

CONTACT INFORMATION

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MARSHALL OTT

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*CHEMIST

**ECONOMIST

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*AUDITOR

*TAX SPECIALIST

*AUTHOR

*ENTREPRENEUR

*MAN OF GOD



RESUME

Page 3 Marshall Arnold Ott

Some of the PUBLICATIONS: (Continued)

August 1977 -- "Clearing the Air on Defoamers" Modern Paint and Coatings. A publication of Communication, Inc., Pub. #418360 pp. 31-35. New York, New York 10000.

May 1977 -- "Anti-foaming agent increases fermentation capacity 20%". Food Processing. Pp. 59-60. Crucible Chemical Company. Chicago, Ill.

BOOKS:

Currently completing a new 300 + page workbook for limited publication entitled "Paper vs. Gold: A Cartoon History Manifesto."

A few GUEST LECTURE Appearances:

1977 Tappi Paper Synthetics Conference. Monday, September 26, 1977, 9:00 am. "Defoamers in Nonwoven Binders," held in Chicago, Ill.

29th Advanced Chemical Coatings Workshop. October 3-7, 1977 for Crucible Chemical held in Chicago, Ill. for FSCT:

University of Missouri, October 6, 1977, for Crucible Chemical Company, "Dispersions" as part of FSCT Conference.

HOBBIES: Flying, snow skiing, water skiing, tennis and golf.

RESUME

Marshall A. Ott 6271 Avenida LaManana Apache Junction, AZ 85219

EDUCATION: MBA - University of Michigan -- Marketing/Finance/Accounting and International Economics, 1969,

BA - Stanford University, Stanford -- Economics/ Chemistry, 1968, DEAN'S LIST.

High School -- Lake Forest Academy, Lake Forest, Ill. CUM LAUDE, 1964 (LFA is ranked 17th best U.S. High School by SAT rating)

WORK EXPERIENCE: From 4/86 to Present, 50% Owner Western Labs & Engineering

- California (Formerly MARSHALL OTT EXCELLENT INVESTMENTS, of Costa Mesa, California), primarily to do specialized tax planning and auditing of chemical and mining-related firms. From a small group to ovar 500 in about 3 years. Prospects new national emphasis on tax-advantaged mining wholesale.
- of specialty chemicals) Co-Founder and V.P. Sales.
 Increased sales from -0 to \$1 million in less
 than 10 months. Developed all aspects of sales
 and marketing, including 50 new products and
 accumulated 26 new manufacturing representative
 countries world-wide, continuing with a high growth
 share of Ross Chem which now has about 25 employees.
 this time related to investing wisely and tax
- 5/78 3/79 -- Davis Mechanical Contractors -- Davis 500
 Golf Car Division, Greenville, S.C. As National
 Sales Manager, Ott expanded dealer network from
 less than 10 to over 132, in 10 months sky-rocketing sales to triple fold, permitting the stockholders & owners to sell the company favorably

RESUME

Page 2 Marshall Arnold Ott

- 9/73 4/78 -- Crucible Chemical Company, Greenville, S.C.

 National Sales Manager for this specialty-organic,
 water-type chemical manufacturer. Ott rapidly
 increased sales force to 178 men starting from 14,
 nearly tripling sales and profits in about 34
 years. Developed/directed four lab technicians,
 introducing over 150 new products still being
 sold at the \$10 million level today. Published
 and wrote several technical papers (see publications)
 addressing several technical societies on "Foam
 Control" and "Surfactants" for products and industrial processes involving large volume liquid
 flows, especially for coatings, paper mill and
 mining applications.
- 10/70 8/73 -- American Photocopy Equipment Company, Evanston, Ill. Sales Rep. & District Sales Manager; achieved in 19 months "President of Director's Club" (top sales-person of 435 competing). Then as Sales Manager, Ott directed and hired six salesmen who achieved over 300% quota.
 - 11/69 -10/70 -- Arthur Andersen & Co., CPA's Atlanta, GA.
 Ott gained extensive training & experience as
 staff auditor and tax accountant; also worked
 on computer systems applications.
 - SUMMER 1968 -- Congressional Aide, Guy Vanderjagt, R.,
 9th District, Michigan, Rayburn H.O.B., Washington,
 District of Columbia.
 - MEMBERSHIPS: (Past & Present)

 TAPPI (Tech. Assoc. Pulp & Paper Institute)

 FSCT (Federation Soc. of Coatings Tech.)

 CTFA (Cosmetics, Toiletries, Fragrances Assoc.)

 Assoc. Person CFTC (Commod. Futures Trad. Comm.)

 Phi Kappa Sigma Fraternal Organization
 and others
- Some of the PUBLICATIONS:

 March 1977 -- "Talk on Defoamers", Highlights L.A.

 Society Meeting. Technical Report in "American

 Paint & Coatings Journal", March 28, 1977. pp. 43-46,

 Vol. 61, No. 42. St. Louis, MO.
 - May 1977 -- "Piedmont Society Hears Foam Talk,"

 "American Paint & Coatings Journal", May 2, 1977.

 Page 49, Vol. 61, No. 47. St. Louis, Mo.

PLAN OF OPERATION

WESTERN LABS AND ENGINEERING, INCORPORATED

by

Marshall Arnold Ott September 1, 1988

This Preliminary Plan of Operation is not intended as a solicitation. It is prepared for the recipients exclusive use for background use only.

This is not to be shown or distributed to anyone else prior to written consent.

PLAN OF OPERATION

- I. BACKGROUND AND HISTORY AND PROPOSAL: The "Mammoth" and "Black Queen" Mines, Goldfield(Superstition Mountain) AZ.
- (A) GOLD PROPERTY This property contains over 300 acres and has produced well over seventy million dollars much of which has been shipped to the U.S. Mint.
- (B) PRESENT ORE RESERVES:
 - (1) On the surface
 - (a) Broken ore in mine dumps

4000 or more tons scattered in several piles that average between .071 and .282 Troy ounces/ton. (gold/Au price figured at \$450/Troy Oz.)

- (b) low-grade ore in place near old mill, estimated value \$32.00/ton in gold. Profit recoverable from (a) & (b) 13,500 estimated at \$608,000.
- (2) Underground workings, but mostly virgin rock, near the surface at approximately the 30 foot level near the lake areas, that contains approximate average values:

Flag(block) 1 = 255,000 tons assay average Value \$77.95/ton in gold.

Flag(block) 2 = 500,000 tons assay average Value \$38.40/ton in gold.

Flag(block) 3 = 4,000,000 tons assay average Value \$19.20/ton

Note: Flag 3 means "running it all" in this large area. Profit recoverable from Flag 1 with current 200 ton/day plant = \$10,289,400, running 5 days/week for 5 yrs.

Profit recoverable from Flags 2 & 3 not expected to start until second year, but should be over \$30,000,000 years 2 through 5 with efficient 2000 ton/day plant. Net profits are over 50% in each case, but a minimum of 50% is used as a conservative minimum. Note also that there is in excess of 60,000,000 tons of "overburden" that has clay (ave.23%) decomposed granite or "wall rock"(55%) and hard volcanic rock(19%) in it that should average between \$12 and 20/ton, if you ran it "all." AT 5000 tons/day it would take over 30 years to process this much according to one engineer's calculations(Ken Hedges), and Sandy Sanstead, a former owner of 8 years(1979-87).

(C) OPERATING COSTS: Very low costs for mining and milling the ores of this property can be obtained. The ore itself is already shattered and easily crushed to milling size of 30 mesh minus. Most all the ore is free milling with a relatively small percentage of the gold tied up in complex chemical substances, that would be too diffilcult. The climate is mild all year around which facilitates the wonderful 12 month mining period. Distance to the city

has acquired a 30 to 56.25% interest in the entire 340 to 3000 acre district, even the low grade ores at .04 to .17 look most promising. Western Labs and Engineering took possession of the Mammoth claims in July of 1987 and have made many improvements that total several hundred thousand dollars. It should be mentioned also one report confirms that Alfred. S. Lewis before he died, in the early 1950's, took in over \$23 Million in gold at today's prices in the 5-6 years working his plan, very much like our plan, "working it all" so to speak. Significant too is a 1975 government report that states an accounting of a "Total to Date" of Troy Ounces removed from the Mammoth and Black queen mines is estimated at "898,000 ounces" if some the non-reported "high-grading" is included.

(E) IMPROVEMENTS: The value of many of the improvements are appraised far below replacement cost.

2 miles(12,000 feet) of underground workings . Appraised Value \$1,664,000 1 Steel shop building and 3 dwellings 51,200 Water supply, drilled wells, tanks & lines 22,400 Concrete structures, cyanide tank farm, misc. 40,000 Rotary and diamond core drill samples(5,000+) done in 1984 and 1985. 800,000 100 to 200 ton /day Crush/ Screen Plant at mine site 375,000 15 to 25 ton /hour Crush/Screen plant at 17th Avenue Mill site Completed automated mill at 17 th Avenue in the Comm'l Distr.Apache Jct., AZ 1,000,000

Total Appraised Value Improvements \$4,162,600

(F) PLAN OF OPERATION: A simple plan has been thoroughly thought out whereby a small operation starting with 200 tons per day then increasing to 2000 to 5000 tons/day will make the mine soon self-supporting. There will be at least \$608,000 profit derived from treatment of the more than 13,500 tons of ore and tailings now on the surface, coming almost immediately(before January 1,1989). While this surface ore could be treated by cyanide leaching, the completed mill on 17th Avenue will efficiently and automatically hydrogravity separate out the values for final tank batch leaching out the values back at the mine site. Pilot tests running over 500 tons in this mill since September 1987 on many different ore bulk sample tests indicate concentration ratios of from 100 to 1700 to one with over 72% recovery of heavies, starting in January of 1988. Fine tuning of all operational crushing and concentrating systems is now being completed at this August 1988 writing, provided we have the requisite \$ monies needed to do it. This immediate funding or something in the \$450,000 - \$500,000 range would complete the initial stage of immediate production. The next stage is to gradually increase daily capacity to at least 2000 tons per day to reduce production costs by approximately 25 to 50 percent where open-pitting the 6 or 7 "Bonanza Areas" already Flagged off would yield even greater profits. This Second Stage will be financed both by internally generated

available from over 17 reports and many hundreds of hand panning and bulk sample tests. However, this grade can be changed at will and could be lowered by less careful selection of ore sent to the milling plant at 1385 E. 17th Avenue; or could be raised to over \$115.20/ton by selecting the best of the vein areas along the one mile stretch carefully collecting high quartz content material that has values in excess of \$117/ton. But you may see that this figure as will be noted below, does not include the very rich quite common occurrences of gold which are known to be irregularly distributed in the "spider quartz veins" and in the blue wall rock material that may be 10% gold, yes 10! by weight or over 20 ounces/ton. Hallelujah! It should be noted that some the these PER CENT gold amounts and higher up to 14,000 ounces per ton, have been DOCUMENTED with the BLM Governmental authorities in Phoenix and elsewhere.

To get a fair picture of the real expectation of the rewards to come from opening up of this old "Mormon Stope" area, let's go back to 1895 for a moment. At that time Charley Hall was systematically developing and shipping over 150 lbs. of gold bullion every one to three weeks. shipments bear in mind contained from \$512,000 to \$1,024,000 in gold(at \$450), and had been made regularly for a period of several years. Without warning, and within a period of only a few hours, his entire mine workings were wrecked by the onrush of water during a 100 year flash flood coming down the dry wash which had been undermined. Today this is very unlikely to happen because of the Roosevelt Dam done in the 1930's. But Hall had taken out by today's prices, it's estimated, over \$64,000,000 of very high grade gold ore from the "Mormon Stope" and an equal amount of medium grade ore from other points along the vein, if you include the unreported high-grade amounts taken by questionable workers. Hall also had many thousands of tons of ore developed and held in reserve for future production, much of which is still untouched as mentioned above. His entire mine operation came to a sudden end, that had been producing from \$25,600 to \$38,400/day with primitive stamping equipment and other rudimentary processes. Hall's ore was astounding, some of which, it's documented again with the Authorities, ran over 14,000 Troy Ounces/ton. So, when Hall's Stope caved in, that caved part, from the surface down to 300 feet, which contained untold riches in fabulously wealthy stringers of wire and crystalized gold, some of it anyway, still remains today, much of it not processed, and untouched just as it was at Hall's death.

Then George U. Young, former Mayor of Phoenix, over some two dozen years beginning in 1910, ending in 1925, made several valient heroic efforts to re-open these old caved workings by standard underground mining techniques. After several attempts and some loss of life, he was partially able to open this caved ground and hold it for very brief periods; but before he could begin extracting any real values, his timbering always collapsed and this method and Young himself, in this, proved to be complete failures....

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6-29-06



AFFIDAVIT OF PROTEST # 12

AND EXPLA ATION OF WHY@THIS DATE

THERE IS ONLY ONE VALID LIEN
ON THE "MAMMOTH LODE MINING CLAIM

(Parcel # 100-02-03305)

Ott Services

MBA - Accounting/Finance Univ. Michigan
BA - Economics, Stanford University
AUGUST 12, 1990

Ms. Katie Felix, Head Recorder
Pinal County Recorder's Office
Pinal County Treasurer's Office
Pinal County Sheriff's Office
Pinal Clerk of the Superior Court, AND,
TO WHOM IT MAY CONCERN
BOX 729, BOX 889, BOX 867, ETC.
Florence, AZ 85232

SUBJECT: CLEARING THE AIR OF

ALL CONFUSION RE THE

TITLE OF THE WELL KNOWN
"MAMMOTH" (after being in dispute nearly 46 years).

Dear Ms. Felix, et al, et ux, and TO WHOM IT MAY CONCERN:

OVER THE PAST 4(FOUR) YEARS OR MORE, there has been a great of confusion, controversy, and so-called "conflicting evidence" surrounding the $\overline{\mathtt{TRUE}}$ OWNERSHIP of this very famous and historically significant property, known as the "Mammoth," particularly because it has been the subject, as most of you may know, of the famous "Gold Rush" of 1891-92 in the area. Just on the part of "M&M Enterprises," a general partnership owned 100% by Mary Anne Howard and myself 50/50, that we alone have SPENT WELL-OVER \$170,000 in legal fees to several law firms in the last 4 years to now finally "get just the RIGHT TO mine" this still valuable property. This \$170,000 figure of course does NOT include any out of pocket costs or work hours billable from our staff like Penny Padget, Mike McKenna, Mary Anne, myself, and many others who have put in much time worth a great deal More, which total is estimated over \$200,000 more for this "miscellaneous time" put in to guard, write affidavits, find suitable Counsel, and do many other associated tasks involved that help finally WIN NOW OVER 10(TEN) VALID and OUTSTANDING HIGHER COURT JUDGMENTS on this property. And so, WHY ARE WE WRITING THIS AFFIDAVIT FOR to be part of the PUBLIC RECORD? To INFORM the Sheriff's Office, Treasurer's Office, the Bureau of Land Management, Title Companies like Transamerica, Insurance Companies, Banks, and ALL others what the TRUTH is as of this date regarding liens, if any, and other pertinant information about the property should any one inquire. I can especially see how this information might help the Sheriff's

Marshall A. Ott, President

AFFIDAVIT OF PROTEST 12(Continued)

Department in handling some the phone calls it has received, probably more than it would care to admit or like, cerning one thing or the other, for example. Also, after looking over a recent April 4, 1990, "Title Report" from Transamerica, it is also obvious to see much of the information THEY report is not entirely accurate nor complete, to say the very least.

SO, WHAT I'd like to do is start with this title Report and refer to EACH ITEM, TRULY TO CORRECT, CLARIFY AND /OR PROTEST IT, ESPECIALLY IF IT IS A LIEN THAT DOES NOT BELONG THERE, GIVING AS COMPLETE EX-PLANATION AS POSSIBLE AS TO WHY IT DOES NOT BELONG THERE. Incidently, the ONLY LIEN that $\underline{\text{DOES}}$ belong there is NOT EVEN LISTED, since it did NOT OCCUR UNTIL May 23, 1990(5/23/90), which is THE VALID DEED of TRUST to Mr. Bill and Betty Johnston of Mercer Island, WA for \$31,180.42, which was given by Mary Anne and myself freely to them as a "THANK YOU" for helping us pay the last 4-5 years of TAXES due the Treasurer's Office of Pinal County. This FACT makes entirely IN-VALID the ENTIRE PAGE entitled, "LITIGATION Guarantee, Sch. A, Amended," of \$40,000 to one "Richard Platt" and all references to "Leon Kelderman" including "Exception (1) on "Schudule B". Of Course Items (3) and (4) on Schudule \underline{A} being Title vested to M&M Enterprises and the Legal Description of the Land are Valid, which should go without saying.

Now on to the BALANCE of TTEMS (which are 20 in total), STARTING with Item 2. 1990 taxes, "a lien but not yet payable." Anyone knows, & you don't have to be an attorney to figure this out, that a lien IS NOT a LIEN, until AFTER someone who owes money to someone else, DOES IN FACT NOT PAY, THEN AND ONLY THEN DOES THE FIRST OCCASION for ANY sort of lien arise. So this statement is totally moot, redundant, without merit and not worth the ink that was used or space made to type it.

Now Concerning Item 3, "Any charge upon said land by reason of its inclusion in Apache Jct. Fire District, Central Arizona Water Conservation District and Pinal County Food Control District." Please NOTE that the word "REASONABLE" was omitted between the words "Any" and "charge" and UNLESS these charges WERE REASONABLE under the circumstances, that there would be a considerable BATTLE to the Supreme Court of the United States, if necessary, to rectify the situation, based upon severe violations and infrigements of basic free RIGHTS under the Constitution. Especially PERTINANT here is this County's

AFFIDAVIT OF PROTEST # 12 (Continued)

so-called "necessary" flood control district project to stop socalled "100-year Floods." You all might as well be aware right now that the mining community in the Goldfield District KNOWS this whole attempt is vain and "BOGUS," institigated by key private real estate interests headed by one "Clay Worst," through once Attorney General, Bob Corbin, and that there is no more of a"flood problem" in the area than there are Grapefruit trees on the Moon. Furthermore, Mr. Hudson's and the so-called "back-up data" for the estimated \$360,000 or so to "buy the key 16-20 claims in the area"is based on gold prices and information produced in the 1920's, and, is clearly ridiculous, that is, the WHOLE THING is ridiculous and a complete WASTE of hard-earned TAXPAYER'S DOLLARS TO SAY THE VERY LEAST. Please, FOLKS, let's REMEMBER this IS A MINING STATE, FIRST and FOREMOST, although tourism has played a large part in the past few years, that is slowing now as we are in recession; and, and it would be more HELPFUL if you County Planners, State and Feral Planners would try to ENCOURAGE BONA FIDE businesses, especially ones BASIC to this State's truly ABUNDANT NATURAL RESOURCES SUCH AS GOLD, SIVER, PLATINUM GROUP AND COPPER, like Nevada HAS DONE, which NCW PRODUCES MORE GOLD, SILVER and "PGM" group metals than ALL of Canada, All of Australia, and NOW IN FACT JUST SURPASSED THE REPORTED PRODUCTION OF THE U.S.S.R. Ask ANY KNOWLEDGEABLE geologist familiar with BOTH RELATIVE "abundance $\underline{\mathtt{NATURALLY}}$," of the amount of Gold, silver, etc. in Nevada to that of Arizona, and you'll be shocked, as I have been, to find out that overall, ARIZONA IS RICHER, with the only thing different between the two States being the ATTITUDE of the people, especially the Government <u>leaders</u>. Note that NEVADA TOO IS A TOURIST State, but NOTE ALSO that their GOVERNMENTAL LEADERS have SEEN that there must be OTHER SOURCES OF REVENUE TO SUSTAIN IT, WHEN gambling, tourism, etc., slows up. Gold has a CONSTANT WORLD DEMAND and is very PRO-FITABLE, given the capitalization for the proper "economies of scale" production to MANIFEST these profits, indeed. So HOW ABOUT a LITTLE MORE HELP AND CO-OPERATION, and WATCH Western Labs, M&M (Arizona Gold) will soon be YOUR BEST ALLY, before you know it. Note ALSO that GOLD & SILVER and "PGM" group metals is now Nevada's Second LARGEST SOURCE of REVENUE, after gambling, and almost every square mile of is leased up for gold mining now. COME ON ARIZONA, LET'S WAKE UP! ...before it's TOO LATE. Concerning Item 4, "Reservations and exceptions in the Patent..."

AFFIDAVIT OF PROTEST (Continued)

This is relatively minor point; the main issue of Patenting of, or deeding of Public BLM Land over to private individuals is that IN FACT I.E. DE FACTO, that indeed there IS MINING GOING ON and NOT just some real estate program or other unrelated use as has been alluded to above. Otherwise the whole patent would be a type of "fraud" on the Government in the first place. All this just reinforces my earlier point about "catching up" with the State of NEVADA.

Now Item 5, which talks about Power Company(SRP) easements which brings us back to "reasonable" rights of easement. Thus far, I might add that SRP(Salt River Project Power Company and its affiliates) have been MOST co-operative to help us with a recent 600 AMP 3-Phase 480 Volt power upgrade that is THE BIGGEST, to our knowledge on old Apache Trail(Hwy 88), for being as far in the "boondocks" as we are. To date we are over 75% complete with our 30-60tphupgrade that will put us very SOLIDLY IN THE BLACK INK, if we are free to finish it without further "jealous competitor"and/or other State, Federal or local Governmental involvement. Incidently SPECIAL THANKS goes out to one Sgt. Martinez of your fine Sheriff's Department who so aptly THREW OFF THE MAMMOTH, one, "Darrell Hand," one of the worst "jealous competitors," who LOST $\overline{ ext{ALL}}$ the legal battles against M&M, and RIGHTLY Martinez did this on the morning of July 27, 1990, when $\underline{\text{Hand}}$ and goons at gunpoint with him forcibly took over the guard when he fell asleep, Hand claiming wrongfully it was HIS property with a bogus, self-made false deed.

PLEASE NOTE THAT OUR FORMER ATTORNEY LES TENNEN OF STERNS & TENNEN
HAD BOTH ITEMS 6 and 7 REMOVED ALREADY BY A SIMILAR DOCUMENT AS THIS,
CALLED A "Deed of Release" (see items 16 and 17.). However, since this
"Release" is BEST obtained from willing parties who SIGN the release
as I believe was nearly so the case in this instance, because of
what occurred in the Jury Trial April-May 1988 in M&M v. Hewlett & Hand,
THIS AFFIDAVIT #12 will serve, let it so serve that is, as the STARTING
POINT for the Deeds of Release and Full Reconveyance instruments NOW
that MAY or MAY NOT be forth-coming depending on the relative level
of "co-operation" (or lack thereof) of the various parties below who
read this. I believe that after they read the rest of what I/we have
to say about EACH of their situations relative to ANY so-called "LIEN"
they THINK THEY MAY HAVE ON THE MAMMOTH, that they WILL AFTER READING
THIS CLEARLY, SEE any attempt to EXERCISE their truly BOGUS LIEN will
clearly be a TOTAL WASTE of THEIR hard-earned DOLLARS and legal time,

to try to do so whatsoever.

ITEM 8, "Deed of Trust" given by Darrell Hand to Richard Nesland, owner of "Sunchief Mines, of the Twin Cities, MN. The Month-long Jury Trial of April-May 1988 of M&M v. Hewlett & Hand alluded to earlier, CLEARLY SHOWED FOUL PLAY on the part of Darrell Hand to GIVE this so-called"Deed of Trust" in the FIRST PLACE to Nesland/Sunchief. for several REASONS. First of all, Hand didn't YET have the FINAL JUDGMENT on the property as yet from Sandy Sanstead(Triple S Mining) which legal dispute was STILL going on at that time over 5(five) years on the property after Hand "jumped" Sanstead back in 1980. Secondly, the Jury Trial also pointed out that a good check from M&M to Hewlett & Hand for \$5,000 was subsequently FORGED by Hand to pay Nesland/Sunchief in the law office of attorney Stewart James, Counsel for Nesland, for the purpose of PAYING the \$65,000 obligation. When Hand tried to DENY this forgery, James was called to the witness stand to testify against Hand, when at the last minute, the Judge (pro temp Filler) at the last minute DID NOT permit it, but knew Hand had perjured himself anyway, and so too the Jury knew it. But, rather than put Hand right there away for 7 years in Jail for perjury, the Judge and we all let it drop, but with the result being that never again did the Judge or Jury believe one more word that EITHER HAND or HEWLETT said from that point on. SO the point HERE regarding the so-called "deed of Trust"Hand "gave" to Nesland for Nesland's attorney Stewart James to "administrate" (i.e. collect), is that they all foolishly TRUSTED Hand's "good ol' boy attitude" and "WORD," which we all found out was clearly always worthless, especially when it came to $\underline{\mathsf{MONEY}}$ matters. So even $\underline{\mathsf{M\&M's}}$ MONEY which was clearly DESIGNATED TO GO TO PRODUCTION, went to Nesland. We've even tried on many occasions to explain all this to Mr. Nesland, even offering to MAKE payments to him on something we really did NOT HAVE TO make payments on, just to show good faith and good will, but he still refused to listen to anyone but Hand. HOW FOOLISH! YOU MR. NESLAND, if you should ever READ THIS, we hate to see you lose your money to Sanstead and Hand, but YOUR JOB, and ONLY TRUE LEGAL OPTION LEFT is to go after both — Hand and Mr. Sanstead (Erskine, MN YOURSELF, and LEAVE OUR MAMMOTH alone, as you do NOT NOR EVER WILL BE ABLE TO CLEARLY ESTABLISH ANY CLEAR RIGHT TO IT BECAUSE OF YOUR CRITICAL ERROR IN HUMAN JUDGMENT THINKING DARRELL HAND WAS HONEST, when just the opposite has sadly always proven to be the case.

AFFIDAVIT #12 (Continued)

ITEM 9, protects you the County of Pinal, which is fine. Anyone traveling to or from our property travels at his own risk, not OURS or YOURS, which should go without saying, but at least we said it anyway.

ITEM 10, and ITEM 11, which is Darrell Hand's "Notice of Non-Liability,"to both groups, namely Leo Casey(aka Star Rock, Inc.)& Bernie Howard as one group, and, Sandy(Harlow E.) Sanstead and his two sons, Jerry and Jack(áka "Triple S Mining"); I/we in this one-time situation totally agree with for the simple reason that especially in the situation of the \$325,625.00 Claim of Lien of ITEM 12, NO MECHANIC LIEN may be allowed to be placed on the Mammoth for reasons that the WORK WAS NEVER DONE ON THE Mammoth, but RATHER on the "Black Queen"nearly one mile away. It should be also noted, that Mary Anne's x-husband DID KNOW and so did Leo Casey KNOW by the September 25, 1990 and earlier, that the Mammoth COULD NOT BE "LIENED UP" - & WAS BECAUSE BY THIS TIME THEY BOTH WELL WERE AWARE THAT M&M HAD ALREADY BEGUN LITIGATION AROUND THE FIRST(1st) of September, 1986, with a "Lis Pendens" filed near or at the 15th of this same month, which means like a red flag "the title is IN HOLDING until further Notice." Also, as mentioned in Item 8 above Hand did NOT EVEN HAVE THE RIGHT to HAVE this mechanic lien placed on the Mammoth, even if HE DID WANT IT, which we clearly see that he did NOT. So again for ALL these reasons, ALL the previous liens to THIS POINT should be IGNORED. And Thank YOU.

Now we move to ITEM 13, which is another attempted "grab"at the property this time by a once-large bank that/who should have KNOWN BETTER. It's NO WONDER they were quickly swallowed up by CITIBANK a few months later from this attempted lien date of October 6, 1990. This is a clear example of the classic case where the Bank had multiple signatures on the Loan for \$100,000(testimony at Trial and in Dave Griffeths' deposition said there were at least 3,i.e. Hand's, Cross' & Griffeths'), but never REALLY checked out the litigation factors and "Lis Pendens" situation on the property it was loaning on. I believe there were OTHER REAL PROPERTY in addition to the MAMMOTH given to secure the loan, but we were led to believe it was primarily a "signature"-type loan with the "collateral" being secondary. In any event and for the same reasons outlined in Items 8, 10, 11, & 12 above, this CLEARLY is NOT a VALID LIEN and SHOULD BE REMOVED, whether it has been reassigned,

or not. It should be also mentioned here that at one time in the beginning, David Griffeths was the sole attorney for Richard Hewlett, Hand's partner in the litigation; but because of all of Griffeths "inside trading" type, under-ethical-standards-type dealings which Les Tennen pointed out to the Court and to Griffeths personally, (such as Griffeths' attemped "Request for Notice of Sale" of the Mammoth, recorded October 16, 1987, WHEN GRIFFETHS KNEW BETTER than this, i.e. WHEN GRIFFETHS KNEW a lis Pendens HAD ALREADY BEEN FILED) Griffeths knows he dare not press this matter further, lest he face losing his license. SHAME ON YOU DAVE. The STATE BAR Discipline Department should have disbarred him for this, but he has not been YET reported unless someone ELSE NEEDS THIS information; GO FOR IT, cause frankly M&M and myself in particular have become VERY WEARY of the VERY SLOPPY LEGAL ETHICS re the BEHAVIOR OF THE ATTORNEYS AS A WHOLE IN THIS FAIR STATE OF ARIZONA, and unless we all ban together to strongly OBJECT to this ridiculous NONSENSE, WE WILL ALL CONTINUE TO SUFFER under shoddy, slip-shod,low-life practices. PREACHING? You betcha.

M&M's ITEM 14 JURY TRIAL VICTORY to say the very least, doesn't say enough for the average person to understand what truly DID HAPPEN. Either Les Tennen did a crumby job of writing this one up or someone "riddled the wording around a bit." To read it like it stands, it SOUNDS like M&M was only awarded"\$40,000 of a principle amount," when in fact it was 30% (thirty per cent) of everything that Darrell Hand owns including the Mammoth, his house and residence, Goldfield Mines , Inc. and 30% of the rest of the 3,000 mining acres he owned at the time we won this judgment, as well as 30% of everything Richard Hewlett owned at that time. The \$40,000 above was JUST the DOLLAR AMOUNT of the LEGAL FEES we were awarded from this 4-week long 10-Panel JURY TRIAL we all endured. Ever SINCE, all we've done is TRY TO COLLECT on what we already were "awarded "-NOW having been AWARDED ALL THE MAMMOTH and MANY other CLAIMS, plus some over \$128,000 in legal fees BY THE COURT, not including all the INTEREST on this amount of money NOW SOME of YOU MAY BEGIN to SEE WHY Handhas tried to constantly HARASS M&M using his attorney Wolfram, neighbor Clay Worst whose horses Hand's kids watered every day for favors, and HIS/ WORST'S BEST FRIEND, Bob Corbin, to STIR up the NAIVE STATE and D.P.S. even, against M&M. By NOW hopefully you people should HAVE MOST ALL TEN(10) JUDGMENTS or more of this tremendous legal battle we've endured and continually WON & WON & WON, THANK GOD, & Will Continue to

AFFIDAVIT # 12 (Continued)

Now to Continue on to ITEM 15. This so-called "franchise to Silver Springs Cable" we are not aware of, nor did M&M authorize any such cable company to do any thing whatsoever on the Mammoth Mine site, and so NOW AT THIS TIME LET IT BE KNOWN PUBLICLY the same. Should the "silver Springs" people wish to discuss this with me, there are welcome, but since this has been done TOTALLY WITHOUT M&M's KNOWLEDGE or PERMISSION IT IS HEREBY NULL and VOID, and so LET IT NOW BE KNOWN THE SAME TO ALL CONCERNED. ITEMS 16, and 17, have already been discussed which two were FILED by Les Tennen on M&M's behalf to VOID OUT items 6 & 7 above as previously discussed.

Now as regards ITEM 18, i.e. "failure of the public record to show Certificate of Partnership recorded for M&M Enterprises," is simply an UNTRUE STATEMENT. Although the PERSON in PINAL COUNTY that wrote this erroneous statement MAY NOT BE AWARE OF IT, it is a TRUE FACT THAT SUCH A DOCUMENT, namely a "Certificate of Partnership" WAS RECORDED PRIOR TO THE above-mentioned JURY Trial of April-May1988 and is available for duplication should you wish to have one. We/did HAVE ANOTHER COPY, but it was stolen by the GESTAPO ACTIONS of an ill-informed D.P.S. officer listen-ing to an ill-informed Attorney General, former attorney General Bob Corbin, who listened to an illinformed old"Buddy" and mountain man, Clay Worst, who listened to Darrell Hand and his malicious attorney, Don Wolfram, who also used to WORK with Steve Twist under Corbin for years, but is now is in so-called "private practice." It should also be added that the Mammoth property is LISTED IN MARY ANNE's and MARSHALL OTT's(my) PERSONAL NAMES, SINCE THAT'S how the judgment was filed, entered and litigated, i.e. every thing has ALWAYS BEEN ALSO IN OUR PERSONAL NAMES, WHETHER YOU ARE AWARE OF IT OR NOT. If you are NOT, them I hereby request that you make formal legal record and Notice of THIS TRUE FACT. THANK YOU.

ITEM 19 deals with another "Null & Void" deed of trust, because of Mr. Tennen's clear "BREACH of CONTRACT" with M&M, when he resigned April 4, 1990 as our Corporate and personal Counsel, without probable cause, nor time to find new Counsel, particularly in another legal matter involving one Willard Powers, also Wolfram's client, who has "Counter-claimed" M&M for a bogus \$1,000,000 on an unrelated matter—as an attempt to "grab" the Mammoth, this time through the back door."

ARIDAVIT # 12 (Coptinued)

Because of the obvious attempt at "malicious prosecution" by Wolfram, using the State of Arizona as a "Pawn," and using the Court system recklessly to satisfy his own glottonous/greed demon, Wolfram is now being seriously considered, and RIGHTFULLY SO, for DISBARMENT. What amazes me is, HOW has he and so many other evil attorneys as this been able to get away with this for so many years and STILL keep his license to practice? I'm sure that $\underline{\mathtt{WE}}$ are $\underline{\mathtt{NOT}}$ the $\underline{\mathtt{ONLY}}$ $\underline{\mathtt{ONES}}$ who have been abused by this sort of illegal nonsense and State Come on, folks NEXT TIME it could be YOU that gets "stiffed" or totally taken and abused by some of these "get-awaywith-it-all-the-time"attorneys. SO, YOU think I'm EXAGGERATING? Frankly, I wish I were. But I'm NOT. At present the "arbitration department" of the State Bar of Arizona is giving us relief on Tennen's fees which involves the REMOVAL ON HIS VOLUNTARY PART of THIS "DEED OF TRUST" which is bogus, not valid and hereby NULL AND VOID, because of a CLEAR BREACH when he saw a little trouble coming. The whole matter is thoroughly explained in my "Affidavit #9(revised if anyone is interested. It IS available on request by writing Box 1253, Apache Junction, AZ 85217 or calling 982-5560, to my attention.

FINALLY, and this is item 20, EQUALLY amusing to the above, we hope. Namely, we are talking about a\$1250 so-called "tax" bill, the IRS claims I personally owe since 1983, which of course is NOT TRUE. Not only has there NEVER been an audit, but there has been no formal Notice GIVEN for an audit that I owe ANYTHING. They are JUST SO upset that as, a once "tax-advisor", I recommended to clients a "schædule C (1040)-type program they could never shut down, and have become somewhat "sour-grapes." To protest, I have written a 13-page, hand-written "treatise" against them that has gone to many branches of the Government and certain "news" programs such as "Geraldo Rivera" and others, and this is their unfair method of counter-attack. Also it should be NOTED here that TransAmerica Title did ERR in putting this on AT ALL because the so-called "Lien" applies $\underline{\text{only}}$ to any income I might earn if I ever were to WORK for the County, and has NOTHING WHATSOEVER to do with ANY REAL property I might own. SO, PLEASE DISREGARD. Note also that it's NOW IMPOSSIBLE for me to BE AUDITED since the GESTAPO D.P.S. has all my records, over 40 boxes and our computer, my keys, credit cards and much more, all

AFFIDAVIT # 12 (Continued)

ILLEGALLY STOLEN, as mentioned above.

Please NOTE that ALL the above has been written under penalty of perjury and done according to all the pertinant Laws of the State of Arizona and the United States of America. So, TO CONCLUDE, THERE ARE NO LEGAL, LAWFUL, RIGHTFUL LIENS ON THE MAMMOTH LODE MINING CLAIM WHATSOEVER, REGARDLESS OF WHAT ANY STUPID OR SMART SO-CALLED "TITLE REPORT" SAYS. And I SHALL hereby also state that NO TITLE REPORT IS AT ALL COMPLETE WITHOUT (from this date) INCLUDING A COPY OF THIS TEN-PAGE REPORT, and, IF THERE ARE ANY QUESTIONS A LIVE CONVERSATION WITH MARY ANNE or ME IS NECESSARY PERSONALLY, as we are probably the ONLY PEOPLE ALIVE that can NOW tell you — much about it — if you NEED TO KNOW. But then again WHY DO YOU NEED TO KNOW ANYWAY? Because we're NOT selling NOT FOR ANY PRICE; SO WHY DO YOU CARE ANYWAY? ARE YOU JUST GREEDY? Or overcurious which killed the cat, or do you think you know MORE about it than WE do? WE doubt it. So just go about your business and try for a change HELPING US bring it to FRUITION, then you can PLEASE STOP trying to hinder success and progress, because you're only hurting YOURSELF by doing so, once you understand the FULL meaning of what we're doing(you get that one?)but until then just do it; JUST do right, STAND BY&WATCH what happens, if you can't help Thank You for your kind attention to these matters, and ears to hear for those that do.

Trulv.

MARSHALL ARNOLD OTT

NOTORY

County of Maricopa

SEAL

State of Arizona

APPEARED BEFORE ME/THIS 12th DAY OF August, 1990 was

Marshall A. Ott

Notory

my commission expires (Commission Excites June 19, 1991

PRELIMINARY REPORT

Order No.: 64038025 Your No.: 02048751

Transamerica Title Ins. Co. 235 N. First Ave. Phoenix, AZ 85003

STATUS REPORT ONLY

Dated: 3-29-89 at 7:30 a.m.

Transamerica Title Insurance Company hereby reports that it is prepared to issue, as of the date hereof, the policy of title insurance indicated above on the form on file in the office of the Director of Insurance of the State of Arizona, describing therein the land and the estate or interest as hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein nor excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of the policy to be issued and providing the premiums for said policy or policies have been paid. This report (and any supplements or amendments thereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby.

Escrow Officer: Shay Barbera Tel. 257-2778

Title Officer: JAN SREDANOVICH/MO/kj Tel. (602) 836-8203

SCHEDULE A

1. Title to the estate or interest covered by this report is vested in:

FARGO DEVELOPMENT CO., INC., an Arizona corporation

> (SEE NOW "AMENDED" RPT. @ 4490)

- The estate or interest in the land hereinafter described in this report is a fee.
- 3. The land referred to in this report is situated in PINAL County, Arizona, and is described as follows:

SEE ATTACHED EXHIBIT "A"...

LITIGATION GUARANTEE

SCHEDULE A

AMENDED

Guarantee No. 7-FG-14745

Liability Amount

Effective Date

\$40,000.00

April 4, 1990 at 7:30 a.m.

969 1 1 1

1. Name of Assured:

RICHARD PLATT

- 2. The title to the estate or interest in the land described herein is a fee.
- 3. Title to said estate or interest at the date hereof is vested in:

MARSHALLA. OTT & MARTY ANNE HOWARD doing business as M & M ENTERPRISES, a general partnership.

The land referred to in this guarantee is situated in the County of Pinal, State of Arizona and is described as follows:

MAMMOTH LODE MINING CLAIM, Survey No. 3886 Amended, embracing a portion of Section 1, Township all North, Range 8 East, Gila and Salt River Base and Meridian, Pinal County, Arizona, excluding and excepting all that portion of ground within the boundaries of the OLD WASP LODE CLAIM, Survey No. 1134 and the BLUE BIRD NO. 1 LODE CLAIM, Survey No. 4529, and further excluding and excepting all veins, lodes and ledges throughout their entire depth, the tops or apexes of which lie inside of the said excluded ground.

5. Nature of Action:

Suit to Foreclose right of redemption of Certificate of Purchase for taxes:

- 기루장 왕 : ja k 사는 연기표*

DG/mn

B: A Deed of Trust given to secure an indebtedness in the original principal amount of \$65,000.00, together with any and all other obligations secured thereby, dated May 30, 1986, recorded June 6, 1986, in Docket 1366, Page 48.

TRUSTOR: DARRELL G. HAND, SR. and SHARON L. HAND, husband and wife; GOLDFIELD MINES, INC., an Arizona corporation; and ARGO MINING COMPANY, INC., an Arizona corporation

TRUSTEE : TRANSAMERICA TITLE INSURANCE COMPANY, a California

corporation

BENEFICIARY: SUNCHIEF MINES CO., a Minnesota corp

- 9. Any Closs, claim or damage by virtue of the failure of the public records to disclose that said land has any appurtenant means of ingress and egress or any frontage to and from a public highway or dedicated street.
- Notice of Non Liability executed by DARRELL G. HAND, SR. and pertaining to the performance and acts of LEO CASEY or BERNIE HOWARD, dated August 1986, recorded August 1, 1986, in Docket 1379, Page 93.
- 11. Notice of Non-Liability executed by FARGO DEVELOPMENT CO., INC., an Arizona corporation, pertaining to the performance and acts of HARLOW E. SANDSTEAD, JR., TRIPLE S. MINING CO., and PICNEER LANDSCAPING MATERIALS INC., dated August 4, 1986, recorded August 4, 1986 in Docket 1379, Page 1455.
- Notice of Claim of Lien executed by STAR ROCK, INC., a Nevada corporation, Claimant against DARRELL G. HAND, RICHARD HEWLETT, B. ROBERT HOWARD, CHARLES E. CROSS and FARGO DEVELOPMENT CO., INC., an Arizona corporation, for materials, machinery and labor, in the principal amount of \$325,625.00, together with interest, Attorney fees and other costs incurred, recorded September 25, 1986, in Docket 1390, Page 314.

CONTINUE. . .

A Deed of Trust given to secure an indebtedness in the original principal amount of \$(none given), together with any and all other obligations secured thereby, dated (none given), recorded December 8, 1989, in Docket 1645, Page 83.

TRUSTOR : MARSHALL A. OTT and MARY ANNE HOWARD dba M & M ENTERPRISES

TRUSTEE : LESLIE I. TENNEN

BENEFICIARY: LESLIE I. TENNEN and/or PATRICIA M. STERNS, STERNS AND TENNEN

20. Federal Tax Lien No. 869005282, Identifying No. 375-46-6824, against MARSHALL A. AND ELOISE OTT, in the principal amount of \$20,332-88, recorded April 5, 1990, in Docket 1667, Page 795.

NOTE: This First Amended Guarantee is issued for the purpose of:

- a) Adding No. 20 to Schedule B.
- b) Adding R, S, T and U to Schedule C.

PLAN OF OPERATION

WESTERN LABS AND ENGINEERING, INCORPORATED

by

Marshall Arnold Ott September 1, 1988

This Preliminary Plan of Operation is not intended as a solicitation. It is prepared for the recipients exclusive use for background use only.

This is not to be shown or distributed to anyone else prior to written consent.

by-weight gold veins ("picture rock" as they are called in the jewelry trade). The only SURE method of locating all of them is by removing and mining the ENTIRE mass materially which is estimated to be over 100,000,000 tons. This is just the vein material, and does not include more in nearby "over-burden" type ore, which could triple thid amount, and average over .032 Troy Ounces/ton overall.

"Mining it all" so to speak, will be done systematically, completely and most economically: using open-pit-high-tons per-hour, hydrogravity and massive heap leaching methods with power shovels, conveyor systems, adequate high-speed crushing and pulverizing systems the very latest best gravity ore concentrators, flotation, electro-plating, and, water recycle recovery systems. Two more great advantages of open-pitting in addition to its obvious simplicity, is the safety of surface mining which the Arizona and U.S. Mine Safety people are most happy about, and, the extremely low cost per ton of removing high grade virgin ore and well as the caved material. Selective, surface mining can easily be carried on, with waste rock being quickly discarded. And, low-grade material can be stockpiled for future treatment; and medium-grade ore can be milled at a good speed(2000-5000 tons/day) at a very good profit(est. 70%plus). Meanwhile the low production 200 ton/day mill plant is already done & complete and ready to go just with moderate cash to complete the pulverizing, final recovery lab and purchase of power shovel, drag line and air-track drill rig mentioned earlier.

(G) OTHER POINTS OF INTEREST Our belief is that now is the right time for a public offering and it will practically sell itself for all who will take a moment to LISTEN and INVESTIGATE. Western Labs and Engineering is now in its third year of construction and 98% complete with the efficient concentration mill ready to run with little costly downtime. To date, only \$1.7 Million has been placed with us, but we have over \$10,000,000 in Net Assets to show if you consider market and/or replacement cost. (This is just for Arizona and does not include the 46 square miles and work done on the two playa Dry Lake beds in California which will be discussed a little later.) It's one thing to HAVE a great deal, "millions", to spend on something like this which, we believe is as worthy of those millions, as any public offering on the earth. Then again, it's quite something else to SPEND those funds WISELY, i.e. to STRETCH those funds to where it will be once said by the Master "Well done good and faithful servant." A few more points to consider. The location of this property coincides identically not only with 3 out of the 14 known "Lost Peralta Mines" but is by far the most likely candidate, (if you read the more than 100 books on the subject) for the exact location of the famous "Lost Dutchman Mine." The first use of the name "Goldfield" was used for this camp during the late 1800's long before the discovery of gold in the Nevada and California camps of similar name. The Apache Indians had some hair-raising supersitions concerning the whispering gods among the more fantastic peaks of this one mile high "Battleship" Mountain, from which comes the

Dozens of witnesses who had personal knowledge of the old Hall operation(1893-96) of the "Mormon Stope" agree that untold wealth is covered up near these old workings. Note, too, that these projections are conservative. Please note too from a probable, immediate, average profit of \$3840.00 per day derived from the removal of the caved/virgin ore we fully expect over Seven(7) Million Dollars of hidden high-grade to be discovered and added to the profit column within an estimated two year period. By the end of 5 years that figure should easily, and most probably will, quintuple to over \$35,000,000 Net Profit once the 2000 tons per day facility is up and running, trouble-free after the first 12 months. We start counting the 12 months from the inception of the funding date, and then \$35 Million will start to come over the next 4 years after that.

Now for a few other details that may interest you. Western Labs' 2 mine and mill crushing systems consist of a large jaw crusher, roller mill, 2 large custom chain pulverizers, hammermill and small ball mill with total rated current capacity of just 25 to perhaps 130 tons/day. With the addition of a new high quality pulverizer costing about \$85,000 and a larger set of roller crushers(\$25,000), the capacity to crush to 30 mesh minus will increase to > 250 to 500 tons/day, or 175 to 250 tons/day at 100 mesh minus(100 parts to the inch and smaller). Percent recovery at 30 mesh minus is boosted to 80 percent plus, whereas with the 100 mesh, percent recovery move up to 97% or more by the combination hydrogravity and cyanide processes. The loss of some 20 to 25% of the gold in our initial start-up stage may be offset by materially reducing the much larger costs of grinding to 200 to 300 for 99% recovery. (See Denver Equipment Report, c.1981). The second stage to 2,000 - 5,000 tons/day costing \$2.500,000 or more will use the best hydrocyclones, cones, spirals, and a series of ball or roller mills which will reduce it all to 200 mesh minus, but, this is again subject to the amount of funding available at that time.

But for now, Below is an Estimate of the Immediate Expenditure Requirements to Bring the Mine to a Steady 200 Tons/Day:

Power Shovel and Drag Line s	96,000
Air Track Drill w/ 950cfm Compressor	42,000
Repairs on Existing equipment	20,000
New Hi-speed 20-50 tph pulverizer	
Stripping/Removing Water near/on Stope	85,000
Del and Install New W.	38,400
Del. and Install. New Hydrograv. System	
Roller Crushers, 50-100 tph rated	25,600
Cons Flotation/Ball/Plate Systems	25,600
Corp. Acctg. Admn. Fees.	6,400
Camp Facilities, water syst. upgrade	6.400
Atomic Absorbtion/PE Machine, Lab Equipt.	19.000
Reserve for Contingencies/Contract Labor	52,200

Total Requirement

\$467,000

at the Northeast edge of the lake at the 15 foot level from the surface, did show recovery of over .2 Troy ounces/ton (appr.\$90.00 value)with over 500 tons run at this level in the early Spring of 1986 with the 40 ton/hour pilot plant.

Many people first became interested in the mining of microfine placer gold when gold was deregulated in 1973 when the price was still about \$35/ounce but heading toward its peak of \$800/ounce in 1980. Some of the old timers in the area, i.e. "Pappy Davis" and others, now deceased, knew of the Lakes when in the early 1900's many of the Chinese immigrant miners mining gold on the sides of the Silurian Hills and Panamint Mountains adjacent, referred to them as "bean lakes". The name "bean lakes" came from the old saying that if you didn't get your weeks' pay from either the rivers or the boss at a nearby hardrock mine, that "in just a few hours" you could pan the "hot spots" of one of these dry lake beds and earn your "beans" for the week; that is, if you could stand the 131 degree summer heat 4 to 6 months of the year and the 90 mile per hour winds that come up also at least 2,3, or 4 times per week.

So then when the gold price rose and stabilized in the late 1970's and early 1980's a huge flood of gold mining equipment started hitting the market, many of them low cost and quite effective for microfine placer deposits like these two Lake Beds. Before selecting the RIGHT equipment for this plan and even before choosing THESE TWO Dry Lake beds, many tests were performed, perhaps over 50, to finally arrive at the flow sheet shown in a catalogue done in late 1985 for Silurian. These two Lake Beds were finallly chosen over many others(well over 30), for their overall very high gold content, proximity to highways, ease of processing because of the gold being in the "free" state(over 50% anyway) and many other reasons. For the most part the gold is not tied up too much in sulfides, chlorides, or other complex chemical compounds making economical extraction impracticle and difficult. Another nice thing about the two properties is that the ore is almost entirely(95% plus) made up of fine sands, clay silts and overall is ready to process at the 18 to 400 mesh range. Also since the overburden level in most spots is less than 20 feet, it's ready to be hydrogravity processed after being fed through a standard grizzly-hopper-conveyor system without the need for ANY crushing set-up such as is an important pre-requisite for the Mammoth & Black Queen properties in Arizona. although a crushing/pulverizing system may be needed as we approach bedrock(which is in the 100 to 700 range depending on location), these expensive set-ups will not be needed for the first 500 ton/hour or 100 ton/hour plants.

Although over \$400,000 has been spent to date setting up and testing the ore with the two pilot plants, very little equipment still remains because most of the equipment was leased. Then because of personality disputes, gross mismanagement of the claims and monies going to former owners, lawsuits ensued between the former owners which did not involve the claims, but only the equipment. This is why

you to answer are (1) how fast do want to grow, and (2) how big do you really want to get?

COST SUMMARY AND CONCLUSIONS (DRY LAKE BEDS) :

The several equipment cost projections done in the past few years are still accurate and go along with the profit projections attached to this report for your review. When one compares these modest cost projections with the very large, rather wealthy, Net Profit Returns, the "\$64,000" question has often come to our minds: why has it taken so long to get these claims into production with these LOW recovery costs and HIGH values? We'll leave that for you to guess at, but you may find you're first clue to the answer in the Book of Ephesians, Chapter 6, Verses 10-18. ("We wrestle not against flesh and blood, but against principalities & powers, and rulers of the darkness...").

So now let's look at the necessary expenditures to bring Silurian Lake into production at a rate of 500 tons/hour or 5,000 tons/day if we start with a 10 hour day: (Note that these numbers are best estimate summaries on all the other cost estimates made; and likewise with the profit summaries, for simplicity sake.)

Heavy Caterpillar-type Mining Equipment Bought at Auction/Gov't Surplus, e.g. Elevated Scrapers, Crawlers, Front Loaders, Track-hoes, Trucks, Etc. \$500,000

Maintenance Facility/Shop Fully Equipped to keep up all this and plant equipment 200,000

Employees Facilities to withstand the Extreme heat and high winds, complete with swimming pool 300,000

Water and fuel tank Systems, Including(2)9" Wells Drilled approx. 400' deep to supply >15,000g/hr. 200,000

3-Phase 480V Electric Power Systems, Incl.Back-up Generators(2) and \$75,000 line to Nearest Edison Line approx. 7-8 Miles Away 300,000

The Plant Itself, Including Grizzly-Hopper Conveyor Systems, Hydrocyclone/Spiral/Cone Concentrators, Pipes, Punps, Elec. Motors Tanks, Tables, and Building to Enclose and Contract Labor to Construct...

1,200,000

Finishing Lab for Concentrates(if cons not shipped to Arizona; figure 1/3rd this amount if shipped to Arizona; decision pending several manpower and security factors)

300,000

Reserve For Contingencies

250,000

Total Requirement for First Stage (just for the 1st Dry Lake)

\$3,200,000

First Stage to a steady 200 tons/day within about a 30-day time-frame, the time to "shoestring it" may well extend over 6 to 9 months. (But, we know help is on the way soon.)

The Second Stage for the Mammoth and Black Queen Mines will consist of an approximate \$2.5 to \$3.5 Million buy-out of Patented and Mill Site properties adjoining the North, South and Eastern bounderies of the primary vein which runs almost 1 mile long with our current ownership, but would extend another 1/2 mile in 2 directions with this acquisition.

Equally important, the acquisition in the Second Stage of 5 acre Mill Site for in the neighborhood of \$335,000 to \$500,000, would give us WITH this Millsite also about \$1,000,000 in used, but readily salvageable equipment greatly useful & most helpful for the expansion to the 2,000 to 5,000 tons/day Second Stage. In addition to the \$3 Million for property acquisitions(ore reserves primarily) more equipment costing \$2.5 to \$5 Million minimum will be necessary, This equipment includes much speedier new crushers/pulverizers to 60-100 mesh minus(97% plus recovery), 10-30 to one new upgrade in concentrations systems, much improved final recovery lab including flotation cells, plating, and other equipment to take the metal efficiently to .999's, and large Government-approved 100,000 ton cyanide or bio-leaching pad set-ups for the over-burden and tailings. We would be also most happy to provide to anyone interested, in depth cost write-ups and projections, available on request for the Mammoth-Black Queen Second Stage. But, note that a few projections for the Dry Lakes are already in the Prospectus Package as mentioned earlier, depending on the level of Second Stage funding available.

Attached also with this Plan of Operation is an August 1, 1988 letter "To Whom It May Concern" requesting additional institutional or private placements detailing the current requisite needs ranging from \$320,000 to \$1,000,000 for the Mammoth-Black Queen only. Once this First Stage is complete(about 30 days), another 4-6 months(using Public Stock monies) or within about 24 months(using by contrast internal profits only) will be needed to begin Stage Two for Mammoth-Black Queen only. We will not attempt to even start anything resembling production, I am re-emphasizing this, WITHOUT at least \$3,200,000 million ready cash to do even the First Stage of the California Dry Lake beds or get ready to start the itemized purchases mentioned above for the Dry Lakes, because of the extremely hostile weather conditions. The more tons we run per day, by far, we see the more likely we are to be successful, and, by far are costs much lower per ton realized. And, this is SO true for BOTH sets of properties, as regards the costs in Arizona and California.

PERSONAL COMMENTS TO YOU

It should be also mentioned in these concluding remarks that we fully intend to start paying regular, quarterly, good stock dividends at a rate of at about 50% (fifty per cent)

people perish, the Bible says in Proverbs 29:18). You may be surprised. This just may end up to be the best placement you've ever made, or ever will do, for the time is nigh: "Behold for Surely, I Come Quickly," and surely WE have much to do together before then... We hope you cast your vote wisely, and we thank you in advance, if you should decide to do so now without further ado. If undecided? Then begin to weigh the Scriptures that speak of the rewards to those who help. Go to Matthew 10:41 and the blessing pact of Deuteronomy 28: "I'll Bless these that Bless thee, and Curse those that Curse thee".... And no, we're NOT religious or part of any religious sect or cult. We're just "bananas for Jesus." And no we're not threatening you, that's just God's Word, and you can take or leave it...

Of course then again, you may NOT at all CARE what the Scriptures, or Word of God SAYS...so God's not interested in YOUR helping us anyway...(surprised?). But, if you still don't know what I'm talking about then try shedding light on the subject with the "Parable of the Sower", see Mark 4, wherein we end up finding out that God doesn't want about 75% of you anyway....And that's why Jesus called it the MASTER Parable, because He said that, if you don't understand THIS one, you will never understand the REST of them, or, ANYTHING ELSE about the Kingdom of God. Am I wasting my time here, or casting my pearls to swine? Or, are you really GOOD GROUND? Have I run on here a bit, or, has it come the time to start telling you folks (both of you on the "inside" and "outside") just like it REALLY is? Now, are you going to hate me and say I'm a lunatic and crazy, and that this is not the place to talk about such spiritual matters? Or, just what ARE you thinking?

You see, I found that when we live by the Scriptures that say "Acknowledge Him in all your ways, and He will direct your path,"(Pr.3:6), that this IS relevant to the HERE & NOW even in "public offerings" such as this one. So, when people tell me that I'm crazy or say "let's not talk about it cause my mother always told me not to talk about politics and religion, then I know they've missed it. When more people more openly bring Scripture, in context, to have bearing on all aspects of their lives, including their corporations and proprietorships, only THEN will we be much more apt to be successful, because we are pursuing God's Plan and HIS Purpose, His Blueprint for our lives, if you will, rather than our own selfish pursuits, which is usually wrong and totally unsatisfying. There is no peace without God, and the peace of God passes all understanding.... So, what we are asking in the end is: Where do YOU really stand with God Almighty and YOUR position on this offering? Spreading Jesus' Gospel does have one awful lot to do with what kind of a decision you will make on placing your hardearned funds, however big or small with us--REGARDLESS--of how much or how good the gold we have is, or, what kind of people are we, or, what kind of operation we have. And, the express reason I have rambled on a bit concerning the Scriptures to this extent in this Public Offering Statement, is because God has clearly instructed me always

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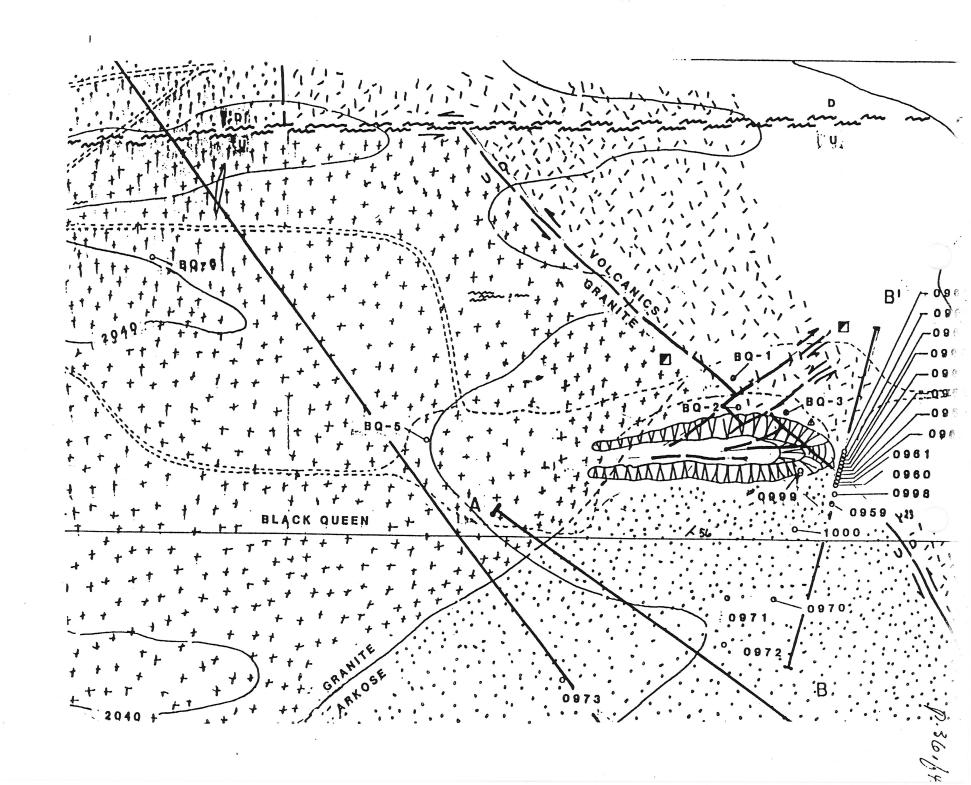
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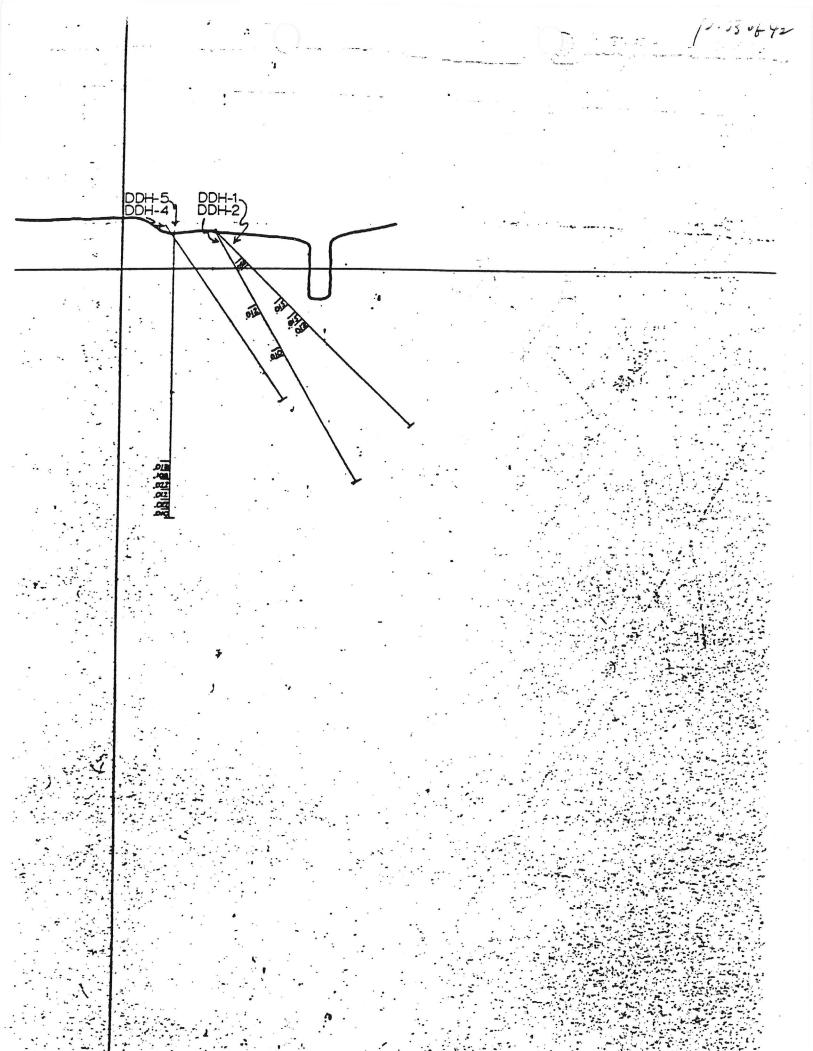
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ITEMS # 8-15

RESULTS PAGE
6-29 SURVEY MAP (By DEL TIERRA ENGRS.)
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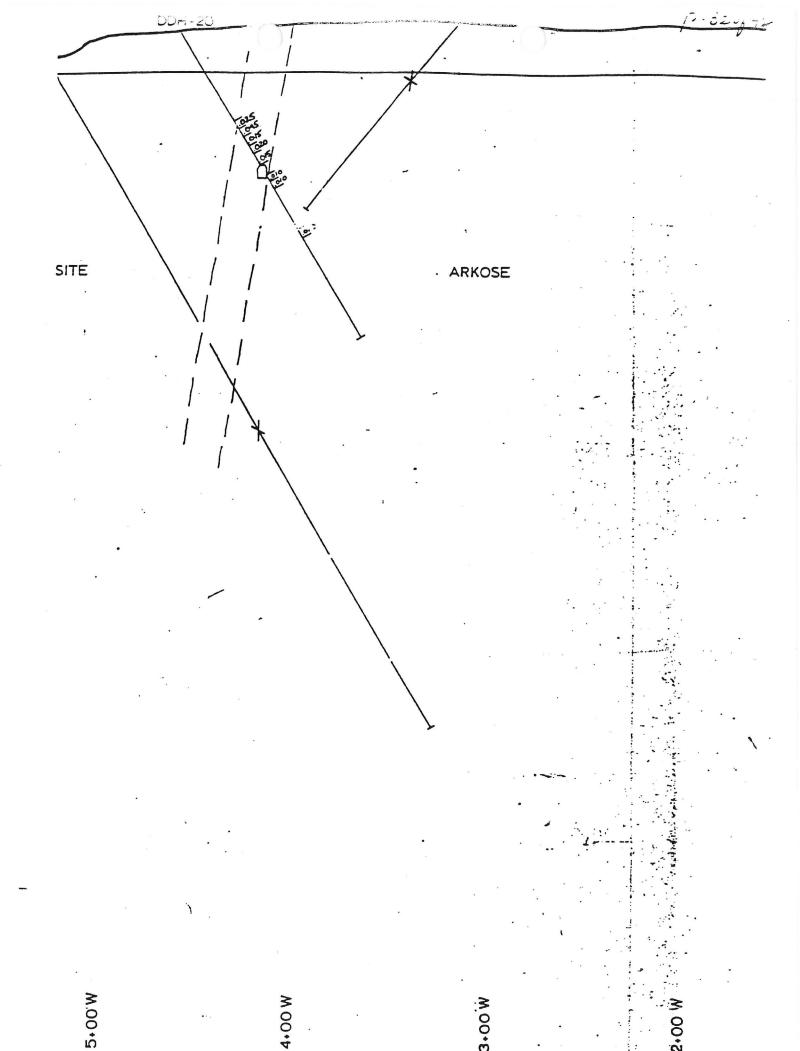
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MAIN SHAFT (50 ft south of section) R 84-16 R84-15 DDH-22 ARKOSE



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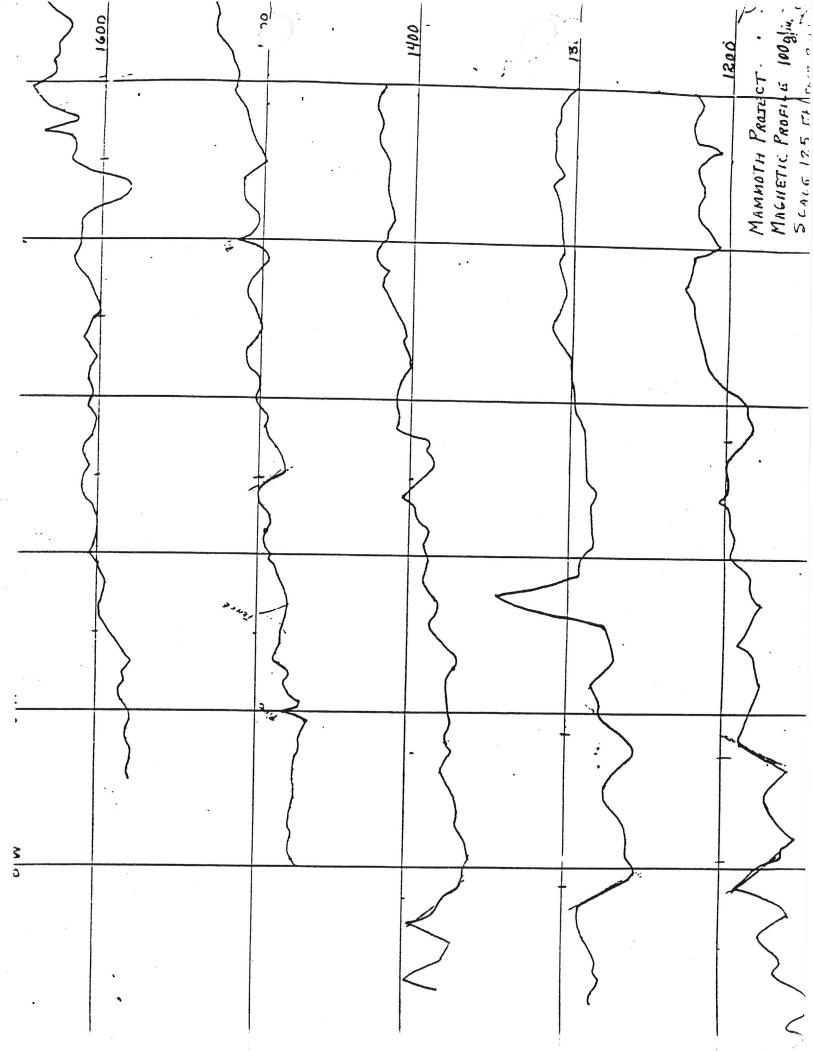
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R MINING LABORAT

SFÅRKS. NEVADA 89431

TELEPHONE: (702) 354

REPORT OF ANALYSIS

Submitted by:

Date: November 11, 1985

Laboratory number: 26250

Analytical Method: Fire AT

Your Order Number: 3486-1

KERR PINAL + MARICOPA; AZ.

Report on: 12 Samples, pulp

MAMMOTH & BLACK QUEEN RUCK RECONN.

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HUNTER MINING LABORATORY, INC.

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280-290 Engrite hostu.	155-160 397 LORS AU 225-260 FRESH GRANTE
310-320	R-84-3 0-280
320-338 571-840	75-75 20 1 40
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365-370	93-100 ho Ac
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	250-255 Gray
	265-270 and
	b. V Q - 04 - U
	C-15 overbarden
	15-20 Rollar. 35-40 Girgshelle to the
	0' H20 75-80 Red Band)
	115-120 Peopled Breeze
	Cur -

16/2 R-84-4, 135-140 Reil (pyria?) 150-155 Blackstrain 180-185 - 5-10 Au Fullpan 185-190 1-3 Har Handing 190-195, 5-20 Au Pan Ful 195-200 10-30the Hotal Elb 13 R-84-5 0-20 Fill 20-30 Red Bosol 45-55 Ton Boss A -120-195 - STIGHT A RED. 195-200 " " RED. 200-205 Feb. 14 Went back down 35 Couldn't go decper pulled Thered to the need casing 41615 R-844 0-20 - 46 Dull Rd 40-60 Brown

80-85 Briwn Brang Blacks

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AR Lose Conclourante to 365 me color

365-386 Ar. long no An

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R-84-8 · K-84-8 Feb. 20 40-50 120 Change 295-305 110 Au 50-55 whitesh gray to brown bo no Ace 315 321 60-70 cyray (basel+21/10.44. 220-330 Granite mother 75-80 gray to Redlink Gron 530-540 80% Red no Hu 210-350 eft -100 Redigh brown to the 350 399 (Fracy Granite no Au 180-110 355-360 Ked 110the 116-120 ad Acital Brown Brown 1 color 12-6-13-Feb 21 365 75 Brown holy 130/40 38-400- no Hy 140-156 NO Change Feb 22 R-84-9 130 Bm. vio change D-20 Fill Heavy Blacks 160-170 20'30 note funy Blacks 70-180 nc chang 200005 Hil Black portie 100-120 " Cronite 100 An (F1) 23 20-22 Hit 1_ Color 190-200) yellow (kysofals noth) 222-225 No Ay 200010 Quartz 2-8 colors Fall par 210-220 Quanto gray no me lean 225-230 236-746 (35-240) 2-5 colors 120-225 alleriz Black no Au large pan 225-230 Quarta 100 color tullper 245/255 1-2 colors John Fry 30-240 Quartz 2-5 colors (Black st 355-265 no sample: 240-245 Quertz 2-8 colons exto Fi 265-5-75 u. 1-2 Fine Au 275 280 / 66 by 280-295 Be Color Ruge

AND MANY MANY And then more shalks from that stem more 20-20 Fill Bonulh Powdrs old Org 35-30 mo clange P-84-10 25-06, mg 20-30 mg charge 10 pluple bosalt no 5-360 -3-7 Otherhy Fine party Davis 10 6 heavy Blanks not 35-340 - Law A 11 2 -- 170-180 max depth 5-15 Frage 1-335 1-2 Fire Au 2 noundrulls (430 175 - Blugged 2-8 Fines. Coursed 11 11 0/21 4 - 10 Fine (25- Werming) Hu 143-150 111 11 ! 140-145 hidish Brown no Mu HANDER DE SE- 208 HANDER HANDER PHINE HANDER SOS-308 HANDER HANDE) 35-140 Maritagladery to Her 136-136 change aneste no Me CE1-021--110-170 bown basself hatte 286-750 1-3 Fial Hy 11 156.23 (282-285) Clear out 6 well 4-10 For thy, 100,110 11 80-40 Rodish brown 280-285- 1-2. Extremely Fire 10c, 976 966 bray to brew 25 hive the . 60-60 purple besult 20 Au 26-170 fed 2-5 contract math. 60-70 orani & tink to the 275-250 / Ph Hu Fine 1:15 Asi Fb 21:4 01-18-A 6-18-7 2480 LIC/

R. 84-18 Much 1 R-84-13 80-90 No change 30-40 heavy Blacks In Au. HE-50 Redish brown no Are no change 90-100 . 50-60 no chang --avertzy send note 100-105 Hit contact Bigths many - 20 80 Red bacalt nome 105-110 .80-20 Coy Boself none 110-115 Quenty Son d 121 My 15-120 7 course Au 10-20 Fine Au Cup 90-105 Shartzay Earlie in the 15-175 112 Ay Stringer nosty 121125 175-180 Hot contat notre 125-130. 180- 300 Gray Brown 100 Acc La Tos no Sample 130-135 no 1+4 -84-20 145 6- 15 Fre 6 cours by 145 200 no Had Fill heavy Blacks not 10 Hand Rock heavy Black's (astrony) 1220 - 20-30 stay to brown nother 25-240 Crowite loting heavy blacks with 30-40 Red to Brown 20 245 2 course Au 12-50 no Ave 215-260 Grow Helseking noty 50-60 MA Hy 60-70 DO AU 260-300 Comile looking 10-50 NO Ay R-84-17.2:20 10 80-90 10 Ay or 10' Fill no Are beautiful 80-140 ne 144 10720 notty heavyblacks 160 no the Red orange 20-100 notine to pan Down Hommer 1160 TE no 19 170-176, 8-15 col Ay 20-200'TO. R-84-18 March 1 : 175-180 20-50 Fire & Course Hy 10 Fill heavy blacks no A 10-185 10-20 Fine Ay no Hy out

R-84-2-4 1-84-26 210-215 noHy - 30-90 no Au Red. 25-225 bright Red no Ay - 70-100 620 Hy 15-135 gray-6, 201. no Au 1020 no Au Red Eksown 235-240 3 Fine Au -120-135. NO Ay 240-245 6-10 Extremy Fine By -135-15-0 no Ay 45-250 Grand In Fine Pry Brack 3-150-150 no Hy 50-255. No Hy -180-185 110 Ay heavy Blacks 55-260 no Ay -185-190 no Ay heavy Blacks 260-265 10 Hu -190-195 110 change .195-200 no By Grey-green To D. 265-275 no Ay heavy Blacks 25-280 no Ay 2-84-28 4:00 march 5 0 10 250-240 no Ay No Sample 20-745 no Hi 10-20 no su 295.300 Gray no Ay - 20-30 no Hy heavy Black = 20-3:5 1 Fine Ay 2-4/8 no Hy SA Aust heavy Blocks 305-310 20 Ay -4050 10 Change 160Hu 20-315 no. Hy Gray .50-60 no Hu 315-32 in Au T.D. .60-7.0' no Au 10:00 march 5 70-80 R-84-26 nofy 0-10 Fill 6' wo Ay - heavy \$1 - 80-90 My Heavy Blacks. 10-20 no fly 90-100 No Ale Son Havy Blacks 20-30 Red no An he change -180-110 32-40 Red -Brown No Hy 160-125 hoAni 45-50 no-Fry MAY 1:20-130 no Hy 30-60 -130-140 notry 68-65 no Au 148-150 65-70 no Au 72-80 ropy Ril

R-84-20 -1301\$5 210A4 Pyrite 200 970 no thy 30-25 2-5 Au Fine - 45-150 2-4 Fin Hy Notypilo 115-220 1 Fire fly: 150-155 no Ay 4 Fine Au 125 -55/100 :WAY 25230 noth .160-185 Hoffy 120-240 no Au -185- 90. 140 Add Sm. Amant Pyrite 16-255 no Ay . 198 - 195- NO Anj 158-5× no Ay 2M5-20070 NO Ay 35 jas makly カーガインジャ 300-305 Herry Fyride Ma Her ._ 2-10 heavy blacks no Ay 5 Fish 95-3/0: 10-20 havy this many 312-320 no change _ 20-30 ho change Biron 320 330 un parit or Ay hony blacks 30-40 no Change An - 10.50 brownish red no change Blacks 330-333 T.E. No Ay K-84-22 Mach 3:50-60 no 144 6-10 Fill Heavy Blacks no A 60-70 no Ay brown To Do Heavy Blacks no Au Green : 10-80 no Au brain. 20-35 hoAy 188-100 no Ay 15-30 no Ay 10 ho Ay Red togray 30-40 No Fy 1186-120 noAu 10-60 no Ay 17/20-130 Brown to Gray Green noty 10-100 no Ay BUX150 Red to brown no Au 0-105 \$ 150-160 brown hoty 15-110 20 40 Fine Colon Brown to Red no Au 115 2.3 Kine Colors 17: -180 Red to grand gray NO Ay 199-185 brown Make 12 120. 12 AU 13 11 MO AU MAGON 130 ST FIMBY - MANTE 1 10-210 noty.

R-84-13 R-84-18 Much 1 No change 30-40 heavy blacks no Au. 80-90 90.100 no change 40-50 Redish brown no me 100.105 avertry 5 and note 50-60 no Chang 105.110 Hit contact Bigthso My 2080 Red bacalt nomy Quarter Sound in Aug : 80-100 Grong Boself norm 110-115 Stringer Feb 27 monday (84) Feb. 28 15-175 Wartzey Example no pay 121/25 nosty 15-150 Hut contat noth - 180- Gray Brown 100 Au 125-170. 130-135 _ no 174 Las no Sample 135145 6-15 Fre 6 comis By - 84-20 March 2 145 200 po Ass - Di Fill heavy blacks no Han 2220 Hand Rock heavy Blacks (ontromy) no Hy 220-28 - 20:30 -ray to Livour Nottu \$5-240 Comite locking heavy blacks nothigo-40 Red to Brown 20 245 2 crarse Ay ... 12-50 nother ALS-260 Gran depoking noty 1 50-60 party 260-300 Corani-le Looking V - 60-70 MOAL 300-340 1111 no Ay 0-10 Fill no An heave 12:30 pm. 80-90 no Ay 90-140 The Ay 10-20 nother heavyblocks to 100 nother Red ovan 20-100 notine to pan Down Hommer 1160 776 no My 200'TD. 170-175, 8-15 col Ay R-84-18 March 1 15-180 20-50 Fine & Course A 26 herytheles he may black 5 no A 185 10-20 Fine

MARCH PRESTON K.84-28 Much ? Dearty he Ha 160-165 noty -5-20 Red no Fry 165-180 20-25 Perform NO Hy rotty 180-210 - il i Hu henry Bl. MP-215 5-8 Fine Hy 30-35 Red MEAL 25-220 , 2 Fine Hy 35-40 No Hy 22-225 120 Hy gray brown 40.45 No Hy heary B 125-230 noty gray 45-50 539332 20-23 no An gray 235-240 Ac Ay 55-60 My hervy 5 241-245 no Fel 100-65 Tw Ay 245:250 "ho Av 65-70 250-255 po Au heavy Blacks 26-75-10 255-260 MS Ay grey heavy blacks 75-80 260-265: hody Brownlogray inavybl 280-85 ITIM Aq Highsilver 26-20 rope gray Leang 11 . 85-90 70 Ay Px-te 270-280 NO Ay 90-95 1 Fine Ay 280 245 nothe greet shapeen ~ 95-100 2- 10 Fine que 265-290 nothy grang 100-105 Maky Stringer 290 295 No At 116 105-110 1-2 Fine Ha 295-30:40. No Au Hay Bl. : 6-115 i Fine Hy 115-120 1 Fine Ay : 20-125 40 44 125-130 no Ay 130 -135 noAy 135-146 no/ty 140-145 145-150 50-55 80-175 140-215 (wonf Assur

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F) 7 " 561-361 139--1610 // -581-181 9/ A swift 081-501 -501-001 Brown 2-3 March 001-511 不可以 511.011 0.9 t- 55C 011-501 182 Frun. no Hy Heavyly 501.00/ 258-546 3-5 Fire Ry 001-56 1; 2-4 Firethy 54 36 16-58 58 08 ! (PH JU Dyn Ed Drown 08-54 2 who 585-CCC HH M E-C 56.24 088-516 wmela 0(-59 516-01C. Krown 59.79 016-506 07-55 500-000 55.05 11 0.02-561 12/2/014 05-51, 561-061 Jenty wit Sh-317 1167-501 nother son blusks 781-081 0/7-5 no Hy Σε - 3*ξ'* 08-56 561-0611 = V. BLE. 30.06 061-591 16-71 491-09/ 67-21 091-551 pH on sout 101-0 551-051. 18-88-E 1E-1.S-Y *~:4# 11725214

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511-061 1, -586-088 21 011-511 18€-51€ 11. 5-6 hill 511-011 Brown SLE-OLE. 11 nt on 011-501 OLC-S97 11 4 File Ha 1016 501-001 24.0-265 20d Buartz MAN TH 14/1-1. E 001-56 ०१९ रहिंद 11 2 Fine An 96-06 SSC-096 H MINI 06-58 nyou 05C-5h6+ ! j 98-08 5 Files An SHE-OFIET 08-56 Z. "MAICE 045-5EG pt+1-1-1 201:-1 Drown 2 Fine Au CI-Brown 54-06 988-0EC Mara bor hit a ri 3-5 Ex. Finethy MUBIL 01-59 0.56-250 ht onia 59-19 500-006 11 After 2-5 Fire Flat Aug 0el-512 09-55 13 1] hy ou 55-05 S16-016 15-50 pA mig. 2-1 012-500 VNWE 5h- nh MOM SOCHOC! 11 0/7-58' 4 mil 2-1 007-561 - HUUL SIMY VNOJE 58 - 78 961-061. Of Brown & Fin An 16-36. 061-581: 1! pH N.7.23 1 56-00. Brann 1) 581.08! 12-20 Fin Ad Rd Block 081-561 51-01. FinePa inerg. yo -961-06! 11 KZ 01-0 14/2/12 Red Black 061-591 48 BE 42004 1-2 Fin Ay ~melg. 591-091. 1-2 Fire Ay 1701 008-568 PANITE-1 DK, Brann 091-551 phuis 6-1 SOC-055 PAN17 2-1 Bas 551.051 1-3 Fin An 785-290 Brawn 142-120 Stine By brown 1-30 } gon to 12-206

1+1/22-1

70-92 145-2353-goe to browny R-84-32 125-130 Drown no Ay . 7-15 130-135 VAN Grey no Ay 18-85 135-140 IAN 2-84-17 Panning 4-14-84 140-145 51711 // 1-3 Fine Ay . 45-20-5 ... hours hour Bl. No Ay 145-150 grey 150-155 prown 1-2 " . 50-55 hothy 2-3 Fine Hy 55-60 no Hy heavs, Fine .60-65 MOA9 165-170 brown heard mid Fine Ay 1.5-70 no Hy 170-175 TAN no Ay 10.75 no Hy 175-180 Gray "2 Fin Flat Ay. 75-80 no Ay 180-185 brown " no Ay 12 35 85 sm. Harryt SIN. Harryt Ble No Au 185-190 grag 1 F. W.Fl. Ay. , 35-90 190-195 greg. 1 ". Ay . 10-95 Henry Bl. No Ay 195-200 Grey 2 Fine Ay 95-100 SM. H. Bl. no Ay 200-205 Greig 2 warer -100-105 no tly. 205-210 prownell - 2 Fin. Ay 105-110 NO Au. 210-215 group / Fine /ty 2.5-220 grayn - 2 Fine AT 110-115 10 Au. 115-120 220-225 brown St. 2 Fine Ay 110 Ay .120.125' no Ay 230-235 gacy huggy ha Ay 125-130 no A4 no Ay 130-135' no Hy 235-240 Grown 1/ 240-245 gray 1 135-140 noA4 Two Ay 140-1-The Ha 245-250 brown hus no Ay 145-150 Jos. Hm. Bl. no Au 150.155 ni Au 16 Ay 255-260 11 heary 155-160 no Hy

no Hy

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160-165

nefty 165-170 noAy 170-175 15-180 no fly noAy 180-185 185-190 110 Ay rothy 190-195 noAy 195-200 R-84-18 80-90 no Au 90 poo MAY 100-105 noAu 20 A4 105-110 110.450 no Ay 115-120 noAu 120-125 no Ay 125-130 no Au 120-135 no Au 135-140 no Ay 140-145 MOACE 145-150 NO Ay 150 155 nother 155-160 MoAu 160-165 noty 165-170 No Au 670-175 No-Au :75-180 MAG 180-185 No AU

195-200 200-205

RB4-20 RB4-22 DDH -16 ARKOSE GRANITE ORIGINAL

CECIL RECEIVED PATTERSON, JR.

Law Offices of STERNS and TENNEN Fourteenth Floor, Luhrs Tower Forty-Five West Jefferson Street Phoenix, Arizona 85003-2321 U.S.A.

Telephone 602 / 254-5197

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CERTIFIED CUPY

AUG 1 7 1989 JUDGE OF THE SUPERIOR COUNTI

Plaintiffs

Attorneys For Leslie I. Tennen Attorney No. 4913 Patricia M. Sterns Attorney No. 5640 By SUDITIHALLEN Clerk

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

MARSHALL A. OTT and MARY ANNE HOWARD, doing business as M & M ENTERPRISES, a general partnership,

NO. C 602950

Plaintiffs,

FINDINGS OF FACT AND CONCLUSIONS OF LAW, ORDER AND RECOMMENDATIONS OF SPECIAL MASTER

Vs.

RICHARD F. HEWLETT and

MARGARET HEWLETT, husband

and wife; DARRELL G. HAND

and SHARON HAND, husband

and wife: COLDETTION

and wife; GOLDFIELD MINES, INC., an Arizona corporation; APACHE JUNCTION, a general

partnership; RICHARD F. HEWLETT, DARRELL G. HAND'and GOLDFIELD MINES, INC.,

doing business as APACHE
JUNCTION, formerly known as
GOLDFIELD MINING PROJECT;

ABC PARTNERSHIPS 1-10; XYZ CORPORATIONS 1-10; and JOHN DOES 1-10,

Defendants,

(Assigned to the Hon. Cecil B. Patterson, Jr.)

(Melvin Sternberg, Esq. Special Master)

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annulled as to Debtors and the assets of the partnership between Movants and Debtors/Respondents and others, to permit Movants to obtain appropriate proceedings for the dissolution and partition of the assets of said partnership and such other matters as may be properly considered therein.

DONE IN OPEN COURT this _/L day of ________, 1989.

Lawrence Ollason
Judge of the U.S. Bankruptcy Court

A true and correct copy of the foregoing was mailed this day of ______, 1989, to:

Darrell G. Hand Sharon L. Hand 5254 East Apache Trail Apache Junction, Arizona 85219 Debtors/Respondents

Donald E. Wolfram, Esq. 45 West Jefferson, Suite 201 Phoenix, Arizona 85003 Attorneys for Debtors/Respondents

United States Trustee 320 North Central Suite 100 Phoenix, Arizona 85004

B y_____

1. That this matter proceeded to trial before a Jury commencing on the 18th day of April, 1988; that the aforesai Jury returned its verdict in favor of Plaintiffs and against the Defendants, and that the Jury responded to Interrogatories which found as follows:

(1) That as of the 8th day of May, 1986,
Defendants DARRELL G. HAND, SHARON HAND, RICHARD F. MEWLETT,
MARGARET HEWLETT and GOLDFIELD MINES, INC., were partners [said
partnership is hereinafter referred to as the "HHG" or the "APACH
JUNCTION" partnership]; and

(2) That on the 8th day of May, 1986, Plaintiffs became partners with the APACHE JUNCTION partnership, thereby establishing the M&M/HHG PARTNERSHIP pursuant to a written agreement, a copy of which is attached hereto as Exhibit "A."

2. That Judgment was duly entered on the 20th day of July, 1988, in favor of Plaintiffs and against Defendants; that said Judgment awarded Plaintiffs attorneys' fees to the 11th day of May, 1988, in the amount of \$40,000.00, plus costs to the 11th day of May, 1988 in the amount of \$2,930.27, together with interest at the legal rate of 10 per cent per annum. That Plaintiffs have not received any payments in satisfaction thereof and that as of the 11th day of May, 1989, the accrued interest on the aforesaid Judgment was the sum of \$3,469.70.

LODGED U.S. BANKKULTCY COURT OF AREUNA

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SEP ! 2 1989

Leslie I. Tennen STERNS AND TENNEN Suite 1400, Luhrs Tower 45 West Jefferson Phoenix, Arizona 85003 602-254-5197

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STEANS and TENSEN Fourteenth Floor, Luhrs Tower Forty-Five West Jefferson Street Phoenix, Arizona 85003-2331 U.S.A. KEVIN E. O'BRIEN
U. S. BANKRUPTCY COURT
OR THE DISTRICT OF ARE7

Attorneys for Movants Marshall A. Ott and Mary Anne Howard dba M & M Enterprises

IN THE UNITED STATES BANKRUPTCY COURT IN AND FOR THE DISTRICT OF ARIZONA

IN RE: GOLDFIELD MINES, INC. an Arizona corporation

Debtor

MARSHALL A. OTT and MARY ANNE HOWARD, doing business as M&M ENTERPRISES, a partnership,

Movants,

vs.

GOLDFIELD MINES, INC.,

Respondent

NO. 89-1258 TUC LO

(Chapter II Proceedings)

ADVERSARY NO. M89-0945

ORDER

I hereby certify that the annexed instrument is a true and correct copy to the original on file in the Office of the Dankruptcy Clerk.

Authorized Deput Cherk

THIS MATTER having regularly come before the Court for hearing on Movants' Motion for Relief From Automatic Stay, on August 17, 1989, the Court being fully advised in the premises and good cause appearing,

IT IS ORDERED that the Automatic Stay imposed by 11 U.S.C. Sec. 362 is hereby lifted, terminated, modified and

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FILED

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RICHARD M. WEARE, CLERK UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ARIZONA BY DEPUTY CLERK

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

In The Matter Of:

GOLDFIELD MINES, INC.,

Debtors,

GOLDFIELD MINES, INC.,

Appellant,

Vs.

MARSHALL A. OTT, et al.,

Appellees.

Appellees are partners with Debtor/Appellant and other parties in an adjudicated partnership concerning a mining venture (M&M/HH&G Partnership). Appellees instituted litigation in the Superior Court of Maricopa County seeking an accounting and winding up of the partnership affairs, and partition of the partnership assets of the partners. A jury decision and verdict was rendered in favor of the Appellees resulting in the appointment of a Special Master to conduct proper proceedings for the accounting, termination and partition of the partnership.

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UNITED STATES DISTRICT COURT C

(CIVIL MINUTES--GENERAL)

Civil Case No. CIV-89-570-TUC-RMB Date February 23, 1990
Title DARRELL G. & SHARON HAND VS. MARY ANNE HOWARD, et al
4 m. Ott
HONORABLE RICHARD M. BILBY
Proceedings:Open CourtChambersX_Other
IT IS ORDERED that Appellants' Motion For Appeal is DENIED for the reasons set forth in this Court's Order of January
2, 1990, in the companion case of Goldfield Mines, Inc. v. Ott.
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e
copies issued to:
Jennen, Wolfram, RMB.

6. That Plaintiffs were excluded from the
management and control of the business of the M&M/HHG PARTHERCULE
that on or about the 6th day of June, 1986, Defendants sent
written notification to Plaintiffs unilaterally attempting to
terminate and forfeit the interest of Plaintiffs therein: and that
as of the date of trial herein, that is May 11, 1989. Plaintiffs
have not received a full and complete accounting from Defendants.

7. That Plaintiffs were not aware of nor did Plaintiffs consent to the M&M/HHG PARTNERSHIP incurring any liens or encumbrances on the assets thereof; and that there are no persons who extended credit to the M&M/HHG PARTNERSHIP.

8. That the assets of the M&M/HHG PARTNERSHIP consist of the following:

ASSET					
•	VALUE				
15 unpatented mining claims	1,875,000.00				
Patented mining claim	250,000.00				
additional claims acquired					
for project	578,800.00				
2 and 1/2 acres and dwelling	100,000.00				
equipment	27, 474.80				
stock of Goldfield Mines, Inc.	500,000.00				
proceeds of gold and silver sales by Defendants	7,564.91				
TOTAL	\$3,338,839.71				

PLEASE NOTE LEW ADDRESS STERNS AND TENNER

849 North Third Avenue Phoenix, Arizona 85003-1439

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Fourteenth Floor, Luhrs Tower Forty-Five West Jefferson Street

Phoenix, Arizona 85003-2321 U.S.A. Telephone 602 / 254-5197



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Attorneys For:

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Plaintiffs

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

MARSHALL A. OTT and MARY ANN HOWARD, d/b/a/ M&M ENTERPRISES, a general partnership,

Plaintiffs,

vs.

RICHARD F. HEWLETT et ux., et al.,

Defendants.

NO. C 602950

NOTICE OF ENTRY OF UNITED STATES DISTRICT COURT ORDERS

NOTICE HEREBY IS GIVEN that Orders have been entered by the United States District Court, For the District Of Arizona, in CIV-89-571-TUC-RMB, and in the companion case of CIV-89-570-TUC-RMB, photocopies of which are attached hereto for the Court's reference and consideration. These two matters .arose as the subject of appeal from the Orders of the United States Bankruptcy Court lifting the automatic stays in the Chapter 11 bankruptcy proceedings of Defendants Hand and Goldfield Mines, Inc., respectively.

supporting brief leave to appeal is appropriate since it will aid in the final resolution of this case.

One basis for Appellants appeal involves the direct challenge of the Superior Court determination that a partnership ever existed. Appellants are precluded by the doctrine of residudicata from relitigating this matter. In reservoli, 58 B.R. 992, affirmed 812 F.2d 136 (3rd Cir. 1987). In the state court issues have already been adjudicated concerning the fact a partnership existed and assets were to be divided. Plus, the risk of inconsistent adjudications by the state court and the bankruptcy court is unrealistic since the Findings of the state court specifically state that the Appellees have fully performed their obligations pursuant to the contract.

11 U.S.C. § 362(d) provides for relief from the automatic stay "for cause, including the lack of adequate protection of an interest in property of such party in interest."

Appellant's argue the Appellees are unsecured creditors and have failed to sustain their burden of establishing cause for relief from the automatic stay. Appellees are not, however, mere unsecured creditors, but are partners with the Appellant and others in the property claimed by the Appellant to be part of its personal bankruptcy estate.

A Partnership is a distinct legal entity separate and apart from the partners who formed it. When a partner files a petition in bankruptcy, the automatic stay applies to that partner's personal property, including the debtor's interest in

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2. That the partition proposed by Plaintiffs as
set forth above is fair, reasonable and equitable under all the
circumstances present herein; and
3. That Plaintiffs be awarded Judgment against
Defendants RICHARD F. HEWLETT and MARGARET HEWLETT, husband and
wife, and each of them. for the balance

amount of \$1,651.91, plus the sum of \$46,399.98 for attorneys' fees and costs incurred prior to May 11, 1988 and accrued interest thereon, together with a reasonable amount for attorneys fees incurred herein subsequent to the 11th day of May, 1988, plus taxable costs incurred subsequent to the 11th day of May, 1988, plus interest at the legal rate of 10 per cent from the date of entry of Judgment until paid in full.

That the form of Judgment attached hereto shall be submitted and lodged with the Court for entry in accordance with law.

DONE IN OPEN COURT this

1989.

PATTERSON

JUDGE OF THE MARICOPA COUNTY

SUPERIOR COURT

MELYIN STERNBERG

SPECIAL MASTER

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Those certain mining claims situated in the SUPERSTITION MINING DISTRICT (GOLDFIELD MINING DISTRICT) in Pinal and Maricopa Counties, AZ

				and Maricopa Counties, AZ.
Name of Claim	County	BOOK	PAGE	BLM NUMBER
Annex	711			
	Pinal	38	295	137400
Black King	Maricopa Pinal	27 38	258 290	137392
Black Queen	Pinal Maricopa	· 38 27	288 256	137393
Indian #1	Pinal Maricopa.	3 6 27.	259 173	137401
Indian 12	Pinal Maricopa	3 ⁶	260	137402
Indian 13	Pinal Maricopa		261	137403
Indian #4	Maricopa	25	277-8	137404
Indian #5	Maricopa	25	278-9	137405
Indian #6	Maricopa	25 -	279	137406
Laurence	Pinal	38.	432.	137399
Mammoth 12	Maricopa	38	448	137396
. Mammoth #3	Pinal Maricopa	38 27	296 2.63	137397
Mother Hubbard	Pinal Maricopa	38: 27	299 256 .	50452
Mother Hubbard	Pinal Maricopa	38 27	294 · 260	137395
Tom Thumb	Maricopa Pinal	27 38	257 287	137398
Mammoth Lode Patented Claim	Pinal	Patent County	No. 02 Record	-65-0071 granted Dec. 23, 1964 er, Docket 768, page 551.
Black Hand .	Maricopa			137391
Black Hand #2	Maricopa	•		174982
Black Hand #3	Maricopa			174983
Black Hand #4	Maricopa			174984
Black Hand #5	Maricopa.			174985
Black Knight	Maricopa			138034
JJ 11'				174987
JJ #2 :	•			.174988
JJ #3	•		100	174989
JJ 14				174990
JJ 15				174991

PALL

DALTON W. MARTIN 7375 Via Montecitos San Jose, California 95135

Governor Rose Mofford 1700 W. Washington 9th Floor Phoenix, Arizona 85007

June 17, 1990

Dear Governor Mofford;

I am writing to express my extreme displeasure over the harassment that your state agencies are inflicting on Mr. Marshall Ott and Ms. Mary Ann Howard which is greatly interfering with their work in bringing the mining property at Apache Junction to commercial success.

I, along with a number of others, have been making speculative purchases of ore for future mining at this site, hopefully to have some possible gain if the work can be completed to get the mine operational. My knowledge of the events surrounding the Palidan fiasco in California, where Mr. Ott discovered foul play, and his subsequent back-breaking effort in Arizona in attempting to bring the mine there into operation, and the continuing communications and full disclosure over the past four years, satisfy me that your witch hunt is without foundation. You are only hurting the people like me, who are depending on Mr. Ott to get the mining endeavor into full operation. This harassment can cause the whole project to fail because it is operating on a very skinny capitalization.

I urge you to cease the actions against Mr. Ott and return all the materials which I believe were taken without legal right. In reviewing the legal documents and actions that led to the search warrant, I do believe that the state's hands are not clean in this matter.

Respectively yours,

Dalton W. Martin

CC:

Marshall Ott Karen Fernau, Phoenix Gazette Kenneth Johnson Tom Timmer & Ron Phifer

tillman

Lloyd . Putman 1500 Brookview Drive Casper, Wyoming 82604 June 24, 1990

The Honorable Governor Rose Mofford State Of Arizona 1700 W. Washington, 9th Floor Phoenix, Arizona 85007

Dear Governor Mofford:

Reference is made to the seizure or the assets of Western Labs and Engineering Co. of Apache Junction, Arizona by the Arizona SEC.

I am one of largest investors in this project and am fully aware of the tenuousness of possible success. However, I am duly cognizant of the risk I have taken and am willing to accept same.

The seizure of Mr. Ott's property is wholly unwarranted for the reasons that were stated. Investors are not sold securities in any form. We purchased ore in place and payed in advance for processing the ore when the time comes that machinery and funds are sufficient.

Just perhaps, we might presume that Mr. Ott is a "Kook" and is chasing his tail in this project. If so, he has given it a mighty run for the money. His energy and persistance and frugal use of the funds he has raised has been nothing short of phenominal. If indeed, the project is not viable, it has been fun and should not be ended by some bureacrat. Likely, the action taken by your state will make it impossible to regain momentum again. Arizona owes Mr. Ott and his investors for the loss both have taken due to this apparent unlawful seizure.

Judging from the merits in this case I would have to suspect that someone may be looking for financial or political gain from the legal action being taken.

I sincerely urge you to take a personal interest in this affair and give the investors and the people of Arizona an unbiased report or the findings.

Thank Your Very Much

Lloyd B. Putman Private Citizen

CC. THOMAS TIMMER, ARIZ. CORP. COMM. RONALD PHIFER, ARIZ. CORP. COMM.

MARSHALL OTT

KAREN FERNAU, EDITOR, PHOENIX GAZZETTE

Cerry Spence is the Best - I know no Contact with him.

A CONTRACTOR OF THE PARTY OF TH

11514 Lovejoy Street Silver Spring, MD 20902 July 16, 1990

Her Excellency the Governor Rose Mofford 1700 W. Washington Street, 9th Floor Phoenix, AZ 85007

Dear Governor Mofford:

I previously met you when you attended the Governors' Conference, specifically the fund-raiser, in Washington, D.C. Therefore, I feel I can speak candidly concerning Western Labs and Engineering.

I was appalled when state employees looted the offices of W L & E and Marshall Ott. There appeared to be no motive for this type of "lynch mob" tactic and obviously no legal warrant was obtained for the confiscation of Ott's records.

It will be up to you to see that Ott and W L & E names are cleared and Ken Johnson (DPS) is made accountable for his illegal procedures. A lawsuit against the state of Arizona would certainly be an embarrassment.

Respectively,

Matt H. Ducc.

Mrs. Mabel H. Buell

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The Su stition Mountain Journal

Official publication of the Superstition Mountain Historical Society Inc.

pril 1981

Vol. 1, No. 2.

The Journal of the Superstition Mountain Historical Society Inc. is published quarterly by the Society. One year's subscription to the Journal is included with every regular membership and above. Journal is sent to all members of the Society on the basis of one per member. Single copies and back issues, where avilable are \$1.00 each to members.

Address:

Superstition Mountain P.O. Box 1535

85220

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Publication and Editors Committee

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INC.

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DUDDIES

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DERSONAL

Gregory E. Davis 394 9769

Larry Hedrick Thomas J. Kollenborn

Museum Director

Larry Hedrick

Curator

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Thomas J. Kollenborn

Director of Research and Acquisitions

Gregory E. Davis

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Robert Corbin Dolan Ellis Nr List. Carl Fredman Barry Goldwater Glenn Magill Bill Thompson Marshall Trimble 946-4576 martise valley April 1981

Historical Society Inc. Apache Junction, Ariz.

STATEMENT OF PURPOSE

The object and purpose of the Superstition Mountain Historical Society are to establish, preserve, and promote the history and legends of the Superstition Mountain Wilderness Area in central Arizona and those adjacent historical areas.

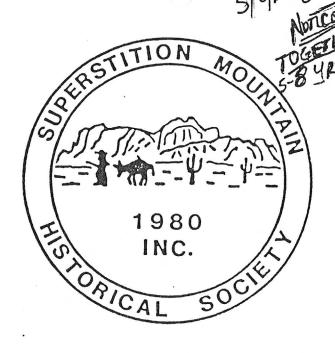
This society will develop interest for the purpose of promoting the construction of a museum to house any donation, bequest, and or pruchases.

It is futher the goal of this society to promote the publishing of books, papers, and writings on the Superstition Wilderness Area.

This society will develop and promote educational programs and support research.

COVER PICTURE

The cover of this issue contains a picture of the old mining town of Goldfield, Arizona as it appeared in 1895, and is provided through the courtesy of the Gila County Historical Society.



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THE SUPERSTITION MOUNTAIN JOURNAL

Official publication of the Superstition Mountain Historical Society Inc.

1986

Volume 5

The Journal of the Superstition Mountain Historical Society is published annually by the Society. One year's subscription to the Journal is included with every regular membership and above. The Journal is sent to all members of the Society on the basis of one per member. Single copies and back issues, where aviable are \$2.00 each to members.

Address:

Superstition Mountain Historical Society Inc. P.O. Box 3845 Apache Junction, Ariz. 85278

PUBLICATION AND EDITORS COMMITTEE

Gregory E. Davis

(Editor)

Larry Hedrick Thomas Kollenborn

Ron Lorenz Clay Worst

TRULY Tavica

STATEMENT OF PURPOSE

The object and purpose of the Superstition Mountain Historical Society are to collect and preserve the history and legends of the Superstition Mountain Wilderness region and adjacent geographical areas, to promote the construction of a museum to house items related to the region, to publish books and papers about the area, to develop education programs for the public, and to support research involving the region.

COVER PICTURE

The cover picture for this issue of the Superstition Mountain Journal is a picture of Roosevelt Dam located along the course of the Salt River. The picture was taken some time in the late nineteen twenties.

Those certain mining claims situated in the SUPERSTITION MINING DISTRICT (GOLDFIELD MINING DISTRICT) in Pinal and Maricopa Counties, AZ

				and marico	pa Counties, Az.
Name of Claim	County	BOOK	PAGE	BLM NUMBER	
Annex	D/1	•		w 1	*
Black King	Pinal	38	295	137400	
	Maricopa Pinal	38	258 290	137392	
Black Queen	Pinal Maricopa	· 38 27	288 256	137393	
Indian #1	Pinal Maricopa.	3 6 2 7.	259 173	137401	
Indian #2	Pinal Maricopa	3 ⁶ 27	260 4 .	137402	
Indian 13	Pinal Maricopa	.36 27	261 4	137403	* **
Indian #4	Maricopa	25	277-8	137404	
Indian #5	Maricopa	25	278-9	137405	
Indian #6	Maricopa	25 ·	279	137406	
Laurence	Pinal	38.	432.	137399	
Mammoth #2	Maricopa	38	448	137396	*
Mammoth #3	Pinal Maricopa	38 27	296 2.63	137397	
Mother Hubbard	Pinal Maricopa	38: 27	299 256 .	50452	•
Mother Hubbard	Pinal Maricopa	38 27	294 · 260	137395	
Tom Thumb	Maricopa Pinal	27 38	257 287	137398	ž.
Mammoth Lode Patented Claim	Pinal	Patent County	No. 02- Records	-65-0071 granter, Docket 768	ed Dec. 23, 196; , page 551.
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JJ 11				174987	*.
JJ #2 :	•			.174988	
JJ #3	. *			174989	
JJ 14				174990	- 1/
JJ 15				174991	() 127

PAR

PARTIES:

Between Richard F. Hewlett and M & M Enterprises (Marshall Ott. Bernard Robert Hove

To join together the above parties to complete the funding of Apache Junction (formerly called the "Goldfield Mining Project, located in Apache Junction.

For the consideration of \$100,000.00 to be spent over the next few weeks months: Richard F. Hewlett, Darrell Hand and/or any of their companies agrees to render a 30% interest in stock. profits and all assets in the total Goldfield Mining District project which includes (1) Goldfield Mines, Inc.: (Arizona Corporation) (2) Richard Fir Hewlett's: leases (3) Darrell Hand's Mining Claims, and (4) All additional claims and leases to be acquired for this entire project. It is understood that all books records, checkbooks and bank statements will be available for the periodic review of all disbursements for the project to insure complete stewardship over the funds rendered. Profits to be paid to M & M on a weekly basis in the form of each from concentrates or dore sales or delivery of the itself.

Hewlett & Hand agree to revert over an additional 20% or 50% of the total to 11 & H Enterprizes for an additional 1 Million Capital furnished to the Goldfield project.

Signed this 8th Day of May 1986:

Howard

Mary Anne

as Calculated at the

of get,

HEADQUARTERS:

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

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

Attention: Lt. Pablo Lopez Pinal County Sheriff's Office Apache Junction, Arizona 85219

Appi Dove # 2

Lt. Lopez:

This is to notify you of an attempt I have made to file a theft report with your office at 150 N. Ocotillo. One of my bosses and an owner of Western Labs and Engineering, Marshall A. Ott, had asked me to file a report on several items that have been stolen off of our property during the last 6 weeks or

I had spoken with Sergeant Martinez about these items, and he refused to take my report, and I was told on basis that: " it would be best for Marshall to file because he knew more about them and could give a more accurate report" to them on these items.

I insisted that I was an officer- namely Assistant Secretary/Treasurer of the Western Labs Corporation and was legally authorized thereby to act on behalf of the corporation "Western Labs & Engineering, Inc." (a good standing Delaware Corporation) since 1987, to fill out such theft reports for the company. So tell me, why haven't they let me do this? If a theft occurs to Phelps-Dodge, does the largest stockholder and/or President have to fill the report out?

I even tried to file with Pinal County Attorney's office in Florence, also the City of Apache Junction. Repeatedly, I had gone to the Police station to report on them, and they sent me back to the Sheriff's office because of the area we were located in- that is County, not City. But again, even the City of Apache Junction would not, I repeat, would not take the theft report after many patient attempts over these past few weeks. Why?

Here is list of the items:

- 1. Jackhammer (\$1,000.00)
- 2. Jackhammer (\$1,000.00)
- 3. Check (\$1,275.00)
- 4. Stereo (\$270.00)
- 5 Winch (\$400.00)

Here is a list of people:

- 1. Mark Livingston no address, no D.L.#
- 2. Robert Bonham 727 N. 97th- Mesa (Mothers) No D.L. #
- 3. Lyle Trew No address D.L.# IA 246HH3431-1/92

4. Clifford Freeman D.L.#259605243 1924 Black Canyon Stage

The above is spoken under penalty of perjury and is true and correct and according to all the pertinent Laws of both the State of Arizona and the United States of America.

Thank You for your attention to this matter. Penny Padgett

Secretary/Treasurer for Western Labs & Eng.

1413 E. 17th Avenue

Signed before me, a notary public, this 10th day of Apache Junction, Az. 85219 May, 1990, Pinal County, Az. Quelith a. Wolsen

My Commission expires 3/29/94

Ott Services

MUA - Accounting/Finance Univ. Michigan RA - Economics, Stanford University

may 15, 1990

MR. FRANK R. REYES, SHERITT (HEAD) LIEUTENANT PABLO LOPET.
PINAL COUNTY SHERIAT'S DEPT (HOLTES.)
FLORENCE, AZ 85232

JOE MARTINIS SUBJECT: NOT ACCEPITING TRUE THEFT REPORTS be

DEAR MR. REIJES:

WESTERN LABS of ENGIGE MOM HURDING, INC. PLEASE BE ADVISED THAT IT HAS REPEATEDLY COME MY ATTENTION THROUGH WESTERN LAB'S ASST. SECY-TREAS (10774CER of the loxp), DENNYL. PANGETT, THAT YOUR ANNEX OFFICE & DIE, DAR. JOSE PH MARTINIS, DEPUTY HAS: PEPERTEOLY REFUSED, (EVEN POSSIBLY AT YOUR AND PABLO LOPEZ' INSTRUCTIONS TO FILE/ACCEPT SEVERAL TRUE THEFT REPORTS IN THE PAST FEW ThOWTHS. WE'VE HAD OVER "10000. WORTH of HAND TOULS, PARE GOLD RULLS, GOLD, JACK HOMMERS AND EVEN A \$127500 FORGED CHECK "RIFLED" OUT of WESTERN LABS CHECKIAG ACCOUNT AT KAUEY NATION AC BANK- FILL THIS WITH YOUR PEOPLE REFUSING EVEN TO TAICE A LEPORT FROM A DULY AUTHORIZED "CORPORATE OFFICER" THE OWNER OF THE MERCHANDISE TOOLS, LITE. IS THE CORPORATION & THEREFORE, NO PRINCIPLE STOCKHOLDER, NORTHE PRESIDENT NEED HONDE THIS PLANT TAGIC OF DOCUMENTING THE THEFT WITH YN

PEOPLE TO DO SOMETHONE ABOUT IT. IS AN YOM CAN DO IS HARASS PEOPLE

THESE DAYS WETT SPEEDING DUIS & DRUE REPORTS? THE ARVE IS TRUE CONFET &

Marshall A. Ott, President

AFFIDAVIT FUM PENNY PADETETT

#2

(OVER)

THE COMPATIONS.

P.O. Box 3277 Costa Mesa California 92628-3277 CONFIDENTIAL June 2, 1990

· East 17th Avenue Apache Junction Arizona 85219 (602) 983-0930

Ms. Suzette I. Pintard, Staff Counsel, Discipline Dept. STATE BAR OF ARIZONA 363 N. First Avenue Phoenix, Arizona 85003

SUBJECT: FORMAL COMPLAINT AND DOCUMENTED REASONS FOR DISBARMENT OF DON WOLFRAM. (State Bar #/744)

Dear Ms. Pintard:

Pursuant to your letter of May 31, 1990, I am hereby filing with you people FORMAL COMPLAINT with substantial documentation, against Attorney Don Wolfram, and herein formally REQUEST that you totally disbar him for at least 5 years becauseof his documented deeds and words as illustrated and herein proven. Please combine the attached with the previous correspondence presented against Les Tennen and Patricia Sterns, whose behavior against M&M and Western Labs has been heavily adversity influenced by Wolfram's devastatingly ill-effect on the State of Arizona to unknowingly destroy us, all to the personal gain of Don Wolfram and his allies, including Attorney General, Bob Corbin.

The following documents enclosed with brief explanation are for your thorough examination to make obvious our clear position for disbarment:

> · Wolfram Opposition to Stern and Tennen's Withdrawal (Power's Case)

· Wolfram's Motion for new Trial(Hewlett/Hand Case). -which mostly lies and hearsay (from AZ's actions & the Gazette article of 3/27/90.)

• Opposition to Motion to New Trial(Hewlett/Hand Case) -which is all TRUTH. (byTn + M)

• Wolfram's tie-in to AG's Office (see also his work history resume which you have access to). (green)

• McKenna Affidavit (orange), revealing Wolfram's overall plan against as STATED by 10-yr. client Bob Scherer - (actual words spoken many times). Bob Scherer's Affidavit about Powers saying the same thing

2 Some against state about M&M as Wolfram said, and, when put on the stand, will testify that Wolfram Said it MORE OFTEN and with even GREATER FORCE AND EMPHASIS.

• At least 25 - 30 TRUE testimonials from M&M's clients who are FED UP both with the State of Arizona AND Don Wolfram's lynch-mob tactics.

• Affidavits #3-#6 showing the great aount of duress that Wolfram's illegal activities have brought M&M with the State of Arizona. (see yellow and blue and orange, last two items) Duress, grievances, and enormous trouble that Wolfram's activities have brought on from other "Authorities".(IRS, MSHA Pinal Cty, etc. - see yellow and orange).

Truly,

Will you ACT SOON?

Marshall R. Ott

Powers introduced Koenig to Attorney Don Wolfram who represents not only Powers, but Darell Hand who lost all his lawsuits to M&M Holding and Western Labs & Engineering over the Mammoth/Black Queen property. As a result of this meeting, a conspiracy arose to put Marshall Ott and MaryAnne Howard (Western Labs) in

Attorney Don Wolfram (who formerly worked in the Arizona Attorney General's Office) chose Arizona Criminal Statutes as his weapon of choice. I heard from others that he "seduced" James Koenig into giving false, and/or misleading testimony to the Arizona Attorney General's office. Koenig's reward for this "slander" was to get a job at Power's lab in Phoenix on 40th street.

Although I'm not an attorney & haven't practiced Law, it looks like some kind of clear "malicious prosecution" to me, since I heard an old friend of mine, Bob scherer say to me one time that he heard Wolfram (who's been Scherer's Attorney for means (including the Attorney General's Office & the DPS & Securities Division of the State of Arizona and the IRS & FBI) if necessary to put Ott and Howard in jail Reward is 1/3 - 1/2 of the "spoil-s" of his victories, namely the Mammoth & Black Claim of "racketeering" against M&M.

These are the facts that I can attest to and under penalt-y of perjury they are true, correct & done according to the Laws of the State of Arizona & the United States of America.

Thank you for your attention.

Michael A. McKenna Sr.

OMEGA METALS COMPANY

State of Arizona County of Maricopa

Appeared before me this May 29, 1990

Dead Control of the Mark of Market All of the Market of th

My Commission Expires June 19, 1993

Moleney Pulle

P.O. Box 3277 Costa Mesa California 92628-3277

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

Ms. Suzette I. Pintard STATE BAR OF ARIZONA 363 North First Avenue Phoenix, AZ 85003

SUBJECT: Continued Evidence
of Malicious Prosecution for
Disbarment of Don Wolfram,
State Bar #1794.

Dear Ms. Pintard:

Attached is Follow-up Documentation, to demonstrate Don Wolfram's continued willful, express and "special malice," directed from improper motives and without probable cause. The following summary of these documents clearly illustrates his Malicious abuse of the legal process and shows also Ill will, & grudges based on greed as a motive (as also pointed out of our previous letter of 6/2/90) and also, hatred and a spiteful vindictive disposition against a particular individual or persons—namely the owners of Plaintiffs in two actions he has sorely lost against, over and over, more than ten times now, Mary Anne Howard and myself, as described also in "Affidavit #9", already sent you:

- 1. List of Definitions <u>Re</u> "Malice" and Malicious Prosecution" from "Black's Law Dictionary," Fifth Edition, West Publishing Co, St. Paul, MN, 1983.
- 2. Three Affidavits of July 27, 1990, and follow-up Sheriff's Report of August 6, 1990, wherein FOUR TIMES it is recorded that "Darrell Hand said that his attorney, Don Wolfram, TOLD me(Darrell) to take the Mammoth at gunpoint, and to 'try to get arrested' in doing so." Doesn't this sound just a LITTLE BIT STRANGE? Let alone DANGEROUS? Even a little like going to the lengths of attempted MURDER to get the Mammoth? And you don't think this sounds just a little like "MALICE?"
- 3. And what about my "Affidavit #10" and "Motion to Dismiss Bogus so-called 'Racketeering" Counter-claim," Wolfram dreamed-up 2-3 years ago, attempting to steal the Mammoth/Black Queen via the 'Back door,' (with these FALSE CHARGES, wholly without 'probable cause')? I have sent a copy of a 15-Minute actual phone conversation with Wolfram of Wednesday, July 18, 1990, to Judge Coxon of the Pinal County Superior Court wherein Wolfram TWICE threatened to "have hand-cuffs put on me," as the REAL REASON for coercing the Judge into a totally unnecessary deposition, after I had already given one for two days months earlier.
- 4. Jerry Steele's(of Laird & Schneck) Hand delivered letter to Hon. Judge Filler regarding Darrell Hand's attempted FORCIBLE TAKE-OVER of the Mammoth at the direction of Wolfram.
- 5.Steele's "DENIAL of WOLFRAM'S MOTION FOR NEW TRIAL," wherein Steele so aptly points to Wolfram's total disregard of Court Orders and established Court Rules when to allow and when NOT to allow witnesses present and to testify. Although this 4 page report does not state it, the RECORD does, that even Wolfram CONTINUALLY BADGERED the tired Judge into putting his prejudiced witness and friend of Attorney General (best Friend) namely one Mr. Clay Worst, In the motion, just to CONTINUE THIS NEEDLESS HARRASSMENT.

6. Wolfram's VAIN but <u>real</u> attempt to do <u>everything in his power</u> to KEEP one of our Corporation's M & M Holding, INc. FROM GETTING SUITABLE COUNSEL, so as to more easily win a case against "P&P'(Bill Powers, see Affidavit #9), after we had already <u>PAID TENNEN 4-5 TIMES</u> to try this, which has been a complete and BLATANT VIOLATION of the Corporation's and Stockholder's RIGHTS UNDER THE 7th AMENDAMENT of the U.S. CONSTITUTION, to say the least.

7. Finally, M & M's "Opposition to Wolfram's Motion to Dismiss Appeal," illustrating the absurdity to Wolfram's again BOGUS and MALICIOUS arguments accordingly, by one of the Stockholders.

We hope we/I haven't BORED you with all this, but rather while finding it all somewhat AMUSING, that in fact that you DO NOT LOSE SIGHT OF THE FACT THAT WHAT so-called "attorney" Don Wolfram has done is GET AWAY WITH (thus far anyway), i.e. GET AWAY WITH, I REPEAT, even OPENLY and IN FRONT OF THE COURTS, YOU, GOD, and the Attorney General, Bob Corbin, and their cohorts Steve Twist et al, HAS BEEN OPENLY ABLE TO GET AWAY WITH ALL THIS, and YET STILL RUNS AROUND FLAUNTING HIS NOT-SO-IMPRESSIVE-NOW BADGE # 1794. You say he's an "Officer of the Court?" Then I say, rather WE SAY, if YOU DON'T DO SOMETHING ABOUT WOLFRAM NOW, THAT THIS DESIGNATION JUST GOT REDUCED TO this "weakest link" in the chain, WHICH PUTS ALL OF YOU AT THIS LOW-LIFE LEVEL, WHICH WILL BE SOON COMMON KNOWLEDGE TO THE WORLD, and you can be SURE OF IT. The choice is yours.

Thank you for your prompt attention to this matter. Other affidavits and papers confirming the above re Wolfram will be forth-coming soon from still OTHER sources.

Note also that the above is all TRUE and CORRECT and is written under penalty of perjury according to all pertinent laws of the States of California and Arizona and according to the Laws of the United States of America.

Truly, Marshall A. Ott

County of Maricopa

State of Arizona

SEAL

APPEARED BEFORE ME THIS /D day of August, 1990,

Marshall A. Out

m Chris Trille

Ay Commission Expires June 19, 1993

My Commission Expires

DARRELL HAWOS ATTEMPTED TAKE-WER By FORCE of the MAMMOTH @ 7/27/90

These are true statements on what occured July 27, 1990 at the Mammoth Mine Site where I am employed.

I came to work at 7:05 a.m. Friday morning and I could not go in through the gate. Darrel Hand and two other men had cut our lock and chain and put theirs on it. The chain and lock were no where around. I crossed over the gate and Darrel Hand and a man named Vince were sitting in a black flatbed truck with Missouri plates. I asked him what he was doing and he told me that he was in could not go to work. I asked him if he was going to pay my wages for the day I went down the hill and saw another red truck by the one trailer. Vince's

I went down the hill and saw another red truck by the one trailer, Vince's son was standing beside it. I asked him if anyone was in the trailer, he said he didn't know. Then I asked him if anyone came down he said yes, someone went into the office. Mike was already in calling MaryAnne and the sheriff's office.

I went back up the hill when the deputies arrived and spoke with them. I told Darrel that he had no business here and he was in the wrong. The deputy then told me that the piece of paper Darrel had shown them, meant that it was a civil anyone could fill out that particular piece of paper and have it recorded in the Florence courthouse.

The deputies left and we began to make more telephone calls. We called the Mine Inspector Jack Sepulveda. He in turn called the Sheriff's office and had them come out again. That is when Sgt. Martinez came out with the two other deputies. He asked me what was going on, I explained everything to him, showed him all of our courtpapers on our property. He in turn called Jack Sepulveda and talked with him about who's name the property was in, and called Planning and Zoning, and the Treasurers office in Florence. Everything was in our name. Sgt. Martinez said he felt I had given him enough proof that was legal and true, and was going to tell Darrel to leave the property or he would be arrested. And told him not to come back or he would get into bigger trouble. Darrel had told him that he was doing what his attorney told him to do. And maybe he wanted him to get arrested. Sgt. Martinez told him maybe he should get a new attorney.

Darrel Hand is continually bothering us when he comes into town. Or he has other people do things and say things about us and let us know. I am tired of looking at his face on our property. I wish something could be done about this. I don't like being bothered at work. We do not bother him or his family and friends.

This is true to the best of my knowledge.

Penny Lyn Padgett

Secretary for Western Labs & Eng.

State of Arizona, County of Pinal, Signed before me, a notary public, this

Quesita a. Holde

My commission expires 3/29/94

On July 27, 1990, I arrived at the Mammoth Mine site, 5450 N. Apache Trail at 6:45 A.M. where I am employed. I immediately noticed that the lock and chain had been changed on our gate. I thereupon checked my personal weapon and then proceeded onto the property.

Halfway down the hill I observed Darrel Hand and two (2) other men about the buildings on the property. As I walked by Hand, he shouted to me that he was in possession of the property and that if I did not leave he would have me arressted for criminal trespassing. I replied, "The hell you will!" I then walked to the office and made two telephone calls. I informed one of the owners of the property, MaryAnne Howard of the situation and then called the Pinal County Sheriff's office and requested assissance. I maintained my distance from these trespassers until the Sheriff's Deputies arrived. Approximately 15 minutes later, the Deputies came on the scene and began to talk to the parties involved.

Hand produced a Warranty Deed to the property, that to me, was obviously a phony. The Deputy then checked out our court recorded records and then decided that what we had was a civil matter. He declined to make a choice of who was to leave, and left the property. He had said they had a right to stay on our property.

I thereupon decided to escalate the conflict. After consulting with MaryAnne Howard and our company attorney, we called the Federal Mine Inspectors Office in Phoenix and informed him that we had a dangerous situation at our mine and could he please send one of his inspectors to the mine site immediately. He declined to send someone, no one was in the area and he called the Pinal County Sheriff's office.

This time, three men came, two Deputies and Sgt. Joe Martinez. Sgt. Martinez took charge of the situation and spoke with both parties. He checked over all paperwork and made several telephone calls and made what I believe the correct decision under difficult circumstances.

Sgt. Martinez informed Darrel Hand that according to records, Western Labs and Engineering were the rightful owners of the property and that he was trespassing. He further informed Hand and his goons that if they did not leave the property, that they would be arrested. Hand protested, saying that Marshall Ott had Judges do illegal things and that he was the true owner of the property. Sgt. Martinez informed Darrel Hand that this was no longer a civil matter and that he had better leave the property. Hand said that he acted on the advice of his attorney Don Wolfram. Set. Martinez thereupon informed Darrel that his attorney had given him advice that was illegal and recommended to Darrel to get another attorney. Darrel then said that maybe his attorney wanted him to get arrested. Sgt. Martinez told Darrel that if he wanted to get arrested, just go to the Sheriff's office first and they would follow him out to the property, but to not come onto our property and to leave us alone. Sgt. Martinez said that the charges would be more serious if he was to return to the property.

Damages for Western Labs were: 1) Intimidation of one employee, Hand and his men pointed two guns at our nightwatchman and ordered him off the property and more or less threatened his life. 2) A chain and lock were cut off and gone that morning. Value \$35.00.

These are true to best of my knowledge. milet a. hich

Michael A. McKenna Sr.

State of Arizona, County of Pinal, Signed before me, a notary public, this 6th day of August, 1990.

Quedita a. Wolley Comm. expires 3/29/94

PINAL COUNTY SHERIFF'S OFFICE OFFENSE REPORT

PAGE: 0001 DATE: 08/06/90

CASE

CASE STATUS

DATE

PRIOR

CLEARED CASE NUMBER REPORTING ASENCY

EMERGENCY VEHICLES N

NUMBER OO700552 7 CLEARED BY EXCEPTIONAL MEANS

07-27-90

APACHE JUNCTION SUBSTATION OFFICER DISPATCHED: 278

MICHAEL E GRAHAM

OFFICER ASSIGNED: 273

MICHAEL E GRAHAM

INCIDENT/OFFENSE

COMPLAINT CODE: 6480 INFORMATION

INCIDENT DATE: 07-27-90 TIME: 07:00

RETURN A: ARREST MADE? NO

WEAFONS/THREATS USED? NO

LOCATION: AJ APACHE JUNCTION (DIST #5)

TRAFFIC ACCIDENT? NO

SITUS ADDRESS:

N ST RT 88 (MINE)

JUVENILE INVOLVED? NO

APACHE JUNCTION

PROFERTY LOST/DESTROYED/STOLEN? NO

COMMENT DATE: 07-27-90

BY: 278 MICHAEL E GRAHAM

900700552

WRITTEN BY: M. GRAHAM #278

ENTERED BY: #71

ATTACHMENTS:

NONE

SYNOPSIS:

CIVIL DISAGREEMENT OVER OWNERSHIP OF THE MAMMOTH MINE

ON 072790 AT 0700 HOURS I WAS DISPATCHED TO THE MAMMOTH MINE REFERENCE A CIVIL PROBLEM. AT THAT LG-CATION I MET WITH MR. DARRELL HAND, 07-25-35, AND MR. MIKE MCKENNA. BOTH PARTIES ADVISED THEY WERE THE OWNERS OF THE MAMMOTH MINE. BOTH PARTIES CLAIMED TO HAVE PAPERWORK TO PROVE THEIR OWNERSHIP. I ADVISED BOTH PARTIES THAT THIS WAS A CIVIL MATTER, AND THAT IT WOULD HAVE TO BE SETTLED IN COURT. I THEN LEFT WITH INTENTIONS OF TRYING TO FIND OUT WHO THE PROPERTY OWNER WAS. PRIOR TO FINDING ANY INFORMATION I WAS DISPATCHED BACK TO THE MAMMOTH MINE AT 0843 HOURS. I WAS ACCOMPANIED BY SGT. MARTINEZ #73 THIS TIME. AT THE MINE I AGAIN MET WITH MR. HAND AND MR. MCKENNA. ALSO PRESENT WERE A MR. VINCENT P. NIEMAN (05-30-13) AND MR. VINCENT P. NIEMAN, JR., (07-12-58), EMPLOYEES OF MR. HAND.

SGT. MARTINEZ SPOKE TO BOTH SUBJECTS, MCKENNA AND HAND, HE THEN WENT INTO A SHOP BUILDING TO USE THE PHONE.

MYSELF AND DEPUTY ROBINSON #119, WHO HAD ARRIVED AT THIS TIME, STOOD BY WITH MR. HAND AND HIS EN-PLOYEES. A SHORT TIME LATER SGT. MARTINEZ CAME OUT AND ADVISED MR. HAND THAT THE INFORMATION HE HAD OBTAINED INDICATED THAT WESTERN LABS OWNED THE PROPERTY, MIKE MCKENNA WORKS FOR WESTERN LABS. AND MR. HAND AND HIS EMPLOYEES WOULD HAVE TO LEAVE OR BE ARRESTED. MR. HAND THEN ASKED IF HE COULD USE A PHONE TO CALL HIS ATTORNEY. SGT. MARTINEZ ADVISED HIM HE WOULD HAVE TO CALL FROM SCHEWHERE ELSE. MR. HAND AND HIS EMPLOYEES LEFT AT THIS TIME. Den (HOTERSUM)

AT APPROXIMATELY 1030 HOURS I WAS DISPATCHED TO THE SUBSTATION IN APACHE JUNCTION TO MEET A SUBJECT.

THE SUBJECT WAS DARRELL HAND. MR. HAND STATED (THAT HIS ATTORNEY PAD ADVISED HIM TO LET HIMSELF BE ARRESTED. I ADVISED MR. HAND THAT HE WOULD HAVE TO RETURN TO THE MAMMOTH MINE BEFORE I COULD ARREST HIM. MR. HAND THEN LEFT.

CLEARED EXCEPTIONAL.

						VICTIMS	/ COMPLA	AINANTS					
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			ADDRESS:	MAMMOTH G	OLD MINE			DAY PHONE:	(602)	982-1919	NIGHT PHONE:	1,	
			11(3) = 11	APACHE JC	T		AZ 85219	Heros Sir i			NIGHT PHONE: D.L. NUMBER:	11.33	
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							*			- Dece	the Prof	S - (01)	
ERSON	NUMBER:	000019348	HAND		DARRELL	GEN	E	20		TY	PE OF FERSON:	5 COMPLAINANT	•
		DATE	OF BIRTH:	07-25-35			HEIGHT	T (INCHES): WEIGHT:	070		RACE:	W WHITE	
			SEX:	M MALE				WEIGHT:	230		SOC SEC NUM:		
			ADDRESS:	4916 W SO	FT WIND	DRIVE		DAY PHONE:			NIGHT PHONE:		
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BOOK OF JELLARON RELATION OF DATE OF A STATE
DEAR FRENDS Supporter of Mary WESTER AFFIDAVIT IN SUPPORT OF SEARCH WARRANT BY KEN JUHNSON

CHRUED AWAI

HOW THEY

Is THIS LOOSE

Officer Kenneth R. Johnson, on oath, makes complaint and deposes and says that he has and there is just, probable and reasonable cause to believe, and he does believe that there are now on the premesis described as 6271 S. Avenida La Manana, Apache Junction, Arizona, and 1385 East 17th Avenue, Apache Junction, Arizona, the following items, to wit:

DON'T YOU THINK - HIS GETS A LITTLE Any documents including (but not limited to) records, books ledgers, monos, correspondence, promotional materials, notes, calendars, appointment lists, address books, telephone or pager lists, travel documents, computerized files including but not limited to computer hardware and software, floppy disks, hard drive files, printouts, codes or electronic mail; videotape recordings, photographs, and audio recordings relating to, indicating knowledge of, and/or involvement in racketeering activity including Fraudulent Schemes or Artifices, Illegal Conduct of an Enterprise, Fraud in the Sale of Securities, Sale of Unregistered Securities and Sale of Securities by an Unregistered Dealer or Salesman.

Any document which would show or tend to show evidence of organizing, managing, directing, supervising, or financing a criminal syndicate; the acquisition, Maintenance, investment in and/or control of any enterprise; the/transfer or transportation of currency or any other form of proceeds of racketeering offenses, or receiving or concealing proceeds of racketeering offenses. Such items would include but not be limited to: United States currency, precious metals, records of physical transfer of currency, wire transfers of monies, real property ownership documents, contracts, partnerships, corporate documents, trust documents, and records, powers of attorney, telephone bills, electric and other utility bills, rent receipts, mortgage payment books and

insurance papers.

Any records of payments including but not limited to receipts, vouchers, bank accounts, statements, cancelled checks, credit card accounts and statements, investment account statements, money order and cashiers check receipts, safety deposit box INIR information (including keys), stock certificates, bonds, promissory notes, loan records, outside accountant files and records, vehicle Including Waller registrations, titles and license plates. CHEOIT CAROS

Any business records of Western Labs and Engineering, MAM Holdin Company, Inc., M&M Enterprises, and/or Ott Accounting Services / LAURE ILLEO INFE including but not limited to employee files, payroll records, check stubs, checkbooks, books, ledgers, correspondence, contracts, bank accounts, customer lists, customer personal information/ INCLUDING cards, investor files, sales scripts or notes, completed or

DELIEVE THIS WAY DOWE

DELIEVE THIS WAY DOWE

ALLIN THE NAME OF TH P-27-10. uncompleted bills of sale and/or ore processing agreements, WHERE'S YMP outside accountant files, survey, test or assay results.

outside accountant files, survey, test or assay results, ore processing or production records, records of gold production, probable has sales or conversion to stamped coins or dore bare Any documents or correspondence indicating involvement in racketeering offenses by any individuals including but not limited to identification

documents either blank or completed which would tend to show multiple identities for one or more persons, or ownership of real or personal property by nominee or fictitious persons.

That your affiant is a peace officer with the Arizona Department of Public Safety, assigned to the Organized Crime and Racketeering Division, has been investigating securities fraud cases since 1977, has had specialized training in the investigation of securities fraud, has done numerous such Note the investigations, has been instructed by the Arizona Attorney General's 5) BOBCORBIN Office and the Pima County Attorney's Office in the intricacies of such wite-IN investigations, has testified on numerous occasions in Superior Court in various counties of Arizona, and has assisted law enforcement agencies in other states in securities fraud investigations. on TUST

ONE MANS That your affiant, upon information and belief, believes that the crimes of Fraudulent Schemes or Artifices, Illegal Conduct of an Enterprise SMISSEN FORMED Fraud in the Sale of Securities, Sale of Unregistered Securities and Sale IBELIEF MY of Securities by an Unregistered Dealer or Salesman have occurred.

That in approximately March of 1986, Marshall A. Ott and Mary Anne House Coul office Howard joined with other individuals in a cooperative effort to raise funds to 2 for a purported gold mining project in Apache Junction, Arizona. For this purpose, Marshall A. Ott and Mary Anne Howard developed and operated under the business name of the land Mary Anne Howard developed and operated under the land developed and the business names of Western Labs and Engineering, M&M Holding Company, Inc., and M&M Enterprises. Marshall A. Ott also employed the business name of Ott Accounting Services.

(1) NOT SO. HE CALLED ME FIRST & SALD HE HAD MONEY In July of 1986, Marshall A. Ott Solicited Leo Fischer, Investigator + WAX A FLICUS for the Arizona Attorney General's Office, for an investment in his Apache Junction gold mining project. Verbal representations and printed promotional CHALLEY materials provided by Ott outlined the proposed investment as the purchase (AN EN) materials provided by Ott outlined the proposed Internal a price of \$10.00 by Fischer of a certain tonnage of unprocessed gold ore at a price of \$10.00 by Fischer of a certain tonnage of unprocessed and refined through Ott's per ton. Once the ore was mined, processed and refined through Ott's operation, Fischer was promised the gold content of the ore. This was 7 DARRAL HOND represented to consist of a minimum of 1/10 ounce of gold per ton of ore (who were SUING A) and to guarantee a 300% to 400% investment return. THAT TIME UVER ANOTHER LIN TRUTH. NO GUARANTES WHATSVEVER WERE MADE.

the CLAIMS) It was determined that no securities had been registered for sale in Arizona by Marshall A. Ott, Western Labs and Engineering, Mam Holding Company, Inc., by M&M Enterprises or Ott Accounting Services. It was

(9) WE DID NOT EVER NEED TO KEGISTER BECAUSE ORE CONTRACT " SALES IS NOT A SECURITY, NOR WILL IT EVER BE, ACCORDING TO THE 9th US CIRCUIT COURT of A PPEALS 1986 & SUPTEME COURT DEUS CONS. (HIGHER COURT WUS) determined that neither Marshall Ott nor Mary Anne Howard were licensed securities dealers in Arizona.

On November 25, 1986, and on December 2, 1986, hearings were held COMMITTER by the Securities Division of the Arizona Corporation Commission, at which hearings Marshall Ott was present. As a result of those hearings a cease and desist order was issued on March 4, 1987. The order barred Western Labs and Engineering, M&M Holding, Inc., and Marshall Ott, their Defended was agents, servants, employees, assigns, successors, and those persons in active concert or participation with them from offering to sell or selling securities within or from the State of Arizona without first registering such securities, from offering to sell or selling securities AGAMUST MINE-within or from the State of Arizona without first registering as securities as a securities or salesmen, and from directly or indirectly making any untrue statement of material facts and/or omitting to state material facts, in connection with the offer or sale of any security within or from the Material of COMSE State of Arizona.

None of the above ordered registrations have taken place. Interviews with numerous witnesses/investors have revealed that Marshall Ott has continued the sale of gold ore investments in violation of and almost from the date of the cease and desist order. As examples:

Ott repeatedly solicited Thomas E. Bowling, Clarksville, Tennessee, Or permissure by telephone from Arizona. The investment offered by Ott consisted of the purchase of gold ore by the ton from Ott's Apache Junction claims. Bowling was promised the gold content of his ore once it had been mined by Warren and processed for a 300 percent or 400 percent return. Ott at no time Alexand Warren revealed that he was subject to a cease and desist order issued by the per Alexand Arizona Securities Division specifically barring him from sales of such our Deliant investments. Bowling invested \$1,000.00 with Ott in November of 1987 and the following an additional \$2,000.00 in March of 1989.

Ott solicited Helen J. Frisbee, Arizona City, Arizona, in May of WITHOUT HEL 1989. The offered investment consisted of the purchase of gold ore by the ton, with Frisbee to receive the gold content of the ore, once it had KNOWLEGE UR been mined and processed, for a substantial profit. Ott quoted encouraging PERMISIAN test results from drilling done by a Canadian geology firm and stated that TO POUND this firm had confirmed the existence of commercial gold on his Apache
Junction claims. He never revealed the existence of the cease and desist by over our order to Frisbee, but did state that "former legal problems" had been resolved. Frisbee invested \$1,000.00 with Ott on May 26, 1989.

Wes Havet is Morted (13)

Deal by telephone from Arizona. Hewett was offered the opportunity to purchase gold ore by the ton from Ott's Apache Junction claims, from which he Friend Who Friend the gold content, once the ore had been mined and processed throughout the le was promised a 300 percent to 400 percent return on his investment.

To US SHE WAS NOT USE HIS NAME AGAILATORY WERE GOING TO USE HIS NAME AGAILATORY WERE GOING TO WEST PERMOSION WISH USTAND SHE DECIDED TO LEND A CARACHULENCE, IN EACH WEST HIS NAME AGOOD IDEA TO LEND A HAND."

LETTER ON VUR BEHALF OLDERING THE STATE of AZ

TO STUP USING HIS NAME AGAINST WESTERNILABS

BY A FAIR TRAY THAT I EVER WAS SELLING SELLINES.

At no time did Ott reveal that he was subject to a cease and desist order from the Securities Division of the Arizona Corporation Commission. Thore Lies. Hewett made a \$5,000.00 investment with Ott in July of 1987. HOLTERNAM (PALMIN) IS NOW Similar information has been received from additional investors in Arizona, California, Maryland, Iowar New Mexico and Washington. Many of Photplants Arizona, California, Maryianu, 10wa, New Mexico and Massington.

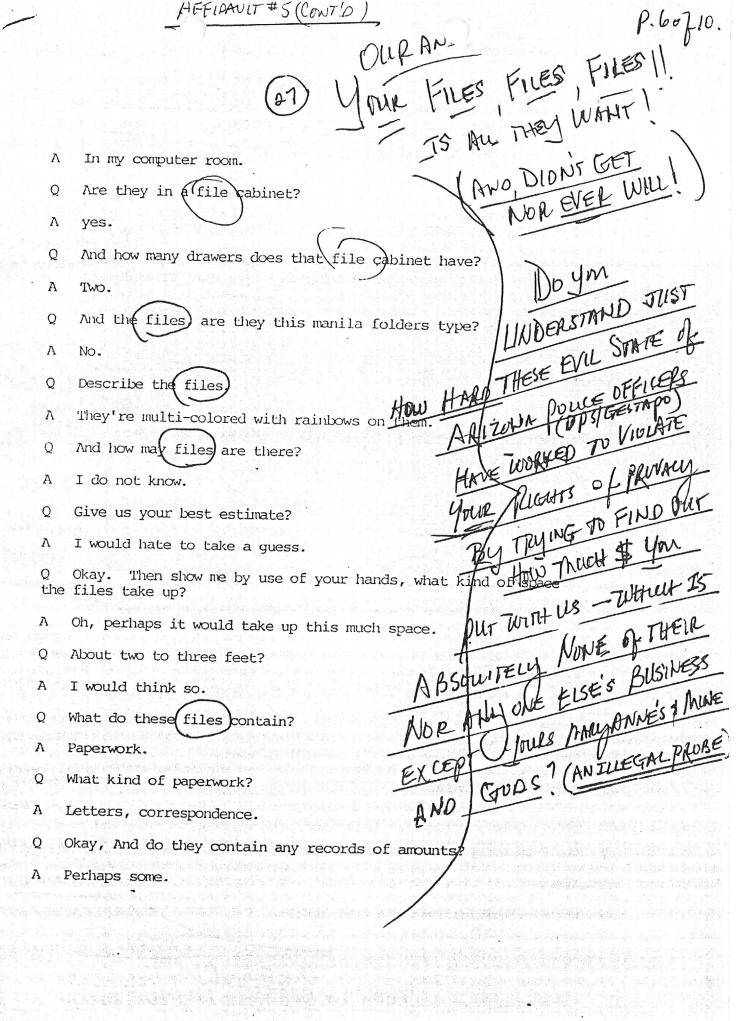
these investors had first come to know Marshall Ott in approximately 1985 DTH when Ott was associated with a simial investment program for a purported The grade mining operation in California, and had been solicited by Ott on a up it puregular basis ever since. Review of available bank records in Arizona Non ETHELESS indicates that Ott has received approximately \$868,000.00 from over 130 (investors since the date of the Arizona cease and desist order. Based upon information from the Arizona bank accounts, there is reason to believe that other accounts under the signature authority of Marshall Ott and/or Mary Anne Howard may exist. These accounts would have received funds from investors or distributions of investor funds. No return has been received by any investor. - MORE ABSOLUTE LIES FROM THIS EVIL KEN JOHNSON. WEVE PARO SEVERAL PEOPLE BACK - BUT DIO THEY EVER ASK WHO OR HOW MUST OF WOER Verbally, Ott stated to investor Frisbee that drilling by a Canadian WHAT CONDITIONS? Verbally, Ott stated to investor Frisbee that drilling by a Canadian of Myself Mark of the presence of commercial gold on his Apache All Myself Mysel his printed promotional materials, includes a figure for \$800,000.00 in drilling, described as done in 1984 and 1985. This work was actually British Columbia done for the former owner of the claims by Brace Resources, Vancouver, British Columbia. Steve Radvak, Sr., President of Brace Resources, has advised that extensive drilling and exploration work could prove no commercial gold values, and has stated that gold cannot be extracted from these claims at a profit. Not True - HEUNLY WORKED OF AND OFF AS AN INDEPENDENT CONTINUE - WE NEVER GAVE HIM THIS MILLS from these claims at a profit. Not TRUE - HE UNITY WOULDED UN THE CONTINUE.

NOT TRUE - WE NEVER LAVE HIM THE CONTINUE.

James Koenig II, employed as Chief Chemist by Ott from March of HUNTULLY BELAUE H.

1988 to July of 1989, has stated that the ore tonnage figures in the lives TO BE A CHIONIC Surprised promotional materials provided to investors by Ott were completely. Alcoholic investors by Ott were completely. Alcoholic investors by Ott were completely. Alcoholic investors by Ott were completely. unproven. Much of Ott's publication had been plagarized from a paper < done in 1921 by Alfred Lewis Strong.) The ore which Ott listed as available Abolute Liebad been on site in 1921, but had been used up. Other figures for ore blocks HEN I TOLO had advised Ott that the listed ore was "already used up. . It's not out person Helpulous there." He told Ott that he could "really get in trouble" with the Dave more than the could "really get in trouble" with the Dave more than the could "really get in trouble" with the Dave more than the could "really get in trouble" with the Dave more than the could "really get in trouble" with the Dave more than the could "really get in trouble" with the Dave more than the could "really get in trouble" with the c there." He told Ott that he could "really get in trouble" with the PROVE ME UTHERLUSE offering. Koenig had advised Ott that he had no proof of ore reserves on his claims and that it would actually be more profitable to crush the stone and sell it as gravel for freeway construction than to try to process for gold. A small number of Western Labs and Engineering gold coins Nor Thue had been made for promotional purposes in California, but these had been JOHN SON MAKES made from junk jewelry, not from gold from the Apache Junction claims. Koenig has stated that Ott spent a good deal of his working time in Anyone Alse except his home, 6271 Avenida La Manana, Apache Junction, "on the phone with May one Alse except clients to raise money." In August of 1988, Koenig lived for approximately muses for the first hand where the Length Africant, root spoke for approximately than the Length Africant from Source from 1988 which it has the length of the first hand where the length of the first hand where the length of t MINESSES KEITHTULE, PENM PADGETT, & BUL PULLS. ALSO DIVER HONDOWS IN CRANGE MUDE ONLY WITH MAMMOTH GOLD.

P. Sof 10 forthe 11 #5 (CONTID) 25) THE FUREFUL DEPOSITION TURS DONE BY THE EVIL ATTURNEY, DON DARRELHAND & WILLARD WHO HAS BEEN PAUDING ALPOST ON A DALLY BASIS, 6271 S. Avenida La Manana. Aburing that time, FEAINST US he observed that Ott retained a number of boxes of file cards in the living room desk. These cards contained information on individual V investors in Ott's gold mining project, including life history, invest- windly ment history, family and medical information. Koenig also observed a computer at 6271 S. Avenida La Manana. SLEAFFLOWIT'S HEREPA * WE'RE WORKING ON" DISBARRING" WOLFRAM for PRALICIONS PROSECUTION." on Jenous competiti In a sworn deposition given on February 22, 1989, Mary Anne Howard described herself as president of M&M Holding, Inc., and as a partner with Ott in M&M Enterprises. Later in the same deposition, Mary Anne Howard gave the following responses to the following questions: Okay. Are there any records kept of the source of funds for M&M Holding or M&M Enterprises or Western Labs and Engineering? A Yes. What do you call those (files) or how do you refer to them I don't know. How do I refer to them? FILES IS If you said to me, "Go get those files," what would you be calling these files? I would not say that to you. Okay. Describe the files for me? They're just files. I have files of all different things. I have bank records I have payables. You know, I have files. NOTE: THE I I have computer files. Well, the files I am interested in are the files that you CHESTAPO NEVEL just told me about that reflect names of the people who have sent money in, one way or another, to these corporations. GOT ONE # are those files kept? THESE FILES NOA A Those files are kept at 6271 Avenida La Manana. WILL THEY EVEN Q Over in California? GET THEM - FOR Α No. THUS IS WHA Q Oh, I am sorry. Apache Junction? Yes. MARY ANNE & I WOULD Where at that address are they kept? RATHER DIE THAN VIOLATE OUR FRIENDS (YOUR) CONFIDENCE IN THIS REGIMED THEY DO NOT HAVE ALLITHING EXCEPT BY ILLEGAL SUBPORDA AT LISWEST (CH.CO.) & CITIBANK OF APALIEVET.



DAVIT #5 (CONTID) * THIS "PLAN OF OPERATION" I DID IS AN ABSOLUTE REQUIREMENT PREFERON OF THE NEWYDIK STOCK EXCHANGE & the SEC WHEN GOING OUBLIC Mary Anne nowara mentioned a computer Form at 6271 S. Avenida la Manana, and James Koenig also observed a computer at that location A good portion of the printed promotional materials plated 1 September 1988 and provided to investors by Ott was produced on a dot-matrix (computer printer. A portion of Ott's correspondence to investors) was produced on the same sort of printer, including a "Progress Letter dated October, 1989, and addressed to "Dear Private Backers/Lenders & Prayer Partners." A BETTERTERM IS: "CASED OUT" GETTING READY for THEGAL GESTAPO RAID The address listed by Ott on pronotional materials and correspondence for Western Labs and Engineering was 1385 E 17th Avenue, Apache Junction, Arizona. James Koenig has advised that Ott solicited investors from "his office trailer" on the will site at 1385 E. 17th Avenue. In approximately June of 1989, Koenig observed file cards containing information on individual investors in ott's mobile home office adjacent to the mill. These cards were similar to those which Koenig had previously observed at 6271 S. Avenida La Manaha Arizona State Mine Inspectors James Matt and Frank Sepulveda inspected Ott's mill site at 1385 E. 17th Avenue approximately 1; years ago. Both recalled seeing filing cabinets for PHOSPIX GEN business records in Ott's office Heavy make (US. DEPT. LABOR-MUE NEW HEAVY HOME). FRANK'S BROTHER , JACK SEPULVEDA ALSO HAS COMEBY TO CONTRAMY HARASE US The Securities Division of the Arizona Corporation Commission has subpoenaed from U.S. West the long distance telephone records for Ott's home number at 6271 S. Avenida La Manana, (602) 982-0381, and for the Western Labs and Engineering number at 1385 E. 17th Avenue, (602) 983-0930 Her ARE PARE These records have been reviewed by Securities Division Investigator NONE OF THERES Investigator Phifer has advised that the records reflect calls placed to investors from both 6271 S. Avenida La Manana and 1385 E. 17th Avenue. These include a call to the above mentioned Thomas Bowling CONTINUES from 6271 S. Avenida La Manana on 23 December 1989 and two additional calls to Bowling from 1385 E. 17th Avenue on 16 and 22 December 1989. ROVE THE L GBVIQUS VERLI In your affiant's experience, a person who is soliciting repeat AGAINST WESTERN investments by telephone must retain information on individual investors close at hand. This allows the soliciton ready reference to previous offers or statements made to the investor, the amounts and dates of previous investments expectations of or concerns expressed by the investor, and useful personal information about the investor and his family. A list of telephone numbers and addresses of investors must necessarily be retained for future contact. In addition, regular business records are most often maintained, including copies of contracts, THESE AND correspondence, promotional materials, financial records of bank accounts, investments, currency transfers, property ownership, and business expenses, as well as books, journals and ledgers recording the receipt and distribution of funds. The larger and more complex the operation the more necessary such records become in order to prevent the solicitor KEY from simply losing track of his finances. Many times property is retained under fictitious or nominee names Review of bank account BULLO US PRETUDENE AGAINST US, LISTING BUZZ WORDS INTENDED TO WE'VE NEVER SOLICITED (SEE ALSO PP. 8-410) OR LOADED IN FLAMMATORY LIKE SOLICITING INVESTORS, (WITH BULLT-IN OR IMPLIED GULT) "SOLICITOR," INVESTMENTS" PROMOTINAL MATERIALS" "FICTICIOUS" "OFFENSES", "ARTIFICES" SCHEMES," NomiNEE NAMES" ILLEGAL CONDUCT! UN REGISTERED SECURITIES & DEALER "FRAUDULANT SCHEMES" ETC MINING

32 DANK ECURDS WERE STIMPLY ILLEGAMENTON CONSTITUTION EROWS)

STOLEN LITTLE LADIES AT CITION OUR FLIEND, A TELLER NAMES

WAITABLE CALEB WERE. THREATONED & TORIED WITHOUT DUE

WAITABLE CALEB WERE. THREATONED & TORIED WITHOUT DUE records available to the Securities Division has indicated that but the Gestapo Your at one time employed as many as 35 persons in his operation. Employee PEFSON AL files were therefore most probably maintained and would assist in purchase or wall investigation by providing identification of future witnesses. cheucs Ott quoted test and assay results to investors and provided copies of photographs in his promotional materials. In addition, potential investor Lester Steele observed Ott preparing a promotional videotape Les Is oul for his operation at the mill site, 1385 E. 17th Avenue. FLIEND WHO 1385 East 17th Avenue, Apache Junction, Arizona, is located on the south side of 17th Avenue. Access to the premises from 17th Avenue is TAKEN . WHAT through an electronically operated gate. The property is bordered on the south by an alleyway. Located on the property is a large aluminum IS Whom with structure approximately 40 feet wide and 60 feet long. Entrance to the structure approximately 40 feet wide and 60 feet long. structure is through either a pedestrian door or a garage door. The address of the property can be found on the pedestrian door. Adjacent Was area Seve to the east of the aluminum structure is a mobile home. A conveyor belt leads into the aluminum structure from the east. In the south-east NOR WAS THE corner of the property is located another mobile home. EVER ANY PROMOTIONAL 6271 South Avenida La Manana, Apache Junction, Arizona, is the north-east unit of a four-plex structure. The building exterior is light tan in color and the walls appear to be of a stucco material. Avenida La Manana, enclosed by a three-foot wall and numerous plants are CAUSE FORTHUSEARCH and bushes. There is a garage entrance on the east side. WHEN ALL THE TRUTH COMES OUT, Y'LL WILL FIND THERE IS Your affiant believes that, based on the above information, probable (35 cause exists to believe that Marshall A. Ott, in combination with and through the business entities of Western Labs and Engineering, M&M ALL THIS IS JUST Holding Company, Inc., MIM Enterprises and Ott Accounting Services, has Whereful in committed and is committing the offenses of Fraudulent Schemes or Artifices the Illegal conduct of an Enterprise, Fraud in the Sale of Securities, Sale of Unregistered Securities and Sale of Securities by an Unregistered JUDGES (CYA") Dealer or Salesman. Your affiant believes that records related to these DENETT, offenses, as itemized above, constitute evidence of the stated offenses, Carraine 1 and that assets revealed by the records itemized above constitute fruits of the stated offenses) Your affiant further believes that there is sersewul LIES, probable cause to believe that the records itemized above are being retained by Marshall A. Ott on the premises of 6271 S. Avenida La Manaha, \$ Buzz-Words" Apache Junction, Arizona, and 1385 E. 17th Avenue, Apache Junction, Arizona. THE BULLY ONE YOU'VE BEEN UPRAYING TO, KEN JOHNSON,
FOR IT IS OBVING, IS THE DEVEL HIMSELF. Based upon the above facts, your affiant prays that a search warrant be issued with respect to the above locations for the seizure of said documents, items and records. RECOYMENDATION for the GOVERNOR: EARLY RETIRE OF LAY OFF ABOUT 1/2 OF THE MORE THAN 250 WHITE COLLAR ATTORNEYS AND PARALEGAL STAFF (WEIGHING DOWN THE TAXPAYERS IN ARIZONA) GORKING IN BOTH THE SECULINES DIV. OF DEPT. OF CORDS. AND THE ALREMOY ONER STAFFED "DPS" DEPT. PUBLIC SAFETY). ALIZONA HAS 5-10 TIMES THORE POLICE OFFICERS OVERALL THAN IS TRULY NEEDED. AFFIDAVIT #5 (CONTO) P. 807.10.

ATRIED

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FURTHER AFFIANT SAYETH NOT KENNETH R. JOHNSON Arizona Department of Public Safety Subscribed and sworn before me this ___ day of March, 1990. JUDGE, SUPERIOR COURT OF ARIZONA No Superior Those would of DID Sign This But ONLY AN UNIDENTIFIED, LITTLE "J.P." (JUSTICE of the perce) WHOSE SIGNATURE LOOKS LIKE A" SCRIBBLE" ACTUAL SUGNATURED POPULATIONS ACTUAL SIGNATURE) PLEASE PROTEST THIS BOQUE, NOWSENDLEN SEARCH

DENINDING ALL OUR RECORDS & COMPUTER, ETC.

WARRANT DENINDING ALL OUR RECORDS & COMPUTER, ETC. BACK BY: (1) WRITNER ROSE THOPFORD. DEMAND A "RETRACT" ARTICLE.

FENDENIX GAZETTE (KANON)

FENDENIX (3) HELPING US WITH COMPLETING LAPTIME. SEE "PROPHECY OF THE SHAKE YOU STANK YOU A MAN THE PROPHECY OF
AFFIDAVITED (OVER)

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SANSPEAD MANITANA MINITANA WELLERN LABS & ENGINEERING

HEADQUARTERS:

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

PLANT:

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

SUBJECT: MAMMOTH/BLACK QUEEN FAULT ZONE

My name is Jerry Sanstead and I'm 31 years old. I moved to Arizona in 1979. I'm here from Wyoming. The reason we moved here was to start mining on the Black Queen/Mammoth mining claims. When we first came out here and looked at the Black Queen, it was probably a pit of about 20-30 feet long, maybe 10 feet deep. That's about the sum of all the working that was there. The only other working on the property was the old Morman Stope area on the Mammoth, where the lake is now. We did all the open pit type excavation on the property.

I remember discoveries that were, I consider, fairly significant on the surface. We did an extreme large amount of air trac drilling which is one of the only ways we could in-expensively locate locate Gold near the surface. We drilled alot of 40 and 50 foot holes; especially around the Black Queen area, and located a number of spots that were real good. Later, we went in there and we drilled a pattern out and loaded up and blasted. We had a number of people come in and try to help us open the property up

further. One of the companies that came in was Brace Resources from Canada. While they were on the property, we extensively drilled the property from the north end all the way to the south end.

We didn't drill on the Black Queen claim itself, we drilled right up next to the border of the Black Queen. In that drilling, we, more or less proved that the vein structure comes completely through from the Black Queen, and all

the way through to the Mammoth.

The mining engineer that was working for Brace LTD., his name was Dave Morgan. He and I did alot of work on the strike of the vein and I helped him when he first came and tried to map all the discovery points or the places where we found mineralization. He tried to draw a picture of where the vein structure was, also he used the old working maps and different things that were available to him. He pretty well had the strike of the vein calculated when we drilled on the Tom Thumb claim in between the two. I think the hole number was already R-18-20.

He pretty well had a picture of where he thought the vein structure was. After drilling those holes, we found exactly that. The vein structure was fairly strong in the in the middle between the Black Queen and the Mammoth claims. The whole time that this drilling was taking place, we had two drilling companies. The first one that came in, was doing our reverse circulation drilling with the rotory, and I believe there were 5-6 inch holes. We could drill about a 400 toot hole in one day. That would be drilling and pulling the rod, or drilling all the way down. Then completely being out of the hole and set up, ready to go on another hole the next day. The entire time this was taking place, I was, more or less, in charge of taking samples. When we were taking samples, we were running everything that was coming out through a sample splitter.



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Page 2 of 9

Of that split material, I'd take about $\frac{1}{4}$ cup and pour through a strainer sieve to get out all of the larger particles. I'd pan that down and I kept notes of every 10 feet until we started getting color in the pan. Then, we would pan every 5 feet. We were very carefully getting bags and taking samples of these footages and logging them down. I think we took 2 samples, one to go to assay right away, and one to keep in case they needed a back up. We were also sieving, we'd get a little bit of the cuttings and put it in a little bottle to save for the geologist to look at and tell the type of rock and geology we were going through. I logged in a book everything that I found while panning. I did an extreme large amount of panning on the property from when we first started. When I referred to doing air trac drilling, we used to take black plastic and pin it down all the way around the drill and throw our cuttings up and gather those cuttings and pan that. That would tell us wether we drilled through Gold or not. I've had quite a little bit of experience in doing panning and trying to be very articulate in the panning. Keeping the water clean, keeping a wetting agent in the water, and trying to deal with the oil and different things you have around drilling equipment, and still be able to determine when you ran into Gold. Most generally if there was any Gold at all, the next sample I took of the same material would tell me just about the same data that the last sample I'd panned. In my log that I wrote, sometimes when we drill through a little better spot, I'll refer to the Gold as colors. When I say colors, each color is an individual spec of Gold. There's alot of things on the property that resemble Gold. There's Iron Pyrite that you'll drill through; it resembles Gold. There are some other things, small white crystals, small yellow crystals and they are alot heavier than sand and everything else. They look alot like Gold. After having panned on that property for the amount of time that I did, I was able to learn to distinguish the Gold from everything else. When I refer to colors, I refer to one individual spec of Gold in a pan. When were dealing with a small amount of cuttings coming up from the drill hole and you get a few colors, that is really a representative of what you drilled through. Although the cuttings aren't ground and crushed to a fine powder that you need to have the Gold release completely, there's still a fair representation of what you drilled through. I worked on most of the drill holes. When the second drilling company came in, they, just for a few days, had two drilling companies working at the same time on the property. Those are the only holes I didn't pan and take samples. The holes are pretty well positioned on the property to track the vein structure. There were some holes that we drilled, I consider to be fairly rich. In all the drilling that we did with Brace Resources, we never did hit any, what I consider to be high grade pockets; which I have encountered a number of times on the Black Queen, Mammoth and Mammoth II.

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If we had drilled through any of this high grade, you get such an incredible amount of Gold. If you drilled through everything around that area, it is loaded with Gold. We never, in all that drilling, ever encountered that



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Page 3 of 9

situation, where it was extremely rich. I believe that on this property, as you mine from north to south, that you'll find these extremely rich pockets. In the Black Queen, we encountered a number of them, also a number of them on the Mammoth and the Mammoth II. In fact, we opened pits up, we didn't just start digging in a spot where we thought there might be something, we started only in places that had vein structure and Gold to begin with. Also, while Brace was on the property, we started a mining project on the Morman Stope.

We pumped it completely out and we started a decline underground to the bottom of the lake trying to encounter a vein that we found on the surface. We refer to that as the Blue Vein. What it is, is a 6-8 inch wide vein. It's a quartz type rock, but it is stained blue with copper sulfate. Brace went down in there and they encountered that vein at about 150 feet or so. The vein continued to run rich like it was on the surface. Simultaneously to the reverse circulation rotorary drilling we were doing, they also were doing diamond drilling on the property where they were cutting cores. They really had a small problem with the cores and everytime they came into the real brechiated area of the vein structure located in the middle, we really have had some problems drilling. I believe that you could probably do a better job if you were running a drill on this property by using the reverse circulation over the diamond drill. The whole time we were on the property, here are the things that really impressed me about the property. The fact that the mineralization type meaning the rock, the colors of the rock and the different things, the different amounts of iron in the rock. The different amounts of the way the quartz was formed, colors of the quartz, would change almost completely between one location on the property and the other.

The Black Queen quartz was very, very distinctive. The Mammoth II, the pit we opened up there, was alot of real heavy black carbon looking material. Some people call it Maganese. I've heard it called Graphite and also carbon. I believe it's Maganese. The quartz is real white, along with alot of iron in that area when the Gold comes in, it's real rich and pockety. The Mammoth, where the Morman Stope is, had alot of high grade stringers similar to the Black Queen. But it also had a paralelling vein that we called the Blue Vein. It ran about 4-6 inchs, some places 8 inchs wide. Just a solid quartz vein that was heavily stained with copper sulfate solution. It was real green, like Malchite in places and in some places it was aqua blue like Crysocolla. It ran fairly heavy in , Gold from my recollection, it ran anywhere from 8 oz. per ton to 45 oz. per ton across that small vein.

We mined a little bit of that stuff, we would crush it up and remove the Gold. That rock had some extremely large pieces of Gold that resembled Gold nuggets. Real close to what a Gold nugget looks like. When you run through a crusher and were able to screen out the bigger pieces of material, you would find these Gold nugget looking things laying all over. I have a number of them in a small vial that I've collected. I believe that's one of the resons that the Gold would run so high in the Blue Vein. In the fact that there is such heavy Gold in spots.



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Page 4 of 9

When Brace came out in 1984, I think I already mentioned the fact that they started tunneling on the Mammoth patented claim. We pumped the water out and they tunneled underneath what we call the Blue Vein. They encountered it very strong. I believe about 80 feet verticle depth from the surface of the ground. That told us that vein structure was'nt playing out at all, it was continuing. Another thing that really interested us while we were doing the drilling around the lake area, everytime that we cut close to what we would consider the strike of the vein. Now, I'm refering to the west side of the lake, everytime we got close to where we would consider to be the strike of the vein. We would run into old workings. That told me we didn't back up far enough and try to drill a deep enough hole where we would encounter this real rich structure that they mined at the turn of the century. Goldfield mined some of it, Goldfield Inc. mined some of it in the 1950's. I believe that if I were going to start a drilling program, that's probably where I'd focus a number of strategically marked locations around that lake. Being out there the 6 or 7 years I spent on that property, you kind of get a feel of the way things are laying on the property and I really believe that their are a number of places where that vein will pocket out. I've seen it on the Black Queen and I've seen it on the Mammoth II, where a vein will open up real wide and in some places it is extremely rich. I think that will happen a number of times between the Black Queen and the Mammoth. I think, more or less your payday will be when you encounter these horseheads (as the miners used to call them) where the vein opens up and is extremely rich.

On the Mammoth II claim we had encountered working on the surface that had a number of spots that were fairly high grade on the surface. We started a pit in real heavy Magnanese. That vein is still exposed, it's real wide, about 5-6 feet wide. As we followed it, the vein would pinch down to 5-6 inchs and then belly-out real wide again. I believe that has some potential for something that wouldn't cost an extreme amount of money to get in and extract some ore that would be worthy of milling and refining.

I'd also go to the working nearest the front gate, this is another place we sunk a 30 foot shaft. We did it on the bases of a drill hole that was drilled there. I drilled it with an air trac and we drilled through an extremely rich stringer. We sunk a shaft, we mucked the shaft out with a clam shell on a crane and the ore from the whole shaft as we went down continued to get richer, and we were able to mill everything that came out of the shaft. We also would pick through there and found alot of pieces of real rich high grade that came out of that little stringer that I drilled through. The vein was probably 6 inchs wide, and in some places wider than that. Then it also had the stringer, which wasn't contacting the vein. It was about a foot and a half away from the vein parallelling the vein. I believe that you could, with little expense, mine here and try to open this working up and get some good ore, and I don't think it would take you very long with the equipment avilable on the property.



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Page 5 of 9

Of all the workings on the property and the different claims, the one I spent the most time on was the Black Queen claim. We opened up a pit, probably 50 to 75 yards long, 20-30 yards wide and 70 feet deep. At the bottom of the 70 foot depth, we sunk a 30 foot shaft. I think our total overall depth from ground surface was 105 feet. The ore we encountered was extremely rich. There's a tremendous market for the rock that comes out of Black Queen for sale, it is jewelry grade type Gold quartz rock. It is real rare, there's not very many mines in the United States or even the world that produces high grade Gold related with quartz that you can slab or cut and be able to see Gold specs all over it. It's something, that if marketed properly, you could probably get it marketed with the Superstition Mountains, and probably have outlets all over the United States. I know the Superstition Mountain area is famous all over the world, and I believe if it was marketed properly as I say, you could have a real potential. A rock that has maybe \$5.00 worth of Gold in it, could be worth as much as \$30.00 or \$40.00 without a tremendous amount of work. I've been making jewelry out of this rock, as a matter of fact I have opened up a jewelry store in Apache Junction. This rock is what got me interested in jewelry making and some real beautiful things can be made from it. I believe that one of the biggest profit potentials on the Black Queen will be high grading these stringers for the picture rock and everything else that's left will be, if it were mined property, a very profitable milling grade type ore. There was an underground excavation done in 1982 by a company that had a lease on the property (they had a sub-lease from us), they went back in the Black Queen about 75-80 feet, if I remember correctly, they started a turn around and they were going to come underneath the whole Black Queen pit there. They encountered some tremendously rich ore. I talked with the assayer that was doing their assays for them, and he said everything that they shipped out of that pit ran .2, and they really made the tunnel wider than it should have been. I believe they were chasing the high grade stringers, before they knew it, they were quite a bit wider than you would normally run just to get a mucker underground. Some of the ore that came out of there, they stacked it in one pile and after they removed their equipment and everything from the property, I went through that pile for weeks and weeks at different times. Everytime it would rain I'd go look in that pile, and I'd find some ore that was probably approaching 25% by weight Gold. With a real small stringer, but I believe that the rock associated with it was a type of real broken down, almost like what you'd find in a void next to a slick side, a real powdery, clay type material that also had quite abit of Gold and panned real good. That would be another project that I would think would be real beneficial to go after and open up again. The ground in the Black Queen is real solid, I don't think there would be a real problem with going in and pumping that out with the right underground mining equipment and just go right back in



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Page 6 of 9

I believe I could find that small stringer that I'm speaking of that's running so rich. It, in itself may not be profitable to chase after, but I believe it will widen out. And, I believe if it widens out, it will definitly be profitable.

Alot of the old workings in there were just wide enough for a man to slip through. The old timers would take the stringers and just follow it where ever it went. I believe "that" has a real potential, the Black Queen and that property. As far as going in there and doing a large open pit excavation, I would want to have some more data from drilling and sampling, and I would estimate that you would have to develop more of the area around there, and try to figure out the width of that structure. Also, if there is any quartz with Gold, it is more to the east of where that pit is.

There's a possibility, there's an old 150 foot shaft on the Black Queen. We started to muck that out; I believe we mucked that out to the 40 foot level without a tremendous amount of cost, you could completely clean that shaft out and re-timber it, and it's large enough to have a haulage portion of the shaft. Also, half of the shaft you could put men up and down through that. I believe it would be a real good working shaft. We talked one time about dis-mantling an underground mucker, one of the real small ones and putting it down that shaft. With the mucker down there, you could really produce some ore quick.

I believe it was only to the 150 foot level and as quick as you did some exploring there you might do some underground drilling there. The miners do alot of long hole drilling trying to locate where they want to go next. I think you could locate some nice veins and possibly sink that shaft down deeper than it already is. There's another profit potential on this property that is, more or less, has been overlooked as far as I know. I believe that when you're finished milling with this ore, especially if you're doing it in large quantities, you would have a tremendous by-product in that. You'd end up with alot of silica and granite type based ground material that would be excellent for producing block. As most people are aware of, the Phoenix valley is a tremendous growth area and I believe a block plant cement type brick plant on the property using the aggregate that's available. The only outside purchases would be your binding material, cement, and those type of things, and possibly coloring. Everything else would be available on the property instead of trying to find a place to put all the dump, you could produce blocks out of it and completely get it off the property. The other potential is the aggregate business. The developments going on all the time that need certain sizes of gravel, certain sizes of crushed rock, and certain sizes of sand and also decorative rock for yards. Phoenix is one of the biggest markets in the southwest for desert type landscaping. They don't have the water, it is too expensive to grow a lawn. Alot of the people choose to landscape their yard in desert type scenery with gravel and cactus and that type of thing. There's also, I believe a large profit potential for these prestige type rocks that we'll uncover, big huge boulders that peolple can't even imagine how somebody picked it up and got it in their yard. I know in the past that there has been in the north Scottsdale area, a number of these rocks have



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

Page 7 of 9

been put in that I've observed and they seem to be a real popular type thing there. They also bring a pretty good price. I believe that between the Black Queen and the Mammoth, that you are going to encounter, not a tremendous depth, a fairly well mineralized structure that will run across all the claims. You'll be able to start a low grade milling operation at the same time that you would have a small circuit just for the high grade material. Some people think that the high grade and the low grade should be mixed together, I'm not one of those who believes that. I think that the high grade should be milled completely by itself. Maybe mix the tailings from the high grade with the low grade. Between the lake at the Mammoth and the highway, which would be the most southernly point to the Black Queen, I'm not a great one on estimating tonnage; but I believe where I ve seen extremely wide in places. I would say at the Black Queen, we had mineralization across, about, at least a 200 foot area. The Mammoth and the lake area, when we have cleaned out and opened up, we've had at least 200 to 500 feet where there is mineralization shot all through the granite.

I believe that this vein may possibly be, on the surface it is stronger on the Black Queen and the Mammoth. I believe that the two are connected and if you started an open pit operation you could completely go from the Black Queen to the Mammoth and never run out of this vein structure. By some of the drilling that Brace has done, we got directly in the center of the two and put holes in the ground and proved that it's real strong in-between. I think you have a real, real large ore body here. It may not be an open pittable type thing past 500 to 1,000 feet; I'm not a mining engineer, so I can't make the calculations on that. I don't see any reasons why you couldn't do your mining on the surface until it gets cost prohibitive, and then start an underground operation.

When all mining operations have ceased on this property, I think there is a tremendous real estate potential here. You can go in and, as your'e doing this work on each individual claim, I don't see any reason why not start patent process on the claims. In a long scale situation, long, meaning years many, many years from now you would have a tremendous large open pit mine. The minute you stopped pumping operations, this would fill up and you would have a fantastic body of water, (all the holes around here fill up with water).

For recreation, and anything this close to the city, Apache Junction and the Phoenix area it would be a real deep lake which you could stock with fish, and a sportsman would be able to come in here. I think you would have a show place as far as the real estate is concerned. I think the potential for that on a long term plan is real excellent. Although, if you're going to do underground operations you would be pumping this water and you wouldn't have that water on the surface. That would be 50 to 100 years down the road prospect. I didn't make an attempt to estimate tonnage, I've read several reports from the surface down 100 feet, there's a hundred million tons of 1/10 ounce Gold per ton ore. I haven't done the sampling or don't have the background in mining engineering, or geology to make that estimation.





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Page 8 of 9

I would think that between the surface and 500 feet, if you could extract alot of profitable ore between the Black Queen and the Mammoth, you would be looking at a tremendous amount of tonnage. I would like to mention again that, I don't have the background to make those calculations, and be able to stand behind the numbers that I come up with. I believe that it does support a large operation, I think that before this operation were to start, it should be explored much more extensively. Drilling, and test holes, and possibly, like I spoke about before, maybe open the shaft at the Black Queen and put an underground crew in there. Then instead of going along the strike of the vein, have them cross cut the vein. I don't think it would be too much an expense to run a tunnel going east and west. The vein is predominantly north and south, go east and west just to find out where the mineralization ends on each extreme.

I think that would give you a tremendous idea, alot better picture of what the vein structure does, how wide it is, and a number of those things. And, you could go in with a dragline, or a crane with a clamshell would be more like it. You could clamshell out the old Morman Stope, I don't think you would have a tremendous amount of expense.

I'm not sure how you would go about securing the ground, the way you could put men down there, you could put a huge culvert type pipe. Something that looks like a large pipe, maybe 20 feet in diameter, put the men down in that. Then, if you had a rock slide you wouldn't have any problem with anybody getting hurt. I believe you could completely muck yhat old Morman Stope area out. The old mining records I have read available say that in the turn of the century, they mined the Morman Stope to the 200 foot level, and they developed it to the 300 foot level and about to start stoping at the 200 foot level. This happened when they had the big flood that completely filled all the workings in with water and debris. That has never been opened up again, and as far as I can tell there's 100 feet of rich ore that is just sitting there.

With todays mining equipment and technology, it wouldn't take much at all to either make an open pit or start an underground operation to get to the 300 foot level. That's not really an obstacle for miners that have done any work at all. A 1,000 foot shaft is not difficult for them. That's pretty much my version of how the property is and what is on the property. How the vein structures lay in the area, I have seen several of these open pits where we've washed the walls completely down and been able to look at the vein structure. It looks to me like some what of a branch to a tree. We have real, real small twigs out on the end, and the twigs come down to make a little tiny branch, then the branch comes down and meets into the larger branchs, eventually makes it's way down to the trunk.

The Black Queen, we had the whole walls washed off and it looked similar to a tree or lightning bolt. Where everything at the top was real thin, it would come down the wall and join with another one. Then, three of them would eventually make one and it would widen out.



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Page 9 of 9

And, I believe that is the way the vein structure is going to go either way. The deeper you can go, the more concentrated the vein is going to get. It's going to squeeze 5 stringers, they are going to make one, the one big one that those make, will join together with one similar to that, and make another larger quartz stringer. There's alot of fault gouge associated with these veins, the ground has been altered alot here. When the fault gouge is near a vein, it's always running real rich in free Gold.

I think it would be real exciting to see property be developed and having it's full potential be realized. I really think that it is one of the richer properties available that I've looked at. I have been around mining since I was 13 years old, I'm now 31. I moved around Nevada, Utah, and different places in Arizona. I really think that this property could be a real exciting and prosperous venture if it was attacked from the right angles, and properly developed.

I am stating all this under penalty of perjury according to the Laws of the State of Arizona and the United States as of this date:

Jerry Sanstead November 27,1989

PARTIES:

Between Richard F. Hewlett and M & M. Enterprises (Marshall Ott. Bernard Robert House and Mary Anne Howard) and Darrell Hand.

FURPOSE:

To join together the above parties to complete the funding of Apache Junction . (formerly called the "Goldfield Mining Project, located in Apache Junction.

For the consideration of \$100,000.00 to be spent over the next few weeks months; Richard F. Hewlett. Darrell Hand and/or any of their companies agrees to render a 30% interest in stock, profits, and all assets in the total Goldfield Kining District project which includes (1) Goldfield Mines, Inc. (Arizona Corporation) (2) Richard FirHewlett's leases (3) Darrell Hand's Mining Claims, and (4) All additional claims and leases to be acquired for this entire project. It is understood that all books records, checkbooks and bank statements will be available for the periodic review of all disbursements for the project to insure complete stewardship over the funds rendered. Profits to be paid to M & M on a weekly basis in the form of cash from concentrates or dore sales or delivery of the itself.

Hewlett & Hand agree to revert over an additional 20% or 50% of the total to 11 & 16 Enterprizes for an additional 1 Million Capital furnished to the Goldfield project.

Signed this 8th Day of May 1986:

Bernard R. Howard

Maty Anne

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Colonia Calculation of the