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PRINTED: 01/31/2002

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: MAME MINE

ALTERNATE NAMES:

COCHISE COUNTY MILS NUMBER: 240

LOCATION: TOWNSHIP 19 S RANGE 25 E SECTION 20 QUARTER NE
LATITUDE: N 31DEG 46MIN 16SEC LONGITUDE: W 109DEG 48MIN 54SEC
TOPO MAP NAME: PEARCE - 15 MIN

CURRENT STATUS: PAST PRODUCER

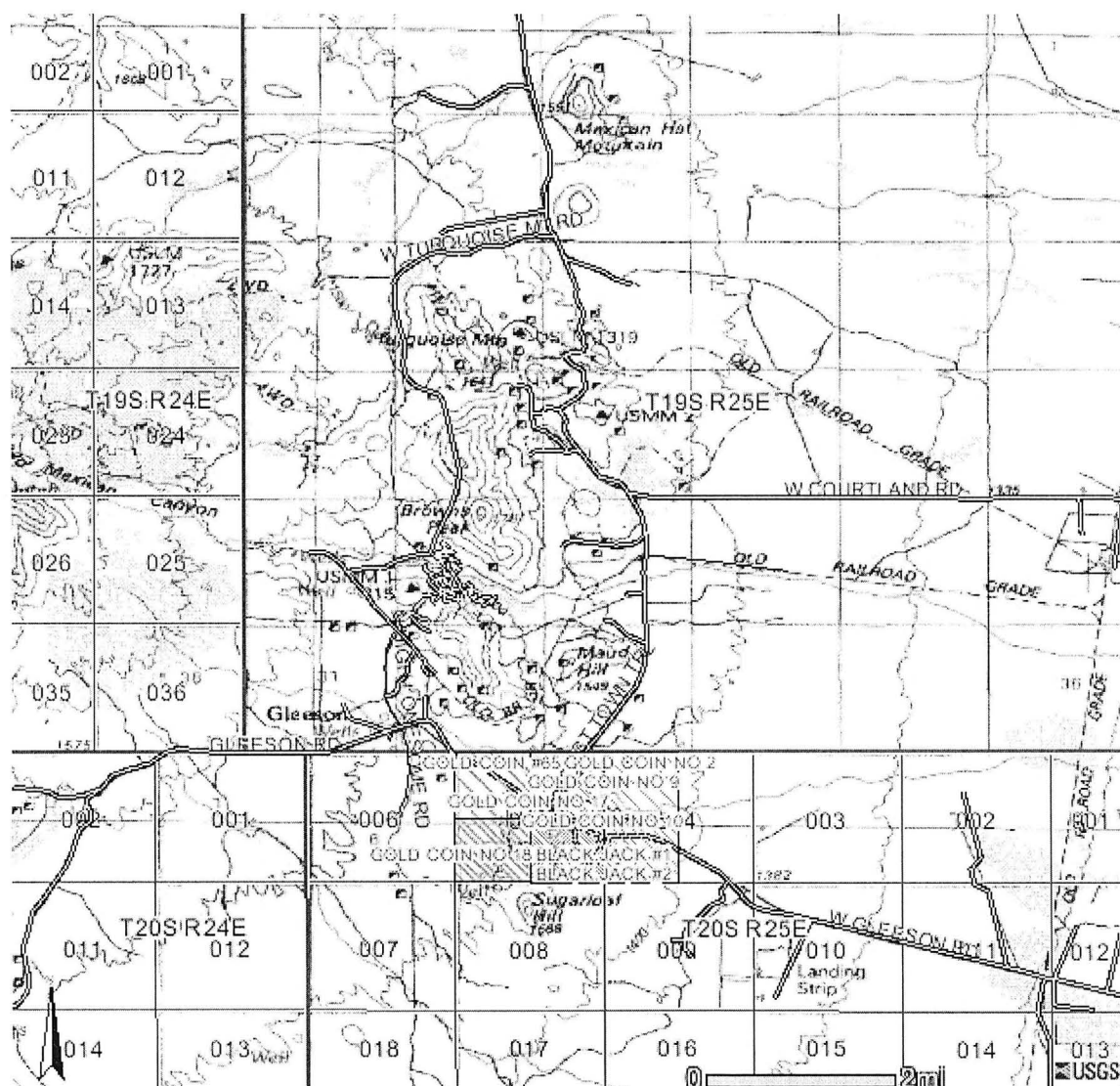
COMMODITY:

COPPER SULFIDE
COPPER OXIDE
SILVER
LEAD SULFIDE
ZINC SULFIDE
GOLD LODE

BIBLIOGRAPHY:

KEITH, S.B., 1973 AZBM BULL. 187, P. 83
ADMMR MAME MINE FILE
ADMMR SPECIAL REPORT 13, P 64
SEE: ADMMR GREAT WESTERN GROUP - COMPANY FILE

Turquoise Mtn Brown Peak



UNITED STATES DEPARTMENT OF INTERIOR
BUREAU OF LAND MANAGEMENT
CLAIM NAME/NUMBER INDEX (ALPHA ORDER)
by County

GEO STATE: AZ

County : COCHISE

LEGAL DESC

<u>Claim Name/Number</u>	<u>Serial No</u>	<u>Claimant</u>	<u>MER</u>	<u>TWN</u>	<u>RANGE</u>	<u>SEC</u>	<u>Subdv</u>	<u>Location Date</u>	<u>Case Closed</u>
HAGERMAN	AMC43595	NORD COPPER CORP	14	0150S	0220E	036	NW	12/22/1898	
MAN 10	AMC367985	AURELIO RESORCES CORP	14	0190S	0250E	028	NE	09/15/2005	
MAN 11	AMC367986	AURELIO RESORCES CORP	14	0190S	0250E	028	NE	09/21/2005	
MAN 12	AMC367987	AURELIO RESORCES CORP	14	0190S	0250E	028	SE	09/15/2005	
MAN 13	AMC367988	AURELIO RESORCES CORP	14	0190S	0250E	028	NE	09/21/2005	
MAN 7	AMC367982	AURELIO RESORCES CORP	14	0190S	0250E	028	NE NW SW SE	09/21/2005	
MAN 8	AMC367983	AURELIO RESORCES CORP	14	0190S	0250E	028	SW SE	09/21/2005	
MAN 9	AMC367984	AURELIO RESORCES CORP	14	0190S	0250E	028	NE	09/21/2005	
MAN NO. 1	AMC364635	AURELIO RESORCES CORP	14	0190S	0250E	028	NE NW	02/20/2005	
MAN NO. 2	AMC364636	AURELIO RESORCES CORP	14	0190S	0250E	028	NE NW	02/20/2005	
MAN NO. 3	AMC364637	AURELIO RESORCES CORP	14	0190S	0250E	028	NE NW	02/20/2005	
MAN NO. 4	AMC364638	AURELIO RESORCES CORP	14	0190S	0250E	028	NE NW	02/20/2005	
MAN NO. 5	AMC364639	AURELIO RESORCES CORP	14	0190S	0250E	028	NE NW	02/20/2005	
MAN NO. 6	AMC364640	AURELIO RESORCES CORP	14	0190S	0250E	028	NE NW	02/20/2005	

County : GILA

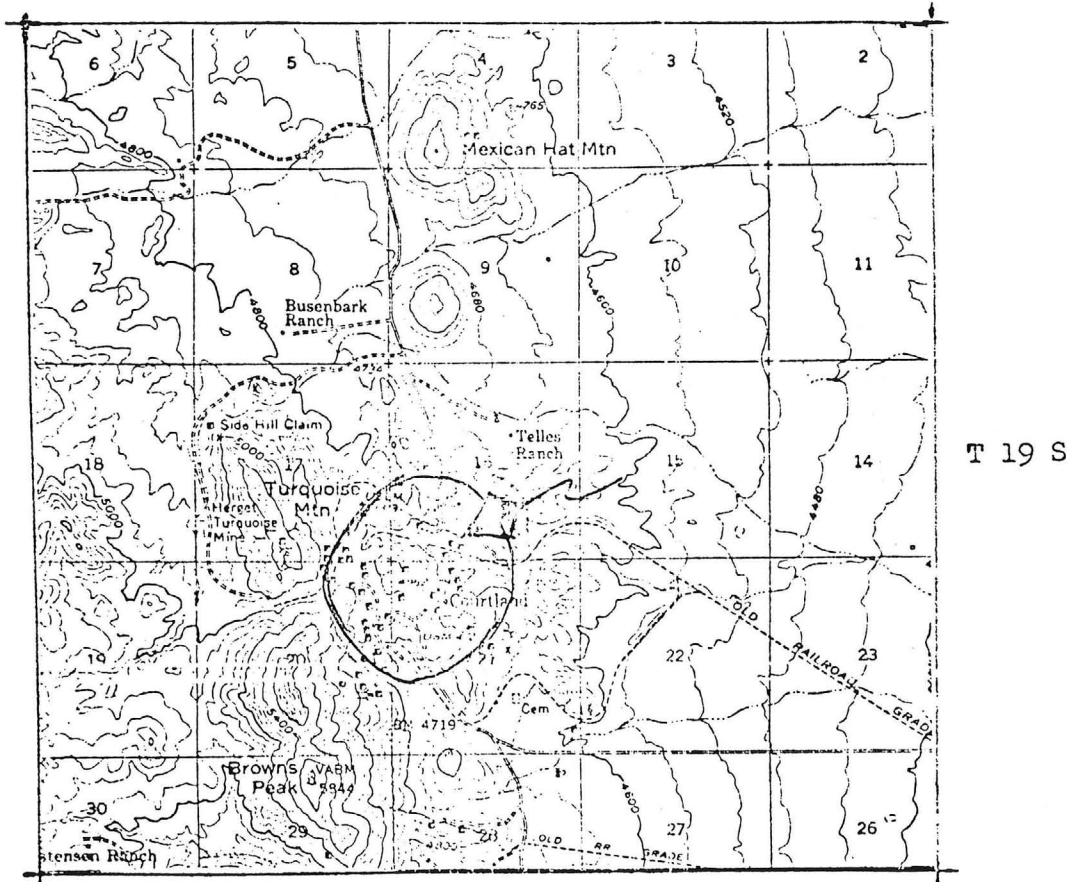
LEGAL DESC

<u>Claim Name/Number</u>	<u>Serial No</u>	<u>Claimant</u>	<u>MER</u>	<u>TWN</u>	<u>RANGE</u>	<u>SEC</u>	<u>Subdv</u>	<u>Location Date</u>	<u>Case Closed</u>
FOUND DUTCHMAN #1	AMC356626	BARKLEY WILLIAM	14	0090N	0120E	002	SE	09/29/2002	
		BARKLEY WILLIAM	14	0090N	0120E	011	NE	09/29/2002	
		MEEKS JAMES OTIS	14	0090N	0120E	002	SE	09/29/2002	
		MEEKS JAMES OTIS	14	0090N	0120E	011	NE	09/29/2002	
		MEEKS KENNETH M	14	0090N	0120E	002	SE	09/29/2002	
		MEEKS KENNETH M	14	0090N	0120E	011	NE	09/29/2002	
		WANTLAND KEITH JEFFERY	14	0090N	0120E	002	SE	09/29/2002	
		WANTLAND KEITH JEFFERY	14	0090N	0120E	011	NE	09/29/2002	
FOUND DUTCHMAN #2	AMC356627	BARKLEY WILLIAM	14	0090N	0120E	011	NW	09/29/2002	
		MEEKS JAMES OTIS	14	0090N	0120E	011	NW	09/29/2002	
		MEEKS KENNETH M	14	0090N	0120E	011	NW	09/29/2002	
		WANTLAND KEITH JEFFERY	14	0090N	0120E	011	NW	09/29/2002	
FOUND DUTCHMAN #3	AMC356628	BARKLEY WILLIAM	14	0090N	0120E	001	NW	09/29/2002	

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R 25 E



LOCATION OF HOPE MINES ACCUMULATED PROPERTIES

1 : 62,500

MAME MINE (Part of Highland)

COCHISE COUNTY
TURQUOISE DIST.

Mr. Icove informed me that they were going to incorporate the Paramount Mining Co.

AXEL L. JOHNSON, WR 7-20-59

Irwin Icove, Paramount Mining Co., 3425 E. Second St., Tucson, Apt. 207 (P. O. Box 4577) ---Discussion of Arizona Resources, Inc., a new corporation being formed with Paramount Mining Co., a subsidiary to same, with Irwin Icove as president, Sam Makalla, et al. ---Discussion of leaching operations at the Mame Mine.

AXEL L. JOHNSON, WR 2-27-60



JULY 1959

MAME MINE

COCHISE COUNTY

Calix Mines Ltd. reported recovery of copper at the rate of 3,000 lbs a day by the use of a leaching process on old drifts and dumps on its property at Tombstone.

Frank K. Fisk, of Vancouver, in charge of the operation of the British Columbia Company, said the process is being used 16 hours a day. He said the present rate of recovery of "Copper cement" has been ⁱⁿ progress since mid-February after many production difficulties were overcome.

Fisk added that the rate of production could be increased greatly, but that if it were sustained at even the present level, the metal values could total \$1.5 million in a year. He also reported that the eight mines in Arizona where Calix properties are located are all using the leaching process, either wholly or in part, and are usually operating from flooded drifts where pit mining has been abandoned and from dumps of old workings.

Taken from E & M J April 1967, pp146,149

MG WR 7/19/85: The Mame deposit (Cochise Co) covered by pateted claims, is owned by the Hope Mining and Milling Co., c/o Mrs. Margaret Fournier, 3653 N. 6th Avenue, C-22, Phoenix, Arizona 85013.

MAME MINE

COCHISE COUNTY

Visited the Mame mine - gate locked. GWI WR 2-7-70

The Aztec Mining Company is leaching at the Mame and adjacent properties. They reported that they were timbering one of the shafts. GWI QR 2-27-70

Visited the Mame mine - gate locked - no one around. GWI WR 4-11-70

The Aztec Mining Company was doing some leaching at the Mame mine at Courtland. GWI QR 4-11-70

Aztec Mining is reported to be working at the Mame mine and environs, but no sign of mining activity was observed from the locked gate. 8 by 35 power field glasses were used to observe the area of operation. GWI QR 6-30-70

Active Mine List Oct. 1970 - 3 men - Harry Lehman

Aztec Mining Co. has removed all of their equipment. Gerry Irvin called to say that Burro Lease and the Mame operations were both shut down. FTJ WR 12-4-70

The Aztec Mining Company continues their leaching activity at the Mame mine. GWI QR 10-1-70

The Aztec Mining Co. have pulled their equipment off of the Mame mine at Courtland. It has been reported that they have left Cochise County for the 16 to 1 mine in Nevada. GWI QR 12-31-70

R. L. Romine, of Aztec Mining Co. came in and stated they were currently staking claims "near the lake" northeast of Parker. GW WR 3-16-71

MAME MINE

COCHISE COUNTY

Active Mine List Nov. 1967 - 4 men

Received telephone call from Paul Pickard of Minerals Exploration about selling off Mame Leaching plant. GWI WR 3-2-68

Telephone call from Mr. Mike McMullen, supervisor of surplus sales for Union Oil Co., about sale of assets at Mame mine (all leaching equipment). GWI WR 3-9-68

Closing down. FPK 3-12-68

Visited the Mame mine - selling leaching plant equipment. GWI WR 3-16-68

Minerals Exploration sold the equipment from the Mame mine, but expect to do some more exploration. GWI QR 6-1968

Visit to Minerals Exploration Project in Mame mine area - no one around. GWI WR 11-16-68

Telephone call from Ken Jones, Minerals Exploration Co., - said that present hole near the Nancy silica mine, Courtland was number 3 of the series and was being drilled at 45 degrees to the west. GWI WR 1-18-69

Minerals Exploration gave up their option on the Mame mine at Courtland. It is reported that Harry Lehman of the now defunct Arivaca Mining Co. is planning on a leaching operation. GWI QR 3-1969

Active Mine List Oct. 1969 - 6 men

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine Mame Mine Date March 12, 1965
District Turquoise District, Cochise Co. Engineer Axel L. Johnson
Subject: Mine Visit. - Information from Paul W. Regan, Electrical-Mechanical Consultant.

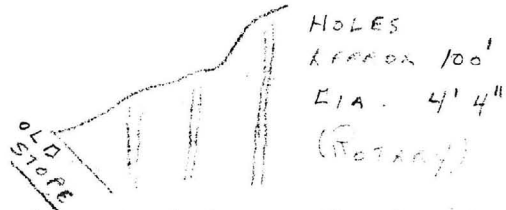
References: Report of Jan. 15, 1965 & previous reports.

Present Mining Activity: ⁽¹⁾ Leaching copper ore. Small production at present will be increased gradually.

- (2) Working on the construction of a purifying plant for retreating the cement copper to produce a higher grade. This plant will be in operation in about 2 months.
4 men working on both operations.

Mame Mine has given up trying to produce a Hi-grade concentrate - are just producing cement copper for smelting.

At present time, Boyle Brothers are drilling holes on the hanging wall side of the old stopes. The holes start from the surface vertically and terminate before reaching the wall as below. -



When completed water, or leaching solution goes down the holes to dissolve the remaining copper:- Information from McNelly the driller for Boyles Bro. Drilling Co.

GWI WR and Note 9/20/65

Mine Visit to Mame Mine - Mr. Sam Makalla reports that production is now 50,000 lbs. of precipitate per month.

GWI WR 5/14/66

Mine Visit to the Mame Mine leaching operation. Lightning had wrecked lines to the main pump, so production was very low.

GWI WR 9/24/66

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine Mame Mine

Date January 15, 1965

District Turquoise District, Cochise Co.

Engineer Axel L. Johnson

Subject: Mine Visit. - Information from Paul W. Regan, Electrical-Mechanical Consultant

References: Report of Sept. 10, 1964 and previous reports.

Owners: Hope Mining and Milling Co., 3655 N. 5th Ave., Apt. 106, Phoenix

Lessees & Operators: Inter-State Accounting & Office Service
P.O. Box 11183, Phoenix, Arizona
• Sam Makalla, Manager, Star Route, Elfrida, Arizona
• Clyde Hatfield, Foreman, Star Route, Elfrida, Arizona
• Paul W. Regan, Electrical-Mechanical Consultant.

Number of Claims: 3 patented claims - Mame, Leadville and a part of the Chance.

Principal Minerals: Oxidized copper ores.

Present Activity: Installing pipe lines between the Mame and Musso shafts preparatory to the resumption of leaching operations at the Musso. 2 men working. No copper production at present.

The production of cement copper from Aug. 5, 1964 to Dec. 1, 1964 amounted to 38 tons.

The cement copper was shipped to Western Non-Ferrous Metals, Los Angeles, Calif. Mr. Regan reported that the cement copper ran 70-75% with 11% moisture. Iron scrap for the precipitation was purchased from Newell Salvage Co., Tucson, Ariz.

Review of Recent Operations: Until about 6 or 7 weeks ago the operators were leaching ore in the Musso Mine, using the water in that mine and circulating it through the mine stopes by means of spraying. However, the supply of water at the Musso suddenly disappeared about Dec. 1st and this operation had to be discontinued.

Operators are now installing pipe lines from the Mame shaft to obtain a supply of water from this mine in order to resume leaching operations at the Musso.

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA

FIELD ENGINEERS REPORT

Mine Mame Mine

Date Sept. 10, 1964

District Turquoise District, Cochise Co.

Engineer Axel L. Johnson

Subject: Mine Visit. Information from Clyde Hatfield, Foreman.

References Report of Mar. 12, 1964, and previous reports.

Present Activity Leaching of copper ores. 2 men working. Copper production of cement copper has decreased substantially, and is now only about 1/2 of what it was earlier this spring. Clyde Hatfield is now foreman for the mine operations, taking the place of William Ward, deceased.

Visited - No significant changes.

ALJ WR 11/14/64

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine Mame Mine

Date Mar. 12, 1964

District Turquoise District, Cochise Co.

Engineer Axel L. Johnson

Subject: Mine Visit. Information from William Ward, Plant Supt. and personal visit.

References Report of Jan. 15, 1964 and previous reports.

Present Mining Activity Leaching of copper ores -- 9 men working -- 7 of these are working on the leaching operation, 2 men on each of 3 shifts and one alternate. The 2 additional men are repairing and retimbering the old Roberts shaft.

Copper production of cement copper now averages about 16 tons per week. This is a substantial increase since the Jan. 15 th report. The cement copper runs from 80 to 85 %, and averages about 82 %.

Review of Recent Operations Operations are substantially the same as described in the Jan. 15th report, with two changes or additions.

(a) The Roberts shaft is being repaired and retimbered --- 2 men working.

(b) Iron scrap used for the precipitation is now purchased from Newell Salvage, Tucson, Ariz.

William Ward dec'd

STATE OF ARIZONA
FIELD ENGINEERS REPORT

Date _____

Engineer

Sulphuric acid is added as required for all 3 operations.

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine Mame Mine

Date Oct. 11, 1963

District Turquoise District, Cochise Co.

Engineer Axel L. Johnson

Subject: Field Engineers Report. Information from William Ward, and personal visit.

References Report of May 16, 1963, and March 13, 1963.

Owners Hope Mining and Milling Co. For address and officers, see report of Mar. 13, 1963.

Lessees & Operators Inter-State Accounting & Office Service, Phoenix, Arizona.
William Ward, Plant Superintendent,
Star Route, Elfrida, Ariz. Tel. No. 642-3561
William Ward stays in a trailer at the mine.

Number of Claims 3 patented claims, same as shown in my report of March 13, 1963.

Principal Minerals Oxidized copper ores.

Present Mining Activity Leaching of copper ores. 6 men working ---2 men on each of 3 shifts. Operations are conducted in the same way as was done by the previous lessee, Direct Minerals, Inc., as described in my report of May 16, 1963. Mr. Ward states that he is now adding 300 cc of acid to each 300 gal. of water sprayed on the open cut. New acid tanks have been purchased and installed.

Review of Recent Changes & Recent Operations

(1) Direct Minerals, Inc. closed down their operations at the property on July 26, 1963.

(2) About the same time, Direct Minerals, Inc. sold their lease with the equipment on the property to Inter-State Accounting & Office Service, Phoenix, Ariz. The equipment consisted of the precipitation tanks, concrete bins, pumps, plastic hose, and mine buildings, etc.

(3) The new lessees took possession on Aug. 15, and started work at the property on Sept. 1.

(4) 2 shipments, one of 8 tons and one of 8 1/2 tons have been shipped to the Inspiration smelter the past month.

Future Plans Operators expect to continue spraying the open cuts with water, with a small amount of acid added. They also plan to spray the dumps in the vicinity.

Operators expect to produce about 2 tons of cement copper per day, or about 14 tons of cement copper per week.

Active Mine List Oct. 1963 - 6 men

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA FIELD ENGINEERS REPORT

Mine Mame Mine Date May 16, 1963
District Turquoise District, Cochise Co. Engineer Axel L. Johnson
Subject: Field Engineers Report. Information from James C. Ryan, Jr., Manager Direct Minerals, Inc.

References: Report of March 13, 1963.

Owners: See report of March 13, 1963

Lessees & Operators: Direct Minerals, Inc., 445 Park Ave., New York City
James C. Ryan, Jr., Manager, Box 188, Tombstone, Ariz. (515 E. Fulton St., Tombstone)
Clyde McDonald, Mine Supt.

Present Mining Activity: Leaching and precipitating oxidized copper ore, and trucking the cement copper to Inspiration smelter at Inspiration. This is a 3 shift operation, with 7 men working.

Review of Operations: Operators started their leaching operations on May 6th, and hauled 1 truck load of cement copper to Inspiration smelter about 5 days ago.

Water is pumped out of the shaft and into the precipitation tanks (7 pairs of tanks as shown in Mar. 13 report), where the copper is precipitated by means of shredded cans. The water runs the entire length of each one of the 14 tanks, the precipitation time being about 35 minutes. The shredded cans are purchased from Proler Steel Co., El Paso, Texas. The rated capacity of the circulation system is 500 gal. per min.

Water discharges from the last tank into a 2,500 gal. concrete sump. From there, it is pumped up and irrigated under pressure into an old open cut a short distance up the hill from the tanks (about 200 to 300 ft.). Perforated 3" plastic pipe and a pressure pump is used for this operation. Enough acid is added to the water to obtain the required acid strength.

The water applied to the open cut drains down into the mine, leaches out some of the oxidized copper ore it comes into contact with, and is then pumped up out of the shaft and into the precipitation tanks, completing the circuit.

Mr. H. Greenway Albert informed field engineer that the Mame Mine has now been taken over by some new operators, but he did not know the names, except that William Ward is the manager. Leaching will be continued.

A. L. JOHNSON - Weekly Report 9/16/63

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine Mame Mine

Date March 13, 1963

District Turquoise District, Cochise Co.

Engineer Axel L. Johnson

Subject: Field Engineers Report. Information from James C. Ryan, Jr., Manager Direct Minerals, Inc.

References: Report of Sept. 15, 1960 and previous reports.

Location: At Courtland.

Owners: Hope Mining & Milling Co., 3655 N. 5th Ave., Apt. 106, Tel. 274-9781, Phoenix
Dudley T. Fournier, President - address above
Mrs. Margaret Fournier, Vice President & Treas. - address above
Daniel C. Liefgreen, Secretary, Phoenix, Ariz.

Lessees & Operators: Direct Minerals, Inc., 445 Park Ave., New York City
James C. Ryan, Jr., Manager, Tombstone, Ariz., Tel. 457-3364

Number of Claims: 3 patented claims - Mame and portions of the Chance and Humboldt.
Hope Mining & Milling Co. owns 31 patented claims in the Courtland district. However, only the 3 claims shown above are included in the lease to Direct Minerals Inc.

Principal Minerals: Oxidized copper ore.

Present Mining Activity: Construction of concrete precipitation tanks for a leaching operation. 6 men working.

The work is done on contract to Charles Siglan, contractor, and is scheduled to be finished in about 5 weeks (about April 17) after which leaching operations will commence.

7 pairs of precipitation tanks are being constructed, each pair of tanks being 29 ft. long (inside) x 9 ft. wide (inside) x 4 ft. deep on high side & 7 ft. deep on low side. The sides and ends are of 8 in. concrete, with a longitudinal partition of 8 in. concrete in center of each pair of tanks.

A concrete bin is also being constructed to hold the shredded cans, which will be imported from El Paso, Texas.

The old precipitation tanks, which were used by Paramount Mining Co. in 1960, will be used for storage of the cement copper.

Company expects to employ 6 men when work starts on the leaching operation.

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA

FIELD ENGINEERS REPORT

Mine Mame Mine (Part of Highland) Date Sept. 15, 1960
District Turquoise District, Cochise Co. Engineer Axel L. Johnson
Subject: Present Status. Information from A. E. Butler, Elfrida, Ariz.

References: Reports of April 14, 1960, Feb. 23, 1960 and previous reports.

Lessees & Operators: Paramount Mining Co.
Carlton Spalding, Mgr.
Box 101, Tombstone, Arizona. 9-9-61 - Box 526 - Tombstone
+ 5793 S. 19th St. - Tucson
(Note - change of management)

Principal Minerals: Copper ores, favorable for leaching.

Present Mining Activity: Leaching of copper ores - 3 men working (Carlton Spalding and 2 others).

Visited mine (not working) AXEL L. JOHNSON, Weekly Report 11-17-62

Was informed by Fisher Contracting Co. that they had done the engineering work, but are not scheduled to do any further work on the project.

WR - ALJ - 1-28-63

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine Mame Mine (part of Highland)

Date April 14, 1960

District Turquoise District, Cochise Co.

Engineer Axel L. Johnson

Subject: Present Status. Information from William (Bill) Ward, and personal visit.

References Reports of Feb. 23, 1960, Sept. 17, 1959, and previous reports.

Present Mining Activity Surface construction of partitions in precipitation vats, providing 5 precipitation vats instead of 3, with openings at the top of each partition, allowing leached copper solutions to flow from one partition to the others.

Leaching and precipitation of copper. Production now about 1 ton of cement copper per day. 7 men working.

Mr. Ward reports that 15 tons of cement copper was shipped to the International smelter at Miami, and that is the 10th shipment that has been made since last November.

Current Operations

(1) Construction work The two larger precipitation vats have been divided in half by means of an 8 in. concrete partitions in the center of each vat, and by construction of 3 in. diameter openings, spaced 5 ft. apart, about 2 in. from the top of each partition. This will allow the copper solutions to flow through all of the 5 partitions, before being discharged. Sizes of the 5 vats, after the partitions are finished will be about as follows: (1) 9' x 45' (2) 9' x 45' (3) 10' x 45' (4) 10' x 45' (5) 12' x 45'. They are about 3 1/2 to 4 ft. deep.

(2) Leaching and precipitation is carried on as described in my report of Feb. 23, 1960 under "Current Operations", subheadings (1), (2), (3), (4), (5) & (6).

Additional Mr. Ward states that they hope to be able to step up the production to 2 tons of cement copper per day in the near future.

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine Mame Mine (part of Highland)

Date Feb. 23, 1960

District Turquoise District, Cochise Co.

Engineer Axel L. Johnson

Subject: Field Engineers Report. Information from Irwin Icove on Feb. 23, 1960. (office call)
Personal visit to the mine on Feb. 11, 1960.

References Report of Sept. 17, 1959 and previous reports.

Location, Number of Claims, & Owners See report of June 11, 1959.

Lessees & Operators ' Paramount Mining Co., P. O. Box 4577, Tucson, Ariz.
4577) ' Irwin Icove, President, 3425 E. Second St., Tucson (P. O. Box
' Sam Makalla, Carlton Spalding, & Albert Spalding also financially
interested in the company.
' William (Bill) Ward, Box 603, Tombstone ---- Foreman in charge
of operations.
' Gary H. Dixon is reported by Mr. Icove as having withdrawn from
the company.

Principal Minerals ' Copper ores, favorable for leaching.

Present Mining Activity Leaching of copper ores --- 8 men working.

Current Operations The 4 precipitation vats, which were constructed out of redwood
lumber (see report of Sept. 17, 1959) leaked from faulty construction and had to be
replaced by concrete precipitation vats. The new concrete vats were completed about
Feb. 1st, 1960. An overflow tank was also constructed out of concrete. The "off
solution" discharge from the precipitation vats is run into this tank, from where it
is distributed by pumps and gravity as required.

The 1,000 lineal feet of flume (400 lin. ft. of 12" x 12" & 600
lin. ft. of 10" x 10"), built of redwood lumber and installed on the 100 ft. level to
carry the ore solutions to the sump at the shaft, proved to be of no value. Neither
were the 5 concrete dams and the sump also constructed on the 100 ft. level (see Sept.
17, 1959 report). The reason for this was that the ore solutions, after permeating
through the stopes, found their way to the 200 ft. level, finally discharging into the
shaft at that level, and thus by-passing the 100 ft. level entirely.

The operators have also had considerable trouble with the pumps,
due to the corrosive action of the acid water. This has been largely eliminated by
replacing the submersible pump in the shaft by a centrifugal pump of stainless steel
construction. Mr. Icove reports that, only for the past week, they have been in full
production.

Mr. Icove reports that the company has made 8 truck shipments
to the International smelter at Miami since last November, and that the cement copper
shipped has run from 70 to 81 %, averaging about 75 %.

The leaching operation is now carried out in the following
manner:

- (1) Water from the shaft is pumped into the old stopes on and
above the 100 ft. level, and allowed to permeate through the ore in the stopes.
- (2) Ore solutions are pumped from the shaft to the precipitation
vats on the surface at a rate of about 150 gal. per minute.
- (3) Solutions are precipitated in these vats with the use of
iron cans and scrap iron.
- (4) The "off solution" discharge from the precipitation vats

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA
FIELD ENGINEERS REPORTMine Mame Mine (part of Highland) - continued

Date Feb. 23, 1960

District

Engineer

Subject:

is run into the overflow tank for further distribution. This "off solution", as judged from the blue color of same, still contains some copper values.

(5) From the overflow tank, approximately one-half of the "off solution" is run down by gravity through a 3 inch plastic pipe, and into the old stopes on the 100 ft. level, for further leaching, while the remaining one-half of the "off solution" is pumped up into several surface areas for leaching of the copper ores found on and near the surface. These leached copper solutions all finally discharge into the shaft, from where they are again pumped up into the precipitation vats.

(6) The cement copper from the precipitation vats is scraped into the gathering sump, where it is dried prior to shipment to the smelter.

Additional Information

(1) Mr. Icové stated that he believes that shredded cans would be quite superior to the flat variety for ~~leaching~~ precipitation, as they provide a much greater surface area. He stated that he has tried to purchase shredded cans from the Shredded Steel Co., 1550 W. Grant Road, Tucson, R. J. Steiner, Mgr. (subsidiary of Los Angeles Pipe Products Co.). This company, however, told him that they would have to ship them from their Las Vegas, Nev. plant, and this would be too costly on account of the high freight charges from Las Vegas.

(2) Mr. Icové stated that the company is also interested in a property on the Arizona-New Mexico border, near the Carlisle Mine.

(3) Mr. Icové also reports that a new company is being formed by Mr. Icové and associates, which will be called "Arizona Resources, Inc." Paramount Mining Co. will then be a subsidiary of this new company. He stated that stock of "Arizona Resources Inc." will be offered to investors.

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA

FIELD ENGINEERS REPORT

Mine Name Mine (part of Highland) Date Sept. 17, 1959
District Turquoise District, Cochise Co. Engineer Axel L. Johnson
Subject: Field Engineers Report. Information from Gary H. Dixon and Bill Ward. Also personal visit.

References: Report of June 11, 1959 & previous reports.

Present Mining Activity: Surface installations of precipitation vats and a gathering sump for the cement copper. Building flumes, constructing dams and laying plastic hose on the 100 ft. level. Pumps are scheduled to be installed on Sept. 19th. Leaching is scheduled to start soon after the pumps are installed. 6 men working, one shift.

Surface Installations: (1) 4 precipitation vats have been constructed, each of these vats being 30 ft. long, 6 ft. wide and 4 ft. deep. These vats were built of redwood lumber and painted with tar to make them acid proof.

(2) A gathering sump for the cement copper has also been constructed out of concrete. This sump is 18 ft. x 23 ft. x $2\frac{1}{2}$ ft. in depth. A concrete platform above this sump has also been constructed for drying the cement copper before shipping to the smelter.

Underground Installations on the 100 ft. level:

(1) A sump has been built below the 100 ft. level near the shaft for collecting the ore solutions to be pumped into the leaching vats on the surface. This sump is 20 ft. long, 12 ft. wide, and 7 ft. deep.

(2) About 1500 ft. of 3" plastic hose, with an additional 200 ft. of 2" plastic hose for laterals, have been laid on the 100 ft. level. Water will be pumped from the shaft to the various stopes, at and above the 100 ft. level, through this hose.

(3) About 1,000 lineal feet of flume (400 lin. ft. of 12" x 12" and 600 lin. ft. of 10" x 10") has been constructed to carry the ore solutions from the stopes to the sump near the shaft. These flumes are built of native pine lumber and coated with acid proof paint.

(4) 5 concrete dams have been built for impounding the ore solutions at various locations on the 100 ft. level, prior to draining same into the flumes. 3 - 3" pipe outlets are provided at various elevations on each dam.

Pumps: 3 pumps will be installed, viz.

(1) One submersible pump will be installed 225 ft. below the shaft collar, or 80 ft. below the water level. This will pump water from the shaft through the plastic hose and into the various ore stopes on the 100 ft. level.

(2) One centrifugal pump will be installed near the shaft on the 100 ft. level. This will pump the ore solutions from the sump up through the shaft and into the leaching vats on the surface.

(3) One pump will be installed on the surface. This will pump water from the precipitate tank back into the leaching vats.

Pump (1) & (2) have a capacity of 200 gal. per min. at 125 ft. head. Pump (3) has a capacity of 30 gal. per min.

Leaching Operations:

- (1) Water from the shaft will be pumped into the old stopes on and above the 100 ft. level and allowed to permeate through the ore in the stopes, while being impounded and held back by the dams to give it time to dissolve the ore. Operators estimate the ore in the stopes will average 3% in copper. They also state that, on account of the large amount of pyrite in the ore, it will not be necessary to add any acid to the water to dissolve the ore.
- (2) Resulting solution will be drained off from the dams into the flumes, which carry the solution from the stopes to the sump.
- (3) Solution will be pumped from the sump on the 100 ft. level to the precipitation vats on the surface at a rate of 150 gal. per min.
- (4) Solution will be precipitated in the precipitation vats with iron cans and scrap iron. The precipitation time is estimated to be from 20 to 30 minutes. Operators expect to obtain from 1 to 2 grams of copper per liter of solution.
- (5) Cement copper from the precipitation vats will be drained into the gathering sump, while the iron sulphate "off solution" will be run by gravity to the large mine waste dump at a slightly lower elevation.
- (6) The cement copper will be scraped from the gathering sump to the top of the concrete platform above and next to same, where it will be allowed to dry to 10 to 15% moisture before shipment to the smelter.
- (7) Cement copper will be shipped to the International smelter at Miami for smelting.

Additional Information: Oct. 27, 1959 - Information from Irvin Icove by telephone. Mr. Icove reported that the 4 precipitation vats were not strong enough to hold the solution and the iron cans, and gave way under the pressure of the charge. They are now being dismantled, and will be replaced shortly with concrete vats of approximately the same size. In the meanwhile, the gathering sump is being used for precipitating the copper.

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA

FIELD ENGINEERS REPORT

Mine **Mame Mine** (part of Highland)Date **June 11, 1959**District **Turquoise District, Cochise Co.**Engineer **Axel L. Johnson**Subject: **Field Engineers Report. Information from William Ward and personal visit.**References **Reports of May 14, 1959 and April 15, 1959.**Location **Near Courtland, Ariz.**Number of Claims **One patented claim, the Mame.**Owners **Hope Mining and Milling Co., Phoenix, Ariz.
D. W. Hott, President. Dan Liefgreen, Secretary.**Lessees & Operators **Paramount Mining Co., P. O. Box 4577, Tucson, Ariz.
Irwin Icove, Gary H. Dixon, & Sam Makalla
William (Bill) Ward, Box 603, Tombstone, Ariz. ---- Foreman
Lee Hammons, Geologist.**Principal Minerals **Copper ores, favorable for leaching.**Present Mining Activity **Cleaning out the drift on the 100 ft. level. Pumping out water from the shaft and discharging same on the surface dumps. 3 men working.**Milling & Marketing Facilities **Operators plan on leaching the ore in place, both from surface dumps and underground stopes.**Old Mine Workings **The Mame shaft is reported by Mr. Ward to be 350 ft. deep, with a considerable amount of old workings and stopes on three levels, the 100, 200, and 300 ft. levels. Water in the shaft now extends to within 145 ft. of the collar.**Present Mining Operations **Bill Ward reports that retimbering of the shaft has now been completed down to the 100 ft. level. Pumps were installed in the shaft about 10 days ago. These were placed 185 ft. below the shaft collar, or 45 ft. below the present water level. Water is now being pumped at a rate of about 200 gal. per minute, and discharged on the surface on the old dumps, old shafts, and in the old surface workings. This water drains back into the mine again, and Mr. Ward reports that there has not been any lowering of the water level in the shaft during the present rate of pumping. Operators are now cleaning out the old main drift on the 100 ft. level, getting it ready for use in the underground leaching operations.****3 inch plastic hose, with a nylon cord is being used for water distribution. This hose is manufactured by the Swanson Company, 3747 Westward Blvd., Phoenix, Ariz. Mr. Ward reports that this hose weighs only 85 lb. per 100 ft. length, and costs 85 cents per foot.**Proposed Plans **(1) Lower pump ~~to the 185 ft. level~~ an additional 40 ft. down to the 225 ft. level soon. Install additional pumps later.
(2) Clean out and level about one acre at a time on the surface, and put sprays over this, adding a little acid to start the leaching operation.
(3) Apply water spray to the broken ore in one large stope and several smaller stopes on the 100 ft. level, with possible addition of a small amount of acid.**

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine Mame Mine (part of Highland)

Date June 11, 1959

District

Engineer

Subject:

(4) Install precipitation boxes on the surfade to precipitate the copper from solution by means of iron cans, filings or scrap.

(5) Collect the copper bearing solutions on the ¹⁰⁰~~200~~ ft. level, and from there pump them up to the surface and into the precipitation tanks.

Remarks Favorable factors for this kind of an operation appear to be:

(1) A large number of small dumps on the surface, which contain oxidized copper ore.

(2) A number of old shafts and drill holes, which extend from the surface to the 100 ft. level, permitting the water to drain down to the lower levels.

(3) A considerable amount of old surface workings, extending from the surface to the 100 ft. level, the high grade ore having been removed, leaving lower grade oxidized copper ore in the footwall and hanging wall.

(4) A large amount of pyrite in the ore, which will assist the leaching, and cut down on the acid consumption.

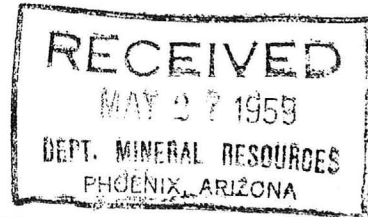
(5) A small amount of lime in the ore. A few places with high lime content will be by passed.

(6) A very large stope of broken ore on the 100 ft. level, with several smaller stopes of broken ore. These were evidently considered waste at the time the mine was high graded, but actually contain a considerable amount of oxidized copper ore, amenable to leaching.

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA

FIELD ENGINEERS REPORT



Mine [✓] Mame Mine (part of the Highland)
(correction of report on Highland of 4/15/59)
District Turquoise District, Cochise Co.
Date May 14, 1959
Engineer Axel L. Johnson

Subject: Field Engineers Report. Information from Irwin Icove. No visit

This is a corrected report of the Highland Mine under date of April 15, 1959.

Location Near Courtland, Ariz.

Number of Claims 1 patented claim, the Mame.

Owners [✓] Hope Mining and Milling Co., Phoenix, Ariz.
[✓] D. W. Hott, President, presumably of Phoenix, Ariz.
[✓] Dan Liefgreen, Secretary, Phoenix, Ariz.

Lessees [✓] Paramount Mining Co., P. O. Box 4577, Tucson, Ariz.
[✓] Irwin Icove
[✓] Gary H. Dixon
[✓] Sam Makalla

[✓] Lee Hammons is reported to be the geologist.
[✓] William Ward, Box 603, Tombstone, is the foreman for the shaft timbering operation.

Principal Minerals [✓] Copper ore.

Present Mining Activity See report on the Highland Mine (Mame Shaft) under date of 4/15/59

Milling & Marketing Facilities Do.

Old Mine Workings Do.

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA

FIELD ENGINEERS REPORT

Mine Highland Mine (Mame Shaft) Date April 15, 1959
District Turquoise District, Cochise Co. Engineer Axel L. Johnson
Subject Field Engineer's Report. Information from William Ward. No visit.

Location: At Courtland, Arizona

Number of Claims: 1 patented claim (Mame)

Owners: Hope Mining and Milling Co., Phoenix, Arizona
L. C. Mead, Pres., 1606 E. Camelback Rd., Phoenix, Arizona
Margaret Fournier, Secretary, 1619 Palmcroft Drive SW, Phoenix, Arizona

Lessees: Paramount Mining Co.
1320 East Speedway, Tucson, Arizona

Irvin Icove
Garry H. Jerry Dixon
Sam Mickall *Mackalla*

William Ward, Box 603, Tombstone, is the foreman for the shaft retimbering operations.

Principal Minerals: Copper ore

Present Mining Activity: Retimbering the old Mame shaft. This work was started a little over a month ago, and the shaft has now been retimbered to a depth of 33 ft. below the collar. One more new shaft set will be put in which will complete the shaft repair work. After this the shaft pumps will be installed. 3 men working.

Milling & Marketing Facilities: Operators plan on leaching the ore in place, both from the surface and underground.

Old Mine Workings: The Mame shaft is reported by Mr. Ward to be 350 ft. deep, with a considerable amount of old workings on three levels, the 100, 200 and 300 ft. levels. The water in the shaft extends to within 155 ft. of the shaft collar.

From the desk of

FRANK P. KNIGHT

5-14-59

Mr. Irwin Icove in the office to see the file on Mame property (under Highland Mine) remarked that Sunshine Mining estimated approximately 1.4 million tons of ore running 1.1% copper.

Mr. Icove is with Paramount Mining Co., P. O. Box 4577, Tucson - says Lee Hammons is their geologist.

Mr. Irwin Icove stated that the Home Mining & Milling officers are now:

President	D. W. Hott (presumably of Phoenix)
Secretary	Dan Liefgreen - also of Phoenix and he thought that Mrs. Fournier would be President next year.

The Paramount Mining Company address is P. O. Box 4577, Tucson and consists of:

Irwin Icove - Gary H. Dixon and Sam Makalla.

(would like the file under MAME - it is only one claim and the Highland has many other claims which will undoubtedly be confused with their Mame property if carried as it is now.

SHATTUCK DENN MINING CORPORATION

and

SUBSIDIARIES

Name file

Humboldt Office

Date..... September 15, 1966

TO: C. R. Sundeen

SUBJECT: HOPE MINES LIMITED
Courtland Area, Arizona

FROM: J. Olaf Sund

TYPE: Copper by leaching in place.

PROPERTY & LOCATION:

The property consists of a total of 32 claims, 31 of which are patented. They are located in the Turquoise mining district immediately adjacent to the old townsite of Courtland. As would be expected, they actually straddle Turquoise Mountain. Courtland is some 14 miles west of State Highway 666, at a point some 26 miles north of Douglas in Cochise County. Specifically they are situated in Sections 16, 17, 20 and 21 of Township 19 South and Range 25 East.

PROPERTY STATUS:

The property consists of a grouping of assorted claims on which separate mining operations were conducted from 1900 through to at least the 1920's.

A Mr. Sam Makalla assembled the ground and leased it all to Hope Mines some time ago for a maximum \$500,000.00 to be paid from a $2\frac{1}{2}$ percent royalty of the NSR's. In the late 1950's various exploration efforts were attempted on leases from Hope Mines. Efforts to leach the copper in place have apparently been continuous since 1961.

In early 1966 Hope Mines made a lease-purchase agreement with Calix Mines and Cascade Molybdenum Corporation, both companies with Canadian charters and with offices in Vancouver, B.C. This latter option involves an ultimate \$600,000 to be paid from a $7\frac{1}{2}$ percent royalty of the NSR's.

Therefore, there is apparently a total lease-purchase agreement of ~~\$110,000.00~~ ^{\$1,100,000.00} outstanding on the property to be paid from a total 10 percent royalty of the NSR's.

TERMS REQUESTED:

Cascade and Calix presently are leasing the property on a 60-40 basis. They claim a current production of 1500 pounds of copper cement per day. The above partners wish to increase production to 45,000 pounds of copper cement per day, but require financial assistance. The anticipated cost to do this is suggested to be \$200,000.00. Shattuck Denn is invited to form a partnership with a $1/3$ split between Cascade, Calix and themselves and a similar distribution of the costs.

REFERENCES:

The property is represented by a Mr. Frank Fisk from Dallas, Texas; phone area 214 and 824-3926. The local Arizona office is at the Grande Vista Motel, Room 10 in Coolidge.

"Geology and Ore Deposits of the Courtland-Gleeson Region, Arizona"; University of Arizona, Bulletin No. 123, 1927.

"The Turquoise Copper Mining District, Arizona"; U.S.G.S. Bulletin 530, by F.L. Ransome, 1911.

"General Geology of Central Cochise County, Arizona" U.S.G.S. Prof. Paper 281, by J. Gilluly, 1956.

GEOLOGY OF MINERAL AREAS:

The general area of the Turquoise Mining District is underlain by a Cambrian limestone, called the Abrigo formation, which hosts the copper deposits. This is an irregular belt approximately $1\frac{1}{4}$ miles long and up to $1/8$ mile wide. This unit strikes approximately north 10 degrees west and dips some 70 degrees eastwards.

The Abrigo limestone is bounded on the west by the underlying Bolsa quartzite and on the east by a Mississippian limestone with a fault contact. Quartz-monzonite porphyry masses and dikes have intruded both east and west contact zones and to a lesser extent throughout the Abrigo unit itself. Considerable metamorphism is associated with these intrusives.

Faulting and fracturing is considerable throughout the area including some significant thrusts.

The ore bodies are replacement types mainly in the Abrigo limestone. They are generally lenticular in shape and are elongated parallel to the stratification. Only occasionally are they associated with faults and fractures.

The ore mined was of a low grade type made up mainly of pyrite and chalcopyrite as disseminations, stringers and the lenticular masses. Other associated copper minerals were of only slight importance. Similarly, they were only slightly enriched with secondary copper except at one mine only. It too is a limestone replacement but is devoid of any sulphides and in fact is characterized by earthy limonite, clay and secondary copper. It occurs directly along and within a major thrust fault.

CURRENT PRODUCTION:

The present operators have been producing copper by an in-place leaching process. In this case it has involved pumping sulphuric acid into the ground above the old mine workings and thereafter pumping the copper-rich liquor out from two separate mine shafts and thence to precipitation tanks. The acid is pumped in through 90 separate drill holes down to the water table at 70 to 80 feet. These acid holes are spaced on 15 foot centers and are positioned over the old mine work areas.

The sulphuric acid concentration is apparently 1 to 2 grams per litre. It is pumped in at the rate of $2\frac{1}{2}$ gallons per minute per hole. This involves a total of 200 gallons per minute for 24 hours per day.

The pumps in the old shaft are presently at 160 feet. Therefore, the acid percolates through some 70 to 90 feet of old mine pillars and low grade parts. The copper-rich liquor is collected in a 7-cell precipitation tank with scrap iron. The operators claim to be able to collect some 1500 pounds of copper cement per day that averages 70 to 80 percent copper.

ANTICIPATED PRODUCTION:

Fisk claims that the production can conceivably be increased to 45,000 pounds of copper cement per day. To do this will require a three stage effort.

1. Increase the in-place leach capacity several-fold by utilizing several hundred acid holes over all of the ground they now control. This includes the old Great Western Mines, part of which they are now leaching, as well as the old Leadville properties. At each of a half dozen shafts larger pumps would be installed in order to lower the water table to 300 feet and thus increase the potential leach zone to an excess of 200 feet.
2. Leach the old mine dumps. Fisk proposes to move a suggested one million tons onto a central leach pile on a natural slope that will be prepared for leaching.
3. Increase the capacity of the precipitation tanks, presumably by a factor of 30.

The total anticipated cost suggested by Fisk to complete the above and begin making copper is some \$200,000.00.

SUMMARIZING CONCLUSIONS:

A. Current Costs

The present operators could not produce any reliable flow sheet from the present operations, nor could they, or would they, show any regular accounting background. Without any of these facts there is no way to determine if the figures quoted by Fisk are in fact reliable. Furthermore, the copper-cement is supposedly shipped to eastern United States for sale. Therefore, we cannot know if the present operation is in fact making any money.

However, accepting the figures as they were quoted, the following is indicated:

Income: 1500 pounds of 70% copper--\$378.00 per day

Costs: 2 grams of acid per litre used at rate of 200 gallons per minute--
4798.08 pounds H_2SO_4 per day.

Acid cost is approximately \$72.00 per day plus 10% royalty payments, taxes and operating expenses etc. may cost upwards of approx. \$200.00 per day. Therefore, a small profit may

Profit: actually be realized and it may be in the order of just under \$100.00 per day.

B. Geological

The proposed leach piles from the old mine dumps is of course a reasonable idea. In this case, however, no bulk tests have yet been made to determine if the dump rock is amenable to leach operations in terms of porosity, relative pyrite content and actual composition of the rock.

Similarly, it is not established if the old mine areas will stand up to a vastly increased production by acid leaching. That is to say, has adequate consideration been given to rock porosity, pyrite content, structural conditions with regards to faults, and the actual rock composition etc.

Regarding rock composition, it is important to realize that these sulphide deposits are almost entirely enclosed in limestone sedimentary beds. Therefore, the mine dumps too will be mainly limestone. There is a strong possibility

that much of the acid used will be neutralized by the carbonate, unless, of course, the extensive pyritiferous deposits will continue to generate enough acid to overcome this neutralization.

CONCLUSIONS:

A detailed flow sheet or cost tabulation is required to determine if any significant copper is actually being recovered. A feasibility study and actual experiments on the property would then be required to establish if such an operation as proposed could be a profitable venture.

Without the above data, one can only have doubts regarding the \$200,000.00 expansion proposal. Unless more solid information is forthcoming, this writer can only recommend that Shattuck Denn decline the property.

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

1. Information from: J. Kenneth Jones
Address: 216 North 4th Avenue Tucson
2. Mine: MAME 3. No. of Claims - Patented 26
Unpatented _____
4. Location: Courtland
5. Sec. 20-21 Tp 19S Range 25E 6. Mining District Turquoise
7. Owner: _____
8. Address: _____
9. Operating Co.: Minerals Exploration Co. (Union Oil Mineral Division)
10. Address: Same as above
11. President: _____ 12. Gen. Mgr.: _____
13. Principal Metals: _____ 14. No. Employed: _____
15. Mill, Type & Capacity: Leaching plant
16. Present Operations: (a) Down ☐ (b) Assessment work ☐ (c) Exploration ☒
(d) Production ☒ (e) Rate _____ tpd.
17. New Work Planned: Minerals Explozation has optioned the plant as of the
7-1-67. They plan to do some exploration, and see if they can make a
suceessful plant operation
18. Misc. Notes: Wm. Goth will be the geologist in charge. Two plant employees
from the previous operations have been retained.

Date: 7-13-67

(Signature)

Will. Jones

(Field Engineer)

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

1. Information from: W. A. Shand, 3-14-67 & Arnold Hart 5-11-67
Address: RFD Elfrida
2. Mine: 'Mame 3. No. of Claims - Patented 26 (One group)
Unpatented _____
4. Location: Courtland see Pearce Quadrangle
5. Sec 20-21 Tp 19S Range 25E 6. Mining District Turquoise
'Hope Mines a division of Calix.
7. Owner: Tombstone Mines Inc. a division of ~~Calix~~ Mines Inc. of Vancouver BC
8. Address: Star Route Elfrida
9. Operating Co.: Tombstone Mines Inc.
10. Address: Same
11. President: Probably Frank Fiske who lives at the Town house in Tucson.
12. Gen. Mgr.: _____
13. Principal Metals: Copper 14. No. Employed: 3
15. Mill, Type & Capacity: from 6000 to 15000 pounds of Cu precip a week
16. Present Operations: (a) Down ☐ (b) Assessment work ☐ (c) Exploration ☐
(d) Production ☒ (e) Rate Down tpd.
17. New Work Planned: _____

18. Misc. Notes: Having a hard time obtaining Sulfuric Acid. Last 20 tons from
Phoenix cost \$40 a ton, would use 60 ton a month.

Engineer visited the mine 3-14-67 and 5/11/67

Date: 5/12/67

(Signature)

G. W. Linn
(Field Engineer)

ZONA DEPARTMENT OF MINE & RESOURCES

Mineral Building, Fairgrounds

Phoenix, Arizona

1. Information from: Ken Jones
 - Address: Min Expl Tucson
 2. Mine: Mame 3. No. of Claims - Patented _____
Unpatented _____
 4. Location: Courtland
 5. Sec 20-21 Tp 19S Range 28E 6. Mining District Turquoise
 7. Owner: Min Exploration Co
 8. Address: 216 N Fourth Tucson P5705
 9. Operating Co.: Same
 10. Address: _____
 11. President: _____ 12. Gen. Mgr.: _____
 13. Principal Metals: Copper 14. No. Employed: _____
 15. Mill, Type & Capacity: _____
 16. Present Operations: (a) Down ☒ (b) Assessment work ☐ (c) Exploration ☐
(d) Production ☐ (e) Rate _____ tpd.
 17. New Work Planned: Exploration Drilling Continuing
 18. Misc. Notes: Leaching plant shut down -
no decision as to restart or quit
- Mine Visit to Mame mine - Mr. Dave Bolin, geologist at the mine.
Leaching plant closed. Drilling proceeding. (GWI WR 1/7/68)

Date: 1-9-68

G.W. Irvin
(Signature) (Field Engineer)

ARIZONA DEPARTMENT OF MINES & MINERAL RESOURCES

Mineral Building, Fairgrounds

Phoenix, Arizona

1. Information from: Harry Lehman
- Address: Courtland Az
2. Mine: Mame 3. No. of Claims - Patented 31
Unpatented 1 plus 0
4. Location: Courtland
5. Sec 20-21 Tp 19S Range 25E 6. Mining District Turquoise
7. Owner: _____
8. Address: _____
9. Operating Co.: Aztec Mining Co
10. Address: 4301 S Country Club - Tucson Az
11. President: Tom Garrity 12. Gen. Mgr.: _____
Sec. Treas.
13. Principal Metals: Harry Lehman 14. No. Employed: 4
15. Mill, Type & Capacity: _____
16. Present Operations: (a) Down ☐ (b) Assessment work ☐ (c) Exploration ☒
(d) Production ☒ (e) Rate 2 ? tpd.
17. New Work Planned: Plan to de-water & explore
Leadville shaft. Put up 30' headframe
18. Misl. Notes: Operating leaching plant.
(This company originated in 63 reinstated in March 1969
1966 Last Report.) Replaces Arivaca Mining Co

Date: 10-8-69

John L. Smith
(Signature)

(Field Engineer)

ARIZONA DEPARTMENT OF MINERAL RESOURCES

Mineral Building, Fairgrounds
Phoenix, Arizona

RECEIVED

JUN - 2 1970

DEPT. MINERAL RESOURCES
PHOENIX, ARIZONA

1. Information from: Harry Lehman
Address: ?
2. Mine: MAME 3. No. of Claims - Patented 31
Unpatented A few
4. Location: Just south of Courtland
5. Sec 20-21 Tp 19S Range 24E 6. Mining District Turquoise
7. Owner: ~~#####~~
8. Address: _____
9. Operating Co.: Aztec Mining Co.
10. Address: 6202 South Broadway Littleton Colorado
11. President: Thomas J. Garrity 12. Gen. Mgr.: Harry Lehman
13. Principal Metals: Copper 14. No. Employed: 6
15. Mill, Type & Capacity: Leach plant
16. Present Operations: (a) Down ☐ (b) Assessment work ☐ (c) Exploration ☐
(d) Production ☐ Getting ready for prod ☐ Rate _____ tpd.
17. New Work Planned: _____

18. Misc. Notes: 30' headframe at the Leadville Shaft working in shaft
timbering and repairing. Hope to obtain leach solutions from this shaft.
Note*(Geologist is Larry Lourdoff)

Date: 9-17-69

GWJ
(Signature)

(Field Engineer)

240 M.M.L 1969

R E F E R E N C E S

MAME MINE - sec 20-21 T19S R24E

COCHISE COUNTY

Sam Makalla, Interstate Accounting and Office Service, Star Route, Elfrida, Arizona (1966)

MINING WORLD July, 1963 p. 40
METAL MINING & PROCESSING, Feb. 1964 p. 15
METAL MINING & PROCESSING, June 1964 p. 23
METAL MINING & PROCESSING March 1965 p. 33
E&MJ Vol. 168, April 1967 p. 146 (Calix)

USGS Bull. 530 p. 131
USGS Bull. 580-D p. 46

name Mine (part of Highland)

AMENDED OFFERING CIRCULAR

SUMMER HOURS
4301 South Country Club Road
Tucson, Arizona 85714
6202 South Broadway
Littleton, Colorado 80120
60,000 SHARES OF COMMON STOCK
OFFERING PRICE \$5.00 PER SHARE

(An Arizona Corporation)

4301 South Country Club Road
Tucson, Arizona 85714

6202 South Broadway
Littleton, Colorado 80120

60,000 SHARES OF COMMON STOCK
OFFERING PRICE \$5.00 PER SHARE

Prior to this offering there has been no public market for the Common Stock of the Company. The public offering price has been determined by negotiation between the Company and the Underwriter.

**THESE SECURITIES ARE OFFERED AS A SPECULATION
AND INVOLVE A HIGH DEGREE OF RISK**

(See the Introduction and Speculative Features of the Offering)

THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. THE COMMISSION DOES NOT PASS UPON THE MERITS OF ANY SECURITIES NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR OTHER SELLING LITERATURE.

	Public Offering Price	Underwriting Discounts and Commissions (1)	Proceeds to Company (2)
Per Share	\$5.00	\$0.50	\$4.50
Total	\$300,000	\$30,000	\$270,000

(1) In connection with this offering, the Company has issued to Doherty & Co., the Underwriter of this offering, non-transferable Warrants to purchase an aggregate of 6,000 shares of the Company's Common Stock at a price of \$5.50 per share. These Warrants are non-exercisable, non-transferable, and non-assignable for a period of thirteen (13) months from the Effective Date of the Company's Offering Circular. Doherty & Co. may exercise these warrants for a two (2) year period commencing thirteen (13) months after the Effective Date of the Company's Offering Circular. Any proceeds realized from the sale of the underlying Common Stock acquired by exercise of the Warrants may be deemed to constitute additional underwriting compensation to Doherty & Co. The Company has agreed to register the shares of Common Stock covered by the Warrants at any time the Company registers its securities upon payment by Doherty & Co. of its pro rata portion of the expenses or at any other time if Doherty & Co. pays all expenses. The Company has agreed to pay Doherty & Co. \$6,000.00 as reimbursement of expenses. The agreement between the Company and the Underwriter is a firm commitment to purchase all shares included in the offering, which means that if any of the shares are purchased by the Underwriter all the shares must be purchased.

(2) The above represents the proceeds to the issuer but are stated before payment of \$6,000 which will be given to the Underwriter to cover expenses upon the complete sale of the 60,000 shares. The underwriter's expenses are not based upon a per share basis, as the Underwriter must sell all the shares to receive both commission and expenses. The above proceeds to issuer is also stated before payment of legal, accounting, and printing expenses which the Company estimates at \$10,000.00.

(3) In addition, the Underwriting Agreement provides that the Underwriter has the first right of refusal for a period of five (5) years from date of the Underwriting Agreement for any additional proposed financing.

The shares of Common Stock covered hereby are offered when, as and if delivered to and accepted by the Underwriter named herein, subject to prior sale and subject to approval of certain legal matters by counsel for the Company and counsel for the Underwriter, and subject to certain other conditions.

Underwriter
DOHERTY & CO.
209 Gold Street S.W.
Albuquerque, New Mexico 87102

Transfer Agent:
The Company will act as its own Transfer Agent.

The date of this Offering Circular is April 8, 1970.

AZTEC MINING CORPORATION
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD FEBRUARY 1, 1967 THROUGH NOVEMBER 30, 1969

	Fiscal Year ending January 31, 1968	Fiscal Year ending January 31, 1969	February 1, 1969 through November 30, 1969
DISBURSEMENTS:			
Loan to Nuclear Fuels	\$	\$ 4,017.52	\$
Purchases of Equipment	6,962.54	19,567.95	32,111.78
Contract Payments	9,922.99	15,365.06	6,117.26
Royalties Paid	3,440.48		
Leases and Lease Options	230.00	35,000.00	30,628.00
Notes Repaid	1,950.00	35,400.00	27,500.00
Purchases of Securities		139,219.23	6,183.08
Deposits with Others		100.00	1,652.00
Officers Loans		148.95	53,092.60
Employees Expense Advances		1,468.23	175.90
Accounts Paid by Law Office		13,546.98	
Airplane Expenses			2,276.62
Accounting and Auditing		500.00	1,657.32
Advertising Costs	49.78		
Auto Expense and Repairs	2,541.47	2,017.60	4,737.35
Gas and Oil	1,633.47	5,189.15	3,690.51
Freight and Trucking	2,451.34	511.53	502.28
Dues and Subscriptions	40.00	187.80	212.86
Industrial Insurance	3,340.69	432.12	2,344.52
General Insurance	43.10	74.20	393.40
Interest Expense	3,097.23	17,602.93	9,271.65
Assaying and Geologist Fees	205.75	711.69	6,041.10
Legal Fees	170.00	1,025.00	1,416.09
Office Expense	737.10	1,097.17	3,527.84
Contracts and Contract Labor	4,250.25	640.42	1,525.26
Rent Expense	1,500.00	2,085.00	3,426.66
Equipment Rental	60.54	813.65	587.14
Equipment Expense and Repair	21,605.25	2,498.75	1,696.90
Officers Salaries	36,000.00	36,000.00	27,000.00
Salaries and Wages	62,862.66	18,506.89	46,928.92
Mining Supplies	4,325.17	1,869.76	14,105.75
Telephone and Telegraph	6,054.46	3,373.73	4,992.71
Utilities Paid	649.57	1,683.10	2,792.84
Unclassified Expenses	1,316.58	587.98	175.74
Bank Charges	417.22	614.96	86.51
Travel and Entertainment	5,512.61	14,842.91	14,001.02
Exploration and Engineering	208.00	2,899.92	
Commissions Paid		1,150.00	
Licenses and Fees		23.09	908.08
Payroll Taxes		6,142.66	1,302.40
Other Taxes		1,218.37	3.87
Purchase of Colorado Office			6,000.00
Contributions			5.00
	<u>181,578.25</u>	<u>388,134.30</u>	<u>319,070.96</u>
Excess Receipts over Disbursements	(13,270.08)	83,691.86	(37,648.85)
Cash Balance at Beginning of Period	12,306.23	(963.85)	82,728.01
Cash Balance at Close of Period	<u>\$ (963.85)</u>	<u>\$ 82,728.01</u>	<u>\$ 45,079.16</u>

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NO DEALER, SALESMAN OR OTHER PERSON IS AUTHORIZED BY THE COMPANY OR BY THE UNDERWRITER TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS OFFERING CIRCULAR IN CONNECTION WITH THE OFFER MADE HEREBY, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR BY THE UNDERWRITER.

INTRODUCTION AND SPECULATIVE FEATURES OF THE OFFERING

AZTEC MINING CORPORATION, hereinafter called the "Company," was incorporated under the Laws of the State of Arizona on October 4, 1968. The original name of the Company was ARI-VACA MINING CORPORATION, but at a Special Meeting on February 26, 1969, the Stockholders unanimously voted to change the name of the Company to Aztec Mining Corporation and an amendment to the Articles of Incorporation reflecting the change of name was filed with the Arizona Corporation Commission on April 24, 1969, as provided by law. The Company is engaged in minerals exploration and conducts a small copper leaching operation, making a copper precipitate product, at its Courtland property in Cochise County, Arizona.

1. The Company's other properties are located in Arizona, Nevada and Texas. The Company has no known commercially mineable ore bodies and it is not known if its unexplored properties will be productive in the event they are drilled and tested. The Company's program is not based on the recommendations of a qualified mining engineer after a comprehensive examination of its properties. Moreover, the Company has no foreseeable need for the bulk of the proceeds of this offering. (See Proposed Expenditures).

2. From its inception in 1963 until October, 1966, the Company conducted exploration in several lead-zinc-silver underground mines in southern Arizona, having constructed a small flotation mill for the concentrating of some of its production from these mines. While there was some revenue from this production, these operations were not profitable, and the properties are now idle. One of these, the "Idiho" property, near Ruby, Arizona has involved the expenditure of approximately \$103,000.00, as a result of which the Company found no commercially mineable ore bodies. Although the Company does not regard the property as a material asset at this time, it has not been abandoned. (See Properties and Objectives).

3. In July, 1966, the Company commenced exploration on a copper prospect near Dos Cabezas, Arizona. A total of about \$258,000.00 has been spent to date on the property without finding a commercially mineable ore body. Although the Company does not regard the property as a material asset at this time, it has not been abandoned. (See Properties and Objectives).

4. Upon its incorporation in 1963, the Company issued 32,000 shares of stock to a private company now otherwise defunct for assets and equipment valued by the Company's Board of Directors at \$48,000.00 and 3,000 shares to Harry G. Lehman for assets and equipment valued at \$9,000.00. Thomas J. Garrity was elected President of the Company and Mr. Lehman Vice President and Secretary. Mr. Garrity had also been President of the previous now defunct, private company. Thereafter, and at various times during the years 1964-1968, the Company sold common stock to persons closely associated with Mr. Garrity and Geoffrey Gates. The stockholders, with the exception of Messrs. Garrity and Gates, paid between \$1.00 and \$10.00 per share of stock, for a total consideration of \$257,675.00 for 123,035 shares. Mr. Garrity purchased 217,000 shares for \$110,350.00 for an average price of \$0.51 per share. Mr. Gates purchased 120,000 shares for \$142,500.00 for an average price of \$1.19 per share.

5. The Company is authorized to issue 5,000,000 shares of common stock with a par value of \$0.10 each. At various Directors' meetings, issuance of Options to Purchase an additional 25,000 shares of stock to present or future officers, directors, and employees of the Company under the terms of a qualified employee stock option plan have been authorized. As yet none of these shares have been issued. (See Stock Option Plan). Two thousand five hundred (2,500) shares are reserved under an additional option. (See Certain Transactions).

6. The Company also has outstanding \$200,000.00 of 7% Convertible Debentures, due May 1, 1974. They are convertible until that date into common shares at \$2.50 per share, and 80,000 shares are reserved for the possible exercise of these conversion rights. The Company does not presently have the wherewithal to meet these obligations and does not know that it will have when they come

in 1974. In the event the Company could not meet these obligations in 1974, and in the absence of their conversion into shares, the holders of such debentures would be able to make the company insolvent and, in that event, any shares purchased in this Offering might lose all value.

7. There is presently no market for the securities being offered and there can be no assurance that there can be a market in the future.

8. There is no assurance that the Company will find other mineral deposits even if all the securities offered hereby are sold and the proposed drilling and exploration is carried out. (See Proposed Expenditures). Even if mineral deposits are found, there is no assurance that what is found will be in commercial quantities or that the cost of mining will be economically feasible.

9. The Company has elected to make a public offering although it has assets in marketable securities and cash that would enable it to pay its anticipated expenses. (See Proposed Expenditures).

10. The Offering Price of \$5.00 per share is an arbitrary figure and far beyond the price paid for their shares by the Insiders. (See Introduction and Dilution.)

11. It should be noted that the majority of the financial risk of the Company's proposed business will be taken by the investing public which group will not be in a position to control the management of the Company inasmuch as present officers and directors will hold approximately 67.69% of the Issuer's stock upon successful completion of the offering.

12. The Company has no anticipated need for approximately one-third of the net proceeds (\$1,500.00).

DILUTION

It should be noted under this caption (Dilution) that the officers, directors and present shareholders of the Company have 460,035 shares of the Company's common stock which has a par value of \$0.10 and a pro forma book value of \$0.71 per share.

Following this offering, and solely as a result thereof, if all the shares offered are sold, there will be 520,035 shares of common stock outstanding, having a pro forma book value of \$1.11 per share. Thus, the officers, directors, and present stockholders will receive a benefit of approximately \$0.40 per share without cost to them. The public investors will suffer an immediate dilution of \$0.99 per share from the public offering price of \$5.00 per share, which they will have paid for their stock.

PROPERTIES AND OBJECTIVES

The Company's properties on which the proceeds of this Offering are to be spent are located in Cochise County, Arizona; Esmeralda County, Nevada; and Presidio and Brewster Counties, Texas. These properties are as follows:

1. Courtland, Cochise County, Arizona
2. Sixteen-to-One, Esmeralda County, Nevada
3. State of Texas Mineral Prospect Permits: Solitario and Gettysburg, Presidio and Brewster Counties, Texas

Additionally, the Company has other properties, not considered material assets.

Courtland Property

The Company has acquired a lease and option to purchase the Courtland copper property from Hope Mining Company of Phoenix, Arizona. The property consists of 30 patented and one unpatented lode mining claims in Sections 17, 20, and 29, T. 19 S., R. 25 E., Cochise County, Arizona.

The property is located about ten miles northwest of Elfrida, Arizona, and access is by U. S. Highway 666 five miles north from Elfrida, then eight miles west on a county graded and maintained dirt road past the abandoned town of Courtland to the property entrance. The existing mine shafts and leaching operation are located within one-quarter mile of the county road and can be serviced by multi-axle trucks with a load capacity in excess of 18 tons.

The Courtland mine was worked in the early 1900's. Prior underground production records are incomplete and cannot be verified by the Company; and there is no information as to the amount of ore removed from the mine or as to the commercial success, if any, of such operations. Physical evidence of several old mine dumps and several mine shafts, with attendant underground workings, can be attributed to these early underground mining efforts.

During the early 1960's, previous lessees of all or part of the property from Hope Mining Company built concrete leach tanks and conducted intermittent operations, leaching the dumps and underground workings "in place" with sulfuric acid and producing copper precipitates. Although there is evidence that some copper precipitates were produced, the Company cannot verify their quantity, and there is no information as to the commercial success, if any, of such operations. However, the usual cause of the termination of such operations is lack of profit.

Between 1957 and 1968, and at times both concurrent with and different from these intermittent leaching operations, part or all of the property was the subject of at least three separate exploration options to three major mining companies. Each of these companies conducted preliminary examinations. Also, substantial exploration drilling was done, but none of these companies elected to exercise its option. The Company has examined this prior drilling data and feels sufficiently encouraged to plan further exploration into possible copper mineralization.

The Company proposes to drill a series of exploration holes with the Company's present equipment. It intends to locate these holes in areas where mineralization was indicated to be present in the data developed in the past by other companies. This data has not been verified and is not known to be reliable. Accordingly, the management of the Company has no information on the basis of which it can determine whether the drilling locations chosen are suitable or whether there is any likelihood that mineralization will be found.

The proposed drilling is expected to approximate 10,000 feet, on 100 foot centers to an average depth of 400 feet. It is estimated that the cost of this drilling will be \$25,000. (See Proposed Expenditures). The results of the Company's proposed drilling will determine what further work, if any, might be considered by the Company. Even if mineralization is discovered in the course of this drilling, it may or may not be in commercial tonnages and of ore grade, and it may or may not be amenable to treatment in the kind of leaching plant, or by the kind of leaching process, presently being used by the Company in its leaching plant.

The main electric feeder line of the Sulphur Springs Valley Electric Co. crosses the county road abutting the property about one mile east of the Company's turnoff and the existing leaching operations are powered by a 3-phase service line with a rated capacity of 10,000 volts. Underground waters available in the existing mine shafts are pumped for the Company's present leaching operations at a rate of 350 gallons per minute. Available electric power and water are in excess of present requirements and would be sufficient to supply any proposed operations.

If sufficient tonnages of mineralized material are found containing encouraging copper content, the Company will have tests made on the material to obtain information as to whether the material lends itself to commercial leaching operations for the recovery of copper.

Incidental to this proposed exploration program, the Company has been operating a small copper leaching operation from the dumps and underground workings on a breakeven basis for the past six months. While substantial tonnages of dump material are available for leaching, there is no means of knowing the copper content or the amount of such contents available to be recovered through leaching operations.

The present leaching operation on the existing dumps is considered by the Company to be temporary. It may be discontinued at any time and is not considered to be of substantial importance to the Company.

The material terms of the Company's lease and option to purchase the Courtland property are as follows:

1. The lease is for five years ending February 28, 1974.
2. The Company is obligated to pay a royalty of 5% on the "net returns" from the sales of any products from the property, which is defined as the actual net sum realized by the Company after deducting actual costs necessarily incurred in transportation and as customarily charged by the purchaser according to the type of sale elected by the Company.
3. The Company is obligated to pay a minimum royalty of \$4,500.00 per leasehold quarter in order to maintain its lease. Percentage royalties are credited to minimum royalty payments.
4. The Company has the right to terminate the lease at any time by written notice given at least 60 days prior to the termination date.
5. Hope Mining Company may cancel the lease at any time after February 28, 1971, by written notice, but such cancellation shall be effective only at the end of four full calendar quarters after notice thereof.
6. The Company has the option, during the leasehold period, to purchase the property for \$600,000.00.

Sixteen-to-One Mine

The Company received the assignment, from B. David Pietrelli, acting as its agent, on February 18, 1970, of a contract to purchase all of the interests in an Agreement dated May 3, 1963, requiring Mid-Continent Mining Corp. to pay 6-2/3% of the net profits, if any, from the operation of the Sixteen-to-One mine near Silver Peak in Esmeralda County, Nevada. The remaining net profits interests in the mine are now held one-third by Mid-Continent Mining Corp. and two-thirds by Sunshine Mining Company. (See "Certain Transactions").

Under the terms of the agreement, the remaining payments which the Company is required to pay total \$28,000.00, consisting of a \$5,000.00 payment on or before August 15, 1970; \$5,000.00 on or before each consecutive January 1st and July 1st thereafter; and a final payment of \$3,000.00 on or before January 1, 1972.

The Sixteen-to-One mine is located about ten miles west of Silver Peak, Nevada. Access is by State Highway 47 to Silver Peak, then west on a county graded and maintained all-weather dirt road to the property entrance. The existing mine shaft is about 1.6 miles from the county road and can be serviced by multi-axle trucks with a load capacity in excess of 18 tons. The Property, consisting of 37 unpatented mining claims covering 710 acres, is accessible by about twelve miles of graded dirt roads.

Underground waters are pumped from the existing mine shaft to the reservoir serving Silver Peak and constitute the town's sole supply. Water production has been rated at 950 gallons per minute and would be sufficient to supply any proposed mining/milling operations as well as the Silver Peak reservoir.

Electricity for Silver Peak is supplied by the Sierra Pacific Power Company and a 3-phase service line of any required capacity will be installed to supply the mine by that company upon proper application. Prior mine operations have been powered by portable diesel generators, which are readily available in any required capacity.

The mine was first explored in 1961 and 1962 by Callahan Mining Corporation. Between 1962 and 1964, Mid-Continent Mining Corp. did certain exploration work and drove a 1,000 foot crosscut tunnel to intersect the vein structure at a depth of 400 feet. Between 1964 and 1967, further exploration work was done by Sunshine Mining Company, a large mining concern, under an agreement with Mid-Continent Mining Corp. that resulted in litigation between those two companies. This litigation was settled by an agreement in October 1967, whereby Sunshine owned $\frac{2}{3}$ and Mid-Continent $\frac{1}{3}$ of their joint interests, and whereby Mid-Continent had an option until June 7, 1969, to purchase the Sunshine interest for \$1,500,000.00.

Between January and April, 1969, further exploration work was done on the property by New Park Mining Company under an agreement with Mid-Continent whereby New Park had an option to exercise Mid-Continent's right to purchase the Sunshine interest. New Park discontinued its exploration work in April, 1969, did not exercise its option and terminated its agreement with Mid-Continent.

Mid-Continent did not exercise its option to purchase the Sunshine interest by the due date of June 7, 1969, as a result of which that option lapsed and terminated.

Since June 7, 1969, Sunshine Mining Company has had the opportunity to do further work on the property and to attempt to put the property into production, but has not elected to do so.

The Sixteen-to-One property contains substantial bodies of silver-bearing material in two steeply-inclined veins. However, there is no agreement presently in effect between Sunshine and Mid-Continent and each of the two companies is a co-tenant in the Sixteen-to-One mine without any duties or obligations to explore, develop, or operate the mine. The Company has no information that either of the two companies has any plans for further work on the property or any funds available, or budgeted, for such work. The Company believes, however, but cannot guarantee, that the property is being maintained and that annual assessment work has been performed and is current.

In view of the present uncertainty as to the future development of this property, there can be no assurance that any production will ever be realized or that the Company's royalty interest has, or will have, any value.

The Company has no plans in connection with the Sixteen-to-One mine other than to attempt to encourage an agreement between the major interest holders.

State of Texas Mineral Prospect Permits for Uranium

The Company has acquired five State of Texas Mineral Prospect Permits in the "Solitario" area, and three in the "Gettysburg" area.

The Solitario prospect is located about ten miles northwest of Terlingua, Texas. It consists of 2,880 acres covered by prospect permits in Sections 48 and 52 of Block G-5 in Presidio County, and Sections 24, 26 and 32 of Block G-5 in Brewster County, Texas.

The Gettysburg prospect is located about fifty miles northwest of Marfa, Texas. It consists of 1,600 acres covered by prospect permits in Section 50 of Block G-5 and Sections 140 and 632 of Block 3 in Presidio County, Texas.

Access to both areas is difficult and they can be reached only on horseback because of the rugged terrain. Both prospects are located several hundred miles from any known commercially mineable uranium ore bodies.

The permits are for the prospecting of the areas "for minerals other than oil, gas, coal, lignite, sulphur, salt, potash, shell, sand and gravel in accordance with the provisions of Article 5421c-7, C.S., as amended by Senate Bill 348, Acts of the 55th Legislature, 1957," of the State of Texas.

All of the rentals on the permits owned by the Company are current and the permits are valid and subsisting. In the event of mineral discovery, a lease would have to be obtained from the State of Texas, which would require payment of a 5% royalty on production of uranium ore. The annual rental for the above prospecting permits is \$0.25 per acre.

The Company expects to prospect these properties for possible uranium mineralization by radon gas geochemical survey and radiometric mapping. The properties have no known commercially mineable ore body nor any known radioactive anomalies present, and the Company's work is in the nature of "wildcatting."

The Company plans to spend \$5,000.00 for preliminary surface exploration of certain sedimentary structures in search of uranium mineralization. If such mineralization is present, a further exploration program may then be justified.

There is no basis at present for determining whether such further exploration can be anticipated or for expecting that a lease on the said properties could be obtained from the State of Texas. In the event the properties are even developed, electric power would be supplied by portable diesel generators. Availability of water has not been investigated.

Other Properties

The Company has certain other mineral property interests, consisting primarily of interests in unpatented mining claims located in Arizona and Nevada. The Company believes, but cannot guarantee, that these properties are being maintained and that annual assessment work has been performed and is current on all unpatented mining claims. The Company is planning no expenditures or work on these properties, other than the doing of annual assessment work on some of these unpatented mining claims at the cost of \$100.00 per claim. For this purpose the Company is allocating \$5,000.00 in the category of "Exploration of other prospects." (See Proposed Expenditures).

Among these mineral property interests are the following:

Idiho Property

The Company owns six unpatented mining claims about one-half mile northwest of Ruby, Arizona, called the Idiho property. The property fronts on a county graded and maintained all weather dirt road. The property contains vein-type mineralization which was prospected during the 1920's and 1930's with the driving of several tunnels and crosscuts. No records are available from the production, if any, from this period.

Between 1963 and 1966, the Company conducted work on the property consisting of the reopening of the old workings, drifting and the sinking of a winze on one of the veins and underground long-hole drilling. The above work resulted in the production of several thousand tons of material which were processed into lead-silver and zinc concentrates in milling equipment acquired by the Company for shares in 1963 (See Introduction), and the concentrates were sold to various smelters. The Company's operations on the property were unprofitable and the net amount of uncovered expenses incurred by the Company to date in its work there total \$103,112.95. There are no known commercially mineable ore bodies on the property and it is not considered a material asset of the Company at this time. While the Company has no immediate plans for the property, it has not been abandoned. (See Statement of Assets).

Water pumped from the existing mine shafts would be sufficient for any potential operation of the property. Electric power could be obtained from portable diesel generators.

Mascot Property

The Company owns 64 unpatented mining claims and options on other claims in the Dos Cabezas Mountains about 20 miles southeast of Willcox, Arizona, and 10 miles south of Bowie, Arizona. The property is accessible by about 8 miles of graded dirt road south from Bowie and thereafter by about 3 miles of ungraded dirt road.

Between 1906 and 1935, drilling and extensive tunneling, shaftsinking and drifting were done on the property by several companies, and a townsite, 15-mile standard gauge railroad and concentrating plant were constructed during the 1920's by one of the companies, but have since been substantially removed or destroyed. Prior production records are incomplete and cannot be verified by the Company. To the extent that information is available, it indicates that these operations were very unprofitable.

During the years 1966 through 1969, the Company spent a total of \$258,330.72 in work on the property, consisting of the blasting, bulldozing and grading of roads, re-opening of old mine workings, drilling and the removal of several thousand tons of material, all of which was too low in copper content to warrant its sale.

In September, 1966, the Company received a \$100,000.00 loan from Robintech, Inc., bearing 6% interest, to be repaid from possible copper production from the property. This loan, and interest thereon, have not been paid, and encumber the property and the equipment located on it (see Note 2 to Statement of Assets). In June, 1967, Ranchers Exploration and Development Company purchased from the Company a six-month option to explore the property. Thereafter, Ranchers conducted preliminary examinations, including sampling and drilling, but did not elect to follow through with further exploration and terminated its option.

The property contains no known commercially mineable ore reserves and is not considered a material asset of the Company at this time. The Company has no present plans for further work on the Mascot property. It feels justified in holding the property and hence has not abandoned its claims. Annual assessment work has been performed and is current.

Nevada Properties

During the fall of 1969, the Company located about 35 unpatented mining claims at five separate locations in Lander and Eureka Counties, Nevada. They are identified in the Company files as the River Vista, Cooks Creek, Squaw Butte, Calico Lake and Hot Springs Groups. They are all located east of State Highway 8A, which runs between the towns of Battle Mountain and Austin; and west of State Highway 21, which runs between U. S. Routes 40 and 50 (roughly parallel with Highway 8A). The River Vista Group is near Austin; the other Groups are in the vicinity of the settlements of Gold Acres and Cortez.

PROPOSED EXPENDITURES

The net proceeds of this offering, after the costs of the underwriting and other costs of the offering, will be \$254,000.00. These funds will be added to the assets of the Company, which will draw on these total funds for the purposes set forth below. The Company presently needs \$162,000.00, not \$254,000.00, for one year's estimated expenses, and has no foreseeable need for all of these funds or for the funds already available to the Company.

The approximate expenses to be incurred prior to the net proceeds are \$46,000.00, as shown below:

Underwriter's Commission	\$30,000.00	
Underwriter's Expense (unaccountable)	6,000.00	
Legal, Accounting, Printing and Miscellaneous Expenses (estimated)	10,000.00	
	<hr/>	
Total		46,000.00

It is anticipated that, based upon one year's estimated expenses, the net proceeds will be used in the following order of priority:

A. Debts and Purchase Payments

1. To repay short-term bank financing (See Statement of Liabilities)	\$30,000.00	
2. Reserve for payment of interest on debentures, due in equal amounts on May 1, 1970, and November 1, 1970	14,000.00	
3. Reserve for purchase payment on Sixteen-to-One royalty, due August 15, 1970	5,000.00	
4. Reserve for payments on Courtland lease — four quarters	18,000.00	
	<hr/>	
		67,000.00

B. Exploration

1. Exploration — Courtland	\$25,000.00	
2. Exploration of Texas, Idiho, Mascot and other prospects, geological services and consultants	20,000.00	
	<hr/>	
		45,000.00

C. Office, Administration and Miscellaneous

1. Purchase payments on office building	2,700.00	
2. Accounting	1,800.00	
3. Secretarial expense and general office	6,000.00	
4. Insurance	1,000.00	
5. Officers' salaries and travel expenses	39,000.00	
	<hr/>	
		50,500.00

D. Unallocated Funds

		91,500.00
		<hr/>
TOTAL USE OF PROCEEDS		\$300,000.00
		<hr/>

The unallocated funds (D above), a total of \$91,500.00, will be added to the approximately \$103,100.00 which the Company has in cash and negotiable securities after taking into account its current liabilities. (See Statements of Assets and Liabilities). Although there is no anticipated need for these unallocated funds, they would be available for exploration upon the Company's properties beyond the initial exploratory work contemplated, if warranted by the results of such initial exploratory work. A portion of the proceeds may be used to acquire other mining properties, but the Company does not, at this time, have any such properties in mind and it has no assurance that any worthwhile properties can be obtained.

TITLES

A. Unpatented Mining Claims Located on Public Domain

Titles to all unpatented claims are subject to the Mining Laws of the United States and the laws of the State in which the lands are located. Title to an unpatented mining claim is possessory in nature. These claims must be located under the laws of the United States and the particular State laws. The claims must be maintained annually by the locator by the performance of \$100.00 of labor or improvements on or for the benefit of each mining claim. This amounts to a total of about \$10,000.00 with the unpatented mining claims presently held by the Company. It is probable that the Company will reduce the number of Nevada claims (discussed below) in the course of this year's annual assessment period, which ends on August 31, 1970. Which, if any, of the claims are to be abandoned will be determined after an examination of the properties in the early spring. Currently, all required assessment work has been done by the Company on the claims it holds.

Title to unpatented mining claims is contingent upon many factors: the fact that the land is and was available for location at the time the location was made; the fact that there is a valid mineral discovery within the boundaries of the claims; full compliance with all the regulations of both the Federal and State governments; the performance of the annual assessment work; and the bona fide operation of the locators. The above factors are all essential ingredients in the determination of the validity of title to an unpatented mining claim. Several factors and considerations cannot be ascertained from a search of the public records, but rather require the need for extensive field examination.

All unpatented mining claims are always subject to some risk and the validity of the title can always be challenged.

B. State of Texas Mineral Prospecting Permits

Title to minerals discovered under such permits is vested in the State of Texas, and a mining lease would have to be obtained to permit mining thereof. Surface rights are subject to the grazing rights of parties owning a grazing lease from the State of Texas. Permits must be renewed each year and quarterly reports made as to any work done in prospecting the area.

MANAGEMENT

The Company has three Directors, all of whom have so served since the Company's inception:

1. Thomas J. Garrity, Denver, Colorado; President, Treasurer and a Director of the Company (38). Mr. Garrity graduated from Yale Law School in 1954 and was formerly associated with Donovan, Leisure, Newton & Irvine in New York City. He is a member of the New York Bar and of the Natural Resources Section of the American Bar Association. Since 1960, Mr. Garrity has been active in the mining and venture capital business. He will devote approximately two-thirds of his time to the operation of the Company.
2. Harry G. Lehman, Elfrida, Arizona; Vice-President, Secretary and Director (40). He has been occupied in the mining business as a contractor and operator in the State of Arizona, from 1955 until 1963. In 1963 he joined the Company, and he will devote his full time to the affairs of the Company.
3. Geoffrey Gates, New York, New York; Director (37). Mr. Gates graduated from Princeton University with an A.B. degree in 1954. He was formerly employed with Bache & Co., from 1957 to June 1968, when he joined Allen & Company as a Vice President.

REMUNERATION

Thomas J. Garrity, President and Treasurer ————— \$2,000.00 per month
 Harry G. Lehman, Vice-President and Secretary ————— \$1,000.00 per month

The above salary levels have been in effect for these two officers since 1966. The aggregate annual remuneration for all officers and directors of the Company will be \$36,000.00. The directors will not receive any additional remuneration for attending meetings.

TRANSACTIONS WITH OFFICERS AND DIRECTORS

No Officer, Director, Principal Security Holder, or Affiliate of the Company has, or proposes to have, any interest by security holding, contracts, options or otherwise in the Company or any of its affiliates, or assets proposed to be acquired by the Company, or in any purchase, the value of which could be affected by the operations of the Company other than as described herein.

CAPITALIZATION

The capitalization of the Company as of the date of this Offering Circular and as adjusted to give effect to the issuance and sale of the securities offered hereby is as follows:

Title of Class	Shares or Amount Authorized	Shares or Amount Outstanding as of the date of this Offering Circular	Shares or Amount to be Outstanding if all shares Offered are Sold
Capital Stock \$0.10 par value	5,000,000	460,035	520,035 (1)
7% Convertible Debentures	\$200,000.00	\$200,000.00	\$200,000.00

- (1) Does not include 25,000 shares reserved for issuance upon exercise of options under the Company's Stock Option Plan for key employees of which no options to purchase shares have been granted (See Stock Option Plan), and does not include an aggregate of 8,500 shares reserved for issuance upon exercise of other outstanding options (See Certain Transactions).

CAPITAL STOCK

The capital stock of the Company consists solely of common stock with \$0.10 par value. Stockholders of common stock are entitled to receive such dividends as the Board of Directors shall from time to time declare out of funds legally available therefor. Each stockholder of common stock is entitled to one vote for each share held by him. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the owners of common stock are entitled to share equally and readily in the balance of assets, if any, remaining after payment of all debts and liabilities. The common stock has no preemptive or subscription rights. The issued and outstanding shares of common stock are fully paid and non-assessable. Stockholders have the right to cumulative voting in the election of Directors.

The amendment to the Articles of Incorporation filed April 24, 1969, increased the authorized capital stock from 100,000 shares of common stock with a par value of \$3.00 to 5,000,000 shares with a par value of \$0.10. As of the date of this Offering Circular, 460,035 shares have been issued of which 425,035 were sold for cash and 35,000 shares were issued for equipment. (See Introduction and Speculative Features). The 35,000 shares issued for equipment are carried on the Company's books at \$57,000.00, this being the depreciated cash cost of said equipment as reflected on the books of the transferors at the times of transfer.

The Company intends to act as its own transfer agent.

DEBENTURES

On March 1, 1969, the Company sold an issue of 7% Convertible Debentures, due May 1, 1974. The issue was sold to only eight investors, each of whom is involved in either the mining or investment business, with sufficient knowledge as to the financial condition and proposed business of the Company to be considered as sophisticated investors within the standards set by the Securities and Exchange Commission.

The aggregate offering price of the issue was \$200,000.00 in one \$50,000.00, one \$15,000.00, one \$10,000.00 and five \$25,000.00 debentures. Debenture holders are entitled prior to May 1, 1974, to convert the unpaid principal amount, or any portion thereof, into fully paid and non-assessable shares of the Company's common stock, at a conversion price of \$2.50 per share. Eighty thousand (80,000) common shares are reserved for issuance to the debenture holders, in the event of conversion.

The Company has no foreseeable means of repaying these debentures when due.

STOCK OPTION PLAN

The Company has a stock option plan (the "Plan") under which options to purchase a total of 25,000 shares of Common Stock may be granted. Under the Plan, options to purchase 15,000 of these shares may be granted to key employees of the Company and its subsidiaries and are designed to be qualified stock options as defined in the Internal Revenue Code of 1954, as amended. The Plan also authorizes the granting of options covering 10,000 shares which are not intended to be qualified stock options. The number of non-qualified stock options may be increased by the Board of Directors or the Stock Option Plan Committee without limitation.

The Plan is administered by the Stock Option Plan Committee consisting of two or more members of the Board of Directors selected by the Board (except that in the case of options granted to a member of the Committee, the Plan is administered by the Board of Directors excluding such optionee), which may select the key employees or directors to whom stock options may be granted and, subject to provisions of the Plan, fix the terms and conditions of the options. There is no limitation on the number of shares which may be optioned to any one person. However, no person owning more than 5% of the outstanding shares of the Company's Common Stock is eligible to receive stock options.

The purchase price of any qualified stock option is to be not less than the fair market value of the shares of Common Stock on the date of grant. The purchase price of any non-qualified stock option is to be not less than 12½ cents above such fair market value.

The number of shares subject to option under the Plan (both qualified and non-qualified) and the purchase price therefor are subject to adjustment in certain events to protect against dilution and to provide for combination of shares, reorganizations and similar changes.

No qualified stock option may be exercised until its recipient has been employed by the Company for at least one year following the grant of the option. Qualified stock options are of not more than five years duration and are not exercisable by an optionee while he holds any previously granted qualified stock option having a purchase price higher than that of the qualified stock option to be exercised. Qualified stock options are non-assignable and non-transferable except by will or in accordance with the laws of descent and distribution and terminate immediately upon the termination of employment of the optionee unless termination of employment is due to retirement at the age of 65 or to disability or to death, in which event such option may be exercised within three months after the optionee's retirement or disability or within six months after his death. None of the foregoing restrictions are required by the Plan in connection with non-qualified stock options.

The Company has been advised by counsel that, under present law, an employee will not realize taxable income upon either the grant or the exercise of a qualified stock option. Upon the subsequent sale of stock acquired upon exercise of the option, the employee will realize long term capital gain or loss to the extent of the difference between the sales price and the option price provided that he has held such stock for at least three years after exercise of the option. Under those circumstances the Company will not be entitled to any tax deduction in connection with either the issuance or the exercise of the option or the sale of such stock by the employee. Counsel has also advised that, under present Treasury Regulations, a director receiving a non-qualified option will not realize taxable income at the time of grant but will realize taxable income upon exercise of the option to the extent of the excess, if any, of the then fair market value of the shares acquired over the option price, and that the Company should be entitled in the year of exercise to a tax deduction in an amount equal to the income realized by the director.

CERTAIN TRANSACTIONS

On April 10, 1969, an option for three years from that date to purchase up to 2,500 common shares of the Company's stock for \$2.50 per share was issued to Timothy Collins of Denver, Colorado, in consideration for certain past services to the Company.

During December, 1969, and January, 1970, all the Directors of Mid-Continent Mining Corp. resigned and Messrs. Garrity and Lehman and three other persons nominated by them were elected to fill the vacancies created. Mr. N. E. Ebbley resigned as President of Mid-Continent Mining Corp. and Mr. Garrity was elected as President. The offices of Mid-Continent Mining Corp. have been removed from Grand Junction, Colorado, to offices furnished by Mr. Garrity at 6202 South Broadway, Littleton, Colorado.

In order to furnish funds needed by Mid-Continent Mining Corp. to pay certain debts owed by it to Mr. Ebbley which encumbered the Sixteen-to-One mine, the Company purchased 200,000 treasury shares of Mid-Continent Mining Corp. for a total consideration of \$55,000.00. The Company also received an option to purchase an additional 150,000 of said treasury shares for an additional \$10,000.00 in consideration for furnishing management services during 1970 in connection with the affairs and properties of Mid-Continent Mining Corp.

None of the proceeds of this offering are intended to be used for the development of the properties, or conduct of the affairs, of Mid-Continent Mining Corp. Because of the majority interest of Sunshine Mining Company in the Sixteen-to-One mine, it is unlikely that that mine will ever be put into production, unless satisfactory agreements are concluded with Sunshine Mining Company. (See Properties and Objectives).

UNDERWRITING

The Underwriter, Doherty & Co., has agreed, subject to the terms and conditions set forth in the Underwriting Agreement, to purchase the 60,000 shares of Common Stock from the Company.

The nature of the obligations of the Underwriter is such that if any of the shares are purchased, all of them must be purchased.

The Company has been advised by the Underwriter that it proposes initially to offer part of the shares directly to retail purchasers at the offering price set forth on the cover page of this Offering Circular, and part to certain dealers at such price less a concession of not in excess of \$0.25 per share; that a re-allowance of not in excess of \$0.125 per share may be granted to certain brokers and dealers; and that thereafter the public offering price and selling terms may be changed by the Underwriter.

The Company has agreed to indemnify the Underwriter against certain liabilities, including liabilities under the Securities Act of 1933.

The Company has agreed to allow to the Underwriter an expense allowance of \$6,000.00, to cover its expenses and for which the Underwriter is not required to account.

The Company has also agreed to sell to the Underwriter, for the sum of \$100.00, Common Stock Purchase Warrants for the purchase of 6,000 shares of the Company's Common Stock. (See Common Stock Purchase Warrant and the Cover Page).

In addition, the Underwriting Agreement provides that the Underwriter has the first right of refusal for five years from the date of this Offering Circular for any proposed additional financing.

COMMON STOCK PURCHASE WARRANT

In the event that all shares are sold pursuant to the Underwriting Agreement, the Company has agreed to sell to the Underwriter, for \$100.00, Common Stock Purchase Warrants to acquire 6,000 shares of the Company's Common Stock. The Warrants are to be non-exercisable, non-transferable, and non-assignable for a period of thirteen (13) months, or for such lesser period as may be permitted under the Securities Act of 1933. The Warrants will be exercisable for a period of twenty-four (24) months commencing thirteen (13) months after the Effective Date of the Offering Circular at a price of \$5.50 per share. The Warrants contain provisions protecting the holder against dilution such as stock dividends, recapitalizations, and reclassifications.

During the life of such warrants, the persons holding them are given an opportunity to profit for a nominal consideration from a rise in the market price of the company's stock at the expense of the stockholders of the Company who made the initial capital investment. Further, the existence of such warrants may have an adverse effect upon future equity financing by the Company. In addition, any time that the holders of such Warrants may be expected to exercise them, the Company could, in all probability, obtain additional equity capital, if then needed, on terms more favorable than provided for such Warrants.

LEGALITY

The legality of the securities offered by this offering has been passed upon for the Company by Thomas J. Garrity, who is President of the Company and its General Counsel.

Mr. W. H. McDermott, of Santa Fe, New Mexico, has advised upon all legal matters for the Underwriter.

The President of the Company has conducted preliminary title searches of all of the properties held under lease/option or purchase agreement by the Company, and such work has not revealed any material title defects. However, finalized title opinions have not been obtained on any of the properties, and there is no assurance that title of such properties is not without defect.

LITIGATION

No legal proceeding to which the Company is a party or in which property of the Company is a subject is pending and no such proceeding is known by the Company to be contemplated. No legal actions are pending, contemplated, or judgments entered against any officers, directors, or promoters of the Company except as follows:

✓ The Company was defendant in a law suit brought by C. Tennant Sons & Company of New York to collect a debt, which was settled by stipulation under which the Company is obligated to make payments of \$500.00 per month against the remaining balance shown on the Statement of Liabilities, attached hereto.* So long as the said payments are made, and until the entire debt is discharged, the case remains on the Inactive Calendar, Case #104622, Superior Court of the State of Arizona, Pima County.

ANNUAL REPORTS

The Company plans to furnish annual reports to its stockholders which will include audited financial statements.

* As of November 30, 1969, the remaining balance due is \$8,832.96.

AZTEC MINING CORPORATION

STATEMENT OF ASSETS - NOVEMBER 30, 1969

Cash on Hand and in Banks		\$ 45,079.16
Accounts Receivable, Employees and Others		1,699.52
Inventory of Ore Concentrates (at Cost)		38,460.09
Marketable Securities at Cost	(1)	169,699.97
Equipment at Cost	(2)	48,362.62
Less Accumulated Depreciation		22,171.42
Deferred Exploration Expenses	(3)	338,808.20
Less: Ore Depletion Allowances		11,929.98
Investment in Mining Leases and Properties at Cost		32,570.00
Deposits with Others and Prepaid Expenses		1,927.63
Total Assets		<u>\$642,505.79</u>

- (1) Securities market value at statement date: \$118,537.50 per Doherty & Co., Albuquerque, New Mexico.
- (2) Equipment located at Mascot Mine and Mill is pledged as security for loan from Robintech Incorporated and is not included in Statement of Assets. Principal amount of loan is \$100,000.00, plus accrued interest of \$13,000.83, for a total due of \$113,000.83 as of November 30, 1969. This loan is not a general liability of the Company, since only the Mascot Mine and Mill equipment is pledged and by agreement Robintech is precluded from looking to other Company assets as security.
- (3) Unrecovered promotional and exploration expenses in properties still held by the Company and which have not been abandoned, as follows:

	At February 1, 1969	Current Period	Total
Idiho Project	\$100,863.97	\$ 2,248.98	\$103,112.95
Mascot Project	129,150.56	17,013.33	146,163.89
Texas Project	11,685.87	426.40	12,112.27
Courtland Project		56,851.67	56,851.67
New Mexico Project		1,547.69	1,547.69
Nevada Project		19,019.73	19,019.73
Totals	<u>\$241,700.40</u>	<u>\$ 97,107.80</u>	<u>\$338,808.20</u>

All of these expenses represent cash expenditures. Recovery of these capital expenditures is dependent upon the establishment of a viable mining operation. These properties are presently idle or in the exploration stage, and it is not known whether they will be the subject of further exploration, or whether such exploration will result in the discovery of economically recoverable ore.

AZTEC MINING CORPORATION
STATEMENT OF LIABILITIES - NOVEMBER 30, 1969

Current Liabilities:

Accounts Payable		\$ 11,732.14	
Contracts Payable:			
Purchase of Tucson Office Building	\$ 2,700.00		
Purchase of Equipment	2,174.64		
C. Tennant Sons & Company	<u>6,000.00</u>	10,874.64	
Loan Payable, First National Bank in Albuquerque		30,000.00	
Payable to Officers		15,589.31	
Accrued Expenses		<u>16,479.22</u>	84,675.31

Long-Term Liabilities:

Contracts Payable:

Purchase of Tucson Office Building — (1)	30,184.92		
C. Tennant Sons & Company — (2)	<u>2,832.96</u>	33,017.88	
Bonds Payable, Convertible Debentures — (3)		<u>200,000.00</u>	<u>233,017.88</u>

Total Liabilities 317,693.19

- (1) Amortizes at the rate of \$225.00 per month, including 7% interest on unpaid principal balance.
- (2) Amortizes at the rate of \$500.00 per month, without interest.
- (3) Due May 1, 1974, with 7% interest payable semi-annually. Conversion price \$2.50 per share.

AZTEC MINING CORPORATION

STATEMENT OF CAPITAL SHARES - NOVEMBER 30, 1969

Capital Stock issued:

Issued for cash, 425,035 shares	\$453,525.00
Issued for equipment, 35,000 shares (1)	<u>57,000.00</u>
Total Capital Stock issued, 460,035 shares (2)	\$510,525.00

- (1) Issued at the amount of the depreciated cash cost as reflected on the books of the transferors at the time of transfer.
- (2) Does not include 25,000 shares reserved for issuance upon exercise of options under the Company's Stock Option Plan for key employees of which no options to purchase shares have been granted (See Stock Option Plan), and does not include an aggregate of 8,500 shares reserved for issuance upon exercise of other outstanding options (See Certain Transactions), and does not include 80,000 shares reserved for issuance to the debenture holders in the event of conversion.

AZTEC MINING CORPORATION

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS FOR THE PERIOD FEBRUARY 1, 1967 THROUGH NOVEMBER 30, 1969

	Fiscal Year ending January 31, 1968	Fiscal Year ending January 31, 1969	February 1, 1969 through November 30, 1969
RECEIPTS:			
Loans from Banks	\$ 32,400.00	\$	\$ 30,000.00
Loans from Others	25,000.00	31,677.12	
Loans from Officers	48,328.08		
Receipts from Common Stock Subscriptions	2,500.00	115,875.00	33,250.00
Sale of Copper Ore	19,463.81		
Sale of Options and Leases	40,000.00	311,594.66	
Tax and Expense Refunds Receivable	616.28	991.90	266.58
Interest Received		1,687.18	
Sale of Assets		8,000.00	15,055.00
Commission Earned		2,000.00	
Payment of Loan by Nuclear Fuels			1,651.23
Proceeds from 7% Debenture Bonds			200,000.00
Funds Advanced by Employees			555.08
Rental Income			580.00
Deposit Refund			64.22
	<u>\$168,308.17</u>	<u>\$471,826.16</u>	<u>\$281,422.11</u>