

account for about a 30 cent per share increase in Peabody's profits in 2002. Peabody is the nation's largest and Arizona's only coal mining company. Coal ranks second to copper in mineral production value in Arizona at an estimated \$322 million annually.

**Sand and gravel industry consolidation continues with Rinker Materials acquisition** of Kiewit Materials Company, owner of Arizona's United Metro Materials, Inc. This transaction is in keeping with the consolidation trend of the last few years in the aggregate industry. Rinker is one of the largest US producers of construction materials. The company acquired all of Kiewit Materials operations that include 44 aggregate facilities in the West and Southwest. The purchase price was \$540 million net of projected surplus cash at closing. United Metro Materials' operations will continue to use that name.

**Voters in the Town of Camp Verde affirmed their desire to have mining continue** within their town limits. Camp Verde voters, in a referendum vote, overruled a new town ordinance that would have so severely restricted mining within the town limits as to shut it down. The new ordinance was defeated by a vote of 1,140 to 444 and the sponsoring council member was also defeated for re-election. The anti-mining ordinance appears to have been primarily aimed at Phoenix Cement's Verde Gypsum Mine and a new sand and gravel mine.

**Rules for small mining and "Notice Level" activity on BLM mining changed** on January 20, 2001. As of January 20, 2003 notice level activities will require reclamation bonds. Previously activities on mining claims disturbing 5 or fewer acres could be authorized without an approved plan of operations and without a reclamation bond. To the extent a notice level activity was previously approved, you must notify the BLM in writing and establish a financial guarantee in accordance with § 3809.300(a) and § 3809.503. The regulations permit the BLM to grant extensions for up to two years. Until your financial guarantee is approved you may not conduct on-the-ground activities after January 20, 2003. Operators must take these actions on or before January 20, 2003 for each pre-2001 notice they wish to extend. The operator may modify their notice at any time, but all modifications must meet the requirements of the January 2001 regulations.

### **New Publications**

- *Arizona Mineral Resource* - No. 32, August, 2002
- C98 – *Arizona Earth Science Clubs* – 2002-03
- C99 – *Arizona Gem Shows* – 2002-03
- OFR02-19 – *Total Leachable Copper Determination Using the Boiling Ferric Sulfate Method*
- Directory 49, *Directory of Active Mines in Arizona 2001-2002*
- *Arizona Active Mines Map 2001-2002*
- WEB PUBLICATIONS - - Seventeen are new or updated: staff, deptpub, indlinks, gemshows 2002-03, index, mingen, musgen, (direction.gif updated parking and streets), online resources, school tours redone with 4 new treasure hunt PDF's added., mmrevents, added newsletter archive (last 4 issues as PDF's) and will continue to post as published.

**The ADMMR website is very popular.** The Arizona Department of mines and Mineral Resources website continues to be a growing source of information for many of the agency's public. In the last quarter some part of the ADMMR website has been accessed 39,000 times. Over the last fiscal year (2001-2002) some part of the ADMMR website was visited 156,854 times by 31,338 users.

### **Special Activities include**

- Visiting Asarco's new headquarters in Phoenix to meet public relations staff and acquire annual reports.

- Reviewing draft report on US's assayers for BLM's Matt Schumacher. When released by the BLM later this fall, this report will address some of the suspicious methods and result often used in promoting suspicious mining activities.
- Presenting a program comparing gold/copper deposits of Arizona to those in Papua New Guinea to 75 members Az Gold prospectors. This program puts modern gold discoveries in perspective and helps explain the low interest level in new gold discoveries in the Southwest.
- Providing assistance to exploration geologists seeking porphyry copper oxide deposits.
- Helping ADOT geologists understand mining and geologic structure in the Jerome area
- Obtaining public exploration data by Conquistador Gold Ltd on Alvarado gold property, Yavapai Co. from Ralph Roberts. Property is available.

### **Mining News Tidbits:**

- 3<sup>rd</sup> portal being built for Mission UG, North portal will be gone soon.
- Rinker / CSR buys United Metro
- Poston Butte, Pinal C. purchaser Vanguard/Florence Copper sold portion/easement to United Metro for new Sand and Gravel
- FNF purchases part of Paloma Ranch, Maricopa for new Sand and Gravel

**In the "Can you believe this category"** A Tucson caller wanted negative information about a sand and gravel producer next door so she could use the information to prove her property tax value was too high. See had sold the sand and gravel company the land for the purpose of mining.

### **Suspicious Mining Activities**

- Maybe not really under the idea of suspicious, BUT rather strange is the promotion of taking capsules of powdered rock for health purposes. Attached are some pages printed from their RyoHealth website <http://www.ryohealth.com/> advertising pumice capsules for internal human use.
- Plasma Chem is purported to be planning a 1,000-ton per day platinum group metal recovery operation. They claim they will be using a proprietary recovery method to recover values claimed to be over 10 ounces per ton. This process is also purportedly going to produce over 1,000 tons per day of waste crystalline ferric chloride.
- Galleon Technology & Development Corp. see <http://www.galleoncorp.com./home.htm>. The company claims to have participated in the search for methods of extracting precious metals from complex ore bodies that show significant values at the molecular level. They claim that near pure platinum has been produced and sold to a refiner by Galleon. Further they claim that there are many acres of land that do contain precious metals at the molecular level. They claim their process can only be described as revolutionary to this industry. Further they state, "It will no longer be necessary to search for veins of precious metals deep below the earth's surface using traditional cost intensive extraction techniques. Using the right techniques, these PGM's can be extracted from ore at or near the surface at very low cost. Not only are the extraction costs low, but the yield per ton has proven to be dramatically higher than those yielded by traditional techniques.

## Activity Summary NJN 2002-2003

### July 1- Sep. 30, 2002 - 1st Quarter

<b>Web</b>	Updated or created - staff, deptpub, indlinks, gemshows 2002-03, index, mingen, musgen, (direction.gif updated parking and streets), online resources, school tours redone with 4 new treasure hunt PDF's added., mmrevents, added newsletter archive (last 4 issues as PDF's) and will continue to post as published. For quarters statistics see <a href="#">web use stats.xls</a>
<b>Meetings and Field Trips/Talks attended or/given</b>	Visited Asarco's new headquarters in Phoenix to meet public relations staff and acquire annual reports. Reviewed draft report on US's assayer for BLM's Matt Schumacher. Will hopefully be released later this fall. Talk comparing gold/copper deposits of Arizona versus Papua New Guinea to 75 members Az Gold prospectors.
<b>Donations/Acquisitions</b>	Geologist Noel Cousins visited for several days cataloguing Walter Heinrichs file donation. Acquired Data/reports on SOL property, Graham Co. from Charles Miller From attorney Ralph Sievright, IBLA Decisions from ?? to ?? Obtained data from talks on copper properties from Keith Long, USGS and placed in VIS and files Mining equipment donation received from Doug Deckner.
<b>Computers</b>	Met with Dave Taylor and Gus Zabarro (sp?) of DOA Telecommunications about getting fiber optic cable to ADMMR building and further connection and requirements. Also met with Vic McPherson ADOA Telecom-ATS Mgr. Acquired Mapinfo's Proviewer 7.0 free viewer software.
<b>Azmils/mine data</b>	Mohave AZMILS 10 sets, 11 AZMILS disks made Identified Map sales product, costs etc. Improve San Manuel and Poston Butte files and CU Reserves info.
<b>Suspicious Mining Activities</b>	Galleon technology and Dev. Corp. see <a href="http://www.galleoncorp.com./home.htm">http://www.galleoncorp.com./home.htm</a>
<b>Industry news/assistance of note</b>	Assistance to Explorationist's seeking Porphryr Copper oxides ADOT geologists Jerome area Info to Jennifer Becker of Pima County re Mines and Mining re Sonoran Desert Conservation plan EIS 3 <sup>rd</sup> portal being built for Mission UG, North portal will be gone soon. Az Capital Times Rinker / CSR buys United Metro Poston Butte, Pinal C. purchaser Vanguard/Florence Copper sold portion/easement to United Metro for new Sand and Gravel FNF purchases part of Paloma Ranch, Maricopa for new Sand and Gravel Obtained public . exploration data by Conquistador Gold Ltd on Alvarado gold property, Yavapai Co. from Ralph Robert's. Property is available.
<b>Publications</b>	Provided 2001 summary and updated map to Arnie Tanner, USGS MIT, write up similar to that provided to Mining Engineering Small update to Mining Scams Worked on Active Mines directory and review. Obtained USGS estimates for 2001 finally!
<b>Misc.</b>	I appreciate and wish to mention being allowed to work a flexible schedule and telecommute as well as reduced hours (family leave) for part of August while transitioning my father from long hospital/rehab stay back to home and the "real world."

### October 1, 2002 –December 31, 2002 – 2<sup>nd</sup> Quarter

<b>Web</b>	Updated state section government links, school tours, museum general, industry links, museum and ADMMR events, prospector days, mineral links, pub list, clubs, staff, and assayers. Made new: principle producers map and converted to pdf, new mining update 2000-1 as pdf. Added OFR90-5 (index to pubs 1940-1990) to enable research of out of print publications. Check date Added 12-2002 newsletter Check date For the quarters statistics see <a href="#">web use stats.xls</a>
<b>Meetings and Field</b>	Met with Friends of Az Archives – <a href="http://www.faza.net">www.faza.net</a> to draw interest in supporting ADMMR's

<b>Trips/Talks attended or/given</b>	<p>archives.</p> <p>Meeting with D. Shaw, registered assayer.</p> <p>Traveled (courtesy of NJN) to Tucson: Picked portion of second donation of Grover Heinrich's files. Attended Tucson SME meeting on <i>Closure of San Manuel Mine</i> by Jeff Parker BHP.</p> <p>Traveled (courtesy of NJN) to Tucson for 2 days: Attended Arizona Conference SME meeting. Picked up more of Grover Heinrich's files that inc. sig. data on Squaw Peak Cu property. Visited geologist Jim Sell's (extensive and impressive) library and acquired catalogue on CD-ROM. Mr. Sell is interested in finding a future home for portions of his collection.</p> <p>Met with Keith Long, econ geo. W/USGS who returned ADMMR's microfilm of the earliest years of production data and provided a copy of his transcribing it to digital xls format.</p> <p>ADMMR holiday lunch -attended by over 100 patrons and volunteers.</p>
<b>Donations/Acquisitions</b>	<p>Met Doug Heinrichs on a Sunday with D. Bain to unload more geophysical equip and maps brought from Walt's in Tucson. Harold Downey delivered more of this donation.</p> <p>Received donation of magazines form State Land Dept.</p> <p>(See above section re 2 acquisitions from Grover Heinrichs )</p>
<b>Computers</b>	<p>Freshened anti virus data files as usual.</p> <p>Met with Vic McPherson ADOA Telecom-ATS Mgr and contractor to measure/determine location for fiber optic runs to ADMR building.</p>
<b>Azmils/mine data</b>	<p>Received property report including reserve data from Ralph Robert's son on _____ gold property Yavapai Co. Received gold and copper drill intercept data on Gold Gulch property Greenlee Co. from Mike Palowski.</p>
<b>Suspicious Mining Activities</b>	<p>Obtained copy of PGE assay data article from Actlabs assayers _____ and Bernie Dunn – Tucson. For information related to Peebles vs SLD testimony.</p>
<b>Industry news/assistance of note</b>	<p>Info to Elliot Pollack's group <a href="http://www.azeconomy.com">www.azeconomy.com</a> for county economic study</p> <p>Agencies from staff including ADOT, AzGS, BLM, FS, BIA, DWR, DEQ, Nat. Park Service. More inquiries regarding claims and gold with rise in gold prices.</p>
<b>Publications</b>	<p>Complete with staff Active Mines Directory and Map</p> <p>Sold the first USGS 782 on CD-ROM. See new PDF's under web section.</p>
<b>Misc.</b>	<p>Worked with volunteer Keith Halsey and made major progress on finishing cataloging of the Cambior collection. Began directing volunteer(s) cataloguing/data entry of map microfiche collection.</p>

### January 1, 2003 thru March 31, 2003 – 3<sup>rd</sup> Quarter

<b>Web</b>	<p>Posted new pages -Scout tour, OFR02-20 late 20<sup>th</sup> Cent. Mining Scams, 3 versions of budget update</p> <p>Posted updates to Index, FAQ MMREvents pages</p>
<b>Meetings and Field Trips/Talks attended or/given</b>	<p>Program provided with D. Bain to about 65 at Mesa Gold Diggers meeting in Mesa (provided own travel expenses).</p> <p>Attended 2 budget subcommittee hearings at Capitol.</p> <p>Presented program to about 40 Leaverites at ADMRM classroom.</p>
<b>Donations/Acquisitions</b>	<p>Harold Downey of Tucson brought some of the W. Heinrich's geophysical equipment donation to Phoenix. Doug Heinrichs brought up more of G. Heinrichs files.</p> <p>No interesting bids for Taiwan Power U properties however they are still considering housing data at ADMMR.</p>
<b>Computers</b>	<p>Fiber optic brought into ADMMR building from DOA underground conduit, but no further connection. 6 fiber optic wires brought into building. 2 would be used initially for data if we had funding. Would require increase of about \$150/month but would result in 1 gigabit the new state standard connection rate on the Magnet communication ring.</p> <p>Downloaded ESRI's free Arc Explorer and learned its basics and some of its pros (variable transparency tiffs, easy color assignments ) and cons (cannot create shape files from dbf files that requires Arcinfo).</p> <p>Virus updates downloaded and distributed as usual.</p>
<b>Azmils/mine data</b>	<p>Cambior collection all finally in file drawers. Volunteer K. Halsey started sorting through additions to G. Heinrichs collection.</p> <p>Hualapai Chocolate SS comes from quarry near Hualapai Reservation property was sold by Dunbar. Some beds susceptible to parting after installation per some contractors.</p>



	<p>Continued discussion with Jeff Nason of Molycorp about acquiring their data on Anderson Uranium deposit.</p> <p>Demonstrated to Chief Engineer how to produce sand and gravel and other mineral maps at <a href="http://www.nationalatlas.gov">www.nationalatlas.gov</a> for assisting patrons. It's a popular recent request from industry and government agencies.</p> <p>Learned of community pits for cinders, flagstone and sand and gravel on Prescott National Forest and 1 flagstone quarry on Kaibab National Forest. Updated AZMILS records, one was new addition.</p>
<b>Suspicious Mining Activities</b>	<p>Received paper copy of report by BLM summarizing the testing of N. American Assayers on blank and standard samples. Succeeded in getting text in digital format and converted to searchable PDF format and posted on website.</p> <p>New OFR 02-20 posted on web and quickly becomes most popular page for month of April by being visited 1430 times.</p> <p>More calls about Mayer Onyx, Arthur Roy, Assets Products Protection Ltd.</p> <p>Met with K. Fuller of BTR and provided a copy of BLM assayer report. She reported that Assayer Don Jordan had briefly moved MRAL lab to Phoenix but has sold it to Schmidt family and moved to Michigan. He is no longer with lab as of Feb. 20, 2003. New owners have 30 days after that date to obtain registered assayer or quit offering services to public. SEC named HCCA and Don Jordan in complaint relating to their Arizona property Peoples Lease in Yavapai Co.</p> <p>Micron Recovery LLC is a new connected to the Luzena property reports ACC. I provided information to Australian Securities Officials re Luzena via phone and email.</p>
<b>Industry news/assistance of note</b>	<p>David Javorsky of Abington Ventures visited updated on Verdstone and promised later field invite when drilling underway. Pleased with recognition of "stair step" form of vein mineralization.</p> <p>More geologist visited/called to review copper porphyrys with intent to find more systems similar to "Magma Porphyry".</p> <p>Charlie Miller/SWMEA "historic porphyry copper" exploration database.</p> <p>Asarco struggles with severe cash flow problems at copper operations prior to getting approval to sell SPCC by Dept of Justice o AMG.</p> <p>Koolman McCool property owners in provided 3 reports, want to well property.</p> <p>Provided Max Jarman of Arizona Republic with most info for AZ gold story the paper published.</p> <p>Handy and Harmon's Phoenix precious metal refining facility has been sold to Gannon and Scott.</p> <p>Kennecott Exploration employees report that Geoff Ballantyne and Tim Marsh. will give a paper entitled "The Resolution Copper Deposit, A Deep, High-Grade Porphyry Copper Deposit in the Superior District, Arizona" at Colorado School of Mines late this spring.</p>
<b>Publications</b>	<p>Made 12 AAMILS on disk packages to sell. Make indexes and order maps for following CM sets - 2 Coco, 6 Gila, 10 Lapa/Yuma 5 Grah/Gree, 10 Mari, 7 Pima/SC, 10 Pinal, 10 Yava</p> <p>Researched, wrote and submitted for publication a review of Arizona's mining and exploration activity in 2002 for SME's Mining Engineering magazine.</p>
<b>Misc.</b>	<p>Worked with volunteer Keith Halsey and made major progress on finishing cataloging of the Cambior collection.</p> <p>Recruited new volunteer Kevin Hart who has made digital scans of over half of ADMMR's catalogued photo archives. Some progress on map microfiche collection.</p> <p>Persevering volunteer Doreen Weber continues entering the people card collection at about 750 cards per month until sidelined in May by injury (not at ADMMR).</p> <p>Budget crisis required lots of time with queries and other communications to interested parties and patrons.</p>

#### April 1, 2003-June 26, 2003 – 4<sup>th</sup> Quarter

<b>Web</b>	<p>Received Wordperfect document of portion of BLM report summarizing the testing of N. American Assayers on blank and standard samples. Created mostly text searchable PDF document matching paper format for BLM staff and also posted on our website. Link via assayer and mining scam pages.</p> <p>Revised disclosure page with privacy and use statement.</p> <p>Put together first emailing list and notified same of newsletter's availability at website.</p> <p>Gathering email address from visitors to office and may gather at website soon. A</p>
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	<p>surprising number of callers have been finding and reading newsletter on line.</p> <p>DOA WAN group alerts NJN to growing size of files in previously unknown directory on their web server that provides information on ID of user and time of use of every hit to ADMMR website. Decision was made to not keep this data after WAN group compiles monthly summary. This save ADMMR about \$20 per month in web server hosting fee.</p> <p>Posted 2003-4 Az gemshow list. Updated all 4 Treasure Hunt pages, online resources, index, mmrevents and others.</p>
<b>Meetings and Field Trips/Talks attended or/given</b>	<p>Provided program reviewing mining in Arizona to 60 plus people belonging to Superstition Mtn Treasure Hunters in Apache Junction. (provided own travel expenses)</p> <p>Hosted meeting at ADMMR of potential officers to re start Maricopa section SME.</p> <p>Planning to host "diner meeting amongst the gems and minerals during coming ear.</p> <p>After declining invitation to have program at ADMMR, I provided data and handouts to Westminster group in Scottsdale.</p>
<b>Donations/Acquisitions</b>	<p>Doug Heinrichs brought up more of G. Heinrichs files.</p> <p>Received donation of property files from Roadrunner Propsectors club.</p> <p>Received formal letter from Molycorp agreeing to donate Anderson Mine data to ADMMR, data has not arrived.</p>
<b>Computers</b>	<p>Virus updates downloaded and distributed as usual.</p> <p>Gathered information from DOA WAN group n connecting to fiber optic lines. Requested quotes on short notice quotes for possible end of year computer equipment purchases.</p>
<b>Azmils/mine data</b>	<p>Received data on community pit fro flagstone on Kaibab National Forest.</p> <p>Recent purchaser of AZMILS on disk reported data entry error in 1 record – Smuggler - of Yavapai County. Reviewed and fixed record.</p>
<b>Suspicious Mining Activities</b>	<p>Assisted consultant with permitting of precious metal "plant" to be located at 860 North Hwy 85, north of Buckeye.</p> <p>Received inquiry about BDV Investments offering barrels (purported to be high grade Mexican) gold concentrates in Phoenix area warehouse to be used as collateral for loans. Others involved include Don Jordan assayer of concentrates and Don Noe (of Phoenix Metals/MineralWorld) and Victor Lee Wark. (contact Salt Lake City FBI agent Kelly Kleinvacher 801-579-4653 fro details on Wark)</p>
<b>Industry news/assistance of note</b>	<p>News and rumor from bush has Kennecott exploring north of Dos Pobres in Safford district.</p> <p>Another rumor from Red Rock News has FS considering acquisition of United Verde Extension.</p> <p>Phelps Dodge officially announces completion and startup of demonstration plant at Bagdad that pressure leaches concentrates. Production began during previous quarter.</p> <p>Provided Nigel Phillips and 2 other geoscientists of Kennecott introduction and preview of W. Heinrichs collection. Feedback recived was files contained lots of valuable geophysics data that would be much cheaper to reinterpret than gather again. Hoped to be able to take advantage of data, geographic index sorry lacking.</p> <p>Maricopa County Sheriffs dept.called investigating Sun State Rock report that barrels of gold bearing concentrate were stolen from their Agua Fria River sand and gravel operation at 115<sup>th</sup> Ave. and Beardsely.</p> <p>Ralph Costa of BLM Arizona office mining engineer reports 600 notices were on file prior to January deadline fro 3809 regs. Afterward that has dropped to about 85. BLM is providing spreadsheet to simplify bond calculations and speed acceptance by BLM for those who relatively simple plans.</p> <p>Twice in month prospectors using metal detectors brought in nugget or photo of newly found plus ¾ ounce gold from greater little San Domingo area. Heavey spring rains must have moved some gravel and gold.</p> <p>American Bonanza reports multiple ounce gold in numerous underground samples taken in "D" zone at Copperstone.</p> <p>Provided background information to Don Harris of Capitol Times for Arizona gold mining story.</p> <p>Clarkdale Town council (Rex Williams councilman pushing vote) interested in acquiring museum if state fails to fund.</p> <p>Mineral Park purchased from Equatorial by Mercator.</p> <p>Castlerock options Dover Copper property in Copper Mountain district.</p>
<b>Publications</b>	<p>Made 10 AZMILS on disk. Made CM's – 15 Yavapai, 11 Maricopa , 10 Mohave, 10 Cochise and 6 Pima.</p>
<b>Misc.</b>	<p>Received 5 days of bereavement leave related to death of my father, Robert Niemuth.</p> <p>Thank you.</p>

	Volunteer K. Hart has gotten to "R"s in photo scanning project.. He has been asked, if interested, in helping prepare web pages featuring photos of the major copper mines and selected current and historical mining scenes.
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**ACTIVITIES AND CURRENT EVENTS FROM THE ADMMR MINING AND MINERAL RESOURCE  
INFORMATION, PROMOTION AND DEVELOPMENT PROGRAM  
3<sup>RD</sup> AND 4<sup>TH</sup> QUARTER, 2002-2003  
(JUNE 27, 2003)**

**LME copper for June 25, 2003 closed at 76.00 cents per pound** – cathode. This cathode price is unchanged from the price given at the November 2002 Board of Governors' meeting.

**COMEX gold for June 25, 2003 closed at \$347.00 per troy ounce**, down \$22 the price given at the November 2002 Board of Governors' meeting. But it's still significantly up from prices of last summer that had been in the high \$200 range.

**Rinker Group also known as Rinker Materials**, owner of United Metro has separated from Australian CSR Group and will concentrate on aggregate and concrete production in the USA. Although Rinker said there would no noticeable local changes, United Metro trucks have been repainted with Rinker's name.

**Three active gold exploration projects are ongoing in La Paz County.** Drilling by Abington Resources continues at the Bronco-Verdestone-Oakland Mine (BVO Mine). Underground drifting, sampling, and drilling continues at the underground portion of the Copperstone gold deposit north of Quartzsite. Property acquisition, claim staking and detailed geologic work is ongoing at the Harquahala – Golden Eagle mine south of Salome by US Platinum.

**Gold deposit resource data is listed for 79 Arizona mining properties** in our Arizona's Precious Metal Resources compilation. Deposit names, tonnages, commodity as gold, gold-silver, or silver, grade, and date of last available information along with pertinent comments is given for each deposit.

**Stirling Bridge Cement** is continuing the permit application process for it's 350,000 ton per year cement plant at Drake. The Prescott National Forest has determined that the impact of the limestone quarry can be evaluated through the Environmental Assessment (EA) process and that an Environmental Impact Statement will not be required. Stirling Bridge has also responded that they expect to have their air quality permit in August of 2003. Stirling Bridge currently plans to source there limestone from their Cedar Glade Quarry on mining claims located in the Prescott National Forest. They plans to source their iron from secondary sources in California; their gypsum from either the Arizona Strip through Nevada or from Las Vegas area gypsum mines; their silica from siliceous limestone; and their alumina source is yet to be determined.

**Alpha Calcit Arizona's proposed calcium carbonate mine** near Dagoon in Cochise County is continuing the permitting process. Public meetings were held in Benson in March. Well over 100 local people attended the meeting. The general public opinion was

favorable toward the proposed 20,000 per year specialty producer. Most of the opposition was from local residents along the access road. The company's consultant is guiding Alpha Calcit in preparing and modifying the proposed Forest Service plan of operations.

**Decorative Crushed Stone is big business in Arizona.** There are twenty decorative landscape stone producers listed in the ADMMR Directory of Active Mines in Arizona 2001-2002. They employ about 340 workers and produce an estimated 1,000,000 tons of specialty-crushed stone with an approximate value of \$25,000,000.

**AZCO Mica continues with slow startup and problems** typical to new boutique producers of industrial minerals. Limited specialty markets, high value products with associate high cost, value added processing, and fickle customers have driven their stock to pennies a share.

**Kennecott's Magma Porphyry activity** east of Superior has resulted in numerous geologists visiting or calling to review other porphyry copper exploration targets with the intent to find other similar systems. Kennecott is also rumored to be drilling north of Safford on copper exploration targets.

**Gold nuggets or photos of recently found large nuggets** have been brought into the Department for "bragging" in the last two months. Both were from the San Domingo Wash area of Maricopa County. One was over  $\frac{3}{4}$  ounce and the other contained about 22 troy ounces of gold.

**Former ADMMR Director John H. Jett passed away on May 30.** John Jett was Director of the Department from 1970 until his retirement in 1986. His career in mining spanned five decades. Born in Lake Village, Arkansas, John and his family moved to Arizona in 1939. After serving in the U.S. Army during World War II he returned to Arizona and attended the University of Arizona. After graduating with a Bachelor of Science degree in Mining Engineering, he worked for Phelps Dodge at Bisbee where he assisted in the planning of the Lavender Pit. After leaving Phelps Dodge in 1952 he worked in Colorado for the Atomic Energy Commission and in Denver where he became President of Vulcan Denver Corporation, a manufacturer of mining equipment. He returned to Arizona in 1970 to become Director of the Department. John was a highly principled administrator and a stalwart guardian of the State's money, running the Department with as spare a budget as possible and turning in unspent money at the end of each budget year. John will be remembered for his dedicated work ethic and his belief that public servants should indeed serve the public.

**Former ADMMR Director Leroy Kissinger died on April 15.** Leroy Kissinger was born in Read, Colorado. After serving the U.S. Army Air Corps he attended the University of Oklahoma, receiving a Bachelor of Science degree in Geological Engineering. After working for years in the Texas oil fields, he managed mine projects in Texas, Wyoming, and South Dakota. He also worked as a private consultant before becoming the Department's Director. He was a member of the Board of Directors of the Arizona Conference of the Society for Mining, Metallurgy, and Exploration (SME) from 1988 through 1992. Leroy was serving as Director when the Department moved from the State Fairgrounds into its current quarters. He viewed the new, high profile location, near the capitol Mall, as an opportunity to promote and publicize the Mineral Museum and the Department. The Mineral Museum became a much more prominent part of the Department under Leroy's leadership and flourished under his guidance. He saw the benefits to the mining community of educating the public on the importance of mining. He did this by making more money available for Museum displays,



encouraging education projects, and taking a 'hands-on' approach to Museum affairs. Some of his long-range plans for the Museum are still in the process of being realized. Leroy continued to serve and promote the Department even after retirement when, in January 1999, Governor Jane Hull appointed him to the Department's Board of Governors. He worked in the capacity until his death in April.

### **NEW PUBLICATIONS**

- Circular 101 *Arizona Gem Shows, 2003-2004*
- Circular 102 *Arizona Earth Science Clubs, 2003-2004*
- Circular 103 *A Review of Mercury Mining in the Phoenix Mountains, Maricopa County*
- *Arizona Mineral Resource*, No 34, April, 2003

### **Suspicious Mining Activities**

- We received inquiry about BDV Investments offering barrels (purported to be high grade Mexican) gold concentrates in Phoenix area warehouse to be used as collateral for loans.
- SEC named HCCA and Don Jordan in complaint relating to their Arizona property Peebles Lease in Yavapai Co.
- Micron Recovery LLC is a new connected entity to the Luzena property in Cochise County. We also received and responded to the Australian Securities Officials re Luzena via phone and email.

### **Related, but not Suspicious**

- We received a paper copy of report by BLM summarizing the testing of North American Assayers on blank and standard samples. We were able to get the text in digital format and converted it to searchable PDF format and posted on our website.
- Our new Open File Report, OFR 02-20, *Arizona Mining Scams and Unassayable Ore Projects of the Late 20th Century* by Scot Donaldson was posted on our website and quickly becomes most popular page for month of April by being visited 1430 tiimes.



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### **ACTIVITIES AND CURRENT EVENTS FROM THE ADMMR MINING AND MINERAL RESOURCE INFORMATION, PROMOTION AND DEVELOPMENT PROGRAM**

**2<sup>ND</sup> QUARTER, 2002-2003**  
**(JANUARY 10, 2003)**

**LME copper for February 10, 2003 closed at 76.00 cents per pound –**  
cathode. This cathode price is 3.95 cents higher than price given at the November 2002 Board of Governors' meeting.

**COMEX gold for February 10, 2003 closed at \$369.00 per troy ounce,** up significantly from prices of last summer that had been in the high \$200 range.

**Inquiries to ADMMR for information on copper & gold resources in Arizona** have increased in response to the higher commodity prices. The ADMMR staff has assembled extensive data on base and precious metal resources in Arizona. This information is summarized in 2 attached tables. These tables are constantly modified as new information is obtained.

**Richard R. Beard 1930 – 2003** - Former Department Mining Engineer, Dick Beard died on January 5. Dick worked for the Department from November, 1979 until his retirement in May of 1992. Dick was a native Arizonan, born April 4, 1930 in Miami, Arizona. Prior to joining the Department he worked for U.S. Borax in Boron, California. Dick was an individual who lived life on his own terms. His dislike of mining scams was legendary and his work resulted in exposure and prosecution of numerous fraudulent schemes. Dick's unfailing sense of humor was always source of enjoyment to his co-workers at the Department. He is survived by his son, Aaron F. Beard, two daughters, Mary Ann Wutzke and Ellen Berryman, three grandchildren, a great-grandson, a brother and a sister.

**Copper is on display at Speaker of the House office in State Capitol.** In co-operation with Phelps Dodge, and at the request of Representative Jake Flake, the Department turned the conference room in the Speaker of the House offices into 'the copper room.' Large mining-themed photographs from the Department line the room along with a huge, framed copper splash donated by Phelps Dodge. The highlight of the room is a glass display case of Arizona copper specimens on loan from the Department.

**Providing information to County, State, and Federal** agencies is an ongoing and time-consuming function of the ADMMR. Agencies assisted in the last quarter include; ADOT, AzGS, BLM, FS, BIA, DWR, DEQ, Nat. Park Service.

**Stirling Bridge** Cement is continuing permit application. The Prescott National Forest is considering requiring a full blown Environmental Impact Statement process for Stirling Bridge's small 500,000 ton per year limestone quarry.

**Dimension Stone is big business in Arizona.** It is estimated that Arizona's sandstone-flagstone industry's annual production is 380,000 tons per year with an estimated mine value of \$51,400,000. Official production data is very limited. The seventeen dimension stone producers listed in the ADMMR Directory of Active Mines in Arizona 2001-2002 employ 690 workers.

### **New Publications**

- Open file Report 02-20 *Arizona Mining Scams and Unassayable Ore Projects of the Late 20th Century*
- *Arizona Mineral Resource*, No. 33, December, 2002
- Circular 100 *Arizona Mining Update*. This is an excellent circular for free distribution. It describes the current mining and mineral activity in Arizona.
- Web Publications - Updated state section government links, school tours, museum general information, industry links, museum and ADMMR events, prospector days, mineral links, publications list, earth science clubs, staff, and assayers.
- New PDF pages were added to the ADMMR website: Principle Producers Map, Mining Update 2000-1, OFR90-5 Index of ADMMR Publications 1940-1990 (to enable research of out of print publications), and the latest Arizona mineral Resource newsletter 12-2002.

### **Two recent news releases have announced new publications**

- Notice of the availability of ADMMR's new Directory of Active Mines in Arizona has been released to the media. Seventy-eight companies, operating 160 mines are listed in this year's directory, as well as 160 sand and gravel operations. Arizona's 2000 mineral production value was \$2.8 billion and the estimate for 2001 is \$2.5 billion. In 2001 the mining companies listed in the directory employed over 14,400 people in Arizona.
- A release to the media was made announcing the availability ADMMR Open file Report 02-20 *Arizona Mining Scams and Unassayable Ore Projects of the Late 20th Century*. This report tells the stories of recent (the last 3 decades of the last century) mining scams. It is both fun and educational reading. The author, Attorney Scott Donaldson, concludes with the five axioms that commonly appear in Arizona mining scams that were developed by an Arizona metallurgical engineer: (1) the investors live in a flat land; (2) the investors did not make their money in mining; (3) the ore is incredibly rich; (4) only one assayer or metallurgist can get the right answer; and (5) there is a reason the major mining companies overlooked the deposit. The presence of one axiom in a mining deal is reason for caution. If two axioms appear the deal is probably a scam; three axioms and it is undoubtedly a swindle. Donaldson adds, "Some classic fraudulent schemes in our recent history have included all five elements, but none of them were from the periodic table."

### **Suspicious Mining Activities**

- ADMMR has obtained copy of *Sample Preparation and Bulk Analytical Methods for PGE* article from *The Geology, Geochemistry, Mineralogy and Mineral beneficiation of Platinum Group Elements* CIM Special Volume 54 by assayers Eric Hoffman Activation Laboratories and Bernie Dunn Skyline Actlabs of Tucson. This publication provides good technical information that should be read and understood by anyone considering investment in precious metal promotions, especially any that are based on complex or proprietary assay methods.

- Natures Wonder is a recurring promotion involving a large block of mining claims near Mayer purported to be valuable for the production of travertine decorative stone. Callers are typically being solicited to invest in fraction production interests with the promise of riches to made from quarrying and selling the stone. Generally the claims do not include any of the local areas know to contain the stone. Where mined at Mayer the stone is an attractive banded travertinemarble used for sculptures and facing stone. Production is limited.



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**ACTIVITIES AND CURRENT EVENTS FROM THE ADMMR MINING AND MINERAL RESOURCE  
INFORMATION, PROMOTION AND DEVELOPMENT PROGRAM**

**4<sup>TH</sup> QUARTER, 2002-2003**  
**(SEPTEMBER 16, 2003)**

**LME copper for September 12, 2003 closed at 81.70 cents per pound –** cathode. This cathode price is 5.7 cents higher than the price given at the June 2003 Board of Governors' meeting.

**COMEX gold for September 12, 2003 closed at \$374.50 per troy ounce,** up \$27 from the price given at the June 2003 Board of Governors' meeting. It is up significantly from prices of last summer that had been in the high \$200 range.

**Rockland Materials has filed for Chapter 11 bankruptcy protection.** For the prior year Rockland's revenue was in the \$40 million range and they had 200 employees. There has not been any official word on how this may affect plans for their Sterling Bridge cement project. There has been no response to calls made to the Stirling Bridge telephone numbers. There has been a rumor that the court will be ordering the sale of the land at Drake and some of the future plant equipment already acquired by Stirling Bridge. There are also rumors that some of the Rockland truck fleet leases have been assumed by Rinker.

**Boutique industries require "boutique minerals"** A small firm starting a business in Patagonia called Patagonia Natural Paint and Finishes illustrate this point very well. This business will manufacture natural interior paint. They plan to produce interior, subdued tones, architectural, paints with all "natural" ingredients. The paint "film" is made up of cellulose and clay. Pigments are natural colors in the clays and natural, non-toxic mineral pigments. It was explained that lead, copper, vanadium, and cobalt pigments, even if directly mined from the earth couldn't be used. It was further explained that such paints are the current "upscale rage" in Santa Fe, New Mexico. They were especially interested in Arizona clays and colored limestones and marble. Actual consumption of mined minerals would be only a few tons annually.

**Another boutique mineral producer in Arizona is Elias Clay.** Ernesto Elias produces reddish clay from land adjacent to his farm fields in the Santa Cruz River flood plain near Friendly Corners in Pinal County. His clay is blended with crushed sand and decomposed granite to produce sports surfaces such as baseball diamond infields and pitcher's mounds and clay court tennis surfaces. The clay is also shipped to California for blending to produce vitreous clay roofing tile. Production is about 50 tons per day.

**Production of natural stone as an alternative to "cultured stone" is planned.** Many architects for new and remodeled commercial buildings are now specifying cultured or "faux" stone for exterior facing. Both cost and structural considerations have been driving forces in making such specifications. A natural stone industry specialist, Ed Anderson, plans to produce natural stone cut for ashlar and hopes to supplant some of the trend toward



fake stone. He is convinced it can be quarried and cut cheaper than artificial stone can be made from lightweight aggregate, Portland cement, and color. An important criterion is that the stone, when cut or shaped, have an installed weight of less than 15 pounds per square foot. At 15 pounds or less, no additional strengthening of a wall structure is needed. He explained that his experience in producing stone for wall facing has been saw cutting 5 sides of a block and using the natural break or a guillotine break for the exposed face. Using a cutoff style diamond saw and unskilled labor he has been able to produce 100 ft<sup>2</sup> of quartzite per 8 hour shift a direct cost of under \$1.00 per square foot. It then sells for \$3.00 per square foot. He reports he could produce such stone from softer rock like the marble samples from eastern La Paz County at a rate of 200 –250 ft<sup>2</sup> per worker-shift, per day. Direct production costs would be about the same per day as for harder rock.

### **Mining and Energy Solutions conference in Elko NV, Aug. 25-29**

Nyal Niemuth attended the Mining and Energy Solutions conference in Elko NV, Aug. 25-29 courtesy of US Dept. of Energy. The conference had a three fold focus – best practices to conserve energy, developing alternative and additional sources of power, and new mining and milling techniques to eliminate energy intensive steps or otherwise greatly reduce power consumed.

**Resolution Copper** - We received the first publicly released paper by Kennecott on the Magma Porphyry aka Resolution Copper from Tim Marsh of Kennecott. It was written post the last year and half of drilling and provides good description of the geology and mineralization and includes a color cross-section. No resources figures were reported.

**Verdestone (Oakland) mine** - Abington Resources reported positive gold intercepts in all 6-drill holes at the Verdestone (Oakland) mine in Yuma Co.

**Safford (Lone Star) District** - It is rumored that Kennecott is exploring for copper north of Dos Pobres mine area in Safford district.

### **Phelps Dodge – Bagdad Mine**

- Phelps Dodge officially announced completion and startup of their demonstration plant at Bagdad that pressure leaches copper concentrates. Production began during the previous quarter. Rumors are that the first full scale implementation of the technology will likely be outside the USA. The pilot demonstration plant can process 10 – 20 percent of the Bagdad Mine's concentrates.
- Phelps Dodge's Safford mining and metallurgy research center in Safford now has nearly 200 employees.

**Copperstone Gold mine** - American Bonanza Gold has reported multiple ounce gold values in numerous underground samples taken in "D" zone at Copperstone mine in La Paz County

**New mining is becoming more and more difficult** was the basis of testimony by Ann Carpenter of the Women's Mining Coalition testifying before Congress in 2003. Excerpted from NMA Mining Week 2003-08-03.

"Most companies regard the U.S. as highly prospective for mineral discovery but highly risky regarding regulatory processes and policies with an

increasingly cumbersome and negative permitting regime,” Ms. Carpenter explained.

She cited for the committee a minerals economist, who said, “The most serious threat to the mining industry’s long-term sustainability in the U.S. is the regulatory changes made in the final four years of the Clinton administration.” Ms. Carpenter identified the main causes of the decline as:

- The Clinton era’s attempted prohibitive revision of the Section 3809 Regulations on mining and a lag in implementing their replacement;
- The 1997 Millsite Opinion, an attempt to administratively repeal the mining law by making it impossible to process ore on new claims;
- The recent unavailability of the kinds of surety bonds required to obtain federal permits, partly due to regulatory policy;
- The ease with which frivolous litigation and administrative procedure can be used simply to delay a new mine to the point it becomes uneconomic to persist;
- Inconsistent interpretation, application and implementation of existing regulations;
- And new, expanded limits on mining activity on more than a million square miles of federal land, roughly one-third of the United States, mostly in the West, which contains most of our nation’s metal and mineral reserves.

“There is less land available and the difficulty to conduct even simple exploration on federal land serves as a strong incentive to work overseas,” Silver, of Balfour, told the committee. “The reduction is reaching a point where the industrial ecosystem is seriously threatened,” he said, mentioning laws that prohibit activity near sacred sites, unique habitats and premier vistas.

## **Donations of data and volunteer cataloging and data management**

- Doug Heinrichs brought up more of Grover Heinrich’s files and with the assistance of Herb Duer, the last truckload of Grover Heinrich’s donated data, maps, and files has been brought the ADMMR from Tucson.
- Received donation of one box of property files from Roadrunner Prospectors club.
- Received 10 boxes of data from Molycorp of Anderson Mine data, a major Arizona uranium resource.
- New volunteers Leon Estes and Scott Rogers are cataloguing Walt Heinrich’s GEOX file collection.
- Volunteer Doreen Webert, has returned after recovering from injuries received in a fall at home. She is back to work making a digital database of the 40,000+ mine and people index cards

## **NEW PUBLICATIONS**

- *Arizona Mineral Resource*, No 34, April, 2003
- *Arizona Mineral Resource*, No. 35, July 2003
- Circular 103 (updated) *A Review of Mercury Mining in the Phoenix Mountains, Maricopa County*
- Circular 104 *Mining Laws and Regulations, Changes and Revisions 2003*

As part of preparing the Circular 103 on mercury mining in the Phoenix Mountains the Department of Environment Quality was contacted to determine if any studies have been done on possible hazards existing in the Dreamy Draw area as a result of the mercury mining activity in the 1920s. Samuel Rector, Aquatic Contaminant Specialist, AzDEQ, was pleased to hear of our interest. He has wanted his department to do a study in that area. Sam Rector requested and received authorization from DEQ to conduct soil sampling in the area on the behalf of ADMMR. Additionally, Rector has written and released to us, a discussion, along with annotated citations, of the properties of mercury as it could relate to the Dreamy Draw deposits. His discussion will be added to Circular 103, as well as the test results when they become available. DEQ has asked, and been granted, permission to use Circ 103 in their presentations. On September 12 Diane Bain and Nyal Niemuth accompanied Sam Rector to the area and choose locations for DEQ to take samples for analysis.

Recent statutory and regulatory changes that affect mining claims have made portions of Special Report 11, *Laws and Regulations Governing Mineral Rights in Arizona, 9th Edition* inaccurate. Pending the completion of the rewriting of Special Report 11 the Department has released Circular 104, *Mining Laws and Regulations, Changes and Revisions, 2003*. This circular briefly describes statutory and agency policy changes in mining claim procedures. Circular 104 covers rental fee requirements, small miners' exemptions, the Stock-raising Homestead Act, the moratorium on patenting claims, changes to surface management regulations, including 43 CFR 3809, 43 CFR 3715, 43 CFR 3600, and Forest Service changes, and mining claims on State land.

This circular, 104, along with other addendums (Circulars 30, 36, 56, and 90) produced by the Department will form an important part of the basis for a rewrite of *Laws and Regulations Governing Mineral Rights in Arizona*. It is important for claimants to keep informed as Congress or managing agencies make additional changes to mining law or regulatory procedures. Scott Donaldson, an attorney specializing in mining law, along with the Department's engineers are rewriting the publication. John Lacy has agreed to assist and provide technical and legal review. Both John Lacy and Scot Donaldson have agreed to donate their time.

An article reviewing mining during 2002 in Arizona was completed and submitted to Arnie Tanner at US Geological Survey for use in the Minerals Yearbooks Area reports volume.

**The ADMMR has an extensive archive of Arizona mining photographs.** A volunteer, Kevin Hart, has completed a digital photo-scanning project. This presents an opportunity to prepare a digital release and add select photos to our website. Mr. Hart has agreed to help prepare digital scans the color slides taken by Department engineers, largely from the 1980's thru early 1990's when ADMMR had a regular field travel budget.

**ADMMR's mining photograph collection often finds use by the general public and the media.** The following items, from last quarter, are representative of the type of request we get involving our photo archives. We generally try to be helpful if not too much staff time is consumed.

- Marilyn Szabo, freelance writer, was assisted in finding appropriate historic and current photographs for an exhibit at the Alliance Bank of Arizona entitled "At Work in Arizona." The exhibit will attempt to capture the history of Arizona business. Three photographs

were chosen for reproduction and the Department supplied captions. The Department will receive photo credit in the display.

- The ADMMR supplied digital photographs of a gold nugget and of people enjoying gold panning in front of the Museum from our photo archives to Karen Fullenwider for an article for the *Arizona Capitol Times*. We also wrote much of the text for her.
- Willy Schauer of Hawaii, was assisted by locating a photograph of a specific mine train for a book he is writing.
- Margaret Hoff donated framed photographs of mines her husband, Fred J. Hoff, had worked at. Hoff was a mining engineer and one of the photographs is of Morenci. Margaret was pleased we accepted the photographs and wrote us a touching letter
- While Kevin has made great progress in scanning the photo archives, we still need to corner a volunteer to complete the cataloging of the remaining collection.

Those obtaining copies of photos for publication are required to sign a release and photo credit form:

- I hereby agree to credit the Arizona Department of Mines and Mineral Resources in print and send the Department a copy of the text in which the above photograph(s) is/are published or used. It is understood that single, one-time use rights only are granted; multiple or electronic media use of the photograph(s) may be made only with written permission from the Department.
- This material is protected by copyright law (Title 17 U.S. Code).
- Credit will be given in the following manner: (Collection Name, if applicable), Courtesy of the Arizona Department of Mines and Mineral Resources.
- In publications, credit will run immediately beneath the photograph or in the caption. In film, slide show or videotape it will be given in the credits.

## **Suspicious Mining Activities**

- Jerry Haggard Mining Atty. reports the BLM is seeking to permanently bar Combined Metals Reduction from owning mineral rights at Klondyke and Golden Door in Mohave Co. due to CFR3715 violations.
- Great American Gold is still seeking investors at Luzena Alluvium in Cochise County. Received additional "data" on project.

## **Computers, ADMMR Website and Information Technology**

- The website was changed as needed to reflect the new \$2.00 admission charge for adults to the Mining and Mineral Museum
- Pages updated include staff, preliminary 2002 Arizona mining review, newsletter, government links, industry links, faq, mineral rights, and gem shows
- A new 40GB hard disk was installed in Novell server after upgrading the motherboard bios. This added 10 times the data storage capacity previously available. A digital data archive and library is being developed to take advantage of this space. It will include reports, news, company filings, government publications, digital maps and data, photographs and other images. In some instances these will complement paper documents, while in a growing number of cases others these will be the only "copies".
- Many of the varied and complex details of ADMMR information technology system require regular adjusting, review, and update. These details take nearly 25% of Nyal Niemuth's work time.

## Activity Summary NJN 2002-2003

### July 1- Sep. 30, 2002 - 1st Quarter

<b>Web</b>	Updated or created - staff, deptpub, indlinks, gemshows 2002-03, index, mingen, musgen, (direction.gif updated parking and streets), online resources, school tours redone with 4 new treasure hunt PDF's added., mmrevents, added newsletter archive (last 4 issues as PDF's) and will continue to post as published. For quarters statistics see <a href="#">web use stats.xls</a>
<b>Meetings and Field Trips/Talks attended or/given</b>	Visited Asarco's new headquarters in Phoenix to meet public relations staff and acquire annual reports. Reviewed draft report on US's assayer for BLM's Matt Schumacher. Will hopefully be released later this fall. Talk comparing gold/copper deposits of Arizona versus Papua New Guinea to 75 members Az Gold prospectors.
<b>Donations/Acquisitions</b>	Geologist Noel Cousins visited for several days cataloguing Walter Heinrichs file donation. Acquired Data/reports on SOL property, Graham Co. from Charles Miller From attorney Ralph Sievright, IBLA Decisions from ?? to ?? Obtained data from talks on copper properties from Keith Long, USGS and placed in VIS and files Mining equipment donation received from Doug Deckner.
<b>Computers</b>	Met with Dave Taylor and Gus Zabarro (sp?) of DOA Telecommunications about getting fiber optic cable to ADMMR building and further connection and requirements. Also met with Vic McPherson ADOA Telecom-ATS Mgr. Acquired Mapinfo's Proviewer 7.0 free viewer software.
<b>Azmils/mine data</b>	Mohave AZMILS 10 sets, 11 AZMILS disks made Identified Map sales product, costs etc. Improve San Manuel and Poston Butte files and CU Reserves info.
<b>Suspicious Mining Activities</b>	Galleon technology and Dev. Corp. see <a href="http://www.galleoncorp.com/home.htm">http://www.galleoncorp.com/home.htm</a>
<b>Industry news/assistance of note</b>	Assistance to Explorationist's seeking Porphryr Copper oxides ADOT geologists Jerome area Info to Jennifer Becker of Pima County re Mines and Mining re Sonoran Desert Conservation plan EIS 3 <sup>rd</sup> portal being built for Mission UG, North portal will be gone soon. Az Capital Times Rinker / CSR buys United Metro Poston Butte, Pinal C. purchaser Vanguard/Florence Copper sold portion/easement to United Metro for new Sand and Gravel FNF purchases part of Paloma Ranch, Maricopa for new Sand and Gravel Obtained public . exploration data by Conquistador Gold Ltd on Alvarado gold property, Yavapai Co. from Ralph Robert's. Property is available.
<b>Publications</b>	Provided 2001 summary and updated map to Arnie Tanner, USGS MIT, write up similar to that provided to Mining Engineering Small update to Mining Scams Worked on Active Mines directory and review. Obtained USGS estimates for 2001 finally!
<b>Misc.</b>	I appreciate and wish to mention being allowed to work a flexible schedule and telecommute as well as reduced hours (family leave) for part of August while transitioning my father from long hospital/rehab stay back to home and the "real world."

### October 1, 2002 –December 31, 2002 – 2<sup>nd</sup> Quarter

<b>Web</b>	Updated state section government links, school tours, museum general, industry links, museum and ADMMR events, prospector days, mineral links, pub list, clubs, staff, and assayers. Made new: principle producers map and converted to pdf, new mining update 2000-1 as pdf. Added OFR90-5 (index to pubs 1940-1990) to enable research of out of print publications. Check date Added 12-2002 newsletter Check date For the quarters statistics see <a href="#">web use stats.xls</a>
<b>Meetings and Field</b>	Met with Friends of Az Archives – <a href="http://www.faza.net">www.faza.net</a> to draw interest in supporting ADMMR's



<b>Trips/Talks attended or/given</b>	<p>archives.</p> <p>Meeting with D. Shaw, registered assayer.</p> <p>Traveled (courtesy of NJN) to Tucson: Picked portion of second donation of Grover Heinrich's files. Attended Tucson SME meeting on <i>Closure of San Manuel Mine</i> by Jeff Parker BHP.</p> <p>Traveled (courtesy of NJN) to Tucson for 2 days: Attended Arizona Conference SME meeting. Picked up more of Grover Heinrich's files that inc. sig. data on Squaw Peak Cu property. Visited geologist Jim Sell's (extensive and impressive) library and acquired catalogue on CD-ROM. Mr. Sell is interested in finding a future home for portions of his collection.</p> <p>Met with Keith Long, econ geo. W/USGS who returned ADMMR's microfilm of the earliest years of production data and provided a copy of his transcribing it to digital xls format.</p> <p>ADMMR holiday lunch -attended by over 100 patrons and volunteers.</p>
<b>Donations/Acquisitions</b>	<p>Met Doug Heinrichs on a Sunday with D. Bain to unload more geophysical equip and maps brought from Walt's in Tucson. Harold Downey delivered more of this donation.</p> <p>Received donation of magazines form State Land Dept.</p> <p>(See above section re 2 acquisitions from Grover Heinrichs )</p>
<b>Computers</b>	<p>Freshened anti virus data files as usual.</p> <p>Met with Vic McPherson ADOA Telecom-ATS Mgr and contractor to measure/determine location for fiber optic runs to ADMR building.</p>
<b>Azmils/mine data</b>	<p>Received property report including reserve data from Ralph Robert's son on _____ gold property Yavapai Co. Received gold and copper drill intercept data on Gold Gulch property Greenlee Co. from Mike Palowski.</p>
<b>Suspicious Mining Activities</b>	<p>Obtained copy of PGE assay data article from Actlabs assayers _____ and Bernie Dunn – Tucson. For information related to Peebles vs SLD testimony.</p>
<b>Industry news/assistance of note</b>	<p>Info to Elliot Pollack's group <a href="http://www.azeconomy.com">www.azeconomy.com</a> for county economic study Agencies from staff including ADOT, AzGS, BLM, FS, BIA, DWR, DEQ, Nat. Park Service. More inquiries regarding claims and gold with rise in gold prices.</p>
<b>Publications</b>	<p>Complete with staff Active Mines Directory and Map</p> <p>Sold the first USGS 782 on CD-ROM. See new PDF's under web section.</p>
<b>Misc.</b>	<p>Worked with volunteer Keith Halsey and made major progress on finishing cataloging of the Cambior collection. Began directing volunteer(s) cataloguing/data entry of map microfiche collection.</p>

### January 1, 2003 thru March 31, 2003 – 3<sup>rd</sup> Quarter

<b>Web</b>	<p>Posted new pages -Scout tour, OFR02-20 late 20<sup>th</sup> Cent. Mining Scams, 3 versions of budget update</p> <p>Posted updates to Index, FAQ MMREvents pages</p>
<b>Meetings and Field Trips/Talks attended or/given</b>	<p>Program provided with D. Bain to about 65 at Mesa Gold Diggers meeting in Mesa (provided own travel expenses).</p> <p>Attended 2 budget subcommittee hearings at Capitol.</p> <p>Presented program to about 40 Leaverites at ADMMR classroom.</p>
<b>Donations/Acquisitions</b>	<p>Harold Downey of Tucson brought some of the W. Heinrich's geophysical equipment donation to Phoenix. Doug Heinrichs brought up more of G. Heinrichs files.</p> <p>No interesting bids for Taiwan Power U properties however they are still considering housing data at ADMMR.</p>
<b>Computers</b>	<p>Fiber optic brought into ADMMR building from DOA underground conduit, but no further connection. 6 fiber optic wires brought into building. 2 would be used initially for data if we had funding. Would require increase of about \$150/month but would result in 1 gigabit the new state standard connection rate on the Magnet communication ring.</p> <p>Downloaded ESRI's free Arc Explorer and learned its basics and some of its pros (variable transparency tiffs, easy color assignments ) and cons (cannot create shape files from dbf files that requires Arcinfo).</p> <p>Virus updates downloaded and distributed as usual.</p>
<b>Azmils/mine data</b>	<p>Cambior collection all finally in file drawers. Volunteer K. Halsey started sorting through additions to G. Heinrichs collection.</p> <p>Hualapai Chocolate SS comes from quarry near Hualapai Reservation property was sold by Dunbar. Some beds susceptible to parting after installation per some contractors.</p>

	<p>Continued discussion with Jeff Nason of Molycorp about acquiring their data on Anderson Uranium deposit.</p> <p>Demonstrated to Chief Engineer how to produce sand and gravel and other mineral maps at <a href="http://www.nationalatlas.gov">www.nationalatlas.gov</a> for assisting patrons. It's a popular request from industry and government agencies.</p> <p>Learned of community pits for cinders, flagstone and sand and gravel on Prescott National Forest and 1 flagstone quarry on Kaibab National Forest. Updated AZMILS records, one was new addition.</p>
<b>Suspicious Mining Activities</b>	<p>Received paper copy of report by BLM summarizing the testing of N. American Assayers on blank and standard samples. Succeeded in getting text in digital format and converted to searchable PDF format and posted on website.</p> <p>New OFR 02-20 posted on web and quickly becomes most popular page for month of April by being visited 1430 times.</p> <p>More calls about Mayer Onyx, Arthur Roy, Assets Products Protection Ltd.</p> <p>Met with K. Fuller of BTR and provided a copy of BLM assayer report. She reported that Assayer Don Jordan had briefly moved MRAL lab to Phoenix but has sold it to Schmidt family and moved to Michigan. He is no longer with lab as of Feb. 20, 2003. New owners have 30 days after that date to obtain registered assayer or quit offering services to public. SEC named HCCA and Don Jordan in complaint relating to their Arizona property Peoples Lease in Yavapai Co.</p> <p>Micron Recovery LLC is a new connected to the Luzena property reports ACC. I provided information to Australian Securities Officials re Luzena via phone and email.</p>
<b>Industry news/assistance of note</b>	<p>David Javorsky of Abington Ventures visited updated on Verdstone and promised later field invite when drilling underway. Pleased with recognition of "stair step" form of vein mineralization.</p> <p>More geologist visited/called to review copper porphyrys with intent to find more systems similar to "Magma Porphyry".</p> <p>Charlie Miller/SWMEA "historic porphyry copper" exploration database.</p> <p>Asarco struggles with severe cash flow problems at copper operations prior to getting approval to sell SPCC by Dept of Justice to AMG.</p> <p>Koolman McCool property owners in provided 3 reports, want to well property.</p> <p>Provided Max Jarman of Arizona Republic with most info for AZ gold story the paper published.</p> <p>Handy and Harmon's Phoenix precious metal refining facility has been sold to Gannon and Scott.</p> <p>Kennecott Exploration employees report that Geoff Ballantyne and Tim Marsh. will give a paper entitled "The Resolution Copper Deposit, A Deep, High-Grade Porphyry Copper Deposit in the Superior District, Arizona" at Colorado School of Mines late this spring.</p>
<b>Publications</b>	<p>Made 12 AAMILS on disk packages to sell. Make indexes and order maps for following CM sets - 2 Coco, 6 Gila, 10 Lapa/Yuma 5 Grah/Gree, 10 Mari, 7 Pima/SC, 10 Pinal, 10 Yava</p> <p>Researched, wrote and submitted for publication a review of Arizona's mining and exploration activity in 2002 for SME's Mining Engineering magazine.</p>
<b>Misc.</b>	<p>Worked with volunteer Keith Halsey and made major progress on finishing cataloging of the Cambior collection.</p> <p>Recruited new volunteer Kevin Hart who has made digital scans of over half of ADMMR's catalogued photo archives. Some progress on map microfiche collection.</p> <p>Persevering volunteer Doreen Weber continues entering the people card collection at about 750 cards per month until sidelined in May by injury (not at ADMMR).</p> <p>Budget crisis required lots of time with queries and other communications to interested parties and patrons.</p>

#### April 1, 2003-June 26, 2003 – 4<sup>th</sup> Quarter

<b>Web</b>	<p>Received Wordperfect document of portion of BLM report summarizing the testing of N. American Assayers on blank and standard samples. Created mostly text searchable PDF document matching paper format for BLM staff and also posted on our website. Link via assayer and mining scam pages.</p> <p>Revised disclosure page with privacy and use statement.</p> <p>Put together first emailing list and notified same of newsletter's availability at website.</p> <p>Gathering email address from visitors to office and may gather at website soon. A</p>
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	<p>surprising number of callers have been finding and reading newsletter on line.</p> <p>DOA WAN group alerts NJN to growing size of files in previously unknown directory on their web server that provides information on ID of user and time of use of every hit to ADMMR website. Decision was made to not keep this data after WAN group compiles monthly summary. This save ADMMR about \$20 per month in web server hosting fee.</p> <p>Posted 2003-4 Az gemshow list. Updated all 4 Treasure Hunt pages, online resources, index, mmrevents and others.</p>
<b>Meetings and Field Trips/Talks attended or/given</b>	<p>Provided program reviewing mining in Arizona to 60 plus people belonging to Superstition Mtn Treasure Hunters in Apache Junction. (provided own travel expenses)</p> <p>Hosted meeting at ADMMR of potential officers to re start Maricopa section SME.</p> <p>Planning to host "diner meeting amongst the gems and minerals during coming ear.</p> <p>After declining invitation to have program at ADMMR, I provided data and handouts to Westminster group in Scottsdale.</p>
<b>Donations/Acquisitions</b>	<p>Doug Heinrichs brought up more of G. Heinrichs files.</p> <p>Received donation of property files from Roadrunner Propsectors club.</p> <p>Received formal letter from Molycorp agreeing to donate Anderson Mine data to ADMMR, data has not arrived.</p>
<b>Computers</b>	<p>Virus updates downloaded and distributed as usual.</p> <p>Gathered information from DOA WAN group n connecting to fiber optic lines. Requested quotes on short notice quotes for possible end of year computer equipment purchases.</p>
<b>Azmils/mine data</b>	<p>Received data on community pit fro flagstone on Kaibab National Forest.</p> <p>Recent purchaser of AZMILS on disk reported data entry error in 1 record – Smuggler - of Yavapai County. Reviewed and fixed record.</p>
<b>Suspicious Mining Activities</b>	<p>Assisted consultant with permitting of precious metal "plant" to be located at 860 North Hwy 85, north of Buckeye.</p> <p>Received inquiry about BDV Investments offering barrels (purported to be high grade Mexican) gold concentrates in Phoenix area warehouse to be used as collateral for loans. Others involved include Don Jordan assayer of concentrates and Don Noe (of Phoenix Metals/MineralWorld) and Victor Lee Wark. (contact Salt Lake City FBI agent Kelly Kleinvacher 801-579-4653 fro details on Wark)</p>
<b>Industry news/assistance of note</b>	<p>News and rumor from bush has Kennecott exploring north of Dos Pobres in Safford district.</p> <p>Another rumor from Red Rock News has FS considering acquisition of United Verde Extension.</p> <p>Phelps Dodge officially announces completion and startup of demonstration plant at Bagdad that pressure leaches concentrates. Production began during previous quarter.</p> <p>Provided Nigel Phillips and 2 other geoscientists of Kennecott introduction and preview of W. Heinrichs collection. Feedback recived was files contained lots of valuable geophysics data that would be much cheaper to reinterpret than gather again. Hoped to be able to take advantage of data, geographic index sorry lacking.</p> <p>Maricopa County Sheriffs dept.called investigating Sun State Rock report that barrels of gold bearing concentrate were stolen from their Agua Fria River sand and gravel operation at 115<sup>th</sup> Ave. and Beardsely.</p> <p>Ralph Costa of BLM Arizona office mining engineer reports 600 notices were on file prior to January deadline fro 3809 regs. Afterward that has dropped to about 85. BLM is providing spreadsheet to simplify bond calculations and speed acceptance by BLM for those who relatively simple plans.</p> <p>Twice in month prospectors using metal detectors brought in nugget or photo of newly found plus ¾ ounce gold from greater little San Domingo area. Heavey spring rains must have moved some gravel and gold.</p> <p>American Bonanza reports multiple ounce gold in numerous underground samples taken in "D" zone at Copperstone.</p> <p>Provided background information to Don Harris of Capitol Times for Arizona gold mining story.</p> <p>Clarkdale Town council (Rex Williams councilman pushing vote) interested in acquiring museum if state fails to fund.</p> <p>Mineral Park purchased from Equatorial by Mercator.</p> <p>Castlerock options Dover Copper property in Copper Mountain district.</p>
<b>Publications</b>	<p>Made 10 AZMILS on disk. Made CM's – 15 Yavapai, 11 Maricopa , 10 Mohave, 10 Cochise and 6 Pima.</p>
<b>Misc.</b>	<p>Received 5 days of bereavement leave related to death of my father, Robert Niemuth.</p> <p>Thank you.</p>

	Volunteer K. Hart has gotten to "R"s in photo scanning project.. He has been asked, if interested, in helping prepare web pages featuring photos of the major copper mines and selected current and historical mining scenes.
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