



CONTACT INFORMATION

Mining Records Curator
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Arizona Department of Mines and Mineral Resources Mining Collection

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PRINTED: 03/05/2003

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: HENRIETTA

ALTERNATE NAMES:

PATENTED CLAIMS MS 1597
GOPHER MS 19
BIG BUG
BRAGANZA GOLD MINE PROP 1906
AMERICAN FLAG

YAVAPAI COUNTY MILS NUMBER: 1004C

LOCATION: TOWNSHIP 13 N RANGE 1 E SECTION 31 QUARTER E2
LATITUDE: N 34DEG 27MIN 41SEC LONGITUDE: W 112DEG 17MIN 27SEC
TOPO MAP NAME: POLAND JUNCTION - 7.5 MIN

CURRENT STATUS: PAST PRODUCER

COMMODITY:

GOLD
COPPER
SILVER
LEAD
ZINC

BIBLIOGRAPHY:

USGS POLAND JUNCTION QUAD
BLM MINING DISTRICT SHEET 19
ADMMR HENRIETTA MINE FILE
WEED, W.H. THE MINES HANDBOOK VOL 13 1918
P 430
WILSON, E.D. ETAL. AZ. LODE GOLD MINES AZBM
BULL 137 1967 P 39
USGS BULL 782, P. 137 - 139
GUITERAS, J.R. GOLD MINING AND MILLING IN THE
BLACK CANYON AREA USBM IC 6905 1936 P 48
COPPER HANDBOOK VOL VI 1906 LP 278 SEE
BRAGANZA
ADMMR HENRIETTA & BIG LEDGE COLVO FILE

ABM Bull. 137 p. 39

USGS Bull. 782 p. 137

Big Bug District - General Report

~~Geology~~ files

District

Bradshaw Mountain Folio - map cabinet

Production \$1,250,000 - major metal gold

J.W. Still figures (corres. file)

SE: IC 6905 p. 48 (gold)

A geologic mapping and drilling project by Shattuck Denn Mining Corporation took place in the vicinity of the Henrietta Mine in 1966. Some data relating to this project is included in the Big Bug Claim Group Mine (file).

HENRIETTA MINE

Do Not Copy

YAVAPAI CO.
Big Bug Dist.

KP/WR 10/4/79 - Considerable equipment has been assembled on a pad cut at the Henrietta Mine, Yav. Co. The activity will be checked at a later date. Bill Peterson who is reported to be part owner of the mine.

KAP WR 10/18/79: Mr. H.M. Nash, 215 Gilbert Street, Rossville, Illinois 60963, reported he is interested in evaluating the potential of the HENRIETTA MINE, Big Bug District, Yavapai County.

RRB WR 5/16/86: Visited the Henrietta Mine (f) Yavapai County and talked to Mr. John Christensen, Poland Junction Mining Corp., P O Box 305, Mayer, Az 86333, ph: 632-7798. They are building a 200 ton per day mill consisting of screens, jaw crusher, ball mill, screw classifier and shaking tables. He reports that there is about 300,000 tons of ore on the dumps which averages about \$68 per ton in gold and \$20 per ton in silvwer. He expects to make a concentrate which can be sold to Asarco at Hayden.

NJN WR 11/7/86: John Christensen (c) reported that he believes that there are 200,000 tons of dumps at the Henrietta (file) Yavapai County, which contain .25 oz/ton Au as tested by Renee Steinsma of Miami Testing Lab. Mr. Christensen is operating the mill that they have completed, working 1 shift a day, processing about 75 tons, using 5 employees. They produce a pyritic concentrate which is reported to contain 3 oz Au/ton. Their processing costs are reported to be \$12 per ton, refining costs to Mr. Steinsma are 12% of the refined metal.

KAP WR 12/18/87: Kenneth H. Graham, 11478 Deer Trail Lane, Dewey, AZ 86326, phone 772-8803, was in to ask about assessment work fillings. He also reproted on the status of Henrietta Resources. He reported that he had backed John O. Christianson in his Henrietta Resources effort to operate the Henrietta Mine (file), Yavapai County which never actually made it to production. Initially Graham was to own 1/3, Christianson 1/3 and Henrietta Resources 1/3 of the property, but Graham said Christianson has mixed things up so badly that Bill Peterson was about to get the property back. Mr. Graham said he paid off Peterson in total and he now owns the patented property which consists of the American Flag, the Yankee Girl and the Invincible patents along with a patented millstie. Henrietta Resources built a mill consisting of a crusher, hammer mill and ball mill, but Christianson started selling off some of the equipment before it was ever put into operation. Mr. Graham would like to see someone evaluate the property and see if a mine could be made.

(Henrietta Mine file)

December 15, 1987

Yavapai Co.

8:40 a.m.

Telephone conversation with Ken Graham:

When Ken Graham and Christenson back Henrietta Resources in the mine project they formed a corporation - Poland Junction Mining Corporation - That is a step between Bill Peterson and Ken Graham - The corporation is nothing but a name now, it has no equipment or anything



PRESS RELEASE

*Office of the
United States Attorney
for the
District of Arizona*

José de Jesus Rivera

4000 U.S. Courthouse, 230 N. First Avenue, Phoenix,
AZ 85025

(602) 514-7500

For Information Contact
Public Affairs Office
(602) 514-7500

FOR IMMEDIATE RELEASE
October 1, 1998

FOUR INDICTED FOR \$300 MILLION DOLLAR ARIZONA GOLD MINE FRAUD

PHOENIX, ARIZONA – José de Jesus Rivera, United States Attorney for the District of Arizona, announced today that a federal grand jury at Phoenix, Arizona, returned a thirty count indictment against **ROBERT J. GRILL** of Tempe, **DANIEL J. HAWKINS** of Phoenix, **RACHEL McELHINNEY** and **DAVID TREPAS** of Scottsdale, Arizona.

The indictment alleges that defendants obtained control of the Henrietta Mine, located near Prescott Valley, Arizona from an elderly couple in September 1993. Allegedly, almost immediately after obtaining control of the mine, the defendants began claiming the mine was worth over \$300 million dollars. The indictment states that in September 1993, defendants began a scheme to sell gold futures to customers by promising them that they could purchase gold in advance for a 10% discount in minimum lots of \$100,000 or more. In November 1994, defendants began using the mine to sell bonds across the entire nation to contractors bidding on or working on military contracts. Using the Henrietta Mine as

(MORE)

HENRIETTA MINE FRAUD
HENRIETTA

collateral, defendants allegedly issued over 100 bonds, with a bond premium of over \$100 million dollars, to contractors for Army, Air Force and Navy contracts.

The military requires contractors working on military installations across the country to be bonded. The bonds protect the military in the event that the contractor becomes financially insolvent or simply cannot complete the work. The purpose of the bonds is to provide the military with a financial source to finish the project.

The indictment states that while the Henrietta Mine was a gold producing mine back in the late 1800's and early 1900's, mining is no longer economically viable at the Henrietta. Allegedly, there simply is not enough ore at the mine to justify the required amount of capital to start the mining operation, and not enough ore to sustain the extremely high costs associated with operating a mine. Allegedly, over the past fifteen years, all attempts at mining the Henrietta have been abandoned.

The indictment states that defendants used the ancient history of the mine in an attempt to convince others that they possessed a multi-million dollar asset. Allegedly, defendants claimed that the stockpiles of material that have been on the property for as long as anyone can remember, were suddenly valued at over \$26 million dollars. Allegedly, most of these stockpiles are located directly outside of what used to be tunnel openings and may simply be waste rock cleared as the old miners in the 1800's and 1900's dug their tunnels. Allegedly, defendants also claimed that they possessed over 2,650,000 tons of ore underground, although, allegedly, defendants made this claim without performing any type of drilling or underground testing.

The indictment states that defendant's initially gained control of the property from the elderly couple by using a series of documents and trusts with an off-shore entity. Allegedly, the documents with the off-shore entity were fraudulent in nature. In the end, the defendants allegedly obtained their "\$300

(MORE)

million dollar mins" for no money down; and in exchange, the elderly couple received simply \$1,040 a month for the property.

The indictment charges all defendants with money laundering, wire fraud, mail fraud, and conspiracy charges, and in addition charges defendant ROBERT GRILL with false statements.

A conviction for money laundering under 18 U.S.C 1956 carries a maximum penalty of 20 years and \$500,000 fine or both; a conviction for conspiracy, false statements, mail fraud and wire fraud under 18 U.S.C. sections 371, 1001, 1341, and 1343, respectively, each carry a maximum penalty of 5 years, a \$250,000 fine or both.

Mr. Rivera stressed that an indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was a joint investigation by Army Criminal Investigation Command, Air Force Office of Special Investigations, Federal Bureau of Investigation, and the Defense Criminal Investigative Service.

The prosecution is being handled by Kevin Cleply, Special Assistant United States Attorney, District of Arizona, Phoenix, Arizona.

CASE NUMBER: 98-661
RELEASE NUMBER: 98080

#

AZ REPUBLIC 10/31/1998

VALLEY &

i-





HENRIETA (F) YAVAPAI

DEPARTMENT OF DEFENSE INSPECTOR GENERAL
OFFICE OF ASSISTANT INSPECTOR GENERAL FOR INVESTIGATIONS
DEFENSE CRIMINAL INVESTIGATIVE SERVICE

Phoenix Resident Agency
UNITED STATES COURTHOUSE
401 W. WASHINGTON STREET
SUITE 402 - SPC 15
PHOENIX, AZ 85003

June 11, 2001

Dear

NYAL NIEMUTH

As you know, the United States Government through it's Agents and Attorneys had previously identified you as a witness in the pending case *U.S. v Robert J. Grill, et al* (DCIS CCN 9710554I pertains). As a matter of background, Grill and four additional witnesses were indicted on a number of charges including money laundering, submitting false statements, wire fraud, and mail fraud during their involvement in the government's Individual Surety Program. In accordance with the provisions of the federal Victim/Witness Assistance Act, this letter will serve as formal notification to you of the final disposition of this case.

On June 5, 2001, Robert J. Grill plead guilty to two counts of violating Arizona Revised Statute 13-2703 - False Swearing and Daniel Joseph Hawkins plead guilty to one count of Facilitation of a Fraudulent Scheme. The United States District Court for the District of Arizona has indicated they will accept this plea arrangement in State court in lieu of the pending federal charges against Grill and Hawkins. As such, both the Department of Defense and U.S. Attorney's Office now considers this investigation closed.

The Defense Criminal Investigative Service sincerely appreciates your assistance during the course of this investigation. If you have any questions or desire additional information, please contact Special Agent [REDACTED] directly at (602) [REDACTED], ext [REDACTED].

Sincerely yours,

[REDACTED]
Resident Agent in Charge



DEPARTMENT OF DEFENSE INSPECTOR GENERAL
OFFICE OF ASSISTANT INSPECTOR GENERAL FOR INVESTIGATIONS
DEFENSE CRIMINAL INVESTIGATIVE SERVICE

HENRIETTA FIVE YAUAPANI

PHOENIX RESIDENT AGENCY
4000 N. CENTRAL AVENUE, SUITE 1020
PHOENIX, AZ 85012

August 3, 2000

Dear Nyal Niemuth:

Attached is your updated trial subpoena and information relevant to your scheduled appearance as a witness in the upcoming trial U.S. v Robert Grill, et al. There are specific instructions from the Department of Justice that include information relevant to travel and hotel arrangements if you are outside the metro Phoenix area. Please review this packet very carefully and keep all information in a safe place.

We still have a scheduled trial date of October 31, 2000. Because of the large number of witnesses in this case, I am requesting that you contact me directly at (602) [REDACTED], extension [REDACTED] upon receipt of this packet. This will eliminate the need to send a Special Agent or Deputy U.S. Marshal to your address of record. Once I receive your confirmation call, I will schedule a time for a telephonic conference where your pending testimony will be reviewed with Mr. David Eisenberg, the Assistant U.S. Attorney assigned to prosecute the Grill case.

We will make every effort to ensure a minimal amount of your time is needed. However, as this is a bona fide criminal proceeding, please understand that there will be, no doubt, some level of inconvenience levied upon you.

The Department of Defense appreciates your continuing support in this very important process.

Sincerely yours,

[REDACTED]

Special Agent

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U.S. Department of Justice

United States Attorney
District of Arizona

4000 U.S. Courthouse
230 North First Avenue
Phoenix, Arizona 85025

(602) 514-7500
FAX: (602) 514-7693

July 25, 2000

Nyal Niemuth
AZ Dept. of Mines and Minerals
1502 W. Washington
Phoenix, AZ 85007

Re: United States v. Robert Grill, et al.
USAO ID# 199701184; CR-98-661-PHX-PGR

Dear Mr. Niemuth:

Attached please find a subpoena directing you to appear as a witness called by the Government in the above-referenced trial. As you can see, the subpoena directs you to appear on Tuesday, October 31, 2000, at the United States Courthouse here in Phoenix. As you probably know, the parties must present their witnesses one-at-a-time. This means that the Government's witnesses will actually testify throughout the week and probably into the next week. We will try to do everything possible to arrange for you to be present for as short a time as possible, waiting to testify. Please bear in mind that we must be ready to present witnesses in an orderly, uninterrupted fashion, which necessarily means that some witnesses may have to wait to testify.

For those of you who do not live in the Phoenix area, please contact my secretary, Pauline Stevens, during the week of October 15, 2000, so that she can arrange for your travel and hotel. Pauline can be reached at 602-514-7546.

Also, Special Agent [REDACTED] will be contacting you soon to arrange for a mutually convenient time for us to go over your testimony and to answer your questions about the trial process. Agent [REDACTED] can be reached at 602-[REDACTED], extension [REDACTED]. Should you have any questions, please contact him, and, of course, you can call me at 602-514-7582.

I sincerely appreciate your cooperation in this matter.

Sincerely yours,

JOSÉ de JESUS RIVERA
United States Attorney
District of Arizona

DAVID EISENBERG
Assistant United States Attorney

DE/pms
Enclosure

United States District Court

DISTRICT OF

ARIZONA

UNITED STATES OF AMERICA

V.

**SUBPOENA IN A
CRIMINAL CASE**

Robert Grill, et al

Defendant

CASE NUMBER:

CR-98-661-PHX-PGR

TO: Nyal Niemuth
Arizona Dept. of Mines & Minerals
1502 W. Washington
Phoenix, AZ 85007

YOU ARE COMMANDED to appear in the United States District Court at the place, date and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE HONORABLE PAUL G. ROSENBLATT
United States Courthouse
230 N. First Avenue
Phoenix, Arizona 85025

COURTROOM

#1
7th Floor

DATE AND TIME

October 31, 2000; 8:30a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

U.S. MAGISTRATE JUDGE OR CLERK OF COURT

RICHARD H. WEARE

DATE

July 18, 2000

(BY) DEPUTY CLERK

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER

David Eisenberg, Assistant U.S. Attorney
230 N. First Ave., 4th Floor
Phoenix, Arizona 85025
(602) 514-7500 or 1-800-800-2570

HEURUM (A)



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
DEFENSE CRIMINAL INVESTIGATIVE SERVICE

(Investigations)

PHOENIX RESIDENT AGENCY
4000 N. CENTRAL AVENUE, SUITE 1020
PHOENIX, AZ 85012

February 11, 2000

Arizona Department of Mines and Minerals
Nyal Niemuth
1502 W. Washington
Phoenix, AZ 85007

Dear Nyal Niemuth

On February 7, 2000, U.S. District Judge Paul Rosenblatt granted the government's Motion for Continuance and postponed the pending trial of **U.S. v Robert Grill, et al**, until June 20, 2000. As such, we now anticipate that-barring any last minute plea agreement-your attendance here in Phoenix will be required on or around that date.

You will be contacted no later than thirty days from the scheduled trial date and advised what days you will be needed. While it is impossible to predict the actual moment you will be called to testify, every effort will be made to ensure that you spend a minimal amount of time in court. In addition, we plan to provide each witness with an Investigative Information Packet (IIP). The IIP details what data the government has obtained relevant to your knowledge/interaction with the defendants in this case. Shortly after receiving your IIP, we will initiate contact with you to discuss its contents and review your pending trip to Phoenix.

If you have any questions or require additional information, feel free to contact the undersigned at (602) [REDACTED], ext. [REDACTED].

Sincerely yours,

[REDACTED]

[REDACTED]
Special Agent

IN EARLY OCT. ENTERED INTO PLEA BARGAINING
RE: ENTERING A GUILTY PLEA. NTD



*United States Attorney
District of Arizona*

4000 U.S. Courthouse
230 North First Avenue
Phoenix, Arizona 85025

(602) 514-7500
FAX: (602) 514-7693
Civil FAX: (602) 514-7760

August 10, 1999

Nyal Niemuth
AZ Dept. of Mines and Minerals
1502 W. Washington
Phoenix, AZ 85007

Re: United States v. Robert Grill, et al
CR-98-661-PHX-PGR

Dear Mr. Niemuth:

You have been subpoenaed as a witness in the above-captioned case compelling your attendance at the trial of the above matter.

As a convenience to the Government, please telephone my office the week of 7th of September, 1999, in order to verify your attendance and to arrange your travel dates. The trial will begin on September 14, 1999, and testimony will begin on September 14, 1999.

Please be advised that your subpoena will remain in effect until you are excused from service by either this office or the U.S. District Court. It is therefore requested that you advise this office should you be absent from your place of residence for any period of time or should your address or telephone number change. As a convenience to you, we will keep you notified of all developments as soon as we are advised by the courts.

If you should have any questions, please feel free to call me, at (602) 514-7500 or toll free at 1-800-800-2570.

Sincerely yours,

JOSÉ de JESUS RIVERA
United States Attorney
District of Arizona

KEVIN CIEPLY
Special Assistant United States Attorney

KC/naf

United States District Court

DISTRICT OF

ARIZONA

UNITED STATES OF AMERICA

V.

**SUBPOENA IN A
CRIMINAL CASE**

Robert Grill, et al

Defendant

CASE NUMBER:

CR-98-661-PHX-PGR

TO: Nyal Niemuth
AZ Dept. of Mines and Minerals
1502 W. Washington
Phoenix, AZ 85007

YOU ARE COMMANDED to appear in the United States District Court at the place, date and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE

HONORABLE PAUL G. ROSENBLATT
United States Courthouse
230 N. First Avenue
Phoenix, Arizona 85025

COURTROOM

#1
7th Floor
DATE AND TIME

9/14/99; 8:30a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

U.S. MAGISTRATE JUDGE OR CLERK OF COURT

RICHARD H. WEARE

DATE

(BY) DEPUTY CLERK

B. Sundberg

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER

8/9/99

KEVIN CIEPLY, Special Assistant U.S. Attorney
230 N. First Ave., 4th Floor
Phoenix, Arizona 85025
(602) 514-7500 or 1-800-800-2570



**DEPARTMENT OF DEFENSE INSPECTOR GENERAL
OFFICE OF ASSISTANT INSPECTOR GENERAL FOR INVESTIGATION
DEFENSE CRIMINAL INVESTIGATIVE SERVICE**

**PHOENIX RESIDENT AGENCY
100 W. CLARENDON AVENUE, SUITE 1020
PHOENIX, ARIZONA 85013-3507**

100 WEST CLARENDON AVENUE
SUITE 1020
PHOENIX, ARIZONA 85013-3507



DEFENSE CRIMINAL INVESTIGATIVE SERVICE

SPECIAL AGENT

Al

TEL: (602) [REDACTED]

Nyal Niemuth
1502 W Washington
Phoenix, AZ 85007

Dear: Nyal Niemuth

Recently, you were notified telephonically and via U.S. District Court Subpoena, that you have been named as a witness for the Government in an upcoming trial: U.S. v. Robert J. Grill, et al. Following your receipt of this subpoena, you were notified telephonically that the September 14th trial date had been continued by the court to a date as yet not determined. You were also notified that while you were not required to appear in Phoenix on September 14th, the subpoena issued to you was still in force and would become both applicable and enforceable at a later date.

On August 20, 1999, we were officially notified that the U.S. District Court has rescheduled Grill's trial for November 2, 1999. As such, your presence in Phoenix will now be required on or around this date. You will be notified no later than 30 days prior to your anticipated appearance date. Please retain this notification, as no other written documentation will be forthcoming.

If you have any questions concerning your status as a witness, you may contact Special Agent [REDACTED] at (602) [REDACTED], extension [REDACTED].

[REDACTED]
[REDACTED]
Special Agent
Phoenix Resident Agency



**DEPARTMENT OF DEFENSE INSPECTOR GENERAL
OFFICE OF ASSISTANT INSPECTOR GENERAL FOR INVESTIGATIONS
DEFENSE CRIMINAL INVESTIGATIVE SERVICE**

**PHOENIX RESIDENT AGENCY
100 W. CLARENDON AVENUE, SUITE 1020
PHOENIX, ARIZONA 85013-3507**

SEP 30 1999

Arizona Department of Mines and Minerals
Nyal Niemuth
1502 W. Washington
Phoenix AZ 85007

Dear: Mr. Niemuth

On September 27, 1999, the DCIS Phoenix Resident Agency was notified that the trial date for the case *U.S. v Robert J. Grill, et al* has been rescheduled from November 2, 1999 until March 6, 2000. As such, your presence in Phoenix is no longer needed in November but will be required on or around March 6th.

You will be notified no less than 30 days prior to your anticipated appearance date. Please retain this notification, as no other written documentation concerning this change of date.

In addition please note accurate trial witness information is a requirement under the Federal Rules of Criminal Procedure. Should you relocate from the address affixed to this letter or change your previously provided phone number, you must contact the undersigned immediately. Any change to your contact status of a federal witness must be provided to prosecutors, defense attorneys, and the trial court without unnecessary delay.

If you have any questions concerning your status as a witness, please feel free to contact me directly at (602) [REDACTED] ext. [REDACTED].

Sincerely,

[REDACTED]

[REDACTED]
Special Agent

Henrietta Mine (file)

September 17, 1997

Mr. Tony Pavlik
Criminal Investigation Division-U.S. Army
3225 N. Central Avenue, Suite 813
Phoenix, AZ 85012

Dear Mr. Pavlik:

The resume of my experience and qualifications you requested is enclosed for your consideration and use. I would emphasize that you take special note of the section titled "Administration and Organization", wherein I have highlighted statements regarding my giving testimony to both State and Federal Legislative Committees. Sworn testimony was given by the undersigned to a U.S. House of Representatives Sub-Committee of the House Interior Committee regarding the Mining Law of 1872.

It should also be noted that during the period 1981 to 1988, I was hired by a former owner of the "Henrietta Mine" to do economic and geological evaluation. To accomplish that project, it was necessary to sample existing exposures in the mine and in the mine dumps, and to determine the value of those exposed areas. It was also necessary to research the property for past production and development. It is interesting to note that the mine was originally known as the "Big Bug Mine". References to the mine is made in at least one USGS publication.

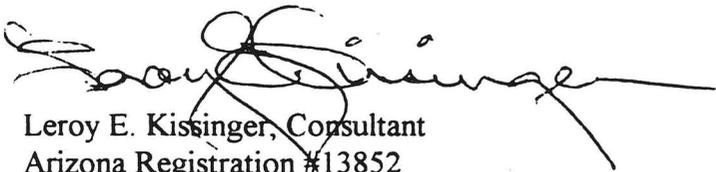
} Henrietta Mine
Yavapai County

Upon receipt of a formal request from you that outlines the general scope of what you want done in regard to the Henrietta, I will submit a proposal that includes a description of the work I believe necessary to accomplish the task. I will also include any sub-contract work that would be necessary, such as auger sampling and assaying.

My hourly billing rate is \$75.00 per hour worked, plus any 3rd party expenses, plus \$0.25 per mile for ground transportation.

I am looking forward to providing whatever assistance you need to properly evaluate the property to help you come to an accurate and fair conclusion.

Yours Truly,


Leroy E. Kissinger, Consultant
Arizona Registration #13852

CHARLES H. SIMPSON

Research Analyst
Metallurgical Research

7749 E. CHAPARRAL RD.
Scottsdale, AZ., 85250
Phone # 602 946 9854

**CONSULTANT'S
APPRAISAL REPORT**

On: HENRIETTA PROPERTIES

Approximately 22 miles East of Prescott, Yavapai County, Arizona

For: Robert Grill, Trustee for Henrietta Properties

AKA Henrietta Mines, A Trust, Dated : 9/17/1993

Prepared by: Charles H. Simpson, Metallurgical Research Analyst

7749 E. Chaparral Rd., Scottsdale, AZ, 85250 PHONE: (602) 946-9854; FAX (602) 946-1115

Date: Janaury 31, 1997

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- C. Letter Yavapai County Assessor
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- P. Zinkle Report
- Q. Typical Production Analysis

CHARLES H. SIMPSON

Research Analyst
Metallurgical Research

7749 E. CHAPARRAL RD.
Scottsdale, AZ., 85250
Phone # 602 946 9854

MR. ROBERT GRILL, Trustee, Henrietta Properties
c/o 2765 N. Scottsdale Rd. Suite 104-121
Scottsdale, Arizona, Postal Code 85257

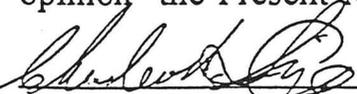
As you know, I am an accredited Geologist, an accredited civil service Research Analyst 1-11 currently engaged in independent research work on metals and metal extraction, and hold a number of patents on metallurgical extraction procedures. I have performed as an appraiser of mineral values for the United States and the United Nations in Chile, Argentina, Columbia, Ecuador, and Peru.

Pursuant to your request for a Valuation of the Real Property Value of Henrietta Properties as determined from the Mine's Mineral Deposits and Stockpiled Ore, also known as Present Market, my method of approach is that used in a number of texts dealing with the "Appraisal of Mineral Property", and has been used and accepted by the Legal System in previous Court Cases (Exhibit A).

This appraisal report will cover the mineral values of ore in stockpiles already mined from the previous workings as well as that of ore deposits still in place in the Henrietta Mine. The purpose of this appraisal is to determine the Present Market Value of the Real Property for use as collateral by Henrietta Properties as an Independent Surety for Bonding.

The appraisal is based upon my personal experience with the Mine and its unique properties over a number of years. I have completed a scientific analysis and research on the samples which I have taken from the Henrietta Property, studied its Geology, investigated the historical data from the Arizona Department of Mineral Resources, and have integrated these facts with standard mining operational cost figures.

Based upon my Valuation analysis of Henrietta Properties, it is my professional opinion the Present Market Value of the Real Property is \$351,665,314.



Charles H. Simpson
Metallurgical Research Analyst

Date

1-31-87

DESCRIPTION OF PROPERTY

HENRIETTA MINE PROPERTY AND OWNERSHIP:

Over the past four years I have made a number of examinations of the Henrietta Mine and the milling equipment, all located near Poland Junction, Arizona, in the central portion of the state. The Henrietta group of claims comprise 3 patented claims and one patented 5 acre mill site. The claims are located in Section 31, R1E, T13N in Yavapai County, Arizona. The claims are reached by turning off Highway 69 at Poland Junction, located midway between Mayer and Humboldt, Arizona. This junction is some 22 miles east of Prescott, Arizona. A very useable gravel road, maintained by the county, proceeds westward for 1-1/2 miles to the Henrietta Mine (Exhibit B).

The surface lands total approximately fifty acres and are taxed as fee simple land by the Yavapai Assessor (Exhibit C), but the mineral values which this appraisal addresses are not taxable (Exhibit D). The property is in excess of five acres and therefore not regulated by any local jurisdiction (Exhibit E).

These claims and lands are owned in fee simple title by Henrietta Properties, a registered Arizona Trust with Robert Grill, an individual as Trustee. (Exhibit F).

CLIMATE, TOPOGRAPHY:

This property is on the eastern flank of the Bradshaw Mountain Range of Central Arizona. The elevation at the mine is 5200 to 5700 feet with moderate relief. The vegetation is typical oak brush and manzanita bush, characteristic of this elevation in the high desert area. The winters are moderate with some freezing at night, but year around operations have been carried on at all mines in this area. Rainfall is approximately 12 to 15 inches per year with some snowfall in the winter months.

GEOLOGY

The Henrietta mine is in the pre-Cambrian metamorphic complex characteristic of the Bradshaw Mountain Range. The Henrietta Vein is over one (1) mile in length and has a width averaging five (5) feet. This vein and a spur vein, the Invincible Vein, have had intermittent production since 1883. It is developed by three main tunnel systems, one of which has a five hundred (500') foot shaft and five to six thousand (5,000' to 6,000') feet of drifts. Most of the past production was high-grade gold-silver & copper ore out of the upper oxidized portion of the veins. It has the distinction of being the largest producer of gold in the Big Bug Mining District.

ANALYSIS OF HENRIETTA MINERAL DEPOSIT & STOCKPILES

I have been familiar with the history of the Henrietta Mine, the neighboring McCabe Mine, and the Big Bug Area since the early nineteen eighties. I have personally reviewed the historical data, studied the geology, and analyzed the sectional map of the underground workings of the Henrietta Mine and it's neighboring mines. Henrietta's three patented claims are known as Invincible, Yankee Girl and American Flag. They cover the intersection of the Invincible Vein with the Henrietta Vein (Exhibit G). The Arizona Department of Mineral Resources (ADMR) references specific tons of proven ore above and below the lower tunnel and indicates good ore in these Veins and it states the lower Vein Structures to be of unlimited potential (Exhibit H). Since a recent news release on the neighboring McCabe Mine (Exhibit I) shows working interest in the Henrietta Vein's potential, I think it is reasonable and prudent to accept the ADMR information as accurate. Reviewing this history, and doing a calculated study of the underground workings in the sectional map (Exhibit J), in relation to the probable tonnage of recoverable ore reserves therein, I have concluded the Henrietta has a minimum recoverable mineral ore deposit of 1,600,000 tons.

Over a period of some 4-5 years, I have personally observed some 130,000 tons of stockpiled ore which was taken from the underground workings of the Henrietta, and I have tested in excess of 200 samples from various stockpiles on the Henrietta Mine property. Approximately 100 samples were tested by me in my laboratory using the Simpson Chlorination patented process. Assays from the results of this method were performed by McKenzie Laboratories in Phoenix, Arizona. A copy of the results are submitted (Exhibit K). In addition, I have submitted samples to be tested by a well recognized mineral research company, Hazen Research of Golden, Colorado. The samples that I submitted to Hazen Research were processed under my personal observation and all the work was performed in my presence. The samples were treated using well known scientific standardized procedures, and results of the various tests performed on Henrietta Ore are submitted (Exhibit L).

Although the Arizona Department of Mineral Resources data lists Henrietta underground assay samplings as higher quantities per ton in gold and silver than my assays, it is prudent to use data I obtained from the stockpiled ore, which was removed from various parts of the mine, as a basis of Valuation for the underground gross mineral deposits. Assay value averages obtained from the McKenzie Lab Testing, Hazen Research Testing and my own Lab Testing, show a present Gross Mineral Value of \$476.38 per ton of ore.

GROSS AND NET MINERAL VALUATIONS PER TON

The current price in US Dollars of the metal content in a ton of Henrietta Ore is based upon the cash quotation purchase price per ounce, and # in the case of Copper, and was found in the NY metals market listing shown in the Wall Street Journal 1/22/97 with the exception of Rhodium which was not listed. The Rhodium price listed below is a reported historical low market value quotation on this metal which is in demand for auto mufflers. Since the Hazen Research Report only considered obtaining information on Gold, Silver, and Copper, they did not take into account any of the Noble Metals found when the ore is extracted by the Simpson Chlorination process. Using the averages of the assay of metal found in the McKenzie Analysis for the indicated amounts of Gold (Au.), Platinum (Pt.), Palladium (Pl.), & Rhodium (Rh.) in a ton, and the Hazen Research on Gold (Au.) ,Silver (Ag.), and Copper (Cu.) in a ton, the following assay mineral quantities were established.

ORE ASSET / Gross Mineral Value per Ton

Gold	.181 oz per ton	\$351.00 per oz	\$ 63.53 / ton
Ag.	.71	4.57	3.24
Cu.	16.20 # per ton	1.09 per #	17.66
Pt.	.79 oz per ton	355.00	280.10
Pl.	.17	124.00	20.83
Rh.	.16	555.00	91.02
Total Gross Mineral Value Per Ton			\$476.38

DEPLETION OF ORE ASSET / Discount Costs per Ton

EPA requirements etc...	1.43
Mobilization	11.79
Recovery Extraction	6.20
Milling Circuit	12.80
Chemical Extraction	16.40
Simpson Method	9.52
Shipping & Refining	4.76
Indirect Costs	4.00
General & Administrative	10.80
First Year Discount	2.55
Last Year Reclamation	1.43
Reversionary	1.43
Contingency	5.25
Production Discount / Ton	88.35
	476.38 Gross -88.35 <hr style="width: 20%; margin: 0 auto;"/> 388.03 Net Mineral Value per Ton

CLASSIFICATION OF MINERAL ORE

As stated previously, I have concluded that 1,600,000 tons of mineral ore are the recoverable ore reserves in Henrietta Properties. This tonnage includes three different classifications: the stockpiled ore on the surface, proven ore in upper deposits, and probable blocked ore in the lower Henrietta Vein.

STOCKPILED ORE

During the development and past production life of this mine many thousands of tons of mill ore was stacked at the portals of the three adits. It is this tonnage of stockpiled head ore which is immediately available as **inventory in process** that Henrietta Properties intends to process with an upgraded milling & screening circuit (Exhibit M). The extraction process on inventory will continue in conjunction with the Simpson Chlorination Process and which Henrietta is establishing at the site (Exhibit N). Since the initial metallurgical research work has shown good recovery of metals for this particular ore by this accepted environmental method (Exhibit O), it was selected as the best method to use. The intended production from this milling and extraction circuit is the basis for providing CASH quickly for any major funding, if such is required, by Bonding activities.

The stockpiled inventory is observed as an estimated 130,000 tons of Mill Ore. As previously stated, it has been determined by using random ore sampling for both the Hazen Research analysis and the Simpson Chlorination analysis, that the tested ore has an average present Gross Mineral Value of \$476 per ton in Gold, Silver, Copper, Platinum, Palladium, & Rhodium. This value is based upon current open market prices. This value does not consider Zinc, Iron, Lead or other metals which may be present, but considering this factor, this value can be deemed as a minimum expected recoverable mineral value by commercial means from the mineral deposits in this property. Using the above gross value figure to calculate the total Gross Mineral Value in US dollars for the tonnage of stockpiled ore, the calculation is \$61,880,000. Since this stockpiled tonnage is **inventory in process**, there is no underground removal cost required for this material. Subsequently, the financial returns from processing this material is immediate as well as more profitable than the underground deposits involved. However, I will treat the stockpiled tonnage as underground material in assessing its present market value to be conservative.

PROVEN ORE RESERVES

As stated in the "Analysis of Henrietta Mineral Deposit & Stockpiles" it has been established from research information and the Arizona Department of Mineral Resources, that 186,000 ton of ore is identified in the present tunnel system. This information is also supported in the final page of a previous report done on the Henrietta Mine which was submitted by Andrew J. Zinkl, a registered Arizona Mining Engineer (Exhibit P). I calculate the present Gross Mineral Value in this identified proven reserve ore material as \$88,536,000, based on the \$476 Present Gross Mineral Value per ton established by the research analysis of the samples taken from the stockpiled ore.

ESTIMATED BLOCKED OUT ORE RESERVES

From my study of the sectional map of the drifts, shafts and tunnels of the underground workings which indicate a blocked out vein structure and its recoverable reserves, it is my considered opinion of this particular geologic structure that the probable recoverable ore reserves are no less than 1,284,000 tons. From my knowledge of this specific mine's mineral deposit, it may well have unlimited potential in the sulfide zone as is stated in the historical records of the Arizona Department of Mineral Resources. However, the total present Gross Mineral Value in the blocked out vein deposits is calculated at \$611,184,000, based upon a conservative estimate of recoverable reserves and applying the \$476 present Gross Mineral Value per Ton.

SUMMARY

From the above classifications, the total Gross Mineral Values in the three types of recoverable deposits are approximately \$761,600,000, based on current open market metal value quotations. This amount is a US Dollar value of the identified gross mineral content in 1,600,000 tons of estimated recoverable ore. No consideration is given in this report to past or future anticipated fluctuations in open commodity market prices of the identified minerals. However, it is appropriate to note that Gold has remained as a standard of value since the 1930's and has increased in value considerably when measured by the Federal Reserve Note.

DISCOUNT FACTORS

Since there are costs and time associated with removal, extraction and processing the classified ore deposits before the minerals can be sold at market, various formulas have been used to establish the Present Market Value for this kind of asset. I have selected the Hoskold Formula as the most acceptable because it is legally recognized by the Arizona Court System as a method to compute the capitalized value or the present economic worth of a potential income producing mining property. The Formula requires precise information for arriving at the yearly annual profit based on the life of a specific mine. In order to utilize this Formula, specific detail cost factors for removal, milling, extraction, processing, refining, mobilization and administration need to be applied to a ton of head ore (see Gross & Net Mineral Values). This application applies a discount to the head ore Gross Mineral Value as stated, and arrives at a net profit or Net Mineral Value per Ton (\$388.03), which can then be multiplied by the yearly tonnage production to compute the annual profit.

LIFE OF A MINE

The life of a mine and yearly production is mathematically calculated by using a schedule of the estimated and capable monthly production of the recoverable reserves. There are stockpiles, underground workings with proven reserves, basic equipment, certain production facilities and conditions in place at the Henrietta, a mine operation of this unique size and with these unique features has the capacity to produce a minimum yearly production of 80,000 tons. It is my opinion and that of Mr. Jack Green, a registered Arizona Mining Engineer, that the Henrietta can be expected to process 333 tons a day, operating 22 days a month, thereby producing about 88,000 tons per year. The recoverable reserves are 1,600,000 tons and average yearly production assumption is 88,000 tons. Based on this calculation, the life of this mine is 18 years.

ANNUAL PRODUCTION

The annual production of 88,000 tons multiplied by a future net metal value of \$388 per ton determines the annual profit known as "A" in the Hoskold Formula. Exhibit Q shows how the typical annual net profit is calculated using daily, monthly and annual Gross and Net production projections.

RATE OF RETURN

Two other financial factors which are part of the Hoskold Formula and important are: the safe rate of return and the risk rate of return. The number for the safe rate is based upon the current rate of return from an investment in a Government Bond which is about 6%. The risk rate is based upon the current rate from an investment in commercial secured paper which is about 12%. The Hoskold Formula computation for the Henrietta Mine is detailed in the "Determination of Present Market Value".

DETERMINATION OF PRESENT MARKET VALUE

The mineralized ore Valuation becomes real property when the recoverable asset is determined by a certified professional based on set criteria of market sale price of ore less stated discounts. The discounts are a depletion of the ore asset and an adjustment to the computed metal value because of production costs. The Hoskold Formula is a well accepted method used to compute the capitalized value or the present economic worth of a potential income producing mining asset. The Valuation for this type of appraisal contains the following elements:

1. The land is held in fee simple title. The Individual acting as Trustee for the Trust holds legal title to the property.
2. The land and improvements are not included in the appraisal for this Valuation. The title and current tax rolls are included as a requirement. The Mineral Asset is the only value in this type of Valuation, "mineralized ore as real property".
3. The Valuation appraisal follows USPAP guidelines for restricted use.
4. The Valuation appraisal is limited to recoverable assets as set forth under F.A.R. requirements .
5. The Henrietta Mine Valuation is unique. To add uniformity to mine Valuation, the Hoskold Formula is and has been used as a standard since 1877.
6. The Hoskold Formula is included with this analysis (Exhibit A). The Formula uses the Henrietta Mine's Gross & Net Value mineral analysis.
7. The calculations for "A" = Annual Profit, is precise and based upon the scientific data of mineral value in one ton of head ore less mobilization, administration and industry average costs of removal, extraction and processing etc. (Exhibit J). The annual ore recovery production of 88,000 tons is based on mathematical calculation (see Discount Factors).
8. The calculation for "n" or average mine production life is established at 18 years and also based upon mathematical calculation.

**THE HOSKOLD FORMULA
As Applied To THE HENRIETTA MINE**

$$V_p = \$351,665,314$$

NOTE: V_p represents the present market value of the real property

Calculation in the formula is based upon the following:

- A= 34,000,000 annual profit
- r = 6% (.06) safe rate of return
- r'= 12% (.12) risk rate of return
- R= 1 + r (1.06)
- n= 18 (years of mine production)

Calculation of the formula

$V_p = A$	$V_p = 34,146,702$	$V_p = 34,146,702$	$V_p = \$34,146,702$
$\frac{r + r'}{R^n}$	$\frac{.06 + .12}{1.06^{18} - 1}$	$\frac{.18}{1.8543}$	$\frac{.0971}{.0971}$

CHARLES H. SIMPSON

Research Analyst
Metallurgical Research

7749 E. CHAPARRAL RD.
Scottsdale, AZ., 85250
Phone # 602 946 9854

CERTIFICATE OF PRESENT MARKET VALUE OF REAL PROPERTY

I, Charles H. Simpson, do hereby certify that:

I am an independent Metallurgical Research Analyst and am qualified as a Research Analyst 1-11 under US Government civil service.

I have compiled previous Geologic and mineral Valuation reports for the US Government and the United Nations.

I have practiced my profession as a Metallurgical Research Analyst and Geologist for the past 37 years and hold five patents dealing with the extraction process of minerals and metals.

I own no interest in Henrietta Properties or the mineral claims, nor do I have, nor expect to have, any interest in shares or security interest in this property.

I have relied upon Henrietta historical data acquired from the Arizona Department of Mineral Resources, credible research facilities, registered mining engineer sources, unique characteristics of the Henrietta Mine, current financial market information, and text data from recognized experts in this field.

The contents of this report are my opinions based upon my personal observations at the Henrietta property, my personal research and analysis of the recoverable ore reserves as applied to the Hoskold Formula.

It is my professional opinion and Valuation that the present real property market value of Henrietta Properties is Three Hundred Fifty One Million Six Hundred Sixty five Thousand Three Hundred Fourteen US Dollars (\$351,665,314) as of January 31, 1997.


Charles H. Simpson
Metallurgical Research Analyst

1-31-97
Date

RESUME of
Charles H. Simpson
Metallurgical Research Analyst

Attended Oregon State College two years. Graduated 1952 in Business Administration Multnomah College, Portland, Oregon. Postgraduate work in chemistry and geology at University of Oregon 1952 to 1954. Attended Carnegie Institute, Pittsburgh, PA - Research on Sulphur Recovery, Mineral Extraction - Geology 1957 - 1959. Five years with United Nations Geology Team in Chile, Argentina, Columbia, Ecuador and Peru. 1967 passed Civil Service examination for Research Analyst I-II. 1968 to Present: Engaged in independent research work on metals and metal extraction. Hold a number of patents on metallurgical extraction procedures. Received patents on chemical extraction of precious metals - 1984. Familiar with non-destructive type of analysis for artifacts. Familiar with literature and technology research procedures. Member of Association for Advancement of Science. Honorary Member of American Inventors Society. Familiar with analytical metal procedures and analysis. Patents granted on coal desulfurization 1986. Appeared in 1986 volume of **Who's Who in Technology Today** and **Who's Who in the West**. Nominated to the New York Academy of Sciences. Awarded Distinguished Certificate for Achievement in Metallurgy 1989. Listed in **Personalities of the Americas** (including the Caribbean), First Commemorative Edition, and **The International Director of Distinguished Leadership**, American Biographical Institute, Raleigh, NC 1989. 1990 - Nominated for Man of the Year by American Biographical Society of Raleigh, NC.

CREATIVE WORK

- 1962 - Discovered and patented critical temperature, making solvent extraction of sulfur from ore possible. (Patent No. U.S. 3-063-817)
- 1963 - Compiled report on Andes for United Nations
- 1980 - Granted patent for reducing sulfur in coal (Patent No. U.S. 4-203-7)
- 1984 - Granted patent for hydrometallurgical process for extraction of nickel (Patent No. U.S. 4-435-369)
- 1984 - Granted patent for removing precious metals from carbonaceous ores without the use of cyanide (Patent No. U.S. 4-439-235)
- 1986 - Granted patent for removal of pyritic, organic and elemental sulfur from coal (Patent No. U.S. 4-569-678)

Exhibit P
Zinkle Report

The source of the following data is unknown, but appears in the Arizona Department of Mineral Resources data, and is listed as follows: (Appendix VII).

1. Ore above the lower tunnel... *Oxides*... 36,000 tons
2. Ore below the lower tunnel..... 75,000 tons
3. Invincible Vein good ore..... 75,000 tons
4. Ore below mine's 600 level.. *Sulfides*.. unlimited potential

Assay Data:

<u>Location</u>	<u>Type</u>	<u>Au</u>	<u>Ag</u>
Sample pt. (Avg. of 4)	4' face	0.362	0.15
Sample pt. (Avg. of 3)	18" ore	1.380	2.09
Ore shoot (Avg. of 10)	3" ore	0.215	1.108
Invincible vein - surface	3" across	0.300	0.92
Invincible vein - surface	4" across	0.258	1.60

A study of the sectional map seems to justify the tonnage as credited above, and this writer finds no difficulty in assuming the tonnages and values are acceptable.

Some indication that the ore occurs in lenses that pitch steeply to the north is worth noting from the position of the stopes in the sectional map, especially the notation of the ore chute on that map.

Future Plans

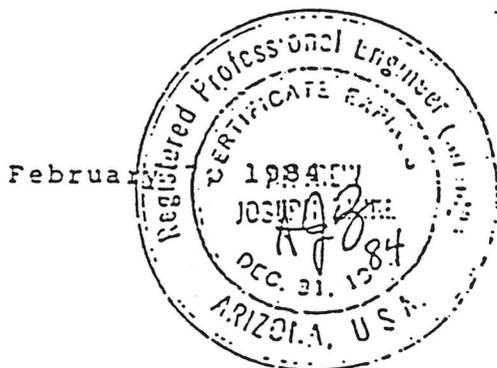
This Henrietta mine program, as Mr. Christensen has planned it, is outlined in three phases:

- (1) Proceed with milling the 20,000 tons of ore on the primary dump to develop a cash flow.
- (2) Sample and survey tonnages on the other dumps at the Henrietta property for continued operation of the mill when the reserve at the primary dump has been processed.
- (3) Open up the upper and lower tunnels of the Henrietta and also open up the Invincible vein to determine ore available from underground for future production.

The cash flow developed by milling the primary dump should provide the financing to proceed with the other two objectives of his overall program.

Andrew J. Zinkl

Andrew J. Zinkl
Registered Mining Engineer
Arizona #2523



HENRIETTA

Au, Ag, Cu

Yavapai

13 - 5

T 13 N, R 1 E

H. B. Meadows, Box 127, Mayer

'44

Fitch, E. Box 486
Mayer, Arizona Lomita Park, Calif.

6-9-39

See MH-1 - Re Owners Mine Report -HENRIETTA, Yavapai Co.

Meadows, H. B. Box 127
Mayer, Arizona

6-9-39

See MH-1 - Re Owners Mine Report -HENRIETTA, Yavapai Co.

See MAYER COUNCIL - Re JSC unable to attend meeting 1-18-43

ARIZONA DEPARTMENT OF MINERAL RESOURCES
MINERAL BUILDING, FAIRGROUNDS
PHOENIX, ARIZONA

February 24, 1958

To the Owner or Operator of the Arizona Mining Property named below:

HENRIETTA*GOPHER
(Property)

LEAD AND SILVER
(ore)

We have an old listing of the above property which we would like to have brought up to date.

Please fill out the enclosed Mine Owner's Report form with as complete detail as possible and attach copies of reports, maps, assay returns, shipment returns or other data which you have not sent us before and which might interest a prospective buyer in looking at the property.

Frank P. Knight

FRANK P. KNIGHT,
Director.

DEPARTMENT OF MINERAL RESOURCES
State of Arizona
Mineral Building, Fairgrounds
PHOENIX, ARIZONA

Enc:

*Moved
no forwarding address*



Mr. L. J. Soper
Box 125
Humboldt, Ariz.

*Return to
Sender*

STATUS OF DORMANT MINES

MINE NAME: Henrietta
LOCATION: Big Bug Mining District
OWNER AND/OR LEASEE: H.B. Meadows, Marjorie Le Page, Ethel Edwards
ADDRESS: Mayer, Arizona
APPROXIMATE PRODUCTION (Year of 1945): 1947-1948

COPPER 15808 Lbs. LEAD _____ Lbs.
ZINC _____ Lbs. (OTHER) Gold 40 lbs.

CHECK THE CHIEF CAUSE OF YOUR DISCONTINUED PRODUCTION:

- (A) Easily available ore worked out.
- (B) Increased costs, but have quantity similar to past grade of ore.
- (C) Too close a margin to develop more ore. ✓
- (D) _____

If you have ore ready to mine please give your estimate of the amount of metal (name each metal) that you could produce in one year (after allowing 60 days to get started) if there were premiums above present market prices. Name amount with a low premium, and amount at a high premium; such as:

Copper at 22½¢ plus 5¢ premium..... 1,000,000 Lbs.
Copper at 22½¢ plus 10¢ premium..... 1,500,000 Lbs.

If you do not have ore ready to mine please discuss the following:

- (A) Do you think a reasonable development program would produce a justified tonnage of commercial ore at above mine?

Yes

- (B) With a premium price (guaranteed for one year) could you carry out such a development program yourself? What premium?

No

(C) If you could not do this yourself, would a quick drilling program by some government agency (at government expense) be sufficient?

No

(D) Or would you prefer a loan plan similar to the arrangements during World War II?

I do not know very much about this plan
as I was in the service

How about a combination plan in two stages such as follows?

Stage 1: Government engineers review project and, if a little drilling appears to be justified and a preliminary key to the situation, such drilling program to be agreed upon by owner and government engineer, paid for by the government, but let by contract.

Stage 2: If results of drilling (or without drilling) justify underground development and/or production equipment, same to be obtainable via a mortgage loan on property.

Please discuss the above:

would prefer government
engineers review property. Also agree
to mortgage loan on property

SUGGESTIONS:

I suggest drift 200 ft. and
Cross Cut 150 ft. to ventilate old
workings for sampling.

DATE

Oct 4, 1950

SIGNATURE

J.B. Meadows

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine HENRIETTA-GOPHER

Date October 21, 1942

District Bigbug

Engineer A. C. Nebeker

Subject:

Owner: L. J. Soper, Box 125, Humboldt, Arizona.

Operator: L. J. Soper

PRINCIPAL METALS: Lead and Silver.

MFN EMPLOYED: Three.

PRODUCTION RATE: Just getting started.

POWER - AMT. & TYPE: Gasoline Engines.

OPERATIONS - PRESENT: Cleaning up and timbering the Gopher shaft - am down now 50 feet. The shaft is on the vein which has a 2 foot thickness and a dip of 72 degrees.

OPERATIONS - PLANNED: Mr. Soper is sinking to the 100-foot level then he expects to drift on the vein toward the old Henrietta vein.

NUMBER CLAIMS, TITLE, ETC.: 2 patented claims.

DESCRIPTION - TOPOG. & GEOG.: This property is located 5 miles southwest of Humboldt and at an elevation of approximately 5500 feet. The country is rather steep up at the mine but for about 3 miles out from Humboldt rolling hills. Now timber but brush oak and other brushy growth.

MINE WORKINGS - AMT. & CONDITION: In the Henrietta there are several thousand feet of work done in shafts and tunnels. The Gopher has several shafts about 100 feet deep. Some workings are accessible while others are not.

GEOLOGY & MINERALIZATION: The country rock consists of quartz diorite and schists. The schist is massive in the Gopher shaft, and the diorite fine grained. The mineralization in the Gopher shaft consists of both sulphide and carbonate of lead in an iron oxide and quartz gangue. In Henrietta, gold is the most valuable product in oxidized zone.

ORE - POSITIVE & PROBABLE, ORE DUMPS, TAILINGS: The people have not been workings long enough to get ore blocked out, but they have saved about ten tons from cleaning down the shaft as far as they have gone. The ore out now assays lead 49%, silver 26 ozs.

MINE, MILL EQUIPMENT & FLOW SHEET: The hoist and also the compressor are both powered with a gasoline engine. They also have machine drills and mine cars enough for present work and have a mine shop.

ROAD CONDITIONS, ROUTE: Road is good up as far as the Old Macabe mine and from there to the Gopher the road is steep and follows a gully which is rough and rocky.

WATER SUPPLY: No water in the mine as yet.

BRIEF HISTORY: Mr. Soper was working on the gold ores in the Henrietta until the order came out closing gold mines; he then moved over on the lead end in the Gopher and is now aiming to ship lead ores.

REMARKS: This property has possibilities of producing quite a tonnage of lead ores and then it could go into coppers.

(Signed) A. C. Hebecker

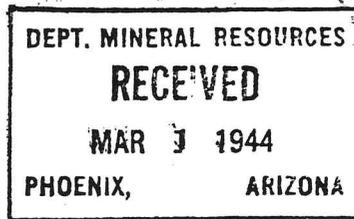
DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine HENRIETTA

Date Feb. 27, 1944

District Big Bug District of Yavapai County Engineer B. W. Brown

Subject: Copy of letter from W. W. Lytzen to Carl G. Barth, Jr. Re: Henrietta mine



3613 Queseda Street, N.W.
Washington, D. C.
March 10, 1938

Dear Mr. Barth:

I have your letter of March 2nd concerning the Henrietta and request for a report.

I regret that I do not have a report but you can find an up-to-date Long Section of the workings in Lindgren's 1926 U.S.G.S. Bulletin No. 782. I helped the Doctor get information together when he was preparing this Bradshaw bulletin.

As you realize the upper several hundred feet of this pyritic vein was oxidized and enriched. A 20 stamp mill was fed by a go-devil incline from the upper tunnel and old shaft, collared on top of the hill. The lower (Big Ledge) tunnel did not expose any values until it reached the shoot that had been mined in the early period. A 600 foot shaft was sunk from this tunnel and the 1st 300 feet of dip was stoped for maybe 200 ft strike length. The 600 level dropped in value width, and length. The 100 ton table and flotation mill I built did not operate long before the Humboldt smelter was shut down.

A large sample obtained by popping the backs on the 150, 300 and 450, sacked and quartered outside was used for mill tests in Salt Lake. Assay of head for tests ran 3.2% Cu, 14% Fe, Insol. 60%, 0.2 oz Au and 2.7 oz. Ag. This was partially oxidized with incipient coatings of glance on pyrite. The pyrite was rather pale variety, though not As.

I imagine the claims, patented, reverted to Yavapai for taxes.

.....

Calkins, the E. M who used to live in Globe may give you some assay data from a shaft he sampled on top of hill towards the McCabe mine. This would be in unstoped area.

.....

Signed

W. W. Lytzen

Copy made B. W. Brown - Feb. 10.

The Henrietta Mine, of which this report is written, lies about 4 miles north west of Mayer, Arizona. The property consists of 3 patented claims and a Mill Site. Big Bug creek and the County highway runs across the south end of the claims, also a High Tension Power line and a Local Distribution line. Water and Power are available for mining and milling operations.

There are two veins of ore carrying Gold, Silver and Copper running through the property. One is known as the Henrietta Big Ledge and the other as the Invincible. The two veins contact at the north boundary of the claims. All indications show that the Henrietta vein contacts the McCabe vein at the north.

About 1914 there was considerable development work done on the lower levels by the Big Ledge Copper Company and they blocked out considerable ore but did not hoist any as the company discontinued operations. This part of the mine cannot be entered at this time as the lower tunnel is closed up, causing bad air in all the lower workings, but I am told by men who worked in the mine that there are large bodies of ore assaying between ten and fifteen dollars per ton. In the old days the mine was worked a lot in the upper levels and the high grade ore shipped to smelters.

The plan which I have started to develop the mine consists of driving a tunnel on the Invincible vein towards the junction of the Henrietta vein until the distance between the two would be about 100 feet, then cross cut to the Henrietta vein by which plan the lower workings could be ventilated and sampled. I have already driven the tunnel 500 feet and should go about 300 feet more. This tunnel is 200 feet lower than any of the older workings higher up on the mountain and would have depth of from 400 to 500 feet at the junction of the two veins. I have all the equipment necessary for this work and estimate that I could carry out the program at a cost of about \$20,000.00 as there would be no hoisting involved.

H.B.Meadows, Mayer, Ariz.
(Call Mayer Cigar Store)

Big Bug 9-19-16

The Big Ledge Copper Development company which is reopening and developing the Henrietta and Butternut properties near Poland and Myer, ten miles south of Jerome, and which really acquired the old Boggs copper smelter at Myer, announces the appointment of A. C. Cole in charge of the smelter which is to be remodelled. Mr. Cole was for years smelter superintendent at Greene-Canaan. The appointment was believed in financial circles to indicate that the Big Ledge is much nearer to the producing stage than had commonly been suspected. When the appointment became broadly known yesterday, and its probable significance was indicated, the stock moved up from $\$3.62\frac{1}{2}$ to $\$4.04\frac{1}{2}$ per share, a new record high.

BRIEF HISTORY: Mr. Soper was working on the gold ores in the Henrietta until the order came out closing gold mines; he then moved over on the lead end in the Gopher and is now aiming to ship lead ores.

REMARKS: This property has possibilities of producing quite a tonnage of lead ores and then it could go into coppers.

(Signed) A. C. Nebeker

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine Big Bug Mine & adjoining claims

Date Nov. 26, 1957

District Yavapai County

Engineer Lewis A. Smith

Subject: Conference with W. Frederick

W. Frederick and Assoc., Prescott Arizona (have option on mines).

Metals; Copper, gold, silver, lead and zinc.

Minerals; Argentite, cerargyrite, galena, Na Silver, Ankerite, Pyrite, Freibergite, Actinolite, Travertine, Arsenopyrite, Marcasite, Diopside, Sphalerite,

Type of Deposit Contact-metamorphic along granite porphyry stock in a schist belt, and in shear zones, near intrusive.

Development: 200-Foot shaft is now reopened and contingent drifts are being repaired by 5 men. Development and exploratory drifts being driven and drilling of shear is under way.

Character of Ore

The ore consist of pyrite and sphalerite with some galena, argentite and arsenopyrite. The ore runs about 2% Copper, with appreciable zinc.

Metallurgically the ore has high alumina, which tends to coat the sulphides and cause a decrease in floatability. Two methods are suggested to decrease the alumina;

(a) Add sink float to the mill before the grinding is entered.

(b) Use of a log-washer, or cone.

This problem also effects filtering. Since the ore is somewhat similar to the Iron King Ore, it was suggested that they confer with their metallurgist who doubtless has had similar problems.

The mill is being rehabilitated and they want to make any changes necessary before producing ore. They appear to have adequate water. They plan to separate both copper and zinc. Tests have indicated that the gold and silver is affiliated with the Copper and zinc Sulphides.

HENRIETTA MINE

Gold, Copper.

About 1 mile northwest of Poland Junction, Arizona.
Owners; H.B. Meadows & Associates; Mayer, Arizona.

Approximate Production in 1947-1948; 15,808 lbs Cu; 40 Ozs. Gold.
There is little or no ore in sight at this time.

In the past the Henrietta was quite a notable gold mine with some copper in the oxidized zone. At depth the primary ore was found to be very low grade.

The present owners are of the opinion that ore can be found in an adjacent vein. A loan for exploration is the first requisite.

October 23, 1950


L. L. Farnham

Big Bug Mine & adjoining claims

Yavapai County

DEPARTMENT OF MINERAL RESOURCES Smith

STATE OF ARIZONA

Conference with W. Frederick FIELD ENGINEERS REPORT

Mine

*. Frederick and Assoc., Prescott Arizona (Date have option on mines).

District

Metals; Copper, gold, silver, lead and zinc.

Engineer

Subject:

Minerals; Argentite, cerargyrite, galena, Na Silver, Ankerite, Pyrite, Freibergite, Actinolite, Travertine, Arsenopyrite, Marcasite, Diopside, Sphalerite,

Type of Deposit

Contact-metamorphic along granite porphyry stock in a schist belt, and in shear zones, near intrusive.

Development: 200-Foot shaft is now reopened and contingent drifts are being repaired by 5 men. Development and exploratory drifts being driven and drilling of shear is under way.

Character of Ore

The ore consist of pyrite and sphalerite with some galena, argentite and arsenopyrite. The ore runs about 2% Copper, with appreciable zinc.

Metallurgically the ore has high alumina, which tends to coat the sulphides and cause a decrease in floatability. Two methods are suggested to decrease the alumina;

(a) Add sink float to the mill before the grinding is entered.

(b) Use of a log-washer, or cone.

This problem also effects filtering. Since the ore is somewhat similar to the Iron King Ore, it was suggested that they confer with their metallurgist who doubtless has had similar problems.

The mill is being rehabilitated and they want to make any changes necessary before producing ore. They appear to have adequate water. They plan to separate both copper and zinc. Tests have indicated that the gold and silver is affiliated with the Copper and zinc Sulphides.

MH-1

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
OWNERS MINE REPORT

Date June 9, 1939

Mine Henrietta

District Mayer

(Big Bug)

Location Mayer

Former name Henrietta

(Big Bug)

Owners H. B. Meadows, E. Fitch, Mrs. Edwards

Address Mayer

Operator

Address

President

Gen. Mgr.

Mine Supt.

Mill Supt.

Principal Metals Gold, silver, copper

Men Employed

Production Rate

Mill: Type & Cap.

Power: Amt. & Type

Operations: Present None

Operations Planned High grading to finance a small mill

Number Claims, Title, etc. 4

Description: Topog. & Geog. Vein cutting through mountain. Can be mined by tunnel for some time. Situated 2 1/2 miles N-W. of Mayer in Big Bug Canyon

Mine Workings: Amt. & Condition Considerable. Good

Geology & Mineralization Decomposed hematite vein carrying considerable free gold

Date June 9, 1933

Ore: Positive & Probable, Ore Dumps, Tailings Shipping ore several 40 ton cars. Mill ore large quantities. Mill ore on dump 400 tons. Value around \$7 per ton

Mine, Mill Equipment & Flow Sheet

Road Conditions, Route Good road runs across end of property

Water Supply Uncertain

Brief History Been high graded for 70 years - 9 cars shipped in years 1933 and 1934. Values between \$28 and \$40 per ton

Special Problems, Reports Filed Shipping reports on 9 cars

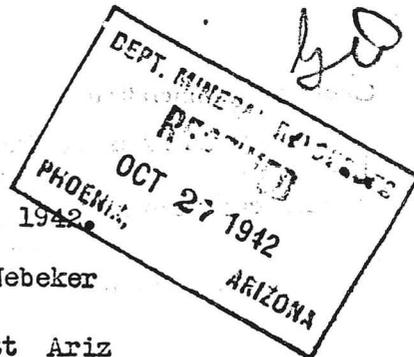
Remarks Am planning to start work on this property by the last of August

If property for sale: Price, terms and address to negotiate. Yes - price \$15,000, terms - small down payment - balance in monthly payments with royalty to apply on purchase price.

Address - Mayer, Arizona

Signed H. B. Meadows

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT



Mine Henrietta-Gopher

District Bigbug

Former name

Owner L. J. Soper

Operator L. J. Soper

President

Mine Supt.

Principal Metals Lead and Silver

Production Rate Just getting started.

Power: Amt. & Type Gasoline Engines

Operations: Present Cleaning up and timbering the Gopher shaft am down now 50 feet. The shaft is on the vein which has a 2 foot thickness and a dip of 72 degrees.

Operations Planned Mr Soper is sinking to the 100 foot level then he expects to drift on the vein toward the old Henrietta vein.

Number Claims, Title, etc. 2 patented claims.

Description: Topog. & Geog. This property is located 5 miles southwest of Humboldt and at an elevation of approximately 5500 feet. The country is rather steep up at the mine but for about 3 miles out from Humboldt rolling hills. Now timber but brush oak and other brushy growth.

Mine Workings: Amt. & Condition In the Henerietta there are several thousand feet of work done in shafts and tunnels. The Gopher has several shafts about 100 feet deep. Some workings are accessable while others are hot.

Geology & Mineralization

The country rock consists of quartz diorite and schists. The schist is massive in the Gopher shaft, and the diorite fine-grained.

The mineralization in the Gopher shaft consists of both sulphide and carbonate of lead in a iron oxide and quartz gangue.

In Henrietta, gold is the most valuable product in oxidized zone.

Ore: Positive & Probable, Ore Dumps, Tailings

The people have not been working long enough to get ore blocked out, but they have saved about ten tons from cleaning down the shaft as far as they have gone. The ore out, now assays lead 49 %, silver 26 Ozs.

Mine, Mill Equipment & Flow Sheet

The hoist and also the compressor are both powered with a gasoline engine. They also have machine drills and mine cars enough for present work and have a mine shop.

Road Conditions, Route

Road is good up as far as the Old MacCabe mine and from there to the Gopher the road is steep and follows a gully which is rough and rocky.

Water Supply No water in the mine as yet.

Brief History Mr Soper was working on the gold ores in the Henrietta until the order came out closing gold mines, he then moved over on the lead end in the Gopher and is now aiming to ship lead ores.

Special Problems, Reports Filed

Remarks This property has possibilities of producing quit a tonnage of lead ores and then it could go into coppers.

If property for sale: Price, terms and address to negotiate.

Signed..... *A.C. Nebeker*
A.C. Nebeker

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
OWNERS MINE REPORT

Date **June 9, 1939**

1. Mine **Henrietta**
2. Mining District & County **Mayer (Big Bug)**
3. Former name **Henrietta**
4. Location **Mayer**
5. Owner **H. B. Meadows, E. Fitch, Mrs. Edwards**
6. Address (Owner)
7. Operator
8. Address (Operator)
9. President
10. Gen. Mgr.
11. Mine Supt.
12. Mill Supt.
13. Principal Metals **Gold, silver, copper**
14. Men Employed
15. Production Rate
16. Mill: Type & Cap.
17. Power: Amt. & Type
18. Operations: Present **None**

19. Operations Planned **High grading to finance a small mill**

20. Number Claims, Title, etc. **4**

21. Description: Topography & Geography **Vein cutting through mountain. Can be mined by tunnel for some time. Situated 2½ miles N.E. of Mayer in big bug canyon.**

22. Mine Workings: Amt. & Condition **Considerable. Good.**

23. Geology & Mineralization

decomposed hematite vein of considerable free gold, large quantities of mill ore on dump 400 tons. Value around \$7 per ton.

24. Ore: Positive & Probable, Ore Dumps, Tailings

Shipping ore several 40 ton cars, Mill ore large quantities, Mill ore on dump 400 tons. Value around \$7 per ton.

24-A Vein Width, Length, Value, etc.

25. Mine, Mill Equipment & Flow Sheet

26. Road Conditions, Route

Good road runs across end of property.

27. Water Supply

Uncertain.

28. Brief History

Been high graded for 70 years - 9 cars shipped in years 1933 and 1934. Value between \$28 and \$40 per ton.

29. Special Problems, Reports Filed

Shipping reports on 9 cars.

30. Remarks

Am planning to start work on this property by last of August.

31. If property for sale: Price, terms and address to negotiate.

Yes - price \$15,000; terms - small down payment - balance in monthly payments with royalty to apply on purchase price.

Address - Mayer, Arizona

32. Signed H. B. Meadows

33. Use additional sheets if necessary.



Hazen Research, Inc.

4601 Indiana Street • Golden, CO 80403

Tel: (303) 279-4501 • Telex 45-860

Fax: (303) 278-1528

September 16, 1993

Mr. Charlie H. Simpson
Henneritta Minerals, Inc.
7749 East Chaparral Road
Scottsdale, Arizona 85253

Re: Characterization Studies of Two Gold Samples
HRI Project 8178

Dear Mr. Simpson:

In response to your visit on August 16, 1993 to Hazen Research, Inc. a project was proposed to characterize two samples of gold-mineralized dump material from a deposit. The objective of the work was to study the response of the samples to recovery of gold by gravity concentration, froth flotation, and cyanide leaching techniques. The preliminary cyanide leaching studies, carbon-in-leach (CIL), were followed by examination of the response of the material to an acid leach to remove soluble copper that would affect cyanide consumption, followed by a conventional cyanide leach (CIL). Details of the study were outlined in a meeting held with you and Mr. Svend E. Hansen, and Mr. D. E. Spiller and Mr. E. H. Bentzen of Hazen, on August 16, 1993. The project was authorized by prepayment of \$2,000. The project budget was later extended by \$205, to cover the costs of copper assays on selected products.

Two samples of material were delivered to Hazen on August 16, 1993. A total of fifteen polyethylene sample buckets of material were received. Eleven of the buckets contained material identified by the client as Brown-Dump material, while four of the buckets contained material identified by the client as Gray-Hilltop material. The samples were assigned Hazen Sample Numbers 46868-1 and -2, respectively, for tracking purposes. Each sample was crushed to pass ten mesh, blended, and a representative portion removed for fire assay determination of gold and silver, and for wet chemical analysis for total and oxide copper content. Sulfide copper contents of the samples were determined by the difference between total and oxide copper content.

Due to the low gold and silver content of the sample identified as Gray-Hilltop material, no beneficiation studies were conducted on the sample. A flowsheet of the treatment of the Brown-Dump sample is shown in Figure 1.

At the end of the studies, the results of the work were forwarded to you by telefax on August 23 and August 27, 1993.

The following summary, conclusions, and recommendations are the result of our studies.

SUMMARY AND CONCLUSIONS

The following summary is based on the studies conducted on two samples of material provided by the client.

1. Each of the samples was stage crushed to pass ten mesh, blended, and a representative portion split for analysis; a two-kilogram portion of each feed sample was removed and provided to the client.
2. Fire assay determinations were conducted on one-assay-ton-sized samples and were conducted in triplicate. The average of the triplicate determinations is reported as the head analysis. The gold content of one of the two samples was high. Due to the low gold content of one of the samples, no copper determinations were conducted on the sample identified as Gray-Hilltop. Table 1 is a summary of the analysis of the two samples.

Table 1

Head Sample Assays

Identification	Au oz/ton	Ag oz/ton	Total Cu %
Brown-Dump	0.182	0.71	0.81
Gray-Hilltop	0.004	0.05	(not analyzed)

3. Ten kilograms of the sample designated Brown-Dump material were ground to a nominal 60 mesh, with 80% passing (P_{80}) 243 microns, and treated on a Deister shaking table. The Deister concentrate was further upgraded by re-treatment on a Gemeni shaking table. Products from the gravity concentration studies were assayed for gold, silver, total copper, and oxide copper. Gravity concentration studies conducted on the sample designated Brown-Dump material determined that a portion of the gold could be recovered as a gravity concentrate. After the sample was ground to pass 35 mesh, treatment on the Deister shaking table recovered 79% of the gold and 41%

of the silver into a concentrate that assayed 1.5 ounces of Au per ton, and 2.23 ounce of Ag per ton. Further upgrading of the Deister shaking table concentrate on the Gemeni table increased the grade to 35.7 ounces of gold per ton and 21.1 ounces of silver per ton. However, the recoveries were reduced to only 48.4% in the case of the gold and 10.0% in the case of the silver. Details of the gravity concentration studies are presented in the appendix as Shaking Table Test 1.

4. A one kilogram sample of Brown-Dump material was ground to a nominal 270 mesh, with a P_{80} of 59 microns, and subjected to froth flotation. The collector reagents employed were selected to recover free gold, iron sulfides, copper sulfides, and oxide copper compounds. Products from the froth flotation test were assayed for gold, silver, total copper, and oxide copper. Table 2 summarizes the results obtained by the froth flotation test, while details of the test are presented in the appendix as Flotation Test 1.

Table 2
Summary of Froth Flotation Results

Product	Analysis				Percent Distribution		
	Weight %	Gold oz/t	Silver oz/t	Copper %	Gold	Silver	Copper
Feed (calculated)	100.0	0.215	0.72	0.74	100.0	100.0	100.00
Rougher Concentrate	12.1	1.45	4.33	4.77	81.6	73.0	77.6
Rougher Tailing	87.9	0.045	0.22	0.19	18.4	27.0	22.4

5. A one-kilogram sample of Brown-Dump material was ground to a nominal 270 mesh, with a P_{80} of 59 microns, and subjected to carbon-in-leach (CIL) rolling-bottle cyanide leaching for 72 hours at a pH above 9.5, with an initial cyanide concentration of five grams per liter. During the leaching operation samples of the pulp were analyzed for dissolved oxygen content, pH, and free cyanide content. At the end of 72 hours, the pulp was filtered, washed, dried, and weighed. Products from the CIL cyanide leaching test were assayed for gold, silver, total copper, and oxide copper. Table 3 summarizes the results obtained by the CIL cyanide leaching test, while details of the test are presented in the appendix as Cyanidation Test Report 2127-101.

Table 3
Summary of CIL Cyanide Leaching Results

Product	Analysis			Percent Distribution		
	Gold oz/t	Silver oz/t	Copper %	Gold	Silver	Copper
Feed (calculated)	0.200	0.71	N/A	100.0	100.0	100.0
Solutions				99.0	69.0	29.6
Leached Tailing	<0.002	0.22	0.57	1.0	31.0	70.4

In order to maintain a pH above 9.5, approximately four pounds of CaO were required per ton of leach feed. However, the leaching reactions consumed 16 pounds of NaCN per ton of leach feed. Overall extraction of gold and silver from the ground material was excellent.

6. In an effort to reduce the consumption of cyanide during the CIL leaching operations, another leaching test was conducted. A one-kilogram sample of Brown-Dump material was ground to a nominal 270 mesh, with a P₈₀ of 59 microns, and subjected to an acid leach with ten-grams-per-liter sulfuric acid. After 48 hours of acid leaching, the pulp was filtered, the solids sampled, and the remainder of the solids subjected to carbon-in-leach (CIL) rolling-bottle cyanide leaching for 48 hours at a pH above 9.5, with an initial cyanide concentration of five grams per liter. During the leaching operation samples of the pulp were analyzed for dissolved oxygen content, pH, and free cyanide content. At the end of 48 hours, the pulp was filtered, washed, dried, and weighed. Products from the CIL cyanide leaching test were assayed for gold, silver, total copper, and oxide copper. Table 4 summarizes the results obtained by the CIL cyanide leaching test, while details of the test are presented in the appendix as Cyanidation Test Report 2127-101.

Table 4
Summary of CIL Cyanide Leaching Results

Product	Analysis			Percent Distribution		
	Gold oz/t	Silver oz/t	Copper %	Gold	Silver	Copper
Feed (calculated)	0.200	0.71	N/A	100.0	100.0	100.0
Solutions				97.8	70.7	22.2
Leached Tailing	<0.002	0.22	0.57	2.2	29.7	77.8

In order to maintain a pH below 3.0, approximately 58 pounds of H₂SO₄ were required per ton of leach feed. In order to increase and maintain a pH above 9.5, approximately 105 pounds of CaO were required per ton of leach feed. The leaching reactions consumed 5.2 pounds of NaCN per ton of leach feed. Overall extraction of gold and silver from the ground material was still excellent.

On the basis of the limited studies conducted on the one sample studied, there is sufficient evidence that the material can be upgraded by either gravity or flotation to produce a bulk concentrate for shipment to a tolling smelter. Beneficiation of the feed material by gravity concentration or froth flotation will reduce the amount of material that has to be shipped to the smelter. For the highest recovery of gold and silver, fine grinding followed by cyanide leaching with carbon-in-leach will be required. However, CIL processing plants are generally more capital-intensive than gravity or even froth flotation plants.

RECOMMENDATIONS

Based on the limited studies conducted to date, the following continued work is recommended.

1. The economics of producing a bulk copper/gold/silver concentrate for custom smelting will be greatly influenced by the credits paid and penalties assessed on custom concentrates. Therefore, a survey should be conducted to determine the minimum grade of copper concentrate to meet the specifications of a smelter. Additionally, a smelter schedule for the payment of credits and penalties should be obtained.

Mr. Charlie H. Simpson
Henneritta Minerals, Inc.
September 16, 1993
Page 6

2. A bulk sample of material should be processed by grinding and processing on a spiral concentrator to determine if a rougher concentrate, with high recovery, can be generated. The rougher concentrate should then be processed on a shaking table, followed by re-treatment on a Gemeni table to determine if a direct-smelt gold concentrate can be produced.
3. Column leaching tests should be undertaken to investigate the potential for recovery of the gold and silver values by low-cost heap leaching techniques.

With this letter, Hazen has completed the studies authorized. Hazen will package the sample material remaining, gravity tailings, flotation products, leach tailings, and assay pulp rejects, and make them ready for shipment back to you, or to another location designated by you. Disposal of samples after the studies is the responsibility of the client, as outlined in our proposal.

After you have had an opportunity to review the data contained in this report, Hazen would be pleased to discuss any questions you may have. We will be pleased to provide Henneritta Minerals, Inc. with a proposal to continue the studies as recommended above. We appreciate the opportunity to work with you on this interesting project, and look forward to continued cooperation.

Sincerely,



Edwin H. Bentzen III
Project Manager

EHB/tu

Enclosures

x.c.: D. Erik Spiller, Hazen
John Gathje, Hazen

**Sample Treatment Flowsheet
Heneritta Minerals, Inc.**

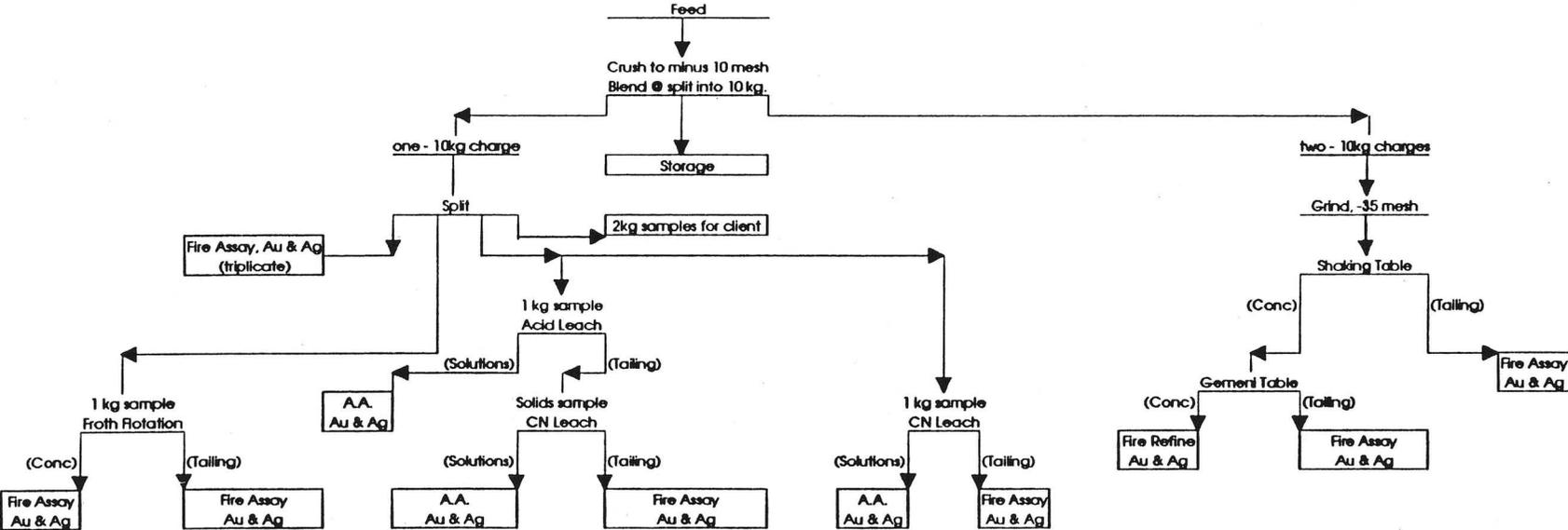


Figure 1

**Appendix
Sample Description and Preparation:**

**Project No: 8178
Date: 16-Aug-93**

HRI Sample No: 46868-1
Client's Identification: Brown-Dump sample
Date Received: August 16, 1993
Sample Weight: Approximately 500 pounds
Container: Eleven 5-gallon plastic buckets

Method of Preparation: The sample material was crushed to pass 10 mesh, blended and three 10 kg sample charges were split charges for later study. One portion of the split material was further split for flotation and leaching studies. Two 10 kg portions were employed for the preliminary shaking table separation studies. A head sample was removed from one bag. The head sample was pulverized to pass 100 mesh and submitted for determination of gold, silver, and total and oxide copper in triplicate. The sulfide copper content was then calculated.

Chemical Analysis:

	<u>Au</u> <u>oz/ton</u>	<u>Ag</u> <u>oz/ton</u>	<u>Total Cu</u> <u>%</u>	<u>Oxide Cu</u> <u>%</u>	<u>Sulfide Cu *</u> <u>%</u>
Sample 1	0.238	0.69	0.92	0.17	0.75
Sample 2	0.161	0.69	0.77	0.18	0.59
Sample 3	0.147	0.74	0.73	0.18	0.55
Average	0.182	0.71	0.81	0.18	0.63

* Sulfide copper calculate by difference between total and oxide copper.

**Appendix
Sample Description and Preparation:**

Project No: 8178
Date: 16-Aug-93

HRI Sample No: 46868-2
Client's Identification: Gray-Hilltop sample
Date Received: August 16, 1993
Sample Weight: Approximately 100 pounds
Container: Four 5-gallon plastic buckets

Method of Preparation: The sample material was crushed to pass 10 mesh and blended, and three 10 kg sample charges were split charges for later study. A head sample was removed from one bag. The head sample was pulverized to pass 100 mesh and submitted for determination of gold and silver.

Chemical Analysis:

	<u>Au</u> <u>oz/ton</u>	<u>Ag</u> <u>oz/ton</u>
Sample 1	0.003	0.05
Sample 2	0.005	0.04
Sample 3	0.004	0.05
Average	0.004	0.05

* Sulfide copper calculate by difference between total and oxide copper.

Andrew J. Zinkel

REGISTERED MINING ENGINEER

1602 N. CAMPBELL ST.
PRESCOTT, ARIZONA 86301
PHONE 445-5763

HENRIETTA MINE

Introduction:

On February 2, 3 and 5, 1984, this author made examinations of the Henrietta mine and the milling equipment, all located near Poland Junction, Arizona in the central portion of that state. These examinations were at the request of John Christensen, one of the leasers and purchasers of this mine and the equipment.

Summary and Recommendations:

Mr. Christensen and his associates have acquired these patented claims and mill site on a lease and option basis. They have already purchased this mill equipment which has been appraised at five hundred thousand (\$500,000.00) dollars, and it is on the property ready to be put into the mill circuit.

The Henrietta mine is in the pre-Cambrian metamorphic complex characteristic of the Bradshaw Mountain Range. The Henrietta vein is over one (1) mile in length and has a width averaging five (5) feet.

This vein and a spur vein, the Invincible vein, have had intermittent production since 1883. It is developed by one five hundred (500') foot shaft and five to six thousand (5000' to 6000') feet of drifts. Most of the past production was high-grade gold-silver ore out of the upper oxidized portion of the veins.

During the development and production life of this mine many thousands of tons of mill ore was stacked at the portals of the three adits. It is this tonnage that Mr. Christensen is planning to process in a gravity-flotation circuit to get this program on a cash basis. One of the dumps has been sampled and the tonnage estimate at 20,000 tons of ore that will exceed fifty (\$50.00) dollars per ton in gold and silver value. Initial metallurgical work indicates a recovery of 75% to 80% on this dump material.

Excavation of the mill site and installation of equipment is ready to begin and Mr. Christensen estimates approximately three months to have the mill processing up to two hundred (200) tons per day.

Henrietta Mine

Page 2

This writer estimates a total operating cost of approximately \$12.00 per ton, leaving an operating profit of twenty-five to thirty (\$25.00 to \$30.00) per ton.

The longer range program includes processing additional dump tonnage which is available, and using the profit of the milling operation to reopen the tunnels on these two veins.

Information available from past producers and the owners suggest an ore reserve in excess of one hundred fifty thousand (\$150,000) tons of mineable grade gold and silver ore.

An estimated cost of fifty-thousand dollars (\$50,000.00) will be needed to install the mill and furnish enough operating capital to put this project on a cash flow basis.

It is my recommendation that the investors provide that amount to complete this initial milling program.

Property and Ownership:

The Henrietta group of claims comprise 3 patented claims and one patented 5 acre millsite. These claims are fee land and taxed by Yavapai County, Arizona.

The claims are located in Section 31, R1E, T13N in Yavapai County, Arizona. The claims are reached by turning off Highway 69 at Poland Junction, located midway between Mayer and Humboldt, Arizona. This junction is some 22 miles east of Prescott, Arizona. A gravel road, maintained by the county, proceeds westward for 1-1/2 miles to the Henrietta mine (see attached topo map, Appendix I).

These claims are owned by William Petersen of Cordes Junction, Arizona. They have been acquired by John Christensen and his group on a lease and option basis.

Climate, Topography:

This property is on the eastern flank of the Bradshaw Mountain Range of Central Arizona. The elevation at the mine is 5200 to 5700 feet with moderate relief. The vegetation is typical oak brush and manzanita bush, characteristic of this elevation in the high desert area. The winters are moderate with some freezing at night, but year around operations have been carried on at all mines in this area. Rainfall is approximately 12 to 15 inches per year with some as snowfall in the winter months.

Henrietta Mine

Page 3

History of Previous Production:

The information used here is from the records of the Arizona Department of Mineral Resources. Copies of this data are attached (Appendix II).

Briefly, the production history of this mine dates back to 1883 when it was operated for a year or two. Production resumed in 1907 through 1910, then again in 1913 through 1919. Additional shipments were made in 1926 and 1930.

During the productive periods of this property, several mills were operated on the property and mine dumps accumulated many tons of mill grade ore at the portals. It is these dumps that the present operator is planning to mill with a gravity-flotation circuit, as the initial phase in his overall production plans to develop his cash flow.

Local Geology:

This area of the Bradshaw Mountain Range is a complex of pre-Cambrian metamorphic rocks consisting of schists, granites, diorite porphyrys and undifferentiated granite and schist. The granite and diorite porphyry were intruded into the Yavapai schist series.

There are two veins within these claims, the Henrietta vein which strikes $N10^{\circ}-12^{\circ}E$ and dips westerly at 72° , and the Invincible vein, a spur which strikes $N30E$ and dips at 68° to the west.

These veins are fissure veins in the granite, or along the strike on contact between the granite and the diorite porphyry. The Henrietta vein varies in width from three feet (3') to six feet (6') and the Invincible has widths from two feet (2') to four feet (4').

Both veins have been highly altered with alteration extending into the granite footwall and the hanging wall. The minerals contained in this quartz vein are pyrite, chalcopryrite, galena and minor showings of sphalente, in addition to the gold and silver. Most of the past production has been out of the oxide zone of this vein.

Based on the past production and records of numerous samples taken from these veins, the ore will vary in grade from 0.25 to 1.25 ounces of gold, and from 1.0 ounces of silver to 3.0 ounces of silver.

The Henrietta vein structure has been developed along a strike length of approximately one mile and to a depth of 500 feet at the old shaft.

Henrietta Mine

Page 4

The attached longitudinal section of the mine shows it had been stoped on all levels down to the 400 foot level, which indicates sufficient values in the primary sulphide ore zone, as well as high grade ore in the oxide zone. The oxide zone appears to be usually deep, extending down to the 200 foot level and below (Appendix III).

Dumps:

Over the past production period, considerable development vein material has been stacked at the adits of the upper and lower tunnels and at the Invincible vein. Some preliminary sampling has been conducted on all these dumps.

Mr. Christensen has thoroughly sampled what is designated as the primary dump. Utilizing a backhoe, he has taken 10 samples from this dump. These samples contained a minimum of 50 pounds per sample. Other dumps have not been as well sampled or measured for tonnage as he intends to start his milling operation from the dump material on this primary dump.

The 10 samples from this dump were fire assayed at the Iron King Assay office at Humboldt, Arizona, by Walter Statler, a registered fire assayer. Attached is a copy of these assays (Appendix IV).

Arithmetic averaging these samples results in a value of 0.169 ounces of gold and 0.127 ounces of silver per ton. At the present price of gold at \$380.00 per ounce, this calculates to better than \$60.00 per ton. However, this author usually discounts ten percent to fifteen percent (10 to 15%) for inaccuracy of mine dump sampling, which, to be ultra conservative, would reduce the dump material to a value of approximately fifty to fifty-five (\$50.00 to \$55.00) per ton.

Rough surveying, by pacing, of this dump leads to an estimate of 20,000 tons of millable material in this dump.

The dump at the upper level and an additional dump on the lower level, plus a small dump at the Invincible adit, indicate an additional tonnage in excess of 100,000 tons of dump material. However, these dumps have not been sampled to determine values, although the mineralization exposed on these dumps is similar to that in the primary dump.

Milling and Metallurgy:

Mr. Christensen has acquired a complete used mill capable of processing 200 to 240 tons per day. The mill is dismantled and is on the Henrietta property at this time.

Henrietta Mine

Page 5

Some preliminary metallurgical test work has been carried on, indicating that a circuit incorporating gravity and flotation would recover seventy-five to eighty (75% to 80%) of the values. At the present time more detailed metallurgical test work is underway.

Mr. Christensen has already completed a portion of the mill site excavation work and is putting all the equipment into top operating condition, with about 50% of the equipment ready to operate.

Attached hereto is a list of the milling equipment which has been appraised at a value of over five hundred thousand (\$500,000.00) dollars (Appendix V).

This mill equipment can be erected and ready to operate in three months. Mill site excavation and tailing pond preparation are under construction now.

Flow Circuit:

The flow sheet will be standard for this type of milling. The primary dump ore will be transported by a rubber-tired loader, a distance of approximately two hundred to three hundred (200' to 300') to a crude ore bin with a capacity of 20 tons. A feeder will move the ore to the jaw crusher which will crush the ore to minus (-1/2") one-half inch. The ore will then go over a vibrating screen which will separate on a 60 mesh screen. The minus 60 mesh ore will be fed by conveyor to a Deister concentrating table (Appendix VI).

The plus 60 mesh ore will go to an impact mill and through this mill into the ball mill. The tailings from the Deister table will also be fed directly into the ball mill. The concentrates from the Deister table will be combined with the flotation concentrates.

The ball mill will operate in a closed circuit with a Denver Equipment Co. rake classifier. The classifier overflow will be fed into a three (3) cell flotation unit. The tailings will go to the tailings pond and the concentrates will be combined with the table concentrates, either for further processing or for shipping to a smelter or refinery.

Mr. Christensen is assembling a hydrometallurgical processing plant to treat these concentrates, although shipping to a refinery may be considered initially.

Operating Costs & Profits:

Mr. Christensen is estimating the direct operating cost at less than eight (\$8.00) dollars per ton. Indirect costs will add another four (\$4.00) dollars per ton for a total cost estimate not to exceed twelve (\$12.00) dollars per ton.

Henrietta Mine

Page 6

Direct costs include labor, fuel power, water, payroll taxes, supervision and supplies. Indirect costs include property payments, property taxes, telephone, travel and other miscellaneous items.

Taking the conservative approach that the ore will average 0.15 ounces of gold per ton and 0.10 ounces of silver per ton, a value at today's price of \$55.00 is realistic.

Allowing for only a 75% recovery through the mill circuit, a gross recovered value of \$40.00 per ton can be expected. Assuming a cost figure of \$12.00 per ton, a profit of \$28.00 per ton should then be realized.

The test work has not as yet been completed which will determine the ratio of concentration and the daily capacity of this circuit. However, the preliminary work indicates a ratio of approximately 20 to 1 and a daily capacity of 200 tons per 24 hour day.

Water & Power:

Water is presently flowing out of the lower tunnel at the Henrietta mine at a rate Mr. Christensen has measured at 50 gallons per minute, which is sufficient, along with the recirculated water from the tailings pond to handle the 200 ton per day capacity of the mill. This water is being tested for reaction to flotation reagents as part of the present test work on the metallurgy.

Two sources of power are available to run the milling plant. The Arizona Public Service Co. has a transmission line that crosses the lower end of the Henrietta property. Mr. Christensen has discussed the installation of transformers with this company and he has also requested a rate figure from them.

However, he has sufficient diesel generator capacity included in his mill equipment to use this generating unit to supply the power to his mill.

He can determine his choice after Arizona Public Service supplies their cost and rate figures.

Ore Reserves:

As all portals to the mine are caved at the entrances, it is not possible to enter and sample along the veins underground, so any estimate of ore reserves must be arrived at from historical data and a study of the longitudinal sectional map of the mine.

Henrietta Mine

Page 7

The source of the following data is unknown, but appears in the Arizona Department of Mineral Resources data, and is listed as follows: (Appendix VII)

- 1. Ore above the lower tunnel... *Oxides*... 36,000 tons
- 2. Ore below the lower tunnel... *!!*... 75,000 tons
- 3. Invincible Vein good ore... *!!*... 75,000 tons
- 4. Ore below mine's 600 level... *Sulfides*... unlimited potential

Assay Data:

<u>Location</u>	<u>Type</u>	<u>Au</u>	<u>Ag</u>
Sample pt. (Avg. of 4)	4' face	0.362	0.15
Sample pt. (Avg. of 3)	18" ore	1.380	2.09
Ore shoot (Avg. of 10)	3" ore	0.215	1.108
Invincible vein - surface	3" across	0.300	0.92
Invincible vein - surface	4" across	0.258	1.60

A study of the sectional map seems to justify the tonnage as credited above, and this writer finds no difficulty in assuming the tonnages and values are acceptable.

Some indication that the ore occurs in lenses that pitch steeply to the north is worth noting from the position of the stopes in the sectional map, especially the notation of the ore chute on that map.

Future Plans

This Henrietta mine program, as Mr. Christensen has planned it, is outlined in three phases:

- (1) Proceed with milling the 20,000 tons of ore on the primary dump to develop a cash flow.
- (2) Sample and survey tonnages on the other dumps at the Henrietta property for continued operation of the mill when the reserve at the primary dump has been processed.
- (3) Open up the upper and lower tunnels of the Henrietta and also open up the Invincible vein to determine ore available from underground for future production.

The cash flow developed by milling the primary dump should provide the financing to proceed with the other two objectives of his overall program.

Andrew J. Zinkl

Andrew J. Zinkl
Registered Mining Engineer
Arizona #2523



February

Andrew J. Zinkl

REGISTERED MINING ENGINEER

1602 N. CAMPBELL ST.
PRESCOTT, ARIZONA 86301
PHONE 445-5763

CERTIFICATE

I, Andrew J. Zinkl, DO HEREBY CERTIFY:

- (1) That I am a consulting mining engineer with business office at 1602 North Campbell Avenue, Prescott, Arizona 86301.
- (2) That I am a graduate of the New Mexico Institute of Mining and Technology, Bachelor of Science degree - 1939.
- (3) That I am a registered Engineer (Mining) in the State of Arizona. That I am a member of the American Institute of Mining and Metallurgical Engineers.
- (4) That I have practiced my profession as a mining engineer for 45 years.
- (5) That the contents of this report are my opinions based on my personal observations at the Henrietta property on February 1, 2 and 3, 1984, in the company of John Christensen one of the participants in this project. I have also reviewed the published maps and reports on this property.
- (6) That I own no interest in the Henrietta claims, nor do I have, nor expect to have, any interest in shares or securities in this project.

Andrew J. Zinkl

Andrew J. Zinkl
Registered Mining Engineer
Arizona # ~~2523~~
2523

Dated at Prescott, Arizona this 8th day of February, 1984.



msc
also

COPY

January 4, 1997

The report is furnished to the
archives of the Argona Department of
Mineral Resources. It is for information
only and may not be reproduced, published,

REPORT OF FINDINGS

HENRIETTA MINE

as referred to in the above written
summation of the author when the
preparation of the report.

PREPARED FOR:

ROBERT GRILL, TRUSTEE

Earl E. Runte

3

DAN HAWKINS

On November 21, 1996 Dan Hawkins
and Mr. R. Griffiths from Contract
with the mine agreed to prepare a
report on the value of ore reserves in
the mine. The mine is owned and operated
by Mr. R. Griffiths and his partners.

To make enquiry and form opinion
Dan and Hawkins have referred to
the report and as of this date
accept the report and as of this date
refuse to pay for professional services
rendered from the report. Dan Hawkins may
properly

PREPARED BY: EARL E. RUNTE, CONSULTANT

January 4, 1997

Earl E. Runte
DECEMBER 1996

MINERAL MANAGEMENT ASSOCIATES

Earl Edward Runte - Lead Associate

Consultant*Expert Witness*Resource Developer

MMA Experts Consult in All Disciplines of

Mining*Environment*Soil Amendment

Mr Robert Grill, Trustee For Henrietta Properties
Mr Dan Hawkins
2765 N Scottsdale Rd. Suite 104-121
Scottsdale Az. 85257

Dec 20, 1996

Re: Henrietta Mine

Gentlemen:

In response to your authorization signed November 21, 1996, I have conducted the required inspection, gathered the necessary data, and made certain analyses that has enabled me to form an opinion of the INVESTMENT VALUE of the alleged ore deposits/reserves associated with the above described property.

I understand the purpose of my report is to establish a CURRENT VALUE of the ore deposit/reserve as well as the FUTURE VALUE of that reserve. This report may be used for the purpose of obtaining or securing financing.

I have personally inspected the property and made sufficient inquiries from knowledgeable persons, governmental agencies, and corporations to form an opinion as is outlined in this report.

Based on my inspection and analysis undertaken, I have formed the opinion that as of December 20, 1996, and subject to the premises, assumptions, and limiting conditions set forth in the report, the subject property does not contain sufficient ore both in quality and quantity to be able to determine any appreciable INVESTMENT VALUE as outlined in this report.

This opinion is supported by other experts and has been the opinion of experts dating back to 1917 and the more recent exploration activity in the vicinity. If further data can be obtained by additional exploration or a unique process of beneficiating the KNOWN and/or INDICATED reserves that may appear to be present, we will review that data and make any adjustments that are reasonably possible.

The report that follows identifies the SUBJECT PROPERTY, sites the data used, and sets forth the analyses that serve as a basis for my conclusions.

Respectfully submitted,

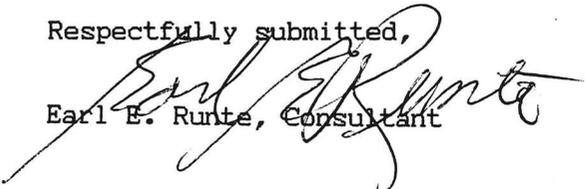

Earl E. Runte, Consultant

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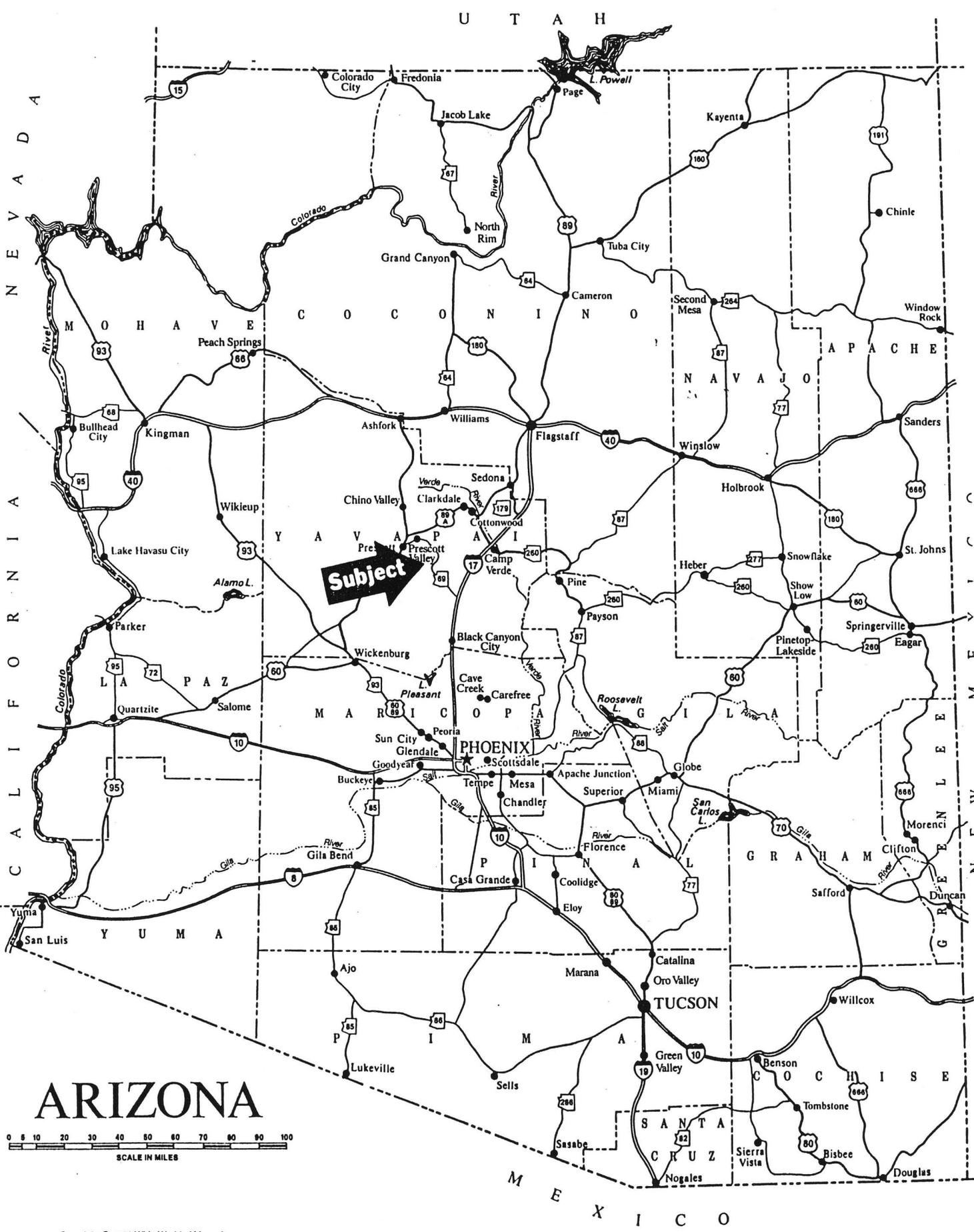
PART IV-PHOTO SECTION

PART I-INTRODUCTION

The SUBJECT PROPERTY is located approximately 22 miles east of Prescott, Arizona and 1.5 miles ENE of Poland Junction, Arizona. THE property is in Township 13N, R1 East, Sections 31&32, Poland Junction Quadrangle, Big Bug Mining District

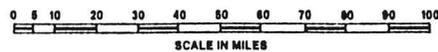
Access is provided by 1.6 miles of well maintained gravel road, leaving Az Highway 89 approximately 4 miles north of Mayer at the Poland Junction turn off, to the Henrietta Mine Road then .25 miles to the claim group.

LOCATION AND AREA MAPS



Subject

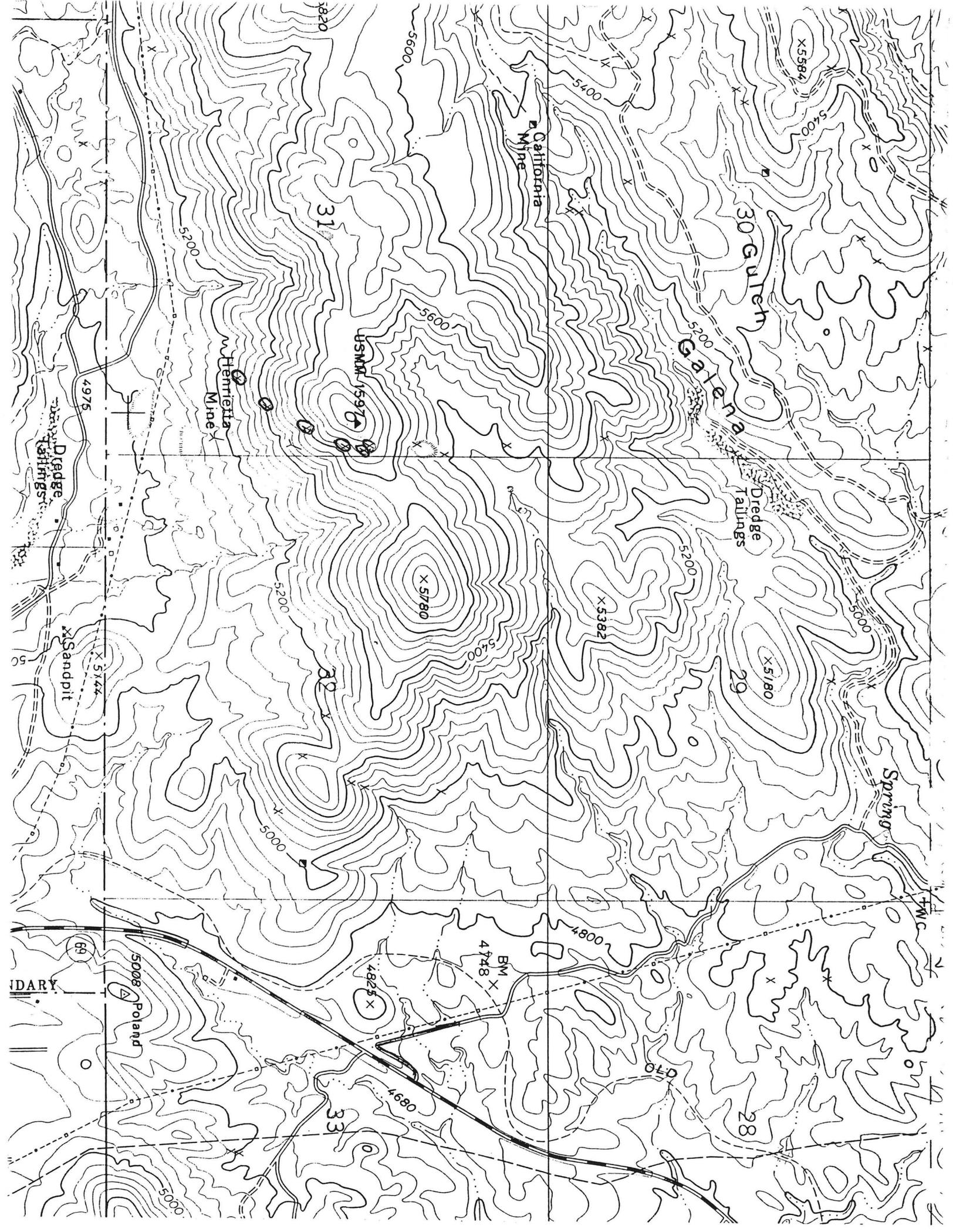
ARIZONA



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ITEM NO. 90810



California Mine

Henrietta Mine

Dredge Tailings

Spring

Dredge Tailings

BOUNDARY

5008 Poland

31

30

32

29

33

28

USMMA 1597

X 5760

X 5382

X 5180

X 5584

4975

X 5144

X 4825

BM X 4748

4894

4800

OLD



STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

1. NO RESPONSIBILITY IS ASSUMED FOR THE LEGAL DESCRIPTION OF SUBJECT PROPERTY FOR MATTERS INCLUDING LEGAL OR TITLE CONSIDERATIONS. TITLE TO THE PROPERTY IS ASSUMED TO BE GOOD AND MARKETABLE UNLESS OTHERWISE STATED.
2. THE PROPERTY IS FREE AND CLEAR OF ANY AND ALL LIENS OR ENCUMBRANCES UNLESS OTHERWISE STATED.
3. RESPONSIBLE OWNERSHIP AND COMPETENT MANAGEMENT OF THE PROPERTY ARE ASSUMED.
4. THE INFORMATION FURNISHED BY OTHERS IS BELIEVED TO BE RELIABLE. HOWEVER, NO WARRANTY IS GIVEN FOR ITS ACCURACY.
5. ALL ENGINEERING IS ASSUMED TO BE CORRECT. THE PLAT PLANS AND ILLUSTRATIVE MATERIAL IN THIS REPORT ARE INCLUDED TO ASSIST THE READER IN VISUALIZING THE PROPERTY.
6. IT IS ASSUMED THAT THERE ARE NO HIDDEN OR UNAPPARENT CONDITIONS OF THE PROPERTY, SUBSOIL, MINERAL DEPOSITS, OR INFRASTRUCTURE THAT RENDER IT MORE OR LESS VALUABLE. NO RESPONSIBILITY IS ASSUMED FOR SUCH CONDITIONS OR FOR ARRANGING FOR ENGINEERING STUDIES THAT MAY BE REQUIRED TO DISCOVER THEM.
7. IT IS ASSUMED THAT THERE IS FULL COMPLIANCE WITH ALL APPLICABLE FEDERAL STATE AND LOCAL ENVIRONMENTAL REGULATIONS AND LAWS.
8. IT IS ASSUMED THAT ALL APPLICABLE ZONING AND USE REGULATIONS AND RESTRICTIONS HAVE BEEN COMPLIED WITH.
9. IT IS ASSUMED THAT ALL REQUIRED LICENSES, CERTIFICATES, CONSENTS, OR OTHER LEGISLATIVE OR ADMINISTRATIVE AUTHORITY FROM LOCAL, STATE, OR NATIONAL GOVERNMENT OR PRIVATE ENTITY OR ORGANIZATION HAS OR WILL BE OBTAINED OR RENEWED FOR ANY USE OF THIS PROPERTY.
10. IT IS ASSUMED THAT THE UTILIZATION OF THE PROPERTY WILL REMAIN WITHIN THE BOUNDARIES OF THE CLAIMS/MILL SITE AND THAT THERE IS NOT NOW OR WILL THERE BE IN THE FUTURE, ANY ENCROACHMENT.
11. POSSESSION OF THIS REPORT, OR A COPY THEREOF, DOES NOT CARRY WITH IT THE RIGHT OF PUBLICATION. IT MAY NOT BE USED FOR ANY PURPOSE BY ANY PERSONS OTHER THAN THE PARTY (IES) TO WHOM IT IS ADDRESSED WITHOUT THE WRITTEN CONSENT OF THE AUTHOR, AND IN ANY EVENT ONLY WITH PROPER WRITTEN AUTHORIZATION AND ONLY IN ITS ENTIRETY.
12. IN EVENT OF ANY DISPUTE BETWEEN THE AUTHOR AND ANY OF THE PARTIES RECEIVING THIS REPORT, EACH SHALL REGISTER THE COMPLAINT IN WRITING AND PROVIDE THAT COMPLAINT BY MAIL OR FAX WITHIN TEN DAYS TO THE OTHER PARTIES.

ACCEPTANCE OF THIS REPORT IN HAND IMPLIES ACCEPTANCE OF THE CONTENTS AND IN THE EVENT THERE IS A DISPUTE AS TO PAYMENT OR THE CONTENT OF THE REPORT THE COMPLAINING PARTY SHALL NOTIFY THE OTHER AS ABOVE. IN ANY EVENT SHOULD A COURT OF LAW OR ARBITRATION FIND AGAINST THE AUTHOR OF THE REPORT THE TOTAL AMOUNT TO BE RECOVERED WILL NOT EXCEED THE FEE PAID FOR SERVICES RENDERED.

SUMMARY OF IMPORTANT DATA

On September 28, 1993 KEN and SONJA GRAHAM conveyed their interest in the SUBJECT PROPERTY to Henrietta Mines of Tempe, Az. by QUITCLAIM DEED. This Deed was recorded in Yavapai County on October 19, 1993 at the request of Robert Grill.

The interest conveyed is described in the Deed as--"Patented land and mineral claims known as Yankee Girl, Invincible, and American Flag Lode Mining Claims, and that portion of the Henrietta Mill Site, further described as Parcel 1 & Parcel 2 in the Addendum to Quit Claim Deed and made a part hereof."

There is a question on the survey of the mill site. Some of the appraisers assign an acreage of 48+ which would include a mill site that was mapped very early on. The Addendum mentioned above seems to describe the mill site as part of the Trinity Claim and since that is where the mill pond and some of the equipment is located, I tend to accept that as the mill site. However, this reduces the actual acreage to something over 44.

Since there is obviously no intent to take ore from either mill site it is not the concern of this author but is noted.

On January 17, 1995, First American Title Insurance Agency, Prescott, Az. Issued a Limited Realty Report on this property. This report simply recites the same information contained in the Addendum and some tax notes. IT DOES NOT IN ANY WAY INSURE TITLE.

This author has not been asked to comment or evaluate the buildings and equipment on the SUBJECT PROPERTY.

The conclusion of the experts who developed this report is that there is insufficient evidence of ECONOMIC ORE RESERVES to assign a value.

REFERENCES

SOURCES OF DATA:

Previous reports ordered by owner and prepared by two

Consultant/Appraisers

Records, reports, and data from the archives and files of the Mineral Resources Department, State of Arizona.

Records of John Rud, Geologist.

Records and knowledge of the Mining District in the files of the author.

CONSULTANTS AND TECHNICAL ADVISORS:

Primary Consultant; John Rud MS-Geologist.

Others: H. Mason Coggin, PE & LS Director, State of Arizona,
Department of Mines and Mineral Resources

Ted Holmes, Geologist and mine constructions specialist.

Frank Montonati, mining contractor

Mr Parks--contact of John Rud, expert on McCabe

Svend Hansen

Charlie Simpson, Research Analyst

PART II - ANALYSIS AND CONCLUSIONS

PURPOSE OF THE REPORT

See cover letter .

LEGAL DESCRIPTION

This has already been discussed in brief. A full legal description is contained as an addendum to the Quit Claim Deed but it was not verified and there is no title insurance.

The author spent more than 6 hours with Mr. Svend Hansen walking the entire property to locate monuments and Mineral Survey Markers. We were able to locate and photograph sufficient markers to indentify the claims and mill site and map the waste dumps, tunnel openings and major exploration sites but we are not submitting this as an accurate survey.

AREA DATA

The topography is considered mountainous with terrain typical of North Bradshaws. The area is semi arid with much of the landscape covered with grass and shrubs. The altitude ranges from just above 5200' at the lowest point on the American Flag Claim to about 5600, feet at the North end of Yankee Girl Claim.

The SUBJECT PROPERTY is located in the North part of the Bradshaw Mountains an area that has a history of mining and cattle ranching going back to the late 1860's.

Most mining has ceased with activity confined to mining clubs or "week-enders". From time to time old mines are re-opened when there is a lot of interest in re-working the old mine dumps to recover metals that were missed or overlooked in the past. A considerable amount of money was spent on the adjacent McCabe Claims but that project has been abandoned and is being reclaimed.

At the present time there is a major sand and gravel operation in the wash immediately south of the SUBJECT PROPERTY. This pit is furnishing road bed material for local highway construction and to feed a hot mix plant nearby.

We saw nothing to indicate that any building or landscape stone exists on the SUBJECT PROPERTY.

Other than the nearby small communities which are attracting many new residents the main economic factors are cattle ranching and recreation.

There is little likelihood that the Highest and Best use of the SUBJECT PROPERTY will change in the future.

UTILITIES

Electricity is on the site. There are two drilled wells and water flows from the Henrietta tunnel year round.

TRANSPORTATION

We have already discussed the roads to and on the property. Getting to the property with ordinary vehicles is not a problem but hauling the production from the mine is going to add to the cost of operation. There are no processing facilities in the area.

Although the roads to the mill site can be navigated with a two wheel drive vehicle. Beyond that point the roads are washed out and will need repair. This is not a major expense.

METHODS OF EVALUATION AND NARRATIVE REPORT

EVALUATION OF MINERAL PROPERTIES

A number of books have been written by appraisers and mining engineers describing methods of evaluating mines. Appraisers tend to make the standard appraisal approaches fit a mine---MARKET VALUE. The engineer, on the other hand, tends to deal with the "here and now". He or she has to determine the quality and quantity of the ore body, interpolated the costs of production, reclamation, assay reports and find an average net return per ton of ore mined.

Evaluation of commercial and rental properties is usually accomplished by applying a CAPITALIZATION RATE or a DISCOUNT TABLE to show a diminishing value, obsolescence, or to apply depreciation.

Evaluation of the ore deposit/reserve (in situ) is approached differently. Most evaluating societies now teach that the evaluation of an ore body is "THE PRESENT VALUE OF A WASTING ASSET". This is a simple statement and the procedure really is quite simple although the outcome is still the same---it is the opinion of the evaluator (I prefer the term CONSULTANT) based on the correlation of information developed by the geologist /engineer/equipment specialist/metalurgist /assayer /environmentalist /mineral examiner/government agency. This is then projected into the future for the life of the mine.

The key words are "ESTIMATE" and "OPINION".

Following is a description of the HOSKOLD FORMULA. I have used this method of evaluation for more than twenty years but the formula has been used for nearly a century.

Since part of my assignment has been to review the work done by two Consultant/Appraisers the above will help the reader understand why there is a vast difference in the outcome of the evaluations as done by an appraiser and my report.

Signed:


Earl E. Runte

FROM THE SOCIETY OF MINING ENGINEERS
MINING ENGINEERING
HANDBOOK VOLUME II

HOSKOLD FORMULA

EVALUATION - It is obvious that the net value of a mineral deposit cannot be judged without due consideration of the future life of the mining operation. For example, the engineer determines that a mine has a reserve of 200,000 tons of ore of sufficient recoverable metal content to yield a profit of \$1 per ton (based upon the formula: gross value minus all extraction and miscellaneous costs equals net profit). Therefore, the least net profit it eventually will return is \$200,000.

However, this total ore cannot be taken out overnight and the study thus is concerned with the control of an investment whose principal will not be amortized (with interest) until some time in the future. That is, the eventual worth of the mine is at least \$200,000, but for its present value this figure must be discounted to allow for interest charges which will accrue against the investment during the time necessary to obtain the ore from the mine.

The calculation is based upon the equation:

$$P = \frac{A_n}{(1+r)^n}$$

where P = present value, A = amount of the future value (i.e., \$200,000), n = number of years (or production time), and r = rate of interest.

With this formula the present value of a property, as based on the amount of the ore in reserve, can be calculated.

However, in addition to this present ore worth, the buildings, machinery, equipment and supplies necessary for the operation will have an intrinsic salvage value at the end of the discount period. Coupled with this may be real estate, timber resources, water rights and other possible supplementary valuable items. These elements affect the total appraisal of the present worth of the mineral-bearing property and the basic equation (commonly identified as the "Hoskold Formula") then becomes:

$$P = \frac{A_n}{(1+r)^n} + \frac{S}{(1+r)^n}$$

where S = salvage value plus extraneous resource value, if any, as discounted over the life (production time) of the mine.

"INVESTMENT VALUE" DESCRIBED

The client has instructed that an INVESTMENT VALUE of subject property be estimated.

The description of INVESTMENT VALUE IS: *"The value of an investment to a particular investor, based on his or her requirements, as distinguished from MARKET VALUE, which is impersonal and detached."*

In the case of the SUBJECT PROPERTY, the INVESTMENT VALUE would be that of a mining property (metal) to be operated by a mining company.

In estimating the value of land utilized as a mine it is necessary to note that the cost of land is typically a small portion of the total business cost. A mining operation requires a large investment in equipment. The miner also must be prudent in planning costs of excavation, environmental protection and the final destination of the ore or concentrate.

Since the "INVESTMENT VALUE" is based on a singular use property with its' own unique values the depreciation of the mine can be spread over many years, so the investor must plan for sufficient capital and time to recoup the investment.

Note: Most major appraisal societies and accounting firms recognize and teach the "Investment Value" Approach.

EVALUATION OF THE HENRIETTA MINE-THE RUD REPORT

**EVALUATION OF THE
HENRIETTA MINE
Yavapai County, Arizona**

INTRODUCTION

The Henrietta mine is located approximately 22 miles east of Prescott, Arizona and 1.5 miles ENE of Poland Junction, Arizona. The property is situated in Township 13 North, Range 1 East, sections 31 & 32, Poland Junction Quadrangle, Arizona.

Access is provided by 1.6 miles of well maintained gravel road to the Henrietta mine access road then .25 miles to the claim group.

GEOLOGY

The Henrietta mineral claims are underlain by a early proterzoic metavolcanic rock of the Texas Gulch formation. The metavolcanic unit was intruded during the late Cretaceous - early Tertiary time by an intrusion that consists of metaluminous granites and diorites. The intrusion is directly related to the mineralization that occurs in the area. The two veins, Henrietta and Invincible, that crop out within the claim group vary in width from 2ft to 6ft.

The veins are considered to be fissure veins that occur with the granite-diorite contact. The Henrietta veins strikes North 10 degrees East and dips 70 to 75 degrees west. The Invincible veins strikes North 30 degrees East and dips 65 - 70 degrees west.

MINERALIZATION

The historical data indicates the mine was opened in 1866 with workings down to the 50ft level. From 1915 to 1919 the mine was operated by the Big Ledge Copper Company which completed substantial amount of development work and constructed a 100 ton-per-day flotation mill.

Mr. Walter Harvey Weed examined the Henrietta mine when the mine was being operated by the Big Ledge Copper Company. Mr. Weed states in his report dated November 10 -14, 1916 -----“*At the HENRIETTA, there was a 4' vein showing along the drift for a length of approximately 100'. The average value of this ore body was not determined, but if the ore was continuous from one end to the other and extended upwards as far as possibly could be estimate, i.e., to the old stopes, there would be a possibility of approximately 6,000 tons of ore. There is no evidence, however, to show that this ore would, on the average, be of commercial value.*”

The report goes on to state: “*In a few places there are small narrow streaks of high-grade ore. One streak at the bottom of the shaft said by the management to be very rich was only 4” wide.*”

A report on the Henrietta mine by Mr. P.G. Spilisbury, Consulting Engineer. dated February 21, 1923 states: *There were no records presented to show the old workings or the tonnage or grade of ore extracted. No samples were taken and only cursory inspection was possible of underground work. For purpose of this report it is necessary to take the figures suggested by the manager, Mr. Iytzen. He places the “blocked and probable ore” at 71,000 tons in the south ore shoot. What may be expected from the north shoot is entirely a guess, as no figures or measurements are available. ----- A close study of assay maps available showed a very great variation in widths, much of which was far below ordinary stoping possibilities. I believe that values as indicated by the above averages could not be maintained on an extraction basis of 100 tons daily. I do feel safe in assuming that a grade of 3% copper, 2 oz silver and 0.15 oz. Gold could be expected from the block of ground now open.*”

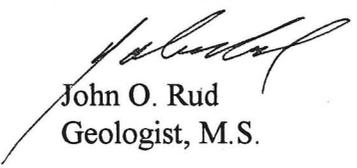
Based on the historical data available, mine reports written when the underground workings were accessible, and geological information from exploration programs conducted in the area it is the opinion of the writer that the Henrietta mine does not have the potential to become a economic mineral producer. Past production data and

geologic reports indicate the higher grades of gold and silver ore was located in the oxidized portion of the vein systems. The precious metal content dropped dramatically when the mine workings entered the sulfide phase of the mineralization.

The historical mine evaluations of the vein systems occurring on the Henrietta mine indicate the veins are narrow, 4 inches to less than six feet, and in most cases the high grade portions of the mineralization occurs in small pockets and stringers. Examinations of the underground workings depicted on the longitudinal section of the Henrietta mine confirm that no extensive and continuous stopes where ever developed in the old workings. The stopes were small with little vertical height which suggests the gold and silver values occurred in small pockets with no continuous mineralization.

In conclusion, the Henrietta mine has precious metal mineralization that occurs in small, erratic stringers and veinlets. The mines in the area have all had ground control problems which would make underground mining an expensive venture. Therefore, I would consider the possibility of making the Henrietta mine into a profitable venture very remote and would recommend no financial investment be made in the development of this property.

Respectfully submitted,



John O. Rud
Geologist, M.S.

NARRATIVE-RUNTE REPORT

NARRATIVE REPORT

Having been retained to review the previous reports on the SUBJECT PROPERTY and then to report on the PRESENT VALUE of the *in situ* ore reserves, I, Earl E. Runte, the undersigned Consultant, hereby report the findings of my investigation and render my opinion of the value of the ore body, in reserve, in the SUBJECT PROPERTY. This report also contains other data that has been considered in arriving at an opinion of value.

THE RUD REPORT

An important part of this report is entitled EVALUATION OF THE HENRIETTA MINE, by John O. Rud MS, Geological Consultant. His report is made a part of my report and I hereby concur with his conclusions.

RUNTE REPORT

I was retained on November 21 and received copies of two appraisals and one update. These appraisals were completed between September of 1995 and September of 1996 by two separate, independent, Consultant/Appraisers. Since I am being critical of these reports I am not going to identify the authors.

The report of September 1995 concludes the value of the SUBJECT PROPERTY at \$393,065,000. The same author did an update on March 3, 1996 and reached basically the same estimate of value.

The second appraiser, working independently, reached the identical value but called it "net income". After discounts of only \$1,965,325 the final "net income" is \$391,000,000 (rounded) and he concludes that this is the "estimated value" of the property. Other figures are introduced in these reports such as an estimate for reclamation. This can not be estimated unless an estimate of the tonnage of ore that will be placed on the ground is concluded. A page is inserted suggesting that modern techniques make this mine a prime candidate for "open pit" operation! ----WILD!!!

I won't comment further. Any appraiser that turns in an appraisal in excess of even \$1,000,000 should automatically have it reviewed by another qualified appraiser.

Narrative continued-

November 21: I began review of the documents and make enquiries to establish a basis to work from. I met with Bob Grill and Charlie Simpson on November 25 to discuss his method of processing ore. I will comment further on the Simpson Method.

I met on several occasions with H. Mason Coggin, Director of the State of Arizona Department of Mines and Mineral Resources. His comments gave me the first clues as to the probability there are problems with mining the Henrietta. He encouraged me to enquire about the work on the McCabe Claims and gave me the names of several knowledgeable experts.

ENTER JOHN RUD--CONSULTING GEOLOGIST

I have known and worked with John Rud since 1988. I remembered that he had searched for good ore, especially from mine dumps, to feed a mill he had built in the Congress Jct area in the late 90's so knew a great deal about the Henrietta. He took about 100 tons from several of the dumps to his mill for processing in 1988.

John reviewed the results from the Hazen Labs and recalled that they were comparable to his results.

MINERAL SAMPLES FROM MINE DUMPS

It is important to determine the age of the dump and the source of the ore. Most of the Henrietta dumps were created more than 50 years ago. They have had time to leach and oxidize. The only way to get a fair sample is to core drill in a number of areas on the dump and average the results. The other factor is that most of the material was excavated from the upper "oxide" zone which, according to the mapping and reports, was an area of enriched ore and lacked the problems encountered with the sulphide ores from the lower zones. (see underground mineral maps in addendum).

There is further indication in some of the reports that the operators "high graded" ore to raise money to build a mill.

From a report produced by the Department of Mineral Resources in June of 1939 for previous owners---

Question 18. Operations: PRESENT NONE

Question 19. Operation Planned: HIGH GRADING TO FINANCE SMALL MILL

Similar reports were written in 1944 and 1957 for different prospective owners. None of these owners operated the mine for any length of time.

ON SITE--TO LOCATE MONUMENTS AND MAP THE DUMPS

John Rud was hospitalized in early December but was released on the 11th. We met on the 12th and reviewed our plans. We went to the HENRIETTA early on the 13th. Svend met us there.

John remarked that nothing had really changed in the eight years since he had been on the property. He had expected that the mine dumps would have been processed.

Having reviewed the appraisal report of 1995 he felt there was a lot of missing or incorrect data. We returned to Phoenix and I went to the BLM to retrieve the original plat recording the claims.

From these documents we learned:

1. The original claims were: Silverton
Yankee Girl
American Flag
Invincible
Trinity
Henrietta Mill Site

These claims were Located between January of 1887 and July of 1893. They were Patented and Recorded on November 20th, 1905. The total net acreage was 62.836.

2. Since then the Silverton and the Trinity have been dropped and the Mill Site is now a portion of the Trinity where it joins the American Flag. The acreage is reduced to a total of 44+ acres.

>>>THE SIGNIFICANCE OF THIS IS THAT MOST OF THE UNDERGROUND WORK WAS

DONE IN THE SILVERTON. THE INVINCIBLE VEIN EXTENDS INTO THE SILVERTON AND THE GOPHER THEN APPARENTLY INTERSECTS WITH THE MC CABE.

STUDYING THE UNDERGROUND MAP WE ALSO NOTE THAT THE OXIDE ZONE IS SHALLOW IN THE UPPER STRATA OF THE INVINCIBLE, DECLINES AS IT ENTERS THE YANKEE GIRL AND GOES STILL DEEPER INTO THE SILVERTON.

SINCE THE GREATER AMOUNT OF EXCAVATION WAS IN THE SILVERTON, ONE MUST CONCLUDE THAT ALL OF THE REPORTS ARE CORRECT; ie THE VEINS NARROW AND DIP. SOON RUNNING OUT OF OXIDE ZONE ORE IN THE INVINCIBLE THE MINER SOUGHT MORE VALUE IN THE OXIDE ZONE OF THE YANKEE GIRL AND SILVERTON. RUDS' STUDY OF THE UNDERGROUND MAP AND THE REPORTS LED HIM TO CONCLUDE THAT THE ORE VALUE DECREASES THE FURTHER ONE MOVES TO THE NORTH ALONG THE VEINS AND ALTHOUGH THE OXIDE ZONE IS DEEPER AS IT MOVES NORTH, THE ORE VEIN HAS NEVER BEEN MORE THAN 6' IN WIDTH AND SOMETIMES NARROWS TO 4" WHILE THE GOLD AND OTHER METALS ARE FOUND ONLY IN SMALL POCKETS AND STRINGERS.

REPORTS ALSO INDICATE THAT THESE STRINGER VEINS MOVE INTO THE SULPHIDE ZONE WHICH, THE REPORTS SEEM TO INDICATE, CANNOT BE MINED AND PROCESSED PROFITABLY.

THE SIMPSON METHOD--WILL IT WORK?

I am not an expert in the area of processing systems. Frankly I get several calls a year from inventors who have new equipment, re-agents, bacteria and schemes to get gold and platinum out of every thing from cinders to mud. Since I am not an expert in this field I run most of these ideas by John who is an expert. John and others usually ask where they can see a plant or system in operation. I would like to see a demonstration in the field.

I CERTAINLY DON'T WANT TO GO ON RECORD THAT CHARLIE SIMPSONS METHOD WILL NOT WORK ON THIS SULPHIDE ORE. I AM SAYING THAT WE HAVE CONCLUDED THAT THERE IS NOT ENOUGH ECONOMIC ORE IN THIS MINE TO CLASSIFY AS EITHER "MEASURED" "INDICATED" OR "INFERRED". IF THERE IS NO VIABLE ORE TO BE MINED THERE IS NO POINT IN SPENDING MONEY TO BUILD A PLANT.

ANOTHER EXPERT CONTRIBUTES

I recently spoke with Mr Frank Montonati, one of the leading mine contractors in the state. He did the underground work on the McCabe eight years ago and is now doing the reclamation. He also did work on the Henrietta as late as 1982 for a Mr Christianson and potential buyers. After trying to follow outcroppings the project was abandoned.

Montonati believes that all of the tunnels on the Henrietta are either collapsed or unsafe and the cost to open them and comply with Mine Safety Regulations might be prohibitive. He estimates the cost of delivering the ore to the portal would be \$75.00 per ton or more.

CONCLUSION

EITHER SIMPSONS METHOD OR STANDARD METHODS MIGHT WORK ON THE SULPHIDE ORE BUT THE COST LIKELY EXCEED THE RETURN.

SATURDAY, DECEMBER 14, 1996:

I returned to the Henrietta on December 14th, met Svend, and we spent the day attempting to locate as many of the survey markers and monuments as possible. We were able to start from the section corner of sections 21 and 22 which is along the road leading to the mine. We also found the stone inscribed with USMM 1597 on the top of the mountain. From this we were able to locate the brass caps for the corners 1&4 of the Yankee Girl. (This would also be the 1&4 corners of the Silverton.)

Many of the monuments have been obliterated or are buried under brush.

Svend was very helpful in providing information on the dumps, wells, boundaries, etc. We were able to place the dumps accurately on the maps so John could relate the dumps to the underground mapping.

We were able to photograph the important surface features for future reference and to make this report more meaningful.

MONDAY DECEMBER 16.

Conference with John. Without the Silverton and possibly the Gopher it does not seem likely we are going to find enough ore to classify a reserve. Even with the additional claims the possibilities are remote.

TUESDAY, DECEMBER 17.

Another conference with Mason Coggin. He is encouraging me to do more research in his office before making final evaluation.

WEDNESDAY, DECEMBER 18.

Coggin makes entire file on Henrietta and McCabe available. He spends two hours with me and I spend an additional two hours looking at more than 100 documents. I reproduce 40 and leave them with John. (I am going to provide copies of them under separate cover.)

John has now had phone conversations with Ted Holmes who did geology and mineral work on McCabe, and a Mr Parks, who was recommended by Holmes as a person who worked on the McCabe. These contacts also questioned the prudence of re-opening the Henrietta..

THURSDAY, DECEMBER 19.

John is again hospitalized but returns late in afternoon.

FRIDAY, DECEMBER 20.

I have spoken with Frank Montonati and report his opinion to John. Montonati's remarks are mentioned above. John has reviewed the 40 pages and has reached his conclusions. He has written his report which was fax'd to Dan on Sunday December 22, from my office.

THIS CONCLUDES THE NARRATIVE REPORT

OUR CONCLUSIONS AND RECOMMENDATIONS FOLLOW

CONCLUSIONS AND RECOMMENDATIONS

After a thorough study of the the history of the Henrietta, the reports of experts who have commented on the operation of the mine from 1915 to the present day, we have reached the conclusion that THERE IS LITTLE OR NO ECONOMIC ore available and the likely hood of developing an ore body that can be economically mined is less than remote.

Our recommendation is that you not expend any money on this mine at this time. We recommend that you seek several opinions on our report and that you thoroughly investigate alternative methods of processing before you go further.

We are available to meet with you and others at a convenient time and if you can furnish us with any data that would convince us that we should have a further look at this mine and revise our opinion we will be happy to have that data.

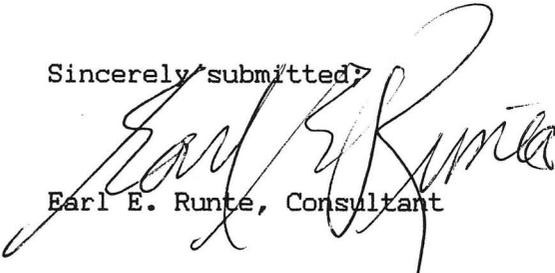
This concludes the NARRATIVE portion of this report. We have not commented on the equipment and improvements at the site as obviously we do not feel this is necessary until such time you should decide to move ahead with this project.

We have not commented on the Zinkl report prepared in 1984. This report dealt primarily with the stock piles of ore from the three dumps. The conclusions he reached seemed reasonable at the time. We believe he underestimated the costs nevertheless the report was done for Mr. Christianson who did not follow through with the project.

Another reason we did not give weight to his report is that he did not consider the ore reserve. He used figures for quality and quantity of the alleged reserve that did not correlate with the data that had been previously developed by other experts and are a matter of record at the Department of Mineral Resources.

If you should decide to just process the mine dumps then the Zinkl report should be considered.

Sincerely submitted:



Earl E. Runte, Consultant

PART III-ADDENDUM

1994RV96

QUALIFICATIONS OF EARL E. RUNTE, CONSULTANT

PERSONAL DATA: Date of Birth: December 10, 1928
 Marital Status: Married 47 years
 Health: Good

MILITARY: 1949-1955 Master Sergeant - Army

EDUCATION: 1954 Graduate Armed Forces Institute - Fort
 Slocum, New York, with honors.
 Major: History, Economics & Government
 Degree: AB

CONTINUING EDUCATION: Numerous short courses, symposiums,
 workshops and studies including:

Desert Mineral Symposium--Bureau of Land
Management---U.S. Geological Survey

Arizona's Industrial Rock and Mineral
Resources Workshop

The Resource Conservation and Recovery

Act--Continuing Legal Education--State
Bar.

Represented Mining Industry World Hunger
Symposium.

Represented Mining Industry at
International Real Estate
Institute, Copenhagen, Denmark.

PAPERS: Rocks to Riches, a study of the recycling
 of mine waste.

Studies of mining and marketing aggregate
products in major markets of US.

Studies and reports on integration of
minerals, animal and industrial waste in
soil re-mediation,

Studies and reports of numerous mineral
deposits for court testimony.

Conducted more than 60 complete studies of
all types of mining projects to evaluate
quality and quantity of ore deposits

EXPERIENCE:

- Real Estate Sales with emphasis on aggregate, mine and construction related projects. In the past 35 years have had major experience in the following areas: 1) Real Estate appraisal with emphasis on aggregate and mineral properties. 2) Appraisals including mining and other properties being donated as non-cash contribution. Requires completion of I.R.S. Form 8283.
- Consulting including work for appraisers, attorneys and governmental agencies
- Expert Witness in Court Cases
- Project Management
- Negotiate and write lease/sales agreements
- Product Development (currently developing products from mine waste).
- Data Processing Systems for mines and major construction projects.
- Published Arizona's Golden Years Commemorative Book and Arizona Today Magazine.
- Paper on ReCycling and BiProducts in the mining industry for MEC Prospectus.
- Represented 22 Arizona Businesses and Chambers of Commerce at Century 21 World's Fair in Seattle - 1952.
- Construction and Leasing Co-ordinator for major high-rise office building developer.

RECENT PROJECTS:

- Consulting contracts on three major Vermiculite mines, two of them on going.
- Evaluated ore deposit and negotiated lease on major feldspar mine, North Carolina
- Consulting contracts on several major processing plants, all on going.
- On going studies of "Cold Ceramics" and Geo Polymers with Dr Joseph Davidavits, Paris France, Argone National Laboratories, Construction Technology Laboratories, and Robert Jacobson, one of my associates in the use of minerals such as aluminum silicates, kaolin etc. in many applications including encapsulation of toxic and hazardous waste and super conductor applications.

PAST ASSIGNMENTS

- Review and update appraisal of large mine property near Casa Grande for IRS Hearing .
- Wrote opinion on improvement values of Historic Mine Building for Court Case, Jerome, Arizona.
- Market Survey of entire Verde Valley for Decorative Rock Sales.
- Wrote Market Analysis of Turkey Track Mine, Phoenix, for Bureau of Land Management
- Completed appraisals on 18 aggregate properties since February 1987.
- Assisted major MAI appraisal firm in appraising major cinder cone for Federal Bankruptcy Court.
- Consulted for major Toxic Waste Disposal firm in purchase of Arizona plant which will be used to recover precious metals from wastes.
- Developing products from mine waste and Geo-Polymers.

ASSOCIATIONS:

Past Member National Association of Cost Accountants

Served on Board of Arizona Appraisers Coalition to guide legislation for the licensing of Real Estate Appraisers.

Testimony for the National Appraisal Foundation in the admission of appraisal associations into the Foundation.

Board of Directors Mineral Economics Corporation

Lead Associate-Mineral Management Associates

President Deer Valley Rotary

Licensed, Arizona Real Estate Department

Note: Due to recent changes in licensing of appraisers at the state levels I have declined an Arizona State General Appraisers License. As a qualified expert in the field of mining and related properties I work under the federal standards of the UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE and affiliate with a local appraiser where this is required.

1.4.11 2011
11488 Alameda
Tempe, AZ 85282



INSTRUMENT # 9352732
OFFICIAL RECORDS OF
YAVAPAI COUNTY
MARKO W. CARSON
REQUEST OF:

ROBERT GRILL
DATE: 10/19/93 TIME: 14:45
FEE: 7.00 SC: 4.00 FT: 1.00
BOOK 2714 PAGE 222 PAGES: 001

INDEXED
MICROFILMED

7
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Form A298

QUITCLAIM DEED

THIS QUITCLAIM DEED, Executed this 28th day of September, 1993

first party, to KEN H. GRAHAM & SONJA N. GRAHAM, HIS WIFE
whose post office address is 11478 Deer Trail Ln. PCC Dewey Arizona 86327

to second party: HENRIETTA MINES
whose post office address is 1739 E. Broadway, Bldg # 157, Tempe, Arizona 85282

WITNESSETH, That the said first party, for good consideration and for the sum of ONE MILLION FIVE HUNDRED THOUSAND Dollars (\$ 1,500,000 paid by the said second party, the receipt whereof is hereby acknowledged, does hereby remise, release and quitclaim unto the said second party forever, all the right, title, interest and claim which the said first party has in and to the following described parcel of land, and improvements and appurtenances thereto in the County of Yavapai, State of Arizona to wit:

patented land and mineral claims known as Yankee Girl, Invincible, and American Flag, Lode Mining Claims, and that portion of the Henrietta Mill Site further described as Parcel 1 & Parcel 2 in the Addendum to Quitclaim Deed and made part hereof.

SEE: ADDENDUM TO QUITCLAIM DEED DATED:
SEPTEMBER 28th 1993
(attached hereto)

IN WITNESS WHEREOF, The said first party has signed and sealed these presents the day and year first above written.

Signed, sealed and delivered in presence of:

Ken H. Graham

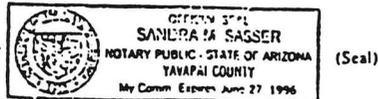
Sonja N. Graham

State of Arizona
County of Yavapai

On Oct 19, 1993 before me, Sandra M. Sasser
appeared Ken H. Graham & Sonja N. Graham, his wife
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: *Sandra M. Sasser*



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(Revised 3/93)

ADDENDUM

PARCEL 1:

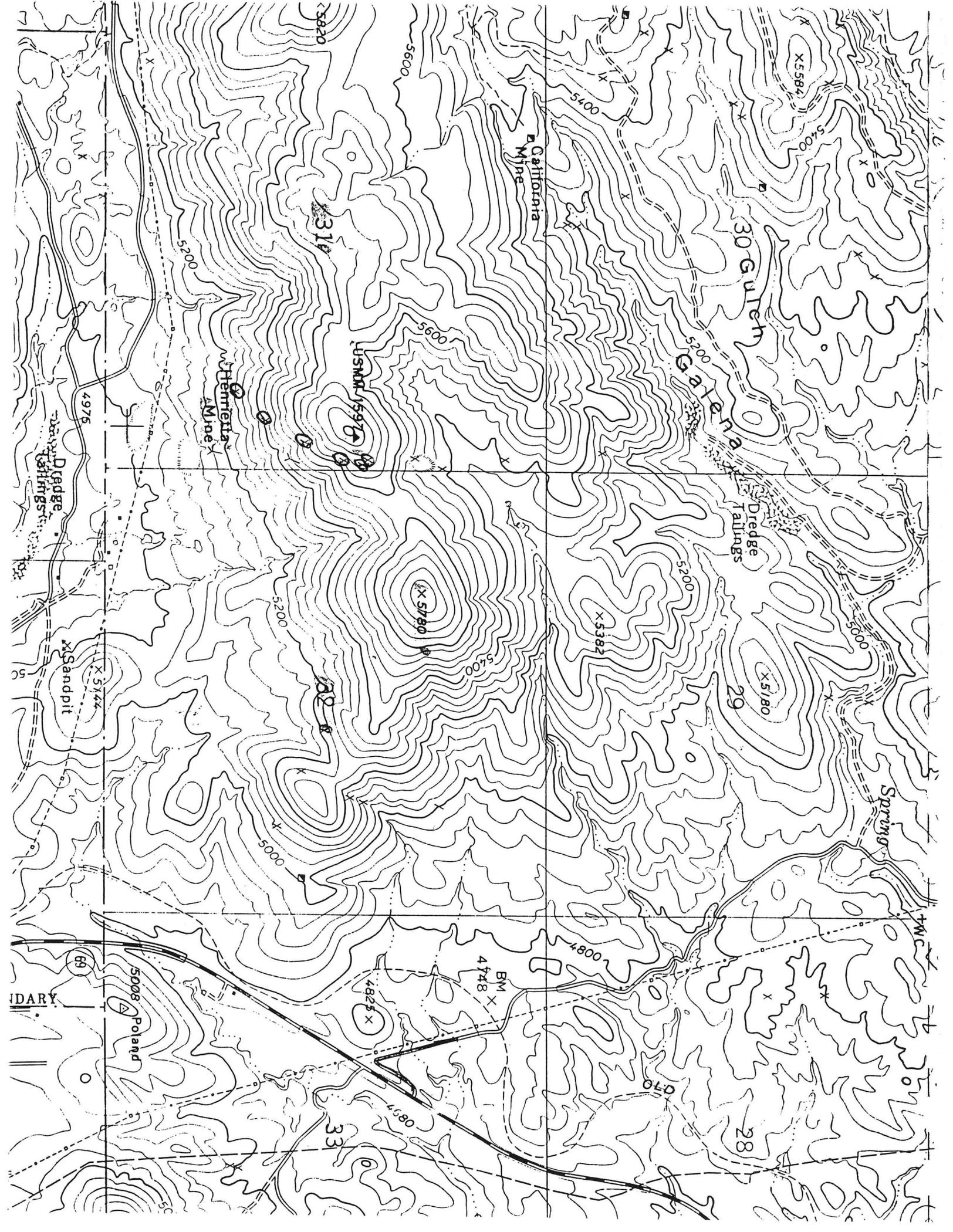
YANKE GIRLL (Sometimes known as the YANKEE GIRL) INVINCIBLE, AMERICAN FLAG, LODE MINING CLAIMS and that portion of the HENRIETTA MILL SITE designated by the Surveyor General or Mineral Survey Numbers 1597A and 1597B in the Big Bug Mining District Patent whereof is recorded in Book 100 of Deeds, page 66, Yavapai County, Arizona described as follows:

BEGINNING at Corner No. 1 of the Henrietta Mill-Site, being identical with Corner No. 4 of the Trinity Mining Claim, Mineral Survey No. 1597; thence South $32^{\circ}20'$ West, 459.78 feet (record is 466.5 feet) to Corner No. 2 of the HENRIETTA MILL-SITE; thence South $57^{\circ}40'$ East, 225.98 feet along the 2-3 line of HENRIETTA MILL-SITE; thence North $6^{\circ}09'34''$ East, 512.31 feet to the POINT OF BEGINNING.

PARCEL 2:

All that portion of the TRINITY LODE MINING CLAIM, U.S. MINERAL SURVEY NO. 1597 A and B, located in Sections 31 and 32 Township 13 North Range 1 East of the Gila and Salt River Base and Meridian and in the Big Bug Mining District, Yavapai County, Arizona, described as follows:

BEGINNING at Corner No. 1 of TRINITY MINING CLAIM, being identical with Corner No. 2 of American Flag Mining Claim, Mineral Survey No. 1597; thence South $87^{\circ}30'20''$ East, 588.20 feet (record is South $87^{\circ}30'$ East, 600.0 feet) to Corner No. 4 of TRINITY MINING CLAIM; thence South $32^{\circ}20'00''$ West, 459.78 feet (record is 466.5 feet) to Corner No. 2 of the HENRIETTA MILL-SITE, MINERAL SURVEY NO. 1597; thence North $67^{\circ}48'42''$ West, 381.78 feet; thence North $2^{\circ}30'00''$ East, 270.17 feet to the TRUE POINT OF BEGINNING.



California Mine

30 Gureh

Gureh

Dredge Tailings

Spring

Merrettia Mine

Dredge Tailings

Sandpit

BOUNDARY

5008 Poland

33

28

USMNT 5972

X 5780

X 5382

X 5180

BM X 4748

X 4825

070

0874

4975

5200

5600

5820

0075

5400

X 5984

0025

5200

5200

5000

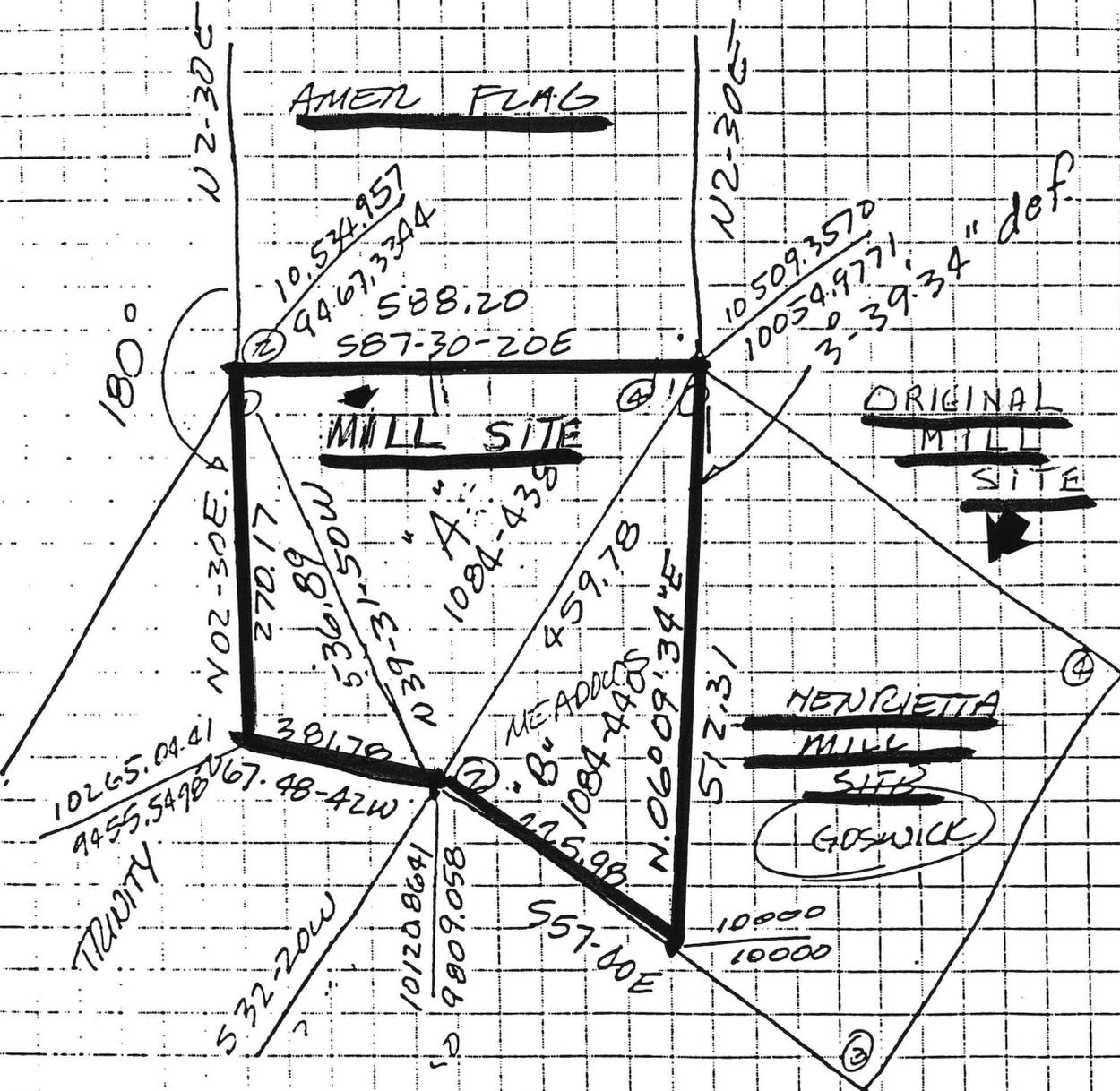
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ABLOR ENGINEERING, INC.
 143 N. McCormick Suite 103
 PRESCOTT, ARIZONA 86301
 (602) 778-6055

JOB U206-02
 SHEET NO. 1 OF _____
 CALCULATED BY STHOPPS DATE 2-7-86
 CHECKED BY _____ DATE _____
 SCALE _____



57.39-60
 34.31-50
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 198-08-10

RESOURCE RESERVE DEFINITIONS
(From Geological Survey Circular 831, 1980.)

Principles of a Resource/Reserve Classification for Minerals

By the U.S. BUREAU OF MINES and the U.S. GEOLOGICAL SURVEY

INTRODUCTION

Through the years, geologists, mining engineers, and others operating in the minerals field have used various terms to describe and classify mineral resources, which as defined herein include energy materials. Some of these terms have gained wide use and acceptance, although they are not always used with precisely the same meaning.

Staff members of the U.S. Bureau of Mines and the U.S. Geological Survey collect information about the quantity and quality of all mineral resources, but from different perspectives and with different purposes. In 1976, a team of staff members from both agencies developed a common classification and nomenclature, which was published as U.S. Geological Survey Bulletin 1450-A—"Principles of the Mineral Resource Classification System of the U.S. Bureau of Mines and U.S. Geological Survey." Experience with this resource classification system showed that some changes were necessary in order to make it more workable in practice and more useful in long-term planning. Therefore, representatives of the U.S. Geological Survey and the U.S. Bureau of Mines collaborated to revise Bulletin 1450-A.

Long-term public and commercial planning must be based on the probability of discovering new deposits, on developing economic extraction processes for currently unworkable deposits, and on knowing which resources are immediately available. Thus, resources must be continuously reassessed in the light of new geologic knowledge, of progress in science and technology, and of shifts in economic and political conditions. To best serve these planning needs, known resources should be classified from two standpoints: (1) purely geologic or physical/chemical characteristics—such as grade, quality, tonnage, thickness, and depth—of the material in place; and (2) profitability analyses based on costs of extracting and marketing the material in a given economy at a given time. The former constitutes important objective scientific information of the resource and a relatively unchanging foundation upon which the latter more variable economic delineation can be based.

The revised classification system, designed generally for all mineral materials, is shown graphically in figures 1 and 2 (see page 5); its components and their usage are described in the text. The classification of mineral and energy resources is necessarily arbitrary, because definitional criteria do not always coincide with natural boundaries. The system can be used to report the status of mineral and energy-fuel resources for the Nation or for specific areas.

RESOURCE/RESERVE DEFINITIONS

A dictionary definition of resource, "something in reserve or ready if needed," has been adapted for mineral and energy resources to comprise all materials, including those only surmised to exist, that have present or anticipated future value.

Resource.—A concentration of naturally occurring solid, liquid, or gaseous material in or on the Earth's crust in such form and amount that economic extraction of a commodity from the concentration is currently or potentially feasible.

Original Resource.—The amount of a resource before production.

Identified Resources.—Resources whose location, grade, quality, and quantity are known or estimated from specific geologic evidence. *Identified resources* include economic, marginally economic, and subeconomic components. To reflect varying degrees of geologic certainty, these economic divisions can be subdivided into *measured*, *indicated*, and *inferred*.¹

Demonstrated.—A term for the sum of *measured* plus *indicated*.

Measured.—Quantity is computed from dimensions revealed in outcrops, trenches, workings, or drill holes; grade and(or) quality are computed from the results of detailed sampling. The sites for inspection, sampling, and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth, and mineral content of the resource are well established.

Indicated.—Quantity and grade and(or) quality are computed from information similar to that used for measured resources, but the sites for inspection, sampling, and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for measured resources, is high enough to assume continuity between points of observation.

Inferred.—Estimates are based on an assumed continuity beyond measured and(or) indicated resources, for which there is geologic evidence. *Inferred resources* may or may not be supported by samples or measurements.

¹The terms "proved," "probable," and "possible", which are commonly used by industry in economic evaluations of ore or mineral fuels in specific deposits or districts, have been loosely interchanged with the terms *measured*, *indicated*, and *inferred*. The former terms are not a part of this classification system.

Reserve Base.—That part of an identified resource that meets specified minimum physical and chemical criteria related to current mining and production practices, including those for grade, quality, thickness, and depth. The *reserve base* is the in-place demonstrated (measured plus indicated) resource from which reserves are estimated. It may encompass those parts of the resources that have a reasonable potential for becoming economically available within planning horizons beyond those that assume proven technology and current economics. The *reserve base* includes those resources that are currently economic (*reserves*), marginally economic (*marginal reserves*), and some of those that are currently subeconomic (*subeconomic resources*). The term “geologic reserve” has been applied by others generally to the *reserve-base* category, but it also may include the *inferred-reserve-base* category; it is not a part of this classification system.

Inferred Reserve Base.—The in-place part of an identified resource from which inferred reserves are estimated. Quantitative estimates are based largely on knowledge of the geologic character of a deposit and for which there may be no samples or measurements. The estimates are based on an assumed continuity beyond the reserve base, for which there is geologic evidence.

Reserves.—That part of the reserve base which could be economically extracted or produced at the time of determination. The term *reserves* need not signify that extraction facilities are in place and operative. *Reserves* include only recoverable materials; thus, terms such as “extractable reserves” and “recoverable reserves” are redundant and are not a part of this classification system.

Marginal Reserves.—That part of the reserve base which, at the time of determination, borders on being economically producible. Its essential characteristic is economic uncertainty. Included are resources that would be producible, given postulated changes in economic or technological factors.

Economic.—This term implies that profitable extraction or production under defined investment assumptions has been established, analytically demonstrated, or assumed with reasonable certainty.

Subeconomic Resources.—The part of identified resources that does not meet the economic criteria of reserves and marginal reserves.

Undiscovered Resources.—Resources, the existence of which are only postulated, comprising deposits that are separate from identified resources. *Undiscovered resources* may be postulated in deposits of such grade and physical location as to render them economic, marginally economic, or subeconomic. To

reflect varying degrees of geologic certainty, undiscovered resources may be divided into two parts:

Hypothetical Resources.—Undiscovered resources that are similar to known mineral bodies and that may be reasonably expected to exist in the same producing district or region under analogous geologic conditions. If exploration confirms their existence and reveals enough information about their quality, grade, and quantity, they will be reclassified as identified resources.

Speculative Resources.—Undiscovered resources that may occur either in known types of deposits in favorable geologic settings where mineral discoveries have not been made, or in types of deposits as yet unrecognized for their economic potential. If exploration confirms their existence and reveals enough information about their quantity, grade, and quality, they will be reclassified as identified resources.

Restricted Resources/Reserves.—That part of any resource/reserve category that is restricted from extraction by laws or regulations. For example, *restricted reserves* meet all the requirements of reserves except that they are restricted from extraction by laws or regulations.

GUIDELINES FOR CLASSIFICATION OF MINERAL RESOURCES

1. All naturally occurring metals, nonmetals, and fossil fuels in sufficient concentration can be classified in one or more of the categories.
2. Where the term *reserves* is used alone, without a modifying adjective such as indicated, marginal, or inferred, it is to be considered synonymous with the demonstrated-economic category, as shown in figure 1.
3. Definitions of resource categories can be modified for a particular commodity in order to conform with accepted usage involving special geological and engineering characteristics. Such modified definitions for particular commodities will be given in forthcoming government publications.
4. Quantities, qualities, and grades may be expressed in different terms and units to suit different purposes, but usage must be clearly stated and defined.
5. The geographic area to which any resource/reserve estimate refers must be defined.
6. All estimates must show a date and author.
7. The *reserve base* is an encompassing resource category delineated by physical and chemical criteria. A major purpose for its recognition and appraisal is to aid in long-range public and commercial planning. For most mineral commodities, different grades and tonnages, or other appropriate resource parameters, can be specified

for any given deposit or area, or for the Nation, depending on the specific objectives of the estimators; therefore, the position of the lower boundary of the reserve base, which extends into the subeconomic category, is variable, depending on those objectives. The intention is to define a quantity of in-place material, any part of which may become economic, depending on the extraction plans and economic assumptions finally used. When those criteria are determined, the initial reserve-base estimate will be divided into three component parts: reserves, marginal reserves, and a remnant of subeconomic resources. For the purpose of Federal commodity assessment, criteria for the reserve base will be established for each commodity.

8. *Undiscovered resources* may be divided in accordance with the definitions of *hypothetical* and *speculative resources*, or they may be divided in terms of relative probability of occurrence.

9. *Inferred reserves* and the *inferred reserve base* are postulated extensions of reserves and of the reserve base. They are identified resources quantified with a relatively low degree of certainty. Postulated quantities of resources not based on reserve/reserve-base extensions, but rather on geologic inference alone, should be classified as undiscovered.

10. Locally, limited quantities of materials may be produced, even though economic analysis has indicated that the deposit would be too thin, too low grade, or too deep to be classified as a reserve. This situation might arise when the production facilities are already established or when favorable local circumstances make it possible to produce material that elsewhere could not be extracted profitably. Where such production is taking place, the quantity of in-place material shall be included in the reserve base, and the quantity that is potentially producible shall be included as a reserve. The profitable production of such materials locally, however, should not be used as a rationale in other areas for classifying as reserves, those materials that are similar in thickness, quality, and depth.

11. Resources classified as reserves must be considered economically producible at the time of classification. Conversely, material not currently producible at a profit cannot be classified as reserves. There are situations, however, in which mining plans are being made, lands are being acquired, or mines and plants are being constructed to produce materials that do not meet economic criteria for reserve classification under current costs and prices, but would do so under reasonable future expectations. For some other materials, economic producibility is uncertain only for lack of

detailed engineering assessment. The marginal-reserves category applies to both situations. When economic production appears certain for all or some of a marginal reserve, it will be reclassified as reserves.

12. Materials that are too low grade or for other reasons are not considered potentially economic, in the same sense as the defined resource, may be recognized and their magnitude estimated, but they are not classified as resources. A separate category, labeled *other occurrences*, is included in figures 1 and 2.

13. In figure 1, the boundary between *subeconomic* and *other occurrences* is limited by the concept of *current or potential feasibility of economic production*, which is required by the definition of a resource. The boundary is obviously uncertain, but limits may be specified in terms of grade, quality, thickness, depth, percent extractable, or other economic-feasibility variables.

14. Varieties of mineral or energy commodities, such as bituminous coal as distinct from lignite, may be separately quantified when they have different characteristics or uses.

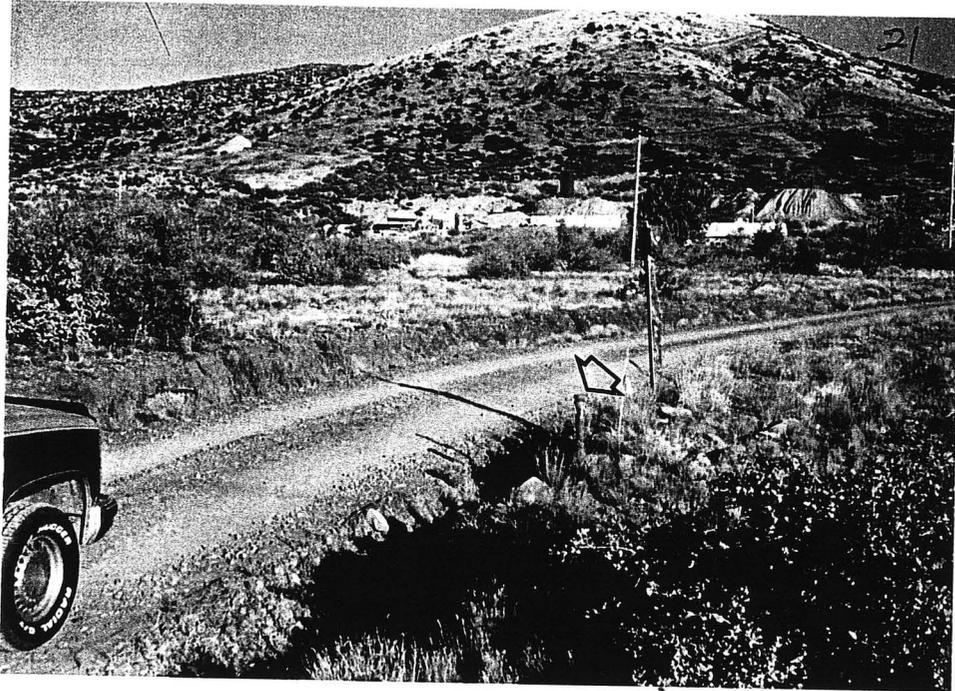
15. The amount of past cumulative production is not, by definition, a part of the resource. Nevertheless, a knowledge of what has been produced is important to an understanding of current resources, in terms of both the amount of past production and the amount of residual or remaining in-place resource. A separate space for cumulative production is shown in figure 1. Residual material left in the ground during current or future extraction should be recorded in the resource category appropriate to its economic-recovery potential.

16. In classifying reserves and resources, it is necessary to recognize that some minerals derive their economic viability from their coproduct or byproduct relationships with other minerals. Such relationships must be clearly explained in footnotes or in an accompanying text.

17. Considerations other than economic and geologic, including legal, regulatory, environmental, and political, may restrict or prohibit the use of all or part of a deposit. Reserve and resource quantities known to be restricted should be recorded in the appropriate classification category; the quantity restricted and the reason for the restriction should be noted.

18. The classification system includes more divisions than will commonly be reported or for which data are available. Where appropriate, divisions may be aggregated or omitted.

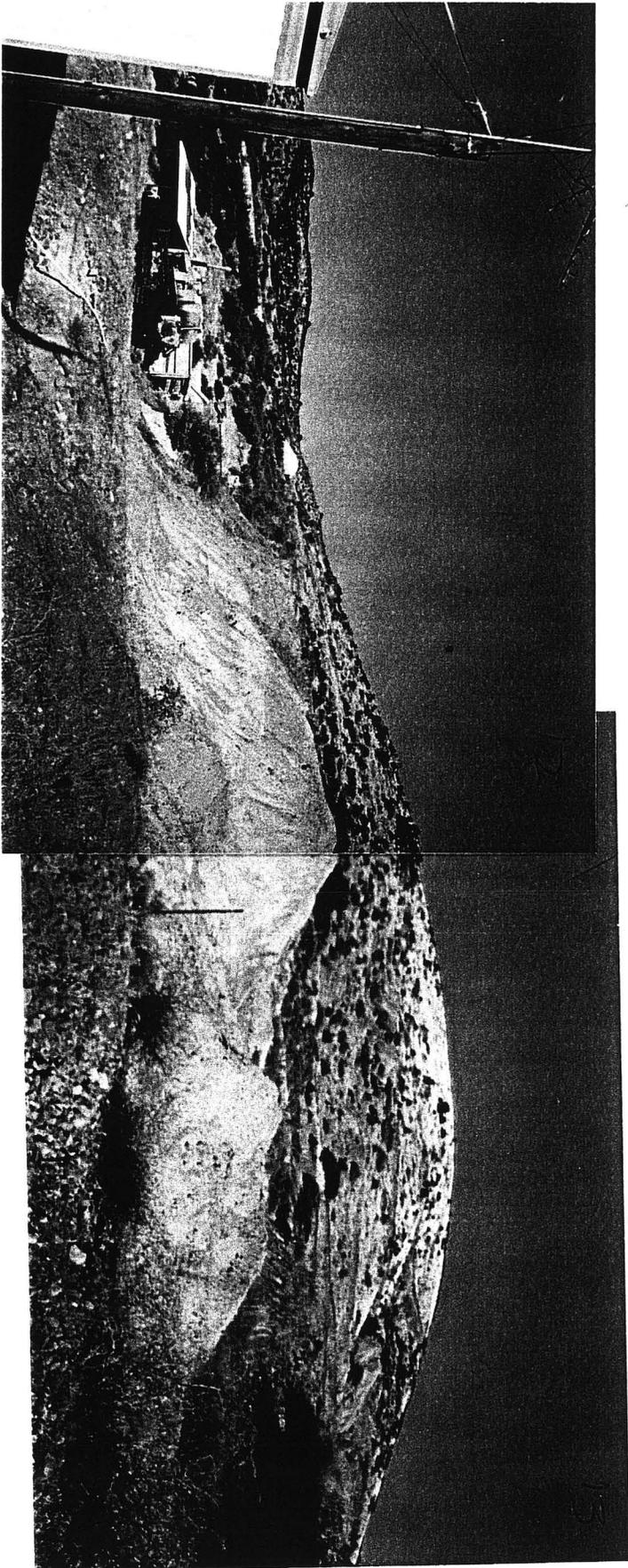
19. The data upon which resource estimates are based and the methods by which they are derived are to be documented and preserved.



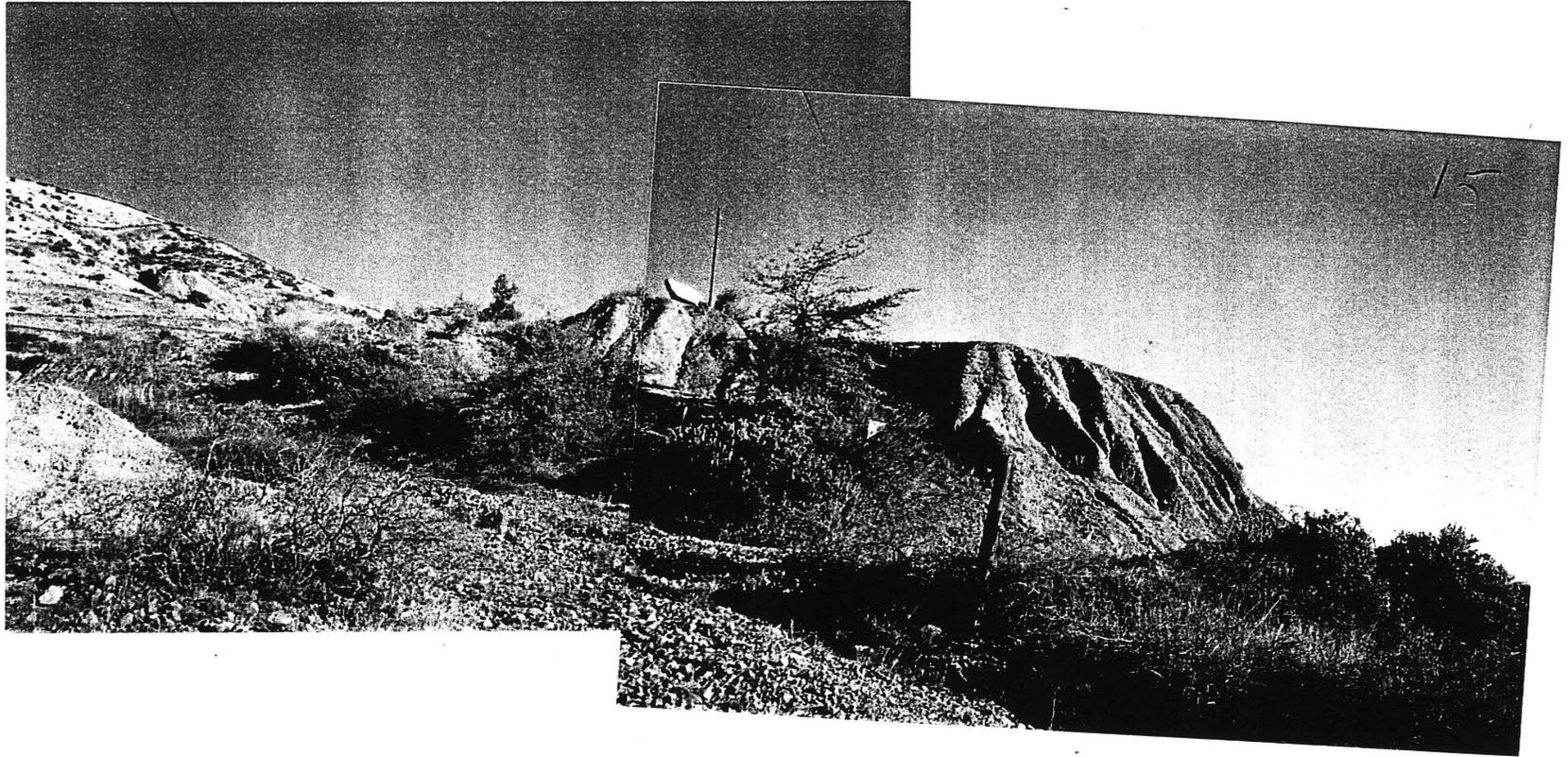
SECTION CORNER
SECTIONS 31&32
ALONG MINE ROAD



USMM 1597



PRIMARY DUMP (LOWER HENREITTA)



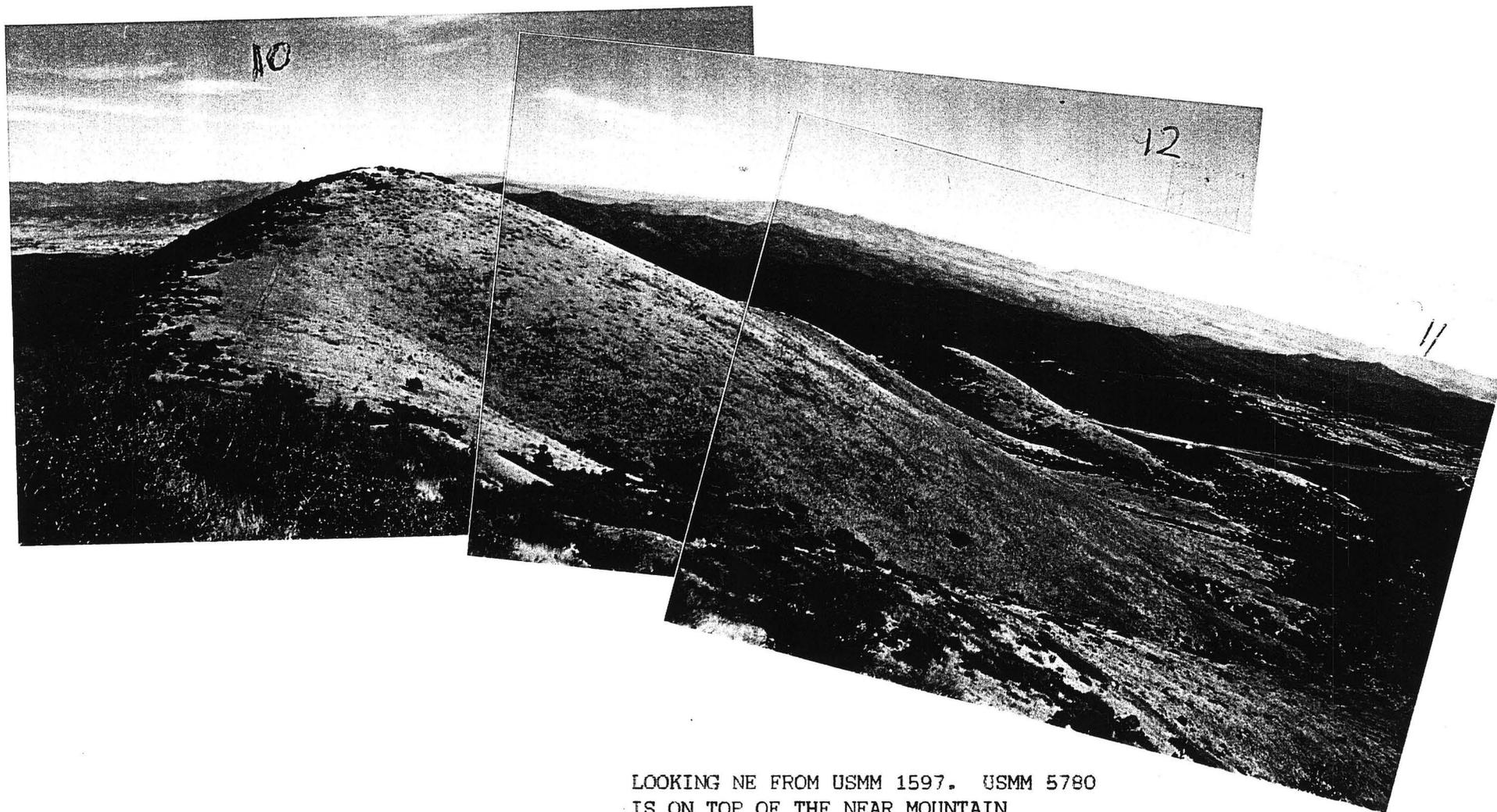
SOIL REMOVED FROM CROSS TUNNEL
S.E. CORNER AMERICAN FLAG NEAR



UPPER HENRIETTA
(LARGE ARROW)
YANKEE GIRL
(SMALL ARROW)



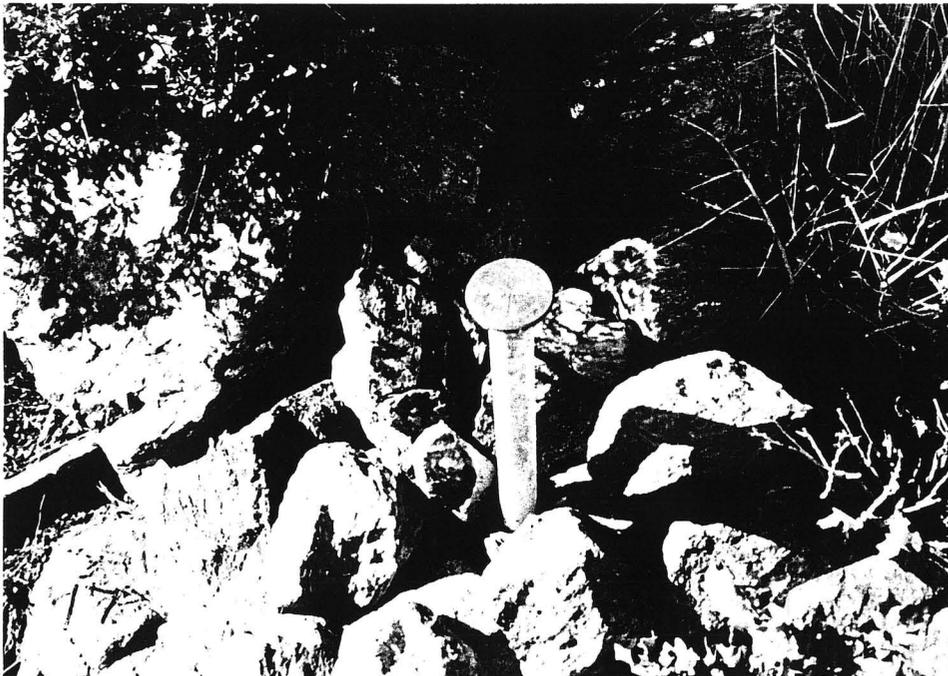
UPPER HENRIETTA

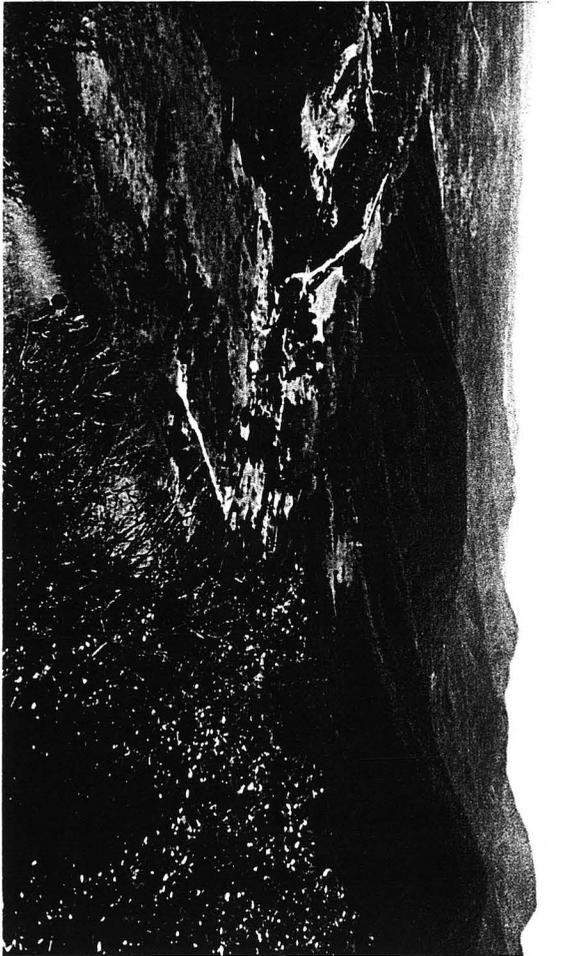


LOOKING NE FROM USMM 1597. USMM 5780
IS ON TOP OF THE NEAR MOUNTAIN
CORNERS 1&4 OF YANKEE GIRL AND
SILVERTON WERE LOCATED IN THE DRAW
BETWEEN THESE TWO MINERAL MARKERS

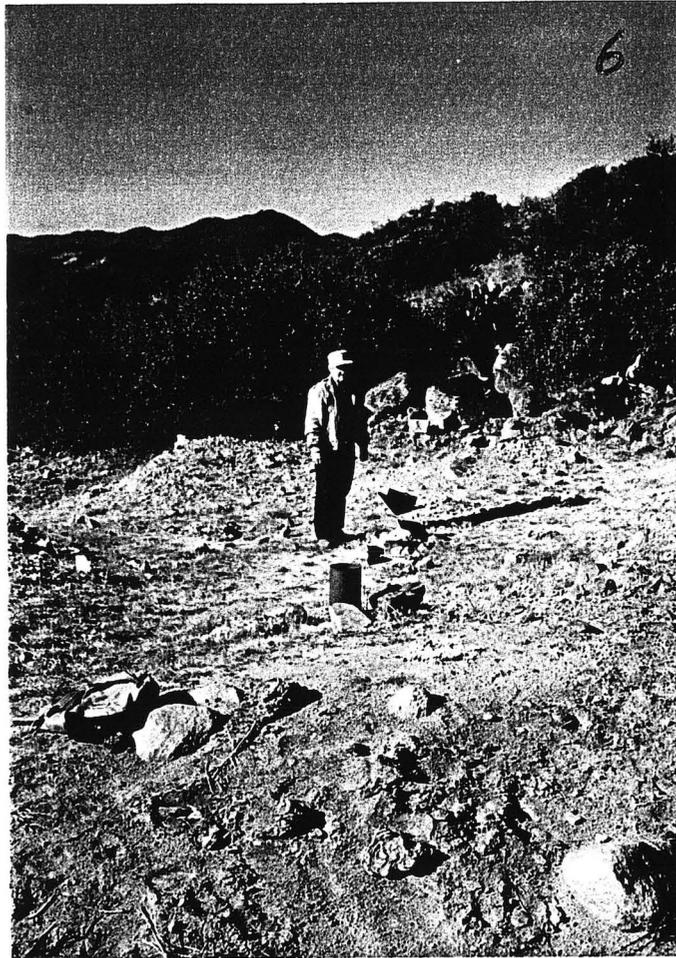


BRASS CAPS & CORNERS
1&4 SILVERTON/YANKEE
GIRL

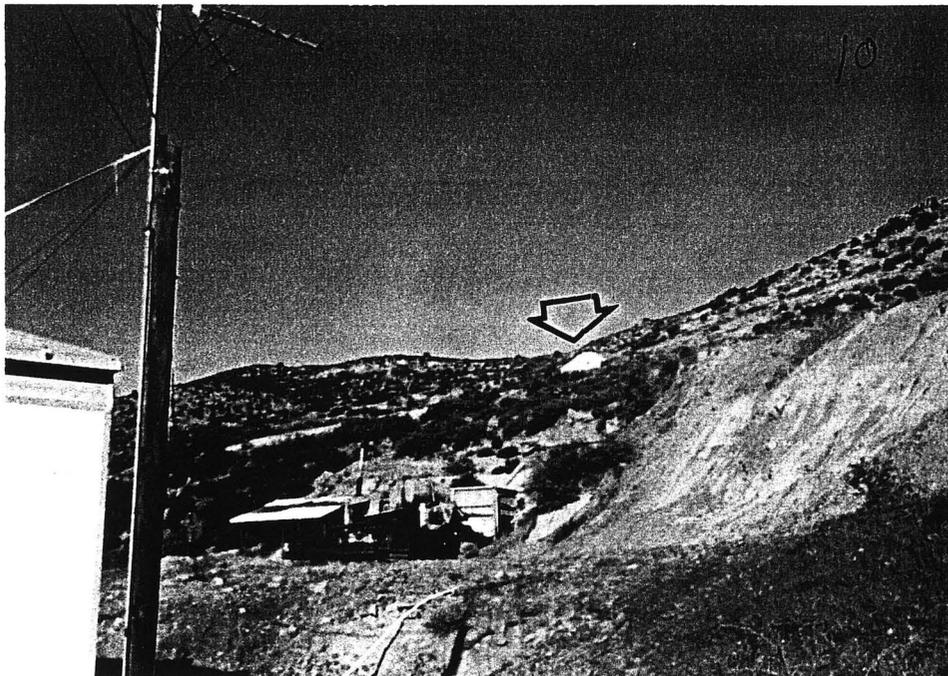




LOOKING TO MCCABE FROM USMM 1597
PRESCOTT VALLEY IN BACKGROUND



SVEND AT TWO WELLS



INVINCIBLE DUMP

Henrietta Gold Mine

The Henrietta Mine, once the largest gold producer of the Big Bug Mining District of Arizona, is a historical gold mine. Due to economic reasons, it has remained idle for almost a century. The site is approximately 49 acres near Prescott, Arizona. As-

says on the property have yielded Yavapai County, Arizona gold grades ranging from 0.014 to 0.460 oz per ton, with silver in the range of 0.19 to 2.56 oz per ton. It is estimated that there is a total of over 120,000 tons of oxide gold ore stockpiled on the

site ready to mill. It is also estimated that the tonnage alone in underground ore in the Henrietta and Invincible Veins is at an absolute minimum greater than 186,000 tons. With gold exceeding \$1,000 per oz, it is estimated that the stockpile of ore has a total recoverable value of \$51.3 million, and the underground recoverable ore has a value exceeding \$300 million. The property is being offered at \$47 million dollars.



*Information has been retrieved from an assay on the property performed by HRK International GeoConsulting Services in San Francisco and by no means does 1st USA Commercial Properties back the findings

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Bryan Watkins
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Henrietta Gold Mine



Pb - Cu - Ag - Zn

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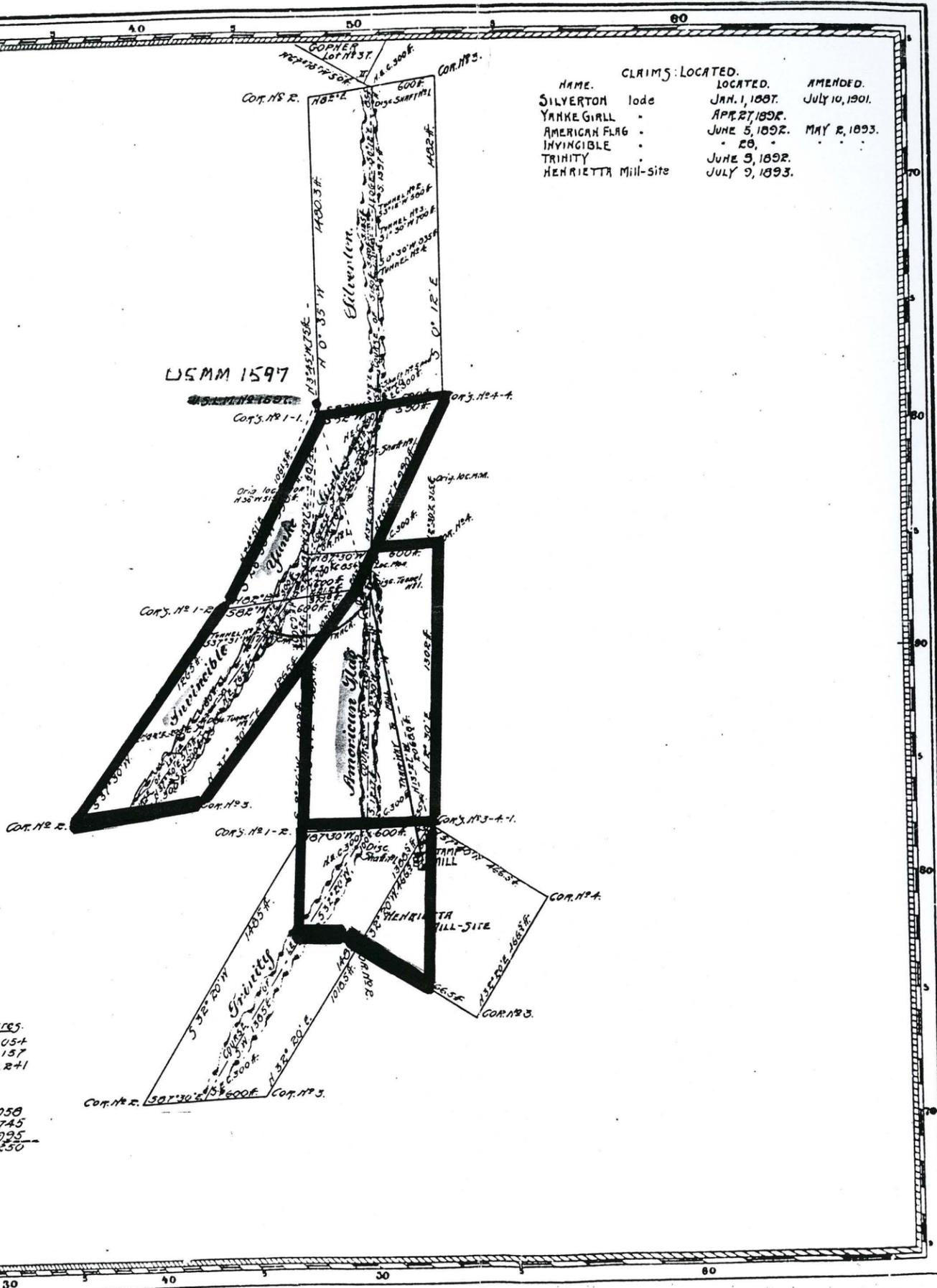
bryan@lightrailconnect.com



9/15/09

Patent Date 11-20-1905
 Patent No. 582
 Serial No. 1597 A and B

	AREAS	AREAS
SILVERTON lode		20.054
YANKE GIRL		11.157
INVINCIBLE		12.241
AMERICAN FLAG	17.236	
Less area in conflict with Invincible lode	.675	
More Civil	1.203	
AMERICAN FLAG		16.050
TRINITY lode		17.745
HENRIETTA Mill-site		4.995
TOTAL AREA SURVEY No 1597 A and B.		82.250



NAME.	CLAIMS LOCATED.	LOCATED.	AMENDED.
SILVERTON lode		JAN. 1, 1897.	JULY 10, 1901.
YANKE GIRL		APR. 27, 1897.	
AMERICAN FLAG		JUNE 5, 1892.	MAY 2, 1893.
INVINCIBLE		" 28,	
TRINITY		JUNE 5, 1892.	
HENRIETTA Mill-site		JULY 9, 1893.	

16
190
146

Claim Located
 Mineral Survey No 1597 A and B.
 LOT No
 Prescott Land District.
PLAT
 OF THE CLAIM OF
 Wm. H. Barnes
 KNOWN AS THE

Silverton, Yankee Girl, Invincible,
 American Flag and Trinity lode claims
 and Henrietta Mill-site.
 IN Big Bag MINING DISTRICT,
 YAVAPAI COUNTY, Arizona
 Containing an Area of 82.25 Acres.
 Scale of 500 Feet to the inch.
 Mean Variation 15° 01' E.
 SURRENDERED August 26 to 28, 1901. BY
 J. G. Fisher, U.S. Deputy Mineral Surveyor,
 The Original Field Notes of the Survey of the Mining Claim of
 Wm. H. Barnes.
 known as the

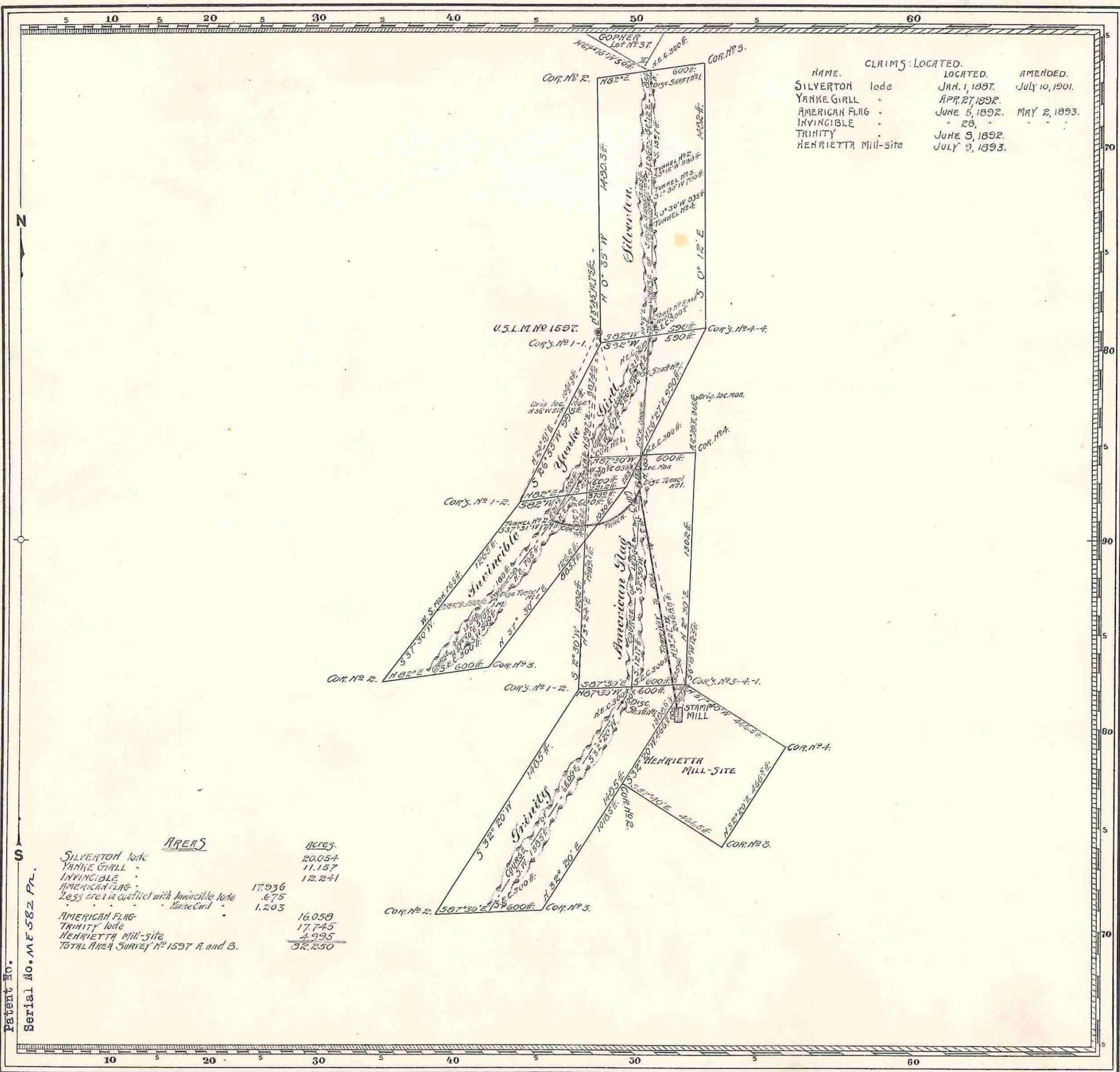
Silverton, Yankee Girl, Invincible,
 American Flag and Trinity lode
 claims and Henrietta mill-site.
 from which this plat has been made under my direction,
 have been examined and approved, and are on file in this office,
 and I hereby certify that they furnish such an accurate descrip-
 tion of said Mining Claim as will, if incorporated into a patent,
 serve fully to identify the premises, and that such reference,
 is made therein to natural objects or permanent monuments
 as will perpetuate and fix the locus thereof.
 I further certify that Five Hundred Dollars worth of labor has
 been expended or improvements made upon said Mining
 Claim by claimant or his grantors, and that
 said improvements consist of shafts, 6 tunnels, levels, 660
 tram-ways, car track and stamp mill.

that the location of said improvements is correctly shown
 upon this plat, and that no portion of said labor or im-
 provements has been included in the estimate of expendi-
 tures upon any other claim.
 And I further certify that this is a correct plat of said Mining
 Claim made in conformity with said original field notes of the
 survey thereof, and the same is hereby approved.

U.S. Surveyor General's Office.
 Tucson, Arizona.
 October 31, 1901.
 Hugh H. Price
 Surveyor General for
 Arizona.

Patent Date 11-20-1905

Patent No. Serial No. M.F. 582 PL.



NAME.	CLAIMS LOCATED.	LOCATED.	AMENDED.
SILVERTON lode		JAN. 1, 1887.	JULY 10, 1901.
YANKE GIRL		APR. 27, 1892.	
AMERICAN FLAG		JUNE 5, 1892.	MAY 2, 1893.
INVINCIBLE		" 28, "	
TRINITY		JUNE 9, 1892.	
HENRIETTA Mill-site		JULY 9, 1893.	

AREAS	ACRES.
SILVERTON lode	20.054
YANKE GIRL	11.157
INVINCIBLE	12.241
AMERICAN FLAG	17.936
Less area in conflict with Invincible lode	6.75
Yankee Girl	1.203
AMERICAN FLAG	16.058
TRINITY lode	17.745
HENRIETTA Mill-site	4.995
TOTAL AREA SURVEY NO. 1597 A. and B.	82.250

190
146

Claim Located

Mineral Survey No 1597 A and B.

L.O.T. No
Prescott Land District.

PLAT
OF THE CLAIM OF

Wm. H. Barnes
KNOWN AS THE

Silverton, Yankee Girl, Invincible, American Flag and Trinity lode claims and Henrietta Mill-site.

IN **Big Bug** MINING DISTRICT,
Yavapai COUNTY, **Arizona**
Containing an Area of **82.25** Acres.
Scale of **500** Feet to the inch.
Mean Variation **15° 01' E.**

SURVEYED **August 26 to 28,** 1901. BY

J. J. Fisher, U.S. Deputy Mineral Surveyor,

The Original Field Notes of the Survey of the Mining Claim of
Wm. H. Barnes.

known as the

Silverton, Yankee Girl, Invincible, American Flag and Trinity lode claims and Henrietta mill-site.

from which this plat has been made under my direction, have been examined and approved, and are on file in this Office; and I hereby certify that they furnish such an accurate description of said Mining Claim as will, if incorporated into a patent, serve fully to identify the premises, and that such reference is made therein to natural objects or permanent monuments as will perpetuate and fix the locus thereof.

I further certify that Five Hundred Dollars worth of labor has been expended or improvements made upon, or for each of, said Mining Claim by claimant or his grantors, and that said improvements consist of 4 shafts, 6 tunnels, levels, 660 ft. tram-way, car track and stamp mill.

that the location of said improvements is correctly shown upon this plat, and that no portion of said labor or improvements has been included in the estimate of expenditures upon any other claim.

And I further certify that this is a correct plat of said Mining Claim made in conformity with said original field notes of the survey thereof, and the same is hereby approved.

U.S. Surveyor General's Office. **Hugh H. Price**
Tucson, Arizona. U.S. Surveyor General for
October 31, 1901. **Arizona.**