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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PRINTED: 04/17/2002

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: NEEL PLACERS

ALTERNATE NAMES:
- GOLD SPOT
- BANNER
- BONNY
- RED BIRD
- GOLD NUGGET
- DOROTHY B
- RANDY
- ORO DE DIOS PLACER

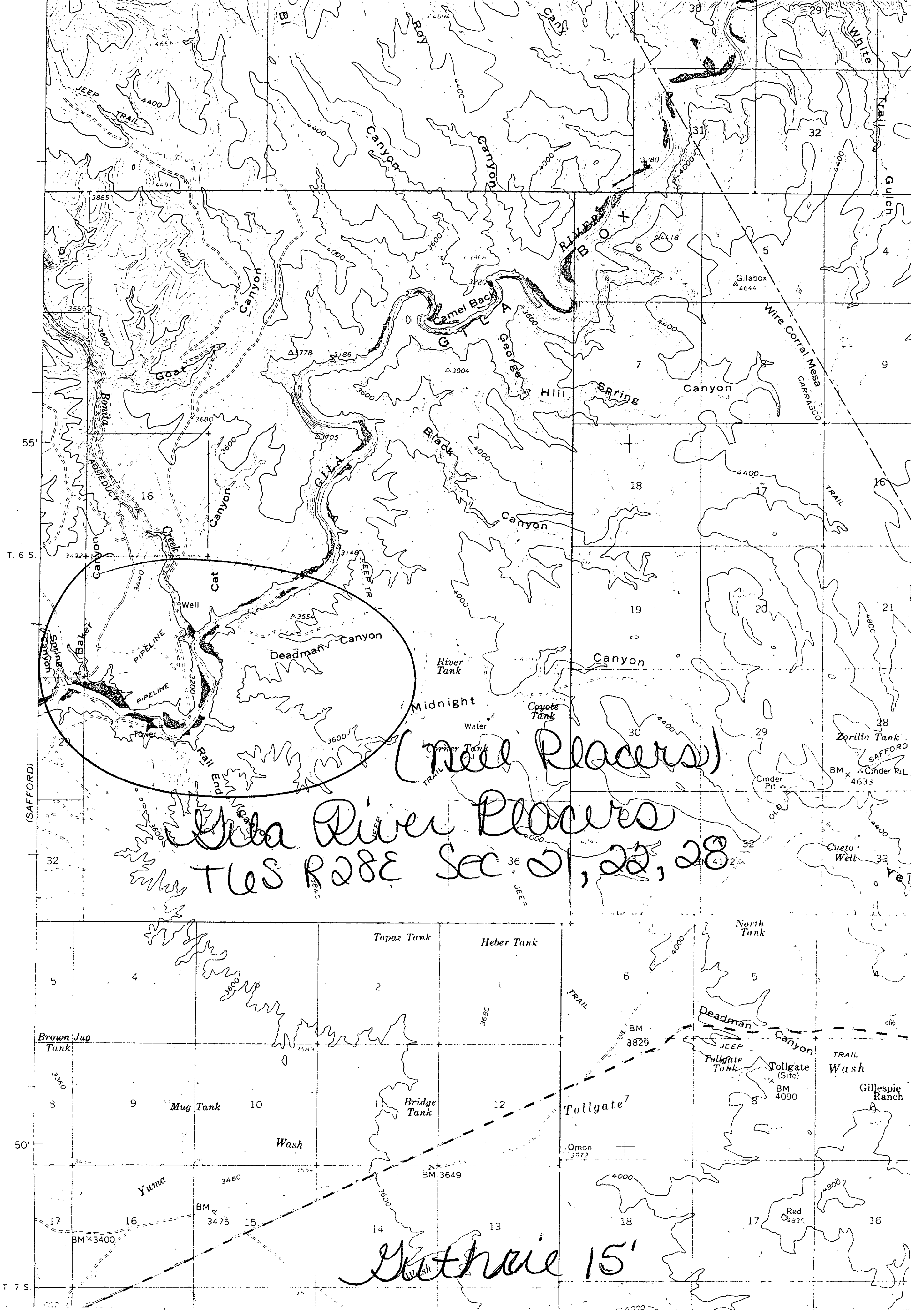
GRAHAM COUNTY MILS NUMBER: 77

LOCATION: TOWNSHIP 6 S RANGE 28 E SECTION 16 QUARTER ALL
LATITUDE: N 32DEG 54MIN 37SEC LONGITUDE: W 109DEG 29MIN 06SEC
TOPO MAP NAME: GUTHRIE - 15 MIN

CURRENT STATUS: EXP PROSPECT

COMMODITY:
- SAND & GRAVEL
- GOLD PLACER
- SILICON
- IRON

BIBLIOGRAPHY:
- ADMMR NEEL PLACERS FILE
- ADMMR NEEL PLACERS COLVO FILE
- CLAIMS EXTEND INTO SEC. 17,18,19,21,23 & 28 AND SEC. 6, T7S R28E


(Reel Placers)
Gila River Placers
T6S R28E Sec 21, 22, 28
Guthrie 15'
GILA RIVER BOX
Camel Back
George
Hill
Spring
Canyon
Black
Canyon
Deadman Canyon
Cat
Canyon
Bonita
Creek
AQUEDUCT
PIPELINE
PIPELINE
Well
Tower
Rail End
Baker
Spring
Canyon
Goat
JEEP TRAIL
Roy
Canyon
Wire Corral Mesa
CARRASCO
Gilabox
4644
White
Trail
Gulch
River Tank
Midnight
Water
Coyote Tank
Corner Tank
Zorilla Tank
SAFFORD
Cinder Pit
BM 4633
Cueto Well
(SAFFORD)
T. 6 S.
55'
50'
T 7 S
Topaz Tank
Heber Tank
North Tank
Brown Jug Tank
Mug Tank
Bridge Tank
Wash
Yuma
Tollgate
Omon
BM 3649
BM 3475
BM×3400
BM 3829
Deadman
Canyon
JEEP
TRAIL
Tollgate Tank
Tollgate (Site)
BM 4090
Wash
Gillespie Ranch
Red

NEEL PLACERS 10/84 GRAHAM COUNTY
T6S R28E Secs. 16, 17
20, 21, 27-2

Graham County MILS Index #77

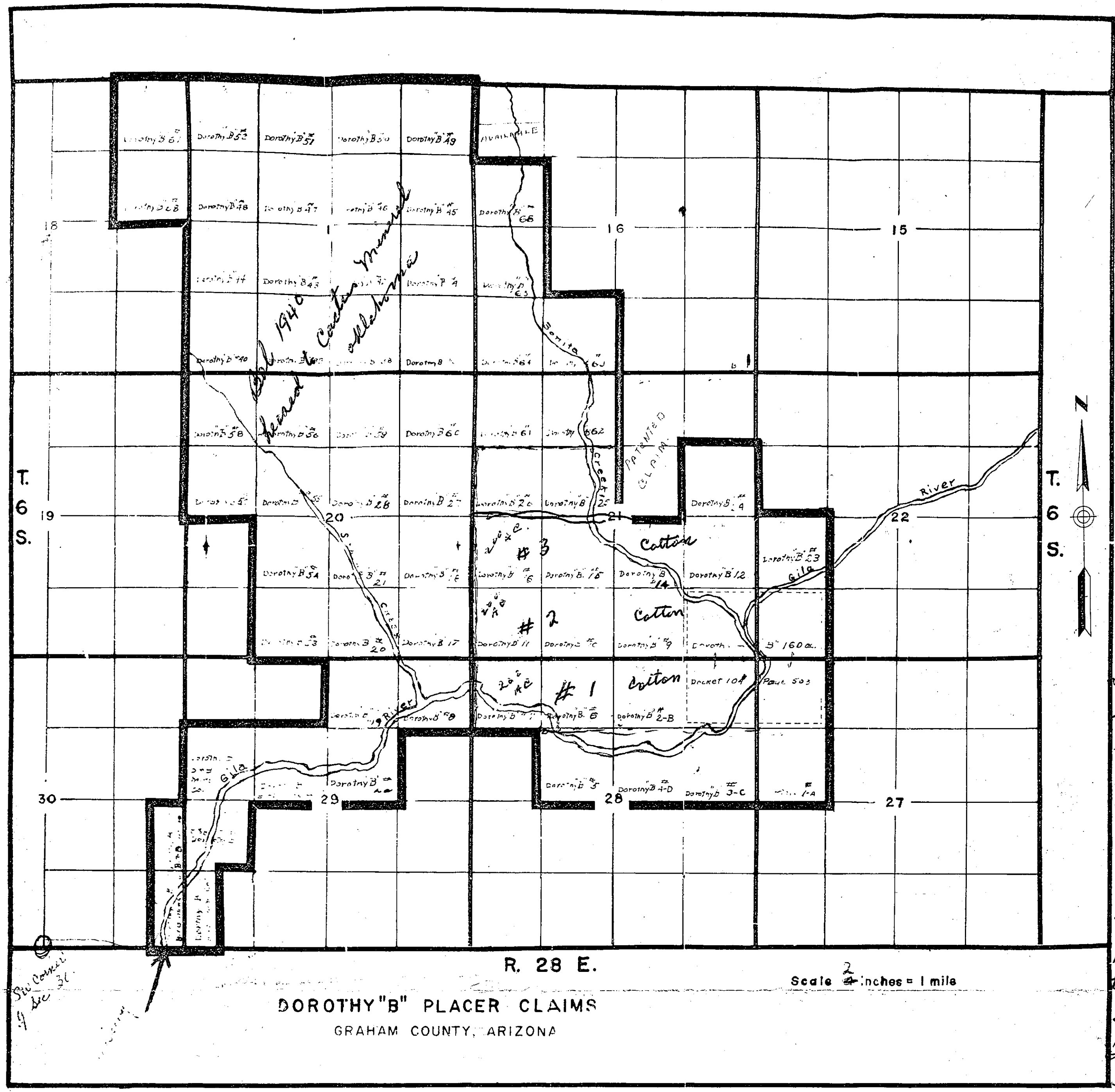
AKA: Banner, Bonny, Neel Placers, Dorothy B Claims, Gold Spot, Gold Nugget, Red Bird

Gutherie 15'--Dorothy B Claims (included in file)

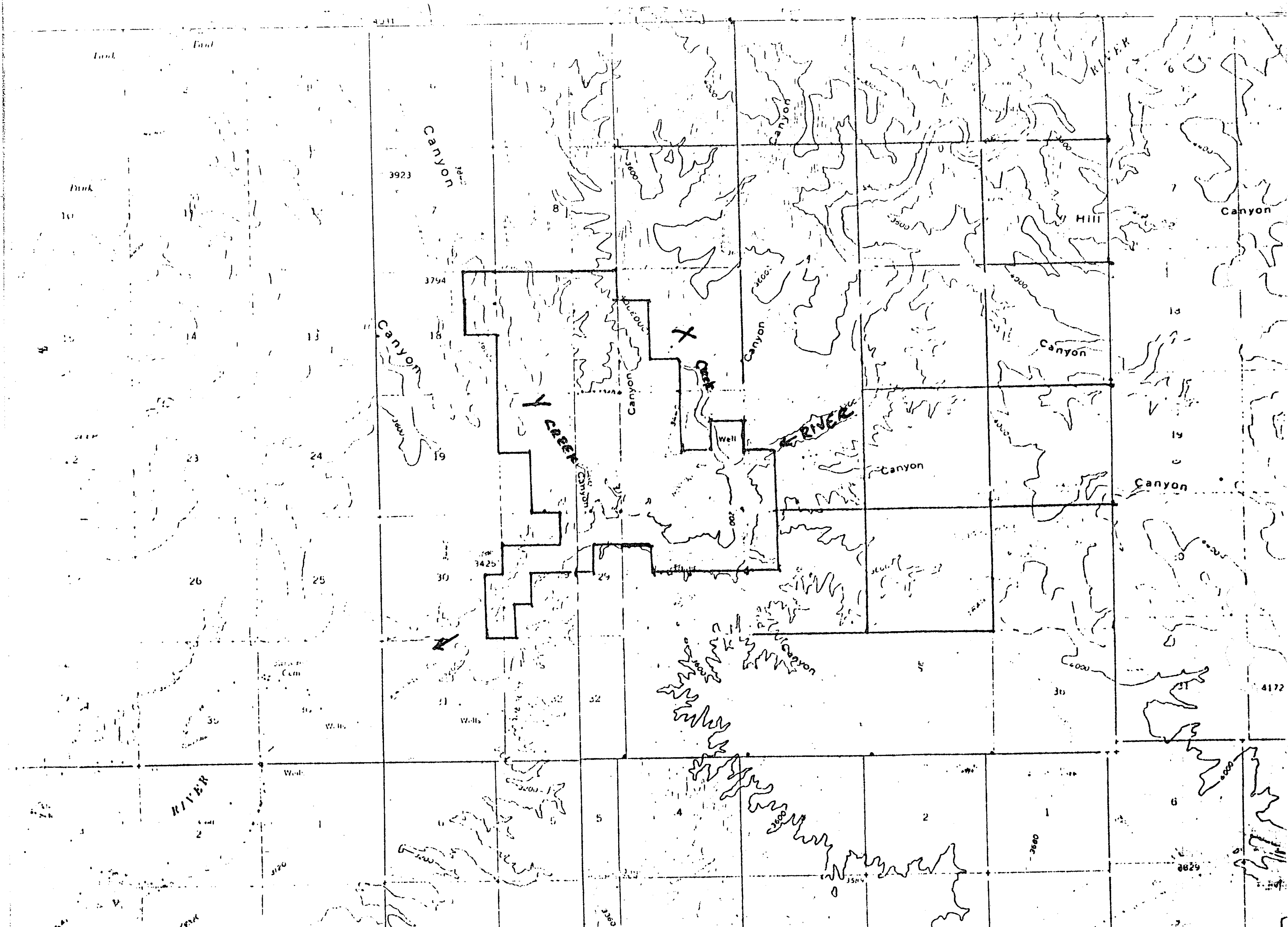
See: Map I-1310-B, p. 5; Mineral Deposit Map of the Silver City 1^{o} x 2^{o} Quad., NM & AZ

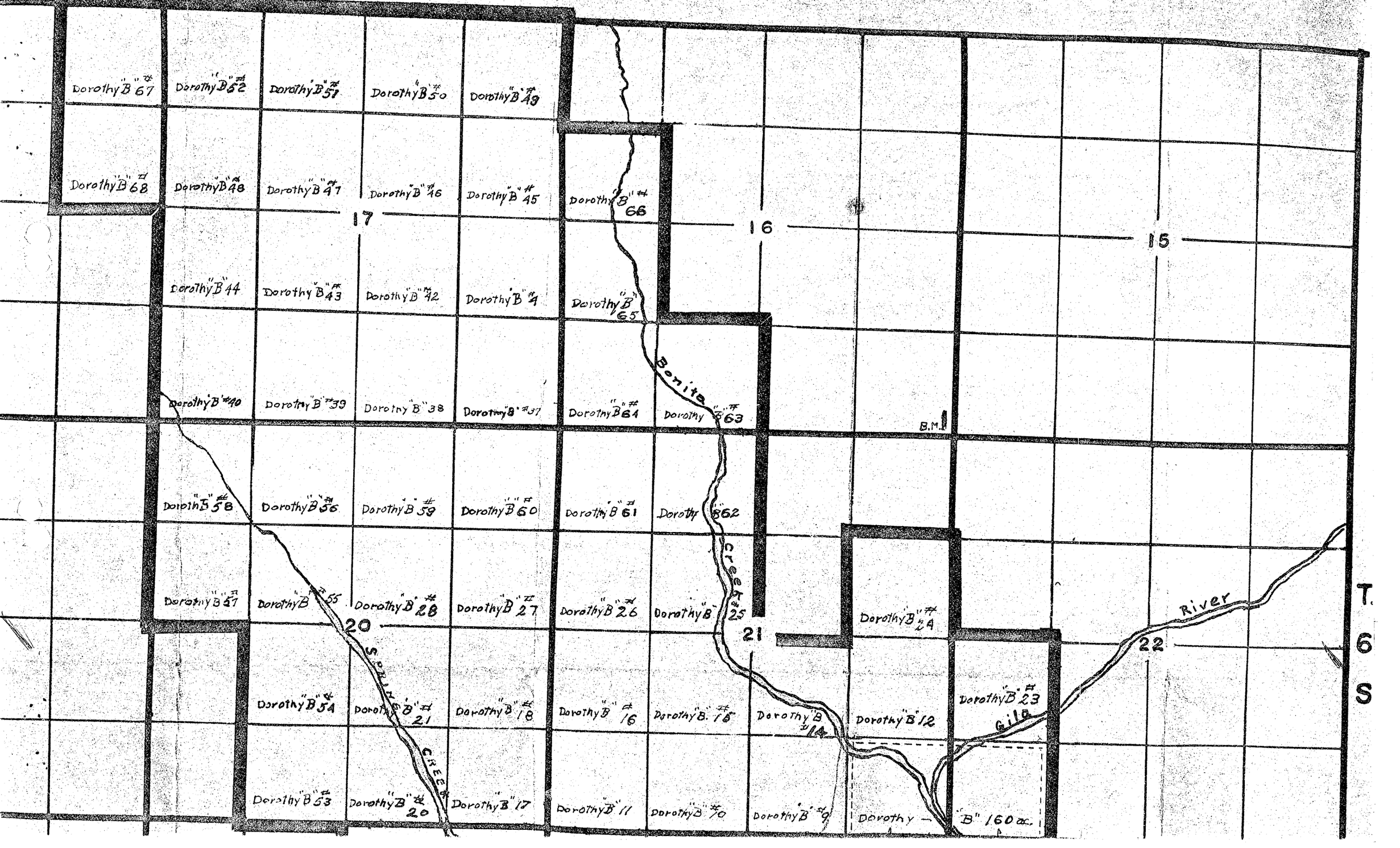
Guthrie 15'--Gila River Placers (included in file)

See: ABM Bull. 160, p. 65--Gila River Placers



W 1/2
S 1/2
16
NW 1/4
SW 1/4
NE 1/4
SW 1/4
the W
SW 1/4
the W
NW 1/4
Sec 28
NE 1/4
the NE
NE 1/4
the SW
NE 1/4
The S 1/
NW 1/4
the NW
SW 1/4
The SW
SW 1/4
The NE 1/
NE 1/4


Canyon
3923
3794
X
Creek
Y CREEK
Canyon
Well
RIVER
Canyon
Hill
Canyon
3425
Wells
RIVER
Canyon
4172
3829


Dorothy "B" #67
Dorothy "B" #52
Dorothy "B" #51
Dorothy "B" #50
Dorothy "B" #49
Dorothy "B" #68
Dorothy "B" #48
Dorothy "B" #47
Dorothy "B" #46
Dorothy "B" #45
Dorothy "B" #66
17
16
15
Dorothy "B" 44
Dorothy "B" #43
Dorothy "B" #42
Dorothy "B" #41
Dorothy "B" #65
Bonita
Dorothy "B" #40
Dorothy "B" #39
Dorothy "B" 38
Dorothy "B" #37
Dorothy "B" #64
Dorothy "B" #63
B.M.
Dorothy "B" #58
Dorothy "B" #56
Dorothy "B" #59
Dorothy "B" #60
Dorothy "B" #61
Dorothy "B" #62
Creek
Dorothy "B" #57
Dorothy "B" #55
Dorothy "B" #28
Dorothy "B" #27
Dorothy "B" #26
Dorothy "B" #25
Dorothy "B" #24
20
21
River
22
Dorothy "B" #54
Dorothy "B" #21
Dorothy "B" #18
Dorothy "B" #16
Dorothy "B" #15
Dorothy "B" #14
Dorothy "B" #12
Dorothy "B" #23
Gila
SCHULTZ CREEK
Dorothy "B" #53
Dorothy "B" #20
Dorothy "B" #17
Dorothy "B" #11
Dorothy "B" #10
Dorothy "B" #9
Dorothy — "B" 160 ac.
T. 6 S

NEEL PLACERS

RRB WR 10/4/87: Tom Kresge, Chairman/CEO, Xartac Corporation, 1135 S. 48th St., Tempe, Arizona 85281 (602) 829-1000 and David Cline report that they have developed a thiourea process and equipment which they intend to prove on black sand concentrates. They will work the Dorothy B (Neel Placers - file) Graham County and/or the Black Diamond, T8N R4E, Sec 35 Maricopa County - MILS No. 644, no file.

NEEL PLACERS (file)

Graham County

MG WR 1/16/81: Discussed the Dorothy B Placers (Graham County) on Bonita Creek with the General Manager of Universal Mining Corp. He is Bill Cotten in Safford, phone 428-2251, and his nephew, J.R. Cotten, phone 428-4426, in Safford, is the Field Supervisor. Bill Cotten told me that operation can process about 250 cu. yards/hour and that the gold assays about $5/cu yard. He reports that they lose much of their gold in the tails. They may eventually resort to leaching their black sand concentrates. They are not producing now but hope to soon.

MG WR 2/19/82: I visited the Dorothy B placer ground, Graham County near the confluence of Bonita Creek and the Gila River. This property comprised of 2700 contiguous acres is owned by Mrs. Dorothy Braatelien, P.O. Box 584, Safford, AZ 85546; phone 428-3496. Three parcels are currently leased to the following: Messrs Frank Nelson and Hall Millsap, P.O. Box 339, Siloam Springs, Arkansas 72761 have 1900 acres; Mr. Everet Reid, P.O. Box 1369, Safford, AZ 85546 has 40 acres; and Messrs William Sutherland and John Murphy, 19211 Doe Run, Santa Anna, Calif 92705 have 760 acres. The Sutherland-Murphy lease is primarily in Sec. 21, T6S R28E. This property was run by Mr. Bill Cotten of Universal Mining Corporation but he has adandoned his interest. Still on the property are a large metal building, trommel, cycline, and high capacity Galigher pump; a watchman, Mr. Terril Harris, lives on the property. Operations on the Nelson-Millsap and Sutherland-Murphy leases are expected, according to Mrs. Braatelien, to begin soon.

JHJ 2/1983: Mr. Ross Thompson of Flying J. Mines has leased Neal Placers. They have a mechanical recovery unit mounted on a 40 foot trailer - all self contained - being moved on the property. The recovery process has been developed by Batelle M. I.

RRB WR 4/8/83: Maxine Moffett and Dorothy Braatelien of the Dorothy "B" Mine report that they are now operating under Gila Mining Co. and are about ready to go into production. They invited us out for a visit and they left some pictures and a report by Max Vandine for the files.

+---+

MG WR 10/28/83: Learned from Mr. Ron Loomis of the BLM-Safford that the Dorothy B. placers were leased to Gila Mining Co., Huntington Beach, Calif., who sub-leased to Gila Placers, c/o Ernie Schonert, Box 1033, Safford, Az. 85546. Gila Placers operated during the summer of 1983. They used the old, large trommel left on the property by the previous operators. In addition they installed a very elaborate, truck-mounted recovery system including 6 cones, 12 cyclones, and 4 tables. Several thousand tons of material were treated, recovering much black sand but little or no gold. The operation is said to have had a capacity of 50 tons per hour placer material. The operation is now shut down.

NEEL PLACERS (file) GRAHAM COUNTY

Mrs. Dorothy Braatelien, Route 1, Box 358A, Laveen, came in to give recent information on her Dorothy B & Neel placer deposit on the north side of the Gila River, about 20 miles above Safford. She said that during 1966 and 1967 a William Mason, Las Vegas, had the property leased and did considerable pit sampling and some drilling to unknown depths. From 1969 to very recently a Dale Runyon, head of Mid-Continent Investment Co., Peoria, Illinois, had the lease. He cut 14 dozer trenches of varying depths to 15 and up to 500 feet long, from some he took samples. The main object of the samples was for setting ponds if and when an operation was started. In May of 1969 the U.S. Bureau of Reclamation released the area from a dam site. Mr. Runyon refused several offers from major companies, therefore, the lease was finally canceled. Presently, Mrs. Braatelien is seeking a new lessee with sufficient finances and equipment to pursue an operation. GW WR 3/11/76

George Bienfang came in to say O.J. Harwood, Oklahoma City lawyer, had a consulting geologist from Salt Lake City by the name of Willden accompany him to the Neel placer 12 miles up river from Safford. Mr. Harwood asked George to take them to the prospect without compensation. GW WR 5/6/76

Martin Cowen has been approached to pursue an investigation of the Dorothy B placer claims on Weaver Creek preparatory to an operation. Cowen has received reports of a reserve of 90 million yards of material containing $4.56 in gold per yard. KAP WR 8/9/76

CJH WR 4/1/80: Visitor: Mrs. Dorothy S. Braatelien, 5602 South 41st Ave., Phoenix, Arizona 85041, phone 243-1384, and her daughter. She was a client of Glen Walker in years past. She came in to update the department file on her Dorothy B. placer claims. (See Neel Placers mine file). Copies of maps, reports, and leases were submitted for inclusion.

KAP WR 5/19/80: Bob Bliss reported that a placer mine is in operation on Bonita Creek north of Safford. (Possibly on the Dorothy B Claims?)

CJH WR 10/17/80: Ms. Lee Britto, Research/Acquisition, American Mining Co., 1130 High Street, Auburn, California 95603. Assisted her in researching some Arizona placers that her company might be interested in acquiring. (Dorothy B Placers)

RBM 68
p 65

BONITA CREEK PLACERS GRAHAM COUNTY

~~(Winkler-Faulkner Project)~~ NO L.P.

Mr. Eddie and Dorothy ~~Brostillien~~ (Braatelein) 1312 W. Flower, Phoenix, Tel. 254-9318 were in about the old Bonita Creek Placer Claims west of Morenci. These were owned by Larken Neel of Morenci, at one time. There are 130 Claims in S16, T6S, R28E and parts of Secs. 17, 18, 19, 21, 23, 28. According to Braatelien the gravels are in older terraces and ranged up to 25-30 feet thick. They had no definite grade figures but the 2 feet above bedrock are considered good.

LAS WR 4/1/66

Golden Cycle Corporation of Colorado recently acquired several placer claims at the confluence of Bonita Creek and the Gila River in Graham County. Pay Dirt 11/68

Golden Cycle reported to have given up their option on the Dorothy B. Claims (not able to confirm) GWI Memo 4/1/69

See GWI ASMOA 6/9/72 meeting notes.

"About 18 miles northeast of Safford, there apparently is renewed activity at the Dorothy B placer gold mine. Pay Dirt 9/24/73

GW 3/11/76 - Mrs. Dorothy Braatelien, Rt. 1, Box 358A, Laveen, Arizona, 85339, 276-0563, visited the office with George Bienfang to bring our file on the Neel Placers up-to-date. According to her, William Mason, 3900 East Fremont Street, Las Vegas, Nevada, had the placer leased during 1966 and 1967, at which time he did considerable sampling both in pits and some drill holes of unknown depth (see assay results). In 1969 and until recently, Dale Runyon (Mid Continent Investment Co., Peoria, Illinois) held the lease. During this period, 14 dozer trenches were cut on the north side of the Gila River for the purpose of sampling the ground but also to form settling basins for water used in a subsequent placer operation. These trenches were rarely more than 15 feet in depth and up to 400-500 feet in length but never encountered bed rock (Gila conglomerate). Mrs. Braatelien doesn't have sample results of this work, but may be able to locate them later. She and Mr. Braatelien are divorced and some of the records are in his possession. Mr. Runyon's lease was terminated mainly because he refused offers from at least two major companies.

George Bienfang called to report the owner of the Neel placer deposit had made an arrangement with the Bureau of Reclamation regarding tailings dams above the irrigation canals intakes above Safford. GW WR 2/26/76

ADMMR

Arizona Department of Mines and Mineral Resources
1502 West Washington, Phoenix, AZ 85007 Phone (602) 255-3795
Toll Free in Arizona 1-800-446-4259 FAX (602) 255-3777

FAX COVER SHEET

PLEASE DELIVER TO	
Name:	Fred Johnson
Organization:	
Fax #:	520-457-3741
Date:	July 6, 1999

From: Ken A. Phillips, Chief Engineer
Arizona Department of Mines and Mineral Resources
Phone: (602) 255-3795 Toll-free in Arizona: (800) 446-4259
Fax (602) 255-3777

TOTAL PAGES 2 INCLUDING THIS COVER SHEET

COMMENTS

Fred,

I never like to kill a project so quickly as this, but at least it saves your client's money for something worth while.

Regarding the Noel Placer in Graham Co.

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine: Bonita Creek Placers — Date: February 8th 1967

District: Lone Star - Graham County — Engineer: G. W. Irvin

Subject: Information regarding the claims. — Information from R. McColly- BLM

LOCATION- S16 and parts of 17, 18, 19, 21, 23, & 28 T6S R28E Guthrie Quad.

130 claims according to previous report.

There is a sign on the right hand or south side of the Safford airport road, near the airport, that points to this area.

According to BLM records, land withdrawals for water power and reclaimation cover most of the placer area.

OWNER- E. H. Braatelein

THE DOROTHY "B" CLAIMS & MAP.
(S)
Belong to Edwin H. & Dorothy Braatelien

According to DOCKET 178 Page 334 GRAHAM COUNTY
They were leased to Richard Stacy, 7335 E. Cholla
Lane, Scottsdale Az. & Lavar John (No Address)
April 72 to April 92. Terms required were 10 days
to 150 TPD and then 120 Days to 1000 TPD.

These terms have not apparently been carried out
as of December 1973.

E.H. & Dorothy S. Braatelein
1725 W. Van Buren, Phoenix Az.

Ref is in file
Report will follow.

Dorothy B Assays
by Don Jordan

Provided by claimants to

Larry Thrasher, Geologist
Safford Field Office
Bureau of Land Management
711 14th Ave.
Safford, AZ 85546
Phone: (928) 348-4400

#24

Metallurgical Research and Assay Laboratory

745 Sunset Road Suite 8
Henderson, NV 89015
702-565-0074
702-564-0726

ASSAY REPORT

ASSAY NUMBER 8423 DATE: 5/27/92

CUSTOMER DAVE WRIGHT

SAMPLE IDENTIFICATION HEAD ORE

Element	ppm or ug/g		troy oz/s.ton	
Au-Gold	6.2	385.20	0.18	4.84
Ag-Silver	9,270.0	5	270.37	1350.00
Pt-Platinum	20.6	385	0.60	231.00
Rh-Rhodium	6.5	963	0.19	171.00
Os-Osmium	0.6	400	0.02	8.00
Ru-Ruthenium	16.9	301	0.49	147.00
Pd-Palladium	7.7	82	0.22	18.04
Ir-Iridium	44.0	343	1.28	439.24
				2439.72

REGISTERED ASSAYER
CERTIFICATE NO
19127
DONALD E
JORDAN
Date Signed: 5/27/92
ARIZONA U.S.A.

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

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#24

Metallurgical Research and Assay Laboratory

745 Sunset Road Suite 8
Henderson, NV 89015
702-565-0074
702-564-0726

ASSAY REPORT

ASSAY NUMBER 8436 DATE: 6/8/92

CUSTOMER GOLDEN QUEST MINING INC. (David Wright Leave)

SAMPLE IDENTIFICATION 1002

CONS

Element	ppm or ug/g		troy oz/s.ton	
Au-Gold	11.6	@ 388.	0.34	131.92
Ag-Silver	109.0	5	3.18	15.90
Pt-Platinum	42.1	390.	1.23	479.70
Rh-Rhodium	32.0	900.	0.93	837.00
Os-Osmium	140.0	400.	4.08	1632.00
Ru-Ruthenium	12.4	300.	0.36	108.00
Pd-Palladium	10.7	82.	0.31	25.42
Ir-Iridium	306.0	343.	8.92	3,059.56
				6289.50 total

REGISTERED ASSAYER CERTIFICATE NO 19127 DONALD E JORDAN Date Signed 1992 ARIZONA, U.S.A.

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Henderson, NV 89015
702-565-0074
702-564-0726

ASSAY REPORT

ASSAY NUMBER 8438 DATE: 6/8/92

CUSTOMER GOLDEN QUEST MINING INC.

SAMPLE IDENTIFICATION 1004

HEAD ORE PIT

Element	ppm or ug/g		troy oz/s.ton	
Au-Gold	6.0	388.	0.17	5.96
Ag-Silver	42.1	5.	1.23	5.00
Pt-Platinum	34.3	388.	1.00	388.00
Rh-Rhodium	10.2	900.	0.30	270.00
Os-Osmium	38.0	400.	1.11	444.00
Ru-Ruthenium	10.8	300.	0.31	93.00
Pd-Palladium	5.2	92	0.15	12.30
Ir-Iridium	147.0	343.	4.29	1471.47
				3174.73

REGISTERED ASSAYER
CERTIFICATE NO.
19127
DONALD E. JORDAN

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702-565-0074 565-0074
702-564-0726

ASSAY REPORT

ASSAY NUMBER 8578 DATE: 8/18/92

CUSTOMER DAVE WRIGHT

SAMPLE IDENTIFICATION TAILINGS FROM TOMBSTONE LEACH

FROM HEAD ORE TAKEN TO TOMBSTONE From Safford

Element	ppm or ug/g		troy oz/s.ton
Au-Gold	32.5		0.95
Ag-Silver	813.0		23.71
Pt-Platinum	45.4		1.32
Rh-Rhodium	5.5		0.16
Os-Osmium	460.0		13.42
Ru-Ruthenium	28.2		0.82
Pd-Palladium	5.1		0.15
Ir-Iridium	35.0		1.02

REGISTERED ASSAYER CERTIFICATE NO 19127 DONALD E JORDAN TUCSON, ARIZONA, U.S.A.

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Metallurgical Research and Assay Laboratory

745 Sunset Road Suite 2
Henderson, NV 89015
702-565-0074
702-565-0725

ASSAY REPORT

ASSAY NUMBER 8576 DATE: 8/18/93

CUSTOMER DAVE WRIGHT

SAMPLE IDENTIFICATION SAMPLE - 60 MESH

FROM HEAD ORE TAKEN TO TOMBSTONE FROM AREA D

Element	ppm or ug/g	troy oz/s.ton
Au-Gold	7.1	0.21
Ag-Silver	141.0	4.11
Pt-Platinum	15.9	0.46
Rh-Rhodium	6.0	0.17
Os-Osmium	179.0	5.22
Ru-Ruthenium	13.0	0.38
Pd-Palladium	3.4	0.10
Ir-Iridium	61.1	1.78

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REGISTERED ASSAYER CERTIFICATE NO 10127 DONALD E JORDAN Signed ARIZONA, U.S.A.

(Assay Attached)

PER TON VALUE: PER LASTEST ASSAYS of 8/18/92

ASSAY # 8578

GOLD - 0.95 x $350.00/oz = $332.50

SILVER - 23.71 x $3.50/oz = $82.98

PLATINUM - 1.32 x $350.00/oz = $462.00

RHODIUM - 0.16 x 2500.00/oz = 400.00

OSMIUM - 13.42 x 120.00/oz = 1610.40

RUTHENIUM - 0.82 x 420.00/oz = 344.40

PALLADIUM - 0.15 x 250.00/oz = 37.50

IRIDIUM - 1.02 x 400.00/oz = 408.00

TOTAL PER TON VALUE = $3677.78

* NOTE: CYANIDE PROCESSING PLANT # 1 WILL PRODUCE 300 TONS OF ORE PER DAY.

EST. COST OF OPERATION is 40% of PER TON VALUE ($1471.12) LEAVING A NET PROFIT of 60% = $2206.66 PE TON VALUE

OPERATING AT 300 TONS PER DAY AT $2206.66/TON BRINGS THE PER DAY VALUE to = $661,998.00 GROSS/NET

United States Department of the Interior

OFFICE OF HEARINGS AND APPEALS
139 East South Temple, Suite 600
Salt Lake City, Utah 84111
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IN REPLY REFER TO:

September 15, 1999

ORDER

UNITED STATES OF AMERICA,	:	AZA 30008
Contestant	:	Dorothy B and Dorothy No. 12 unpatented placer mining claims situated in T. 6 S., R. 28 E., sections 21, 22, 27 and 28, Gila and Salt River Meridian, Arizona
v.	:	
DOROTHY S. BRAATELIEN, and	:	AMC 42716
DOROTHY E. CARDEN,	:	AMC 42728
Contestees	:	
IBN CORPORATION,	:	
Intervenor	:	

DECISION

PROCEDURAL BACKGROUND

The evidentiary hearing in this matter was conducted from April 26 through April 30, 1999, in Phoenix, Arizona. After proper notice and service, the Contestees entered no appearance, nor did they participate in the similarly noticed post-hearing briefing schedule. At the inception of the hearing, the undersigned granted Intervenor status to IBN Corporation, which leases the claims subject to this appeal from the Contestee, Dorothy Braatelien. (Exhibit C-9) Intervenor, through its President, Mr. John R. Miller, appeared pro-se throughout the five-day public hearing and also participated in the post-hearing briefing schedule.

Pursuant to the undersigned's Order dated May 5, 1999, the post-hearing opening briefs were timely filed by July 9, 1999, by both the Contestant and the Intervenor. The Reply Briefs were timely filed by August 27, 1999, by both the Contestant and the Intervenor. As mentioned above, the Contestees, after proper notice, did not participate in any facet of this proceeding.

The aforementioned briefs having been timely filed by the Contestant and the Intervenor, and time having elapsed for any filings by the Contestees, this matter is now ripe for Decision. Without further attribution, this Decision incorporates portions of the briefs of the parties in setting forth both the facts and the law. To the extent that proposed findings or conclusions are consistent with those entered herein, they are accepted; to the extent that they are not so consistent or may be immaterial or irrelevant, they are rejected.

On February 25, 1997, the Bureau of Land Management (BLM) issued a complaint in Arizona contest AZA-30008, charging that the Dorothy B and Dorothy B #12 unpatented mining claims (AMC-42716 and AMC-42728) were null and void because minerals had not been found within the limits thereof in sufficient quantities so as to constitute a discovery of a valuable mineral deposit.

The claims on appeal herein are located within the Gila Box Riparian National Conservation Area (hereinafter, "Gila Box RNCA"), which was established pursuant to Title II of the Arizona Desert Wilderness Act of 1990. (Pub. L. 101-628, 104 Stat. 4469, 4475; 16 U.S.C. 460ddd) (hereinafter, "ADWA")) Subject to valid existing rights, these lands were withdrawn from all forms of entry, appropriation and disposal. (ADWA, Title II, sec. 201 (b) & (e)). Gila Box RNCA management is required to be in a manner that "conserves, protects, and enhances" the resources therein. (Ibid., at (d))

SUMMARY OF THE GOVERNMENT'S CASE

At the public hearing, the Government presented 53 evidentiary exhibits (Exhibits C-1--C-53) and four expert witnesses to establish its prima facie case. The Intervenors presented two evidentiary exhibits (Exhibits A & B) and one expert witness.

The Government's witnesses included the three drafters of its July 1996 mineral report (Exhibit C-7), as well as the technical reviewer of that report. The Government's first witness, Mr. Larry

Thrasher, is a geologist, and I qualified him as an expert in that discipline. (Exhibit C-1) Mr. Thrasher testified concerning the requirements for discovery under the general mining law. Discovery is guided by both the prudent man rule as well as the marketability test. (Tr., 33-34) Location notices for the Dorothy B #12 and the Dorothy B were admitted. (Exhibits C-2 & C-3; Tr., 35) Mr. Thrasher testified that the claims on appeal herein are only two of a total of 65 in the Dorothy B claim block. (Tr., 38) The entire claim block consists of approximately 2,700 acres. (Exhibit C-5) Mr. Thrasher explained why only two of the claims within the Gila Box RNCA were selected for examination. First, the significance of conflicting land uses near the Gila River was a key reason why these two claims were selected, and, also, Mr. Thrasher cited budgetary limitations as a reason for selecting only two of the 65 claims for examination. (Tr., 43)

Mr. Thrasher, along with Matthew Shumaker and David Taylor, were assigned by BLM to work on the validity examination. (Tr., 49-50) Mr. Thrasher took the lead for certain field work aspects, including geologic mapping of the claims; Mr. Shumaker was principally involved in sampling of the claims; and, Mr. Taylor performed the economic analysis. (Tr., 50-51) The field part of the examination started in the fall of 1994; final sampling took place in June, 1995; and, the Government's witnesses spent a total of 12 days in the field. (Tr., 54)

Mr. Thrasher testified that Contestees were afforded a full opportunity to attend the field part of the mineral examination, but they did not do so, nor did any representative of the Intervenor. (Tr., 54-55) Mr. Thrasher testified that it was "very unusual" for a claimant not to attend the BLM field examination. (Tr., 54) Mr. Thrasher testified that none of the parties in interest ever identified relevant "... discovery points, sampling sites, or, indeed, any other pertinent features of the claims." (Tr., 93)

Mr. Thrasher testified that while there are reliable supplies of water available to the claim site from the Gila River and the Bonita Creek, there are no power lines available for purposes of mining operations. (Tr., 103) The claims under contest are not, according to Mr. Thrasher, located within any organized mining district, and this constitutes a significant indicator of the lack of past mining activity. (Tr., 118) Mr. Thrasher reviewed the past mining operations in the vicinity of the two claims, and concluded that they were historically minimal in production. (Tr., 120, 123, 128)

Mr. Thrasher testified regarding reports previously provided by the Contestee. The first of these is the Vandrenkamp "Investigation and Report" dated January 6, 1930. (Exhibit C-17; hereinafter, "Vandrenkamp") BLM conducted an analysis of Vandrenkamp and concluded that it, "... misrepresented the published record on the potential of gold in the area of the claims." (Tr., 132) The hearing record demonstrates that Vandrenkamp plagiarized provisions of a 1905 report entitled "The Copper Deposits of the Clifton-Morenci District, Arizona, by Lindgren. (USGS paper 43, Washington, D.C., 1905; Exhibit C-18) According to Mr. Thrasher, the area covered by Lindgren's report is depicted on a different USGS quad map than the area where the Dorothy B claims are located. (Tr., 139-140) In this context, Mr. Thrasher testified that Vandrenkamp

misrepresented Lindgren's work, because Lindgren had concluded that payable gold bearing gravels had not been found in the area. (Tr., 139-140, 145) The next of Contestees' reports reviewed by Mr. Thrasher was that of Max Van Dine, entitled "Investigative Report of Dorothy B Auriferous Gravel and Black Sand Located in Graham County, Arizona" (updated, April 1981; Exhibit C-19; hereinafter, "Van Dine"). Mr. Thrasher testified that Van Dine misrepresented the gold bearing content of the area by compounding the misrepresentations of Lindgren by Vandrenkamp. (Tr., 142-143)

The next of Contestees' reports to which Mr. Thrasher testified was an unpublished report by Safford International Resources. (Exhibit C-20; hereinafter "SIR") According to Mr. Thrasher, SIR makes exaggerated references to the value of gold deposits on the Dorothy B claim block. (Tr. 148-150) A portion of the SIR with respect to range of values is actually blank, and, according to Mr. Thrasher, SIR does not qualify as a professional report. (Tr. 149-150) Mr. Thrasher also pointed out that Vandrenkamp, Van Dine and SIR were never formally published, with the technical result that "... there's no quality control or peer review at all." (Tr., 152) Van Dine reflected very rich gold values of up to three ounces per ton, however, he did not record any actual gold production from the area. (Tr., 155)

Mr. Thrasher reviewed Charbonneau's report, entitled "Research Report of Dorothy B Placer Claims Located in Graham County, Arizona. (May, 1983; Exhibit C-21; hereinafter, "Charbonneau") Although Charbonneau talks of values of up to 200 ounces per ton for gold, she was not a geologist nor a registered assayer. (Tr., 159) Mr. Thrasher described her estimates as "fantastic." (Tr., 162)

BLM took a total of nine samples as part of its mineral report, of which five were so-called "channel" samples (DB-1--DB-5), one was a so-called "shovel sample" (DB-6) and three were so-called "chert" samples (DB-7--DB-9), which are surface strewn quartz rocks. (Tr., 172-173) All three of the on-site examiners were present while samples DB-1 through DB-4 were taken. (Tr., 230) The on-site sampling supervisor was Mr. Shumaker. (Tr., 230) By reference to Exhibit C-13, the site geology map, Mr. Thrasher explained that sample DB-5 and DB-5A, a split sample, were carefully collected from terrace 1 with a backhoe using standard BLM channel sampling procedures. (Tr., 233) Sample DB-5 and DB-5A totaled 1,435 pounds. (Tr., 234) This sample was taken to a separate field site and processed by Mr. Thrasher and Mr. Shumaker, utilizing the mechanized equipment known as the Denver Goldsaver, after which the sample was visually inspected by the BLM examiners and then sent to be assayed by the Jacobs Laboratory in Tucson, Arizona. (Tr., 234-237) The results were negative for any meaningful amounts of any precious metals.

Mr. Thrasher testified that sample DB-6, a bulk shovel sample, was collected in June 1995 at the northern end of terrace number 4 on the Dorothy B #12. (Tr., 249) The sample was taken to the Safford BLM office where it was hand panned for gold content. There was no visible gold or other precious metals. (Tr., 250; Exhibit C-13) Sample DB-7 was one of three chert samples, which weighed about one pound each, and was collected by Mr. Thrasher at the northern end of

the bulldozer trench on the Dorothy B claim. (Tr., 252; Exhibit C-13) DB-8 was collected by Mr. Thrasher at a nearby location (Tr., 253), and DB-9 was collected sometime prior to 1991-1992 by a representative of Contestee. (Tr., 254) The chert samples were processed by splitting each nodule in half and sending the halves to Jacobs Assay Office for a fire assay. (Tr., 255) In direct contrast to the high values reported by Contestees' in their various reports, Jacobs recorded low chert values, even when gold was throughout assumed by BLM to be trading at $400.00 per ounce. (Tr., 257; Exhibit C-7 (mineral report), p. 59; Exhibit C-46, Table 4)

Mr. Thrasher testified that based upon his education and experience, a person or ordinary prudence would not devote his time and attention in the effort to develop the materials present on the two contested claims. (Tr., 262) Clear proof of lack of value is also derived from the fact that there has been no production from these claims since they were originally located. (Tr., 263)

Matthew W. Shumaker testified next for the Government. Mr. Shumaker is employed by BLM's National Training Center as a geologist, and the undersigned determined him to be an expert in that field. (Exhibit C-40) Mr. Shumaker assigned considerable significance to the fact that the contested claims herein are not within the bounds of any organized mining district, which indicates a lack of mining interest. (Tr., 346)

Mr. Shumaker discussed the Greeley report (Exhibit C-27), which found low values of gold or other precious metals in the area of these claims. (Tr., 348) Mr. Shumaker found the Greeley report to be highly credible. (Tr., 348) In contrast, Mr. Shumaker described the Dilettoso assay report (Exhibit C-29), which found very high values for the area of these claims, to be lacking in credibility because Mr. Dilettoso is is not a registered assayer and because of Dilettoso's reference to a so-called "electrum group," which is not a group of elements but an alloy that does not occur naturally. (Tr., 355-356) Similarly, Mr.Shumaker debunked the Golden Quest assay report (Exhibit C-37), which reflected high values for the claim area; however, there was no way to discern on the face of the Golden Quest Report where the tested material came from. (Tr., 357) Because the Golden Quest assay report did not indicate the methodology utilized to arrive at its conclusions, Mr. Shumaker determined that it was an "incomplete report." (Tr., 359)

Mr. Shumaker testified that a BLM validity examination is not an exploration program on behalf of the claimant. (Tr., 355-356) Rather, BLM determines whether there has been a discovery, which can only occur if a "... mineral deposit has been exposed such that a person of ordinary prudence would expend further labor and effort with the reasonable expectation of developing a valuable mine." (Tr., 365-366) Mr. Shumaker testified that there are a number of technical manuals which BLM relied upon for purposes of conducting its validity examination. These include the following: (1) Exhibit C-41, "Placer Examination Principles and Practice," by John H. Wells (Tr., 366-370); and, (2) Exhibit C-42, containing BLM Manual Section 3891, "Validity Examinations," BLM Manual Section H-3890-1, "Handbook for Mineral Examiners" and "Appendix to Handbook for Mineral Examiners." (Tr., 370-373) Thereunder, Mr. Shumaker testified that each of the five quantitative samples (DB-1--DB-5) taken for BLM's mineral examination conformed to the minimum volumes standard for placer samples. (Tr., 374-375) Mr.

Shumaker testified that he was on the ground between January 16-20, 1995, and that channel samples DB-1--DB-5 were selected from exposures made by past exploration activities. (Tr. 385) Mr. Shumaker testified that Sample DB-1 consisted of some 700 pounds, which was collected near the confluence of the Gila River and Bonita Creek. The witness detailed the great care with which the sample was collected. (Tr., 391) Sample DB-2, consisting of some 500 pounds, was collected about 200 feet away from DB-1, and Mr. Shumaker confirmed the great care with which this sample was taken. (Tr., 395) Sample DB-3 and DB-3A were, according to Mr. Shumaker, split samples, because the backhoe did not have enough reach to collect the entire sample in one channel. This sample consisted of sand, gravel, boulders, cobbles and silt material and was collected by BLM with the same precision and care as the other samples. (Tr., 396-398) Mr. Shumaker testified that sample DB-4 was collected with the same degree of care. (Tr. 398-399)

With respect to the issue frequently raised by Intervenors as to the appropriate number of BLM sampling sites and the amount of sampled material, Mr. Shumaker testified that although there were "... literally thousands of places that we could have dug, ... it isn't our role to undertake an exploration project." (Tr., 406) As a result, BLM took samples only from current exposures. (Tr., 407)

Processing of the samples was conducteded using the Denver Goldsaver, which consists of a rotating trommel. BLM also attached thereto a so-called "Knudsen Bowl," which captures very fine gold of 100 mesh. (Tr., 416-418) Mr. Shumaker testified that the Denver Goldsaver is capable of recovering 80 to 90 percent of any gold that is present. (Tr., 415) He further testified that the Denver Goldsaver uses proven technology that is widely available. (Tr., 421) During the week of January 16, 1995, the Goldsaver was set up for processing samples DB-1 through DB-4 in the vicinity of the Dorothy B #12. (Tr., 435-436) Sample DB-5 was processed by the Goldsaver later in May 1995 at a different site. Mr. Shumaker supervised the processing of samples DB-1 through DB-5 using standard BLM procedures. Relevant security and chain of custody were maintained throughout. (Tr., 435-436) A microscopic analysis was also conducted at BLM's National Training Center. (Tr., 435-436) The then-concentrated material was sealed and tagged for shipment to Jacobs Laboratory in Tucson, Arizona, which is a registered assayer. (Tr., 438) The results of the microscopic evaluation and laboratory analysis for the five channel samples are set out in Tables 1,2 and 3 of the July 15, 1996, Mineral Report. (Exhibit C-7, pp. 57-59) Appendix 3 to the Mineral Report contains the Jacobs Assaying and Testing Results. In summary, only minuscule, trace amounts of gold were derived from the Jacobs assay.

Mr. Shumaker concluded his direct testimony by stating that based on his education and experience, a person of ordinary prudence would not devote his time and attention to the effort of developing the materials present on these claims. (Tr., 459)

The next witness on behalf of the Government was David H. Taylor, a BLM geologist that I determined to be an expert in that field. (Exhibit C-47) Mr. Taylor's primary function was to perform BLM's economic analysis of the contested claims. (Tr. 500-501) Mr. Taylor found the

"Cost Estimation Handbook for Small Placer Mines" by Stebbins (Exhibit C-43) to provide a good model for economic analysis of claim potential for small placer mines. (Tr., 504-507) Stebbins calls for capital equipment costs to be included in an economic evaluation of a claim; however, BLM, very generously, assumed claimant would already have the necessary equipment and infrastructure available on site to start an operation. This generously skewed the figures in favor of the Intervenor and Contestees. (Tr. 509-511) BLM considered, therefore, only operating costs and also made further reductions from the Stebbins' model by assuming excellent management, less equipment downtime than in the model, and assumed labor costs at only a minimum wage level. (Tr. 511-515) All of these assumptions generously skewed the economic analysis in favor of the claimants, because BLM did not include all of the costs that would actually be incurred if production were commenced on the contested claims. By making these generous operating cost assumptions, Mr. Taylor was able to postulate processing of 150,000 cubic yards over a 250 day operating season or 600 cubic yards per day. (Tr., 511-515) Mr. Taylor then applied the best values derived from the Jacobs assay, which amounted to approximately 12 cents per loose cubic yard deriving from samples DB-5 and DB-5A. (Tr., 516) Even after making the favorable cost assumptions to claimants mentioned above, the resulting operating costs alone turned out to be approximately $2.37 per loose cubic yard, which is vastly in excess of the nominal 12 cents per loose cubic yard that Mr. Taylor calculated claimants could expect to derive from a placer mining operation on the contested claims. The conclusion which Mr. Taylor drew is inexorable, namely, that the two claims contested herein are not economically viable and that a mining operation thereon is not economically feasible. (Tr. 516-517) And, this analysis was predicated upon an assumed value of gold of some $400.00 an ounce , which was the approximate value at the time of the Mineral Report. It is common public knowledge that the value of gold today is much less, being well under $300.00 per ounce. As the Government demonstrated, even assuming Mr. Taylor's generous operating costs, gold would have to be over $8,000.00 an ounce to make mining economically feasible on these two contested claims. (Tr. 520-521)

Mr. Taylor concluded his testimony by stating that a person of ordinary prudence would not have devoted his time and resources to develop the materials present on the two claims contested herein. (Tr., 531)

The Government's final witness was Burrett Clay, a geologist, who is employed by the BLM National Training Center as Chief, Division of Minerals, Realty and Resource Protection. The undersigned recognized Mr. Clay as an expert in the field of geology. (Exhibit C-48) For this contest, Mr. Clay's function was technical review of the mineral report. (Tr., 565-568)

Mr. Clay testified that the number of samples and the locations of the samples taken were adequate to verify discovery; however, absolutely no discovery had occurred on the contested claims. (Tr., 572-574) BLM correctly sampled the terrace areas, which were identified in Contestees' proffered reports (Vandrenkamp, etc.), as the areas of high mineral value, and sampling thereon from current exposures was the correct approach, according to Mr. Clay. (Tr., 572-574) Mr. Clay testified that it was reasonable for Mr. Taylor to examine only operating costs

and to conclude therefrom that the small values present on these claims would not support a viable mining operation. (Tr. 578) Mr. Clay testified that the actual costs for a mining operation would be greater and would have to include capital costs, permitting costs, bonding costs, and reclamation costs, as well as operating costs. (Tr., 580) Therefore, the economic analysis performed by the BLM was, in reality, very generous to the claimants, and, having failed that analysis, it was impossible to conclude that a mining operation could be economically feasible on these two contested claims.

SUMMARY OF INTERVENOR'S CASE

As mentioned above, the Contestees made no appearance or presentation during the public hearing in this matter, nor did they participate in the post-hearing briefing schedule. During the hearing, the Intervenors called two witnesses, John R. Miller and James R. Youell, and they introduced two Exhibits, A and B, the first being a picture of Dorothy S. Braatelien, and the second being the resume of James R. Youell.

Mr. Miller is the President of IBN Corporation (Tr., 6), the Intervenor in this docket and the lessee of the claims contested herein. Mr. Miller appeared pro-se on behalf of IBN Corporation. Mr. Miller's brief testimony related to a separate and unrelated enforcement action by the Arizona Corporation Commission. (Tr., 73-76) While there were some references to said enforcement action in the hearing record, which Mr. Miller attempted to rebut, the State of Arizona enforcement action is not material or relevant to this mining contest, and I am not taking into consideration for purposes of this Decision any of the references in this administrative record to the Arizona enforcement action.

Mr. James R. Youell testified on behalf of the Intervenor in his capacity as a registered geologist and geological engineer, who had been hired by IBN Corporation to perform an analysis of the two claims contested herein. Mr. Youell's resume was admitted as Exhibit B. On voir dire, Mr. Youell acknowledged that he had not been on either of the two claims contested herein, nor had he been on any of the claims in the entire Dorothy B claim block. (Tr., 684-685) During the hearing, in response to the Government's objection to the proffer of Mr. Youell as an expert by reason of the fact that he had not been on the ground on the contested claims, I ruled that Mr. Youell was qualified to assess the Mineral Report and other Government exhibits, but I also stated that the fact he had not been on the claims could be considered in assessing the weight given to his testimony. (Tr., 703-704)

As presiding Administrative Law Judge, I have the authority to assess the credibility of witnesses and to weigh the evidentiary value, relevance and probity of their testimony. Because the BLM geologists who drafted the Mineral Report (Exhibit C-7), and who also testified in this proceeding, actually spent several days taking samples on the contested claims, and because Mr. Youell never spent any time on the contested claims, it is my determination that the testimony of Mr. Thrasher, Mr. Shumaker, and Mr. Taylor is more credible and is entitled to greater weight than is the testimony of Mr. Youell. Although I did qualify Mr. Youell as an expert witness in the

field of geology, because he never visited either claim and never took or analyzed any of his own samples from the contested claims, Mr. Youell's testimony, in toto and in context, did not serve to meet the Intervenors' burden of proof. Stated more directly, Mr. Youell's testimony, given full credence, did not serve to establish by a preponderance of the evidence that these two contested claims are valid. My reasons for this conclusion with respect to the weighting of Mr. Youell's testimony is more fully set out below. In my opinion, Mr. Youell's testimony was both inconsistent and contradictory.

Mr. Youell claimed knowledge of a placer platinum property owned by one Dave Hudson north of Beardsley, Arizona. Mr. Youell stated that Mr. Hudson had to obtain an Israeli translation of certain Russian platinum analysis methods. (Tr. 706-707) Without any documentary support, the witness attempted to draw a comparison between the gravels on the Gila and the San Francisco Rivers and the copper deposits between Morenci and Tyrone in order to draw the conclusion that there was "very fine disseminated platinum" at the Dorothy B claim. (Tr. 709-710) Mr. Youell's testimony never proved the incidence of any platinum on any of the Dorothy B claims, and his testimony on this subject constituted mere speculation based upon unreliable hearsay.

Mr. Youell next criticized the Denver Goldsaver as reliable only when looking for "course gold, " and as having a "long history of losing fine gold." (Tr., 711) However, Mr. Youell acknowledged that the Goldsaver could collect fine particles of gold if operated properly. (Tr., 714)

Mr. Youell testified that he had seen a sample of black sands provided to him by IBN Corporation, but he was unable to independently confirm that the sample was from either of the two contested claims. (Tr., 715, 853) Without any documentary support whatsoever, Mr. Youell contended that gold and platinum on these claims is locked in an "ionic bond" between iron fragments in the black sands. (Tr., 716) He testified that only "innovative" assay techniques would reveal the gold and other precious metals that allegedly repose in such "complex ores." (Tr., 719) Mr. Youell presented no corroboration of any kind for these observations, and I construe them to be little more than mere speculation. In this context, it should be recalled that Mr. Youell testified that he had never been on the claims and had never collected or analyzed any samples therefrom.

Mr. Youell criticized the Jacobs Laboratory as "not very innovative." (Tr., 720) Mr. Youell attempted to rely on the Golden Quest assay (Exhibit C-37). That assay does not specify the testing methodology employed by the assayer, one Donald Jordan; however, Mr. Youell imputed various methodologies to that report, none of which are confirmed on the face of the report itself. (Tr. 724-726)

Notwithstanding the undisputed testimony of the Government's witnesses that the so-called terraces were where all prior exploration occurred, Mr. Youell testified first that he would stay away from the terraces altogether, next that the terraces would be his last to sample, and, finally, that he wouldn't overlook them. (Tr., 731)

Mr. Youell admitted that all he had done with respect to this proceeding was to prepare a budget

and a one or two page proposal to "evaluate these properties," which was submitted to IBN Corporation in January or February 1999. (Tr., 755-756) Mr. Youell admitted that he had merely prepared a proposal to evaluate the claims. He never set foot on the claims and never performed the evaluation. Consequently, most of his testimony with respect to the validity of these claims was based upon speculation, guesswork and unreliable hearsay. Mr. Youell's testimony was not credible when compared to that of the Government's witnesses, and Mr. Youell's testimony did not serve, therefore, to meet the Intervenors'/Contestees' burden of proof.

IBN contends that there was apparent impropriety in the selection of these two claims for a contest. (IBN Post Hearing Brief, July 6, 1999, pp. 1,3 & 4; hereinafter, "July Brief")) However, selection of the Dorothy B and Dorothy B # 12 for examination was entirely authorized given the specific provisions of the Gila Box RNCA and the resource conflicts which that statute empowered BLM to examine and resolve.

In its July Brief, IBN criticizes the size of samples taken by BLM as inadequate. (July Brief, pp. 1-2, 4-5) However, all of BLM's samples were taken from previously excavated exposures, and as Mr. Shumaker testified, "... it isn't our role to undertake an exploration project ... ." (Tr., p. 406) As the Interior Board of Land Appeals (IBLA) has stated:

> A Government mineral examiner is not required to sample all areas of a mining claim in order to determine the full extent of mineralization so that it might be decided whether mining operations would actually be profitable. Nor is the Government responsible for generating the same level of information that would be required by a mining company when deciding whether to go ahead with mining. The duty of a Government mineral examiner is to sample existing exposures of mineralization disclosed on a claim in order to determine whether mining operations are likely to be profitable.
> (United States v. Crowley, 124 IBLA 374, 377 (1992))

Intervenor alleges that by issuing the contest complaint herein, the Government has engaged in an unlawful taking of property without just compensation. (July Brief, p. 3) Nothing could be further from the legal truth, because the land involved in these two contests is owned by the people of the United States and not by the Contestees, nor the Intervenor. Contestees and Intervenor do not enjoy property rights thereon which are precluded from examination and validity determination by the BLM. There need not be any reason, or proposed use of land, for the Government to exercise its plenary authority to contest a claim, and the Government may do so within its discretion. (Davis v. Nelson, 329 F.2d 840, 842 (9th Cir. 1964))

IBN contends in its brief that a prudent man would explore further. (July Brief, p. 8) Even if further exploration may be justified, this does not constitute a discovery. Throughout its entire presentation during the hearing and in its briefs, IBN inveighs the undersigned to assume from the occurrence of traces of gold on these claims that a legal discovery has been made. These contentions by IBN radically miss the pertinent legal standard. To assume from the occurrence of

mere traces of gold that a discovery has been made is mere geologic inference, which is not a substitute for actual discovery, and all of Intervenor's presentation is based, in truth, upon nothing more than legally insufficient geologic inference. (United States v. Larsen, 9 IBLA 247, 261-262 (1973); United States v. Willie White, 118 IBLA 266, 314-315 (1991))

Intervenor contends that the BLM subverts the intent of the 1872 mining law with its action regarding these two mining contests. (July Brief, pp. 8-9) IBN alleges that even if Contestee had pointed out sampling points on the claims, that by using BLM's sampling techniques, "... the odds were very heavily against validation." (July Brief, p. 9) Therein, IBN confuses its own legal burden and inappropriately attempts to shift the burden of proving a discovery by a preponderance of the evidence to the Government. (United States v. Michael R. Ware, 113 IBLA 1 (1990)) Neither the Contestees nor IBN provided BLM with any sampling sites, nor did they attend the sampling actually conducted by BLM. Neither Contestee nor Intervenor presented any evidence whatsoever of production from these two claims, and in the absence of any other probative evidence from Contestees and Intervenor, lack of evidence of production is tantamount to lack of a discovery. (United States v. Sweifel, 508 F.2d 1150, 1156 n. 5 (10th Cir. 1975); Hallenback v. Kleppe, 590 F.2d 852 (10th Cir. 1979))

DISCUSSION

On the basis of the Government's extensive and persuasive documentary and testimonial evidence, I ruled at the conclusion of the public hearing that the Government had unequivocally met its burden to establish a prima facie case in this contest. (Tr., 652) With that ruling, the burden of proof shifted to the Intervenor to refute the Government's case by a preponderance of the evidence. (United States v. Michael R. Ware, 113 IBLA 1 (1990); United States v. Charles Crawford, dba CASI Mining and Mineral Exploration Co., 109 IBLA 264, 268 (1989). In the entire public hearing record of this case, the Intervenors presented absolutely no probative or credible evidence which served to rebut the Government's overwhelming case. The Government proved conclusively that neither of the contested claims passes the prudent man and marketability tests (United States v. Coleman, 390 U.S. 599 (1968); Castle v. Womble, 19 I.D. 455,457 (1894)), and Intervenor did not successfully rebut the evidence presented by the Government with respect to these controlling tests.

The Government's evidence demonstrated that a validity examination was conducted on the two contested association placer mining claims. (Exhibit C-7) The Government established that the two claims were selected for examination because of RNCA uses planned for the area of the claims. As a part of the validity examination, the two claims were mapped and a total of nine samples taken for analysis. The Government proved through the testimony and exhibits summarized above that the samples were taken and analyzed pursuant to established BLM and industry standards and methodologies. The exposures made by past private sector exploration programs were sampled, and BLM then had the samples assayed by a reputable laboratory for precious metal content. The testimony of Mr. Taylor then established that the assay results show

an in-place value of approximately 12 cents per loose cubic yard, assuming $400.00 per ounce gold and $6.00 per ounce silver. This value is far below operating costs, even after excluding capital, reclamation, bonding and permitting costs. In summary, the testimony and exhibits offered by the Government proved conclusively that there has been no discovery on either of the claims contested herein. While the Government's conclusions were drawn after extensive field work and sampling, Intervenor's lead witness, Mr. Youell, had not even been on the ground on the claims under contest.

CONCLUSION

For the reasons recited above, and based upon my review of the entire administrative record in this matter, it is my determination that the Dorothy B and Dorothy B #12 association placer mining claims (AMC 41716 and 42728) are **NULL AND VOID FOR THE REASONS SET FORTH IN THE CONTEST COMPLAINT DATED FEBRUARY 25, 1997.**

James H. Heffernan
Administrative Law Judge

APPEAL INFORMATION

Any party adversely affected by this decision has the right to appeal to the Interior Board of Land Appeals. The Appeal must comply strictly with the regulations in 43 C.F.R. Part 4 (see enclosed information pertaining to appeals procedures).

(no appeal taken)

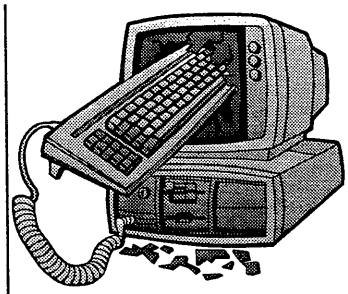
Distribution
By Certified Mail:

Richard R. Greenfield, Esq.
Office of the Field Solicitor
U.S. Department of the Interior
One Renaissance Square
Two North Central, Suite 1130
Phoenix, Arizona 85004

Dorothy S. Braatelien
5602 South 41st Avenue
Phoenix, Arizona 85051-4106

Dorothy E. Carden
4512 East Tunney
Phoenix, Arizona 85018

John R. Miller
President
IBN Corporation
6033 West Bell Road
Suite K
Glendale, Arizona 85308



From the desk of Larry Thrasher BLM SAFFORD

2/16/2000

Hi Nyal,

Here's a few things for your records. For your Neal Placer file here's the mineral report we prepared for court contest, and the order from the judge ruling in our favor - these will help offset the outrageous claims of gold, platinum, etc. by Von Dine, et al that you already have in the file. 63 of the Dorothy B claims are still there, but will probably be gone come 9/1 when maintenance fees aren't paid. (I was told by our State Office to not send you this material til it had worked its way thru the court system, which it has done.)

Also enclosed is a recent photo of the Luzena operation.

Later!

- LT

NL 7L Placers file
Graham Co.

Computer Graphics Labs 1440 W. University Dr. Tempe , Arizona 85281
Finite Element Analysis Physical Properties Analysis Simulation

---

PRELIMINARY REPORT August 25, 1993 by Jim Dilettoso

Prepared for Dorothy Braatelien of Safford , Arizona
Materials were delivered by D.B. to JJD for Analysis

An analyis was performed on the materials you delivered to us.
The materials were ground to -400, -100,-80, and -20 mesh using a Elmer-Monson system.

A complete analysis will carry an further description of the leaching, and roasting.
This list is for immediate use and is a compilation from the 21 fire analysis that were run.
on seven different samples.

We find the materials to be an aggegate of the Platinum and Electrum groups.
Essential minerals and rare earths are indicated including Rhodium and Strontium.
Osmium, Ruthenium, and Palladium, with Iridium are to be expected with
Platinum group metals.

I will complete the vapour chart analysis and conduct further periodicals to be
mailed to you this week, but at this stage we see concentrations of up to 11 oz. per ton
of Platinum and 20 oz. per ton of the *Platinum group.*

The documents that we have exchanged are very appealing to me, as well as my colleague
Charles Crawford. We will provide to you the required documents concerning recovery
as well as deployment of a prototype within 2 weeks.

Sincerely Yours,

James Dilettoso, Director
Computer Graphics Lab Inc.
Hormel Enterprises, Inc.

A 28575

Randall H. Brown
PO Box 394
Solomon, AZ 85551-0394
Phone: Solomon 602-508-3192
Houston, Texas 713-471-0122

April 27, 1994

Mr. Larry Thrasher
Geologist
US Department of the Interior
Bureau of Land Management
Safford District
711 14th Avenue
Safford, AZ 85546

Dear Larry:

I would like to thank you for the time and information you provided during our meeting on April 21, 1994. As you requested, this letter is a notice of intent to commence with B.L.M. approval, the mining of placer claim ABC 329922 filed in Phoenix, AZ on March 29, 1994. The claim name for the first mining operation is Randy #5. It is located in section 26 ,township 7 south, range 27 east , Gila-Salt River base and meridian in the Lone Star mining district, Graham county, state of Arizona. When testing is complete and mining on this section is in progress, we will begin preparation to commence on section 23 at which time we will file another notice with your office. The starting date is subject to the B.L.M. approval, and on that date mining will commence.

The start up operation will still be in the testing stage for a few weeks. During this time period production levels or product removal from the property will be 20 tons per day. As I explained in our meeting, we will not be processing any material on location. We will be using a loader on location to load the trucks that will transport the material to an EPA approved smelter in El Paso, Texas for the beginning operation. We have entered into an agreement with Minerals World, Inc. in El Paso, Texas to process this material. The process will be using only fresh water and there will be no chemicals, additives or detergents used on the material. After the processing is complete, we will return the tailings by truck to the original mine site. As each area is completed the returned dirt will be releveled for a smooth contour. As you can see on the map I have enclosed, we do not have to construct roads into our mining site at this time. I have marked the site so that everyone involved with this process will be acquainted with the location.

Randy says it's 20-ton truck-ut

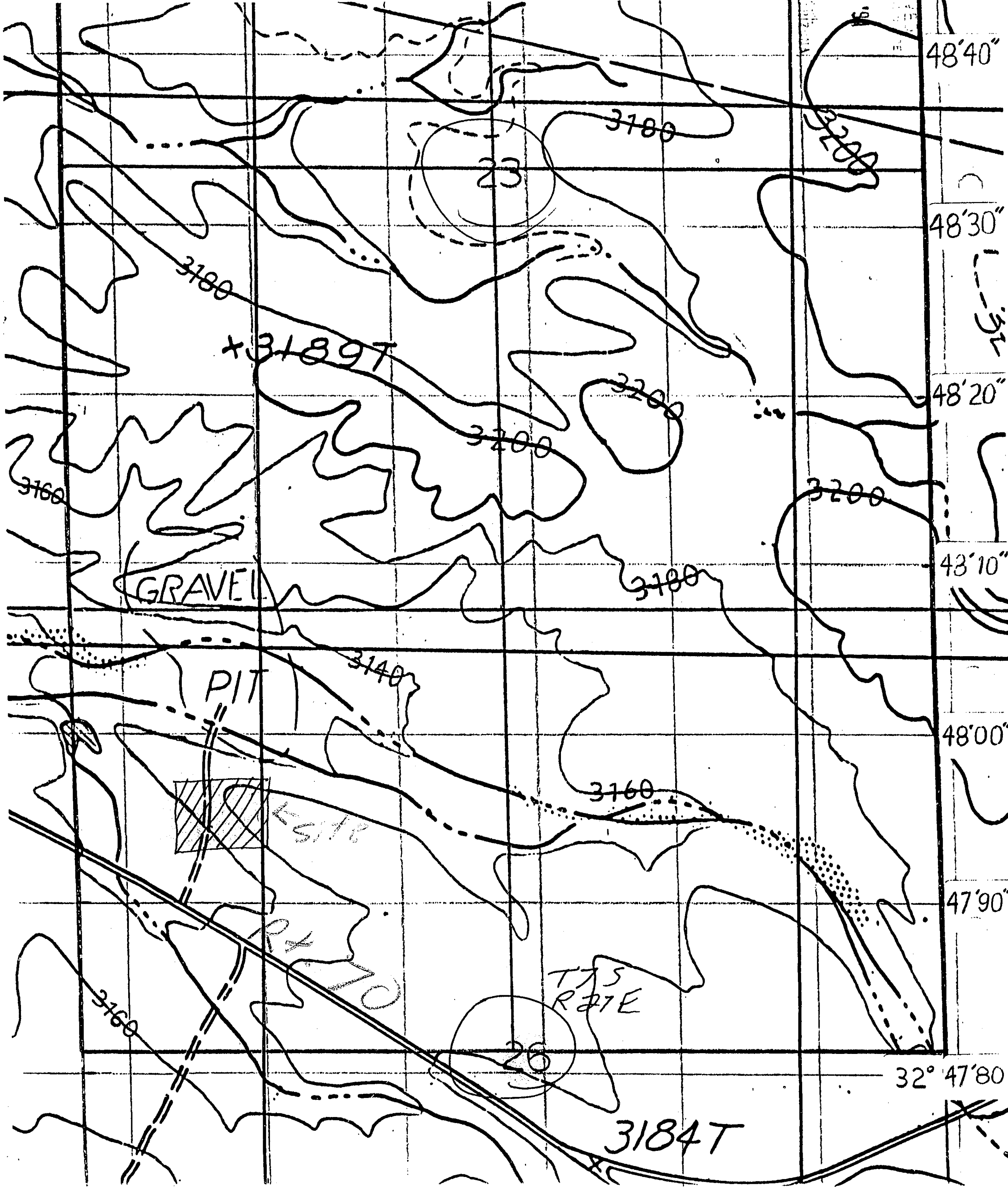
I hope that I have answered all your questions, but if you have any further questions or would like to see the location, I am available at all times to expedite the operation.

Thanks again for your help and material, I look forward to hearing from you.

Sincerely,

Randall H. Brown

Randall H. Brown


48'40"
3180
3200
23
48'30"
3180
+3189T
48'20"
3200
3200
3200
3160
43'10"
3180
GRAVEL
3140
PIT
48'00"
3160
site
47'90"
Rt 70
T7S
R27E
3160
26
32° 47'80"
3184T
T7S
R27E

When recorded, mail to:

Name: _____

Address: _____

City/State/Zip Code: _____

9.00 1973

STATE OF ARIZONA, County of Graham, ss Fee $_____ No._____
I hereby certify that the within instrument was filed and recorded at request of Randy Brown Agent 3-31-94 11:10 AM
In Docket No. 475 Page 819-20 and indexed in NML
Witness my hand and official seal the day and year aforesaid.
SHIRLEY ANGLE
COUNTY RECORDER BY _____ Deputy

Space above this line for Recorder's use

NOTICE OF MINING CLAIM

Fred Shuman
Rhonda Shuman
Maythe Shuman
Carl Smiley
Steve Broadus
John Jozwak
L.E Lawrence

1. TYPE OF NOTICE: ☒ Location ☐ Amendment ☐ Relocation
2. TYPE OF CLAIM: ☒ Placer ☐ Lode ☐ Millsite ☐ Tunnelsite
3. The name and address of the Locator is
   Name: Randall H. Brown
   Address: P.O. Box 394
   City/State/Zip Code: Solomon, Az. 8551-0394
4. The name of the claim is Randy #5
5. The date of the location is March 29, 1994
6. The claim is 2640 feet long and 2640 feet wide. The distance from the location monument to each end of the claim is 2640 feet in a South direction and 2640 feet in a North direction.
7. The general course of the claim is from the South to the North.
8. The location of the claim is in Section 26, Township 7 South, Range 22 East, Gila-Salt River Base and Meridian, Lone Star Mining District, Graham County, State of Arizona.
9. If amending or relocating, the previous claim name was _____ recorded in Docket(Book) _____ page(s) _____, _____ Mining District, _____ County, State of _____.
10. The location of the claim with reference to a natural object or permanent monument is _____

Dated: March 29, 1994

Randy Brown Agent
Signature

P.O. Box 394
Address

Solomon, Az 8551-0394
City/State/Zip

DOCKET 475 PAGE 819

FORM 111

Charles Moore
1-602-632-8005

A 28576

RECEIVED
BLM SAFFORD DISTRICT

APR 28 1994

SAFFORD, ARIZONA

April 28, 1994

Safford District Office
Department of the Interior
Bureau of Land Management
Safford, Arizona

RE: GRAHAM COUNTY MINING CLAIMS-LONE STAR MINING DISTRICT
ORO DE DIOS PLACER MINING ASSOCIATION-SOLOMON, ARIZONA

Dear Mining Claim Division Personnel,

As Association Agent for Oro De Dios Placer Mining Association as described in the attached notarized document, I began prospecting in Graham County, Arizona in 1992 in Township 7S, Ranges 27E, 28E, and 29E in the Lone Star Mining District, Gila-Salt River Meridian.

All Oro De Dios Placer Mining Association claims are contiguous, 160 acre association mining claims described by quarter section as shown on United States Geological Survey Maps for the San Jose, Tollgate Tank, and Ash Peak Quadrangles as required under the provisions of Recordation of United States Mining Claims 43 CFR 3833 effective January 3, 1989, Section 3833. 1-2 (5) "all claims filed are identified by quarter sections of sections of the U. S. Geological Survey Maps as will permit the authorized BLM officer to identify and locate the claims or sites on the ground."

As Association Agent, I maintain DDA Account Number A1581 in the State BLM Office in Phoenix, Arizona, and have recently filed 73 Placer Mining Claims located by me as locator, and have been assigned BLM Claim Numbers AMC 330096 through AMC 330168.

All operations conducted to date by me as operator have been casual use with any and all disturbances reclaimed on a daily basis.

Currently I have transported equipment to two sites, using existing roads and wheelbarrow trails with no disturbance. One site is to reclaim an assessment dig done by a previous claimant and the other site is where a dry wash converges with the Gila River. Both sites are located in Section 6, Township 7S, Range 28E as shown on the attached United States Geological Survey Map for the an Jose Quadrangle on Mining Claim Number AMC 330146 which is the Northwest Quarter of Section 6. A gravel road leads off paved Buena Vista to Site 1. Just below Site 1 which is on a hill, a short road dead ends at a fence and by following the dry wash 1,250 feet to the Gila River Site 2 is located,

Pictures of the gravel road leading off Buena Vista, and of Site 1 and Site 2 are enclosed. The equipment on Site 1 is set up to run with a closed circulating water system and uses about 100 gallons per day which are transported in on a daily basis. Only fresh water is used and washed sand and gravel will be returned to the small pits dug by a previous claimant. Site 2 is set up to run using Gila River water which is immediately discharged to a natural contour settling basin from which clear water containing no sediment other than the

Mailing Address:
PO Box 10
Bagwell Texas 75412

CHARLES MOORE, ASSOCIATION AGENT
ORO DE DIOS PLACER MINING ASSOCIATION
SOLOMON, ARIZONA 85551-0396

natural river sediment contained when the water was intaked from the river. When the equipment was set up an 8 hour test was run with the sand sediments deposited along the banks of the Gila River by the 1993 floods and some of the Gila Conglomerate from the banks of the dry wash about 100 yards from where the equipment is located.

Because of the dangers from rising water at some times in the Gila River the equipment will be moved farther up the wash for operation. When this is done the discharge fresh water will soak into the ground before it reaches the Gila River. Sand and gravel shoveled from the dry wash will be washed and returned to the dry wash with some heavies removed. For every ton of sand and gravel washed approximately 80 to 100 pounds of concentrates will be removed and transported out of state for processing and/or sale.

At the present time I am sampling and assaying and testing sand and gravel material by shoveling, screening, and filling 55 gallon steel barrels with the hand screened material which is then hauled off site for assays and process testing. I would like to began operation of the equipment on May 16, 1994.

Reclamation of all areas disturbed will be completed to the standard described in 3809.1-3(d). Reasonable measures will be taken to prevent unnecessary or undue degradation of the federal lands during operations.

I am fortunate that U. S. Highways, plus paved and gravel roads traverse the mining claimed areas so that no disturbance is necessary for road construction. Most of my initial plans will be cleaning up and then reclaiming previous assessment sites to the natural contours.

I desire to be a good steward of citizen owned United States Government lands and a prudent operator of profitable mining operations on those lands for many years into the future. Any suggestions by BLM Mining Claim Division Personnel will always be welcomed and greatly appreciated.

Sincerely yours,

Charles Moore

CHARLES MOORE, ASSOCIATION AGENT
ORO DE DIOS PLACER MINING ASSOCIATION
SOLOMON,ARIZONA 85551-0396
1-602-632-8005

Enclosures:

Association Affidavit
General Area Map
U.S.G.S. San Jose Quadrangle Map
Site Pictures

ORO DE DIOS PLACER MINING CLAIM
AFFIDAVIT OF ASSOCIATION
ORO DE DIOS PLACER MINING ASSOCIATION, SOLOMON, ARIZONA
GRAHAM COUNTY, LONE STAR MINING DISTRICT, STATE OF ARIZONA

I, CHARLES MOORE, P. O. BOX 10, BAGWELL, TEXAS 75412, being of sound mind, over the age of 21, and having personal knowledge of the facts, hereby swear as follows;

On January 13, 1994, as locator and claimant, I, Charles Moore, signed and filed 73-160 acre Association mining claims as recorded in Docket 472, Pages 108 through 253, of the County Records for Graham County, State of Arizona, said placer mining claims duly filed January 13, 1994, on United States Government Land managed by the Bureau of Land Management Pursuant to the United States Mining Laws of 1872 as amended.

I Charles Moore, further state that I was acting for and on behalf of ORO DE DIOS PLACER MINING ASSOCIATION, SOLOMON ARIZONA 85551-0396, as ASSOCIATION AGENT.

I, Charles Moore, further state that the ORO DE DIOS PLACER MINING ASSOCIATION is an Association of myself and my (9) nine children named as follows:

CHARLES MOORE, CINDY JANE MOORE, RICHARD GORDON MOORE, CHARLES STEVENS MOORE, CHARLES HUNTER MOORE, DONNA KATHRYN MOORE, STACEY RENE MOORE, BRET MARIE MOORE, MUNDIE MICHELLE MOORE, MIKA DANE MOORE, AND I further state that I am the ASSOCIATION AGENT with full power and authority to conduct any and all business of the ORO DE DIOS PLACER MINING ASSOCIATION, including but not limited to filing claims, disposing of claims, executing quit claim deeds, operating prospecting and/or mining operations on any and/or all claims, and have the absolute and irrevocable authority to conduct any and all other matters pertaining to the association and business affairs.

I further state that I, Charles Moore, have the full and complete authority to form and name other associations with the same members, to locate, file, record, and operate other mining claims on United States Government Land.

FURTHER AFFIANT SAYETH NOT.

Subscribed and sworn to this 7th day of March, 1994 by Charles Moore for the intents and purposes above set forth.

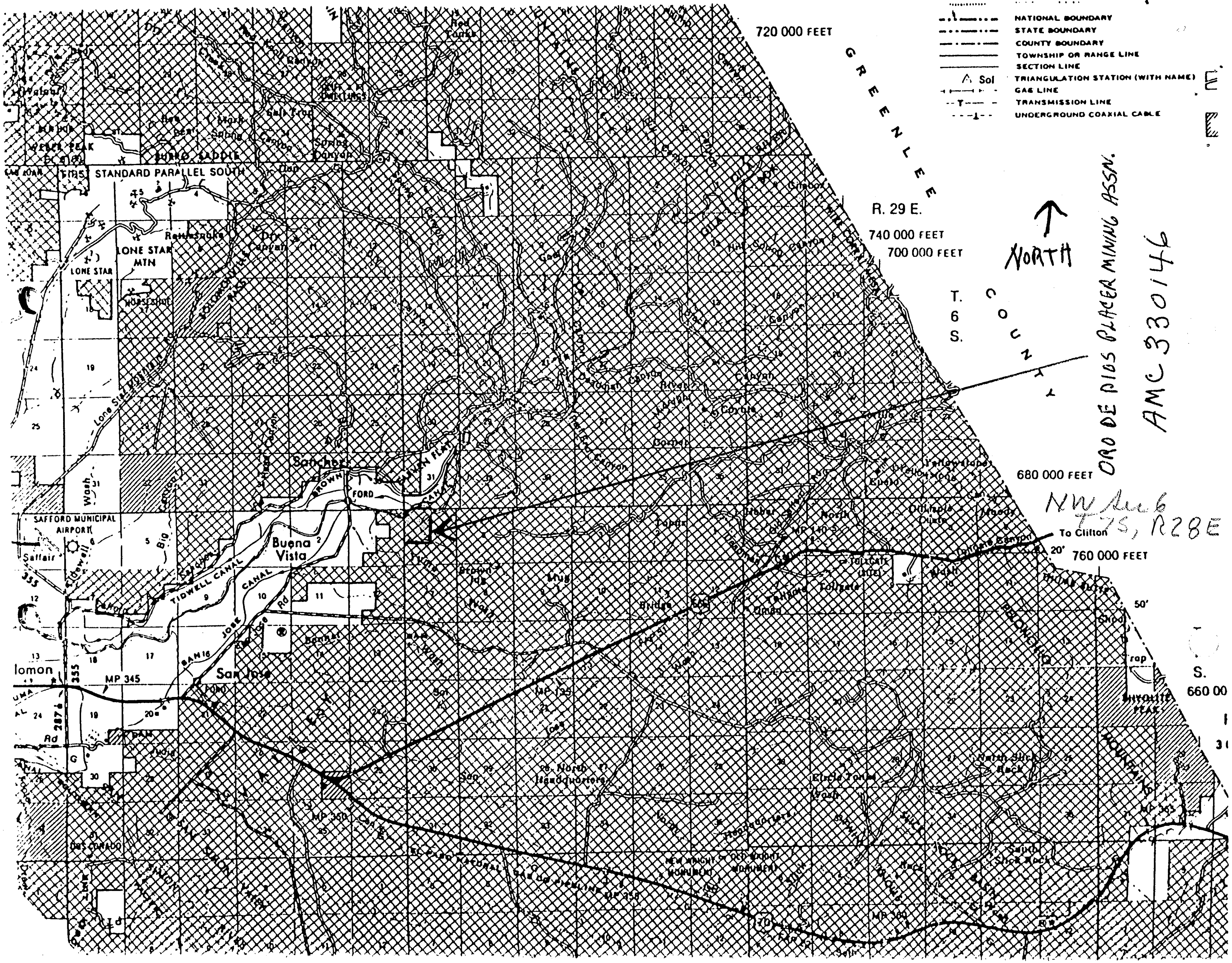
Charles Moore

CHARLES MOORE

On this day personally appeared Charles Moore and swore to the affidavit stated above as being true and correct in all respects.

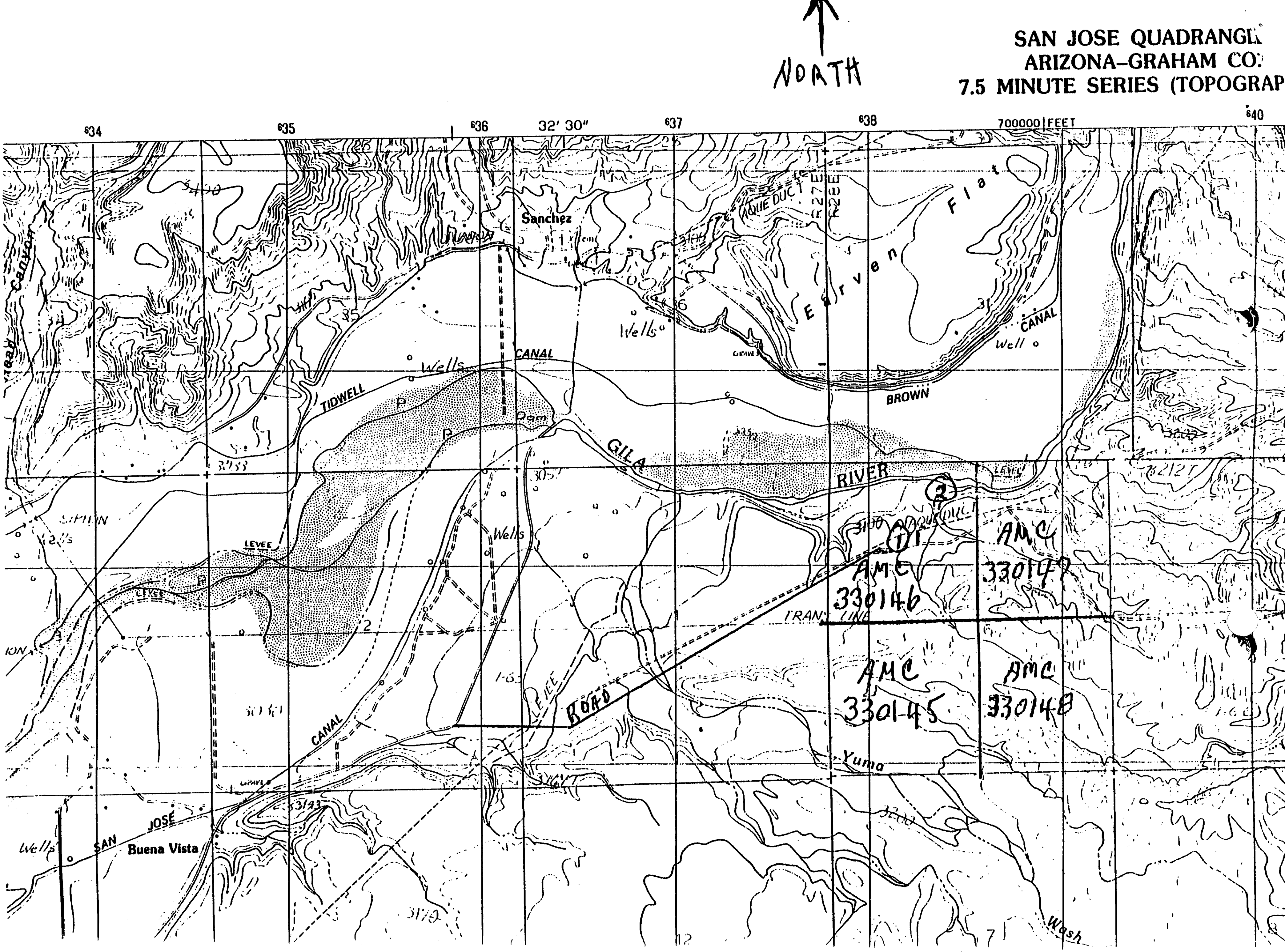
Notary Public
State of Arizona

Comm Exp 3-4-96



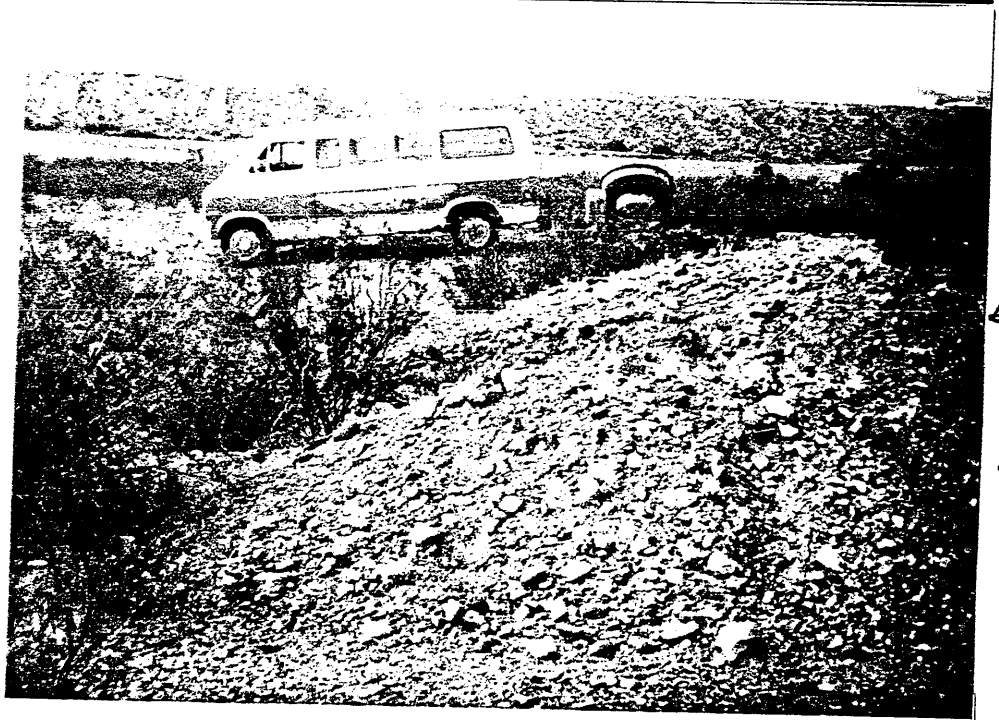
NATIONAL BOUNDARY
STATE BOUNDARY
COUNTY BOUNDARY
TOWNSHIP OR RANGE LINE
SECTION LINE
Sol
TRIANGULATION STATION (WITH NAME)
GAS LINE
TRANSMISSION LINE
UNDERGROUND COAXIAL CABLE
720 000 FEET
GREENLEE COUNTY
R. 29 E.
740 000 FEET
700 000 FEET
NORTH
ORO DE DIOS PLACER MINING ASSN.
AMC 330146
T. 6 S.
680 000 FEET
NW Sec 6 T7S, R28E
To Clifton
760 000 FEET
STANDARD PARALLEL SOUTH
LONE STAR MTN
LONE STAR
Sanchez
FORD
SAFFORD MUNICIPAL AIRPORT
Buena Vista
TIDWELL CANAL
SAN JOSE CANAL
San Jose
MP 345
MP 350
North Headquarters
Yellowstone
Tollgate
Bridge
Safford
Solomon
S.
660 00

SAN JOSE QUADRANGL
ARIZONA–GRAHAM CO.
7.5 MINUTE SERIES (TOPOGRAP



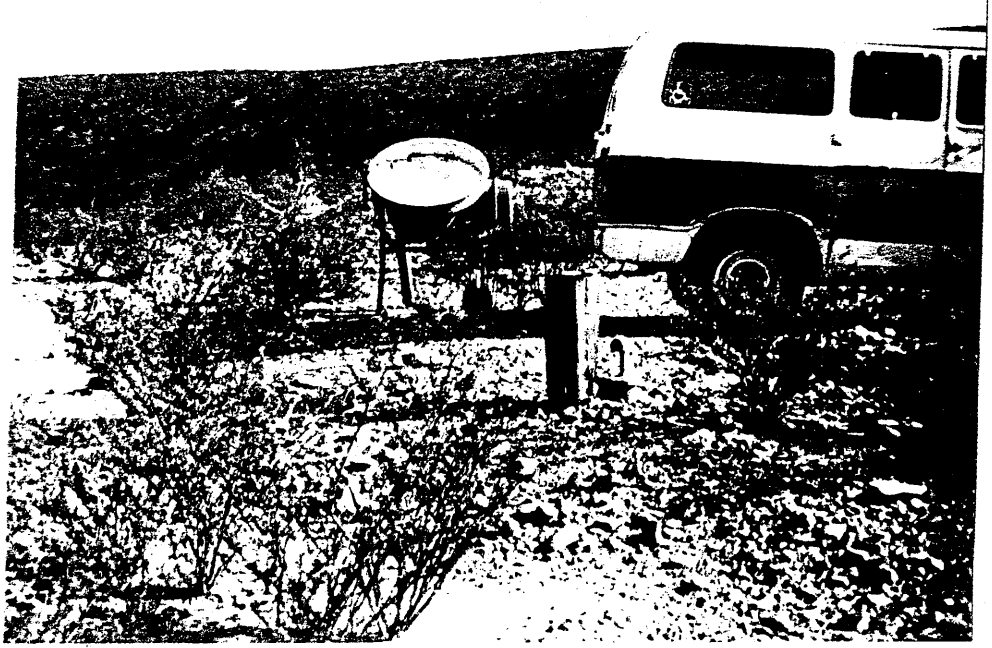
...TUEL ROAD
~XIT OFF
BUENA VISTA
TO
ORO DE DIOS
PLACER MINING
ASSOCIATION
CLAIM AREA
7S, 27E, 28E
29E LONE STAR
MINING DISTRICT

SITE 1
NWQ SEC 6
7S, 27E
AMC 330146



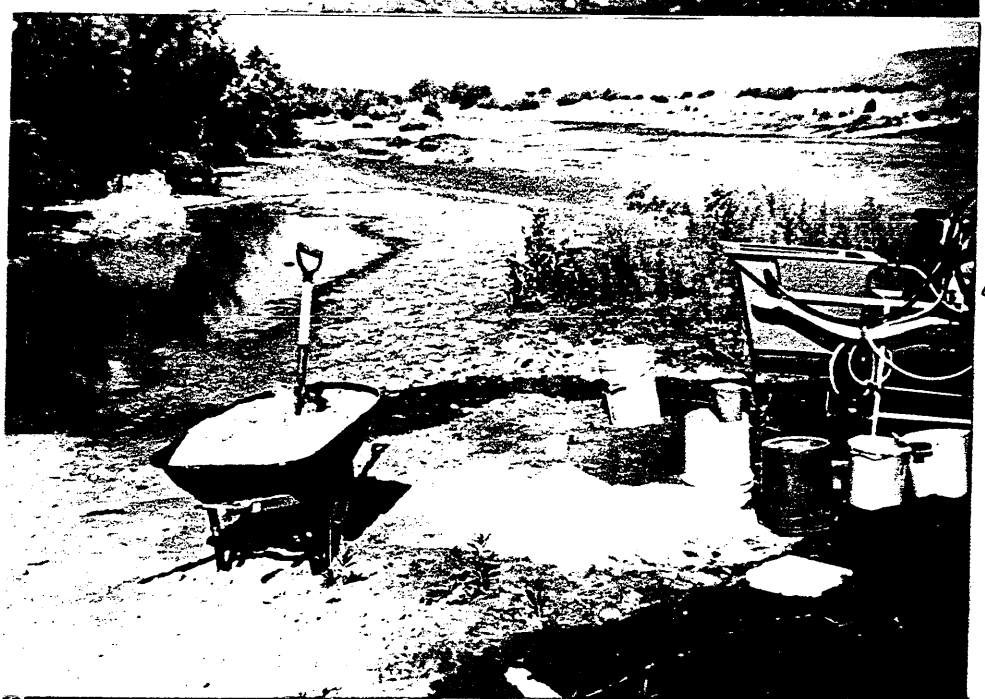
← Pile made by previous claimant, John Versche (deceased)

SITE 1
WATER TAP
BONITA CREEK
SAFFORD WATER
LINE NWQ
SEC 6, 7S, 27E
AMC 330146



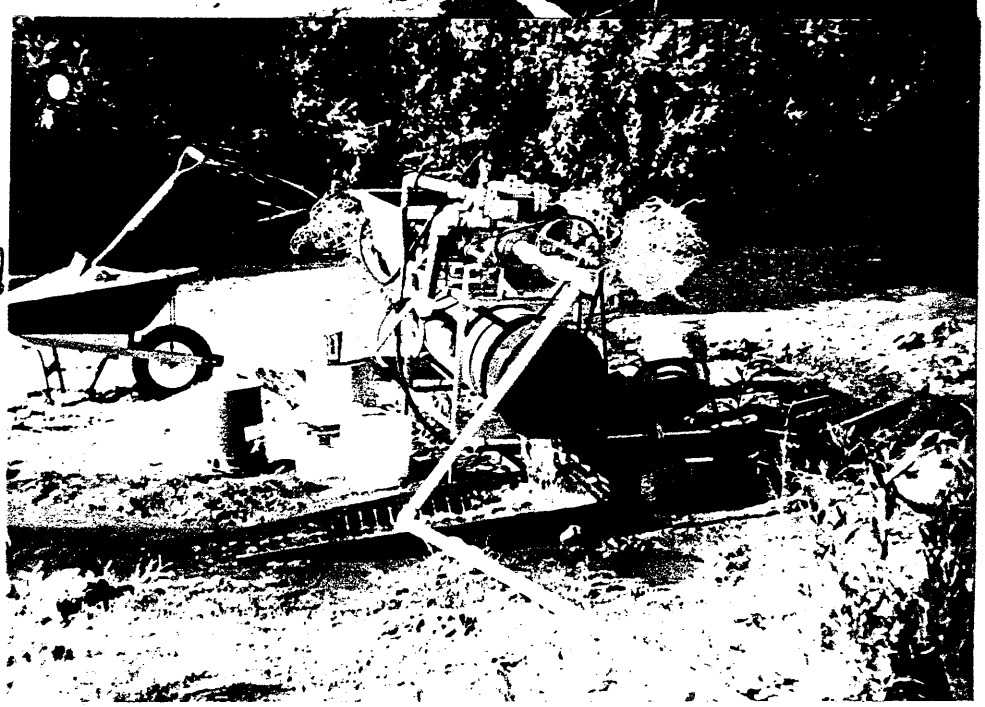
SITE 2
DRY WASH
NWQ SEC 6
7S, 27E
AMC330146

SITE 2
EQUIPMENT
AND
NATURAL SETTLING
BASIN FOR
FRESH WATER



← "Gold saver concentrato w/ 5hp mot

SITE 2
EQUIPMENT
1 CUBIC YARD
OF
SCREENED MATERIAL
EACH
3 HOURS
FOR
MAXIMUM EFFICIENCY
CONCENTRATES
25 TO 1



NEEL PLACERS (A)

A REPORT

on the

SAMPLING

PROGRAM and PROCEEDURE

at the

DOROTHY "B" PLACER PROPERTY

Graham County, Arizona

by

Richard E. Mieritz
Mining Consultant
Sun City, Arizona

June 11, 1971

INTRODUCTION:

Mr. Frank Hallis, Scottsdale, Arizona, requested and authorized the writer to complete such work as necessary to check the gold-silver value merit of the Dorothy "B" placer claims located in Sections 16, 17, 20, 21, 22, 27, 28, 29 and 30 of T. 6 S., R. 28 E., G. & S. R. B. & M., twenty miles northeast of Safford, Graham County, Arizona.

As suggested by the writer, six representative, wide spaced samples were taken in an area designated by Mr. R. H. Vahrenkaap, Consulting Engineer, as containing precious metal values as so indicated in his report on the property dated January 6, 1930.

This report explains the sampling proceedure used and the results obtained by the writer.

CONCLUSIONS:

Based on the results of the six samples and the writers knowledge of placer deposits in Arizona, the following conclusions are submitted for your consideration:

(1) - The two most obvious, accessible and minable "benches" were tested by six samples. This area does not contain sufficient gold-silver values to be of economical importance, in fact, the samples show very negative results, and,
(2) - You should have no further interest in the property.

GENERAL:

The Dorothy "B" placer claims cover an area bounded on the northeast side by Bonita Creek, by Spring Creek on the southwest and by the Gila River on the south and southeast.

Leasors of the claims (old work) had concentrated their efforts in 40 acres designated as the NE/4, NE/4 of Section 28 - part of the original Dorothy "B" placer location, Docket 104, page 503, Graham County Recorders office.

The writers efforts of the six samples were also concentrated in this area. (See included Map - SAMPLES LOCATIONS).

SURFACE EXPRESSIONS:

Recent and late past erosion has created three or four distinct terraces or benches northwesterly from the southwest flowing portion of the Gila River. The trend of these benches is northeasterly and create nearly horizontal mesas up to 1000 feet or more in width. The first bench rises some 50 to 75 feet above the present water level of the Gila River. The second bench is 35 to 50 feet vertically higher in elevation above the first bench.

GRAVEL CHARACTERISTICS:

The gravels of the two benches are very similar geologically, containing sand and boulders of the many igneous and sedimentary rocks of the area from which these gravels originated.

Roundness and smoothness of the pebbles and boulders indicate considerable travel. Boulder sizes range to 16 and 18 inch diameters. Sample measurements indicate that material greater than ¼ inch in size approximates 75% of the weight in a cubic yard and that a cubic yard of gravel will approximate 2850 to 2900 pounds, or almost 1.5 tons.

Samples also indicate that there is usually greater magnetite contents near the Gila River level than on the elevations above. In all cases however, the magnetite is extremely fine in size.

SAMPLE LOCATIONS:

Six samples were taken as shown on the included map. Their locations were surveyed by using a "range finder" for distance and brunton compass for directions as traverses from the silver painted 4" x 4" claim corner or discovery monument, as a reference point.

Choice of these sample locations were made by the writer as being representative of the "potential ground" and the most accessible ground operation-wise -- if it reached that point, and to test two of the benches horizontally and vertically. Sample locations were flagged using a 4 ft. lath and yellow engineers flagging tape. The sample number was marked on the lath. A discription of each sample is:

First Bench (lowest above river level)
Sample 1107: A 2' x 4' x 1' sample (⅓ cubic yard) was taken from the east wall near the bottom of a 7 ft. deep dozer or backhoe trench and 5 ft. below the surface of the top of the first bench. Largest boulder was 6" x 6" x 10".
Sample 1108: A 3.5' x 1.5' x 2' sample, (½ cubic yard) was taken near the bottom from the east wall of a 230 foot long and 8 ft. deep, N-S trench and 6 feet below the surface. This location represents the lower portion of the first bench. Largest boulder in sample was 5" x 5" x 8".
Sample 1109: A 2' x 3' x 1.5' sample from an old pit on a small narrow mesa midway vertically up the first bench, was taken, thus testing the middle portion of the bench. Largest boulder was 6" x 8" x 11".

Second Bench
Sample 1110: A 4' x 2' x 1' sample near base of second bench north of the drilled water well. Largest boulder 4" x 6" x 10".
Sample 1111: A 4' x 2' x 1.1' sample, also near the base of the second bench approximately 8 feet above the top of first bench and southeast of the drilled water well. Largest boulder 6" x 8" x 14".
Sample 1112: A 3' x 2' x 1.3' sample of north wall, 5 feet below surface and near base of 7 foot deep E-W dozer trench on mesa representing the top of the second bench. Largest boulder 8" x 8" x 14".

SAMPLE TAKING and PREPARATION PROCEDURE:

The normal sampling proceedure utilized a wooden box of 6.75 cubic feet (2.03' x 1.83' x 1.81') for volume measurement (¼ cubic yard), a Jones type dry splitter, a ½ inch screen, a 1/16 inch screen and a bathroom type scale for weight measurement to the nearest pound.

All samples were taken and prepared in the same manner. In some instances some steps were eliminated when sufficient, reliable, correlating statistical information had been obtained. The proceedure followed, after selection of the location, was;

(1) Mark out on the ground the area of material to be removed,
(2) Shovel material into box, heaping to offset expansion of volume from "in place" to "disturbed",
(3) Screen entire volume through or over ½ inch screen (weigh boulders and pebbles and -½ inch size material. This provides correlation between fines and coarse material. Coarse material (boulders, pebbles, etc.) not weighed for samples 1109, 1110 and 1111.
(4) Split fine material by ½ using splitter and weighing resulting quarter as check on splitting accuracy.
(5) Fines (-½ inch size) of samples 1107 and 1108 totally panned and a concentrate of magnetite and fine size silica (sand) grains obtained. Care being taken to observe for free gold and collected if necessary.
(6) Fines of samples 1109, 1110, 1111 and 1112 were split in half and screened over 1/16 inch screen.
(7) One half of the split fines was weighed as check on splitting accuracy.
(8) Coarse material (-½, + 1/16 inch sizes) was panned and observed for free gold speck or nuggets. None were found nor was a concentrate obtained, not even of larger magnetite pieces.
(9) Fine material (- 1/16 inch size) was panned and a concentrate of fine sand grains and magnetite collected.
(10) Panning was carried to completion as much as possible with little to no loss of magnetite.
(11) Concentrates were sun dried and sent to Jacobs Assay Office to be weighed in grams and assayed for gold and silver content per ton. Samples 1107 and 1108 were also assayed for natural iron, in order to determine the approximate magnetite percentage in the panned concentrates.

The facts and figures relating to the samples and the assay results are shown in Table I.

Respectfully submitted,

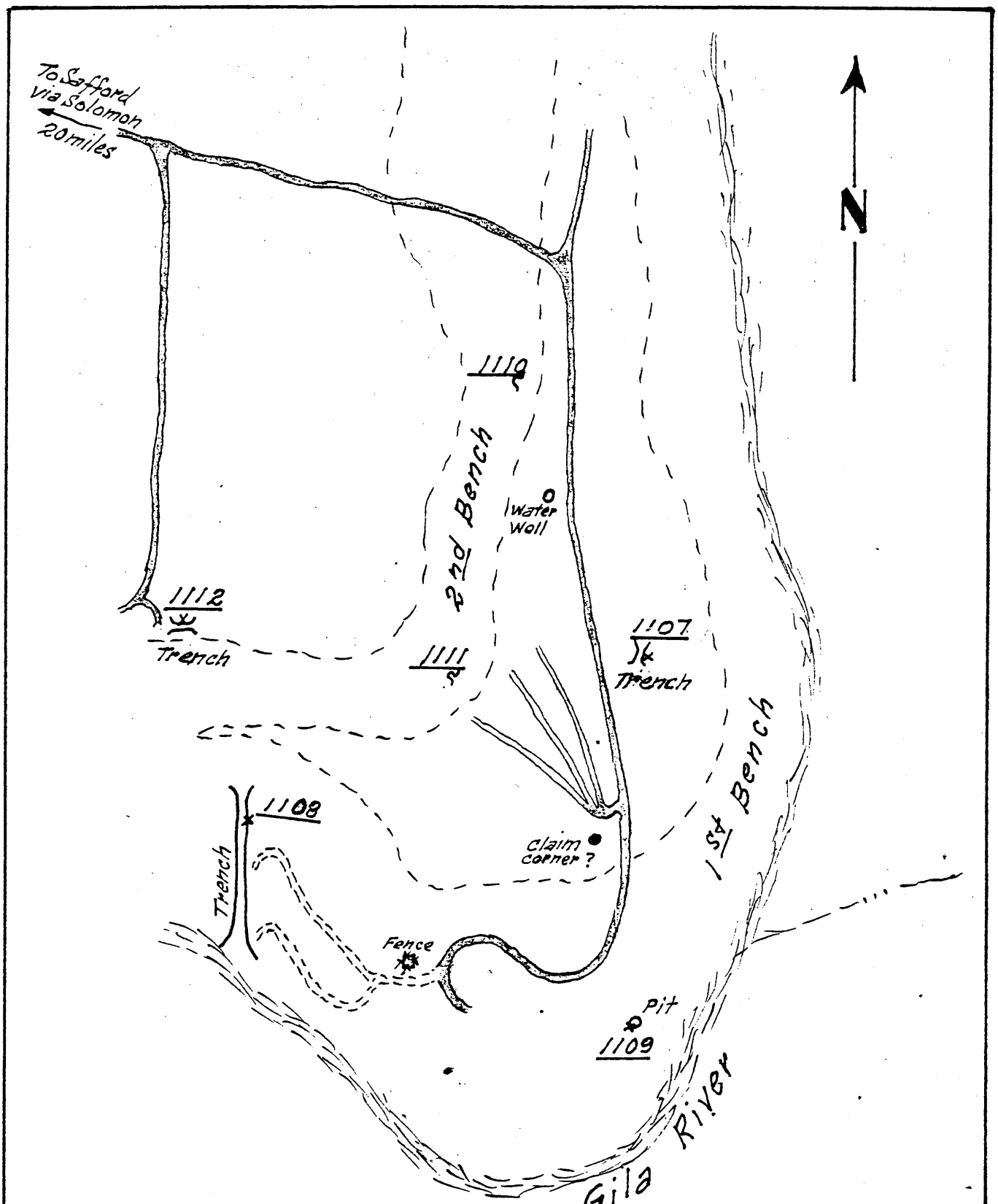
R. E. Mieritz,
Mining Consultant,
June 11, 1971

TABLE I
SAMPLE INFORMATION

	Sample Numbers					
	1107	1108	1109	1110	1111	1112
Measured weight, ¼ cu.yd.	724	792				704
Calc. weight, cubic yard	2896	3168				2816
Weight, -¼ inch size, cu.yd.	812	800	992	672	640	608
Weight, -¼ inch, ¼ cu. yd.	203	200	248	168	160	152
No. of splits, -¼ inch size	2	2	3	3	3	3
Weight -¼ inch size, panning	51	50	31	21	20	19
Weight, panned conc., grams.	140	90	56	33	16	25
Weight, panned conc., pounds	0.308	0.198	0.123	0.073	0.035	0.055
Splitting Factor, above times	16	16	32	32	32	32
Weight, lbs conc./ cu. yd.	4.93	3.17	3.94	2.34	1.12	1.76
Natural Iron, Percent, assayed	28.35	38.40	N. A.	N. A.	N. A.	N. A.
Magnetite in Conc., percent	39.2	53.0				
Magnetite in Conc., pounds per cu. yd.	1.93	1.68	1.80 (Est.)			

SAMPLE RESULTS

Free gold in Concentrate	3 colors	None	None	None	None	None
Gold per ton, Conc. Assay	Tr.	0.005	0.16	Tr.	Tr.	Tr.
Silver per ton, Conc. Assay	0.05	0.05	0.15	Tr.	Tr.	Tr.
Yds req'd for 1 ton conc	965	1190	1111			
Value, gold per cu. yd.	$0.00	0.00	0.011	0.00	0.00	0.00
Value, silver/ cu. yd.	$0.00	0.00	0.0005	0.00	0.00	0.00
Total value/ cu. yd.	$0.00	0.00	0.0115	0.00	0.00	0.00



SAMPLE LOCATION MAP

Portion of
DOROTHY "B" PLACER CLAIMS
Graham County, Arizona

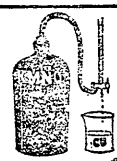
Scale: 1"= 400 Ft.

June 11, 1971 REM

1435 S. 10th AVE.
P. O. BOX 1889

Jacobs Assay Office

Registered Assayers



PHONE 622-0813

TUCSON, ARIZONA 85702

Certificate No. 58748

June 10th 1971

Sample Submitted by Mr. R E Muntz

SAMPLE MARKED	GOLD Ozs. per ton ore	GOLD Value per ton ore *	SILVER Ozs. per ton ore	~~COPPER~~ Per cent Wet Assay	~~LEAD~~ Per cent Wet Assay	Per cent Wet Assay	Per cent Wet Assay
Fe		$			WEIGHT -GRAMS-		
# 1107 28.22		Trace	0.05	.095	140	.308	
1108 28.40	0.005	$0.172	0.05	.095	90	.198	
1109	0.16	$5.60	0.15	.285	56	.123	
1110		Trace	Trace		33	.073	
1111		Trace	Trace		16	.035	
1112		Trace	Trace		25	.055	

REGISTERED ASSAYER
CERTIFICATE EXPIRES
1041
BENJAMIN P. JACOBS
DEC. 31, 19 71
Arizona U. S. A.

* Gold Figured $85.00 per oz. Troy

Charges $ 2.00

Very respectfully,

Ben P. Jacobs

1435 S. 10th AVE.
P. O. BOX 1889

Jacobs Assay Office

Registered Assayers

PHONE 622-0813

TUCSON, ARIZONA 85702

Certificate No. 58749 June 10th 1971

Sample Submitted by Mr. R.E. Merritt - IRON

SAMPLE MARKED	GOLD Ozs. per ton ore	GOLD Value per ton ore *	SILVER Ozs. per ton ore	COPPER Per cent Wet Assay	LEAD Per cent Wet Assay	Fe Per cent Wet Assay	Per cent Wet Assay
		$					
# 1107						38.31	
1108						38.40	

REGISTERED ASSAYER
ARIZONA CERTIFICATE
No. 1041
BENJAMIN P.
JACOBS
71
Arizona U.S.A.

9

* Gold Figured $35.00 per oz. Troy

Charges $ 4.00

Very respectfully,

Ben P. Jacobs

#1107 - Dis. Pit - Eastside - 5' below surface - Hole 2x4x1.5 -
Mat - sand to boulders. 6"x5"x5" - Full box.
Screened 1/32" - (-) = 30# panned - 1/2# conc - 3 colors.

Panned / McMay

100
75
77
80
70
82
37 / 5
78
74
51 } 205

split 1/4 = 50.5

23.9%

72
289

#1108 - Long Trench - N-S. Sample 3.5 x 1.5 x 2. - 6' below Surf.
E side of trench. dip ~~40~~ 10° W boulders 5"x5"x8"

Used 3615

Panned / Jennings May

78
71
51
200
47

1/4 = Fines 25.2%

80
81
60
87
89
70
88
17
592
200
792

gravel

3/168

#1109 - Old Pit - Box - fines - 1/4 split = 62 lbs - very fine.
a big assortment of sizes boulders - panned.

Panned

split 1/2 more (= 1/8) = ~~15.5 lbs.~~ = 30.0#

Used.

#1110 - base of 2nd Terrace - mud & silt - soil - 1/4 split = 42#s
boulders - 4x6x10 - very few intermediate size boulders.
some angular - sample pit - 4' x 2' x 0.8' -

Panned

split 1/2 more - 1/8 = ~~20.2#s~~ 20.00 -

use

#1111 base of 2nd Terrace. - 2' x 2' x 1.1 deep - 1/4 Split = 40 lbs.
clay - fine - fair dist. of boulders - largest = 6"x8"x14" -
mostly surface.

Panned

split 1/2 more = (1/8) = ~~[illegible]~~#
1/8 = 20.0#

Sampling & Examination Charges
(Approximate)

Sampling – Phase I

3½ days field – 2 1st 2 days @ $150. = $450 1 day office 2½ days @ $125	$312.50	762.50
1 helper – 3 days. $35.00/day.	$105.00	105.00
Hotel & Meal Expenses, 2 men $40.00/day – 3 days	$120.00	120.00
Sample assaying charges.	$50.00	50.00
Auto use ± 600 miles @ 12¢/mi	$72.00	72.00
		$1009.50

Examination (If results of Phase I indicate acceptable values)

2 days Field Time @ $125.00/day 2 days Office Time @ $125.00/day	$600.00
Hotel & Meal Expenses	$30.00
Auto Expenses. ± 500 mi @ $12¢/mi.	$60.00
	$1899.50

Completion of above 2 phases would include preparation of an evaluation Report of the property and projected plans and recommendations for an exploration program.

C. Mentz 2/25/71

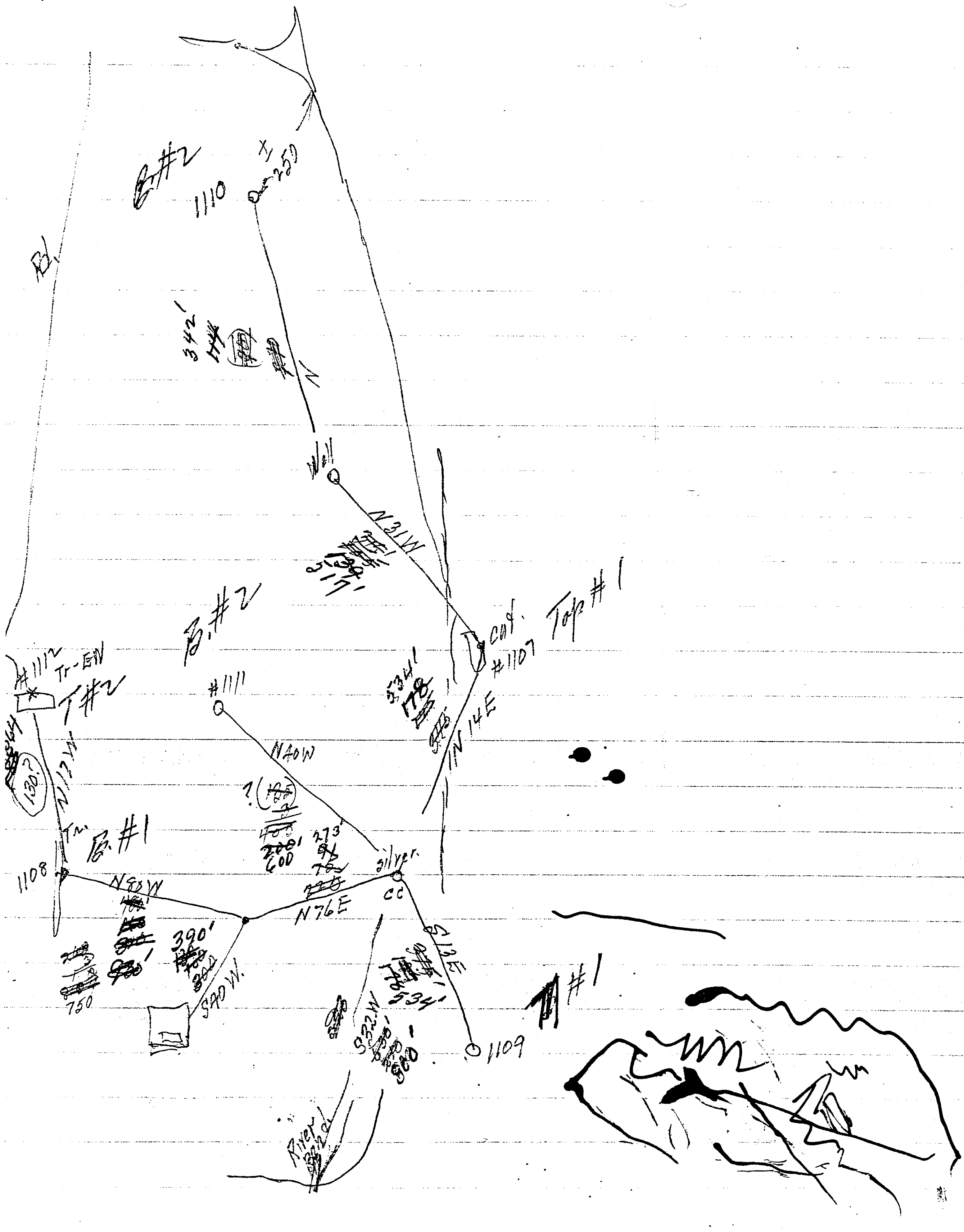
Sample No. (wt/yd)	cu yd weight	weight of conc. (Panned) (weight -3/16 size lbs)	Pounds conc./cu yd.	% Fe	% Magnetite	lbs Mag per cu yd.	Free gold	oz gold/ton (conc Assay)	oz silver/ton (conc Assay)	oz Au / oz Ag cu yd (lbs for Titan Mag.)
1107 724	2896	812 (203, 51) .308 x 16	4.93	28.35	39.2 (~~[illegible]~~)	1.93 ~~2.72~~	3 colors	Tr.	0.05	~~[illegible]~~ 965
1108 792	3168	800 (200, 50) .198 x 16	3.17	38.40	53.0 (~~[illegible]~~)	1.68 ~~2.18~~	None	0.005	0.05	1190
1109	N.M.	992 (248, 31) .123 x 32	3.94	NA		1.8 wt.	NONE	0.16	0.15	11[illegible]
1110	N.M	672 (168, 21) .073 x 32	2.34	NA			NONE	Tr.	Tr	
1111	N.M	640 (160, 20) .035 x 32	1.12	NA			NONE	Tr	Tr	
1112 704	2816	608 (152, 19) .055 x 32	1.76	NA			NONE	Tr	Tr	

	Gold value $/cu yd	silver value $/cu yd	Total value $/cu yd
1107	0.0	0.0	0.0
1108	0.0	0.0	0.0
1109	$0.011	0.0005	0.0115
1110	0.0	0.0	0.0
1111	0.0	0.0	0.0
1112	0.0	0.0	0.0

85 − 54 = 31

Sample Information 18

[illegible] 4 / 54

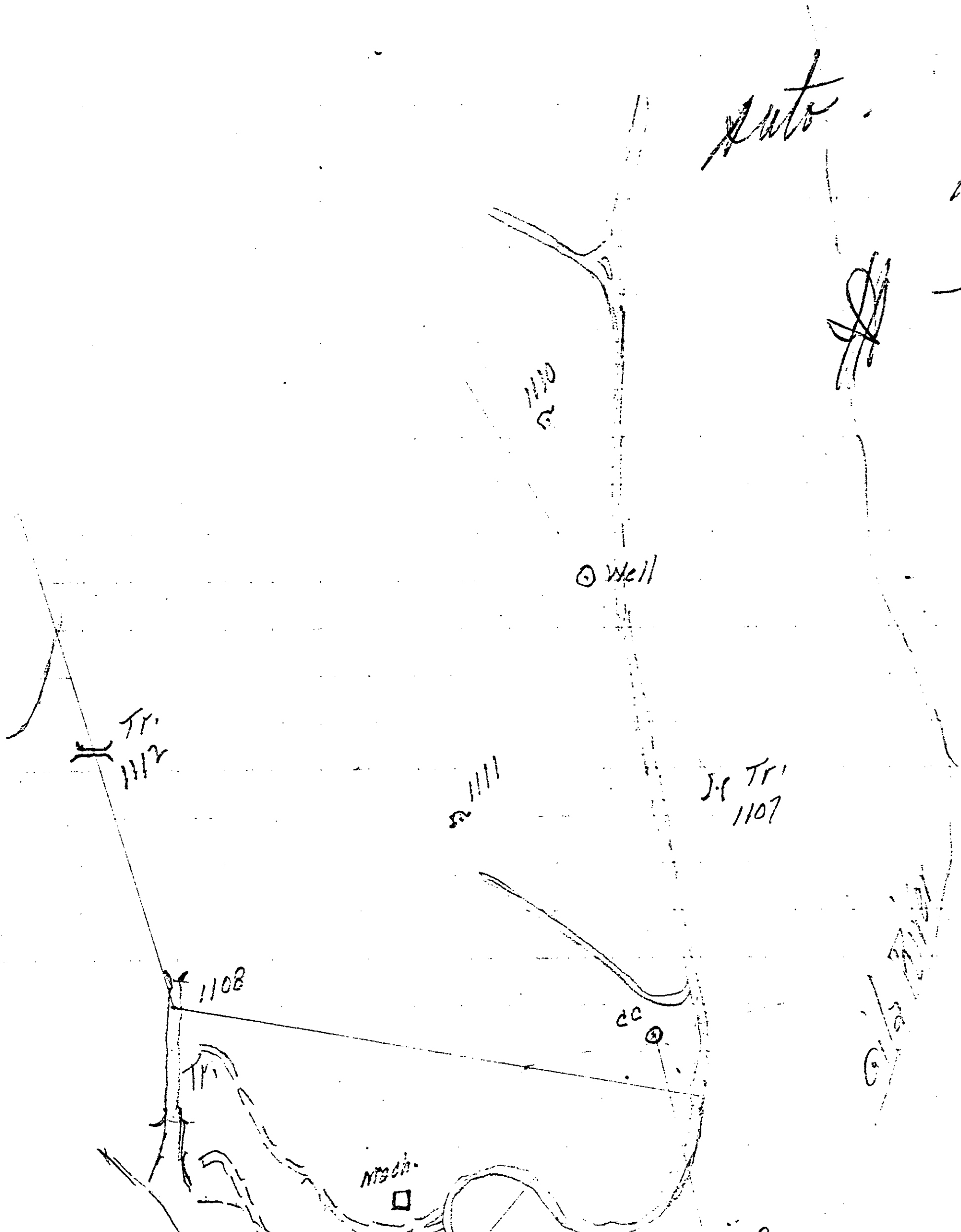

1110
B.#2
342'
N
N31W
317'
Top #1
#1107
N14E
534'
B.#2
#1111
Tr-EW
T#2
N40W
273'
600
N17W
130.?
1108
B.#1
N80W
390'
750
N76E
silver
cc
S13E
534'
S80W
S32W
#1
1109
River

Auto.

1036.39 ✓ Tel. Exp.
65.08

1101.47
700.

401.47



REPORT OF THE NEAL PLACER PROPERTY AND THE 1938 OPERATION BY

WILLIAM SAVORY KINGMAN,

ARIZONA

W. L. Savory

The Prospector
3876 Northfield

502-757-8211
3034 McVicker
Kingman, AZ. 86401

W, 51

My name is William Savory of Kingman, Arizona, and I have personal knowledge of the Neal Placer property. This property is located on the Gila river near Safford, Arizona, and runs from Bonita creek to Spring Canyon in Graham County. These Unpatented mining claims are now generally known as the Dorothy B Placer claims.

I am not a geologist, but I have been active in the mining and testing of properties for over 30 years, this started off mainly as a hobby, and I have traveled with some of the finest brains in the business, some very famous geologist, and have had a great deal of practical experience in the field of recovery of micron size gold. Commonly refered to as flour gold, or gold dust. This type gold is not easy to recover but as early as the year of 1938 the gold on the Neal Placer property was recovered. When my turn came to clean the cones that we used, I did recover from the cones for a one day operation, at least 2 inches of pure, clean gold in a quart fruit jar.

In 1938 I had just finished my apprentice ship as a mechanic and was 21 years old and was hired in Toledo, Ohio to bring a truck load of machinery to Safford, Arizona. I was hired by a Mack Garbouski who was doing business as Golden Eagle Mining Company on the Neal placer property in June of 1938. I worked to keep the equipment and the generator in good condition, Chet Rodgers and Bill Turner of Safford also worked there at that time. We did run at least a hundred tons of materials through the plant in an eight hour day. Fred Swimmer was the engineer who tested the subject property and used what is known as a small Ainley bowl which will be described later, also the Ainley Cones that we

WS2

used in the recovery and operation of the gold property. Fred Swimmer did test in many locations, and the bowl does throw out every thing including the black sands and leaves only the pure clean gold in the bowl, The Gold was nice and clean and very fine, they are known as centrifugal cones and takes advantage of the heavier gold and the centrifigul force brings it out nice and clean it drives the very fine gold into the groves where it cannot be dislodged.

This machine was designed by T.R.C manufacturing in Detroit and are available today, they can be found in some of the mining journals, most likely the California mining Journal. one small motor runs the bowl and one small motor runs the pump, the small bowl is made on the same order as the larger cones and designed for the micron size gold. I have had a great deal of experience in the field of mining and recovery, and to my knowledge the Ainley cones is the only machine that will recover and clean the micron size gold. I have heard of them trying every expensive type machinery known to the mining industry, but to my knowledge not one has been successful except the Ainley cones. These cones are cast in Detroit and are made of cast iron with a baffle to get rid of the larger rocks. The material we run through these cones were 1½ inch and under, We had a screen 1" at the end of the trommel, as we wanted all the fine stuff, sand and silt, as the gold will float away on the water, so it all went through the cones. If I remember right the Drive on the cones was the ring and penion gear out of a chevrolet rear end. We had a huge electrical generator, which had a lot more power than we needed for the four motors.

W53

These people I worked for were not greedy, and they truly wanted the operation to work, and the recovery system was tailored around the ore they had. They built the mill around the ore, and not in the reverse as so many have done. The trommel and mill was all built together and on a trailer, with the smaller wheels so that the power shovel could swing from the cliffs, or banks to the grizzly which was located on the front of the trommel. All the equipment we had was the generator, one small T 6 International dozer, four Ainley cones, trommel, and a power shovel.

We did not have a conveyer on the job, we just pulled it off those walls and threw it into the trommel, then the shovel could swing back to the wall and pick up more material. This mill was on wheels where we could move with the shovel when it was necessary to do so.

Contrary to popular belief we found the deposits of gold to be in the conglomerate, which is on the banks of the river and in the big bands of cleche, we worked on the north side of the river to the south west of bonita creek, going east from where the present trommel sits. The teeth marks of the shovel is at this time visible on the walls of the river.

The surface tention of the water causes the micron size gold to collect like a sore on the surface of the water, it starts with a small speck and collects untill you have a big blob of it floating on the surface, surface tention is like a spider crawling across the top of the water, and if you do not break that tention then you are not going to get it. It is going to boogie right off the surface of the water.

W54

Bill Turner in Safford may know where the bowls are in Safford as they were left there. Most people who have tried to work that property seem to get down to the conglomerate or Basalt and stop. They are not thinking, the gold was not put there last night. It was put there millions of years ago, when this whole earth, or the United States at any rate was covered with water hundreds of feet deep, and the currents brought the Mongollon gravels down and piled it up. Then, the water went away and left it. We do not care what it sits under or over be it Basalt or anything else, so long as we get into the conglomerate. I have enclosed a photo and our operation was about 200 yd east of the mess hall the foundation of this building may still be there.

This material is great for heap leaching, and it can be recovered with that method.

These huge plants with million of dollars of equipment that does not recover the gold is just like a brand new battery that sits out there just cold flat dead. It is not the impressive looking equipment that gets the gold out, but should be recovered in a simple inexpensive way that really works.

Signed

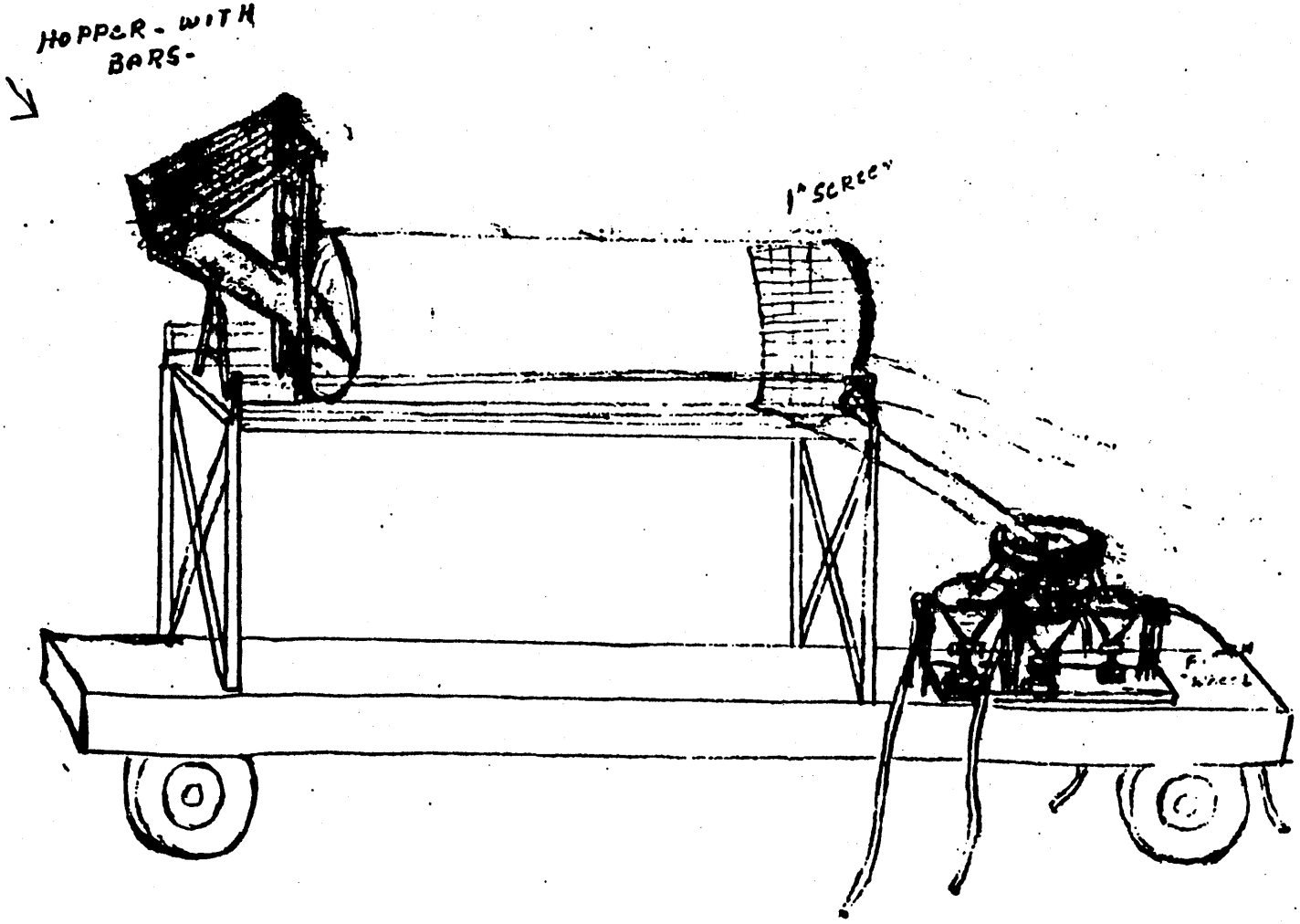
William Savory

Dated:

October 16, 1984.

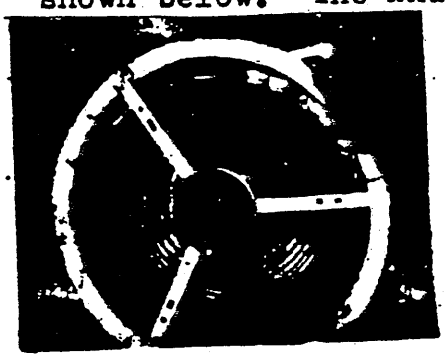
WS 5

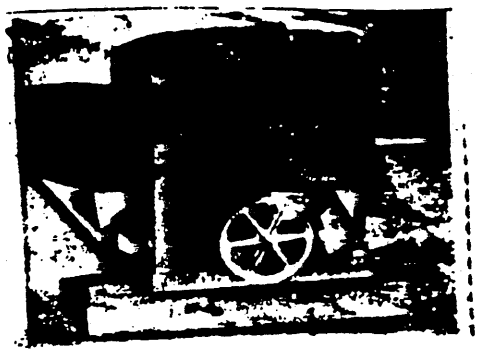
Each Bowl is 4 foot across four bowls or
Centrifugal cones.



WS4

The Ainley Centrifugal cones are about 4 foot across the top and does not have the rubber liners, it is cast in cast iron at the factory, but they have some similar features as the Knudson Centrifugal concentrators shown below. The Knudson has the rubber liners and are 24" across.





The picture below is the site of the mess hall and cook shack as it looked in 1938. The shovel was located about 200 yards to the left of this site.

Please note the contour of the mountains in the background for location.

W57

As was mentioned in the report of the 1938 operation on the Neal Placer operation the surface tention does let the gold get away, and to break that surface tention, use borax, you can buy all sorts of chemicals to do the job in an expensive way, but get a gallon of water and pour borax into it, let it obsorb all the borax that it can. Now have your gold floating on the surface of your miners pan. Drop a drop at a time into the pan untill the gold all goes swiftly to the bottom. Experiment with this to get to know just how much to use.

When using Cyanide, as in a leach process, which it is well to heap leach the tails to get whatever gold is left and recover the silver and platinum, do keep a few 5 gallon buckets of Clorox sitting around in case of accident. Clorox will immediately neutrilize Cyanide and avoid injury.

Now, the Gila River can be awesome whenever it is flooding, I've seen houses just come down end over end in that river, and there is a bulldozer with just a tiny tip sticking out in 1938, and is still buried deep in the sand there in the misquetes, you could probably locate it with a metal detector. It is impossible to bank against that river as several have found out to their own destruction.

There were samples taken in the river bed, the sand samples taken in 1950 only run about .90¢ per ton on an average. The values are in the banks, not in the river sand. The river runs pretty wild at times and what falls off the banks go on down the river, and does not stay there for long.

Some people will go in there and spend a million bucks, pad the books and write off five million, they don't go in to operate a mine at all.

All placer property is different, from one mountain to the other, or from one wash to the other, it is well to get a person who has had a good deal of experience in the placer field. Book learning won't get it, for if it doesnt go with the book, they're lost.

W 58

In heap leaching you have a cash flow just once a month as it takes a hundred and sixty eight hours in wash cycle. you run it through the activated carbon and the carbon grabs the gold then you take the carbon out and strip it with lye and heat run it thru the electrolytic cells and the whole thing cost nine thousand dollars (9,000.00)

The closed system cyanide plants, I believe is with the carbon and pulp, this works fast as it is agitated, the pulp is fine ground like flour, then they seal that. After a few days they put it all on a big screen, the sand is so fine it goes thru the screen and retains the carbon, take the Carbon and that goes thru the stripper to take the gold and silver out. The water is then heated to 180 degrees as gold will not plate under a 180 degrees. You can run it cold and get the silver, but it is heated to get the gold and silver at the same time. It is heated and run thru the electrolytic cell and you've got it.

You can set up a plant that works, next time you go out they have increased this speeded up that, greater flow, greater volume and blame the failure to recover on the property. Speed and Greed has done it, and not the fault of the ore being processed at all. Even after they go broke and move off and leave the plant they still cannot see what caused the failure except blame it on the property.

Pictures of Cyanide plants are herewith enclosed in this report to give some idea of what takes place in the operation of the heap leach, and some examples given on the Cyanide leaching check list.

The gentleman who did the testing on the Neal Placer made money with just the small ainley bowl, and he was an old man, at least 70 or 75 years old, and only had one man to help him. A person could get a small ainley rig on two wheels, put it behind a pick up and go where the gold is and make a good deal of money with very little expense. You wouldn't need investors or anyone to get started.

W.S.11

BEEM LABORATORY

1785 BARCELONA STREET
LIVERMORE, CA. 94550-6403
(415) 449-5646

January 30, 1987

Mr. Floyd Hanley
Safford Exploration & Mining Co.
201 W. Franklin Street
Monterey, CA 93940

Dear Mr. Manley,

We have completed the precious metal evaluations of the two ore samples that you submitted to us on January 16th, 1987. Following are the results of our assays.

The Black Sand Ore was found to contain an average of 0.48 oz/Ton gold and 0.085 oz/ton of silver in the form of free metals (electrum) flakes. The Placer Ore contained an average of 2.68 oz/ton gold and 0.47 oz/ton silver in the form of iron metals (electrum) flakes with occasional nuggets also present.

The results of our analyses are detailed in the accompanying report for your closer inspection. An important consideration for you to contemplate is that small assay samples are not adequate for the accurate assay of the placer ore. Widely varying results can be expected for any small 30 gram assay equivalent samples tested. We strongly recommend the assay of 1 to 5 pound samples in order to accurately assay these placer samples and to get results that are reflective of the yield that one could expect from production extractions of this ore.

Assays of 1 pound samples in our laboratory cost $600 per sample and 5 pound samples can be assayed for $1000 per sample.

Enclosed is an invoice for the evaluations performed to date. Please give us a call if we can be of further service to you.

Best Regards,

Joseph D. Balser, Ph D

BEEM LABORATORY

1785 BARCELONA STREET
LIVERMORE, CA 94550-6403
(415) 449-5646

January 30 1987

Mr. Floyd Hanley
Safford Exploration & Mining Co
201 W Franklin Street
Monterey, CA 93940

Dear Mr Manley,

We have completed the precious metal evaluations of the two ore samples that you submitted to us on January 16th, 1987. Following are the results of our assays.

Black Sand Ore

We preliminarily evaluated this ore by panning individual 30 gram (1 AT) samples using optical microscopy to inspect the washings for free precious metals. To insure that free metals were not washed out of the pan with the heavy mineral fractions (an effect common in black sand ores) none of the sample was disposed of during these evaluations. We found gold particles in all 30 gram samples of this ore that we panned. The individual particles were small and can be described as flattened [illegible] or scale. Typical of gold found in alluvial deposits. We found an average of 5-6 particles per 30 gram sample which were extracted from the ore using fine tweezers and collected for weighing. After weighing, individual particles were transferred to our X ray fluorescence instrument where the exact chemical composition of each particle was determined. All particles analyzed (non destructively) were identified as Electrum containing [illegible] 85% Gold. Therefore, of the total weight, 0.85 is assayable Gold, and the balance is Silver.

We repeated this procedure on six individual 30 gram samples of the black sand ore with results that were quite consistent. The original ore samples from which the precious metal flakes were removed were subsequently chemically digested to determine if other microscopic forms of precious metals might be present in the ore that were not recognizable optically. This is frequently the case where some of these metal particles are covered by a thin casing of an iron rich scale. At other times micron sized gold can be encapsulated in host mineral particles which must be dissolved away to expose the micron sized particles of precious metals to be dissolved in a subsequent [illegible].

We did not detect any precious metals in this ore other than those free metals isolated with tweezers. Therefore, we conclude that in this ore samples all precious metals are free particles and can be extracted by conventional means such as [illegible] amalgamation of other suitable procedures without the need for destruction of the [illegible] sand gangue material.

Following are the results of our analyses on six samples of this Black Sand Ore;

Sample # (30 grams, 1 AT)	Weight (milligrams)	Ounce/Ton Equivalent Gold	Silver
1	0.9	0,76	0,14
2	0.6	0.51	0,09
3	0.6	0.51	0.09
4	0.35	0.3	0.05
5	0.35	0.3	0.05
6	0.6	0.51	0.09
Average Yield		**0,48**	**0,085**

No Platinum was observed during panning, and none was detected chemically in the six samples analyzed. We have observed platinum in many black sand ores and would not be surprised to find occasional particles in this ore as well. However, because we observed none in six samples, the assay amount, if present at this site, would be expected to be small or insignificant.

This ore is quite homogeneous and would be expected to assay quite consistently from 30 gram assay equivalents. The major mineral content of this black sand ore is Chromite (Cr_2O_3 - FeO), Ilmenite ($FeTiO_3$), Hematite (Fe_2O_3), and Magnetite (FeO - Fe_2O_3) along with minor quantities of other minerals. Fire assay techniques, if used on this ore would require a flux formulated specifically for dissolving these minerals.

Placer Ore

We evaluated this ore using panning as a preliminary technique for evaluating free metal contents and following up by chemical digestion of the ore samples to detect micron sized or otherwise encapsulated precious metals

As with the other ore sample, we did not detect any fine gold encapsulated in the placer minerals. All precious metals are present as free metal particles in the form of **Electrum**.

We assayed seven individual samples (30 grams each) and got wildly varying results from sample to sample. This is caused by the so-called "nugget effect" which can be described as an inhomogeneity in the ore with respect to precious metal particle distributions. We found that on the average only 2-3 particles of precious metals could be found in any 30 gram sample, but in one sample we found none, and in another sample we found only two particles-one of which was a substantial nugget weighing 14 milligrams while the other weighed only one milligram. This leads to assay results that vary from 0 0 oz/ton to over 14 oz/ton depending upon the random sampling of the original bulk ore.

We have found that even grinding and splitting does n't improve the homogeneity of ores such as this. The electrum particles are malleable and are simply ground and pressed

into thin flakes that do not break up into smaller particles that could be more evenly dispersed in the ground ore. Rather, they stay together as thin plates and remain inhomogeneously distributed in the ore. Therefore, the assay of 30 gram samples continues to be non-representative of the ore and wildly varying results are obtained on any individual assay sample.

The way to circumvent this problem is to use larger sample quantities for assaying. One pound samples are the equivalent of looking at 15 assay tons (15-30 gram samples) and even better is to use five pound samples (75 assay ton equivalents). Samples this large are not amendable to fire assay techniques but are easily processed by chemical extraction to produce assay results that are much more representative of average yields that one could expect from production extraction of bulk tonnages of the ore.

Following are the results we obtained from assaying seven individual 30 gram samples of this placer ore:

Sample # (30 grams, 1 AT)	Weight (milligrams)	Ounce/Ton Equivalent Gold	Silver
1	0.8	0.68	0.12
2	0.8	0.68	0.12
3	2.16	1.84	0.32
4	2.16	1.84	0.32
5	2.16	1.84	0.32
6	14.0	11.9	2.10
7	0.0	0.00	0.00
Average Yield		**2.68**	**0.47**

We did not detect or observe any Platinum in the placer ore samples.

From the fact that all of the precious metal is present as free metal, this ore is readily adaptable to mechanical separation methods such as tabling. The particles extracted from the ore are included in for your inspection. One additional observation that may be useful, is that most small particles taken from the placer ore were flat thin flakes or scales commonly found in alluvial deposits. However, the larger nugget found was in its natural nugget form showing no noticable deformation from the surrounding mineral matter in which it was contained. This is usually indicative of material that is not transferred large distances from its original source, and may hint that the lode from which it originated may not be too far from where this sample was taken.

Ancillary Chemical Data

Also included at the end of this report is data from the chemical digestion of the black sand ore. This data reflect the solubility of mineral phases in the various acids, but are not necessarily representative of the bulk elemental concentrations of the original ore due to the selective solubility of specific mineral phases in the individual sands. The data are

useful for observing the fractions of the various phases that can be destroyed in each digestion step, and if precious metals are liberated in any digestion step, which component of the digestion is most soluble and most likely to be the encapsulator of the precious metal.

Respectfully Submitted,

Joseph d. Balser, Ph.D.

BEEM Laboratory
1785 Barcelona Street
Livermore, CA 94550-64
(415) 449-5646

INVOICE

Invoice Number: 8701 005 Date: January 23, 1987

BEEM Job No.: J8612 007

Sold to: Safford Exploration & Mining Company
201 W. Franklin Street
Monterey, CA 93940

Shipped to: same

Purchase Order: Verbal per Floyd Hanley

Terms: payment in advance

QTY	ITEM DESCRIPTION	UNIT PRICE	TOTAL PRICE
2	precious metal assay of samples delivered by Floyd Hanley Jan. 16, 1987	$ 600.	$ 1000.

Total Amount Due $ 1000.00
Amount received 01/16 $ 500.00

Net Amount Due $ 500.00

BEEM Laboratory Sample Analysis Program

Sample Number 8701 031D

Comments

Hanley black sand aqua regia digestion

Job Number J8701 006

Date 01-23-1987

Element	Concentration	MDL (3 sigma)
Al	535.37 ppm	252.19 ppm
Cl	2.12 wt pct	0.00 wt pct
K	35.56 ppm	36.50 ppm
Ca	130.36 ppm	25.06 ppm
Ti	0.12 wt pct	0.00 wt pct
Cr	83.65 ppm	8.17 ppm
Mn	145.55 ppm	8.65 ppm
Fe	2.28 wt pct	0.00 wt pct
Co	4.01 ppm	1.21 ppm
Zn	27.42 ppm	0.84 ppm
Rb	5.54 ppm	1.73 ppm
Sr	7.54 ppm	4.29 ppm
Zr	9.51 ppm	1.59 ppm
Ag	3.67 ppm	1.34 ppm
Ba	16.03 ppm	2.01 ppm
Pb	5.17 ppm	1.05 ppm

BEEM Laboratory Sample Analysis Program

Sample Number 8701 031C

Comments

Hanley black sand aqua regia digestion

Job Number J8701 [illegible]

Date 01-23-1987

Element	Concentration	MDL (3 sigma)
[illegible]	837.24 ppm	370.96 ppm
Si	275.15 ppm	257.01 ppm
Cl	2.60 wt pct	0.01 wt pct
K	47.37 ppm	58.97 ppm
Ca	167.15 ppm	39.68 ppm
Ti	0.15 wt pct	0.00 wt pct
Cr	42.15 ppm	13.47 ppm
Mn	147.68 ppm	12.79 ppm
Fe	3.24 wt pct	0.00 wt pct
Ni	5.86 ppm	2.05 ppm
[illegible]	3.98 ppm	2.04 ppm
Zn	32.15 ppm	1.43 ppm
[illegible]	12.08 ppm	0.75 ppm
[illegible]	7.72 ppm	7.40 ppm
[illegible]	15.48 ppm	2.98 ppm

BEEM Laboratory Sample Analysis Program

Sample Number 8701 031B

Comments

Hanley Black sand hydrochloric acid digestion

Job Number J8701 006

Date 01-23 1987

Element	Concentration	MDL (3 sigma)
Mg	0.32 wt pct	0.25 wt pct
Al	0.69 wt pct	0.08 wt pct
Cl	10.53 wt pct	0.02 wt pct
K	346.20 ppm	143.08 ppm
Ca	0.22 wt pct	0.01 wt pct
Ti	0.31 wt pct	0.01 wt pct
V	409.91 ppm	27.65 ppm
Cr	239.14 ppm	25.86 ppm
Mn	453.61 ppm	28.58 ppm
Fe	7.70 wt pct	0.00 wt pct
Ni	18.38 ppm	5.19 ppm
Cu	19.99 ppm	4.59 ppm
Zn	120.78 ppm	3.28 ppm
Br	28.70 ppm	1.61 ppm
Rb	13.[illegible] ppm	5.52 ppm
Sr	35.[illegible] ppm	5.65 ppm
Zr	19.1[illegible] ppm	5.40 ppm
Ba	34.76 ppm	13.58 ppm
Pb	11.8[illegible] ppm	4.26 ppm

BEEM Laboratory Sample Analysis Program

Sample Number 8701 031A

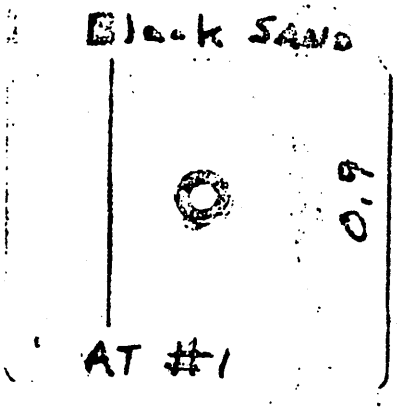
Comments

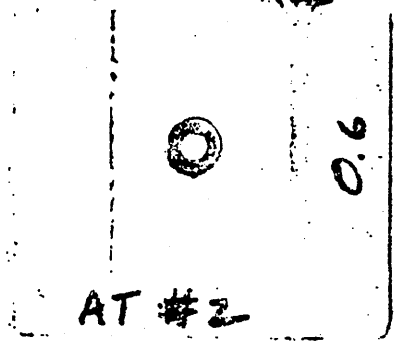
Hanley black sand nitric acid digestion

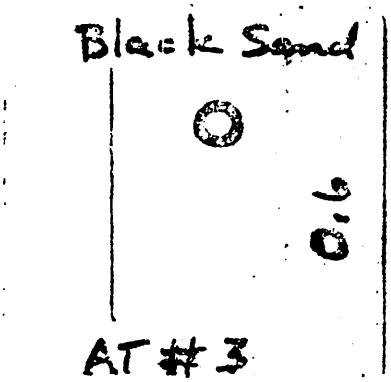
Job Number J8701 006

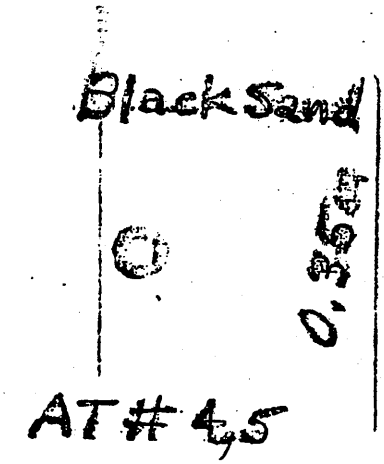
Date 01-23-1987

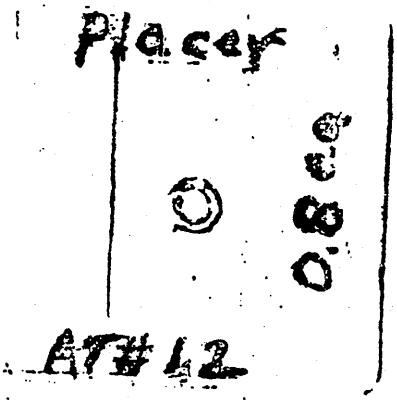
Element	Concentration		MDL (3 sigma)	
Mg	303.91	ppm	33.32	ppm
Al	940.31	ppm	18.83	ppm
Si	335.83	ppm	16.84	ppm
K	119.02	ppm	5.68	ppm
Ca	231.21	ppm	4.61	ppm
Ti	786.23	ppm	2.52	ppm
Mn	31.68	ppm	1.28	ppm
Fe	0.12	wt pct	0.60	wt pct
Ni	781.89	ppb	318.82	ppb
Cu	1.21	ppm	0.58	ppm
Zn	17.35	ppm	0.27	ppm
Br	233.50	ppb	188.47	ppb
Rb	1.44	ppm	0.15	ppm
Au	1.34	ppm	0.72	ppm
Pb	1.52	ppm	0.35	ppm

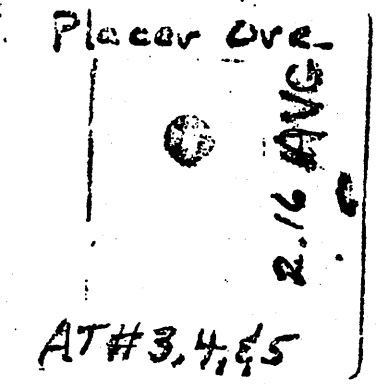

Black Sand
0.9
AT #1

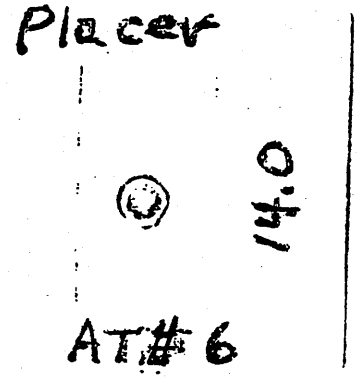

Black Sand
0.6
AT #2


Black Sand
0.6
AT #3


Black Sand
0.35ft
AT #4,5


Placer
0.8
AT #12


Placer Ore
2.16 AVG.
AT #3,4,5


Placer
14.0
AT #6

3.0 GILA GOLD PROPERTY

The Gila Gold placer deposit, also known as the Dorothy B. Placer Claims, is located in Graham County, approximately 20 miles east of Stafford, Arizona.

PAH reviewed the following documents provided by Länderbank:

1) "Geology Reports and Assays on the Dorothy B. Placer Claims." This document consists of a collection of 11 reports, letters and assay sheets covering the period 1928 to 1986. The most informative reports are by F.H. Vanderkamp, 1930, and Max Van Dine, 1981, describing the geology, reserves and proposed operation methods; and reports by H. Charbonneau, 1983 and 1986, describing sampling and assaying procedures.

2) "Dorothy B. Placer Claim Group, Graham County, Arizona" by Paul M. Hopkins, October 1986. This report described a site visit and includes a recommended confirmatory sampling program.

3) Letter report on metallurgical testing on two samples by Beem Laboratory, January 1987.

4) "Midnight Canyon Geology, Graham County, Arizona" by Richard W. Rush, 1987. The report is a geological description of an area which includes the Dorothy B. Placer Claims.

5) "Gila Gold Plan of Operations", no date. The report includes proposed capital costs and Pro Forma Operations for 36 months.

3.1 Property Geology

Placer gold values are reported in three geologic units on the Gila Gold property. The three units are the Gila Conglomerate, which is the bedrock in the area; the flood plain gravels along the present course of the Gila River; and the terrace gravels that occur at four levels 50 to 200 feet above the Gila River flood plain.

Gila Conglomerate

The Gila Conglomerate consists of Quaternary age gravels having a calcareous cement. The material in the conglomerate consists almost exclusively of coarse subangular gravels that are more or less stratified with lenses of sand. Vanderkamp reports that the Gila conglomerate contains a little free gold, though not in commercial quantities.

Flood Plain Gravels

The Gila River has cut its valley into the Gila Conglomerate bedrock. The gravels in the river bed are composed mainly of detrital material derived from the Gila Conglomerate. Three test holes drilled by Vanderkamp showed that the thickness of the gravels is 20 feet. A few colors of free gold were found in the material from each hole.

Terrace Gravels

Terrace gravels occur along the Gila River at four distinct levels between 50 and 200 feet above the elevation of the river. The gravels are probably the remnants of an old river channel. High gold values have been reported from the terrace gravels, which form the main unit of interest in this evaluation.

3.2 Sampling and Assays

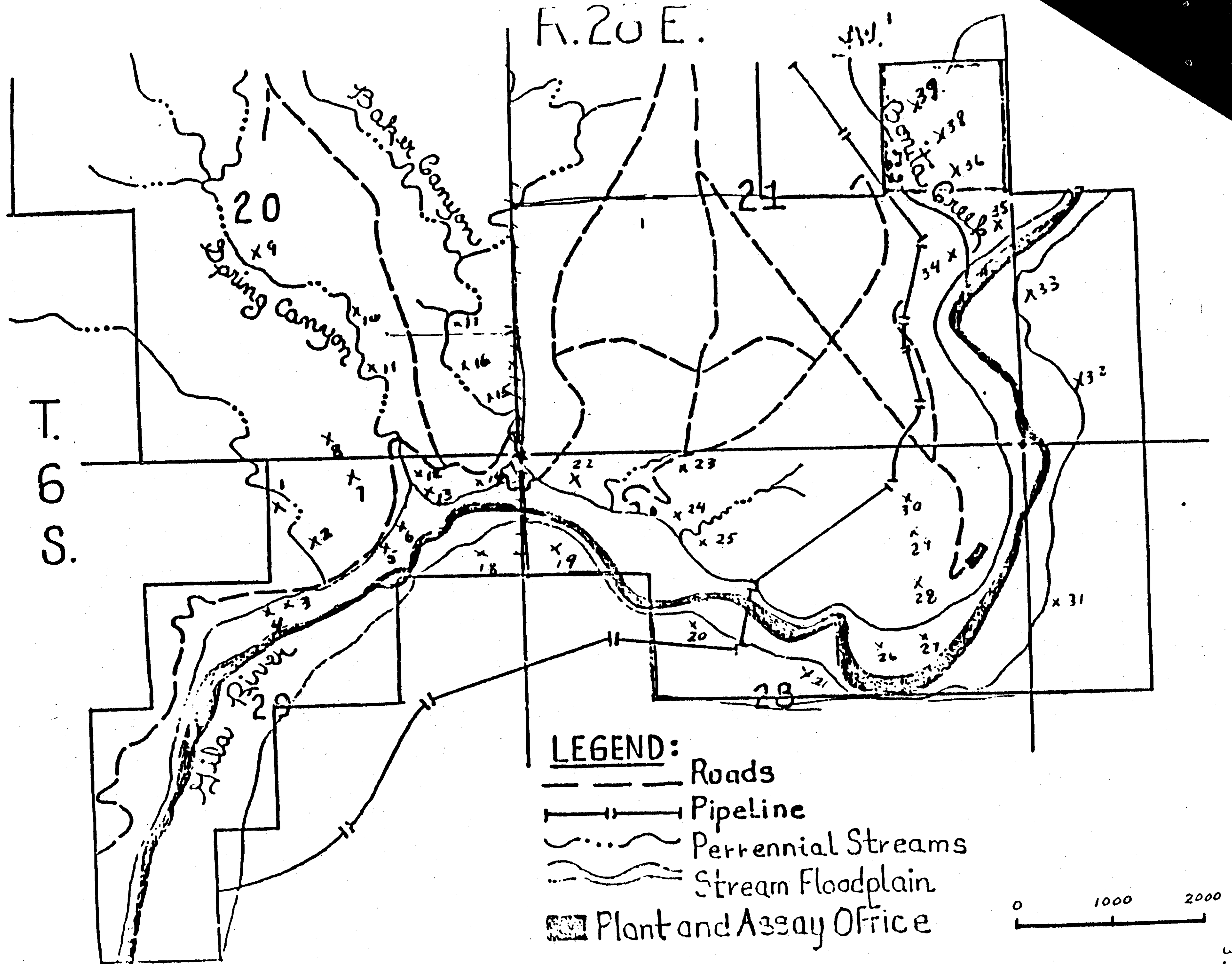
There is a considerable amount of data in the documents describing the sampling and assays conducted on samples from the Gila Gold property during the past 60 years.

Vanderkamp collected samples from pits, shafts and trenches, and recovered gold using a rocker, a sluice box, and a pan. The volume of material was measured in a one cubic yard box. The free gold was separated from the black sands by amalgamation. He reports average gold values of 60 cents per cubic yard for samples from the first terrace, which is equivalent to 0.029 ounces of gold per cubic yard at the 1930 gold price of $20.67 per ounce. Vanderkamp also states that after amalgamation the black sands recovered from the concentrating process still contained at least $12.00 per cubic yard of black sand or $1.20 per cubic yard of gravel, equivalent to 0.058 ounces of gold per cubic yard.

Van Dine collected samples on the property in 1981 using a two-inch diameter pipe. The pipe was driven into the ground to collect samples down to a depth of four feet. The locations of 39 samples collected in this manner are shown on Figure 3-1.

Van Dine states that one cubic yard of gravel yields approximately 0.0592 troy ounces of gold. Fire assays performed by H. Charbonneau on the black sand concentrates are reported to contain 14 ounces of gold per ton of black sand. As he reports 200 pounds of black sand per cubic yard of gravel, the fire assay values represents 1.4 ounces of gold per cubic yard of gravel that is not recovered by the rocker or sluice box.

The gold values reported by Vanderkamp and Van Dine represent very high values compared with values found in most gold placer deposits.



R. 20 E.
T. 6 S.
20
21
28
29
Baker Canyon
Spring Canyon
Gila River
Greek
LEGEND:
Roads
Pipeline
Perrennial Streams
Stream Floodplain
Plant and Assay Office
0
1000
2000

FIGURE 3-1