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PRINTED: 11/20/2001

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: LONG SHOT MINE GROUP

ALTERNATE NAMES:

PIMA COUNTY MILS NUMBER: 47

LOCATION: TOWNSHIP 22 S RANGE 10 E SECTION 5 QUARTER C
LATITUDE: N 31DEG 32MIN 35SEC LONGITUDE: W 111DEG 20MIN 30SEC
TOPO MAP NAME: ARIVACA - 15 MIN

CURRENT STATUS: PAST PRODUCER

COMMODITY:

SILVER
LEAD
COPPER
GOLD LODE
ZINC

BIBLIOGRAPHY:

S.B. KEITH, AZBM BULL. 189, P. 106, 1974
ADMMR LONG SHOT MINE FILE

12/16/85

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES FILE DATA

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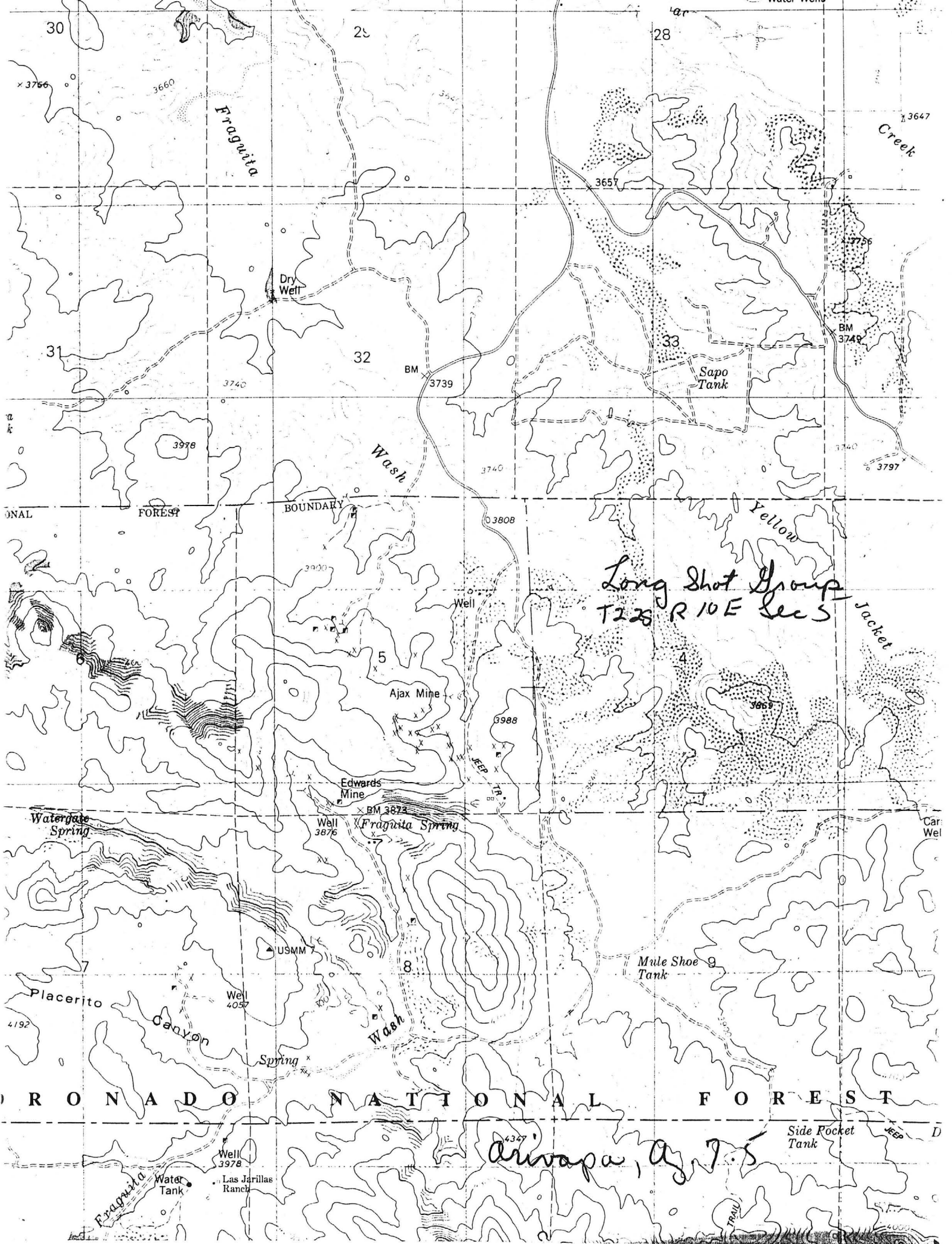
CURRENT STATUS: PAST PRODUCER

COMMODITY:

SILVER-PRIMARY
LEAD-PRIMARY
COPPER-BYPRODUCT
GOLD-(M)LODE-BYPRODUCT
ZINC-BYPRODUCT

BIBLIOGRAPHY:

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ADMMR LONG SHOT MINE FILE



30 28 31 32 33

Fraguila

Creek

Dry Well

Sapo Tank

Wash

Yellow

Long Shot Group
T28 R10E Sec 5

Jacket

Ajax Mine

Edwards Mine

Fraguila Spring

Watergate Spring

Mule Shoe Tank

Placerito

Canyon

Wash

GRAND NATIONAL FOREST

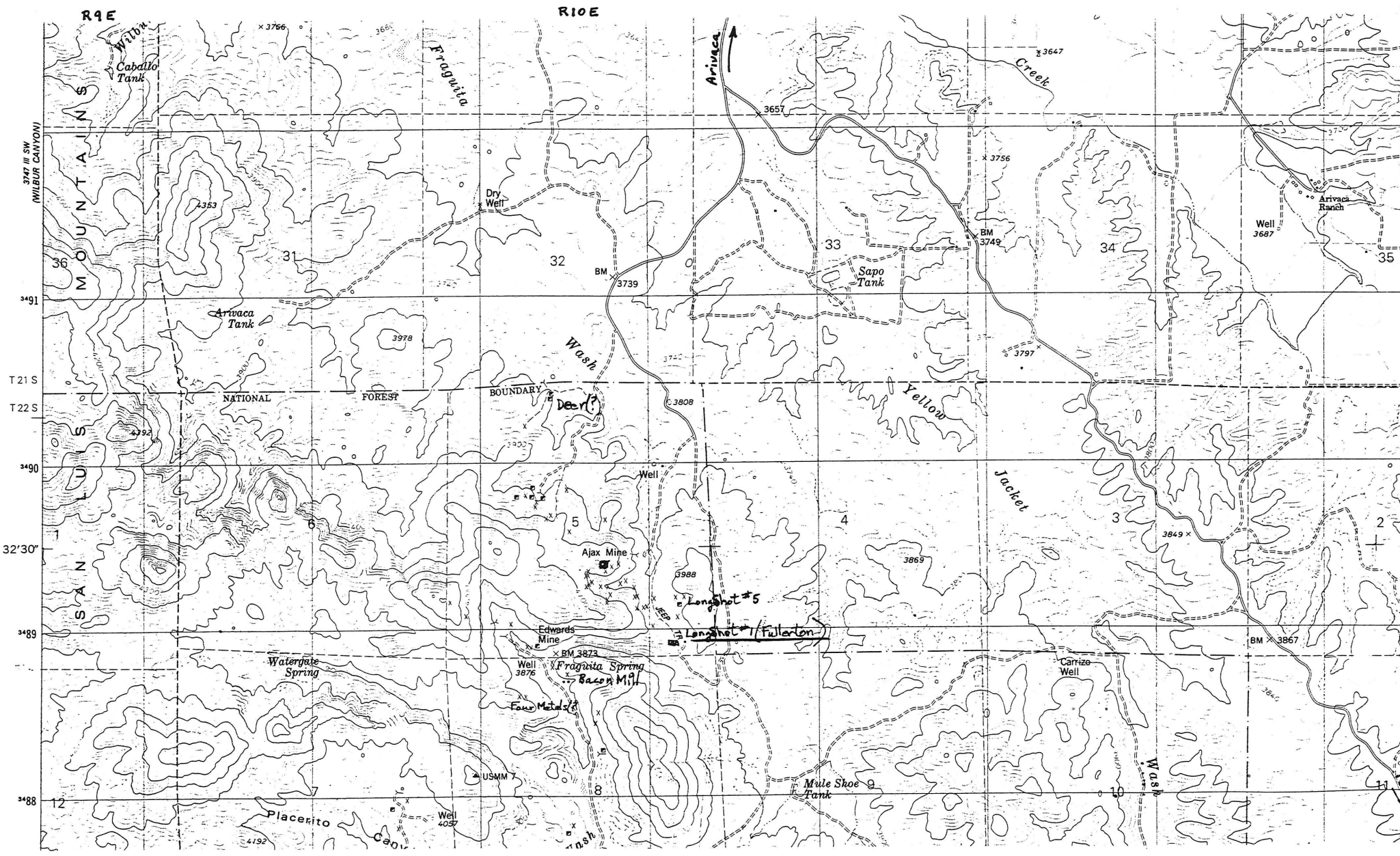
Arvapa, Ariz.

Side Pocket Tank

Fraguila Water Tank

Well 3978
Las Jarillas Ranch

TRAIL



LONG SHOT GROUP

REFERENCES

PIMA COUNTY

MILS Index #47

T22S R10E Sec 5

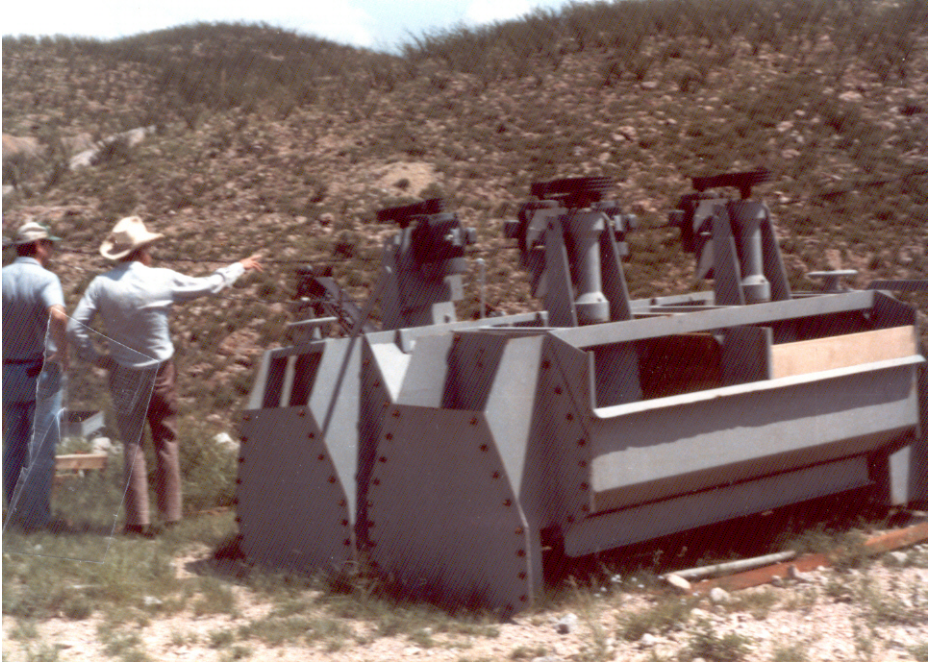
MILS Sheet sequence number 0040190301

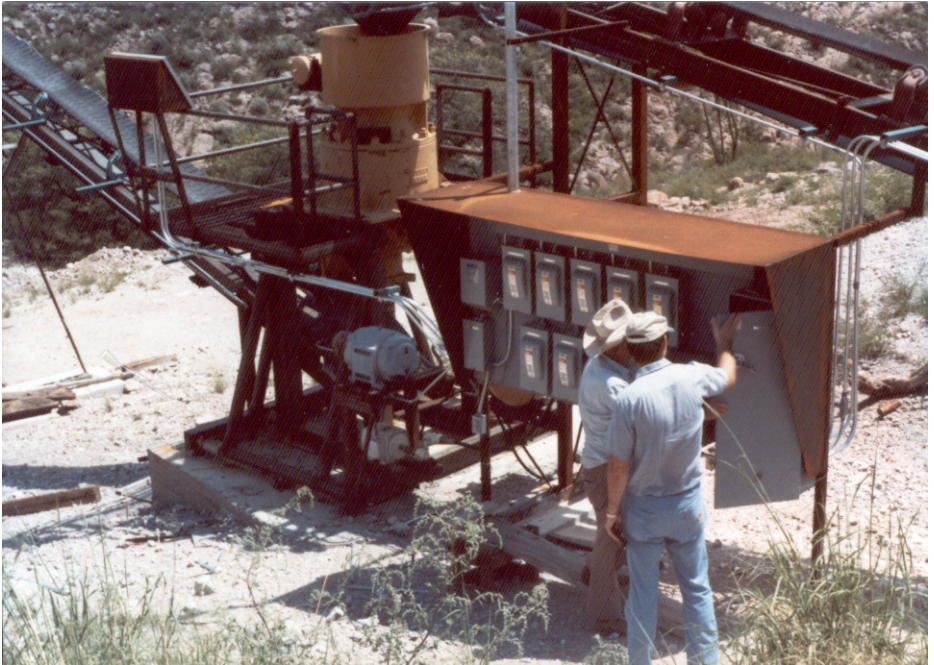
ABM Bul 189 p. 106

Geology file - Eyde, T. G. - Geological Investigation of the Long
Shot Group near Arivaca, AZ

USGS Arivaca, Az. 7.5 (Included in file)





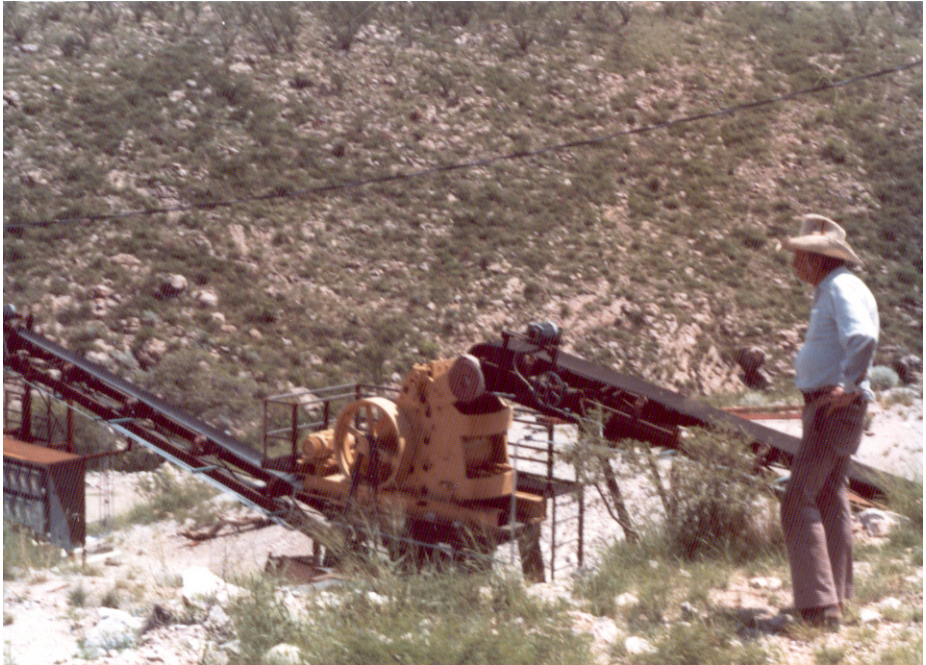














LONGSHOT MINE

PIMA COUNTY

HM WR 4/22/88: The Longshot Mine, Pima County (file) was briefly visited. There was no activity at that time with only a watchman on site. The mill is as yet unfinished as it has only one Wifley type table to recover the values after the crushing circuit. God's Gift Mining plans to ship a few tons of stockpiled ore to this custom mill when operational.

LONG SHOT GROUP

PIMA COUNTY

MG WR 1/18/85: Mr. Norman Bellemare (c) reports that he has spent almost \$1,000,000 to get ready for production at the Long Shot mine (Pima County). He is installing a flotation mill with capacity of about 50 t/d.

MG WR 4/5/85: The office of Mr. Norman J. Bellemare, NJB Mining, Inc., 5225 E. Pima, Suite 2D, Tucson, Az. 85712, reports that production at the Long Shot (Pima Co) should begin this month.

CJH WR 8/9/85: In the company of Mike Greeley, visited the operations of Fraguita Silver Mines at the Long Shot Group, Arivaca District, Pima County (f). Met Bruce Allen, Supt., Box 341, Arivaca, Arizona; tel: 398-2888 and Ray Pippin, resident watchman. Initial design for processing precious metal bearing mill feed from the nearby Ajax mine (f) dumps called for cyanide heap leaching. This has been changed to concentration by froth flotation. Mr. Allen stated that he has a degree from the U. of Minnesota-St. Paul. The disposition of the concentrates has not as yet been established. The milling circuitry is not yet fully in place because of lack of funding. A 40-50 tpd. operation is planned, the water to be supplied by pump from the Long Shot shaft. The use of adjacent creek water has been denied by the Forest Service (Coronado). Crushing will be accomplished by a primary jaw and secondary cone crusher and grinding by a small ball mill -- all in place. Four Wemco flotation cells await installation. The ball mill's small capacity may prove to be a limiting factor in production. A number of color photographs of the equipment and its installation were taken for inclusion in the mine file. Photo sets for both offices will be obtained.

MG WR 11/8/85: According to Mr. N.J. Bellemare (c), the operator at the Long Shot mine (Santa Cruz Co) is attempting to raise additional development capital. He says some exploration drilling is needed.

HM WR 12/11/87: Mr. Porter reports that Bruce Burris, owner of the Long Shot (file) Oro Blanco District, Pima County, has a small mill on his property and seeks ore for custom milling. Burris reportedly wants 90% of the values recovered for a milling charge and thus has no clients.

MG WR 3/9/84: The Long Shot #5 claim is 0.3 to 0.4 mile southeast of the Ajax mine on the opposite (east) side of the jeep trail. It is considered to be a part of the Long Shot mine (Pima Co). There are two or three long, deep trenches trending approximately east-west in which vertical quartz veins have been mined. One adit has been driven south towards one of these veins but did not reach it. The adit is in good condition. No visible signs of recent activity.

MG WR 3/9/84: The main Long Shot mine workings (Pima Co) are on the Long Shot #1 claim. There are two shafts with steel head frames and two corrugated metal buildings enclosed by a 6 ft chain link fence. A medium size unoccupied brick home is immediately east of the fenced area. No visible signs of recent activity.

MG WR 3/16/84: Mr. Bellemare (c) of Fraguita Silver Mines, Inc., reported that construction of a leach pad to treat dump material from the Ajax and Long Shot mines (Pima Co) should begin soon. Another principal in the operation is John P. Jewell (c) Mr. Bellemare reports that Fraguita Silver Mines, Inc (c) is buying the Ajax and Long Shot properties.

CJH WR 7/20/84: Ted Eyde (c) reported that Cruz Silver Mines, Inc. of Canada (c) would soon be listed on the Canadian stock exchange. They hold the Long Shot Mine, Arivaca district, Pima County.

CJH WR 12/14/84: Phone call, Don Anderson, Consultant (c) reported that Canuck Well Servicing, Hugh Bullen, Pres. Box 214, Nisku, Alberta (near Edmonton) Canada TOC, 2G0, has moved some mill equipment onto the Long Shot mine property, Sec 5, T22S R10E, Avivaca dist., Pima County. A small jaw crusher feeds a secondary cone crusher by conveyor belt. Ore then passes to an ore bin. A small ball mill still mounted on a low boy trailer is ready to be installed in circuit. See article on Cruz Silver Mines, Inc. of Edmonton activity south of Arivaca in the December 1984 issue of Pay Dirt, p. 28A, plus our Long Shot mine file.

I arrived at the Long Shot mine at 7:20 and stayed until 8:20 AM. Ted Burris did not show. VBD WR 9/10/75

Telephone call - Mr. Millbert who has optioned the Long Shot mine in Pima County south of Arivaca. GWI WR 3/16/76

George Milburn, a Canadian engineer, has taken some sort of an option on Ted Burris' Last Chance Mine (Long Shot Group) in Frauguita Wash, south of Arivaca. VBD WR 1/13/77

KAP WR 1/15/82: A visit was made to the Longshot Mine in Section 5 T22S R10E, Arivaca District, Pima County. The claims are reported to be owned by Ted Burris and his son Bruce Burris. There is limited prospecting activity continuing at the property.

MG WR 1/29/82: Provided file information on the Long Shot mine, Pima County to Mr. L. A. Macklin, Malance Salvage, 4417 Kentucky, Tucson, Az, 85714. I copied a recent report he had on the property and sent a copy to the Phoenix office, Mr Macklin may buy the property from the owner, Mr. Ted H. Burris, 7780 N. LaCanada, Tucson, AZ 85704, phone 297-0836.

CJH WR 2/5/82: Visitor: L. A. Macklin, 4409 E. Kentucky St., Tucson, AZ Tel: 748-0600. May be interested in buying the Long Shot claims near Arivaca from a Ted Burris of Tucson. We have a report by Ted Hyde in the mine file. It was done for a Ray Scott who, according to Macklin, is in the State penitentiary serving time for fraud.

MG WR 11/4/83: The Noranda Group (Canada) has had an option since about July, 1983 to purchase the Long Shot Mine (Pima Co.) According to the owner, Mr. Ted Burris the company put down \$10,000.

LONG SHOT MINE

PIMA COUNTY
(South of Arivaca)

Field interview - Mr. J. Shields of Long Shot mine. GWI WR 9/14/71

Field interview. Mr. T. Burris re: Longshot Mine. GWI WR 1/18/72

Long Shot Mine (Not working at present). GWI WR 5/2/72

Field interview. Mr. Ted Burris at Southwest Salvage regarding proposed mining activity at his Long Shot Mine. GWI WR 8/31/72

Field interview with Ted Burris in regard to progress of work at the Long Shot mine south of Arivaca. GWI WR 2/7/74

^{Mine visit at Glen Shields' Suzie on Cheri plain where he lives}
I spent several hours with Ted Burris on his Long Shot property south of Arivaca. GWI WR
VBD WR 6/24/75

LONG SHOT GROUP

PIMA COUNTY

Mr. Ted Burris reported that his 25 ton shipment ran 27.3 oz. Ag, 4.9% Pb, and 1.00% Cu. He also reported driving a 52' drift that disclosed some more ore. GWI Arivaca Meeting 9-6-66

Active Mine List April 1967 - 3 men

Mine visit to the Long Shot mine of Ted Burris - At present drifting on vein at old Longorino shaft. GWI WR 5-6-67

Visited the Long Shot Group - no one around. GWI WR 9-3-67

Active Mine List Nov. 1967 - 3 men

Starting a new shaft. GWI WR 1-1-68

Visited the Long Shot mine. Sinking new shaft through old stoped out area. GWI WR 3-9-68

Active Mine List April 1968 - 3 men

Active Mine List Oct. 1968 - 3 men

Active Mine List April 1969 - Expl. - Ted Burris, Rte. 7, Box 957, Tucson

Visited the Long Shot mine. Talked with Glen Shields who is working there. GWI WR 9-6-69

Some development work was done, mostly in the new shaft, at the Long Shot. GWI QR 9-1969

Active Mine List Oct. 1969 - 2 men - Ted Burris - Sec. 5, T22S, R10E

Visited the Long Shot mine - no one around. GWI WR 1-12-70

Long Shot Mine doing development work. GWI QR 2-27-70

Forest Service told Ted Burris to get rid of the house at the Long Shot Mine. GWI WR 4-5-70

Visited Long Shot Mine - no one around. GWI WR 7-11-70

FULLERTON PROPERTY

PIMA COUNTY

Fullerton Property next to Ajax Mine - Secs. 4, 5, 8, 9, T22S, R10E.

Mr. Ted Burris, Rte. 7, Box 957, Tucson, Arizona, purchased the old Fullerton property next to the Ajax mine in Sec. 5, two miles south and $\frac{1}{2}$ mile west of Arivaca. \$1,000 down and \$100 per month. Now building mill, erecting steel frames. Plans to mill dumps along with ore mined. Old Spanish shafts on property - Spanish smelter between mine and Arivaca. GWI WR 7-30-65

BLM has given Mr. Burris till July 1966 to make what they classify as a discovery. GWI WR 11-8-65

Visited old Fullerton property - mill was being run for first time and old dumps were being run. GWI WR 9-13-65

Appeared mill had been reconstructed. GWI WR 3-5-66

Ted Burris was going to secure the services of a mining lawyer. In addition he was going to have the one claim that would be in question surveyed and mapped. Not for patent purposes but for accurate description. In the near future he hoped to ship some ore to the smelter (probably a carload) to substantiate discovery. GWI Arivaca Conf. 4-3-66

Mine visit to old Fullerton mine. Getting out shipment. GWI WR 5-7-66

Met Leonard Hamnitz on road from Arivaca. Said that he was working part time for Mr. Burris and doing some work in his mine. GWI WR 5-7-66

Mr. Burris told about the ore shipment to AS&R smelter from his fathers mine. He hopes that the shipment of 25 tons of ore that ran 27 ounces in silver plus lead, copper and gold, would constitute a discovery as far as the Forest Service was concerned. GWI ASMOA Arivaca 7-5-66

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine LONG SHOT MINE

Date July 18, 1966

District ARIVACA

Engineer G. W. IRVIN

Subject: MINE VISIT

LOCATION:--- # 2½ miles south of Arivaca. The mine is in section five, the claims overlap into sections 4 & 8. all in T22S: R10E

NUMBER OF CLAIMS--- According to the owner there are four claims , Long Shot 1, 2, & 3. 2 & 3 were purchased from Mr. Edwards. There is one more claim making a total of four.

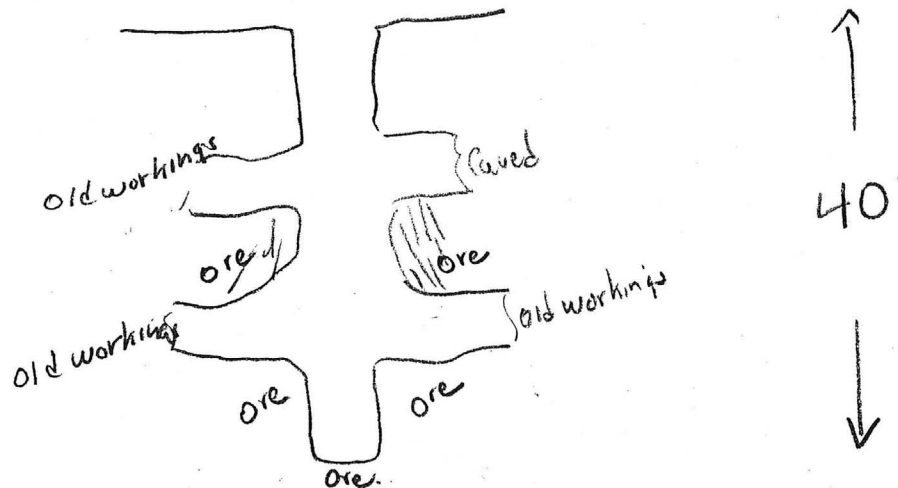
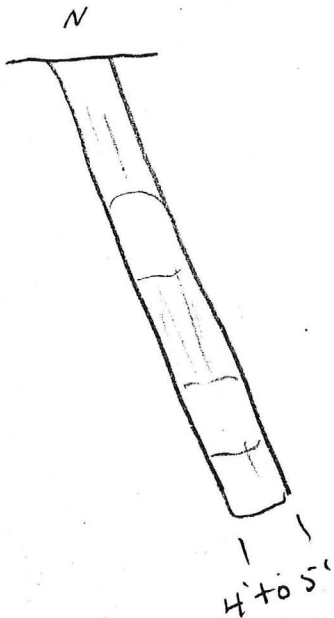
NAME The property has been known as the Fullerton Mine, but Mr. Burris calls it the LONG SHOT.

OWNER & OPERATOR Mr. Ted Burris, route 7, box 957, or 3125 east Ajo Way, Tucson.

PRINCIPAL METALS A shipment of 25 plus tons in June, ran 27 oz Ag, about \$2.50 in gold plus values in lead and copper.

PRESENT OPERATIONS: From an inclined shaft about 40' deep a little stoping and drifting. The ore occurs in a vein about 3 feet wide that dips about 80 degrees to the NE. The owner is trying to do a little development (sinking and drifting) and mine enough ore to finance the operation and at the same time keep the Forest Service satisfied. Three men working.

ORE IN SIGHT Limited, but it is possible that by careful work a few thousand tons could be mined. Ore reserves-(probably 25 tons). This could be cahnged if the various workings were mapped and sampled.



Sketch of present workings being mined

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine Long Shot Group ✓
(former names "Old New York" & "La Plata") ✓
District Arivaca District, Pima County ✓ Engineer Axel L. Johnson
Subject: Present Status.

Location 3 1/2 miles south of Arivaca.

Number of Claims ?

Owner J. B. Fullerton, Arivaca, Ariz. ✓

Operator Not in operation.

Principal Minerals Gold, Silver, Lead, Copper. ✓ ✓ ✓ ✓

Remarks According to information from William Brouse, Arivaca, J. B. Fullerton is still the owner of the property.

COMPLETE AND MAIL TO:
STATE MINE INSPECTOR
1624 WEST ADAMS, ROOM 200
PHOENIX, ARIZONA 85007-2606

OCT 1 3 1987

FOR OFFICE USE ONLY
RT-UP NUMBER 79217214
STATE NUMBER 10153000
MSHA NUMBER _____

LONG SHOT MINE GROUP (P) PIMA
NOTICE TO ARIZONA STATE MINE INSPECTOR

Kelly

In compliance with the Arizona Revised Statute Section 27-303, we are submitting this written notice to the Arizona State Mine Inspector of our intent to start stop _____ move _____ (Please check one) a mining operation.

If this is a move, please show test location: _____
If you have not operated a mine previously in Arizona, please check here: _____ If you want the Education and Training Division to assist with your mine safety training, please check here: _____
If this operation will use Cyanide for leaching, please check here: _____

COMPANY NAME: GRETT WESTERN MINING CO.

DIVISION: _____

MINE OR PLANT NAME: Long Shot Mine TELEPHONE: 575-9430

CHIEF OFFICER: BRUCE BURRIS

COMPANY ADDRESS: 1518 CHAPALA

CITY: TUCSON STATE: ARIZ ZIP CODE: 85704

MINE OR PLANT LOCATION: (Include county and nearest town, as well as directions for locating property by vehicle: _____

SOUTH OF ARRIVACA ON TRES BELLOTAS RD (F.S. 214)

2.7 MILES TO MINE RD THEN RIGHT 1/2 MILE

TYPE OF OPERATION: MILLING PRINCIPAL PRODUCT: GOLD & SILVER

STARTING DATE: 11-30-87 CLOSING DATE: ? DURATION: _____

PERSON COMPLETING NOTICE: BRUCE BURRIS TITLE: PRESIDENT

DATE NOTICE MAILED TO STATE MINE INSPECTOR: 10-6-87

*Need Card on Frado
and Address on Cruz Silver Mines, Inc. Card*

*WMS
1/2*

News Release

FOR IMMEDIATE RELEASE

Arizona and Mexico have become major development areas for gold and silver exploration and development by an enterprising Canadian mining corporation ^{which} is based in Edmonton, Alberta.

Cruz Silver Mines Inc., listed on the Alberta Stock Exchange, (symbol CZS) is headed by Edmonton businessman Allan D. Frado, who says the potential for gold and silver on properties they have in Arizona and Mexico looks promising.

The Arizona property, covering some 1500 acres, is located south of Arivaca in Pima County, Arizona, located about 60 miles from Tucson.

Cruz acquired the property in July 1983 and exploration to date has shown what company president Allan Frado describes as "an interesting gold and silver property with assay values ranging from 0.0006 to 0.238 ounces of gold per ton." Mr. Frado said most of these values come from defined vein structures.

"We also sampled material from approximately 8000 tons of broken dump material on the property, and this material averaged 0.09 ounces of gold per ton and 8.9 ounces of silver per ton," said Mr. Frado. He added that treating this material at the site would permit a potential recovery of 720 ounces of gold and 71,200 ounces of silver.

At the present time, Cruz Silver is in the process of completing a 150-ton per-day crushing and gravity circuit plant in conjunction with a heap-leaching process and is continuing with its exploration and development program.

(more)

*Need full page
card*

Mr. Frado says with the establishment of the mill facilities, Cruz Silver's regional exploration program will take on an added dimension since there are numerous other gold and silver deposits in the area to be examined which may or may not be commercially viable.

The Mexican property, covering some 14,000 acres, is 49 per cent owned by Cruz Silver -- the maximum ownership allowable under Mexican law for a foreign corporation. It is located in the Saric-Altar area of northwestern Mexico, 23 miles south of the United States border.

In a geological report prepared by D.G. Innes and Associates Limited, it states that the property known as the Velez Gold property includes "a remarkable number of gold showings in a very favourable geological package."

"Each of these showings has a potential for the development of significant tonnage due to two main factors," the report states. "Firstly, at each of the known showings only limited, if any, exploration has been carried out despite the presence of visible gold and good assay values. Secondly, the vein structures are wide enough to mine and they are extremely strike persistent."

Mr. Frado says apart from the known gold and silver showings, there are other strong veins that have never been tested and it is reasonable to assume a high probability of new discoveries on the property are likely. He adds that one of the ore veins on the property having an estimated 20,000 tons of material was bulk-sampled and based on the estimated tonnage represents approximately 18,000 ounces of gold and 28,200 ounces of silver.

For further information contact:

Mr. Allan Frado, President
Cruz Silver Mines Inc.
1840 Sun Life Place
10123-99 Street
Edmonton, Alberta
T5J 3H1

YONA DEPARTMENT OF MINE RESOURCES
Mineral Building, Fairgrounds
Phoenix, Arizona

1. Information from: Glen Shields
Address: Arivaca
2. Mine: Long Shot 3. No. of Claims - Patented _____
Unpatented _____
4. Location: South of Arivaca
5. Sec 5 Tp 22S Range 10E 6. Mining District ~~010/011~~ Arivaca
7. Owner: Ted Burris
8. Address: Rt 7 Box 957 Tucson Arizona
9. Operating Co.: _____
10. Address: _____
11. President: _____ 12. Gen. Mgr.: _____
13. Principal Metals: Pb. Zn. Au. Ag. 14. No. Employed: 0
15. Mill, Type & Capacity: _____
16. Present Operations: (a) Down (b) Assessment work (c) Exploration
(d) Production (e) Rate _____ tpd.
17. New Work Planned: At present time staking more claims in Arivaca area.
doing assessment work.
18. Misc. Notes: Forest Service engineers sampled the Long Shot mine again
results of their sampling has no been made known, at the present time.
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____

Date: 5-5-70

Glen Shields
(Signature)

(Field Engineer)

SUMMARY REPORT OF MINERALS EX. NATION

Ag Pb Cu Au
~~Ag Pb Au Cu~~

State ARIZ. County Pima Mineral Products Ag Pb Au Cu

Name of property or deposit Longshot Lode (Formerly Fullerton)

Date examined 6/24/75 Engineer V.B. Dale Date of this report 7/15/75

Reason for examination Routine

Engineer accompanied by Ted Burris Address _____

Content of property Six unpatented claims

Owner T.H. Burris, 2560 W. ^{MARIO} ~~147th~~ Place Address Tucson, 85706

Leased or optioned to No one Address _____

Location of property (be specific) secs. 4, 5 & 8, T.22S., R.10E.

Type of deposit and mineralogy (brief description) Gal. silver lead and copper oxides & sulphides occur in veins and faults in a shear zone of unknown extent.

Known dimensions of the deposit unknown, but large
 Length _____ Width _____ Depth _____

Attitude of the deposit (strike, dip, etc.) Three mineralized fissures:
Strikes: N60°E, 80°NW; N55°E, 80-87°SE; N40°E, 81°SE

Possible extensions; correlation of known showings a more detailed study must be made and a map prepared of the physical geological structures.

Mine workings (brief description or attach map or sketch) (indicate whether accessible) Numerous (and unmeasured) shafts, drifts, pits, etc.

(over)

Mining and milling equipment on property 315 CFM Compressor, steel
headframe & hoist, drill, steel, pipe, track
and miscellaneous tools and equipment.
Past production (if any) ± 100 tons averaging ± 21 oz. Ag,
5% Pb, 1% Cu and trace Au
Present rate of production (if any) None

Sampling (describe briefly, or attach sketch) None, but J.
Burris has been sampling and upgrading
dumps with screening.

Tentative Estimate of Reserves - None made
(Subject to revision when assays are received or after engineering calculations)

Measurable..... tons..... Grade.....

Indicated..... tons..... Grade.....

Inferred..... tons..... Grade.....

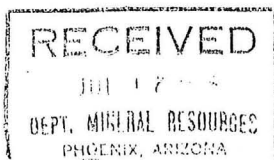
Mining method (actual or suggested) Resuing and/or shrinkage
stopping. Possible low grade open pit.

Milling or processing method (actual or suggested) Selective flotation

Processing tests suggested None

Tentative conclusion and decision The deposit warrants
further investigation.

To be accompanied by brief letter giving examining engineer's general impression of the deposit, his impression of the owner, and any other confidential information he may care to submit. Refer to any known prior examinations and reports. May be executed in pencil. Should be mailed within 24 hours after examination is completed.



ML-22

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
OWNERS MINE REPORT

Date January 5, 1940

Mine	Long Shot Group	Location	3-1/2 miles S from Arivaca
District	Arivaca, Pima Co.	Address	Arivaca, Ariz.
Former name	Old New York - La Plata	Address	Same
Owner	J. B. Fullerton	Gen. Mgr.	
Operator	Same	Mill Supt.	
President	No corporation	Men Employed	2 (irregular)
Mine Supt.		Mill: Type & Cap.	None
Principal Metals	Silver, lead, gold copper	Power: Amt. & Type	1 F-M Engine Type Z 3 HP (Pump) 1 do 1 1/2" (Hoist)
Production Rate	Not established	Operations: Present	Developing and shipping.

Operations Planned Expect to drive the West level 501 farther and while doing so take out a carload of ore. Will start working this week.

Number Claims, Title, etc. Three unpatented lode claims on Coronado Nat'l Forest, to-wit: Long Shot No 1, Long Shot No 2 and Long Shot No 3, all recorded in the records of Pima County in Book 68, at pages 594, 596 and 610 respectively.

Description: Topog. & Geog. Principal workings on flat surface at junction two washes. Veins extend into steep hills on the east and south.

Mine Workings: Amt. & Condition 1 shaft 57 ft. deep with 20 ft. drift to east and 40 ft. drift to the west at 50 ft. level. This shaft is vertical, makes water and is fitted with pump.

1 shaft 50 ft. deep with 25 ft. of drift to west at 45 ft. level, and 10 ft. of drift to east connecting with shallow stope. These are the principal workings now being developed. Many other openings on the property.

(over)

Geology & Mineralization Fissure veins in porphyry and conglomerate. Four separate veins appear to intersect in the area of main workings. Galena and copper carbonates are the principal ore minerals visible.

Ore: Positive & Probable, Ore Dumps, Tailings Ore in shaft now being worked in all faces. Width $2\frac{1}{2}$ ft. to $3\frac{1}{2}$ ft. A one ton shipment to Nogales Sept. 5, 1939, Hugo Miller, Buyer returned: Gold .02 oz., Silver 38.4 oz., Lead 30.5%. Smelter payments per ton \$43.95. Treatment and penalties \$6.39, Frt. \$4.6. Carload shipment to El Paso Smelter 12/28/39 43.3995 dry tons. Gold .045, \$1.48, Silver 21.5 oz., \$14.12, Lead 6.6%, \$3.62, Copper 1.55%, \$1.33. Total pmts for metals \$20.55. Treatment \$5.65 per tn. Freight Mine, Mill Equipment & Flow Sheet) \$2.80, Net Returns \$604.55

)-----

No milling plant.

Mine equipment is headframe and hoist 1-1/2 HP F-M engine back geared onto well constructed home made hoist, cap'y 300 lbs.

Road Conditions, Route

About 3 miles off the Arivaca - Ruby highway. Road passable for truck and automobile, but not good. Survey now being made for County road to Forest line and then it is expected an auto trail past this property will be built by the Forest Service.

Water Supply Ample water for camp use and probably for small mill.

Brief History Worked in 1836. Ore packed to Yuma on burros. Later worked by Mexicans and ore taken to Nogales and in 1914 by Italians, but had no way to handle water, below 57' and quit. Hasn't been worked since until now by me.

Special Problems, Reports Filed

Remarks Improvements include new adobe house 12 ft x 24 ft.

If property for sale: Price, terms and address to negotiate. For sale. Price \$6,000 cash for property with improvements.

Signed J. B. Fullerton

Use additional sheets if necessary.

ARIZONA DEPARTMENT OF MINERAL RESOURCES
Mineral Building, Fairgrounds
Phoenix, Arizona

IC
[Handwritten initials]

- 1. Information from: Mine visit
- Address: _____
- 2. Mine: LONG SHOT 3. No. of Claims - Patented _____
(Pima Co.) Unpatented Yes
- 4. Location: South-southeast of Arivaca (see Arivaca 7 1/2' Quad.)
- 5. Sec 5 Tp 22S Range 10E 6. Mining District Arivaca
- 7. Owner: Cruz Silver Mines, Inc., Edmonton, Alberta, Canada
- 8. Address: c/o NJB Mining, Inc., 5225 E. Pima, Suite 2D, Tucson, AZ 85712
(phone 323-9369)
- 9. Operating Co.: Same as above
- 10. Address: _____
- 11. President: _____ 12. Gen. Mgr.: _____
- 13. Principal Metals: Gold 14. No. Employed: _____
- 15. Mill, Type & Capacity: Flotation, approximately 50 tpd
- 16. Present Operations: (a) Down (b) Assessment work (c) Exploration
(d) Production (e) Rate _____ tpd.
- 17. New Work Planned: Development continuing.

18. Misc. Notes: North-northwest of the Fullerton shaft is a prepared leach pad that has been at least temporarily abandoned; efforts are now directed toward construction of a flotation mill. The fenced compound around the Fullerton shaft is used as a staging area and as an equipment and maintenance yard. The mill is being built, east of the leach pad, on the south side of Fraquita Wash. The brick residence east of the fenced compound is being repaired; an assay lab will be housed in this building.

Date: January 28, 1985

Michael W. Greeley
(Signature) (Field Engineer)

LONGSHOT CLAIMS Pima County

Tucson, Arizona,
• August 11, 1975

Mr. Vernon B. Dale,
Mining Engineer,
State Office Bldg.,
Tucson, Arizona.

Dear Mr. Dale;

I wanted to notify you that I have to leave town. I will be gone about a week and should be back about the 20th of August.

I would surely appreciate it, if you could find time to spend mapping the area. I am now preparing the material that the Forest Service sent me.

We are only one round from the contact in the drift. I took samples of the vein by the old mill. I took three samples: 1 foot high grade vein in center which run
17ozs. silver
.24 ozs. gold
2 % copper
I did not assay for lead

The two foot vein on West side runs:
4 ozs. silver
\$3.00 in Gold

The eight inch vein on East side runs:
7 1/2 ozs. silver
.19 gold

Did not take lead or copper assay.

I took average of values which would be about three feet. The total would be \$75.00 plus the lead.

I thought I would open it up about twenty foot depth and see the return on it.

Thanking you for your kind assistance.

Truly yours,

T.H. Burris

T.H. Burris,
2560 West Mario Pl.

Tucson, Arizona,
• August 11, 1975

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Mining Engineer,
State Office Bldg.,
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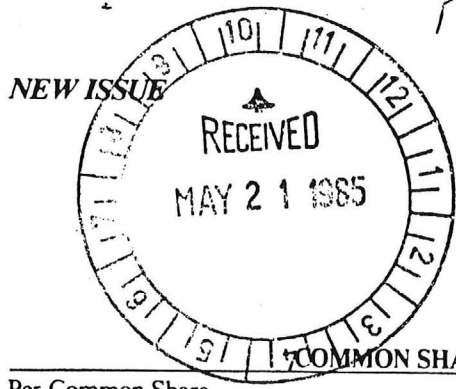
T.H. Burris

T.H. Burris,
2560 West Mario Pl.

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

ong Shot mine, Pima Co.

Fragueta Mines



CRUZ SILVER MINES INC.
2,000,000 COMMON SHARES
 (without nominal or par value)
PRICE: \$0.50 PER SHARE

ARIZONA DEPT. OF MINES & MINERAL RESOUR
 STATE OFFICE BUILDING
 416 W. CONGRESS, ROOM 161
 TUCSON, ARIZONA 85701

	COMMON SHARES	PRICE TO PUBLIC	AGENT'S COMMISSION	PROCEEDS TO CORPORATION (1)
Per Common Share		\$0.50	\$0.075	\$0.425
Maximum Subscription	2,000,000	\$1,000,000	\$150,000	\$850,000
Minimum Subscription	1,500,000	\$ 750,000	\$112,500	\$637,500

(1) Before deducting the expenses of this issue estimated at \$65,000.

THESE SHARES ARE HIGHLY SPECULATIVE. THERE IS NO MARKET FOR THE COMMON SHARES AND THE PRICE OF THIS OFFERING HAS BEEN DETERMINED BY NEGOTIATION BETWEEN THE CORPORATION AND THE AGENT. THE RISKS INHERENT IN THE EXPLORATION OF MINERAL CLAIMS IS CONSIDERABLE AND THE CORPORATION HAS NEITHER ESTABLISHED PROVEN ORE ON ITS MINERAL CLAIMS NOR A RECORD OF EARNINGS OR DIVIDENDS. THE CORPORATION'S MINING ACTIVITIES ARE ONLY IN THE PRELIMINARY EXPLORATION STAGE AND FURTHER EXPLORATION OR DEVELOPMENT WORK ON THE CORPORATION'S MINING CLAIMS WILL HAVE TO BE FINANCED BY OTHER MEANS. ONLY \$180,000, OR 24% OF THE PROCEEDS OF THE OFFERING ASSUMING MINIMUM SUBSCRIPTIONS, OR 18% OF THE PROCEEDS ASSUMING MAXIMUM SUBSCRIPTIONS, WILL BE EXPENDED ON A RECOMMENDED WORK PROGRAMME. AS A RESULT OF THESE FACTORS, THIS OFFERING IS MORE SUITABLE TO INVESTORS WHO ARE WILLING TO RELY ON THE EXPERTISE AND GOOD FAITH OF THE MANAGEMENT OF THE CORPORATION. DURING THE PREVIOUS SEVEN MONTHS COMMON SHARES OF THE CORPORATION HAVE BEEN ISSUED AT PRICES RANGING FROM \$0.01 TO \$0.25 PER COMMON SHARE. SEE "SPECULATIVE NATURE OF THE SECURITIES," "CONFLICTS OF INTEREST" AND "PRIOR SALES."

IN ADDITION, THE PURCHASE PRICE OF EACH COMMON SHARE OFFERED HEREBY EXCEEDS THE NET TANGIBLE BOOK VALUE THEREOF AT MAY 31, 1984 BY \$0.23 AFTER GIVING EFFECT TO THE ISSUE OF THE MAXIMUM SUBSCRIPTION, AND BY \$0.25 AFTER GIVING EFFECT TO THE ISSUE OF THE MINIMUM SUBSCRIPTION, MEANING THAT INVESTORS WILL SUFFER AN IMMEDIATE DILUTION OF APPROXIMATELY 46% FOR MAXIMUM SUBSCRIPTION AND 50% FOR MINIMUM SUBSCRIPTION IN THE VALUE OF THEIR COMMON SHARES. SEE "DILUTION."

This offering is not underwritten. This offering is subject to a minimum subscription which must be raised within 90 days of the issuance of a receipt for the filing of a final prospectus or such other time as may be authorized by the Alberta Securities Commission. If the minimum subscription is not raised, subscription monies will be returned to subscribers without interest or deduction. See "Plan of Distribution" and "Minimum Subscription." Dominick & Dominick Securities Limited hereby offers, as agent on behalf of Cruz Silver Mines Inc., 2,000,000 Common Shares without nominal or par value at \$0.50 per share, on a best efforts basis.

The Common Shares are offered subject to prior sale, if, as, and when issued and in accordance with the conditions referred to under "Plan of Distribution" and "Minimum Subscription," and subject to the approval by Wheatley Wolff Sadownik Elgert, Edmonton, of such legal matters on behalf of the Corporation for which approval is specifically sought by the Corporation. It is expected that share certificates for the Common Shares will be available for delivery on or about June 27, 1984.

June 7, 1984

DOMINICK & DOMINICK SECURITIES LIMITED
 Suite 815-510-5th Street S.W.
 Calgary, Alberta T2P 3S2

THE CORPORATION

Cruz Silver Mines Inc. ("Cruz Silver" or the "Corporation"), was incorporated as a distributing corporation by certificate of incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta) on August 11, 1983.

In this prospectus, references to the business of the Corporation will mean the business carried on through Fraguita Silver Mines, Inc., a Nevada corporation incorporated on August 16, 1983, which is a wholly-owned subsidiary of the Corporation.

The head office of the Corporation is located at 1840 Sun Life Place, 10123 - 99 Street, Edmonton, Alberta, T5J 3H1, and the registered office of the Corporation is 2000 Sun Life Place, 10123 - 99 Street, Edmonton, Alberta, T5J 3H1.

BUSINESS OF THE CORPORATION

History and Operations of the Corporation

The principal business activity of the Corporation since incorporation has been the acquisition of all of the issued and outstanding shares of Fraguita in exchange for 750,000 fully-paid and non-assessable Common Shares of the Corporation and the repayment of shareholders loans. See "Business and Acquisition Terms of Fraguita."

BUSINESS AND ACQUISITION TERMS OF FRAGUITA

By a lease agreement, with an option to purchase, dated July 25, 1983 (the "First Lease Agreement") among T.H. Burris (the "lessor"), Edward James Blanchard and Allan Donald Frado, which First Lease Agreement was assigned to Fraguita under an assignment agreement among Fraguita, Blanchard and Frado dated August 22, 1983, in exchange for 1 common share respectively of Fraguita, Fraguita obtained the sole and exclusive right to enter upon, explore and develop, with an option to purchase, the Long Shot No.'s 1, 2, 3, 4 and 5 mining claims located in Pima County, Arizona, U.S.A. The period of the First Lease Agreement is thirty-nine months from the execution of the First Lease Agreement, namely, July 25, 1983.

In accordance with the terms of the First Lease Agreement the Corporation is required to perform the following:

1. pay to the lessor the sum of \$10,000 (U.S.) upon execution of the First Lease Agreement (which sum was paid by Blanchard and Frado), which entitled the lessees to obtain possession of the mining claims for the purpose of mineral exploration without any additional monthly payments for a period of three months from the date of execution of the First Lease Agreement (the "exploration period");
2. on the conclusion of the exploration period, namely, October 25, 1983, the lessees were entitled to continue the First Lease Agreement for an additional thirty-six months by the payment to the lessor of the sum of \$1,388.88 (U.S.) per month for the duration of the thirty-six month period, commencing on October 25, 1983, and have made the monthly payments to date.
3. the right of the lessees to prepay the entire amount outstanding under the First Lease Agreement at any time, with the option to purchase the mining claims either upon the completion of the thirty-six monthly payments of \$1,388.88 (U.S.) or upon the earlier payment of \$49,999.68 (U.S.) less monthly payments already made.

The Corporation acquired all of the issued and outstanding shares of Fraguita by an agreement dated August 23, 1983 (the "Fraguita Acquisition Agreement") among the Corporation, Blanchard and Frado, of which Frado is an officer and Frado and Blanchard are promoters and directors of the Corporation, in exchange for 750,000 Common Shares of the Corporation and the repayment by the Corporation to Frado and Blanchard of their respective shareholders' loans in the amounts of \$23,821.24 and \$11,444.79 respectively. Subsequently, each of Frado and Blanchard transferred 25,000 Common Shares of the Corporation to Passport Resources Inc., a company owned by Norman Bellemare, in consideration for his assistance in obtaining the original mineral claims and the additional contiguous mineral claims. See "Interest of Management and Others in Material Transactions" and "Material Contracts."

By a lease agreement dated November 11, 1983 between Bruce Burris as lessor and Fraguita as lessee (the "Second Lease Agreement"), unpatented mining claims known as Hard Luck No. 1, No. 2, No. 3, No. 4 and No. 5, which are contiguous to the Long Shot claims previously acquired, were acquired by Fraguita.

In accordance with the terms of the Second Lease Agreement, Fraguita is required to pay the lessor:

1. the sum of \$2,000 (U.S.) upon execution of the Second Lease Agreement (which sum has been paid by Fraguita).
2. the sum of \$2,000 (U.S.) three months after execution of the Second Lease Agreement (which sum has been paid by Fraguita).
3. the sum of \$958.33 per month for the remaining 48 month period of the lease, commencing on June 1, 1984.

4. the right of Fraguita to prepay the entire amount owing under the Second Lease Agreement at any time, with the option to purchase the mining claims either upon the completion of the 48 monthly payments of \$958.33 (U.S.) or upon the earlier payment of \$45,999.84 (U.S.) less monthly payments already made.

Additional unpatented mining claims known as Long Shot Mining Claim Numbers 6-17, Long Shot Mining Claim Numbers A & B, and Hard Luck Mining Claim Numbers A & B have been obtained by the Corporation through staking.

The additional mining claims were staked adjacent to the Long Shot Mining Claims in a block. The purpose of staking those mining claims was to tie up additional ground so as to completely surround the target area which is primarily located in Long Shot Numbers 1, 2 and 3. There may be conflicts between pre-existing claims and these newly staked mining claims, particularly as regards Long Shot Numbers 6, 7 and 16.

In staking unpatented mining claims it is the best practice to stake the mining claims in a large block to avoid the creation of fractions between claims and between the staked claims and pre-existing mining claims in the area. This was the purpose in staking the Long Shot A & B and the Hard Luck A & B. Fractions existed between Long Shot 2 & 3 and Hard Luck 2 & 3 and between the section line between the Long Shot Number 1 Claim, Hard Luck Number 2 Claim and the state lease land immediately to the east. The newly staked claims are valid as to any open ground. However, any valid pre-existing claims beneath the newly staked claims would have priority.

The Corporation's mining claims are unpatented. For unpatented mining claims, the owner holds only what are known as *pedis possessio* rights in the claims until a discovery of a valuable mineral deposit has been made, at which time the owner acquires the right to exclusive possession of the claims. *Pedis Possessio* rights are those rights which the locator of an unpatented mining claim has to possess the mining claim against subsequent junior locators while the senior locator is actively engaged in mineral exploration activities which may lead to making a valid discovery of minerals on the mining claim. These *pedis possessio* rights give the locator no right as against the owner of the land, the United States Federal Government, but they do give the locator rights against any subsequent junior locator as long as the senior locator is actively engaged in searching for minerals. "Discovery" occurs where minerals have been found and the evidence is of such a character that a person of ordinary prudence would be justified in the further expenditure of his labour and means, with a reasonable prospect of success, in developing a valuable mine.

If the Corporation fails to actively pursue discovery, fails to perform the required annual assessment work, or fails to make the required filings with the Bureau of Land Management, the unpatented mining claims are open to location by others. The Corporation acquires no right to possession superior to that of the United States Federal Government until a discovery has been made.

Annual assessment work is work which must be done on unpatented mining claims in order to keep them valid. The requirement is that \$100 worth of work be performed on each mining claim. This work can consist of any type of work such as geochemical sampling, geological mapping, road work, opening the mine, or actual mining operations. The work performed by the Corporation on the property is in excess of \$100 per claim for the year 1984 and is of the type of work which is allowed to be used towards the annual assessment work. Therefore for the calendar year 1984 the only requirement will be that an Affidavit of Performance of Annual Assessment Work be filed with the Bureau of Land Management prior to December 31, 1984.

The Corporation has also acquired a five year lease of the west half of section 4, township 21 south, range 10 east, from the State of Arizona. These state lands are not subject to the "discovery" or annual assessment work requirements noted above for federal lands. The Corporation is required to pay an annual rental to the State of Arizona for these state lands in rental to the State of Arizona for these state lands in the total amount of \$663.78 (U.S.).

The Corporation commenced operations on the mineral claims immediately upon execution of the Fraguita Acquisition Agreement. The ore present on the mineral claims has been tested for amenability; a bench-scale pilot plant will be constructed and a base camp and laboratory is being established. The pilot plant is a standard heap leaching processing plant using the cyanidation process and has a capacity of producing 200 tons of ore per day.

The base camp, laboratory, plant, equipment and roads are being established at an estimated cost of \$375,000. Of this amount, \$325,000 has been incurred to date, which funds were obtained from the placement of treasury shares. See "Prior Sales."

The Corporation has conducted surveys of its mining claims and has obtained satisfactory title opinions regarding the mining claims, subject to the possibility of pre-existing claims on those mining claims acquired by staking, as noted above.

Brief Description of Governmental Authorities in Arizona

Federal Land Mineral Rights

Most of the land on which the property is situated is owned by the government of the United States of America. Most land owned by the United States of America is subject to mineral location by unpatented mining claim staking. The staking of mining claims is under the jurisdiction of the Federal Bureau of Land Management, Department of the Interior. For Arizona the District Office is located in Phoenix. All notices of mining claim location, annual assessment work, and other notices affecting unpatented mining claims must be filed with the Phoenix District Office.

Surface Rights

The surface rights in this area are under the jurisdiction of the United States National Forest Service, Department of Agriculture. The Coronado National Forest Offices in Tucson and Nogales have direct control over this area. A mining claim operator is required to submit a Plan of Operation for approval prior to extensive mining activity on unpatented mining claims within the Coronado National Forest. The Corporation has submitted that Plan of Operation to the Forest Service and is currently awaiting approval.

State Land

A State Mineral Prospecting Permit is required prior to conducting prospecting activity on state land in the State of Arizona. The Corporation has obtained a mineral prospecting permit for the west half of section 4, township 31 south, range 10 east. This is the half section of land, approximately 320 acres, immediately adjacent to the east to the Long Shot and Hard Luck Mining Claim block. Such a permit is not required for Federal lands, on which the remainder of the Corporation's mining claims are located.

Water

The Arizona Department of Water Resources controls the use of water within the State of Arizona. For mining purposes, or for a small well, the permit must be granted by the State. The Corporation is in the process of determining the amount of water which will be necessary for its operation and a permit will be obtained from the Arizona Department of Water Resources.

CONSULTANT'S REPORT

The following summarizes the January, 1984 Geological Report prepared by D.G. Innes ("Innes"), HBSc., MSc., F.G.A.C. of D.G. Innes and Associates Ltd. on the Arivaca Property, Pima County, Arizona.

Summary

The Cruz Silver Mines property consists of 19 contiguous claims (plus internal part claims) located in Pima County, southern Arizona, approximately 60 miles southwest of Tucson. The property, which is well accessed by county and secondary roads, lies along the east flank of the San Luis Mountain between elevations of 3,800 feet and 4,200 feet. Water is locally abundant.

Much of the claim group is underlain by conglomerates, sandstones, siltstones and volcanoclastics. Siliceous porphyry dikes intrude all of the above rocks. Mineralization occurs associated with a series of parallel northeast trending shear-veins cutting the conglomerates. At least 22 veins are known and are from a few inches to 6 feet in width and have a composite strike length in excess of 10,000 feet. Mineralization includes galena, pyrite tetrahedrite, chalcopyrite and secondary silver chloride minerals. Past mining and exploration was directed to silver mineralization however Cruz Silver Mines Inc. has shown that significant concentrations of gold are also present. Assay values range from 0.006 to 0.238 ounces of gold per ton. Most of these values come from defined vein structures.

Innes has recommended that the Corporation complete a planned 150 ton per day crushing and gravity circuit plant and continue with its exploration and development program for the claims.

Introduction

During the period January 8 to January 15, 1984, Innes carried out a geological investigation of the Arivaca gold-silver property in Pima County, southern Arizona at the request of Mr. J.P. Jewell, then President of Cruz Silver. The field examination was carried out on January 8 and January 14. The results of this investigation together with a review of available Government (State and Federal) and mining company data is presented herein.

The economic potential of this property is considered and recommendations for testing this potential are also given.

Property Location and Access

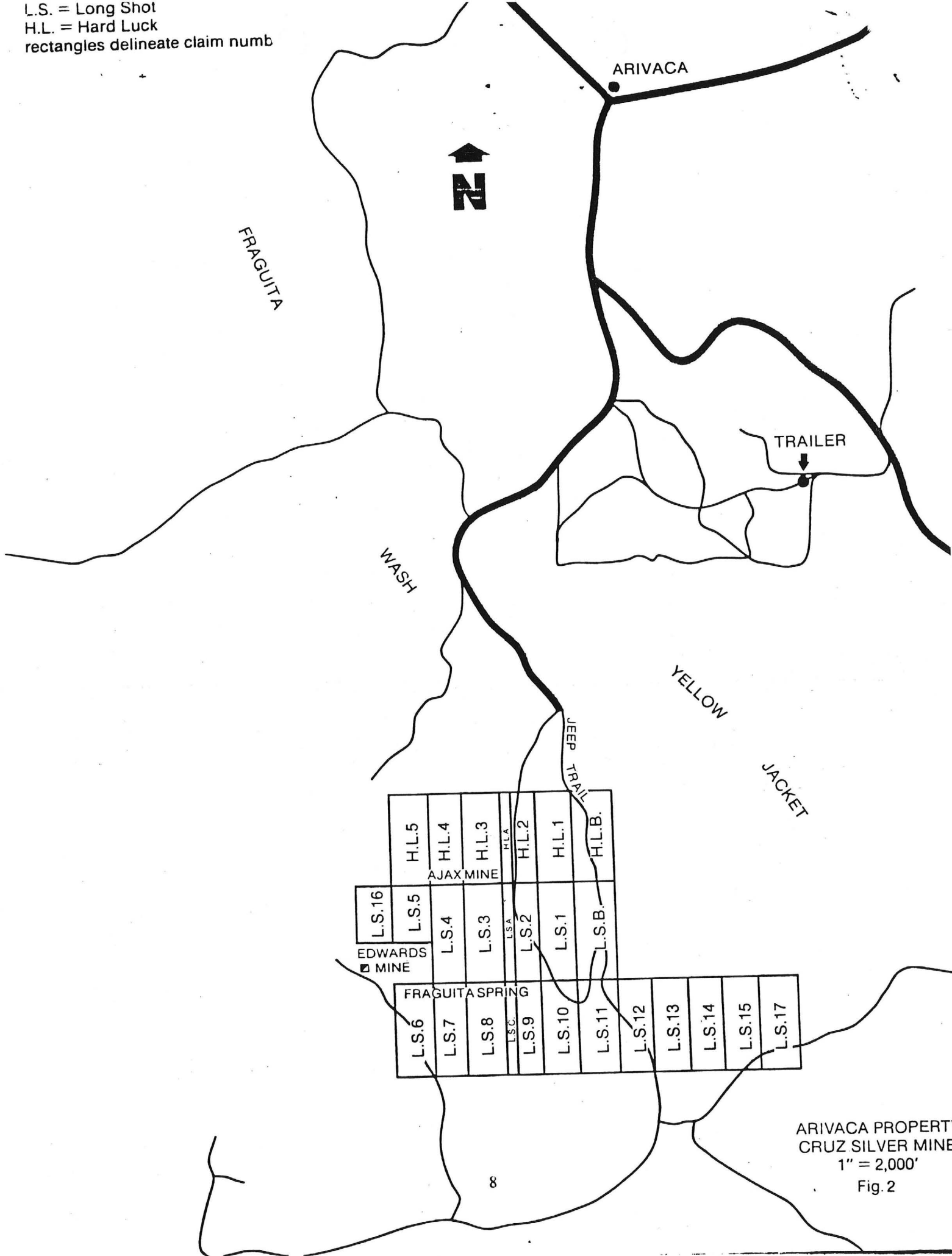
The Cruz Silver property is located in the southern part of the State of Arizona, approximately 3.5 miles south of the town of Arivaca (Figures 1 & 2). Situated in Pima County, the property consists of 19 contiguous claims (plus internal part claims) in Township 22 South, Range 10 East, Sections 4, 5, 8 and 9; Hard Luck No.'s 1 to 5 inclusive and Hard Luck No.'s A and B. Long Shot No.'s 1 to 17 inclusive and Long Shot No.'s A, B and C.

The claim block lies along the east flank of the San Luis Mountains between elevations of 3,800 feet to 4,200 feet. Numerous secondary roads leading from the town of Arivaca including the Jarillas Ranch county road give good access to the property.

Physical Environment

The property lies within the Basin and Range Province of southern Arizona near the common border of the western desert and the southeastern mountain physiographic regions. The property is located at the north end of Cobre Ridge which forms the eastern most expression of the northwest-trending San Luis Range. Fraguita Wash lies to the east of the property. The topography is rugged with a relief of about 400 feet. A survey point at the southwest corner of Hard Luck No. 5, records an elevation of 4,184.4 feet A.S.L. This topography is illustrated by the Arivaca quadrangle topographic sheet (1:24000).

L.S. = Long Shot
 H.L. = Hard Luck
 rectangles delineate claim numb



L.S.16	L.S.5	H.L.5
	L.S.4	H.L.4
	L.S.3	H.L.3
	L.S.2	H.L.2
	L.S.1	H.L.1
	L.S.B.	H.L.B.
AJAX MINE		
L.S.6	L.S.7	L.S.8
L.S.9	L.S.10	L.S.11
L.S.12	L.S.13	L.S.14
L.S.15	L.S.16	L.S.17
FRAGUITA SPRING		

EDWARDS
 MINE

ARIVACA PROPERTY
 CRUZ SILVER MINE
 1" = 2,000'
 Fig. 2

Water appears to be abundant in the area and Fraguita Creek runs for most of the year. At the time of investigation, all of the old shafts located on the property were water filled and are unusable.

The area is only sparsely populated, however, the major city of Tucson is located about 60 miles to the northeast.

Mining History

The Cruz Silver property includes two small past producing properties; the Fullerton Mine and the Ajax Mine. The Edwards Mine lies immediately to the southwest and adjoins the Cruz claim block. Only limited production has been recorded from these properties with no single period of sustained mining. Two shipments of ore are reported by the Mineral Resource Office (State of Arizona); 25 tons in 1968 grading 27 ounces of silver per ton and gold valued at \$2.50 per ton; a second shipment of 20 tons in 1981 containing 28 ounces of silver per ton.

Sporadic production and exploration activity from the area dates back to the late 1800's. The number of adits, tunnels, shafts, open stopes and the presence of between 6,000 and 8,000 tons of dump material would suggest that considerably more tonnage was mined than that recorded by the Mineral Resource Bureau. There is no record of the extent of underground development at any of the past mining operations.

Regional Geological Setting

Marine and marine-volcanic rocks of Mesozoic-Cretaceous age comprise much of the north and east-central parts of the San Luis Mountains. These rocks have been intruded by both Upper Cretaceous and Tertiary age granitic and volcanic related stocks, plugs and dikes. Tertiary siliceous volcanics and associated volcanoclastics dominate the range just south of the property, making up most of the Tumacacori Mountains. Together with the Sierritas, Tucsons and Tortolitas Mountains, these ranges form the west boundary of the Tucson Basin or graben. These major structures were developed during Late Cenozoic basin and range tectonism. North to northwest trending thrust and normal faults are the dominant structural control. On a local scale, faulting is commonly developed in conjugate systems with branching and arcuate features being characteristics. Fault zones are marked by gouge, breccia, dike and vein fillings and most appear to have a strong shear component suggesting repeated activation over significant geological time.

Property, Geology and Mineralization

On January 8 and 14, 1984, Innes examined the various mineral showings and the geology of the Cruz Silver property at the request of Mr. J.P. Jewell. The claim group had been surveyed and air photographed by Cruz Silver and photos at a scale of 1" = 200 feet were used for control during this investigation. All of the known workings were examined and a general reconnaissance over the rest of the property was carried out. Specific samples were collected to represent the various veins and styles of mineralization. All of the dumps and the main veins have been liberally sampled by Cruz Silver and others.

Outcrop is abundant on the property, however, many areas are covered by a thin mantle of rubble, sand and gravel. The Fraguita Creek basin which winds its way through the claim group is covered by fluvial silts, sands and gravels.

Mineralization on the Cruz Silver property is associated with a series of parallel to sub-parallel northeast trending shear-veins cutting the conglomeratic facies of the Oro Blanco Formation. These veins were not observed within the siltstone-greywacke facies rocks. The distribution of the vein structures has been numbered for convenience (22 in all) and is shown on Figure 3. This system strikes between 50°E and 85°E having a slightly arcuate pattern. A few veins (branches or splays) trend northwesterly. Commonly microveinlets to stockwork proportions form in the host rock normal to the main vein-structure. The veins consist almost exclusively of white to clear quartz with minor ankerite and sericite developed locally and at vein walls. Thickness varies considerably from a few inches to 6 feet. All of the veins were observed to pinch out to the southwest and northeast as shown on Figure 3.

The vein-structures are remarkably persistent along strike; Vein No. 8 was observed for over 2,000 feet of strike length and the Vein No. 17 for over 1,400 feet of strike length.

A summary of assay values obtained from the property is given in Table 1. None of this sampling has systematically tested any one specific vein-structure along its strike. This is partly due to the fact that much of the vein lies covered by rubble and the exposed parts have been trenched, stoped or otherwise opened up, making sampling difficult. However, the main dump areas sampled appear to be of significant grade in both silver and gold. Samples of just vein material also appear to host relatively high levels of metal concentration. What is more significant perhaps is that some of the sheared and altered wall rock hosting the veins appears to be mineralized.

It is also obvious that all of the veins sampled are very anomalous in gold. There is some suggestion that Area C on Figure 3 might be gold rich in comparison to Areas A and B.

Table 1: Summary of Assay Results, Cruz Silver Property, Arivaca

- A. Sampled by D.G. Innes, January, 1984
15 samples taken from Vein Nos. 2, 4, 8, 9, 10, 12, 13 and 17.
Gold values ranged from 0.006 to .0.220 ounces of gold per ton.
Silver values ranged from 0.146 to .4.650 ounces of silver per ton.
- B. Sampled by Cruz Silver, 1983
18 samples taken from Vein Nos. 3, 7, 8, 9, 16 and 17.
Gold values ranged from 0.010 to 0.238 ounces of gold per ton.
Silver values ranged from 0.310 to 56.40 ounces of silver per ton.

Conclusions

1. Numerous (22 at least) strike persistent mineralized vein-shear structures have been identified within the core area of the property. There is good potential for additional veins in the relatively unexplored parts of the claim group and to extend the strike length of the known vein systems.
2. These veins vary in width from a few inches to 6 feet. Altered, brecciated, sheared and microveined host rock can extend the width of the mineralized zone to greater than 10 feet (see Figure 4).
3. Past mining and explorations have been directed mainly towards silver mineralization. Recent sampling has identified the presence of very significant gold concentrations. Higher gold values are generally associated with higher silver values, however, this is not universally true. Area C, appears to carry high gold values with depressed silver values.
4. Three areas are identified as having the best potential based on present knowledge (areas A, B and C, Figure 3). In these areas, the known veins have their greatest width, significant assay values and have experienced some past mining. Other veins and vein extensions outside of these areas generally show lower grades and weakening of the vein structure. There are exceptions, including Vein No.'s 13 and 4.
5. Approximately 8,000 tons of broken dump material is available on the property. Sampling of this material averaged 0.09 ounces of gold per ton and 8.9 ounces of silver per ton. Treating this material on the property would allow a mill test, bulk sample and a potential recovery of 720 ounces of gold and 71,200 ounces of silver. The nature of this material (highly fractured, brecciated etc.) would be amenable to heap leaching.
6. Surface potential includes the selective mining of the exposed veins (all) over a total of 10,000 feet of strike length, with a mining width of 6 feet and taken to a depth of 10 feet would realize an additional 60,000 tons. Past mining averaged better than 25 ounces of silver per ton and unknown gold values. Using the dump averages (in 5 above) this target would have the potential to produce in the order of 5,400 ounces of gold and 534,000 ounces of silver. It is expected (from chip sampling) that some of the vein-structures may support mining widths of up to 10 feet. The down-dip potential of any one of these structures is unknown but must at present be assumed to be open.

Recommendations

The following recommendations are designed on the assumption that Cruz Silver completes a planned 150 ton per day crushing and gravity circuit plant on the property. This plant is being developed to allow bulk sampling and heap leach testing for the Cruz Silver property and other properties in the general area. At the time of writing, these plans were being implemented.

It is estimated by management of the Corporation that the work programme will take from June 1, 1984 to December 31, 1984.

1. The various ore dumps should be collected at the mill site for mill testing and processing. A collective estimate of available dump material is in the order of 8,000 tons. Twenty-four samples of this dump material had an average grade of 0.09 ounces of gold per ton and 8.9 ounces of silver per ton. Each dump pile should be tagged, as this material could also be utilized as a bulk sample for specific veins or zones. It should be remembered that at each of these sites, the material mined would be at least of equal value to the dump tenor or higher grade.
2. Within the three general target areas (A, B, and C, Figure 3), Vein No.'s 3 (shaft area), 7 and 8 (open-cut area) and Vein No. 17 (between the adit and the base of the Ajax Hill to the southwest) should be stripped using a bulldozer to allow detailed sampling and mapping. Each of these specific areas should be further exposed by trenching. The accessibility of all of these areas would suggest that the trenching should be done using air-track equipment so that a bulk sample could be taken in addition to simply exposing the vein and allowing normal channel sampling.
3. All of the vein structures identified on Figure 3 should be systematically channel sampled and trenched where warranted. Mapping of individual veins should be done at 1"=50.' Specific veins such as Vein No. 13 should be investigated immediately to determine the continuity of gold values along the vein and in the enclosing wall rock (the same recommendation holds for No. 4 Vein).
4. Vein No. 1 has reported high gold values (0.2 ounces per ton over 15 feet). This vein should be exposed using a bulldozer and sampled in detail.
5. Long Shot claims 6 to 17 should be prospected for additional vein structures and mineralization.
6. 3,000 feet of diamond drilling (BQ) is proposed to identify the location and strength of Vein No. 3 (west of Fragueta Creek and the northeast extensions of Vein No.'s 12, 13, 14 and 16. The latter four veins are very strong where they enter the base of Ajax Hill, however they are not exposed on the surface of the hill. Relative high grade gold values (0.2 ounces per ton plus) have been obtained from these veins and as such they offer a significant target. Their northeast projection would also suggest that all four veins plus the Vein No. 17 might converge in the area of the Vein No. 17 adit.
7. With the establishment of the mill facilities, Cruz Silver should consider expanding their regional exploration program. Numerous other gold and silver deposits in the area should be examined as possible sources of mill feed. As this experience is gained, new deposits within the area generally may be identified.

Budget Estimate

(In U.S. Dollars)

1. Mechanical Work (including rentals)	\$ 12,000
2. Trenching (2,700 ft. @ \$10/ft.)	27,000
3. Geological Mapping	6,000
4. Prospecting and recon. mapping	4,000
5. Diamond Drilling (3,000 ft. @ \$25/ft.)	75,000
6. Core splitting, sampling, assay costs	4,000
7. Supervision and logistics	6,000
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Sub-total	\$ 134,000
10% contingency	13,400
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TOTAL	<u>\$ 147,400</u>

USE OF PROCEEDS

The gross proceeds to be received by the Corporation from the sale of all of the Common Shares offered by this prospectus will be approximately \$1,000,000, from which will be deducted the commission of \$150,000 and the expenses of the issue estimated at \$65,000 for the maximum subscription. The gross proceeds will be \$750,000, the commission \$112,500 and the expenses of issue \$65,000 for the minimum subscription.