
Cowlic
Fresnal Canyon
Quijotoa
Covered Wells
Tracy
Pisinimo
Kots Kug
Big Field
Papago Farms
Ventana
Kaka
San Louis
Anegam
Santa Rosa
Akchin
Queens Well
Sil Nakya
Chot Vaya
Cababi
Comobabi
Haivana Nakya
Nolia
Lincon
Kohatk
Jackrabbit
North Komelik
Cuckelbur
Vaya Chin
Palo Verde Stand
GILA
PINAL
PIMA
MARICOPA
TONTO NATIONAL FOREST
CORONADO NATL FOREST
SAGUARO NATIONAL MONUMENT
SAN XAVIER INDIAN RES.
INDIAN RESERVATION
NOTICE MAKE LOCAL INQUIRY OF ROAD CONDITIONS IN THIS AREA MANY ROADS ARE NOT PASSABLE FOLLOWING SEVERE WEATHER CONDITIONS

Golden Hillside




Golden Hillside
Site No. 1
Site No. 2
Site No. 3
MOUNTAINS
Golden Hillside Mines
Black Queen Mine
Goldfield Mine Water Tower
Historical Marker
Goldfield
Bluebird Mine
Weeks Landing Strip
Siphon Draw
Palmer Mine
BM 2159
BM 2105
BM 2029
NATIONAL FOREST BDY
MARICOPA CO
PINAL CO
T 2N
T 1N
R8E
R9E
MESA 21 MI
APACHE JUNCTION 3.7 MI.
APACHE JUNCTION
1. Golden Hillside 6
2. Black Hawk (Pat.)
3. Fair Stake (Pat.)
4. Sun Set (Pat.)
5. May Day (Pat.)
6. Black Knight
7. Mother Hubbard No. 3
8. Mother Hubbard No. 2
9. Black King
10. Indian No. 6
11. Mother Hubbard
12. Black Queen
13. Indian No. 5
14. Treasure Chest No. 1 (Pat.)

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA

FIELD ENGINEERS REPORT

Mine Ziegman Claims — Date April 13, 1961

District Goldfields District, Maricopa Co. — Engineer LEWIS A. SMITH

Subject: Interview with Richard P. Ziegman, Ziegman Land Investment Co.

Location: 36 3N 8E a/c Maricopa Co. Assessor
S 25, T 2 N, R 8 E

Property: 5 patented claims (Fairstake, Sunset, Mayday, Queen Lil and Black Hawk)

Mineral: Gold

Owners: Syndicate composed of: -

Dairy Fresh Foods Co. (1/2 interest)

Agent: - Edwin Gossner and Josephine (wife), 71 E. Center St. Smithfield, Utah. (1/8 interest)

Leo C. Nelson and Wilma (wife) (1/8 interest)
Leland Selley and La'Verne (wife) (1/8 interest)
Zeth Godfrey and Mable (wife) (1/8 interest)

These people all live in Utah. The property was bought by Ziegman Land Investment Co., 824 Mill Ave., Tempe, and was recently resold to the preceding syndicate.

See: T... ...2 (Lost Ch...) Maricopa