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

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Arizona Department of Mines and Mineral Resources Mining Collection

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PRINTED: 03/21/2002

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: MOON ANCHOR

ALTERNATE NAMES:
EAST VULTURE MINING CO.
AGRAVATION

MARICOPA COUNTY MILS NUMBER: 95A

LOCATION: TOWNSHIP 4 N RANGE 7 W SECTION 31 QUARTER S2
LATITUDE: N 33DEG 38MIN 31SEC LONGITUDE: W 113DEG 01MIN 18SEC
TOPO MAP NAME: BIG HORN MTS - 15 MIN

CURRENT STATUS: PAST PRODUCER

COMMODITY:
LEAD
SILVER
GOLD LODE

BIBLIOGRAPHY:
USGS BIG HORN MTS QUAD
ADMMR MOON ANCHOR MINE FILE
ADMMR "U" FILE
MOORE R AZBM BULL 180 P 192
BLM AMC FILE 57506

Arizona Department of Mines and Mineral Resources

INFORMATION FROM MINE CARDS IN MUSEUM

ARIZONA

MARICOPA CO.

MOON ANCHOR MINE
(Big Horn Mtns)

MILS # 95A
2-AKA's
Moon Anchor (file)

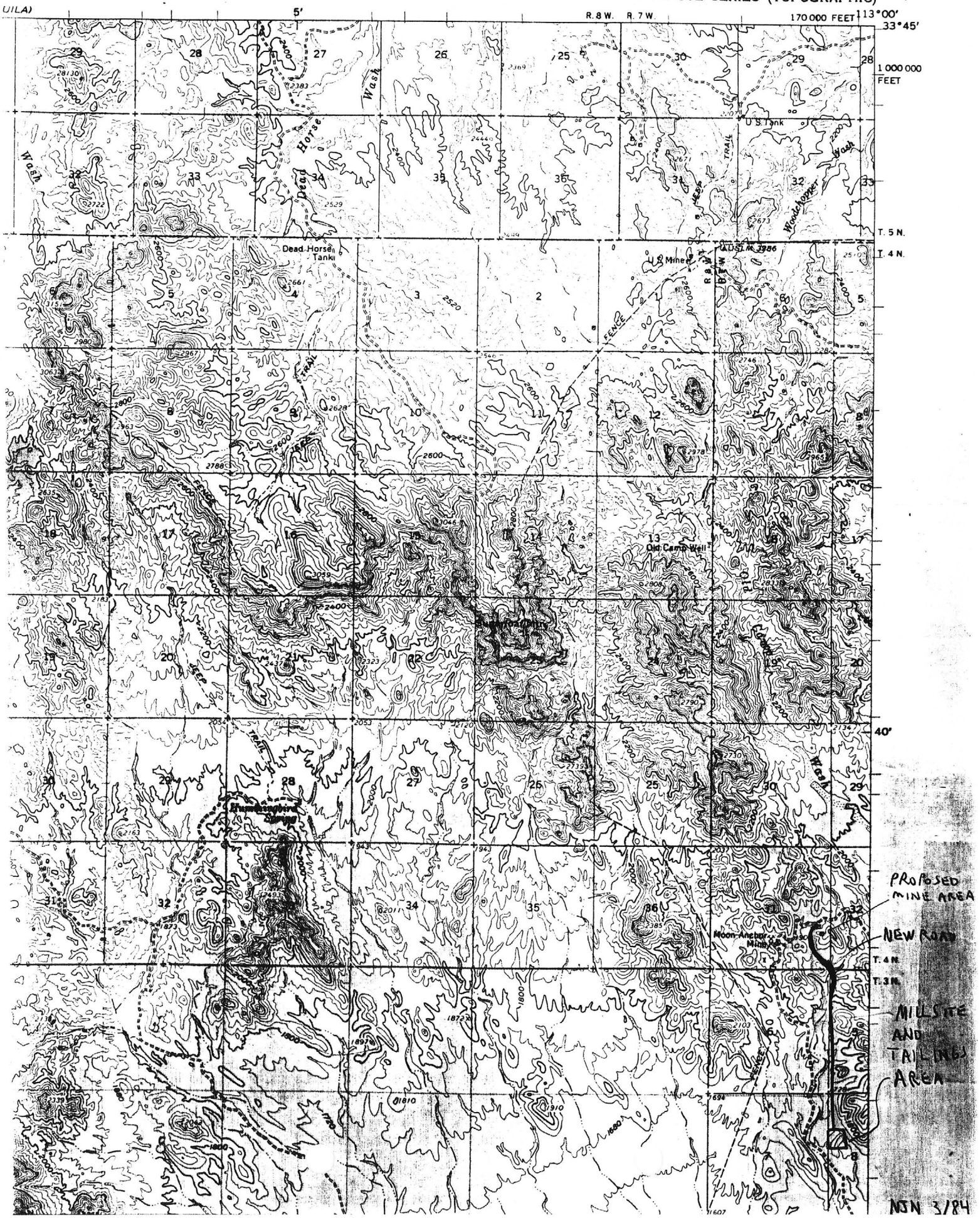
MM-8578 PHOENICOCHROITE & MIMETITE
MM- 7867 Calcite & Massicot
MM-7868 Calcite & Massicot

AZ. REPUBLIC (MOON ANCHOR FILE)
6-8-83

C3

BIG HORN MTS. QUADRANGLE
ARIZONA–MARICOPA CO.
15 MINUTE SERIES (TOPOGRAPHIC)

(VULTURE MTS.)



NAME OF MINE: MOON ANCHOR

COUNTY: YAVAPAI ? C
DISTRICT:
METALS: PB

OPERATOR AND ADDRESS:		MINE STATUS	
DATE:		DATE:	
5/1/44	E. R. Dickie East Vulture Mining Co. Wickenburg, Arizona	5/1/44 12/44	Not shipping at present idle

MOON ANCHOR

MARICOPA COUNTY

Vulture District

NJN WR 1/27/84: Dick Parks geologist with the BLM's Phoenix office reported that Sierra Amarillo is putting together a mill at the Moon Anchor Mine, Maricopa County. Recently Sierra Amarillo has shipped 3 truck loads of raw ore to ASARCO's El Paso Smelter for which ASARCO soaked them with charges. Reportedly, Sierra Amarillo is receiving substantial funding from an English source.

NJN WR 3/30/84: Chuck Bentzen (c) reported that Sierra Amarillo Mining has suspended their mill and mine development activities at the Moon Anchor, Maricopa County due to financial difficulties.

RRB WR 11/30/84: It was reported that Warren Stienbeck of Sierra Amarillo at the Moon Anchor, Maricopa County, has his concentrator operating and has concentrates for sale.

NJN WR 11/8/85: It was reported that Sierra Amarillo Mining Co. (c) is in bankruptcy from their operations at the Moon Anchor (f) Maricopa County.

KAP WR 4/4/86: Bob Myers of Humphry's Engineering in Denver called and requested some suggestions as to a firm that could handle the dismatling of the Sierro Amarillo (Moon Anchor - file) Maricopa County mill. He explained that Kennecott has purchased the mill and wants it moved to a site in Mexico.

KAP WR 4/11/86: Bob Myers of Humphry's Engineering in Denver called and further discussed the dismantling of the Sierra Amarillo (Moon Anchor - file) Maricopa County, mill (see KAP WR 4/4/86). He explained that he did some testing of the ores Sierra Amarillo wanted to run through the proposed plant and found the lead values to be about 1/3 of what was purported by the promoters of the operation. Although they (Humphrey's) were glad to sell the equipment they had reservations about Sierra Amarillio's potential for success. Bechtl Minerals and Civil was suggested as a possible contractor to move the plant to Mexico.

MOON ANCHOR MARICOPA COUNTY

NJN WR 11/19/82: Chuck Bentzen of Reuter Equipment called and reported that Warren Steinback and William Barker have the Hope 1-100 claims (AMC 31608-31707) which cover the Moon Anchor Mine, Maricopa County. They are forming a company called Sierra Amarillo (Yellow Mountain), to develop reserves reported in an evaluation of the property by Gerald Weathers.

RRB WR 5/28/82: Received a report that Warren Stanback of Sierra Amarillio claims that they have a property 54 miles west of Phoenix with 7.5 million tons of andesite containing lead, zinc and silver blacked out. Humphreys Engineers of Colorado did the work for them.

NJN WR 6/10/83: Assisted Chris Aaron, staff writer for the Phoenix Business Journal, 1817 N. 3rd. St., Suite 100, Phoenix, Arizona 85004, phone 271-4712 with a story on the Sierra Amarillo Co. and the Moon Anchor Mine, Maricopa County. Ms. Aaron provided a copy of a Sierra AMarillo press release for our files. The press release indicated that the mine would be producing a silver-lead concentrate and employing 50 people in October 1983.

NJN WR 7/1/83: Chuck Bentzen of Reuter Equipment Company, reported that Sierra Amrillo Company appears to be well financed and is putting together equipment for their operation at the Moon Anchor Mine, Maricopa County.

RRB WR 8/26/83: Tried to get to the Moon Anchor Mine supposedly reopened July 1 and to be in full production by the end of October, but there was no passable road into the property. It is in Section 31, T4N R7W and is being "operated" by Sierra Amarillo Mining Co., 4530 E. McDowell, Phoenix.

RRB WR 9/30/83: Dick Park of the BLM reports that Sierra Amarillo has repaired the road into the Moon Anchor mine and has cleared an area for a mill. They told him that they are going to float the ore and sell the concentrate to ASARCO in El Paso and that the primary product will be lead.

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine	Moon Anchor	Date	May 4, 1960
District	Big Horn Dist., ~~Yuma~~ Maricopa Co.	Engineer	Lewis A. Smith

Subject: Interview with F. X. Woods and Wm. Jenkins at Wellton.

Owner: Herbert Cast, Salome, Arizona.

Location: West of Tonopah-Belmont Mine.

July 14, 1958

7/15/58

Jim Dickie, brother of the deceased E. R. Dickie stated that this mine has been abandoned and no one is working it at the present, according to his information.

TPLane

MOON ANCHOR

MARICOPA COUNTY

REGISTERED ASSAYER CERTIFICATE NO. 1335 RICHARD CROOK Date Signed 12-27-74 ARIZONA, U.S.A.

Richard Crook

IRON KING ASSAY OFFICE

ASSAY CERTIFICATE

BOX 56 — PHONE 632-7410
HUMBOLDT, ARIZONA 86329

REGISTERED ASSAYER CERTIFICATE NO. 2978 WALTER G. STATLER Date Signed ..... ARIZONA, U.S.A.

ASSAY MADE FOR: Arizona Dept. of Mines & Mineral Resources
Mineral Bldg Fairgrounds
Phoenix, Az 85007

REF. NO.	DESCRIPTION	oz/ton Au	oz/ton Ag		% Fe	% Pb	% Zn	% Cu
12-21-7	COD stockpile	.095	6.81			12.20	2.30	1.00
8	Richmond #2	Nil	.67					
9	Clemantine 40	Tr	Nil					
10	Clemantine #2	.024	Nil					
11	Richinbar tails	Tr	Nil					
12	Moon Anchor Calcite Vein	Nil	Nil			1.98		
13	Joe Smith	Nil	Nil					Nil

CHARGES none

ASSAYER

STATE MINE INSPECTOR

AUG 21 1984

Office of State Mine Inspector

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

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 SIERRA AMARILLO MINING CO.

CHIEF OFFICER WARREN H. STEINBACH

COMPANY ADDRESS P.O. BOX 408 TONOPAH, AZ. 85354

COMPANY TELEPHONE NUMBER 602-253-7607

MINE OR PLANT NAME HOPE MINE

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

N. ON 411th AVE. TO BETHANY HOME ROAD, TURN W. 2MILES, TURN N. 8MILES.

TYPE OF OPERATION OPEN PIT AND MILLING PRINCIPAL PRODUCT LEAD AND SILVER

STARTING DATE 9/10/84 CLOSING DATE

DURATION OF OPERATION

PERSON SENDING THIS NOTICE Warren H. Steinbach

TITLE OF PERSON SENDING THIS NOTICE President

DATE NOTICE SENT TO STATE MINE INSPECTOR

*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.

MI[illegible]D PROSPECT FIELD VISIT DATA [illegible]RY

Sheet 1 of 2

COMMODITIES Lead, silver possibly flourspar

MILS ID No. 95A Date February 8, 1984

ENGINEER Nyal J. Niemuth

INFORMATION FROM: Nyal J. Niemuth

PROPERTY SUMMARY

I. MINE NAME Moon Anchor OTHER POSSIBLE NAMES INCLUDING ANY CLAIM NAMES NOTED Hope Claims

II. LOCATION: T 4N R 7W SEC(S) 31 S½ MINE DISTRICT Big Horn

ELEV. 1900' COUNTY Maricopa TOPO QUAD. Big Horn Mts. 15"

DIRECTIONS Note new access road from millsite to mine area on attached map.

MAP ATTACHED Yes

III. OWNERSHIP: NAME Sierra Amarillo Mining Company (NEW ADDRESS) PHONE 253-7607

ADDRESS: P.O. Box 408, Tonopah, Arizona 85354

COMPANY NAME IF ANY: Sierra Amarillo Mining Company

PERTINENT PEOPLE Warren Steinbach, President - Owner

Office in Tonopah next to cafe SW of freeway interchange.

IV. PROPERTY AND HOLDINGS: Hope 1-100 unpatented mining claims plus 1 millsite claim in NW¼ Sec. 8, T3N, R7W.

V. PAST PRODUCTION - NOTED, KNOWN, PROBABLE, UNKNOWN, NONE Noted

VI. CURRENT STATUS: Exploration at mine, mill under construction

VII. WORKINGS: In addition to those shown on topo a cut has been started about 100 yards to NW of 2 shafts. Open pit mine proposed for this area. Other workings to NW not being pursued as they are in wilderness study area.

VIII. GEOLOGY AND MINERALOGY: DEPOSIT TYPE: Vein filling fracture zone in volcanics

LENGTH: ? WIDTH: ? VEIN STRIKE NW trending

HOST ROCK: Cretaceous volcanics

ECONOMIC MINERALS: Lead oxides at surface, galena at depth plus silver mineralization and possibly flourspar.

COMMENTS: Mineralization is in silicified volcanics with calcite major gangue mineral. Veinlets and stringers up to 5" wide occur in mineralized zone.

IX. EQUIPMENT ON SIGHT: At millsite - trailer serving as office, crusher and spirals are on site. Mill building is under construction, well has been drilled and four steel water tanks are under construction. Three trucks (water, ore haulage and maintenance) Fiat Allis Cat of D-8 size.

-continued-

X. SAMPLING: NOTE TYPE IF ANY, DRILLING? Several drill site pads noted. About 20 holes reported. One high grade grab sample taken at open cut.

XI. REFERENCES AND REMARKS Tailings dam is on one of the millsite claims. Sierra Amarillo has made ore shipment of raw ore recently to ASARCO's El Paso Smelter. Company thought ran about 17% Pb, ASARCO said contained 4% Pb and penalized for arsenic and others.

SIERRA AMARILLO
MINING COMPANY

DISCLAIMER

Sierra Amarillo Mining Company, Hope 1-100 Claims, should be considered a risk venture.

There is no guarantee of return on this investment.

Warren Steinbach

Phoenix Business Journal

KRIS AARON
STAFF WRITER

1817 N. 3RD ST. SUITE 100
PHOENIX, AZ 85004
602-271-4712

A CORDOVAN BUSINESS JOURNAL

DA 244-1563

4902 E. THOMAS RD. #175 PHOENIX, ARIZONA 85018 (602) 948-1207 ~~(602) 952-1133~~

At a future date, Sierra Amarillo Mining Company, Hope Mining Claims, will offer for sale a 45% interest in the development and mining of The Hope 1-100 Claims for a total of $720,000. A maximum of 90 Units will be offered at $8,000 each with a minimum purchase of 3 Units per investor.

The offer will be made in the form of an Arizona Limited Partnership by Private Placement Memorandum.

This information is not an offer for sale or a solicitation of an offer to purchase an interest in Sierra Amarillo Mining Company, Hope 1-100 Claims. It is for information purposes only.

Moon ANCHOR FILE

NEWS RELEASE

FOR IMMEDIATE RELEASE.

CONTACT: Warren H. Steinbach
(602) 244-1563

LEAD, SILVER MINE SET FOR DEVELOPMENT

PHOENIX, ARIZONA (May 26, 1983) -- The reopening of a lead and silver mine in western Maricopa County is planned by Sierra Amarillo Mining Company of Phoenix, according to Warren H. Steinbach, president.

The property is part of the Hope Mining Claims, which cover 2,000 acres of federal land, and are located in the Vulture Mining District approximately 50 miles northwest from Phoenix. The claims have been worked intermittently since the early 1940's, Steinbach said.

"Exploration and assay work on the claims has been completed," he said, "and assays indicate that the levels of minerals required to provide an extremely profitable mining operation are present." Steinbach estimated that "at a conservative recovery rate of 60 percent, the potential value (of the lead content alone) is $2.1 billion."

Open pit mining is planned and ore would be shipped to El Paso for smelting.

"A limited partnership offering has been approximately 50 percent subscribed," Steinbach said, and "a few limited partnerships are still being offered."

Besides Steinbach, general partners in the venture include Verne R. Kline, Executive Vice President, Southwest Savings; John Persi, Real Estate Investments; Connie Bilbrey, Real Estate Investments and Don Schlander, Schlander Sports, Inc.

-30-

SIERRA AMARILLO MINING COMPANY
4530 E. McDowell Road #162
Phoenix, Arizona 85008
(602) 244-1563

NEWS RELEASE

FOR IMMEDIATE RELEASE.

CONTACT: Warren H. Steinbach
(602) 244-1563

Dong Ben

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by whom?

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Besides Steinbach, general partners in the venture include Verne R. Kline, Executive Vice President, Southwest Savings; John Persi, Real Estate Investments; Connie Bilbrey, Real Estate Investments and Don Schlander, Schlander Sports, Inc.

how much lead & silver mining in state?
other precious metals?
gemstones like turquoise & opals?

-30-

Mining Assn.
J. Hansen
L-4416

4:50 pm

Sundance Parts entrance by Chuckie's 2nd west of Lowery

operated out of home

SIERRA AMARILLO MINING COMPANY
4530 E. McDowell Road #162
Phoenix, Arizona 85008
(602) 244-1563

At a future date, Sierra Amarillo Mining Company, Hope Mining Claims, will offer for sale a 45% interest in the development and mining of The Hope 1-100 Claims for a total of $720,000. A maximum of 90 Units will be offered at $8,000 each with a minimum purchase of 3 Units per investor.

The offer will be made in the form of an Arizona Limited Partnership by Private Placement Memorandum.

This information is not an offer for sale or a solicitation of an offer to purchase an interest in Sierra Amarillo Mining Company, Hope 1-100 Claims. It is for information purposes only.

PROPOSAL

Sierra Amarillo Mining Company will raise capital in the amount of $720,000 to begin production of a lead and silver mine, located on the Hope Mining Claims in Maricopa County, Arizona.

The Hope Mining Claims include 100 separate claims and cover 2,000 acres. As is common with many mining enterprises, the land is owned by the Federal Government with the mineral rights owned in partnership by Messrs. Warren Steinbach and William Baker. The Claims are known as the "HOPE MINING CLAIMS" and are recorded in Maricopa County Book 13336, Pages 475576. The Bureau of Land Management also has them recorded as AMC 31608-31707. The current Affidavit of Labor was filed in September, 1982. The Hope Mining Claims consist of Numbers 1-100.

The Hope Mining Claims were started in the early 1940's. The original mine was known as the Moon Anchor Mine and was owned and operated by 2 miners (Messrs. Lincoln and Dicky). They operated the mine for 2 years and closed in 1942, after they had mined over 20,000 tons of lead and silver.

In 1942, Owen Adams acquired the Claims and he too worked the mine and shipped ore for several years.

Since 1962, Warren Steinbach has held the Claims on the mine. During the years 1966-1968, he mined and trucked several tons of ore to a leased mill in California. Because of the low price of ore (lead at 14¢ per lb. and silver at $1.50 per oz.) and the inefficiencies in the then current methods of mining and milling, the costs became too high to make the operations profitable.

Samples of the ore taken from the property have been analyzed using several methods. Over the years, assays, spectrographic analyses and chemical analyses have all been performed. The various analyses all indicate that the ore will produce an absolute minimum of 5% lead and 3 ounces silver per ton and also contain other products of value, such as florspar, copper, gold and zinc. Exhibits A 1-4 and B indicate the results of some of these analyses made by independent experts and clearly indicate that the levels of minerals required to provide an extremely profitable mining operation are present. Indeed, results of actual production show that the amount of lead which is present in most cases exceeds 10%.

Lead has been used by the human race for approximately 6,000 years and is the fifth most important metal in our present economy. The Greeks used lead in building construction. The Romans made lead water pipes. The Latin word "plumbum," meaning "heavy," was given to lead. From the use of lead in pipes we have derived "plumbing."

Lead also was used in early coinage, indicating that the lead quarter has had at least an ancient, if not an honorable past. The Chinese have the dubious distinction of being the first to make lead money. Later, when silver coins came into use, the government forbade working the lead mines, to prevent counterfeiting. Greek and Roman governments used various amounts of lead in their coins. When a bit impoverished, they sometimes coated lead coins with silver.

Lead, with copper and silver, probably was one of the first metals smelted -- it has a low melting point. Because of its common occurrence and the relative simplicity of its reduction and combination with other metals, lead was used by many ancient peoples.

Presently, lead has many uses, chiefly in storage batteries, ammunition, cable covering, pipes, paint pigments, and as a gasoline antiknock additive. Demand for lead in storage batteries may be expected to triple or even quadruple between now and the end of this century, while some other uses will show less rapid growth.

Both Canada and the United States are major sources of lead. Although the United States actually imports appreciable amounts, the United States would prefer to be independent of foreign supplies.

It is important to note that some lead deposits, such as the ore presented herein, carry substantial quantities of silver, and that metal combination in a newly discovered ore deposit is very valuable.

As indicated on Page 84 and 85 of Investing in Natural Resources, written by U.S. News and World Report, "There are some potentially large and somewhat unusual lead deposits that might be developed in the foreseeable future. These deposits also contain other metals of higher value; the lead could simply be a cheap by-product." Exhibits A 1-4 and B clearly demonstrate that the ore which is present in this mine has several other valuable, recoverable minerals.

To begin production, however, only lead and silver will be mined and when the mine is operating profitably, the recovery of the other minerals will be explored.

To determine the amount of lead, and thus the value of this mine, a survey was performed of the immediate area where the proposed mining operation would begin. This surveying operation is referred to as "blocking the ore." The immediate area of the mine is an area 500' by 700' to a depth of 200' below the surface. The blocked tonnage of lead that exists in the immediate area is estimated by an independent registered professional geologist as 6,877,579 tons. This represents only a minute part of the potential that is within the 2,000 acres represented by Hope Mining Claims.

This means that even at today's depressed prices, with lead at $.24 per pound, this portion of the mine has a potential value in lead alone of $3.5 billion at 100% recovery. At a conservative recovery rate of 60%, the potential value is $2.1 billion. Obviously, when the value of the silver and other recoverable minerals are added, the ultimate potential value increases substantially.

At the rate of production that has been projected, this area would be mined for a period of six years. It is important to know that this is only a small portion of the area that can and will be mined. It is, however, the only portion that has been blocked to determine the amount of lead contained within the stated boundaries and, therefore, is the only area on which all financial projections are calculated.

Mr. Steinbach has done extensive research and personal investigation into various methods of mining this particular ore. He has consulted with professors at several universities, visited operating mining companies and investigated new techniques in mining and milling with several well-known mining engineering companies. As a result of this research, it has been determined that the most efficient method of mining and milling this ore is by open pit mining and using the Humphrey Spirals for obtaining the ore concentrates. With the proper configuration of men, heavy equipment, spirals and management expertise, two thousand tons of raw ore will be mined, milled and the 120 tons of concentrates delivered to a smelter or other market each day for the first year. It is projected that once in production for a year, the amount mined can be increased to four thousand tons of raw ore each day.

At this rate of production, with current market prices,* the mine will produce revenues of $650,000 per month in lead and $1,210,000 in silver. Total revenues would be $1,860,000. Operating costs after start-up would be $555,840 for a net operating income of $1,304,160. This would provide the investor with a first year rate of return on investment of 603.0%. These projections are based on 5% lead content and 3 ounces silver content per ton with a 60% recovery factor. It also assumes a quarterly distribution of profits of 45% to the venture capital investor, 55% to Sierra Amarillo Mining Company, after 10% maintained in retained earnings for future expansion. As indicated in Exhibits A 1-4 and B, 5% lead content is the most conservative finding by any of the laboratories analyzing the ore. Indeed, a field engineer for the Department of Mineral Resources reported in 1942 that the mine was producing ore that contained greater than 10% lead.

There are many markets for the product. The most readily available is a smelter located in El Paso, Texas, which has indicated verbally that they will purchase all of the ore concentrates that we can produce. Additionally, several contacts have been made with representatives of foreign countries who have expressed a keen interest because of the other substances that have been found in the ore, as well as the lead and silver.

Because of the richness of this mine, the efficient methods of mining, the ready markets for lead and silver and the many tax advantages, this investment will provide the investor with the maximum in returns and benefits.

General Partners will include Verne R. Kline, Executive Vice President, Southwest Savings; John Persi, Real Estate Investments; Connie Bilbrey, Real Estate Investments and Don Schlander, Schlander Sports, Inc.

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* $.24 per lb. for lead and $9.35 per oz. for silver.

October 14, 1942

MEMORANDUM

MOON ANCHOR MINE

TO: A. C. Nebeker

FROM: Earl F. Hastings

We would like to have the address of Mr. E. R. Dickie that we may forward to him priority application blanks and information relative to obtaining priorities. Your report on this mine does not show his mailing address.

Moon Anchor (f)

COMPLETE AND MAIL

STATE MINE INSPECTOR
1616 WEST ADAMS, SUITE 411
PHOENIX, ARIZONA 85007-2627

FOR OFFICE USE ONLY
START-UP NUMBER 94107014
STATE NUMBER 052048
DEPUTY NUMBER Angel
NEW ✓ MOVE

NOTICE TO ARIZONA STATE MINE INSPECTOR

STATE MINE INSPECTOR
FEB 23 1989

In compliance with the Arizona Revised Statute, we are submitting this written notice to the Arizona State Mine Inspector of our intent to start ✓, stop ____, move ____ an operation.

Please check the appropiate boxes: Contractor ☐, Owner ☑, Operator ☑, Open Pit Mine ☐, Underground Mine ☐, Mill ☑, Quarry ☐, Aggregate Plant ☐, Hot Plant ☐, Batch Plant ☑, Smelter ☐, Leach Plant ☐.

If this is a move, please show last location: ____

If you have not operated a previously in Arizona, please check here: ____ If you want the Education and Training Division to assist with your mine safety training, please check here: ____

If this operation will use Cyanide for leaching, please check here: ____

COMPANY NAME: James R. McColl & Associates

DIVISION: Sierra Pilot Plant

MINE OR PLANT NAME: Sierra Pilot Plant **TELEPHONE:** 602 386-4438

CHIEF OFFICER: Jerry Dillard

COMPANY ADDRESS: P.O. Box 448 6121 No. 419th Ave.

CITY: Tonopah **STATE:** Ariz. **ZIP CODE:** 85354

MINE OR PLANT LOCATION: (Include county and nearest town, as well as directions for locating property by vehicle: Township 3 No Range 7 W, Sec. 748

TYPE OF OPERATION: Metallurgical Testing **PRINCIPAL PRODUCT:** Precious Metals

STARTING DATE: Feb. 23, 1989 **CLOSING DATE:** None known

PERSON COMPLETING NOTICE: James R. McColl **TITLE:** Owner

FORM 101-106 REV. 01/88

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine MOON ANCHOR Date October 7, 1942

District West Vulture Engineer A. C. Nebeker

Subject: Production Possibilities

This property is operated by Mr. E. R. Dickie and is out from the Old Vulture 42 miles. The metal produced is lead, and to make a paying proposition the values must be kept up to 10% Pb or better due to long haul. All ores less than 10% Pb has to be left on the dump.

To make the most out of the mine, it should be a power shovel job, is the conclusions of Mr. Dickie.

1000 tons per month are shipped now, and 8 men are being employed. Mr. Dickie could use 8 more men now and more than double production if he could get them.

He has been trying to buy a 3/4 cu. yard power shovel. He finds such shovels on the market but he can't get the right priority to buy one, with such a shovel he can put out many times the production he now does.

He tells me the Government took his shovel and put it on the Belmont job and he can't get that, so he is without. He would like the Department of Mineral Resources to suggest a way in which he can get the right priority so he can get said shovel.

He trucks his ore now to Hassayampa Station, costing $2.00 per ton with a haul of 28 miles, R.R. freight $2.70 per ton on $10.00, $4.00 per car is charged for leveling off.

He has applied for an access road of 5 miles which is claimes will cut off 22 miles on the distance to his mill at Vulture.

Signed: A. C. Nebeker

C O P Y

SURVEY OF OPERATING MINES

May 28, 1942

By : J. S. Coupal

EAST VULTURE MINING CO.

East Vulture Mining Company
Ernest R. Dickie, President
J. C. Lincoln, Vice-President
J. N. Hall, Secretary and Treasurer

P. O. Box O, Wickenburg, Arizona

VULTURE MINE

Located 15 miles S.W. from Wickenburg on the Vulture Road, Maricopa County.

1941 production all in gold -- $125,000.
Unable to approximate the tonnage due to changes in plant capacity but approximately 200 tons per day.

Complete cyanide mill.

Have jigs which made a heavy iron concentrate, carrying a little lead and some gold, shipped to Magma Smelter.

1942 production at rate of about 200 tons per day.

Have sunk the 550 foot incline shaft another 200 feet to the 750 foot level where they have entered the sulphide zone and are now developing. The ore here shown 10 feet wide, carrying 4% of lead and 1% copper. The production for the past year has come from the oxidized portion of this vein at and near the surface and was mined by power shovel. Employing 18 men.

MOON ANCHOR MINE.

Early in 1942 a lease and option was taken on this property.

Located 21 miles south of Vulture on the Vulture Road. Have compressor and Jack-hammers and are this week moving in the old ½ yard shovel used at Vulture.

The vein is 8 to 10 feet thick and dips at about 10 degrees into the hill and will be stripped and mined.

Have 2000 tons of lead ore out. The ore contains nothing else. Average 10% Pb.

There is a new ramp at the Dixie sliding, near Hassayampa on the S. P. Ry. and the ore will be shipped to El Paso, Texas.

Expect to make 1 car a day as soon as the shovel is in and will then aim to 2 cars a day.

6 men are employed. They have their own truck for hauling.

LOST SPANIARD MINE.

Located 16 miles south of Vulture on the Vulture road. This property has been taken under lease and option, shortly after the first of the year.

Have a shaft down 100 feet and drifting and developing and taking out some ore in the course of this work. Shipped 1 car of ore last week to El Paso. The ore ran 16% lead, $5 to $10 in gold and 3 to 4 oz. in silver.

Equipped with hoist, headframe and compressor.

Aim to make one car a week during early development and step up to 3 cars a week as soon as possible.

Employing 4 men on only one shift and would put on two shifts if men were available.

Problems

Early in the work they obtained a serial number rating on priorities. This was on the Vulture mining work and their number was not cancelled when the 30-70 order was issued.

They have applied for bonus payments on new production and I believe have been granted a 0 quota.

Dickie has only two problems which give him concern. They both are on labor. He is unable to get skilled men and has taken to training them. His complaint is that after a 3 or 4 months training themen get partially skilled in some particular line and are then enticed away by a better pay job. He cannot compete with the wages on defense and such other jobs.

The other worry is the growing strength of the unions and how soon he will have union trouble. No trouble is actually in sight but he anticipates it will soon hit small mines.

He stated one instance. He had a bulldozer, idle, and work was being done on some government project near by for an airfield. They asked to borrow his equipment and he so arranged. When the contract was about to be signed, the man in charge called and asked if he was using union men and he said "No" and it was decided that they therefore could not use the bulldozer.

Apart from the lack of labor Dickie says he has no troubles, and is doing his utmost to step up production and hopes the new ore developing in the Vulture will put him in line to add production of essential metals from that working.

J. S. Coupal

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine MOON ANCHOR

Date OCT 7th, 1942.

District West Vulture

Engineer A. C. NEBEKER

Subject: PRODUCTION POSSIBILITIES

This property is operated by Mr. E. R. Dickie and is out from the Old Vulture 42 miles The metal produced is lead, and to make a paying proposition the values must be kept up to 10% Pb or better due to long haul. All ores less than 10% Pb has to be left on the dump.

To make the most out of the mine, it should be a power shovel job, is the conclusions of Mr Dickie.

1000 tons per month are shipped now, and 8 men are being employed. Mr Dickie could use 8 more men now and more than double production if he could get them.

He has been trying to buy a 3/4 cu yd power shovel. He finds such shovels on the market but he cant get the right priority to buy one, with such a shovel he can put out many times the production he now does.
He tells me the Government took his shovel and put it on the Belmont job and he cant get that, so he is without. He would like the Department of Mineral Resources to suggest a way inwhich he can get the right priority so he can get said shovel.

He trucks his ore now to Hassayampa Station, costing $2.00 per ton with a haul of 28 miles, R.R. freight $2.70 per ton on $10.00 ore, $4.00 per car is charged for leveling off.

He has applied for an access road of 5 miles which is claimed will cut off 22 miles on the distance to his mill at Vulture.

A C Nebeker

PROPOSAL

Sierra Amarillo Mining Company will raise capital in the amount of $720,000 to begin production of a lead and silver mine, located on the Hope Mining Claims in Maricopa County, Arizona.

The Hope Mining Claims include 100 separate claims and cover 2,000 acres. As is common with many mining enterprises, the land is owned by the Federal Government with the mineral rights owned in partnership by Messrs. Warren Steinbach and William Baker. The Claims are known as the "HOPE MINING CLAIMS" and are recorded in Maricopa County Book 13336, Pages 475576. The Bureau of Land Management also has them recorded as AMC 31608-31707. The current Affidavit of Labor was filed in September, 1982. The Hope Mining Claims consist of Numbers 1-100.

The Hope Mining Claims were started in the early 1940's. The original mine was known as the Moon Anchor Mine and was owned and operated by 2 miners (Messrs. Lincoln and Dicky). They operated the mine for 2 years and closed in 1942, after they had mined over 20,000 tons of lead and silver.

In 1942, Owen Adams acquired the Claims and he too worked the mine and shipped ore for several years.

Since 1962, Warren Steinbach has held the Claims on the mine. During the years 1966-1968, he mined and trucked several tons of ore to a leased mill in California. Because of the low price of ore (lead at 14¢ per lb. and silver at $1.50 per oz.) and the inefficiencies in the then current methods of mining and milling, the costs became too high to make the operations profitable. What has changed

Samples of the ore taken from the property have been analyzed using several methods. Over the years, assays, spectrographic analyses and chemical analyses have all been performed. The various analyses all indicate that the ore will produce an absolute minimum of 5% lead and 3 ounces silver per ton and also contain other products of value, such as florspar, copper, gold and zinc. Exhibits A 1-4 and B indicate the results of some of these analyses made by independent experts and clearly indicate that the levels of minerals required to provide an extremely profitable mining operation are present. Indeed, results of actual production show that the amount of lead which is present in most cases exceeds 10%.

Lead has been used by the human race for approximately 6,000 years and is the fifth most important metal in our present economy. The Greeks used lead in building construction. The Romans made lead water pipes. The Latin word "plumbum," meaning "heavy," was given to lead. From the use of lead in pipes we have derived "plumbing."

This report is "plumbum"!

Lead also was used in early coinage, indicating that the lead quarter has had at least an ancient, if not an honorable past. The Chinese have the dubious distinction of being the first to make lead money. Later, when silver coins came into use, the government forbade working the lead mines, to prevent counterfeiting. Greek and Roman governments used various amounts of lead in their coins. When a bit impoverished, they sometimes coated lead coins with silver.

Lead, with copper and silver, probably was one of the first metals smelted -- it has a low melting point. Because of its common occurrence and the relative simplicity of its reduction and combination with other metals, lead was used by many ancient peoples.

Presently, lead has many uses, chiefly in storage batteries, ammunition, cable covering, pipes, paint pigments, and as a gasoline antiknock additive. Demand for lead in storage batteries may be expected to triple or even quadruple between now and the end of this century, while some other uses will show less rapid growth.

Both Canada and the United States are major sources of lead. Although the United States actually imports appreciable amounts, the United States would prefer to be independent of foreign supplies.

It is important to note that some lead deposits, such as the ore presented herein, carry substantial quantities of silver, and that metal combination in a newly discovered ore deposit is very valuable.

As indicated on Page 84 and 85 of Investing in Natural Resources, written by U.S. News and World Report, "There are some potentially large and somewhat unusual lead deposits that might be developed in the foreseeable future. These deposits also contain other metals of higher value; the lead could simply be a cheap by-product." Exhibits A 1-4 and B clearly demonstrate that the ore which is present in this mine has several other valuable, recoverable minerals.

To begin production, however, only lead and silver will be mined and when the mine is operating profitably, the recovery of the other minerals will be explored.

To determine the amount of lead, and thus the value of this mine, a survey was performed of the immediate area where the proposed mining operation would begin. This surveying operation is referred to as "blocking the ore." The immediate area of the mine is an area 500' by 700' to a depth of 200' below the surface. The blocked tonnage of lead that exists in the immediate area is estimated by an independent registered professional geologist as 6,877,579 tons. This represents only a minute part of the potential that is within the 2,000 acres represented by Hope Mining Claims.

This means that even at today's depressed prices, with lead at $.24 per pound, this portion of the mine has a potential value in lead alone of $3.5 billion at 100% recovery. At a conservative recovery rate of 60%, the potential value is $2.1 billion. Obviously, when the value of the silver and other recoverable minerals are added, the ultimate potential value increases substantially.

what grade?

A

B

At the rate of production that has been projected, this area would be mined for a period of six years. It is important to know that this is only a small portion of the area that can and will be mined. It is, however, the only portion that has been blocked to determine the amount of lead contained within the stated boundaries and, therefore, is the only area on which all financial projections are calculated.

Mr. Steinbach has done extensive research and personal investigation into various methods of mining this particular ore. He has consulted with professors at several universities, visited operating mining companies and investigated new techniques in mining and milling with several well-known mining engineering companies. As a result of this research, it has been determined that the most efficient method of mining and milling this ore is by open pit mining and using the Humphrey Spirals for obtaining the ore concentrates. With the proper configuration of men, heavy equipment, spirals and management expertise, two thousand tons of raw ore will be mined, milled and the 120 tons of concentrates delivered to a smelter or other market each day for the first year. It is projected that once in production for a year, the amount mined can be increased to four thousand tons of raw ore each day.

which ones

to 100

At this rate of production, with current market prices,* the mine will produce revenues of $650,000 per month in lead and $1,210,000 in silver. Total revenues would be $1,860,000. Operating costs after start-up would be $555,840 for a net operating income of $1,304,160. This would provide the investor with a first year rate of return on investment of 603.0%. These projections are based on 5% lead content and 3 ounces silver content per ton with a 60% recovery factor. It also assumes a quarterly distribution of profits of 45% to the venture capital investor, 55% to Sierra Amarillo Mining Company, after 10% maintained in retained earnings for future expansion. As indicated in Exhibits A 1-4 and B, 5% lead content is the most conservative finding by any of the laboratories analyzing the ore. Indeed, a field engineer for the Department of Mineral Resources reported in 1942 that the mine was producing ore that contained greater than 10% lead.

FA

There are many markets for the product. The most readily available is a smelter located in El Paso, Texas, which has indicated verbally that they will purchase all of the ore concentrates that we can produce. Additionally, several contacts have been made with representatives of foreign countries who have expressed a keen interest because of the other substances that have been found in the ore, as well as the lead and silver.

?

Because of the richness of this mine, the efficient methods of mining, the ready markets for lead and silver and the many tax advantages, this investment will provide the investor with the maximum in returns and benefits.

General Partners will include Verne R. Kline, Executive Vice President, Southwest Savings; John Persi, Real Estate Investments; Connie Bilbrey, Real Estate Investments and Don Schlander, Schlander Sports, Inc.

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* $.24 per lb. for lead and $9.35 per oz. for silver.

GENERAL BUSINESS PLAN

- Build the plant, locate men and equipment, establish procedures, set up bank accounts and begin mining within the first three months.
- Use all the most efficient techniques to mine and mill the ore.
- Establish contracts with markets which are the most profitable. - 1st
- Invest all revenues in the highest yielding instruments while maintaining safety.
- Continue development of the milling process to maximize all types of mineral recovery.
- Continually strive to increase profitability to maximize return to investors.

FIRST YEAR

MONTH ONE - The first month will be spent formally surveying the property, staking additional claims adjacent to the claims, locating and purchasing equipment, drilling the water well, establishing bank accounts, locating and hiring necessary personnel.

why

Initial Cash Balance		$750,000
Claims: Survey & Staking	$30,000	
Equipment: Locate & Purchase	10,000	
Wages: General Manager, Financial Officer, Secretary (1/2 month), 2 Laborers (1/2 month)	9,600	
Insurance	4,000	
Drill Well	8,000	
Sub-Total	$61,600	
Contingency 10%	6,160	
		(67,760)
Interest Income @ 13% where		7,573
End Month One Cash Balance		$689,813

salt content? concentrate? how much water per min? mineral content?

MONTH TWO - The second month will be spent increasing work force, completing lease agreement, accepting equipment, building roads, smoothing ground and pouring pad for plant, constructing sheds, removing overburden, setting up office and beginning to drill, blast and stockpile raw ore.

Beginning Balance			$689,813
Lease Expense: First & Last Month (See Exhibit for list of leased equipment.)		$ 60,000	
Fuel		6,000	
Insurance		4,000	
Wages: General Manager, Financial Officer, Superintendent, 5 Equipment Operators, 3 Laborers		29,200	
Miscellaneous Expenses:			
Dynamite, Electric Caps, 24' Wire	1,000		
Cement (250 yds.)	25,000		
Misc. Tools	8,000		
Drill Bits	2,000		
Bins	20,000		
Crushing Screens	4,000		
Materials for Shed	20,000		
Misc. Materials	21,000		
Contingency 10%	10,500		
		111,500	
Sub-Total		$210,700	
Contingency 10%		21,070	
			(231,770)
Interest Income @ 13%			5,590
End Month Two Cash Balance			$463,633

MONTH THREE - The third month will be occupied by installing the mill, "debugging" the plant, setting up the laboratories, adjusting the spirals, continuing the stockpiling of ore and doing several test runs for assay and analysis. Investigation of Japan as a market will be done when assays are complete.

Beginning Balance		$463,633
Lease Expense	$30,000	
Mill & Fuel	10,000	
Insurance	4,000	
Wages: 16 Employees	40,800	
Mining	2,500	
Sub-Total	$87,300	
Contingency 10%	8,730	
		(96,030)
Interest Income @ 13%		5,009
End Month Three Cash Balance		$372,612

MONTH FOUR - The fourth month will be the first month that the operation is in full production. Shipping will begin to the smelter or other markets and the entire operation will begin normal activity with a full crew. Because smelters issue checks only on a monthly basis, revenues will not be received until the 10th of the following month.

Beginning Balance		$372,612
Lease Expense	$ 30,000	
Oil & Grease	2,000	
Mill & Fuel	11,600	
Insurance	4,000	
Wages: 50 Employees	110,000	
Mining	5,000	
Trucking	30,000	for 100 tons a day → $10 a ton to El Paso ?, can't do
Sub-Total	$192,600	
Contingency 10%	19,260	
		(211,860)
Interest Income @ 13%		4,000
End Month Four Cash Balance		$164,752

El Paso is 400 miles away

$20 - L
$25 ton normal
Costs closer to $65 K a month

MONTH FIVE - The fifth month will experience the same operating costs and will experience the revenue from the previous full month's operation.

Beginning Balance		$164,752
Lease Expense	$ 30,000	
Oil & Grease	2,000	
Mill & Fuel	11,600	
Insurance	4,000	
Wages: 50 Employees	110,000	
Mining	5,000	
Trucking	30,000	
Smelter Cost	163,800	smelter sales 1360K
Sub-Total	$356,400	
Misc. Fees, Costs & Contingencies	199,440	
Total Operating Expenses		(555,840)
Interest Income @ 10%		8,500
Operating Income		1,860,000
End Month Five Cash Balance		$1,477,412
		1,312,660K

MONTH SIX - Normal operation continues.

Beginning Balance	$1,477,412
Operating Expense	(555,840)
Interest Income @ 10%	16,500
Income from Operations	1,860,000
End Month Six Cash Balance	$2,798,070

Because this will end the second fiscal quarter of operation and the first fiscal quarter of profitable operation, the first distribution of profits will be made.

10% Net Profits Before Dist. as Retained Cptl.	=	$ 279,807
Capital Investor @ 45%	=	1,133,219
Sierra Amarillo @ 55%	=	1,385,045
		$2,518,265

MONTH SEVEN - Normal operation continues.

Beginning Balance		$ 279,807
Operating Expense	$(555,840)	
Income from Operations	1,860,000	
Net Profit From Operations		1,304,160
Interest Income @ 9%		9,000
End Month Seven Cash Balance		$1,583,967

MONTH EIGHT - Normal operation continues.

Beginning Balance		$1,583,967
Operating Expense	$(555,840)	
Operating Income	1,860,000	
Net Profit From Operations		1,304,160
Interest Income		17,000
End Month Eight Cash Balance		$2,905,127

MONTH NINE - Normal operation continues.

Beginning Balance		$2,905,127
Operating Expense	$(555,840)	
Operating Income	1,860,000	
Net Profit From Operations		1,304,160
Interest Income		24,000
End Month Nine Cash Balance		$4,233,287
-10% Retained	($279,807)	$3,953,480
10% to be Retained Before Dist.		395,348
		$3,558,132

Capital Investor @ 45%	=	$1,601,159
Steinbach & Baker @55	=	1,956,972

Balance in Retained Earnings After First Nine Months of Operation	$ 675,155

MONTH TEN - Normal operation continues.

Beginning Balance		$ 675,155
Operating Expense	$(555,840)	
Operating Income	1,860,000	
Net Profit From Operations		1,304,160
Interest Income @ 9%		12,000
End Month Ten Cash Balance		$1,991,315

MONTH ELEVEN - Normal operation continues.

Beginning Balance		$1,991,315
Operating Expense	$(555,840)	
Operating Income	1,860,000	
Net Profit From Operations		1,304,160
Interest Income		19,000
End Month Eleven Cash Balance		$3,314,475

MONTH TWELVE - Normal operation continues.

Beginning Balance		$3,314,475
Operating Expense	$(555,840)	
Operating Income	1,860,000	
Net Profit From Operations		1,304,160
Interest Income @ 9%		25,000
End Month Twelve Cash Balance		$4,643,635

Beginning Balance		$4,643,635
10% Reserve		(675,155)
Prior to 10 Retention		$3,968,480
Reserve & Retained Earnings		(396,848)
Net Profit from Operations & Interest & R.E.		$3,571,640
Capital Investor @ 45%	=	1,607,238
Sierra Amarillo @ 55%	=	1,964,402
Balance in Retained Earnings After First Year of Operation		$1,072,003

Summary for First Fiscal Year of Operation:

Total Return to Investor @ 45%	$4,341,616
Total Return to Sierra Amarillo @55%	$5,306,419
First Year Return on Investment	603%

Notes for Financial Plan:

1. Interest income was calculated based on 10% annual interest rate and assuming half of the operating expenses were paid on fifteenth of the month and the other half on the thirtieth.

2. Income is based on 2,000 tons of ore milled each day containing 5% lead and 3 ounces of silver per ton at a 60% recovery rate. The current value was obtained from the Wall Street Journal and is $.24 per pound for lead and $9.35 per ounce for silver.

3. Equipment leasing costs were obtained from Equico Lessors, P. O. Box 483, Englewood, Colorado. 303-761-3290

~~213-493-5431~~
~~Rick Marshall~~

SECOND YEAR OR AFTER A FULL 12 MONTH DISTRIBUTION:

$14,400,000	Profit after 10% Retained for Reserve
$ 6,480,000	Investors at 45%
$ 7,920,000	Sierra Amarillo at 55%
Return for Investors	864%

THEREFORE, AN INVESTOR CAN SIMPLY MULTIPLY BY $8.64 (invested dollar) TO ARRIVE AT PROJECTED RETURN.

EXAMPLE:

$25,000 X $8.64 = $216,000

INVESTOR CAN ALSO COMPUTE IF SILVER INCREASES TO $15-$20 PER OZ. EXPERTS BELIEVE $8.00 IS FLOOR. LEAD MAY FLUCTUATE 10% EITHER WAY. ALSO, THESE FIGURES DO NOT TAKE INTO ACCOUNT GOLD, FLORSPAR, ETC.