



CONTACT INFORMATION

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Arizona Department of Mines and Mineral Resources Mining Collection

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Frank



GLOBEFIELD (4)

Office of State Mine Inspector

STATE MINE INSPECTOR

705 W. Wing, Capitol Building
Phoenix, Arizona 85007

FEB 18 1986

NOTICE TO ARIZONA STATE MINE INSPECTOR

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

COMPANY NAME MANDATE, INC. X
CHIEF OFFICER Larry LeCompte (C) X
COMPANY ADDRESS 589 N. Sutherland - Globe, AZ 85501
DAYS: 473-70 80
COMPANY TELEPHONE NUMBER NITES & WEEKENDS: 425-6281
MINE OR PLANT NAME MAMMOTH MINE

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

Pinal County - Located approximately 4.5 miles north of Apache Junction on Apache Trail - west side of Highway.

TYPE OF OPERATION Underground PRINCIPAL PRODUCT Gold (Au)
STARTING DATE 2/17/86 CLOSING DATE N/A
DURATION OF OPERATION Indefinite
PERSON SENDING THIS NOTICE Keith Adams
TITLE OF PERSON SENDING THIS NOTICE Safety Consultant
DATE NOTICE SENT TO STATE MINE INSPECTOR 2/14/86

PLEASE NOTE: Any operation found operating, without having sent this notice to the Arizona State Mine Inspector, will be charged with a petty offense.

DOUG MARTIN - ALPHA ENERGY INC
5060 N 19TH AVE B5D15
242-5871

C-O-S RETAINED AS PROPOSED
operators.

50 TPD mill erected - TABLES - AND CRUSHER.
WILL SLIME IF CRUSH TOO SMALL.

POSSIBILITY LIES IN VEIN MINING. TOO LOW ²⁵
TO WANT STATLER - CRUSHER TO - GO. ~~TABLED~~
2- TENSIONS of gold

MR MARTIN SAID THEY HAVE DRILLED. THERE IS
NO POSSIBILITY OF PROFITABLE LARGE SCALE LOW GRADE
PIT OPERATION

TELEPHONE CALL TO DOUG ^{MARTIN} ~~MARTIN~~ 3-10-78

MR ^{MARTIN} ~~MARTIN~~ IS ADMINISTRATOR AND BOOKKEEPER FOR
GOLD CUP RESOURCES - (OR CLARK-OLIVER-SMITH)

CLARK-OLIVER-SMITH HAVE LEASE PURCHASE FROM
GOLDFIELD MINES INC. C-O-S IN TURN SUB LEASED
WITH PURCHASE OPTION TO GOLD CUP RESOURCES INC &
VANCOUVER CANADA - THEIR OPTION EXPIRES MARCH 15,
1978 - MUST HAVE \$30,000 TO CONTINUE LEASE. MR
OLIVER SUDDENLY PASSED AWAY FEW DAYS AGO -
ESTATE MAY TIE UP PROPERTY

R/M



BUREAU OF LAND MANAGEMENT
ARIZONA STATE OFFICE
3707 N. 7th Street
Phoenix, Arizona 85014

RECEIVED 4/24/87
FROM DIAL 14740
GOLD FIELDS FILE

April 20, 1987

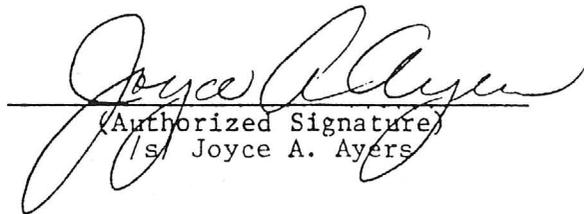
(Date)

TO WHOM IT MAY CONCERN:

I HEREBY CERTIFY That the attached reproduction(s) is a (extract) copy
of documents on file in this office. Arizona Mining Claim file 50440.

Package 1 of 2.

IN TESTIMONY WHEREOF I have hereunto subscribed my name and caused
the seal of this office to be affixed on the above day and year.



(Authorized Signature)
/s/ Joyce A. Ayers

APR 26 1987
BLM AZ STATE OFFICE

50440
137395

February 27, 1987

United States Dept. of the Interior
Bureau of Land Management
3707 N. 7th Street
Phoenix, Arizona 85014

Attention: Mr. John T. Mezes, Chief
Branch of Lands & Minerals Operations

Dear Mr. Mezes:

Please change the name of the owners of the mining claims listed on Exhibit A, to DARRELL G. HAND, TRUSTEE & CO-TENNENT, 55254 EAST APACHE TRAIL, APACHE JUNCTION, ARIZONA 885219.

I have acquired the majority interest of the former shareholders of GOLDFIELD MINES INC., the corporate charter of which expired in 1974. Please see the attached stipulation and order with exhibit A and B.

Please change the mailing address of those claims listed on exhibit B, to the same as listed below.

Thank You.

Sincerely,



DARRELL G. HAND
5254 East Apache Trail
Apache Jct. Arizona 85219

4-7-87 CD

ENTERED IN COMPUTER

DGH/slh

RECEIVED
BLM AZ STATE OFFICE
13 FEB 26 PM 1:13
PHOENIX, ARIZONA

1 W. SCOTT DONALDSON
2 Attorney-at-Law
3 2916 North 7th Ave., #100
4 Phoenix, Arizona 58013
5 (602) 277-4441
6
7 Attorney for Plaintiff

RECEIVED
B.L.M. AZ STATE OFFICE
1987 FEB 26 PM 1:13
PHOENIX, ARIZONA

FILED
1987 JUL -9 PM 4:36

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA

8
9 GOLDFIELD MINES, INC.)
10 an Arizona corporation,)
11 Plaintiff,) No. C441913
12 v.)
13 DARRELL G. HAND,) STIPULATION
14 Defendant.) AND
15) ORDER

16 IT IS HEREBY STIPULATED AND AGREED by and between the
17 Plaintiff and Defendant through counsel undersigned as follows.

18 The above-captioned matter was heard before the
19 Superior Court on cross-motions for summary judgment which were
20 granted in favor of the Plaintiff, Goldfield Mines, Inc., which
21 summary judgment order was appealed and reversed in part, with
22 directions by the Court of Appeals referring the matter back to
23 the Superior Court for decision. In order to resolve the case in
24 its entirety, IT IS HEREBY STIPULATED AND AGREED as follows:

25 The preliminary injunction is hereby quashed and of no
26 further force and effect.

27 The bond posted herein is exonerated and released.

1 IT IS FURTHER STIPULATED that the former shareholders
2 of Goldfield Mines, Inc., the corporate charter of which expired
3 in 1974 and the corporate charter of which was revoked by the
4 Arizona Corporation Commission in 1980, who acquired ownership at
5 the time of the dissolution of said corporation, are the owners
6 of the unpatented mining claims listed on Exhibit A, attached
7 hereto and incorporated herein by reference, and that Darrell G.
8 Hand, Sr., has no ownership interest in said claims except as
9 such ownership interest may have been acquired by the acquisition
10 by him of the rights of such shareholders.

11 IT IS FURTHER STIPULATED that Darrell G. Hand, Sr. is
12 the owner of the unpatented mining claims listed on Exhibit B,
13 attached hereto and incorporated herein by reference, and that
14 Goldfield Mines, Inc. has no ownership interest in said claims.

15 IT IS FURTHER STIPULATED that the Court be authorized
16 to enter an order setting forth the ownership of said claims as
17 above set forth, and that each party to the litigation shall bear
18 their own costs and attorney's fees.

19 DATED this 7 day of July, 1986.

21
22 
23 W. Scott Donaldson, Esq.
24 Attorney for Plaintiff


George R. Ferrin, Esq.
Attorney for Defendant

25
26
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PHOENIX, ARIZONA
FEB 26 PM 1:13
2 U.S. DISTRICT COURT
RECEIVED

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ORDER

PURSUANT TO the foregoing Stipulation, IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

The preliminary injunction is hereby quashed and of no further force and effect.

The posted bond is hereby exonerated and released to Goldfield Mines, Inc.

IT IS FURTHER STIPULATED that the former shareholders of Goldfield Mines, Inc., the corporate charter of which expired in 1974 and the corporate charter of which was revoked by the Arizona Corporation Commission in 1980, who acquired ownership at the time of the dissolution of said corporation, are the owners of the unpatented mining claims listed on Exhibit A, attached hereto and incorporated herein by reference, and that Darrell G. Hand, Sr., has no ownership interest in said claims except as such ownership interest may have been acquired by the acquisition by him of the rights of such shareholders.

IT IS FURTHER ORDERED that Darrell G. Hand, Sr. is the owner of the unpatented mining claims listed on Exhibit B, attached hereto and incorporated herein by reference, and that Goldfield Mines, Inc. has no ownership interest in said claims.

IT IS FURTHER ORDERED that each party to the litigation shall bear their own costs and attorney's fees.

RECEIVED
U.L.M. AZ STATE CLERK
FEB 26 PM 1:13
PHOENIX, ARIZONA

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DONE IN OPEN COURT this 8th day of July
1986.

John Foreman
Judge of the Superior Court

RECEIVED
P.L.M. AZ STATE COURT
1987 FEB 26 PM 4:13
PHOENIX, ARIZONA

EXHIBIT A

<u>Name of Claim</u>	<u>Pinal County Book/Page</u>	<u>Maricopa County Book/Page</u>	<u>BLM Serial No.</u>
Annex	38/295		AMC 50440 -
Mammoth No. 2		38/448	AMC 50450 -
Mammoth No. 3	38/296	27/263	AMC 50451 -
Black King	38/290	27/258	AMC 50441 -
Black Queen	38/288	27/256	AMC 50442 -
Mother Hubbard	38/299	27/263	AMC 50452 -
Tom Thumb	38/287	27/257	AMC 50454

50440 -
50441
50450 -
50452
50454 -

RECEIVED
BLM AZ STATE OFFICE
FEB 26 PM 1:13
TUCSON, ARIZONA

EXHIBIT B

<u>Name of Claim</u>	<u>Pinal County Book/Page</u>	<u>Maricopa County Book/Page</u>	<u>BLM Serial No.</u>
Indian No. 1	1073/941	154151/284	AMC 137401 -
Indian No. 2	1073/943	154151/280	AMC 137402-
Indian No. 3	1073/945	154151/282	AMC 137403-
Indian No. 4		154151/300	AMC 137404-
Indian No. 5		154151/298	AMC 137405-
Indian No. 6		154151/296	AMC 137406-
Lawrence	1073/933		AMC 137399 \
Mother Hubbard No. 2		154151/294	AMC 137395 ✓

137401-
137405

RECEIVED
R.L.M. AZ STATE OFFICE
1987 FEB 26 PM 1:14
PHOENIX, ARIZONA

The foregoing instrument is a full, true and correct copy of the original on file in this office.

Attest July 16th 1986
VIVIAN KRINGLE, Clerk of the Superior Court of the State of Arizona, in and for the county of Maricopa.

By B. Binder Deputy

Apache Mining & Development Co.

T 2 N
T 1 N

NATIONAL FOREST BDY MARICOPA CO PINAL CO

Black Queen Mine 2117
2080

Old Wasp, etc.

Goldfield Mine
Water Tower
Historical
Goldfield
Bluebird Mine 2052
BM 2029

Weekies
LANDING STRIP

MESA 2.1 MI
APACHE JUNCTION 3.7 MI

(APACHE JUNCTION)

B Bar B Ranch
Water Tower

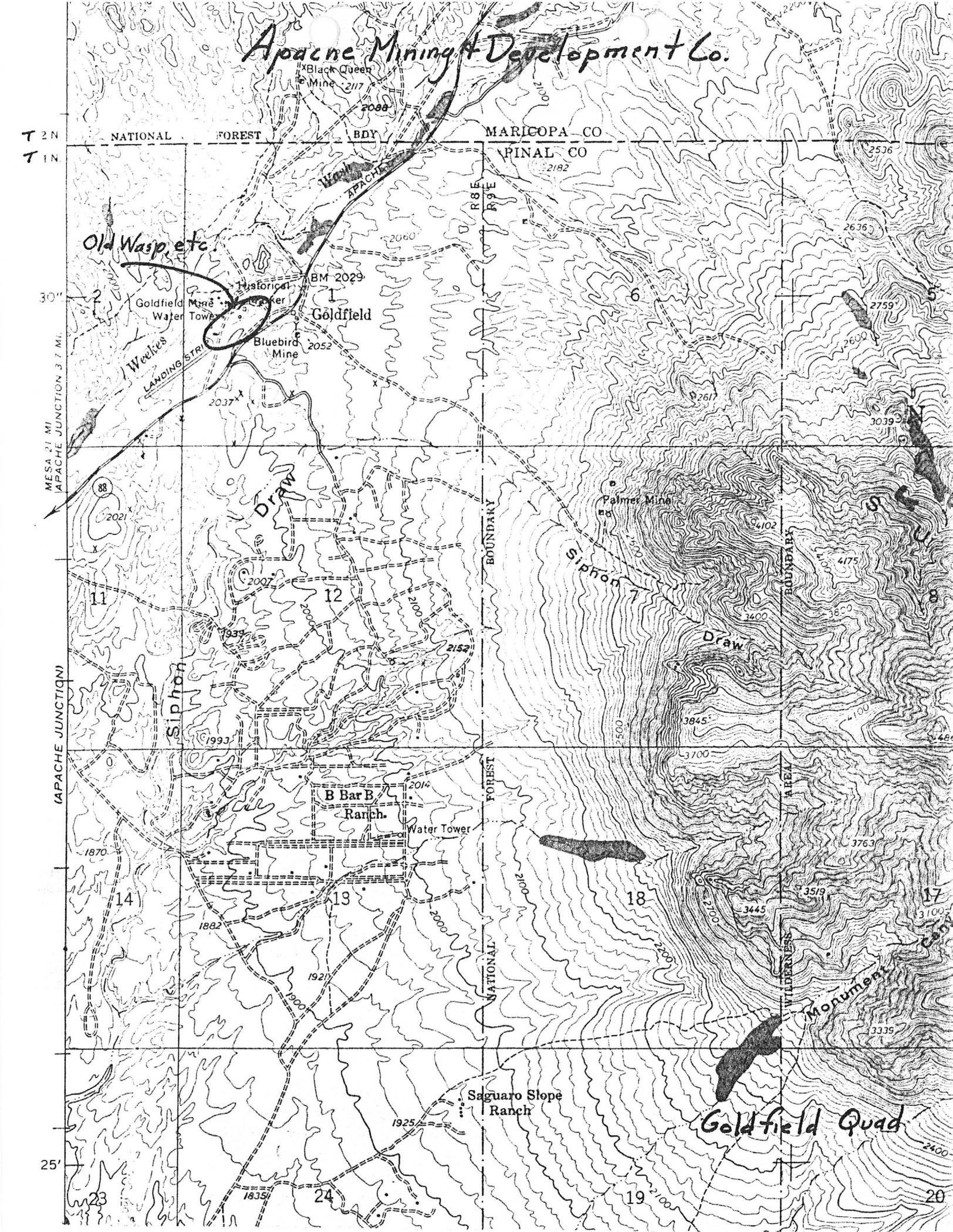
Saguaro Slope Ranch

Goldfield Quad

Monument

25'

20



OK 1081 MS
8-1081 MS
N&V IP

88 (P.L.O. 5070)

SCAAS
137401 (No. 1)
11-14-19
Indian No. 1

Clark -
Oliver No. 7
10-10-77

Clark - Oliver No. 18
10-10-77

Clark
10-10-77

No. 3
82
No. 4

Laurence
9-24-21
MS 3886
A.M.C. 137397

Indian No. 2
11-14-19
MS 3886

Indian No. 4
11-14-19
MS 3886

Clark - Oliver No. 8
10-10-77

Clark
10-10-77

OK 1111
NO: 1-01

Annex B
11-01-1893
MS 3886
A.M.C. 50446

Indian No. 3
11-14-19
MS 3886

Indian No. 5
11-14-19
MS 3886

Indian No. 6
11-14-19
MS 3886

Clark
10-10-77

Mammoth Patented
MS 1130 & MS 3886

Tom Thumb
11-26-1892
MS 1130 & MS 3886

Black Queen
11-26-1892
MS 1130 & MS 3886

SEC 38
Black King
11-26-1892
MS 1130 & MS 3886

Black Hand
No. 2
4-05-1892

Mammoth No. 2
4-06-23
MS 1130 & MS 3886

Mammoth No. 3
4-06-1893
MS 1130 & MS 3886

Mother Hubbard
11-26-1892
MS 1130 & MS 3886

Mother Hubbard
MS 3886 VOID

Black Hand
No. 3
4-05-1892

SEC 1
Sioux No. 1
MS 3886

Apache No. 1
MS 3886

Mother Hubbard No. 4
MS 3886

Mother Hubbard
No. 3 N&V
MS 3886

Black Knight
N&V IP
MS 3886

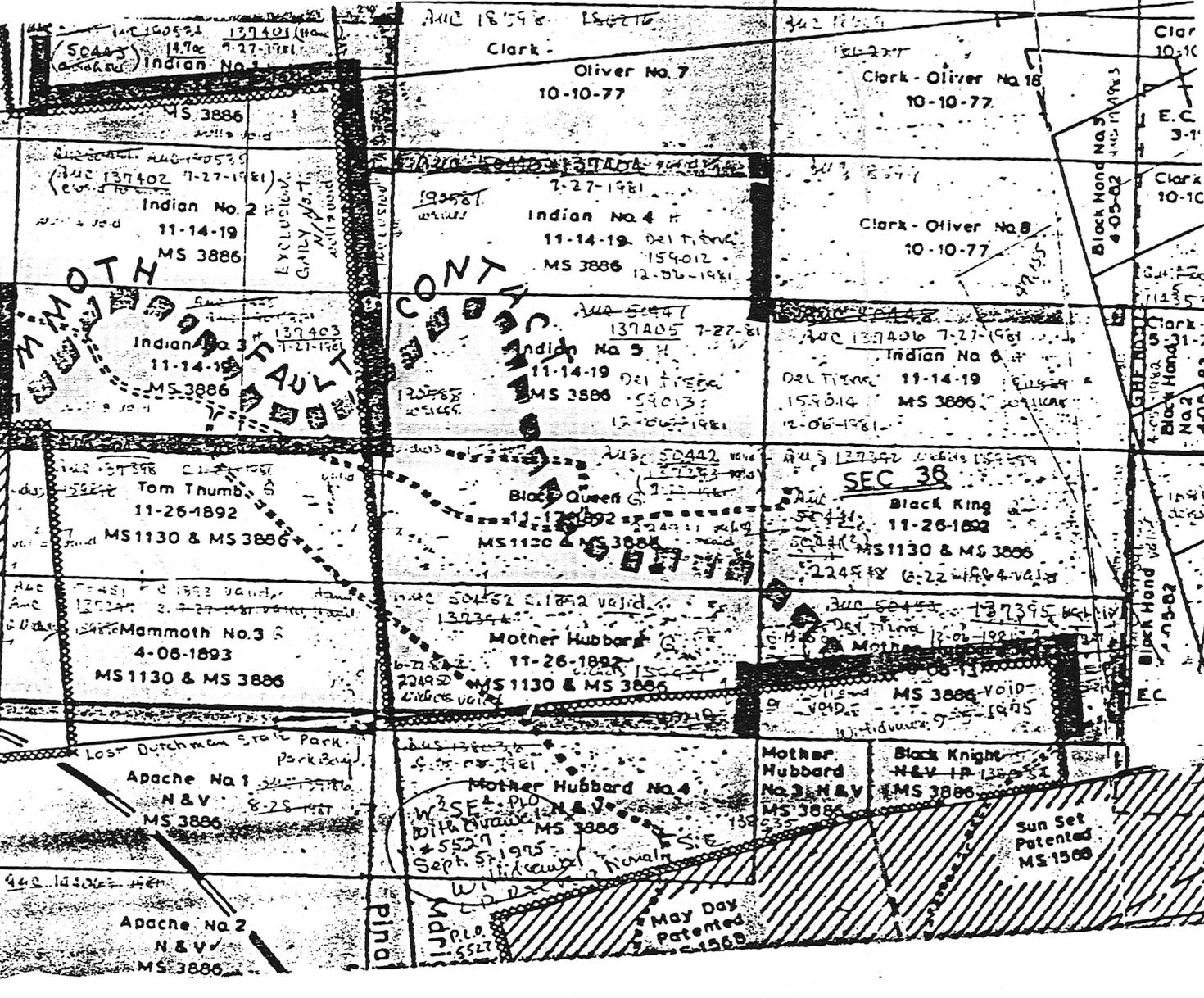
Sioux No. 2
N & V
MS 3886

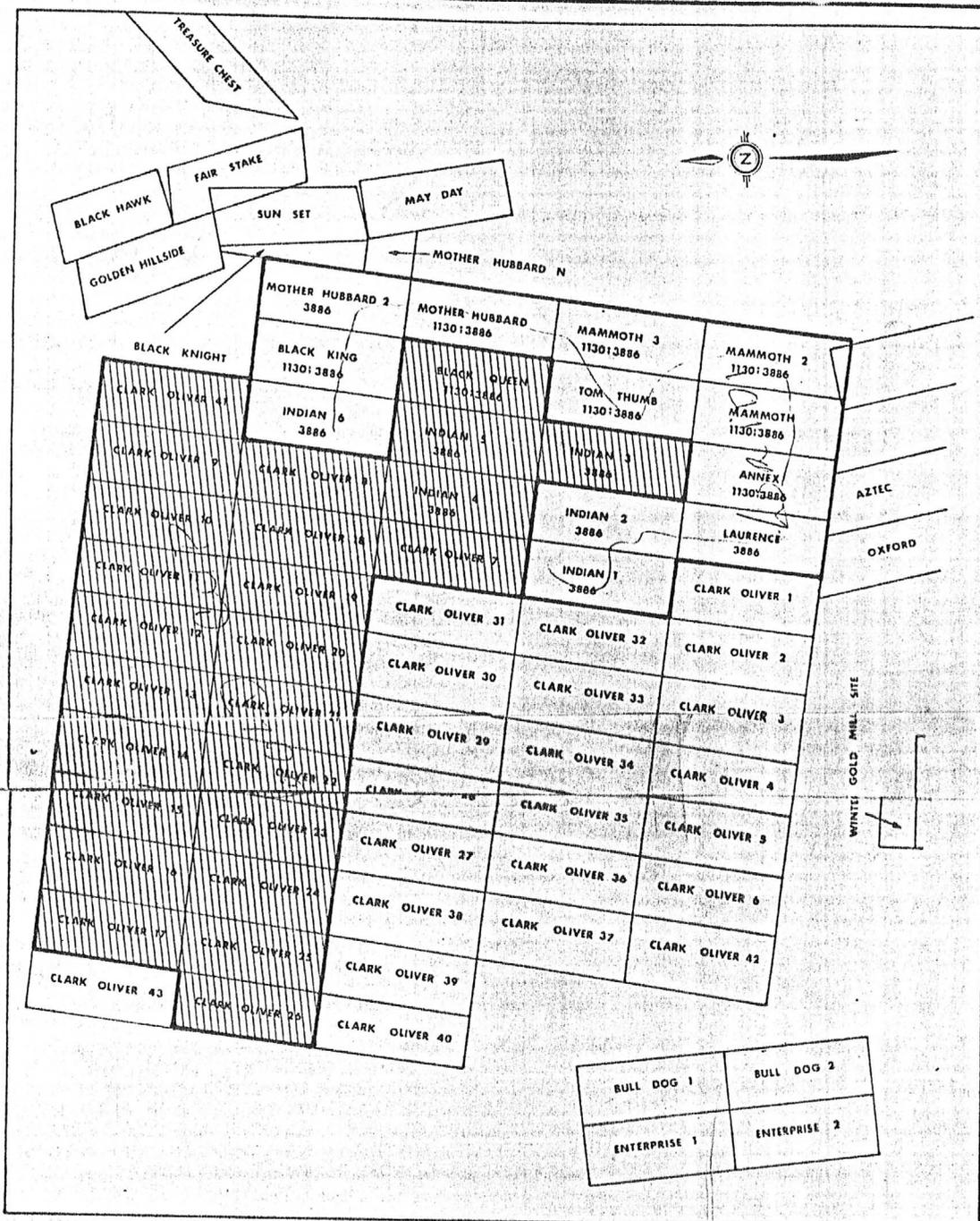
Apache No. 2
N & V
MS 3886

May Day Patented
MS 1568

Sun Set Patented
MS 1568

Black Hand
No. 4
4-05-1892

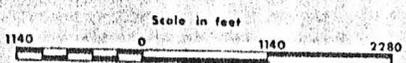


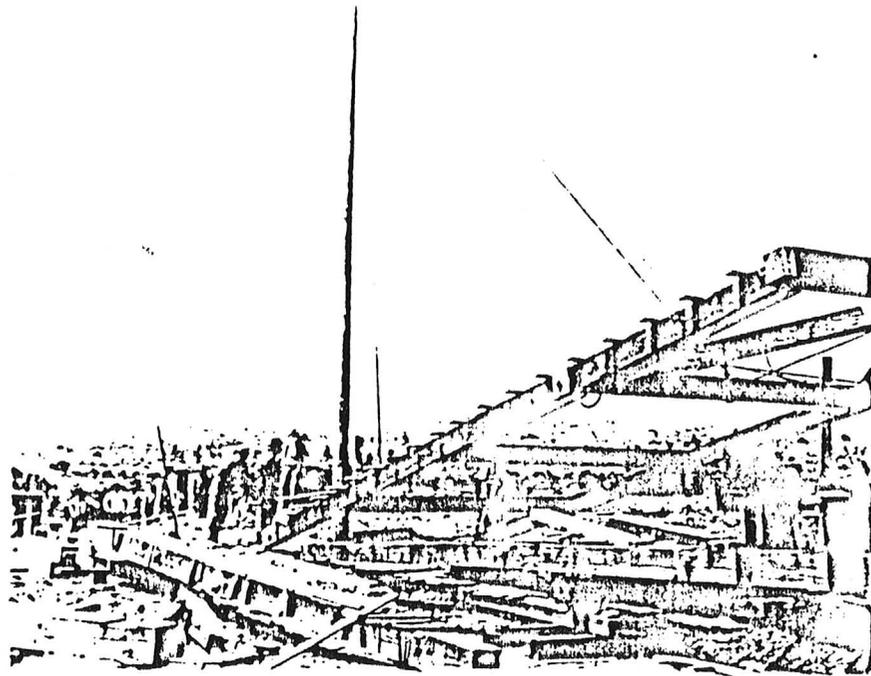
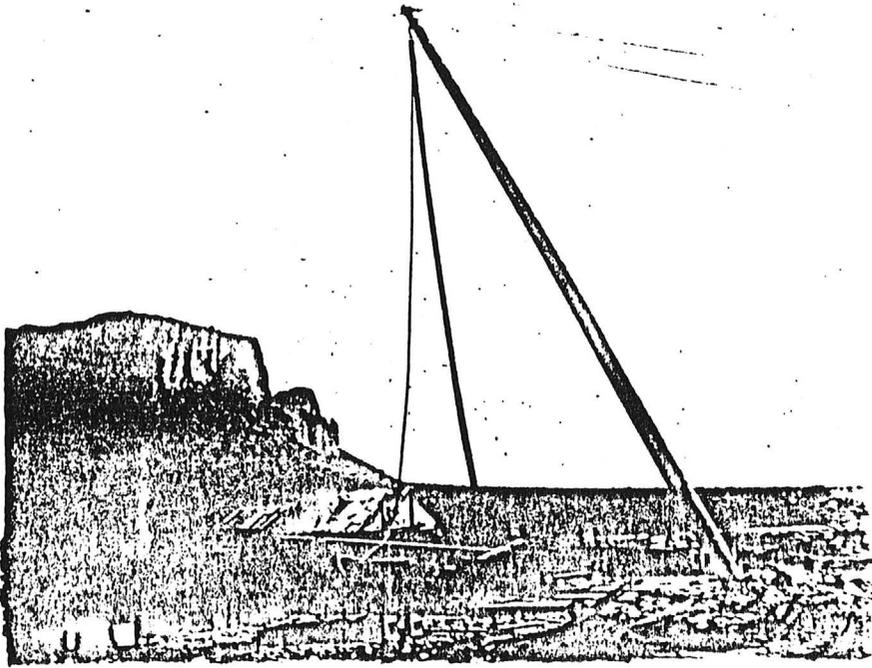


Legend

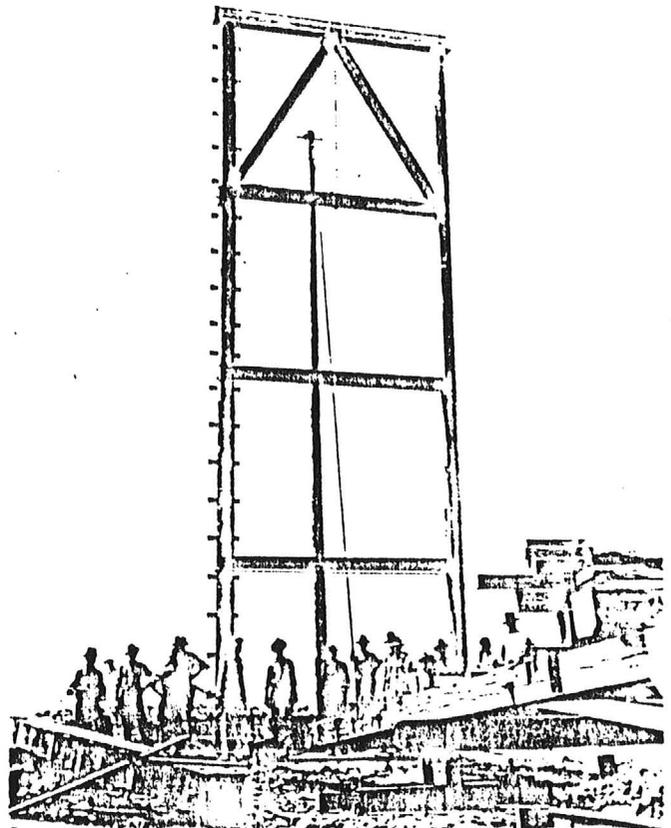
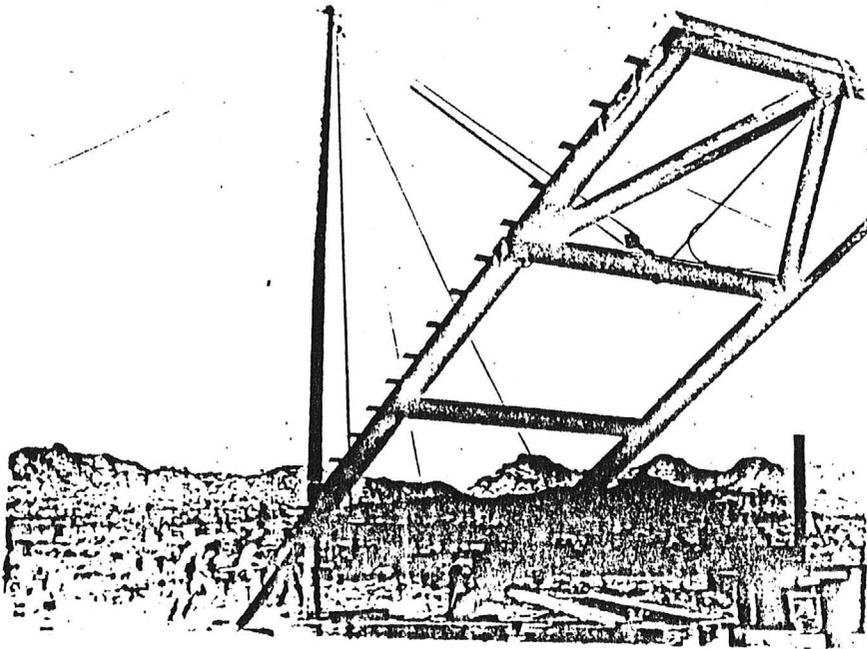
-  LOREDI RESOURCES LTD
-  GOLD CUP RESOURCES LTD

GOLD CUP RESOURCES LTD
 LOREDI RESOURCES LTD
CLAIM MAP
 SUPERSTITION M. D., ARIZONA
 PINAL AND MARICOPA COS.
 JAN. 1978

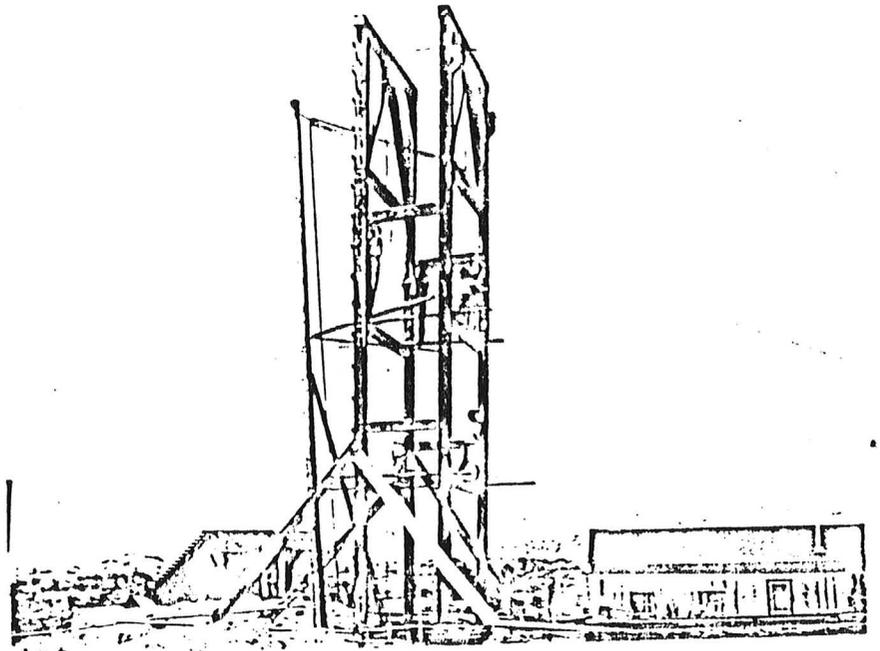
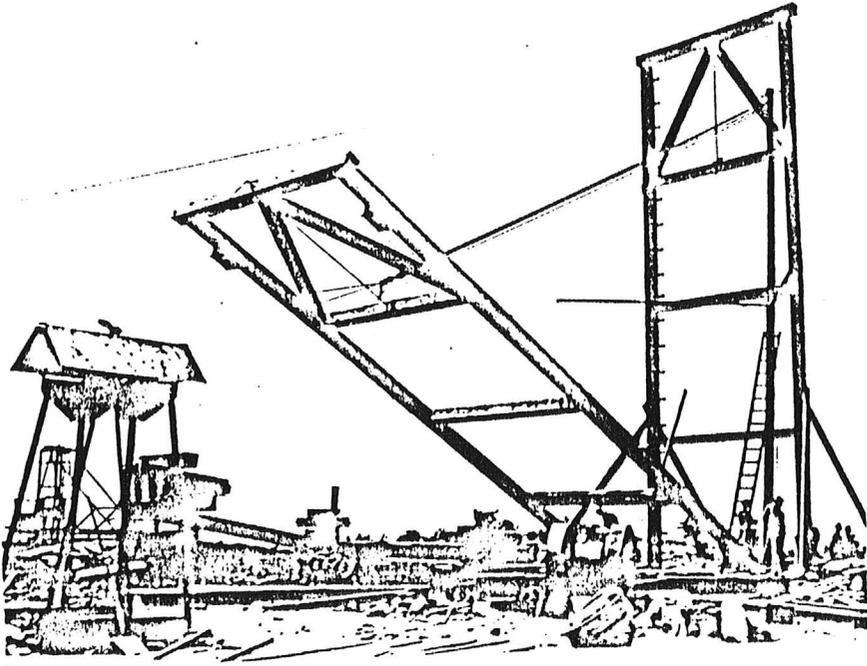




Raising the headframe at the Mammoth Mine.



Raising the headframe at the Mammoth Mine.



Raising the headframe at the Mammoth Mine.

1 shall remedy such defects. In the event LESSOR fails to remedy such defect or
2 defects within a reasonable period of time the LESSEES may do so, but shall not
3 be required to do so, and shall be reimbursed by the LESSOR for any costs
4 reasonably incurred by them in connection therewith by deduction from royalty
5 payments if the LESSEES so elect.

6 In the event LESSEES pay the full amount of Five Hundred Thousand
7 Dollars (\$500,000.00) hereunder and thereby become entitled to a conveyance
8 to them of the Property, the LESSOR shall execute such other documents and
9 perform such other acts as may be reasonably required to transfer complete
10 title of the Property to the LESSEES.

11 Section 14. The LESSEES covenant and agree to keep or cause to be kept
12 accurate and complete records of all ores removed and all ores sold, all of
13 which records, including all smelter returns and all other records of the said
14 operation, shall be available for inspection by the LESSOR or its agents,
15 auditors or representatives, at all reasonable times. The LESSEES, at the
16 request of the LESSOR at any time, will direct any smelters or other persons
17 to whom they have sold or delivered ores to deliver or direct to the LESSOR a
18 complete record of all ores sold by the LESSEES.

19 Section 15. All notices to LESSEES, LESSOR or Escrow Agent shall be in
20 writing and sent by registered or certified mail, return receipt requested,
21 addressed as herein set forth until any one party shall give notice to the
22 other by registered or certified mail, return receipt requested, of any change
23 of address, and which change of address, so communicated, shall thereafter be
24 treated as the address of the party giving such notice. Notices shall be
25 deemed delivered as of the date of mailing. Until a change of address is
26 communicated as herein provided, notices shall be addressed as follows:

27 To LESSOR: Goldfield Mines, Inc.
28 34 West Monroe Street, Suite 512
Phoenix, Arizona 85003

1 To LESSEES: Mr. Frank H. Clark
2 6942 W. Olive, Space 68
3 Peoria, Arizona 85345

4 Mr. Joseph D. Oliver
5 6942 W. Olive, Space 68
6 Peoria, Arizona 85345

7 Mr. Hugh Smith
8 6942 W. Olive, Space 68
9 Peoria, Arizona 85345

10 To Escrow Agent: THE VALLEY NATIONAL BANK OF ARIZONA
11 Main Street Office
12 66 West Main
13 Mesa, Arizona 85201

14 Section 16. This Mineral Lease and Option and all rights of the LESSEES
15 hereunder may be assigned by the LESSEES to any corporation or financially
16 responsible party, and such assignee shall succeed to all of the rights and
17 obligations of the LESSEES hereunder as if originally named herein. The term
18 "LESSEES", whenever used herein, shall include any such assignee. The Property
19 may be leased by LESSEES to any party, and the LESSOR hereby consents to such
20 leasing provided that LESSEES shall continue to remain liable for all obliga-
21 tions hereunder.

22 The rights of the LESSOR under this Mineral Lease and Option may be
23 assigned by LESSOR only with the prior written consent of the LESSEES, and
24 which consent shall not be unreasonably withheld, and any purported assignment
25 without the consent of the LESSEES shall be void.

26 Section 17. There are excepted from the provisions of this Mineral
27 Lease and Option agreement those certain unpatented claims described as the
28 BLACK QUEEN and INDIAN #3 (and which claims have been excepted from the attached
EXHIBIT A), which claims are owned by the LESSOR and are subject to a lease

<u>Name of Claim</u>	<u>County</u>	<u>Book</u>	<u>Page</u>
Annex	Pinal	38	295
Black King	Maricopa	27	258
	Pinal	38	290
Black Queen	Pinal	38	288
	Maricopa	27	256
Indian #1	Pinal	36	259
	Maricopa	27	173
Indian #2	Pinal	36	260
	Maricopa	27	4
Indian #3	Pinal	36	261
	Maricopa	27	4
Indian #4	Maricopa	25	277-8
Indian #5	Maricopa	25	278-9
Indian #6	Maricopa	25	279
Laurence	Pinal	38	432
Mammoth #2	Maricopa	38	448
Mammoth #3	Pinal	38	296
	Maricopa	27	263
Mother Hubbard	Pinal	38	299
	Maricopa	27	259
Mother Hubbard #2	Pinal	38	294
	Maricopa	27	260
Tom Thumb	Maricopa	27	257
	Pinal	38	287

Mammoth Lode Mining
 Claim

Pinal

Patent No. 02-65-0071
 granted December 23rd,
 1964. (Patent recorded
 and of record in the office
 of the County Recorder of
 Pinal County, Arizona in
 Docket 768, page 551.)

EXHIBIT A

GOLDFIELDS MINE

MARICOPA AND
PINAL COUNTIES

FOLIO TO ACCOMPANY GEOLOGICAL REPORT OF E. W.
BEDFORD, E. M. - YOUNG MINES CO. - Youngsberg, Ariz.
December, 1923

~~(Green field)~~ ^{Mountain}
May be found in ~~table house~~ in ~~the office~~.

Geology files

BULL DOG PROPERTY

The Faith in the Goldfield District Gets Stronger Every Day.

George H. Young who is engaged in developing and equipping for active operations, the old Mammoth mine at Goldfield, yesterday acquired from E. S. Hatch the old Bull Dog mine, only a short distance from the Mammoth mine and almost as historic a property. Though never worked quite so extensively as the Mammoth it has in other days been a producer and Mr. Young is convinced it still has a future. The terms of the sale were not made public and will not be until later.

Speaking of the Mammoth mine, Mr. Young said yesterday the work of equipping the mill had not progressed quite so rapidly as he had hoped and it will not be possible to start it before the 10th of July, though he had hoped to begin reduction on the 1st. Yesterday he employed two experienced machinists to conduct the recovery of the gold from the plates. One of them really belongs to the plant

of the mill under the former owner, and with the last big bar of bit out, valued at \$60,000 of wide experience at son who gave to E. J. notable assayer of I lesson in metallurgy.

The mill undergoing have ten stamps. At the present time they are regarded as more for forty than anything of the values he expects one and possibly two which he believes will be cheaper and just as equipping the stamp reasons. One is because the ore, no matter and secondly because of the mill was already and its equipping way to get results.

Mr. Young is now in corporation of "The Company, Limited," to over and operate the property. The capital stock, par value of the Young owning practically all the stock.

The incorporation is for the purpose of conducting as is customary in the mines. On the contrary Mr. Young is following out an original idea

of the mine is now producing ore that belongs a smile to the operators. Two other shafts are now being worked and the mill is making dally runs. The ore is of high enough grade to justify sacking, showing that it is not all a low grade proposition. **MATCH**

Mr. Young is a man who does not believe in boasting of what he intends to do, but keeps the work going in a way that results tell. When asked for news he says that he is "sawing wood," and hopes to have news later on. Enough is known of the work to justify a statement that the old Mammoth has "come back" and is here to stay. Prospectors and mining men realize this and also believe that there are other big mines in the district that need only development to disclose their treasures. The country for a long distance has been located and the prospectors are now at work.

It will be a good plan for people of this section to keep an eye on the Goldfield country. One or two big mines there will prove a wonderful boost for Mesa, the base of supplies. The fact that Mesa is the nearest town and that there is no better road in the territory, will prove a permanent chain holding together the interests of the two localities.

On proving the ore by the mill tests and as soon as correct deductions can be made on interest and a sinking fund it is his intention to so finance his operations as to return to the stockholders all the money they have advanced in the development of the Madzelle group leaving their holdings clear and without risk to them as a partial repayment to them for their loyalty and confidence in him.

It is Mr. Young's intention also to so handle his enterprises that he will have a further development fund of \$35,000 for the Madzelle group and \$25,000 for the Yankee group, both of which, if he has not been misled by reports of engineers and assays, he should be able to accomplish by the first of October. It is his intention and desire to fully develop all three properties with the least minimum of stock issued, which stock will in the

work, and his own part, so to it that associated with by his ventures. be made at all a loss, he will not part of it.

The Derby group six miles west process of development of Young has been last four years, the name of the the capital the stock is all both of Prescott er, is a group of the Yankee Mine Young owns all

yesterday Mr. purpose to prove the Mammoth the mill for the if the mill re- what the assays rn, he will then s and a cyanide ore on an ext- ives the Hunt- such less waste- more economical- operated on ore of the sort found in the Mammoth district.

surface rock generally is remarkable for its value in free gold. Across the narrow valley lies the Bulldog mine, a property that has had considerable development and in which a small mill once was operated. William Neagle has been placed in charge of the Goldfields mine and James A. Noel of Los Angeles has arrived to erect and superintend the mill.

the present promises "are kept" Mr. Young will need no financial help to perfect the Mammoth plant, put on a basis for paying the purchase price, development and a nice little side.

The Bull Dog property, which he has just acquired, will not be incorporated with the Mammoth, but is a project independent of it, though near by.

PHOENIX.

BULLDOG MINE IS TAKEN OVER.

L.A. Times July 1910.

WILL BE OPERATED IN CONJUNCTION WITH MAMMOTH.

Territorial Secretary Young Starting Work on a Large Scale—Resumption of Development on the Horton Group—Bond Is Given on Maverick Property.

(SPECIAL CORRESPONDENCE OF THE TIMES.)

PHOENIX (Ariz.) July 8.—The old Bulldog mine at Goldfield has been purchased by Territorial Secretary Geo. U. Young and will be added to the property of the Young Mines Company, Limited, which is mainly himself, to be operated in conjunction with the nearby Mammoth property, bonded by Young a month or so ago. The Bulldog once was operated by a company of Phoenix men, who placed a small mill upon it, but who were unable to secure returns equal to expenditures, despite the fact that assays uniformly ran high on the ledge matter. The management was charged with the failure.

The mine lies just below Bulldog



R. W. W.
76102012
Frank

Office of State Mine Inspector

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

NOTICE TO ARIZONA STATE MINE INSPECTOR

In compliance with Arizona Revised Statute Section 27-303, we are submitting this written notice to the Arizona State Mine Inspector, 705 West Wing, Capitol Building, Phoenix, Arizona 85007 of our intent to x start or stop a mining operation. In April 1987.

COMPANY NAME GOLDFIELD MINES, INC.

CHIEF OFFICER RICHARD F. HEWLETT

COMPANY ADDRESS 4304 WEST MURCURY WAY, CHANDLER, AZ 85226

COMPANY TELEPHONE NUMBER 961-0087 *Not in service 5/9/90*

MINE OR PLANT NAME GOLDFIELD MINES

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

SIX MILES NORTH OF APACHE JUNCTION, ARIZONA

TYPE OF OPERATION PIT & PROCESS PRINCIPAL PRODUCT GOLD

STARTING DATE APRIL 1987 CLOSING DATE

DURATION OF OPERATION 5 YEARS

PERSON SENDING THIS NOTICE F. A. BUCHELLA, JR.

TITLE OF PERSON SENDING THIS NOTICE OPERATIONS MANAGER

DATE NOTICE SENT TO STATE MINE INSPECTOR 2/6/87

PLEASE NOTE: Any operation found operating, without having sent this notice to the Arizona State Mine Inspector, will be charged with a petty offense.

MINE LOOKS GOOD TO EXPERT

Haystack
Aug. 15, 1911

C. A. Dinsmore Visits Prop-
erty and Tells of What
He Saw

A GENERAL REVIEW
Situation Has Been Dis-
heartening, but on
Up-Grade

(BY CILAS. A. DINSMORE).

The mining situation throughout the country—southwestern Arizona particularly—is rather disheartening at this time; and yet I think it is on the up-grade. There have been a number of "lean-year years," as everyone has been since the fall of '07, and there is certain to be a reaction. But these hard times have had one tendency that is good for us all—we have become more careful, more economical, less apt to look at the high grade and think that we have a great many millions in sight, and hold the property on that vision.

ground in drifts, crosscuts, winzes, or wherever necessary to prove up the ground. This is conservatism and making a real and substantial business out of it.

The Mammoth
The Mammoth mine at Goldfields—Mr. Young's property—is the most extensive gold property I have ever seen—and I think it undoubtedly is the greatest in the southwest. The conditions are entirely unusual. There are two dykes of black porphyry traversing the country in a practically north and south direction—one at the base of the mountain making the westernmost end of the Superstition range and the other, through the western portion of the basin, along the outer edge of the wash. Between these dykes there is 300 to 600 feet of a granite-porphry, brecciated, carrying gold.

This famous mine produced during the ownership of Hall & Sullivan more than \$1,000,000. This was from two shoots of high-grade ore, one called the Glory Hole and then the Mormon Slope. These high-grade deposits were worked to 400 feet, where deep work ended. It was the belief of Mr. Hall that the ore would have great depth and just prior to his death he had arranged for sinking a new shaft to 1000 feet. This is the belief of everyone who sees the property, in fact, and there is no reason to doubt that the same oxidized, gold-bearing material will have a depth of 1000 feet or more. It is a peculiar fact that depth has not in the least changed this ore, which is usually the case.

It is absolutely free milling, and is peculiarly amenable to the cyanide process. The stamp mill is entirely out-of-date, and yet when I was there tests showed the tails to carry 20 cents a ton and the heads (or savings) \$6.80, which is a wonderful recovery even with modern machinery, and shows that the ore is entirely free. It is the intention to erect a plant that will handle 100 to 150 tons or even more daily, in which case ore running so low as even \$2 per ton may be treated with profit.

efficient and will learn the methods and the ore better.

I am of the opinion that this Mammoth mine will make one of the greatest gold producers of the country; that it will be put on this basis without any great cost, and that it will last a century. What will develop in the other claims cannot be imagined even, but it does not take a very great stretch of the imagination to see more high grade in the claim where there were two high-grade shoots in the early days. In fact, on the south end, they have reached high grade in a winze, and I believe that depth on this will take them into better ore—running upward of \$15.

Taking this Mammoth exploitation as it is being done, and one has an exposition of business methods of the utmost excellence, because nothing is being left undone to determine the exact facts, and there is no guesswork. The assaying done here is equal in number to that at many properties producing thousands of tons daily, this being in order that exact and positive knowledge may be had.

Looks Good

No one can say what there is in an unexplored piece of ground—but when ground is explored as carefully as at the Mammoth, one can be quite certain of the content. With 3,000,000 tons of \$4 ore developed, the Mammoth mine, which is entirely tributary to Phoenix in every way, is a wonder in gold mines. It is what I have taken the liberty to call a "disseminated porphyry gold," with all due apologies to the copper people. It is a disseminated deposit, and it is the making of a great business enterprise as far removed from the small-vein mine as a railway is from a wheelbarrow. The result of operating a mine like the Mammoth on the scale it deserves is, of course, a very large payroll, a very large increase in the wealth of the city, county and state, and the very greatest incentive to others to come in and look for similar deposits and opportunities.

May 7, 1951

✓
Mr. Tom J. Russell
Box 37
Apache Junction, Arizona

Dear Mr. Russell:

We have your letters of May 2nd concerning forms to be used for serialization, in connection with the Ord Mercury Mine and the Goldfield Mines, Inc.

We regret that our supply of these forms is almost exhausted and are enclosing herewith but one copy. However, as explained in the May 4th letter signed by Mr. Willis (also enclosed), you may obtain additional copies through his office.

Very truly yours,

A. L. Flagg,
Office Engineer.

Encs. 2

lp

November 28, 1949

Mr. Fred M. Guiry
811 East Camelback Road
Phoenix, Arizona

Dear Fred:

Mr. Alfred S. Lewis has asked that I give you a copy of a memo I made a year ago regarding an old shaft he discovered at the Goldfield Mine. This is to help you in any publicity for the Dons trip next Sunday.

Since this was written Lewis has excavated a large pit with a bulldozer - including the location of this shaft - to a depth of about 60 feet. Shaft is continuing below. A tunnel or drift has been encountered which may connect with the shaft.

Some stringers of very high grade gold ore have been encountered.

Yours very truly,

Chas. H. Dunning
Director

CHD: mh

December 8, 1949

Mr. Earl Hastings
Director of Securities
Arizona Corporation Commission
Capitol Annex
Phoenix, Arizona

Dear Earl:

✓ Alfred Lewis has asked us to tell you something of the Goldfield Mine. We have only made a very superficial examination of the Goldfield, but the mine had extensive early day production of $\frac{1}{2}$ gold and the occurrence is such that there could well be a mineralized surface area, low grade but extensive enough to permit mining and treatment at a profit.

In this area are several stringers of very high grade gold ore that would be mined with the general mass.

It is very difficult to sample such an occurrence to obtain a true average - about the only way would be to install some sort of sampling plant or pilot plant, and such an installation, while highly speculative, seems justified.

We know nothing about the organization or other pertinent matters pertaining to the company.

Yours very truly,

Chas. H. Dunning
Director

CHD:mh

...the men up and down in the mill until the arrival of the ... According to Mr. Irwin the formation is easily worked and little difficulty is encountered in going down.

VISIT WEST IN

PHOENIX

YOUNG BUYS THE OLD BULL DOG PROPERTY

His Faith in the Goldfield District Gets Stronger Every Day.

George F. Young, who is engaged in developing and equipping for active operations, the old Mammoth mine at Goldfield, yesterday acquired from E. J. Burtch, the old Bull Dog mine, not a great distance from the Mammoth mine, and also, an historic mine, though never worked quite as extensively as the Mammoth it has in other days been a producer and Mr. Young is convinced it still has a future. The terms of the sale were not made public and will not be until later.

Speaking of the Mammoth mine, Mr. Young said he thinks the work of improving the mill had not progressed as rapidly as he had hoped and that the best way to get it better equipped is to build a new mill based on the improvements on the 147. Yesterday he completed his experiments and expects to conduct the recovery of the gold from the plates. One of them really belongs to the plant

anyway, for he formerly had charge of the mill under Charles L. Hall, the former owner, and was present when the last big bar of bullion was turned out, valued at \$60,000. He is a man of wide experience and was the person who gave to E. J. Burlingame the notable assayer of Denver, his first lesson in metallurgy.

The mill undergoing completion will have ten stamps. Mr. Young says at the present time these stamps are regarded as more for testing the property than anything else. If he finds the values he expects, to he will add one and possibly two Huntington mills, which he believes will work the ore cheaper and just as effectively. He is equipping the stamp mill first for two reasons. One is because it will handle the ore, no matter how hard it is and secondly because the major part of the mill was already on the ground and its equipping was the quickest way to get results.

Mr. Young is now engaged in the incorporation of "The Young Mines Company, Limited," which will take over and operate the Mammoth property. The capital stock will be \$750,000, par value of the shares \$10, Mr. Young owning practically all of the stock.

The incorporation is not designed for the purpose of conducting a stock sale, as is customary in the exploitation of mines. On the contrary Mr. Young is following out an original idea

in his mining operations, that requires a lot of hard work, and many sacrifices on his own part, his purpose being to see to it that no man who has been associated with him shall lose money by his ventures. If there is any money to be made at all, and if there is to be a loss, he will stand by far the heaviest part of it.

What is known as the Derby group of twenty-five claims six miles west of Prescott, now under process of being patented, in the development of which property Mr. Young has been busily engaged for the last four years, is incorporated under the name of the "Madzelle Mining Co." The capital stock is \$500,000 and the stock is all held by three persons.

About seven miles south of Prescott on the Hassayampa river, is a group of ten claims owned by "The Yankee Mining Co.", of which Mr. Young owns all the stock.

Discussing his plans yesterday Mr. Young said it was his purpose to prove the assays secured on the Mammoth ore, by test runs in the mill for the next month or two. If the mill returns 50 per cent of what the assays indicate it should return, he will then install Huntington mills and a cyanide plant for working the ore on an extensive scale. He believes the Huntington mills will be much less wasteful of the values and more economically operated on ore of the sort found in the Mammoth district.

On proving the ore by the mill tests and as soon as correct deductions can be made on interest and a sinking fund it is his intention to so finance his operations as to return to the stockholders all the money they have advanced in the development of the Madzelle group leaving their holdings clear and without risk to them as a partial repayment to them for their loyalty and confidence in him.

It is Mr. Young's intention also to so handle his enterprises that he will have a further development fund of \$35,000 for the Madzelle group and \$25,000 for the Yankee group, both of which, if he has not been misled by reports of engineers and assays, he should be able to accomplish by the first of October. It is his intention and desire to fully develop all three properties with the least minimum of stock issued, which stock will in the

end, be very valuable to the few people who hold it, even if but one of the three properties become good paying mines, and at the present time he thinks they all will be so proved eventually. There will only be 3,000 shares of the Mammoth stock for sale. The first thousand shares will be sold at \$5 and the remainder at par, \$10. This fact is mentioned only in the case of accident or disappointment, for if the present promises are kept Mr. Young will need no financial help to perfect the Mammoth plant, but on a basis for paying the purchase price, development and a nice little profit beside.

The Bull Dog property, which he has just acquired, will not be incorporated with the Mammoth, but is a project independent of it, though near by.

PHOENIX:

BULLDOG MINE IS TAKEN OVER.

L.A. Times July 1910.

WILL BE OPERATED IN CONJUNCTION WITH MAMMOTH.

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The mine lies just below Bulldog

Goldfield News

PROPHESIES MAMMOTH WILL BE A MINE

Justice George S. Irwin made a tour of inspection Sunday extending over a good portion of the Goldfield mining district partly for the purpose of witnessing the development being done there and to also take a look at some property of his own which is located near the workings being done by George U. Young on the Mammoth.

Mr. Irwin has had considerable experience in the Colorado gold fields and is experienced in the mining business. Yesterday he made the statement that in his opinion the workings of Mr. Young would uncover a mine. The three-compartment shaft on the Mammoth is down to a depth of ninety feet. Drifting will commence at the 100-foot level and will continue at intervals of every hundred feet. The machinery which has been installed is all of a high grade order. The stamp mill is to be one of the latest inventions and will be located near the old mill. The hoist is in operation using buckets to carry the men up and down in the shaft until the arrival of the cages. According to Mr. Irwin the formation is easily worked and little difficulty is encountered in going down.

THE MAMMOTH MINE PROVING OF WORTH

George U. Young's Mine Shows Splendid Ore After a Little Work. Old Producer

The following, taken from the Mesa Free Press, will be good news to Phoenix people:

Most encouraging reports come from Goldfield, and it is evident that there will soon be one of the greatest mines in the territory at Mesa's door. Since Hon. Geo. U. Young took hold of this property it has been worked in a systematic manner. He found everything in disorder. The old workings were caved in, the timbers rotted and the lower levels full of water. It was hopeless at that time to take advantage of any of the old work. Consequently a new working shaft was started. It is a double compartment shaft, with a man-way and has been sunk in solid formation. When the desired depth is reached, levels will be run to cut the ore bodies, when the output of the mine should be such as to make people take notice. In the meantime a hoist was placed upon the Black Queen and that shaft is now producing ore that brings a smile to the operators. Two other shafts are now being worked and the mill is making daily runs. The ore is of high enough grade to justify sucking, showing that it is not all a low grade proposition. **MATCH**

Mr. Young is a man who does not believe in boasting of what he intends to do, but keeps the work going in a way that results tell. When asked for news he says that he is "sawing wood," and hopes to have news later on. Enough is known of the work to justify a statement that the old Mammoth has "come back" and is here to stay. Prospectors and mining men realize this and also believe that there are other big mines

PHOENIX.

POLITICIAN A COMING MINER.

STAMP MILL WILL BE PUT IN BY TERRITORIAL OFFICIAL.

George U. Young to Take Up Work of Developing the Old Mammoth Mine at Goldfield, Ariz.—Plans New Shaft, Mill and Machinery—Development Work on Bulldog.

(SPECIAL CORRESPONDENCE OF THE TIME)

PHOENIX (Ariz.) June 3.—Territorial Secretary George U. Young states that a ten-stamp mill will be working about July 1 on the old Mammoth mine at Goldfield, twenty miles east of Mesa, across the Pinal county line, on which he has an option.

A new three-compartment shaft has been started apart from the old workings, a new hoist has been set and a large amount of machinery added to the old plant.

It is not expected that any bonanza will be struck, but there is assurance that a large amount of low-grade ore is available, to be worked at a profit in a modern, labor-saving mill.

The old ore body was from three to seven feet wide, within very distinct walls, between which it was generally worked out clean.

Much of the mine has caved, as the vein was on a considerable incline.

The property lies just at the western break of the Superstition Mountains, much of the country rock being granite. It is surrounded by a large number of claims, worked for years by prospectors in a desultory sort of way, though the surface rock generally is remarkable for its value in free gold.

Across the narrow valley lies the Bulldog mine, a property that has had considerable development and on which a small mill once was operated. William Neagle has been placed in charge of the Goldfields mine and James A. Noel of Los Angeles has arrived to erect and superintend the mill.

The present promises are kept. Mr. Young will need no financial help to perfect the Mammoth plant, put it on a basis for paying the purchase price, development and a nice little side.

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LEAD

MAY 17 1910

daughter of the late C. L. Hall, of whom he bought it March 25, 1910, after he had worked two years in an effort to secure an option. The sale was consummated largely through the efforts of H. M. Lewis of this city who knew the property well under the Hall management and knew Mr. Hall. Mr. Lewis' representations are what that interested him in it and it took a long time for matters to assume a status in which he could get a hold of it.

He finally got a proposition and made a personal inspection. He had only been on the ground forty minutes when he made an offer for it and it then took some time to perfect negotiations. His offer was based largely on his confidence in what Lewis had told him as much of it was under water and the big shaft was 125 feet deep instead of 225 as has been printed. Mr. Young says that he was convinced by his first visit that there was a mine there, and that it had been worked out, and what had been taken out of it was

... showed that the veins were yet only in a primary formation and that they were not near the primary formation, but that the bed water level or the general level. He was told that Mr. Hall had the same ideas and had put up a mine for the stake

The property is well worth a new and a large plant, providing it is equipped with a cyanide process. Mr. Hall in his operations paid no attention to anything but the high grade ore. There was plenty of that and in those days there was no cheap method available for the working of the medium and lower grade ore, even had Mr. Hall desired to do so.

The project of the Mammoth is a fine illustration of legitimate mining. Mr. Young bought the property himself and has financed it himself thus far. It is capitalized for \$750,000 at \$10 a share, the stock being now valued at \$5, but only three or four thousand shares of it are out and most of that is to personal friends or gift stock, so he has the absolute dictation in matters of management. He has taken the risk himself and has things so situated that in the event of a loss or failure, he is the principal one who will be stung.

Mr. Young's methods of mining are highly commendable, and because he has taken hold so fearlessly and risked his own money and his own credit, he has the good wishes of all and has also made something of a name for himself among the mining men and financiers of the country. He has brought a great deal more money into the country than he has taken out of it thus far, but he has faith to believe that his good day is coming.

In 1907, when the panic was on he kept in operation the only development camp in Yavapai county and carried the burden practically on his own shoulders. Since coming to Phoenix as territorial secretary and since purchasing the Mammoth mine he has pursued the same tactics and has been much complimented by engineers as well as by financiers and the general public in so far as it has been advised of his operations. Whether this deal goes through or not, Mr. Young says the comments of the men he has been dealing with have been most flattering and he feels greatly complimented by their report upon his property.

Lincoln at that time regarding mining is especially pertinent to the best present and future welfare of Phoenix at this time.

Agriculture and mining are the two fountain heads of money production. If the work is legitimate, the money is clean, no matter what corruption of it may afterward occur. The agricultural resources surrounding Phoenix are the pride of Phoenix, and fast becoming the admiration of the continent. The past two years of experiment and development of the mining resources surrounding Phoenix is rapidly calling the attention of thinking men to the fact that Phoenix is not only an agricultural center, but is destined to become one of the—if not the most important mining centers in the Southwest.

Mining methods of today are not the methods of ten, fifteen or twenty years ago. It will always contain, in the first development of the "prospect," some per cent of uncertainty, yet no business has become so systematized that all chance has been wholly eliminated. Mining is being deduced to a business basis in all mining countries, and in no section more so than this one, which is to the great credit of the mining men of Phoenix, who have been and are laboring hard to bring to the industrial resources of Phoenix what belongs to it along mining lines. It must be said these men have spent their own money and used their own credit in the development of these propositions before asking outside interests to invest in their different stocks.

Among the principal men of Phoenix

Sept 6-12
Gazette

undertaking for one man, but Mr. Young has kept up continuous work ever since on this magnificent property, with the result today, with the old mine workings cleaned out and the great amount of new work done, Phoenix can boast of one of the very largest community resources in her immediate eastern front yard. Mr. Young has a fine past record for town building and community development back of him, and the results of this last tremendous responsibility fully proves no determination in his well known intelligence and wonderful nerve. This property is now incorporated and known as the Young Mines Company, Ltd.

The Red Rover Mine, forty miles north of Phoenix, has been quiescent since the development stages for the past two or three years. This property is owned by Dr. Craig, Mr. R. N. de Gex and several other prominent men of Phoenix. Active management is solely in the hands of Mr. de Gex, and that he understands his business is proved by the fact that the ore shipped to Phoenix to the smelters during the past four or five months has not only paid expenses, but netted a big profit. Numerous other mines of a smaller scale, all contiguous, and of them very near to Phoenix, are also passing the "prospect" stage. This fact should be more than convincing to Phoenix. The start-up of these mines means more pay rolls, more men, women and children will have to live, and that means a larger local market for the farm and the local market, in all agricultural sections, is the one man

which pays the farmer the real profit for his products. Agricultural conditions of the River Valley as they are, the mining industry as promising as it is, building of the new Southern Pacific shops, now an assured fact, the coming of the El Paso and Southwest Railroad into Phoenix inside the next twenty-four months, the finishing of the Buckeye railroad to Yuma, connection with Globe inside the next two years, making two through-line connections for Phoenix, are subjects sufficient to dispel the "grouch" of the pessimist and make it a continuous fight with the optimist to suppress his joy.

The Gazette, which has always will continue to stand for the legitimate building of Phoenix, intending to give more space to the mining industry surrounding Phoenix, and will attempt to give from one to two detailed descriptions of

YOUNG'S DEAL ON MAMMOTH

It Is Still Pending Contrary
To Report

June 2, 1911.

A NEW REDUCTION PLANT

It Is Needed and Will Be
Provided, If Not by This
Deal, Then by Some Other

It was reported yesterday that Territorial Secretary George U. Young had refused an offer of \$50,000 for a one-third interest in the Mammoth mine at Goldfield, which sum if paid was to be used in the construction of a larger reduction plant. It is known that such a deal has been on for a few days and when approached concerning it last night, Mr. Young said he had not considered it a matter for publication thus far, but in view of the fact that some things have been printed that are misleading he would make a general statement concerning the property and the present negotiations. He said the deal in question is not yet "off." It has been a matter of proposition and counter proposition and thus far there is nothing decisive.

In this connection, Mr. Young said he would like to review the history of his connection with the property a little as it is one mine that has made good, one property in which he has been able to realize some things

ing of a new and deep shaft, but had died before he got back from Denver. Being convinced of the truth of these things, Mr. Young said it was up to him to find out why Mr. Hall wanted a new and deep shaft. He secured the property and went to work in full faith that there was ample reason. Ten days ago he proved the facts to the satisfaction of himself, and all others who have inspected it, and are skilled in mineral formations. He says he knows now why Charlie Hall wanted a new shaft, just as well as though he were talking to him today. The ore is there. Previously Mr. Hall had only worked his rich deposits and had not reached the point of real mining, though he took out a great deal of money.

Mr. Young went to work with a will as soon as he secured the property and has kept a large force of men busy ever since. Ten stamps of the old mill were put in good condition and started to running months ago, though they have not been operated regularly for various reasons, such as getting his water supply arranged for convenient handling, etc. He had for one thing to pump out the reserve in the big shaft to get to the bottom of it, and has spent thousands of dollars in just getting rid of water, of which there will be no scarcity when things are in order.

Another ten stamps of the old mill will be ready for use in a very short time and the first ten are now hammering away in 24-hour shifts. The mine is now making money, but not as fast as it ought to, merely from lack of reduction facilities. It needs more stamps and a cyanide plant, and will have them eventually, whether this deal goes through or not. Mr. Young says he has been sweating blood for a year, but feels better right now than he ever did in his life, for he has proved everything and thinks he is in a position to take care of himself.

The property is now well known among mining men and is attracting much attention among the engineers. Last week an eminent engineer representing large eastern interests, the identity of which he does not care to reveal, expeted the property and made an offer of \$50,000 for a third interest. The plan was for Mr. Young to retain control, the money to be used in the erection of a new and larger reduction plant. It is this deal that is still pending efforts to

PHOENIX WILL SOON COME INTO HER OWN

One of the last messages ever delivered by Abraham Lincoln was addressed to the miners of the west and conveyed to them by Hon. Schuyler Colfax, then speaker of the house of representatives. It ran as follows:

"During the war," said he, "we have been adding a couple of millions every day to our national debt. Now that the war is over, we know pretty nearly the amount of the debt, and the gold and silver we mine make the payment of that debt so much the easier. I am going to encourage that in every possible way. We shall have hundreds of thousands of disbanded soldiers. I will try to attract them to the hidden wealth of our mountain ranges, where there is room for all. I intend to point them to the gold and silver that await them in the west. Tell the miners from me that I shall promote their interests to the utmost of my ability, because their prosperity is the prosperity of the nation, and we shall prove in a very few years that we are indeed the treasury of the world."

The bulk of the national debt, which at the close of the war amounted to over three thousand millions, has been paid, and the western mining states, to which Mr. Lincoln pointed the disbanded soldiers, have produced enough gold, silver and other valuable metals to cover every dollar of it. This despite the fact that for fifteen or twenty years after the discovery of mines, most of the men employed were slowly learning how to mine, and the various mill men in constant search of methods whereby the precious metal could be recovered.

No time is different, and the debt less, but the idea promulgated by Mr.

who have kept continuous development of their different propositions under way during the past two and three years, and through what all informed know to be the most stringent of financial times to secure means for mining development are ex-Secretary of Arizona George U. Young, Ezra W. Thayer, S. J. Tribolet, A. J. Jennings and R. N. do Cox.

Mr. Thayer's property is nearer Wickenburg, but he has developed a prospect into a mine of more than local renown, and has a proven property which some claim will make Arizona famous as a silver producer. This property is now an indirect—and sooner or later will become a direct—resource of Phoenix. Mr. Thayer is one of the leading hardware merchants of the city, and too much praise cannot be bestowed on him for his faith, energy and intelligence in opening up such a silver mine as the Monte Cristo is destined to be.

Mr. Tribolet is developing and operating a copper property forty-five miles north of Phoenix. He has been industriously engaged in this work, aside from his extensive wholesale and retail meat and butcher business, for over a year past, and has lately contracted for the delivery of one thousand tons of high grade ore for shipment to the El Paso and other smelters, two or three cars on this contract already having been delivered and shipment forwarded by Thayer and Lewis, who have this freighting contract.

Mr. Jennings has been quietly developing a gold and copper property in the Phoenix or Salt River Mountains, twelve or fourteen miles south of the city. Mr. Jennings has been creating no excitement with the result—active development and the installation of a great deal of new machinery has been done and put into place on this property the past eight or nine months.

What bids fair, to become one of the largest gold mines ever opened in Arizona in the Goldfield, or Mammoth mine, twenty-five miles east of Phoenix, at the foot of the beautiful Superstition Mountain. This property was owned in the early days by Mr. Charles Hall, who died while the property was in active operation under his management and ownership. This property produced nearly, if not quite, one million in bullion before the death of Mr. Hall. After his death the property reverted to his estate and was owned by his two daughters, who reside some place in the East. This property lay idle many years, until taken over in April, 1910, by the, at that time, Secretary of Arizona Hon. George U. Young.

MATCH

... of new work done, ... of one of the very ... resources in her ... front yard. Mr. ... record for town ... development ... and the results of this ... responsibility fully ... determination in his well ... and wonderful ... property is now incor ... known as the Young ... Ltd. ... Rover Mine, forty miles ... has been quickly ... through the development ... the past two or three years. ... is owned by Dr. R. A. ... R. N. de Gex and several ... prominent men of Phoenix. The ... management is solely in the ... of Dr. de Gex, and that he un ... his business is proven by ... that the ore shipped from ... to the smelters during the ... or five months has not only ... expenses, but netted a handsome ... numerous other mines on a ... scale, all contiguous, and some ... very near to Phoenix, are ... ing the "prospect" stage ... and should be more than gratify ... Phoenix. The startling of the ... means more pay rolls, means ... men, women and children who ... to live, and that means ...

WATCH
LIVE

view of the fact that some things have been printed that are misleading he would make a general statement concerning the property and the present negotiations. He said the deal in question is not yet "off." It has been a matter of proposition and counter proposition and thus far there is nothing decisive.

In this connection, Mr. Young said he would like to review the history of his connection with the property a little as it is one mine that has made good, one property in which he has been able to verify every claim made for it by Mrs. Murphy, the daughter of the late C. J. Hall of whom he bought it March 25, 1910, after he had worked two years in an effort to secure an option. The sale was consummated largely through the efforts of H. M. Lewis of this city who knew the property well under the Hall management and knew Mr. Hall. Mr. Lewis' representations are what first interested him in it and it took a long time for matters to

... Young went to work with a will as soon as he secured the property and has kept a large force of men busy ever since. Ten stamps of the old mill were put in good condition and started to running months ago, though they have not been operated regularly for various reasons, such as getting his water supply arranged for convenient handling, etc. He had for one thing to pump out the reserve in the big shaft to get to the bottom of it, and has spent thousands of dollars in just getting rid of water, of which there will be no scarcity when things are in order.

Another ten stamps of the old mill will be ready for use in a very short time and the first ten are now hammering away in 24-hour shifts. The mine is now making money, but not as fast as it ought to, merely from lack of reduction facilities. It needs more stamps and a cyanide plant, and will have them eventually, whether this deal goes through or not. Mr. Young says he has been sweating blood for a year, but feels

ed his own money and his own credit, he has the good wishes of all and has also made something of a name for himself among the mining men and financiers of the country. He has brought a great deal more money into the country than he has taken out of it thus far, but he has faith to believe that his good day is coming.

In 1907, when the panic was on he kept in operation the only development camp in Yavapai county and carried the burden practically on his own shoulders. Since coming to Phoenix as territorial secretary and since purchasing the Mammoth mine he has pursued the same tactics and has been much complimented by engineers as well as by financiers and the general public in so far as it has been advised of his operations. Whether this deal goes through or not, Mr. Young says the comments of the men he has been dealing with have been most flattering and he feels greatly complimented by their report upon his property.

... was supposed that it ... worked out and for many ... was little if any work ... property. A 100 stamp

The auction of lots today.—Ad-

ACTIVITY AT

MAMMOTH MINE

Mesa Merchants Already Feeling Effect of It.

The first real signs of actual work on the Mammoth mine in the Goldfield district, twenty-one miles east of Mesa on the Roosevelt road, became apparent when a large lot of supplies were ordered out to the camp which is being established. Not only have the Mesa merchants already begun to feel the effects of what the opening up of the old mine will do for them, but it is understood that an additional load of supplies was also started out of Phoenix.

It has been pretty well understood in a general way as to the plans in mind by George U. Young, who has the property holed and is the man behind the present operations, but the first definite information was given out yesterday morning by W. M. Neagle, who is in direct charge of the work.

Mr. Neagle left here during the afternoon with four boiler-makers in the Kimball automobile and they will immediately proceed to get the machinery in shape for work. According to Mr. Neagle, no less than ten or twelve men will be put on by the last of this week or the first of next. In other words, men will be put on just as fast as there will be a place for them to work. There are a good many details that have to be arranged before a large force can be put on, but there will unquestionably be a large camp at Goldfield by early summer.

As has been intimated before, the new operators do not propose to use the old shaft at all on account of the fact that it is considered in an unsafe condition and would require the expense of retimbering and constant pumping in order to get out the water. It is a well known fact that the overabundance of water has always been a problem for the operators in the Goldfield district to solve.

The new shaft will be located a short distance from the old one and will be a two-compartment shaft, which is, in the opinion of all those who have investigated the ground and expressed themselves, the only way in which to proceed. It is the present intention to sink the shaft to a depth of 800 feet with extensive drifting at the 400-foot level, at which time the old workings will probably be encountered.

Mr. Neagle after briefly outlining the plans said: "We are going to spend a lot of money and we are going to buy a lot of supplies in this town. The work in hand is no hot air proposition and it is going to take money to make a mine out of the Mammoth. That is the point which is of vital interest to Mesa. A mine at Mammoth and Mesa as the base of supplies will mean more to this town than can be easily calculated. It will bring the same kind of business to this section as the Los Angeles and a main-line railroad."

It has been stated before, that fifteen or sixteen miles in the Goldfield district, and already spent several thousand dollars on the development of the Mammoth mine. The plans for development established by Mr. Neagle, in his opinion, that the old shaft and the sinking of a new shaft, is the only business

TEMPE LACKS CASH FOR RUNNING CITY

Appearing before the state tax commission to ascertain the necessary steps to obtain permission to increase the tax levy more than 10 per cent over the amount levied a year ago, Dudley Windes, city attorney of Tempe, intimated that the south side city was in need of additional funds to carry on its city government. That Tempe is short of funds because of its heavy overhead expense was information given out by Mr. Windes. The increase in overhead is largely due to city paving, he said.

The commission informed Mr. Windes that under house bill 90, the cities will not be allowed to exceed 10 per cent more than the amount levied a year ago unless an emergency exists. The commission must pass on all increases granted.

The commission yesterday called attention of boards of supervisors of the different counties of the state to the new law. They were asked by the commission whether there is a deficit from the previous year's operation, and if there is, has informed the supervisors they are entitled to "clear it up" under the new law.

ENTERTAIN O. E. S. AT GOLDFIELD MINE

Queen Esther Chapter No. 22, O. E. S., and their friends, were given a party royal Saturday night and Sunday by Mr. and Mrs. Geo. U. Young at their Goldfield mine. A delicious supper was served, after which the guests danced until the " wee small hours" of the morning. The music was furnished by Hixley's orchestra.

The guests inspected the new buildings and equipment of the mine, which is modern and up-to-date in every respect. Since the recent disastrous fire, the new dining room, kitchen equipment, new furniture and bedding and a new refrigerator plant have been installed and everything is provided for the comfort and convenience of the employes.

After breakfast the party motored back to Phoenix and loud in their acclaim of the royal hospitality afforded by the Youngs.

THE ARIZONA REPUBLICAN

Twenty-Second Year.

The Arizona Republican, Friday Morning, June 2, 1911.

Vol. XXII. No. 15.

The legitimacy of this mining investment is guaranteed. Ten thousand shares will be placed on sale June 5, 1911, at \$5.00 per share. Make all checks payable to the "Young Mines Company, Ltd.," and address all communications to Geo. U. Young, Phoenix, Arizona.

YOUNG'S DEAL ON MAMMOTH

It Is Still Pending Con-
trary To Report

A NEW REDUCTION PLANT

It Is Needed and Will Be Provided,
If Not by This Deal, Then by
Some Other.

It was reported yesterday that Territorial Secretary George U. Young had refused an offer of \$50,000 for a one-third interest in the Mammoth mine at Goldfield, which sum if paid was to be used in the construction of a larger reduction plant. It is known that such a deal has been on for a few days and when approached concerning it last night, Mr. Young said he had not considered it a matter for publication thus far, but in view of the fact that some things have been printed that are misleading he would make a general statement concerning the property and

assume a status in which he could get a hold of it.

He finally got a proposition and made a personal inspection. He had only been on the ground forty minutes when he made an offer for it and it then took some time to perfect negotiations. His offer was based largely on his confidence in what Lewis had told him as much of it was under water and the big shaft was 425 feet deep instead of 225 as has been printed. Mr. Young says that he was convinced by his first visit that there was a mine there, unless it had been worked out, and what Hall had taken out of it was of record.

The deepest shaft, however, showed that the workings were yet only in a "made" formation and that they were just entering the primary formation, not having reached water level or the secondary enrichment. He was told that Mr. Hall had the same idea and had put up \$50,000 for the sinking of a new and deep shaft, but had died before he got back from Denver. Being convinced of the truth of these things, Mr. Young said it was up to him to find out why Mr. Hall wanted a new and deep shaft. He secured the property and went to work in full faith that there was ample reason. Ten days ago he proved the facts to the satisfaction of himself and all others who have inspected it, and are skilled in mineral formations. He says he knows now why Charlie Hall wanted a new shaft, just as well as though he were talking to him today. The ore is there. Previously Mr. Hall had only worked his rich deposits and had not reached the point of real mining, though he took out a great deal of money.

Mr. Young went to work with a will as soon as he secured the property and has kept a large force of men busy ever since. Ten stamps

better right now than he ever did in his life, for he has proved everything and thinks he is in a position to take care of himself.

The property is now well known among mining men and is attracting much attention among the engineers. Last week an eminent engineer representing large eastern interests, the identity of which he does not care to reveal, experted the property and made an offer of \$50,000 for a third interest. The plan was for Mr. Young to retain control, the money to be used in the erection of a new and larger reduction plant. It is this deal that is still pending, efforts being made to get together on deal.

This property is well worth a new and a large plant, providing it is equipped with a cyanide process. Mr. Hall in his operations paid no attention to anything but the high grade ore. There was plenty of that and in those days there was no cheap method available for the working of the medium and lower grade ore, even had Mr. Hall desired to do so.

The project of the Mammoth is a fine illustration of legitimate mining. Mr. Young bought the property himself and has financed it himself thus far. It is capitalized for \$750,000 at \$10 a share, the stock being now valued at \$5, but only three or four thousand shares of it are out and most of that is to personal friends or gift stock, so he has the absolute dictation in matters of management. He has taken the risk himself and has things so situated that in the event of a loss or failure, he is the principal one who will be stung.

Mr. Young's methods of mining are highly commendable, and because he has taken hold so fearlessly and risked his own money and his own credit, he has the good wishes of all and has also made something of a name for himself among the mining

IS AGAIN A PRODUCER

Fifty-eight Ounce Bar
Of Gold Received
Yesterday
Famous Property Being
Revived After Long
Inactivity

Bullion receipts yesterday at the Bank of Arizona included a fifty-eight ounce bar of gold from the Mammoth mine, a partial cleanup of the plates of the new mill in the test run started a few days ago. It will be shipped to the branch mint at San Francisco.

The Mammoth mine was taken over several months ago by George H. Young, Secretary of Arizona, for the Young Mines company. The property was one of the noted producers of the Territory a quarter of a century ago. Since the title passed to Mr. Young and his associates great progress has been made in reopening the property, which has been idle many years, due to litigation and disagreements among its former owners. Some of the old workings have been repaired and in addition, virgin deposits of rich ore, not known to exist in its early history, have been uncovered.

The new mill has been finished and ten stamps are now working on the test run giving satisfaction.

1-17-1913

Original Gazette Jan. 17

MATCH
LINE

Plant to Be Placed in Operation Within Next
Ten Days

Ten days more will see the ten-stamp mill at the Goldfield mine, 16 miles northeast of Mesa, grinding away on ore, none of it low grade and much of it running tremendous values in gold to the ton.

Daniel Docherty is the authority for the above statement. Mr. Docherty has had years of experience in Yavapai county in mining, and has been busy for a long time at Goldfield putting the old ten stamps in shape for a long mill run. It is the intention of the owner, George H. Young, to keep the mill running permanently if possible until the new mill is completed. Work on a new plant will commence within the next 30 days or less, if financial plans now pending are not delayed by some unlooked-for cause. Enough ore is in sight and assured, says Mr. Docherty, to keep a large mill and cyanide plant operating a good many years.

Mr. Docherty is highly pleased with the outlook at Goldfield. "The mine is certainly a good proposition," he said this morning. "I fail to see any reason why it should not become a big money maker once more, as it was in days gone by."

"Exceptionally fine ore has been found in a new shaft, and there is much high grade ore exposed in the

Mr. Morrison left yesterday for the camp of the Mint Gold company in Copper Basin, where George Montgomery is installing a new ten stamp mill, which is expected to be finished by the first of the year.

old workings, much of it averaging \$100 per ton.

"It will be necessary to do considerable work in the mine as well as the installation of complete new equipment, which will shortly be commenced. The new two and one-half compartment shaft is to be continued down to depth, and the mill will be kept going during the installation of the new equipment.

"I found the mill in fair shape. All that is needed now to start is coal for the engine. That was ordered and paid for this morning and should be delivered in less than ten days."

Mr. Young, when asked regarding the above, said: "It's true and more could be said, but it is not necessary at this time, as I am willing to let the future read the results. It has been a terrific ordeal, but when it is all over I shall have much to be thankful for, as it takes such experiences to enable one to separate the 'sheep' from the 'goats' among men, and while I shall be under obligations to several good men—to none more than the first-class men in my employ."

MATCH LWE

...the high grade and think that we have a great many millions in sight, and hold the property on that vision.

From Clifton to Ray I did not find a mine operating on a producing scale, and while there are good properties within that territory, there seems little expectancy that much will be doing till the first of the year. When I reached Ray I found a great activity—but here, too, nothing was done on a large scale till there was the greatest absolute security. They churn drilled their ground till they had developed 80,000,000 tons of 3 per cent. copper, and now they are preparing to take it out and make money.

At Superior I found the same condition—the old Silver Queen mine is being developed with exactly the same care one would give to a boot and shoe business or a bank. And when this work is completed, if the mineral deposits shall justify, there will be a plant and operations of great moment. We came on to Goldfields, and here found the same condition—George H. Young, the man at the head, is simply and actively developing. He is operating ten of the twenty stamps twelve hours a day, but this is not to make a profit, but to determine exactly what the ore will do under actual operating conditions. Men are working under

will handle 100 to 150 tons or even more daily, in which case ore running so low as even \$2 per ton may be treated with profit.

Mining on a large scale depends absolutely on the economics in getting the ore to the mill. It may be done cheaply in many ways—by caving, top slicing, steam shovels etc., and one of these methods will be adopted at Goldfields. Now, the point I want to make is, that with the careful development and prospecting being done, when it is finally determined what shall be done as to plant, there will be a mine to justify it.

There are eleven claims in the group. I rather believe there are three having just the same showing, that the three have an average of 300 feet of brecciated, gold-bearing material. But there have been excavations made, tunnels, drifts, winzes, raises, etc. made under ground and on the surface in one of these claims, and a careful and conservative estimate makes the quantity of ore averaging above \$4 per ton in this claim 3,000,000 tons. This makes a wonderful gold mine—on a plane with the Alaska Treadwell. A mine of this sort will have an almost indefinite life, and as it is operated the returns will be better all the time, because those in charge will naturally become more ef-

city, county and state, and the very greatest incentive to others to come in and look for similar deposits and opportunities.

It is because I have faith in Mr. Young's good business sense and his cool-headed conservatism that I feel more than ordinarily enthusiastic over the Mammoth—it is a great mine.

GOLDFIELD MILL WILL TREAT RICH ORE

Plant to Be Placed in Operation Within Next
Ten Days

Ten days more will see the new stamp mill at the Goldfield mine, 16 miles northeast of Mesa, grinding away on ore, none of it low grade and a part of it running tremendous values in gold to the ton.

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MAMMOTH MINE
IS AGAIN A

WATCH
LIVE

WATCH
LIVE

GOLDFIELD MILL WILL TREAT RICH ORE

MAMMOTH MINE IS PROMISING PROPERTY

Is Destined to Develop
Into Great Gold
Producer

Opinion of J. H. Morrison
Who Arrived Home
Yesterday

In the opinion of J. H. Morrison, millwright, who returned yesterday from the camp of the Young Mines company at Goldfield, the Mammoth mine is destined to develop into one of the big gold producers of Arizona. This statement is based on personal investigations. He states that the property is as promising as any seen in many years he has been engaged in mining and installing reduction works.

Mr. Morrison says that ten stamps were started a few days ago, and there is evidence from the character of the ore on the dump that it would prove a success. With the large tonnage available the development is producing a large reserve and some important discoveries have been made recently in new ground.

The mill is in charge of E. O. Kennedy, while George U. Young is personally directing operations.

Mr. Morrison left yesterday for the camp of the Mint Gold company in Copper Basin, where George Mont-

WATCH
LIVE



WESTERN LABS & ENGINEERING

HEADQUARTERS:
P.O. Box 3277
Costa Mesa
California 92628-3277
(714) 548-5922

*This is from the mine
the best story I wrote about
the one I had no records on*

PLANT:
1385 East 17th Avenue
Apache Junction
Arizona 85219
(602) 983-0930

November 03, 1988

Subject: Mammoth
Mine Gold Values

To Whom It May Concern:

I, Richard N. Schade, observed the following:

In the time about late 1984 on the Mammoth Mining Claim in Apache Junction, Arizona, the rotary drills were drilling all day long. They made 450 feet each day. Most of the angles drilled were either 55 or 60 degrees (never going over 450 feet in 8 hours). The core drillings were done and the poorest result made in bed rock were approximately 10 feet down. The maximum 1 day depth was 60 feet, but most holes made were never much below 200 feet. At every 5 foot level there was a PhD Geologist who took the samples down to Jacob's Testing in Tucson, Arizona to be assayed.

I observed each and every hole drilled out there (about 170 total). As I am a winter visiter and enjoy being out in the desert. I receive no gratuities, no promises, or financial gain in any of these ventures. I am 67 years of age and have been retired several years, an ex-Military WWII Vet. I will be glad to answer any questions as to the values of those drill holes on the Mammoth Mine. Some of them were dripping with almost pure Gold off the drill bit as it was pulled out and put into the Gold pans for testing. There are some extremely high grade veins of Gold at the Mammoth Mine. I have personally seen the veins in three different rock types. The first being of course Quartz. The second (and this is the "fine" Gold), is found in Hemitite (Iron Oxide). And the third, being the richest spot runs with the Manganese. I have actually seen Mr. Sandy Sanstead break a chunk off in a pan and crush it up, having it be almost 50% Gold by volume.

These facts are true, as I have seen them. I can have other people verify the above to be facts. And, hereby state the above is accurate as I have witnessed them. I do state under penalty of perjury, these things to be so.

Richard N. Schade

Richard N. Schade

Lost Dutchman Travel
Trailer Resort
Apache Junction, Arizona
85219

(Phone number available
upon request).

STATE OF ARIZONA

COUNTY OF Maricopa } ss

This Instrument was acknowledged before me this 7th day of November 19 88 by Richard N. Schade

In witness whereof I herewith set my hand and official seal.

James A. Myer NOTARY PUBLIC

My Commission Expires Nov. 12, 1989

R E P O R T S & G E O L O G Y

PRELIMINARY
FOR STUDY PURPOSES ONLY

THE OLD WASP MINE

INTRODUCTION

The Old Wasp gold mining claim, at Goldfield, Arizona, although located in 1893, was not appreciably developed during the pioneer era. Modern development was not commenced until the discovery of the Old Wasp ore shoot in 1983.

The adjacent Mammoth claim, however, has an extensive development history beginning in 1891. This includes twelve shafts and over three miles of underground workings, of which detailed records are available.

The gold deposition at the Mammoth Mine occurred along the hanging wall contact of the Mammoth Fault. The developed Wasp ore shoot occurs along a continuation of this same contact as it extends across the Old Wasp claim. The Wasp shoot was in fact intercepted in 1925 at the 1,000 ft. level by a drift from the Mammoth Mine which encroached under the Wasp claim. Complete assay records of this interception are included in this presentation.

That the adjacent Wasp and Mammoth Mines are on the same geological structure makes the abundance of data available on the Mammoth mine invaluable in evaluating the Wasp. The Wasp, in fact, cannot properly be evaluated except in context with the history of the adjacent Mammoth Mine.

The Old Wasp Mine is owned by the writer, Clay Worst, and his wife. Working with Warren Konemann, a mining consultant, we compiled some 600 pages of data on the Mammoth Mine and other mines in the immediate Goldfield area. We are not in the publishing business, and cannot furnish this amount of data to the idle curious at no charge. Accordingly, the first part of this report includes only the synopsis of our report on the Mammoth Mine, included to place the subsequent Wasp report in perspective. Superscript parenthetical numbers ⁽¹⁾ throughout the text refer to sources listed in the bibliography of the 600 page report. This bibliography is included herewith, that the reader may verify this material independently. If the reader is seriously interested in pursuing it further, the entire 600 page report can be made available.

GOLDFIELD, ARIZONA, USA

THE MAMMOTH MINE

January 1, 1998

INTRODUCTION

The Goldfield mining district is located on the western foothill slope of Superstition Mountain, 5 miles northeast of Apache Junction, Arizona, and 38 miles east of Phoenix. It lies in Pinal and Maricopa Counties, Townships 1 & 2 North, Range 8 East of the G. & S.R. Base & Meridian.

At Goldfield, the Mammoth Mine alone produced over \$34 million (at today's prices) between 1891 and 1925. Of the five major groups of claims, E.O. Kennedy ⁽⁷⁾, E.M. quotes J.R. Hubbard, EM, as estimating the remaining ore reserves on the Mammoth group alone to be equivalent to \$111.7 million today. The ore body remains in place.

Goldfield has paved road access via State Highway 88, 6½ miles straight and level, from Superstition Freeway # 60. Public utility 3-phase electric power is available. A 45kV transmission line with an existing substation 1,800 ft. from one of the properties could provide power for a very large operation.

AREA HISTORY

This report has been compiled by Warren Konemann, mining consultant, and Clay Worst, a real estate broker who is the owner of the Old Wasp Mine. The writers would emphasize that most of this history is based on records of the Arizona Department of Mineral Resources, which is the work of others. We cannot be responsible for the accuracy or sufficiency of work done by men who died before we were born, much of which was done in another century.

Further, between 1837 and 1934, the price of gold in the U.S. was fixed at \$20.67 per ounce, the price basis of the pioneer reports referenced herein. It now exceeds 14 times that price.

Accordingly, for the sake of clarity, some production figures have been converted from pioneer prices to current prices and dollar values to gold content and vice versa. We are responsible only for faithfully and accurately reproducing the work of others, and for the accuracy of the conversions, which are identified wherever used. Some 80 historical and contemporary sources are listed in the bibliography following, and are referenced by superscript numbers ⁽⁰⁾ throughout the text. These may annoy the casual reader, but are invaluable to anyone referencing the source of the data.

Inconsistencies throughout the text reflect that we have not adjusted the reports of some 80 sources to create a reconciliation of opinions. Such adjusting is left to the reader.

"Today's price" as referenced herein is New York spot gold, December 20, 1997, viz. \$289.50 per ounce.

Historically, the largest producer at Goldfield was the Mammoth Mine. The Mammoth has over three miles of underground workings, almost entirely devoted to exploring a 4,000,000 ton body of low-grade (0.07 oz. gold per ton) ore to the 1,000 ft. level ⁽¹⁵⁾. With the projected higher grade ores added, total projected values have reached \$126 million by today's prices ⁽¹⁵⁾.

Virtually no stoping has been done; the ore body remains in place. \$34 million (at today's prices) was produced from selectively mining the high-grade shoots encountered.

The Old Wasp Mine is a key property at Goldfield. The Wasp claim has patented fee simple title. It lies adjacent to the Mammoth claim on the south, along the strike of the Mammoth Fault. Deep exploration from the adjacent Mammoth claim has established that the Wasp ore shoot, which has been mined only to the 60 ft. level, persists with good values at the 1,000 ft. level. At least \$670,000. was recovered from the upper 45 feet of the Wasp shoot. The Wasp has a 6-inch domestic water main, however the Wasp generates enough mine water for milling purposes if recycled.

Of the various claims at Goldfield, all except the Bulldog group lie along the strike of the Mammoth Fault, much of which remains unexplored. The historic production at Goldfield has largely been along the hanging wall contact of this fault.

THE MAMMOTH GROUP

The Mammoth group of claims consists of the 20-acre Mammoth claim, patented fee simple absolute, seven 20-acre unpatented claims and eleven fractional unpatented claims totaling 274 acres, all contiguous. The Mammoth Mine has by far the largest production history and the most extensive exploration at Goldfield. Since the Mammoth is now flooded, the extensive pioneer-era records of these workings give the clearest picture of the geological structure, extent, and estimated value of probable ore deposits along the Mammoth Fault.

Gold was first discovered by Anglos at Goldfield in the 1870's, though the property then showed evidence of prior mining activity during the Mexican period ⁽¹⁷⁾. O.D. Merrill, a Mr. Hakes, a Mr. Cosner and J.R. Morse filed the earliest claims of record ⁽⁴⁵⁾.

In 1890, Chas. L. Hall, and a backer, Dennis Sullivan, optioned the Black Queen, Tom Thumb and Mammoth claims from O.D. Merrill. Within a year, a flash flood in Goldfield Wash uncovered a rich shoot on the Mammoth claim where the wash crossed the Mammoth Fault.

Merrill discovered the shoot, but had already optioned the properties to Hall. Hall exercised his option at once and erected a 20-stamp mill on the property. While mining this shoot, Hall also sank a series of shallow shafts tracing the north-south trending Mammoth Fault (the main fault plane) for some 4,000 feet. The known ore zone lay adjacently to and eastward of the fault contact.

Hall developed the vein along the Mammoth Fault for about 700 feet, disclosing a second rich ore shoot near the south boundary of the Mammoth claim. The north shoot was called the Mormon Stope; the south shoot was called the Glory Hole.

According to early-day reports ^(7, 13, 15), these shoots, mined in 1892-1893 to about the 100-150 ft. level, produced \$1 million. Gold was priced at \$20.67 per ounce, indicating production of some 48,000 ounces of gold in 14 months ⁽¹³⁾, some \$14 million at today's prices. Hall was reportedly regularly shipping 150 pounds of gold every three weeks ⁽¹⁵⁾.

E.O. Kennedy ⁽⁷⁾, Hall's engineer, reported one month, February 1893, when \$105,000 was recovered. He states, "...many other months came close to it." This converts to \$1.47 million in one month at today's prices. A.S. Lewis ⁽¹⁵⁾ states Hall was producing "\$3,000 per day" (about \$42,000 per day at today's prices).

Kennedy ⁽⁷⁾ also reports the brush was cleared for 200 feet on each side of the roadway so the guards could not be ambushed by road agents.

Regrettably, in 1894 ⁽¹⁵⁾, Goldfield Wash experienced a second flash flood. Hall's workings extended under the wash, his timbering was inadequate, and his workings caved. Hall sank a shallow shaft adjacent and drifted in under the old workings, but was unable to hold the caved material with timbering.

Kennedy ⁽⁷⁾ advises that \$90,000 of the rich ore was lost in the cave-in. Young and Pecord ⁽⁸⁾ quote \$100,000. This converts to \$1.3 million at today's prices. It has never been recovered. E.W. Smith ⁽⁸²⁾ plats all of this caved material situated upward of the 100 ft. level.

Hall, then the sole owner, became ill and went to Denver, where he died. His daughters had no interest in mining, and the Mammoth Mine was closed. Hall died one of the richest men in Colorado. At that time, the deepest workings were at 425 ft. Hall's last bar of gold weighed 1,700 ounces

With Hall's death, all original contemporaneous records of the mine were lost. The best evidence of Hall's operation is found in the recollections and records of Hall's engineers.

Kennedy ⁽⁷⁾ reports that Hall milled a total of 50,000 tons of head ore averaging 1.9 ounces of gold per ton. A.S. Lewis ⁽¹⁵⁾ reports Hall's mill heads averaged 2.1 ounces per ton. If even the lesser figure is correct, Hall's total production would have been 105,000 ounces, worth over \$27.5 million today. Kennedy ⁽⁷⁾, Williams ⁽¹³⁾, Lewis ⁽¹⁵⁾ and others concur that Hall's production reached \$1 million, with gold priced at \$20.67 per ounce..

It should be noted, however, that Young and Pecord⁽⁸⁾ state that by 1912 (20 years later), only \$400,000 in Hall's bullion receipts were still at hand. However they do add, "No doubt much ore was taken out of which no record is to be had." Even this partial figure converts to \$5.6 million today.

In 1909, George U. Young, the Territorial Secretary of the Arizona Territory and also the mayor of Phoenix, secured an option on 10 claims, including those owned by Hall's daughters. He purchased them in 1917.

He rehired E.O. Kennedy, who had been Hall's engineer. He also sank a shaft adjacent, and attempted to drift in under the caved workings. He, too, was unable to hold the caved ground with timbering. A.S. Lewis ⁽¹⁵⁾ states that Young's engineers took 96 samples of caved low-grade muck that Hall had left behind. These averaged 0.44 oz. gold per ton.

Young then sank a shaft on the Mammoth Fault near the north end of the Mammoth claim, intending to sink to 800 ft. ⁽¹³⁾. Results were disappointing, and it appears to have been abandoned at 320 ft. He then directed his efforts southerly.

By 1911, Young had drifted under the old Mormon Stope ⁽⁸⁾ and the Glory Hole at the 100 and 200 ft. levels. Later, at the 425 ft. level under the Glory Hole, the south shoot was still 50 ft. long by 12 inches in width. It averaged 1.1 ounces of gold per ton. A winze at this level averaged 42 in. wide at 1.49 ounces per ton. This was leached with cyanide by Kennedy ⁽⁸⁾ for a 98% recovery.

Young had no intention of only following rich shoots, but proposed to block out an immense body of low grade but profitable ore, to be mined later on a large scale. To this end, he ultimately sank at least 12 shafts on the Mammoth claim alone, with 13,760 ft. (nearly 3 miles) of shafts, drifts, cuts, raises and winzes. Lewis ⁽¹⁵⁾ states that Young did "little if any stoping."

Several engineers estimated that Young had blocked out four million tons of low-grade ore averaging 0.07 ounces per ton. Chas. B. Broan ⁽¹¹⁾ quotes J.R. Hubbard as estimating ore reserves at the Mammoth Mine at \$7,977,000., converting to \$111.7 million today. Broan states that Hubbard deducted 50% "for his protection," and that "Work since has added many times to that value."

While his work was deliberately exploratory, with virtually no stoping, by 1920 Young did produce \$63,000 in recovered gold ⁽⁸⁾, over \$882,000 at today's prices. His real accomplishment, however, was in generally proving an immense ore body of low grade ore 4,000 ft. long by 500 ft. wide by 1,000 ft. deep, presumably deeper. Lewis ⁽¹⁵⁾ states the entire mine, figuring the vein 500 ft. wide, including dumps and caved ground, had a computed average of 0.13 ounces of gold per ton. Broan ⁽¹¹⁾ provides Young's production records from Oct., 1913, to Oct. 1914, totaling \$39,000, equivalent to \$546,000 today.

The reports that follow are very important with reference also to the Old Wasp claim, which adjoins the Mammoth claim to the south, along the strike of the same Mammoth Fault contact. Two engineers' reports, Bedford ⁽¹²⁾ in 1923 and Kennedy ⁽⁷⁾ in 1925, both concur on a significant point.

Bedford ⁽¹²⁾, in his report to Young, in discussing the origin of the mineralization at the Mammoth Mine, states, "The resultant mass silicifying between the displaced walls formed a pegmatite chonolith. **The feeder to, and the bulk of the chonolith, is southerly from the area under consideration, hence only the extreme north extremity is encountered in your mine development to date.**" (Emphasis is the writers').

Kennedy ⁽⁷⁾, working separately, concurs: "PITCH OF ORE; **The ore pitches to the south. The high values in the South Shaft, 430 ft. deep, would confirm the belief of rich ore to great depth. This deduction is undoubtedly true.**" (Emphasis is the writers').

Bedford and Kennedy's counsel that the ore body at depth would lie to the south was undoubtedly what incited Young to drift south at the 1,000 ft. level from Shaft No. 7 (The Main Shaft) along the Mammoth Fault contact, where, as related by J.H. Williams ⁽¹³⁾, "He encountered a very good grade of ore." The facts are these:

In 1925 ^(80, 81) Young, at the 1,000 ft. level, drifted southwest from the Main Shaft to intercept the Mammoth Fault contact, then followed the contact south; Williams ⁽¹³⁾ states "some 1,000 ft.", but Young's plats show that he only drifted south 830 ft.

In May 1925, this drift had exited the south boundary of Young's Mammoth Claim and was under his tiny "Fraction" claim (the present-day Nettie).

At this point he began obtaining assays as high as 21 ounces of gold per ton, but had reached the south boundary of his own property, which was the north boundary of the Old Wasp..

Joseph Riley Morse filed the original claims on the Mammoth group in 1892. When he sold his holdings, he insisted on retaining only the Old Wasp claim, which he patented in 1896. In 1897 he sold a half-interest to a Mr. White.

The Wasp was the only claim at Goldfield that was patented during the pioneer era. Morse's motive in patenting and excluding the Wasp from the sale of the Mammoth group remains unclear. However, it resulted in the Wasp retaining separate, clear, undisputed title during the litigation that later encumbered the remainder of the Mammoth claims.

Young attempted to buy the Wasp, but Morse and White declined to sell. This placed Young in a dilemma. Understandably, perhaps, Young kept on drifting south under the Wasp, property he didn't own.

In a letter to Clay Worst in 1977, after Worst had acquired the Wasp, Mr. White's son, himself then 87 years old, wrote, "My father always thought the Mammoth people were intruding on his property with their deep shafts."

From August 15 through October 21, 1925, Young^(80,81) continued his drift at the 1,000 ft. level southward, encroaching 188 feet under the Old Wasp claim. Car samples of mine run material assayed between the above dates over 75 ft. of drift averaged 0.70 ounces of gold per ton. The best of the ore was in the final 75 ft. of Young's drift. Mine run average along 30 lineal ft. of drift assayed 1.12 ounces of gold per ton.

Young ultimately did acquire Morse's half-interest in the Wasp, but then Young died. His bank foreclosed on the property and the mine was closed. The heirs of White and Young sold the Wasp to Roy Rhodes in 1977. Clay Worst and an associate, Cliff Sovig, bought it in 1978.

After Young's death, an extended period of litigation followed on the Mammoth group. However, during this period, the mine was reopened in 1929 and 1930 by the Apache Trail Gold Mining Company, who made a small production. By 1934 the mine was filled with water to the 200 ft. level. It is currently filled nearly to the surface.

The litigation ended with a sheriff's sale to E.H. and L.D. Shumway in 1940. Alfred Strong Lewis was the engineer. In 1946 Lewis compiled reports of the mine's prior history, already related here, and detailed proposals for the mine's reclamation⁽¹⁵⁾. These are lengthy, and his cost estimates are now 50 years obsolete. In 1950 Lewis died and again the mine was closed.

Ownership of the Mammoth group then passed to Goldfield Mines, Inc., owned largely by Tom Russell, Ted Sliger, C.C. "Doc" Waterbury, and Hugh Nichols. The extreme increase in the price of gold following deregulation caused a resurgence of interest in Goldfield. Regrettably, this led to many title disputes and lawsuits. The major antagonist was convicted of mining fraud and is now serving 46 years in the state penitentiary.

The above material is excerpted from a 489-page presentation we have assembled on the Mammoth Mine from 80 sources. These include worksheets of all underground workings, some 2,500 assays, assay maps, drill logs, and reports of many engineers and geologists, made when the Mammoth was open to inspection to the 1,000 ft. level.

There are local traditions of the Mammoth Mine having struck an "underground river," which filled three miles of workings overnight. Water was said to be running out the portal in the morning, and the water level could not be lowered with pumps.

Not only do the extensive pioneer records reflect no such thing, the story is refuted by Mammoth records stating that by 1934, after lying dormant for four years, the mine had only filled to the 200 ft. level. Further, Brace Resources, in 1984, pumped out the caved-in Mammoth pit with no problem.

These pioneer era records of the Mammoth group, and exploration activity in recent years, indicate that the properties have a very definite potential for profitable development.

Rex Thompson, an experienced miner at Apache Junction, has worked extensively on the Mammoth group, both at the Mammoth and Black Queen mines. Thompson worked in concert with a succession of operators, during which he acquired an intimate working knowledge of both properties. His counsel would be invaluable to a new operator.

THE OLD WASP MINE

The Old Wasp claim adjoins the Mammoth claim on the south, along a continuation of the Mammoth Fault hanging wall contact. While the Mammoth claim has some three miles of underground workings sunk to the 1,030 ft. level by 1925, the Wasp remained essentially a virgin property until 1983.

The Wasp is a 20.64 acre claim, patented fee simple absolute, with a quiet and undisputed title since 1893. The north 9.51 acres, upon which the Old Wasp ore shoot, the Wasp mill and all other development exists, is owned by the writer, Clay Worst, and his wife. We live in the owner's residence on this 9.51 acres. The south 11.13 acres is presently totally undeveloped, is owned by others and is not included in our offering. An explanation is in order.

The Old Wasp claim, then totally undeveloped, was purchased in 1978 by ourselves and a friend, Cliff Sovig. It was divided under separate ownership into the two parcels just described. Sovig died, and title to his 11.13 acres was transferred to his wife, then to her niece. I am advised that the niece has just now sold her interest to others, whom I have been unable to contact. I have no knowledge of their intended disposition of the property.

The claim is crossed by hard-surfaced State Highway 88. A 3-phase electric distribution line and a 6-inch municipal water main are on the property, and a 45 kV substation is a mile distant.

The highest and best use of the Wasp might be if operated in concert with the Mammoth Mine by a major mining company. However, since the Wasp mine has a perfect title, a proven ore body and the only currently operational mill at Goldfield, it is still a viable independent operation.

The preceding report on the Mammoth Mine (page 4, paragraph 11) references the work of Kennedy ⁽⁷⁾ in 1910 and Bedford ⁽¹²⁾ in 1923. If Kennedy and Bedford were correct, and the ore emplacement on the Mammoth was being fed from the south, then it was being fed from beneath the Wasp. Their counsel was undoubtedly what prompted George U. Young in 1925 to drift south at the 1,000 ft. level from the No. 7 Shaft (The Main Shaft) of the Mammoth Mine along the hanging wall contact of the Mammoth Fault, and intercept the Wasp ore shoot at the 1,000 ft. level.

That this is the same ore shoot exposed in the bottom of the present Wasp open pit is well established, for these reasons:

- 1) The surface exposure of the Mammoth Fault contact from the Mammoth Mine southward to the Wasp was clearly in evidence when the properties were mapped in 1916 ⁽⁷⁷⁾.
- 2) If the fault contact in the bottom of the Wasp open pit is protracted downward on the average westward dip of the Mammoth Fault, the calculated intercept at the 1,000 ft. level is within 5 ft. laterally of the actual location as platted on the Mammoth worksheets ⁽⁸¹⁾.
- 3) As the values in the Wasp pit are followed southward, they increase to a peak, and then decrease beyond that point.

The same occurred at the 1,000 ft. level. If the point of highest assay in the Wasp pit is protracted downward on the dip of the vein, 90 degrees to the strike, it intercepts the point of highest assay at the 1,000 ft. level ⁽⁸¹⁾.

4) Whenever extremely high grade ore is encountered in the Wasp open pit, it is associated with malachite (copper carbonate) and galena (lead sulphide). The assay records from the Wasp shoot at the 1,000 ft. level indicate up to 3% copper and 18% lead ⁽⁸⁰⁾.

The south drift at the 1,000 ft. level in the Mammoth Mine is of great value in evaluating the Old Wasp ore shoot. The following data can be verified by the Mammoth plats of the 1,000 ft. level dated 8/20/1925 ⁽⁸⁰⁾ and 11/5/1925 ⁽⁸¹⁾.

At station 1026, the drift entered the Wasp claim. Initial values were low grade, but the continued extension of the drift was probably motivated by assays of 19.3 oz. and 21.1 oz. gold per ton, found in this drift 57 and 69 feet prior to entering the Wasp.

77 feet onto the Wasp, they encountered the beginning of another 75 feet of drift which averaged 0.70 oz. gold per ton. The central 30 feet of this 75 foot section averaged 1.12 oz. gold per ton. The 36 foot remainder of this drift averaged 0.51 oz. gold per ton. There is also a notation of 35 lineal feet of "black ore 12 in. wide" that averaged 2.52 ounces. Individual samples of "black ore" at the 1,000 ft. level assayed up to 4.94 ounces of gold per ton.

This comprises 111 feet of drift averaging 0.634 ounces of gold per ton. These were daily car samples taken as the drift advanced, perhaps as representative samples as could be obtained.

A limited amount of such "black ore" has been encountered in the Wasp open pit to date. However, in the entrance ramp to the pit, near the south end of the mined ore shoot, the operators discovered a filled-in shaft. The patent survey plat of the Wasp indicates all the shallow prospect holes, but this shaft is not shown, nor is there any known record of it. Its purpose is a matter of conjecture.

This is a 4 x 6 foot shaft, cribbed solid with modern mill-sawed timbers, but with short lengths of hand chopped ironwood timbers laid just outside the modern timbers. None of the ironwood timbers are much over three feet long. It appears the early Anglos found an old timbered Mexican shaft, which they reopened and retimbered. The shaft is still evident at the 40 foot level on the entrance ramp. It seeps groundwater.

The shaft is filled with black material, which may be ash. The shaft is located directly above the south end of the vein of "black ore" disclosed at the 1,000 ft. level. No attempt to clean it out has been made, as it is in the center of the ramped roadway into the open pit, and opening it would block access to the pit.

Of significance is that a 12-inch width on the final face of the completed drift at the 1,000 ft. level still averaged 3.60 ounces of gold per ton ⁽⁸¹⁾. Obviously, the drift was not discontinued due to a lack of values; it was discontinued due to the death of the operator. Accordingly, the actual southerly extent of the Wasp ore shoot at the 1,000 ft. level, and its gold values, are totally unknown.

Gold values in the Wasp open pit are not as clearly defined. No assay records of the upper 45 feet survived the original lessee's office fire.

At the 53 foot level in the open pit, assays exist only for the south end of the ore shoot, where an average width of 5.25 ft. averaged 2.20 oz. gold per ton for 30 lineal feet. At the north end of this 30 feet, an 8.2 ft. width averaged 3.48 oz. gold per ton, of which the 3.9 ft. next to the fault contact averaged 7.68 oz. gold per ton.

Usually, the highest values lie in the first two feet of granite next to the hanging wall contact. As an experiment, a 40-ft. hole was drilled in the bottom of the pit, starting one foot out into the hanging wall from the fault contact. The drill rig was "eyeball" inclined to attempt following this two-foot high-grade width downward. Samples were taken at five-foot intervals.

These samples assayed 8.7, 4.2, 3.65, 2.15, 1.90, 1.05, 0.90 and 0.75 ounces of gold per ton. This hole averaged only 2.91 ounces. It proves nothing, as it cannot be known whether the values in this two-foot width actually decreased with depth, or whether the drill hole drifted out of its estimated one-foot width tolerance. There would seem a remote chance of drilling 40-feet with an air-track drill and staying within a one-foot width tolerance, with only an estimated drill inclination on an unproven dip. The only assurance was that the upper five feet averaged 8.7 ounces of gold per ton.

To interpolate values between the present 60-ft. level in the open pit and the drift directly below at the 1,000-ft. level involves some conjecture, but we have to start with the best information available. The point of highest value in the open pit at the 53 foot level was 3.48 ounces 8.2 ft. wide. Directly down the dip of the vein, 90 degrees to the strike, you intercept the point of highest assay at the 1,000 ft. level, 1.60 ounces. Accordingly, the values at this point at the 1,000 ft. level are 54% less than directly above this point in the open pit.

The most complete assay records are those at the 1,000 ft. level, where 111 feet of drift averaged 0.634 ounces. If the values at this level are also 54% less than directly above in the open pit, then the values in the open pit should average 1.38 ounces, which presumption appears validated by prior experience. On this basis, the overall assays between the 60 ft. and 1,000 ft. levels should average 0.976 ounces.

An ore shoot 111 feet long by 8 feet wide by 940 feet deep contains about 38,400 tons of material. At an average assay of 0.976 ounces, there would be 37,478 ounces of gold, at \$289.50 an ounce, worth \$10,850,000.

However, the south terminus of the 1,000 ft. drift still assayed 3.60 ounces 12-inches wide, so the values should not be presumed to end at that point. Also, having proved only that values persist to the 1,000 ft. level, there is no reason to assume they end at that depth. With only a probable increase of 10% in length and 10% in depth, both extremely conservative presumptions, the shoot would contain about \$13.5 million in gold values.

The foregoing arithmetic may be a presumption based on incomplete information, but it is a reasonable presumption based on the best existing data. Only a drilling program will delineate and evaluate the existing ore shoot. Further, there is no reason to believe the known Wasp ore shoot is the only such deposit on the property, while the remainder of the Mammoth Fault Contact remains unexplored.

The Wasp ore shoot ought to be drilled. Three slant bore-holes, calculated to cut the Wasp shoot at the 250 ft., 500 ft., and 750 ft. levels, would give a general idea of what values lie throughout the shoot. The outcome of that drilling may encourage additional drilling to further delineate the ore body.

The 250 ft. intercept would require 320 ft. of hole; the 500 ft. intercept would require 640 ft. of hole; the 750 ft. intercept would require 865 ft. of hole, a total of 1,825 feet of borehole; see the cross-section plan enclosed ⁽⁴¹⁾. These really should be cored.

These slant holes ought to be drilled from the footwall side rather than the usual hanging wall side for several reasons. The dip of the Mammoth Fault contact throughout the Mammoth Mine is a quite consistent 87 degrees west, but therein a problem arises.

There were two different surveys of the 1,000 ft. level in 1925; one in August ⁽⁸⁰⁾ and a resurvey in October ⁽⁸¹⁾. Apparently a mistake of exactly ten degrees was made in a deflection at station 1008 on the August map, and a corrected map was drawn in November.

This results in an ambiguity between the two maps of 83 ft. laterally in the location of the Wasp ore shoot at the 1,000 ft. level. The October resurvey is presumed correct.

If the drilling is done from the footwall side, and that presumption is wrong, no harm is done; the vein would just be intercepted sooner than expected. However, if it were drilled from the usual hanging wall side, and the presumption proved wrong, the vein would be intercepted much deeper. It might be missed altogether at the 750 ft. level. This is illustrated by the enclosed drilling plan ⁽⁴¹⁾.

The footwall of the Mammoth Fault has never been identified on the Wasp claim. In the Wasp open pit, the Mammoth Fault hanging wall contact between the altered latite (dacite?) on the west and the granite on the east is sharply defined. There is a two-inch seam of red fault gouge at the contact. The gold values lie eastward in the adjacent brecciated, silicified granite. The highest values lie in the first two to three feet against this contact. Then the values simply grade out eastward into the harder granite dike, without a definite cutoff.

There is a further reason for slant-hole drilling from the footwall side. In 1983, Wayne Blood, while drilling for the then operator, recovered 7-oz. and 10 oz. assays from 25-ft. depth from two vertical boreholes about 25 ft. out in the intruded granite, near the path of the proposed slant holes.

These two drill holes did not define any particular structure as Blood advised "there were a couple holes between them that were down in the tenths of an ounce." However, they might be intercepted by the proposed slant holes if drilled from the footwall side. Also, the topography makes a drill setup far easier on the footwall side. There are no records of the prior operator's drilling. They had a fire about the time we called for an accounting and terminated their lease for failure to pay royalties.

The Wasp ore shoot as discovered in 1983 averaged six to eight feet in width, averaged 13 ounces of gold per ton, and was encountered under only four feet of overburden. It was five miles from town, had paved-road access, water, electricity, and an owner/lessor who was totally occupied elsewhere. It was a poor miner's dream come true. The lessee should have started sinking a shaft on it, but chose to begin a surface mine.

They must have known that pursuing a 13-ounce eight-foot wide vein on a nearly vertical dip as a surface mine would quickly result in a stripping ratio that would end their operation, but would be immensely profitable initially. This evidently caused them to "grab the easy pickings" and not pay royalties as promised, knowing their plan would eventually be discovered and their lease terminated.

When we called for an accounting, the operator reported \$200,020. in net smelter returns, all from one refinery. We determined an actual total of \$536,369., which included sales to six other refineries, which the operators finally admitted. It may be presumed there were other sales that were never disclosed. With a known shortage of \$50,452. in our royalty account, we terminated their lease. None of the royalty shortage was ever paid.

Since a 20% deduction was taken for refining the "black sand" concentrates, the gross production had to have exceeded \$670,000., taken from the top 45 feet of the Wasp pit. It may have been twice that amount. Their employees have estimated \$1.2 to \$1.5 million, and we are advised one of the lessees boasted privately of \$1.5 million.

We then entered an agreement with a second operator. They removed some 10,000 tons of lower grade material to lower the ramp to the pit. During this process they dozed out about 1,560 tons of mixed lower grade ore.

Some of this material was processed at a small mill they built on a nearby leased property.

The mill was junk. Due to heavy down time they averaged only about two tons throughput per 8-hour shift. The result was that with this primitive plant they recovered about one ounce of gold per ton, probably not over a 50% recovery, since the head ore averaged close to two ounces. They were losing the fine gold.

Their tails were never assayed. Their millsite was later leased to another operator who just hauled the tailings away and then abandoned his lease.

Smelter returns from the sale of concentrates and dore' during that operation were \$47,832. Their mill required water to be hauled out from town at a cost of \$50,000 per year. It became obvious that this mill could not show a profit on two-ounce mill heads. We also discovered that two of our then associates were parties to the non-payment of royalties during the previous operation. We terminated the second operation.

We were left with \$28,528 in unpaid bills, owed \$22,342 in wages, and owed for \$42,000 worth of ore shipped from the property. None of this was ever recovered. If we sound a bit paranoid, it is based on bitter experience.

The Wasp was inactive from 1985 until 1992 other than sampling and assaying by ourselves. The last channel sample taken across the vein at the bottom of the pit then assayed 7.68 oz. Au/ton 3.9 ft. wide, and 3.48 oz. Au/ton 8.2 ft wide.

In May 1992, as an experiment, we set up Rex Thompson's spiral classifier, actually a placer machine, on the Wasp. No head ore was available, as the pit was then filled with water, so we ran samples of stripping waste from eight random locations around the Wasp pit. We recovered gold from every sample. There was nothing quantitative learned, since this was hard-rock material that was never crushed or ground to liberate the gold. It only evidenced that even the stripping waste contained considerable values in the fines. A color photograph ⁽⁴³⁾ of the gold buttons recovered is included with this report.

Although there is still good ore exposed in the open pit, continued mining of the Wasp shoot as a surface operation will be limited by increasing stripping ratios. However, there appear to be at least five other development options for the Wasp.

The first option would be sinking an inclined shaft, following the ore shoot itself down its 87 degree dip.

This would have the advantage of sinking in pay ore with its attendant cash flow.

Sinking a shaft in the bottom of the open pit would require some means of excluding surface water runoff. One might extend a watertight collar upward from the bottom of the pit, aligned with the 87 degree dip of the vein to a point safe from surface flooding. It could even be extended to the original surface, as almost the entirety of the material excavated from the pit is stockpiled adjacent and available for use as backfill. Also, the removal of these stockpiles would greatly increase the area available for other surface activity.

The second development option would be to go east into the solid granite that intruded the fault and sink a vertical shaft. Then crosscut about every 100 feet of depth to intercept the Wasp shoot, then stope. Fortunately, the vein dips only three degrees off vertical, so the crosscuts would remain short, even at depth.

A disadvantage is that you would probably be sinking and crosscutting in lower grade material, reducing the cash flow. However, the possibility exists of encountering the 7 and 10 ounce ore disclosed there by Wayne Blood's drilling.

A third development option involves an electromagnetic survey we conducted with induced currents on the northeast part of the Wasp claim, near the open pit. We discovered four anomalies ⁽⁴²⁾, all within 30 feet of each other.

We had only a percussion air-track drill and 60 feet of steel. We drilled the first anomaly, and only averaged 0.10 ounces for the top 40 feet. Between 40 and 50 feet we averaged 0.70 ounces. It should be noted that a loss of 50% of precious metal values in an uncased percussion drill hole is common, due to the values getting hung up in the cavities and rough walls of the borehole. Even reverse circulation drilling with a rotary Tricone bit has resulted in a 51% loss of metal values remaining in the drill hole (*California Mining Journal*, Jan. 1988).

At 50 feet the drill hammer broke down, and we could neither continue nor withdraw the drill steel. We had the hammer repaired and managed to salvage the drill steel, but the borehole had caved beyond salvage. We do plan to redrill this anomaly, plus the remaining three. We also plan to complete the electromagnetic survey of the area surrounding the pit, as there may be other anomalies.

If drilling these anomalies discloses another major ore shoot, the third development option would be to sink on this shoot in pay ore, and then crosscut 190 ft. to intercept the original Wasp shoot at depth.

A fourth development alternative would be to set a crane at the surface on the granite footwall side, and continue mining the Wasp shoot with a clamshell. The vein is sufficiently brecciated and friable at that point that no blasting has been required. All mining there has been done with a trackhoe and skidloader. Only one round of blast holes has been fired in the pit, this on the north wall where harder material is encountered.

A fifth alternative would be to begin a circular decline, using rubber-tired equipment underground.

The Wasp pit makes about 1,500 gallons of water per day. A two-inch pump handles the inflow at less than a 5% duty cycle. If not pumped, the static water level in the Wasp pit stabilizes at about the 20-foot level.

However, it is doubtful if this shallow water table existed at Goldfield prior to the construction in 1929 of Mormon Flat Dam, and the resulting Canyon Lake, to the north. Bedford ⁽¹²⁾, in 1923, and others, state that the 1,000 ft. level in the Mammoth Mine still had not reached what they called "the constant water table."

Following his report on the 1,000 ft. level, Bedford states, "Anticipating that the water level will be constant at about the 1,200 level, and that the nature of the mineral deposition will change as outlined under Historical Geology and that ore deposits of economical importance will be proven to be greater in extent, and better in average values than those deposits now developed, I would strongly advise that your main shaft be sunk an additional 450 feet from its present (1,000ft.) bottom." If Bedford is correct, the true zone of secondary enrichment, with the richest ore, may lie even deeper than the 1,000 ft. level.

A final point on the Wasp ore shoot: There were individual high grade pods encountered in the Wasp pit; these pods ran several hundred ounces of gold to the ton.

They carried heavy galena and malachite (lead and copper), while the surrounding gold-bearing vein itself carried much less of either. The most recent of these pods weighed about 300 pounds and assayed 244 ounces of gold and 56 ounces of silver to the ton. However, assay records of the 1,000 ft. level indicate the gold-bearing vein itself carried substantial lead and copper.

We have no geologist's opinion as to how these high-grade pods were created and got where they were found. But if the Wasp shoot at some depth becomes an actual vein of this material, from which these pods were detached and relocated, and that spot could be found, it could be very profitable.

We have a complete laboratory for both fire assay and wet chemical analysis, and small batch refining. I am not a registered assayer, but took a course in fire assaying at the Mackey School of Mines, University of Nevada / Reno, and have some college level chemistry. We do our own fire assays, all of which are control assays, as we do not believe the ordinary specimen assays done by commercial labs are sufficiently reliable. All higher-grade results are done in duplicate. We do not use AA equipment.

There is a 3-phase electrical distribution line to the mill, but we had access to cheap diesel fuel, so we are running a GM 480-volt 60-kW generator with a freshly overhauled GMC 6-71 engine. With the entire mill running, it pulls about 30 kW, so the generator has plenty of reserve capacity for additional equipment. 120-240 volt single phase current is supplied from a public utility, but is also available from the generator. There is bulk storage for 3,000 gallons of fuel. The Wasp mill was built with new and used materials, and excellent used machinery, no junk.

The mill is designed to process about 10 tons of head ore per 8-hour shift. The concentration portion of the flowsheet was designed by our consultant Warren Konemann, who has been directly involved with us for over a year. The mill flowsheet is a simple wet gravity process. The head ore is dumped on a 3-in. grizzly; 95% passes. The 3-inch minus is then hauled with a front-end loader up a ramp and dumped into an elevated 5.5 x 7.5 ft. bin.

We have a Syntron apron feeder for this bin, not yet installed. Ore then drops into a 6" x 8" jaw crusher which takes it to about 3/4 minus, then into a 12" x 18" roller mill which takes it to about 3/8 minus.

Then up a 16" x 35' belt conveyor to a 5' x 7.5' bin with vibrator feeder. Then up a 12" x 10' belt conveyor to a 4 ½ foot Hardinge conical ball mill with a four-foot long cylindrical screen on the discharge. We are currently using a 30-mesh screen. Oversize is passed under a magnet to remove tramp iron, then returned to the ball mill intake scoop via a sand screw in closed circuit. The 30-minus discharge goes to a distributor, where it is split between two Stephens (3.3' x 7.3') rougher tables, which have new sand decks. Concentrate from the rougher tables go to a single Stephens finishing table, with a new deck.

There are also two Tri-R reverse spiral concentrators in the circuit. Rougher table tailings go to the first Tri-R Spiral. The cons from the first Tri-R Spiral and the tailings from the finishing table go to the second Tri-R Spiral. Cons from the second Tri-R Spiral, and the middlings from the finishing table, go to a sump where they are pumped back to the feed box of the finishing table.

Tails from both 3-R Spirals go to a sluice box, then to a dewatering sand screw. Sand from this screw is elevated by a 16" x 25' belt conveyor into a dump truck.

Tail water goes through two 3,000 gallon steel decantation tanks in series, then to a 35,000 gallon mill pond with plastic liner.

From there a 2-inch pump recirculates the clarified water back to the mill. Mine water supplies all needs for the mill. A 2-inch service line from a 6-inch domestic water main at the Wasp boundary supplies any supplemental water, which is used only for cleanup.

Concentrates from the finishing table are amalgamated, the amalgam retorted, and a dore' bar poured. The Wasp refinery can produce a 995 fine gold bar, but chooses to market the 750 fine dore', since the smelter charges only 4% for refining. Since the Wasp cannot hallmark, even their 995 fine bar would entail this 4% refining charge, so refining to 995 fine would be pointless. The remainder of the dore' is almost all silver, possibly a little platinum-group metals.

The roller mill and ball mill are in new condition; the jaw crusher, conveyors, tables, and other equipment are in excellent shape. All motors except the tables and Tri-R Spirals are 480 volt, 3-phase, powered by the generating plant. The three table motors are 240 volt, single phase, and can be operated on either public utility power or the generator. The Tri-R spirals have DC motors with rectifiers and speed controls, which operate off one leg of the 3-phase generator. Each sand screw has its own independent hydraulic motor, pump and controls. Almost all wiring is in conduit, most of it underground.

The Wasp mill's capacity is limited by the ball mill, which the manufacturer rates at one ton per hour, grinding ½-inch hard quartz to 100 mesh. However, Wasp ore is very easy milling, the ball mill feed averages finer than ½-inch, and already has a high percentage of fines. The mill is currently fed 1.3 tons per hour, which is 10.4 tons per 8-hour shift, or 31 tons per 24-hour day.

The mill was just completed when we shut down for several weeks to bring the project into compliance with state and federal safety standards. That work is essentially completed, and we are just now beginning actual production. We have only marketed a couple pounds of gold, which we recovered while fine-tuning the mill, so no current production figures are yet available.

As owners, we have never and will never solicit nor accept investment money from anyone, which eliminates any possibility of adverse claimants against our clear title.

Regarding an exploration license and purchase option, the owners would require the three drill holes mentioned earlier, aligned to intercept the Wasp ore shoot at depth at its known point of highest assay. These should be cored. Calculations for this alignment will be agreed upon prior to any license. After these three boreholes, the developer may drill anywhere he wishes.

We require the results of the developer's assay reports as they are developed, and the right to sample drill cuttings and split drill cores. The capacity of the Wasp lab will not handle the work of two operators. Unless otherwise agreed, we retain sole control of the Wasp laboratory until any sale is funded and closed. We also require evidence of the operator's prior experience and financial ability to develop an underground mine in the probable event that it appears warranted by the drilling program.

The Old Wasp Mine is offered for sale for U.S.\$2,200,000. This consists of the 9.51 acres including the mine, machinery, mill, shop, lab, office, owner's residence with all real property improvements. Alternatively, it is available for U.S.\$2,060,000 including the mineral estate to the entire 9.51 acres, but with us retaining the surface rights to only the 1.25 acres which includes our home, shop, lab and office, with the right of ingress and egress. This 1/4-acre is across the highway from, and would not interfere with, the mining or milling operation. The mineral estate underlying this 1/4-acre would be conveyed to the buyer, who must warrant us against damage from blasting or subsidence.

Residential land in the area, with utilities available, runs from \$30,000 to \$50,000 per acre, some as high as \$100,000 per acre.. This can be verified by contacting any area real estate broker.

The owner's residence on 1 1/4 acres was FHA appraised five years ago at \$92,000, and is currently rated for insurance purposes at \$140,000, which is the price reduction stipulated above in the event we retain surface title to our home. With the mill, residence, laboratory and outbuildings included, just the surface estate of the claim ought to be worth \$750,000. At a price of \$2.2 million, this is attributing only \$1.45 million to the mineral estate, as the buyer would still have the remaining value of the surface estate after the mine is depleted, which value should by then be substantially appreciated. If drilling indicates there actually is at least \$13.5 million in that one Wasp ore shoot, then a price of \$1.45 million attributed to the entire mineral estate seems reasonable.

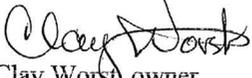
Some speculative value must also be attributed to the fact that in 1893-1895, within pistol-shot distance, \$34 million (at today's gold prices) was taken out of two ore shoots on the adjacent claim, on a continuation of this same geological structure.

If a drilling program indicates the property is worth less than we now presume, we may consider a downward adjustment in the price, however such adjustment must be solely our prerogative. We will not index the price to drilling results in advance, as this excessively transfers control of the price to the buyer. If the developer abandons the project after the drilling program, he retains no residual earned equity in the property.

We are not soliciting lease offers, having already sustained losses of \$143,000 from the infidelity of prior lessees. In any lease event, the existing Wasp ore shoot may not be additionally mined by surface methods without our consent. Due to the history of prior operators taking the "easy pickings" and walking, the granting of such consent is questionable. Neither will we accept any investment money nor sell any fractional interests.

If a buyer/developer has other ideas, we will listen, but may not depart far from the outline offered here. Meanwhile, until someone makes a proposal, we will continue with exploration, mining and milling, during which the price and terms may be adjusted either way depending on the results of our work.

If the buyer requires the entire property, we will need a 6-month leaseback on the owner's residence to permit our orderly departure from the premises.


Clay Worst owner