



CONTACT INFORMATION

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Arizona Department of Mines and Mineral Resources Mining Collection

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PRINTED: 08/10/2001

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: MONARCH PLACER

ALTERNATE NAMES:
GOLDEN NUGGET

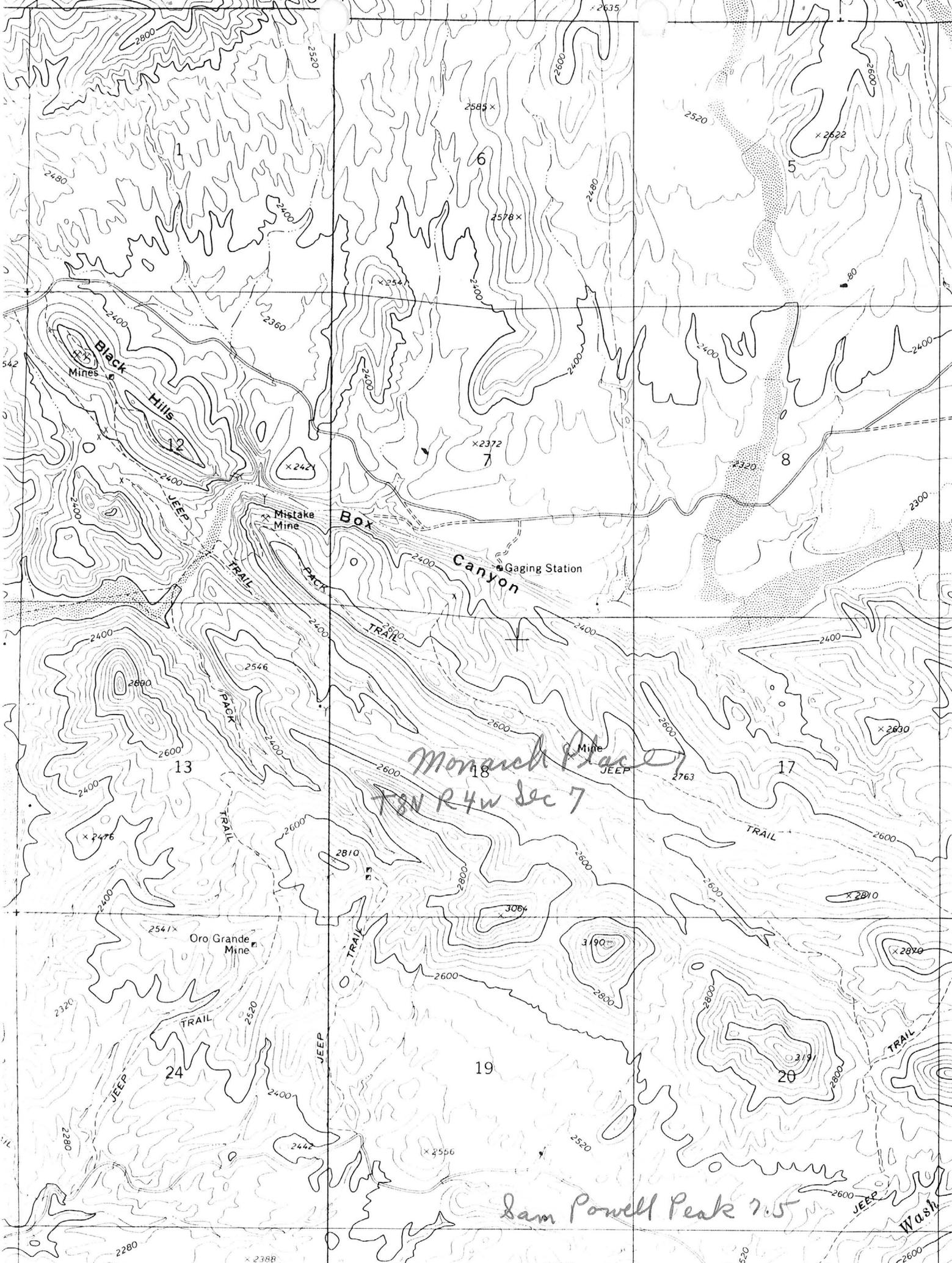
YAVAPAI COUNTY MILS NUMBER: 1370

LOCATION: TOWNSHIP 8 N RANGE 4 W SECTION 7 QUARTER C
LATITUDE: N 34DEG 03MIN 00SEC LONGITUDE: W 112DEG 42MIN 36SEC
TOPO MAP NAME: SAM POWELL PEAK - 7.5 MIN

CURRENT STATUS: PAST PRODUCER

COMMODITY:
GOLD PLACER

BIBLIOGRAPHY:
ADMMR MONARCH PLACER FILE



Black Hills Mines

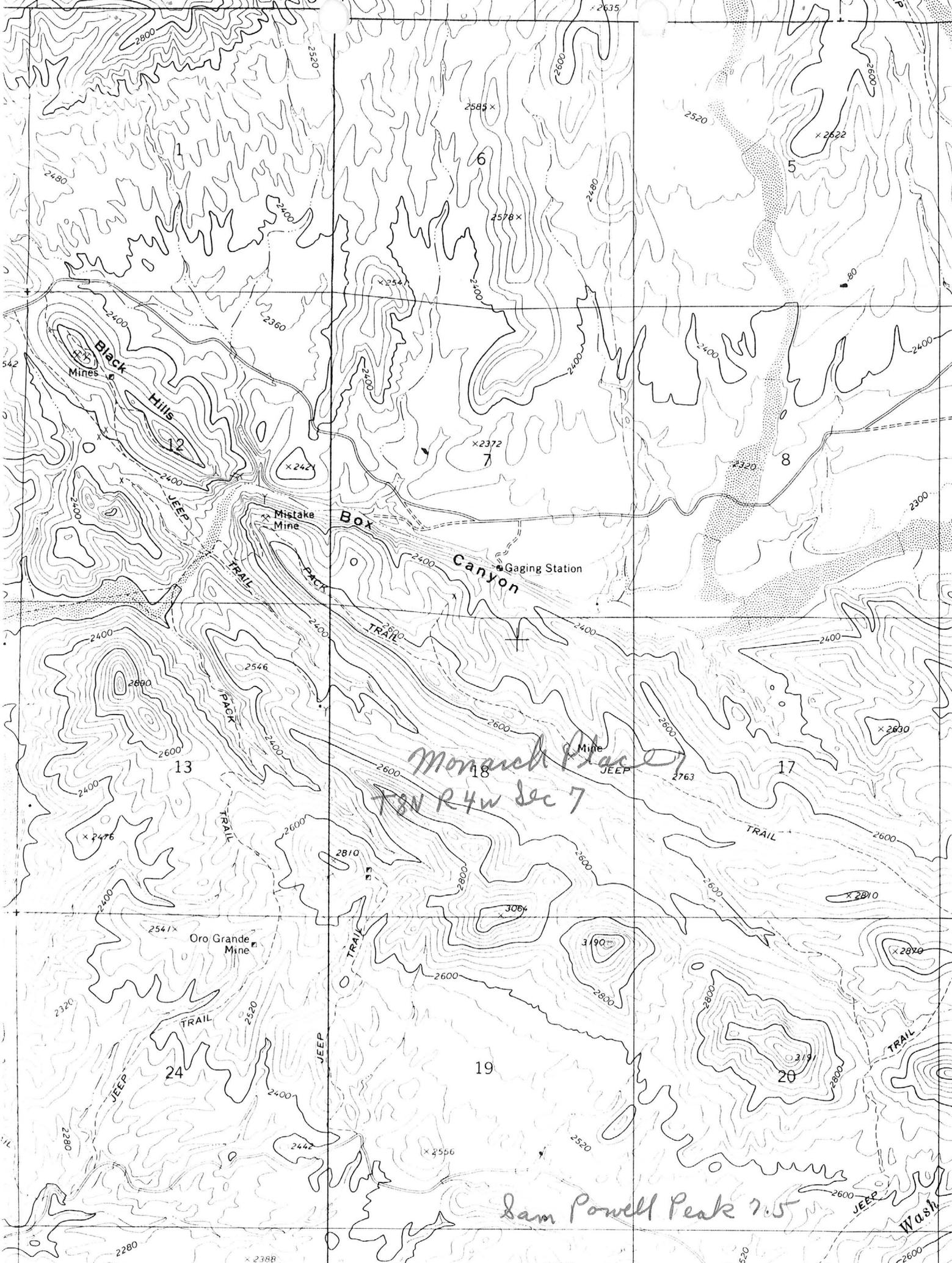
Mistake Mine
Box Canyon
Gaging Station

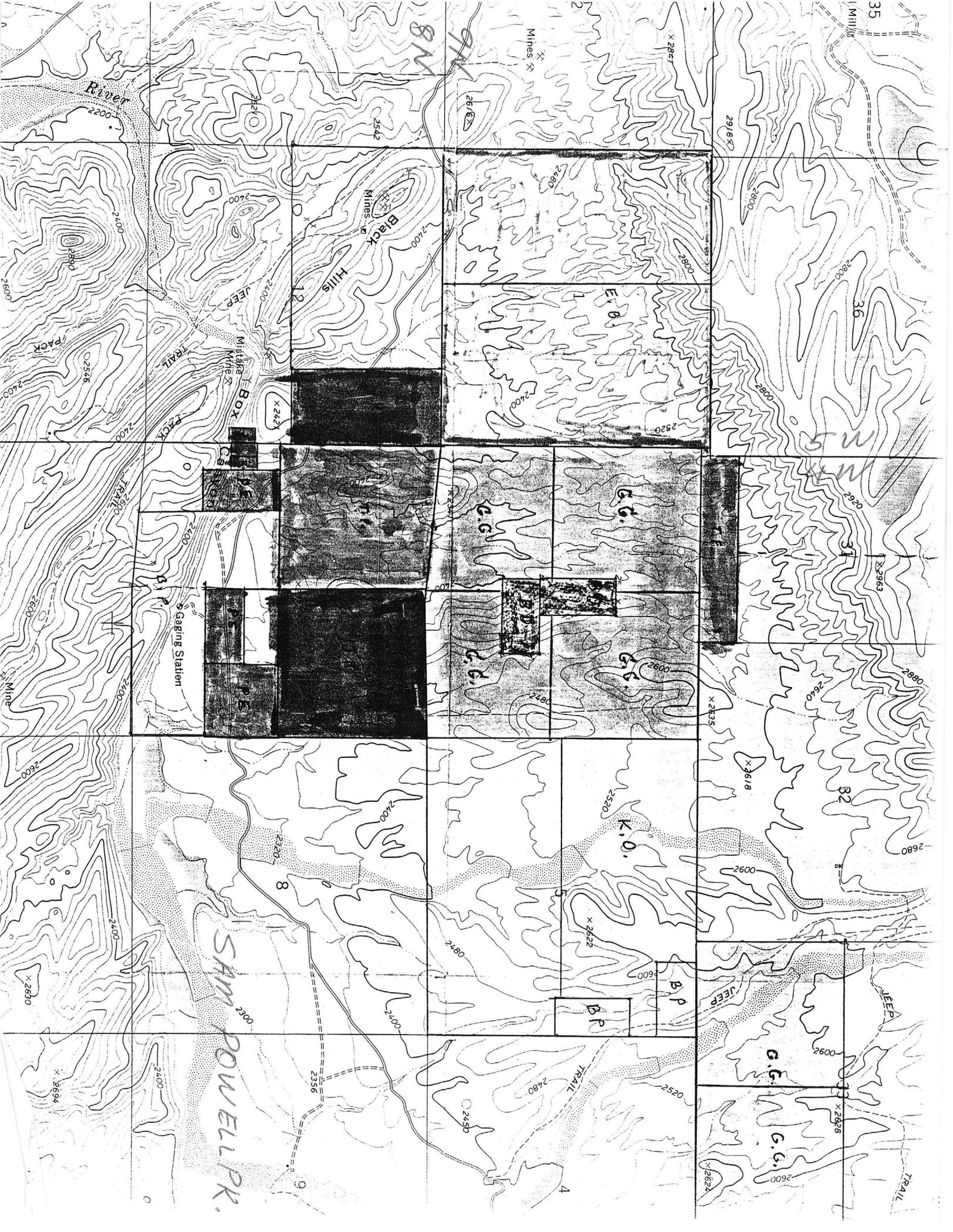
Monarch Place
T8N R4W Sec 7

Oro Grande Mine

Sam Powell Peak 7.5

Wash





River

Black Hills Mines

JEPP

Mistake Mine

TRAIL

TRAIL

Gaging Station

S.M. POWELL PK.

8N

E.B.

G.C.

G.C.

G.C.

K.O.

B.P.

G.C.

G.C.

35

36

31

32

8

B.P.

9

4

Mines

X 2847

26

29167

2800

2800

2400

2542

2400

2480

2900

2800

2400

2400

2400

2520

2800

2920

2963

2880

2640

2680

X 2635

X 2618

2600

0092

2400

2400

2480

2520

X 2622

2600

JEPP

0092

X 2625

2600

X 2624

TRAIL

PACK

TRAIL

Mine

X 2830

X 2894

2356

2450

2520

2400

2400

2600

2600

2400

2800

2200

2600

7/13/89

* Leon Ovando - Merrill Lynch -

L.K. Beale - has Claims -
Jim McKinney - Geologist.

Assays Shows

~~PT~~

Au 67 g/Ton
PT

and all other
Platinum Group
Metals.

They will bring Assay reports
and a sample, also maps showing
location and location of sample points.

Ken:

This guy (Ovando) called - is
promoting a "Billion Tons" of
material in the Wickenburg area
that the other two guys have
discovered. They have certified
assays from a lab in Henderson,
NV.

They want to talk with us to
find out how to get something done
with it.

Will be in to see us on Tues.
July 18 at 10 AM.

(See Back)

SEK

ALPHA RESEARCH CORPORATION

2390 South 4th St.
Henderson, NV 89015
702-564-8314
702-564-8315

ASSAY REPORT

ASSAY NUMBER 3992 DATE: 6/13/89
CUSTOMER HAROLD PEDERSON
SAMPLE IDENTIFICATION ORE SAMPLE

Element	ppm or ug/g	g/s.ton	Y.oz/S.ton
Au-Gold	74.400	67.50	2.170
Ag-Silver	25.400	23.04	0.741
Pt-Platinum	110.000	99.79	3.208
Rh-Rhodium	197.000	178.72	5.746
Os-Osmium	116.000	105.24	3.383
Ru-Ruthenium	83.000	75.30	2.421
Pd-Palladium	91.300	82.83	2.663
Ir-Iridium	682.000	618.71	19.892

UNLESS PRIOR ARRANGEMENTS ARE MADE, ALL SAMPLES WILL BE DISCARDED AFTER 30 DAYS.

THESE RESULTS ARE BASED ON WELL KNOWN ACCEPTED ANALYTICAL PROCEDURES AND SOLELY ON THE SAMPLES SUBMITTED BY CUSTOMER. THIS REPORT IS PREPARED FOR THE EXCLUSIVE USE OF THE CUSTOMER ONLY. NO WARRANTIES AS TO REPRODUCIBILITY OR EXTRACTABILITY OF THE ORE IS GIVEN. DONALD E. JORDAN, PRESIDENT, ALPHA RESEARCH CORPORATION MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND ACCEPT NO LEGAL LIABILITY WHATSOEVER AS TO THE ACCURACY OR USEFULNESS OF ANY INFORMATION CONTAINED IN THIS REPORT.

NOTE: " #VALUE! " MEANS THAT ELEMENT HAS NOT BEEN ANALYZED FOR THIS REPORT.



0/28/88
Powers refinery
4202 E. University
Pheonix Ariz.85034

screen testing of ore has produced the final results as follows.

#1 Head ore

Au. 2.0 O.P.T.

Ag. 9.17 O.P.T.

#2 screened to 30 - and assayed the heavies .

Au. 8.5 O.P.T.

Ag..56.5 O.P.T.

Pt. Groupe not determined at this time.

After concentrating ore to 40 to 1 assays preformed again

Ag. ### 290.647

Au. 43.72 O.P.T.

Pt groupe N/D

40 Lb of concentrates were fired to recovere the gold and silver a large magnetic mass of metal formed in the furnance

A test of this metal showed to contain Pt. groupe metals.

Samples ### were sent to Alpha Research Corp. in Nevada.

Results are as follows..

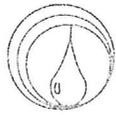
ppm or ug/g	g/s.ton	t.oz/s.ton
au-gold 74.400	67.50	2.170
Ag-silver 25.400	23.04	0.741
PT. 110.00	99.79	3.208
RH- 197.000	178.72	5.746
OS- 116.000	105.24	3.383
RU- 83.000	75.30	2.421
Pd-. 91.300	82.83	2.663
Ir- 682.000	618.71	19.892

Copper, Gold, and Silver are the #1 metals to be mined with any success in the State of Arizona, for over 100 yrs. Research and-development of strategic metals and platinum group metals have been left far behind. Most of these are being mined in foreign countrys, that have surpassed the United States in the refining of metals .

Modern methods have to be applied, to bring our program of recovery up to a standard to compete with the foreign markets of today. This will mean becoming less dependent on foreign ~~countries~~ countrys.

After one year of research, trying to extract gold that has been tested by fire assay over 100 times. It has proved to have metals , that make ^{it} harder to separate. Test for gold have varied from 1.785 O.P.t. to 2.00 O.P.T. in the head ore.....

Spectograph test showed only 3.67% of all metals, with Iron as the major constituent. This showed to be incomplete. Sending out another test to the same CO. for fire assay, they showed Gold 3.3 O.P.T. and Silver 9.9 O.P.T. Iron at 80% .Still not showing the Pt. group. Arizona Testing has no furnace for fire assay so they send it to Jacobs in Tucson. A fire assay cannot determine the content of iron. I feel this is a false report . DR. Al Johnson recommended (ALPHA RESEARCH CORP.) to do a ppm -Parts per Million the test were positive for Platinum group metals in a commercial value.



Arizona Testing Laboratories

817 West Madison Street □ Phoenix, Arizona 85007 □ 602/254-6181

1-K's

For: Powers Refining
Mr. Bill Powers
4202 East University
Phoenix, Arizona 85034

Date: October 7, 1988

Lab No.: 1690

Received: 10-4-88

Marked: Cons. & Magnetics

Submitted by: same

REPORT OF QUALITATIVE SPECTROGRAPHIC EXAMINATION

ELEMENT

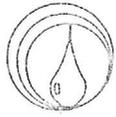
APPROXIMATE PERCENT

	<u>Cons.</u>	<u>Magnetics</u>
Aluminum	0.3	0.4
Lead	0.1	0.1
Chromium	0.7	---
Silicon	0.2	0.3
Manganese	0.1	0.1
Iron	Major Constituent	
Calcium	0.05	0.05
Copper	0.02	0.01
Titanium	1.0	1.0
Zirconium	1.0	1.0
Nickel	0.2	---
Platinum	None detected---	
Gold	None detected---	
Silver	None detected---	

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.
Claude E. McLean, Jr.



Arizona Testing Laboratories

817 West Madison Street □ Phoenix, Arizona 85007 □ 602/254-6181

For Powers Refinery
Attn: Bill Powers
4202 East University
Phoenix, Arizona 85034

Date October 14, 1988

ASSAY CERTIFICATE

LAB NO.	IDENTIFICATION	OZ. PER TON		PERCENTAGES			
		GOLD	SILVER	COPPER	Iron		
1690	#1 Cons	3.3	9.9		80.		
	#2 Magnetic				71.		

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.



Discription of Geologic Mapping

Geologic History

#1-Qtb

Basalt flows, cinder cones, dikes, and necks.
Includes some rhyolite and andesite flows and tuffs.

Structural events

Continued uplift of the Colorado Plateaus, which was accompanied by uplift of much of southeastern and northern Arizona and subsidence in the Gulf of California embayment and in the Phoenix basin of central Arizona. Some small-scale normal faulting, but large-scale normal faulting took place to the west of Arizona in the Gulf of California embayment.

Economic Products

Aggregate gravel, sand and cinders; volcanic ash, bentonite, and clay; limestone, gypsum and salt (halite); uranium from diatremes in Hopi Buttes and in Grand Canyon; Alluvial deposits of sand and gravel are the chief source of ground water in southern and western Arizona.

#2 LM & Li

Chiefly rhyolite, Andesite, and latite flows, welded tuffs, and tuffs. Includes the Silver Bell Andesite, Cat Mountain Rhyolite, and Bronco and Concentrator Volcanics.....
Intrusive igneous rocks consisting mainly of granite and monzonite, usually porphyritic.....

Structural events

Major structural activity of the Laramide orogeny, including uplift, large-scale thrust and normal faulting, ~~and~~
Igneous intrusion, and volcanism; regional folding and uplifting destroyed the Rocky Mountain and Sonoran geosynclines and formed the basins and monoclines of the Colorado Plateaus.....

Economic Products

Copper with some lead and zinc at Morenci, Globe, Miami, Ray, San Manuel, Silverbell, Pima, Ajo, Esperanza, Mission, Christmas, Superior, Bagdad and Kingman.....

#3Sgr-Sc.

Schist including the Yavapai, Pinal and Vishnu Schist and gneiss and schist and granite undivided. Chiefly Granite. Sedimentary and volcanic rocks undivided of older Precambrian age. Includes the Mazatzal Quartzite and Red Rock Rhyolite.

Structural Events

Major structural and igneous activity including the Mazatzal Revolution.....

Economic Products

Gold mines largely abandoned, in all mountainous regions. Iron King mine near Prescott produced copper, gold and zinc. Abandoned mines at Jerome produced copper; asbestos from Mescal Limestone; deeply weathered granite and fractured rocks yield small amounts of water to wells, especially along faults..

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine Monarch Placer T8N R4W Sec. 7

Date January 13, 1982

District Blue Tank District

Engineer Richard Beard

Subject: Field Visit

Owner: Jerry Garrity

Operator: Monarch Mining Co.
Star Rt. 1, Box 167
Deming, New Mexico 88030

Parent Co. Jetco Inc.
Oklahoma City, OK

Interview Mr. Ray Steele, project foreman.

Current Operation:

Bank run material is screened then fed through a hopper at a rate of 75 to 80 yards per hour to a trommel and screen. The fines are then fed to four centrifugal concentrators. The tails from the concentrators are fed to a screw classified with the sand portion stockpiled for shipment to Deming for recovery of silver and the slimes are impounded. Mr. Stelle reports that the slime tails assay at 8 oz of gold per ton. The concentrate from the centrifugal concentrators is fed to a three stage sweco screen and each fraction is fed separately through a screw type concentrator and then through another centrifugal concentrator. Final concentrate is sent to Monarchs' laboratory in Wickenburg for refining.

Modifications are now being made to insert impactors in circuit prior to the sweco screen to reduce concentrates to minus 200 mesh. Also planned is a magnetic separator to remove magnetics from the concentrates and a furnace to smelt the final concentrate at 2100°. Mr. Steele said that some bank run material will be fed directly to the furnace since it is high enough in value to smelt without concentration. He didn't say what the grade was, however.

1601 Sandhill Rd.#36,
Las Vegas, Nev. 89104
5 September 1981.

MEMORANDUM

TO: John H Jett; Director; Department of Mineral Resources,
Fairgrounds, Phoenix, Az.

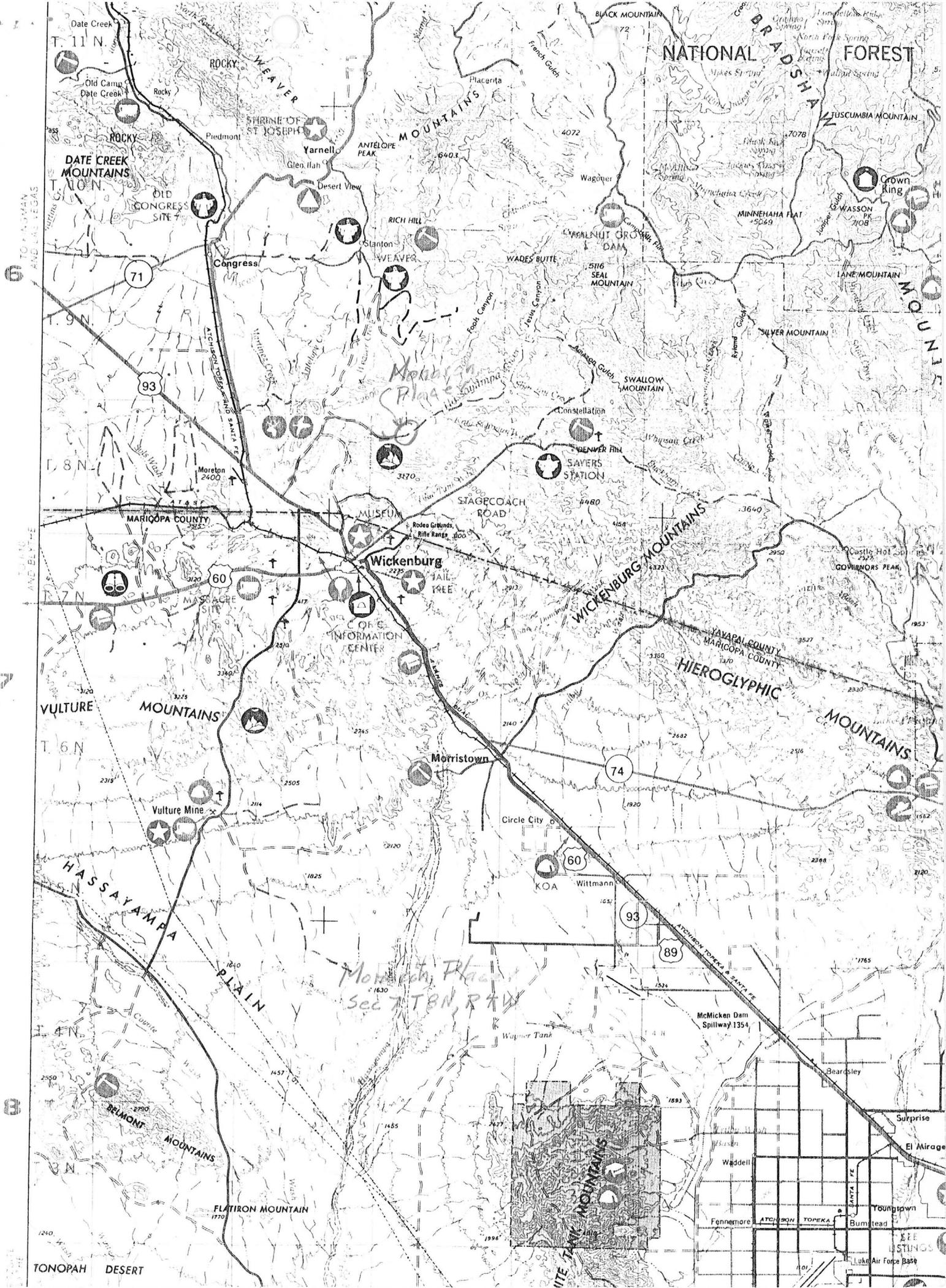
Believe the following two(2) mining operations may be of interest to you, and your staff. Both are out of Wickenburg (NE). To get to these properties, one takes Hwy 93 towards Congress (for a few miles out of Wickenburg). Then turn East on "Moonlight Mesa" road and continue on to the mines. The first property "Monarch Mining Company" is about 12 miles out of Wickenburg, and the second property locally known as the "Bulgarian brothers mine" is about 18 miles from Wickenburg and located on the Hassayampa river. Both appear to be Au placer operations.

The operation called the Monarch Mining plant, I was told, is owned by Canadian interests. I did not see any officials there, but talked with a workman. The company has a lot of new equipage including screens, trommels, conveyer units, and rotary Au recovery units. Also, there are leaching ponds and allied facilities and equipment. The cite appears to be on a small peneplain, some distance away from, and slightly higher, than the Hassayampa river. It was noted they had water piped to the plant, probably from a well near the mentioned river.

The second operation greatly surprised me with its size and scope. It is about six miles beyond the Monarch. As it had started to rain slightly, I did not spend any time there, as I realized the road back might become impassable (made a fast loop around the property and headed back - perhaps missed their ore plant). There were several mobile buildings grouped together (offices and employees quarters), and a large pit at the side of the Hassayampa river, in which a giant backhoe was working, and I counted four 50 tons ore carriers in operation (3 of same appeared to be brand new) hauling sand from the pit, (to some destination unknown to the writer). Also, present were bulldozers. The pit was so large, it had a road down its sides, and there was a big pond of water on the bottom. The pit had reached a depth to the rivers underground flow of water (or the natural watertable in the area). A big electrically operated pump was there in operation, with water thru about a 10 inch pipe, going somewhere. The man at the Monarch workings told me they had \$15.00 a ton Au sands there. Due to circumstances, I did not spend any time there, as it was, before returning to Wickenburg, I forded several washes with high water, and barely made it.

I have heard of these "Bulgarian brothers" before from sources in Wickenburg, but never met them. Rumors has it that they are financed by some wealthy woman from "back East".

Regards,



NATIONAL BRADSHAW FOREST

DATE CREEK MOUNTAINS

Wickenburg

VULTURE MOUNTAINS

HIEROGLYPHIC MOUNTAINS

HASSAYAMPA PLAIN

BELMONT MOUNTAINS

WITTE TANK MOUNTAINS

FLATIRON MOUNTAIN

TONOPAH DESERT

Monterey, Placer
Sec 7 T8N, R4W

6 TO FLOYD AND LAS VEGAS

7 TO FLOYD AND EL PASO

8

LUKE AIR FORCE BASE

Mon Met Place (F) 4/10/88

BOX CANYON MINING, INC.

2211 East Highland Avenue, Suite 210
Phoenix, Arizona 85016
(602)954-6473

*ay 84428153
10182800
Angel
MS
New*

STATE MINE INSPECTOR

JUN 30 1988

State Mine Inspector
705 W. Wing
1700 W. Washington
Phoenix, Arizona 85007

June 28, 1988

Dear Inspector:

Box Canyon Mining, Inc. plans to commence placer mining operation on or about July 1, 1988 at the mine site location, Metal Recovery #5 A.M.C. 34431 T8N R4W SEC 7, consisting of 4-1/2 acres total surface area to be disturbed.

Mining permits have been applied for thru the BLM. Mining will be on a continuous basis.

All correspondence and notices should be sent to Theodore C. Roetken at 2211 East Highland Avenue, Suite 210, Phoenix, Arizona 85016.

A copy of the BLM mining notice and map of the area are enclosed.

Sincerely yours,



Theodore C. Roetken
President

TCR/dlc

enclosure



DEC 17 1984

Office of State Mine Inspector

705 West Wing, Capitol Building
Phoenix, Arizona 85007
602-255-5971

RECEIVED

JAN 09 1985

DEPT. MINERAL RESOURCES
PHOENIX, ARIZONA

NOTICE TO ARIZONA STATE MINE INSPECTOR

In compliance with Arizona Revised Statute Section 27-303*, we are submitting this written notice to the Arizona State Mine Inspector (705 West Wing, Capitol Building, Phoenix, Arizona 85007) of our intent to start/stop (please circle one) a mining operation.

COMPANY NAME METAL RECOVERY MINING ASSOC.

CHIEF OFFICER TONY FAZZINI

COMPANY ADDRESS 426 S ROBSON

COMPANY TELEPHONE NUMBER (602) 835-7592

MINE OR PLANT NAME _____

MINE OR PLANT LOCATION (including county and nearest town, as well as directions for locating by vehicle)

YAVAPAI Co., WICKENBURG LOCATED IN BOX CANYON
SEC 7 8N 4W 7mi OFF PRUSCOTT HWY ON MOONLIGHT
MEGA ROAD

TYPE OF OPERATION PLACER PRINCIPAL PRODUCT GOLD

STARTING DATE JAN 2, 1985 CLOSING DATE _____

DURATION OF OPERATION _____

PERSON SENDING THIS NOTICE TONY FAZZINI

TITLE OF PERSON SENDING THIS NOTICE NO TITLE (PARTNER)

DATE NOTICE SENT TO STATE MINE INSPECTOR 12-13-84

*A.R.S. Section 27-303 NOTIFICATION TO INSPECTOR OF BEGINNING OR SUSPENDING OPERATIONS: When mining operations are commenced in any mine or when operations therein are permanently suspended, the operator shall give written notice to the inspector at his office prior to commencement or suspension of operations.

Arizona Department of Mines and Mineral Resources

REPORT ON OFFICE CONFERENCE

Mine: Monarch Placer
AzMILS: Yavapai County 1370
ADMMR File: Monarch Placer
Engineer: Ken A. Phillips
Date: July 18, 1989

Report compiled November 22, 1989.

On July 13, 1989 Leon Ovando, 1521 N. Orangewood, Mesa, AZ 85203 contacted Leroy Kissinger, Dept. Director to tell him that he (Ovando) is promoting a billion ton deposit of ore in the Wickenburg area. The deposit was purportedly discovered by two other men; and that they have "certified" assays from a lab in Henderson, Nevada. They want to talk with the Dept. to find out how to get something going on the property. They would bring in assay reports and a sample; also maps showing location and location of sample points. They were referred to us by Congressman Rhodes' office.

On July 18, 1989 Leon Ovando, Jim McKinney, L.K. Beadles and Bill Kelly came to visit with Mr. Kissinger and myself. They brought a copy of the Sam Powell Peak 7.5' Quadrangle showing that their property was at the location of the alluvial placers we call the Monarch Placers. They also brought copies of assay data from Alvin Johnson and Don Jordon; both well known promoters of innovative extraction techniques for precious metals not duplicatable by accepted industry standards. Results of assay on ore samples were supplied showing presence of gold, silver, and all platinum group metals. Gold was 2.17 tr. oz./ton; iridium, 19.89 tr. oz./ton; etc. Such ore values are unheard of in any commercial deposit in the world. In response to their request that we help them to promote the property, we stated that we would have to start with having some samples run by the US Bureau of Mines to substantiate values in the range they were claiming. We have not heard from them since. Their claim of an average value of \$19.02 in gold per yard may have bit of reality as some coarse free gold has been recovered from select areas of the Monarch Placers and the possibility exists that such erratically distributed free gold particle could statistically skew an occasional sample.

MONARCH PLACER

YAVAPAI COUNTY

RRB WR 4/16/82: In the company of Ken Phillips visited the Monarch Placers, Yavapai County and talked with Hoyt Burkhalter. Mr. Burkhalter reports that Ray Steele is now at the Deming, New Mexico mill and has taken the furnace there also. He said that the operation now consists of 500 tons per day with 10 loads of seven yards each between cleanups. Bank run is screened with the +3/8" material going to stockpile and the -3/8" material going to the centrifuges turning at 160 RPM. A screen classifier separates the discharge from the centrifuges sending the sands to stockpile and the silmes to the reclaim pond. He reports assays on the slimes varying from 0 to 8 oz/ton. The concentrate from the centrifuges are treated as described in the report of January 13, 1982.

NJN WR 8/10/84: Metal Recovery Systems Inc (card), Conrad Clark, General Manager, are reported to be reopening the Monarh Placer, Yavapai County.

NJN WR 2/1/85: Joe Langlois, mining engineer with the State Dept of Revenue reported that the Monarch Placer Mine (f) is now being operated by Metals Recovery Systems (c), Tony Fazzini, 426 S. Robson, Mesa, Az 85202. They are running a 20 yard per hour plant. Nearby Interamerican Resources has another plant operating.

GOLDEN NUGGET PLACER GOLD PROPERTY

YAVAPAI COUNTY
Rich Hill Mining Dist.

T8 & 9N, R4 & 5 W.

WR KAP 9/22/76 - Mr. Rekey, Indiana chiropractor, has requested information on a placer deposit in Yavapai County. He has invested in the Golden Nugget and the Flying Dutchman through William J. Marsh, Warren Johnson and Ron Borg, who reportedly have options to purchase claims. Rekey reported he was told that samples of placer material from the Golden Nugget averaged 0.80 tr.oz. Au/ton and 5.0 tr.pz. Ag/ton.

WR GM 2/20/79 - Mr. Floren Klopfenstein reported that he holds the Golden Nugget Mine near Rich Hill and the Flying Dutchman in Copper Basin. Mr. Klopfenstein stated he purchased same claim from a Bill Marsh for around \$57,000 but later found out that not all of the claims were owned by Mr. Marsh. Mr. Klopfenstein also stated that he had spent \$400,000 on his properties to date.

RRB WR 5/6/83: Cal Schroeder is trying to market gold nuggets. He had a bunch with him ranging in size from 1/16" to 3/4" in the long direction. He is operating a trommel and sluice about 3/4 mile up Weaver Creek from the road between Octave and Stanton. He reports that 85 cubic yards from near bedrock yielded 6 1/2 oz. of nuggets. Mr. Schroeder was formerly with the leaching operation at the Octave.

NJN WR 2/1/85: Joe Langlois with the State Dept. of Revenue reported that Cal Schroeder's placer operation in Weaver Creek is known as the Wildhorse Placer Operation (Golden Nugget Placer Mine -file) Yavapai County.

NJN WR 5/17/85: Jack Brantl of Watersaver Co. Inc., 1232 E. Broadway, Suite 210 #16, Tempe, Arizona 85282, phone 602-966-6892 called and reported that Cal Schroeder (c) is joint venturing his Wildhorse Placer operation (Golden Nugget Placer - file) Yavapai County with Virginia Mining Co. of Reno, Nevada.

NJN WR 7/11/86: Grover Heinrichs (card) reported that Cal Schroeder's (card) Golden Nugget Placer (file) Yavapai County is now shut down and not operating.



STATE OF ARIZONA
DEPARTMENT OF MINERAL RESOURCES
MINERAL BUILDING, FAIRGROUNDS
PHOENIX, ARIZONA 85007
602/255-3791

October 21, 1980

Dr. L.J. Rekeweg
R.R. #2
Waterloo, Indiana 46793

Dear Dr. Rekeweg:

I have received and reviewed the data you sent on your Golden Nugget Placer Gold property in the Rich Hill Mining District, Yavapai County, Arizona. I have copied a portion of the material for inclusion in a reference file in our office. The data in that file is available for public review and can be copied by interested parties. The following items are included:

1. Copy of letter from BLM on Dec 3, 1979 identifying serial numbers of our mining claims.
2. Report of sampling from Ron Borg and Arizona Testing Laboratory on claims prior to our becoming involved.
3. Copy of report from R. Don Morris, Geologist, on July 18, 1979, done for you because of the problems with Floren Klopfenstein.
4. Copy of report of samplings done by Dr. J.A. Howell, Ph.D. in Chemistry at Western Michigan University.
5. Plat maps of all locations.
6. An index map showing the property position your group holds (as abstracted from your plat maps) at a scale of 1/2" = 1 mile.
7. A copy of your letter to me of September 27, 1980.
8. A copy of this letter.

Dr. L.J. Rekeweg
Page 2,
October 21, 1980

A review of data you sent indicates a need for a comprehensive sampling program on the placer holding. The report, "Preliminary Report On Golden Nugget Placer Gold" by R. Don Morris appears to adequately address the current status of the property. Sample data on samples taken by Ron Borg and sample data by J.A. Howell cannot be used in determining potential value of the property because they lack descriptive and location data. Further, as we discussed on the telephone, the values are so high for mine run placer material that they are suspect.

Provided you have (as you have stated) solved the claim ownership problems, the present status of the Golden Nugget Placer Gold property can best be described as an unpatented land position on potential alluvial placer gold ground in a known gold bearing mining district. The value of such a holding can only be determined by further sampling and development of water for processing.

We will as I discussed bring the property to the attention of companies which have expressed an interest in evaluating placer properties on alluvial material. Information on the property and your name has already been given to American Mining Company of Auburn, California who expressed an interest in sampling potential placer mines.

Enclosed is the data which you sent us along with a copy of the property position map I made. Please keep in contact with us and we would appreciate copies of any new information generated on the property for the file.

Sincerely,



Ken A. Phillips
Mineral Resources Engineer

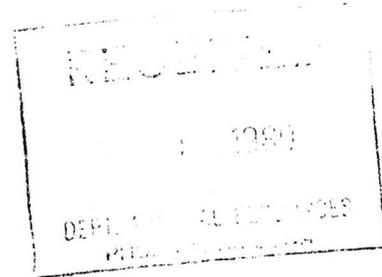
KAP/ap

Enclosure

September 27, 1980

Gold

Dr. L. J. Rekeweg
R.R. #2
Waterloo, Indiana 46793



Mr. Ken A. Phillips
Dept. Of Mineral Resources
Mineral Bldg. Fairgrounds
Phoenix, Arizona 85007

Dear Mr. Phillips,

Per our telephone conversation of Sept. 19, I have enclosed the following information for your examination and suggestions.

1. Copy of letter from BLM on Dec. 3, 1979 identifying serial numbers of our mining claims.
2. Report of sampling from Ron Borg and Arizona Testing Laboratory on claims prior to our becoming involved.
3. Copy of report from R. Don Morris, Geologist, on July 18, 1979, done for us because of the problems with Floren Klopfenstein.
4. Copy of report of samplings done by Dr. J. A. Howell, Ph.D. in Chemistry at Western Michigan University.
5. Copy of option agreement between Clyde Thomason and Lucille Kelly, owners, and Dr. Deisler and myself, as option purchasers.
6. Copies of notice of mining location on claims.
7. Quadrant map of all locations.
8. Plat maps of all locations.
9. Copy of survey of claim area.

According to our conversation on the telephone, I gather you are aware of the problem we had with Mr. Klopfenstein. We feel that if he had contacted and used the services of a reputable exploration and mining company, it could have been a good situation for all involved. There is a federal and civil case pending against him at this time.

Our groups feelings are that this situation can still be good with proper guidance and expertise. We really have no knowledge in the mining field and therefore have to depend on someone to help us out which you indicated to me you were willing to do.

Mr. Klopfenstein and Mr. Marsh no longer have the claims as they have been in default for some time and Mr. Thomason and Mrs. Kelly filed a notice of cancellation with them. We have an option at this time to pursue the situation with hopefully a remedy that is positive for all involved.

I have enclosed copies of many documents as stated earlier. I did not know if all of these documents were necessary, but I felt that you could give me a better opinion as to what I should send to various mining concerns. I do not know how accurate the report of Mr. Ron Borg and Arizona Testing Labs is because that was given to us by Mr. Klopfenstein. After we began having many problems with Mr. Klopfenstein, we pursued having some independent evaluations done on our own to see if the project would be worth pursuing on our own with some expertise and proper guidance.

As you can tell from the report of Mr. Don Morris, several things were being investigated. We wanted an opinion on the equipment and process that Mr. Klopfenstein was using, and also, on the feasibility of further pursuance of the project. As you can tell from his report he had very little confidence in Mr. Klopfenstein's approach. His feeling was that if certain criteria were met it could be a very profitable operation.

Dr. Howell from Western Michigan ran many tests in his laboratory on samples that were personally taken by our group and brought to his facility for analysis. These samples were checked and rechecked several times. All of the samples were surface samples, which as you know is a very poor way to test a placer operation. Even though the samples were poor, the results were quite favorable. There has never been any proper sampling done on these claims to find the true value.

I've enclosed all claim location notices. As I told you when we spoke, there has been claim jumping by two or three other individuals in the past five years. In our checking, we have found that Mr. Thomason has done his assessment work each year that he has had the claims, which in my understanding, justifies his ownership of these claims.

In closing, we really appreciate your interest in helping us ascertain the value and future mining on these claims. As I had mentioned, we have been in contact with Freeport Mining. They have shown an interest in looking at the property and possibly exploring its value. Anything that you can do to guide us to other mining companies to look at the project will be appreciated. Our intent is to have some company take over the entire operation if the values are there. We do not want to enter into the day to day activities nor do we want to be a watch dog as we had been in the past.

After you evaluate the enclosed material, please give us your earliest opinion as to what you feel we should use in our presentation to individual mining companies.

I hope we can get some positive committment from a mining concern in our 90 day option agreement.

You may call me collect at my office at 219-837-6331 on Mon., Tues., Wed., and Fri. from 8:00 A.M. - 6:00 P.M.. I'm usually at home in the evenings at 219- 281-2828. Again, thanks for everything and I hope to hear from you soon.

Sincerely Yours,


Dr. L. J. Rekeweg



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Arizona State Office
2400 Valley Bank Center
Phoenix, Arizona 85073

IN REPLY REFER

A MC 68526 thru
A MC 68586 (952)

December 3, 1979

Dear Claimants:

This letter is to identify the serial numbers we have assigned to your mining claim location notices filed in this office on October 1, 1979.

<u>Serial Number</u>	<u>Name of Claim</u>
A MC 68526	✓ Rock House Extension
A MC 68527 thru A MC 68528	✓ Wild Horse Extension
A MC 68529	✓ Old Wild Horse
A MC 68530	✓ Four Hundred
A MC 68531	✓ Thomason
A MC 68532 thru A MC 68535	✓ Black Hawk No. 1 thru No. 4
A MC 68536 thru A MC 68537	✓ Golden Hawk #1 thru #2
A MC 68538 thru A MC 68541	✓ Golden Hawk No. 3 thru No. 6
A MC 68542	✓ Spanish Gold
A MC 68543 thru A MC 68549	✓ Spanish Gold #2 thru #8
A MC 68550	✓ Blue Bell
A MC 68551	✓ Hill Side
A MC 68552	✓ Apex
A MC 68553 thru A MC 68554	✓ Golden Rod (2 claims with same name)
A MC 68555	✓ Black Hawk
A MC 68556 thru A MC 68557	✓ Blue Bucket
A MC 68558	✓ Lost Bolz
A MC 68559	✓ Midnight
A MC 68560	✓ Alice May
A MC 68561	✓ Joker Gulch
A MC 68562 thru A MC 68564	✓ Lost Dutchman No. 1 thru No. 3
A MC 68565 thru A MC 68566	✓ Myers #1 thru #2
A MC 68567	✓ Gold Basin
A MC 68568	✓ Golden Eagle
A MC 68569	✓ Lobo Lode
A MC 68570	✓ Minx Lode



Save Energy and You Serve America!

(952) Clyde Thomason, Lucille Kelley, 12/3/79

A MC 68571	✓ Dowdy
A MC 68572	✓ Dowdy Ext.
A MC 68573 thru A MC 68574	✓ Black Mexican (2 claims with same name)
A MC 68575	✓ Lucky Roxie
A MC 68576	✓ Four Hundred No. 2
A MC 68577	✓ Gold Strike
A MC 68578	✓ Mountain Top
A MC 68579	✓ Golden Glow
A MC 68580	✓ Gold Nugget
A MC 68581 thru A MC 68582	✓ Luckey Strick No. 1 thru No. 2
A MC 68583	✓ Gold Gulch
A MC 68584	✓ Golden Rod Ext.
A MC 68585 thru A MC 68686	✓ Charlene (2 claims with same name)

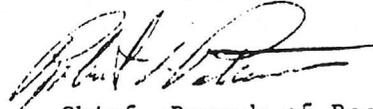
Please refer to the claim names and the respective serial numbers in any future correspondence.

This will acknowledge your 1978-1979 Affidavit of Labor Performed for the claims serialized AMC 68532 thru A MC 68570, A MC 68573, A MC 68574, A MC 68577, A MC 68578, A MC 68585 and A MC 68686.

We are enclosing a copy of another Affidavit of Labor Performed that was recorded in Book 1240, Page 964. Sheets 1 and 2 of this Affidavit were not received. Please furnish sheets 1 and 2 as soon as possible.

A photocopy of your recorded Affidavit of Labor Performed or Notice of Intent to Hold for the 1979-1980 assessment year should be filed in this office on or before December 30, 1980. No fee is required.

Sincerely yours,



Chief, Branch of Records
and Data Management

Enclosure

2

SUPPLEMENT TO THE GOLDEN NUGGET
FEASIBILITY

At this time, we have concluded our pre-operational sampling. On 12 successive tests, we showed as follows;

Sample number 23	2.3 oz/per/ton
Sample number 24	2.6 oz/per/ton
Sample number 25	1.3 oz/per/ton
Sample number 26	.8 oz/per/ton
Sample number 27	1.4 oz/per/ton
Sample number 28	4.6 oz/per/ton
Sample number 29	4.6 oz/per/ton
Sample number 30	4.9 oz/per/ton
Sample number 31	5.2 oz/per/ton
Sample number 32	3.8 oz/per/ton
Sample number 33	3.6 oz/per/ton
Sample number 34	4.1 oz/per/ton

*Where did the samples
come from?
What type of material
are they? Concentrate?*

The estimated cost of start-up remains somewhat the same. Between \$140,000 & \$150,000. This would put a 50 tpd mine/mill program underway immediately. Larger equipment will be purchased initially for projected step-up according to projection finalized by group approval. The ionic bonding solution to be used has been improved considerably and will continue to improve as milling procedures get under way. Any questions concerning project will be welcomed at anytime.


R. Borg,
601-2538144

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. MCLEAN & SON LABORATORIES, INC.
815 WEST MADISON STREET PHOENIX, ARIZONA 85007

PHONE 254-6181

For **Mr. Ron Borg**

Date **March 12, 1976**

ASSAY CERTIFICATE

LAB NO.	IDENTIFICATION	OZ. PER TON		PERCENTAGES			
		GOLD	SILVER	COPPER			
1470	#1	0.04	trace				
	#2	0.44	0.05				
	#3	6.7	0.90				

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

Claude E. McLean, Jr.



R. Don Morris

Geologist

Geological Surveys - Mine Evaluations

Telephone (702) 738-6676

406 Henderson Bank Building - Elko, Nevada 89801

PRELIMINARY REPORT ON GOLDEN NUGGET PLACER GOLD

Introduction

The property is located approximately 6 miles north of Wickenburg, Yavapai County, Arizona. The property lies within the Weaver Mining District and is part of the Wickenburg Mountain Range.

The property is easily reached by traveling northwest from Wickenburg approximately 4 miles on Highway U.S. 93 then east 2 miles on county improved dirt road to the edge of the property. Access within the boundaries of the property is by unimproved dirt roads.

The climate and vegetation is typical of the Southwest Desert and is ideal for year round operation if sufficient water could be developed for summer operations.

The property does not have a production history although back in the 1930's an engineer wrote a report on the property and did a considerable amount of test work although most was done on the placer deposits upstream to the base of Rich Hill. This report was shown to George Rohrs and myself on our trip to the area by the owners of the Octave mine. There is presently a placer operation being worked on the slope wash or alluvial deposits at the base of Rich Hill. Mr. Les Palmer has discontinued another operation which borders on the one presently being worked because of lack of water. The old Octave Gold Mine is idle although some work has been done on the old dumps. The Octave mine was developed on quartz veins which cut granitic type country rock and appears to have been a substantial producer. Rich Hill has had reported production from its placer deposits mainly by the Chinese and Mexicans in the late 1800's and early 1900's.

Evaluation and Recommendations

The three most important factors in determining the value of the Golden Nugget Placer property are: (1) ownership, (2) mineral values and (3) water availability. If any of the above are lacking

Handwritten note: The property is located approximately 6 miles north of Wickenburg, Yavapai County, Arizona.

Geological Surveys - Mine Evaluations

Telephone (702) 738-6676

406 Henderson Bank Building — Elko, Nevada 89801



the property has questionable value.

The ownership seems to be questionable as we talked to four different people in the area who claimed to own the property or it was owned by someone else and the property appears to be in default to the original owner. I did not get into this area in depth as this was left up to Mr. Hughes' expertise.

The mineral values or gold values of the property are relatively unknown. A visual inspection of the property and assessment of work done in order to evaluate the property appear to be nil. I saw no evidence of actual work on testing and sampling the gravels from the property using standard mining practices.

There were three enclosures on the property containing a variety of equipment and an inventory of these was taken and given to George Rohrs.

It appeared some small tests were made of the gravels using small smelting furnaces. This to me is ridiculous and shows either a complete lack of knowledge or leads me to believe there was an ulterior motive for having this type furnace.

A furnace would not be used in a placer operation as the gold is already free or separated from other minerals and just has to be concentrated or isolated from the gravel by means of gravity concentration. The gold in placer form (nugget and dust) is usually worth more than the going market value for refined gold. Melting placer gold down in furnaces will not refine it and actually would take away from its value.

Gold in commercial placer gold usually runs only a few dollars per cubic yard of gravel and therefore large scale testing with an adequate test plant is necessary. This plant would consist of a trommel screen with gold ring to catch heavy gold and screen off the oversize waste, a jig (another form of gravity concentrator) may or may not be necessary and some form of sluice box and riffels to trap the gold and sufficient water to run same. None of this



R. Don Morris

Geologist

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was done at the property. A test of this nature, if a plant could be rented or leased in the area, would cost approximately \$50,000.

A test of this nature was not done on the property and it is doubtful in my opinion that \$5,000 had been spent on the property outside of buying maybe \$25,000 worth of unnecessary equipment.

Placer operations are the simplest operations in the mining business and can be very profitable at today's prices for gold.

Water studies of the area appear to be nonexistent. There is a well on the property, developed by the rancher but how much it could produce is unknown. There have been many well failures in the area. The best source of water seems to be from the old Octave mine that is full of water and would seem to produce sufficient water for a large scale operation if it could be secured. The annual rainfall would not provide sufficient water for damming, and is out of the question. The development of water is therefore a very important factor in the possible profitability of the property.

The general geology of the area is as follows: The source of the gravels is from the drainage of the Rich Hill area. The gold occurs in quartz veins which cut granitic country rock of the Rich Hill area, as the mountain eroded away the gold was moved with the gravels down the Weaver Creek drainage and deposited. There are two ages of gravel. The older gravel which is reddish in color and more compacted, and the newer gravel of the present stream beds. Both gravels are poorly sorted and have boulders up to four foot in diameter which can cause mining problems. There is an abundance of black sands which may or may not have any value. No one in the area is or has recovered any gold values from these sands. It is estimated that 98% of the black sand is magnetic iron. If any values can be recovered from the black sands it should be considered a bonus. The gold we observed in the area from Mr. Palmers operation appeared to be very rough and jagged which indicates it has not moved very far. The closer to the source, usually, the gold values are higher and they lessen as the distance increases from the source. It is my

R. Don Morris

Geologist

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opinion then that the closer you get to Rich Hill the better chance for a commercial property, and if further work is done it should be started as close to Rich Hill as possible. I was told that the property of interest was located from about the windmill down drainage but when I plotted the claims of the quad map most of the property lies up drainage from the windmill or weaver creek which is better.

Conclusions

Nothing has been done on the claim to prove or disprove the value of the property. The samples I took, and the results which have not been received as of the writing of the report, will not disprove the property as it is impossible to test a placer deposit in this way. The samples will show how absurd it was to place this material into a furnace and try to recover the gold as the cost of heating the furnace is probably a hundred times the value of gold per cubic yard in the gravels. Each furnace could hold probably 1/8 yard and have 50% in gold, at most, values in it.

The old report and maps which I glanced through indicate values of a few cents per yard to a dollar per yard at the old \$20.00 price for gold. This would be fifteen times that amount at today's \$300.00 per ounce Au. If an area could be found to have \$2.00 to \$4.00 per yard values, and adequate water was acquired, a very profitable operation could be run. (example) A plant which would run 2,000 yards of material through per day (average size, costs \$150,000 to \$200,000 ready to run) would gross \$6,000 per day and could net \$4,000 in profits per day. This would net over 1.5 million in profits per year.

It is my conclusion that any money spent thus far for the property has been wasted because there is no evidence that any money has been spent on the property. I recommend that no more money be spent unless property title is completely cleared and workable agreements are obtained as it is useless to even start if they are not in order. I also recommend that necessary legal action be



R. Don Morris

Geologist

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started to stop the past operator and recover any unspent monies and or properties of value which he might have obtained with said monies. When this is accomplished a complete evaluation of all properties might be in order to determine possible property worth.

Enclosed is a claim map and quad map showing the claims and approximate location of samples taken. George Rohrs also has sample splits and description of where each was taken. If I can be of further service or answer any questions please do not hesitate to contact me.

Respectfully,

R. Don Morris

R. Don Morris, Geologist

July 18, 1979

ANALYSIS REPORT

Analyses started: 7/29/79

Analyses completed: 7/31/79

Sample Number	Solution Conc. (ppm)	mg Au found	sample wt. (g)	% Au (w/w)	ppm Au (w/w)	oz. Au/ton
7-1	1.2	0.060	1.7719	0.0034	34	0.82
7-2	N.D.*	- - -	1.2631	- - -	- -	- - -
7-3	0.4	0.020	0.8016	0.0025	25	0.6
7-4	N.D.*	- - -	0.9848	- - -	- -	- - -
7-5	N.D.*	- - -	1.9199	- - -	- -	- - -
7-6	0.4	0.020	1.0150	0.0020	20	0.48 ¹
7-7	0.6	0.030	2.1550	0.0014	14	0.34
7-8	N.D.*	- - -	1.4247	- - -	- -	- - -
7-9	1.5	0.075	1.7248	0.0043	43	1.03
Octave	N.D.*	- - -	1.8632	- - -	- -	- - -
Slag	1.6	0.080	5.4623	0.0015	15	0.36

* None Detected

¹ A small amount of sample was spilled, so value might be somewhat low.

Notes:

1. Samples as received were numbered 1, 2, 3, etc. In order to avoid confusion with earlier samples, these were prefixed with 7, denoting July samples.
2. All samples (except slag which was dissolved directly) were dried at 110° C for one hour, then weighed, and digested for ca. 2 hours in conc. aqua regia. The solutions were then filtered and quantitatively transferred to 50-ml volumetric flasks and diluted to volume. The analysis was then effected using atomic absorption spectrometry under the following conditions: air - 40 p.s.i @ 5.0 SLM; acetylene - 5 p.s.i. @ 1.7 SLM; Hollow cathode lamp (Au) @ 11.0 ma; Amplifier gain (rel.) 0.2; Dynode voltage 805 vdc; Entr. slit = 40 microns; Ex. slit = 100 microns; Wavelength = 2430 angstroms; total consumption burner. All results were read from calibration curve prepared from standard solutions made up from pure gold sheet. Values are from single samples and not replicate samples. Instrument readings, however, were averages of replicate measurements. All samples were finely ground prior to drying.

3. Sample Description:

- | | |
|---|--------------------------------------|
| 7-1 coarse gravel with magnetite(black) | 7-2 coarse gravel |
| 7-3 fine brown sand | 7-4 brown dirt |
| 7-5 brown medium grained sand | 7-6 brown powdery sand |
| 7-7 brown medium grained sand | 7-8 fine black sand (with magnetite) |
| 7-9 black sand (with magnetite) | Octave |
| Slag | |

Analyst:

J. A. Howell
J. A. Howell, Ph.D.

Golden Nugget

MINING PROJECTION

PRODUCTION USING VIBRATING SLUCE BOX***BASED ON FREE GOLD RECOVERY***JANUARY 12, 1979

200 Ton Per Day @ 1/4 oz. per Ton = 50 oz. X \$160 =	\$8,000.00	
Operating Cost, Fuel, Gas, labor, chemicle=(2 men)		\$ 260.00
Net profit per 8 hour day operation		7,740.00
	<u>\$8,000.00</u>	<u>\$8,000.00</u>

30 day forecast based on 24 Operating days per Month

24 days @ \$8,000 per day	\$192,000.00	
24 days \$260 per day expense		\$ 6,240.00
NET PROFIT		185,760.00
	<u>\$192,000.00</u>	<u>\$192,000.00</u>

30 day forecast-3 shifts-24 days

24 days total income (3Shifts)	\$576,000.00	
Operating cost		\$ 18,720.00
Net Profit		557,280.00
	<u>\$576,000.00</u>	<u>\$556,000.00</u>

FORECAST PER YEAR 1 eight hour shift per day

Total Income 288 days	\$2,304,000.00	
Expenses		\$ 74,880.00
NET PROFIT		2,229,120.00
	<u>\$2,304,000.00</u>	<u>\$2,304,000.00</u>

FORECAST PER YEAR 3 eight hour shifts per day

Total Income operating 24 Hr. Daily for 288 Days	\$6,912,000.00	
Operating cost		\$ 224,640.00
NET PROFIT		\$6,687,360.00
	<u>\$6,912,000.00</u>	<u>\$6,912,000.00</u>

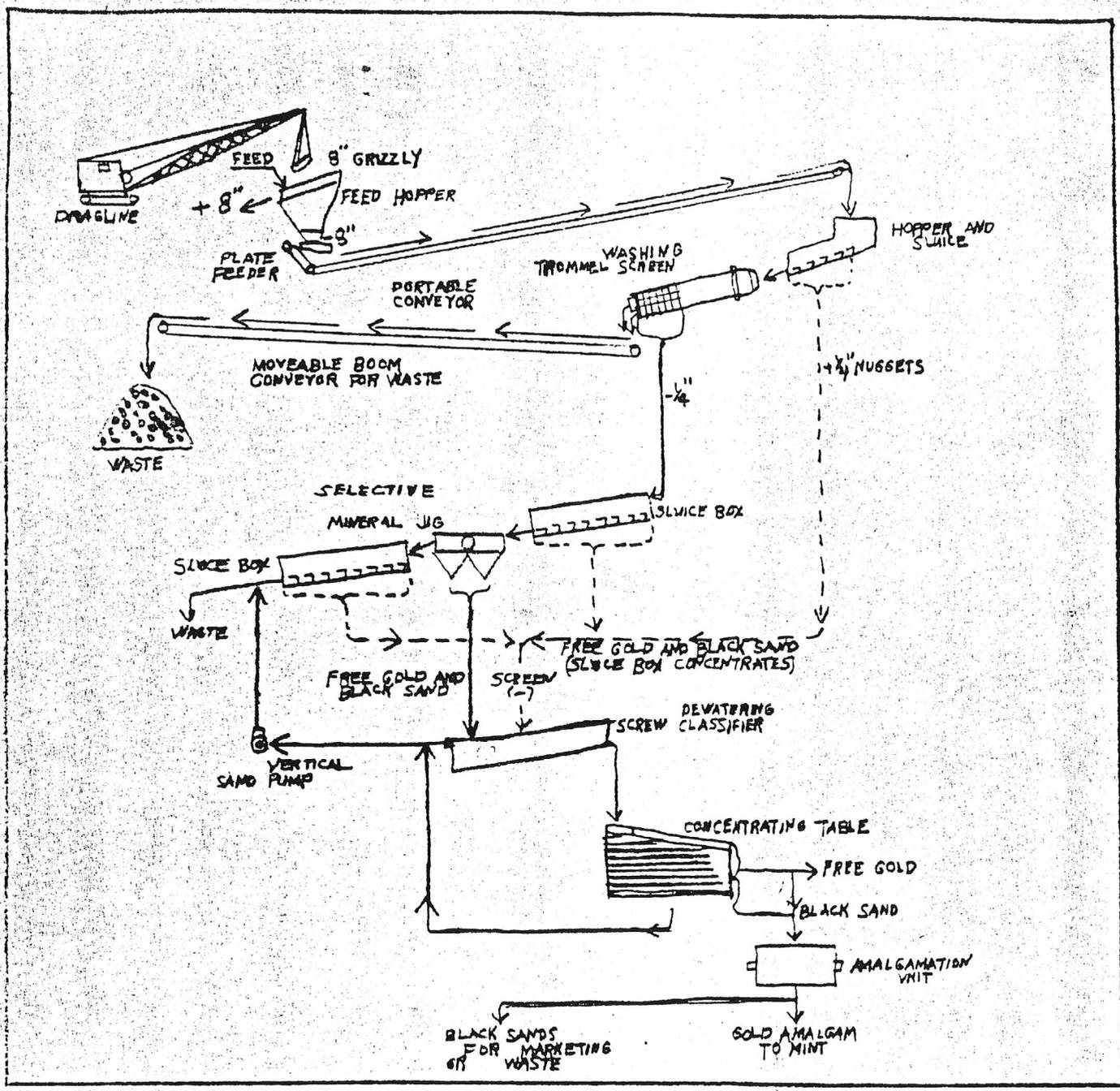
This projection was made based on the recovery BRC. prepared for me after testing our ore samples.

The forecast for 1979 is for at least 6 of these plants to be completed in 1979.

We have enough material for at least 20, years operation.

PREPARED FOR
Floren Klopfenstein
Floren Klopfenstein/

GOLD DEPOSITS



PROCESSING BLACK SAND

The handling of large quantities of gold bearing gravels is important for successful operation. The placer plant should be constructed as a compact unit that can be readily moved and should be kept close to the mining area. Adequate and efficient washing and recovery methods must be used. Feeding will depend on conditions as depth of sand, overburden, quantities of boulders, water table, topography, and operating space. Large boulders are rejected by the heavy 8" grizzly on top of the feeder hopper. Following is a list of equipment needed for this operation. With the proper size of equipment this system will handle 100 tons per hour.

Floren Klopfenstein President
GALA Enterprises Inc.

Gala

ENTERPRISES, INC.

EQUIPMENT NEEDED FOR OPERATING THE GOLDEN NUGGET GOLD MINE in PHOENIX, ARIZONA
AND
EQUIPMENT NEEDED FOR OPERATING THE FLYING DUTCHMAN GOLD MINE is as follows:

- 1 Bulldozer Front End Loader (D-8 Cat or larger)
- 1 Crawler Crane Backhoe
- 1 Trommel or 2 Deck Shaker Screen 4' X 14'
- 60' Conveyor 30" Wide with Hopper
- 1 Duplex Mineral Jig 36 X 36
- 1 Wilfry Concentrating Table
- 1 50 K W Generator Unit
- 2 " and 4 " PAC Pipe
- 1 Mag Separator
- 1 Dewatering Classifier (screw type)
- 1 Trommel 4' X 24'
- Smelter
- 1 Amalgamation Unit
- 1 Movable Stacking Conveyor
- 2 Sluice Boxes one with hopper
- 1 Vertical Sand Pump
- 1 selective Mineral Jig
- 1 8" grizzly for main feeder hopper

After full capacity operation a second Bull Dozer Loader will be required for replacement of material, etc.

Material could be bagged and shipped to various markets that are available, if desired.

THIS EQUIPMENT WHEN SET UP AS A WORKING PLANT WOULD BE ABLE TO HANDLE FROM 2000 to 10,000 tons per day. The varying capacity is due to the different areas and if the plant/operated 8 hour or 24 hour days.

Route 2

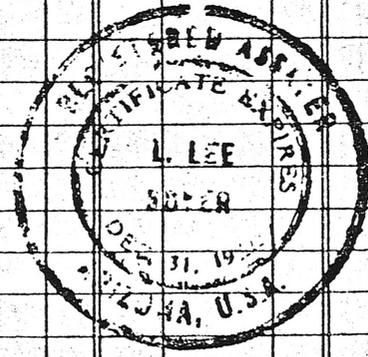
Camden, Michigan

**VALLEY ASSAY OFFICE
AND ORE TESTING LABORATORY**
MEMORANDUM OF ASSAY

Made for Floren Klopfenstein

Tempe, Arizona, Jan. 7, 1977

SAMPLE NO.	PER TON OF 2000 POUNDS AVOIRDUPOIS								COPPER, OR			LEAD, OR			ZINC, OR			TOTAL	
	GOLD, PLATINUM				SILVER														
	AT	PER OUNCE			AT	PER OUNCE			AT	PER LB.		AT	PER LB.		AT	PER LB.		\$	Cts.
OZS.	100's	\$	Cts.	OZS.	100's	\$	Cts.	%	\$	Cts.	%	\$	Cts.	%	\$	Cts.	\$	Cts.	
7	32.	80																	
8	0.	18																	
9-A	7.	04																	
15	0.	05																	
16	0.	24																	
REMARKS:																			



NO.

BY Registered Assayer.

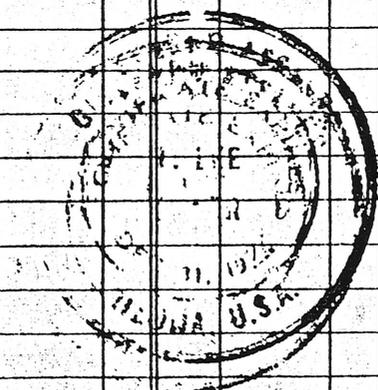
CHARGE \$ 32.00 Pd.

**VALLEY ASSAY OFFICE
AND ORE TESTING LABORATORY
MEMORANDUM OF ASSAY**

Made for F. Klopferstein

Tempe, Arizona..... Dec. 16....., 1976

SAMPLE NO.	PER TON OF 2000 POUNDS AVOIRDUPOIS								COPPER, OR			LEAD, OR			ZINC, OR			TOTAL	
	GOLD, PER TON				SILVER				PER LB.			PER LB.			PER LB.				
	AT	PER OUNCE			AT	PER OUNCE			AT	PER LB.		AT	PER LB.		AT	PER LB.		\$	Cts.
	OZS.	100's	\$	Cts.	OZS.	100's	\$	Cts.	%	\$	Cts.	%	\$	Cts.	%	\$	Cts.	\$	Cts.
1 Fines	4.	24																	
2	3.	31																	
3	2.	11																	
4 Cons.	14.	72																	
REMARKS:																			



NO.

BY Registered Assayer.

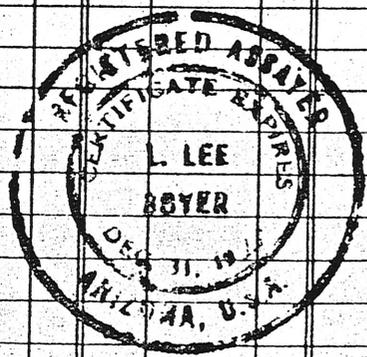
CHARGE \$ 32.00 Pd.

**VALLEY ASSAY OFFICE
AND ORE TESTING LABORATORY
MEMORANDUM OF ASSAY**

Made for Floren Klopffenstein

Tempe, Arizona Dec. 28, 1977

SAMPLE NO.	PER TON OF 2000 POUNDS AVOIRDUPOIS								COPPER, OR			LEAD, OR			ZINC, OR			TOTAL	
	GOLD, PER TON				SILVER														
	AT	PER OUNCE			AT	PER OUNCE			AT	PER LB.		AT	PER LB.		AT	PER LB.			
OZS.	100's	\$	Cts.	OZS.	100's	\$	Cts.	%	\$	Cts.	%	\$	Cts.	%	\$	Cts.	\$	Cts.	
24	0.	04																	
25	3.	42																	
26	0.	11																	
27	1.	64																	
REMARKS:																			

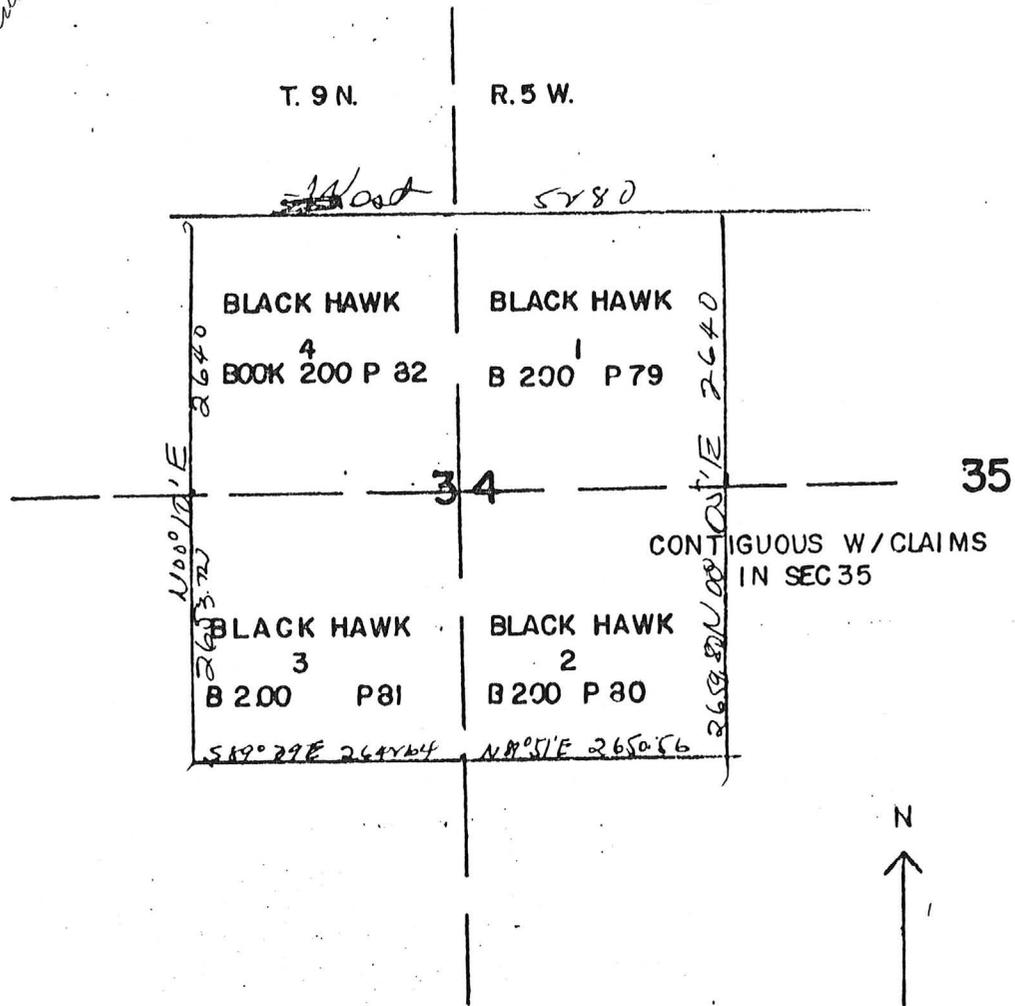


NO.

BY L. Lee Boyer
Registered Assayer.

CHARGE \$ 32.00 Pd.

Red Hill District



1. Name of Claim(s): BLACK HAWK 1, 2, 3, 4
2. Name of Locator(s): JOSEPH, LULU HELHOSKI and Wm, JUDITH ROWLELY
GEORGE, CLYDE, ERNEST and EARL THOMSON
3. Type of Claim(s): PLACER
4. The Claim(s) is (are) located in SECTION 34, TOWNSHIP 9N, RANGE 5W
G. & S.R.M. in _____ County, Arizona.
5. Type of corner and location monuments used: FD, BC ROCK & POSTS
6. Scale: 1" = 1320'
7. Original Location Notices recorded in Book 200 Page 79, 80, 81, 82 Attached _____

IMPORTANT

Instructions for Completion:

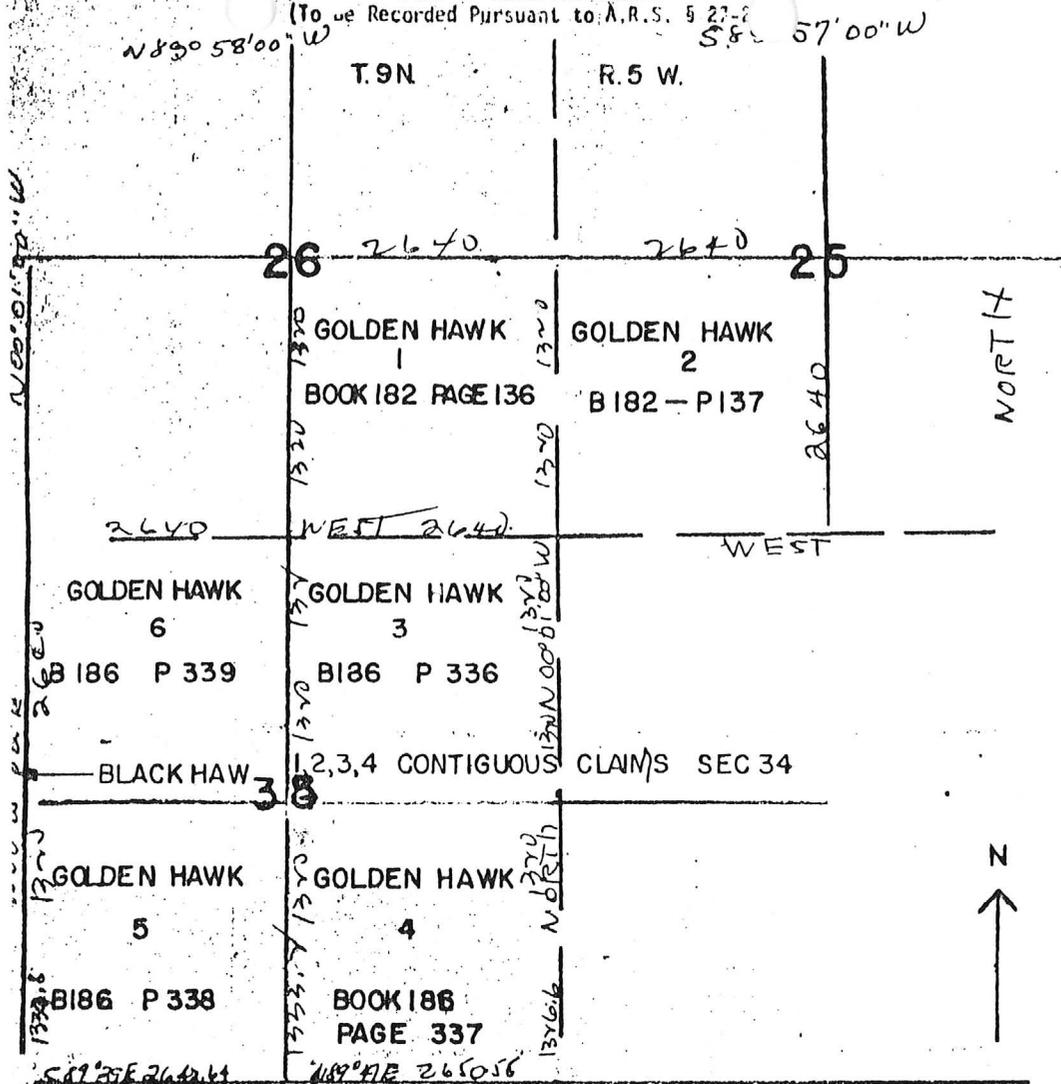
(i) If the land is surveyed, a corner of the claim must be tied by a course and distance to a monument of the Public Land Survey; if the land is unsurveyed, a corner must be tied by course and distance to an established survey monument of a United States Government agency or a United States Mineral Monument; if no such monuments are available, one or other permanent monument as shown on Plat.

(ii) North arrow must be shown on Plat.

(iii) Bearing and distances between corners must be shown on Plat.

PLAT OF EXISTING CLAIMS

(To be Recorded Pursuant to A.R.S. § 27-202)



1. Name of Claim(s): GOLDEN HAWK 1 THRU 6
2. Name of Locator(s): GEO, EARL CLYDE ANDERNEST THOMASON, JOSEPH M. and LULU HELBOSKI, JUDITH B. and Wm R ROWLEY, LEROY, JANICE ROWLEY, NELLIE, SYLVESTER
3. Type of Claim(s): PLACER
4. The Claim(s) is (are) located in SECTION 25, 26, 35, TOWNSHIP 9N, RANGE 5W & S.R.M. in YAVAPAI County, Arizona.
5. Type of corner and location monuments used: FD. BRASS CAPS, STONE-POST
6. Scale: 1" = 1320'
7. Original Location Notices recorded in Book 186 Page 136-7 Amended 336, 7, 8, 9

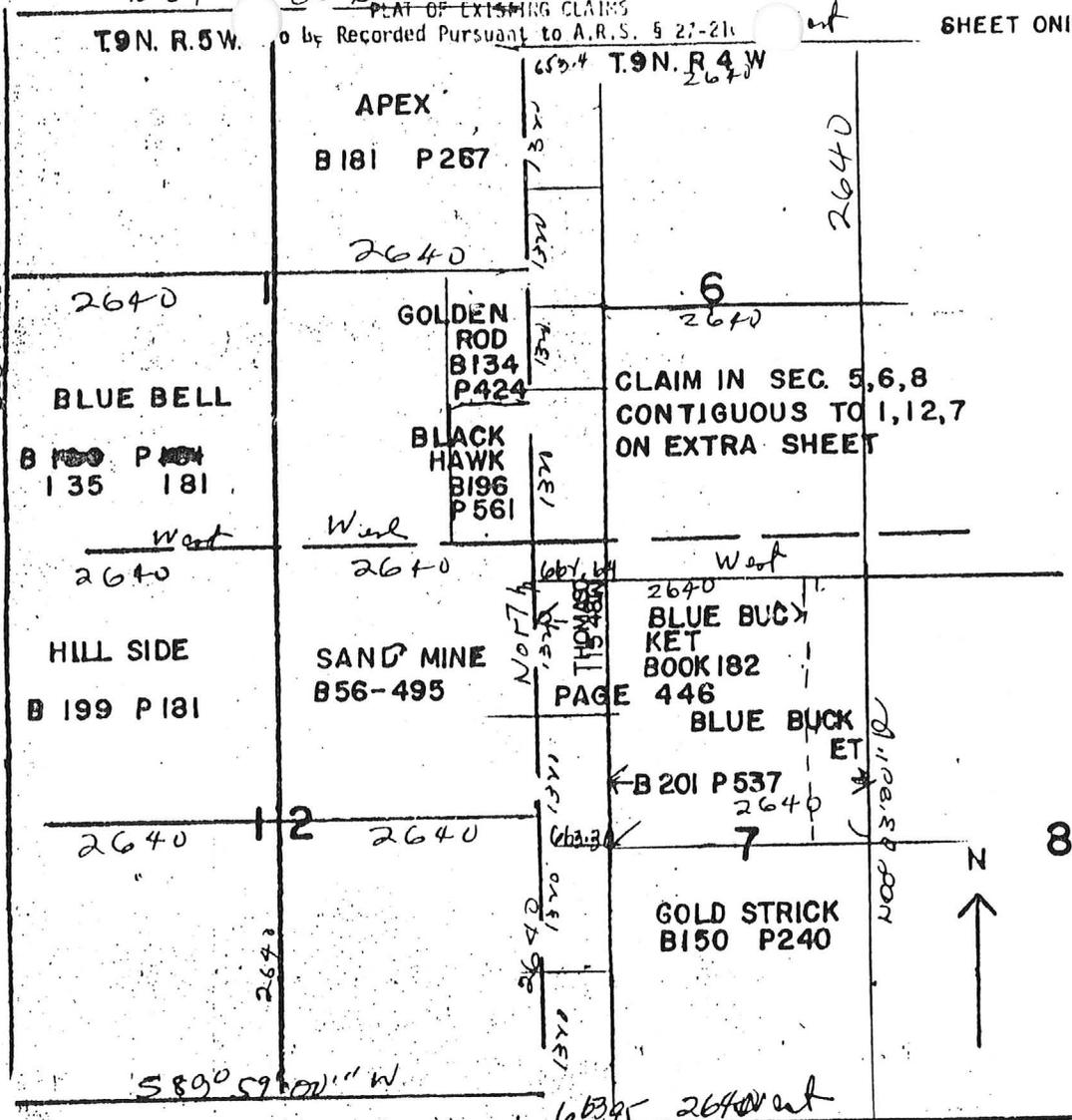
IMPORTANT

Instructions for Completion:

(i) If the land is surveyed, a corner of the claim must be tied by a course and distance to a monument of the Public Land Survey; if the land is unsurveyed, a corner must be tied by course and distance to an established survey monument of a United States Government agency or a United States Mineral Monument; if no such monuments are available, one or other permanent monument as shown on Plat.

(ii) North arrow must be shown on Plat.

(iii) Bearing and distances between corners must be shown on Plat.



1. Name of Claim(s): AS ABOVE
2. Name of Locator(s): CLYDE, ERNEST, EARL, GEO, DOROTHY, ELVAIN THOMASON, LUCILLE, KELLY, CECIL WILLIAMS, LUCILLE, LOU SMITH, JOE, LULA HELBOSK, ROSE ANN, JIM, PIERIGO, BOB, FRANKIE VILBAUM, LORD HASTINGS
3. Type of Claim(s): PLACER OTHERS
4. The Claim(s) is (are) located in SECTION SEE MAP, TOWNSHIP 9N, RANGE 5-4 W G. & S.R.M. in YAVAPAI County, Arizona.
5. Type of corner and location monuments used: STONE AND POSTS
6. Scale: 1" = 1320'
7. Original Location Notices recorded in Book SEE ABOVE Page SEE ABOVE Amended SEE ABOVE

IMPORTANT

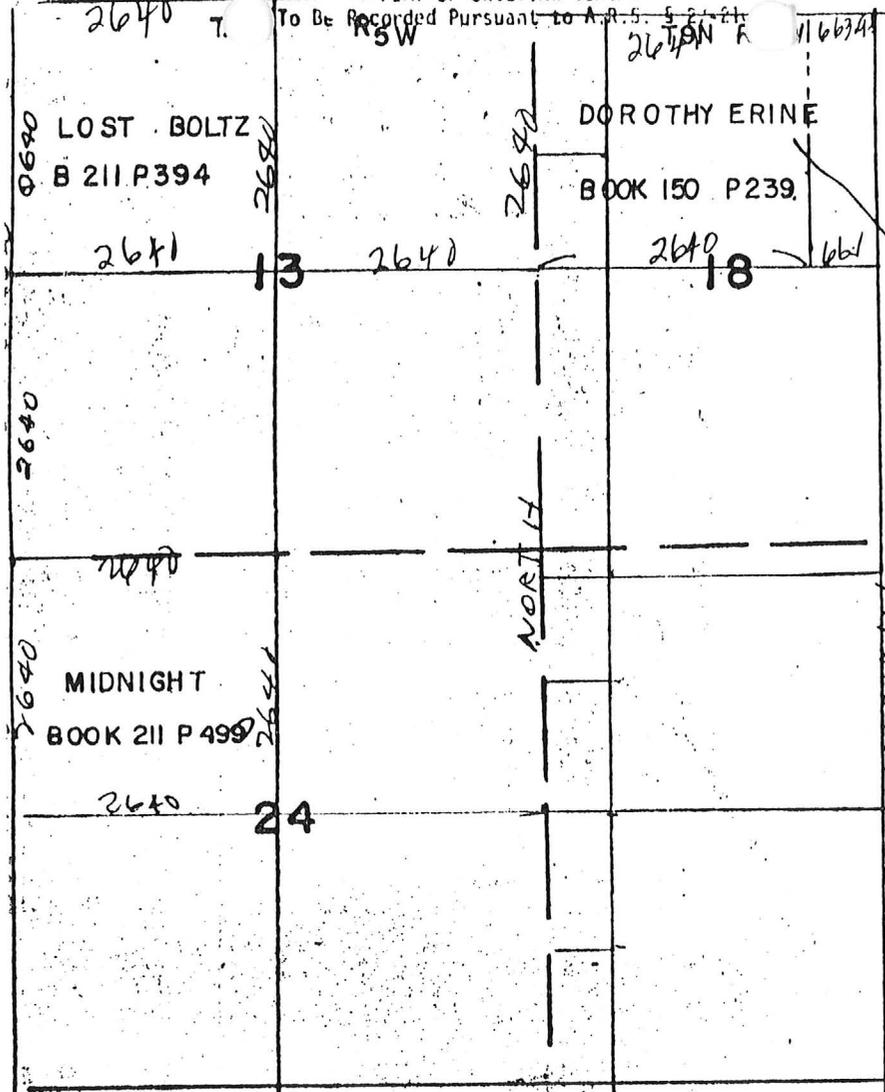
Instructions for Completion: SHEETS 1,283 CLAIMS ARE CONTIGUOUS

(i) If the land is surveyed, a corner of the claim must be tied by a course and distance to a monument of the Public Land Survey; if the land is unsurveyed, a corner must be tied by course and distance to an established survey monument of a United States Government agency or a United States Mineral Monument; if no such monuments are available, one or other permanent monument as shown on Plat.

(ii) North arrow must be shown on Plat.

(iii) Bearing and distances between corners must be shown on Plat.

To Be Recorded Pursuant to A.R.S. 5-21-21



SHEET 3

CONTIGUOUS TO SEC 7

1. Name of Claim(s): LOST BOLTZ, MIDNIGHT & DOROTHY ERINE
2. Name of Locator(s): GEO. CLYDE, EARL, ERNEST, DOROTHY, ELVIAN THOMASON, LUCILLE KELLY, CECILE WILLIAMS, LUCILLE SMITH
3. Type of Claim(s): PLACER
4. The Claim(s) is (are) located in SECTION SEE ABOVE, TOWNSHIP _____, RANGE _____ G. & S.R.M. in _____ County, Arizona.
5. Type of corner and location monuments used: STONE, POST
6. Scale: 1" = 1320' SEE ABOVE
7. Original Location Notices recorded in Book _____ Page _____ Amended _____

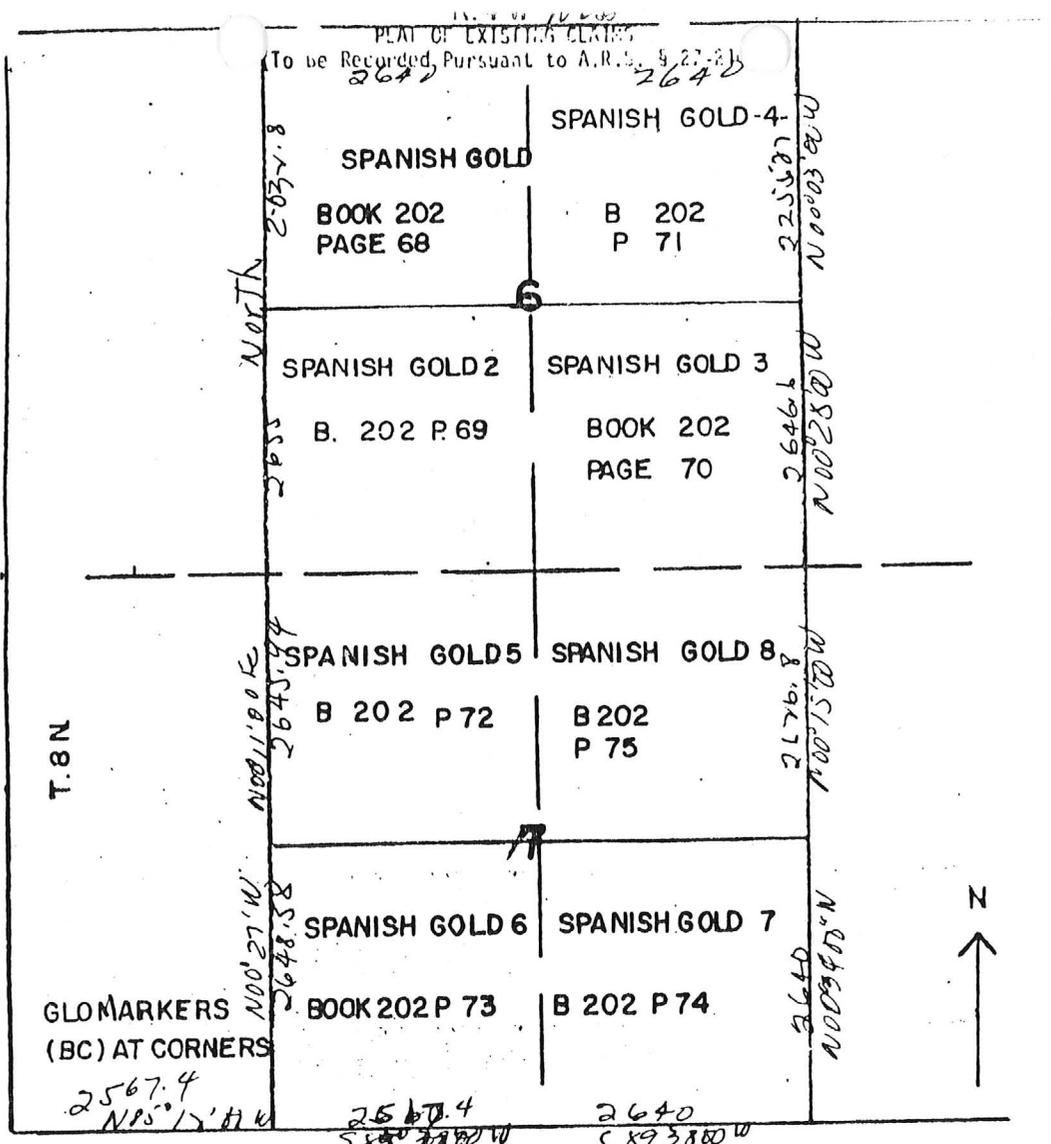
IMPORTANT

Instructions for Completion:

(i) If the land is surveyed, a corner of the claim must be tied by a course and distance to a monument of the Public Land Survey; if the land is unsurveyed, a corner must be tied by course and distance to an established survey monument of a United States Government agency or a United States Mineral Monument; if no such monuments are available, one or other permanent monument as shown on Plat.

(ii) North arrow must be shown on Plat.

(iii) Bearing and distances between corners, must be shown on Plat.



1. Name of Claim(s): SPANISH GOLD THRU 8
2. Name of Locator(s): CLYDE THOMASON, ERNEST THOMASON, GEORGE AND EARL THOMSON, WMAND JUDITH ROWLEY, LULU D. HELHESKI , PLACER
3. Type of Claim(s): PLACER
4. The Claim(s) is (are) located in SECTION 6-7, TOWNSHIP 8N, RANGE 4W G. & S.R.M. in YAVAPAI County, Arizona.
5. Type of corner and location monuments used: 4 X 4 & STONES
6. Scale: 1" = 1320'
7. Original Location Notices recorded in Book Page Amended

IMPORTANT

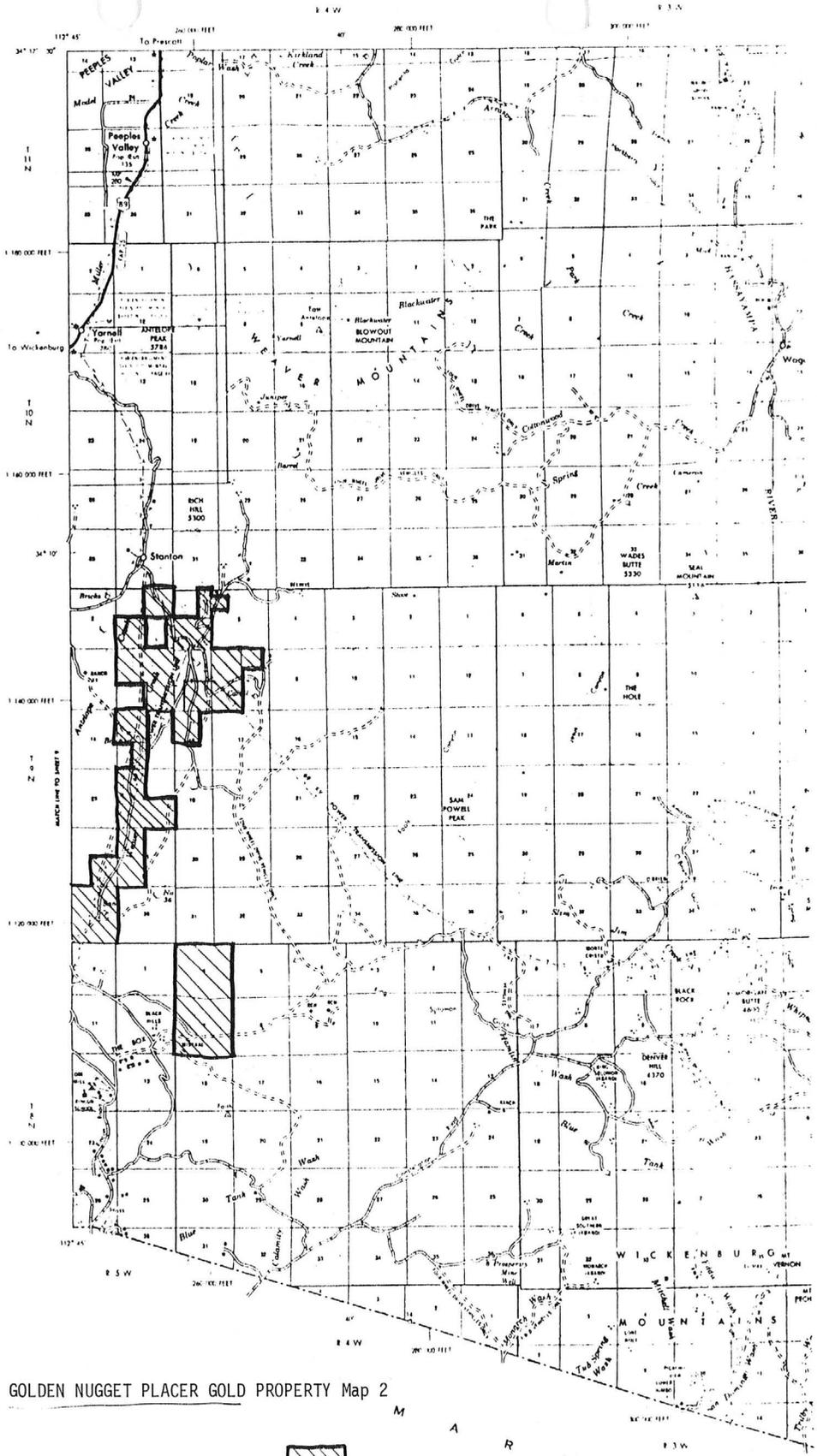
Instructions for Completion:

(i) If the land is surveyed, a corner of the claim must be tied by a course and distance to a monument of the Public Land Survey; if the land is unsurveyed, a corner must be tied by course and distance to an established survey monument of a United States Government agency or a United States Mineral Monument; if no such monuments are available, one or other permanent monument as shown on Plat.

(ii) North arrow must be shown on Plat.

(iii) Bearing and distances between corners must be shown on Plat.

UNDER EA CLAIM ABOVE

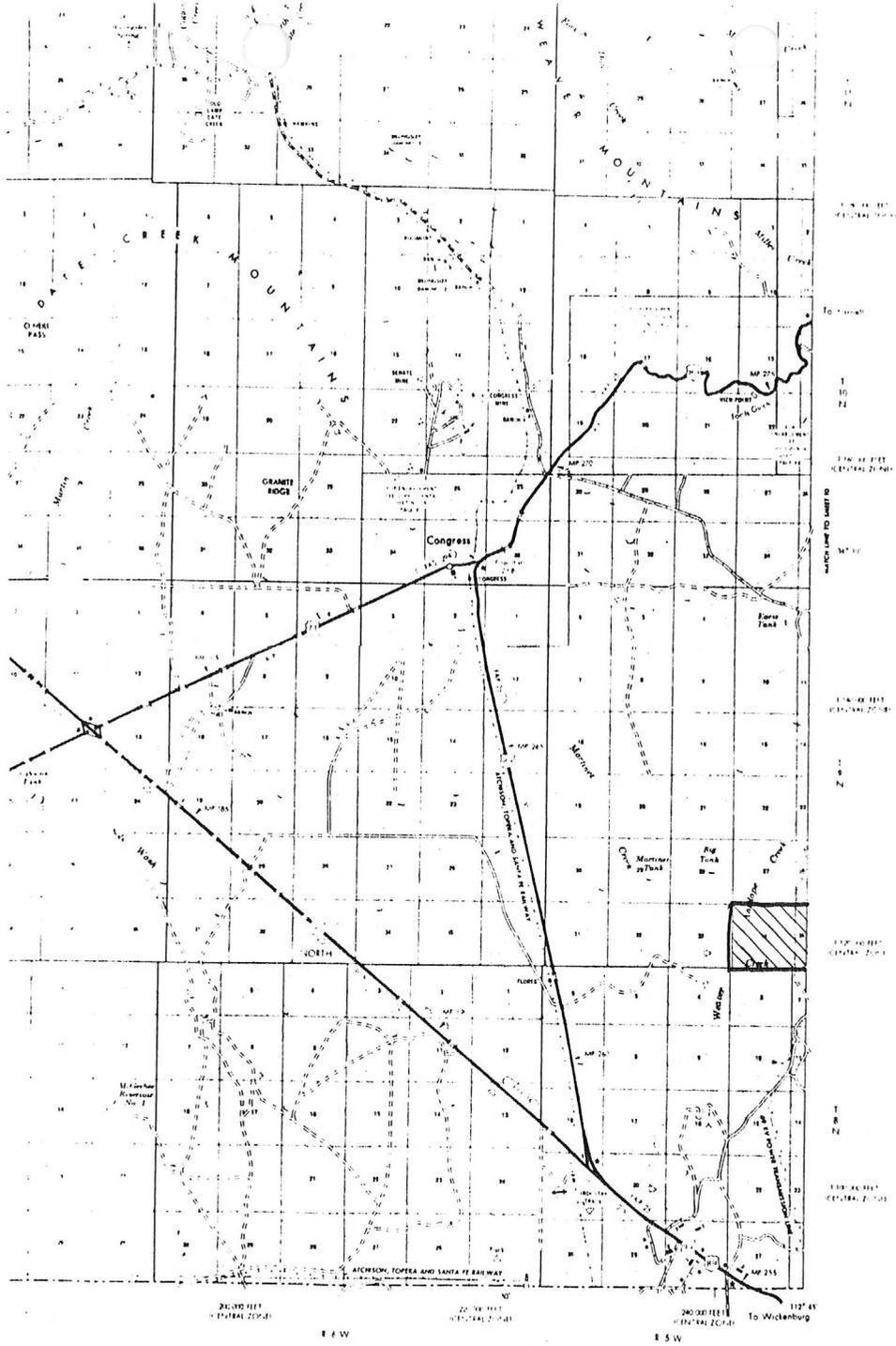


GOLDEN NUGGET PLACER GOLD PROPERTY Map 2

Rich Hill

 Area of claims

M A R I C O P A

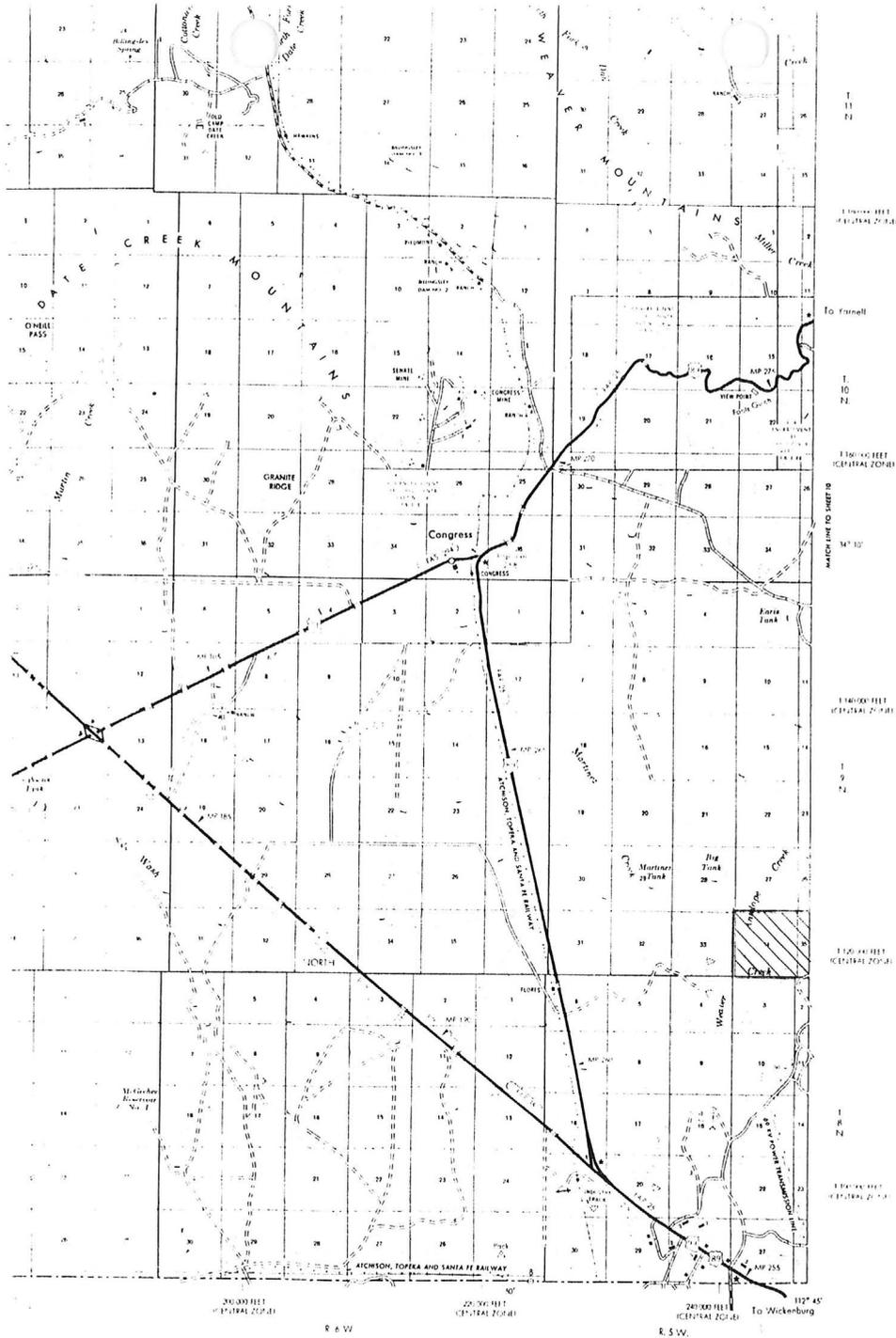


N T Y

GOLDEN NUGGET PLACER GOLD PROPERTY Map 1

 Area of claims

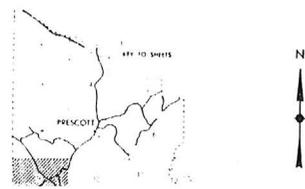


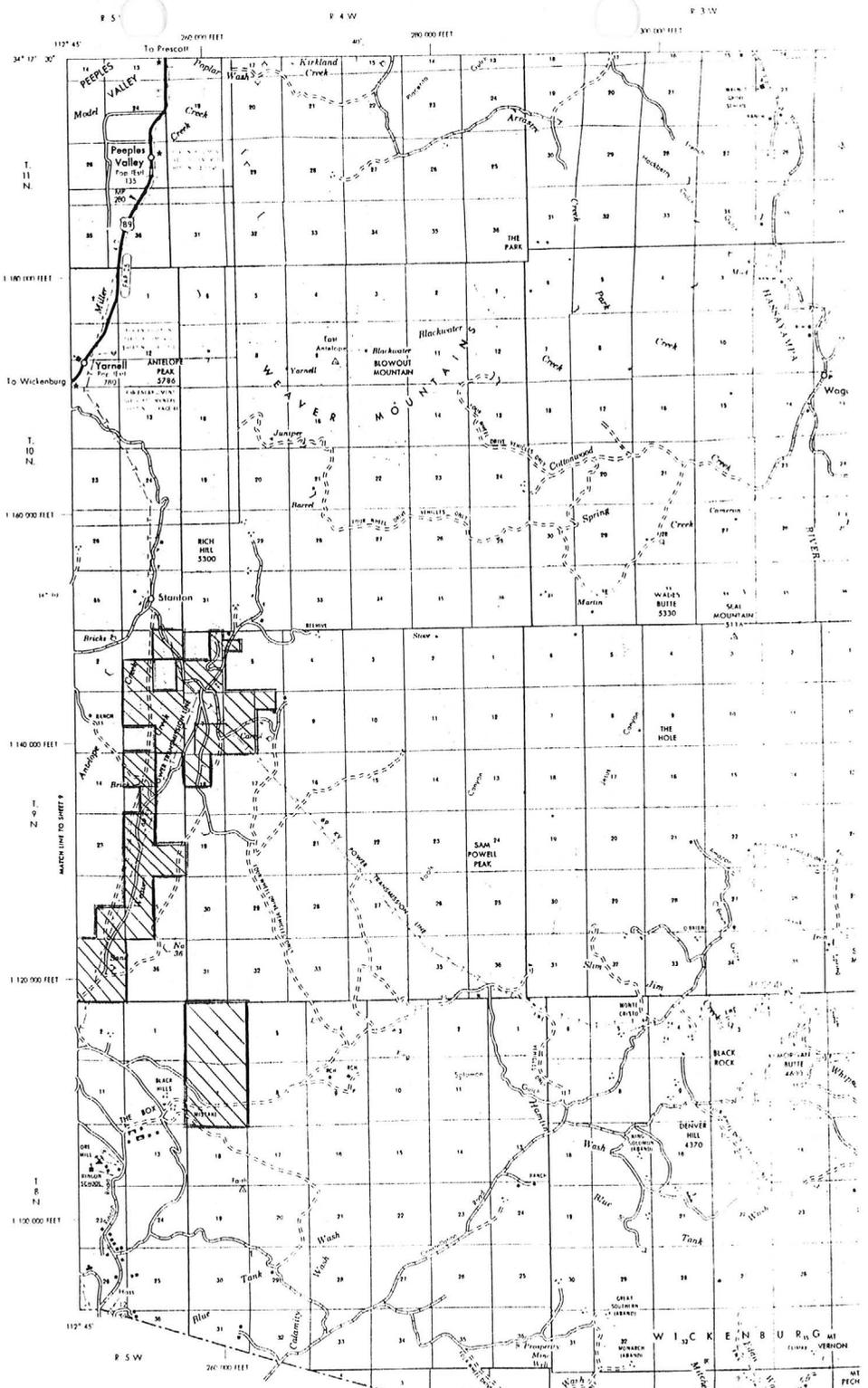


N T Y

GOLDEN NUGGET PLACER GOLD PROPERTY Map 1

 Area of claims





GOLDEN NUGGET PLACER GOLD PROPERTY Map 2


 M A R I C O P A
 Area of claims

Serial Number

Name of Claim

A MC 68581 thru A MC 68582
A MC 68583
A MC 68584
A MC 68585 thru A MC 68586

Luckey Strike No. 1 thru No. 2
Gold Gulch
Golden Rod Ext.
Charlene (2 claims with same name)

IN WITNESS WHEREOF, said parties have hereunto set their hands

this Sept 18 day of Sept, 19 80

Clyde Thompson
Lucille Kelley
L. J. Rekever
R. K. Deisler

State of Arizona {
County of Yavapai { ss

On this the 18th day of September 1980, before me,
LINDA S. WEEON, the undersigned Notary Public, personally appeared
CLYDE THOMPSON, LUCILLE KELLEY, R. K. DEISLER &
L. J. REKEVER known to me (or satisfactorily proven) to be the
person whose name s subscribed to the within instrument and acknowledged
that they executed the same for the purposes therein contained.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

My Commission Expires July 25, 1982

Linda S. Weedon
Notary Public

OPTION AGREEMENT

3-

This option agreement, made and entered into the 18th day of September, 1980 by and between Clyde Thomason and Lucille Kelley of P.O. Box 25, Congress, Arizona, who shall be hereinafter referred to as owners, and R.K. Deisler of 69149 Big Hill Rd., Sturgis, Michigan 49091 and L.J. Rekweg of #4 Kendallville, Indiana 46755, who shall be hereinafter referred to as option purchasers.

Whereas owners are holders of certain unpatented mining claims, and

It is hereby further agreed that option purchasers shall hold option for testing and exploration of said claims for a period of 90 days with right of renewal at termination of this agreement.

It is further agreed that if the option purchasers fail to exercise this option within the time and in the manner herein before provided this option shall terminate without further action.

It is further agreed that option purchasers shall provide owners with copies of all testing results.

For the sum of \$1.00 (one dollar) this agreement is valid.

Claims referred to in this option are listed below as follows according to U.S. Dept. of the Interior, Bureau of Land Management, Arizona State Office, 2400 Valley Bank Center, Phoenix, Arizona 85073. Serial numbers AMC68526 through AMC68586 (952).

LOTS AND CLAIMS

Serial Number	Name of Claim
A MC 68526	Rock House Extension
A MC 68527 thru A MC 68528	Wild Horse Extension
A MC 68529	Old Wild Horse
A MC 68530	Four Hundred
A MC 68531	Thomason
A MC 68532 thru A MC 68535	Black Hawk No. 1 thru 4
A MC 68536 thru A MC 68537	Golden Hawk #1 thru #2
A MC 68538 thru A MC 68541	Golden Hawk No. 3 thru No. 6
A MC 68542	Spanish Gold
A MC 68543 thru A MC 68549	Spanish Gold #2 thru #8
A MC 68550	Blue Bell
A MC 68551	Hill Side
A MC 68552	Apex
A MC 68553 thru A MC 68554	Golden Rod (2 claims with same name)
A MC 68555	Black Hawk
A MC 68556 thru A MC 68557	Blue Bucket
A MC 68558	Lost Bolz
A MC 68559	Midnight
A MC 68560	Alice May
A MC 68561	Joker Gulch
A MC 68562 thru A MC 68564	Lost Dutchman No. 1 thru No. 3
A MC 68565 thru A MC 68566	Myers #1 thru #2
A MC 68567	Gold Basin
A MC 68568	Golden Eagle
A MC 68569	Lobo Lode
A MC 68570	Minx Lode
A MC 68571	Dowdy
A MC 68572	Dowdy Ext.
A MC 68573 thru A MC 68574	Black Mexican (2 claims with same name)
A MC 68575	Lucky Roxie
A MC 68576	Four Hundred No. 2
A MC 68577	Gold Strike
A MC 68578	Mountain Top
A MC 68579	Golden Glow
A MC 68580	Gold Nugget