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RIO DEL MONTE MINES YUMA COUNTY

KAP WR 1/23/81: John R. Bogert, Manager Resources Fund, J.A. Terteling & Sons Co., 4350 E. Camelback Road, Suite 210-A, Phoenix, Arizona 85018, phone 959-7220, reported that he and John Clouser visited the Rio Del Monte Mine in Yuma County and reviewed the property as a possible target for Terteling. Although they felt the property may have potential, the financial requirements of the property owner, Bradley James, made the acquisition of the property unreasonable as an exploration target. It was reported that Bradley James wanted $800,000 for outright sale of the land position.

KAP WR 4/9/82: Bradley James reported he and his partner have hired Ted Eyde to evaluate and drill their Rio Del Monte Mine property in the Harquahala District.

KAP WR 6/24/83: Bradley James reported he discussed his Rio Del Monte Mine, Yuma County withthe small mines group of Phelps Dodge. He said they were going to again look at the property.

NJN WR 8/17/84: Bradley W. James, 4845 W. Harmont Dr., Glendale, Z. 85302, phone 934-4761 visited. He reported he and James R. Jack of Sulphur, Ok. (owners) would like to sell (not lease) their patented claim comprising the Rio Del Monte La Paz County. The terms are 25% down; $40,000/claim or somewhat less than $800,000 for the whole property. He also reported that they have a new report by GSA Resources (Ted and Dan Eyde) on the property, a copy of which he will bring us on his next visit to Phoenix. Currently Houston International Minerals (a Tenneco Subsidiary) is staking claims around the property.

KAP WR 6/7/85: In the company of Hal Linder a visit was made to the Rio Del Monte Mine (f) La Paz County. There has been no significant physical work on this patented property over the last 5 years. Swarms of quartz viens are the most dominant feature of this property. Some of the quartz veins are over 500 feet long and many feet in width. Dr. Linder commented that the large quartz outcrops which form topographic highs are reminiscent of the California Mother Lode District.

KAP WR 2/5/88: James R. Perry, Perry Products, Inc., 3443 N. Central Ave., Phoenix, Arizona 85012, phone 274-7653, a real estate salesman reported he has an exclusive perpetual agreement to sell the Rio Del Monte Mine (file) La Paz County. He reported that Bradley James (card) passed away in December 1987. The patented property is owned by his heirs; his wife and son James Mack and daughter in law. Mr. Perry was interested in more information on all of the people mentioned in the file as having shown an interest in the property over the last 15 years as they could conceivably be potential buyers.

RIO DEL MONTE MINES YUMA

P.P. 129-H p. 197

Went to the Harquahala and Rio del Monte mines south of Salome, but there was no sign of Norandex activity. GW WR 3/24/72

Personal interview . 11-8-77
BRADLEY W JAMES -
JAMES R JACK PARTNERS. OWN ALL 20 CLAIMS
NOW - ACQUIRED LAST 4 FROM Hope Mining Co,
Which WAS Mc DONALD - WALKER - EDNA ECKEL

KP/WR 1/12/79 - Mr. James would like to find some firm to pursue the property whose best potential is likely for gold. Mr. James reported that "Bud" Walker of Phelps Dodge once said the property has good potential but was of little to a copper company. 2/8/79 a.p.

KP WR 1/15/79 - Discussed status with Mr. James & he reported he had, a previous day or two, talked with Bob Crist of ASARCO. He reported Mr. Crist or someone else from ASARCO would take a look at the property. He also reported he is the owner of the Church Mine, a patented property consisting of 2 claims in the Cunningham Pass District, Yuma Co. He reported the gold, silver, copper property which he purchased from a Mrs. Mathews was patented the same time as the Nearby Bullard Mine. 2/20/79 a.p.

KP/WR 1/10/79 - Dan Mathews group of claims consists of 63 claims adjoing the Rio Del Monte Group both on the north side and south side. The claims consists of Big Dan, Lucky Strike, and Rich Hill groups. There are 7 Big Dan claims, #1 thru #17; 13 Lucky Strike claims, #1 thru #13; and 43 Rich Hill Claims, #1 thru #43.

RRB WR 8/8/80: Bradley James reported that he is looking for someone to interest in developing and mining the Rio Del Monte claims in Yuma County which he owns.

KAP WR 10/3/80: Bradley James, owner of the Rio Del Monte Mine in Yuma County, reported he is still trying to find a company that will do exploration work and lease his property.

RIO DEL MONTE

ELLSWORTH DISTRICT
YUMA COUNTY

Conference with A. Mathews 6/8/65.

Mr. A. Mathews, who had adjoining claims, reported that Jones, who had optioned the Rio Del Monte had left for Texas after having done no more than make a few shallow bulldozer cuts. The equipment is all gone and the houses deserted. According to Mathews the equipment was all rented.

MEMO LAS 6/8/65

Mrs. Edna Eckel is owner of Rio del Monte, Ellsworth Dist. Yuma Co.

LAS WR 5/20/66

DIED July 1977

Conferences with W.D. Roper & B.W. James Died Dec. 1987 Benzing (Phone Book

According to B.W. James he and Kenneth Binzing own 16 of the Rio Del Monte patented claims and Edna B. Eckel owns 4. There are a few unpatented claims (status unknown).

Addresses: B.W. James, 17249 N. 21st St. (N of Bell Road) - Phone 942-6199 ← B.W. James Died 12/87
× Kenneth J. Bensing, 3601 N. 45th Place, Phoenix- Phone 959-0799 Died July 1977
Edna B. Eckel, 1411 E. Brill St., Phoenix - Phone 252-1847

According to James the original Rio Del Monte had 392 acres and was largely held by O.K.Gilliam, Salome, at one time. Gilliam is now dead.

MEMO LAS 10-11-66, 10-17-66

Rio Del Monte, Little Harquahala Mtns, Yuma (Ellsworth Dist). 5 miles SW of Salome.

DIED MAY 1977

Visit and Conference with W. D. Roper and A. Matthews at the Rio Del Monte Mine 2/14/67.

Roper's Claims have now encircled the Rio Del Monte Claims except where they join the A. Matthews Claims. The Matthews Claims and the Rio Del Monte Claims have much the same type of surface showings, but the latter are developed to a depth of a few hundred feet. Roper says he has a working agreement, with all bordering claim owners, that they will not bring in other large companies until his Canadian people have finished their examination, for the Rio Del Monte Claim ownership see report of 11/10/66 by LAS.

MEMO LAS 2/14/67

D. Roper who has been staking claims all over this part of Yuma County has left here (his headquarters) otherwise there has been little activity.

LAS MEMO 6/14/67

Visited the Rio Del Monte Mine. No apparent activity.

FTJ WR 6/14/68

GSA Resources, Inc.

P.O. Box 16509
(602) 297-4330

Cortaro, Arizona 85652
Telex 5106001432

A Geological Investigation of the Rio del Monte Patented Claim Group Near Salome Yuma County Arizona

PREPARED FOR

JAMES R. JACK

BY

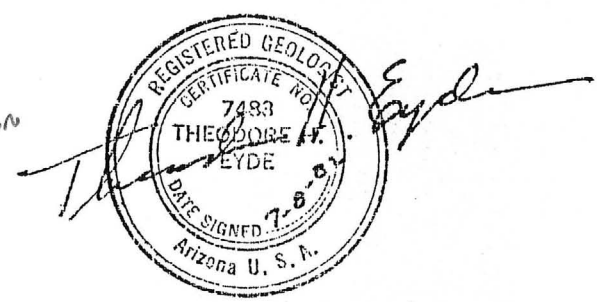
TED H. EYDE
REGISTERED GEOLOGIST

DAN EYDE

MARK JOHNSON

JUNE 24, 1982

11/30/82 VERSION



GSA Resources Inc.
P.O. Box 1127 • Cortaro, Arizona 85230 • (602) 297-4330

Ted H. Eyde
Dan Eyde

November 29, 1982

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During November I reviewed the Rio del Monte report and data in conjunction with a visit to the property. As a result of this reappraisal I decided to revise the original report. The accompanying report is the product of this revision.

Much of the gold production from central and southwestern Arizona came from veins enclosed within the older Precambrian crystalline rocks. Another characteristic of these deposits was the concentration of gold-silver mineralization in distinct often high grade ore shoots within nearly barren quartz veins. A few of the large producers from quartz veins included the Congress, Octave, and Vulture mines.

It appears that both the gold-silver bearing quartz veins and the enclosing Precambrian gneiss at the Rio del Monte are similar to these deposits. Unfortunately, it is no longer possible to sample

any of the ore shoots at the Rio del Monte because these were completely mined out either during the original operation or during the scavanging of stopes and dumps which took place during the depression. Therefore, the gold silver values obtained from sampling the vein outcrops can be considered an indication of gold silver mineralization and not an accurate measurement of the gold-silver content of the ore shoots. In other words the sampling results are a guide to mineralization and nothing more.

One of the most unusual characteristics of the Rio del Monte deposit is the large number of quartz veins which crop out on the property. And which, in fact on the Little Lizzie claim resemble a stockwork of quartz veins. This may be the surface expression of a larger, low grade gold deposit which could be mined using open pit mining methods.

In summary the Rio del Monte property contains two distinct exploration targets. The first, discussed in the accompanying original report are small, podiform but possibly very high grade oxidized ore shoots within the quartz veins. Such bonanza ore shoots mined at the nearby Golden Eagle and Harquahala Mines produced 120,560 oz. of gold. The percussion drilling program should adequately evaluate the four recommended target areas.

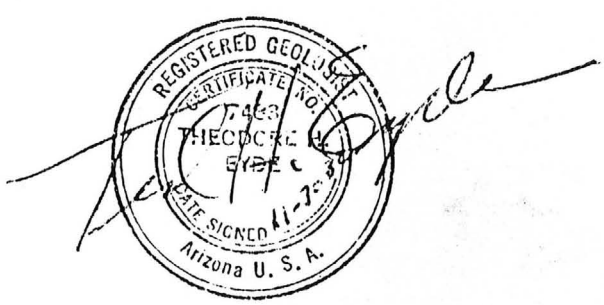
One additional area should also be explored by drilling. The vein which strikes northeast across the northwest corner of the Morning Star claim just west of the basic dike outcrop could contain a shoot of high grade gold mineralization.

The second target is the stockwork of quartz veins which cropout on the Little Lizzie claim. This target could be evaluated by collecting closely-spaced geochemical samples of quartz veinlets and the enclosing rocks. The samples should be analyzed for gold, silver, arsenic, and mercury. If a geochemical anomaly were detected in this area it should be evaluated by drilling.

The Rio del Monte is one of the few remaining unexplored gold-silver deposits in southern Arizona. It contains several shallow exploration targets which can be evaluated by relatively inexpensive percussion drilling methods. The high silica content of the gold-silver mineralization means that the copper smelters in Arizona may purchase the production for smelter flux provided it meets their specifications. In my opinion the Rio del Monte is a gold-silver deposit which merits further exploration.

Respectfully submitted,

Ted H. Eyde



THE/mce

Enclosure

INTRODUCTION

The Rio del Monte property is a group of 20 patented claims in Mineral Survey 1738 located about four miles south of Salome, Arizona. The claims cover the outcrops of a number of gold-silver bearing quartz veins discovered around 1890.

Sometime before 1900, an investor group, which included then United States Senator Ridgeway, purchased the property. The company drove an estimated 4000 feet of underground workings during this period of operation. Small scale operations consisting of hand-sorting the dumps and high grading the veins continued for many years. During the depression about 150 tons of ore assaying 0.30 oz/ton gold were produced. In 1945 the property was purchased by the Seaboard Mining Company which shipped about 49 tons of ore containing 0.40 oz/ton gold and 50 tons of milling ore containing 0.17 oz/ton gold. This operation was abandoned in 1963.

In the mid 1960's W. D. Roper, the prospector who sold the claims to Phelps Dodge Corporation covering the Dos Pobres Copper Deposit, staked about 600 claims in the Rio del Monte area. Mr. Roper maintained the assessment work for several years. He dropped the claims in 1967. The present owners Bradley James and James Jack acquired 16 of the Rio del Monte patented claims in 1966 and the remaining 4 in 1967.

In October 1981 Ted H. Eyde examined the Rio del Monte property for Callahan Mining Corporation. As a result of this investigation Mr. James R. Jack, co-owner of the property, retained GSA Resources, Inc. to undertake a geologic investigation of the Rio del Monte claims. This investigation included:

1. A literature search to determine whether the deposit was described in any publications or unpublished theses.

2. Preparation of a surface geologic map on a scale of 1" = 200' showing the topography, location of the claims, roads, shafts, dumps, lithologies, veins, and sample locations.

3. Sampling of the vein outcrops.

4. Preparation of this report with recommendations.

Work on the Rio del Monte property began in mid-January. Ted H. Eyde began a comprehensive literature search and obtained both topographic map and air photography coverage of the property. A 1 in. = 200 ft. scale mylar base map was prepared from the Hope 7.5' preliminary U.S. Geological Survey topographic map. A copy of Mineral Survey 1738 was obtained from the Bureau of Land Management and used to plot the Rio del Monte claims on the base map.

Although the literature search revealed several general references to the Rio del Monte and surrounding areas, except for Studies in Western Arizona published in May 1980 by the Arizona Geological Society, few comprehensive geological investigations have been undertaken in the west-central part of Arizona. In fact, little

is known about either the stratigraphy or structure of western Arizona.

An unusual series of spring rainstorms delayed the geological mapping and sampling until early April. Mark Johnson formerly mine geologist at the Duval Corporation mines at Ithaca Peak, Arizona and Battle Mountain, Nevada spent 10 days mapping and sampling the veins. All the samples were fire-assayed for gold and silver and the sample locations and values plotted on the base map.

The initial sampling outlined several zones of gold-silver mineralization along the veins. Mark Johnson returned to the property in early May mapped the basic dikes in greater detail and collected a series of close-spaced samples along the veins in the vicinity of the higher grade samples. Ted and Dan Eyde completed the final report in early July.

SUMMARY

The sampling and geological mapping program outlined several zones or shoots of gold and silver mineralization within the quartz veins. The underground workings are now inaccessible, consequently, only the surface outcrops of the veins could be sampled. This was accomplished in two stages.

During the initial sampling which was done consurrently with the geologic mapping a total of 76 chip-channel samples each weighing at least 20 lbs. were collected across the width of all the veins at prospect pits and workings and at intervals of 100 to 150 ft. along the strike. During the second stage of the sampling program 24 closely-spaced chip-channel samples were collected across the vein width on both sides of any gold-silver mineralization discovered by the initial sampling. All of the samples were fire assayed for gold and silver by Jacobs Assay office in Tucson, Arizona.

A total of 100 samples of the quartz veins, were assayed confirming that the highest grade gold-silver mineralization usually occurs either at or adjacent to existing workings. The samples contained from a trace to 0.570 oz./ton gold and .05 oz./ton to 1.40 oz./ton silver

The gold-silver mineralization is localized in ore shoots which are lenticular or podiform zones in the quartz veins. According to a report prepared for Rio del Monte Mines by Travis Lane the quartz veins have been followed for as much as 300 ft. along strike and 300 ft. down dip. The quartz veins range from less than an inch

to over 12 feet wide on the Tiger claim. At least one vein can be traced on the surface almost continuously for 2400 ft. along the strike.

Most of the veins in the northern part of the claim group strike northeasterly whereas those in the southern part of the claim group strike easterly. Most of the mine workings are developed along veins in the southern part of the claim group.

There are no measurable reserves of gold-silver mineralization blocked out on the property. In fact, neither the actual grade nor the extent of the zones of gold silver mineralization within the quartz veins are accurately known. Most of the underground workings were still accessible when Travis Lane examined the property in 1950. He said the underground workings indicated one ore shoot had a maximum length of 300 ft. a depth of 300 ft. and a width of 2 to 5 ft. Significantly, all of the mineralized areas mined appear to have cropped out on the surface. Therefore, it seems reasonable that other mineralized zones or "blind" ore shoots of gold-silver mineralization which do not cropout remain undiscovered at depth within the quartz veins.

Locating these "blind" shoots of gold-silver mineralization will require further sampling, because surface samples only provide information in two dimensions of the quartz veins. An air track percussion drill can be used to explore for ore shoots which may occur as downward extentions of the zones of gold silver mineralization indicated by the surface sampling. These target areas are shown on the 1 in. = 200 ft. scale map.

The drilling would sample gold-silver mineralization occurring in the quartz veins in the vicinity of existing workings. Seemingly a spatial relationship exists between the gold mineralization and the basic dikes which intrude the gneiss. There also appears to be a direct relationship between the silver content of the vein and the distribution of the gold mineralization. The silver mineralization extends well beyond the limits of the gold mineralization. Drilling targets were chosen based on:

1. The location of the veins in relation to the basic dikes.
2. The presence of silver mineralization in the veins.
3. The proximity to mined areas.

The first 24 holes will explore the zones of gold silver mineralization in the vicinity of the old mine workings.

Based on past production records it appears that the mineralized zones mined in the past contained no less than .20 - .40 oz./ton gold. There is a good possibility that high grade shoots of gold mineralization can occur within the quartz veins. Bonanza ore shoots at the nearby golden Eagle and Harquahala mines produced 120,560 oz. of gold worth about $50 million at present prices.

It also appears that the mineralized zones can produce gold and silver-bearing silica flux. The deposit is only four miles over a well maintained county road from the Santa Fe Railroad and U.S. Highway 60 at Salome, Arizona. Therefore, silica flux mined at the Rio del Monte property could be shipped by either rail or truck to copper smelters in southern Arizona.

Historically, the price of both gold and silver have kept pace with inflation. Consequently, the property appears to be good precious metals exploration venture for the following reasons:

1. The geological mapping and sampling program has defined several shallow exploration targets.

2. The quartz veins containing the gold mineralization are entirely within the patented claim group.

3. The Rio del Monte property has produced gold and silver-bearing ores and concentrates.

4. The Rio del Monte is near the Harquahala and Gold Eagle mines which were major producers of high grade gold and silver ores.

5. The surface and minerals are owned in fee simple, therefore, the exploration and mining operations are exempt from many of the burdensome and, therefore, expensive federal and state regulations governing exploration and mining.

6. The property is easily accessible to both rail and highway transportation.

CONCLUSIONS

1. The gold-silver mineralization appears to be localized in oxidized portions of the quartz veins and spatially related to the overturned and folded basic volcanic dikes.

2. The silver content of the veins may be a more reliable guide to mineralization than gold.

3. The proven past production, fee simple ownership of both the surface and mineral estate, and the proximity of both rail and truck transportation make the Rio del Monte patented claims a good speculative gold-silver prospect.

RECOMMENDATIONS

1. Drill several percussion drillholes with an air track to sample the mineralization in the quartz veins in the four target areas outlined by the geological mapping and sampling program.

2. Map the dikes on the property in greater detail. Gold-silver mineralization appears localized near the intersections between the quartz veins and the dikes.

LOCATION

The Rio del Monte claim group is a block of 20 contiguous patented lode claims covering 392.251 acres whose boundaries are defined by Mineral Survey 1738. The claims cover portions of sections 3, 4, 9, and 10, T. 4 N., R. 13 W. (unsurveyed). The property is in Yuma County, Arizona near the north end of the Little Haraquahala Mountains south of the town of Salome. The enclosed maps show Mineral Survey 1738 and a portion of the 15' U.S.G.S. Hope Quadrangle on which the boundary of the 1 in. = 200 ft. scale geologic map is oultined.

The property is reached from Salome on U.S. Highway 60 and the Santa Fe Railroad over 4.5 miles of county-maintained gravel road. The property is also accessible from the south over about 10 miles of county-maintained gravel road from the Hovatter Road exit on Interstate 10.

PAST PRODUCTION

The gold-silver mineralization covered by the Rio del Monte patented claim group was discovered in the 1890's. Sometime prior to 1900 a group of investors which included United States Senator Ridgeway purchased the property. The investor group sunk several shafts, drove underground workings and excavated many shallow pits on the veins which cropout on the property. In a report prepared for the Rio del Monte Mines in 1950,Travis Lane a consulting mining engineer estimated that more than 4000 feet of development work were completed during this early period of operation.

After this operation shut down, several small operations which consisted of high-grading the veins and sorting the dumps continued for several years particularily during the depression. About 15 tons of ore containing 0.30 oz./ton gold was shipped in 1931. Seaboard Mining Company acquired the Rio del Monte Mines property in 1945 and shipped about 49 tons of ore containing 0.40 oz./ton gold. An additional 50 tons of ore was milled recovering about 0.17 oz./ton gold. The source of both shipments was the dumps. The Seaboard Mining Company venture shut down in 1963 and no ore has been shipped since then.

During the mid-1960's W.D. Roper staked about 600 claims surrounding the Rio del Monte patented claim group. Mr. Roper built access roads, drilled the validation holes, and maintained the assessment work on his unpatented claims for several years. Mr. Roper believed his claims covered a major porphyry copper system similiar to the

Dos Pobres deposit near Safford, Arizona. Mr. Roper sold the Dos Pobres deposit to Phelps Dodge Corporation for over $1,000,000 in 1959. However, because of failing health he dropped his claims around the Rio del Monte group in 1967.

Bradley James and James Jack purchased 16 of the Rio del Monte patented claims in 1966 and the 4 remaining in 1967. No exploration or development work has been done on the property since it was acquired by Bradley James and James Jack.

GEOLOGY

The gold-bearing quartz veins on the Rio del Monte claims cropout along the northeast flank of the Little Harquahala Mountains, one of the four transverse ranges in southwestern Arizona. The transverse ranges are the Harquahala, Harcuvar, Buckskin, and Rawhide Mountains all of which are composed of Precambrian age metamorphic-plutonic core complexes intruded by late Cretaceous to Tertiary age granitic rocks. Metamorphosed Paleozoic, Mesozoic, and Cenozoic rocks often overlie and flank the core complexes.

Until petroleum, uranium, and precious metals exploration began in the transverse ranges during the mid 1970's virtually nothing was known about their geology. The stratigraphic correlations between the rocks in the transverse ranges and those in central and eastern Arizona are still tenuous, nevertheless the exploration programs have generated valuable information about the structural setting of the transverse ranges.

It appears that the transverse ranges in southwestern Arizona are more complex than the northwest-trending ranges. The rocks in the transverse ranges are often tightly folded along two axes, overthrust and block faulted. The Rio del Monte claims are near the intersection of a transverse range and a northwest trending range. The emplacement of the dikes and mineralized quartz veins may be related to this tectonic setting.

The bedrock underlying the Rio del Monte claims is a foliated porphyritic Precambrian gneiss. Several basic dikes, probably diabasic in composition which strike north to northwest intrude the gneiss. The mineralized quartz veins which strike east to northeast transect both the gneiss and the basic dikes.

Results of the detailed mapping and sampling indicate that the gold-silver mineralization is concentrated in shoots within the quartz veins where the veins are either in contact with or in close proximity to the dikes. Also, most of the quartz veins appear to occur near dike outcrops. The quartz veins generally strike northeast to east and cross the dikes normal to their strike. The highest grade gold-silver assays appear to occur in samples collected to the southwest of these intersections.

The dikes may actually be sills emplaced along paleobedding planes. It appears that the present outcrops of the dikes indicate strong folding of the enclosing bedrock followed by rotation into their present position. Detailed mapping of the dikes could lead to the identification of additional exploration targets.

Gold-silver mineralization appears to be confined to the oxidized portions of the veins. The mine workings indicate that the ore bodies were podiform or lenticular, localized concentrations of gold and silver mineralization. Past production indicates the individual mineralized zones were as much as 300 ft. long, 2 - 5 ft. wide, and possibly extend as much as 300 ft. down dip.

The quartz veins are composed of dense white milky quartz. The outcrops which are stained by iron oxides frequently extend several feet above the gneissic bedrock. The principal minerals in the oxide zone are limonite and minor amounts of malachite and azurite. Native gold appears to occur in the limonite. The principal minerals in the sulfide zone appear to be pyrite, chalcopyrite, and galena. It appears that the gold and silver mineralization was introduced with the sulfide minerals and later concentrated in the oxidized portion of the veins.

There is a good possibility that other shoots of gold-silver mineralization which do not crop out occur in the quartz veins. These blind ore shoots can only be discovered by drilling and sampling the quartz veins at depth at a number of points along strike. These ore shoots will probably be discovered in the vicinity of existing workings near the basic dike outcrops.

EXPLORATION

One hundred samples were collected from the quartz veins on the Rio del Monte claims. The samples are chip-channel and collected across the width of the veins. Sample numbers were spray-painted on the veins and marked on the map.

The first group of 76 samples were collected concurrently with the geological mapping. All of the major and many of the narrower veins were sampled at intervals of 100 to 200 ft.along strike. A second group of 24 more closely spaced samples were collected around zones of gold-silver mineralization located by the initial sampling.

The sample locations, width, and gold-silver content of the veins are posted on the 1 in. = 200 ft. scale map. Most of the higher values occur in the vicinity of existing mine workings.

Mike Jacobs of Jacobs Assay Office in Tucson fire-assayed the samples for gold-silver. These results are shown on the following pages.

The sampling program outlined four exploration targets. Additional surface sampling would not yield as much useful data as an air track percussion drilling program which could sample these targets at depth.

To insure a representative sampling of the veins each target will require at least six exploration holes drilled from two drillsites

in a fan pattern. The enclosing wall rock should be sampled on five foot intervals. However, veins should be sampled on two foot intervals. All of the cuttings from each interval must be collected and assayed.

Percussion drilling using an air track drill is a reasonably- priced, rapid exploration method which insures a representative sample of the vein. Holes can be drilled to a depth of 100 ft. along nearly any azimuth or inclination. No access roads or drillsites will have to be constructed to complete the drilling program.

1435 S. 10th AVE.

PHONE 622-0813

Jacobs Assay Office

Registered Assayers

Certificate No. 6131

TUCSON, ARIZONA 85713 22 April 1982

Sample Submitted By Mr. Gio Lewis c/o Mr. Don Eyde

SAMPLE MARKED	Au OZ/TON		Ag OZ/TON	SAMPLE MARKED	Au OZ/TON		Ag OZ/TON
RDM-1	0.010		0.20	RDM-42	TRACE		0.25
2	TRACE		< 0.05	43	0.038		0.20
3	0.008		0.20	44	TRACE		0.25
4	TRACE		0.30	45	TRACE		0.30
5	0.006		0.30	46	TRACE		0.40
6	TRACE		0.20	47	0.042		0.40
7	0.290		0.25	48	TRACE		< 0.05
8	0.570		1.40	49	TRACE		< 0.05
9	0.007		0.15	50	TRACE		0.35
10	0.005		0.35	51	0.052		0.40
11	0.036		0.20	52	TRACE		< 0.05
12	0.164		0.45	53	0.005		0.30
13	0.015		< 0.05	54	TRACE		0.35
14	0.009		0.20	55	0.048		0.65
15	0.317		1.05	56	0.056		0.30
16	0.027		0.40	57	0.004		0.30
17	0.036		0.30	58	0.009		0.20
18	0.068		0.50	59	0.002		0.15
19	0.040		0.45	60	0.006		0.40
20	0.008		< 0.05	61	0.001		0.20
22	0.007		0.35	62	TRACE		0.15
23	0.007		< 0.05	63	TRACE		0.15
24	0.007		< 0.05	64	0.002		0.15
25	0.018		0.40	65	0.003		0.20
26	0.004		< 0.05	66	0.008		0.25
27	0.013		0.60	67	0.001		0.20
28	0.009		0.40	68	0.002		0.25
29	0.036		0.30	69	TRACE		0.15
30	0.015		0.15	70	TRACE		0.20
31	0.008		< 0.05	71	TRACE		< 0.05
32	0.011		< 0.05	72	TRACE		0.25
34	0.144		0.10	73	0.005		0.20
35	0.014		0.40	74	0.010		< 0.05
36	0.001		0.20	75	TRACE		< 0.05
37	0.003		0.15	76	0.001		0.25
38	0.008		0.40	77	TRACE		0.20
39	0.004		0.20	79	TRACE		0.25
40	0.001		0.20				
41	0.060		0.50				

F/REASSAYS Au Ag - 1 ASSAY TON CHARGE
< LESS THAN EA. SAMPLE

Charges $ 570.00

Very respectfully,

Fred D. Jacobs

1435 S. 10th AVE.

Jarvis Assay Office

Registered Assayers

PHONE 622-0813

Cert. # 61756

TUCSON, ARIZONA 85713 18 May 1982

Sample Submitted By Mr. Geo - Survival c/o MR Ted Eyde

SAMPLE MARKED	GOLD Ozs. per ton ore	GOLD Value per ton ore *	SILVER Ozs. per ton ore	LEAD Per cent Wet Assay	COPPER Per cent Wet Assay	Per cent Wet Assay	Per cent Wet Assay
		$					
DM-80	0.097	—	0.80				
81	0.002	—	0.40				
82-A	0.061	—	0.35				
82-B	0.005	—	0.40				
84	0.002	—	0.15				
85	TRACE	—	0.25				
86	TRACE	—	0.15				
87	TRACE	—	0.30				
88-A	0.006	—	0.40				
88-B	0.058	—	1.35				
89-A	0.084	—	0.40				
89-B	0.001	—	0.45				
90	0.001	—	0.50				
91	0.031	—	0.55				
92	0.007	—	0.60				
93	0.001	—	0.30				
94	TRACE	—	0.15				
95	0.021	—	< 0.05				
96	0.058	—	0.65				
97	0.056	—	0.40				

FIRE ASSAYS - 1 ASSAY TON CHARGE ea. Sample

< = LESS THAN

Very respectfully,

Charges $150.00

Partial
Does not have maps or surveyor's notes

KMR

GSA Resources Inc

P.O. Box 1127 • Cortaro, Arizona 85230 • (602) 297-4330

Ted H. Eyde
Dan Eyde

A Geological Investigation of the Rio del Monte Patented Claim Group Near Salome Yuma County Arizona

PREPARED FOR

JAMES R. JACK

BY

TED H. EYDE
REGISTERED GEOLOGIST

DAN EYDE

MARK JOHNSON

JUNE 24, 1982

REGISTERED GEOLOGIST
CERTIFICATE NO.
7433
THEODORE H.
EYDE
DATE SIGNED 7-8-82
Arizona U. S. A.

TABLE OF CONTENTS

INTRODUCTION

The Rio del Monte claim group is a block of 20 contiguous patented claims about four miles south of Salome, Arizona. The claim boundaries are defined by Mineral Survey 1738. The claims cover gold-silver mineralization discovered during the early 1890's.

Prior to 1900, an investor group, which included then United States Senator Ridgeway, purchased the property. During this period an estimated 4000 feet of workings were excavated. Small scale operations continued until the property was purchased in 1945 by the Seaboard Mining Company. About 100 tons of material was shipped from the dumps before the Seaboard Venture collapsed in 1963.

In the mid 1960's W. D. Roper staked about 600 claims in the Rio del Monte area. Mr. Roper maintained the assessment for several years before dropping the claims in 1967. Bradley James and James Jack acquired 16 of the patents in 1966 and the remaining 4 in 1967.

In October 1981 Ted H. Eyde evaluated the Rio del Monte property for Callahan Mining Corporation. As a result of this investigation Mr. James R. Jack, co-owner of the property, retained GSA Resources, Inc. to undertake a geologic investigation of the Rio del Monte claims. This investigation included:

1) A literature search to determine whether the claim group is described in any publications or unpublished theses.

2) The preparation of a surface geologic map on a scale of 1"=200' showing the topography, location of the claims, roads, shafts, dumps, lithologies, veins, and sample locations.

3) Detailed sampling of the veins.

4) A report with recommendations.

Work on the Rio del Monte property started in mid-January. Ted H. Eyde began a comprehensive literature search and obtained topographic base maps and air photography of the property. A 1"=200' scale mylar base map was enlarged from the Hope 7.5' preliminary U.S. Geological Survey topographic map. A copy of Mineral Survey 1738 was obtained from the U.S. Bureau of Land Management and used to plot the Rio del Monte claims on the base map.

Unusual spring weather delayed the detailed geological mapping and sampling until early April. Mark Johnson spent 10 days on the initial sampling and mapping. The samples were fire-assayed for gold and silver and the locations and values plotted on the base map.

The initial sampling found several anomalously high gold concentrations. Mark Johnson returned to the property in early May and completed mapping the basic dikes and collected close-spaced samples along the vein around the anomalous sample locations. Ted and Dan Eyde completed the final report in early July.

The literature search revealed several references to the Rio del Monte claims and surrounding areas. However, except for Studies in Western Arizona published in May 1980 by the Arizona Geological

Society, few comprehensive geological investigations have been undertaken in the west central part of Arizona. In fact, little is known about the bedrock of this part of the state.

The gold-silver mineralization appears to be confined to mineralized lenticular to podiform zones within the quartz veins. These mineralized zones have been mined for as much as 300' along strike and 300' down dip. The quartz veins which range from 60 inches to less than an inch in width and crop out for as much as 2400 feet along strike.

Most of the veins in the northern part of the claim group strike northeasterly. Those in the southern part of the claim group strike easterly. Most of the mine workings are in the southern part of the claim group.

The sampling program was done in two stages. The initial sampling was done concurrently with the geologic mapping. A total of 76 chip-channel samples were collected across the major veins at widely spaced intervals along strike. These samples were fire-assayed for gold and silver. In the second stage, 20 closely-spaced chip-channel samples were collected across the veins on both sides of the gold-silver mineralization discovered by the initial sampling.

In all nearly 100 samples of the quartz veins, which cropout on the property, were collected during the geological investigation. Predictably, the best gold-silver mineralization sampled on surface

occurs at or near existing workings. Gold values range from trace to 0.570 oz./ton. Silver values range from .05 oz./ ton to 1.40 oz./ton.

SUMMARY

The geological mapping and sampling program located several zones of gold and silver mineralization within the quartz veins on the Rio del Monte patented claim group. The mineralized zones may constitute a source of gold and silver-bearing high silica smelter flux. The deposit is located only four miles over a well maintained county road from the Santa Fe Railroad and U.S. Highway 60 at Salome, Arizona. Silica flux mined at the Rio del Monte property could be shipped by either rail or truck to copper smelters in Arizona.

There are no reserves of gold-silver mineralization blocked out on the property. Neither the actual grade nor the extent of the zones of gold silver mineralization within the quartz veins are known, though the old workings show that mineralized areas as much as 300' long, 300' deep and 2-5' wide were mined. Most of the mineralized areas mined generally cropped out on surface. It appears likely that other mineralized zones or ore shoots which do not cropout should occur within the quartz veins.

The quartz veins require further sampling. Surface samples only provide information in two dimensions. An air track percussion drill can be used to sample the downward extentions of the zones of gold silver mineralization defined by the surface sampling. These areas are shown on the 1"-200' scale map.

The drilling program would sample anomalous mineralization in the quartz veins in the vicinity of existing workings. There appears to be a spatial relationship between the gold mineralization and the basic dikes. There also appears to be a relationship between the silver values and the continuity of mineralization. Therefore, the target areas were chosen for their proximity to the basic dikes, continuity of silver mineralization around anomalous gold mineralization and in areas with past production. These targets are more likely to contain economic concentrations of gold mineralizatio

The first 24 holes should be drilled to explore the zones of gold silver mineralization in the vicinity of the old mine workings. If the drilling intersects a zone of gold silver mineralization, then the program could be expanded to explore for mineralized zones which do not cropout.

The present market for gold and silver-bearing high silica, flux rock is nearly non existent. The smelters in Arizona which consume the silica flux are either shut down or operating at greatly reduced capacity as a result of the reduced demand for copper. Also, the high interest rates and the moderation of the high inflation rate have resulted in a sharp decline in the price of both gold and silver. The price of gold appears to have stabilized about $300/oz. and silver about $5/oz.

Based on the records of past production it appears that the mineralized zones have a grade of .20-.40 oz./ton gold. At the present price

of gold and silver the gross in place value of the mineralization is $60-120/ton.

At current metal prices any exploration or mining venture at the Rio del Monte property would appear to be rather speculative. Historically, the price of both gold and silver have kept pace with inflation. Consequently, the property appears to be good precious metals exploration venture for a limited partnership, for the following reasons:

1) The quartz veins containing the mineralization are almost completely within the patented claim group.

2) Because both the surface and minerals are owned in fee simple, the exploration and mining operations are exempt from most of the both burdensome and expensive federal and state regulations governing exploration and mining.

3) Gold and silver-bearing ores and concentrates were shipped from the Rio del Monte property.

4) The geological mapping and sampling program has defined several shallow exploration targets.

5) The property is easily accessible to both rail and highway transportation.

CONCLUSIONS

1) The gold-silver mineralization appears to be localized in oxidized portions of the quartz veins and spatially related to the overturned and folded basic volcanic dikes.

2) Silver values are a better indicator of mineralization than gold as it is less subject to erratic variations.

3) The proven past production, fee simple ownership of both the surface and mineral estate, and the proximity of both rail and truck transportation make the Rio del Monte patented claims a good speculative gold-silver prospect.

RECOMMENDATIONS

1) Drill several percussion drillholes with an air track to sample the mineralization in the quartz veins in the four target areas outlined by the geological mapping and sampling program.

2) Contact the exploration companies which have staked the claims surrounding the Rio del Monte Claim group, to determine whether they would be interested in entering into an agreement to explore the property.

3) Submit composite samples of the quartz veins to Phelps Dodge Corporation, ASARCO, Inspiration Consolidated Copper Company, and San Manuel Copper Company to determine whether any of their smelters would purchase the flux ore.

4) Map the dikes on the property in greater detail. The gold-silver mineralization appears to be best near the intersections of the quartz veins with the dikes.

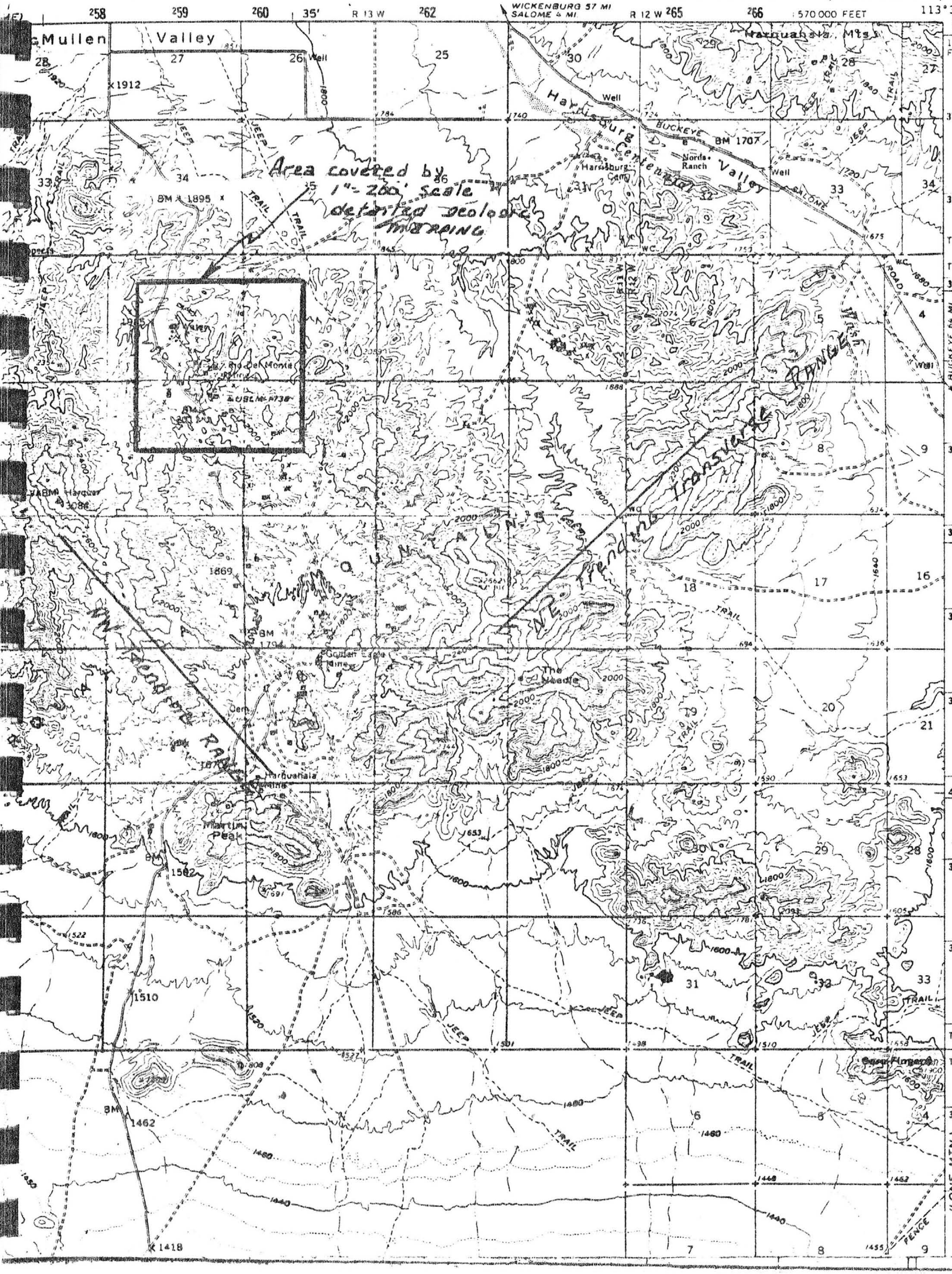
LOCATION

The Rio del Monte claim group is a block of 20 contiguous patented bode claims whose boundaries are defined by Mineral Survey 1738. The claims cover portions of sections 3,4,9, and 10 of the unsurveyed township T. 4 N., R. 13 W. The claim group is in Yuma County, Arizona on the north end of the Little Haraquahala Mountains about 4.5 miles south of the town of Salome. The enclosed maps show Mineral Survey 1738 and a portion of the 15' U.S.G.S. Hope Quadrangle outlining the boundry of the 1 in.=200 ft. scale geologic map.

The claim group is accessible from Salome to the north on U.S. Highway 60 and the Santa Fe Railroad over 4.5 miles of county maintained gravel road. The property is also accessible to the south from the Hovatter Road exit on Interstate 10 over about 10 miles of county-maintained gravel road.

HOPE QUADRANGLE
ARIZONA–YUMA CO.
15 MINUTE SERIES (TOPOGRAPHIC)

3351 IV (GLADDEN)


McMullen Valley
WICKENBURG 57 MI
SALOME 4 MI
R 13 W
R 12 W
570 000 FEET
113°30'
33°45'
1 000 000 FEET
Harquahala Mts
Harrisburg Centennial Valley
BUCKEYE
BM 1707
Norda Ranch
Harrisburg Cem
Well
SALOME
Area covered by 1"=200' scale detailed geologic mapping
BM 1895
x1912
T 5 N
T 4 N
ROAD
BUCKEYE 64 MI
Wash
RANGE
Transverse
NE Trending
Rio Del Monte Mine
NW Trending RANGE
Golden Eagle Mine
The Needle
Harquahala Mine
Martin Peak
1562
1510
1462
1418
BM
JEEP
TRAIL
FENCE
T 3 N
40'
(LONE MTN) 3351 III

PAST PRODUCTION

The gold-silver mineralization covered by the Rio del Monte patented claim group was discovered in the early 1890's. Prior to 1900 a group of investors which included United States Senator Ridgeway purchased the property. The investor group sunk several shafts, drove underground workings and excavated many shallow sampling pits on the veins throughout the property. In a report prepared for the Rio del Monte Mines, Travis Lane estimated that more than 4000 feet of development work was completed during this period.

Small operations which consisted of high-grading the veins and sorting the dumps continued for several years. About 15 tons of ore containing 0.30 oz./ton gold was shipped in 1931. The Seaboard Mining Company acquired the Rio del Monte Mines property in 1945 and shipped about 49 tons of ore containing 0.40 oz./ton gold. An additional 50 tons of ore was milled recovering about 0.17 oz./ton gold. Both shipments were from the dumps. The Seaboard Mining Company venture collapsed by 1963. No gold ore is known to have been shipped since the Seaboard Mining Company Operation.

In the mid-1960's W.D. Roper staked about 600 claims surrounding the Rio del Monte patented claim group. Mr. Roper built the existing access roads, drilled the validation holes, and maintained the assessment work for several years. Mr. Roper believed his claims covered a major porphyry copper similiar to the Dos Pobres deposit

near Safford, Arizona which does not cropout. Mr. Roper sold the Los Pobres deposit to Phelps Dodge Corporation for over $1,000,000. In 1967 he dropped his claims around the Rio del Monte group. Bradley James and James Jack acquired 16 of the Rio del Monte patents in 1966 and the remaining 4 in 1967.

GEOLOGY

The mineralization on the Rio del Monte claims occurs along the northeast flank of the Little Harquahala Mountains which is part of one of the four transverse ranges in southwestern Arizona. The transverse ranges are the Harquahala, Harcuvar, Buckskin, and Rawhide Mountains. All of these ranges are composed of Precambrian age metamorphic-plutonic core complexes which are intruded by late Cretaceous to Tertiary age granitic rocks. Metamorphosed Paleozoic, Mesozoic and Cenozoic rocks often overlie and flank the core complexes.

Until petroleum, uranium, and precious metals exploration began in the transverse ranges during the mid 1970's virtually nothing was known about their geology. Even though the stratigraphic correlations between the rocks in the transverse ranges and those in central and eastern Arizona are still tenuous, those explorations programs have revealed a great deal of information about the structural setting of the transverse ranges.

It now appears that the transverse ranges are more complex than the northwest-trending ranges in Arizona. The rocks in the transverse ranges are often tightly folded along two axes, overthrust and block faulted. It appears that the Rio del Monte claims are near the intersection of a transverse range and a northwest trending range. The emplacement of the dikes and mineralized quartz veins may be related to this tectonic setting.

The bedrock underlying the Rio del Monte claims is a folidated porphyritic Precambrian gneiss. Several basic dikes, probably diabasic in composition, intrude the gneiss and strike north to northwest. The mineralized quartz veins intrude both the gneiss and the dikes and strike east to northeast.

Results of the detailed mapping and sampling indicate that the gold-silver mineralization is spatially related to zones within the quartz veins near the dikes. Also, the greatest density of quartz veins are found around the outcrop exposures of the dikes.

The dikes and faults which displace the quartz veins strike north to northwest. The quartz veins generally strike northeast to east and cross the dikes normal to their strike. The highest gold-silver assays occur in samples taken to the southwest of these intersections.

The dikes may actually be sills emplaced along paleobedding planes. The present outcrop pattern indicates strong folding of the enclosing bedrock followed by rotation into the present orientation. Detailed mapping of the dikes could lead to the identification of additional exploration targets.

Gold-silver mineralization appears to be concentrated in the oxidized portions of the veins. The ore bodies occur as podiform or lenticular, localized concentrations of gold and silver mineralization. Past production indicates the individual mineralized zones were as much as 300' long, 2-5 feet wide, and extended as much as 300' down dip.

The quartz veins are composed of dense white milky quartz. The quartz is stained by iron oxides and extend several feet above the gneissic bedrock. The principal minerals in the oxide zone are limonite and minor amounts of malachite and azurite. The sulfide minerals appear to be pyrite and chalcopyrite. It appears likely that the gold and silver mineralization was introduced with the sulfide minerals and later concentrated in the oxidized portion of the veins.

The potential for similar deposits of gold-silver mineralization which do not crop out is high. However, these blind deposits can only be discovered by drilling and sampling the quartz veins at depth along strike. It appears likely that reserves will be developed around existing workings near the basic dikes.

EXPLORATION

Ninety six samples were collected from the quartz veins which cropout on the Rio del Monte claims. The samples are chip-channel and collected across the width of the veins. Sample numbers were spray-painted on the veins and marked on the map.

The first group of 76 samples were collected concurrently with the geological mapping. The major and many of the narrower veins were sampled at widely spaced intervals along strike. A second group of 20 more closely spaced samples were collected around zones of gold-silver mineralization defined by the initial sampling.

The sample locations, width and gold-silver content of the veins are posted on the 1in.=200ft. scale map. Most of the higher values occurred in the vicinity of existing mine workings.

Mike Jacobs of Jacobs Assay office in Tucson fire-assayed the samples for gold-silver. These results are shown on the following pages.

The sampling program outlined four exploration targets. Further surface sampling would not yield as much useful data as an air track percussion drilling program which could sample these targets at depth.

To insure a representative sampling of the vein each target will require at least six exploration holes drilled from two drillsites

in a fan pattern. The enclosing wall rock should be sampled on five foot intervals. However, veins should be sampled on two foot intervals. All of the cuttings from each interval must be collected and assayed.

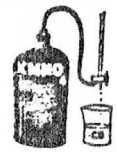
Percussion drilling using an air track drill is a reasonably-priced, rapid exploration method which insures a representative sample of the vein. Neither roads nor drillsites need to be constructed. Holes can be drilled up to 100' along nearly any azimuth or inclination.

1435 S. 10th AVE.

PHONE 622-0813

Jacobs Assay Office

Registered Assayers



Certificate No. 6731

TUCSON, ARIZONA 85713 22 April 1982

Sample Submitted By Mr. Gio Sarkis C/o MR. Dan Eyde

SAMPLE MARKED	Au OZ/TON		Ag OZ/TON	SAMPLE MARKED	Au OZ/TON		Ag OZ/TON
RDM-1	0.010		0.20	RDM-42	TRACE		0.25
2	TRACE		<0.05	43	0.038		0.20
3	0.008		0.20	44	TRACE		0.25
4	TRACE		0.30	45	TRACE		0.30
5	0.006		0.30	46	TRACE		0.40
6	TRACE		0.20	47	0.042		0.40
7	0.290		0.25	48	TRACE		<0.05
8	0.570		1.40	49	TRACE		<0.05
9	0.007		0.15	50	TRACE		0.35
10	0.005		0.35	51	0.052		0.40
11	0.036		0.20	52	TRACE		<0.05
12	0.164		0.45	53	0.005		0.30
13	0.015		<0.05	54	TRACE		0.35
14	0.009		0.20	55	0.048		0.65
15	0.317		1.05	56	0.056		0.30
16	0.027		0.40	57	0.004		0.30
17	0.036		0.30	58	0.009		0.20
18	0.068		0.50	59	0.002		0.15
19	0.040		0.45	60	0.006		0.40
20	0.008		<0.05	61	0.001		0.30
22	0.007		0.35	62	TRACE		0.15
23	0.009		<0.05	63	TRACE		0.15
24	0.007		<0.05	64	0.002		0.15
25	0.018		0.40	65	0.003		0.20
26	0.004		<0.05	66	0.008		0.25
27	0.013		0.60	67	0.001		0.20
28	0.009		0.40	68	0.002		0.25
29	0.036		0.30	69	TRACE		0.15
30	0.015		0.15	70	TRACE		0.20
31	0.008		<0.05	71	TRACE		<0.05
32	0.011		<0.05	72	TRACE		0.25
34	0.144		0.10	73	0.005		0.20
35	0.014		0.40	74	0.010		<0.05
36	0.001		0.20	75	TRACE		<0.05
37	0.003		0.15	76	0.001		0.25
38	0.008		0.40	78	TRACE		0.20
39	0.004		0.20	79	TRACE		0.25
40	0.001		0.20				
41	0.060		0.50				

F/REASSAYS Au Hg -/ASSAY TON CHARGE
< = LESS THAN Each Sample

Very respectfully,

Charges $ 570.00

1435 S. 10th AVE.

Jacobs Assay Office

Registered Assayers

PHONE 622-0813

Cert. # 61756

TUCSON, ARIZONA 85713 18 May 1982

Sample Submitted By Mr. Geo-Services c/o MR Ted Eyde

SAMPLE MARKED	GOLD Ozs. per ton ore	~~GOLD Value per ton ore *~~	SILVER Ozs. per ton ore	~~LEAD Per cent Wet Assay~~	~~COPPER Per cent Wet Assay~~	~~Per cent Wet Assay~~	~~Per cent Wet Assay~~
		$					
RDM-80	0.097	—	0.80				
81	0.002	—	0.40				
82-A	0.061	—	0.35				
82-B	0.005	—	0.40				
84	0.002	—	0.15				
85	TRACE	—	0.25				
86	TRACE	—	0.15				
87	TRACE	—	0.30				
88-A	0.006	—	0.40				
88-B	0.058	—	1.35				
89-A	0.084	—	0.40				
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90	0.001	—	0.50				
91	0.031	—	0.55				
92	0.007	—	0.60				
93	0.001	—	0.30				
94	TRACE	—	0.15				
95	0.021	—	<0.05				
96	0.058	—	0.65				
97	0.056	—	0.40				

FIRE ASSAYS - 1 ASSAY TON CHARGE ea. Sample

< = LESS THAN

Very respectfully,

[signature]

Charges $150.00

OTHER EXPLORATION ACTIVITY

Several exploration companies are active in the area surrounding the Rio del Monte property. The Rea Petro Corporation, a Canadian company based in Vancouver, B.C. drilled several rotary/core exploration holes south of Salome. Apparently, the targets are mineralized quartz veins similar to those on the Rio del Monte claims.

Phelps Dodge Small Mines Division is also looking at precious metal prospects in southwestern Arizona and Gold Fields Mining Company completed a geological reconnaissance of the Little Harquahala Mountains in 1980. An exploration company with headquarters in Arvada, Colorado, either Gulf Resources and Chemicals Corporation or Amoco Minerals staked a block of claims surrounding the Rio del Monte claims and another group south of the Harquahala Mine.

Most of the current exploration activity appears to be south of the Rio del Monte claims in the vicinity of the Golden Eagle and Harquahala Mines. In April 1982 a number of rotary drill holes were being drilled on the Harquahala property.

Many companies are continuing their exploration programs for precious metals despite the present low prices. Gold and silver prices which have been dropping since 1980 appear to have stabilized at about $300/oz. for gold and $5/oz. for silver. Both of these commodities are undervalued at present and the exploration firms appear to be acquiring additional resources while property prices are depressed.

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Mines

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine Rio Del Monte Date 10/10/84

District Ellsworth Engineer Nyal J. Niemuth

Subject: Production

Recorded production from the Ellsworth mining district, La Paz County according to an abstract of U. S. Bureau of Mines data was obtained from the Arizona Bureau of Geology and Mineral Technology.

Production is recorded for the period 1913 - 1949

Cumulative totals are:

Tons of ore	348 (over half in 1931)
Pounds of copper	1482
Pounds of lead	1224
Troy ounces of gold	87
Troy ounces of silver	239

The following mines or mining claims in the district contributed to the production: Rio Del Monte

Tucson

storage area in mine

1/17/68

Mr. James H. McDonald (or MacDonald) and

Mr. James Walker, 4001 N. 32nd Place 956-1715

Say they have purchased the Rio Del Monte Mine from Mrs. Eckel

n

October 22, 1990

Mr. Skip Haynes
Realty Executives
11223 N. 28th Drive - Suite # F-100
Phoenix, Arizona 85029

RE: Rio del Monte Property, La Paz County, Arizona - 285

Dear Mr. Haynes:

I have reviewed the data generated during my examination of the Rio del Monte prospect. The mineralized veins within the claim block appear to be widely spaced and there is no compelling evidence that this mineralization represents leakage from a larger system at depth.

The geochemical values were anomalous but relatively weak for this type of system. It is certainly possible that the Rio del Monte prospect is a distal expression of a detachment related system and surface exposures of the Little Harquahala Detachment Fault are mineralized nearby. However, there is no direct evidence of this in the claim block and I think that the property would have to be drilled to adequately test the potential. The alteration at the surface is generally confined to the vein boundaries and the lack pervasive alteration in the area is not encouraging. As a result of the inconclusive data I can't recommend any further action by Phelps Dodge at this time. Please give me a call if you have any further questions or would just like to discuss the data. Thanks.

Very truly yours,

Randal O. White
Phelps Dodge - Lake Havasu City Office
(602) 453-9426

SK[illegible]NE LABS, INC.
1775 W. Sahuaro Dr. • P.O. Box 50106
Tucson, Arizona 85703
(602) 622-4836

REPORT OF ANALYSIS

JOB NO. TEO 2968
July 25, 1990
8529-8535

PHELPS DODGE CORPORATION
Western Exploration Office
P.O. Box 50427
Tucson, AZ 85703-1427

LOCATION:

HOPE
RIO DEL NORTE SUB.
QUAD - 285
ARIZONA

Analysis of 7 Pulp Samples

R. Q. WHITE

SPL DATE; 6-29-90

TWNP	RGE	SEC	ITEM NO.	SAMPLE NO.	Au (ppm)	Ag (ppm)	As (ppm)	Sb (ppm)	Cu (ppm)
4	13	3	1a 1	8529	.18	.80	4.4	5.5	2950.
			1b 2	8530	<.02	.10	2.6	1.1	810.
			1c 3	8531	.09	.10	3.4	1.4	9500.
			1d 4	8532	.44	1.70	8.0	7.5	440.
			1e 5	8533	<.02	.50	2.0	.5	460.
			1f 6	8534	<.02	.15	3.8	.2	44.
			1g 7	8535	.02	.15	3.4	10.0	16000.

Charles E. Thompson
Arizona Registered Assayer No. 9427

William L. Lehmbeck
Arizona Registered Assayer No. 9425

James A. Martin
Arizona Registered Assayer No. 11122

SK[illegible]E LABS, INC.
1775 W. Sahuaro Dr. • P.O. Box 50106
Tucson, Arizona 85703
(602) 622-4836

ITEM	SAMPLE NO.	Pb (ppm)	Zn (ppm)	Mo (ppm)	Bi (ppm)	Co (ppm)
1	8529	700.	235.	16.	.5	48.
2	8530	740.	445.	<2.	.3	12.
3	8531	110.	130.	4.	<.1	10.
4	8532	720.	18.	10.	1.5	6.
5	8533	48.	125.	4.	.1	20.
6	8534	14.	80.	<2.	.2	30.
7	8535	560.	175.	<2.	<.1	6.

ITEM	SAMPLE NO.	Ni (ppm)	Cd (ppm)	Te (ppm)
1	8529	6.	.6	.2
2	8530	4.	2.6	.1
3	8531	4.	.9	<.1
4	8532	2.	<.1	.2
5	8533	6.	.8	<.1
6	8534	8.	<.1	<.1
7	8535	6.	.3	<.1

Charles E. Thompson
Arizona Registered Assayer No. 9427

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Arizona Registered Assayer No. 9425

James A. Martin
Arizona Registered Assayer No. 11122

SKY[illegible] LABS, INC.
1775 W. Sahuaro Dr. • P.O. Box 50106
Tucson, Arizona 85703
(602) 622-4836

JOB NO. TEO 2968
July 25, 1990

ITEM	SAMPLE NO.	Se (ppm)	Tl (ppm)	W (ppm)
1	8529	.1	<.5	20.
2	8530	.1	<.5	6.
3	8531	.1	<.5	10.
4	8532	2.2	<.5	16.
5	8533	.2	<.5	<2.
6	8534	.3	<.5	10.
7	8535	.5	<.5	8.

William L. Lehmbeck
Manager

Charles E. Thompson
Arizona Registered Assayer No. 9427

William L. Lehmbeck
Arizona Registered Assayer No. 9425

James A. Martin
Arizona Registered Assayer No. 11122

Malartic Hygrade U.S., Inc.
Regional Office
2050 West Wickenburg Way • P.O. Box 21521 • Wickenburg, AZ 85358 (602) 684-3996
FAX (602) 684-7327

January 25, 1990

Mr. Skip Haynes
Realty Executives
11223 N. 28th Drive
Suite F100
Phoenix, Az 85029

Re: Rio Del Monte Claims

Dear Skip,

We have completed our review of the Rio Del Monte Claims, and have concluded that we are currently unable to undertake a project of this nature, and thus we decline the opportunity to make an offer of participation.

We sincerely appreciated the opportunity to review the data and enjoyed our visit to the property. Wishing you the best of success.

Yours very truly,

James A. Sullivan
Vice President

JAS/rh

Hope Az 285 Rio Del Norte prospect
Monte

T4N, R13W, sections 3, 10

Sect. 3 Del Monte Mine Area.

(Vein in area: "Bull qtz" N75W; 60 NE
variable - up to 20' wide. sheared adj. host)

(1a) ▲ Vein exposure cross section oxidized
qtz vuggy Fe Mn oxides chip

(1b) ▲ Footwall chlorite alt & bleached
sheared mafic gneiss.

(1c) ▲ Dump. lower or middle shaft
shallow CuOx st. & Fe'd gn & qtz

(1d) ▲ Upper dump or middle shaft
qtz & FeOx minor CuOx on fxs.
vuggy hematite - vein exposure
near shaft.

(1e) ● stockwork vns - FeOx's &
alt. host rock.

(1f) ● chloritized gn. gneiss - qtz
veins w FeOx

(1g) ● Breccia strong alt - CuOx
& veining qtz "flooding".

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine RIO DEL MONTE Date 2/12/65

District Ellsworth District Yuma County Engineer Lewis A. Smith

Subject: Mine Visit (2/12/65) and Conferences with Martin O. Jones, one of the owners and Don Breeden, Chief Mechanic.

ADDRESSES: Jones lives at 5902 N. 86th St., Phoenix (PH 9472367 or can be reached at P. O. Box 447, Salome.

PROPERTY: 8 original claims purchased from Edna Eckel.
8 other claims, some recently laid out and some acquired from other parties.

LOCATION: 5 miles in a southerly direction from Salome.

MINERALS: Gold, silver, lead and some copper.

WORK: Considerable work was done years ago, especially on the Tiger Claim where three shafts, situated along the "Main" vein strike within a distance of 8 000 feet (800) were sunk to depths ranging from 125 to 250 feet. Considerable trenching and a number of short shafts or pits are scattered over the claims. Recent work consists of road building and a little bulldozer scraping.

GEOLOGY: The country rock consists mainly of granite that, in places of higher elevations, is capped by andesitic flows. The granite is somewhat prophyritic. The topography is mainly rolling with a few scattered eminances, and this is being disected by a system of shallow gullies. The granite is cut by several veins that strike in every direction, but generally predominate in N-S oe NE-SW directions. Dips vary from nearly vertical to 65-70 degrees. The shoots are generally lenticular and occur at structural intersections, where the veins are intercepted by transverse faults or where the veins intersect. The veins are, in the main, quartz filled and tend to pinch and swell locally. Most of the quartz is milky white and dense, but locally may be sugary and vugy. The vugs and fractures are lined by red, maroon, yellow and nearly black limonite and sporadic green copper oxides. These limonites generally are derived from pyrite but may locally have been derived from copper sulphides. Gold is generally found with the limonite and is commonly affiliated with the copper minerals. The better gold ore is said to have been derived from areas where iron oxides are especially prevalent. According to Travis Lane's report (March 24, 1950) copper values may run as much as 1.0 percent but generally run 0.2 to 0.3 percent. Although copper oxides are present in several places they are not regarded as particularly important by Lane, a conclusion that we could agree with, although a few areas may be prospectable for that element. Lenses and pods of galena, anglesite and lead oxide occur in the vugy quartz phase. Lane notes occurrences of bornite and chalcocite, mostly in the quartz.

FUTURE: Lane concluded that, with modern equipment, and proper development, the mine might have a good low-grade potential, but that the mine may be regarded as speculative. He outlined several prospective areas. We would add a few good leached-capping occurrences.

EQUIPMENT: Equipment consists of: No. 125 Worthington Compressor, Case Loader, T.D 24 Cat, a 10 yard Ford dump truck (flat bottom), a Chicago Pneumatic Wagon Drill, Several smaller drills (jackhammers, stopers, drifters) and hoses and steel.

RIO DEL MONTE MINES

Visited Rio Del Monte Mine, no activity.

E. G. Williams Weekly Report 10/16/63

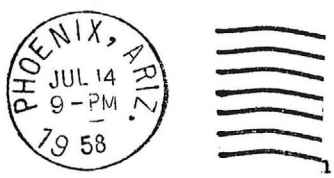
ARIZONA DEPARTMENT OF MINERAL RESOURCES
MINERAL BUILDING, FAIRGROUNDS
PHOENIX, ARIZONA

July 14, 1958

To the Owner or Operator of the Arizona Mining Property named below:

Rio Del Monte Mines (Yuma County) gallium
(Property) (ore)

d like to have



n as complete detail

rns, shipment returns

might interest a

Seaboard Mining Company

P.O. Box 1064

Phoenix, Arizona Not in Main Office Box Direc

2

Frank P. Knight

FRANK P. KNIGHT,
Director.

Enc: Mine Owner's Report

ARIZONA DEPARTMENT OF MINERAL RESOURCES
MINERAL BUILDING, FAIRGROUNDS
PHOENIX, ARIZONA

July 14, 1958

To the Owner or Operator of the Arizona Mining Property named below:

Rio Del Monte Mines (Yuma County)	gallium
(Property)	(ore)

We have an old listing of the above property which we would like to have brought up to date.

Please fill out the enclosed Mine Owner's Report form with as complete detail as possible and attach copies of reports, maps, assay returns, shipment returns or other data which you have not sent us before and which might interest a prospective buyer in looking at the property.

Frank P. Knight

FRANK P. KNIGHT,
Director.

Enc: Mine Owner's Report

REPORT

RIO DEL MONTE MINES INC.

Salome, Arizona

11-20-48

The Rio Del Monte Mines are located four miles south of Salome, Arizona directly on the road to Harqua Hala. The mine is in the Elsworth Mining District in Yuma County. The property consists of 20 patented claims of nearly 400 acres. The country is relatively level with some porphyry hills with 100 to 200 feet of elevation.

The company is incorporated in Arizona with 100,000 shares of $1.00 par value. Fifty-three thousand shares have been issued. Money from the sale of stock has been used to open up numerous places for the purpose of exposing ore, for building, equipment, and small tools. Mr. O. K. Gilliam of Phoenix is one of the owners and is the manager. The main office of the company is located at 11 E. Van Buren St., Phoenix, Arizona.

The road to the mine is a graded road maintained by the county. The weather is hot in summer and mild in winter. Rainfall is light and causes no material interruptions to mining activities.

GEOLOGY

The claims are covered by an old flow of intrusive rock, broken by 14 major veins. The vein system covers the entire property and shows considerable parallelism in blocks. Between the major veins are innumerable smaller veins that form a web-like pattern. The intrusive rock is a porphyry high in quartz and feldspar. The veins appear to be pegmatite with considerable staining from iron oxidation.

The vein material has undergone considerable oxidation on the surface, but at a few feet of depth minerals occur as sulphides. Veins carry gold, silver, copper and lead. There is evidence that the porphyry mass also carries values in disseminated form. No work has been done in the porphyry to determine values or the extent of such mineralization.

Gold and lead are the main metal values, but some copper and silver are also present. One sample taken of the porphyry wall rock also showed these minerals present.

The major veins are consistant in maintaining a width of from five to eight feet, and are in general nearly vertical.

DEVELOPMENT

There are three deep shafts and some fifty shallow shafts on the claims. One shaft is 300 feet deep and two are 150 feet deep. I did not go down these shafts but it is reported that the veins are still strong at those depths and are maintaining their widths and values. In addition to the many shafts there are a large number of cuts and small tunnels along the several veins. Many of the places were worked years ago and no records of production are available. At each of the places worked there is a pile of rejected material which carries values from little or nothing to as much as $20.00 at present metal prices. How much was high-graded and marketed is unknown.

Except for the deep shafts the work done on the claims is of little value from a mining standpoint. It is of great assistance from a prospecting veiw and would be invaluable if a complete sampling program were desired. From these workings some very high grade values can be obtained, but it appears that $4.00 to $8.00 might be the value of the most of the vein material

WATER AND TRANSPORTATION AND LABOR

Abundant water is reported to be available from wells at a distance of some two miles. The Harqua Hala mill obtained sufficient water from this source.

The mine is four miles from the railroad at Salome. No loading facilities are available there, but these could be arranged for if sufficient tonnage to justify the expense were to be shipped. Salome is a small town, largely dependent on the tourist travel on highway 60. It is sufficiently suitable for employees to reside there. Electric power is available in Salome.

It was impossible during my short visit to evaluate the property. Thousands of samples would be necessary to determine the grade of ore that could be mined. There is no question but what the vein system encompasses hundreds of thousands of tons of material. If the porphyry mass were found to carry minerals in commercial value the tonnage would run into many millions. It is certain that good values have been found in some places. The present owners have made some shipments to smelters that would have been profitable if milled near the mine.

Three mill tests were run on the ore at the Denn Mill. The first two were unsuccessful, but a third, Test #33-899 showed recoveries as follows:

Gold 80%, Silver 80%, Copper 50% and Lead 85%

The recovery isn't to be considered too good, but indicates that milling procedure can be improved to assure very good recoveries. The sample used for the test showed Au 0.24 oz, Ag 3.60 oz., Copper 1.75% and lead 6.70%.

There was considerable oxidation present which caused the low recovery of copper. The ratio of concentration was 7 to 1. This ore had a net smelter value of $28.02 per ton out of which milling cost, ore freight, ore trucking and mining would have to be paid.

CONCLUSIONS

I believe this property will bear further examination. To understand its value would require weeks of sampling and study. Diamond drilling would be required to get information on the porphyry areas.

If only the veins carried commercial values, then all mining would fall in the underground classification with its usual costs. If the porphyry were valuable then pit mining would be advisable and low value ore would be mineable.

It is possible that semi-pit mining to a shallow depth would be a good initial move to be certain to establish average grades and recoveries.

I feel quite certain that this property could only be operated in conjunction with a mill on or near the property. The capacity of a mill could not be determined until a great deal of information were obtained on the mine.

To summarize my thoughts on this mine, I will state that it either is a very large and valuable property or it has no value at all. Either the entire vein system must carry average values sufficient to warrant large scale underground mining or the porphyry must make up volume sufficient for pit-mining operations. I do not believe searching for high grade spots can be done profitably.

J. A. Wilcox
Manager

File "Mill Schedules"

MISCELLANEOUS

Shattuck Denn Mining Corp
Lead-Zinc Milling Ore Valuation

Shipper: Rio Del Monte — Mill Lot 32-844 — Date Nov 8-1948

Wet tons 15.89
Dry tons 14.06

Lead Concentrate — Zinc Concentrate

Metal Statistics	Assay Content	Assay Content Gross	Recovery	Total Recovery
Oz gold		1.366	1.366	19.206
Oz silver		20.50	19.48	273.89
% copper		6.20	11.02	1549.
% lead		40.50	70.20	9870
% zinc		—	—	—
% iron		7.20		
% insolubles		22.80		

Value of Product	Units Recovered	Price	Amount
Gold		32.32	620.78
Silver		.885	242.39
Copper		.16705	258.76
Lead		.1963	1937.48
Zinc			

Gross Smelter Value

Smelting Charges	Units	Amount per ton	Total
Base treatment charge		3.96	55.68
Labor variable		3.01	42.32
Pb assay (Prem) (Penalty)	10.5	1.05	14.06
Zn Price Penalty	—	—	—
Insol. Penalty			
Bismuth Penalty	22.8	2.28	32.06
Iron credit	7.2	.72	10.12
Price Penalty		1.00	14.06
Total Treatment charges			119.24

Concentrate freight	wet ton 8.22	130.62
Federal tax 3%		3.92
Bullion freight tax 3%	285	3.25
Total Freight Charges		137.79

Price Remaining Metals	Account	Settlement Summary Per Dry Ton		Total Amt.
lbs Cu. @ 5.00¢	Gross smelter value			$3059.37
lbs Pb @ 2.75¢	treatment		119.24	
lbs Zn @ 2.75¢	freight		137.79	257.03
	milling costs			
	net mill value			
	Processing fee (1%) 5.00			
	Ore freight net mill value			
	Price Remaining (0 goods)			
Total	net return to shipper			$2802.34

Real Del Monte M. Co.

ASSAY REPORT

SHATTUCK DENN MINING CORPORATION

Sampler J. A. Wilcox Date Sampled .... Bisbee, Arizona, Nov. 18, 1948

Level	PLACE	% Insol	% Fe	Gold Oz. per ton	Silver Oz. per ton	Copper %	Lead %	Zinc %
	Porphyry-Wall	82.80	2.30	.01	0.20	0.10	0.10	Nil

Paul Durrett

Assayer

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine Rio Del Monte Date April I0th I947

District Ellsworth Yuma Co Engineer A.C. Nebeker

Subject:

This mine is 5 to 6 miles south of Salome, on a good road.

There are several strong quartz fissures going across this property and many small fissures.
The quartz is a hard white quartz with spots of sulphides occuring.

Many short shafts and trenches have been dug sometime in the past.

I saw a list of assays taken from somewhere on these veins, and th e avgrage of I7 gave $8.00 in gold, by their method. It is my opinon that these assays do not show true value of the veins. No thickness is given nor a map showing where samples were taken.

Work now being done is the construction of a camp, and prepairing a sh aft for collar set.

Water for camp can be had on the property.

See: SILICA DEPOSIT (file) Yuma (White "bull" Quartz)

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine RIO DEL MONTE MINES Date Dec I3th, I946

District Ellsworth Yuma Co Ariz. Engineer A. C. Nebeker

Subject: Rio Del Monte Mines Inc.

On Dec. I3 th, Mr Mills and two ~~tmm~~ others and myself went out to the property of the Rio Del Monte Mines.

This property is by road 7 miles south of Salome and about 5 miles air line. There is a good auto road to the property.

I understand the property contains some 400 acres.

We found no work going on at this time.

We saw a quartz fissure which is from 2 ft to 6 ft thick between walls of granite. On this fissure there has been a lot of drifting along the vein and in one place there is a small shaft 40 or 50 feet deep which has water in the bottom.

The quartz of the fissure is white glassy kind and in a few places we saw some copper stain, as to values, assays would be necessary to determine that.

We saw no gold visible to the unaided eye.

The quartz fissure crosses the property some distance. I could see I500 feet of it outcropping . If this quartz carries the values, a good size operation can be built up.

DEPARTMENT OF MINERAL RESOURCES
State of Arizona
MINE OWNER'S REPORT

Date 12-13-1946

1. Mine: Rio Del Monte
2. Location: Sec. ..... Twp. 4 N Range 13 W Nearest Town Salome
   Distance 6 Direction N Road Condition Good
3. Mining District & County: Harquahala Yuma
4. Former Name of Mine: .....
5. Owner: Rio Del Monte Mines Inc.
   Address: 11 W Adams Phoenix, Ariz.
6. Operator: Same
   Address: .....
7. Principal Minerals: Au
8. Number of Claims: 20 Lode ✓ Placer .....
   Patented ..... Unpatented ✓
9. Type of Surrounding Terrain: .....

10. Geology & Mineralization: .....

11. Dimension & Value of Ore Body: .....

RIO DEL MONTE

Au

Yuma County 14 - 3 T 4 N, R 13 W

Rio Del Monte Mines, Inc., 11 W. Adams, Phoenix '46
'47

12. Ore "Blocked Out" or "In Sight":

Ore Probable:

13. Mine Workings—Amount and Condition:

No.	Feet	Condition
Shafts		
Raises		
Tunnels		
Crosscuts		
Stopes		

14. Water Supply:

15. Brief History:

16. Signature:

17. If Property for Sale, List Approximate Price and Terms:

PROSPECTUS

SEABOARD MINING COMPANY

INCORPORATED UNDER THE LAWS OF THE

STATE OF ARIZONA

with an authorized capital of one million shares of common stock (no preferred) of the par value of $1.00 per share, all of which has the voting privilege, and is non-assessable.

●

OFFICERS and DIRECTORS

filed 2-27-62

O. K. Gilliam.....President and Director
336 Bradbury Building, Los Angeles, California

Robert W. Higgins.....Vice President and Director
336 Bradbury Building, Los Angeles, California

C. Eldon Ford.....Secretary and Director
209 North Eighth Street, Phoenix, Arizona

George W. English.....Treasurer
146 West Adams Street, Phoenix, Arizona

Royal D. Glick.....Director
145 West Eleventh Street, San Bernardino, California

Henry M. Loud.....Director
3316 Warwick Street, Los Angeles, California

R. W. HIGGINS
Engineer in Charge of
Operations

Address all Communications to the

SEABOARD MINING COMPANY

146 West Adams Street P. O. Box 1064 Phoenix, Arizona

The corporation was organized June 8, 1936, and to this date (October 6, 1937) has issued only 903 shares of its capital stock in consideration of cash advanced and services rendered on behalf of the corporation incident to its organization and incorporation, three of which are now in the treasury of the corporation.

Since its incorporation the company has acquired a lease and option to purchase a valuable mining property situated in the Ellsworth Mining District in the County of Yuma, Arizona, about four miles from the Town of Salome on U. S. Highway 60 and the Santa Fe Railway line running from Phoenix, Arizona, to Los Angeles, California.

This lease and option was acquired originally from the administrator of the Estate of Richard P. Camden, deceased, now in process of probate in the Superior Court of Yuma County, Arizona, by R. W. Higgins, without consideration therefor other than his undertaking to pay to the said administrator the sum of $72,000.00 on or before the 7th day of September, 1940. The property covered by this lease and option comprises twenty patented mining claims in a contiguous body containing approximately 400 acres of land. These claims, known as the Rio Del Monte group, were formerly owned by the late Senator Ridgeway of Pennsylvania, who in early years removed therefrom much valuable ore and expended large sums of money in development work thereon, all of which may be seen in the numerous cuts, tunnels, and shafts upon the many veins covering the property like a network, revealing extensive ore bodies. It is estimated that from these early operations there remain in the various dumps upon the property 25,000 tons of millable ore.

During his lifetime Senator Ridgeway took an active interest in this property, but upon his decease, his heirs, having other interests, permitted it to pass into other ownership, and it has since lain idle for lack of funds to carry on its development. The property gives promise of becoming one of the large gold producing mines of the west.

Mr. Higgins, with the understanding that he was to be given a place upon its board of directors, assigned the said lease and option to purchase said property, to this corporation in consideration for its undertaking to issue to him, or to his nominee, upon demand therefor in writing, after authority to issue the same has been obtained from the Arizona Corporation Commission, 200,000 shares of its capital stock and to perform the terms and conditions of said lease and option.

The corporation has no indebtedness, funded or unfunded, other than its obligation to issue said 200,000 shares of stock as above set forth; it has no capital assets other than the lease and option upon the said patented mining claims, of which said lease and option it is the sole and exclusive owner, and it is under no royalty, license or contingent obligation whatsoever, except, as a condition of said lease and option, to commence mining operations upon said property by the 30th of November, 1937, and to pay 10% of smelter, mill, and mine returns from such operations of said property to the said lessor until the property is paid for, the same to be applied upon the purchase price thereof. No officer or employee of the corporation is to be paid or expected to be paid an aggregate amount as salary, bonus, fees, or any other form of remuneration during the coming year in excess of $6,000.00, and none of the executive officers of the corporation will receive any salary or remuneration whatsoever from the corporation until the same may be available from earnings from production of ore taken from the property, except the secretary of the company, who will receive a salary of $80.00 per month.

In order to procure funds for the development of this property, the corporation has now obtained a permit from the corporation commission of Arizona, and pursuant thereto, is offering to the public 95,000 shares of its capital stock at par ($1.00 per share) from which not less than $76,000.00 will be realized by the corporation as the minimum net amount available for the financing of its mining operations, the remainder, not to exceed $19,000.00, will be used to defray the expenses of the sales campaign, so that every subscriber may be

assured that not less than eighty cents of every dollar subscribed will go into the actual development of the property.

These securities have not been registered with the Securities and Exchange Commission because such securities are believed to be exempt from registration. But such exemption, if available, in no sense indicates approval by the Commission of the merits of these securities.

However, it is the intention of the corporation in issuing this prospectus, to comply with all the requirements of Rule 202, Regulation A, of the General Rules and Regulations of the Commission issued under the Federal Securities Act of 1933, in order to bring itself within the exemption therein provided, and an agreement has been entered into by and between the corporation as the party of the first part and the owners of the 903 shares of its capital stock heretofore issued, and with the said R. W. Higgins, with respect to the said 200,000 shares which the corporation is obligated to issue to him in payment for said lease and option as parties of the second part, by the terms of which agreement all of said second parties covenant not to dispose of any of such securities, the same being placed in escrow with the Arizona Corporation Commission, and that they shall not, nor shall any of them, be entitled to any distribution upon liquidation, whether voluntary or involuntary, of the company's assets, said escrow and covenants to continue in force until the said party of the first part shall have earned a net profit from operations for a period of one year, unless the holders of all securities, who paid cash therefor, shall have been repaid an amount equal to the net amount received by said party of the first part from the sale of such securities.

When the mine is sufficiently developed to become a steady producer, dividends will be declared and will accrue to all stock alike, there being no preferred stock.

The majority of the Directors of the Seaboard Mining Company have devoted recent years in acquiring a knowledge of, and an interest in the mining business. It must be admitted that, when mining is conducted with an equal amount of caution as is exercised in other business ventures, and where economy is practiced, no more risk is run or chance is taken than in many of the avocations of life which are entered into without the thought of speculation. It is equally true that larger profits accrue from a properly managed mining investment than from almost any other line of industry.

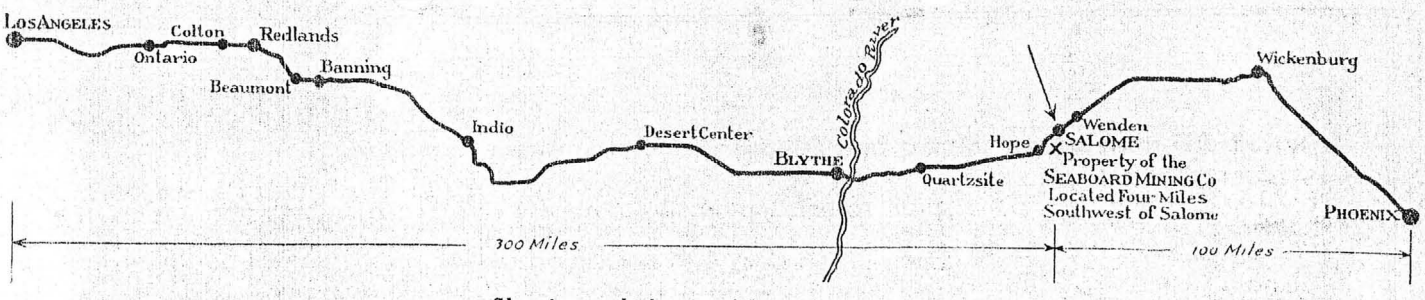
The proposition herewith submitted is one from which the element of speculation is as nearly removed as is possible in any enterprise where profits are anticipated.

All of the money obtained from the sale of such stock is being expended in betterments to the property, and will continue to be expended with the sole idea of making this one of the leading gold mines of the State of Arizona.

Engineers who have examined this property exclaim about the UNUSUAL number of commercial size veins.

In 1931 there were shipped to the American Smelting and Refining Co. at Hayden, Ariz., 298,205 lbs. of ore, which yielded an average return of $6.85 per ton at $20.67 per oz., or the equivalent to $12 per ton at the present price of gold.

Verification of smelter returns, engineers' reports and further information can be obtained from our Phoenix office.



Showing relative position of property.

Showing the extent of one of the many outcroppings.

Looking down on one of the larger veins.

MINING AS AN INVESTMENT

No popular error is more unfounded than the common impression that mining as a business is a losing venture. Like all errors, it proceeds from a lack of knowledge and vanishes the moment we allow ourselves to face the facts. It is useless to deny that there are failures in mining. Banks fail, crops fail, and the records of mercantile agencies show over 90% of all business ventures fail; no field of human endeavor is exempt. On the other hand no other avenue of industry holds out the prospect of such rich returns as the gold mining industry.

The salary of the employe, the earnings of the mechanic, the profits of the merchant, the interest from capital do not compare with the wealth producing possibilities of the industry that unlocks the stores of Nature's treasures.

It appears reasonable to state in concluding this section that, if an amount of care comparable to that employed in the choice of other industrials is exercised in the selection of gold shares, profits will prove to be commensurate. In fact, the depression record of seasoned gold stocks is a tribute to the industry, and bears testimony to the adaptability of such shares to conservative investment accounts. Few industrials can point to such an enviable performance in that period.

POSSIBLE EARNINGS FROM THE PROPOSED PLAN OF OPERATION

This ore is a simple ore, consequently there are no complex metallurgical problems to interfere with a satisfactory recovery of the values.

It is planned for the first year to erect a mill of 100 tons daily capacity. At a minimum net profit of $2.00 per ton this would earn over a period of one year approximately $70,000.00.

Then other units are to be added to this as fast as feasible until a 500 ton daily capacity is reached.

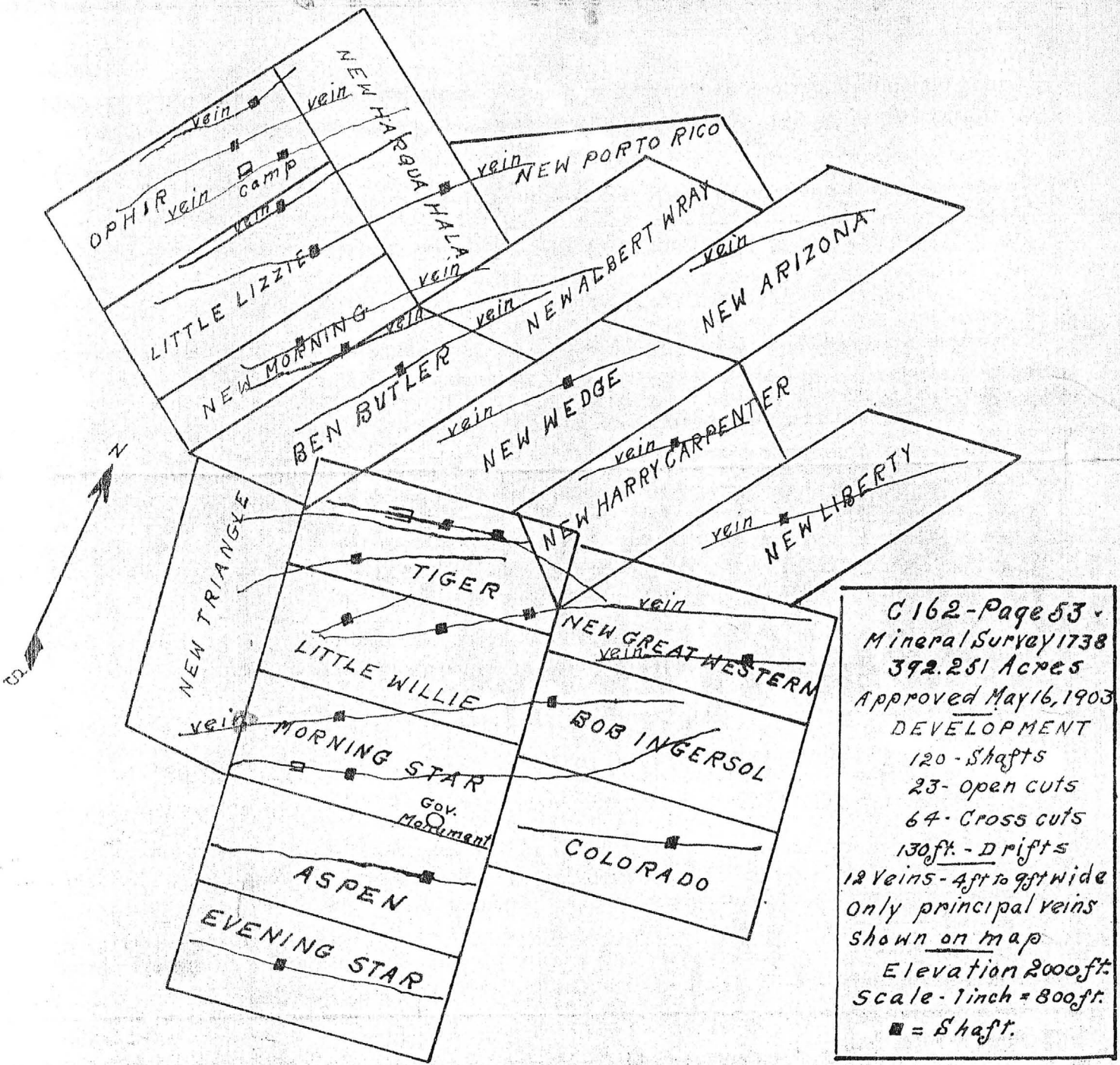
It should not be too difficult with pencil and paper to estimate the possibilities.

It is the opinion of the officers and directors of the Seaboard Mining Company that with the successful years of experience of our Engineer, Mr. R. W. Higgins, the Company will be on production as soon as it is humanly possible. Hence, we urge you to buy this stock now, today, immediately, while you can purchase it for $1.00 per share.

95,000 shares of this stock is now being offered at the par of $1.00 per share.

Mail or bring your check for the amount you can afford to buy, and remember, you can buy as little as ten shares.

Address all communications to the Seaboard Mining Company, 146 W. Adams Street, P. O. Box 1064, Phoenix, Arizona, where we shall be glad to give you the information you desire.



C 162 - Page 53 -
Mineral Survey 1738
392.251 Acres
Approved May 16, 1903
DEVELOPMENT
120 - Shafts
23 - Open cuts
64 - Cross cuts
130 ft. - Drifts
12 Veins - 4 ft to 9 ft wide
Only principal veins shown on map
Elevation 2000 ft.
Scale - 1 inch = 800 ft.
■ = Shaft.

Property Maps.

SUBSCRIPTION CONTRACT TO CAPITAL STOCK

of

SEABOARD MINING COMPANY

Par Value $1.00 per share, Subscription price, One Dollar per share

Authorized Capital One Million Dollars

Executive Offices: 146 W. Adams St., Phoenix, Arizona, P. O. Box 1064

Incorporated under the laws of Arizona

The undersigned does hereby subscribe for and purchase from the Seaboard Mining Company, an Arizona corporation, ...shares of its capital stock, and agrees to pay therefor $1.00 per share cash with this subscription. This subscription contract, subject to the terms and conditions of the permit issued by the Corporation Commission of the State of Arizona, a copy of which is printed on the reverse side hereof, and which I have read, contains the entire contract between the undersigned subscriber and the company, and no agent or representative of the company, or any other person, has any authority to change or alter the terms of this subscription.

The undersigned also acknowledges receipt of a copy of this subscription contract containing a receipt for the amount paid thereon, and a copy of the permit issued by the Arizona Corporation Commission printed upon the reverse side thereof.

All checks given in payment for stock to be made payable to the Seaboard Mining Company.

Dated this.....day of....., 1937.

☞ THE ARIZONA CORPORATION COMMISSION HAS ISSUED ITS PERMISSIVE PERMIT, AUTHORIZING THE SALE OF SECURITIES OF THIS CORPORATION, BUT DOES NOT RECOMMEND THE STOCK, BONDS OR OTHER SECURITIES SO OFFERED FOR SALE.

.....

SUBSCRIBER

.....

ADDRESS

Received from the above subscriber the sum of.....(Check or Cash) in payment upon the above subscription this.....day of....., 1937.

SEABOARD MINING COMPANY

By.....

REPRESENTATIVE

STATE OF ARIZONA
ARIZONA CORPORATION COMMISSION.
(Seal of The Arizona Corporation Commission)

DECISION NO. 9211
INVESTMENT COMPANY DOCKET NO. 7196-B-2798.

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING:
IT APPEARING THAT SEABOARD MINING COMPANY

a corporation, organized and existing under and by virtue of the laws of the State of ARIZONA, has complied with the provisions of Chapter 38, Revised Statutes of Arizona, 1928, and the amendments thereto; that detailed information in regard to the company and its securities is on file in the office of the Arizona Corporation Commission for public inspection and information, and that said company is permitted to do business in the State of Arizona;
NOW, THEREFORE, by virtue of the power in it vested by the Constitution and the laws of the State of Arizona, the ARIZONA CORPORATION COMMISSION does hereby grant and give unto the said SEABOARD MINING COMPANY

PERMISSION

(a) To issue and sell 95,000 shares of its common capital stock at the par value of $1.00 per share;
(b) That a commission of not to exceed 20% will be allowed in connection with the sale of the securities herein authorized;
Permission to issue and sell securities hereunder expires June 30, 1938.

IT IS ORDERED that the nine hundred three (903) shares of stock issued for promotion purposes shall be pooled and placed as an escrow with the Arizona Corporation Commission, and that the 200,000 shares of stock which is to be issued in payment of lease and option assigned to the corporation, shall be pooled and placed in escrow with the Arizona Corporation Commission, as issued, and held pending further orders of the Commission, and while the certificates shall be so held the shares evidenced thereby shall not be sold or offered for sale or otherwise transferred, nor shall any receipt or pool certificate representing the shares so pooled and held be sold or offered for sale or otherwise transferred unless the consent of the Commission shall have been first obtained in writing so to do.

IT IS FURTHER ORDERED, that every subscription blank used by the company in the solicitation of the sale of its securities shall carry a paragraph immediately above the place provided for the signature of the purchaser, printed in bold red type of not less than twelve point, with red index finger pointing thereto, reading as follows:

THE ARIZONA CORPORATION COMMISSION HAS ISSUED ITS PERMISSIVE PERMIT, AUTHORIZING THE SALE OF SECURITIES OF THIS CORPORATION, BUT DOES NOT RECOMMEND THE STOCK, BONDS OR OTHER SECURITIES SO OFFERED FOR SALE.

IT IS FURTHER ORDERED: (A) That ninety days after the date of this permit and every ninety days thereafter until such time as the sale of the stock authorized to be sold shall have been completed the company shall mail to the Commission a statement verified by its president or secretary showing the number of shares sold, the rate at which sold and the amount of money received therefor, together with an itemized report of all disbursements.

(B) That unless otherwise expressly ordered securities of the company shall be issued only for cash money, and in no event unless 25% of the total purchase price be paid in cash and provisions for the payment of the remaining 75% be covered by contract calling for payments of definite sums at stated intervals not to exceed six (6) months from date of sale. Contracts calling for deferred payments must be submitted to the Commission for approval. When a commission is paid it must be paid only on the cash received, the balance of the commission due to be paid as the deferred payments are received, and never exceeding the amount authorized in this permit.

(C) That a copy of all advertising by or on behalf of the company shall be mailed to the Commission by midnight of the day such advertising is first published.

(D) That a true copy of this permit be exhibited to each prospective subscriber for or purchaser of said securities before his subscription shall be taken therefor or any sale thereof made to him.

Any violations of the terms of this permit shall render the entire permit void.

THE COMMISSION DOES NOT RECOMMEND THE STOCKS, BONDS OR OTHER SECURITIES OFFERED FOR SALE BY THE INVESTMENT COMPANY ABOVE NAMED.

EVERY AGENT SELLING OR OFFERING FOR SALE THE SECURITIES OF THIS COMPANY MUST REGISTER WITH THE COMMISSION AND OBTAIN A REGISTRATION RECEIPT.

By order of the ARIZONA CORPORATION COMMISSION.

(SEAL) IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE OFFICIAL SEAL OF THE ARIZONA CORPORATION COMMISSION, AT THE CAPITOL, IN THE CITY OF PHOENIX, THIS 29th DAY OF SEPTEMBER, A. D. 1937.

W. I. STEPHENSON,
SECRETARY

By
Assistant Secretary.

TAKEN FROM THE REPORT OF THE GOVERNOR OF ARIZONA 1899

DEL MONTE GOLD MINING COMPANY

The American Exploration Company, of New York, during the summer of 1898 acquired the title to several gold-bearing ledges in the Ellsworth mining district in Yuma County, in the Little Harquahala Mountains, about 60 miles from Congress Junction. There are two groups of claims, about 4 miles apart. Development work is in progress. Samples sent to the Arizona School of Mines for assay have given satisfactory results. In the Del Monte Group proper there are nine claims, each 500 feet by 1,500 feet, known as the Tiger, Bed Butler, Midnight, Norning Star, Little Willie, Aspen, Evening Star, Wedge, and the Triangle. From reports made on these claims, under date of January, 1899, the following data have been compiled:

Tiger Claim-Three veins traversing it. The chief vein extends easterly and westerly and is considered as the mother lode of the district. It is 10 feet thick, and the croppings rise in places from 8 to 12 above the surface. There are two shafts sunk to a depth of 100 feet and 300 feet apart. The western, or main shaft, has two drifts on the vein at the bottom, one extending easterly 28 feet and the other westerly 33 feet. The ore averages about $8 by assay. One sample of 10 feet of ore averaged $9.80 in value in gold and gave value of $6 in free gold. There are heavy sulphides present which can be saved by concen - tration, while the free gold, it is expected, will be readily taken out on plates. One of the walls is a soft porphyry.

Ben Butler.-Opened by a shaft 84 feet deep on a vein averaging 3½ feet. The ore has given a value of $8.58 per ton by assay.

Midnight.-Opened by a shaft 22 feet deep on a 3-foot ledge, which is in places 12 feet thick and yields by assay from $8 to $12 per ton.

Morning Star.-Shaft 36 feet deep. Ledge reaches a width of over 8 feet. Assays have shown $15 in value per ton.

Little Willie.-Shaft 72 feet deep on a ledge about 3½ feet wide. Average by assay $10.

Aspen.-Shaft 33 feet deep. Ledge, 3 feet wide, averages by assay $10 value per ton.

Evening Star-Traversed by a 4-foot ledge, which averages in value from $9 to $15 per ton by assay.

Wedge and Triangle-These two claims are located to cover good veins. A large sample made up of samples from all these claims averaged $6 per ton in value. Water can be obtained from wells 2½ miles distant, and will have to be pumped to a mill. The ore is comparatively free milling.

Gold Rock-Among the several mining enterprises attracting attention at Yuma in 1898-1899, The Gold Rock merits mention. It was closed down with an indebtedness of upward of $200,000 but it has been revived and the debt has nearly been paid off. There are three claims, known as the Queen, the Crown, and the Cross, about 30 miles west of Yuma.

Moreno (now Guadaloupe).-After lying idle and neglected for several years, work was resumed upon this property ih 1898, and the ore was being worked in the Ingersoll mill at Tysons Well.