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D.K. MARTIN & ASSOCIATES
Mining Development & Administration
4728 N. 21st Avenue
Phoenix, Arizona 85015

LOS FELICE MINE

CHANCE-SURPRISE CLAIM GROUP

Mohave County, Arizona

(602) 246-9573

D.K. MARTIN & ASSOCIATES
Mining Development & Administration

S N. 21ST AVENUE

PHOENIX, ARIZONA 85015

27 December 1979

C H A N C E -- S U R P R I S E
(Los Felice - Saint John's)

This mining property consists of 22 lode claims, each 20 acres. All claims are held under United States Mineral Laws as unpatented lode claims. Requirements of these laws have been and continue to be totally fulfilled. The title remains clear and without encumbrances of any kind.

The property is situated in the Black Canyon Mining District, Yavapai County, Arizona, one mile east of Cleater, Arizona on the Black Canyon-Crown King-Prescott Highway, which crosses the property at its center within 100 feet of its main shaft. Forty-five miles to the north is Prescott, the County Seat, and sixty-five miles to the south is Phoenix, the State Capitol.

GEOLOGICAL SURVEY

The claims and mine are in the center of a four mile wide belt of Yavapai Schist, a rock of pre-Cambrian origin, standing uptilted at an angle of 80 degrees dipping West, and enclosed by two great batholithic (granite) uplifts or intrusions. These parallel the Bradshaw Mountains granite two miles to the West, and the Antelope Hills Granite two miles to the East. The schist belt between these two great intrusions has itself been subsequently intruded by various smaller igneous dykes such as pegmatite, porphyry, syenite, diabase and rhyolite, plus veins of various kinds and sizes, all bearing metallic ores of various types. The main vein of this property has proven to be of the greatest significance in this district explored to date. This schist belt, during later periods, was subjected to severe fracturing and faulting which undoubtedly explains the deposition of the metallic ore bodies found in it today.

Over the center of the property lengthwise, which is also the center of this schist belt, runs a "high ridge" with a number of still higher humps and peaks trending north-south. From this ridge the surface terrain slopes or dips at an angle of 40 degrees east and down a 700 foot deep basin one mile to the east. Along this high ridge, the top on the west side, trends and outcrops the main vein which dips 40 degrees east and down into the basin where it becomes flat and forms a flat channel. This channel trends north-south and the ores it contained have been extracted and worked out by the Golden Turkey and Golden Belt Mining Companies. When the ore vein turned upward and toward the west, these companies had to stop operations because the apex is controlled by this property. However, from this channel, one mining company extracted about \$500,000, the other company gleaned about \$2,000,000, all prior to 1940.

MAIN ORE VEIN

FROM SOUTH TO NORTH: At the point underground where the neighboring mining company had to cease operation, and where the ore vein in the flat channel turned upward and west, there is a block or shoot of solid galena lead ore one and one-half feet to two feet wide, 500 feet long, and 1,000 feet on the "upcline" to the surface and the apex on this property. Eight cubic feet of this type ore weighs approximately one ton. This report, however, considers ten cubic feet to the ton. This ore assays 40% to 60% lead, 70 ounces to 175 ounces in silver, and \$55 to \$130 in gold per ton. The lower value will be used here for calculations, i.e. 40% lead at a price of 50¢ per pound and 70 ounces of silver per ton at a price of \$17 per ounce. In addition, the gold values in this block of ore are being entirely eliminated in this estimate. A minimum and most conservative value of the ore in this particular block is thus calculated to be:

40% in lead per ton equals 800 pounds @ 50¢/lb	= \$ 400 per ton
70 ounces in silver per ton at \$17.00 per ounce	= \$ 1,190 per ton
Total estimated minimum gross value	= \$ 1,590 per ton

Therefore in this block of ore, using 1½ feet as width, 500 feet as length, 1,000 feet as depth, and 10 cubic feet to the ton, there are 75,000 tons of ore. However, only 60,000 tons will be used here at a value of \$1,590.00 per ton. The yeild equals \$95,400,000.00 gross. This ore can be mined, shipped and smelted for approximately \$55.00 per ton. The entire shoot costing \$3,300,000.00 leaving a Net Minimum Profit of approximately \$92,100,000.00.

THE NEXT BLOCK OR SHOOT OF ORE ADJOINING TO THE NORTH: The ore body of this shoot is 3 to 3½ feet wide, 2,000 feet long and 1,500 feet up from the neighboring mine to the apex on this parcel.

Lengthwise, along this ore shoot at the points where the neighboring workings ceased, the ore assayed 3 ounces to 3½ ounces in gold, 10 ounces to 15 ounces in silver, and 8% to 10% in lead per ton. However, this richness may not persist throughout the entire shoot, therefore the values have been cut to a minimum conservative average of: \$250.00 gross per ton in all three metals. The ores in this shoot will be very easily mined and very amendable to crushing, milling and flotation.

TOWARD THE NORTH: On the Surprise #6 claim, there is a stretch running east-west along the highway approximately 200 feet long of broken, crushed and conglomerate ore-vein matter caused by a major cross right-angle fault. This low grade crushed, conglomerate ore vein along both sides of the fault is 4 feet to 7 feet wide. Though it would pay to mine and mill it, this stretch should be considered at a later date.

ADJOINING TO THE NORTH: On the Surprise #5 claim is the largest shoot of ore averaging 4 feet 4 inches in width, 3,500 feet in length, and over one mile

on its 40 degree dip downward to the east. It crosscuts a high peak known as Townsend Butte, as well as other formations in the path of its dip. This ore shoot traverses lengthwise over the Surprise #4 and Chance #1 claims.

The mine workings in this particular block has the high-grade ore generally appearing along the footwall, frequently on the hanging wall, and at times the entire vein becomes high-grade ore. Gold is the principal value with some silver and lead. The high-grade ore assays above \$3,000.00 in gold per ton; dropping in value to a low-grade quality. Therefore, it should be understood the big "pay-off" in mining this particular block of ore will come from its stopes and not from headings. Everything between the two smooth, well defined walls should be mined and stoped out. There will be production of low-grade, medium-grade and high-grade ores. Therefore, mining the total ore vein, the weekly average will be highly satisfactory and far above \$153.00 gross per ton. Monthly averages will show greater value, and yearly average excellent. This block of ore is 4 feet wide, 3,500 feet long and 5,000 feet up. Calculating 15 cubic feet to the ton, equals 4,725,000 tons in this shoot. Using a conservative figure of 2,000,000 tons at \$153.00 per ton, equals \$306,000,000.00 gross. It is estimated the ores in this shoot can be mined, milled and marketed for \$55.00 per ton, a total cost of \$110,000,000.00 creating a Net Profit of \$196,000,000.00.

PAST DEVELOPMENT

Past development consists of 1,600 feet underground workings. The main, double compartment shaft is 452 feet deep, following the ore vein on its 40 degree dip east. At the 100 foot level is a 25 foot long drift to the north. At the 270 depth is a 12 foot long drift south, and from it a 60 foot upraise to the surface. At the 300 foot level is a 12 foot long drift north, and a 150 foot drift south. The shaft runs parallel and very close to and along

a major vertical fault; and because of its disturbance, the ore vein in these workings is more or less crushed and conglomerated and hence of low-grade. Though in the south 150 foot long drift on the 300 foot level along the center, lengthwise, higher grade ores appear on both walls which assay above \$300.00 in gold per ton. From this level up to the surface is 15,000 tons of ore ready for stoping and extraction. The ore vein in these workings is 4 feet to 7 feet wide, and easily mined. One driller should easily break down 50 tons per shift. Further down the shaft, higher grade ores appear along the hanging wall assaying above \$336.00 in gold per ton. This shaft, if driven another 150 feet deep would cross-cut a 60 foot wide vertical vein which has never been mined, and which might prove of great value. On the surface, 100 feet east from the shaft, is a 75 foot long drift tunnel on an ore vein, and a cross-cut tunnel 100 feet long.

All of these workings are on the Surprise # 5 & 6 claims. A shipment of 40 tons of ore from these workings was delivered to a local mill in the late 1930's, which grossed \$11.55 in gold per ton (today this would be approximately \$138.00 per ton).

Adjoining to the north on the Surprise #5 claim, near the south end, is a 30 foot long part cross-cut open cut and part tunnel which cross-cuts the vein near the surface. This working shows high-grade ore scattered throughout. Further to the north is a 35 foot deep incline shaft on the ore vein. One hundred feet further to the north is a large open-cut on the ore vein showing high-grade ore. Some of which assays above \$1,200.00 per ton in gold. Two hundred feet further to the north is a 50 foot deep incline shaft on the ore vein showing high-grade ore along its foot wall.

At this point there is a 90 foot long tunnel showing high-grade, medium-grade and low-grade ores. One hundred feet up and further to the north is a 140 foot long tunnel. Upraises to the surface were made from which four modest ore shipments were made to a smelter (in the late 1930's) which grossed \$20.00 up to \$60.00 respectively (Today's market totals approximately \$230.00 to \$600.00). A few hand picked samples assayed above \$2,200.00 in gold per ton. (This tunnel follows a break, consequently the ore is of low-grade, but shows higher grade on the foot wall or right side, going downward.)

The average width of the ore vein in the above workings is 4 feet 4 inches. There are also large longitudinal trenches on the outcrop of the ore vein from which high-grade gold ores has been extracted and shipped. The two tunnels and the 50 foot deep shaft on this claim are about 1,000 feet north of the main shaft on the Surprise #5 claim.

The development work being accomplished in late 1936 was on the 20 foot wide ore vein which runs parallel to and 300 feet west of the main vein, trans-versing the Surprise # 8, 9 and 10 claims lengthwise, trending north-south, dipping 80 degrees west. Near the south end of Surprise #10 Claim, a 30 foot long open cut was driven in along the hanging wall showing high-grade ore. Then from the face of this longitudinal open cut, a 22 foot long cross cut tunnel was driven at a right angle into the hill eastward to the foot wall. This was done to determine the width of the vein which proved to be 20 feet wide and of milling grade gold bearing material. This ore is strongly saturated with canary-yellow, finely grained oxides which in addition to low-grade gold values may contain some vanadium and possibly uranium, though it was never tested for these latter metals.

From the face of the longitudinal open cut, a 35 foot deep shaft was sunk following the hanging wall and the high-grade gold ore. The ore was gradually becoming richer and of greater width as depth was gained. The bottom of this shaft and along the hanging wall, the vein is one foot wide with additional stringers of high-grade throughout the width of the shaft. Two assays of high-grade ore were taken:

#1	Gold: \$682.00	Silver: \$52.19	Copper: \$10.00	= \$744.19/ton
#2	Gold: \$870.10	Silver: \$63.07	Copper: \$ 6.65	= \$939.82/ton

The low-grade vein matter assayed from \$24.00 to \$180.00 in gold per ton.

The surface ores located on the Surprise #2, 6 and 10 claims, and along with the claims on either side of Turkey Creek, are reported to carry 3 to 7 ounces of gold per ton. However, no documentation of this is presently available. This information should be analyzed and compiled with all other data and graphically placed on the surface map for analytical evaluation.

In July of 1979, a bulk low-grade sample of surface ore was taken from the Surprise #2 and 6 claims for cyanidation tests. The preliminary results indicated the ore will cyanide in the range of 93.2% of the gold and approximately 43.5% of the silver content. Further tests should be run to determine the amenability of the silver to cyanide.

The iron-manganese deposit on the property is a vertical structure 100 feet wide and 7,500 feet long, without a break. It trends north-south, consisting of hematite and magnetite, with a small amount of brown colored iron. This ore averages 30% in iron and 9.25% in manganese. It is richer in the deep cross-gulches and canyons than over the high humps and peaks, although most of the samples were taken over the high humps and peaks. There is 10,000,000 tons of this type of ore exposed, blocked out by nature which can be mined or quarried up to any desirable scale.

RECOMENDATIONS

A drilling program should be instituted immediately to verify the past reports and locate new open pit situations. Two major types of ore producing bodies will be determined: Ores for leaching; Ores for flotation, surface open-pit and/or underground.

The possibility of both surface and underground gold ores being treated in a leaching situation is promising. This should be the first determination ascertained. If these results are positive, along with a sufficient quantity of ore, there is ample water supply and surface ground to erect a leaching process plant on the property. This will provide an income with the least amount of capital investment and the earliest return.

The lead-silver ores are amenable to the flotation type of extraction, and sufficient quantities of ore are available. If this type of mill is to be erected, it is suggested a purchase of the Golden Turkey Mine and Mill be considered. The utilities and milling buildings are now existing in fair condition. The Golden Turkey Mine will provide access to the underground workings of the Chance and Surprise Claims, allowing mining to continue on the main high-grade lead-silver vein. The residual values in the dumps and tailings piles have not been determined at this time.

If underground mining is to be the method used, the main 452 foot deep shaft should be reconditioned and an additional 250 to 700 feet. Drifts then should be driven north and south, particularly South, where within 200 feet would break into very rich gold ore carrying additional silver and lead values. Continue drifting on ore, preparing for stoping and extractions. The south drift, within 100 feet from the shaft, will cross a very deep canyon and also cross the same major fault. At this VERY POINT, an upraise to the surface

should be made sufficiently large enough to serve as a "production shaft". At this point it will be only 30 to 40 feet from the drift and up to the surface. This upraise (shaft) would serve two purposes: fresh air and short pulls to the surface. This shaft should be continued downward on the ore vein and additional levels established until the neighboring workings are reached.

NOTE: The present mine shaft, before reaching the 700 foot depth, would cut across a 60 foot wide vertical vein, which also may prove very valuable.

A shaft should be started on the lead-silver ore outcroppings 2,000 feet south of the main shaft, establishing levels, drifting south as far as the ores extend; drifting north and connect with the drifts that will be driven south from the main shaft. Begin extraction and production. This shaft should be continued until the old neighboring workings are reached.

The 50 foot deep shaft on the Surprise #4 claim (1,000 feet north of the main shaft), should be sunk to the 300 foot depth, drifting north-south, preparing for stoping and production. This shaft should be continued to greater depths and additional levels established. This shaft can be extended for a mile or more on its dip. There has been no ores extracted nor work done on the opposite (east) side of the big ridge.

The above three shafts should be interconnected by underground drifts as equal depths are reached. This will provide and allow escape routes, fresh air, accessibility, speedier and more economical extraction.

ELEVATION

The elevation at the center of the property is 3,300 feet above sea level. The area enjoys an unexcelled climate with no snow in the winter nor excessive heat in the summer. Thus the mine and milling operations can be carried on throughout the year.

CONCLUSION

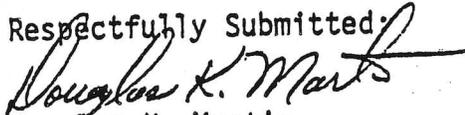
It is obvious this mining property contains a very large tonnage of good, commercial grade ores. The ores situated in and on over one-half length of the property have been proven, blocked and determined profitable for recovery. Leaching of the gold bearing ores has been tested with excellent results.

In my opinion, given after personally sampling the deposits and assaying the samples, I am entirely satisfied that the Chance-Surprise Mining Claims constitute a mining proposition that, properly handled, should return profit to those who operate them. And, further, owing to the deep seated nature of the deposit, a long life to the property may be counted on.

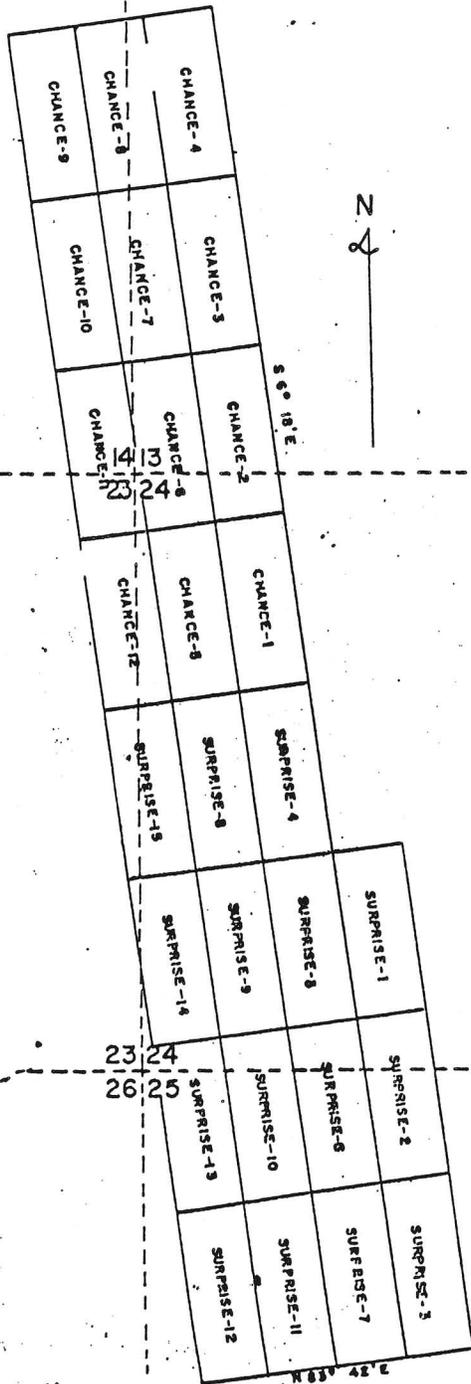
NOTE: This report was compiled from information written and supplied by:

John Slak, Consulting Mining Engineer, 1936
A. K. Simkins, Mining Engineer, 1931
Alex Prohoroff, Prospector, 1975-79
John Jett, Director, Arizona Department of Mineral Resources ,

Respectfully Submitted:



Douglas K. Martin
Consulting Engineer
27 December 1979



ADDENDUM

MINING CLAIM MAP

Yavapai County, Arizona

Projections of unsurveyed sections
according to Prescott National
Forest Map, 1977

D. K. Martin
Apr. 11, 1984

Schist

Creek

Los Felice Ores

250	10	65
500	15	100
750	20	150
1000	25	200
1250	30	250
1500	35	300
1750	40	350
2000	45	400
2250	50	450
2500	55	500
2750	60	550
3000	65	600
3250	70	650
3500	75	700
3750	80	750
4000	85	800
4250	90	850
4500	95	900
4750	100	950
5000	105	1000

VEIN Ore 2' to 3' W
 Minimum tonnage in this block 320,000 tons
 Minimum value per ton 420 in Au Ag Pb

Apex

1,500'

2000'

Broken up, Conglomerate Vein Matter
 Caused by the fault
 Low Grade

Fault

High 3.

Shaft 452'

Average width Of Ore Vein
 In This Block 4"

3500'

1 MILE

Minimum Tonnage In This Block
 2,000,000 Tons

Minimum Value 10 per ton

Tunnel 90'

Tunnel 140'

Apex

Turney Creek

50 degrees

N

Worked Out Flat Channel

Golden e Turkey Mine Production \$2000,000

Worked Out Flat Channel

Golden Belt @ Mine Production \$500,000



No. 6

1936

WILKINSON ASSAYS

ASSAY REPORT

8849 SIERRA AVE. • FONTANA, CA 92335 • SINCE 1967 • PHONE (714) 823-4607
 ASSAYER • CHEMIST • METALLURGIST • REFINER • GEOLOGIST • MINE CONSULTANT

CHEM. TESTED	CHARGE	WEIGHT	DATE	PRICE	OUNCES PER TON	GRAMS PER TON	VALUE PER TON
GOLD	\$ 7.00	29.3 grams	2 / 27 / 86	\$ 337.00	0	14.9	\$ 161.90
SILVER	\$	29.3 grams	/ /	\$			\$
COPPER	\$	29.3 grams	/ /	\$			\$
LEAD	\$	29.3 grams	/ /	\$			\$
ZINC	\$	29.3 grams	/ /	\$			\$
PLATINUM	\$	29.3 grams	/ /	\$			\$
PALLADIUM	\$	29.3 grams	/ /	\$			\$
MICRON GOLD	little	COMMENTS most your values are free flower size gold					
FREE GOLD	mostly	with little micron size gold.					
SULFIDE	no	<i>Duane</i>					
ARSENIC	no	S.E. (ERNIE) THEISS ALEC BELOW HOLE <i>Wilkinson</i>					
TELLURIDE	no	SUBMITTED BY	SAMPLE #			ASSAYER	
PAID	yes	ASSAY BASED ON SPECIMENS LEFT AT LAB ONLY			BASED ON ASSAY TON 2000 LB.		

WILKINSON ASSAYS

ASSAY REPORT

8849 SIERRA AVE. • FONTANA, CA 92335 • SINCE 1967 • PHONE (714) 823-4607
 ASSAYER • CHEMIST • METALLURGIST • REFINER • GEOLOGIST • MINE CONSULTANT

CHEM. TESTED	CHARGE	WEIGHT	DATE	PRICE	OUNCES PER TON	GRAMS PER TON	VALUE PER TON
GOLD	\$ 7.00	29.3 grams	2/27/86	\$ 337.00	0	7.6	\$ 82.57
SILVER	\$	29.3 grams	/ /	\$			\$
COPPER	\$	29.3 grams	/ /	\$			\$
LEAD	\$	29.3 grams	/ /	\$			\$
ZINC	\$	29.3 grams	/ /	\$			\$
PLATINUM	\$	29.3 grams	/ /	\$			\$
PALLADIUM	\$	29.3 grams	/ /	\$			\$
MICRON GOLD	little	COMMENTS your values are mostly free flower size gold					
FREE GOLD	mostly	with little micron size gold.					
SULFIDE	no						
ARSENIC	no	S.E. (ERNIE) THEISS ALEC. TOP HOLE <i>Duane Wilkinson</i>					
TELLURIDE	no	SUBMITTED BY	SAMPLE #		ASSAYER		
PAID	yes	ASSAY BASED ON SPECIMENS LEFT AT LAB ONLY			BASED ON ASSAY TON 2000 LB.		

PARSZEL

1966 E. FIRST ST. TEMPE ARIZONA 85281

TELEPHONE 602-966-7761

DATE Dec. 11, 1974

For Chas E Goetz

RESEARCH ASSAY REPORT

ELEMENT	OZS. PER TON	VALUE PER TON	@ MARKET QUOTE
GOLD (AU)	2.3	414.00	180 ⁰⁰
SILVER (AG)	1.1	4.62	4.20
PLATINUM (PT)			
RHODIUM (RH)			
PLADIUM (PD)			
Zinc (Zn)	—		
Copper (Cu)			
Cobalt (Co)	.54%	1.62	15¢
Iron (Fe)	11%	5.49	30.00 A TON
TOTAL VALUE PER TON		\$ 425.73	

LAB REFERENCE NUMBER LOS FELICE ORE

REMARKS:

FEE:

Spec

*Noble metal value determined by fire assay
base metal value determined chemically*

SIGNATURE

Paul E. Hooton

PARSZEL

1966 E. FIRST ST. TEMPE ARIZONA 85281

TELEPHONE 602-966-7761

DATE Dec 11, 1974

For:

RESEARCH ASSAY REPORT

Charles E Goetz

ELEMENT	OZS. PER TON	VALUE PER TON	@ MARKET QUOTE
GOLD (AU)	3.5	630.00	180.00
SILVER (AG)	—		
PLATINUM (PT)			
RHODIUM (RH)			
PLADIUM (PD)			
Copper (Cu)	.1%	1.80	.90¢
Zinc (Zn)	—		
Cobalt (Co)	—		
Iron (Fe)	4.4%	2.44	30.00 A Ton
TOTAL VALUE PER TON		634.24	

LAB REFERENCE NUMBER Chance Ore

REMARKS:

precious metal value determined by fire assay
base metal value determined chemically.

FEE:

SIGNATURE

Leith E. Hoston

100 (over)

IRON KING ASSAY OFFICE ASSAY CERTIFICATE

BOX 14 - PHONE 632-7410
HUMBOLDT, ARIZONA 86329

ASSAY
MADE
FOR

CHARLES E. GOETZ
P.O. Box 14700
Phoenix, Ariz. 85003

August 4, 1976

SAMPLE DESCRIPTION	Gold oz/ton	Gold \$/ton	Silver oz/ton	Silver \$/ton
Cyanide Recovery Tests. Lost Felice				
Sample #1 160', CN test #1, Heads	.214	\$23.96	0.43	\$1.93
" #2 20', " " #1, "	.150	\$16.80	0.39	\$1.75
" #1 160', Pregnant solution Test 1	9.6 (mgs. recov)		26.85 (mgs. recov)	
From above recovery Hds calculate to *	.140	\$15.68	0.39	\$1.75
Sample #2 20', Test #1 pregnant solution	6.398 (mgs rec.)		13.02 (mgs rec.)	
From above recovery heads calculate to *	.043	\$10.42	0.19	\$0.85
Percent recovery sample #1, test #1	66.4%		73.6%	
" " " #2, " #1	62.0%		44.2%	
The above tests were run on 2000 grams of ore ground to appx. 80% minus 100M ^{30M}				
Sample #1, Test #2, Heads	.170	\$19.04	0.95	\$4.27
" #2, " #2, Heads	.104	\$11.64	0.48	\$2.16
" #1, Test #2, Pregnant solution	10.337 (mgs. rec)		29.65 (mgs. rec.)	
Heads calculate to *	.150	\$16.80	0.43	\$1.93
Sample #2, Test #2, Pregnant solution	6.675 (mgs rec)		12.99 (mgs rec)	
Heads calculate to	.097	\$10.86	0.19	\$0.86
Percent recovery sample #1, test #2	88.2%		45.0%	
" " " #2, " #2	93.2%		42.0%	

The above tests were run on 2000 gram sample ground to appx. 100% minus 100M.

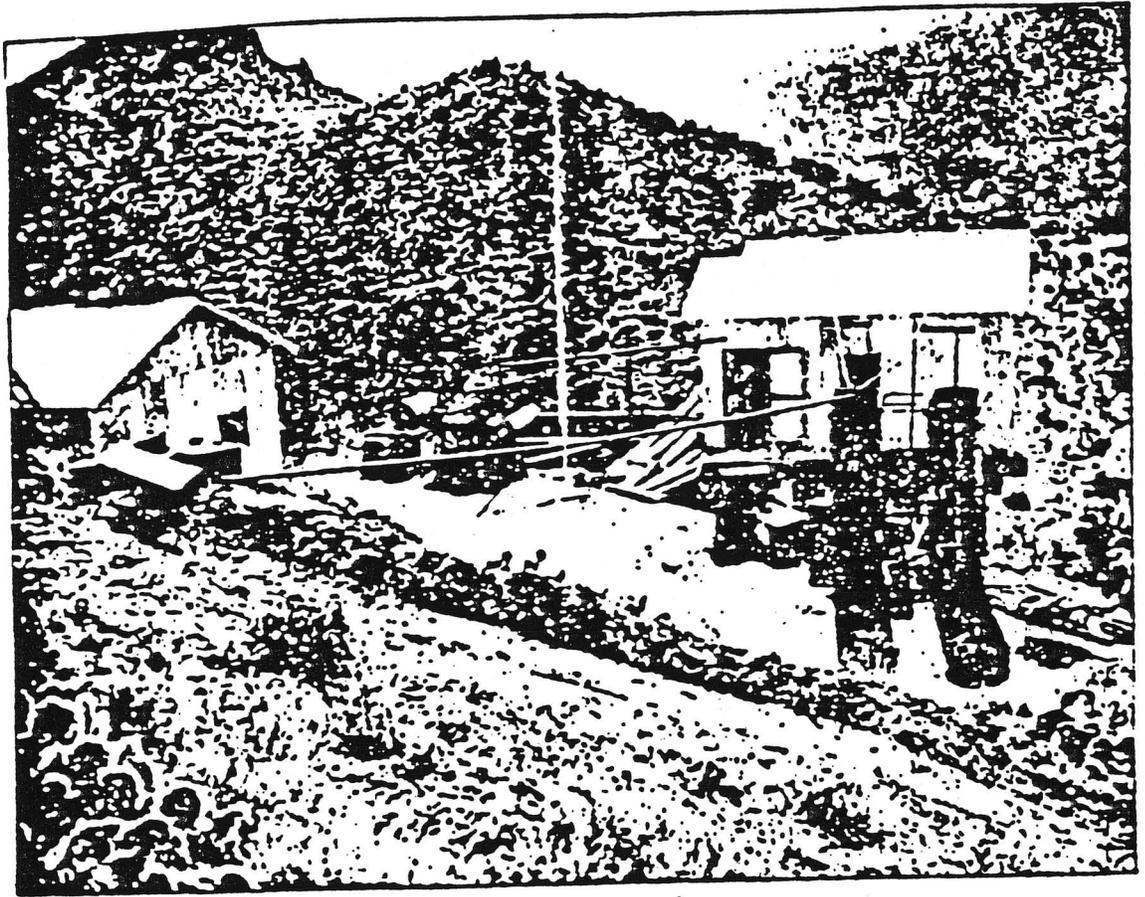
Observations - Test #1 would have come closer to test #2 if we would assume the same assay of test #2 for both. I feel that the assay for test #1 is high because of the difficulty in sampling gold. This was a coarser grind which could account for a higher assay. A recovery of 90% in gold is good. Silver is more difficult to cyanide. It would appear that this ore would cyanide very good and perhaps would be amenable to cyanide heap leaching.

Charges \$120.00

* These are recovered values

... the high-grade
... reached.

PROSPECTUS



ST. JOHN GOLD AND COPPER CO.

AND ITS

Los Felice Gold Property

MINES AT CLEATOR, ARIZONA

Dec. 1936

R E P O R T O N
L O S F E L I C E
G O L D - S I L V E R - L E A D M I N E

The results of two months through surveying, calculating and estimating the potentialities of the above-named mine enables me to make the following report:

THE LOS FELICE MINE:

Is owned by the St. John Gold & Copper Company. The mine consists of ten (10) mining claims, each of 20 acres, and a water-right millsite claim of six (6) acres--a total of 206 acres. (Sketch No. 1). All claims are held under the United States mineral laws and its requirements are fully complied with at all times so the title remains clear and without encumbrances of any kind.

LOCATION OF THE LOS FELICE MINE:

It is situated in the Black Canyon Mining District, Yavapai County, Arizona, one mile east of Cleater on the Black Canyon-Crown King-Prescott-Phoenix highway, which crosses Los Felice Mine property at its center within 100 feet of its main shaft. Twelve miles to the north are loading ramps near Mayer, on the

branch of the Santa Fe Railway, from which point ores can be shipped to the various smelters--the nearest being at Clarkdale, about fifty miles to the north. Forty-five miles to the north is Prescott, the county seat, and sixty-five miles to the south is Phoenix, the state capitol.

GEOLOGICAL SURVEY:

The Los Felice mine is in the center of a 4-mile wide belt of Yavapai schist, a rock of pre-Cambrian origin, standing uptilted at an angle of 80 degrees dipping west, and enclosed by two great batholithic (granite) uplifts or intrusions. Two miles to the west parallels the Bradshaw Mountains granite, while two miles to the east parallels the Antelope Hills granite. The schist belt in between these two great intrusions has itself been subsequently intruded by various smaller igneous dykes such as pegmatite, porphyry, syenite, diabase and rhyolite, and many veins of all kinds and sizes bearing metallic ores of various kinds among which the Los Felice vein has proven to be the greatest significance up to this date in this district. This schist belt during later periods was subjected to severe fracturing and faulting which doubtless has had a great deal to do with the deposition of the metallic ore bodies found in it today.

Over the center of the Los Felice property lengthwise, which in turn is likewise in the center of said schist belt, runs a "high ridge" with a number of still higher humps and peaks trending

north-south, and from this ridge the surface terrain slopes or dips at an angle of 40 degrees east and down a 700-foot deep basin one mile to the east. Along this high ridge and near its top on the west side of it trends and outcrops the Los Felice vein which dips 40 degrees east and down into the deep basin where it turned flat and thus formed a flat channel. This flat channel trends north-south and the ores that it contained have been extracted and worked out by the Golden Belt and Golden Turkey Mining Companies. But when the ore vein turned up and toward the west these companies had to stop operations because the apex on the Los Felice property. From the said channel the Golden Belt Company extracted about \$500,000, and the Golden Turkey Company extracted about \$2,000,000.

LOS FELICE ORE VEIN:

From south to north: At the point underground where the Golden Turkey Mining Company had to quit, and the ore vein in the flat channel turned upward and west, on the Los Felice property, there is a block or shoot of solid galena lead ore one and a half feet to two feet wide or thick, 500 feet long, and 1,000 feet on the "upcline" to the surface and the apex on the Los Felice property. Eight cubic feet of this kind of ore makes a ton. But ten cubic feet is being allowed here. This ore assays 40% to 60% lead, 70 ounces to 175 ounces in silver, and \$5 to \$12 in gold per ton. Only an average of 40% in lead per ton at

a price of 10¢ per pound is being figured, instead of more. Also figured is only 70 ounces of silver per ton instead of more, at a price of 70¢ per ounce. In addition the gold values in this block of ore are being entirely eliminate in this estimate. A minimum and most conservative value of the ore in this particular block is thus arrived at:

40% in lead per ton equals 800 pounds @ 10¢ per =	\$80 a ton
70 ounces in silver per ton at 70¢ per ounce =	<u>\$49 " "</u>
Total minimum gross value per ton	\$129

Therefore in this block of ore, calculating as 1-1/2 feet thick, 500 feet long, and 1,000 feet up, and 10 cubic feet to the ton, means 75,000 tons of ore, which is being minimized to 60,000 tons, which at \$129 per ton equals \$7,740,000 gross. This ore can be mined, shipped and smelted for \$10 per ton, or a total cost for the entire shoot of \$600,000, leaving a NET MINIMUM PROFIT OF \$7,140,000.

Next block or shoot of ore adjoining to the north: The ore-bein of this shoot is 3 to 3-1/2 feet wide, 2,000 feet long and 1,500 feet up from the Golden Turkey Mine workings to the apex on the Los Felice property.

The ore in this shoot along the stretch lengthwise, at the points where the Golden Turkey quit, assayed 3 ounces to 3-1/2 ounces in gold, 10 ounces to 15 ounces in silver, and 8% to 10% in lead per ton. However, this richness may not presist throughout

the entire shoot, so this report cuts down the values to a minimum average of: \$20 gross per ton in all three metals, which is being most conservative. The ores in this shoot will be very easy to mine, and very amenable to crushing, milling and flotation.

EXAMPLE:

The Golden Turkey Company with a 60-ton daily capacity ball mill pushed through 100 to 120 tons per day. This report cuts down on the width of this shoot of ore to the minimum of 2 feet, thus: 2 feet wide by 2,000 feet long by 1,500 feet up, at 15 cubic feet to the ton, equals 400,000 tons of ore, but this tonnage too is being cut here to 320,000 tons, arriving at the following figures:

320,000 tons @ \$20 per ton equals-----\$6,400,000.

Mining, milling, marketing @ \$6 per ton-----\$1,920,000.

NET PROFIT FROM THIS SHOOT OF ORE-----\$4,480,000.

NOTE: The bottoms of these two ore shoots cannot be seen now because they bump and stick down into the muck and water in the abandoned Golden Turkey mine workings, nevertheless, this writer saw it all and their assays when the Golden Turkey closed down. This also can be corroborated by the minders who worked there on the final day. See Sketch Number 6.

Next toward the north: There is a stretch about 200 feet long of broken-up, crushed and conglomerate ore-vein matter

caused by a major cross right-angle fault, from east to west (along which follows the highway). This crushed, conglomerate ore vein along both sides of the fault is 4 feet to 7 feet wide, low grade. Thought it would pay to mine it and mill it, this stretch should wait until the last.

NEXT, ADJOINING to the NORTH:

Here is the biggest shoot of ore which averages 4 feet, 4 inches in width, 3,500 feet in length, and 1 mile ore more on its 40 degree dip downward to the east. It cross cuts a high peak known as Townsend Butte, as well as other formations in the path of its dip. This ore shoot traverses lengthwise over Los Felice Extension claims, which claims will be more thoroughly described presently.

In these mine workings, in this particular block, the high grade ores generally appear along the foot wall, sometimes on both walls, and at times the entire vein becomes high grade ore. Gold is the principal value, some silver and some lead, with some of the high grade assaying above \$300 in gold per ton; some of the ore is of medium grade, and some of the ore low grade. Therefore, it should be understood that the big "pay-off" in mining this particular block of ore will come from its stopes and not from headings. In other words, everything between the two smooth, well-defined walls should be mined and stoped out as there will be days of low grade, days of medium grade and days of high grade

ores. By working it in that manner the weekly average will be highly satisfactory and far above \$10 gross per ton, while monthly average much better still, and yearly average, excellent.

Now, the tonnage in this block is thus: 4 feet wide by 3,500 feet long, by 5,000 feet up, at 15 cubic feet to the ton means 4,725,000 tons of ore in this shoot, which is here being minimized to 2,000,000 tons, and at \$10 per ton means \$20,000,000 gross. The ores in this shoot can be mined, milled and marketed at \$5 per ton or less, at a total cost of \$10,000,000, thereby leaving a NET PROFIT of \$10,000,000.

NET PROFITS FROM THE THREE SHOOT AT ITS EXHAUSTION:

TWENTY ONE MILLION SIX HUNDRED TWENTY THOUSAND DOLLARS.

PRESENT DEVELOPMENT:

Present development consists of 1,600 feet underground workings. The main, double compartment shaft is 452 feet deep following the ore vein on its 40 degree dip east. At the 100 foot level is a 25 foot long drift to the north. At 270 depth is a 12 foot long drift south, and from it a 60 foot upraise to the surface. At the 300 foot level is a 12 foot long drift north, and a 150 foot drift south. The shaft runs parallel and very close to and along a major, vertical fault; and because of its disturbance the ore vein in these workings is more or less crushed and conglomerated and hence of low grade. Though in the south 150 foot long drift on the 300 foot level along center lengthwise higher

(.776 g/ton)

grade ores appear on both walls which assay above \$25 in gold per ton. From this level up to the surface is 15,000 tons of ore ready for stoping and extractions. The ore vein in these workings is 4 feet to 7 feet wide or thick, very easy to mine. One driller can easily break-down 50 tons per shift. While futher down that shaft higher grade ores appear along the hanging wall, assaying above \$28^{.87} in gold per ton. This shaft within another 150 feet deep would cross-cut a 60 foot wide vertical vein which has never been touched, and which vein might prove of great value. On surface 100 foot east from shaft is a 75 foot long drift-tunnel on ore vein, and a cross-cut tunnel 100 feet long.

All these workings are on the Los Felice Number 1 Claim, from which workings a shipment of 40 tons of ore was made to a local mill which grossed \$11.55^(.35) in gold per ton. (These two latter tunnels do not show on the attached sketch). The above workings are on the Los Felice Number 1 claim.

Adjoining to the north is the Los Felice Claim, near south end of which is a 30 foot long part cross-cut open cut and part tunnel which cross-cuts the vein near surface showing high grade ore scattered through it. Further on to the north is a 35 foot deep incline shaft on ore vein. 100 feet further to the north is a large open-cut on the ore vein showing high grade ore, some of which assays above \$100 per ton in gold. 200 feet further to the north is a 50 foot deep incline shaft on ore vein showing high

grade ore along its foot wall.

At this point is also a 90 foot long tunnel which shows high grade, medium grade and low grade ores. 100 feet up and further to the north is a 140 foot long tunnel from which these upraises to the surface were made and from which four modest ore shipments were made to smelter which grossed \$20 up to \$60 respectively, while some picked samples assayed above \$200 in gold per ton. (This tunnel follows a break, consequently the ore is of low grade, but shows higher grade on foot wall, right side, going downward.)

The average width of ore vein in above workings is 4 feet 4 inches. There are also large longitudinal trenches on the outcrop of the ore vein from which high grade gold ore has been extracted and shipped. The two tunnels and the 50 foot deep shaft on this claim are about 1,000 feet north of the main shaft on the Los Felice Claim Number 1.

Recent development being done on the 20 foot wide ore vein which runs parallel to and 300 feet west of the Los Felice vein, transversing the Louncelot and Wild Horse Claims lengthwise, trending north-south, dipping 80 degrees west. On the Louncelot Claim near its south end a 30 foot long open-cut was driven in along the hanging wall of the vein along which high grade ore was appearing. Then from the face of this longitudinal open-cut a 22 foot long cross-cut tunnel was driven in at right angle into the

hill eastward to the foot wall in order to determine the width of the vein which proved to be 20 feet wide and of milling grade gold bearing material, and very strongly saturated with canary-yellow, finely-grained oxides which in addition to low grade gold values might contain some vanadium and possibly uranium, though it was never tested for these latter metals.

Then, from the face of the longitudinal open-cut a 35 foot deep shaft was sunk following the hanging wall and the high grade gold ore. The ore was gradually getting richer and bigger as the depth was gained, which now at the bottom of the shaft and along the hanging wall is one foot wide with additional stringers of high grade throughout the width of the shaft. Two assays of high grade were taken which shows: Number 1--\$61.95 in gold, \$3.07 in silver,--total \$65.02 per ton. Also, Copper .91\$. Number 2--\$79.10 in gold, \$3.71 in silver,--total \$82.81 per ton. Also Copper 0.35%. The low grade vein matter assayed from \$2 to \$15 in gold per ton.

FUTURE DEVELOPMENT:

The present main 452 foot deep shaft should be sunk at once another 250 feet to 700 deep, then drift north-south, particularly south, where within 200 feet the drift would break into very rich gold ore, carrying in addition silver and lead values. Continue drifting and behind it prepare for stoping and extractions, and do likewise to the north. The south drift, within 100 feet from

shaft will cross a very deep canyon and also crossing at the same point the major fault and at the very point an upraise to surface should be made, sufficiently large enough to serve as a "production shaft". As at this point it will be only 30 to 40 feet from the drift and up to the surface. The upraise (shaft) there would serve two ways: fresh air and short pulls to the surface. This shaft should be continued downward on ore vein and additional levels established until the Golden Turkey mine workings are reached.

NOTE: The present mine shaft, before reaching 700 foot depth, would cut across a 60 foot wide vertical vein, which too might prove valuable.

Also, a shaft should be started immediately on the lead-silver ore outcroppings 2,000 feet south of the main shaft, establishing levels, drifting south as far as the ores extend; drifting north and connect with the drifts that will be driven south from the main shaft. Start extraction and production. Of course, this shaft too, to be continued until the old Golden Turkey mine workings are reached.

Likewise the 50 foot deep shaft on the Los Felice Claim (1,000 feet north of the main shaft), should be sunk at once to 300 foot depth to begin with, then drifting north-south, preparing for stoping and production. This shaft, however, should be con-

However, additional equipment will be required for the other two shafts, etc. NOTE: About 1,500 feet east from the Los Felice property is the Golden Belt's 50-ton daily capacity ball mill, fully equipped with floatation, etc, all in perfect condition and ready to go immediately. Plenty of water near surface in the abandoned mine, electric power, and big water tanks, some houses and a flock of mining claims, all of which can be had very cheaply. This is mentioned because it would perfectly fit in connection with operations of the Los Felice mine. The mill could be enlarged when needed, and the haul of ores would be all down h

TIMBER AND WATER:

Round mine stull timber can be had at a low price from the near-by Bradshaw Mountains, immediately to the west, while sawed timber and lumber can be had from the near-by saw mills at prevailing prices. Water can be had from Turkey Creek, which crosses the property near its north end, and also be had either from the abandoned Golden Belt or Golden Turkey mine workings.

ELECTRIC POWER:

Complete electric power on this property and also at the Golden Belt mill.

ELEVATION:

The elevation at the center of Los Felice property is 3,300 feet above sea level. The area enjoys an unexcelled climate with

no snow in winter nor excessive heat in summer. Thus the mine and milling operations can be carried on in comfort throughout the year.

CONCLUSION AND RECOMMENDATION:

It is obvious that the Los Felice mining property contains a very large tonnage of good, commercial grade ores, and also that said ores over one half length of the property have been proven and determined for down underground and as well as over its outcroppings on the surface, hence the risks are practically none. It is also known that these ores can be mined easily and cheaply where one good driller could easily break-down 50 tons per shift. Likewise, the mine would require but minimum of timbering with few exceptions in spots far apart.

THEREFORE, I recommend the "work plans" I have previously above outlined, or similar good plans, should be carried out, with most gratifying success assured.

Respectfully submitted by,

Dated: _____
Mayer, Arizona.

_____ signed
John Slak
Consulting Mining Engineer

P.S.

IRON-MANGANESE DEPOSIT:

The iron-manganese deposit is likewise on the Los Felice property, and thus owned by the St. John Gold & Copper Company. This deposit is a vertical structure, 100 feet wide and 7,500 feet long without

a break. It trends north-south, consisting of a small part of brown iron, the major part of it being hematite and magnetite. It averages 30% in iron and 9.25% in manganese. It is richer in the deep cross-gulches and canyons than it is over high humps and peaks, though most of the samples were taken over the high humps and peaks. There is 10,000,000 tons of this kind of ore exposed, blocked out by nature, as it were, which can be mined or quarried up to any desirable scale.

Doubtless, this deposit too, will become valuable sooner or later, however, I would not recommend that anything should be done upon it at this time, but maybe later on, perhaps a few diamond-drill holes may be a good idea, and thus see what might be there at greater depths.

ARIZONA CORPORATION COM.
PHOENIX
THE CAPITOL
July 2, 1936

Charles R. Howe.

Chairman.

St. John Gold & Copper Company,
1222 North 3rd Street,
Phoenix, Arizona.

Gentlemen:

Attention: Mr. John Slak

In answer to your request of recent date relative to the St. John Gold & Copper Company, you are advised that they have complied with all of the Arizona statutes in so far as this department is concerned, and are in good corporate standing up to and including this date.

Our department has always had pleasant relations with your company and trust that they will continue in the future.

Very truly yours,

ARIZONA CORPORATION COMMISSION.

(Signed: Chas. R. Howe,

Chairman.

GENERAL SUMMARY

The St. John Gold & Copper Company was incorporated December 18, 1930, at Phoenix, Arizona. Capitalized at \$1,500,000; divided into 1,500,000 shares of stock, at the par value of \$1.00 per share. All of which being common stock, fully paid up and forever non-assessable. Federal Revenue Stamp (tax) of \$750.00 on the entire Capitalization paid.

Immediately upon its incorporation the St. John Gold & Copper Company acquired by purchase and quit-claim Deed the exceptionally meritorious Los Felice Gold Property of 180 acres, dam-site, water right and mill-site of 6 acres, all on Turkey Creek, at Cleator Black Canyon Mining District, Yavapai County, Arizona. Subsequently during first part of 1931, efforts were being made to finance the company so as to bring its property upon a producing and paying basis—our efforts in that direction were useless and to no avail—meritorious and worthwhile things did no longer count, the PANIC was in its full stride, and the general financial and economic DEPRESSION was getting worse from day to day. Thus the Board of Directors under the then prevailing conditions, decided to postpone all such activities until such time when stability and sanity might again return. Happily, the time we were all anxiously awaiting for HAS ARRIVED. IT IS HERE NOW. America is once more standing on its feet instead of on its head, activities, stability, sanity and evident prosperity, being here. Thus the people can once more look around with clear perspective for still greater general improvements, greater personal betterment and well-being.

Company's Securities

Seven Hundred Sixty Thousand (760,000) Shares of the Company's Capital Stock was put into the Company's Treasury at the time of its incorporation for the purpose of being marketed to the public, or as much thereof, as might reasonably assure sufficient returns from its sales with which to make a complete mine, a steady producer and dividend payer, out of the Los Felice Gold property. Hence, since time and conditions warrant action, the St. John Gold & Copper Company has now decided to put on the market 100,000 Shares of its said Treasury Stock, to be sold at par, at the price of \$1.00 per share.

A thorough calculation of our plans, and the required outlay in each particular instance, shows: That when the said 100,000 shares of stock are sold and the money received therefrom, said funds will be sufficient for a complete program of production of the Los Felice gold mines. It will provide: The required water works, camp, mining equipment, tools, and a complete 50 tons daily capacity mill. Open up the mine at two different points down to 500 ft. depth, driving drifts from same on ore north and south, extending a 90 ft. long tunnel to 200 ft., establish stopes, and thus make it ready for steady extraction and production. Thenceforth, further extension of operations to greater depths as well as laterally will be taken care of by profits from the mine's production.

Company's Los Felice Gold Property

The St. John Gold & Copper Company's "Los Felice" gold property consists of nine (9) full-sized mining claims, 600 ft. x 1,500 ft., or of 20 acres each; a dam-site, water right and mill-site claim of six (6) acres. A total area of One Hundred Eighty Six (186) Acres. All held by location under the United States and State of Arizona mineral laws and all requirements of law have been met and fully complied with. Four (4) of these mining claims "lengthwise" forming and being the center of Los Felice gold property, (see map No.1 for greater clarification) covering a bold out-crop of a great, strongly mineralized, vertical "Dyke Vein-Fissure," 200 ft. to 300 ft. wide and 6,000 ft. or over one mile long; composed of various oxidized irons and quartz and variously assaying from \$0.25 as the lowest—up to \$4,310.43 as the highest, in gold, per ton. Though the majority of samples taken assayed from \$3.00 to \$201.00 per ton, (and as set forth in the general report and assay sheet.) While in January, 1934, fifteen (15) tons of ore, mined and extracted at thirteen (13) different points over Los Felice gold deposit, shipped to a smelter as a test, and which grossed \$25.00 per ton. Quite recently fourteen (14) additional samples were taken in various workings and dumps over the deposits, and the whole averaged \$21.47 per ton.

Of Special Importance

We wish to emphasize and point out a rather unusual, though very important feature, in connection with Los Felice gold deposits, the fact, that:

(NOTE) R. R. trains no longer coming to Cleator, but only as far as grades, 7 miles further to the north. Hence, all the mines in that vicinity are using trucks for hauling to and from their mines, there being excellent highways—one crossing Los Felice property:

Further, (states Mr. Simkins): In my opinion, given after personally sampling the deposit and assaying the samples myself, I am entirely satisfied that the Los Felice mines constitute a mining proposition that, properly handled, should return profits to those who operate them, and, further, owing to the deep seated nature of the deposit, a long life to the Los Felice mines may be counted on."

Joseph Reese, mining engineer, Los Angeles, California, states: "In all my travels I have never seen such a large and compact mineral deposit as Los Felice. The nature's work is there, it truly indicates a great mine."

The late Mr. K. H. Siebel, consulting mining engineer, Chicago, Ill., stated: "I would rather spend my money on this property than on any other I have ever seen. It offers much, and it gives me pleasure recommending it in every essential respect."

S. E. Chaney, mining engineer, San Francisco, California (formerly Supt. Binghamton Copper Co., Standard, Arizona) reports, in part: "In size the Los Felice deposit is a monster. I find the geological structures of enclosing rocks as most favorable, and gold values satisfactory. While at the water level there should be great bonanzas."

The late Mr. William Tovote, for many years field engineer for the Copper Queen interests, Bisbee, Arizona, calculated the tonnage of probable oxidized ores in Los Felice deposit, as follows: "The oxidized zone is, say 250 ft. deep; 150 ft. wide; and 6,000 ft. long; at 15 cubic feet to the ton, it means 15,000,000 tons of ore, which can be easily and cheaply mined to any desirable scale, it can be treated either by fine grinding, concentration, cyaniding and amalgamation, or smelting; according to what the assays show, and if properly worked, managed and ores treated on the property, I am satisfied that a profit of at least \$3.50 net per ton, can be made. Or that a profit of \$52,500,000 can be made by treating the oxidized ores alone. Not mentioning the probabilities when the sulphide zone is reached—and the so-called secondary enrichments, which undoubtedly will be encountered at or near the water level in large masses. Though this latter is beyond present calculation."

John Slak, nationally and internationally known consulting mining engineer, reports in part: "The Los Felice is truly the Mother-Lode of the Black Canyon Mining District, and forms the natural home for gold. It contains all the essential and required elements and conditions which, to a trained and experienced mining man, suggests a great gold mine. It stands up on its own merits, and the same can be made into a substantial producer with comparatively small outlay of capital."

L. J. Browning, nationally known consulting mining engineer, Chicago, Ill., calculated in part: "Treating 300 tons of Los Felice \$9.00 ore daily, working 300 days annually, representing 96% of the ore contents saved, would yield a net income of \$1,692.00 per day; a net income of \$42,300.00 per month; and a net income of \$507,600.00 per year."

The above men are of high and unquestioned character, integrity, abilities and great responsibilities. Veterans all in mine engineering and mine operations; each one had been instrumental of bringing several mines to successful productions in the past. Such men as these do not prate nonsense—but the con-

trary; yet talk only when they see a meritorious mining proposition.

Officers and Directors

John Slak, President, Director, General Manager and Engineer of the St. John Gold & Copper Company. "He is and has been a successful consulting mining engineer and operator of mines throughout the country, Mexico, Canada and particularly in Arizona during past 35 years. Previous to that he was with the Thyssen Company, (Great industrialists in Rhine Province, Prussia, Germany) for whom he investigated mining possibilities throughout the Balkan States and Asia Minor in 1899-1900. Mr. Slak has had many years of practical experience in all kinds of mine work—in all kinds of mines; held positions from the east up to and including general manager. Was with the United Verde Copper mine at Jerome, in 1901, 1902. Collaborated with the late J. J. Fisher on opening the Little Daisy claim, (which later became the United Verde Extension) and one of the richest copper mines in the world, paid in dividends about \$48,000,000, to date, and "being connected with it in 1921." Made first full and recommending report on the gold property "now known as the Golden Turkey and Golden Belt mines," paying dividend, and adjoining Los Felice property on the east. Mr. Slak has studied and graduated with honors in one of the oldest mining schools in Europe. He is a student and authority on ore and mineral deposits, on safety and economical mine operations; and in general a hound for thoroughness and results."

Geo. T. Wilson, Secretary and Director: "Attorney; He has served two terms of this (Maricopa) County as Attorney, with honor and efficiency."

A. F. Slak, Treasurer and Director—Assistant Secretary: "Was born in Arizona, brought up in various mining towns and communities. University educated on banking, bonds, auditorship, languages, and in general business and commercial lines."

Jack C. Davey, Vice President and Director: "Local business man, a mine and real estate owner."

George Nelson, Director: "Is one of the largest manufacturers hereabouts of steel, tin and copper sheet articles of all kinds. An investor in mines, real estate and other sound ventures and businesses."

All the Officers and Directors reside in Phoenix, Arizona. And all are of one mind and aim: "To do all and everything in their power, within law and reason, for, and toward an outstanding success of the St. John Gold & Copper Company's Los Felice gold mines, for the mutual benefit of all interested."

Gold mining securities are appreciating in demand and values throughout the world for obvious reasons: GOLD, here or elsewhere, is the only thing that actually stabilizes monies of any nation. The St. John Gold and Copper Company, too, shall be producing gold in the shortest possible time and our securities will go up accordingly, eventually probably higher than any other gold mining stock, because we feel that we shall be paying higher and higher dividends as the time goes on. Hence, joining us on this will be for your own as well as mutual benefit. We shall do our part through knowledge, training and experience of many years in mining, to bring our Los Felice property to the quickest possible success. More we cannot promise—but we shall give you nothing less.

Plans of Operation and Management

Plans calling for the immediate operations of our Los Felice mines will be carried out along the following lines, viz:

(1) The present 90' tunnel on Los Felice claim will be driven north on the high-grade vein until a total length of 200 ft. has been reached. This tunnel will intersect high-grade ore shoots which outcrop on surface and thus provide 100 ft. of stoping ground up to surface, or, (200 ft. long x 100 ft. high) and shipping started.

(2) At the portal of said tunnel (on the same claim) is a winze or incline shaft 30 ft. deep, which will be driven on same high-grade vein and ore on its 40° dip east down to 500 ft. depth; establishing levels at 100 ft. intervals, start stoping and production. (See sketch No. 3. Shows tunnel, incline shaft and its levels.)

(3) About 1,000 ft. south from above workings, on Los Felice No. 1 claim, near its north end, will sink another incline shaft 500 ft. deep on the same high-grade vein and ore which, at that point is 20 ft. wide, on its 40° dip east and downward course; likewise establishing levels at 100 ft. intervals, begin extraction and production. (See Sketch No. 4.)

These two incline shafts will be connected by levels underground. Drifts from firstly named shaft will be driven on ore north and south from the latter. Production will be then in order—establishing Los Felice as a dividend paying mine.

Meantime driving of both shafts to greater depths and opening up additional levels will be continued without interruption. Thus creating larger and larger ore reserves—requiring and justifying larger plants, and enabling us to pay larger and larger dividends as the time goes on.

Mine's operation, and all work and activities in connection, will be carried on with system and precision, with speed and economy, done through knowledge, understanding and experience under direct and strict supervision of John Slak, Consulting Mining Engineer, whose sole business is mining, who has seen and met with many successes, and also observed many uncalculated-for failures, knows our Los Felice property better than any other man and hence, knows what to do—and what to avoid. He knows whom to hire and what to purchase. Under John Slak's management there shall be no guess-work, doubt nor bungling, hence no costly mistakes. Every dollar spent will count—and every dollar expended will be accounted for by results.

Adjoining and Neighboring Mines

Adjoining our Company's Los Felice gold property on the east are the Golden Turkey and Golden Bell mines. The former produced during 1935, \$315,000.00 in gold and silver—and the latter about \$200,000.00 in the same metals; 7 miles to the east is the Rich-In-Bar mine, a lively gold producer. Adjoining Los Felice property on the south, is the Silver Cord mine, a modest gold-silver producer during past 40 years; 3 miles to the south is the Thunder Bolt mine, a steady silver producer; one mile to the west is the French Lily mine, now building new reduction plant and getting ready for steady production; 7 miles to the west is the Swastica mine, a steady silver producer, and 1 mile to the north is the Gold Bar mine, now getting ready for production. And, within a radius of 50 miles surrounding Los Felice property are countless other producing mines. Yavapai County is, and always has been recognized as the richest and largest gold producing county in the state. One camp alone, Jerome, (north of us) has paid over \$500,000,000.00 in dividends to date. McCabe section (north) and Crown King section (west of us) having produced many millions of dollars in gold and silver. Further to the west is the Vulture Gold mine,

with a record of something like \$17,000,000.00 in gold production. Congress Gold mine produced \$13,000,000.00, etc. Yet, on the whole, these huge metal productions to date are but the meager beginnings and hardly represent one-half (1/2) of one per cent of Arizona's yet unmined and untouched mineral wealth.

Many of these mines securities appreciated from the modest price at their beginning up to hundreds of dollars per share at their peaks.

We feel that this offering of 100,000 shares will be quickly absorbed. So, make your timely reservation of stock for your requirements with our authorized and nearest representative. Our stock is selling at a uniform price everywhere—at par, \$1.00 per share.

In Concluding

We wish but to say that herein we have tried our best to show, explain and outline to you in a clear and uncolored manner the merits of our gold mining proposition in which we implicitly believe as an assured success. Our Los Felice gold property is indeed an outstanding one, it plainly shows as of containing the "source and bulk of ores" in that particular locality. Good highway and telephone line crossing it, near railroad, water, daily mail, one electric power line 1 mile to the east; the other 1/2 mile west of us. Good and easy ground to work and mine with safety, speed and economy. Surrounded by active and prosperous gold-silver producing mines.

Our corporate structure is perfect, the St. John Gold & Copper Company being in good standing. There are no debts, liens, law suits or encumbrances of any kind either against company or its Los Felice gold property. Splendid Officers and Board of Directors, and an unexcelled management of mine's operations.

Thus we are offering all this for your judgment and consideration, investigation and your timely participation into this clean, splendid gold mining investment.

Burden of Proof

The burden of proof concerning all the statements and assertions herein rests solely with John Slak, President, General Manager and Consulting Engineer of the St. John Gold & Copper Company, who shall be glad to corroborate, show and explain on all subject matters herein to any interested party or parties—or to any competent and unbiased, interested or authorized investigators, to their full satisfaction, at any convenient time.

Yours for Co-operation and Success,

ST. JOHN GOLD & COPPER COMPANY

Capitalized at \$1,500,000.

(Par Value \$1.00 per Share)

Mines at Cleator, Arizona.

Post Office, Cordes, Arizona.

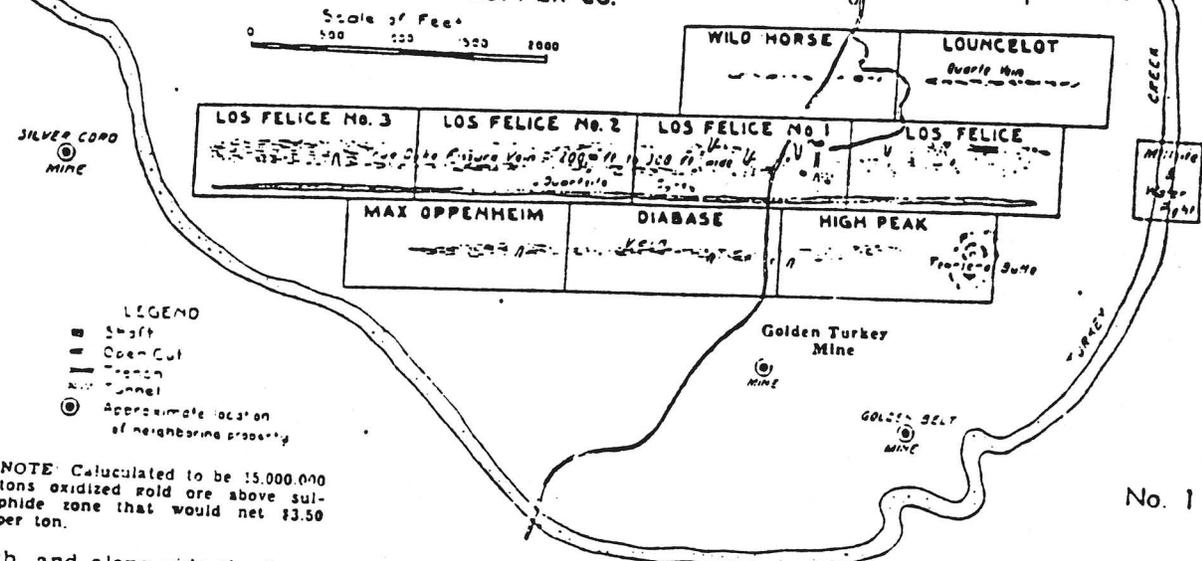
Our Stock Now Selling at Par—\$1.00 Per Share
September 25, 1936.

NOTE

Since July 1, of this year, we have permanently established ourselves on our Los Felice gold property and up to this date have already accomplished the following:

"Built private roads from highway over the property and to the new workings; established camp; purchased all the necessary mine equipments; rock drills; tools; mine timbers, etc. Built an up-to-date Head-Frame; sunk a 30 ft. double compartment (incline 2 track shaft) on Los Felice claim No. 1. (See Sketch No. 4.) In other words, we are here to stay and make a producing mine before very long.

MAP
OF
LOS FELICE GOLD PROPERTY
BLACK CANYON MINING DISTRICT
YAVAPAI COUNTY, ARIZONA
OWNED BY
ST. JOHN GOLD & COPPER CO.



"With, and along-side the large vertical deposit, and in conjunction with it, also outcrops another vein or deposit 3 ft. to 20 ft. wide, which being called the High-Grade-Vein, and which, on its 40° dip, E. cuts through and across the vertical deposit near surface, through and across the Townsend Butte, through and across all other formations in its path, for a mile on its 40° dip downward and toward the Golden Turkey and Golden Belt mines, on the east." (For greater clarification of this interesting feature see Vertical-Cross-Section Sketch No. 2.) This inclined vein can be traced for a mile on its trend from south to north over Los Felice property, thence, turning at right-angle along the northerly side of Townsend Butte, thence again turning at right-angle southerly, towards and into the Golden Turkey and Golden Belt mines. Thus we have in this high-grade vein alone: "One mile in length on its outcrop along—its course north and south—and one mile on its dip east." A virgin deposit, yet practically proven and demonstrated by the adjoining mines. A rare and an exceptional occurrence.

Hence, our initial attack will be on this inclined, high-grade vein, on and over the Los Felice and Los Felice No. 1 claims. Driving on its dip east, opening up and connecting levels underground at each 100 ft. of depth; starting stoping and producing with the greatest possible speed and economy. While the large, vertical, lower grade gold deposit, as well as the other veins running parallel on westerly side and dipping into it, will be opened up later on; as these, too, have great promise of making large mines and producers.

Reports and Opinions

Mr. A. C. Simkins, a prominent mining engineer and operator throughout the west, reported, in part: "The ore occurs contiguous to a pronounced fault which can be traced for a distance of twenty miles. This fault runs South within sight of the road follow-

ing the Black Canyon for fifteen miles, while North of the Los Felice gold property it runs for five miles, or further until lost under the malpais flows. It traverses the pre-Cambrian schists in a Northerly and Southerly course, furnishing at frequent intervals prominent land marks in the shape of silicious outcrops. But nowhere are these outcrops bolder than on the mining claims under review. Subject to influences of such a fault and subsequent silicifications of the adjoining rocks, it is but natural to expect the presence of mines. And as consequence the Los Felice mines were easily found. Their outcrop for the length of some six thousand feet, plainly by brown and black discolorations due to high percentages of iron and manganese, in places frequently exceeds three hundred feet across. To get a reasonable estimate of the values of this area a large number of samples had to be taken. For this purpose it was sampled in stretches of fifty feet wide, divided into sections of ten feet across. As a number of these subdivisions of ten feet assayed above \$9.00 per ton in gold and some exceeded \$13.00 per ton in gold, it is fair to assume that a large tonnage of profitable commercial ore is to be depended on. No ore was allowed to enter the samples which gave evidence of being high grade; hence the sampling may be taken as done in good faith. The meaning of commercial ore in a case of this kind is a product that can be either mined and shipped to a smelter at a profit or worked on the ground at local plant profitably.

In the former instance the following figures apply:

Cost of mining and loading on trucks.....	\$1.00	per ton
Cost of hauling to R. R. Station.....	0.50	"
Cost of smelting at the Hayden Smelter....	2.00	"
Cost of R.R. haul from Cleator to Hayden	2.00	"
Total Cost.....	\$5.50	"

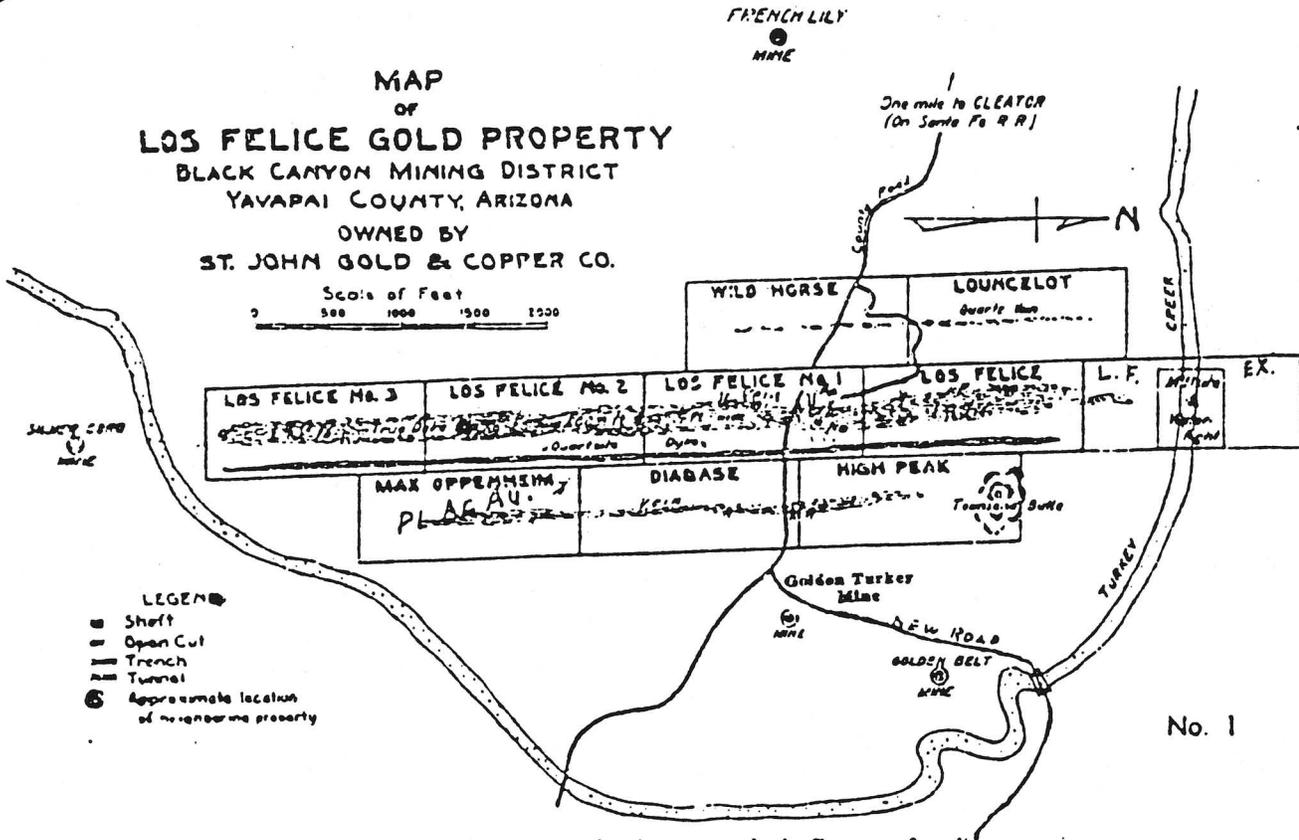
Los Felice Gold Property

MINES AT CLEATOR, ARIZONA

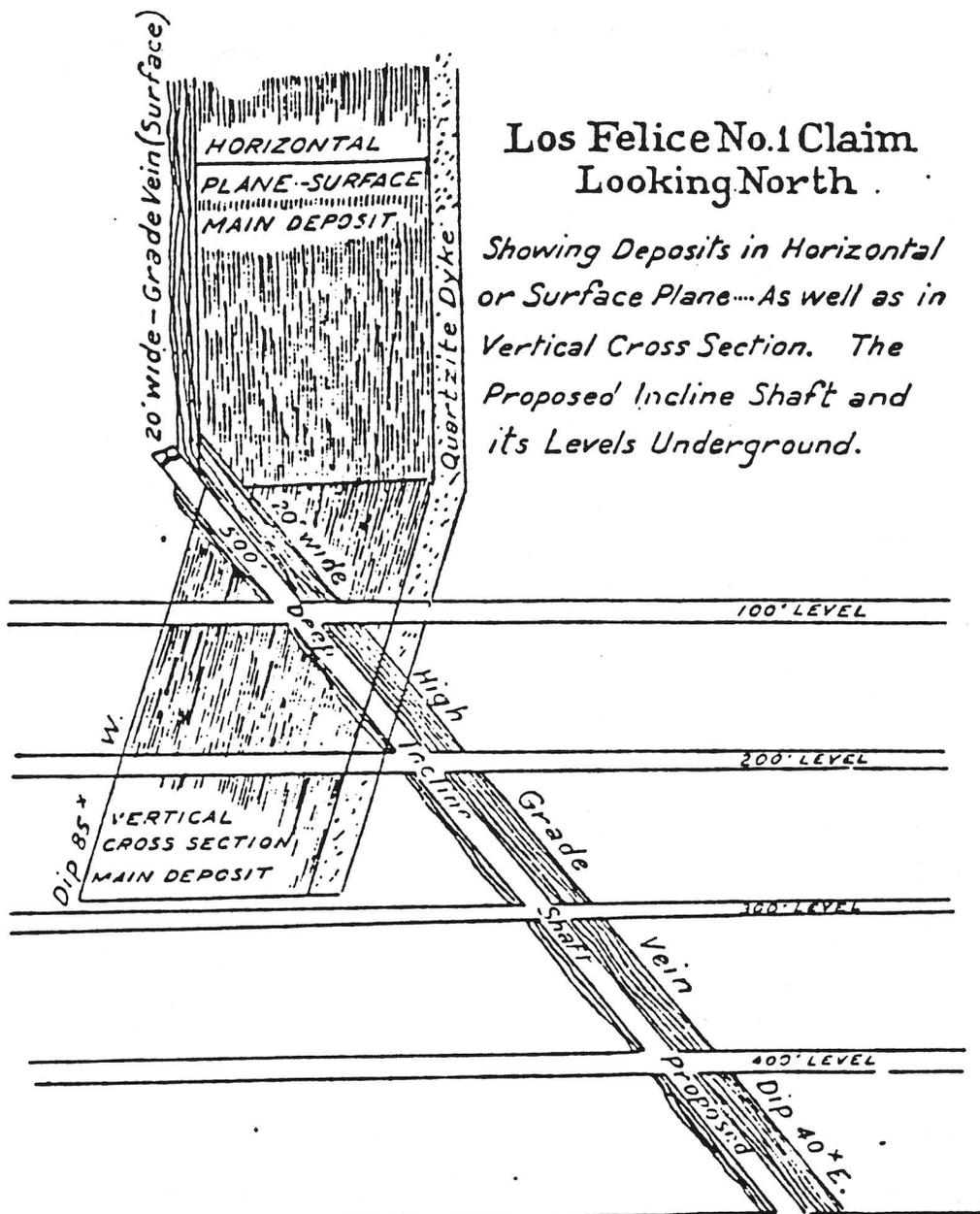
-14-

MAP
OF
LOS FELICE GOLD PROPERTY
BLACK CANYON MINING DISTRICT
YAVAPAI COUNTY, ARIZONA
OWNED BY
ST. JOHN GOLD & COPPER CO.

Scale of Feet
0 500 1000 1500 2000



No. 1



Los Felice No. 1 Claim Looking North

Showing Deposits in Horizontal or Surface Plane...As well as in Vertical Cross Section. The Proposed Incline Shaft and its Levels Underground.

No. 4

This is a highly prosperous mining district and we are already enjoying strong financial backing with out any particular solicitations on our part. People hear of the many producing mines in this Black Canyon Mining District, of us, and of our meritorious Los Felice gold property in particular—and thus they come—make their own investigations, and become voluntary and happy investors with us. In fact, we solicit most thorough investigations. We strongly desire that the investors should know, and see for themselves what we have, who and what we are, and what we are doing.

However, until the mine is fully opened up, made and producing, we shall need further financial support, to be derived from our stock sales of the first block of 30,000 shares, which we have but recently put on the market, at \$1.00 per share.

ST. JOHN GOLD & COPPER COMPANY.

John Slak, President.

November 1, 1936

The workings on Los Felice Claim No. 1 are fully equipped.

The mine's present operation is centered on its high-grade vein, driving a large Heading, (Incline, dipping 40° E.) provided for double tracks and sturdily timbered. Thus, the St. John Gold & Copper Co. being now definitely established for permanent operations, development ore extraction and production, in a most systematic and miner-like manner.

This company's Los Felice gold property being most uniquely situated for mining economically. While its veins and ore deposits constitute the Mother-Lode of the Black Canyon Mining District, and as well being surrounded by producing mines on all sides. Hence, it commands a bright and most promising future.

ST. JOHN GOLD & COPPER COMPANY.

High Grade vein
Horizontal section

Main Deposit

759 2329 743



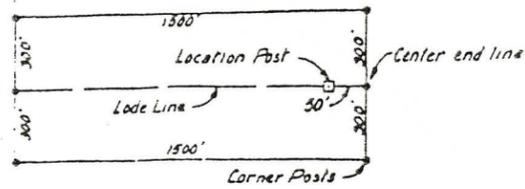
Vertical Cross Section
Center Los Felice Claim
Looking North

Showing Main Vertical Deposit, High Grade
Dipping 40° E; Proposed 500' deep incline shaft
levels

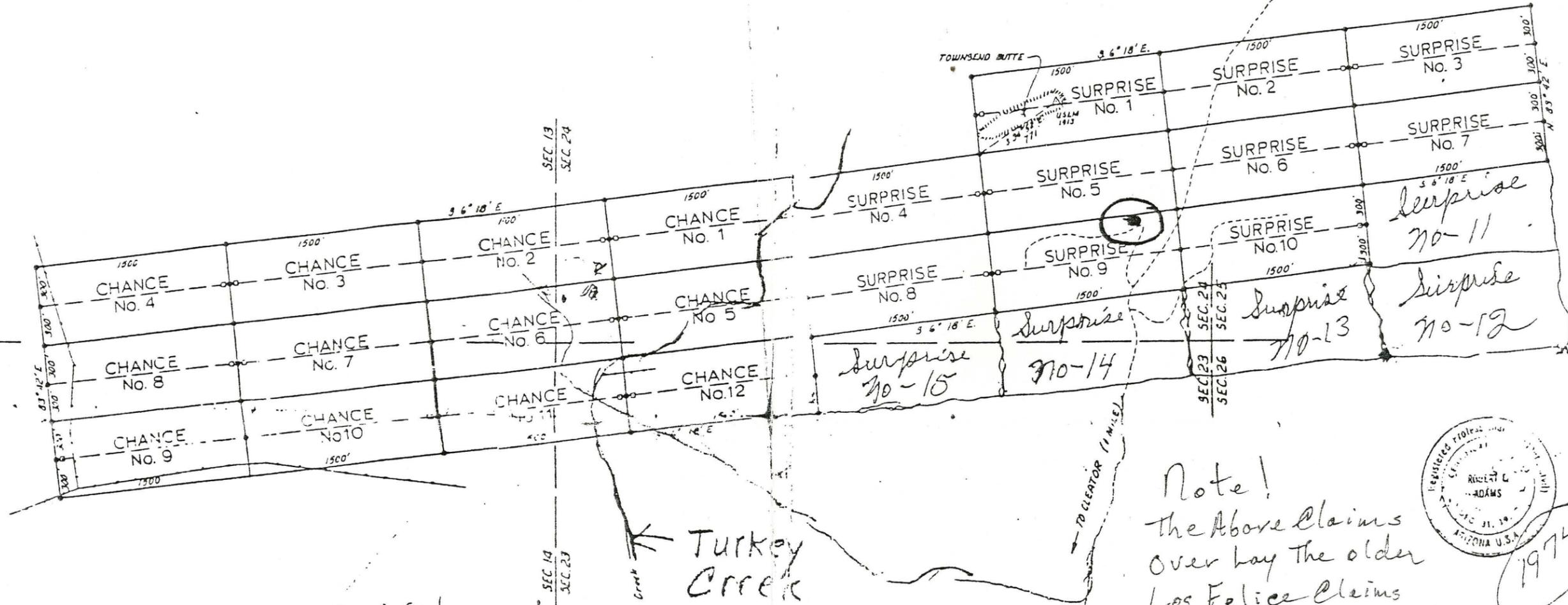
NOTES:

- 1 All claim corners and location monuments are 2"x2"x5' wood posts painted white.
- 2 Basis of bearing is solar observation dated 11-9-74.
- 3 All location monuments are 50' from center and lines.
- 4 • Claim corners and center end lines
• Location monuments.
- 5 USLM is a US Location Monument 1913 and marked by a cross and stone cairn 5' high on the South edge of Townsend Butte.
- 6 Section Lines are approximate and were obtained from the Pine Grove Mining District plat with protracted sections.

Typical Lode Claim



TO BUNBLEBET



Note!
The Above Claims
Over lay the older
Los Felice Claims



This is to certify that the survey of the premises described and plotted here on were made under my direction during the month of November, 1974

Registered CE #4749
L.S. #7907

Richard Adams

MINING CLAIM SURVEY
OF THE
CHANCE & SURPRISE GROUP OF CLAIMS
FOR
CHARLES E. GOETZ

SITUATED IN PORTIONS OF
UNSURVEYED SECTIONS 13, 14, 23, 24 & 25
T.11N. R.1E. S&S.R.B&M.

YAVAPAI COUNTY ARIZONA
PECK MINING DISTRICT

Surveyed By		ABCO Engineering Inc 7534 No 46 Circle Glendale, Az 85301	
SCALE 1" = 600'	APPROVED BY	DRAWN BY R.S.T.	
DATE: 11 14 74		REVISED	

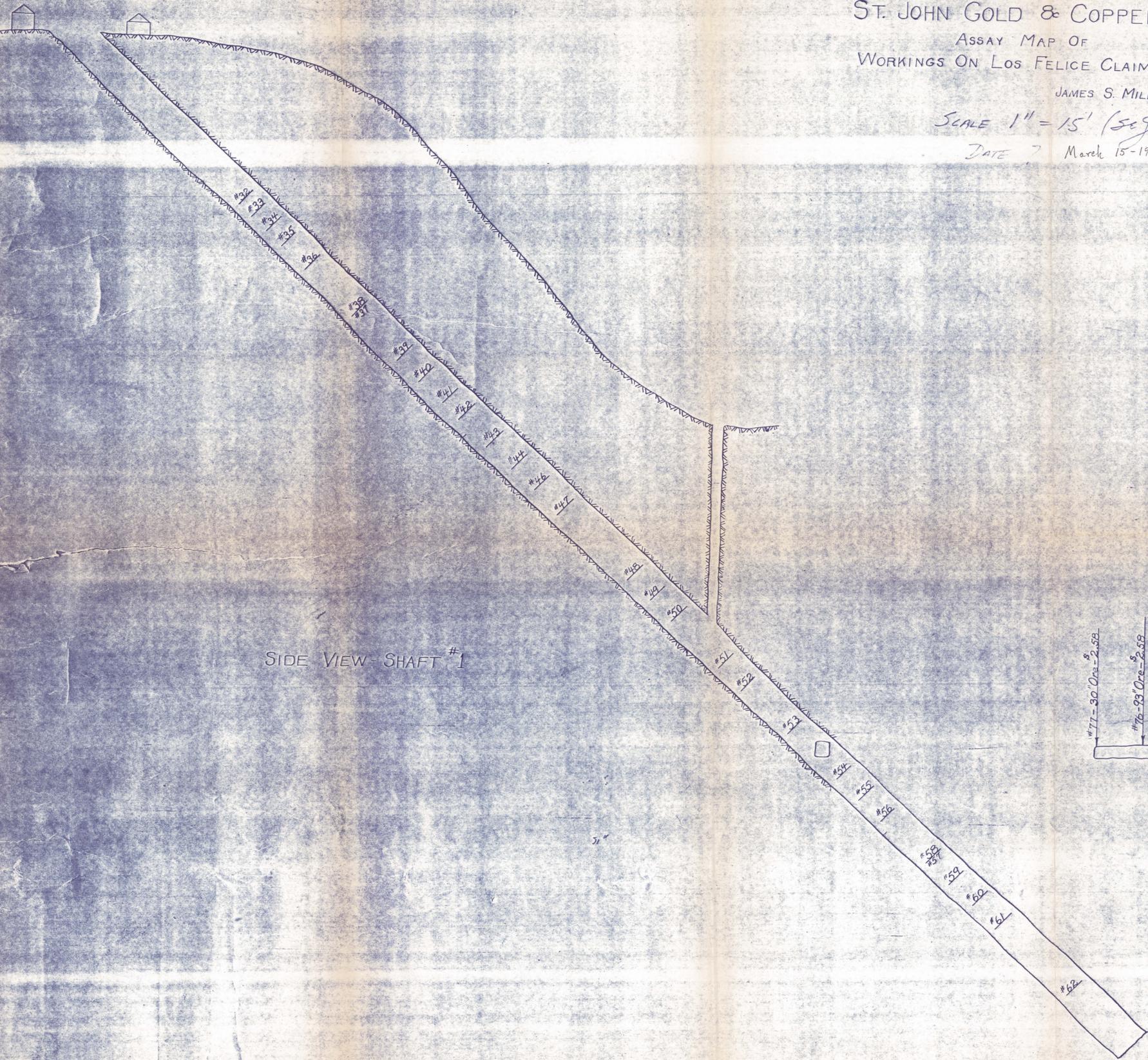
ST. JOHN GOLD & COPPER CO.

ASSAY MAP OF
WORKINGS ON LOS FELICE CLAIM #1

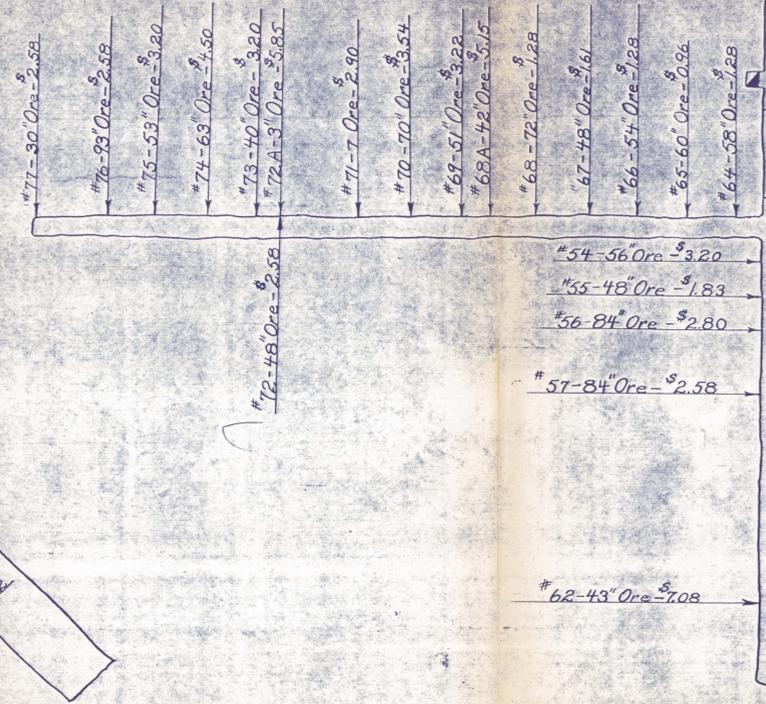
JAMES S. MILLER

SCALE 1" = 15' (See June)

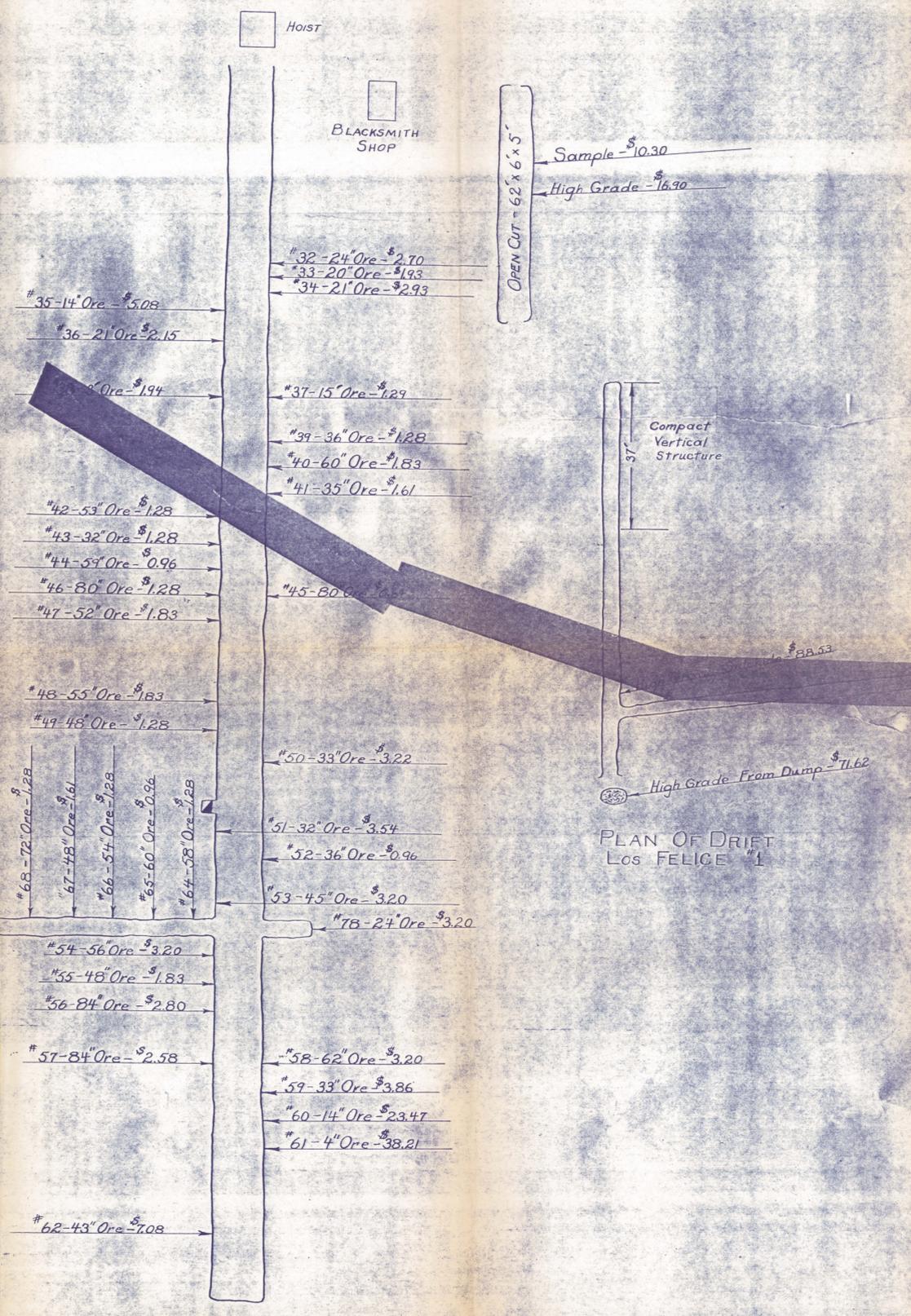
DATE ? March 15-1940



SIDE VIEW SHAFT #1



PLAN OF SHAFT #1



PLAN OF DRIFT
LOS FELICE #1

- #32-24" Ore - \$2.70
- #33-20" Ore - \$1.93
- #34-21" Ore - \$2.93
- #35-14" Ore - \$5.08
- #36-21" Ore - \$2.15
- #37-15" Ore - \$1.29
- #39-36" Ore - \$1.28
- #40-60" Ore - \$1.83
- #41-35" Ore - \$1.61
- #42-53" Ore - \$1.28
- #43-32" Ore - \$1.28
- #44-54" Ore - \$0.96
- #46-80" Ore - \$1.28
- #47-52" Ore - \$1.83
- #48-55" Ore - \$1.83
- #49-48" Ore - \$1.28
- #50-33" Ore - \$3.22
- #51-32" Ore - \$3.54
- #52-36" Ore - \$0.96
- #53-45" Ore - \$3.20
- #54-56" Ore - \$3.20
- #55-48" Ore - \$1.83
- #56-84" Ore - \$2.80
- #57-84" Ore - \$2.58
- #58-62" Ore - \$3.20
- #59-33" Ore - \$3.86
- #60-14" Ore - \$23.47
- #61-4" Ore - \$38.21
- #62-43" Ore - \$7.08

HOIST

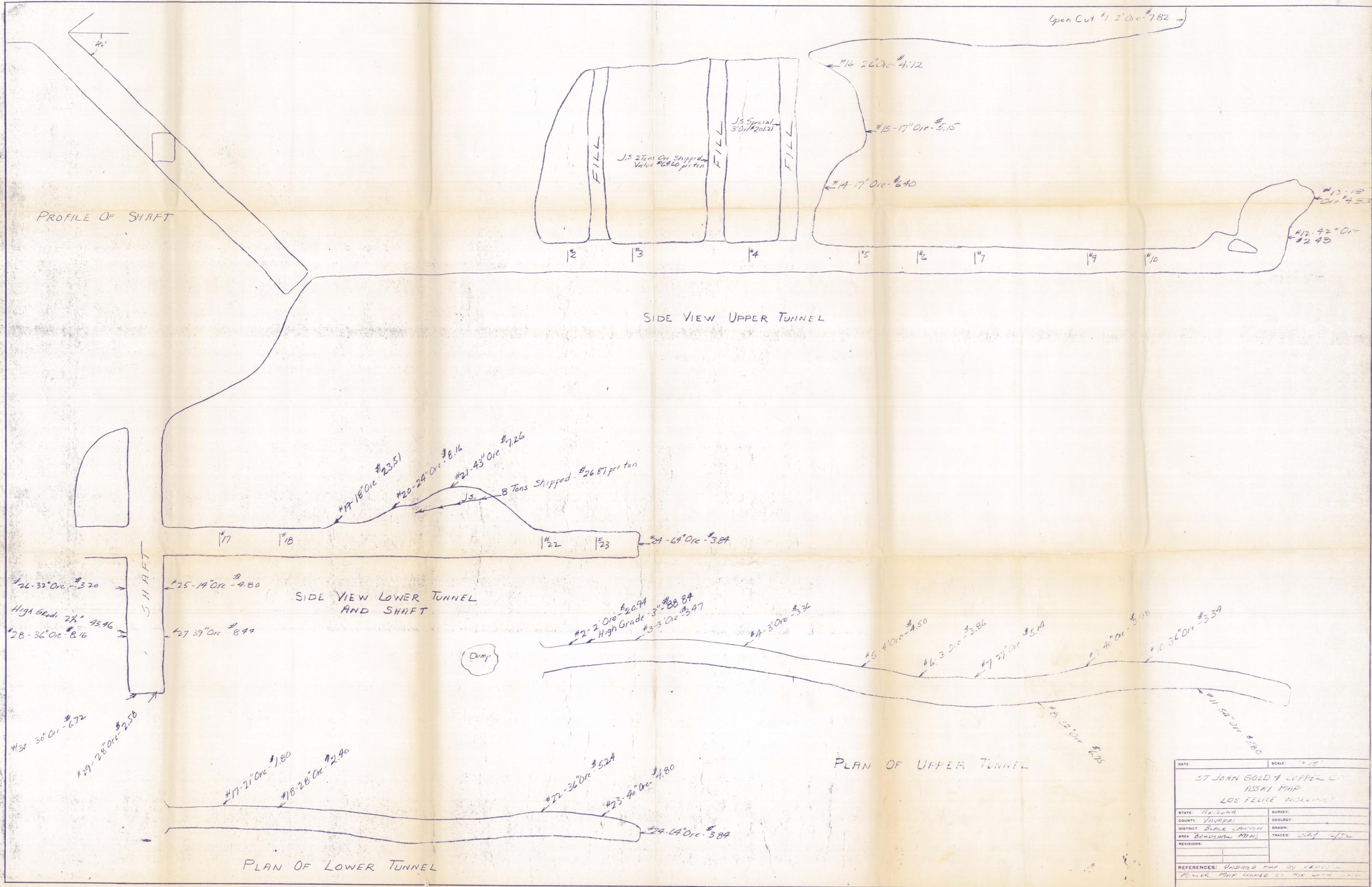
BLACKSMITH
SHOP

OPEN CUT - 62' x 6' x 5'

Sample - \$10.30
High Grade - \$16.90

Compact
Vertical
Structure

High Grade From Dump - \$71.62



PROFILE OF SHAFT

SIDE VIEW UPPER TUNNEL

SIDE VIEW LOWER TUNNEL AND SHAFT

PLAN OF UPPER TUNNEL

PLAN OF LOWER TUNNEL

DATE:		SCALE: 1" = 15'	
ST JOHN GOLD & COPPER CO. ASSAY MAP LOS FELICE HOLDINGS			
STATE: ARIZONA	SURVEY:		
COUNTY: YAVAPAI	GEOLOGY:		
DISTRICT: BLACK CANYON	DRAWN:		
AREA: BRADSHAW MTS	TRACED: 5/27/45		
REVISIONS:			
REFERENCES: UNDER MAP BY JAMES MILLER, MAP DATED BY MR. JAMES MILLER			