CONTACT INFORMATION
Mining Records Curator
Arizona Geological Survey
1520 West Adams St.
Phoenix, AZ 85007
602-771-1601
http://www.azgs.az.gov
inquiries@azgs.az.gov

The following file is part of the

Arizona Department of Mines and Mineral Resources Mining Collection

ACCESS STATEMENT

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

CONSTRAINTS STATEMENT

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

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

QUALITY STATEMENT

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

PRINTED: 06-22-2012

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: JOHNSON FLAT PROJECT

ALTERNATE NAMES:
MAHARAJA OF ROWDY DOE CLAIMS
ROWDY DOE

YAVAPAI COUNTY MILS NUMBER: 1169

LOCATION: TOWNSHIP 12 N RANGE 2 W SECTION 27 QUARTER W2
LATITUDE: N 34DEG 21MIN 11SEC LONGITUDE: W 112DEG 27MIN 28SEC
TOPO MAP NAME: BATTLESHIP BUTTE - 7.5 MIN

CURRENT STATUS: EXP PROSPECT

COMMODITY:
GOLD PLACER

BIBLIOGRAPHY:
USGS BATTLESHIP BUTTE QUAD
BLM AMC FILE 64714
ADMMR JOHNSON FLAT PROJECT

YAVAPAI COUNTY AZMILS GEOGRAPHIC LISTING
ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES

MILS NO.	R E F	NO. AKA	MINE NAME	TOWN	RANGE	SEC	QTR	TOPOGRAPHIC MAP NAME	COMMODITY 1	2	3	4	5	6	7
1167			PATENTED CLAIMS MS 1900	12 N	2 W	25	S2								
1168A			ANDERSON SHAFT	12 N	2 W	26	NE								
1168A	F	1	LONESOME AND LONESOME PINE	12 N	2 W	26	NE	BATTLESHIP BUTTE - 7.5 MIN	AG	PB	AU				
1169	Z	0	MAHARAJA OF ROWDY DOE CLAIMS	12 N	2 W	27	W2	BATTLESHIP BUTTE - 7.5 MIN	AU						
1170	F	0	COMSTOCK GROUP	12 N	2 W	36	N2	BATTLESHIP BUTTE - 7.5 MIN	AU	AG	PB	CU			
1251			JUNCTION CLAIMS	12 N	2 W	36	SW								
1251	P	1	LUCKY BUD	12 N	2 W	36	SW	BATTLESHIP BUTTE - 7.5 MIN	W	FE					
231A	F	0	BUCK HAVEN	12 N	3 W	1	NE	WILHOIT - 7.5 MIN	AU	AG	FE	CU			
231B	F	6	CLIMAX	12 N	3 W	1	NW	WILHOIT - 7.5 MIN	AU						
231B			CUB	12 N	3 W	1	NW								
231B			LION	12 N	3 W	1	NW								
231B			LIOPARD	12 N	3 W	1	NW								
231B			MONTGOMERY	12 N	3 W	1	NW								
231B			STOCKS PROJECT	12 N	3 W	1	NW								
231B			VIRGINIA DARE	12 N	3 W	1	NW								
232			MAGGIE, PATENTED	12 N	3 W	2	W2								
232			MOUNTAIN STAR, PATENTED	12 N	3 W	2	W2								
232			PATENTED CLAIMS MS 1570	12 N	3 W	2	W2								
232	F	3	WHITE SPAR	12 N	3 W	2	W2	WILHOIT - 7.5 MIN	BA	AG	PB	CU	FE	SB	
233			DREDGE TAILING	12 N	3 W	11	S2								
233			FRIEND AND INCORP	12 N	3 W	11	S2								
233	F	6	HASSAYAMPA GOLD BASIN PLACER	12 N	3 W	11	S2	WILHOIT - 7.5 MIN	AU						
233			MAYHART PLACER	12 N	3 W	11	S2								
233			ORO FIND	12 N	3 W	11	S2								
233			PULLEN PROJECT	12 N	3 W	11	S2								
233			RAY PLACER	12 N	3 W	11	S2								
161	Z	0	PEORIA PLACERS MS 2698	12 N	3 W	19	N2	WALNUT GROVE - 7.5 MIN	AU						
162	F	1	BEEHIVE CLAIM	12 N	3 W	20	NW	WALNUT GROVE - 7.5 MIN	PB	AG	GEM				
162			PEORIA PLACERS	12 N	3 W	20	NW								
461	F	0	DAVENPORT PLACER	12 N	3 W	27	N2	WALNUT GROVE - 7.5 MIN	AU						
164	A	2	HASSAYAMPA PLACERS	12 N	3 W	33	E2	WALNUT GROVE - 7.5 MIN	AU						
164			LUCKY ALICE	12 N	3 W	33	E2								
164			SPEAKMAN PLACER	12 N	3 W	33	E2								
165			COPPER ACE	12 N	3 W	33	NW								
165	F	1	MOHAWK	12 N	3 W	33	NW	WALNUT GROVE - 7.5 MIN	AU	CU					
462	Y	2	LITTLE	12 N	4 W	1	N2	KIRKLAND - 7.5 MIN	AU	AG					
462			LITTLE MINT	12 N	4 W	1	N2								
462			LITTLE SPRING	12 N	4 W	1	N2								
354	F	0	VICTORY	12 N	4 W	5	NE	KIRKLAND - 7.5 MIN	AU	AG					
418	M	0	BORROW PIT 30	12 N	4 W	22	SW	PEEPLES VALLEY - 7.5 MIN	UNK						
980	F	2	FAIRVIEW VERDE MINE	12 N	5 E	5	NW	HORNER MTN - 7.5 MIN	CU	AU	MO				
980			PATENTED CLAIMS MS 1328	12 N	5 E	5	NW								
980			RUSTLER PROPERTY	12 N	5 E	5	NW								
304B	Z	0	JACK OF DIAMONDS	12 N	5 W	9	S2	BISMARCK MESA - 7.5 MIN	AU	CU					
304A			HELMER-NUTTER GROUP	12 N	5 W	9	SE								
304A	A	1	HERBERT COLLUM	12 N	5 W	9	SE	BISMARCK MESA - 7.5 MIN	PB	AG	CU	AU	V		
350	F	0	AMERICAN KIRKLAND	12 N	5 W	13	N2	KIRKLAND - 7.5 MIN	AU	AG	PB	V			
303	Z	0	DE LUCHE-DOYLE INC. LEASE	12 N	5 W	16	C	BISMARCK MESA - 7.5 MIN	UNK						
337	P	0	PEEPLES VALLEY	12 N	5 W	21	E2	WEAVER PEAK - 7.5 MIN	MCA	BE	TA	U	TH	CB	

Geological Engineer
P O BOX 3081
SCOTTSDALE, ARIZ.

Yavapai County

Duplicate

PRELIMINARY REPORT

ON THE

JOHNSON FLAT LODE AND

PLACER MINING CLAIMS

9 JULY 1982

TABLE OF CONTENTS

T. W. ANDERSON, Geological Engineer

PRELIMINARY REPORT

LOCATION AND DESCRIPTION

The Johnson Flat Group of Placer and Lode Claims is located in the Prescott National Forest approximately 20 air miles due south of Prescott, AZ and approximately 60 air miles NNW of Phoenix, AZ and is comprised of 14 - 160 AC Placer Claims and 10-20 acre Lode claims, all occupying common ground and located in Sec.'s 21,22,23,26,27,28,33,34,35, R-2-W, T-12-N G&SRPM, Yavapai County, AZ. The mileage from known points such as Prescott and Phoenix are very deceptive inasmuch as it takes about 4-4½ hours of tough driving from Phoenix in order to arrive at the campsite on the said claims. The elevation is a pleasant 5,400 ft. in the summertime and a little less than such in the winter, some of which are extremely violent and cold. The rainfall produces running water most of the warmer fall, Summer and spring seasons, and the surface is covered with Oak brush, Pinon pine, cedar, cactus, catclaw and various and sundry other plant life. Cottonwood trees are found along the intermittent stream beds and creek bottoms.

Accessibility at the present is extremely rough and low geared trucks or four-wheel drive is almost a necessity. Nothing can be transported into the property in the way of heavy equipment unless considerable road improvement is accomplished.

A sketch map with mileage on same and an excerpt from an Arizona road map is enclosed to show the ways in and out. Power is not available by transmission lines without considerable expense to bring in and water of any large quantity must be developed.

TITLE AND HISTORY

The Johnson Flat Claims are presently owned by a consortium of individuals, the principals of whom are Lee Franks, Ben Conyers and Ralph McGee, representing the group. A tentative agreement has been made with Messrs. Clay Thorne and Marvin Hatch to purchase such claims. Thorne and Hatch, who will be the operators and furnish all the equipment, have made a tentative agreement with William L. Edmundson, III who will be the financier, furnishing the necessary money to bring the properties into production on a reasonable basis. At the present time, minor changes have and are being negotiated pending final agreement.

Prior to the above ownership, Mr. Bert Smith, a rancher residing on Milk Creek south of camp, about 5 miles, had these properties. He completed many tests and studies, satisfying himself that economic quantities of gold could be recovered, getting finance from a doctor who for unknown reasons, dropped his backing after all the stockpiles had been dozed up and considerable hydraulicing had been done. Mr. Smith has merely stated he recovered considerable large gold pieces, but not much fines and was unable to complete his work for lack of proper funding. Also, lack of necessary water and then too much at once causing his dam to break through, probably caused the doctor to quit funding his project and lead to Mr. Smith's laxity in watching his title to said ground by not doing his required assessment work, thereby allowing Franks, Conyers and McGee to "relocate."

There is evidence of earlier hydraulicing and deteriorating sluice boxes, but it does not appear to have had much direction. Obviously, lack of water was the controlling factor in all cases and will most assuredly be so should the present plans go ahead.

It is now my understanding that the Law Offices of EVANS, KITCHEL & JENCKES, P.C., Phoenix, AZ 85003, Dan L. Muchow, Attorney, representing, have been retained by Mr. Edmundson and have determined, with additional and new filings, that title does indeed rest with the above mentioned Franks, Conyers and McGee and their associates.

This writer has concluded a rough program of testing by dry washer and panning dry washer concentrates, calculating bulldozed piles and mineralized area tonnages, checked areas to the east along Ash Creek, staked 14 placer claims and re-worked papers on 10 lode claims and generally inspected the area of interest at Ash Creek.

The results of such work, testing, study and calculations will be included in this report.

ORE RESERVES

Ore reserve figures have been calculated from the pile of bulldozed material and dams located at various points on the Johnson Flat cleared area, taken from a known depth by visual observation and estimated depth over all the mineralized areas that have been examined and checked with dry washer and panning. Aerial photos, some enlarged, show the mineralized coloring associated with these alluvial and decomposed granitiferous bedded formations and the "proven" and "estimated" tonnages will also be shown graphically on the pictures.

Contiguous and nearby areas, not originally planned for testing, could not be ignored by this writer. Subsequent examination and testing showed the possibility of tremendous additional "Indicated Tonnages" of alluvial and well-mineralized gravel, dirt material and decomposed granite. This is made up of the large gravel beds, bars and piles of gravel in the Ash Creek bottom and the slopes of all the contiguous canyon slopes and drainages coming into Ash Creek. This Ash Creek Drainage could be extremely complementary to producing large additional indicated tonnages for the Johnson Flat cleared area, thereby insuring longevity to a well planned operation, complete with ample water.

To align the estimated tonnages into totals of proven, semi-proven and indicated ore, the following sketch of the cleared, windrowed dam and stacked ore on Johnson Flat will be considered first. Thereby the investor will have a fairly good idea of the means by which he can recover his investment and hopefully a good profit. By using the following figures of measurement on the cleared area shown in the photos, it was found to be approximately 1600 ft. E-W & 800 N-S and the indicated depth of loose material and partially decomposed granite ranged from 1 to 4 & 5 ft. It would be extremely foolish for this writer to assume or state anything else, due to the manner and means with which the work was done (crude equipment, estimates, dry washing, panning, spot checking small volumes, small trommel and sluice tests, etc., etc.) The bulldozed stacks of ore and 3 dams showed approximately 53,230 tons by tape measure and estimating depth and level capacities of each. A safe figure of 50,000 tons will be given herein.

T. W. ANDERSON, Consulting Engineer

The writer will hereby state that there is at least 1 ft. average depth of good, mineralized material found over the entire 1600' x 800' cleared area, that can be easily dozed, dug and/or made immediately available for processing.

The dry washer, panning, trommel, sluice and assay testing has shown that out of approximately 130 tests or runs, less than 25 blanks (no visible gold) were found. Approximately 15 of these blanks were taken in areas off of the cleared area of interest or on the extreme edges of the area. Ten blanks occurred within the area of interest (test area) and this is always a common trend in mineralized alluvial or decomposed material deposits of this nature.

The following tonnages are allocated to the different areas:

PROVEN ORE

A.	Stockpiled Dozer & Dam Ore	53,200 Tons
B.	One (1) Foot Thickness of Material In Cleared Area of Interest	80,000 Tons
	Proven Ore	133,200 Tons

INDICATED ORE

Two (2) Ft. to Three (3) Ft. of Depth 2 Ft. @ 80,000 T/Ft	160,000 Tons

POSSIBLE ASH CREEK ORE

A.	Bottom Fill Alluvium Gravel	+500,000 Tons
B.	Side Hill (Old Placer)	+100,000 Tons
		600,000 Tons

T. W. ANDERSON, Geological Engineer

TEST SAMPLING

The following listing will show the sample nos. of what was found in coarse gold and colors, some by dry washing and the final 15 by wet trommel and sluicing:

SAMPLE NO.	AREA	FREE GOLD
1	Windrow	5 pieces - 2@ 1/16" & 1/8" & 3 small colors
2	Windrow	3 large colors
3	Windrow	2 large colors
4	Windrow	3 colors
5	Windrow	2 colors
6	Windrow	1 color
7	Windrow	2 colors
8	Windrow	2 pieces 3/16" flat & 1/16" flat + 1 color
9	Re-run#1 area	Rerun 1 1/8" flat piece & 2 colors
10	Windrow	2 pieces 3/32", 1/32" & 2 large colors
11	Windrow	1 sq. piece about 1/32" - no colors
12	Windrow	1 piece 1/32" & 2 large colors
13	Windrow	Blank 15 to 20 shotgun pellets (#4 chilled)
14	Windrow	1 1/32" piece
15	Windrow	1 1/8" nugget
16	Windrow	1 1/20" nugget long, narrow & thin
17	Windrow	2 pieces - 1 ¼" nugget with granite pieces, 1/32" & 1 color
18	Windrow	2 pieces - 1 3/16" heavy and 1 good color
19	Windrow	2 pieces - 1/32" (heavy & round) & 1 good color (round)
20	Windrow	6 pieces (3) 1/32" size and 3 good colors
21	Windrow	4 pieces 1 1/32" & 3 good colors
22	Windrow	5 pieces 1 1/8" long & 1/16" wide (heavy), 1 at 1/16" x 1/32" (fair) & 3 colors
23	Windrow	4 pieces - 1@ 1/16" & 3 good colors
24	Windrow	5 pieces - 2@ 1/32" & 3 good colors
25	Fork in Rd to Ash Creek	1 good color
26	Old Stone House	3 good colors
27	North of cleared area-testing	Blank - heavy black sand
28	Off area of Int.	Blank - heavy black sand
29	Ash Creek	1 nugget 5/32" long, narrow and thick, some colors
30	Near Loader	3 small pieces - 1/16", 1/32" & 1/32" - no colors
31 SP1	Near Campsite	1 good color
32 SP2	South Dozer Stock pile	Blank with much black sand & shotgun pellets
33 SP3	Behind	1 piece - 1/32" - heavy
34 SP4	Camp	4 pieces - 5/32", 1/8" & 2 colors
35 SP5	Camp	3 pieces - 1/32" & 2 good colors
36 TA1	Upper Tank & Dam	2 colors
37 TA2	Upper Tank & Dam	1 large piece 3/32" & 1/32" - thin - no color
38 TA3	Upper Tank & Dam	4 pieces - 2@ 1/32" & 2 colors
39 TA4	Upper Tank & Dam	1 piece gold 1/32" & 1 native Ag 1/8" x 5/16"
40 TA5	Upper Tank & Dam	Blank
41 TA6	Upper Tank & Dam	2 good colors
42 TA7	Upper Tank & Dam	Blank
43 TA8	Upper Tank & Dam	1 piece 3/32" x 1/32"

T. W. ANDERSON, Geological Engineer

SAMPLE NO.	AREA	FREE GOLD
44 WH-1	Dam by Water Hole below Rock House	1 piece 1/32" x 1/8"
45 WH-2	"	2 pieces @ 1/32"
46 WH-3	"	1 piece 1/32" & 3 colors
47	Big Dam (middle washed out) #1	2 pieces @ 1/32" each & 3 good colors
48	Big Dam #2	Blank
49	Big Dam #3	One color
50	Big Dam #4	1/32" piece, 4 large colors & 4 small colors
51	Big Dam #5	1/8" piece & 2 large colors
52	Big Dam #6	1/32", 3/32" & 7 good colors
53	Big Dam #7	1 color
54	Big Dam #8	Blank
55	Big Dam #9	4 good colors
56	Big Dam #10	3 large colors & 5 good colors
57	Big Dam #11	1/16" piece, 8 colors & heavy iron
58	Big Dam #12	1/16" piece, 8 colors
59	Big Dam #13	1 large color heavy iron (black sand)
60	Big Dam #14	2 pieces 1/16" & 1/32"
61	Big Dam #15	2 pieces 3/32" & 1/32" & 4 good colors
62	Big Dam #16	2 large & 1 smaller colors
63	T-1	1 large nugget 1/4" long x 3/16" wide & thick, 1/32" & 4 colors
64	T-2	1 piece 1/32" x 1/16" & 1 large color
65	T-3	Blank - with heavy iron
66	T-4	3 pieces - 1/16" x 1/8", 1/32" & 1/16" + 1 good color
67	T-5	2 good colors
68	T-6	3 good colors & 1 small color
69	T-7	1 piece 5/32" x 1/16" & 4 good colors
70	T-8	Blank - much iron
71	T-9	2 small colors
72	T-10	2 large pieces - 1/8" x 1/32" & 1/16" x 3/32" & 3 colors
73	T-11	Blank - with heavy iron
74	T-12	Blank - with heavy iron
75	T-13	Blank - with heavy iron
76	T-14	Blank - with heavy iron
77	T-15	Small nugget 3/32" x 1/32" - & heavy iron
78	T-16	4 pieces & 1 color - 1/8" x 1/32", 1/8" x 1/16", 2 @ 1/32" & 1 color
79	T-17	4 colors & heavy iron
80	Q-1 White Dike	Blank)
81	Q-2 on extreme south	Blank)
82	Q-3 side of area not	Blank)
83	Q-4 thought to be	Blank) Nothing off area
84	Q-5 good minerali-	Blank)
85	Q-6 zation - hard rock only.	Blank)
86	U-1	Blank
87	U-2	Blank
88	U-3	one color
89	U-4	1 piece 1/32" & 3 colors

SAMPLE NO.	AREA	FREE GOLD
90	U-5	1 piece 1/32" & 7 colors
91	U-6	4 colors
92	U-7	1 1/8" piece 2-2 colors
93	U-8	2 pieces 1/8" x 1/32", 1/8" x 1/8" & 2 colors
94	U-9	1 large piece 3/32" x 1/32" & 3 colors
95	R-4A Red Dirt	Blank - heavy black iron
96	R-B-3 area 1/4 mi.	Blank - heavy black iron
97	R-4B North-good blk	Blank - heavy black iron
98	R-3 Iron Show but no gold (off area testing)	Blank - heavy black iron
99	Ash Creek -random sampling: was very difficult to get to sites with dry washer crew. Brought samples back to camp area to pan out with s one in Creek by Steve Franks.	Very good show & heavy iron in all samples. Some pieces went to 1/4" and many smaller pieces. This sampling done by the crew when "TWA was in town."
100		
101		
102		
103		
104		
105		
106		
107		
108		
109		
110		
111		
112		
113		

TROMMEL & SLUICE BOX TESTING IN WICKENBURG AZ.

SAMPLE NO.	BARREL NO.	LOCATION	GOLD & BLACK SAND, ETC.
114	1	Windrow	Approx. 8-5 gal. buckets-2 thin pieces 1/10" x 1/10" & small colors
115	2	Ash Creek Hillside	Approx. 10-5 gal. buckets - 2 thin pieces 1/8" x 3/32" & 1/16" x 1/16" + colors
116	3	Ash Creek Hillside	5 good pieces - 1/4" x 5/32", 5/32"x3/32" 1/8" x 1/8",had (free Hg) spots on large pieces, 2 smaller pieces & small colors
117	4	Ash Creek Hillside	6 pieces - 7/32" x 5/16", 3/16" x 3/16" (both thick), 1/8" x 1/32, 3 good, large colors
118	5	Ash Creek Hillside screened material after dry washing	colors only - large gold probably caught in Dry Washer
119	6	East 1/2 of Big Dam - West end of property	1 piece 1/16" x 3/32" and colors
120	7	West end of Big Dam & Small Dam in front of Big Dam (Sample Big Dam #16)	colors only & black sand
121	8	Pile West of Middle Dam & on 2nd Dam	colors & test for unusual (multisized round particles)
122	9	Piles near Rock House & West of Dam	1 piece 3/32" x 1/16" & colors
123	10	Dozer Pile No. of Windrow & small piles No. of E. end of Windrow	lots of lead shot & a lead bullet
124	11	Upper dam N.W. of Windrow	color & free Hg.
125	12	Dozer Piles behind Camp	much heavy iron, free mercury & fine gold
126	13	Big Dam Hydraulic tailings	
127	14	Red Dirt North of Cleared Area	
128	15	Red Clods from Windrow (north end)	lead & all sizes of metallic balls. Test all these - Hg & fine gold

RECOMMENDATIONS

1. The primary concern in this operation was to determine if economic mineral values were present on Johnson Flat to make it a feasible project, returning reasonable profits after recovery of investment. By all the testing done over the past month, this writer feels that the values per ton will accomplish this goal, if suitable processing is instituted.

2. This brings up the secondary but most important necessity to success and this is ample water. Run-off and reservoirs will not suffice, so a good well or several wells are a pre-requisite to the continuance of any further plans to process.

3. Access to the properties is extremely rough and hard on vehicles being used, with 4 wheel drive being a necessity. Road work with heavy dozer must be completed before even drilling equipment can be moved in.

4. When road work is complete and water proven, the 10 ton per hour can be used to test various areas, but it is this writer's opinion that a full scale processing plant should be installed as soon as possible.

5. Begin a careful testing of depth and mineralization by backhoe or ditching equipment and see how the values occur in the decomposing granite and where a real bed-rock is located.

6. Institute a complete testing program on the Ash Creek area for values in the alluvial gravel in the bottom areas and side hill slopes draining into the Creek bed. Some of the better tests made by the writer came from the west slope of Ash Creek, due East of the Middle of Sec. 27 and the results were quite surprising in gold values. The additional indicated tonnages would be "substantial."

7. Make a study of the hard rock features found at several places on the properties. Information from one of the owners, Mr. Ben Conyers, states that his 2 month prospecting and testing program showed good values in Gold and Silver on several of the structures. Also, his tests of the Ash Creek gravel leads him to believe that the real placer gravel potential is in the Ash Creek area covering 2 to 3 miles up and down stream.

8. Complete the claim survey with a registered surveyor, being sure all monuments are in place, papers and maps therein on proper posts and the survey map filed with Yavapai County Recorder and B.L.M. This should be done within the next 60 days or after the investor is sure of his operation and the new lode claims are filed on the structures discussed in paragraph 7 above.

9. Try to improve access to the North and South both, in event weather, as storms, cause vehicular problems in coming and going to and from property.

10. Be sure the law firm gives the investor the written title opinion favorable to the owners being dealt with and that all agreements are willfully signed and understood, especially the operating agreement.

11. Conduct a diligent and continuing program of test g, development and proving ore to add life and longevity to the Project.

12. Continually search for new and better metallurgical processes to improve recoveries.

CONCLUSIONS

There are several procedures that must be followed in strict order on the Johnson Flat Project. If such is the case, it is this writer's opinion that the Project will be economically successful. The suggested order is outlined as follows:

1. Show financial responsibility in timely funding as agreed;

2. Prove, within reason, economic grade ore and tonnages to insure longevity to Project;

3. Prove an adequate water source with a well or wells, re-using water wherever possible;

4. Have adequate operators, familiar with dirt and gravel and the heavy equipment and processing machinery necessary to do the best job of mineral recovery;

5. Keep current on property ownership, filings and work committments, be sure the Park Ranger and environmentalists do not find fault with anything and try to impress all controlling county, state and federal departments that you are doing a good job;

6. Keep on a friendly and helpful basis with the area ranchers, allowing game and cattle watering sites or troughs away from your operating facilities;

7. Exercise extra caution for rattlesnakes and injury, as medical help is not readily available nor convenient;

8. Get a radio or radio telephone on the premises for business, personal and emergency use.

9. If processing is successful, steps should be taken as early as possible to winterize all the facilities. It will remain to be tested to see whether all operations can proceed at low temperatures as well as in spring, summer and fall; an altitude of 5500 ft. can cause many difficult problems.

There are many things that can be said or concluded concerning the project, but most of the test work, estimating of tonnages and values per ton, etc. have been determined by this writer with rather crude equipment and methods and the actual gold recovered "in hand" shows that a carefully regulated and equipped processing system will do much better and undoubtedly, produce gold in excess of $20 per yard of material. Most samples indicated substantially more, up to probably $30/yd., the exact amount being a factor that could not be determined with real accuracy, because some buckets and barrels used were not of the same size and weights were different on the weighed and recovered black sand, assays, and

nuggets. The samples th.. showed no gold visibly numbered less than 10 and the total number of samples tested, exceeded 125, many of which showed 2 or 3 nuggest and good colors in less than 125 lbs. of material. The writer is convinced that the area of study, 1600' x 800', is rather homogeneously mineralized and this reddish-brown mineralization can be seen on the aerial photos and enlargements.

This writer does endorse the planned program and knows that if everyone does his job up to the capacity agreed upon in the operating agreement, this project will be feasible and economical with several hundred thousand more tons of ore that can easily be proven to add to the present reserves of 53,000 tons & 85,000 tons for each foot of depth developed on Johnson Flat cleared area. The dry washer sampling was made with 4-5 gal. buckets of dirt each (± 125 lbs.), whereby the visible and free gold was removed manually and the fine gold and black sands kept separately. Approximately 7 to 10 lbs. of such dry washer, hand panned, heavy concentrates have been saved and should be tested for gold, silver and other possible valuable materials. The free gold and a small amount of heavy concentrates have been kept in small 35 mm camera film plastic containers and should be weighed out to determine an estimated mineral value per ton on coarse gold from the dry washer testing.

Also removed were 15-55 gal. drums of material from 20 locations on said properties and hauled to a trommel and sluice testing point in Wickenburg, AZ. The material was run on 15 separate tests with all the course gold particles being removed when panning the concentrates. The remaining black sands (± iron) were assayed for gold and silver with the sample being left at JDB Company 3 July AM and the assay results and rejects picked up at Noon 8 July 82 (Thurs.) for this report. A copy of such results are included herein but since the assayer could not accurately weigh large samples, it is difficult to even come close to calculating a value per ton, even with weighing the small particles removed from such samples when panned. There were no gold blanks and only one silver blank out of 15 assays.

This writer will hereby state that this assay test could be run again and all the assays would be significantly different, higher or lower, as is very common in placer heavy concentrates. One small speck of gold or the absence of such, makes a tremendous difference. The results have their benefits and the real determinations have to be made from the course gold taken manually from the sluice riffles and pannings prior to assaying but a scale delicate enough to do so has not been available to the writer as yet.

In final conclusion, the writer would recommend that water well drilling, after dozer work on road, commence immediately and when water is proven get into a full scale program as soon as possible. Winter will be here too soon and the operation should be running smoothly and winterized by then.

A final word of caution will have to be the most important and that involves the security of the gold and high grade concentrates that will be taken from the processing equipment. Long and careful study must be applied to this situation before problems can develop. The cleanups, the riffles, jigs, etc., all must have careful handling and the movement of all valuable minerals to final refining and sale must be under continual surveilance by bonded people, etc.

Respectfully,

T. W. Anderson

T. W. ANDERSON, Geological Engineer

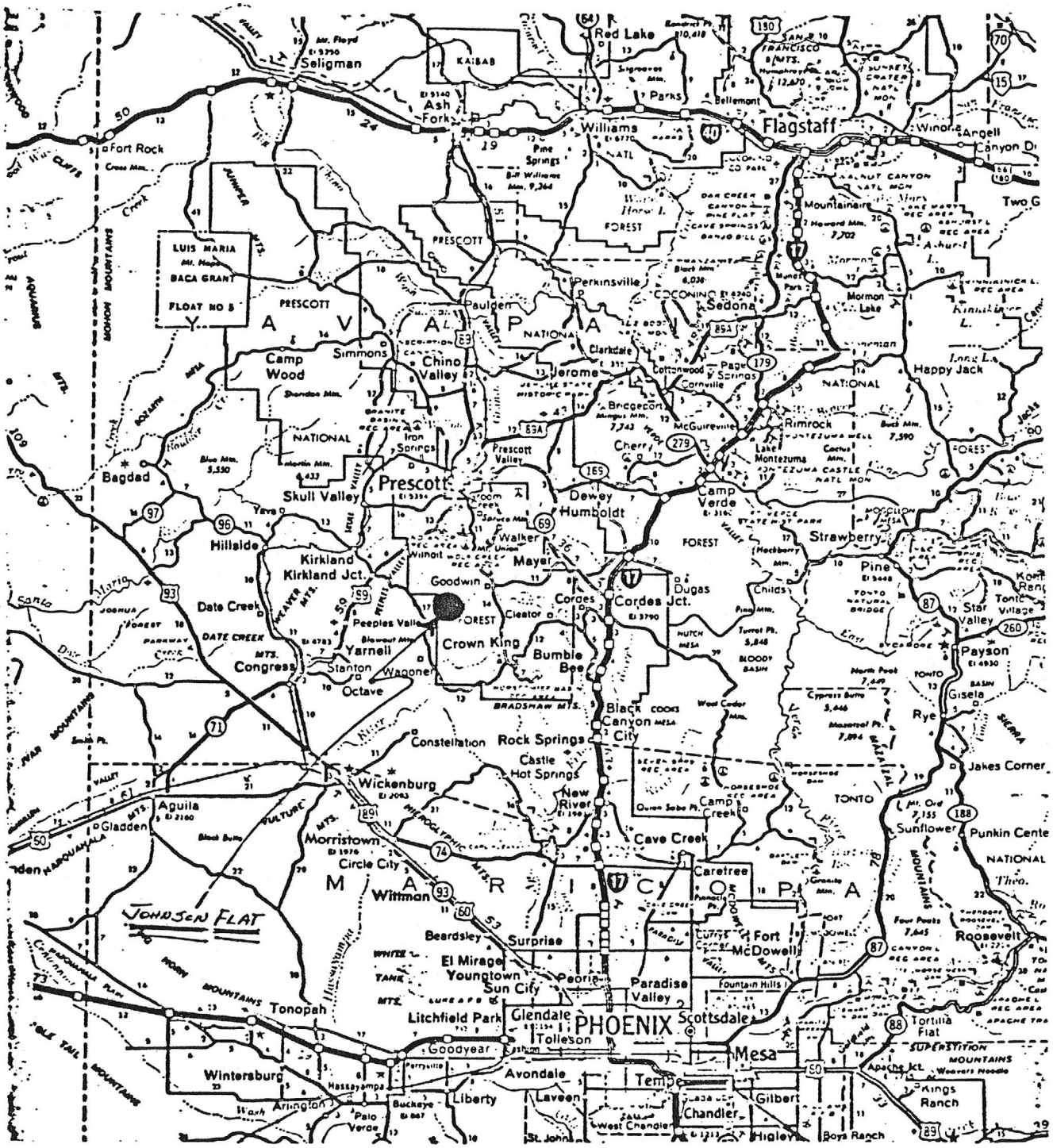
ASH CREEK

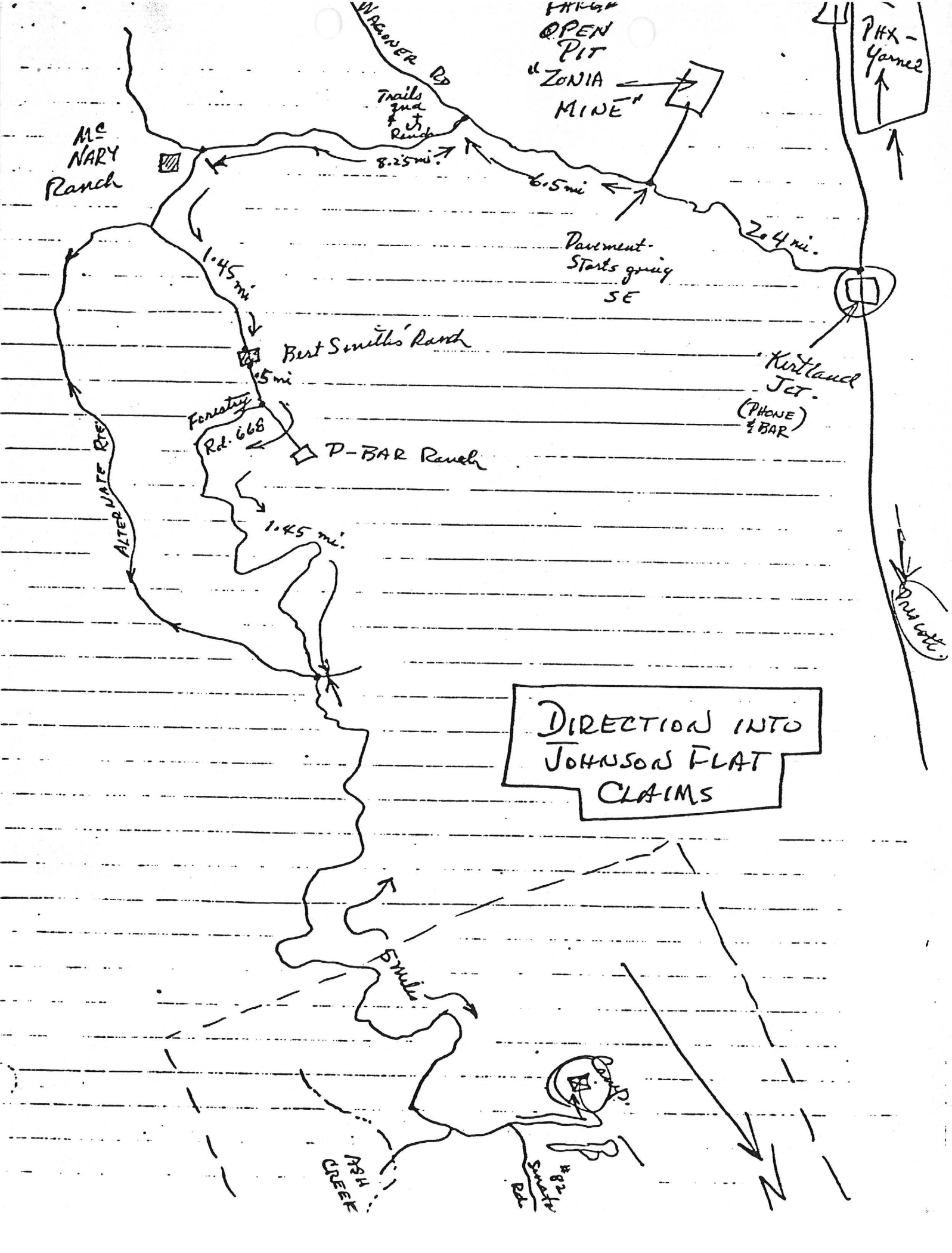
The possible tonnages of economic grade ore that appear to be indicated in about 4 to 5 miles of Ash Creek & the hillsides contiguous with adjacent to and drainages into same, are of tremendous magnitude. The aerial shots shown here gives the reader a chance to see visually how this could be possible. This writer's dry washer testing in the only cleared area west of the lower falls and shown on one of the photos, was extremely encouraging, showing good gold pieces up to 7/32" in diameter on very few runs.

Mr. Ben Conyers is herein quoted as saying his dry washer testing over a two month period in the area showed the best gold and silver of any place on the properties. His knowledge of the placer & hard rock areas has been obtained by walking and testing as much as he could during this time.

As a result of this writer's testing and detailed info from Mr. Conyers, a well-planned program of exploration should be commenced as soon as the main operation starts. It is highly possible that water research and drilling in Ash Creek could produce ample water, separate from the planned well on Johnson Flat and would be a different drainage.

T. W. ANDERSON, Geological Engineer


Red Lake
Seligman
Ash Fork
Williams
Flagstaff
Fort Rock
Pine Springs
Parks
Bellemont
Winona
Angell
Canyon Di
Two G
Mountainaire
LUIS MARIA
BACA GRANT
FLOAT NO 5
PRESCOTT
Perkinsville
Paulden
Sedona
Mormon Lake
Happy Jack
Camp Wood
Simmons
Chino Valley
Clarkdale
Jerome
Cottonwood
Page Springs
Cornville
Bridgeport
McGuireville
Rimrock
Lake Montezuma
Iron Springs
Prescott Valley
Bagdad
Prescott
Skull Valley
Dewey
Humboldt
Camp Verde
Strawberry
Hillside
Walker
Mayer
Kirkland
Kirkland Jct.
Goodwin
Cordes
Cordes Jct.
Dugas
Childs
Pine
Star Valley
Payson
Date Creek
Peeples Valley
Cleator
Crown King
Yarnell
Stanton
Wagoner
Bumble Bee
Congress
Octave
Gisela
Rye
Black Canyon City
Constellation
Rock Springs
Castle Hot Springs
Jakes Corner
Wickenburg
New River
Aguila
Gladden
Cave Creek
Sunflower
Punkin Cente
Morristown
Circle City
Wittman
Caretree
Fort McDowell
Roosevelt
JOHNSON FLAT
Beardsley
Surprise
El Mirage
Youngtown
Sun City
Peoria
Paradise Valley
Fountain Hills
Tonopah
Litchfield Park
Glendale
PHOENIX
Scottsdale
Tortilla Flat
Goodyear
Tolleson
Mesa
Wintersburg
Avondale
Temp
Gilbert
Kings Ranch
Arlington
Liberty
Laveen
Chandler
Higley
Boys Ranch
Palo Verde
Buckeye
St. John
West Chandler


WAGONER RD
OPEN PIT "ZONIA MINE"
PHX - Yarnell
Trails 2nd & 1st Rnds
McNARY Ranch
8.25 mi.
6.5 mi
2.4 mi.
Pavement Starts going SE
1.45 mi
Best Smiths' Ranch
.5 mi
Forestry Rd. 668
P-BAR Ranch
Kirkland Jct.
(PHONE & BAR)
ALTERNATE RTE
1.45 mi.
Prescott
DIRECTION INTO JOHNSON FLAT CLAIMS
5 mile
Camp
ASH CREEK
#82 Smoky Rd
N

JDB

JDB Company
3010 South 48th Street / Suite 9
Phoenix, Arizona 85040
(602) 966-8566

ASSAY CERTIFICATE

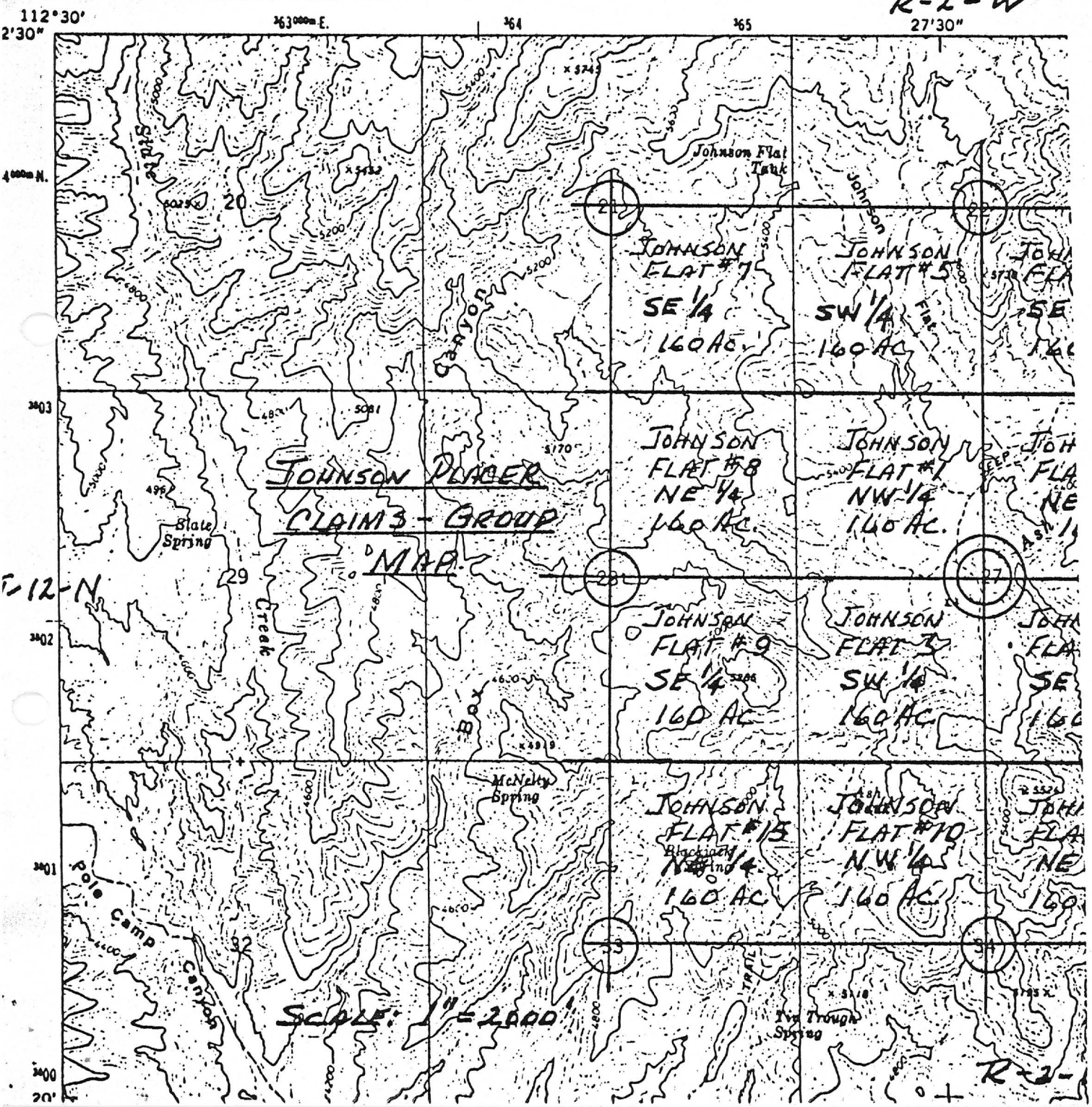
NAME T.W. ANDERSON PHONE 945-4095
8328 E. EDGEMONT
ADDRESS SCOTTSDALE, AZ 85257 DATE SUBMITTED 7-3-81

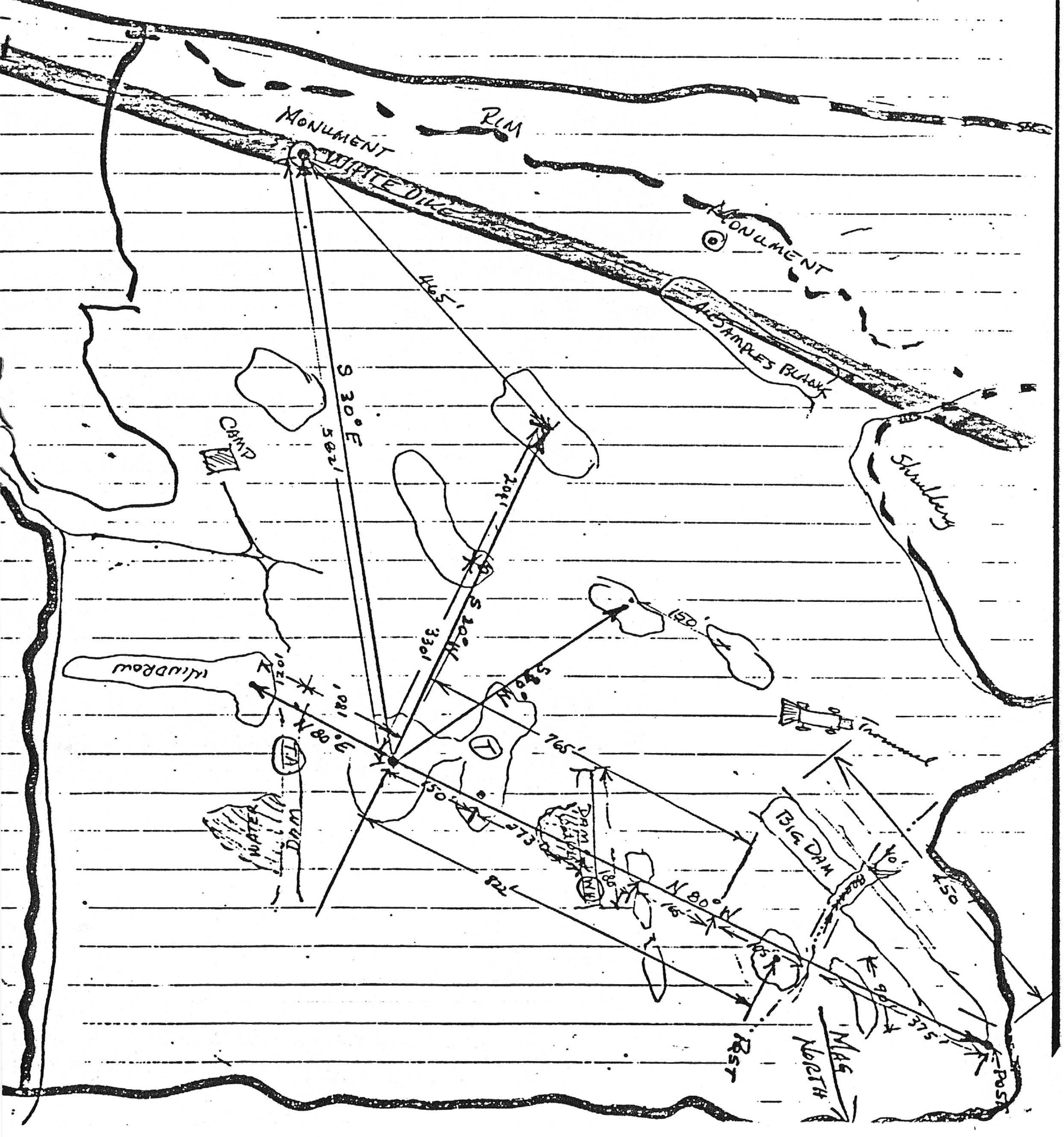
SAMPLE NO.	GOLD oz/t	SILVER oz/t		SAMPLE WT. LBS	
1	0.013	0.30		6	
2	0.022	TRACE		3	
3	TRACE	TRACE		3.25	
4	TRACE	NIL		7.3	
5	TRACE	TRACE		3	
6	TRACE	TRACE		4.5	
7	0.003	0.13		2.5	
8	TRACE	NIL		3.5	
9	0.003	0.18		2.4	
10	TRACE	TRACE		3.5	
11	TRACE	TRACE		0.75	
12	TRACE	0.13		3.3	
13	TRACE	0.22		1.5	
14	TRACE	0.26		1.5	
15	0.038	0.08		0.75	
Wtd Avg.	.004			47	

JDB CO. IS NOT LIABLE FOR ANY LOSS RESULTING FROM THE USE OF ITS SERVICES. NO GUARANTEES ARE EITHER EXPRESSED OR IMPLIED CONCERNING THE WORK OF JDB CO.

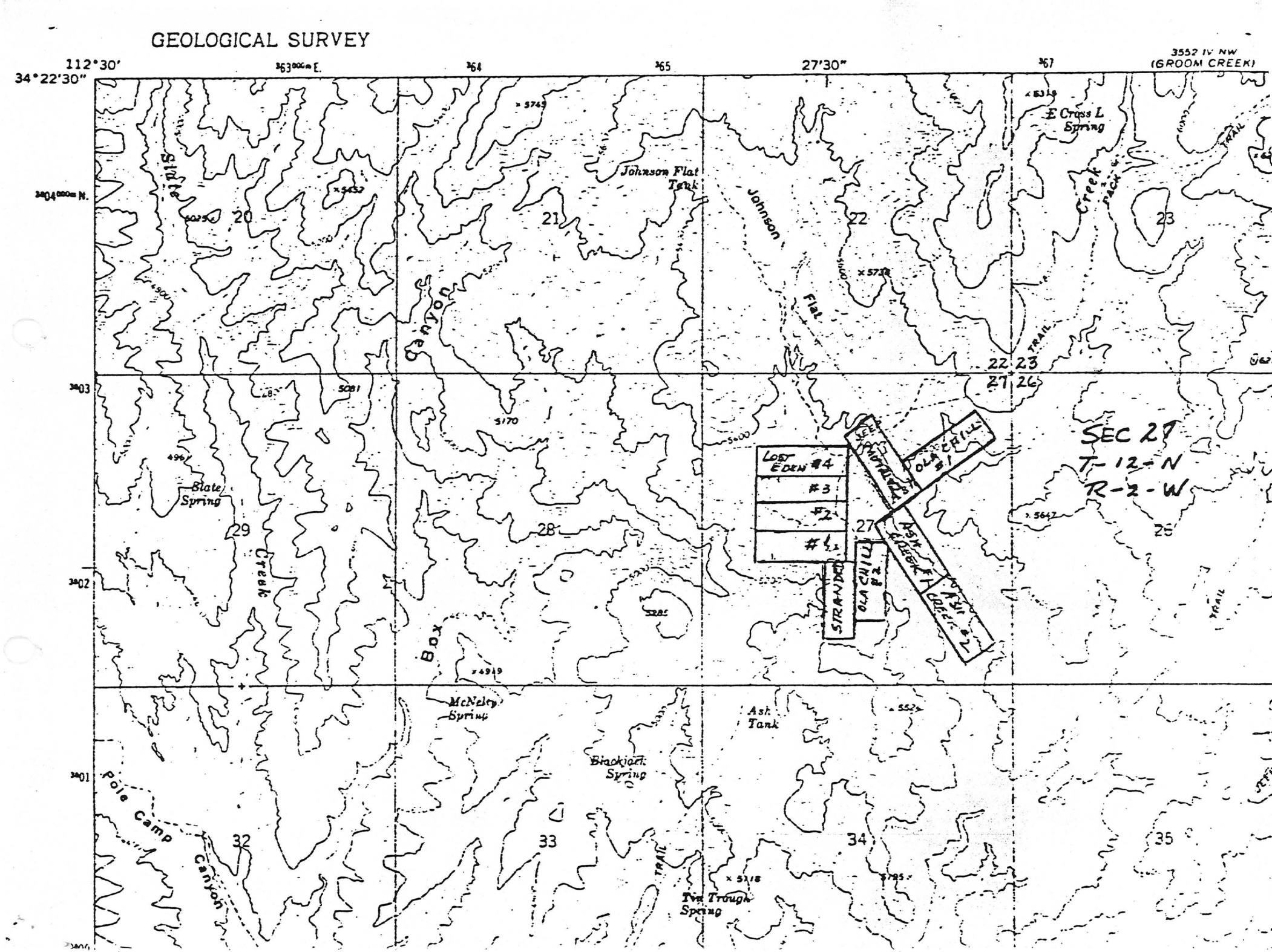
ASSAYER John Bost

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY





MONUMENT
RIM
WHITE DIKE
MONUMENT
ALL SAMPLES BLANK
Shrubbery
465'
S 30° E
582'
CAMP
204'
330'
S 20° W
150'
N 80° E
1201
180'
N 80° W
765'
150'
273
822'
T.A.
WATER
DAM
DAM
W.H.
180
165
BIG DAM
10'
450
90'
375'
Tunnel
REST
MAG NORTH
POST


GEOLOGICAL SURVEY
112°30'
27'30"
3552 IV NW
(GROOM CREEK)
34°22'30"
Johnson Flat Tank
Johnson Flat
Canyon
E Cross L Spring
Blate Spring
Creek
Box
McNeely Spring
Ash Tank
Blackjack Spring
Pole Camp Canyon
Tva Trough Spring
TRAIL
LOST EDEN #4
#3
#2
#1
STRANDED
OLA CHILL #1
OLA CHILL #2
ASH CREEK #1
ASH CREEK #2
SEC 27
T-12-N
R-2-W

LAW OFFICES

Evans, Kitchel & Jenckes, P.C.

2600 NORTH CENTRAL AVENUE
PHOENIX, ARIZONA 85004-3099
(602) 234-2600

DENISON KITCHEL
RALPH J. LESTER
OF COUNSEL

TELECOPIER 602-234-8856

SCOTTSDALE OFFICE
SUITE B-111
6991 EAST CAMELBACK ROAD
SCOTTSDALE, ARIZONA 85251

April 21, 1983

Mr. John H. Jett
Director
Department of Mineral Resources
State of Arizona
Mineral Building, Fairgrounds
Phoenix, Arizona 85507

Dear Mr. Jett:

On behalf of Mr. William L. Edmundson, III, we enclose for your information and use a copy of the Preliminary Report dated July 9, 1982 for the Johnson Flat property in Yavapai County, Arizona. As we discussed by telephone last week, I would appreciate receiving from you the names of any parties whom you feel may be interested in operating this property.

Thank you for your assistance in this matter.

Very truly yours,

Daniel L. Muchow
For EVANS, KITCHEL & JENCKES, P.C.

DLM:ls
Enclosure

CONSERVATIVE BAPTIST FOUNDATION OF ARIZONA
2535 East Cactus Road • Phoenix, Arizona 85032 • (602) 971-8950

Paul G. Spears
Executive Director

February 3, 1983

Mr. John Jett
Department of Mineral Resources
Mineral Building, Fairgrounds
Phoenix, AZ 85007

Re: Johnson Flat Project

Dear Mr. Jett:

Thank you for taking the time to answer my questions about the above referenced mining proposal. I am enclosing a copy of the prospectus that my friend has received. I would appreciate your reviewing the material and making any suggestions that you feel might be in order. You may keep the copy of the prospectus for your files.

Sincerely,

Paul G. Spears

Paul G. Spears
Executive Director

PGS/s

Encl:

1C

SUMMARY - GOLD MINE INVESTMENT OPPORTUNITY

Offered to an individual investor for $300,000 cash, a 25% interest in a developed, operating gold mine located in the Bradshaw Mountains of Arizona.

First year potential return of $2,400,000 to investor, an 8:1 R.O.I. In addition the investor will be granted 100% of all tax write-offs up to his $300,000, at which time they will revert to the principals, including the investor, based on the percentage each owns in the business.

Never mined previously, due to its remoteness, this mine is a combination lode and placer deposit, widely scattered.

Geographically proven and already excavated reserves to date total 133,200 tons of ore, each ton containing (or is assayed to hold) .26 troy ounces of gold. Assuming an affective recovery of 90%, there wants to be extracted and refined 31,280 net ounces of gold, without further excavation expense.

This translates in dollars to $12,467,200, computing gold at a conservative $400 per ounce. Royalty, processing at site, and refining costs are projected at $2,669,280, about $100 per ounce, leaving a before tax profit of $9,797,920.

$300,000 in operating capital furnished now by the sophisticated investor will purchase 25%, or a total of $2,449,480 before tax dollars R.O.I. The investment funds will be placed in escrow and drawn down against expenses and invoices approved by the three-man management committee, of which the investor will be one.

It is important to note that if payment is taken in gold bars, there is no tax liability until the gold is sold. Further, it may be transported by the investor within or out of the country without penalty, according to current law. Independent geological and financial data is available in detail on the following pages.

September 30, 1982

Memo to:

From: Mr. Louis A. DuPlessis Tel (619) 473-9829
P.O. Box 642 Pine Valley, Ca. 92062

Subject: Investment Opportunity - Johnson Flat Project

THE PROSPECT

Following is a brief summary of a gold mine investment opportunity. Located south of the Bradshaw Mountains in Yavapai County, Arizona, it involves 14 contiguous placer claims and 6 lode claims over 11 sections, each section = 1 square mile. This is a new mine, not having been mined previously due to its remoteness in the Bradshaws.

GEOLOGICAL STRUCTURE

Geologically, the prospect is a Batholith deposit, with a volcanic pipe in the middle, and the claim(s) is described as an "open pit, hard rock-lode-and placer deposit, widely scattered." Within the properties there are, in addition to gold, by-products of vanadium, lead, and high grade silver ore, 62 ounces per ton, potential of which are not part of this report.

THE PRINCIPALS

There are currently three men involved in ownership.

The first man is a former Texas banker, now in business for himself in various aspects of precious metals and oil, who resides in Houston, Texas. He handles the financial end of the business.

The second man is a life-long Arizona resident for many years involved in his own business, a dealership in the sale and repair of trucks and heavy equipment. He is furnishing all the equipment for the mining operation on a deferred payment basis until the mine generates positive cash flow.

The third man is also a life-long Arizona resident, and for many years has owned his own gold mining company. He is responsible for the day-to-day mining operations.

They have furnished us with excellent bank references which have been personally checked. Names of principals and references will be furnished a serious investor.

Date: December 22, 1982

ADDENDUM

Confirming my telephone conversation with Mr. Frank Young, one of the gold mine owners, on Tuesday, December 21, 1982, Mr. Young is receptive to setting up a Sub Chapter S Corporation where the advantages flow directly to the investors who are responsible for their taxes, rather than to the corporation first, and then to its investors.

Concurrently, he and his partners agreed that an investor will be allowed to obtain a share of the business for $10,000. We were seeking one (1) investor with $300,000 for a 25% interest in the business. This new policy now will enable 30 investors with $10,000 each to participate. A $10,000 investment will obtain 1/30 of 24% or .008 of the net profits for the life of the mine (30-40 years), with a projected net profit of:

$7,500,000	per year for the life of the mine
x .008	net revenue interest
$ 60,000	income per year in gold bars

or cash for the life of the mine (30-40 years), assuming that the price of gold remains constant over that period at $400 per troy ounce.

The remaining 1% or $75,000 will be held by the Trust Department of a Phoenix, Arizona bank, and used to pay distribution costs and defray all expenses. Each year the bank will return all surplus, in amounts proportionate to the shares purchased, to the investors.

The mine, due to heavy rains in the Bradshaw Mountains, is now closed down. Target date to reopen is April 1, 1983. Therefore, there is approximately 90 days, or until March 15, 1983, to secure 30 investors with $10,000 each, and to resume mining operations.

Note: This is considered to be a high risk investment, and is to be undertaken by sophisticated individuals who fully understand same, and have checked out all the facts to their satisfaction prior to making such an investment.

Louis A. DuPlessis
P.O. Box 642
Pine Valley, Ca. 92062
Tel (619) 473-9829

HISTORY

For the past two years, over $300,000 cash expended has completed the first five steps in gold mining. 1) Discover the deposit. 2) Stake and file claims with accompanying legal fees. 3) Have the ore assayed. 4) Hire an independent geologist to prepare an evaluation and reserve report, and 5) build roads to the property, move in equipment, complete drilling of a 10" - 75' deep water well to assure availability of water, and excavate to date 133,200 tons of "proven" ore; "proven" meaning all samples, taken in this case to a registered assayer, assaying out at .26 ounces per ton or higher.

During this two year period, the three men secured a Texas investor who has put in $85,000 to date to excavate to get ready for the next step. 6) Run ore through a sluice box. Late in 1982, this investor ran into serious financial difficulties with his other business interests, and withdrew very suddenly the balance of his financial commitment just as the results of this two-year effort were about to bear fruit, that is, positive cash flow from the processing of the "proven" ore.

Therefore, the three principals are looking for a replacement investor with $300,000 to come into the project for a 25% interest in this developed business. He will receive 25% of all profits generated in gold bars or cash. In addition he will be granted all tax write-offs up to his investment first. When his $300,000 in write-offs has been obtained, the write-offs will then be split back to each partner's percent of interest.

It must be noted here that the principals have already turned down two substantial offers from big mining companies who wanted to buy them out. There is, in the principals' opinions, "just too much gold there" to relinquish control for what would be a small up-front profit compared to the potential. They will wait until an individual investor is secured with $300,000 cash, willing to accept a 25% interest.

GEOLOGICAL REPORT INFORMATION

The report covers several areas, as referred to as the "Johnson Flat" section and the "Ash Creek" section. The report shows "proven" ore 2' - 3' off depth, or 160,000 tons of "proven" ore assaying out at .26 ounces per ton or higher.

In Addition, 133,200 tons has been already excavated and "is sitting on top of the ground waiting to be processed." This was assayed, and included in the report as "proven" ore, .26 ounces per ton or higher.

After the geological report was completed, the principals drilled a 10" - 75' water well on the Johnson Flat, and to their amazement, found gold to 75' in depth, not just to 2' - 3' as the report indicated. We asked if they were sure it wasn't "fallout" from the first 2'-3'; their reply was, "no, our method of drilling - starting with a dry, clean hole every few feet - precluded that possibility - had significant shows down to 75'." Therefore, the possibility exists that the geological report can, with further evaluation, be amended to 25 x 160,000 tons on the Johnson Flat. The principals definitely feel now that there is a lot more gold there than what they originally thought, or what the geological report shows, since the well was drilled after the report was completed.

The geological report will show, additionally, in the Ash Creek section, 600,000 tons in the "possible" category. At .16 ounces of gold per ton, this section has the potential of 96,000 ounces of gold or higher. Further study is necessary to move this to the "proven reserves" category. Based on the above, the principals wish to use part of the $300,000 to file claims "up and down stream, 4-5 miles in each direction, until they hit the next claim," per Mr. Young.

STATEMENT BY PRINCIPALS

It is their opinion that there is enough commercially recoverable gold and ore within this area that "at a rate of 100 tons per hour, 1 shift-12 hours per day - 7 days per week, 300 working days per year, to successfully mine for the next 30-40 years." Due to rainy seasons, it should be noted that only 300 productive days per year can be expected.

Within 2 weeks of the receipt of investment capital, "the mine will be in operation. Within 4 weeks, the refinery will be built and in operation, and production will be at 20-40 tons per hour. Within 6 months, production will level out at 100-150 tons per hour," per Messers. Young and Thorn.

THE INVESTOR

The $300,000 will be put into escrow and drawn down as approved bills are presented. It is budgeted to be spent as follows:

1. $85,000 dispursed to buy out original investor
2. $65,000 to move equipment onto the site
3. $70,000 to build a "first class" refinery
   Comment: To be located "in town", probably Payson, Arizona, where yield can be controlled. Principals do not wish to bring ore to an outside refinery because apparently, an incredible amount of "skimming" goes on that cannot be proven.
4. $8,000 to be held in reserve to drill a second water well in the future, if required. It is not now anticipated.
5. $72,000 to file further claims, use as emergency reserve, etc.

The investor is invited to be an active part of a three-man management committee, of which he is one, which will meet once per month formally to review all bills to be paid and approve payment of the same, budget for the next month(s), set policy, etc.

It is a requirement that the investor meet with Mr. Young (the banker and one of the principals) who will fly to the investor's home city, and present all pertinent geological and financial information. The investor is cordially invited to involve whatever mining, geological, or financial people he chooses to evaluate the presented information.

It is then required that the investor (and his advisors if the investor wishes) fly to Phoenix, Arizona with Mr. Young where one of the other principals, probably the owner of the mining company, will pick them up at the airport and drive them out to the mine to review and see in person all progress to date.

To be succinct, the principals are looking for an interested, qualified investor, willing to become knowledgeable about the operation, and via the management committee, an active partner in the business.

POTENTIAL RETURN TO INVESTOR

Please note that all profit projections are 1) based on $400.00 per ounce gold, and 2) all costs - processing, screening, washing, refining, depreciation and replacement of equipment - are calculated to be $10.00 per ton, maximum.

For example, if the ore contains .16 ounces of gold per ton, or 1/10 of an ounce per ton, then 1/10 x $400 per ounce = $40 per ton gross profit, less $10.00 per ton costs = $30 per ton net profit.

POTENTIAL RETURN TO INVESTOR (CONTINUED)

Let's examine the First Year Return to the investor based solely on the 133,200 tons of ore sitting on the ground now, which has assayed out at .26 ounces gold per ton, which the report will show is lowest assay reading on samples assayed.

	133,200	tons "proven" ore
	x .26	ounces gold per ton
	34,632	ounces gold recoverable, maximum
	x 90%	recovery rate (Note: never recover 100%)
	31,168	net ounces recovered
	x $400	per ounce
	$12,467,200	gross income
(less)	- 623,360	5% royalty payment
(less)	- 799,200	processing costs at site
(less)	- 1,246,720	10% refining costs
	$ 9,797,920	net profit, before taxes
	x 25%	investor interest
	$ 2,449,480	return to investor

It is noteworthy at this point that under current law, the investor, "if he takes his return in gold bars, does not pay taxes on it until he sells it. He is free to move it about anyplace within the country; and to the best of our knowledge, no laws exist that prohibit his taking it out of the country," per Mr. Young. It is recommended that the investor on his own account verify the above statements with his own legal counsel.

JUSTIFICATION FOR THE ONE-YEAR RETURN

It is most reasonable to assume an average recovery or production rate of 60 tons per hour over the next year. One can also plan on 75 working days per quarter, or 300 days per year.

60 tons per hour x 12 hours per day x 225 days (3 quarters) = 162,000 tons processed over the next nine months.

In other words, the 133,200 tons of "proven", "sitting on the ground" ore will be easily chewed up within a nine month time frame.

Therefore, an investor will conservatively receive back $2,400,000 plus for his $300,000 investment, a R.O.I. of 8:1, within 1 year, barring adverse weather or an act of God.

THE PROCEDURE FOR THE INTERESTED, QUALIFIED INVESTOR

Contact Mr. DuPlessis at (619) 473-9829 and discuss the proposition fully, allowing whatever time is necessary to answer, or secure answers, to all questions. With a mutual decision to proceed, I will immediately call Mr. Young in Houston, advise him of the investor's name and background, and ask Mr. Young to call the investor at a mutually agreed upon time to answer further questions and set up a meeting time and place.

LONG TERM POTENTIAL

It is strongly felt by Mr. Young and the other principals that the potential exists for $10,000,000, or better, net profit per year (before taxes) to the business for the next 30-40 years, assuming, of course, $400.00 per ounce gold.

COMMISSION DISCLOSURE

In return for locating an investor, Mr. Young has agreed in writing to give Mr. DuPlessis and his associates a 5½% interest in the business, no cash up front.

Mr. DuPlessis will split this equally with Mrs. Connie Love, Pine Valley, Ca., who originally generated the lead. should either Mr. DuPlessis or Mrs. Love locate the investor.

Should the investor be located through Mrs. Sue Gordon of Phoenix, Arizona, the 5½% interest will be split three ways equally, to Mr. DuPlessis, Mrs. Love, and Mrs. Gordon.

Mr. DuPlessis seeks no fee from the investor. Should another broker become involved and find the investor, it is suggested that his/her fee be negotiated with, and come from, the investor's side.

_____

Louis A. DuPlessis

T. W. ANDERSON
Geological Engineer
P O BOX 3081
SCOTTSDALE, ARIZ.

July 8, 1982

You will find enclosed a Preliminary Report on the Johnson Flat Placer claims in Yavapai County, Arizona. I have followed the procedures you retained me to do concerning the preliminary evaluation of the area, drawing up the necessary placer and lode claim notices with maps, etc. to assure proper validation and/or ownership rights, measured dozer stockpiles of ore, computed tonnages of same, estimated the exposed areas of mineralization for probable and indicated additional tonnages, tested approximately 125 points by dry washer and panning, examined potential water sources, checked other mineralized and indicated ore areas to the North and East of the prime and cleared area of interest and sampled thereon, took and studied at least 75 aerial and ground color pictures and enlargements, conducted actual wet trommel and sluice tests on 15 barrels of sample ore from 20 areas, had assays run on same and estimated values per ton on such ores.

I'm sure you realize that with the crude equipment we've had to use, the inaccessibility of the area, estimated bucket and barrel weights and the difficulties of removing test batches to a neutral site, that I am furnishing strictly educated guesses of such results to you. Even so, the conclusions obtained in this manner should be acceptable to anyone prior to actually running 10 ton/hr. wet trommel batches, as planned by Mr. Clay Thorne. We have gotten sufficient information to justify this move.

Your immediate problem, of course, is to obtain water at a cost commensurate with profitable operations and your own well or wells must be drilled within a reasonable distance of the mill-site to insure such operations. I feel that sufficient water can be found with the proper study by qualified ground water people and it is possible that Johnson Flat itself could be an "aquifer" of such dimension. Mr. Thorne will have to estimate the amount of water necessary to operate on a scale of such magnitude that profits can be realized from the ore I think is present on the properties.

You will find the results of all of my work in the Preliminary Report and all the sketches, field notes and daily logs will be kept in my file or upon request in your office. I will include conclusions and recommendations of my studies on all my findings and further exploration and development will have to be discussed at length with you.

July 8, 1982

The two most important findings must be broached as soon as possible because I already feel justified in recommending additional study on all of Ash Creek and the huge volumes of gravel and dirt indicated therein and the slopes of hills on both sides. Almost as much coarse gold was found in about 10 dry washer loads there than in the total of all the samples run up on the Johnson Flat cleared area. Also, the hard rock structures seen on some of the aerial photos and from the ground should be staked as lode claims for the indicated gold and silver values shown by Mr. Ben Conyer's two month prospecting of the whole area. I have found Mr. Conyers to be a very capable individual and it is my understanding that he will be Mr. Clay Thorne's Foreman on the project at Johnson Flat.

I am pretty well convinced that the project will be profitable if the water can be obtained and good mineral processing practiced. You undoubtedly are going to find areas that are lean but the richer areas usually will carry the burden and average out profitably on the whole. If you decide to continue this project and use my services, I will make portions of my time available from my own mining and leasing projects to assist you. I have a gut feeling that this Johnson Flat area, particularly the Ash Creek side, is going to be much bigger than originally thought. Time and more exploration should prove or disprove this quickly.

Respectfully,

T. W. Anderson

T. W. ANDERSON
Geological Engineer
P O BOX 3081
SCOTTSDALE, ARIZ.

PRELIMINARY REPORT

ON THE

JOHNSON FLAT LODE AND

PLACER MINING CLAIMS

9 JULY 1982

TABLE OF CONTENTS

PRELIMINARY REPORT

LOCATION AND DESCRIPTION

The Johnson Flat Group of Placer and Lode Claims is located in the Prescott National Forest approximately 20 air miles due south of Prescott, AZ and approximately 60 air miles NNW of Phoenix, AZ and is comprised of 14 - 160 AC Placer Claims and 10-20 acre Lode claims, all occupying common ground and located in Sec.'s 21,22,23,26,27,28,33,34,35, R-2-W, T-12-N G&SRPM, Yavapai County, AZ. The mileage from known points such as Prescott and Phoenix are very deceptive inasmuch as it takes about 4-4½ hours of tough driving from Phoenix in order to arrive at the campsite on the said claims. The elevation is a pleasant 5,400 ft. in the summertime and a little less than such in the winter, some of which are extremely violent and cold. The rainfall produces running water most of the warmer fall, Summer and spring seasons, and the surface is covered with Oak brush, Pinon pine, cedar, cactus, catclaw and various and sundry other plant life. Cottonwood trees are found along the intermittent stream beds and creek bottoms.

Accessibility at the present is extremely rough and low geared trucks or four-wheel drive is almost a necessity. Nothing can be transported into the property in the way of heavy equipment unless considerable road improvement is accomplished.

A sketch map with mileage on same and an excerpt from an Arizona road map is enclosed to show the ways in and out. Power is not available by transmission lines without considerable expense to bring in and water of any large quantity must be developed.

TITLE AND HISTORY

The Johnson Flat Claims are presently owned by a consortium of individuals, the principals of whom are Lee Franks, Ben Conyers and Ralph McGee, representing the group. A tentative agreement has been made with Messrs. Clay Thorne and Marvin Hatch to purchase such claims. Thorne and Hatch, who will be the operators and furnish all the equipment, have made a tentative agreement with William L. Edmundson, III who will be the financier, furnishing the necessary money to bring the properties into production on a reasonable basis. At the present time, minor changes have and are being negotiated pending final agreement.

Prior to the above ownership, Mr. Bert Smith, a rancher residing on Milk Creek south of camp, about 5 miles, had these properties. He completed many tests and studies, satisfying himself that economic quantities of gold could be recovered, getting finance from a doctor who for unknown reasons, dropped his backing after all the stockpiles had been dozed up and considerable hydraulicing had been done. Mr. Smith has merely stated he recovered considerable large gold pieces, but not much fines and was unable to complete his work for lack of proper funding. Also, lack of necessary water and then too much at once causing his dam to break through, probably caused the doctor to quit funding his project and lead to Mr. Smith's laxity in watching his title to said ground by not doing his required assessment work, thereby allowing Franks, Conyers and McGee to "relocate."

There is evidence of earlier hydraulicing and deteriorating sluice boxes, but it does not appear to have had much direction. Obviously, lack of water was the controlling factor in all cases and will most assuredly be so should the present plans go ahead.

It is now my understanding that the Law Offices of EVANS, KITCHEL & JENCKES, P.C., Phoenix, AZ 85003, Dan L. Muchow, Attorney, representing, have been retained by Mr. Edmundson and have determined, with additional and new filings, that title does indeed rest with the above mentioned Franks, Conyers and McGee and their associates.

This writer has concluded a rough program of testing by dry washer and panning dry washer concentrates, calculating bulldozed piles and mineralized area tonnages, checked areas to the east along Ash Creek, staked 14 placer claims and re-worked papers on 10 lode claims and generally inspected the area of interest at Ash Creek.

The results of such work, testing, study and calculations will be included in this report.

ORE RESERVES

Ore reserve figures have been calculated from the pile of bulldozed material and dams located at various points on the Johnson Flat cleared area, taken from a known depth by visual observation and estimated depth over all the mineralized areas that have been examined and checked with dry washer and panning. Aerial photos, some enlarged, show the mineralized coloring associated with these alluvial and decomposed granitiferous bedded formations and the "proven" and "estimated" tonnages will also be shown graphically on the pictures.

Contiguous and nearby areas, not originally planned for testing, could not be ignored by this writer. Subsequent examination and testing showed the possibility of tremendous additional "Indicated Tonnages" of alluvial and well-mineralized gravel, dirt material and decomposed granite. This is made up of the large gravel beds, bars and piles of gravel in the Ash Creek bottom and the slopes of all the contiguous canyon slopes and drainages coming into Ash Creek. This Ash Creek Drainage could be extremely complementary to producing large additional indicated tonnages for the Johnson Flat cleared area, thereby insuring longevity to a well planned operation, complete with ample water.

To align the estimated tonnages into totals of proven, semi-proven and indicated ore, the following sketch of the cleared, windrowed dam and stacked ore on Johnson Flat will be considered first. Thereby the investor will have a fairly good idea of the means by which he can recover his investment and hopefully a good profit. By using the following figures of measurement on the cleared area shown in the photos, it was found to be approximately 1600 ft. E-W & 800 N-S and the indicated depth of loose material and partially decomposed granite ranged from 1 to 4 & 5 ft. It would be extremely foolish for this writer to assume or state anything else, due to the manner and means with which the work was done (crude equipment, estimates, dry washing, panning, spot checking small volumes, small trommel and sluice tests, etc., etc.) The bulldozed stacks of ore and 3 dams showed approximately 53,230 tons by tape measure and estimating depth and level capacities of each. A safe figure of 50,000 tons will be given herein.

The writer will hereby state that there is at least 1 ft. average depth of good, mineralized material found over the entire 1600' x 800' cleared area, that can be easily dozed, dug and/or made immediately available for processing.

The dry washer, panning, trommel, sluice and assay testing has shown that out of approximately 130 tests or runs, less than 25 blanks (no visible gold) were found. Approximately 15 of these blanks were taken in areas off of the cleared area of interest or on the extreme edges of the area. Ten blanks occurred within the area of interest (test area) and this is always a common trend in mineralized alluvial or decomposed material deposits of this nature.

The following tonnages are allocated to the different areas:

PROVEN ORE

A.	Stockpiled Dozer & Dam Ore	53,200 Tons
B.	One (1) Foot Thickness of Material In Cleared Area of Interest	80,000 Tons
	Proven Ore	133,200 Tons

INDICATED ORE

Two (2) Ft. to Three (3) Ft. of Depth 2 Ft. @ 80,000 T/Ft	160,000 Tons

POSSIBLE ASH CREEK ORE

A.	Bottom Fill Alluvium Gravel	+500,000 Tons
B.	Side Hill (Old Placer)	+100,000 Tons
		600,000 Tons

TEST SAMPLING

The following listing will show the sample nos. of what was found in coarse gold and colors, some by dry washing and the final 15 by wet trommel and sluicing:

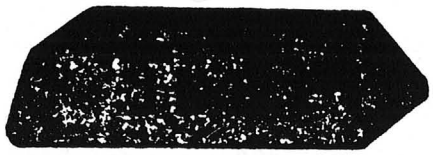
SAMPLE NO.	AREA	FREE GOLD
1	Windrow	5 pieces - 2@ 1/16" & 1/8" & 3 small colors
2	Windrow	3 large colors
3	Windrow	2 large colors
4	Windrow	3 colors
5	Windrow	2 colors
6	Windrow	1 color
7	Windrow	2 colors
8	Windrow	2 pieces 3/16" flat & 1/16" flat + 1 color
9	Re-run#1 area	Rerun 1 1/8" flat piece & 2 colors
10	Windrow	2 pieces 3/32", 1/32" & 2 large colors
11	Windrow	1 sq. piece about 1/32" - no colors
12	Windrow	1 piece 1/32" & 2 large colors
13	Windrow	Blank 15 to 20 shotgun pellets (#4 chilled)
14	Windrow	1 1/32" piece
15	Windrow	1 1/8" nugget
16	Windrow	1 1/20" nugget long, narrow & thin
17	Windrow	2 pieces - 1 ¼" nugget with granite pieces, 1/32" & 1 color
18	Windrow	2 pieces - 1 3/16" heavy and 1 good color
19	Windrow	2 pieces - 1/32" (heavy & round) & 1 good color (round)
20	Windrow	6 pieces (3) 1/32" size and 3 good colors
21	Windrow	4 pieces 1 1/32" & 3 good colors
22	Windrow	5 pieces 1 1/8" long & 1/16" wide (heavy), 1 at 1/16" x 1/32" (fair) & 3 colors
23	Windrow	4 pieces - 1@ 1/16" & 3 good colors
24	Windrow	5 pieces - 2@ 1/32" & 3 good colors
25	Fork in Rd to Ash Creek	1 good color
26	Old Stone House	3 good colors
27	North of cleared area-testing	Blank - heavy black sand
28	Off area of Int.	Blank - heavy black sand
29	Ash Creek	1 nugget 5/32" long, narrow and thick, some colors
30	Near Loader	3 small pieces - 1/16", 1/32" & 1/32" - no colors
31 SP1	Near Campsite	1 good color
32 SP2	South Dozer Stock pile	Blank with much black sand & shotgun pellets
33 SP3	Behind	1 piece - 1/32" - heavy
34 SP4	Camp	4 pieces - 5/32", 1/8" & 2 colors
35 SP5	Camp	3 pieces - 1/32" & 2 good colors
36 TA1	Upper Tank & Dam	2 colors
37 TA2	Upper Tank & Dam	1 large piece 3/32" & 1/32" - thin - no color
38 TA3	Upper Tank & Dam	4 pieces - 2@ 1/32" & 2 colors
39 TA4	Upper Tank & Dam	1 piece gold 1/32" & 1 native Ag 1/8" x 5/16"
40 TA5	Upper Tank & Dam	Blank
41 TA6	Upper Tank & Dam	2 good colors
42 TA7	Upper Tank & Dam	Blank
43 TA8	Upper Tank & Dam	1 piece 3/32" x 1/32"

SAMPLE NO.	AREA	FREE GOLD
44 WH-1	Dam by Water Hole below Rock House	1 piece 1/32" x 1/8"
45 WH-2	"	2 pieces @ 1/32"
46 WH-3	"	1 piece 1/32" & 3 colors
47	Big Dam (middle washed out) #1	2 pieces @ 1/32" each & 3 good colors
48	Big Dam #2	Blank
49	Big Dam #3	One color
50	Big Dam #4	1/32" piece, 4 large colors & 4 small colors
51	Big Dam #5	1/8" piece & 2 large colors
52	Big Dam #6	1/32", 3/32" & 7 good colors
53	Big Dam #7	1 color
54	Big Dam #8	Blank
55	Big Dam #9	4 good colors
56	Big Dam #10	3 large colors & 5 good colors
57	Big Dam #11	1/16" piece, 8 colors & heavy iron
58	Big Dam #12	1/16" piece, 8 colors
59	Big Dam #13	1 large color heavy iron (black sand)
60	Big Dam #14	2 pieces 1/16" & 1/32"
61	Big Dam #15	2 pieces 3/32" & 1/32" & 4 good colors
62	Big Dam #16	2 large & 1 smaller colors
63	T-1	1 large nugget 1/4" long x 3/16" wide & thick, 1/32" & 4 colors
64	T-2	1 piece 1/32" x 1/16" & 1 large color
65	T-3	Blank - with heavy iron
66	T-4	3 pieces - 1/16" x 1/8", 1/32" & 1/16" + 1 good color
67	T-5	2 good colors
68	T-6	3 good colors & 1 small color
69	T-7	1 piece 5/32" x 1/16" & 4 good colors
70	T-8	Blank - much iron
71	T-9	2 small colors
72	T-10	2 large pieces - 1/8" x 1/32" & 1/16" x 3/32" & 3 colors
73	T-11	Blank - with heavy iron
74	T-12	Blank - with heavy iron
75	T-13	Blank - with heavy iron
76	T-14	Blank - with heavy iron
77	T-15	Small nugget 3/32" x 1/32" - & heavy iron
78	T-16	4 pieces & 1 color - 1/8" x 1/32", 1/8" x 1/16", 2 @ 1/32" & 1 color
79	T-17	4 colors & heavy iron
80	Q-1 White Dike	Blank)
81	Q-2 on extreme south	Blank)
82	Q-3 side of area not	Blank)
83	Q-4 thought to be	Blank) Nothing off area
84	Q-5 good minerali-	Blank)
85	Q-6 zation - hard rock only.	Blank)
86	U-1	Blank
87	U-2	Blank
88	U-3	one color
89	U-4	1 piece 1/32" & 3 colors

SAMPLE NO.	AREA	FREE GOLD
90	U-5	1 piece 1/32" & 7 colors
91	U-6	4 colors
92	U-7	1 1/8" piece 2-2 colors
93	U-8	2 pieces 1/8" x 1/32", 1/8" x 1/8" & 2 colors
94	U-9	1 large piece 3/32" x 1/32" & 3 colors
95	R-4A Red Dirt	Blank - heavy black iron
96	R-B-3 area 1/4 mi.	Blank - heavy black iron
97	R-4B North-good blk	Blank - heavy black iron
98	R-3 Iron Show but no gold (off area testing)	Blank - heavy black iron
99	Ash Creek -random sampling: was very difficult to get to sites with dry washer crew. Brought samples back to camp area to pan out with s one in Creek by Steve Franks.	Very good show & heavy iron in all samples. Some pieces went to 1/4" and many smaller pieces. This sampling done by the crew when "TWA was in town."
100		
101		
102		
103		
104		
105		
106		
107		
108		
109		
110		
111		
112		
113		

TROMMEL & SLUICE BOX TESTING IN WICKENBURG, AZ.

SAMPLE NO.	BARREL NO.	LOCATION	GOLD & BLACK SAND, ETC.
114	1	Windrow	Approx. 8-5 gal. buckets-2 thin pieces 1/10" x 1/10" & small colors
115	2	Ash Creek Hillside	Approx. 10-5 gal. buckets - 2 thin piece 1/8" x 3/32" & 1/16" x 1/16" + colors
116	3	Ash Creek Hillside	5 good pieces - 1/4" x 5/32", 5/32"x3/32 1/8" x 1/8",had (free Hg) spots on large pieces, 2 smaller pieces & small colors
117	4	Ash Creek Hillside	6 pieces - 7/32" x 5/16", 3/16" x 3/16" (both thick), 1/8" x 1/32, 3 good, large colors
118	5	Ash Creek Hillside screened material after dry washing	colors only - large gold probably caught in Dry Washer
119	6	East 1/2 of Big Dam - West end of property	1 piece 1/16" x 3/32" and colors
120	7	West end of Big Dam & Small Dam in front of Big Dam (Sample Big Dam #16)	colors only & black sand
121	8	Pile West of Middle Dam & on 2nd Dam	colors & test for unusual (multisized round particles)
122	9	Piles near Rock House & West of Dam	1 piece 3/32" x 1/16" & colors
123	10	Dozer Pile No. of Windrow & small piles No. of E. end of Windrow	lots of lead shot & a lead bullet
124	11	Upper dam N.W. of Windrow	color & free Hg.
125	12	Dozer Piles behind Camp	much heavy iron, free mercury & fine gold
126	13	Big Dam Hydraulic tailings	
127	14	Red Dirt North of Gleared Area	
128	15	Red Clods from Windrow (north end)	lead & all sizes of metallic balls. Test all these - Hg & fine gold



JDB Company
3010 South 48th Street / Suite 9
Phoenix, Arizona 85040
(602) 966-8566

Assays based on residual after visible gold was hand picked from samples.

ASSAY CERTIFICATE

NAME T.W. ANDERSON PHONE 945-4095
8328 E. EDGEMONT
ADDRESS SCOTTSDALE, AZ 85257 DATE SUBMITTED 7-3-81

SAMPLE NO.	GOLD oz/t	SILVER oz/t		SAMPLE WT. LBS	
1	0.013	0.30		6	
2	0.022	TRACE		3	
3	TRACE	TRACE		3.25	
4	TRACE	NIL		7.3	
5	TRACE	TRACE		3	
6	TRACE	TRACE		4.5	
7	0.003	0.13		2.5	
8	TRACE	NIL		3.5	
9	0.003	0.18		2.4	
10	TRACE	TRACE		3.5	
11	TRACE	TRACE		0.75	
12	TRACE	0.13		3.3	
13	TRACE	0.22		1.5	
14	TRACE	0.26		1.5	
15	0.038	0.08		0.75	

ASSAYER John Bost

RECOMMENDATIONS

1. The primary concern in this operation was to determine if economic mineral values were present on Johnson Flat to make it a feasible project, returning reasonable profits after recovery of investment. By all the testing done over the past month, this writer feels that the values per ton will accomplish this goal, if suitable processing is instituted.

2. This brings up the secondary but most important necessity to success and this is ample water. Run-off and reservoirs will not suffice, so a good well or several wells are a pre-requisite to the continuance of any further plans to process.

3. Access to the properties is extremely rough and hard on vehicles being used, with 4 wheel drive being a necessity. Road work with heavy dozer must be completed before even drilling equipment can be moved in.

4. When road work is complete and water proven, the 10 ton per hour can be used to test various areas, but it is this writer's opinion that a full scale processing plant should be installed as soon as possible.

5. Begin a careful testing of depth and mineralization by backhoe or ditching equipment and see how the values occur in the decomposing granite and where a real bed-rock is located.

6. Institute a complete testing program on the Ash Creek area for values in the alluvial gravel in the bottom areas and side hill slopes draining into the Creek bed. Some of the better tests made by the writer came from the west slope of Ash Creek, due East of the Middle of Sec. 27 and the results were quite surprising in gold values. The additional indicated tonnages would be "substantial."

7. Make a study of the hard rock features found at several places on the properties. Information from one of the owners, Mr. Ben Conyers, states that his 2 month prospecting and testing program showed good values in Gold and Silver on several of the structures. Also, his tests of the Ash Creek gravel leads him to believe that the real placer gravel potential is in the Ash Creek area covering 2 to 3 miles up and down stream.

8. Complete the claim survey with a registered surveyor, being sure all monuments are in place, papers and maps therein on proper posts and the survey map filed with Yavapai County Recorder and B.L.M. This should be done within the next 60 days or after the investor is sure of his operation and the new lode claims are filed on the structures discussed in paragraph 7 above.

9. Try to improve access to the North and South both, in event weather, as storms, cause vehicular problems in coming and going to and from property.

10. Be sure the law firm gives the investor the written title opinion favorable to the owners being dealt with and that all agreements are willfully signed and understood, especially the operating agreement.

11. Conduct a diligent and continuing program of testing, development and proving ore to add life and longevity to the Project.

12. Continually search for new and better metallurgical processes to improve recoveries.

CONCLUSIONS

There are several procedures that must be followed in strict order on the Johnson Flat Project. If such is the case, it is this writer's opinion that the Project will be economically successful. The suggested order is outlined as follows:

1. Show financial responsibility in timely funding as agreed;

2. Prove, within reason, economic grade ore and tonnages to insure longevity to Project;

3. Prove an adequate water source with a well or wells, re-using water wherever possible;

4. Have adequate operators, familiar with dirt and gravel and the heavy equipment and processing machinery necessary to do the best job of mineral recovery;

5. Keep current on property ownership, filings and work committments, be sure the Park Ranger and environmentalists do not find fault with anything and try to impress all controlling county, state and federal departments that you are doing a good job;

6. Keep on a friendly and helpful basis with the area ranchers, allowing game and cattle watering sites or troughs away from your operating facilities;

7. Exercise extra caution for rattlesnakes and injury, as medical help is not readily available nor convenient;

8. Get a radio or radio telephone on the premises for business, personal and emergency use.

9. If processing is successful, steps should be taken as early as possible to winterize all the facilities. It will remain to be tested to see whether all operations can proceed at low temperatures as well as in spring, summer and fall; an altitude of 5500 ft. can cause many difficult problems.

There are many things that can be said or concluded concerning the project, but most of the test work, estimating of tonnages and values per ton, etc. have been determined by this writer with rather crude equipment and methods and the actual gold recovered "in hand" shows that a carefully regulated and equipped processing system will do much better and undoubtedly, produce gold in excess of $20 per yard of material. Most samples indicated substantially more, up to probably $30/yd., the exact amount being a factor that could not be determined with real accuracy, because some buckets and barrels used were not of the same size and weights were different on the weighed and recovered black sand, assays, and

nuggets. The samples that showed no gold visibly numbered less than 10 and the total number of samples tested, exceeded 125, many of which showed 2 or 3 nuggest and good colors in less than 125 lbs. of material. The writer is convinced that the area of study, 1600' x 800', is rather homogeneously mineralized and this reddish-brown mineralization can be seen on the aerial photos and enlargements.

This writer does endorse the planned program and knows that if everyone does his job up to the capacity agreed upon in the operating agreement, this project will be feasible and economical with several hundred thousand more tons of ore that can easily be proven to add to the present reserves of 53,000 tons & 85,000 tons for each foot of depth developed on Johnson Flat cleared area. The dry washer sampling was made with 4-5 gal. buckets of dirt each (± 125 lbs.), whereby the visible and free gold was removed manually and the fine gold and black sands kept separately. Approximately 7 to 10 lbs. of such dry washer, hand panned, heavy concentrates have been saved and should be tested for gold, silver and other possible valuable materials. The free gold and a small amount of heavy concentrates have been kept in small 35 mm camera film plastic containers and should be weighed out to determine an estimated mineral value per ton on coarse gold from the dry washer testing.

Also removed were 15-55 gal. drums of material from 20 locations on said properties and hauled to a trommel and sluice testing point in Wickenburg, AZ. The material was run on 15 separate tests with all the course gold particles being removed when panning the concentrates. The remaining black sands (± iron) were assayed for gold and silver with the sample being left at JDB Company 3 July AM and the assay results and rejects picked up at Noon 8 July 82 (Thurs.) for this report. A copy of such results are included herein but since the assayer could not accurately weigh large samples, it is difficult to even come close to calculating a value per ton, even with weighing the small particles removed from such samples when panned. There were no gold blanks and only one silver blank out of 15 assays.

This writer will hereby state that this assay test could be run again and all the assays would be significantly different, higher or lower, as is very common in placer heavy concentrates. One small speck of gold or the absence of such, makes a tremendous difference. The results have their benefits and the real determinations have to be made from the course gold taken manually from the sluice riffles and pannings prior to assaying but a scale delicate enough to do so has not been available to the writer as yet.

In final conclusion, the writer would recommend that water well drilling, after dozer work on road, commence immediately and when water is proven get into a full scale program as soon as possible. Winter will be here too soon and the operation should be running smoothly and winterized by then.

A final word of caution will have to be the most important and that involves the security of the gold and high grade concentrates that will be taken from the processing equipment. Long and careful study must be applied to this situation before problems can develop. The cleanups, the riffles, jigs, etc., all must have careful handling and the movement of all valuable minerals to final refining and sale must be under continual surveilance by bonded people, etc.

Respectfully,

T. W. Anderson

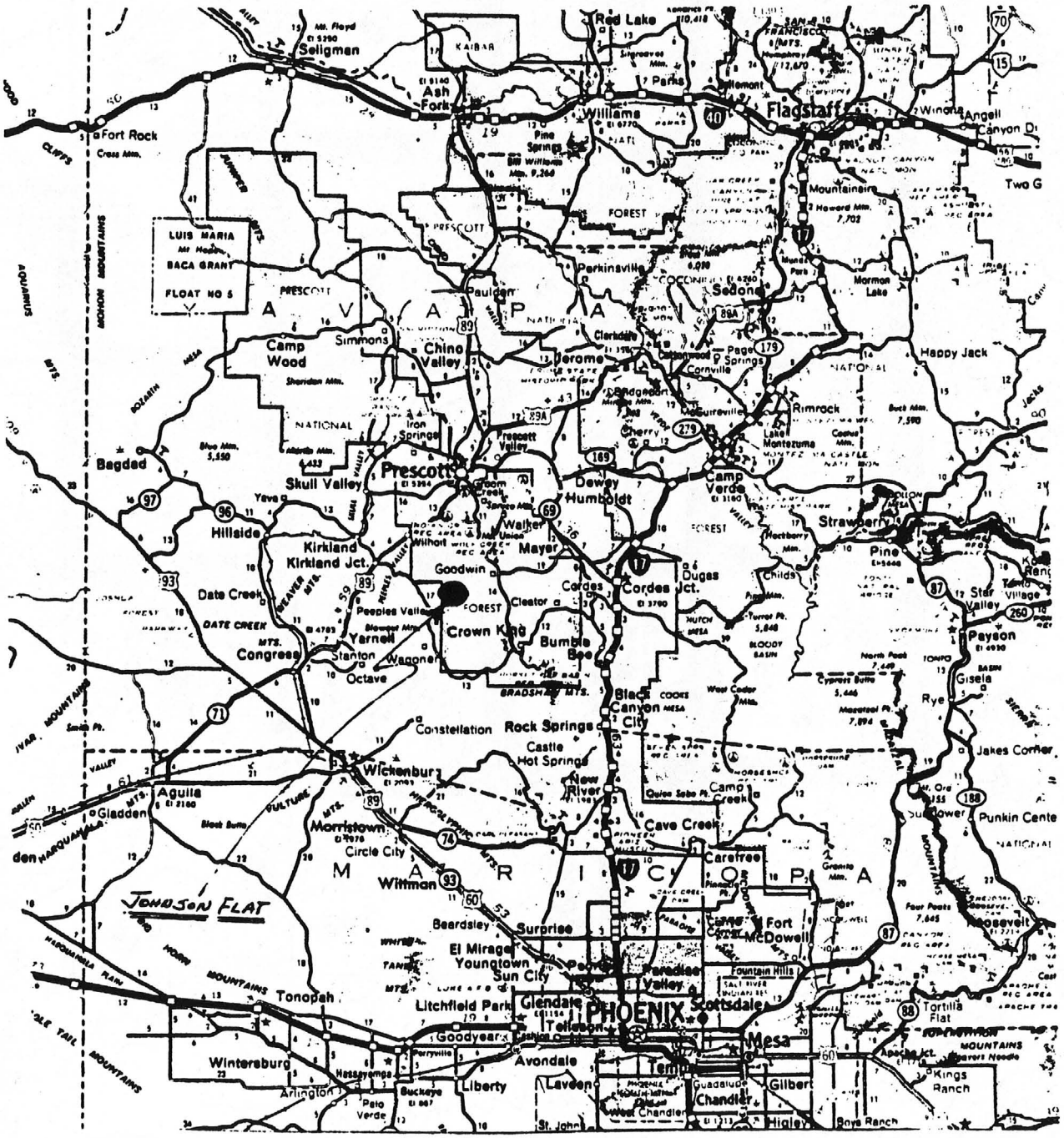
ASH CREEK

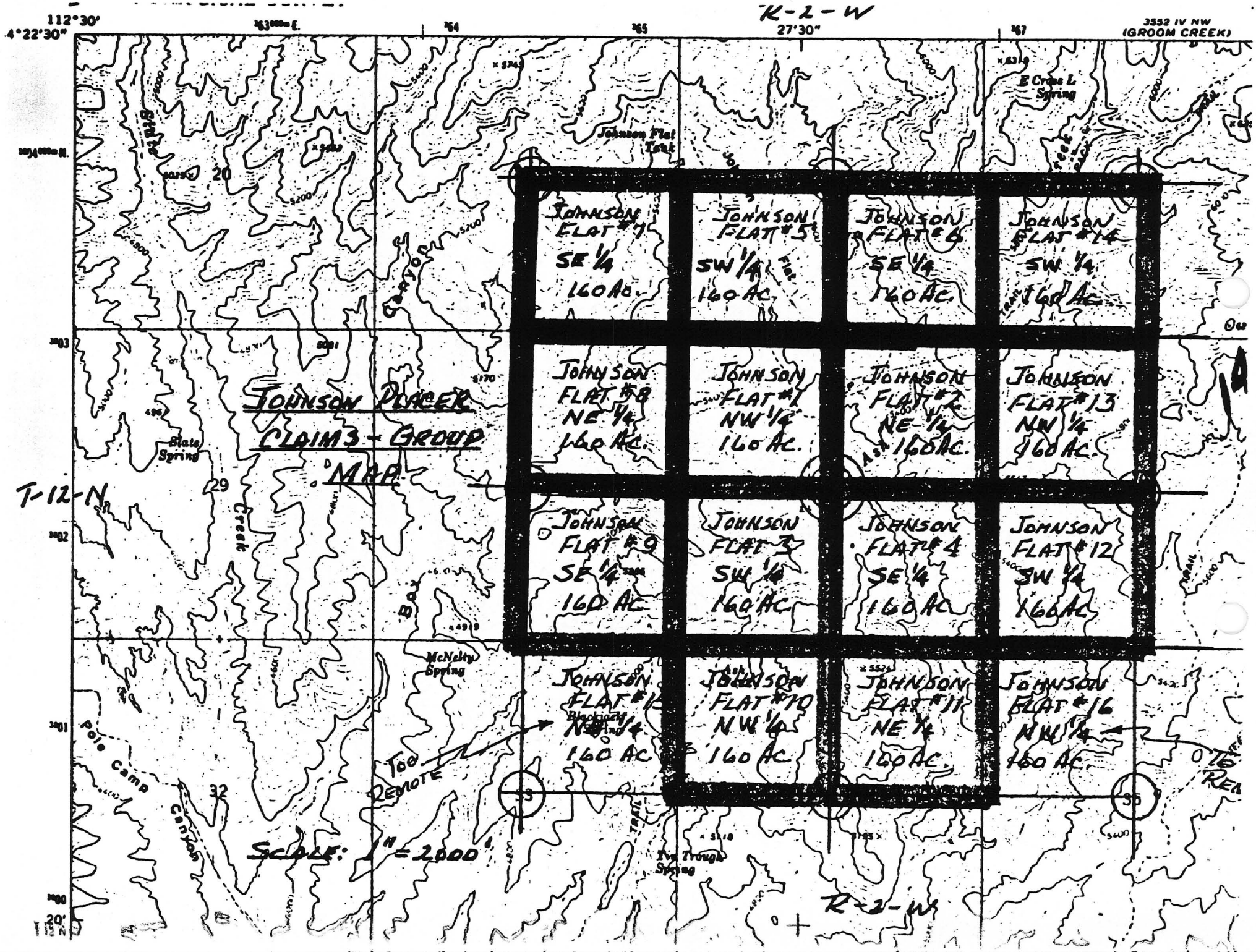
The possible tonnages of economic grade ore that appear to be indicated in about 4 to 5 miles of Ash Creek & the hillsides contiguous with adjacent to and drainages into same, are of tremendous magnitude. The aerial shots shown here gives the reader a chance to see visually how this could be possible. This writer's dry washer testing in the only cleared area west of the lower falls and shown on one of the photos, was extremely encouraging, showing good gold pieces up to 7/32" in diameter on very few runs.

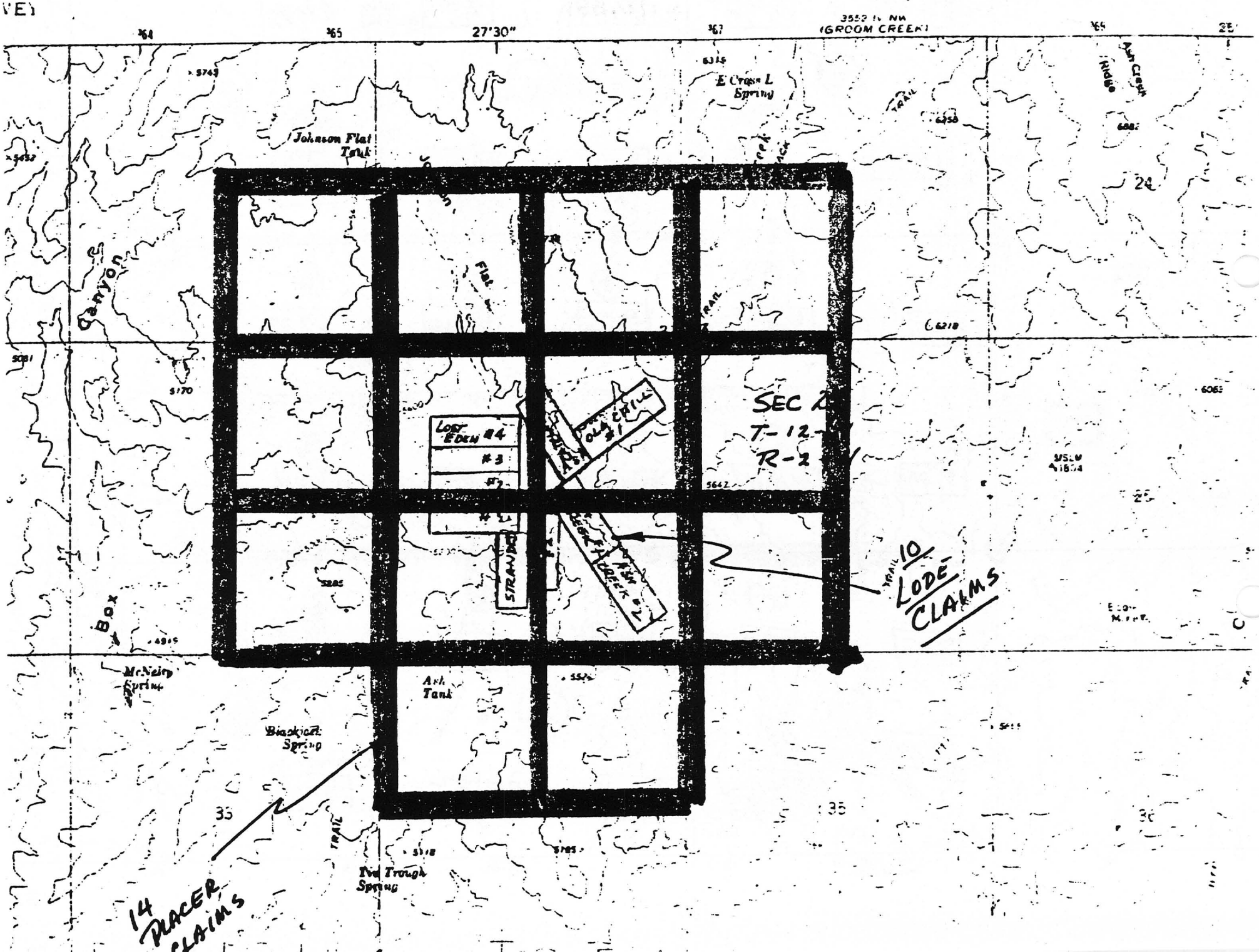
Mr. Ben Conyers is herein quoted as saying his dry washer testing over a two month period in the area showed the best gold and silver of any place on the properties. His knowledge of the placer & hard rock areas has been obtained by walking and testing as much as he could during this time.

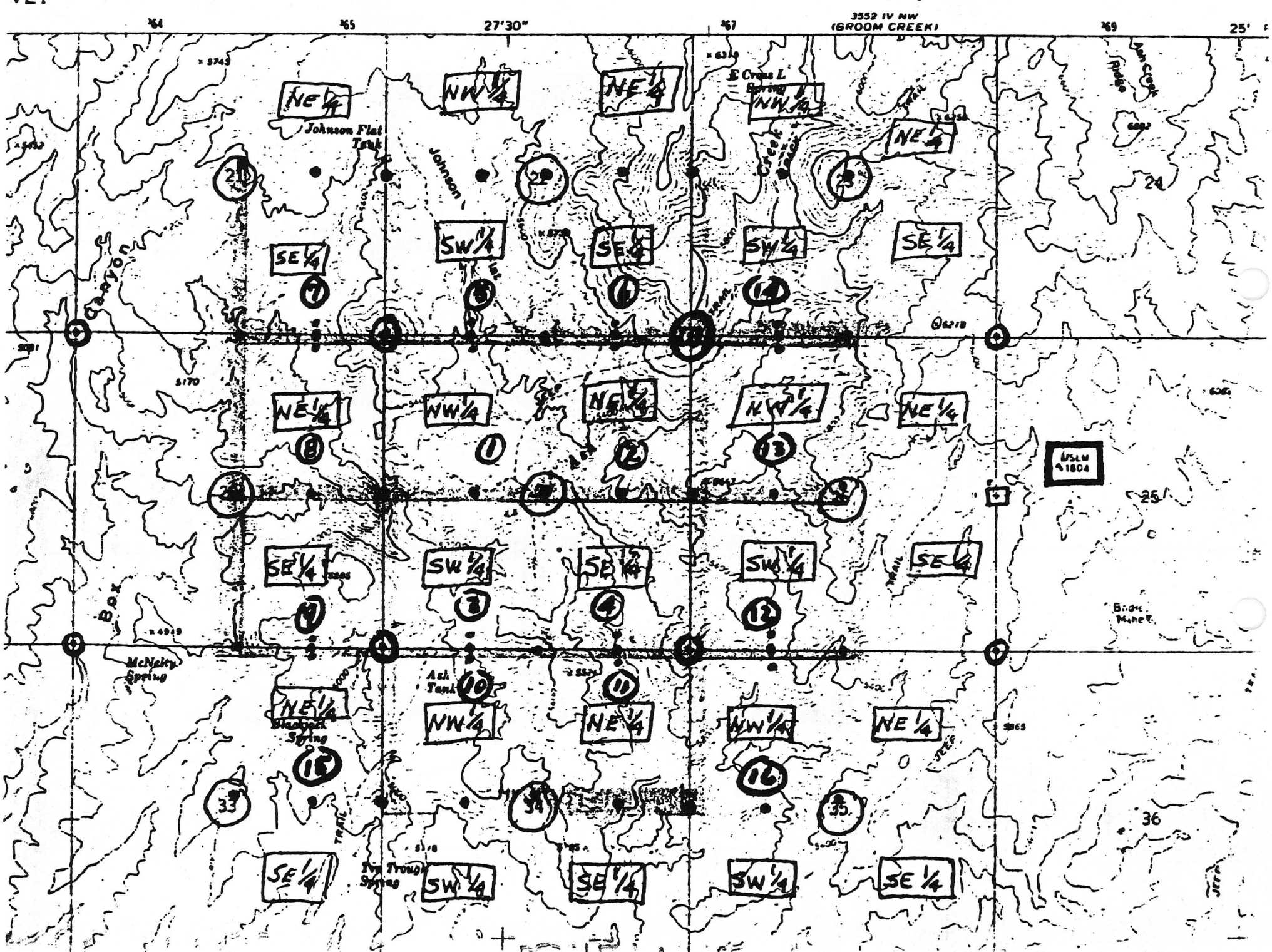
As a result of this writer's testing and detailed info from Mr. Conyers, a well-planned program of exploration should be commenced as soon as the main operation starts. It is highly possible that water research and drilling in Ash Creek could produce ample water, separate from the planned well on Johnson Flat and would be a different drainage.

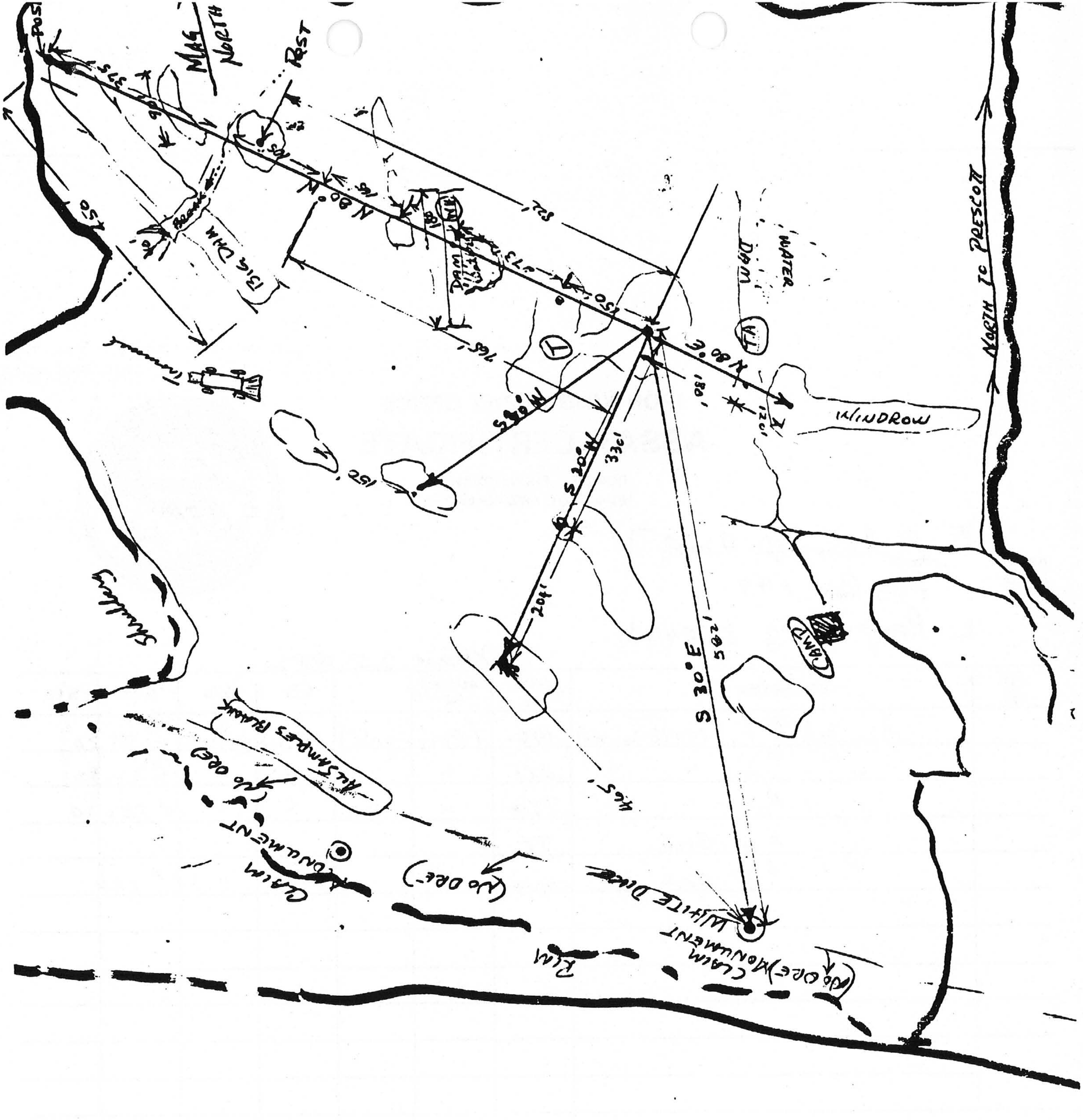
Jim Anderson


Seligman
Red Lake
Ash Fork
Williams
Flagstaff
Fort Rock
Cross Mtn.
Pine Springs
Mountainaire
Howard Mtn.
7,702
LUIS MARIA
BACA GRANT
FLOAT NO 5
PRESCOTT
NATIONAL
FOREST
Perkinsville
Sedona
Camp Wood
Simmons
Chino Valley
Paulden
Jerome
Clarkdale
Cottonwood
Page Springs
Cornville
Happy Jack
Mormon Lake
Rimrock
Lake Montezuma
Bagdad
Iron Springs
Prescott Valley
Prescott
Skull Valley
Dewey
Humboldt
Camp Verde
Strawberry
Hillside
Walker
Mayer
Kirkland
Kirkland Jct.
Goodwin
Cordes
Cordes Jct.
Pine
Date Creek
Peoples Valley
Crown King
Bumble Bee
Star Valley
Payson
Congress
Stanton
Wagoner
Yarnell
Octave
Gisela
Rye
Black Canyon City
Constellation
Rock Springs
Castle Hot Springs
Jakes Corner
Wickenburg
Aguila
New River
Gladden
Cave Creek
Punkin Center
Morristown
Circle City
Carefree
Wittman
Surprise
Beardsley
El Mirage
Youngtown
Sun City
Paradise Valley
Fountain Hills
Fort McDowell
Roosevelt
Tonopah
Litchfield Park
Glendale
PHOENIX
Scottsdale
Tortilla Flat
Goodyear
Tolleson
Mesa
Winterburg
Avondale
Tempe
Apache Jct.
Kings Ranch
Arlington
Liberty
Laveen
Guadalupe
Chandler
Gilbert
Higley
Bare Ranch
St. John
JOHNSON FLAT
MARICOPA


R-2-W
112°30'
4°22'30"
27'30"
3552 IV NW
(GROOM CREEK)
E Cross L Spring
Johnson Flat Tank
JOHNSON FLAT #1 SE 1/4 160 Ac.
JOHNSON FLAT #5 SW 1/4 160 Ac.
JOHNSON FLAT #6 SE 1/4 160 AC.
JOHNSON FLAT #14 SW 1/4 160 AC.
JOHNSON FLAT #8 NE 1/4 160 Ac.
JOHNSON FLAT #11 NW 1/4 160 Ac.
JOHNSON FLAT #2 NE 1/4 160 AC.
JOHNSON FLAT #13 NW 1/4 160 AC.
JOHNSON PLACER CLAIMS - GROUP MAP
JOHNSON FLAT #9 SE 1/4 160 AC
JOHNSON FLAT #3 SW 1/4 160 AC
JOHNSON FLAT #4 SE 1/4 160 AC
JOHNSON FLAT #12 SW 1/4 160 AC
JOHNSON FLAT #15 NW 1/4 160 AC
JOHNSON FLAT #10 NW 1/4 160 AC
JOHNSON FLAT #11 NE 1/4 160 AC
JOHNSON FLAT #16 NW 1/4 160 AC
T-12-N
State Spring
McNulty Spring
Too Remote
Pole Camp
Canyon
Creek
Ivy Trough Spring
SCALE: 1" = 2000'
R-2-W
20
29
32
33
35


27'30"
(GROOM CREEK)
E Cross L Spring
Johnson Flat Tank
Canyon
Box
McNeil Spring
Ash Tank
Blackjack Spring
Tub Trough Spring
Ash Creek
LOST EDEN #4
#3
#2
#1
OLD CHIEF #1
STRANDED
SEC 2
T-12-
R-2
10 LODE CLAIMS
14 PLACER CLAIMS
TRAIL
35
36


27'30"
3552 IV NW
(GROOM CREEK)
Johnson Flat Tank
Johnson
McNeley Spring
Ash Tank
Blocked Spring
Ten Trough Spring
USLM 1804
NE 1/4
NW 1/4
SE 1/4
SW 1/4


POST
MAG NORTH
POST
375'
N 80° W
723'
765'
150'
450'
BIG DAM
DAM
WATER
DAM
N 80° E
180'
WINDROW
NORTH TO PRESCOTT
S 30° W
204'
152'
465'
S 30° E
CAMP
ALL SAMPLES BLANK
(NO ORE)
CLAIM MONUMENT
(NO ORE)
WHITE DIKE
CLAIM MONUMENT
(NO ORE)
RIM

IRON KING ASSAY OFFICE

ASSAY CERTIFICATE

BOX 247 — PHONE 632-7410
HUMBOLDT, ARIZONA 86329

REGISTERED ASSAYER CERTIFICATE NO. 2978 WALTER C. STAUDER Date Signed 5/26/82 ARIZONA, U.S.A.

ASSAY MADE FOR
Golden 4 Corp.
P.O. Box 197
Payson, Az 85541

May 25, 1982

REF. NO.	DESCRIPTION	oz/ton Au	oz/ton Ag		% Fe	% Pb	% Zn	% Cu
	Sample #1 (100 lb sample)	.196	(Free	gold)	Value	@ $300	= $58.80	
	" #2 " "	.081	"	"	"	"	= $24.30	
	" #3 " "	.184	"	"	"	"	$55.20	
	" #4 Grab	Tr						
	" #5 Grab	.004			"	"	$1.20	

CHARGES $110.00

ASSAYER _____

IRON KING ASSAY OFFICE

ASSAY CERTIFICATE

BOX 247 — PHONE 632-7410
HUMBOLDT, ARIZONA 86329

REGISTERED ASSAYER
CERTIFICATE NO. 2578
WALTER G. [illegible]
ASSAYER
Date Signed 5-28-82
ARIZONA, U.S.A.

ASSAY MADE FOR
Golden 4 Corp.
P.O. Box 97
Payson, Az. 85541

May 28, 1982

REF. NO.	DESCRIPTION	oz/ton Au	oz/ton Ag		% Fe	% Pb	% Zn	% Cu
5-26-22	Amalgam Residue #1	1.518	0.16					
-23	" " #2	0.188	0.25					
-24	" " #3	0.076	0.11					
-25	" " #4 Grab	0.028	0.07					
-26	" " #5 "	0.028	0.13					
-27	Washer Tailing	0.022	0.12					

CHARGES $61.50

ASSAYER _____

Three 100 lb. samples were taken from the placer material above ground on Johnson Flat (133,200 tons of proven ore shown on page 3 of geologist's report). These samples were dry washed and concentrated to 5 lbs. each, then taken to Iron King Assay office.

Sample	visible gold	amalgam gold	total gold
1	.196	1.518	1.714
2	.081	.188	.269
3	.184	.076	.26
		three sample total	2.243
		Average	.747 troy oz/ton

Taking the least sample showing 0.26 oz/ton x 133,200 tons of proven ore = 34,632 troy ounces.

34,632 oz x 90% recovery efficiency = 31,168 ounces

31,168 oz x say, $400 per oz =	$12,467,200
less - 5% royalty payment	(623,360)
less - processing cost at site*	(799,200)
less - refining cost of 10%	(1,246,720)
Net value of proven ore only	$ 9,797,920

*Processing costs on a typical placer operation runs $2 to $3 per ton of material; typically a sand and gravel separation by screening, washing, etc. To allow for depreciation and replacement of equipment, we double this to $6 per ton for estimating costs.

If two 40 ton per hour trommels are set up at the site, it would take approximately 140 days of operation to process the proven ore only.

Referring to page 3 of the geologist's report, he indicated approximately 160,000 tons of ore based on a two foot depth. In the first phase of setting operations, a 10" diameter hole was drilled for water, and gold was found from the surface to 75' below the surface, which would substantially increase the indicated ore reserves.

Proposal

A 25% interest in the Johnson Flat Project will be granted for $300,000 cash.

Funds will be used to retire all existing indebtedness and provide capital to implement the next and final phase of putting the project into full operation and winterizing, and set up refining into fine bars.

The $300,000 investor (or his representative) will become a member of the three-man management team to direct and review operations.

An on-site inspection and proof of values is invited to a qualified and interested investor.

December 15, 1982

MEMO TO: Messers Love, Leary, Carter, Broyles, and Goodwin, ROBERTS
FROM: Louis A. and Jane M. DuPlessis
SUBJECT: Gold Mine Commissions - Johnson Flat Project
Yavapai County, Arizona

L.A. DuPlessis has negotiated with one of the principals, Mr. Frank Young, from Houston, Texas, a 5½% (.055) interest in the business if we are successful in securing an investor with $300,000 who will take a 25% interest in the business. This is to be split equally as follows:

INVESTOR - FINDER (¼) - DUPLESSIS (¼) - CARTER (¼) - LOVE (¼) - MINE

(¼ of .055 or 5½% = .01375 of the net profit)

Assuming the principals are correct in stating that in about 1 year from now, the mine will be producing very conservatively $10,000,000 per year (100 tons per hour, and gold no higher than $400 per ounce; see proposal for details), and assuming that all costs including equipment repair, replacement, royalty payments, etc. are maximized at 25% of the gross income - for a net profit of $7,500,000.

Thus, .01375 x $7,500,000 = $103,125 to each of four parties per year for the life of the mine (the principals say 30-40 years).

However, as of December 10, 1982, at the Learys' request, I have bi-laterally agreed, that in return for the typing and other services of Bruce and Elizabeth Leary of Pine Valley, California, with Ray Carter, to give the Learys ¼ of 1% of the venture to be deducted in equal amounts from the 4 names above, in lieu of cash payment for their services. The percentages would, then, be broken down as follows:

Finder	.013125	x	$7,500,000	=	$98,437.50
DuPlessis	.013125	x	$7,500,000	=	$98,437.50
Carter	.013125	x	$7,500,000	=	$98,437.50
Love	.013125	x	$7,500,000	=	$98,437.50
Leary	.002500	x	$7,500,000	=	$18,750.00
Total	.055	x	$7,500,000	=	$412,500.00

Should the Learys be the finder (the one who ultimately secures the investor), then, their ¼ of 1% of the interest for typing services would be added to their "Finder's" interest of .013125, for a total interest of .015625.

Thus, .015625 x $7,500,000 potential = $117,187.50 per year for the next 30-40 years.

I suggest strongly that this be set up through the Trust Department of a Phoenix, Arizona bank, who would receive all gold bars, and make distribution of same to each of the parties involved. In other words, I personally choose not to be involved in the "distribution of inventory" in the event that the Good Lord should see fit to take Jane and I out of this world.

As we draw closer to a closing, there will be other things to discuss: wills, sale of one's interest, how fees for bank services are to be divided, etc.

I have invited Mr. Dave Goodwin and his wife Betty, and Mr. Bob Broyles and his wife Toni to participate as a finder in this project, along with the Learys.

Louis DuPlessis

Louis A. DuPlessis
8758 Pine Creek Road
P.O. Box 642
Pine Valley, Ca. 92062
Tel (619) 473-9829

DEC. 22, 1982

Date

December 22, 1982

MEMO TO: Messers Love, Leary, Carter, Broyles, Goodwin
FROM: Louis A. DuPlessis
SUBJECT: Addendum to Commission Agreement

In the event one of us fails to locate an investor in the Yavapai County Gold Mine Project with $300,000 for a 25% interest in the project by December 31, 1982, in the interests of getting it together quickly, Mr. Frank Young, one of the owners, has agreed to forming a SubChapter S Corporation. This means all advantages flow to the investor directly, rather than to the corporation first, then the investor.

Concurrently, an investor may participate with $10,000 for a .008 interest in the net profits. We, therefore, as of January 1, 1983, will be looking for 30 investors with $10,000 each, for a return to each investor of approximately $60,000 per year in gold bars or cash.

To make it attractive to a finder like yourself, the three persons (Love, DuPlessis, and Carter) who have secured the investment, and who have put in considerable amounts of time and monies to date, will relinquish better than 50% of their guaranteed 5½% interest in the business, and apportion it to the finder based on each $10,000 increment raised.

DuPlessis	.008
Carter	.008
Love	.008
Leary	.0025
Total	.0265
Finder(s)	.0285
	.055

[The finder's allocation (.0285) divided by the number of investors sought (30) equals .00095 of the net revenue interest for each $10,000 raised]

Projecting a net profit of $7,500,000 per year, each $10,000 raised would, then, result in:

$7,500,000
x .00095
$ 7,125 income per year to the finder

If one of the finders, Broyles, for example, between now and March 15, 1983, secures five (5) investors, each of whom puts in $10,000, then, their interest in the business - expressed as a percentage of the net income - would be set up for distribution through the Trust Department of a major Arizona bank as "Robert and Toni Broyles".

5 (investors) x .00095 (per $10,000 raised) = .00475 of net profits.

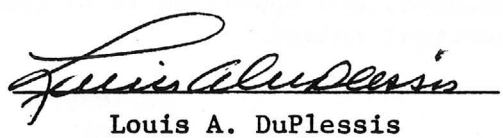
Assuming that the per year net profit from the mine is $7,500,000,

$7,500,000	per year net profit
x .00475	
$ 36,625	income per year (for 30-40 years)

Should, for example, Leary or Love be successful in locating five (5) investors, then, it would be added to their already guaranteed share:

1. Love - (Guaranteed) .008 plus (earned) .00475 =
   .01275 x $7,500,000 = $95,625.00

2. Leary - (Guaranteed) .0025 plus (earned) .00475 =
   .00725 x $7,500,000 = $35,625.00



Louis A. DuPlessis
P.O. Box 642
Pine Valley, Ca. 92062
Tel (619) 473-9829

T. W. ANDERSON
Geological Engineer
P O BOX 3081
SCOTTSDALE, ARIZ.

PRELIMINARY REPORT

ON THE

JOHNSON FLAT LODE AND

PLACER MINING CLAIMS

9 JULY 1982

TABLE OF CONTENTS

PRELIMINARY REPORT

GOLD

LOCATION AND DESCRIPTION

The Johnson Flat Group of Placer and Lode Claims is located in the Prescott National Forest approximately 20 air miles due south of Prescott, AZ and approximately 60 air miles NNW of Phoenix, AZ and is comprised of 14 - 160 AC Placer Claims and 10-20 acre Lode claims, all occupying common ground and located in Sec.'s 21,22,23,26,27,28,33,34,35, R-2-W, T-12-N G&SRBM, Yavapai County, AZ. The mileage from known points such as Prescott and Phoenix are very deceptive inasmuch as it takes about 4-4½ hours of tough driving from Phoenix in order to arrive at the campsite on the said claims. The elevation is a pleasant 5,400 ft. in the summertime and a little less than such in the winter, some of which are extremely violent and cold. The rainfall produces running water most of the warmer fall, Summer and spring seasons, and the surface is covered with Oak brush, Pinon pine, cedar, cactus, catclaw and various and sundry other plant life. Cottonwood trees are found along the intermittent stream beds and creek bottoms.

Accessibility at the present is extremely rough and low geared trucks or four-wheel drive is almost a necessity. Nothing can be transported into the property in the way of heavy equipment unless considerable road improvement is accomplished.

A sketch map with mileage on same and an excerpt from an Arizona road map is enclosed to show the ways in and out. Power is not available by transmission lines without considerable expense to bring in and water of any large quantity must be developed.

TITLE AND HISTORY

The Johnson Flat Claims are presently owned by a consortium of individuals, the principals of whom are Lee Franks, Ben Conyers and Ralph McGee, representing the group. A tentative agreement has been made with Messrs. Clay Thorne and Marvin Hatch to purchase such claims. Thorne and Hatch, who will be the operators and furnish all the equipment, have made a tentative agreement with William L. Edmundson, III who will be the financier, furnishing the necessary money to bring the properties into production on a reasonable basis. At the present time, minor changes have and are being negotiated pending final agreement.

Prior to the above ownership, Mr. Bert Smith, a rancher residing on Milk Creek south of camp, about 5 miles, had these properties. He completed many tests and studies, satisfying himself that economic quantities of gold could be recovered, getting finance from a doctor who for unknown reasons, dropped his backing after all the stockpiles had been dozed up and considerable hydraulicing had been done. Mr. Smith has merely stated he recovered considerable large gold pieces, but not much fines and was unable to complete his work for lack of proper funding. Also, lack of necessary water and then too much at once causing his dam to break through, probably caused the doctor to quit funding his project and lead to Mr. Smith's laxity in watching his title to said ground by not doing his required assessment work, thereby allowing Franks, Conyers and McGee to "relocate."

T. W. ANDERSON, Geological Engineer

There is evidence of earlier hydraulicing and deteriorating sluice boxes, but it does not appear to have had much direction. Obviously, lack of water was the controlling factor in all cases and will most assuredly be so should the present plans go ahead.

It is now my understanding that the Law Offices of EVANS, KITCHEL & JENCKES, P.C., Phoenix, AZ 85003, Dan L. Muchow, Attorney, representing, have been retained by Mr. Edmundson and have determined, with additional and new filings, that title does indeed rest with the above mentioned Franks, Conyers and McGee and their associates.

This writer has concluded a rough program of testing by dry washer and panning dry washer concentrates, calculating bulldozed piles and mineralized area tonnages, checked areas to the east along Ash Creek, staked 14 placer claims and re-worked papers on 10 lode claims and generally inspected the area of interest at Ash Creek.

The results of such work, testing, study and calculations will be included in this report.

ORE RESERVES

Ore reserve figures have been calculated from the pile of bulldozed material and dams located at various points on the Johnson Flat cleared area, taken from a known depth by visual observation and estimated depth over all the mineralized areas that have been examined and checked with dry washer and panning. Aerial photos, some enlarged, show the mineralized coloring associated with these alluvial and decomposed granitiferous bedded formations and the "proven" and "estimated" tonnages will also be shown graphically on the pictures.

Contiguous and nearby areas, not originally planned for testing, could not be ignored by this writer. Subsequent examination and testing showed the possibility of tremendous additional "Indicated Tonnages" of alluvial and well-mineralized gravel, dirt material and decomposed granite. This is made up of the large gravel beds, bars and piles of gravel in the Ash Creek bottom and the slopes of all the contiguous canyon slopes and drainages coming into Ash Creek. This Ash Creek Drainage could be extremely complementary to producing large additional indicated tonnages for the Johnson Flat cleared area, thereby insuring longevity to a well planned operation, complete with ample water.

To align the estimated tonnages into totals of proven, semi-proven and indicated ore, the following sketch of the cleared, windrowed dam and stacked ore on Johnson Flat will be considered first. Thereby the investor will have a fairly good idea of the means by which he can recover his investment and hopefully a good profit. By using the following figures of measurement on the cleared area shown in the photos, it was found to be approximately 1600 ft. E-W & 800 N-S and the indicated depth of loose material and partially decomposed granite ranged from 1 to 4 & 5 ft. It would be extremely foolish for this writer to assume or state anything else, due to the manner and means with which the work was done (crude equipment, estimates, dry washing, panning, spot checking small volumes, small trommel and sluice tests, etc., etc.) The bulldozed stacks of ore and 3 dams showed approximately 53,230 tons by tape measure and estimating depth and level capacities of each. A safe figure of 50,000 tons will be given herein.

The writer will hereby state that there is at least 1 ft. average depth of good, mineralized material found over the entire 1600' x 800' cleared area, that can be easily dozed, dug and/or made immediately available for processing.

The dry washer, panning, trommel, sluice and assay testing has shown that out of approximately 130 tests or runs, less than 25 blanks (no visible gold) were found. Approximately 15 of these blanks were taken in areas off of the cleared area of interest or on the extreme edges of the area. Ten blanks occurred within the area of interest (test area) and this is always a common trend in mineralized alluvial or decomposed material deposits of this nature.

The following tonnages are allocated to the different areas:

PROVEN ORE — WHAT GRADE

A. Stockpiled Dozer & Dam Ore	53,200 Tons
B. One (1) Foot Thickness of Material In Cleared Area of Interest	80,000 Tons
Proven Ore	133,200 Tons

INDICATED ORE

Two (2) Ft. to Three (3) Ft. of Depth 2 Ft. @ 80,000 T/Ft	160,000 Tons

POSSIBLE ASH CREEK ORE

A. Bottom Fill Alluvium Gravel	+500,000 Tons
B. Side Hill (Old Placer)	+100,000 Tons
	600,000 Tons

T. W. ANDERSON, Geological Engineer

TEST SAMPLING

The following listing will show the sample nos. of what was found in coarse gold and colors, some by dry washing and the final 15 by wet trommel and sluicing:

SAMPLE NO.	AREA	FREE GOLD
1	Windrow	5 pieces - 2@ 1/16" & 1/8" & 3 small colors
2	Windrow	3 large colors
3	Windrow	2 large colors
4	Windrow	3 colors
5	Windrow	2 colors
6	Windrow	1 color
7	Windrow	2 colors
8	Windrow	2 pieces 3/16" flat & 1/16" flat + 1 color
9	Re-run#1 area	Rerun 1 1/8" flat piece & 2 colors
10	Windrow	2 pieces 3/32", 1/32" & 2 large colors
11	Windrow	1 sq. piece about 1/32" - no colors
12	Windrow	1 piece 1/32" & 2 large colors
13	Windrow	Blank 15 to 20 shotgun pellets (#4 chilled)
14	Windrow	1 1/32" piece
15	Windrow	1 1/8" nugget
16	Windrow	1 1/20" nugget long, narrow & thin
17	Windrow	2 pieces - 1 ¼" nugget with granite pieces, 1/32" & 1 color
18	Windrow	2 pieces - 1 3/16" heavy and 1 good color
19	Windrow	2 pieces - 1/32" (heavy & round) & 1 good color (round)
20	Windrow	6 pieces (3) 1/32" size and 3 good colors
21	Windrow	4 pieces 1 1/32" & 3 good colors
22	Windrow	5 pieces 1 1/8" long & 1/16" wide (heavy), 1 at 1/16" x 1/32" (fair) & 3 colors
23	Windrow	4 pieces - 1@ 1/16" & 3 good colors
24	Windrow	5 pieces - 2@ 1/32" & 3 good colors
25	Fork in Rd to Ash Creek	1 good color
26	Old Stone House	3 good colors
27	North of cleared area-testing	Blank - heavy black sand
28	Off area of Int.	Blank - heavy black sand
29	Ash Creek	1 nugget 5/32" long, narrow and thick, some colors
30	Near Loader	3 small pieces - 1/16", 1/32" & 1/32" - no colors
31 SP1	Near Campsite	1 good color
32 SP2	South Dozer Stock pile	Blank with much black sand & shotgun pellets
33 SP3	Behind	1 piece - 1/32" - heavy
34 SP4	Camp	4 pieces - 5/32", 1/8" & 2 colors
35 SP5	Camp	3 pieces - 1/32" & 2 good colors
36 TA1	Upper Tank & Dam	2 colors
37 TA2	Upper Tank & Dam	1 large piece 3/32" & 1/32" - thin - no color
38 TA3	Upper Tank & Dam	4 pieces - 2@ 1/32" & 2 colors
39 TA4	Upper Tank & Dam	1 piece gold 1/32" & 1 native Ag 1/8" x 5/16"
40 TA5	Upper Tank & Dam	Blank
41 TA6	Upper Tank & Dam	2 good colors
42 TA7	Upper Tank & Dam	Blank
43 TA8	Upper Tank & Dam	1 piece 3/32" x 1/32"

T. W. ANDERSON, Geological Engineer

SAMPLE NO.	AREA	FREE GOLD
44 WH-1	Dam by Water Hole below Rock House	1 piece 1/32" x 1/8"
45 WH-2	"	2 pieces @ 1/32"
46 WH-3	"	1 piece 1/32" & 3 colors
47	Big Dam (middle washed out) #1	2 pieces @ 1/32" each & 3 good colors
48	Big Dam #2	Blank
49	Big Dam #3	One color
50	Big Dam #4	1/32" piece, 4 large colors & 4 small colors
51	Big Dam #5	1/8" piece & 2 large colors
52	Big Dam #6	1/32", 3/32" & 7 good colors
53	Big Dam #7	1 color
54	Big Dam #8	Blank
55	Big Dam #9	4 good colors
56	Big Dam #10	3 large colors & 5 good colors
57	Big Dam #11	1/16" piece, 8 colors & heavy iron
58	Big Dam #12	1/16" piece, 8 colors
59	Big Dam #13	1 large color heavy iron (black sand)
60	Big Dam #14	2 pieces 1/16" & 1/32"
61	Big Dam #15	2 pieces 3/32" & 1/32" & 4 good colors
62	Big Dam #16	2 large & 1 smaller colors
63	T-1	1 large nugget 1/4" long x 3/16" wide & thick, 1/32" & 4 colors
64	T-2	1 piece 1/32" x 1/16" & 1 large color
65	T-3	Blank - with heavy iron
66	T-4	3 pieces - 1/16" x 1/8", 1/32" & 1/16" + 1 good color
67	T-5	2 good colors
68	T-6	3 good colors & 1 small color
69	T-7	1 piece 5/32" x 1/16" & 4 good colors
70	T-8	Blank - much iron
71	T-9	2 small colors
72	T-10	2 large pieces - 1/8" x 1/32" & 1/16" x 3/32" & 3 colors
73	T-11	Blank - with heavy iron
74	T-12	Blank - with heavy iron
75	T-13	Blank - with heavy iron
76	T-14	Blank - with heavy iron
77	T-15	Small nugget 3/32" x 1/32" - & heavy iron
78	T-16	4 pieces & 1 color - 1/8" x 1/32", 1/8" x 1/16", 2 @ 1/32" & 1 color
79	T-17	4 colors & heavy iron
80	Q-1 White Dike	Blank)
81	Q-2 on extreme south	Blank)
82	Q-3 side of area not	Blank)
83	Q-4 thought to be	Blank) Nothing off area
84	Q-5 good minerali-	Blank)
85	Q-6 zation - hard rock only.	Blank)
86	U-1	Blank
87	U-2	Blank
88	U-3	one color
89	U-4	1 piece 1/32" & 3 colors

T. W. ANDERSON, Geological Engineer

SAMPLE NO.	AREA	FREE GOLD
90	U-5	1 piece 1/32" & 7 colors
91	U-6	4 colors
92	U-7	1 1/8" piece 2-2 colors
93	U-8	2 pieces 1/8" x 1/32", 1/8" x 1/8" & 2 colors
94	U-9	1 large piece 3/32" x 1/32" & 3 colors
95	R-4A Red Dirt	Blank - heavy black iron
96	R-B-3 area 1/4 mi.	Blank - heavy black iron
97	R-4B North-good blk	Blank - heavy black iron
98	R-3 Iron Show but no gold (off area testing)	Blank - heavy black iron
99	Ash Creek -random sampling: was very difficult to get to sites with dry washer crew. Brought samples back to camp area to pan out with s one in Creek by Steve Franks.	Very good show & heavy iron in all samples. Some pieces went to 1/4" and many smaller pieces. This sampling done by the crew when "TWA was in town."
100		
101		
102		
103		
104		
105		
106		
107		
108		
109		
110		
111		
112		
113		

TROMMEL & SLUICE BOX TESTING IN WICKENBURG, AZ.

SAMPLE NO.	BARREL NO.	LOCATION	GOLD & BLACK SAND, ETC.
114	1	Windrow	Approx. 8-5 gal. buckets-2 thin pieces 1/10" x 1/10" & small colors
115	2	Ash Creek Hillside	Approx. 10-5 gal. buckets - 2 thin pieces 1/8" x 3/32" & 1/16" x 1/16" + colors
116	3	Ash Creek Hillside	5 good pieces - 1/4" x 5/32", 5/32"x3/32" 1/8" x 1/8",had (free Hg) spots on large pieces, 2 smaller pieces & small colors
117	4	Ash Creek Hillside	6 pieces - 7/32" x 5/16", 3/16" x 3/16" (both thick), 1/8" x 1/32, 3 good, large colors
118	5	Ash Creek Hillside screened material after dry washing	colors only - large gold probably caught in Dry Washer
119	6	East 1/2 of Big Dam - West end of property	1 piece 1/16" x 3/32" and colors
120	7	West end of Big Dam & Small Dam in front of Big Dam (Sample Big Dam #16)	colors only & black sand
121	8	Pile West of Middle Dam & on 2nd Dam	colors & test for unusual (multisized round particles)
122	9	Piles near Rock House & West of Dam	1 piece 3/32" x 1/16" & colors
123	10	Dozer Pile No. of Windrow & small piles No. of E. end of Windrow	lots of lead shot & a lead bullet
124	11	Upper dam N.W. of Windrow	color & free Hg.
125	12	Dozer Piles behind Camp	much heavy iron, free mercury & fine gold
126	13	Big Dam Hydraulic tailings	
127	14	Red Dirt North of Cleared Area	
128	15	Red Clods from Windrow (north end)	lead & all sizes of metallic balls. Test all these - Hg & fine gold

RECOMMENDATIONS

1. The primary concern in this operation was to determine if economic mineral values were present on Johnson Flat to make it a feasible project, returning reasonable profits after recovery of investment. By all the testing done over the past month, this writer feels that the values per ton will accomplish this goal, if suitable processing is instituted.

2. This brings up the secondary but most important necessity to success and this is ample water. Run-off and reservoirs will not suffice, so a good well or several wells are a pre-requisite to the continuance of any further plans to process.

3. Access to the properties is extremely rough and hard on vehicles being used, with 4 wheel drive being a necessity. Road work with heavy dozer must be completed before even drilling equipment can be moved in.

4. When road work is complete and water proven, the 10 ton per hour can be used to test various areas, but it is this writer's opinion that a full scale processing plant should be installed as soon as possible.

5. Begin a careful testing of depth and mineralization by backhoe or ditching equipment and see how the values occur in the decomposing granite and where a real bed-rock is located.

6. Institute a complete testing program on the Ash Creek area for values in the alluvial gravel in the bottom areas and side hill slopes draining into the Creek bed. Some of the better tests made by the writer came from the west slope of Ash Creek, due East of the Middle of Sec. 27 and the results were quite surprising in gold values. The additional indicated tonnages would be "substantial."

7. Make a study of the hard rock features found at several places on the properties. Information from one of the owners, Mr. Ben Conyers, states that his 2 month prospecting and testing program showed good values in Gold and Silver on several of the structures. Also, his tests of the Ash Creek gravel leads him to believe that the real placer gravel potential is in the Ash Creek area covering 2 to 3 miles up and down stream.

8. Complete the claim survey with a registered surveyor, being sure all monuments are in place, papers and maps therein on proper posts and the survey map filed with Yavapai County Recorder and B.L.M. This should be done within the next 60 days or after the investor is sure of his operation and the new lode claims are filed on the structures discussed in paragraph 7 above.

9. Try to improve access to the North and South both, in event weather, as storms, cause vehicular problems in coming and going to and from property.

10. Be sure the law firm gives the investor the written title opinion favorable to the owners being dealt with and that all agreements are willfully signed and understood, especially the operating agreement.

11. Conduct a diligent and continuing program of testing, development and proving ore to add life and longevity to the Project.

12. Continually search for new and better metallurgical processes to improve recoveries.

CONCLUSIONS

There are several procedures that must be followed in strict order on the Johnson Flat Project. If such is the case, it is this writer's opinion that the Project will be economically successful. The suggested order is outlined as follows:

1. Show financial responsibility in timely funding as agreed;

2. Prove, within reason, economic grade ore and tonnages to insure longevity to Project;

3. Prove an adequate water source with a well or wells, re-using water wherever possible;

4. Have adequate operators, familiar with dirt and gravel and the heavy equipment and processing machinery necessary to do the best job of mineral recovery;

5. Keep current on property ownership, filings and work committments, be sure the Park Ranger and environmentalists do not find fault with anything and try to impress all controlling county, state and federal departments that you are doing a good job;

6. Keep on a friendly and helpful basis with the area ranchers, allowing game and cattle watering sites or troughs away from your operating facilities;

7. Exercise extra caution for rattlesnakes and injury, as medical help is not readily available nor convenient;

8. Get a radio or radio telephone on the premises for business, personal and emergency use.

9. If processing is successful, steps should be taken as early as possible to winterize all the facilities. It will remain to be tested to see whether all operations can proceed at low temperatures as well as in spring, summer and fall; an altitude of 5500 ft. can cause many difficult problems.

There are many things that can be said or concluded concerning the project, but most of the test work, estimating of tonnages and values per ton, etc. have been determined by this writer with rather crude equipment and methods and the actual gold recovered "in hand" shows that a carefully regulated and equipped processing system will do much better and undoubtedly, produce gold in excess of $20 per yard of material. Most samples indicated substantially more, up to probably $30/yd., the exact amount being a factor that could not be determined with real accuracy, because some buckets and barrels used were not of the same size and weights were different on the weighed and recovered black sand, assays, and

nuggets. The samples that showed no gold visibly numbered less than 10 and the total number of samples tested, exceeded 125, many of which showed 2 or 3 nuggest and good colors in less than 125 lbs. of material. The writer is convinced that the area of study, 1600' x 800', is rather homogeneously mineralized and this reddish-brown mineralization can be seen on the aerial photos and enlargements.

This writer does endorse the planned program and knows that if everyone does his job up to the capacity agreed upon in the operating agreement, this project will be feasible and economical with several hundred thousand more tons of ore that can easily be proven to add to the present reserves of 53,000 tons & 85,000 tons for each foot of depth developed on Johnson Flat cleared area. The dry washer sampling was made with 4-5 gal. buckets of dirt each (± 125 lbs.), whereby the visible and free gold was removed manually and the fine gold and black sands kept separately. Approximately 7 to 10 lbs. of such dry washer, hand panned, heavy concentrates have been saved and should be tested for gold, silver and other possible valuable materials. The free gold and a small amount of heavy concentrates have been kept in small 35 mm camera film plastic containers and should be weighed out to determine an estimated mineral value per ton on coarse gold from the dry washer testing.

Also removed were 15-55 gal. drums of material from 20 locations on said properties and hauled to a trommel and sluice testing point in Wickenburg, AZ. The material was run on 15 separate tests with all the course gold particles being removed when panning the concentrates. The remaining black sands (± iron) were assayed for gold and silver with the sample being left at JDB Company 3 July AM and the assay results and rejects picked up at Noon 8 July 82 (Thurs.) for this report. A copy of such results are included herein but since the assayer could not accurately weigh large samples, it is difficult to even come close to calculating a value per ton, even with weighing the small particles removed from such samples when panned. There were no gold blanks and only one silver blank out of 15 assays.

This writer will hereby state that this assay test could be run again and all the assays would be significantly different, higher or lower, as is very common in placer heavy concentrates. One small speck of gold or the absence of such, makes a tremendous difference. The results have their benefits and the real determinations have to be made from the course gold taken manually from the sluice riffles and pannings prior to assaying but a scale delicate enough to do so has not been available to the writer as yet.

In final conclusion, the writer would recommend that water well drilling, after dozer work on road, commence immediately and when water is proven get into a full scale program as soon as possible. Winter will be here too soon and the operation should be running smoothly and winterized by then.

A final word of caution will have to be the most important and that involves the security of the gold and high grade concentrates that will be taken from the processing equipment. Long and careful study must be applied to this situation before problems can develop. The cleanups, the riffles, jigs, etc., all must have careful handling and the movement of all valuable minerals to final refining and sale must be under continual surveilance by bonded people, etc.

Respectfully,

T. W. Anderson

T. W. ANDERSON, Geological Engineer

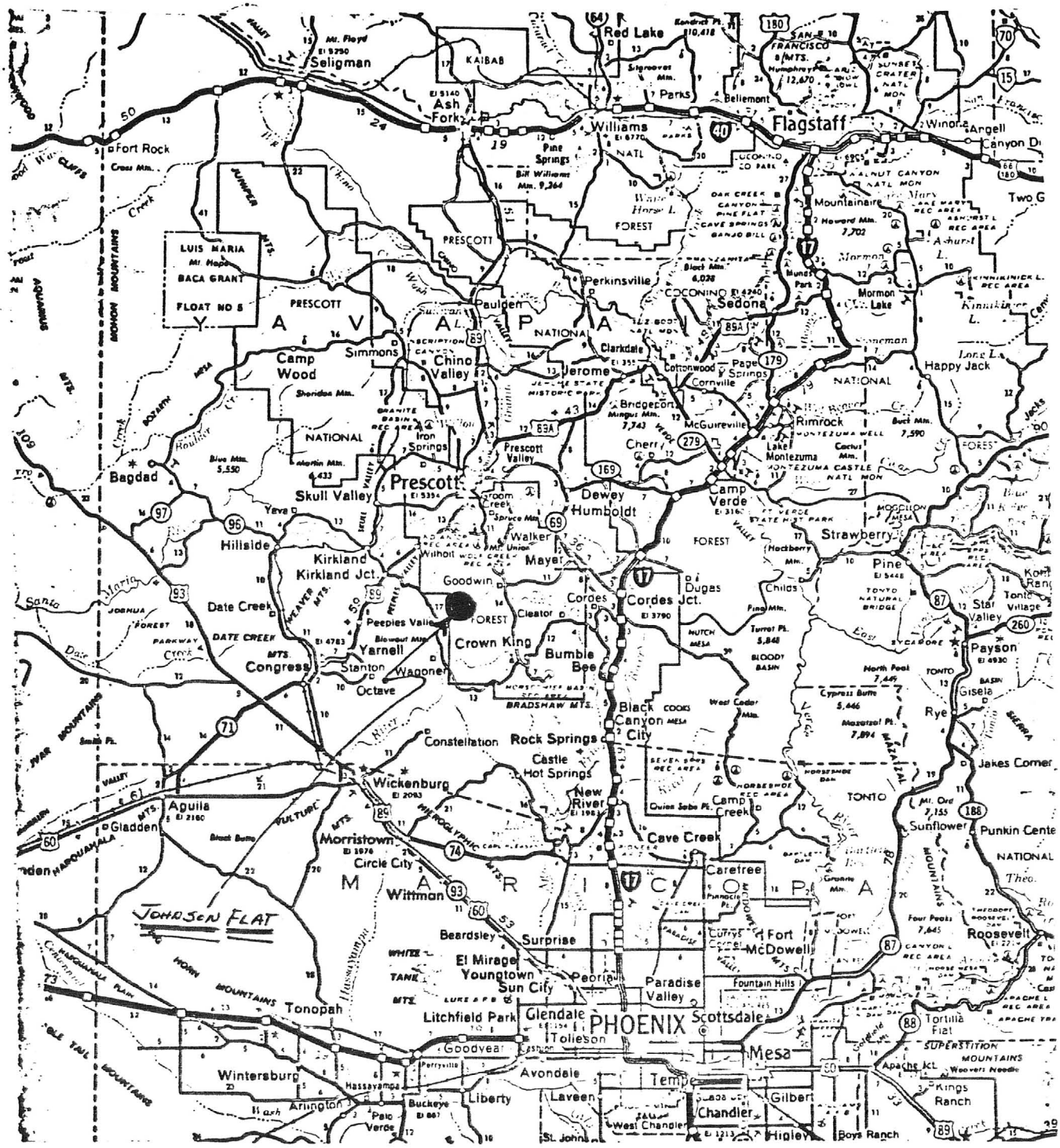
ASH CREEK

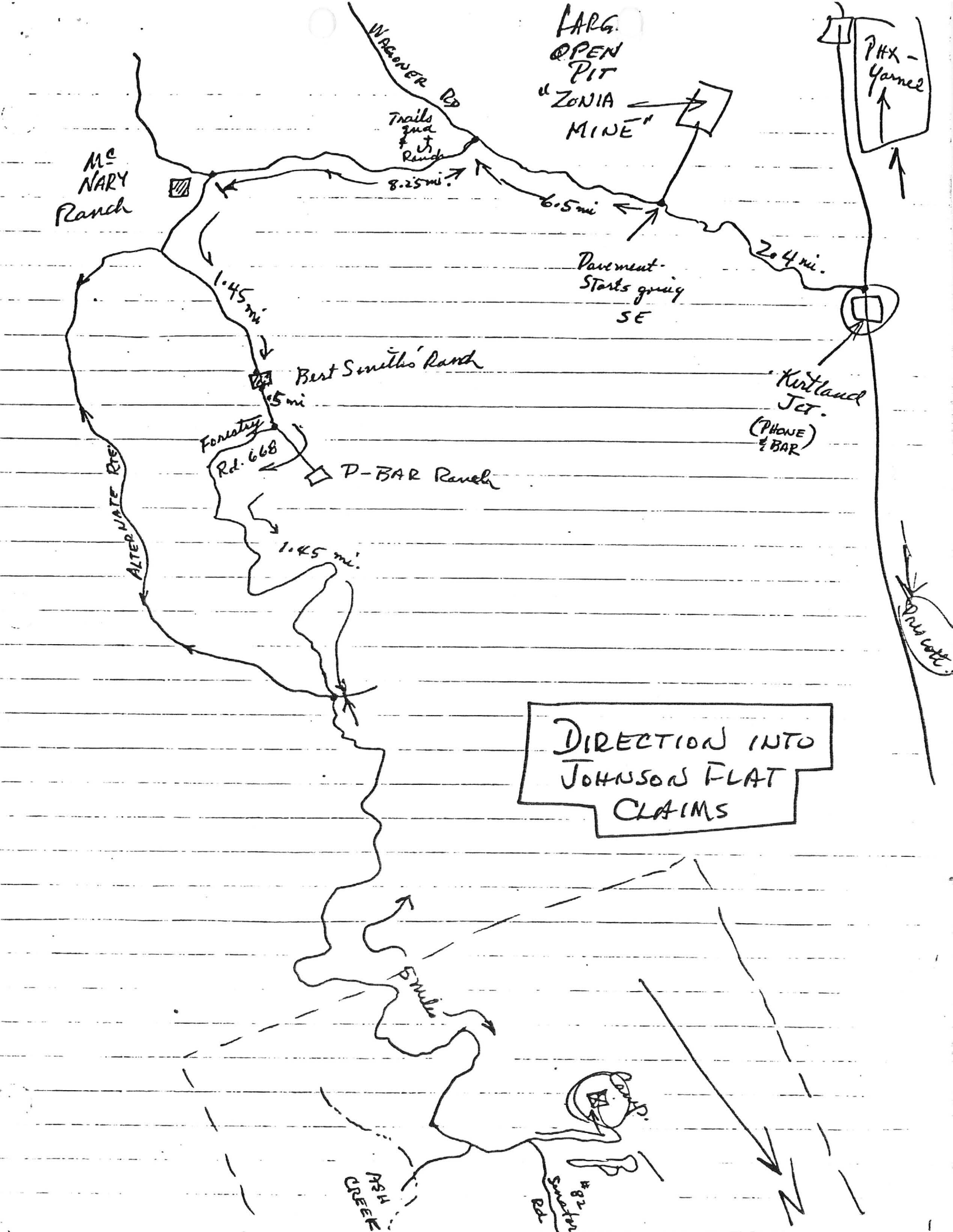
The possible tonnages of economic grade ore that appear to be indicated in about 4 to 5 miles of Ash Creek & the hillsides contiguous with adjacent to and drainages into same, are of tremendous magnitude. The aerial shots shown here gives the reader a chance to see visually how this could be possible. This writer's dry washer testing in the only cleared area west of the lower falls and shown on one of the photos, was extremely encouraging, showing good gold pieces up to 7/32" in diameter on very few runs.

Mr. Ben Conyers is herein quoted as saying his dry washer testing over a two month period in the area showed the best gold and silver of any place on the properties. His knowledge of the placer & hard rock areas has been obtained by walking and testing as much as he could during this time.

As a result of this writer's testing and detailed info from Mr. Conyers, a well-planned program of exploration should be commenced as soon as the main operation starts. It is highly possible that water research and drilling in Ash Creek could produce ample water, separate from the planned well on Johnson Flat and would be a different drainage.

T. W. ANDERSON, Geological Engineer


Seligman
Red Lake
Williams
Flagstaff
Fort Rock
Ash Fork
Pine Springs
Parks
Bellemont
Winona
Angell
Canyon Di
Two G
Mountainaire
Howard Mtn. 7,702
Mormon L.
Mormon Lake
Kinnikinick L.
Happy Jack
Long L.
Ashurst L.
Perkinsville
Sedona
Paulden
Clarkdale
Jerome
Cottonwood
Page Springs
Cornville
Camp Wood
Simmons
Chino Valley
Prescott
Prescott Valley
Iron Springs
Skull Valley
Bagdad
Yeve
Hillside
Kirkland
Kirkland Jct.
Goodwin
Walker
Mayer
Dewey
Humboldt
Rimrock
McGuireville
Bridgeport
Cherry
Montezuma Castle
Camp Verde
Strawberry
Pine
Duges Jct.
Cordes
Cordes Jct.
Childs
Star Valley
Payson
Gisela
Rye
Jakes Corner
Date Creek
Peeples Valley
Crown King
Bumble Bee
Cleator
Congress
Stanton
Wagoner
Yarnell
Octave
Black Canyon City
Rock Springs
Constellation
Castle Hot Springs
Wickenburg
New River
Aguila
Gladden
Morristown
Circle City
Cave Creek
Camp Creek
Carefree
Sunflower
Punkin Center
Roosevelt
Fort McDowell
Fountain Hills
Paradise Valley
Wittman
Beardsley
Surprise
El Mirage
Youngtown
Sun City
Peoria
Litchfield Park
Glendale
PHOENIX
Scottsdale
Tonopah
Goodyear
Tolleson
Mesa
Tempe
Avondale
Laveen
Gilbert
Chandler
Wintersburg
Arlington
Buckeye
Liberty
Palo Verde
Apache Jct.
Kings Ranch
Tortilla Flat
Boys Ranch
Higley
West Chandler
St. Johns
JOHNSON FLAT
PRESCOTT
NATIONAL
FOREST
TONTO
BRADSHAW MTS.
HARQUAHALA MTS.
HOOPER MTS.
VULTURE MTS.
WHITE TANK MTS.
SUPERSTITION MOUNTAINS
SIERRA ANCHA MTS.
MAZATZAL
LUIS MARIA BACA GRANT
FLOAT NO 5


LARG. OPEN PIT "ZONIA MINE"
WAGONER RD
Trails End Ranch
McNARY Ranch
8.25 mi
6.5 mi
PHX - Yarnell
20.4 mi.
Pavement Starts going SE
1.45 mi
Bert Smith's Ranch
.5 mi
Kirkland Jct.
(PHONE & BAR)
Forestry Rd. 668
P-BAR Ranch
ALTERNATE RTE
1.45 mi.
DIRECTION INTO JOHNSON FLAT CLAIMS
Prescott
CAMP
ASH CREEK
#82 Senator Rd
N

JDB Company
3010 South 48th Street / Suite 9
Phoenix, Arizona 85040
(602) 966-8566

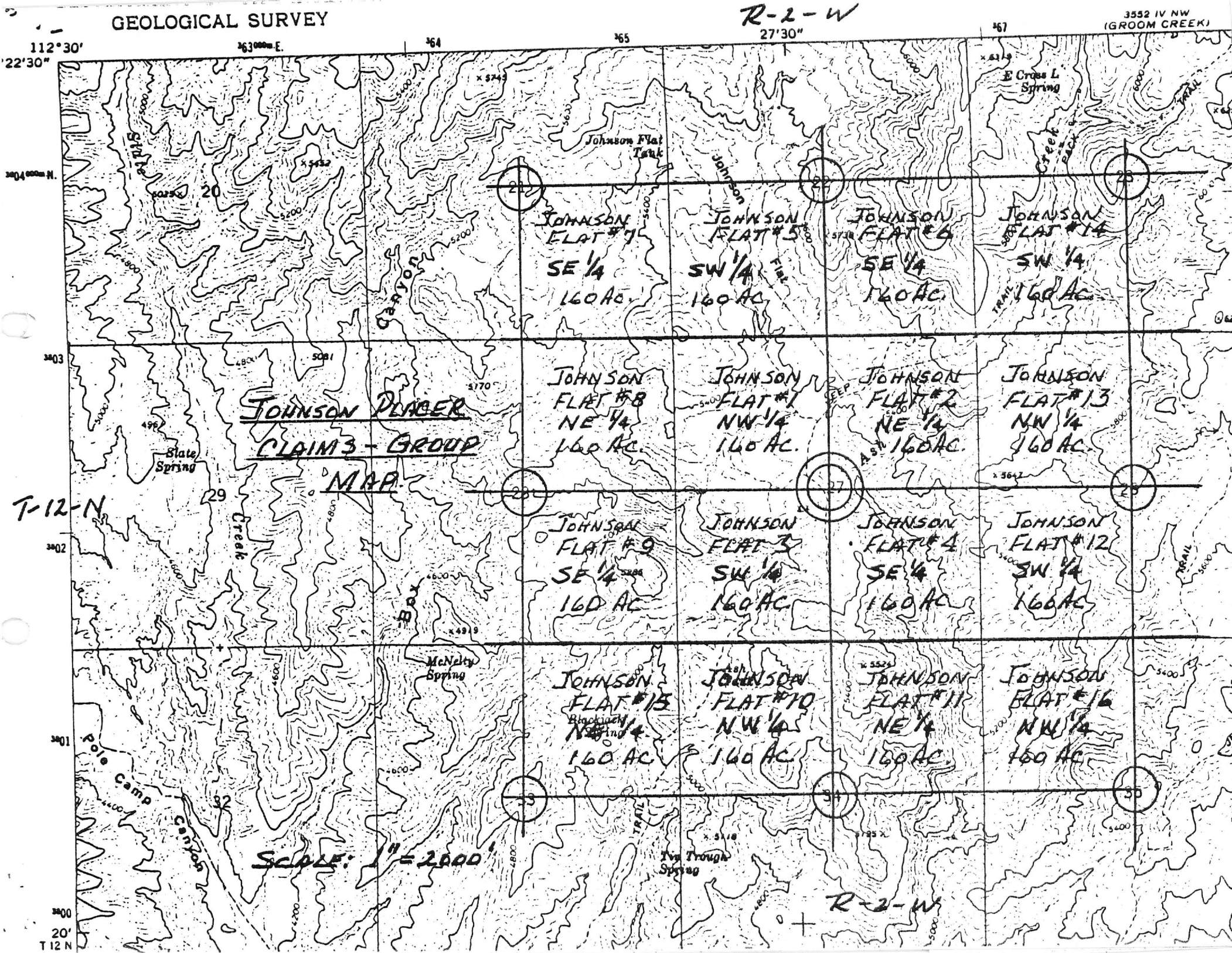
ASSAY CERTIFICATE

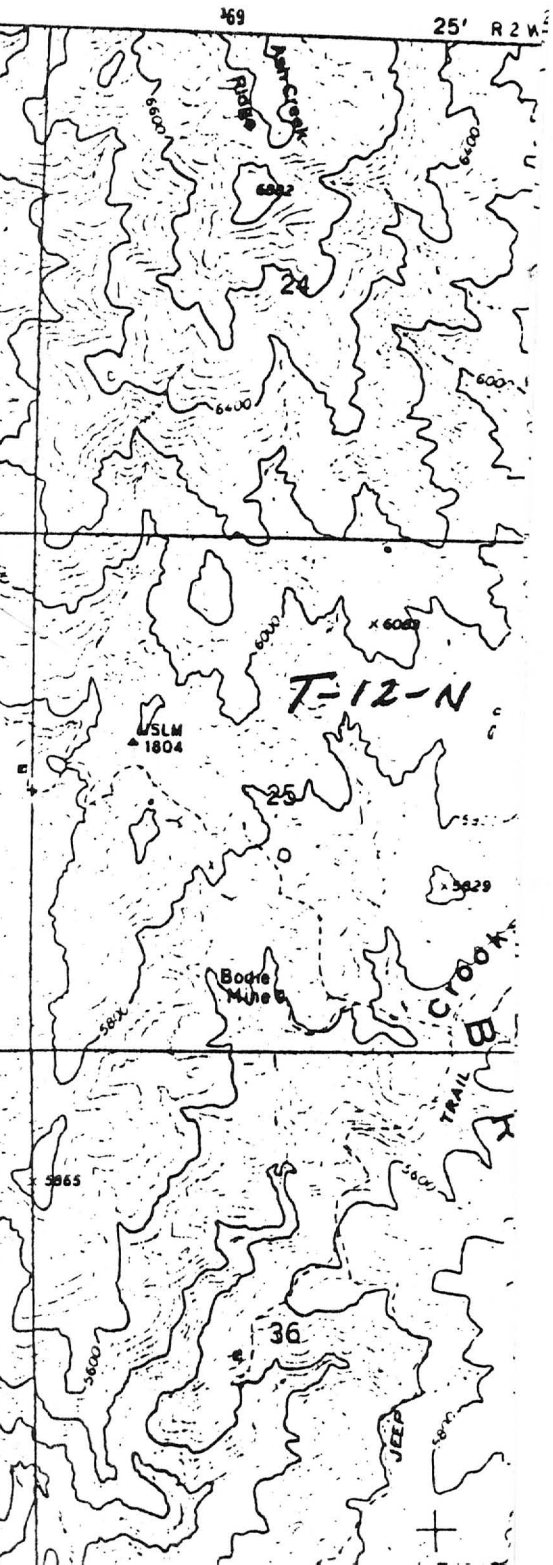
NAME T.W. ANDERSON PHONE 945-4095

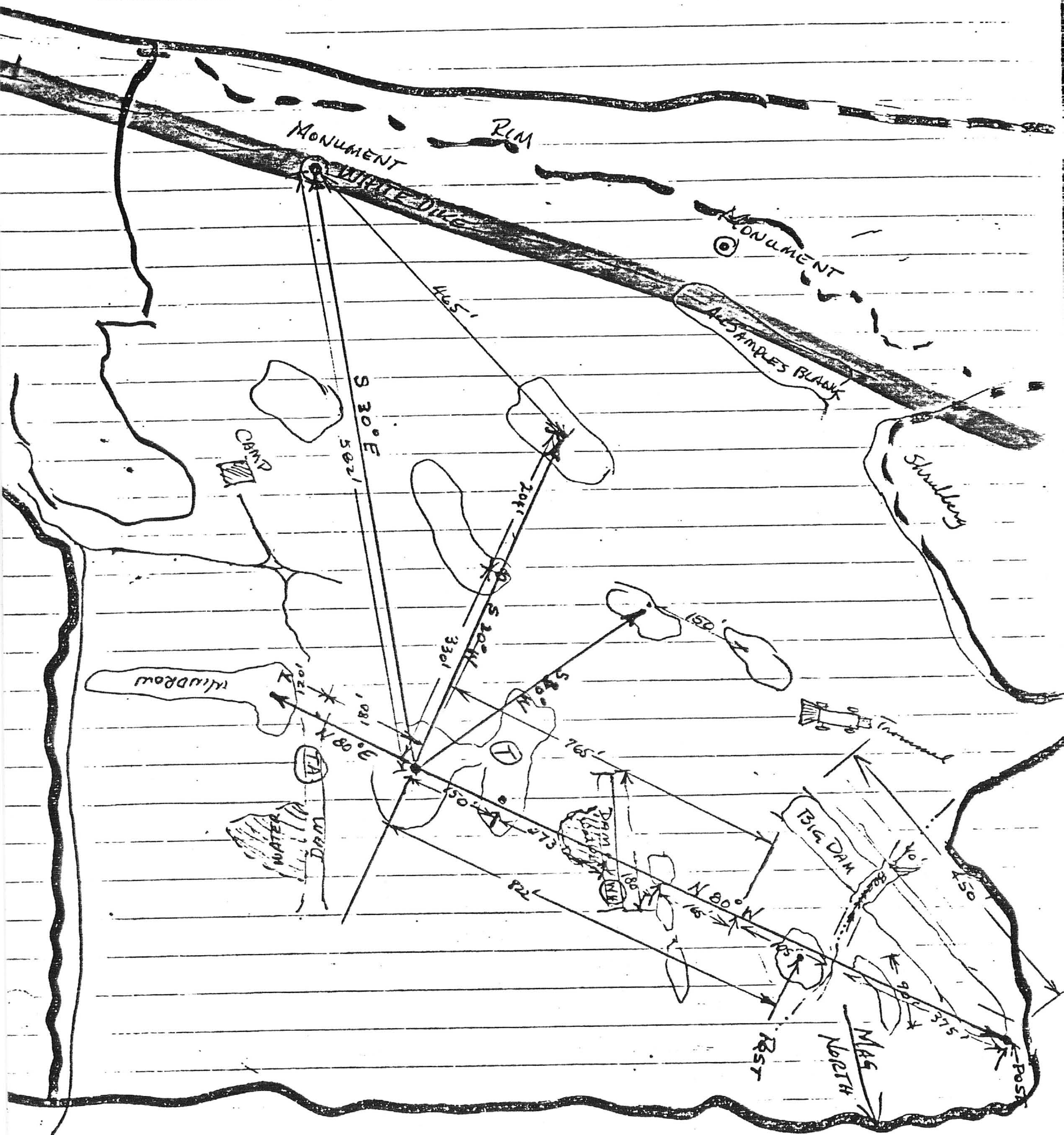
ADDRESS 8328 E. EDGEMONT SCOTTSDALE, AZ 85257 DATE SUBMITTED 7-3-81

SAMPLE NO.	GOLD oz/t	SILVER oz/t		SAMPLE WT. LBS	
1	0.013	0.30		6	
2	0.022	TRACE		3	
3	TRACE	TRACE		3.25	
4	TRACE	NIL		7.3	
5	TRACE	TRACE		3	
6	TRACE	TRACE		4.5	
7	0.003	0.13		2.5	
8	TRACE	NIL		3.5	
9	0.003	0.18		2.4	
10	TRACE	TRACE		3.5	
11	TRACE	TRACE		0.75	
12	TRACE	0.13		3.3	
13	TRACE	0.22		1.5	
14	TRACE	0.26		1.5	
15	0.038	0.08		0.75	

ASSAYER John Bost


GEOLOGICAL SURVEY
R-2-W
112°30'
22'30"
27'30"
3552 IV NW
(GROOM CREEK)
E. 363 000m E.
364
365
367
3704 000m N.
3703
3702
3701
3700
20'
T 12 N
Johnson Flat Tank
E Cross L Spring
Creek
Canyon
Johnson
TRAIL
TANK
JOHNSON FLAT #7
SE 1/4
160 Ac.
JOHNSON FLAT #5
SW 1/4
160 Ac.
JOHNSON FLAT #6
SE 1/4
160 Ac.
JOHNSON FLAT #14
SW 1/4
160 Ac.
JOHNSON PLACER
CLAIMS - GROUP
MAP.
JOHNSON FLAT #8
NE 1/4
160 Ac.
JOHNSON FLAT #1
NW 1/4
160 Ac.
JOHNSON FLAT #2
NE 1/4
160 Ac.
JOHNSON FLAT #13
NW 1/4
160 Ac.
State Spring
T-12-N
Creek
Box
JOHNSON FLAT #9
SE 1/4
160 Ac
JOHNSON FLAT #3
SW 1/4
160 Ac.
JOHNSON FLAT #4
SE 1/4
160 Ac
JOHNSON FLAT #12
SW 1/4
160 Ac
McNelty Spring
JOHNSON FLAT #15
NE 1/4
160 Ac
JOHNSON FLAT #10
NW 1/4
160 Ac.
JOHNSON FLAT #11
NE 1/4
160 Ac.
JOHNSON FLAT #16
NW 1/4
160 Ac
Pole Camp
Canyon
Blackjack Spring
Tin Trough Spring
Scale: 1" = 2000'
R-2-W


469
25' R 2 W
Ridge
Tamarack
6992
24
6400
6000
T-12-N
USLM
1804
25
5929
Bodie
Mine
Creek
B
TRAIL
5865
36
JEEP


MONUMENT
RIM
WHITE DIKE
MONUMENT
ALL SAMPLES BLANK
465'
S 30° E
582'
CAMP
204'
S 20° W
330'
Shrubbery
150'
Windrow
120'
180'
N 80° E
T.A.
WATER
DAM
T
765'
150'
373
822
DAM
180
N 80° W
165'
BIG DAM
40'
450
90'
375'
POST
MAG NORTH
POST