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PRINTED: 05/30/2002

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: OXBOW PROPERTY

ALTERNATE NAMES:

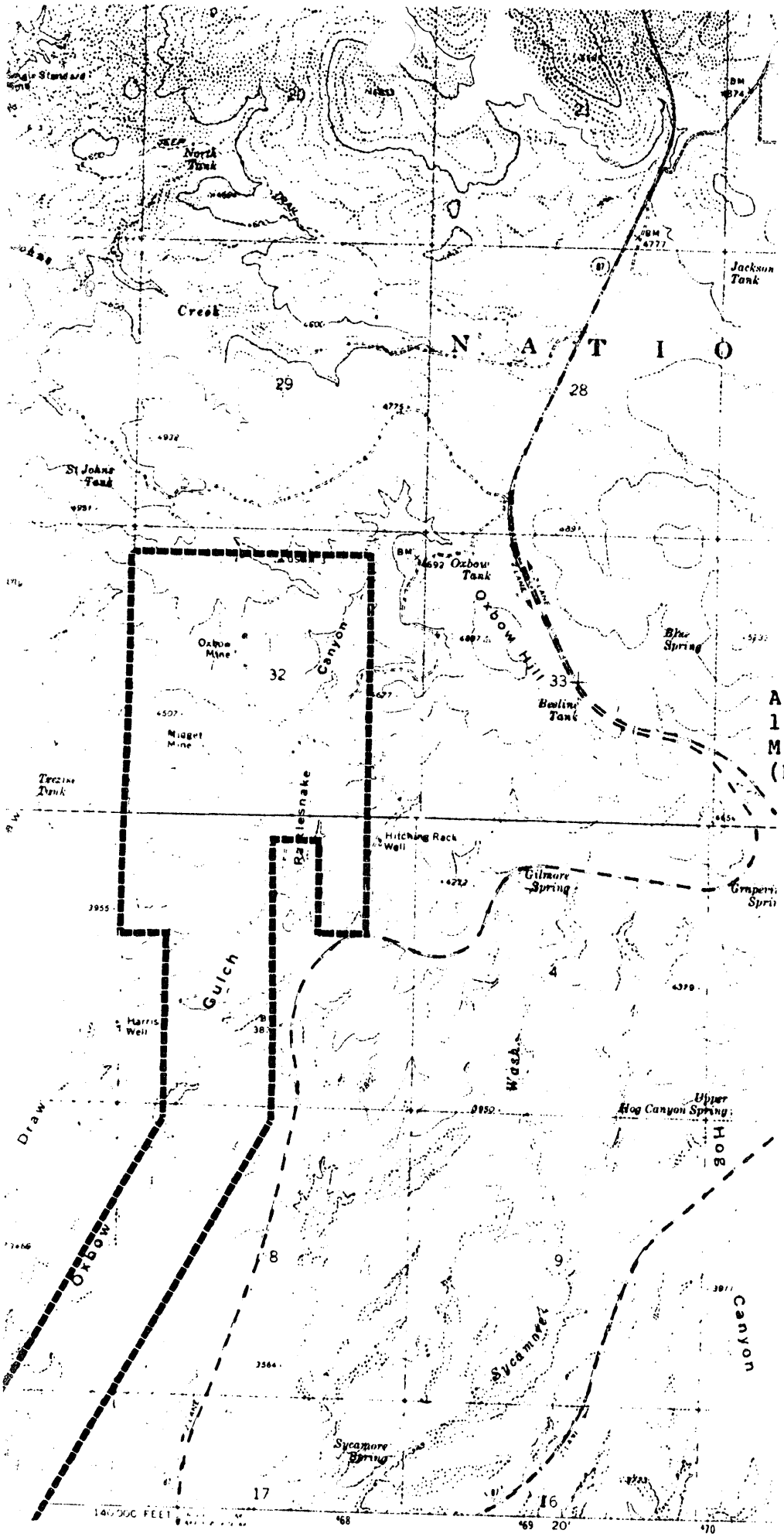
GILA COUNTY MILS NUMBER: 496A

LOCATION: TOWNSHIP 10 N RANGE 10 E SECTION 32 QUARTER C
LATITUDE: N 34DEG 10MIN 00SEC LONGITUDE: W 111DEG 21MIN 13SEC
TOPO MAP NAME: PAYSON SOUTH - 7.5 MIN

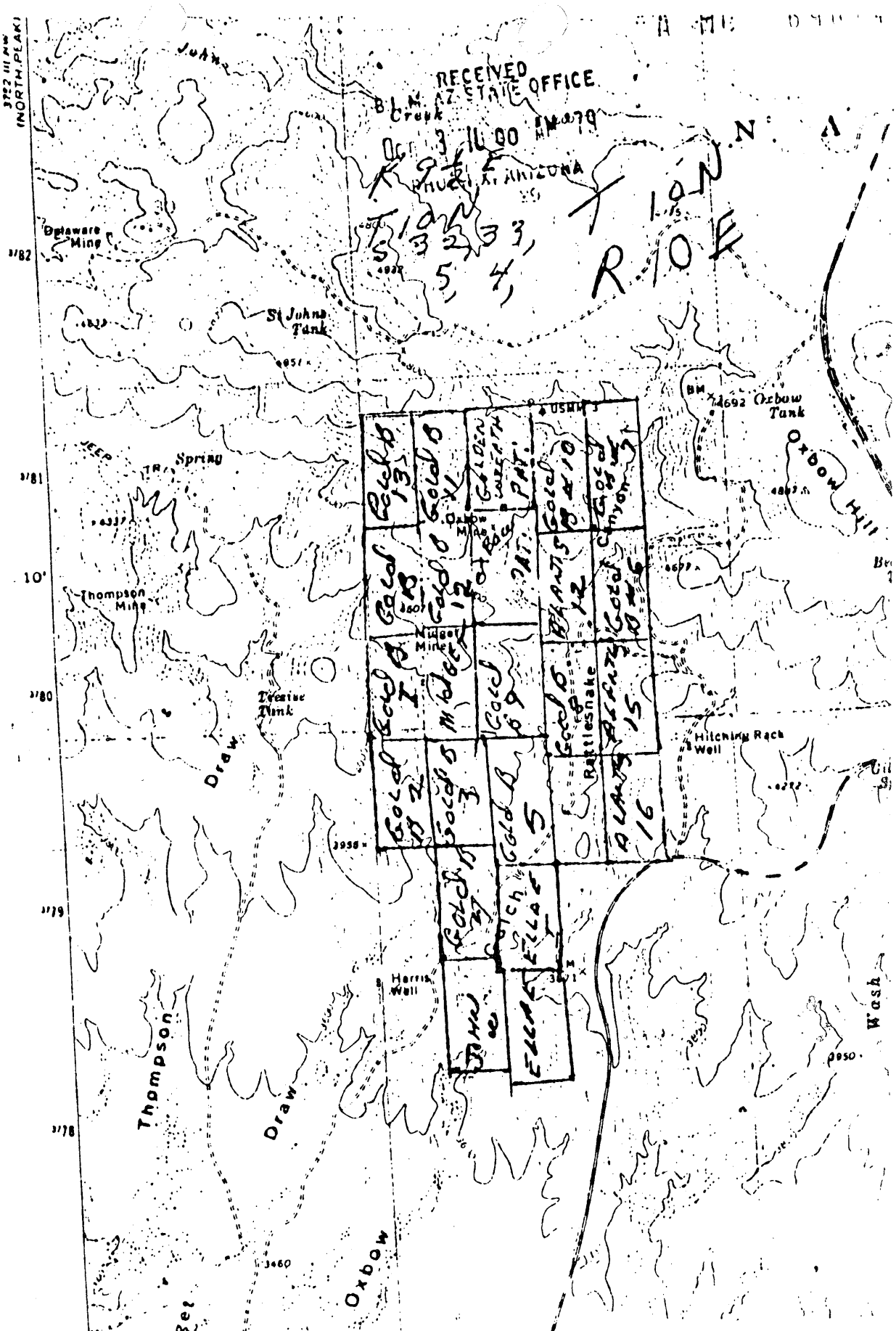
CURRENT STATUS: PAST PRODUCER

COMMODITY:
GOLD
SILVER
COPPER
GOLD PLACER
FLUORINE FLUORSPAR

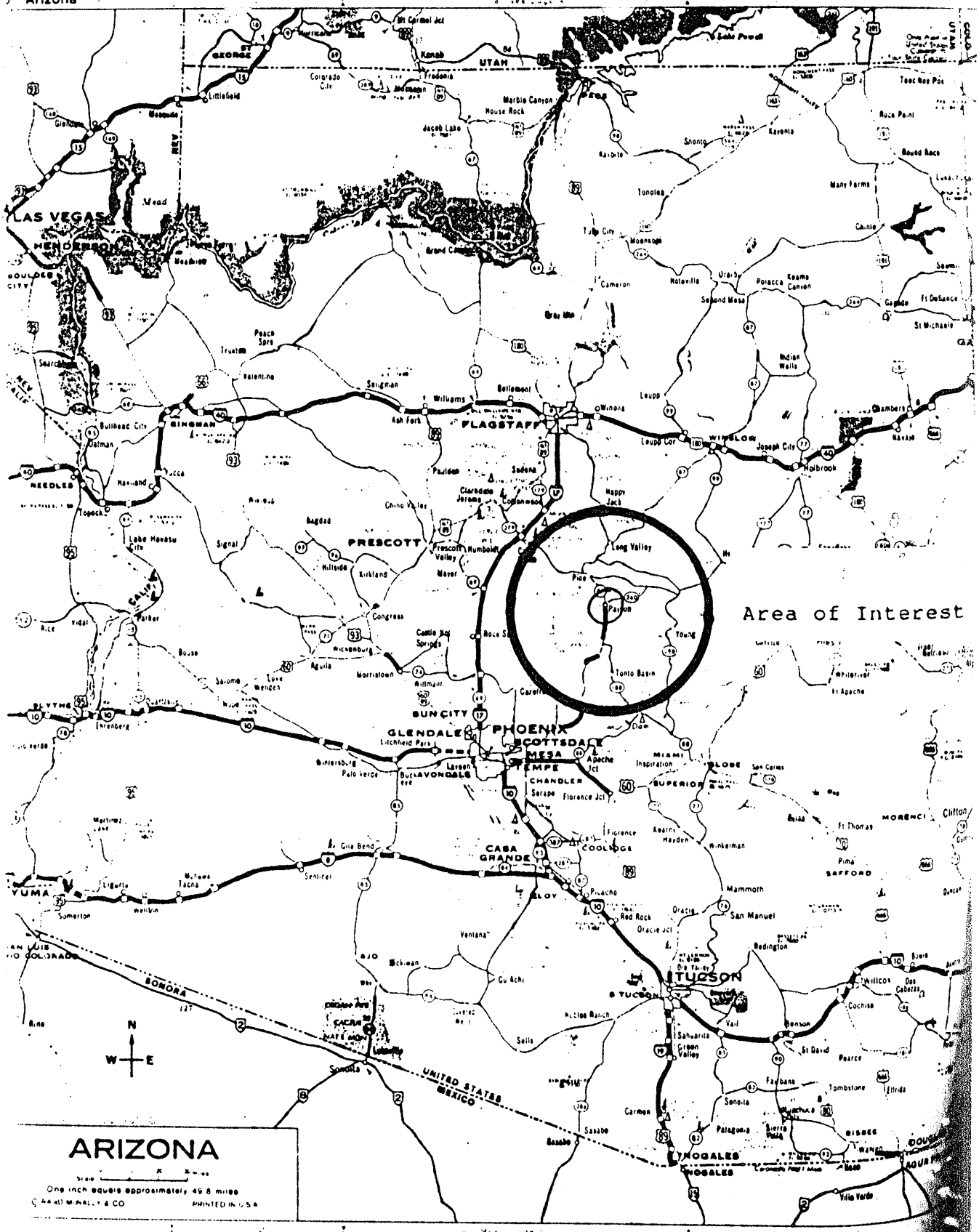
BIBLIOGRAPHY:
USGS PAYSON SOUTH QUAD
ADMMR OX BOW MINE FILE
LAUSEN C & E D WILSON GOLD & COPPER DEPTS
NEAR PAYSON AZBM BULL 120 1915 P 7,31,37
AZ MINING JOURNAL MAY 1920 P 56-58
ELEVATORSKI E AZ IND MIN ADMMR PUB 1978 P 30



Approximate outline of Ox Bow Mine acreage. (Not to scale)



This Map showing a majo
of the claims on Ox Bow
Project was copied from
records of the U. S. De
the Interior, Bureau of
Management in Phoenix,



ARIZONA

Population 2,718,425
1980 Census
Area 113,510 Sq. Mi.
Capital: Phoenix

Cities and Towns

[illegible]	D-2
[illegible]	F-3
[illegible] Jct	E-4
[illegible]	C-3
[illegible]	E-3
Bagdad	C-2
Bisbee	G-5
Buckeye	E-3
Camp Verde	D-4
Casa Grande	E-4
Chandler	E-4
Chino Valley	C-3
Clarkdale	C-3
Clifton	E-6
Colorado City	A-2
Coolidge	E-4
Cottonwood	C-3
Douglas	G-6
Duncan	F-6
Ehrenberg	E-1
Eloy	F-4
Flagstaff	C-4
Florence	E-4
Ft. Defiance	B-6
Ft. Thomas	E-5
Fredonia	A-3
Glendale	E-3
Globe	E-5
Grand Canyon	B-3
Green Valley	G-6
Gu Achi	F-3
Happy Jack	C-4
Hayden	E-5
Heber	D-5
Holbrook	C-5
Huachuca City	G-5
Humbolt	D-3
Jerome	C-3
Joseph City	C-5
Kayenta	A-5
Keams Canyon	B-5
Kearny	E-4
Kingman	C-1
Lakeside	D-5
Litchfield Park	E-3
McNary	D-5
Mayer	D-3
Mesa	E-4
Miami	E-5
Mocassin	A-3
Moenkopi	B-4
Morenci	E-6
Morristown	D-3
Naco	G-5
Nogales	G-4
Nutrioso	D-6
Oracle	F-5
Page	A-4
Patagonia	G-5
Payson	D-4
Peach Springs	B-2
Phoenix	E-3
Picacho	F-4
Pima	E-5
Pinetop	D-5
Polacca	B-5
Prescott	D-3
Prescott Valley	D-3
Quartzsite	E-1
Safford	E-6
St. David	G-5
St. Johns	D-6
Salome	D-2
San Carlos	G-5
Scottsdale	E-3
Sedona	C-4
Seligman	C-2
Sells	D-5
Show Low	D-5
Snowflake	D-5
Somerton	F-1
S. Tucson	F-4
Springerville	D-6

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES

INFORMATION FROM MINE CARDS IN MUSEUM

USA Az. Gila Co. MM 0642 Goethite after Pyrite
Payson 0 643 " "
Oxbow mine 0 644 " "
0 645 Limestone covered pebbles

MILS # 496A
O-AKA's
Oxbow Mine (file)

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES

INFORMATION FROM MINE CARDS IN MUSEUM

ARIZONA MM-7430 Gold Ore

Gila Co.

Payson Area MILS #496A

Oxbow Mine

OXBOW mine (file)

O-AKA's

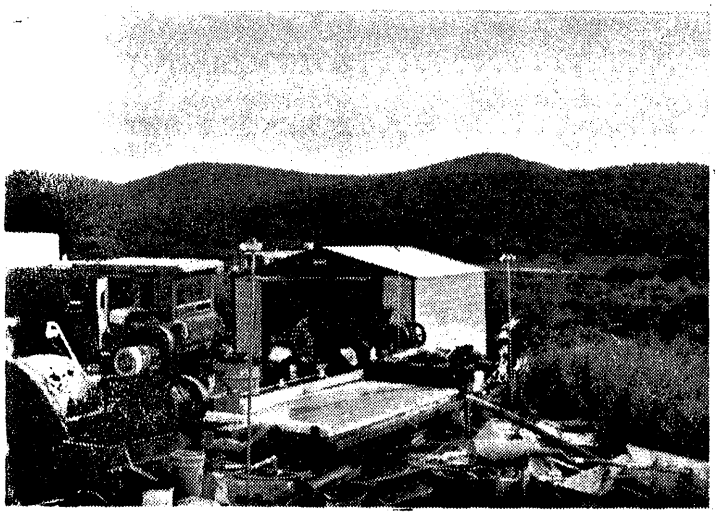
THE GOLD BOOK

A CONSERVATIVE NO RISK APPROACH
TO OWNING

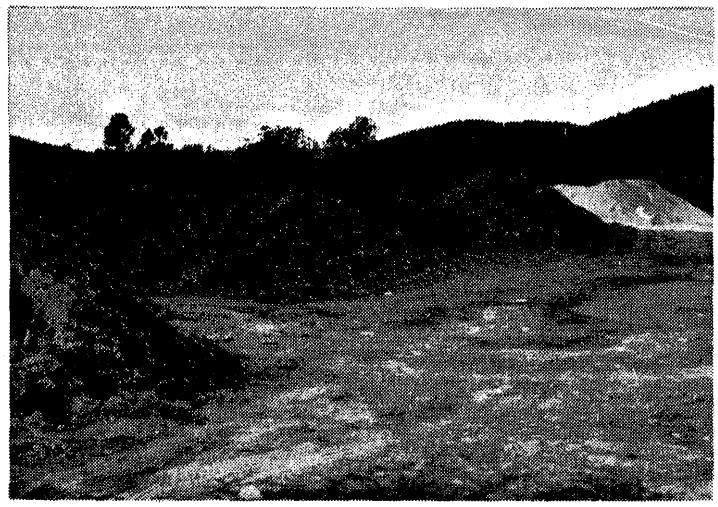
GOLD

Ox Bow Mines
113 Kenway St. Suite 201
Rockwall, Texas 75087
214-722-9911 (outside Texas) 1-800-433-7696

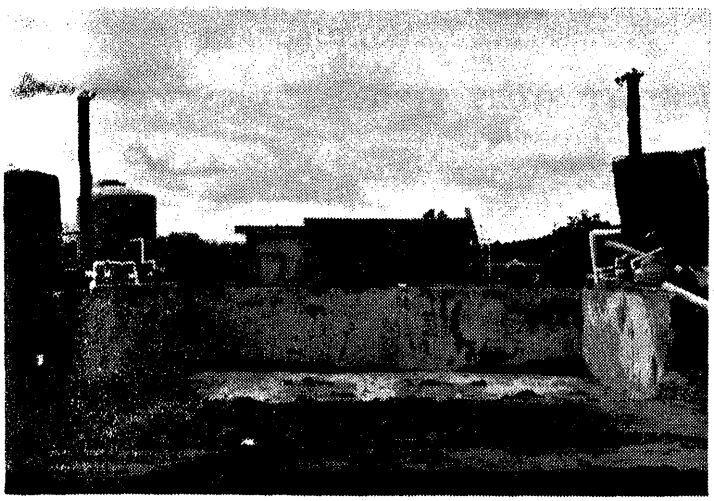
Actual Pictures of the Ox Bow Mine Site



Test Facilities



Stock Piled Ore At Leach Facility



Leach Pad

Chemical Leach Tank

Stock Piled Ore On Claim

Sizing Ore For Test Production

TABLE OF CONTENTS

Every once in a while a money making situation presents itself that is head and shoulders above the norm. These situations are rare and short lived. Those who capitalize on them do their homework and then act. The Ox Bow Project is one of those rare situations. Your opportunity to participate, while risk free and extremely profitable, will be short lived.

We respectfully suggest that you examine the contents of this book with care. Those who do so will understand why we are so excited about the Ox Bow Project --- those who do will own gold with locked in short term profits or long term appreciation --- your choice.

WHY GOLD ---- because gold is a proven worldwide store of value. It is the best protection against inflation and a safe harbour in good times and bad.

WHY NOW ---- because worldwide stock and bond markets are in disarray and the values of various national currencies are subject to wild fluctuation. The individual can't compete with the big money without taking outlandish risk.

WHY THE OX BOW PROJECT ---- because known quantities of gold exist and will be produced at $200 per Troy ounce. These production costs are less than half of the current gold price. The use of "state of the art" mining technology combined with a thoroughly tested and a proven body of gold bearing ore insures profitability whether gold goes up or down in price. Ox Bow is safe. We know what is there and have developed recovery processes, through actual pilot production runs, that work.

WHY IS OUTSIDE PARTICIPATION NEEDED ---- because Ox Bow Mines requires additional funds to cover development costs, including the purchase and installation of equipment that will maximize production and reduce costs even more. Ox Bow Mines is offering future gold production at $200 per ounce on a guaranteed basis. Ox Bow Mines has incurred significant exploratory, production testing and land acquisition costs. As a result, Ox Bow Mines' liquidity has been temporarily limited. By offering future production for sale, on a limited basis, long term debt can be avoided.

WHAT ABOUT PROFIT ---- by acquiring gold at so far beneath market prices, profits are significant and relatively secure. Today's gold price is projected to increase dramatically over the next few years by various experts. Gold acquisition of $200 per ounce essentially eliminates downside risk.

WHY IS THERE NO RISK ---- because Ox Bow Mine has already absorbed the risks. The results of certified assays and pilot production runs are proven quantities. Ox Bow Mines owns five million (5,000,000) tons of gold bearing ore. Conservative proven gold reserves amount to 400,000 Troy ounces of gold. Only a very limited amount of these reserves are being offered for sale (62,500 tons.) The remaining ore is pledged as security to protect any and all participants in the Ox Bow Project.

THE PROPERTY

DESCRIPTION - The Ox Bow Mine property is located in Section 32, Township 10 North, Range 10 East G&SRB&M, Gila County, Arizona. Contiguous lode mining claims to those listed above are located in parts of Section 32, Township 10 North, Range 10 East and Sections 5,7,8 and 18, Township 9 North, Range 10 East G&SRB&M, Gila County, Arizona. All of the above encompass the total six hundred and eight (608) acres, more or less, which constitutes the Ox Bow Project. Ox Bow Mines owns and/or controls the total six hundred and eight (608) acres, more or less, as described above. (See Maps on pages 6-9.)

LOCATION - The Ox Bow Mine property is located approximately five (5) miles south of Payson, Arizona in Gila County. It is on the eastern drainage slope of Rye Creek. Arizona State Highway 87 runs roughly parallel to the Ox Bow property at an approximate distance of one (1) mile from the property. Weather conditions permit mining activity on a year round basis.

HISTORY - Gold has been sporadically produced throughout these claims since the 1880's. Both shaft and placer mining activities have taken place. These efforts were small, inefficient operations put in place by individual prospectors that were capable of processing only small quantities of ore. These operations were short lived for three reasons: 1) They were "pick and shovel" operations that were not adequately funded; 2) Huge capacity earth moving equipment was not available; 3) Alternative state of the art mining techniques that have been made available over the last few years were not available then.

GEOLOGY - The geological report that follows (see page 10) and the associated assays were accomplished circa 1942 when gold was fixed at $35 per ounce. The report proves the existence of varying gold values in relation to various hard rock (vein) and placer (loose gravel and dirt) deposits. These values average .16 ounces of gold per ton of ore. This report also states that these deposits are laid down in a broad pattern of ore that is widespread over a large area. A network of hard rock veins and associated placer gravels exists that encompass the entire 608 acres of the Ox Bow project.

This geological work was accomplished prior to the advent of mining techniques that are currently available. Shaft mining gives way to open pit mining. Never has a mining property been better suited to open pit mining than the Ox Bow property. The presence of widespread outcroppings of known gold bearing deposits, in addition to gold values that can be recovered by the utilization of sophisticated technology from heretofore unrecoverable deposits, lends itself to an open pit approach.

ASSAYS - The assays referred to above have been confirmed by other certified assays that have been more recently completed. (See pages 14-24.) The results of the assays confirm gold values of .16 ounces per ton on an average basis. More recently, Ox Bow

Mines has run its own assays prior to acquiring the property. The results of these assays are an average of .625 ounces of gold per ton. (See pages 14-24.)

LABORATORY TESTS AND PILOT PRODUCTION TEST RESULTS - Ox Bow Mines conducted production tests in order to determine the actual gold recovery rates on a practical and realistic basis under real field conditions. These tests were conducted using three separate mining methods. Specifically, recovery rate production tests were run on hard rock ore, placer ore and ore that responds most favorably to chemical treatment. The results of these tests revealed a recovery rate of between .06 and 1.1 ounces per ton. The following tests were run by Ox Bow Mines at the Thorneco Mill and Test Facility located at Payson, Arizona. Three (3) tons of bulk ore was taken from the hill above the Ox Bow Mine tunnel, screened to 1/4", run through a ball mill and across a vibrating table to concentrate the ore. The assays run on these concentrates were run in Thorneco's lab and showed gold values ranging from .5 ounces to as much at 1.1 ounces per ton of raw ore.

Heap leach tests, run in the laboratory using a special thiourea chemical solution, resulted in gold values of .75 ounces per ton of raw ore.

Hard rock ore was crushed and assayed, which showed gold values ranging from .18 ounces to .42 ounces per ton of raw ore.

Based on the tabulation of gold values from the many assays and production test runs that have been conducted on the Ox Bow Mine property, ore can be mined with an average gold recovery value of .15 ounces per ton. However, minimum rates of recovery have been based on a value of only .08 ounces of gold per ton of raw ore.

RECOVERABLE RESERVES - Thirty-nine (39) core tests have been drilled to a depth of sixty (60) feet on the Ox Bow property. The results of these tests prove the existence of sixteen million (16,000,000) tons of ore with gold values ranging between .7 and .8 ounces per ton. This does not include that part of the Ox Bow property that is below and to the south of the original Ox Bow Mine site. Ox Bow Mines surface tested this area and found ore character and gold values similar to those listed above. A conservative count of gold bearing reserves on this portion of the property would be five million (5,000,000) tons of ore. By combining the core test results with the surface test results, we arrive at a total of twenty one million (21,000,000) tons of available gold bearing ore.

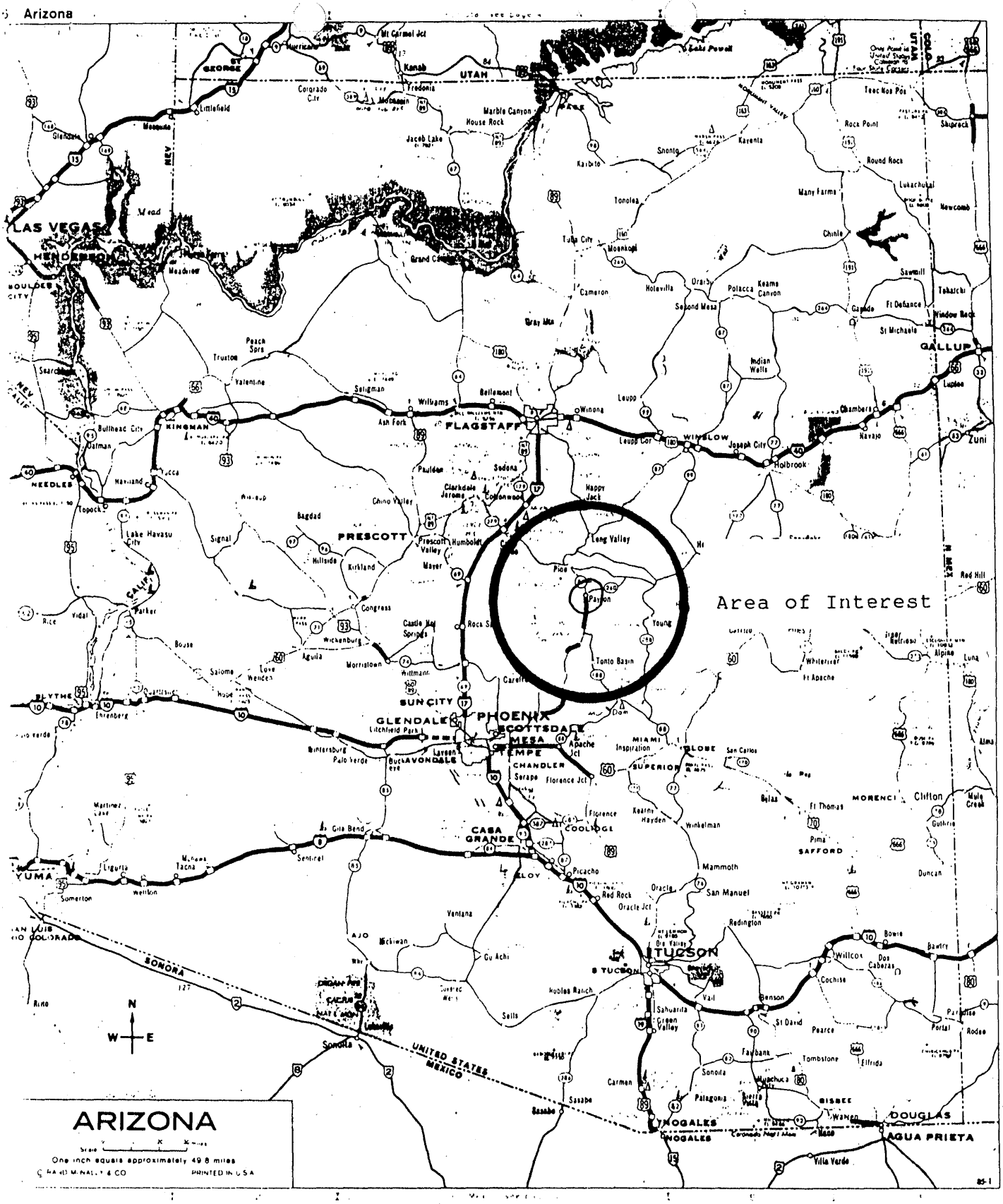
With all this in mind, we choose to take an extremely conservative view in terms of the total amount of available gold bearing ore. Our experience, in the minerals industry, has taught us that prudence should be the governing factor when calculating recoverable reserves. However, a significant excess of gold bearing ore, in relationship to what is required to make the Ox Bow project profitable, provides a margin for safety that cannot be denied.

From this point of view, we are scaling down the calculated

total amount of gold bearing ore from twenty one million (21,000,000) tons to five million (5,000,000) tons. Production testing has yielded an average of .16 ounces per ton throughout the Ox Bow property. Again, being very conservative, we will use a recovery factor of .08 ounces of gold per ton. Therefore, recoverable gold reserves would equal 400,000 Troy ounces of gold. At current market prices of $460 per Troy ounce the total output from the Ox Bow project would be $184,000,000 over the productive life of the mine.

Note: A formula that can be used in computing tonnage is: One acre foot contains 43,560 cubic foot. A good average to use is approximately 2,258 tons in an acre foot. (This can vary depending on the ore.) The Ox Bow Mine Project covers 608 acres. Each one (1) foot thickness (depth) of ore over 608 acres would equal approximately 1,372,864 tons.

CONCLUSIONS - Careful consideration of the assay values and test results reveal a wide range of results. The reasons for this have to do with the differences in the character of the various ores involved and the great quantity of acreage over which the tests were run. This situation is compounded by the fact that three distinct mining methods will be implemented to recover the gold. These techniques will be matched to the ore with great care to balance between gold yield and the amount of ore that can be processed over a given period of time. A broad and technical approach to the Ox Bow project is the key to success.



ARIZONA

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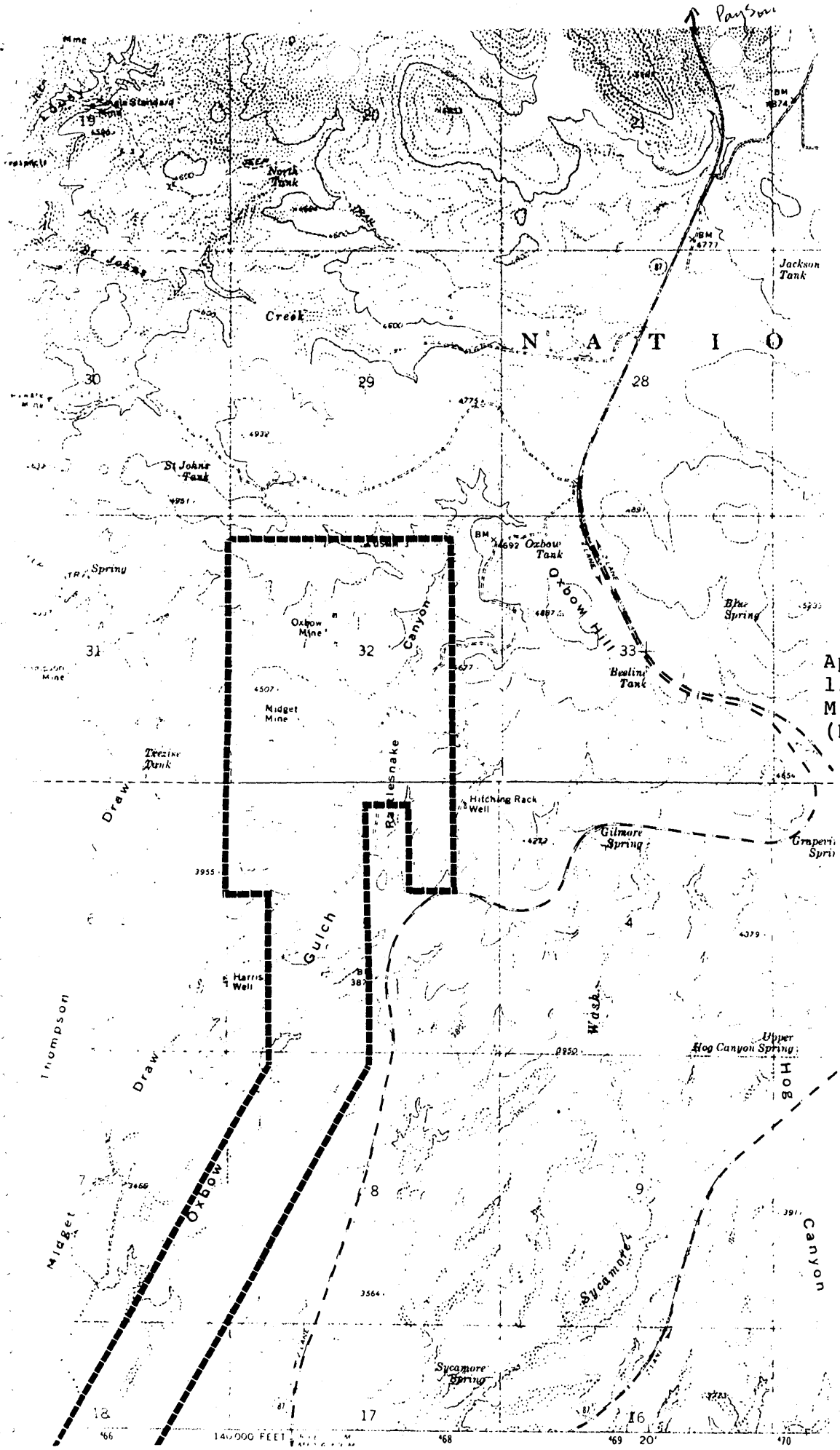
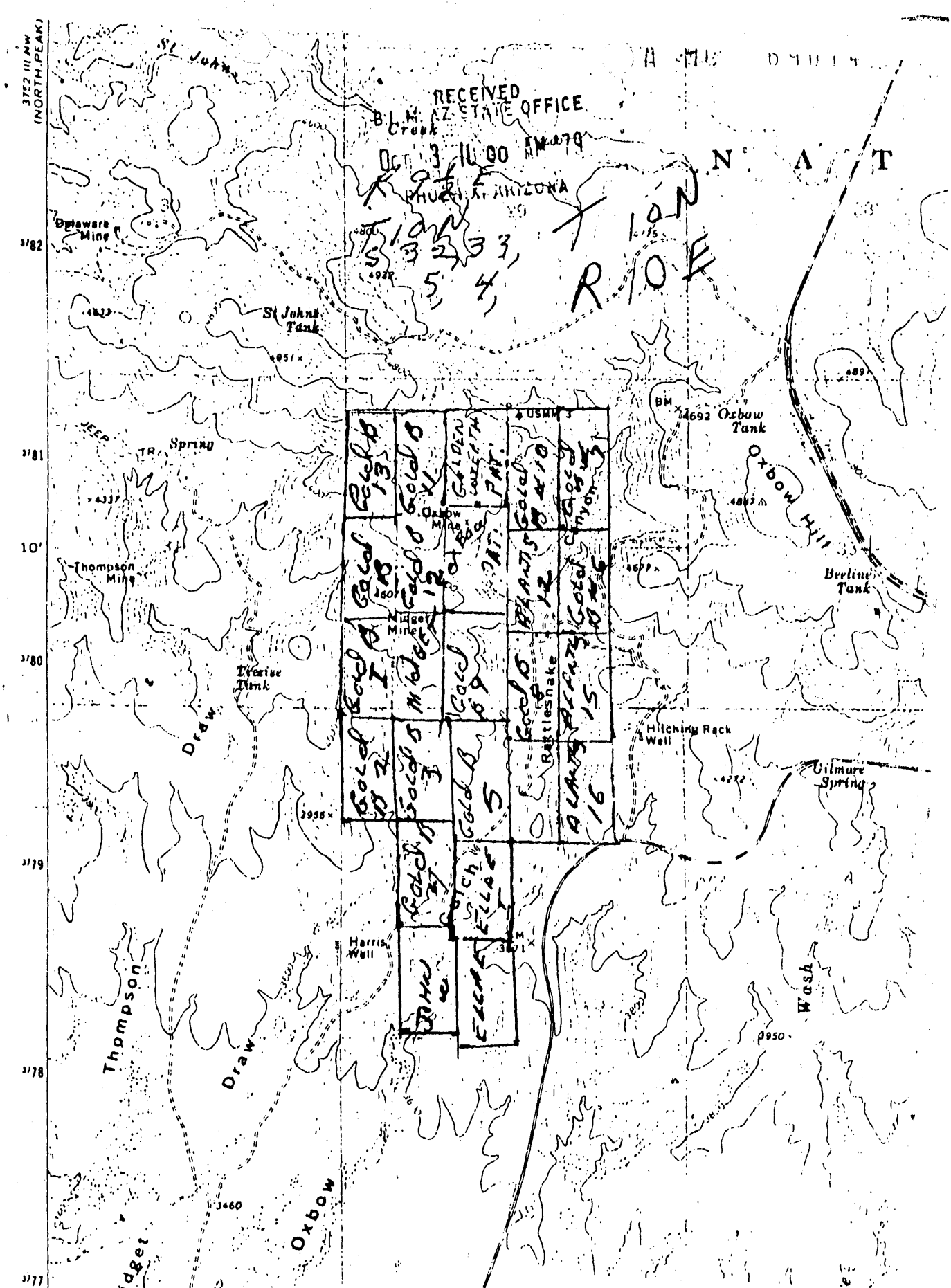
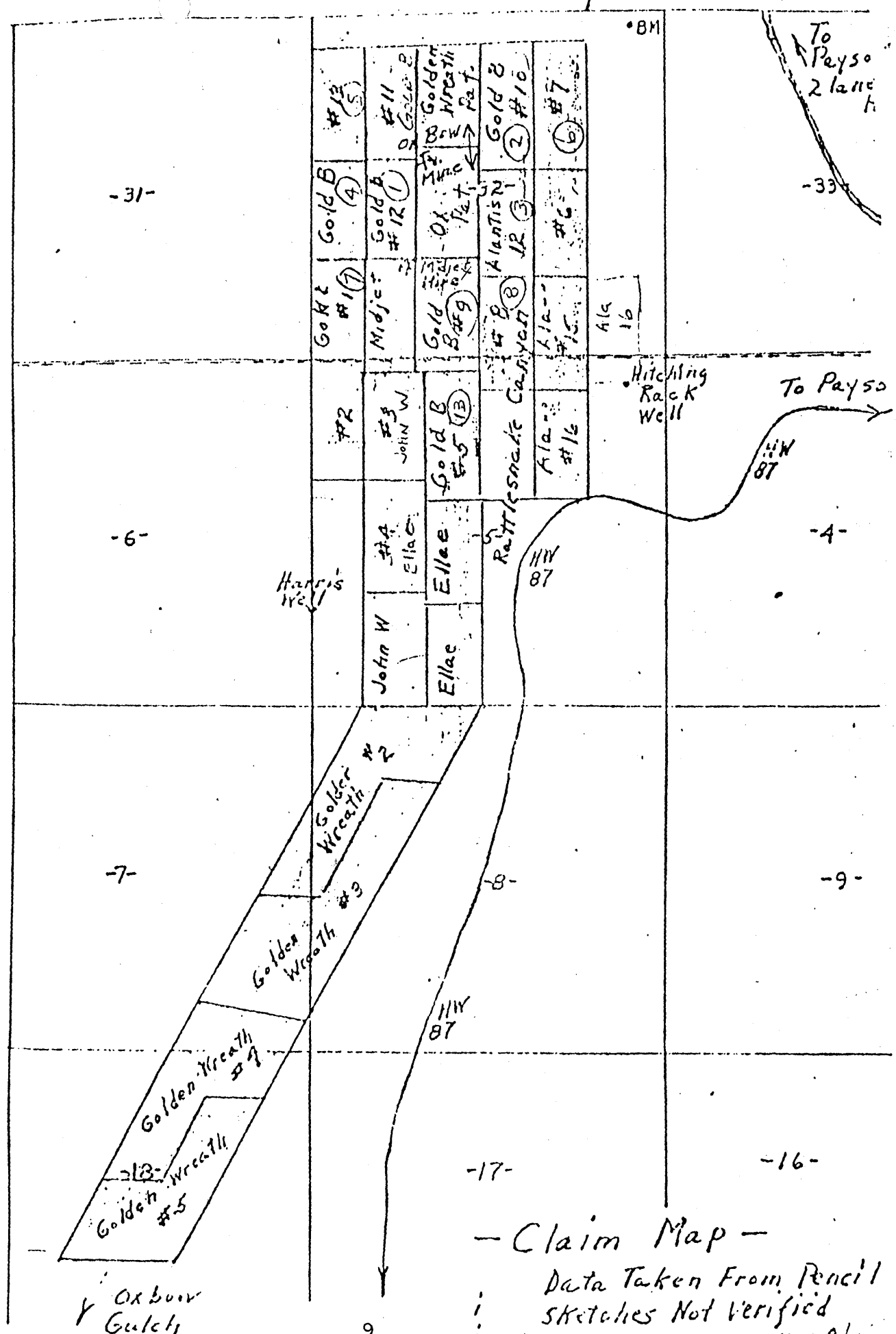


Approximate outline of Ox Bow Mine acreage. (Not to scale)



This Map showing a major part of the claims on Ox Bow Mine Project was copied from the records of the U. S. Dept. of the Interior, Bureau of Land Management in Phoenix, Arizona.


Payson South Quad.
BM
To Payso
2 lane
-31-
-33-
T.10 N
T 9 N
(R13 E)
Gold B #1 (7)
Gold B (4)
Midget
Gold B #12 (1)
Ox Bow Pat.
Gold B #9 (9)
Golden Wreath Pat.
Gold B #10 (2)
Atlantis 12 (3)
Gold B #8 (8)
Atlantis #15
#7 (6)
#6
#13 (5)
#11 - Gold B
#2
John W #3
Gold B #5 (13)
Rattlesnake Canyon
Atlantis #16
Hitching Rack Well
To Payso
HW 87
-6-
-4-
#4 Ellae
Ellae
John W
Ellae
Harris Well
-5-
HW 87
-7-
-8-
-9-
Golden Wreath #2
Golden Wreath #3
Golden Wreath #4
Golden Wreath #5
-18-
-17-
-16-
HW 87
Ox Bow Gulch
Claim Map
Data Taken From Pencil Sketches Not Verified
0'
3000' Jan 9/80

Geological Report of
Ox Bow Mine.

The Ox Bow mine is located approximately 7 miles south of Payson, in Gila County, on the east drainage slope of Rye creek and less than one-half mile off the Roosevelt-Payson Highway. This highway is kept in a very good condition throughout the year.

The mine is about 50 miles north of the Roosevelt dam, about 80 miles from Globe and Miami and about 125 miles from Phoenix. The nearest shipping point is Clarkdale, about 70 miles to the north and west.

This mine consists of two patented claims, the Golden Wreath and the Ox Bow, located upon the main vein and eighteen unpatented claims located adjacent to these. All are duly recorded in the office of the County Recorder of Gila County.

The existant papers show the title vested in Paul J. Harrison, C. W. Harrison, Paul H. Harrison and Alva Buckley.

This region is on the edge of the northern plateau and has an elevation of about 4500 ft. It is on the south slope and therefore has a moderate winter climate, and being somewhat elevated and nearer higher elevations the summer temperature is not excessively hot. Payson is noted for its fine climate and is a vacation resort for many people. There is rain both winter and summer. There is occasional snow in winter, and mid-summer, July and August is rated as the principal rainy seasons.

While there is no permanent running water on the property of the Ox Bow mine, of two canyons crossing the property one has running water most of the time. This canyon has a large drainage area. A well in one canyon has furnished the water for the mine. From this and the adjacent canyon may be obtained the water for mine operations.

There is no timber of note on the property, but around Payson and in the Rye creek area there is considerable timber of a type that resists mine use to a remarkable degree. Much of the timber in the Ox Bow mine is still in an excellent condition. A minimum of timber will be required, however, in the mine as the walls stand very well without it.

The Geology of the region indicates the best for producing gold bearing quartz veins. The Ox Bow mine is in the center of a region of hornblend diorite, much of which is porphyritic. The hornblend is dark green to black giving to the rock a dark gray color. An excess of plagioclase in some parts give a lighter color. This rock is rated as precambrian and as such has basic meaning in reference to mineralization.

At the Ox Bow mine there are dikes of fine grained diorite or andesite, also some porphyry. There are a few spots of differentiation into aplite due to a higher concentration of feldspathic material. Dykes of granite porphyry and rhyolite are found near the entrance to the mine and elsewhere. There is some quartz porphyry in which the quartz is in small fingers and veinlets, showing a tendency, which is observed, also, along the main vein, to permeate the rock with stringers of quartz.

The granite dykes appear to have a northwest southeast direction, while the andesite dykes have more of an east and west direction. Both intersect the main vein.

There is considerable iron in evidence as magnetite , hematite and limonite in all of the rock and in the veins. The limonite is greatest in abundance, especially in the region of the porphyries and in the veins. The hornblend shows considerable magnetite. There is some lime and phosphate present, also occasional patches of olivine around the entrance to the mine, numerous masses of pseudomorph crystalline limonite are found, especially in the granitic phorphyry. The hematite and limonite carry gold.

RX 2-MP

The Main Vein which outcrops up the ridge from the entrance has a northerly and southerly direction turning to the east at the south and towards the northeast at the north crossing the canyon and turning back to the north. It is a true fissure vein with an average width along the tunnel level of about 3½ feet. The vein divides both braided and distributed along its course at intervals. There is some evidence of paralled veination and numerous cross veinlets. This vein can be traced for about 2000 ft. outcropping much of this distance. It dips to the west at from 45° to 85° and straightens up to nearly vertical in places.

The vein as developed at present shows five ore shoots at intervals more frequent as depth is attained. Some ore has been stoped from these. The innermost shoot is the widest and from this considerable high grade ore has been removed. The 110 ft. shaft goes down from this stope showing considerable ore in places all the way down. A new ore shoot is indicated on the surface just opposite the 200 ft. shaft, at the bottom of which a 40 ft. drift leads toward it with some 60 or 70 ft. to go. Surface showings indicate that this shoot may have consideravle width.

The quartz is live, milky or clear, with large crystals in druses near the surface. There is considerable honeycomb, yellow to brown and an abundance of limonite. While pyrite is recognized as the primary iron ore, there is a notable small amount in the workings which of course are all above water level. There is a little copper stain in the intersections of the indicator cross veins. With the single exception of the Thompson stope the copper content is very small and would not seriously interfere with cyanidation.

The foot wall of this vein is diorite porphyry cut by many smaller dikes of finer grain diorite or andesite, and rhyolite. These dykes carry veins of copper, greenstone, lime and quartz. One such vein of some movement noted in this report, and probably like others of its kind are the sources of enrichment, has a width of about a foot on the surface and a copper content of 15% or better.

This mine is developed by a main adit with a portal at the south end, facing the east. It extends to a length of 528 ft. cutting the vein the full length of the adit. Along the tunnel there are raises and stopes at the shoots previously mentioned. There are two winzes below the tunnel level one at a depth of 110 ft. the other 45 ft. There is also one small under stope. A third winze extends downward at 145 ft. from the portal. All winzes, stopes, and shafts are shown on the map accompanying this report.

Another two compartment shaft some 200 ft. beyond the end of the main adit and about 130 ft. east of the main vein outcrop is down 200 ft. with a 40 ft. drift back towards the main vein. This shaft is reported to be timbered and in good condition except for the top section. This was evidently intended for a work shaft and crosscut to tap the main ore body at the 200 ft. level.

The following samples of ore from the main vein were cut at my direction and assayed by myself. While selected samples from the vein show very high value, none of these have been included in this report. We have here attempted to show values as you would encounter in mining operations, casting high grade values into the velvet. Silver values are negligible so they are ommitted. The location of all samples are indicated on the sketch map.

(note)

SAMPLE	LOCATION	WIDTH-VEIN	GOLD VALUE @ $35.00
# 1	100 ft. from portal of adit	4½ ft.	$3.50
# 2	129 ft. " " "	4½ ft.	5.60
# 3	138 ft. " " "	3 ft.	2.10
# 4	168 ft. " " "	3 ft.	2.80
# 5	188 ft. " " "	3½ ft.	2.80
# 6	208 ft. " " "	1½ ft.	5.60
# 7	251 ft. " " "	4½ ft.	5.60
#8	267 ft. " " "	2 ft. 8 in.	6.30
# 9	287 Ft. " " "	4 ft.	6.30
#10	305 ft. " " "	4 ft.	4.20
#11	325 ft. " " "	4½ ft.	2.80
#12	345 ft. " " "	3 ft.	4.20
#13	369 ft. " " "	3 ft. 4 in.	7.70
#14	390 ft. " " "	2 ft. 10 in.	2.10
#15	417 ft. " " "	feder vein	2.80
#16	15 ft. below floor level in 20' winze	5 ft.	3.50
# 17	In ceiling between # 1 - # 2 manways	4½ ft. (under stopes	1.00
#18	West end of drift at bottom of 110 ft. shaft, or winze, 20 ft. west of sump.	16 in.)	3.50
#19	Ceiling of east drift, 110 ft. shaft bottom 9' from center of sump	4 ft. wide)	6.30
#20	40 ft. down drom tunnel level in 110 ft. shaft	3 ft.	2.10
#21	Open cut above 200 ft. shaft, 65 ft. N. of east & west line of shaft	2 ft. 7 in wide)	6.30
#22	165 ft. north of sample 21 and 32 ft. north of 45 ft. shaft	2½ ft. wide)	5.60
#23	25 ft. north of #22	2½ ft. wide	6.30
#24.	Copper vein, 300 ft. E. of 200 ft. shaft, runs east and west, exposed 30' in open cut	1 ft. wide	17.3% cu.
#25	Bottom of 110 ft. winze east side,	2 ft. wide	14.00
#26	North end of open cut, north of 45' shaft	2½ ft. wide	7.00

The above samples were cut from the ceiling when taken from the tunnel, and from wall to wall so that they represent the full width of the vein. Thus no sedimented enrichment is represented.

THE FOUR SHOOT.S IN PLACE.

Ox Bow continued

		shoot 4 @ $35.00 oz.	@ $175.00 oz.
#25--Bottom 110 ft. winze east side.	2 ft. wide	$14.00	70.00
#26--North end of open cut, north of 45' shaft	2½ ft. wide	7.00	35.00

The above samples were cut from the ceiling when taken from the tunnel, and from wall to wall so that they represent the full width of the vein. Thus no sedimented enrichment is represented.

The mining bureau reports that much high grade ore was taken from the stopes, with assay average of $45.00. This is indicated by the above sample taken from one of the stopes.

Referring to the copper vein, this contains much primary chalcopyrite. It also contains Cuprodescloinite in definite amount with some molybdemium. The presence of copper at depth in considerable amount indicates that copper will increase with depth in the copper veins.

Below the vein on the hillside and in the canyon the residual sands and gravel carries placer gold. Nuggets a quarter of an inch through have been found. This placer continues down the canyon for a mile or more. It evidently originated from the Ox Bow vein. The mining bureau reports that placer occurs in this region, only at the Ox Bow.

In consideration of the foregoing description and evidence the following points are noted:

1st. The Ox bow mine is in a good geological location. Mines in this region have been producing for many years.
2nd. Gold is found here both in lode and in placer.
3rd. The physical properties of the vein are such as to make mining easy.
4th. Copper values occur here in considerable amount, in separate veins.
5th. The copper values may be mined separately.
6th. The values here are minimum values representing large tonnage.
7th. The gold values lend themselves to simple processes in recovery.
8th. Water is available for mining and milling.
9th. Weather conditions are ideal.
10th. A camp is established and operations can be begun with a minimum of time and preparation.
11th. With selective mining considerable high grade ore may be produced.

Respectfully submitted

Ernest A. Just, MxS. & M.A.

THIS IS A COPY OF THE LAST SHEET NOTHING CHANGED

Copy of Next Pg

11/9/87 - Notes on assays done at Thorneco millsite.

Approximately 3 tons of ore was taken from the top (outside) of the Ox Bow Mine. Two types of assays were done.

1. Fire assay - 7 ounces per ton of gold, silver and platinum consisting of 0.5 OPT of gold, 6.5 OPT silver and platinum.
2. Thiounea leach - 10 ounces per ton gold, silver and platinum consisting of 0.75 OPT gold, 9.25 OPT silver and platinum.

Doug Thorne (Thorneco) performed these assays.

TYPED FROM HANDWRITTEN FIELD COPY.

Arizona Testing Laboratories

815 West Madison · Phoenix, Arizona 85007 · Telephone 254-6181

For: Mr. Clay Thorne
Post Office Box 97
Payson, Arizona 85541

Date: January 5, 1978

Lab. No.: 5885

Received: 12-30-77

Marked: No Mark OX BOW MAIN UP.W

Submitted by: same

REPORT OF QUALITATIVE SPECTROGRAPHIC EXAMINATION

ELEMENT	APPROXIMATE PERCENT
Boron	0.01
Silicon	Major Constituent
Aluminum	9.0
Manganese	0.07
Magnesium	0.2
Lead	0.5
Gallium	0.01
Iron	10.0
Beryllium	0.001
Molybdenum	0.05
Calcium	0.8
Vanadium	0.008
Copper	0.02
Sodium	5.0
Titanium	0.2
Zirconium	0.5

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

PRODUCT DEVELOPMENT APPLIED RESEARCH

ARC LABORATORIES

Division of Arizona Research Consultants, Inc.
9236 NORTH 10TH AVE. PHOENIX, ARIZONA 85021 943-3573

FOR: Clay Thorne
P. O. Box 97
Payson, AZ 85541

DATE 16 May 1978

LAB No. 16454

RESULTS

Lab. No.	Sample Description	Qualitative Spectrograph	
16454	Oxbow	Boron	0.001%
		Silicon	6.0
		Aluminum	0.5
		Manganese	0.04
		Magnesium	0.5
		Lead	0.1
		Chromium	0.005
		Iron	major con
		Calcium	0.7
		Vanadium	0.005
		Copper	0.1
		Ytterbium	0.001
		Titanium	0.02
		Silver	0.001
		Zinc	0.4
		Nickel	0.02
		Tantalum less than	0.5
		*Niobium	0.5

*There is possibly a copper line interference on the niobium determinatic

Respectfully submitted,
ARC LABORATORIES

John Sickafoose

John P. Sickafoose, Ph. D.
Technical Director

REED ENGINEERING
Assayers and Refiners

2166 College Avenue
Costa Mesa, California 92627

CERTIFICATE OF ANALYSIS

Date: 11/[illegible]/[illegible]

Watson Dozer Service, Inc.

Sample Origin: Taken and submitted by client
Test Method: Fire assay
Oz/Ton: Troy oz per 2,000 lbs of sample
Value/Ton: Gross value for 2,000 lbs of sample

Sample Number	Sample Weight	Gold Oz/Ton	Gold	Silver Oz/Ton	Silver
Mineral	SAT	[illegible]	.21 [illegible]/ton	1.[illegible]	$[illegible].2[illegible]/ton

Assayer
P. Reed

Au @ $ 327 per oz
Ag @ $ 6.15 per oz

Caveat Emptor: This report is provided to the named client for informational purposes only and does not guarantee where the sample came from, or whether it was altered before receiving it, or whether the property it came from has any value. Amounts reported exclude mining costs and losses

Black Sand From
Test Hole #1
Ram 1.14 oz. Per Ton.

REED ENGINEERING
ASSAYERS & REFINERS
2166 College Avenue
Costa Mesa, CA 92627
714/646-3782

CERTIFICATE OF ANALYSIS

SEMI-QUANTITATIVE SPECTROGRAPHIC

Watson Dozer Service, Inc.
Tommy Watson
P.O. Box 312
Coleman, TX 76834

Date: 11/9/85

Sample: Mineral

	Pct.	Lb/Ton	
Aluminum	2.4%	48	
Antimony*			
Barium	.1%	2	
Beryllium			
Bismuth			
Cadmium			
Calcium	2.1%	42	
Cesium			
Chromium	.01%	.2	
Cobalt			
Columbium			
Copper	.005%	.1	
Fluorine			
Gallium			
Gold*			
Hafnium			
Indium			
Iridium			
Iron	44.0%	880	X,C
Lead	1.2%	24	X
Lithium			
Magnesium	1.1%	22	
Manganese			
Mercury			
Molybdenum	.005%	.1	
Nickel			
Palladium			
Platinum*			

	Pct.	Lb/Ton	
Thorium			
Tin			
Titanium	[illegible]	[illegible]	
Tungsten			
Uranium(r)			
Vanadium			
Zinc	.9%	18	X
Zirconium			
RARE EARTH ELEMENTS*			
Cerium			
Dysprosium			
Erbium			
Europium			
Gadolinium			
Holmium			
Lanthanum			
Neodymium			
Lutecium			
Praseodymium			
Samarium			
Terbium			
Thulium			
Ytterbium			
Yttrium			

Silica, Gases, Water, Nondetectables,
Remaining Contents, Percent: 45.6
(r trace; r radioactive; * separate test

ANALYTICAL CONSULTING SERVICES
5805E Chimney Rock • Houston, Texas 77081 • 713/663-6692

November 30, 1978

Mr. Clay Thorne
P. O. Box 97
Payson, Arizona 85541

Subject: Assay of Ore Concentrate Sample (Middle of each plate)

Re: Lab No. 156

Following is a listing of the assay results obtained on the ore concentrate sample. The analysis was performed using an acid-digestion bomb technique and analyzing the solutions on an argon-plasma emission spectrometer.

Precious metal assay - Results expressed in ounces per ton on an as received basis.

Metal	Oz/T
Silver	29.6
Gold	0.78
Platinum	1.02
Palladium	0.36
Rhodium	0.82
Iridium	5.6
Ruthenium	4.2

Sincerely,

ANALYTICAL CONSULTING SERVICES

E. P. Williams

E. P. Williams

cc: R. L. Jaeger
1000 Donway Pl.
El Paso, Texas 79925

ACS

ANALYTICAL CONSULTING SERVICES

5805E Chimney Rock • Houston, Texas 77081 • 713/663-6692

December 14, 1978

Mr. Clay Thorne
P. O. Box 97
Payson, Arizona 85541

Subject: Assay of Green Ore Rock (90% of Carbon)

Re: Lab No. 158

Following is a listing of the assay result of the green ore rock sample. The rock was crushed with a ball-mill and screened through a 80 mesh screen. The sample was mixed and taken through a sample grinder. The sample was screened through a 200 mesh screen, mixed and aliquot taken for analysis. The sample was digested in a re-flux distillation unit for two hours. The solution was then analyzed on an argon-plasma emission spectrometer.

Metal Assay - Result expressed in ounces per ton on an as received basis.

Metal	Oz/T	
Osmium	0.40	(40 Troy per ounce)

Sincerely,

ANALYTICAL CONSULTING SERVICES

E. P. Williams

EPW/ch

cc: R. L. Jaeger
1000 Donway Pl.
El Paso, Texas 79925

ANALYTICAL CONSULTING SERVICES
5805E Chimney Rock • Houston, Texas 77081 • 713/663-6692

December 21, 1978

ACS

Mr. Clay Thorne
P. O. Box 97
Payson, Arizona 85541

Subject: Assay of 4 samples Received 12/19/78 (Undisclosed)

Re: Lab No. 161

Following is a listing of the assay results of the 4 samples submitted for precious metal assay.

Metal Assay - Results expressed in ounces per ton on an as received basis.

Metal	Jig Conc.	Sluice Run	Red Rock	[redacted] Conc.
Ag	15.6	4.3	14.6	11.8
Au	1.37	0.11	0.45	0.29
Pt	0.54	0.12	1.08	0.67
Rh	0.37	0.14	0.59	0.51
Ir	5.40	1.20	10.90	7.11
Pd	0.17	0.04	0.27	0.22
Ru	2.79	0.94	5.30	3.69

Sincerely,

ANALYTICAL CONSULTING SERVICES

E. P. Williams

EPW/ch

cc: R. L. Jaeger
1000 Donway Pl.
El Paso, Texas 79925

ACS

ANALYTICAL CONSULTING SERVICES

5805E Chimney Rock • Houston, Texas 77081 • 713/663-6692

January 3, 1979

Mr. Clay Thorne
P. O. Box 97
Payson, Arizona 85541

Subject: Assay of 4 samples for Os received 12/19/78

Re: Lab No. 161

Metal assay - Results expressed in oz per ton on an as received basis.

Metal	Jig Conc.	Sluice Run	Red Rock	Randal Conc.
Os	0.40	0.33	0.29	0.76

Sincerely,

ANALYTICAL CONSULTING SERVICES

E. P. Williams

EPW/ch

cc: R. L. Jaeger
1000 Donway Pl.
El Paso, Texas 79925

RESULTS OF ASSAYS AND CYANIDE VAT LEACH TESTS

CONDUCTED ON ORE FROM PAYSON*OX BOW PROPERTY.

Leach #1

Head ore sample consisting of 50 lbs of ore taken from the large pile of ½" minus crushed by Red Mountain Mining.

Results: Head ore assay
13.5 oz silver per ton
2.7 oz gold per ton

After 24 hr leach a recovery of approx 15% of values in solution.
After 48 hr leach, no improvement in recovery.

Leach #2

Head ore sample consisting of 75 lbs of mixed drill core cuttings from six holes.

Results: Head ore assay
7.0 ox silver per ton
.2 oz gold per ton

After 36 hr leach approx 15% of values were in solution.

Observations: Before the pilot vat leach was conducted, a small amount of material from a 50# sample of ore removed from a pile near the old mine drift was tested in the lab. using a special not cyanide solution. The results showed a recovery of approx 15% in 6 hrs.

Head ore assay of this material
7.6 oz silver per ton
2.3 oz gold per ton

The drill cutting composite sample had about 20% slime factor which will interfere in recovery of values in solution.

Respectfully submitted by

7-8-80
date

Robert L. Holladay

ASSAY RESULTS OF OXBOW SAMPLE

TAKEN JULY 9, 1980, AND RUN BY GLAY THORNE

OXBOW=	ADMR=	WT AU (MILLIGRAMS)	AU (TR.OZ/TON)	WT AG (MILLIGRAMS)	AG (TR.OZ/TON)
5	1	0.374	2.18	0.463	2.70
1	2	0.086	0.50	2.546	14.85
2	3	3.719	21.69	0.747	4.36
4	4	0.659	3.84	0.281	1.64
6	5	5.256	30.66	0.760	4.43

Figured from beads supplied by Clay Thorne.

Weights by Mike Jacobs.

Each assay sample had 2 beads, each from 2-1/2 grams of ore run by Clay Thorne of Payson, using 15:1 and/or 21:1 litharge to ore ratios, secret fluxes and secret Russian methodology.

KAP.mw
9/26/80

DEVELOPMENT AND PRODUCTION PLAN

The Ox Bow Mine property consists of six hundred and eight (608) acres and will require a three way approach in order to maximize production and efficiency. This has to do with the various characteristics of the gold bearing ore that is present on this acreage. These ore characteristics can be broken down into three broad catagories:

1) Ore that contains a high degree of fine gold and insignificant amounts of coarse gold;

2) Ore that contains a more equal distribution of fine and coarse gold;

3) Ore that contains a high degree of coarse gold mixed with varying amounts of fine gold.

Obviously, the key to low production costs is the implementation of techniques that will provide maximum recovery of gold, as rapidly as possible, throughout the total body of ore regardless of the characteristics of the ore. To this end three separate mining methods are being employed.

HEAP LEACH MINING - FINE GOLD RECOVERY

Heap leaching has been largely responsible for the increases in gold mining activity since 1983. The initial heap leach projects were successfully accomplished from the "tailings" of old and abandoned mines. The advantages of heap leaching lie in the fact that it is the best method to recover fine gold on a profitable basis. The process is chemically oriented. A heap leach pad or pit is constructed and great quantities of ore are piled or heaped onto the pad after being milled to a uniform size. The ore is then treated with a chemical solution on a regular basis over a period of time. The result of the chemical treatment is that the gold is "leached out" of the ore and held in solution. The gold is recovered by running the "pregnant" solution through a series of carbon and electrolytic filters.

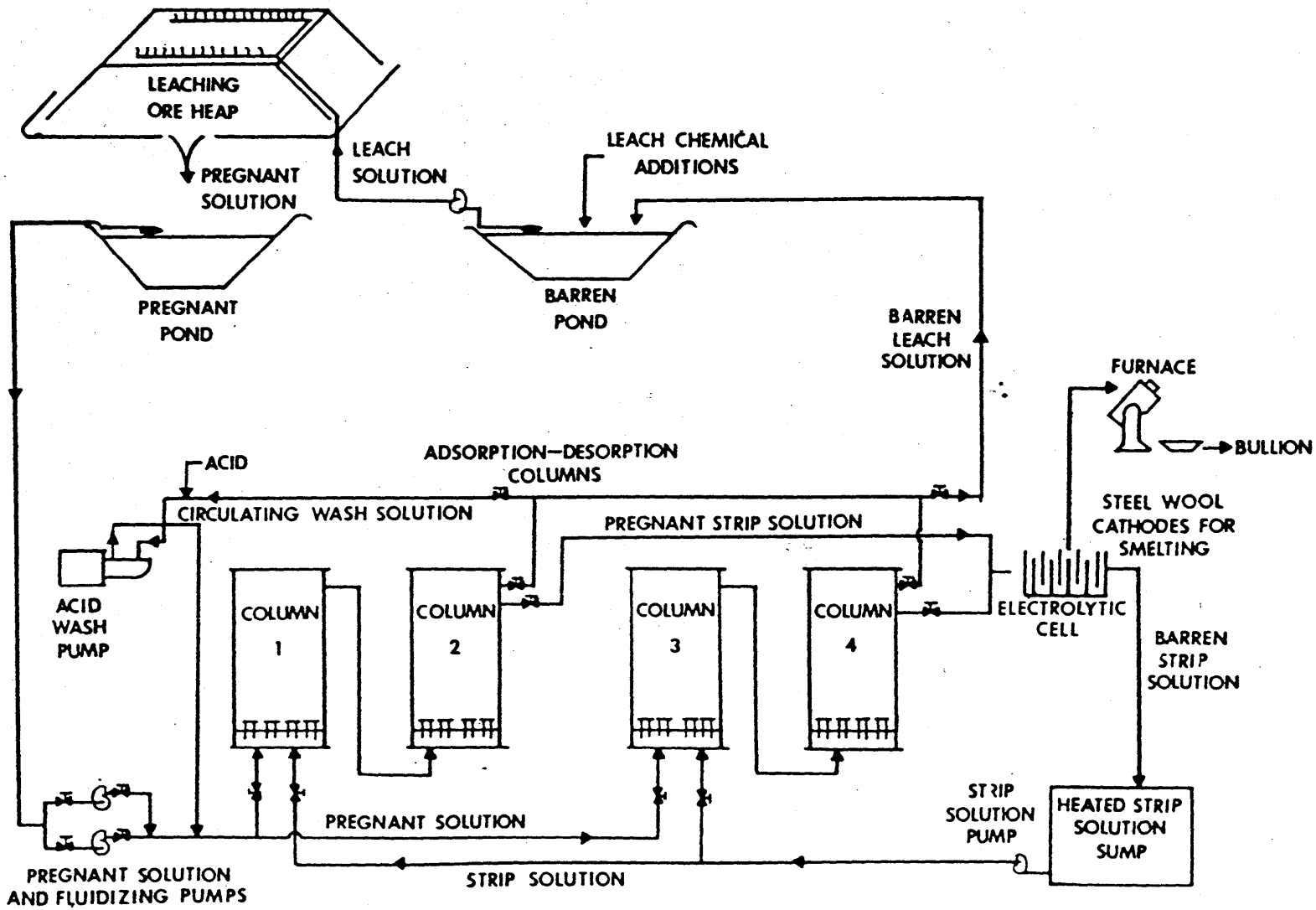
To a large extent, proven heap leaching test results eliminate the risks normally associated with the development of a mining property. Conventional mining methods are subject to "hot spots" and "cold spots" as far as the amount of gold recovered is concerned. This problem is compounded by the relatively small quantities of ore that can be processed over a given period of time. Since the quantities of ore that can be processed by virtue of heap leaching are many times greater, and since recovery rates are more uniform, the results are predictable.

PLACER MINING - COARSE GOLD RECOVERY

Placer gold deposits are those found within loose gravel and sand. They contain quantities of coarse gold that can be recovered by utilizing a combination of mechanical and washing devices. Although gold recovery by this method is labor intensive, the gold recovered from production tests prove the economic feasibility of placer mining in areas near the original Ox Bow Mine site. The tailings from the placer mining activity will be seasoned and heap leached in order to recover the fine gold that was not recoverable during the placer phase.

HARD ROCK MINING - FREE GOLD RECOVERY

The Ox Bow Mine site has proven hard rock gold deposits that are visible to the naked eye. This "free gold" will be dislodged by means of crushing and milling the ore. The fact that this process is time consuming and restrictive is more than offset by high recovery ratios. After the hard rock ore has been crushed and milled it will be subjected to a recovery process similar to that used in the placer mining process. Once again, the tailings will be seasoned and heap leached to recover the fine gold.



Heap Leaching Recovery System

THE COMPANY - OX BOW MINES

The President and CEO of Ox Bow Mines is Lee Thompson. Mr. Thompson has had over 40 years experience in the minerals industry. Mr. Thompson has been involved in successful precious metals mining ventures in Sonora, Mexico and Blanding, Utah. He owns or has owned interest in over 300 oil and gas wells and is currently president of Magnum-Tontine Corporation which is an oil and gas production company. Mr. Thompson is well know in certain financial and business circles in Dallas, Texas and throughout the Southwest.

Clara Thompson is the wife of Lee Thompson and functions as Secretary-Treasurer of Ox Bow Mines. Mrs. Thompsons' experience includes positions with the Dallas District of the Internal Revenue Service and the U. S. Department of Immigration.

The Vice-President of Ox Bow Mines is Neal Stewart. He holds a degree in economics from Miami University, Oxford, Ohio. Mr. Stewart has had over 10 years experience in the precious metals markets as a private analyst and trader.

The lead consulting firm on the Ox Bow Project is Thorneco, Inc., Payson, Arizona (See Resume on page 29.) The President of this firm is Clay Thorne who has over twenty years experience in the evaluation, assaying, production testing, mine engineering and mine chemistry throughout Arizona and Nevada. Mr. Thorne is aided by his son Doug, who has grown up in the mining industry. Thorneco is thoroughly familiar with the Ox Bow Mine Project. They have accomplished assays, recovery testing and production testing over the course of hundreds of man hours of work.

Thorneco has developed valuable working relationships with other consulting firms that specialize in specific areas of mine engineering, mine chemistry and the related disciplines. These firms include Mountain States Engineering, Tucson, Arizona; Kappes, Cassiday & Associates, Sparks, Nevada; Iron King Assays, Humbolt, Arizona; Jaycobs Assay Labs, Tucson, Arizona and P. M. Laboratories, Mesa, Arizona.

By combining a proven gold property with solid business management and the best of a variety of technical disciplines the Ox Bow Mines Project should be one of the most prolific and low costs mines in the country.

RESUME

THORNECO, INC
713 South Beeline Highway
Payson, Arizona 85541
602/474-5963

Thorneco, Inc. is a active mining and consulting company and will be used by Ox Bow Mines as consultants in the development of this property. They are very knowledgeable of the Ox Bow Mines property and assisted with many of the tests run on the Ox Bow property.

ADDITIONAL THORNECO PROJECTS:

PAYSON MILLSITE - 3 miles south of Payson, Arizona 15 acre millsite with Thiourea Leaching facilities, a ball milling gravity separation operation, an assay laboratory, a crusher, a carbon stripping facility and a firing/smelting area.

ENZYME ACTIVATED CARBON, INC. - Thorneco owns 37 1/3% of this company. The company sells a new carbon especially invented by Thorneco, Inc. to retrieve gold from acidic leaches. Upon further testing we discovered that the carbon had the ability to attract micron gold from water in flowing streams.

THORNE GYPSUM PROJECT - This is a project that consists of 720 acres of very high grade gypsum with very significant amounts of Gold, Silver and rare earth minerals. Thorneco has this project leased to Arizona Gypsum. We also serve as a Consultant to Arizona Gypsum in their plant design and gold recovery project, as well as running tests and firing their ore. Arizona Gypsum is now in production is planning to increase their production to 175 tons per hour.

THORNECO, INC. - INDUSTRIAL MINERALS GYPSUM PROJECT - This project lies adjacent to the Arizona Gypsum project. It is leased to Midas Corporation (an Arizona Corporation). Thorneco, Inc. owns 50% of this project. Preparations are being made to put in a large Gold and Gypsum operation.

BLACK MESA PROJECT - Thorneco owns (80) eighty claims consisting of 1,600 acres in this project. Seven hundred twenty (720) acres have been sold to Ed Nemer Construction Company.

KITTY JOE PROJECT - This project has been leased out and a royalty interest retained. No plans for operations are planned for at least one year.

BLACK CANYON PROJECT - The Black Canyon Project consists of approximately 600 acres on the Hassayampa River with some land being privately owned.

This project is sublet to five corporations who are in the process of putting in a 300 ton per hour sand and gravel operation.

In addition to the aforementioned projects, Thorneco, Inc. has an additional group of properties, namely; Golden Wreath Claims, Comstock, Good Luck and the American Eagle Mining Claims.

THE TRANSACTION

Ox Bow Mines is offering a total of 62,500 tons of gold bearing ore for sale at a price of $1.60 per ton. Extraction costs are $14.40 per ton. One hundred and twenty five (125) tons constitutes the minimum purchase. Ore costs per 125 tons are $200 and extraction cost are $1800 per 125 tons for a total cost of $2000 per 125 tons and are payable at the time of execution of the PURCHASE AND EXTRACTION AGREEMENT.

The minimum purchase is 125 tons of ore. The maximum purchase is 3125 tons of ore unless an exception is granted by Ox Bow Mines. Each 125 tons of ore purchased will yield a minimum of 10 Troy ounces of gold which will be made available for delivery to the purchaser within one (1) year of the executed PURCHASE AND EXTRACTION AGREEMENT and the executed PROCESSING AGREEMENT.

Those purchasers of gold bearing ore that execute the PURCHASE AND EXTRACTION AGREEMENT, the PROCESSING AGREEMENT and the OX BOW IRREVOCABLE TRUST will benefit from the guarantee by Ox Bow Mines to make available for delivery ten (10) Troy ounces of gold for each 125 tons of ore purchased within one (1) year of the executed PROCESSING AGREEMENT. The OX BOW IRREVOCABLE TRUST provides the purchaser with a performance guarantee secured by assets of Ox Bow Mines that have been pledged to insure against any loss of purchase price by the purchaser due to temporary production interruptions that are beyond the control of Ox Bow Mines (fire, flood, acts of God.) The terms of the OX BOW IRREVOCABLE TRUST provide that Ox Bow Mines must make ten (10) Troy ounces of gold per 125 of ore processed available for delivery within one (1) year of the executed PROCESSING AGREEMENT or refund the entire purchase and extraction price to the purchaser.

Ox Bow Mines will retain all gold in excess of ten (10) Troy ounces per 125 tons processed, as well as all other minerals of value, in order to cover processing costs in accordance with the PROCESSING AGREEMENT. This includes the costs of re-refining to .999 Fine Gold and hallmarking by a reputable company, such as Johnson Mathes or equivalent.

Those who choose to remove the gold bearing ore that they are entitled to under the terms of the PURCHASE AND EXTRACTION AGREEMENT, may do so upon thirty (30) days written notice. IN THAT EVENT, ALL GUARANTEES UNDER THE TERMS OF THE PROCESSING AGREEMENT AND THE OX BOW IRREVOCABLE TRUST ARE RENDERED NULL AND VOID.

COST/PRICE PROFIT PROJECTIONS

The following projections are intended to give the purchaser a view of short term profitability at various gold price levels. If the purchaser decides to sell his or her gold, upon taking delivery, he can expect immediate sale at 97% of the spot market on the day the sale is made. There is a ready and liquid market throughout the refining industry as well as secondary outlets. Naturally, the market fluctuates on a daily basis but the decision as to if and when to sell is the exclusive province of the purchaser.

THIS SPACE LEFT BLANK INTENTIONALLY

ORE PURCHASED	TOTAL PURCHASE COST	REVENUE AT $500 OZ	NET PROFIT
125 tons-10oz	$2,000	$4,850	$2,850
625 tons-50oz	$10,000	$24,250	$14,250
1875 tons-150oz	$30,000	$72,750	$42,750
3125 tons-250oz	$50,000	$121,250	$71,250
		REVENUE AT $450 OZ	
125 tons-10oz	$2,000	$4,365	$2,365
625 tons-50oz	$10,000	$21,825	$11,825
1875 tons-150oz	$30,000	$65,475	$35,475
3125 tons-250oz	$50,000	$109,125	$59,125
		REVENUE AT $400 OZ	
125 tons-10oz	$2,000	$3,880	$1,880
625 tons-50oz	$10,000	$19,400	$9,400
1875 tons-150oz	$30,000	$58,200	$28,200
3125 tons-250oz	$50,000	$97,000	$47,000
		REVENUE AT $350 OZ	
125 tons-10oz	$2,000	$3,395	$1,395
625 tons-50oz	$10,000	$16,975	$6,975
1875 tons-150oz	$30,000	$50,925	$20,925
3125 tons-250oz	$50,000	$84,875	$34,875

OX BOW MINES HAS NO CONTROL OVER THE MARKET PRICES OF GOLD. THE ABOVE PROJECTIONS ARE FOR EASE OF REVIEW ONLY. PURCHASERS OF GOLD BEARING ORE HAVE NO GUARANTEE OF A SPECIFIC PRICE AT THE TIME THEY MAY CHOOSE TO SELL GOLD.

Derrell W. Childs, Inc.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS
1301 EAST NORTHWEST HIGHWAY, SUITE 204
GARLAND, TEXAS 75041
214-840-0889

November 18, 1987

Ox Bow Mines
113 Kenway - Suite 201
Rockwall, TX 75087

Gentlemen:

You have asked me to determine the income tax consequences for a participant in the Ox Bow Project.

Information which you have supplied is as follows:

A participant will purchase 125 tons of gold bearing ore or multiples thereof at a cost of $2,000.00 per 125 tons. This purchase is allocated to the following charges:

Purchase of ore (125 tons)	$ 200.00
Ore Extraction Costs (125 tons)	1,800.00
Total	$2,000.00

The participants will be guaranteed 10 ounces of gold per 125 tons purchased.

Income Tax Consequences

Participants will be entitled to a full deduction (in the year paid) for the $1,800.00 charge for ore extraction (Section 616 of the Internal Revenue Code).

The gold bullion extracted from the ore will not be taxed until sold and converted to cash. Pledging the gold for collateral on a loan would not be a taxable transaction. The income realized from selling the gold would be subject to depletion of 15%. This depletion would be an "item of tax preference" to the extent it exceeds the property's capitalized cost, in this case $200.00 per unit.

In the case of an individual participant, the income and deductions resulting from this purchase would be reported on Schedule C-Form 1040.

The above analysis is based on the presumption that the activity has been entered into for profit. No tax loss would be allowable unless the objective is to secure an economic project regardless of any tax benefits received.

Sincerely,

Derrell W. Childs

Derrell W. Childs

DWC/ild

BUSINESS REFERENCES

The following are the personal business references of Mr. Lee Thompson, President and CEO of Ox Bow Mines.

JEFF AUSTIN, III, Vice President
Texas American Bank/Plano N. A.
110 Preston Road
Plano, Texas 75086
214/733-1116

MANLEY HEAD, Attorney at Law
1706 Windoak
Austin, Texas 78741
512/444-4776 or 512/467-9331

DERRELL CHILDS, CPA
1301 E. Northwest Highway
Garland, Texas 75006
214/840-0889

MINING REFERENCES

The following persons are all quite familiar with the Ox Bow Mine and are willing to answer any questions.

DR. WILLIAM L. DUSENBERRY, PHD.
7046 E. Paradise Drive
Scottsdale, Arizona 85254
602/948-2546

Consultant for the physical science, electronics, mineralogy and chemistry industries for over 40 years. Clients include such companies as Aero Space Minerals (owner of largest uranium mine in U. S.), Ranchers Exploration and Mining Company, Phelps Dodge, Inc., Bunker Hill mining Company, Motorola Electronics, plus many others. Discovered the largest tin mine in North America located near Fairbanks, Alaska and a very rich placer gold deposit on the Jalan in Honduras, Central America.

MARVIN HATCH (Owns: Ford Dealership, Ranch, Etc.)
10001 East 3rd
Winslow, Arizona 86047
602/289-3354

HAROLD HOGLE - Mine owner
Arizona Gypsum Mining
P. O. Box 66
Tonto Basin, Arizona 85553
Phone: None at minesite - can be called and message left at Thorneco, Inc. - 602/474-5963

OXBOW MINE GILA COUNTY

KAP WR 11/20/87: Bob Ehrman, Magnum Tontine Corporation, phone 1-800-433-7696 reported his company has acquired the Oxbow Mine (file) Gila County and plans to first develop the placer occurrence followed by the lode. A verbal information summary has been prepared for the file.

KAP WR 1/8/88: Don Fenton, 5628 Humming bird Lane, clarkston, Michigan 48016 called for information on the Ox Box Mine (file) Gila County. He is being solicited to invest in a proposed operation at the mine, but was not given much information. Pertinent data from the file has been copied and sent.

NJN WR 2/5/88: Rod Beyers, Forest Ranger, Tonto forest, Payson District, is sending us a copy of a Lee Thompson and Clay Thorne propostion on the Ox Bow (file) Gila County that contains pictures which are supposed to be of the Ox Bow but are actually Thorne Millsite (file) Gila County in Payson and other misrepresentations.

OX BOW MINE (file) Gila County

KAP WR 10/3/80: Clay Thorne of Golden Wreath Mining Company, reported that the Ox Bow and Golden Wreath patents and their adjoining unpatented claim group (see Ox Bow Mine file) have been sold to the Perma Corporation) The Perma Corporation is reportedly headed by Marvin Hatch of Winslow. Clay Thorne went on to report that he gets a monthly payment from Perma Corporation plus a royalty on future production.

RRB WR 10/17/80: Jack Pierce called to inquire about the Ox Bow Mine in Gila County. He is looking at it for Perma Resources Co., P.O. Box 93, Durango, Colorado 81301, phone (303) 259-1290. He said that Marvin Hatch claims to have control of it at this time. Also Milton Fuller of Perma Resources Co. called to inquire about reclamation laws in Arizona.

KAP WR 10/24/80: A report was received that Perma Re sources Group of which Milton Fuller is Mining Manager, is evaluating mineral properties in Arizona. The Ox Bow Mine, Green Valley District, Gila County, was submitted to them and they turned it down.

KAP WR 11/21/80: In the company of Dick Beard, a visit was made to the Golden Wreath Mining Company operation - lower placer, Green Valley District, Gila County. All placer equipment has been removed from the property and the placer operation appears abandoned.

A company known as Pro-Met of Arizona, Inc., P.O. Box 275, Tonto Basin, Arizona 85553, phone (602) 479-2256, is reported to be operating the Tonto Mill, which was previously operated by the Tonto Mining & Milling Company. Mike McCarty is Geologist and "Ore Finder" for the company. The operation is owned by Ed Wagner, Bob Carroll, and Jack Keller. They are currently looking for a source of custom ore for the mill. They are trying ore from Ox Bow Mine, Green Valley District, Gila County, and Mammoth and Black Queen Mine, Goldfield District, Pinal County.

RRB WR 7/10/81: Jack Bell of Bell Associates, P.O. Box 19127, Phoenix, 85005, phone number 174-1121, Trading Center at 816 Camelback came in to learn about Barite and about Jerry Blech's Taurus No. 1 and Ox Bow properties in Gila County. He is considering working the placer gold and developing the barite. Mr. Bell also wants to contact any small miners that are producing gold. He said his refinery can take concentrates if the grade is high enough but didn't give any minimum grade. He also has an x-ray diffraction machine for qualitative analysis of ores. He invited us to visit his refinery.

OX BOW MINE (file) GILA CO.

KP/WR 10/26/79 - Jerry Bleck reported that he has determined that Paul and Jerrie Harrison, Fresno, Ca. own the Ox Bow Mine, Green Valley District, and further that they have leased it to Clay Thorne of Payson who has sublet it to Don Adams of Payson.

KAP WR 1-9-80: Everett Hetzell of Gold Brokers Inc., P.O. Box 16192, Phoenix, Arizona 85011, phone 971-6322, is evaluating Jerry Bleck's holdings in the Green Valley District, Gila County. He is concerned about the possiblity of title conflicts on the property. It was suggested he hire a competent mineral land abstractor to resolve the problem.

KAP WR 1-10-80: Clay Thorne is reported to be processing 50 tons of placer material per day from his Ox Bow placer mine. The concentrate is reported to contain 5.0 tr.oz/ton gold, 20 tr.oz/ton silver, 0.01 tr.oz/ton platinum, 0.03 tr.oz/ton iridium, and 0.54 tr.oz/ton osmium.

KAP WR 2/8/80: Clay Thorne, P.O. Box 97, Payson 85541, requested information on surface rights. He is operating a placer mill on the old Ox Bow Mine, Green Valley District, Gila County. He is operating under the name of Golden Reef Corporation.

RRB WR 7/11/80: Visited the Ox Bow Mine near Payson, Gila County, with Ken Phillips.

KAP WR 7/25/80: With the assistance of Dick Beard, four splits were made on the Ox Bow and Golden Reef Mine sample rejects from Arizona Testing Laboratories. The samples will be shipped to Jacobs Assay Office in Tucson and Crown King Assay Office in Humboldt.

AWB WR 8/20/80: Mr. Clay R. ~~Throcow~~ THORNE, P.O. Box 97, Payson Arizona 85541, donated some gold ore from the Ox Bow Mine and a woven coral specimen.

KAP WR 8/15/80: Assay results on samples from the Ox Bow Mine, Green Valley District, Gila County, were obtained from Walt Statler at the Iron King Assay Office and Mike Jacobs at the Jacobs Assay Office.

KAP WR 8/22/80: Marvin Hatch reported that Clay Thorne has been operating the tromel sluice on the Golden Wreath and Ox Bow Mine for five days. They have not yet cleaned up the sluice so they can not measure their production but he reported there was no gold in the sluice tailings.

OX BOW MINE GILA CO.

Went to Payson and stopped at Charles Dudley's rock shop. Mr. Dudley said Raymond LeRoy Sr. and Jr. of California were planning some core drilling in the immediate vicinity of the Old OxBow Mine. The OxBow is patented but Pete Saccuci, Kachina Realty, Payson says they have it leased with an option to buy. GW WR 10/26/72

Tim Anderson and Warren Fry came in to discuss the OxBow mine SW of Payson. Apparently Pete Saccuci, Kachina Realty, Payson, had contacted them relative to an investment in the current exploration. They are both rank amateurs, therefore, trenching and sampling of the surface was explained as well as the logical location of core holes. Weather permitting, a tentative date for an examination of the property was made for Dec. 18. They said Don Podesta, Phoenix, was the consulting geologist on the project. Coring is to begin next week. GW WR 12/8/72

The Kachina Realty office was visited to contact Mr. Pete Saccuci but Mr. Street, manager, said Pete had quit the real estate business and was devoting all his time to the exploratory work on the claims surrounding the Ox Bow. A trip was made to the Ox Bow but no one was found. GW WR 2/28/73

Reference: ABM Bull 120 p. 25-37

KP/WR 8/11/78 - Clay Thorne reported he is planning to heap leach the Gila Monster, Golden Wonder or (85 Mine) and Oxbow Mine in the Green Valley Dis., Gila Co. 1/4/79 a.p.

GM/WR 11/29/78 - Clay Thorne called wanting a list of platinum buyers. Said that he had some 10 to 1 concentrates assayed by A.P. Williams of Analytical Consultants, 5805 Drive, Houston, Texas. The results were as follows: 29.6 Au, 1.02 oz. platinum, 0.36 oz. palladium, 0.82 rhodium, 0.56 iridium, 4.2 oz. ruthenium-thorne also stated that he had 2 1/2 million tons of placer material and his plant will process 1 to 2 ton/h and that starting today he will make a preliminary run for 30 days. To date he had only run for one 8 hour shift. 6/6/79 a.p.

Ox Bow Mines
113 Kenway St. Suite 201
Rockwall, Texas 75087

All of us at Ox Bow Mines are pleased that you are interested in taking a look at our program.

A copy of THE GOLD BOOK is enclosed per your request. It will provide you with the information required to make an informed decision based on the facts.

The Ox Bow Project has been structured to provide the individual with a vehicle to own gold at production costs without risking capital.

We will make a courtesy call in the next few days to make sure that you have received THE GOLD BOOK. At that time we can answer any questions. In the meantime, feel free to call 1-800-433-7696 (outside Texas) or 214/722-9911. Thank you.

Regards,

Lee Thompson

Lee Thompson
President and CEO

Dear Marjorie, Gold - Here's the Book on Ox Bow is a wholly owned incorporated subsidiary of Magnum-Tontine -

J

214-722-9911
(outside Texas) 1-800-443-7696

THE MAGNUM-TONTINE CORPORATION
"An Oil Production Company"

JOHN RODER
Vice President

Hammond, N.Y. 13646-0085

315/324-5156

Ox Bow Mine
Ida

ALLIED GROUP
Securitie
ALLIED Group Securities Corporatic
380 Capital Squa
400 Locust Stre
P.O. Box 104
Des Moines, Iowa 50306-04
Tel. No. (515) 246-20
Iowa Wats 1-800-622-66
Outside Iowa Wats 1-800-235-54

January 14, 1988

Tom McGarvin
845 North Park
Tucson AZ 85719

Dear Tom,

I have written to thank you for the help you gave Jeff Tollefson and I Wednesday over the phone regarding the Ox Bow Mine gold mining project. This was a proposal that came our way and looked pretty good at first glance. However, our limitations regarding gold investments include utter ignorance, which is why we called you and some other authorities on the subject. The information and references you provided were a great help.

In essence, what we found was that nobody seemed to have heard of the companies which did the assays, except for one. The one assay firm people had heard of didn't mention gold in their report. However, some people had heard of Clay Thorne, the chief mining consultant to the project. Indeed, they apparently have quite a file on the gentleman. His reputation is that he doesn't deliver on what he promises, and has been involved in some questionable deals in the past.

As if that wasn't enough, we had been assured by people presenting this project to us that it isn't a security, and so does not need to be registered with the state securities commissioners. This sounded mildly odd, so we asked the ex-Securities Commissioner of Iowa to review the documents, and he said it is indeed a security and we could get in nasty legal difficulties if we sold it. We like to keep our business squeaky-clean, so he might as well have told us we could get leprosy touching the offering. We are, for our own entertainment, following the last of the leads on the firm, but will not be selling it at all.

In any case, I'd like to thank you for your help. The information you and others provided kept us from doing anything stupid with our customers' money, and have shown once again that anything that looks too good to be true probably is. I have enclosed one of the offering documents with this letter. You can do with it what you will--read it, throw it out, or keep it for laughs. We've got lots of extras. Thanks again.

Sincerely,

Matthew J. Cole

Matthew J. Cole

ALLIED GROUP
Securities

Matthew J. Cole
Manager Special Projects

ALLIED Group
Securities Corporation
380 Capital Square
400 Locust Street
Des Moines, IA 50309
515 246-2000
Ia. Wats 800 622-6609
Outside Ia. Wats 800 235-5464

SIPC

U.S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE

TONTO NATIONAL FOREST
Payson Ranger District
1009 East Hwy. 260
Payson, AZ 85541

(Gila County)
(file)

OX BOW Mines

214-722-9911 (outside Texas) 1-800-433-7696

INSTRUCTION SHEET

1. FILL OUT AND SIGN ORE PURCHASE APPLICATION. (BLUE PAPER)

   NOTE: BE SURE PAGE 2 IS COMPLETE.

2. MAKE OUT CHECK TO OX BOW MINES FOR THE APPROPRIATE AMOUNT ($2,000.00 FOR EACH 125 TONS OF ORE THAT YOU DESIRE TO PURCHASE.)

3. FILL OUT AND SIGN ORE PURCHASE & EXTRACTION AGREEMENT. (BEIGE PAPER)

   NOTE: BE SURE TO COMPLETE ALL 3 PAGES.

4. FILL OUT AND SIGN MINING & PROCESSING AGREEMENT TO ACTIVATE GUARANTEES. (GREEN PAPER)

   NOTE: BE SURE TO COMPLETE ALL 3 PAGES.

5. FILL OUT AND SIGN OX BOW IRREVOCABLE TRUST AGREEMENT PROVIDED YOU HAVE DULY EXECUTED THE MINING & PROCESSING AGREEMENT. (YELLOW PAPER)

6. FORWARD ALL DOCUMENTS AND YOUR CHECK FOR THE APPROPRIATE AMOUNT TO:

   OX BOW MINES
   113 KENWAY STREET, SUITE 201
   ROCKWALL, TX 75087

7. WE WILL FORWARD COPIES OF EXECUTED DOCUMENTS TO YOU UPON ACCEPTANCE BY OX BOW MINES.

ORE PURCHASE APPLICATION

Ox Bow Mines
113 Kenway Street Suite 201
Rockwall, Texas 75087

Gentlemen:

(I) (We) hereby desire to purchase _____(125 tons or multiples thereof) tons of gold bearing ore in the OX BOW MINES PROPERTIES. Enclosed herewith is a check payable to Ox Bow Mines in the amount of $_____ ($2000 per 125 tons) as full payment for the aforementioned ore. These funds cover ore cost of $1.60 per ton and extraction cost of $14.40 per ton. If accepted Ox Bow Mines will return a duly executed copy of this agreement to the purchaser by return mail. If not accepted, Ox Bow Mines will return the enclosed check along with a letter to that effect.

In regard to the aforementioned ore, (I) (We) have decided as follows: (Initial either 1 or 2 of the following:)

_____ Initial

1. (I) (We) have decided to have the aforementioned ore mined and processed by Ox Bow Mines. Enclosed herewith is an executed copy of the Mining and Processing Agreement and the Ox Bow Irrevocable Trust Agreement. By executing these agreements, the guarantees defined in these respective agreements are put into effect. A copy of these duly executed agreements will be forwarded by return mail.

_____ Initial

2. (I) (We) have decided to have the mining and processing of the aforementioned ore done by other than Ox Bow Mines. (I) (We) will notify Ox Bow Mines within thirty (30) days from this date as to the disposition of the aforementioned ore. (I) (We) understand that (my) (our) decision will result in all guarantees being rendered null and void.

(I) (We) certify that (I) (We) have the legal capacity to execute this agreement. (I) (We) desire to take title of the aforementioned ore as follows: (Check one)

_____(a) Husband and Wife as Community Property

_____(b) Joint Tenants with right of Survivorship

_____(c) Tenants in Common (Both must sign)

_____(d) Separate Property

_____(e) Other, e.g., Corporations, Partnership, Custodian, Trustee, etc. (Indicate)_____

Dated:_____

Social Security or Tax ID #:_____

(PLEASE PRINT OR TYPE)

NAME(S):_____

_____

STREET:_____

CITY:_____STATE:_____ZIP:_____

HOME PHONE:_____/_____

BUSINESS PHONE:_____/_____

SIGNATURE:_____

_____

Accepted this date:_____

_____

Ox Bow Mines, Title_____

OX BOW MINES
113 Kenway Street Suite 201
Rockwall, Texas 75087
1-800-433-7696 (Outside Texas) 214-722-9911

GOLD ORE PURCHASE AND EXTRACTION AGREEMENT

This Agreement made and entered into on the date recorded below by and between Ox Bow Mines hereinafter referred to as SELLER and (Name)_____
hereinafter referred to as BUYER.

WITNESSETH

WHEREAS, the SELLER owns and/or controls the mining and mineral rights to certain gold bearing ore properties known as the Ox Bow Mine Properties.

DESCRIPTION - The Ox Bow Mines property is located in Section 32, Township 10 North, Range 10 East G&SRB&M, Gila County, Arizona. Contiguous lode mining claims to those listed above are located in parts of Section 32, Township 10 North, Range 10 East and Sections 5,7,8 and 18, Township 9 North, Range 10 East G&SRB&M, Gila County, Arizona. All of the above encompass the total six hundred and eight (608) acres, more or less, which constitutes the Ox Bow Project. Ox Bow Mines owns and/or controls the total six hundred and eight (608) acres, more or less, as described above.

LOCATION - The Ox Bow Mines property is located approximately five (5) miles south of Payson, Arizona in Gila County. It is on the eastern drainage slope of Rye Creek. Arizona State Highway 87 runs roughly parallel to the Ox Bow property at an approximate distance of one (1) mile from the property.

WHEREAS, this Agreement specifically deals with high grade gold bearing ore situated on the 608 acres, more or less, as described above.

WHEREAS, the SELLER is desirous of selling a total of sixty two thousand five hundred (62,500) tons of gold bearing ore out of the five million (5,000,000) tons available in increments of one hundred and twenty-five (125) tons and

WHEREAS, the selling price of each one hundred and twenty-five (125) tons is two thousand ($2000) dollars and

WHEREAS, the BUYER of one hundred and twenty-five (125) tons of gold bearing ore or multiples thereof warrants and represents that he and/or she is financially able and desirous of purchasing one hundred and twenty-five (125) tons of gold bearing ore or multiples thereof as set forth in this agreement.

NOW THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, as well as of other good and valuable considerations, the parties hereto do bind, as applicable in their respective capacities, themselves, their heirs, successors, executors, administrators as follows:

PURCHASE

The SELLER hereby agrees to sell and the BUYER hereby agrees to purchase _____tons (125 tons or multiples thereof) of gold bearing ore that is situated on the aforementioned property as previously described at a price of $2000 per 125 tons for a total of $_____. These funds cover ore cost of $1.60 per ton and extraction cost of $14.40 per ton.

TERMS AND CONDITIONS

The BUYER shall have the right to remove, process and refine his and/or her gold bearing ore himself and/or herself or to contract with others for these services.

The SELLER shall be responsible for the payment of all expenses except those that relate to the purchase and extraction of gold bearing ore.

The BUYER shall be responsible only for the costs of purchase and extraction of the gold bearing ore purchased herein if BUYER elects to enter into the Mining and Processing Agreement with Ox Bow Mines. If BUYER elects to remove the aforementioned ore from the Ox Bow Mine Project properties and process it or have it processed elsewhere, the cost of moving the ore, processing, etc. will be borne by the BUYER.

The BUYER and SELLER agree that each shall have the right of reasonable access to the area where the gold bearing ore purchased herein is situated.

WARRANTS

The SELLER warrants and the BUYER relies upon said warrant that the specific amount of gold bearing ore purchased by the BUYER contains a sufficient quantity of recoverable gold to justify the BUYER's purchase, provided the recovered gold can be sold at more than $200 an ounce.

The SELLER warrants that the aforementioned gold bearing ore is under the ownership and/or control of the SELLER.

The SELLER warrants that he has no interest whatsoever in the BUYER's mining activity.

TIME

This is a time of the essence agreement and as such the SELLER and BUYER agree as follows:

BUYER warrants that he and/or she will commence to remove his and/or her gold bearing ore within one (1) year from the date hereof. Additionally, the BUYER must give SELLER thirty (30) days written notice prior to removal of gold bearing ore. If the BUYER chooses to utilize Ox Bow Mines as his and/or her mining contractor by duly executing the Mining and Processing Agreement, the SELLER will commence to process the aforementioned gold bearing ore within one (1) year of the acceptance date of the duly executed Mining and Processing Agreement.

TERM

The term of this Agreement shall be for a period of one (1) year.

BUYER REFUND OPTION

From the date of the purchase of the ore offered herein, BUYER may take a company guided tour of the Mining Area at any time within sixty (60) days; and, at the BUYER's option, may sell their ore back to OX BOW MINES for the amount paid by the BUYER for the ore.

UNDERSTANDING

This Agreement constitutes the entire understanding of the parties hereto and any amendments must be made in writing and mutually agreed to by all parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year recorded below.

ACCEPTED AND APPROVED
BY SELLER

_____
OX BOW MINES

Dated:_____

ACCEPTED AND APPROVED
BY BUYER(S)

_____
Signature

_____
Signature

Dated:_____

OX BOW MINES
113 Kenway Street Suite 201
Rockwall, Texas 75087
1-800-433-7696 (Outside Texas) 214-722-9911

MINING AND PROCESSING AGREEMENT

This Agreement made and entered into on the date recorded below between Ox Bow Mines hereinafter referred to as CONTRACTOR, and

_____

hereafter referred to as PRINCIPAL.

WITNESSETH

WHEREAS, PRINCIPAL is the owner of _____tons of gold bearing ore which is located on the parcel of land described in the OX BOW MINES ORE PURCHASE AND EXTRACTION AGREEMENT.

WHEREAS, CONTRACTOR warrants and represents that it and it's consultants possess the expertise and financial ability to mine, and process the PRINCIPAL's gold bearing ore into gold bars; and

WHEREAS, the PRINCIPAL is desirous that the CONTRACTOR provide the aforementioned services for PRINCIPAL'S_____tons of gold bearing ore

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, as well as other good and valuable considerations, the parties hereto do bind, as applicable in their respective capacities, themselves, their heirs, successors, executors and administrators.

MINING AND PROCESSING COSTS

CONTRACTOR hereby agrees that it will mine and process the PRINCIPAL'S gold bearing ore within one (1) year from the date of this agreement. CONTRACTOR hereby warrants that ten (10) Troy ounces of gold will be made available for delivery to PRINCIPAL from each one hundred and twenty-five (125) tons of ore processed. CONTRACTOR will mine and process additional ore that it owns, if necessary, to execute this warrant in the event of any production shortfalls. In any event no additional cost will be incurred by the PRINCIPAL. All aforementioned gold will be refined .999 Fine gold and hallmarked by a reputable company such as Engelhard, Johnson Matthey or equivalent. CONTRACTOR will notify PRINCIPAL when PRINCIPAL'S gold has been refined and hallmarked. PRINCIPAL will then direct the refiner as to the disposition of the aforementioned gold.

PRINCIPAL hereby agrees that Ox Bow Mines will retain all recovered gold in excess of ten (10) Troy ounces per one hundred and twenty-five (125) tons of ore processed, as well as all other minerals of value. This is to compensate Ox Bow Mines for the mining and processing costs of the aforementioned gold bearing ore.

CONTRACTOR OBLIGATIONS

Upon receipt of a duly executed Mining and Processing Agreement from the PRINCIPAL, the CONTRACTOR agrees to begin mining and processing activities on a reasonable and timely basis.

The CONTRACTOR agrees to complete all mining and processing of the PRINCIPAL's ore not later than twelve (12) months after the date of execution of this Agreement.

The CONTRACTOR agrees that any and all costs incurred in complying with the normal and standard environment, conservation, or mining requirements imposed by federal, state and local laws, regulations, or ordinances shall be borne solely by the CONTRACTOR. If the completion of the mining by the CONTRACTOR should be delayed for any cause beyond the control of the CONTRACTOR including, but not limited to, fire, storm, flood, earthquake, explosion, accident, acts of public enemy or sabotage, strikes, labor disputes, labor shortages, material shortages or machinery used by the CONTRACTOR, acts of regulations of the Federal Government, state or local government or branches or agencies thereof, then the PRINCIPAL may rely on the duly executed OX BOW IRREVOCABLE TRUST AGREEMENT, if he desires, to recover his full purchase price. CONTRACTOR hereby agrees to promptly notify the PRINCIPAL as soon as the PRINCIPAL's aforementioned gold is available for delivery.

MINING GUARANTEE

THE CONTRACTOR HEREBY WARRANTS THAT HE WILL DELIVER TO THE PRINCIPAL TEN (10) TROY OUNCES OF GOLD FROM EACH ONE HUNDRED AND TWENTY-FIVE (125) TONS OF ORE PROCESSED COVERED BY THIS AGREEMENT.

The PRINCIPAL hereby agrees that Ox Bow Mines will retain all gold and all other minerals of value that are in excess of ten (10) Troy ounces of gold per each one hundred and twenty-five (125) tons of ore processed.

If the CONTRACTOR does not recover ten (10) Troy ounces of gold for each one hundred and twenty-five (125) tons of ore processed, the CONTRACTOR hereby agrees to mine and process additional ore, at no extra cost to the PRINCIPAL, until ten (10) Troy ounces of gold have been recovered for each one hundred and twenty-five (125) tons of ore purchased.

This Agreement constitutes the entire understanding of the parties hereto and any amendments must be made in writing and mutually agreed to by the parties hereto.

Should any litigation proceedings be commenced between the parties hereto concerning this Agreement of the rights and duties of such parties in relation thereto, the parties prevailing in such litigation shall be entitled, in addition to such other relief as a Court of competent jurisdiction may grant, to a reasonable sum for attorney fees and court costs.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

ACCEPTED AND APPROVED
BY CONTRACTOR

_____
OX BOW MINES

Dated:_____

ACCEPTED AND APPROVED
BY PRINCIPAL(S)

_____
Signature

_____
Signature

Dated:_____

OX BOW MINES
113 Kenway Street Suite 201
Rockwall, Texas 75087
1-800-433-7696 (Outside Texas) 214-722-9911

IRREVOCABLE GOLD TRUST AGREEMENT

This Agreement made and entered into on these dates by and between Ox Bow Mines hereinafter referred to as the CONTRACTOR and _____
hereinafter referred to as the PRINCIPAL.

WHEREAS, the CONTRACTOR hereby agrees to return the full purchase and extraction price to any PRINCIPAL if unable to make available for delivery ten (10) Troy ounces of .999 gold for each one hundred and twenty-five (125) tons of ore processed within twelve (12) months from the date of acceptance of this duly executed agreement.

The PRINCIPAL understands that this agreement defines a time limit during which the CONTRACTOR must perform. It's purpose is to insure the PRINCIPAL against the risk incurred in the event of production interruptions that are beyond the control of the CONTRACTOR. These events include fire, flood, acts of God, natural catastrophe, or any event beyond the control of the CONTRACTOR and

WHEREAS, the PRINCIPAL may choose to refuse the full return of the aforementioned purchase and extraction price and thereby cause the PURCHASE AND EXTRACTION AGREEMENT and the MINING AND PROCESSING AGREEMENT to remain in full force.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year written below.

ACCEPTED AND APPROVED
BY CONTRACTOR

_____
OX BOW MINES

Dated:_____

ACCEPTED AND APPROVED
BY PRINCIPAL(S)

_____
Signature

_____
Signature

Dated:_____

Arizona Department of Mines and Mineral Resources

VERBAL INFORMATION SUMMARY

May be Reproduced

1. Information from: Bob Ehrman c/o Magna Tontini
   Address: 113 Kenway Street #201, Rockwall, Texas 75087
2. Mine: Oxbow 3. ADMMR Mine File Oxbow
4. County: Gila 5. District Green Valley
6. Township _____ Range _____ Sec(s) _____
7. Location: _____
8. No. of Claims - Patented one Unpatented ?
9. Owner (if different from above) _____
10. Address: _____
11. Operating Company: _____
12. Pertinent People and/or Firm: _____
13. Commodities: gold, silver
14. Operational Status: _____
15. Summary of information received, comments, etc.: _____

Mr. Ehrman reported his firm has acquired the Oxbow Mine and plans to put both the placer and the lode into production.

His plans are to operate the placer as soon as possible with the lode to follow.

He will start by establishing a laboratory on site and evaluating the best processing method for lode ore. He claims to have gathered sufficient data to prove the viability of the mine independent from results determined by Clay Thorne.

Date: 11-12-87 Ken McPhillips (Signature) ADMMR

OX BOW FILE

October 14, 1980

Walter Statler
Iron King Assay Office
Iron King Mine
P.O. Box 247
Humboldt, Arizona 86329

Dear Walt:

Enclosed is the check for Assay Certificate 08-4-22 on five pulps assayed for gold and silver; although the samples were submitted by us for Marvin Hatch of Ames Ford in Winslow.

I have noted a difference in the price listed on the certificate and the amount of the check. I believe the check is in the amount quoted Dick Beard back in July when we sent the pulps. Please let me know if the check is insufficient.

Also enclosed is a tabulation of the resulting assays from Arizona Testing Laboratories, Jacobs Assay Office, yourself and Clay Thorne, the property's owner-promoter.

Sincerely,

Ken A. Phillips
Mineral Resources Engineer

KAP:mw

Encls

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA

FIELD ENGINEERS REPORT

Mine	Oxbow and Golden Wreath Mines	Date	September 23, 1980
District	Green Valley District, Gila Co.	Engineer	Ken A. Phillips Mineral Resources Engineer
Subject:	Oxbow Mine Visit July 9, 1980		Dick Beard Mineral Resources Specialist

At the request of Marvin Hatch an investor, a visit was made to the Oxbow and Golden Wreath Mines in the Green Valley District, Gila County on July 9, 1980. The purpose of the visit was to review the current status of the property, the information available on the property and assist Mr. Hatch in determining why there had been no gold production.

Mr. Hatch reported he has invested nearly $150,000 in the property to put it in production. He was concerned that an apparent series of problems seems to be preventing production and requested the department's assistance.

On July 9, 1980 the author's met with Marvin Hatch of Winslow and Clay Thorne of Payson. Mr. Thorne leases the mine and is the property's promoter, assayer, and operator. The expenses (gasoline from Phoenix to Payson and return and meals) were paid by Mr. Hatch for which the Department is most grateful.

For purposes of discussion and description, the operation can best be divided in two parts: (1) the lode mine and attempted processing operation and (2) the placer operation.

The lode deposit consists essentially of the Oxbow vein. Other veins and mineralized outcrops occur on the property, however, most development and attempted operations have been confined to the Oxbow vein. A description of the vein and the geology of the District is described in Gold and Silver Deposits Near Payson, Arizona, by Carl Lausen and Eldred D. Wilson, Arizona Bureau of Geology and Mineral Technology Bulletin 120, 1926, pp. 36 - 39.

Clay Thorne reported a number things about the lode operation and a number of observations were made:

1. Clay Thorne reported "old timers" left 6 to 7 troy ounce per ton gold ore in stopes in the Oxbow workings because it was too low grade.

2. Clay Thorne reported an outcrop on the hill to the west of the Oxbow contains a vein on which a mine once known as the Midget was worked. He reported the vein at the portal assays 5 troy ounces of gold per ton.

Response:

One (1) and 2 above would indicate that ore of extremely high value was ignored or left behind by previous operators. We know of no time in the history of the Green Valley District when ores containing 5 troy ounce gold/ton and more would not have been economically mineable.

3. Clay Thorne reported he has identified native lead in samples from the Oxbow.

Response:

The occurrence of native lead is very rare and usually requires x-ray tests to verify its existence. Whether or not native lead occurs at the property should have no bearing on the ore deposit.

4. Clay Thorne reported he had received a cash offer for the property from James W. Furlow of Dames and Moore.

Response:

This could not be verified. James W. Furlow of Dames and Moore was contacted.

5. Clay Thorne reported he has extensively sampled the property and has proven ore.

Response:

Sampling work was evident over an important portion of the property. Results and maps were lacking.

6. Clay Thorne reported the property has been drilled extensively to prove a large tonnage of leaching ore.

Response:

Extensive drilling was noted. Results, sections, and maps were lacking.

7. Clay Thorne reported his past milling methods have not been successful. They have consisted of crushing, grinding in a ball mill to minus 200 mesh with lime and potash to maintain a ph of 11, concentration in Knudsen Bowls loaded with mercury, and concentration on tables.

Response:

This type of mill is typically used for coarse to medium free milling gold ores. No information was available as to quantity of free milling ore available or the ores amenability to the process.

8. Clay Thorne reported he is running his own assays using a 15:1 or 21:1 litharge to ore ratio and secret fluxing methods developed in Russia. He reports very favorable results.

Response:

Five samples were taken and sent to Mr. Thorne and three other assayers. The results are contained in a separate table. The analysis of precious metal contents of ore by exotic or experimental methods is best described as research. Assay results which are not generally repeatable by other professional assayers nor are indicative of recovery by standard processing methods should not be used in determining the viability of a mine for economic operation. Such work may well be valuable research, but should be separate and distinct, not the basis for developing a mine.

9. Clay Thorne reported that gold could be panned from crushed samples.

Response:

The statement appears acceptable. It was not verified but the outcrops, veins and specimens are typical of samples containing free gold. Panning of free gold, alone is not sufficient information to base the development of an expensive mine-mill complex.

10. Clay Thorne reported he has a barite deposit on the property which also assays gold and silver and would support mining for all three.

Response:

The barite runs in narrow stringers in a zone 44' wide striking N. 55°W. The zone consists of highly altered fractured rock containing relatively few quartz veins with limonite and numerous barite stringers. The low assay results for gold and silver and narrow width of the barite would limit the economic potential of a barite - precious metal co-product operation.

Further observations on the lode deposit - operation

The vein system is strong, persistent and can be traced for over 2,000'. Indications are it may continue much further.

The portal (#1 level) to the Oxbow Tunnel is open and in fair condition. The vein is exposed in the back at the portal and is 32" wide. Quartz and limonite are evident in the vein.

Outcrops on the #2 level (upper) are up to 8' wide. They occur as fissure veins containing quartz, sulfides (limonite near the surface) and fractured altered country rock. The mineralization is strong and impressive in spite of the low assay values from Sample #2 on the assay table.

Conclusions and Suggestions - Lode

The authors have divided conclusions into those which are favorable and those which are deleterious.

Favorable:

The lode vein system is strong, persistent, and can be traced for over 2,000' and indications are it may extend much further.

Mineralization is evident in underground workings, surface cuts and in outcrops.

A sampling program has been initiated.

A drilling program has been initiated.

Deleterious:

Sampling programs have apparently been abandoned without being completed or documented.

Suggestions: Lode Deposit

Prove lode reserves. The property appears, on a reconnaissance visit, to justify detailed geologic mapping, surface sampling of outcrops and detailed underground sampling. Work should be supervised by an uninvolved, qualified engineer.

Clay Thorne reported a number of items about the placer operations and a number of observations were made:

1. Clay Thorne reported there is economically viable placer ground in Placer Creek (local name, see attached map) and Rattlesnake Canyon. He reported this ground is covered by portions of six association placer claims of 60 acres each. The claims are known as the Golden Wreath #1 - #6.

Response:

No sampling data was presented to substantiate the conclusion. Further the "upper placer" and "middle placer" areas can be classified a gulch placers and contain outcrop of bedrock in the gulch bottoms. Gulch placers are usually confined to small and minor drainages with steep gradients. They are typically made up of a mixture of poorly sorted gravel and detritus from adjacent hillsides. Because of the steep gradient (640' to 400' per mile) the gravel accumulations are often thin and discontinuous. What gold there is will likely be coarse and well concentrated on bedrock. Gulch placers are small and spotty, but high grade spots are not unusual.

2. Clay Thorne reported the placer material runs 1 troy ounce of gold in 22 tons of ore (0.045 tr. oz./ton).

Response:

No sampling or placer deposit survey data was provided. The value given may not be unreasonable, but the spotty nature of the deposits is detrimental.

3. Clay Thorne reported his placer concentrate contains 5.0 tr. oz. gold/ton, 20 tr. oz. silver/ton, 0.01 tr. oz. platinum/ton, 0.03 tr. oz. iridium and 0.54 tr. oz. osmium/ton.

Response:

These values in the placer concentrate were not verified. By whom and what assay method were the values determined.

4. Clay Thorne reported that James W. Furlow of Dames and Moore described the alluvial material in the area of lower Rattlesnake Canyon, Oxbow Gulch and Midget Draw as glacial deposits.

Response:

James W. Furlow of Dames and Moore was contacted. The information could not be verified.

Observations:

The operation at the time of the visit on the "lower placer" was impressive. It includes a 30' x 5' tromel, which discharges onto a 6' grizzly. Undersize goes to a 1 1/2" screen. Minus 1 1/2" is carried by an 8' nugget trap (launder) to a vibrating screen, to a nugget trap to a magnetic separator (to remove some of the excessive amount of black sand). The magnetic separator discharges to an 80' sluice made up of two parallel 44" wide boxes. The sluice includes three drops.

The above plant was constructed as a full scale pilot operation but has not operated due to loss of water supply. Operation is planned as soon as summer rains begin.

The placer plant is constructed in a stream bed which may be subject to flash floods. The location may also require mechanical handling of tailings to an adequate disposal sight.

Conclusions and Suggestions - Placer

Conclusions have been divided into favorable and deleterious.

Favorable:

Adequate equipment is setup and appears operational on the "lower placers".

Deleterious:

Lack of adequate placer sampling. (Can be done with existing equipment under proper technical supervision). Placer concentration ratios by test units are unacceptably low.

Inadequate water supply for placer operation as presently established. Location of placer plant in stream drainage may be hazardous and require hauling of tailings.

Suggestions - Placer

Consider dropping the vibrating screen and nugget trap from the placer machine. Neither are essential and both complicate the processing plant.

Prove a much larger placer reserve and water supply before considering investing in a larger placer operation.

Further Conclusions:

The lease holder is active with the property, enthusiastic and capable of promoting exploration and development monies.

Lease holder-promoter-operator is doing his own assaying (really-research) and his results are consistently much much higher (see assay data table) than check samples sent to Registered assayers. Lease holder states he is using high litharge ore ratios, secret fluxes and secret Russian methodology.

Lease holder-promoter is trying to develop and operate mine. Promotion of monies necessary to explore and develop a mine is essential to the success of a mining venture. The knowledge, abilities and methods of a successful mine development promoter, however, often conflict with the technical and engineering details needed to properly explore, develop and operate a mine.

Separate individuals to handle promotional functions and technical functions should be established.

The property appears to be a very good prospect, but cannot yet be called a viable mine.

KAP/ap

OX BOW MINE SAMPLES

July 9, 1980

Au in Tr.Oz./Ton Ag in Tr.Oz.Ton < Less Than

OX BOW	ATL		CLAY THORNE		WALT STATLER		JACOBS		DESCRIPTION
	Au	Ag	Au	Ag	Au	Ag	Au	Ag	
#1	#1 .01	.10	#2 .50	14.85	#3 Tr	.02	.001	<.05	Composite sample of ore from stockpile and vein outcrop taken by Clay Thorne as his best available from stockpile and outcrop exposed at #2 level on Golden Wreath Patent. Taken by Clay Thorne.
#2	#2 Tr	.10	#3 21.69	4.36	#2 Tr	.10	.007	<.05	Chip sample across vein (23" wide) 50' north of sample point #29. Vein material consisting of vuggy quartz and limonite. Taken by Ken Phillips and Dick Beard.
#3	No visible gold								Concentrate from initial run of placer machine. Material is poorly concentrated. Similar to material panned at the property from which a small nugget and a few fines were recovered. Taken by Dick Beard and Clay Thorne.
#4	#4 .03	.10	#4 3.84	1.64	#1 .022	.14	.015	<.05	Barite stringers from a zone 44' on the Gold Bird #12 Claim. Stringers of barite run 1-20" wide in zone. Taken by Ken Phillips.
#5	#5 Tr	Tr	#1 2.18	2.70	#5 Tr	.18	Tr	<.05	Crushed and screened ore stockpiled at placer plant site. Material was prepared for a cyanide heap leach test. Taken by Ken Phillips and Dick Beard.
#6	#6 Nil	Nil	#5 30.66	4.43	#4 Tr	.02	Tr	<.05	Control sample.

KAP:mw
9/22/80

ASSAY RESULTS OF OXBOW SAMPLE

TAKEN JULY 9, 1980, AND RUN BY CLAY THORNE

OXBOW#	ADMR#	WT AU (MILLIGRAMS)	AU (TR.OZ/TON)	WT AG (MILLIGRAMS)	AG (TR.OZ/TON)
5	1	0.374	2.18	0.463	2.70
1	2	0.086	0.50	2.546	14.85
2	3	3.719	21.69	0.747	4.36
4	4	0.659	3.84	0.281	1.64
6	5	5.256	30.66	0.760	4.43

Figured from beads supplied by Clay Thorne.

Weights by Mike Jacobs.

Each assay sample had 2 beads, each from 2-1/2 grams of ore run by Clay Thorne of Payson, using 15:1 and/or 21:1 litharge to ore ratios, secret fluxes and secret Russian methodology.

KAP:mw
9/26/80

Arizona Testing Laboratories

817 West Madison · Phoenix, Arizona 85007 · Telephone 254-6181

For State of Arizona
Dept. of Mineral Resources
Mineral Bldg Fairgrounds
Phoenix, Arizona 85007
ATTN: Ken Phillips

Date July 15, 1980

ASSAY CERTIFICATE

LAB NO.	IDENTIFICATION	OZ. PER TON		PERCENTAGES			
		GOLD	SILVER	COPPER			
6798	1 Ox Bow	0.01	0.10				
6799	2 Ox Bow	Trace	0.10				
6800	4 Ox Bow	0.03	0.10				
6801	5 Gold Bird 12	Trace	Trace				
6802	6 Ox Bow	Nil	Nil				

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

REGISTERED ASSAYER
CERTIFICATE
6258
CLAUDE E. McLEAN, JR.
Date Signed 7-15-80
ARIZONA, U.S.A.

1435 SOUTH 10TH AVENUE
TUCSON, ARIZONA 85713

Jacobs Assay Office

Registered Assayers

Since 1880

PHONE 622-0813

Certificate No. 60730

TUCSON, ARIZONA 85702 Aug 15, 1980

Sample Submitted by Mr Dept. Mineral Resources

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
#1	.015		< 0.05				
2	.007		< 0.05				
3	.001		< 0.05				
4	TRACE		< 0.05				
5	TRACE		< 0.05				

RECEIVED
AUG 22 1980
DEPT. MINERAL RESOURCES
PHOENIX, ARIZONA

~~Gold Figured $300.00 per oz. Troy~~

Charges $ 32.50 < Less than

Very respectfully,

OXBOW MINE FILE
GREEN VALLEY DIST.
GILA CO.

IRON KING ASSAY OFFIC

ASSAY CERTIFICATE

BOX 247 — PHONE 632-7410
HUMBOLDT, ARIZONA 86329

REGISTERED ASSAYER
CERTIFICATE NO. 2978
~~WALTER G.~~ STATE
Date Signed 82
ARIZONA, U.S.A.

ASSAY MADE FOR
Dept. of Mineral Resources
Mineral Bldg, Fairgrounds.
Phoenix, 85007

Oct. 7, 1980

REF. NO.	DESCRIPTION	oz/ton Au	oz/ton Ag		% Fe	% Pb	% Zn	% Cu
08-4-22	DMR #1	.022	0.14					
	" #2	Tr	0.10					
	" #3	Tr	0.02					
	" #4	Tr	0.02					
	" #5	Tr	0.18					

CHARGES $46.25

ASSAYER _____

July 28, 1980

Mr. Clay Thorne
P.O. Box 97
Payson, Arizona 85541

Dear Clay:

In a separate package we are sending you five (5) pulp samples from those samples Dick and I took when we visited your Oxbow and Golden Wreath Mines.

Please assay them by your procedure and return the results to us (either beads or assay values).

The other assays should also be in to us shortly.

Sincerely,

Ken A. Phillips
Mineral Resources Engineer

KAP:at

M O - 21

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
MINE OWNER'S REPORT

Date: April 29, 1942

1. Mine: Ox Bow
2. Location: Near Payson, Arizona
3. Mining District & County: (Green Valley) (Gila County:
4. Former name: Same
5. Owner: P. J. - C.W. - P.H. Harrison and Alva Buckley
6. Address (Owner) Payson, Arizona
7. Operator: Same
8. Address (Operator) " "
9. President, Owning Co.: Not Inc.
9A. President, Operating Co.
10. Gen. Mgr. P. J. Harrison
14. Principal Minerals: Gold & Copper
11. Mine Supt:
15. Production Rate
12. Mill Supt:
16. Mill: Type & Cap.
13. Men Employed
17. Power: Amt. & Type
18. Operations: Present

19. Operations: Planned: Owners desire to give lease and option.

20. Number Claims, Title, etc.: 18 Claims (2 patented) Title Clear.

21. Description: Topography & Geography: See Engineers Report and Mine bulletin - Page 36

22. Mine Workings: Amt. & Condition: See Engineers Report.

(over)

23. Geology & Mineralization: See Mine Bulletin

24. Ore: Positive & Probable, Ore dumps, Tailings

24A. Dimensions and Value of Ore body

25. Mine, Mill Equipment & Flow-Sheet:

26. Road Conditions, Route:

27. Water Supply:

28. Brief History

29. Special Problems, Reports Filed:

See Engineers Report and Mine Bulletin.

30. Remarks:

31. If property for sale: Price, terms and address to negotiate: Will lease with option on very reasonable terms.

32. Signature P. J. Harrison

Geological Report of
Ox Bow Mine.

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The Ox Bow mine is located approximately 7 miles south of Payson, in Gila County, on the east drainage slope of Rye creek and less than one-half mile off the Roosevelt-Payson Highway. This highway is kept in a very good condition throughout the year.

The mine is about 50 miles north of the Roosevelt dam, about 80 miles from Globe and Miami and about 125 miles from Phoenix. The nearest shipping point is Clarkdale, about 70 miles to the north and west.

This mine consists of two patented claims, the Golden Wreath and the Ox Bow, located upon the main vein and eighteen unpatented claims located adjacent to these. All are duly recorded in the office of the County Recorder of Gila County.

The existant papers show the title vested in Paul J. Harrison, C. W. Harrison, Paul H. Harrison and Alva Buckley.

This region is on the edge of the northern plateau and has an elevation of about 4500 ft. It is on the south slope and therefore has a moderate winter climate, and being somewhat elevated and nearer higher elevations the summer temperature is not excessively hot. Payson is noted for its fine climate and is a vacation resort for many people. There is rain both winter and summer. There is occasional snow in winter, and mid-summer, July and August is rated as the principal rainy seasons.

While there is no permanent running water on the property of the Ox Bow mine, of two canyons crossing the property one has running water most of the time. This canyon has a large drainage area. A well in one canyon has furnished the water for the mine. From this and the adjacent canyon may be obtained the water for mine operations.

There is no timber of note on the property, but around Payson and in the Rye creek area there is considerable timber of a type that resists mine use to a remarkable degree. Much of the timber in the Ox Bow mine is still in an excellent condition. A minimum of timber will be required, however, in the mine as the walls stand very well without it.

The Geology of the region indicates the best for producing gold bearing quartz veins. The Ox Bow mine is in the center of a region of hornblend diorite, much of which is porphyritic. The hornblend is dark green to black giving to the rock a dark gray color. An excess of plagioclase in some parts give a lighter color. This rock is rated as precambrian and as such has basic meaning in reference to mineralization.

At the Ox Bow mine there are dikes of fine grained diorite or andesite, also some porphyry. There are a few spots of differentiation into aplite due to a higher concentration of feldspathic material. Dykes of granite porphyry and rhyolite are found near the entrance to the mine and elsewhere. There is some quartz porphyry in which the quartz is in small fingers and veinlets, showing a tendency, which is observed, also, along the main vein, to permeate the rock with stringers of quartz.

The granite dykes appear to have a northwest southeast direction, while the andesite dykes have more of an east and west direction. Both intersect the main vein.

There is considerable iron in evidence as magnetite , hematite and limonite in all of the rock and in the veins. The limonite is greatest in abundance, especially in the region of the porphyries and in the veins. The hornblend shows considerable magnetite. There is some lime and phosphate present, also occasional patches of olivine around the entrance to the mine, numerous masses of pseudomorph crystalline limonite are found, especially in the granitic phorphyry. The hematite and limonite carry gold.

The Main Vein which outcrops up the ridge fromthe entrance has a northerly and southerly direction turning to the east at the south and towards the northeast at the north crossing the canyon and turning back to the north. It is a true fissure vein with an average width along the tunnel level of about 3½ feet. The vein divides both braided and distributed along its course at intervals. There is some evidence of paralled veination and numerous cross veinlets. This vein can be traced for about 2000 ft. outcropping much of this distance. It dips to the west at from 45° to 85° and straightens up to nearly vertical in places.

The vein as developed at present shows five ore shoots at intervals more frequent as depth is attained. Some ore has been stoped from these. The innermost shoot is the widest and from this considerable high grade ore has been removed. The 110 ft. shaft goes down from this stope showing considerable ore in places all the way down. A new ore shoot is indicated on the surface just opposite the 200 ft. shaft, at the bottom of which a 40 ft. drift leads toward it with some 60 or 70 ft. to go. Surface showings indicate that this shoot may have consideravle width.

The quartz is live, milky or clear, with large crystals in druses near the surface. There is considerable honeycomb, yellow to brown and an abundance of limonite. While pyrite is recognized as the primary iron ore, there is a notable small amount in the workings which of course are all above water level. There is a little copper stain in the intersections of the indicator cross veins. With the single exception of the Thompson stope the copper content is very small and would not seriously interfere with cyanidation.

The foot wall of this vein is diorite porphyry cut by many smaller dikes of finer grain diorite or andesite, and rhyolite. These dykes carry veins of copper, greenstone, lime and quartz. One such vein of some movement noted in this report, and probably like others of its kind are the sources of enrichment, has a width of about a foot on the surface and a copper content of 15% or better.

This mine is developed by a main adit with a portal at the south end, facing the east. It extends to a length of 528 ft. cutting the vein the full length of the adit. Along the tunnel there are raises and stopes at the shoots previously mentioned. There are two winzes below the tunnel level one at a depth of 110 ft. the other 45 ft. There is also one small under stope. A third winze extends downward at 145 ft. from the portal. All winzes, stopes, and shafts are shown on the map accompanying this report.

Another two compartment shaft some 200 ft. beyond the end of the main adit and about 130 ft. east of the main vein outcrop is down 200 ft. with a 40 ft. drift back towards the main vein. This shaft is reported to be timbered and in good condition except for the top section. This was evidently intended for a work shaft and crosscut to tap the main ore body at the 200 ft. level.

The following samples of ore from the main vein were cut at my direction and assayed by myself. While selected samples from the vein show very high value, none of these have been included in this report. We have here attempted to show values as you would encounter in mining operations, casting high grade values into the velvet. Silver values are negligible so they are ommitted. The location of all samples are indicated on the sketch map.

SAMPLE	LOCATION	WIDTH-VEIN	GOLD VALUE @ $35.00
# 1	100 ft. from portal of adit	4½ ft.	$3.50
# 2	129 ft. " " "	4½ ft.	5.60
# 3	138 ft. " " "	3 ft.	2.10
# 4	168 ft. " " "	3 ft.	2.80
# 5	188 ft. " " "	3½ ft.	2.80
# 6	208 ft. " " "	1½ ft.	5.60
# 7	251 ft. " " "	4½ ft.	5.60
#8	267 ft. " " "	2 ft. 8 in.	6.30
# 9	287 Ft. " " "	4 ft.	6.30
#10	305 ft. " " "	4 ft.	4.20
#11	325 ft. " " "	4½ ft.	2.80
#12	345 ft. " " "	3 ft.	4.20
#13	369 ft. " " "	3 ft. 4 in.	7.70
#14	390 ft. " " "	2 ft. 10 in.	2.10
#15	417 ft. " " "	feder vein	2.80
#16	15 ft. below floor level in 20' winze	5 ft.	3.50
# 17	In ceiling between # 1 - # 2 manways	4½ ft. (under stopes	31.00
#18	West end of drift at bottom of 110 ft. shaft, or winze, 20 ft. west of sump.	16 in.)	3.50
#19	Ceiling of east drift, 110 ft. shaft bottom 9' from center of sump	4 ft. wide)	6.30
#20	40 ft. down drom tunnel level in 110 ft. shaft	3 ft.	2.10
#21	Open cut above 200 ft. shaft, 65 ft. N. of east & west line of shaft	2 ft. 7 in wide)	6.30
#22	165 ft. north of sample 21 and 32 ft. north of 45 ft. shaft	2½ ft. wide)	5.60
#23	25 ft. north of #22	2½ ft. wide	6.30
#24.	Copper vein, 300 ft. E. of 200 ft. shaft, runs east and west, exposed 30' in open cut	1 ft. wide	17.3% cu.
#25	Bottom of 110 ft. winze east side,	2 ft. wide	14.00
#26	North end of open cut, north of 45' shaft	2½ ft. wide	7.00

The above samples were cut from the ceiling when taken from the tunnel, and from wall to wall so that they represent the full width of the vein. Thus no sedimented enrichment is represented.

The mining bureau reports that much high grade ore was taken from the stopes, with assay average of $45.00. This is indicated by the above sample taken from one of the stopes.

Refering to the copper vein, this contains much primary chalocopyrite. It a lso contains Cupredescloisite in definite amount with some molybdenum. The presence of copper at depth in considerable amount indicates that copper will increase with depth in the copper veins.

Below the vein on the hillside and in the canyon the residual sands and gravel carries placer gold. Nuggets a quarter of an inch through have been found. This placer continues down the canyon for a mile or more. It evidently originated from the Ox Bow vein. The mining bureau reports that placer occurs in this region, only at the Ox Bow.

In consideration of the foregoing description and evidence the following points are noted:

1St. The Ox Bow mine is in a good geological location. Mines in this region have been producing for many years.

2Nd. Gold is found here both in lode and in Placer.

3Rd. The physical properties of the vein are such as to make mining easy.

4Th. Copper values occur here in considerable amount, in separate veins.

5Th. Copper values may be mined separately.

6Th. The values here are minimum values representing large tonnage.

7Th. The gold values lend themselves to simple processes in recovery.

8Th. Water is available for mining and milling.

9Th. Weather conditions are ideal.

10Th. A camp is established and operations can be begun with a minimum of time and preparation.

11Th. With selective mining considerable high grade ore may be produced.

Respectfully submitted,

Ernest A. Just, M. S. & M. A.

COPY
- - -

Geological Report of
Ox Bow Mine.

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The vein as developed at present shows five ore shoots at intervals more frequent as depth is attained. Some ore has been stoped from these. The innermost shoot is the widest and from this considerable high grade ore has been removed. The 110 ft. shaft goes down from this stope showing considerable ore in place all the way down. A new ore shoot is indicated on the surface just opposite the 200 ft. shaft, at the bottom of which a 40 ft. drift leads toward it with some 60 or 70 ft. to go. Surface showings indicate that this shoot may have considerable width.

The quartz is live, milky or clear, with large crystals in druses near the surface. There is considerable honeycomb, yellow to brown and an abundance of limonite. While pyrite is recognized as the primary iron ore, there is a notable small amount in the workings which of course are all above water level. There is a little copper stain in the intersections of the indicator cross veins. With the single exception of the Thompson stope the copper content is very small and would not seriously interfere with cyanidation.

The foot wall of this vein is diorite porphyry cut by many smaller dikes of finer grain diorite or andesite, and rhyolite. These dykes carry veins of copper, greenstone, lime and quartz. One such vein of some movement noted in this report, and probably like others of its kind are the sources of enrichment, has a width of about a foot on the surface and a copper content of 15% or better.

This mine is developed by a main adit with a portal at the south end, facing the east. It extends to a length of 528 ft. cutting the vein the full length of the adit. Along the tunnel there are raises and stopes at the shoots previously mentioned. There are two winzes below the tunnel level one at a depth of 110 ft. the other 45 ft. There is also one small under stope. A third winze extends downward at 145 ft. from the portal. All winzes, stopes, and shafts are shown on the map accompanying this report.

Another two compartment shaft some 200 ft. beyond the end of the main adit and about 130 ft. east of the main vein outcrop is down 200 ft. with a 40 ft. drift back towards the main vein. This shaft is reported to be timbered and in good condition except for the top section. This was evidently intended for a work shaft and crosscut to tap the main ore body at the 200 ft. level.

The following samples of ore from the main vein were cut at my direction and assayed by myself. While selected samples from the vein show very high value, none of these have been included in this report. We have here attempted to show values as you would encounter in mining operations, casting high grade values into the velvet. Silver values are negligible so they are omitted. The location of all samples are indicated on the sketch map.

SAMPLE	LOCATION	WIDTH-VEIN	GOLD VALUE @ $35.00	
# 1	100 ft. from portal of adit	4½ ft.	$3.50	0.10
# 2	129 ft. " " "	4½ ft.	5.60	0.16
# 3	138 ft. " " "	3 ft.	2.10	0.06
# 4	168 ft. " " "	3 ft.	2.80	0.08
# 5	188 ft. " " "	3½ ft.	2.80	0.08
# 6	208 ft. " " "	1½ ft.	5.60	0.16
# 7	251 ft. " " "	4½ ft.	5.60	0.16
# 8	267 ft. " " "	2 ft. 8 in.	6.30	0.18
# 9	287 ft. " " "	4 ft.	6.30	0.18
#10	305 ft. " " "	4 ft.	4.20	0.12
#11	325 ft. " " "	4½ft.	2.80	0.08
#12	345 ft. " " "	3 ft.	4.20	0.12
#13	369 ft. " " "	3 ft 4 in.	7.70	0.22
#14	390 ft. " " "	2 ft. 10 in.	2.10	0.06
#15	417 ft. " " "	feder vein	2.80	0.08
#16 - 15 ft. below floor level in 20' winze--5 ft.			3.50	0.10
#17 - In ceiling between # 1 - # 2 manways-- 4½ ft. (under stopes)			21.00	0.60
#18 - West end of drift at bottom of 110 ft. shaft, 16 in.) or winze, 20 ft. west of sump.)			3.50	0.10
#19 - Ceiling of east drift, 110 ft. shaft bottom 9' from center) of sump 4 ft. wide)			6.30	0.18
#20 - 40 ft. down from tunnel level in 110 ft. shaft 3 ft.			2.10	0.06
#21 - Open cut above 200 ft. shaft, 65 ft. N. of east & west) line of shaft 2 ft. 7 in. wide)			6.30	0.18
#22 - 165 ft. north of sample 21 and 32 ft. north of) 45 ft. shaft ---- 2½ ft. wide)			5.60	0.16
#23 - 25 ft north of # 22		2½ ft.wide	6.30	0.18
#24 - Copper vein, 300 ft. E. of 200 ft. shaft, runs east) and west, exposed 30' in open cut		1 ft. wide	3.00 17.3% cu.	0.086
# 25- Bottom 110 ft. winze east side.		2 ft. wide	14.00	0.40

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The mining bureau reports that much high grade ore was taken from the stopes, with assay average of $45.00. This is indicated by the above sample taken from one of the stopes.

Refering to the copper vein, this contains much primary chalcopyrite. It also contains Cuprodescloisite in definite amount with some molybdenum. The presence of copper at depth in considerable amount indicates that copper will increase with depth in the copper veins.

Below the vein on the hillside and in the canyon the residual sands and gravel carries placer gold. Nuggets a quarter of an inch through have been found. This placer continues down the canyon for a mile or more. It evidently originated from the Ox Bow vein. The mining bureau reports that placer occurs in this region, only at the Ox Bow.

In consideration of the foregoing description and evidence the following points are noted:

1St. The Ox Bow mine is in a good geological location. Mines in this region have been producing for many years.

2Nd. Gold is found here both in lode and in Placer.

3Rd. The physical properties of the vein are such as to make mining easy.

4Th. Copper values occur here in considerable amount, in seperate veins.

5Th. Copper values may be mined seperatly.

6Th. The values here are minimum values representing large tonnage.

7TH. The gold values lend themselves to simple processes in recovery.

8Th. Water is available for mining and milling.

9Th. Weather conditions are ideal.

10Th. A camp is established and operations can be begun with a minimum of time and preperation.

11Th. With selective mining considerable high grade ore may be produced.

Respectfully submitted,

Ernest A.Just, M.S. & M. A.

COPY

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA

MINE OWNER'S REPORT

Date Apr. 29th 1942

1. Mine Ox Bow

2. Location Near Payson Arizona

3. Mining District & County (Green Valley) (Gila County)

4. Former name Same.

5. Owner P.J.-C.W.-P.H. Harrison, and Alva Buckley

6. Address (Owner) Payson Ariz. " "

7. Operator Same.

8. Address (Operator)

9. President, Owning Co. Not Incorporated

9A. President, Operating Co.

10. Gen. Mgr. P.J. Harrison

14. Principal Minerals Gold and Copper.

11. Mine Supt.

15. Production Rate

12. Mill Supt.

16. Mill: Type & Cap.

13. Men Employed

17. Power: Amt. & Type

18. Operations: Present

19. Operations: Planned Owners desire to give lease and option.

20. Number Claims, Title, etc. 18 Claims (2 patented) Title Clear.

21. Description: Topography & Geography See Engineers Report and Mine Bulletin. Page 36.

22. Mine Workings: Amt. & Condition See Engineers Report.

(over)

23. Geology & Mineralization per Mine Bulletin.

24. Ore: Positive & Probable, Ore Dumps, Tailings

24A. Dimensions and Value of Ore body

25. Mine, Mill Equipment & Flow-Sheet

26. Road Conditions, Route

27. Water Supply

28. Brief History

29. Special Problems, Reports Filed

per Engineers Report and Mine Bulletin.

30. Remarks

31. If property for sale: Price, terms and address to negotiate. Will lease with option on very reasonable terms.

32. Signature E. J. Harrison.

33. Use additional sheets if necessary.

M O - 21

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
MINE OWNER'S REPORT

Date: April 29, 1942

1. Mine: Ox Bow
2. Location: Near Payson, Arizona
3. Mining District & County: (Green Valley) (Gila County:
4. Former name: Same
5. Owner: P. J. - C.W. - P.H. Harrison and Alva Buckley
6. Address (Owner) Payson, Arizona
7. Operator: Same
8. Address (Operator) " "
9. President, Owning Co.: Not Inc.
9A. President, Operating Co.
10. Gen. Mgr. P. J. Harrison
14. Principal Minerals: Gold & Copper
11. Mine Supt:
15. Production Rate
12. Mill Supt:
16. Mill: Type & Cap.
13. Men Employed
17. Power: Amt. & Type
18. Operations: Present

19. Operations: Planned: Owners desire to give lease and option.

20. Number Claims, Title, etc.: 18 Claims (2 patented) Title Clear.

21. Description: Topography & Geography: See Engineers Report and Mine bulletin - Page 36

22. Mine Workings:

NAME OF MINE: OXBOW

COUNTY: GILA
DISTRICT:
METALS: AU

OPERATOR AND ADDRESS:		MINE STATUS	
DATE:		DATE:	
5/14/44	Harold Russell Ben Bern Payson, Arizona	5/14/44	Dormant

23. Geology & Mineralization: See Mine Bulletin

24. Ore: Positive & Probable, Ore dumps, Tailings

24A. Dimensions and Value of Ore body

25. Mine, Mill Equipment & Flow-Sheet:

26. Road Conditions, Route:

27. Water Supply:

28. Brief History

29. Special Problems, Reports Filed:

See Engineers Report and Mine Bulletin.

30. Remarks:

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M O - 21

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17. Power: Amt. & Type
18. Operations: Present

19. Operations: Planned: Owners desire to give lease and option.

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21. Description: Topography & Geography: See Engineers Report and Mine bulletin - Page 36

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(over)

23. Geology & Mineralization: See Mine Bulletin

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26. Road Conditions, Route:

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28. Brief History

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30. Remarks:

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32. Signature P. J. Harrison

Geological Report of
Ox Bow Mine.

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The Ox Bow mine is located approximately 7 miles south of Payson, in Gila County, on the east drainage slope of Rye creek and less than one-half mile off the Roosevelt-Payson Highway. This highway is kept in a very good condition throughout the year.

The mine is about 50 miles north of the Roosevelt dam, about 80 miles from Globe and Miami and about 125 miles from Phoenix. The nearest shipping point is Clarkdale, about 70 miles to the north and west.

This mine consists of two patented claims, the Golden Wreath and the Ox Bow, located upon the main vein and eighteen unpatented claims located adjacent to these. All are duly recorded in the office of the County Recorder of Gila County.

The existant papers show the title vested in Paul J. Harrison, C. W. Harrison, Paul H. Harrison and Alva Buckley.

This region is on the edge of the northern plateau and has an elevation of about 4500 ft. It is on the south slope and therefore has a moderate winter climate, and being somewhat elevated and nearer higher elevations the summer temperature is not excessively hot. Payson is noted for its fine climate and is a vacation resort for many people. There is rain both winter and summer. There is occasional snow in winter, and mid-summer, July and August is rated as the principal rainy seasons.

While there is no permanent running water on the property of the Ox Bow mine, of two canyons crossing the property one has running water most of the time. This canyon has a large drainage area. A well in one canyon has furnished the water for the mine. From this and the adjacent canyon may be obtained the water for mine operations.

There is no timber of note on the property, but around Payson and in the Rye creek area there is considerable timber of a type that resists mine use to a remarkable degree. Much of the timber in the Ox Bow mine is still in an excellent condition. A minimum of timber will be required, however, in the mine as the walls stand very well without it.

The Geology of the region indicates the best for producing gold bearing quartz veins. The Ox Bow mine is in the center of a region of hornblend diorite, much of which is porphyritic. The hornblend is dark green to black giving to the rock a dark gray color. An excess of plagioclase in some parts give a lighter color. This rock is rated as precambrian and as such has basic meaning in reference to mineralization.

At the Ox Bow mine there are dikes of fine grained diorite or andesite, also some porphyry. There are a few spots of differentiation into aplite due to a higher concentration of feldspathic material. Dykes of granite porphyry and rhyolite are found near the entrance to the mine and elsewhere. There is some quartz porphyry in which the quartz is in small fingers and veinlets, showing a tendency, which is observed, also, along the main vein, to permeate the rock with stringers of quartz.

The granite dykes appear to have a northwest southeast direction, while the andesite dykes have more of an east and west direction. Both intersect the main vein.

There is considerable iron in evidence as magnetite , hematite and limonite in all of the rock and in the veins. The limonite is greatest in abundance, especially in the region of the porphyries and in the veins. The hornblend shows considerable magnetite. There is some lime and phosphate present, also occasional patches of olivine around the entrance to the mine, numerous masses of pseudomorph crystalline limonite are found, especially in the granitic phorphyry. The hematite and limonite carry gold.

The Main Vein which outcrops up the ridge fromthe entrance has a northerly and southerly direction turning to the east at the south and towards the northeast at the north crossing the canyon and turning back to the north. It is a true fissure vein with an average width along the tunnel level of about 3½ feet. The vein divides both braided and distributed along its course at intervals. There is some evidence of paralled veination and numerous cross veinlets. This vein can be traced for about 2000 ft. outcropping much of this distance. It dips to the west at from 45° to 85° and straightens up to nearly vertical in places.

The vein as developed at present shows five ore shoots at intervals more frequent as depth is attained. Some ore has been stoped from these. The innermost shoot is the widest and from this considerable high grade ore has been removed. The 110 ft. shaft goes down from this stope showing considerable ore in places all the way down. A new ore shoot is indicated on the surface just opposite the 200 ft. shaft, at the bottom of which a 40 ft. drift leads toward it with some 60 or 70 ft. to go. Surface showings indicate that this shoot may have consideravle width.

The quartz is live, milky or clear, with large crystals in druses near the surface. There is considerable honeycomb, yellow to brown and an abundance of limonite. While pyrite is recognized as the primary iron ore, there is a notable small amount in the workings which of course are all above water level. There is a little copper stain in the intersections of the indicator cross veins. With the single exception of the Thompson stope the copper content is very small and would not seriously interfere with cyanidation.

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This mine is developed by a main adit with a portal at the south end, facing the east. It extends to a length of 528 ft. cutting the vein the full length of the adit. Along the tunnel there are raises and stopes at the shoots previously mentioned. There are two winzes below the tunnel level one at a depth of 110 ft. the other 45 ft. There is also one small under stope. A third winze extends downward at 145 ft. from the portal. All winzes, stopes, and shafts are shown on the map accompanying this report.

Another two compartment shaft some 200 ft. beyond the end of the main adit and about 130 ft. east of the main vein outcrop is down 200 ft. with a 40 ft. drift back towards the main vein. This shaft is reported to be timbered and in good condition except for the top section. This was evidently intended for a work shaft and crosscut to tap the main ore body at the 200 ft. level.

The following samples of ore from the main vein were cut at my direction and assayed by myself. While selected samples from the vein show very high value, none of these have been included in this report. We have here attempted to show values as you would encounter in mining operations, casting high grade values into the velvet. Silver values are negligible so they are ommitted. The location of all samples are indicated on the sketch map.

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# 4	168 ft. " " "	----------3 ft.	2.80
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#16	15 ft. below floor level in 20' winze--5 ft.		3.50
# 17	In ceiling between # 1 - # 2 manways--4½ ft. (under stopes)		1.00
#18	West end of drift at bottom of 110 ft. shaft, 16 in. or winze, 20 ft. west of sump.		3.50
#19	Ceiling of east drift, 110 ft. shaft bottom 9' from center of sump 4 ft. wide		6.30
#20	40 ft. down drom tunnel level in 110 ft. shaft 3 ft.		2.10
#21	Open cut above 200 ft. shaft, 65 ft. N. of east & west line of shaft 2 ft. 7 in wide		6.30
#22	165 ft. north of sample 21 and 32 ft. north of 45 ft. shaft -----2½ ft. wide		5.60
#23	25 ft. north of #22 ----------2½ ft. wide		6.30
#24.	Copper vein, 300 ft. E. of 200 ft. shaft, runs east and west, exposed 30' in open cut ---------1 ft. wide		17.3% cu.
#25	Bottom of 110 ft. winze east side, ----------2 ft. wide		14.00
#26	North end of open cut, north of 45' shaft ----2½ ft. wide		7.00

The above samples were cut from the ceiling when taken from the tunnel, and from wall to wall so that they represent the full width of the vein. Thus no sedimented enrichment is represented.

The mining bureau reports that much high grade ore was taken from the stopes, with assay average of $45.00. This is indicated by the above sample taken from one of the stopes.

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3Rd. The physical properties of the vein are such as to make mining easy.

4Th. Copper values occur here in considerable amount, in separate veins.

5Th. Copper values may be mined separately.

6Th. The values here are minimum values representing large tonnage.

7Th. The gold values lend themselves to simple processes in recovery.

8Th. Water is available for mining and milling.

9Th. Weather conditions are ideal.

10Th. A camp is established and operations can be begun with a minimum of time and preparation.

11Th. With selective mining considerable high grade ore may be produced.

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