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Phoenix, AZ 85007
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http://www.azgs.az.gov
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Budget for Explor.

Minex Company
P.O. Box 1949
Glendale, AZ 85311
(602) 931-1038

PROPOSED BUDGET

for

PRECIOUS METALS EXPLORATION

of

HUMBUG GOLD PROJECT

located in

SECTIONS 1, 2, 11, 12, 13, 14
TOWNSHIP 8 NORTH, RANGE 1 WEST
and
SECTION 35
TOWNSHIP 9 NORTH, RANGE 1 WEST

HUMBUG MINING DISTRICT

YAVAPAI COUNTY, ARIZONA

FOR

WILLIAM E. SCHEMBARI

SEPTEMBER 1, 1984 thru AUGUST 31, 1985

BY

ROBERT POLEY, JR
and
JAMES A. HUTCHISON

INTRODUCTION

This proposed budget for Precious Metals exploration of the HUMBUG GOLD PROJECT (HGP) is prompted by favorable geologic relationships and assay results as obtained in a preliminary field investigation of the properties. This report, Geologic Evaluation of Humbug Gold Claims by Robert Poley, Jr, a copy of which is attached hereto, indicates the presence of Precious Metals values of such magnitude as to warrant further exploration both on existing claims and the immediate area.

HGP, presently, consists of 5 Patented Lode Claims and 53 unpatented lode claims and is located in the Humbug Mining District, Yavapai County, Arizona, approximately 54 miles, by road, North of Phoenix. There are quarters available on the property for a crew used to primative conditions. All required services and equipment are available in the city of Phoenix and surrounding communities.

PURPOSE

The purpose of the attached exploration plan and budget is to provide for the systematic exploration of the HGP properties, thereby determining the potential for future production of Precious Metals. To maintain objectivity throughout this program we have established five (5) goals, each of which must be completed prior to commencement of the next phase of exploration. Following the completion of each goal, based on sound geologic and management advice, the property owner must make a decision on whether or not to continue as outlined herein. In arriving at this decision, the following options must be considered:

1. Continue into the next phase of exploration using funds available. This decision must be based on the cost effectiveness of the exploration program as outlined. ie: Funds expended vs potential return on investment.

2. Lease property to a third party, maintaining a royalty interest. This would be attractive if it is determined that heavy capitalization will be required to develop very large reserves. ie: World class deposit.

3. Venture the property with a third party, preferably an exploration company with the funding available and having a staff experienced in the development of such properties. In this case, the property owner would probably surrender the management control and the partner would become the operator.

4. Venture the property with a third party, interested only in investment. In such a venture the property owner would surrender a percentage of the property, proportionate to the amount of investment, but would retain management and operational control.

5. Drop the property or portions thereof.

EXPLORATION GOALS

The exploration goals, as outlined below, are to be used as a guide throughout this first year exploration program.

GOAL #1: Insure the entire gold rich mineralized zone is encompassed within the HGP area. This shall be accomplished as follows:

a. Geologic reconnaissance of area surrounding and adjacent to the present properties.

(1) Geological mapping.
(2) Sampling.
(3) Assays.
(4) Library research.

b. Preparation of land status report for the area surrounding and adjacent to the present properties.

c. Acquisition of lands which have favorable geologic relationship to the existing properties.

(1) Claim staking (Federal lands).
(2) Prospecting permit (State lands).
(3) Lease third party claims.

DECISION: Based upon the results of the above and the availability of funding, the property owner must now decide whether to continue into the next phase, Goal 2, or seek third party assistance.

GOAL #2: Perform a preliminary evaluation of HB-1 thru HB-34 and any new acquisitions, which may include upwards of 50 lode claims. Insure that all land titles are vested in the name of the property owner. To accomplish this goal the following tasks are to be performed:

a. Geological mapping of the above properties on a scale of 1 inch to 1000 feet.

(1) Geologic mapping.
(2) Sampling.
(3) Assays.

b. Develop complete abstract of title, request opinion from counsel, and cure title as necessary.

(1) Research records in County and BLM.
(2) Prepare abstract.
(3) Check water rights title.
(4) Request opinion from counsel.
(5) Cure title as necessary.

DECISION: Based on the findings of the above and the availability of funding, the property owner must now decide whether to continue into the next phase, Goal 3, or seek third party assistance.

GOAL #3: Perform a detailed, above ground, geological study of the entire HGP area, identify possible drill targets, and calculate possible ore reserves. Have aerial photo taken for the entire HGP, on a scale of 1 inch equals 200 feet.

a. Perform geologic mapping and sampling program for the entire project on a scale of 1 inch equals 200 feet.

(1) Geologic mapping.
(2) Sampling.
(3) Assays.
(4) Calculation.

b. Establish 3rd order horizontal and vertical control net throughout the project, panel aerial photo control, tie sample points.

(1) Survey horizontal control.
(2) Bring in vertical control.
(3) Panel aerial photo control.
(4) Survey sample points as marked.

c. Contract aerial photo service to fly and photograph the area, producing an aerial photo map on a scale of 1 inch equals 200 feet.

DECISION: Based on the findings of the above and the availability of funding, the property owner must now decide whether to continue into the next phase, Goal 4, or seek third party assistance.

PROPOSED 84-85 BUDGET

FOR

HUMBUG GOLD PROJECT

GOAL #1.

1. Geologist @ $250/day

a. Tour property with Newt White.

2 days:	$ 500.00
Expenses:	100.00

b. Recon surrounding area to determine extent of mineralization.

15 field days:	3750.00
7 office days:	1750.00
Supplies:	100.00
Expenses:	750.00

c. Fly area with student pilot.

1 field day:	250.00
1 office day:	250.00
Expenses:	100.00

d. Library research, check crib sheets and MILS sheets.

2 days:	500.00
Expenses:	200.00

e. Assay samples.

50 samples:	450.00

f. Maps and misc. 200.00

TOTAL GEOLOGY: $ 8900.00

2. 3 Man Survey crew @ $65/hr.

a. Acquire 50 lode claims.

130.0 hrs:	8450.00
Expenses:	700.00
Recording fees:	500.00

TOTAL SURVEY CREW: $ 9650.00

3. Land and management services.

a. Landman @ $250/day.
15 days $ 3750.00

b. State Prospecting Permit: 1000.00

c. Lease existing claims.
Front end fees: 2000.00

TOTAL LAND FEES: 6750.00

TOTAL FEES FOR GOAL #1. $25300.00

R.R. 2 Box 365-B.
Phoenix, Arizona,
May 1st, 1935.

COPY

Mr. A. L. Flagg,
Phoenix, Arizona.

Dear Mr. Flagg:

I am enclosing some additional data in regard to the Humbug Gold Property. There is plenty of water now to run the mill at full capacity.

In regard to the ore bodies:- the veins reach a maximum thickness of about 5 feet and the ore bodies 4 feet. The ore shoots vary in length from 50 to over 800 feet and we estimate the average thickness to be about 1 foot. We consider the values can be held to average about $30 per ton.

In prospecting these claims we have done several miles of trenching and approximately one mile of underground development. None of the workings are extensive, the maximum depth reached on any vein being about 200-ft. In testing these veins we have mined ore from about 200 different ore shoots. All of the ore from trenches, open cuts and underground work has been shipped or milled. The result was a little over 200 tons shipped of one and one-half ounce gold ore running 4 ounces silver, and 4% lead and about 2200 tons milled averaging $26 per ton. The concentrates produced were said by the smelter to be the high - est grade being made in Arizona at the time. They averaged about $400 gold per ton.

All the above mentioned work was done by day labor and accurate accounts of a all costs tabulated. Based on these results it was proposed to lease all the surface workings to hand steel miners. We consider the average cost for mining to be accurately determined. At the mine office accurate costs sheets and smel- ter returns are on file to check these statements.

After the leasing system was installed and the plant making money, it was pro- posed to run a deep development tunnel approximately a mile and a half long that would cut under the main productive areas from 300 feet to 1800 feet vertically. This tunnel should be on ore a considerable percentage of the way and would be driven on one of the largest veins on the property.

The camp is modern and equipped with a store and fixtures, a boarding house, a couple of modern houses and a large number of tent houses, an assay office, a good water supply, a modern 40-ton concentration-flotation plant, a supply yard and a warehouse. Designed to be used with a leasing system, the property is equipped so that from 1 to 200 hand miners can be placed to work with minimum confusion and outlay, on ore shoots that have already been opened up to assure several years operation. If a deep tunnel were to be successful, 30 years life would be assured. Under present labor conditions, it would cost at least $200,000 and two years to equip and develop the property to this point.

The old company is planning new financing sufficient to resume production. After an exploration and development period this company had just started pro - duction when a drouth which had become severe during the construction period reached such a state as to cause a shut down of the operation. Before this con - dition was relieved the principal stockholder of the company died. This has been the only drouth in the history of the district that the well on the property would have proved inadequate and it was world wide in its scope. I have secured the consent of his estate and the remaining stockholders to consider a sale of the property to responsible people for a price of $225,000.00, - 10% down and the balance on a 10% royalty basis.

Very truly yours,

C. L. Orem.

Copied May 4th, 1935 (Signed)
by A. L. Flagg.

C O P Y

Mr.Frank Hyde,President,
Humbug Gold Mines Inc.,
Tucson, Arizona.

Dear Mr.Hyde:

After a three day inspection of the Humbug property of your company,it is our opinion that the property can be places on a profitable paying basis for a relatively small out-lay of capital.

The property consists of four main groups comprising about fifty claims, while all told you have apparently seventy-five separate mining claims.These main groups are all connected by road to your mill with a maximum distance of about two and a half miles. But from some of your ore showings it will be necessary to pack the ore by burro a short distance to this road.

The nearest railroad point is Hot Springs Junction on the Parker to Phoenix branch line of the Santa Fe RR,thirty-two miles to the southwest of the Humbug camp.Hot Springs Junction is 45 miles west of Phoenix.

The road to Hot Springs Junction is hilly and rough in places,but furnishes good motor transportation throughout the year.

The general topography of the Humbug property is very rough.

The gold veins of which there are many,are narrow but remarkably continuous on strike and the gold content does not vary greatly throughout the lengths of the various ore shoots.Practically all the veins have been prospected on the surface and ore of milling grade has been mined from each.

Mining costs will be high but with the grade of ore available a profit can be made on the operation.

Due to the exceptionally dry season,there is at present,a shortage of water for full time milling purposes,but there is sufficient water now to operate the mill at one-third capacity or one eight hour shift per day. Figuring the total capacity of the mill at 30 tons in 24 hours,there is enough water to operate eight hours and to mill ten tons of ore per day. During the winter months and any year with average rainfall,there should be sufficient water to operate the mill at full capacity.

The following calculations are based on a mill operation of eight hours, with ten tons capacity,the present water available for such an operation.

COSTS:
Milling 10 tons of crude ore per day of 8 hrs,of $25 per ton gross value with gold at $35 per ounce.

Labor.		Supplies.	
Mill foreman	3.50	Fuel and engine oil	5.00
Diesel Engineer	6.00	Flotation reagents	2.00
Assayer	2.50	Ball wear	.50
~~Crusherman~~	~~2.50~~	Rep & Replacements	~~6.00~~
Mill Helper	2.00		
Sampler	2.00		
Extra man	2.00		13.50
TOTAL	19.50		
Liability Insurance	1.95		
	$21.45		

		Total per day	Per T crude ore
Milling			
Labor		21.45	2.15
Supplies		13.50	1.35
Transporting ore, mines to mill		10.00	1.00
Tailings loss 10%		25.00	2.50
Marketing			
Transportation	7.00		
Smelter gold deductions	14.00		
smelting charges	2.60		
	23.60		
Less Cr on silver & lead	7.50		
Total		16.10	1.61
General			
Property payments		10.00	1.00
General supervision, mine boss, store helper, Tucson office expense etc	25.00	25.00	
Less store profit	5.00	20.00	2.00
Total cost to mill and market 1 ton crude ore			$11.61

Operating the mill at full capacity of 30 tons per day, the milling cost should be reduced to $8.65 per ton of crude ore on a $25 per ton gross value for the ore.

Mining.

The only feasible method of mining the Humbug property is by leasing. The property should be divided into several convenient groups and a lease given to one good man, preferably a Mexicanon each group. He will choose his own men and be responsible for the grade of ore and the tonnage. For his ore he will receive a graduated price, depending on its gold content, which has been calculated to leave a margin of profit to the Company, and is so graduated as to encourage his mining higher grade ore. The following schedule is suggested:

Value of ore (gold)	17.50	20.00	2250	25.00	27.50	30.00
Milling marketing & general	19.44	19.83	1122	11.61	12.00	12.30
Balance	7.00	9.17	1128	13.39	15.50	17.61
Contract mining price	6.00	8.00	890	10.00	10.90	12.00
Company profit per t crude ore	1.06	1.17	238	3.39	4.60	5.61

Based on a 30 day month and milling 10 tons of $25 ore this shows a monthly profit of $1017.00.

Based on a 25 day mnth and milling 30 tons of $25 ore the milling cost would be $8.65 and it shows a monthly profit of $4700.00.

Tonnage (Developed and Probable)

It is impossible at present to calculate the tonnage of ore developed. Tunnels open cuts, shafts and surface stopes have been driven on many claims and a good grade of ore has been mined and milled from each. While at no point has any great depth been attained, the indications are that these veins will continue in depth for considerable distance as good as they are on the surface. No defi definite indications of surface enrichment can be observed.

We are of the opinion that there is no [illegible] short of mill ore and, without doubt, a great deal more ore will be developed as the work progresses.

Yours truly,

(Signed) C.M.d'Autremont,
C.A.Rockwood.

Copied May 4th, 1935
by A.L.Flagg.

Property once known as Bird-Topaty.

Mr. Frank Hyde, President,
Humbug Gold Mines, Inc.,
Tucson, Arizona.

Dear Mr. Hyde:

After a three day inspection of the Humbug property of your company, it is our conclusion that the property can be placed on a profitable paying basis for a relatively small out-lay of capital.

The property consists of four main groups comprising about fifty claims, while all told you have apparently seventy-five separate mining claims. These main groups are all connected by road to your mill with a maximum distance of about two and a half miles. But from some of your ore showings it will be necessary to pack the ore by burros a short distance to this road.

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Mining costs will be high but with the grade of ore available a profit can be made on the operation.

Due to the exceptionally dry season, there is at present, a shortage of water for full time milling purposes, but there is sufficient water now to operate the mill at one-third capacity or one eight hour shift per day. Figuring the total capacity of the mill at 30 tons in 24 hours, there is enough water to operate eight hours and to mill ten tons of ore a day. During the winter months and any year with average rainfall, there should be sufficient water to operate the mill at full capacity.

The following calculations are based on a mill operation of eight hours, with ten tons capacity, the present water available for such an operation.

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Milling 10 tons of crude ore per day of 8 hours, of $25 per ton gross value with gold at $35 per ounce.

Labor

Mill foreman	3.50
Diesel Engineer	5.00
Assayer	2.50
Crusherman	2.50
Mill helper	2.00
Sampler	2.00
Extra man	2.00
Total	19.50
Liability Insurance	1.95
	$21.45

Supplies

Fuel and engine oils	5.00
Flotation Reagents	2.00
Ball wear	.50
Repairs & Replacements	5.00
Incidentals	1.00
Total	13.50

Milling	Total per day	Per ton crude ore
Labor	21.45	2.15
Supplies	13.50	1.35
Transporting ore, mines, to mill	10.00	1.00
Tailings loss 10%	25.00	2.50

Marketing

Transportation	7.00	
Smelter gold deductions	14.00	
Smelting charges	2.60	
	23.60	
Less credit on silver and lead	7.50	
Total	16.10	1.61

General

Property payments	10.00	1.00
General supervision, mine boss, store helper, office Tucson expense, etc.	25.00	
Less store profit	5.00	
Total	20.00	2.00
Total cost to mill and market one ton crude ore		11.61

Operating the mill at full capacity of 30 tons per day, the milling cost should be reduced to $8.65 per ton of crude ore on a $25 per ton gross value for the ore.

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Value of ore (gold).....	17.50	20.00	22.50	25.00	27.50	30.00
Milling, marketing and general	10.44	10.83	11.22	11.61	12.00	12.30
Balance	7.00	9.17	11.28	13.39	15.50	17.61
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Company profit per ton of crude ore.....	1.06	1.17	2.38	3.39	4.60	5.61

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We are of the opinion there is no immediate danger of the mill running short of mill ore and, without a doubt, a great deal more ore will be developed as the work progresses.

Yours truly,

(Signed) C.M. d'Autremont
C. A. Rockwood

R.R. 2 Box 365-B
Phoenix, Arizona
May 1, 1935

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Phoenix, Arizona

Dear Mr. Flagg:

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All the above mentioned work was done by day labor and accurate accounts of all costs tabulated. Based on these results it was proposed to lease all surface workings to hand steel miners. We consider the average cost for mining to be accurately determined. At the mine office accurate cost sheets and smelter returns are on file to check these statements.

After the leasing system was installed and the plant making money, it was proposed to run a deep development tunnel approximately a mile and a half long that would cut under the main productive areas from 300 feet to 1800 feet vertically. This tunnel should be on ore a considerable percentage of the way and would be driven on one of the largest veins on the property.

The camp is modern and equipped with a store and fixtures, a boarding house, a couple of modern houses and a large number of tent houses, an assay office, a good water supply, a modern 40 ton concentration-floatation plant, a supply yard, and a ware house. Designed to be

Humbug 1 prop.

ASSAYS

#1. Seven 6 ft. cuts from east drift of 40 ft. level in 60 ft. wnize. Cuts are spaced 6 ft. apart and extend from top to bottom of the drift,- 65 lbs. sample. Gold 0,22 ozs, Silver 16 ozs.

#2. Cut across 12 ft. on side and 4 ft. face of south cross-cut on 40 ft level in 60 ft. winze, 25 lbs. sample. Gold 0.16 ozs. Silver6,9 ozs.

#3. Cut across 14 ft. above 105 ft. tunnel portal. 25 lb. sample Gold 0.16 ozs. Silver 5.5 ozs.

#4. Cut below the 14 ft. which constitutes #3. Gold 0.20 ozs. Silver16.0 ozs.

#5. Lead ore on upper dump.
Gold 0.20 ozs. Silver 19.0 ozs.

#6. Samples showing little iron sulfied from 40 ft. level in 60 ft. winze- northeast face.
Gold 0.18 oz . Silver 30.4 ozs.

#7. Sample of oxidized ore on surface above 105 ft. tunnel portal.
Gold o.76 ozs. Silver 4,2 ozs.

#8. Samples showing iron sulfieds from 40 ft. level.
Gold 0.40 ozs. Silver 49.7 ozs.

A S S A Y S

#1. 12 feet across collar of 20 ft. winze opposite station 1.
Gold 0.17 ozs. Silver 5,5 ozs.

#2. 7 feet across southside at bottom 20 foot winze.
Gold 0.11 ozs. Silver 1o.4 ozs.

#3. Altered country rock.
Gold 0.02 ozs. Silver 1.0 ozs.

#4. 13 feet across back of drift25 feet southwest of 50 foot winze.
Gold 0.06 Silver 4.0 ozs.

#5. 10 feet across southside of 50 foot winze at depth of 35 feet.
Gold 0.09 ozs. Silver8.0 ozs.

#6. 6 feet across back of drift 17 feet from winze northeast.
Gold 0.19 ozs. Silver15.2 ozs.

#7. 12 feet across back of drift and short crosscut west, 25 feet from winze.
Gold 0.20 ozs. Silver 17.10 ozs.

#8. 12 feet along east crosscut 43 feet from winze.
Gold 0.17 ozs. silver 12.7 ozs.

"9. 6 feet in two cuts east side of drift 25 feet from winze.
Gold 0.14 ozs. Silver 13.0 ozs.

#10. 4 feet small crosscut near face of drift.
Gold 0.13 ozs. Silver9.60 ozs.

#11. 6 feet across face of northeast drift 84 feet from winze.
Gold 0.16 ozs. Silver 21.2 ozs.

#12.

Hamburg 9 & Prop. (1934)

ASSAYS

#12. 8 feet in opencut near station 3. This cut evidently an offshoot from main ore body.
Gold 0.06 ozs. Silver 3.4 ozs.

#13. 9 feet at each side of portal little tunnel near station 4.
Gold o.11 ozs. Silver 2.5 ozs.

#14. 5 feet in two cuts 10 and 20 feet in from portal tunnel station 5. Altered lime stone.
Gold 0.08 ozs. Silver 2.1 ozs.

#15. 8feet in two cuts at portal same tunnel. Tunnel passed through ore zone into altered limestone represented by sample 14.
Gold 0.10 ozs. Silver 5.6 ozs.

#16. 6 feet up from top of tunnel being continuation upwards of sample 15.
Gold 0.175 ozs. Silver 10.7 ozs.

#17. 13 feet across surface gossan, altered rock west side of ore zone. Ore in bottom of cut below this sample.
Gold 0.06 ozs. Silver2.5 ozs.

#18. 15 feet,being cintinuation of sample 17.
Gold 0.04 ozs. Silver 2.2 ozs.

#19. 7 feet across bench of ore between cuts.
Gold 0.15 ozs. Silver 6.00 ozs.

#20. 5 feet across bottom 50 foot winze.
Gold 0.10 ozs. Silver 8.9 ozs.

#21. 1000 tons, or over, of reject and dump material from workings stations 1 and 2.

A - Gold 0.11 ozs. = Silver 10.0 ozs.
B - " 0.12 ozs. Silver 7.1 ozs.
C - " 0.19 ozs. Silver 13.80 ozs.

#22. 1000 tons reject and dumps stations 5 and 6.

A - Gold o.26 ozs. Silver 23.8 ozs.
B - " o.15 ozs. Silver 10.20 ozs.
C - " 0.19 ozs. Silver 12.5 ozs.

used with a leasing system, the property is equipped so that from one to 200 hand miners can be placed to work with minimum confusion and outlay, on ore shoots that have already been opened up to assure several years operation. If a deep tunnel were to be successful, 50 years life would be assured. Under present labor conditions, it would cost at least $200,000.00 and two years work to equip and develope this property to this point.

The old company is planning new financing sufficient to resume production. After an exploration and development period this company had just started production when a drouth which had become severe during the construction period, reached such a state as to cause a shut down of the operation. Before this condition was relieved the principal stockholder of the company died. This has been the only drouth in the history of the district that the well on the property would have proved inadequate and it was world wide in its scope. I have secured the consent of his estate and the remaining stockholders to consider a sale of the property to responsible people for a price of $225,000.00,- 10% down and the balance on a 10% royalty basis.

Very truly yours,

C. L. Owen

* GENERAL REFERENCES

REFERENCE 1 F1 < ABGMT CLIPPINGS FILE.

REFERENCE 2 F2 < AZ DEPT OF MIN. RESOURCES FILES

REFERENCE 3 F3 < ABM BULL 137, p. 59-61

REFERENCE 4 F4 <

U.S. CRIB-SITE FORM

RECORD IDENTIFICATION

*RECORD NUMBER B10 <>

*RECORD TYPE B20 <X,1,M>

DEPOSIT NUMBER B40 <>

*REPORT DATE G1 <8,1,0,9> YR. MO.

*INFORMATION SOURCE B30 <1,2>

*FILE LINK IDENT. B50 <USBM 004 025 1157>

*REPORTER (SUPERVISOR) G2 < DEWITT, ED, H. > (last, first, middle initial)

((last, first, middle initial)

*REPORTER AFFILIATION G5 < ABGMT >

*SITE NAME A10 < LAPAN MINE

*SYNONYMS A11 < LIANA MINE, HUMBUG MINE, HUMBUG GOLD PROPERTY, LIND-FOGARTY CLAIMS

LOCATION

*MINING DISTRICT/AREA A30 < HUMBUG DISTRICT >

*STATE A50 <4,2> *COUNTRY A40 <U,S>

*COUNTY A60 < YAVAPAI >

*PHYSIOGRAPHIC PROV A63 <1,2,>

*LAND STATUS A64 <0,0,>( )

*DRAINAGE AREA A62 <1,5,0,7,0,1,0,2,> (1,9,6,5,)

*QUADRANGLE NAME A90 < COLUMBIA >

*QUADRANGLE SCALE A100 <2,4,0,0,0,>

SECOND QUAD NAME A92 < > ( )

SECOND QUAD SCALE A91 <>

*ELEVATION A107 <3,3,6,0,F,T,>

UTM

*NORTHING A120 <3,7,6,9,6,1,9>

*EASTING A130 <3,7,8,9,7,0,>

*ZONE NUMBER A110 <+,1,2,>

*ACCURACY

ACCURATE (ACC) (circle)

ESTIMATED EST <>

GEODETIC

*LATITUDE A70 < _ _ _ N,>

*LONGITUDE A80 < _ _ _ W,>

CADASTRAL

*TOWNSHIP(S) A77 <0,0,8,N,>

*RANGE(S) A78 <0,0,1,W,>

*SECTION(S) A79 < 01 >

*SECTION FRACTION(S) A76 < NW OF SE >

*MERIDIAN(S) A81 < GILA AND SALT RIVER >

*POSITION FROM NEAREST PROMINENT LOCALITY A82 < 11.0 MILES WEST OF BLACK CANYON CITY, ARIZONA

*LOCATION COMMENTS A83 < 0.6 MILES NORTH OF EL PERO BONITO MINE; 0.8 MILES NORTHEAST OF SITE OF HUMBUG >

* = ESSENTIAL INFORMATION
+ = ESSENTIAL SOMETIMES OR HIGHLY RECOMMENDED

COMMODITY INFORMATION

COMMODITIES PRESENT C10 < Au, Ag, Cu, Pb, >
*ORE MINERALS C30 < GOLD, AURIFEROUS PYRITE AND ARSENOPYRITE, ARGENTIFEROUS GALENA, CHALCOPYRITE >
COMMODITY SUBTYPES C41 <
GEN. ANALYTICAL DATA C43 <
COM. INFO. COMMENTS C50 <

*SIGNIFICANCE

	PRODUCER	NON-PRODUCER
MAJOR PRODUCTS	MAJOR < Au, Ag, Pb, >	MAIN COMMODITIES PRESENT C11 < >
MINOR PRODUCTS	MINOR < Cu, >	MINOR COMMODITIES PRESENT C12 < >
POTENTIAL PRODUCTS	POTEN < >	
OCCURRENCES	OCCUR < >	OCCURRENCES OCCUR < >

*PRODUCTION

PRODUCER	NON-PRODUCER
PRODUCTION (YES) (circle) PRODUCTION SIZE (SML) MED LGE (circle one)	PRODUCTION UND NO (circle one)

EXPLORATION OR DEVELOPMENT

*STATUS

PRODUCER	NON-PRODUCER
STATUS AND ACTIVITY A20 < 4 >	STATUS AND ACTIVITY A20 < >

*DISCOVERER L20 <
*YEAR OF DISCOVERY L10 < LATE 1800's > *NATURE OF DISCOVERY L30 < B > *YEAR OF FIRST PRODUCTION L40 < > *YEAR OF LAST PRODUCTION L45 < 1942
*PRESENT/LAST OWNER A12 < DR. ROBERT HART, 6226 N. 27TH AVE. PHOENIX, ARIZONA (1975)
*PRESENT/LAST OPERATOR A13 < HUMBUG AU MINES
EXPL./DEV.COMMENTS L110 < 5 PATENTED CLAIMS

DESCRIPTION OF DEPOSIT

*DEPOSIT TYPE(S) C40 < VEIN
DEPOSIT FORM/SHAPE M10 < TABULAR
*DEPTH TO TOP M20 < > *UNITS M21 < > *MAXIMUM LENGTH M40 < > *UNITS M41 < >
*DEPTH TO BOTTOM M30 < 200 > *UNITS M31 < FT > *MAXIMUM WIDTH M50 < > *UNITS M51 < >
*DEPOSIT SIZE M15 < (SMALL) > M15 < MEDIUM > M15 < LARGE > (circle one) *MAXIMUM THICKNESS M60 < 5 > *UNITS M61 < FT >
*STRIKE M70 < N 60 E > *DIP M80 < STEEPLY NORTH >
*DIRECTION OF PLUNGE M100 < > *PLUNGE M90 < >
DEP. DESC. COMMENTS M110 <

DESCRIPTION OF WORKINGS

*Workings are: SURFACE M120 UNDERGROUND (M130) BOTH M140 (circle one)
*DEPTH BELOW SURFACE M160 < 200 > *UNITS M161 < FT > *OVERALL LENGTH M190 < > *UNITS M191 < >
*LENGTH OF WORKINGS M170 < 5000 > *UNITS M171 < FT > *OVERALL WIDTH M200 < > *UNITS M201 < >
DESC. OF WORK. COM. M220 < *OVERALL AREA M210 < > *UNITS M211 < >

GEOLOGY

*AGE OF HOST ROCK(S) K1 < P, R, O, T, , T, E, R, T, , W, U/PB ZIRCON AGE = 1720 MILLION YEARS; TERTIARY AGE PROBABLY PALEOCENE
*HOST ROCK TYPE(S) K1A < QUARTZ MONZONITE; RHYOLITE PORPHYRY
*AGE OF IGNEOUS ROCK(S) K2 < P, R, O, T, , T, E, R, T, , W, AS IN LINE K1
*IGNEOUS ROCK TYPE(S) K2A < QUARTZ MONZONITE; RHYOLITE PORPHYRY
*AGE OF MINERALIZATION K3 < C, R, E, T, -, P, A, L, E, O, W,
*PERT. MINERALS (NOT ORE) K4 < QUARTZ PYRITE
*ORE CONTROL/LOCUS K5 < FAULTING, SHEARING
*MAJ. REG. TRENDS/STRUCT. N5 < FOLIATION IN PRECAMBRIAN XENOLITHS (QUARTZ-MICA SCHIST) TRENDS N 40 - 50 E
*TECTONIC SETTING N15 <
*SIGNIFICANT LOCAL STRUCT. N70 < VEINS PARALLEL RHYOLITE PORPHYRY DIKES AND FOLIATION IN PRECAMBRIAN XENOLITHS
*SIGNIFICANT ALTERATION N75 < SERICITIZATION ADJACENT TO SAME DIKES
*PROCESS OF CONC./ENRICH. N80 < OXIDATION AT NEAR SURFACE
*FORMATION AGE N20 < , W,
*FORMATION NAME N30A <
SECOND FM AGE N35 < , W,
SECOND FM NAME N35A <
*IGNEOUS UNIT AGE N80 < P, R, O, T, , W, U/PB ZIRCON AGE = 1720 MILLION YEARS
*IGNEOUS UNIT NAME N80A < CRAZY BASIN QUARTZ MONZONITE
SECOND IG. UNIT AGE N85 < C, R, E, T, -, P, A, L, E, O, W,
SECOND IG. UNIT NAME N85A < RHYOLITE PORPHYRY DIKES
GEOLOGY COMMENTS N85 < GEOLOGY SAME AS EL PERO BONITO MINE EXCEPT NO RHYOLITE DIKES CUT THE PRECAMBRIAN Rocks

GENERAL COMMENTS

GENERAL COMMENTS GEN <

Mariah / Guild Mark
Dear Valley Airpark
702 W. Melinda Ln.
Bldg. 'D', Suite 7
Phoenix, AZ 85027
602 492.9017
Fax 492.9810

Lionel A. Dorsay, President / CEO
602 951.2772 Fax 602 951.2772

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CERTIFICATE OF QUALIFICATION

I, John O. Rud, of Phoenix, Arizona DO HEREBY CERTIFY:

1. That I am a Consulting Geologist, graduate of the University of Oregon, Eugene, Oregon in 1970 with a B.S. degree in Geology and a M.S. degree in Geology in 1971.
2. That I have practiced my profession as a Geologist since 1970 in the western United States, Canada and Mexico.
3. That the information, opinions and recommendations in this report are based on work carried out by me on the Humbug mine property beginning in March, 1991.
4. That I have no direct interest in any of the subject property of this report, nor in the shares or securities of Mariah International Inc. and Guild Mark Industries, Inc. Nor do I expect to receive any such interest.

John O. Rud
Geologist, M.Sc.

Dated at Phoenix, Arizona, this 27th day of October, 1993.

LOCATION & ACCESS TO THE HUMBUG GOLD MINE

The Humbug gold mine is located in Township 8 North, Range 1 West, Sections 1 and 12 Columbia Quadrangle, Yavapai County, Arizona. The mine lies at an elevation of 2,600 feet and immediately east of Humbug Creek.

The claim group lies about ten miles north of Lake Pleasant Regional Park located approximately twenty-two miles north west of Phoenix, Arizona. Access is provided by the Lake Pleasant-Crown King road passable by two-wheel drive vehicles. The road is maintained by Maricopa and Yavapai counties.

MINE HISTORY

The History of the area has been described by Wilson, E.D. (1934) "Arizona Lode Gold Mined and Gold Mining" in Arizona Bureau of Mines Bulletin 137, pages 60 - 67 Mr. Wilson states: "Gold mining was carried on with the aid of arrastres as early as 1880. From 1900 to 1905, C.E. Champie operated a 4-stamp mill at Columbia, on Humbug Creek. Some ore was shipped but, during the early days when Yuma was the nearest shipping point, operations were greatly hampered by the inaccessibility of the district. After 1905, only small-scale, intermittent work was attempted until 1932 when the present operators started active development. According to Mr. Elsing, test shipments of 207 tons of ore, mined from surface cuts and tunnels on numerous veins, averaged approximately 1 1/2 ounces of gold 3 1/2 ounces of silver per ton, together with 3 1/2 per cent lead. A 50-ton flotation and table concentrating mill was completed and put into operation early in 1934. In February of that year, about eighty men were employed on the property."

In "Metallic Mineral District and Production in Arizona" Arizona Bureau of Geology and Mineral Technology, Bull. 194 by S.B. Keith the actual production from the Humbug District has been in the order of 4,200 tons. It is estimated 105,000 pounds of copper, 48,000 pounds of lead, 1,700 ounces of gold and 8,300 ounces of silver have been produced.

GEOLOGY

A summary of the geology of the Humbug Gold Mine was presented by Mr. Robert Poley Jr., Minerals Consultant, in a report dated August, 1984. Mr. Poley states: "The Humbug Mining District lies within Southern Yavapai County and on the southern extent of the Bradshaw Mountains. The Humbug District is within the Mountain Region, which lies between the Colorado Plateau to the northeast and the Desert Section of the Basin and Range Province to the southwest.

The oldest rocks within the region consist of the Yavapai Series which are 1.82 - 1.775 b.y. old and consist of some 40,000 feet of mafic to felsic submarine volcanics and clastic sediments. The greenstone belt has been folded, metamorphosed and intruded by granites 1.76 - 1.63 b.y. B.P. There is no record of sedimentary deposition or igneous activity in this area until the Laramide orogeny at which time small granodiorite plutons were intruded into the Precambrian schist and granite. During the mid-Tertiary (40 - 20 m.y. B.P.) a thick sequence of fluvial lacustrine and calc-alkaline volcanic rocks were deposited in the Phoenix basins which extends into the southern part of the Humbug Drainage. During the late-Tertiary (20 - 9 m.y.B.P.) basalt flows were erupted, and to the south basin and range faulting became important. During the last 9 m.y. volcanism and tectonism subsided and the dominant geologic processes have been erosion and deposition of alluvium.

MINERALIZATION

Geological environments potentially favorable for the occurrence of economic minerals in the region include Precambrian granite contracts, Laramide plutons, mid-Tertiary plutons and volcanics. The felsic volcanics within the Yavapai Series are locally associated with copper, zinc, gold, and silver-bearing massive sulfide deposits. Minor tungsten-bearing veins may be associated with Precambrian granite contacts. Gold, silver and base metal occurrences are associated with small Laramide plutons. They occur mainly as veins along shears but some occur as breccia pipes. All are found to the north of the Humbug District, close to the intersection of the ENE and NW trends, along which porphyry copper deposits are found elsewhere in Arizona. Gold, silver and base metal occurrences are associated with the mid-Tertiary rhyolite porphyry and granite intrusive into Precambrian rocks and Tertiary volcanics. They occur mainly as veins along shears but a few contain minerals disseminated in rhyolite porphyry.

CURRENT ACTIVITIES

During the past two years Pantel Minerals, Inc. has been conducting a geologic evaluation of the Humbug Gold Mine and the surrounding area. Activities include sampling of the rhyolite porphyries, surface outcrops and numerous quartz porphyry dikes that crop out in the immediate vicinity of the mine.

Boyles Brothers Drilling Company of Glendale, Arizona was contracted to drill three NX core holes near the old workings located near Humbug Creek. The objective of the program was to determine the width of the diabase dike and the strike length of the mineralization. The drill results also indicated the diabase dike contain gold mineralization as well as the intruded Crazy Basin Quartz Monzonite.

A three phase drilling program was considered to determine the economic potential of the Humbug Mineral claims.

The Phase I Humbug Mine drilling program was completed by Holman Drilling of Albuquerque, New Mexico on September 26, 1993. A total of six holes was completed with five holes intersecting the vein between 50 and 200 feet below the previous haulway. The vein widths ranged from four to six feet wide with sharp contacts on the hanging and footwalls. The mineralization zone intersected at the 200 foot level has a vein width exceeding the width of the vein exposed at the surface near the old stopes. The six drill holes completed intersected the vein below the old haulway that was developed during the early 1930's and indicate the mineralization continues beyond the 200 foot level. Microscopic examination of the core within the Humbug vein system indicated mineralization consisting of gold, arsenopyrite, pyrite, galena, sphalerite within a quartz groundmass. Numerous small mineralized veins, ranging from 2 to 6 inches in width were intersected and appear to be associated with the numerous granodiorite and diorite dikes.

The core derived from the drilling program has been transported to the Deer Valley facility where the core is split by a diamond saw, with 50% of the core submitted for analysis at assay laboratories in Vancouver, B.C. Canada, Phoenix and Tucson, Arizona.

A surface sampling program has also been completed on the Humbug Mine mineral claims. Two areas of anomalous gold mineralization have been delineated.

AREA A is located northeast of Humbug Creek and covers all the old workings of the Humbug mine. The area is 5,000 feet wide in a northwest - southwest direction and 10,000 feet long in a northeast - southeast direction. The area has been geologically mapped which indicates a northeast structural trend. A total of 56 surface samples have been taken from this area. The gold values ranged from a trace to 4.062 ounces per ton with an average value of .350 ounces per ton gold.

AREA B is located northeast of Area A and is 3,000 feet by 3,000 feet in size. Area B is within the Little Fanny group of mineral claims which contains mine workings that consist of three shallow mine shafts. A total of 15 surface samples have been removed from this area. The gold values ranged from .02 to 1.3 ounces per ton gold with an average value of .2272 ounces per ton.

CONCLUSIONS

1. The Humbug Gold Mineral Claims are located in the southwestern Bradshaw Mountains, an area known for its gold production. The Humbug Mining District has produced 105,000 pounds of copper, 48,000 pounds of lead, 1,700 ounces of gold and 8,300 ounces of silver.
2. The Humbug Gold Mineral Claims covers a number of fissure vein structures which carry significant values in gold content. Gold values range from a trace to 4.062 ounces per ton.
3. Area A, a large area of anomalous gold mineralization (average value of .35 ounces per ton gold) has been delineated by surface sampling. It is evident by the extent of gold mineralization and size of the anomalous zone the area should be further investigated by physical methods.
4. Area B, a 3,000 feet by 3,000 feet also contains anomalous gold values (average value of .22 ounces pet ton gold). The area has limited mine workings but has good geologic indications of a potential low grade - high tonnage gold deposit.

SCHEDULE OF EXPENDITURES FOR THE DEVELOPMENT OF THE HUMBUG GOLD MINE PHASE I - DRILLING

August 9 - 14

Complete road maintenance
Construct drill pads
Complete USBLM permits and bond requirements
Purchase drilling supplies (Core boxes, sample bags etc.)
Contract water source at Columbia Mine

Estimated Capital Requirements **$10,000.00**

August 16 - 21

Payment of claim rental fees ($13,230.00)
Complete drilling contract and made payment of drilling services
Mobilization of drill rig
Initiate drill program
Purchase rock saw for core splitting

Estimated Capital Requirements **$35,000.00**

August 23 - 28

Core drilling
Begin logging core
Submit core for analysis

Estimated Capital Requirements **$4,000.00**

August 30 - September 4

Core drilling
Logging of core
Core submitted for analysis

Estimated Capital Requirements **$2,500.00**

September 6 - 11

Core drilling
Logging of core
Core submitted for analysis

Estimated Capital Requirements **$5,000.00**

September 13 - 18

Core drilling
Logging of core
Core submitted for analysis

Estimated Capital Requirements $2,500.00

September 20 - 30

Complete drilling program
Complete logging of core
Final submittal of core for analysis
Demobilize drilling equipment
Rehab of drill sites

Estimated Capital Requirements $5,000.00

TOTAL CAPITAL REQUIREMENTS $64,000.00

PROPOSED BUDGET FOR THE CONSTRUCTION OF A 100 TONS PER DAY FLOTATION MILL

INTRODUCTION

The following budget is proposed for the construction of a 100 tons per day flotation mill to process the gold/silver/lead/zinc ore from the Humbug mine. Construction of a concentrating facility to process the ore from the Humbug mine is recommended if the core drilling program confirms the ore grade indicated by the completed surface sampling program and delineates sufficient tonnage to warrant the financial investment.

MILL SITES

At this time it is recommended that the patented mill site at the Columbia mine be leased or purchased for the construction of a concentrating facility. The Columbia mill site is on private land, has a processing permit that can be easily modified to allow for gravity or flotation chemicals, water well of sufficient capacity to support a 100 tons per day mill, and commercial power. The mill site is located 1.5 miles south of the Humbug mine and is connected with an existing road that can be easily upgraded to haul road status.

An alternative mill site exists on the patented Humbug mine claims where a 35 tons per day gravity flotation mill operated during the early 1930's. This site would have to undergo a permitting procedure that is estimated to take from 6 to 9 weeks for completion. The Humbug mine has an existing water well that will have to be repaired at an estimated cost of $7,500, if a new well is drilled and completed. The advantage of this site is that it will be located close to the mining operation and it can be supervised by a combined mine/mill superintendent, the mill site area is excavated on a hill side for ease of mill construction, and adequate tailing disposal area is available.

ACCESS

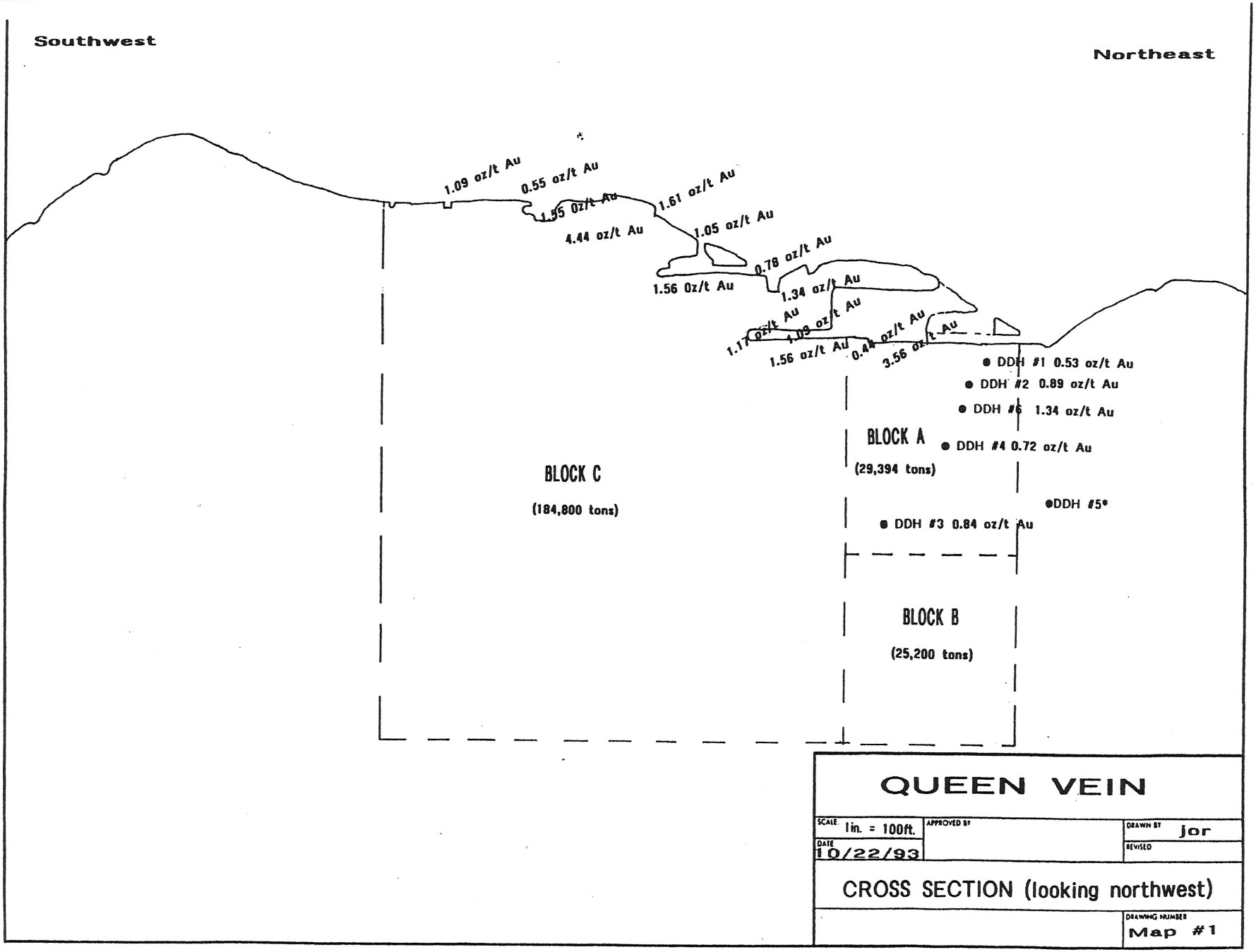
Access to the Humbug mine area and the Columbia mine area is provided by roads constructed during the late 1800's and were named after the Columbia mine (Columbia Trail) and Humbug mine (Humbug Mine Road). The two mines have dwellings that have been continuously occupied since the late 1800's when the two mines were originally developed. Both sites are located on private land and have been provided with commercial power over 30 years ago. The roads are maintained ny the owners of the two mines and are always passable although with difficulty by two-wheel drive vehicles during the monsoon season.

MILL CONSTRUCTION BUDGET

SITE PREPARATION	$15,000.00
Site Preparation	$15,000.00
Concrete for mill floor and pedestals	$5,000.00
Construction of water line to mill	
CRUSHING CIRCUIT	$14,000.00
10 ton feed hopper with vibratory feeder	$15,000.00
10 x 20 Jaw crusher	$18,000.00
18 inch SH Gyratory Cone	$2,800.00
3' x 6' Single deck screen	$3,800.00
30' x 18" Belt conveyor	$6,000.00
2 — 20' x 18" Belt conveyors	$10,000.00
75' x 18" Stacking belt conveyor	$5,000.00
Electrical	$15,000.00
Labor	
GRINDING CIRCUIT	$12,000.00
Vibratory feeder with feed tunnel	$6,000.00
60' x 18" Feed belt conveyor	$20,000.00
5' x 18' Ball mill with mtr.	$2,500.00
2 inch Krebs hydrocone	$3,500.00
2 inch SRL pump and sump	$1,000.00
3' x 6' Conditioning tank	$15,000.00
12 cells, 22 cubic feet flotation cells	$1,000.00
4 — Reagent feeders	$3,500.00
Air blower	$7,000.00
4 x 4 Disk filter	$5,000.00
Vacuum pump	$20,000.00
40 ft. x 60 ft. Mill building	$7,000.00
Electrical	$2,500.00
Piping	$15,000.00
Labor	
SOLID/LIQUID SEPARATION	$15,000.00
40 ft. Thickener with bridge and rake	$4,500.00
2 — 2 inch SRL pump	$15,000.00
Construction of tailing pond	$2,500.00
Piping	$5,000.00
Electrical	$10,000.00
Labor	
ANCILLARY EQUIPMENT	$5,000.00
Arc welder	$2,000.00
Acetylene torch set	$4,000.00
Hand tools	$12,000.00
1.5 Ton supply truck	$18,000.00
3/4 Ton parts pickup	$3,000.00
Office trailer	$2,500.00
40 ft. Storage trailer	$15,000.00
2 yd Loader	$10,000.00
Road grader for road maintenance	$5,000.00
Construction crane	$40,000.00
Contingencies	$10,000.00
Trucking (transportation of equipment to mill site)	$25,000.00
Supervision	
TOTAL	**$449,100.00**

CONSTRUCTION TIME FRAME

It is estimated that the construction of the concentration facility can be completed within a 60 to 90 day time frame. This would include the procurement of equipment, transportation and installation. If permitting is required, the procedure would begin during the procurement of equipment stage and would not interfere with the construction schedule.


Southwest
Northeast
1.09 oz/t Au
0.55 oz/t Au
1.55 oz/t Au
1.61 oz/t Au
4.44 oz/t Au
1.05 oz/t Au
0.78 oz/t Au
1.56 Oz/t Au
1.34 oz/t Au
1.09 oz/t Au
1.56 oz/t Au
0.44 oz/t Au
3.56 oz/t Au
DDH #1 0.53 oz/t Au
DDH #2 0.89 oz/t Au
DDH #6 1.34 oz/t Au
BLOCK A
DDH #4 0.72 oz/t Au
(29,394 tons)
BLOCK C
(184,800 tons)
DDH #5*
DDH #3 0.84 oz/t Au
BLOCK B
(25,200 tons)
QUEEN VEIN
SCALE 1in. = 100ft.
APPROVED BY
DRAWN BY jor
DATE 10/22/93
REVISED
CROSS SECTION (looking northwest)
DRAWING NUMBER Map #1

DRILLING REPORT - PHASE 1

INTRODUCTION

During September, 1993 the first phase of core drilling was completed at the Humbug Mine on the Queen Vein. The first objective of the drilling program was to compare the ore grades obtained from the surface sampling program with the core hole intersects within the Queen Vein mineralized structure. The second objective was to determine the change in vein width and ore grade with depth. The 200 ft. level was selected as the maximum depth for the first phase of the drilling program as this would be the most economical design plan fir the initial development of the mine.

Prior to the commencement of core drilling the access road to the mine was rehabilitated and the road to the portal of the Queen Vein reconstructed. A total of six holes were completed with the following results:

Project: Humbug
Date Started: August 26, 1993
Contractor: Holman Drilling
Bearing: 230 Degrees

Hole No: 1
Date Completed: September 1, 1993
Drill Type: Joy
Inclination: -45
Hole Size: nx
Collar Elevation: 3122
Final Depth: 97 feet

Hole Number	Intersection From	to	Length	Ounce per Ton Gold	Ounce per Ton Silver
1	65 ft.	70 ft.	5 ft.	0.7373	1.4020
1	70 ft.	75 ft.	5 ft.	0.3290	0.9080

Hole number one intersected the Queen Vein at 50 feet below the old mine haulway and 35 feet southwest of the portal. The true width of the vein, based on drill hole data is 6.3 feet with an average grade of 0.5331 ounce per ton gold and 1.154 ounce per ton silver.

Project: Humbug
Date Started: September 1, 1993
Contractor: Holman Drilling
Bearing: 195 Degrees

Hole No: 2
Date Completed: September 4, 1993
Drill Type: Joy
Inclination: -60
Hole Size: nx
Collar Elevation: 3122
Final Depth: 52.5 feet

Hole Number	Intersection From	to	Length	Ounce per Ton Gold	Ounce per Ton Silver
2	42.5 ft.	47.5 ft.	5.0 ft.	0.5064	1.344
2	47.5 ft.	50.0 ft.	2.5 ft.	1.2666	0.3706

Hole number two intersected the Queen Vein at 40 feet below the old mine haulway and 45 feet southwest of the portal. The true width of the vein, based on drill hole data is 5.4 feet with an average grade of 0.8865 ounce per ton gold and 0.8573 ounce per ton silver.

Project: Humbug
Date Started: September 4, 1993
Contractor: Holman Drilling
Bearing: 220 Degrees

Hole No: 3
Date Completed: September 10, 1993
Drill Type: Joy
Inclination: -60
Hole Size: nx
Collar Elevation: 3104
Final Depth: 214 feet

Hole Number	Intersection From	to	Length	Ounce per Ton Gold	Ounce per Ton Silver
3	195 ft.	200 ft.	5 ft.	0.2635	2.4445
3	200 ft.	205 ft.	5 ft.	1.4137	1.2746

Hole number three intersected the Queen Vein at 170 feet below the old mine haulway and 165 feet southwest of the portal. The true width of the vein, based on drill hole data is 4.8 feet with an average grade of 0.8386 ounce per ton gold and 1.86 ounce per ton silver.

Project: Humbug
Date Started: September 10, 1993
Contractor: Holman Drilling
Bearing: 210 Degrees

Hole No: 4
Date Completed: September 12, 1993
Drill Type: Joy
Inclination: -60
Hole Size: nx
Collar Elevation: 3123
Final Depth: 100 feet

Hole Number	Intersection From	to	Length	Ounce per Ton Gold	Ounce per Ton Silver
4	45 ft.	50 ft.	5 ft.	0.5015	0.3587
4	50 ft.	52 ft.	2 ft.	0.1826	0.2337
4	50 ft.	55 ft.	3 ft.	3.0500	3.0190
4	55 ft.	60 ft.	5 ft	0.1403	0.1647

Hole number four intersected the Queen Vein at 50 feet below the old mine haulway and 85 feet southwest of the portal. The true width of the vein, based on drill hole data is 10 feet with an average grade of 0.9686 ounce per ton gold and 0.9440 ounce per ton silver.

Project: Humbug — Hole No: 5
Date Started: September 12, 1993 — Date Completed: September 17, 1993
Contractor: Holman Drilling — Drill Type: Joy — Hole Size: nx
Bearing: 230 Degrees — Inclination: -60 — Collar Elevation: — Final Depth: 84 feet

Hole Number	Intersection From	to	Length	Ounce per Ton Gold	Ounce per Ton Silver
5	Abandoned	at	84 ft.		

Hole number five was lost when the drill intersected a fault zone northeast of the mine portal. The drill hole was abandoned at 84 feet.

Project: Humbug — Hole No: 6
Date Started: September 17, 1993 — Date Completed: September 19, 1993
Contractor: Holman Drilling — Drill Type: Joy — Hole Size: nx
Bearing: 220 Degrees — Inclination: -60 — Collar Elevation: 3120 — Final Depth: 120 feet

Hole Number	Intersection From	to	Length	Ounce per Ton Gold	Ounce per Ton Silver
6	90 ft.	92 ft.	2 ft.	0.0872	0.0859
6	92 ft.	95 ft.	3 ft.	0.4293	1.2150
6	95 ft.	100 ft.	5 ft.	3.6400	10.7300
6	100 ft.	102 ft.	2 ft.	1.2200	1.5803

Hole number six intersected the Queen Vein at 78 feet below the old mine haulway and 60 feet southwest of the portal. The true width of the vein, based on drill hole data is 9 feet with an average grade of 1.3441 ounce per ton gold and 3.4027 ounce per ton silver.

PROVEN ORE RESERVES

The program was designed to have drill intersections at a closely spaced interval to determine the uniformity of the gold content and vein widths. Prior examinations of the vein structure indicated that the geological character of the vein is well defined, therefore, upon completion of the analysis of the assay results it has been determined that the computed tonnages and ore grades are judged to be accurate with variations of no more than 20%.

Based on the above drill results, the computed average width of the Queen Vein is 7.1 feet. The vein was delineated for a distance of 225 feet in strike length and 230 feet in depth. Therefore, the ore reserves in the proven category within the Queen Vein structure below the old mine working are: (Map #1)

225 feet of strike length x 230 feet of depth x 7.1 feet of vein divided by a tonnage factor of 12.5 cubic feet per ton* = 29.394 tons. (Block A)

A total of 14 samples were submitted for analysis which represented 54.5 linear feet of core derived from the Queen Vein intersections. The 14 samples averaged 0.9142 ounce per ton gold and 1.6436 ounce per ton silver.

INDICATED ORE RESERVES

Based on the surface mapping and sampling, old mine workings, and interpretation of the data derived from the completed drill program the indicated ore reserves within the Queen Vein structure can be calculated. The indicated ore for which tonnage and grade are computed partly from specific measurements, samples, and production data and partly from projection for a reasonable distance on geologic evidence is as follows:

BLOCK B is located below the drilled out proven ore block (Map 1). This block has a strike length of 230 feet and a vertical depth of 200 feet. This would extend the mine depth to the 400 feet level which is considered reasonable based on the sampling data and examination of the mine workings located 3,000 feet southwest and 600 feet below the present mine level. A 7 foot vein width is maintained due to the consistency of the vein widths determined by the drill program. Therefore, Block B has the potential to contain:

225 feet of strike length x 200 feet of depth x 7.0 feet of vein width divided by a tonnage factor of 12.5 cubic feet per ton*=29,200 tons.

BLOCK C is located below the mine workings that continue southwest of the old mined out stopes (Map 1). The Queen Vein has been exposed on the surface by pits and underground by tunnels, winzes and underhand stopes. The sampling of the workings on the mineralized structure indicate a consistency of grade for a distance of over 600 feet. Vein width also appears to be consistent. Block C has been delineated with a strike length of 600 feet and a depth of 400 feet with a vein width of 7 feet. Therefore. Block C has the potential to contain:

600 feet of strike length x 400 feet of depth x 7.0 feet of vein width divided by a tonnage factor of 12.5 cubic feet per ton*=184,800 tons.

* Based on the composition of vein material (USGS log book) Practical Handbook of Rock Classification Systems and Modes of Ground Failure, Afrouz, Andy A. 1992.

CONCLUSIONS

The objective of the drilling program was to confirm the results of the prior sampling on the Queen Vein, results of the surface sampling on the Queen Vein structure, and historical assay data derived from sampling the Queen Mine in 1935 prior to the caving in of the portal area.

1. The assay results derived from the drilling program confirmed the ore grades depicted in the sample map completed by Mr. J.T. Stockdale, September 18, 1935.
2. The drill program blocked out an area below the present mine working that contains 29,394 tons of proven ore with an average grade of 0.9142 ounce per ton gold.
3. The Queen Vein structure has probable ore reserves that exceed 200,000 tons. The probable status is considered reasonable due to the extent of surface trenching, stoping, tunnels and winzes that have been completed on the Queen Vein structure southwest of the stoped out areas of the mine. Based on the current assay results and prior sampling of the mine workings, an average grade exceeding 0.50 ounce per ton gold is projected.

RECOMMENDATIONS

Based on the above conclusions, the following development program is recommended for the Humbug Mine - Queen Vein mineralized structure.

1. Design and determine the costs of driving a 10 ft. x 10 ft. decline to intersect the Queen Vein 100 feet below the present mine workings. This would allow for the bulk sampling of the Queen Vein and completion of the final metallurgical work to determine optimum methods for the recovery and concentration of the gold-silver bearing minerals by the flotation process.
2. Initiate the procurement procedures to obtain a 100 ton per day flotation mill to process and concentrate the Humbug Mine ore. This process is projected to take 30 to 60 days which would include travel, inspection of equipment, arrangements for mobilization and assembly in the Phoenix area.
3. Continue the surface sampling program to determine the overall economic potential of the Humbug mine area. Current analysis of the drill results and surface sampling indicate two other areas of high gold mineralization exist within the Humbug mineral claim group. The two areas should be under continuing examination to delineate the anomalous gold ares and determine the most economical methods of developing the gold bearing areas if they prove to be economically viable.

ANALYTICAL REPORT

Issued by C R M INDUSTRIES, Mesa, Arizona for Mariah International, Inc. and Guild Mark Industries, Inc. a Joint Venture

October 4, 1993
Work Order Number 1613
C R M Industries Fire Assay Analysis Results

Sample Number	Sample Description	Ounce per Ton Gold	Ounce per Ton Silver
161301	315357	1.2200	1.5803
161302	315358	3.6400	10.7300
161303	315359	0.1159	0.1657
161304	315360	0.2405	0.3011
161305	315361	0.1926	0.1990
161306	315363	0.5015	0.3587
161307	315364	0.1826	0.2337
161308	315365	3.0500	3.0190
161309	315366	0.1403	0.1647
161310	315367	0.3865	0.1779

October 14, 1993
Work Order Number 1618
C R M Industries Fire Assay Analysis Results

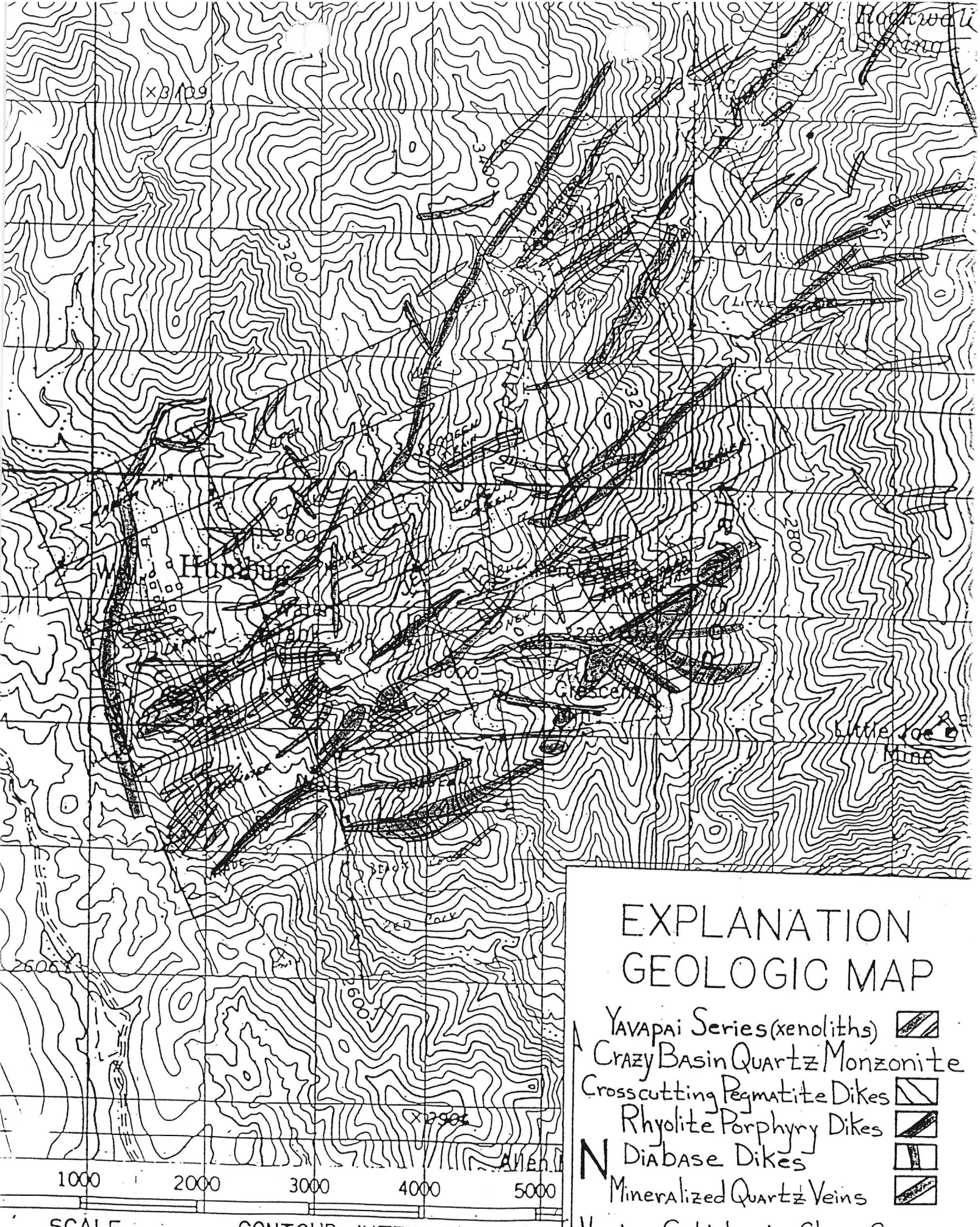
Sample Number	Sample Description	Ounce per Ton Gold	Ounce per Ton Silver
161801	315368	0.0872	0.0859
161802	315369	0.4293	1.2150
161803	315370	0.7373	1.4020
161804	315371	0.3290	0.9080
161805	315372	0.5064	1.3440
161806	315376	1.4137	1.2746
161807	315377	0.2635	2.4450
161808	315378	0.0641	0.0687

HUMBUG MINE PROFORMA - YEAR 1

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Production rate												
Tons per month					550	750	750	1650	1650	2250	2250	2250
Grade												
Gold @ .86 oz/ton												
75% Recovery - $350/oz price					$124,163	$169,313	$169,313	$372,488	$372,488	$507,938	$507,938	$507,938
Silver @ 1.64 oz/ton												
70% Recovery - $4.40 price					$2,778	$3,788	$3,788	$8,334	$8,334	$11,365	$11,365	$11,365
Lead @ 8% 70% Recovery												
Price - $0.35/lb					$21,560	$29,400	$29,400	$64,680	$64,680	$88,200	$88,200	$88,200
Zinc @ 5% 65% Recovery												
Price - $0.43					$15,373	$20,963	$20,963	$46,118	$46,118	$62,888	$62,888	$62,888
Gross Income					$163,873	$223,463	$223,463	$491,619	$491,619	$670,390	$670,390	$670,390
Expenses												
Procurement of Equip. (Travel)	$5,000	$2,500	$2,500									
Mine permits	$1,000	$1,500	$3,500									
Purchase Mill Equipment		$75,000	$120,000									
Lease/Purchase Mine Equip.		$50,000	$15,000	$15,000	$15,000	$15,000	$15,000	$20,000	$20,000	$20,000	$25,000	$25,000
Purchase Ancillary Equipment		$25,000	$30,000			$10,000						
Equip Yard Rental		$1,000	$1,000	$1,000								
Purchase Fabrication Equip.		$7,500	$4,500									
Site Preparation		$15,000	$15,000									
Mob & Demob Equipment		$5,000	$5,000									
Portal Construction		$10,000										
Driving Production Decline		$15,000	$50,000	$65,000	$15,000	$10,000						
Mill Construction Labor		$7,500	$10,000	$10,000								
Development of Water Well		$8,000	$2,500									
Tailing pond construction		$10,000			$3,000							
Grade Control Specialist							$3,000	$3,000	$3,000	$3,000	$3,000	$3,000
Assay Charges					$750	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500
Mining Costs $25/ton					$13,750	$18,750	$18,750	$41,250	$41,250	$56,250	$56,250	$56,250
Ground Support $3/ton					$1,650	$2,250	$2,250	$4,950	$4,950	$6,750	$6,750	$6,750
Piping and Vent $1.50/ton					$825	$1,125	$1,125	$2,475	$2,475	$3,375	$3,375	$3,375
Milling Costs $12/ton					$6,600	$9,000	$9,000	$19,800	$19,800	$27,000	$27,000	$27,000
Mine Development								$10,000		$10,000		$10,000
Supervision	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000
G&A		$2,000	$3,000	$3,500	$5,000	$7,500	$7,500	$7,500	$10,000	$10,000	$10,000	$10,000
Total Expenses	$11,000	$240,000	$267,000	$99,500	$66,575	$80,125	$63,125	$115,475	$107,975	$142,875	$137,875	$147,875
Net Income	($11,000)	($240,000)	($267,000)	($99,500)	$97,298	$143,338	$160,338	$376,144	$383,644	$527,515	$532,515	$522,515
Cumulative Income	($11,000)	($251,000)	($518,000)	($617,500)	($520,202)	($376,863)	($216,525)	$159,619	$543,264	$1,070,779	$1,603,294	$2,125,810

HUMBUG MINE PROFORMA - YEAR 2

	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
Production rate												
Tons per month	2250	2250	2250	2250	2250	2250	2250	2250	2250	2250	2250	2250
Grade												
Gold @ .86 oz/ton												
75% Recovery - $350/oz price	$507,938	$507,938	$507,938	$507,938	$507,938	$507,938	$507,938	$507,938	$507,938	$507,938	$507,938	$507,938
Silver @ 1.64 oz/ton												
70% Recovery - $4.40 price	$11,365	$11,365	$11,365	$11,365	$11,365	$11,365	$11,365	$11,365	$11,365	$11,365	$11,365	$11,365
Lead @ 8% 70% Recovery												
Price - $0.35/lb	$88,200	$88,200	$88,200	$88,200	$88,200	$88,200	$88,200	$88,200	$88,200	$88,200	$88,200	$88,200
Zinc @ 5% 65% Recovery												
Price - $0.43	$62,888	$62,888	$62,888	$62,888	$62,888	$62,888	$62,888	$62,888	$62,888	$62,888	$62,888	$62,888
Gross Income	$670,390	$670,390	$670,390	$670,390	$670,390	$670,390	$670,390	$670,390	$670,390	$670,390	$670,390	$670,390
Expenses												
Procurement of Equip. (Travel)												
Mine permits												
Purchase Mill Equipment												
Lease/Purchase Mine Equip.	$30,000	$30,000	$30,000	$30,000	$30,000	$30,000	$30,000	$30,000	$30,000	$30,000	$30,000	$30,000
Purchase Ancillary Equipment	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000
Equip Yard Rental												
Small hand tools & Equip	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500
Site Preparation												
Mob & Demob Equipment												
Portal Construction												
Driving Production Declines	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000
Mill Construction Labor												
Development of Water Well												
Tailing pond Maintenance	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500
Grade Control Specialist	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000
Assay Charges	$1,800	$1,800	$1,800	$1,800	$1,800	$1,800	$1,800	$1,800	$1,800	$1,800	$1,800	$1,800
Mining Costs $25/ton	$56,250	$56,250	$56,250	$56,250	$56,250	$56,250	$56,250	$56,250	$56,250	$56,250	$56,250	$56,250
Ground Support $3/ton	$6,750	$6,750	$6,750	$6,750	$6,750	$6,750	$6,750	$6,750	$6,750	$6,750	$6,750	$6,750
Piping and Vent $1.50/ton	$3,375	$3,375	$3,375	$3,375	$3,375	$3,375	$3,375	$3,375	$3,375	$3,375	$3,375	$3,375
Milling Costs $12/ton	$27,000	$27,000	$27,000	$27,000	$27,000	$27,000	$27,000	$27,000	$27,000	$27,000	$27,000	$27,000
Mine Development	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000
Supervision	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000
G&A	$12,500	$12,500	$12,500	$12,500	$12,500	$12,500	$12,500	$12,500	$12,500	$12,500	$12,500	$12,500
Total Expenses	$183,675	$183,675	$183,675	$183,675	$183,675	$183,675	$183,675	$183,675	$183,675	$183,675	$183,675	$183,675
Net Income	$486,715	$486,715	$486,715	$486,715	$486,715	$486,715	$486,715	$486,715	$486,715	$486,715	$486,715	$486,715
Cumulative Income	$486,715	$973,430	$1,460,146	$1,946,861	$2,433,576	$2,920,291	$3,407,006	$3,893,722	$4,380,437	$4,867,152	$5,353,867	$5,840,582



EXPLANATION
GEOLOGIC MAP

- Yavapai Series (xenoliths)
- Crazy Basin Quartz Monzonite
- Crosscutting Pegmatite Dikes
- Rhyolite Porphyry Dikes
- Diabase Dikes
- Mineralized Quartz Veins

N

SCALE
1" = 1000'

CONTOUR INTERVAL
40 FEET

Humbug Gold Lode Claim Group
Location: T8N. R1W. Sec. 1, 6.

(1) Geologic mapping.
(2) Sampling.
(3) Assays.

b. Develop complete abstract of title, request opinion from counsel, and cure title as necessary.

(1) Research records in County and BLM.
(2) Prepare abstract.
(3) Check water rights title.
(4) Request opinion from counsel.
(5) Cure title as necessary.

DECISION: Based on the findings of the above and the availability of funding, the property owner must now decide whether to continue into the next phase, Goal 3, or seek third party assistance.

GOAL #3: Perform a detailed, above ground, geological study of the entire HGP area, identify possible drill targets, and calculate possible ore reserves. Have aerial photo taken for the entire HGP, on a scale of 1 inch equals 200 feet.

a. Perform geologic mapping and sampling program for the entire project on a scale of 1 inch equals 200 feet.

(1) Geologic mapping.
(2) Sampling.
(3) Assays.
(4) Calculation.

b. Establish 3rd order horizontal and vertical control net throughout the project, panel aerial photo control, tie sample points.

(1) Survey horizontal control.
(2) Bring in vertical control.
(3) Panel aerial photo control.
(4) Survey sample points as marked.

c. Contract aerial photo service to fly and photograph the area, producing an aerial photo map on a scale of 1 inch equals 200 feet.

DECISION: Based on the findings of the above and the availability of funding, the property owner must now decide whether to continue into the next phase, Goal 4, or seek third party assistance.

NORTH

WEST

EAST

SOUTH

UNCLE SAM

AUREVOIR

CORBETT

F. F. F

WASHINGTON

SILVER LAMP

SIDE WINDER

HILLSIDE

SILVER QUEEN

MINERAL SPRING

BUENA VISTA

KAY

BUSTER

FARADAY

REFUSE

GLEAMO

HUMBUG

BELLVUE

SUMNER

EL PERO

BONITO

GOLCONDA

GOLDEN CENTRAL

MERCED

"83"

BROWN

SHEBA

ED. FARLEY

CRESCENT

CREEK

SOLID MAN

EMMA

DEFIANCE

BLUE BIRD

MASCOTT

ORIENTAL

BON TON

GILA AND SALT RIVER MERIDIAN

LIND-FOGARTY GROUP

COLUMBIA

YAVAPAI CO. ARIZONA

SCALE 1" = 600 ft.


THREE CLAIMS ON MAIN VEIN
DRILLING WASTE
Miners drill 3 3½' holes per hour spaced 2 ft apart
The Costs per hole are:
Labor (driller) 20 ¢
Gas & oil 12
Powder 48
Cap 2
Fuse 4
Compressor Rent 8
Labor (Blasting) 6
Steel and Sharpening 8
Machine & Compressor Repairs 7
Labor servicing Compressor 2
Misc Extra Labor 3
Total Cost per hole $1.20
= 12¢ per square foot of vein broken
MUCKING and TIMBERING
Exact costs not available but Estimated as follows:
Labor per square ft. 4 ¢
Materials (timber) 2 ¢
Total 6 ¢
TAKING DOWN ORE
The waste strips clean from the ore when blasted, ore is then picked and gadded or blasted down on turnsheets. The cost varies a great deal depending how tight the ore clings to the hanging wall. It blasts down much cleaner in the deeper portions of the present workings, where the cost runs around 10¢ per square foot. This is one of the most variable costs in the whole operation.
SORTING
The whole vein is carried out of the mine just as it is blasted down and highgrade shipping product is sorted out on the dump. This sorting cost has been running about 3¢ per square foot to date. When the ore can be taken down in sections by hand in the mine, it need not be sorted after drawing from the ore chutes in the stope.
HAULING to RAILROAD
Hauling in the mine truck, the cost is aproximately $3.00 per ton, or the ore can be delivered in the car in Phoenix by contract for $4.25 per ton. The distance is 55 mi.
FREIGHT and SMELTING
Total dedutions from gross value of ore delivered to Phoenix amount to nearly ten dollars per ton.
OLD PRODUCTION
Aproximately 350 tons averaging over three ounces gold per ton were taken from the areas marked "old stope" from which shipments are known to have gone $200.00, 400.00, and up to 1000.00 per ton at former price of Au
RECENT PRODUCTION
Aproximately 390 tons averaging $40.00 per ton were taken from the area (just one!) marked "new stope" and new development work during the past year.
FUTURE PRODUCTION
There is all evidence of a very much larger tonnage of ore of the same grade as that allready produced and when the mine is properly developed and equiped the operation should show a net profit of aproximately 50% of the net smelter returns
Produced 15 tons $500 grain 1933
Small pile assays $500
ORE
Old Stope
Old Stope
Assays on Texas Queen
TQ#1 $43.96
TQ#2 $114.28
Possible ORE
Covered cropping
LS#1 $37.10
Assay LS#17 -- $291.90
old stope
old stope
$35.00
$18
$532.00
$99.42
old stope
$151.00
old stope
$55.00
old stope
old stope
old shaft
LS#34
LS#35 $40.10
ORE
old stope
ORE
New stope 390 tons
old stope
ORE
Assays on ore taken out of drift, shovel samples, during August, 1935.
cross cut level
Deep Prospect hard
Scale 1" = 100'
By: J T Stockdale
Ford Hotel
Phoenix, Arizona
Date: Sept 18, 1935
DEVELOPMENT WORK
At present the ore shoots on this vein, as well as highgrade ore on the other claims, are very poorly developed. Drift driven to date has cost less than $5.00 per foot, which left a good profit on ore taken from it. To start with the shaft will be passing thru ore which will pay the sinking cost tho we can hardly hope this to continue all the way down
Above workings in dotted lines should develop about one half million dollars gross in $40.00 ore, more if highgrade like that encountered in the old stopes is opened up again. The ore consists of heavy Lead, Iron, Arsenic, and Zinc sulphies in Quartz and is very persistent thru out the present workings. Values come fairly uniform.