



CONTACT INFORMATION

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1520 West Adams St.
Phoenix, AZ 85007
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PRINTED: 09/05/2002

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: VALE

ALTERNATE NAMES:
YELLOW BAR
CLAY BAR

YAVAPAI COUNTY MILS NUMBER: 874B

LOCATION: TOWNSHIP 9 N RANGE 2 E SECTION 17 QUARTER C
LATITUDE: N 34DEG 07MIN 02SEC LONGITUDE: W 112DEG 10MIN 55SEC
TOPO MAP NAME: BLACK CANYON CITY - 7.5 MIN

CURRENT STATUS: DEVEL DEPOSIT

COMMODITY:
GOLD PLACER

BIBLIOGRAPHY:
USGS BLACK CANYON CITY QUAD
ADMMR VALE FILE

KAP WR 5/21/80: Dale Fiscus reported on activity at his and Ralph Grey's placers on Black Canyon -- the Vale Mine, Black Canyon District, Yavapai County. Dale Fiscus mentioned that the black sand content of the placer ground is so heavy it clogs the sluice boxes and makes recovery of finer gold very difficult. The black sand concentrate from which the free gold has been recovered will run from 2 to 4 tr.oz/ton in gold. They are considering cyaniding the black sand concentrates or attempting to direct ship them to copper smelter.

KAP WR 6/13/80: Mountain States Engineers has proposed a sampling project on Dale Fiscus' and Ralph Grey's placer mine in Black Canyon, Yavapai County.

KAP WR 8/28/81: Dale Fiscus reported on activities at his placer property in the Black Canyon "Narrows", Yavapai County. He is evaluating the use of thiourea and thiosulfate to leach gold from the nonmagnetic black sand fraction of his concentrates. He also reported he has optioned the property; Clay Bar and Dale Group to Ray Burke and Jack Neal; dba Bumble Bee Land and Mineral Company.

NJN WR 4/16/82: Dale Fiscus of Globe reported that Bob Becamonte and Jim Brockert, dba Crey and Wheelan, have leased his placer claims north of Black Canyon City, but are having problems recovering gold.

RRB WR 6/19/87: Dale Fiscus of Globe reports that he is placering on Black River below Bumble Bee (Vale File- Yavapai County). He reports that the gravels run about \$18 a yard and that a magnetic separator is used to get rid of the black sands prior to leaching concentrates. The leaching is a patented process that plates out the gold.

RRB WR 9/25/87: Bernie Lohman, A & A Mining, P O Box 1488, Black Canyon City, Arizona reports that they are starting a placer operation on a portion of the Vale (file) property, Yavapai County. It is federal minerals and state surface. Referred him to State Land Department to make arrangements for any surface disturbance.

FISCUS, MR. (Dale)
P.O. Box 535
Globe, Az. 85501
Phone: 425-5266

See: Vale Mine (file) Yavapai County

GW WR 8/21/74

GW WR 1/31/75

GW WR 2/4/75 - Has Au placer below Bumble Bee that he may lease to Southern Minerals & Mining Co. (card)

GW WR 3/14/75 - Mr. Fiscus was in with a lease and option for me to read; this lease is on 13 unpatented placer claims south of Bumble Bee a couple of miles.

GW WR 5/21/76

over -

CH/WR 11/5/79 - He is building a gold washing plant 10 . miles north and 14 miles W. of Black Canyon City. We discussed cyanidation versus amalgamation techniques for recovery. Take Bumble Bee turnoff.

KP/WR 11/13/79 - Mr. Fiscus along with Ed Whelen & Ralph Grey who is living at the mine, are operating a pilot placer gold mine on Black Canyon. Recovery of gold particles attached to hematite was discussed. They are presently using a 12"x32" trommel and a long tom.

KP/WR 12/6/79 - Discussed placer material & mining, also the use of a small dragline was suggested as the most economical way to move small and medium amounts.

KP/WR 12/20/79 - He reported he had Ted Housley running cyanide recovery tests on the non-metallic gold bearing fraction of his (Fiscus) placer concentrate.

TO GLEN GRISHKOWSKY OR WHOM IT MAY CONCERN:

RE: ACCREDITED INVESTOR

(a) Accredited investor. "Accredited investor" shall mean any person who comes within any of the following categories, or who the issuer reasonably believes comes within any of the following categories, at the time of the sale of the securities to that person:

(1) Any bank as defined in section 3(a)(2) of the Act whether acting in its individual or fiduciary capacity; insurance company as defined in section 2(13) of the Act; investment company registered under the Investment Company Act of 1940 or a business development company as defined in section 2(a)(48) of that Act; Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958; employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in section 3(21) of such Act, which is either a bank, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000;

(2) Any private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940;

(3) Any organization described in Section 501(c)(3) of the Internal Revenue Code with total assets in excess of \$5,000;

(4) Any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

(5) Any person who purchases at least \$150,000 of the securities being offered, where the purchaser's total purchase price does not exceed 20 percent of the purchaser's net worth at the time of sale, or joint net worth with that person's spouse, for one or any combination of the following: (i) cash, (ii) securities for which market quotations are readily available, (iii) an unconditional obligation to pay cash or securities for which market quotations are readily available which obligation is to be discharged within five years of the sale of the securities to the purchaser, or (iv) the cancellation of any indebtedness owed by the issuer to the purchaser;

(6) Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds \$1,000,000;

(7) Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years and who reasonably expects an income in excess of \$200,000 in the current year; and

(8) Any equity in which all of the equity owners are accredited investors under paragraph (a)(1), (2), (3), (4), (6), or (7) of this § 230.501.

I (WE) HAVE READ THE FOREGOING AND ACKNOWLEDGE THAT I (WE) COME UNDER THE DEFINITION OF ACCREDITED INVESTOR OR INVESTORS.

INVESTORS SIGNATURE

Date



*File - Vark
Cards Equity Funding
Glen Grishkowsky*

BOX 31441
PHOENIX, ARIZONA 85046
TELEPHONE (602) 992-8328

Glen Grishkowsky
Financial Consultant and Broker

Gentlemen:

Thank you for your inquiry on the mining project as advertised in the Wall Street Journal.

I am enclosing an accredited investor form as well as information on the project. If you wish to proceed with negotiations on this property, please call me at your earliest convenience and I will arrange a meeting for you with the principals. I must first have you mail the signed accredited investor form to me.

I am representing other mining projects in Montana, Colorado, South Dakota, Arizona, Utah, Nevada, New Mexico and California.

The project I am enclosing is within Arizona's prime gold & silver producing area. The enclosed brochure includes a color photo showing the lower portion of the placer which is typical of all the property. This property and development plan is the very best I have to offer in placer mining. The experienced group is ready to proceed immediately and with funding can be in production before the end of the year.

This property consists of approximately 420 acres, with professional engineering estimates indicating as high as high as 18 million yards of placer material containing gold, silver and rare saleable black sand. The sale of the black sand will probably cover some if not all of the direct expenses.

This group of owners will take accredited, prospective investors on a "first come, first serve," basis. The terms are negotiable either on a joint venture or outright sale of the property. In any mining endeavor, I encourage investors to conduct their own investigations on any mining project.

If you should have any questions concerning this project, please feel free to call between 1:30 and 4:30 P.M. daily, Phoenix time or write to me.
Thank you.

Sincerely,

Glen Grishkowsky
Glen Grishkowsky



BOX 31441
PHOENIX, ARIZONA 85046
TELEPHONE (602) 992-8328

Glen Grishkowsky
Financial Consultant and Broker

November 9, 1983

R. Rhea Beard
Casa Grande, Az. 85222

Dear Mr. Beard:

I wrote to you some time ago concerning a placer investment here in Arizona.

I now have a number of mining investment proposals and would like to know if you are still interested in precious metal mining investment. If you are, please let me know as these will not be available long.

Thank you.

Sincerely,

Glen Grishkowsky

ARIZONA DEPARTMENT OF MINERAL RESOURCES
Mineral Building, Fairgrounds
Phoenix, Arizona

- 1. Information from: Dale Fiscus
Address: _____
- 2. Mine: Vale, Yellow Bar, Clay Bar 3. No. of Claims - Patented _____
Unpatented Placer
4. Location: Six miles up Black Canyon from the Agua Fria River.
W $\frac{1}{2}$, NW $\frac{1}{4}$ & NE $\frac{1}{4}$
5. Sec. 17 Tp. 9 N Range 2 E 6. Mining District Black Canyon, Yavapai
County County
- 7. Owner: Dale Fiscus and Ralph Gray
8. Address: _____
9. Operating Co.: _____
10. Address: _____
11. President: _____ 12. Gen. Mgr.: _____
- 13. Principal Metals: Gold (Placer) 14. No. Employed: _____
15. Mill, Type & Capacity: _____
16. Present Operations: (a) Down (b) Assessment work (c) Exploration Bulk Sampling
(d) Production (e) Rate _____ tpd.
17. New Work Planned: _____

18. Miscl. Notes: They are reported to be erecting a 14 foot trommel with a 9 foot cylinder. Trommel will discharge through two concentric screens, one 3/4" and the outside screen 20 mesh. The +20 mesh - 3/4" material will across a nugget trap. The minus 20 mesh will be fed to some type of concentrator as not yet determined. The trommel will be loaded with a backhoe loader. Boulders are expected to be a problem.

Date: August 9, 1979

Ken A. Phillips
(Signature)

Ken A. Phillips
(Field Engineer) BW

VGLE (F) YAVAPAI
STATE MINE INSPECTOR

JUL 07 1987

FOR OFFICE USE ONLY
START-UP NUMBER 74324110
STATE NUMBER 10138700
MSHA NUMBER _____

KO Hamm

TAN 122
SEE 1725, 8, 5

NOTICE TO ARIZONA STATE MINE INSPECTOR

In compliance with Arizona Revised Statute Section 27-303, we are submitting this written notice to the Arizona State Mine Inspector of our intent to start stop _____ move _____ (please check one) a mining operation.

If this is a move, please show last location: _____
If you have not operated a mine previously in Arizona, please check here: _____ If you want the Education & Training Division to assist with your mine safety training, please check here: If this operation will use Cyanide for leaching, please check here: _____

COMPANY NAME: Red Mountain Mining Inc.

DIVISION: _____

MINE OR PLANT NAME: Dollars & Cents TELEPHONE: 602-832-3390

CHIEF OFFICER: Leroy Adams Sam McGough Larry Turgeon

COMPANY ADDRESS: 4250 N. Bush Hwy.

CITY: Mesa STATE: Arizona ZIP CODE: 85205

MINE OR PLANT LOCATION: (include county and nearest town, as well as directions for locating property by vehicle). half way between Bumble Bee & Black Canyon City or Black Canyon River

TYPE OF OPERATION: Placer PRINCIPAL PRODUCT: A. U.

STARTING DATE: June 15/87 CLOSING DATE: _____ DURATION: _____

PERSON COMPLETING NOTICE: Larry Turgeon TITLE: Operator

DATE NOTICE MAILED TO STATE MINE INSPECTOR: Handed to Dave Hamm

VALU (P) 7/27/87

Angel
74420160

MINEX COMPANY

P. O. BOX 1949
GLENDALE, AZ 85311
(602) 931-1038

August 25, 1987

STATE MINE INSPECTOR

STATE MINE INSPECTOR
1624 West Adams, Rm. #208
Phoenix, Arizona 85007

AUG 27 1987

RE: GFW ENTERPRISES PLACER MINING IN
SECTIONS 8 & 17 T9N, R2E

Sirs:

GFW Enterprises is preparing to begin operations at its placer mining facility noted on attached map.

Mining will be by accepted placer methods. The alluvial material will be classified by a vibrating screen plant at the point of excavation. The resultant fines will then be hauled to a semi permanent plant where they will be processed through a sluice, magnetic separator and trommell.


The concentrating and excavation equipment is on site and operational. Actual mining is planned to begin concurrently with the availability of water.

Prior to your visit, request you contact either the undersigned at 931-1038 or Ed Whelan at 956-6095.

Thank you for your cooperation in this matter.

Very truly yours,

MINEX COMPANY



James A. Hutchison
President

File Vale

MB
GA

GRAY/FISCUS/WHELAN

PLACER GOLD CLAIMS

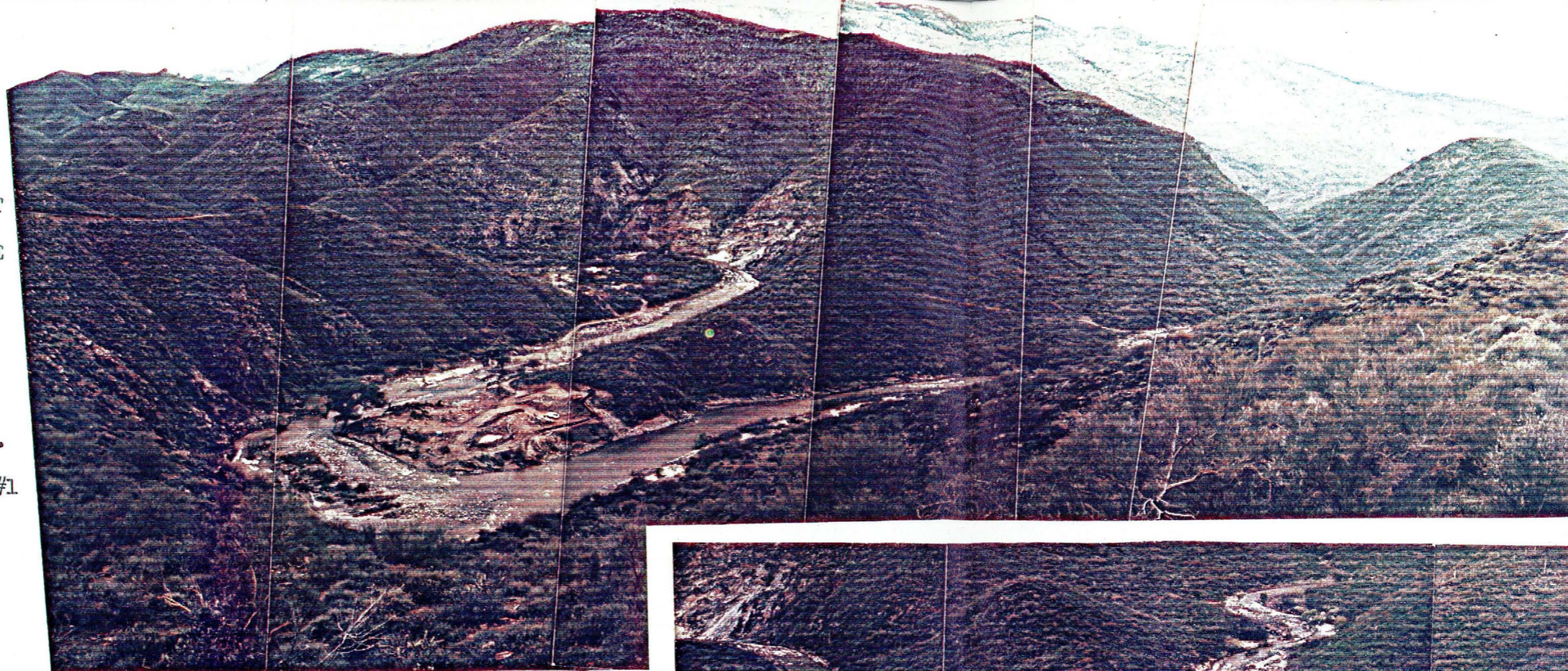
EXPLORATION AND DEVELOPMENT

GUIDE

P. O. Box 535

Globe, Arizona 85501

TYPICAL OF THE 21 CLAIMS
IS THIS AREA OF THE LOWER
TWELVE. TOP, LOOKING WEST
AT THE MINING SITE ON VALE
#1. LOWER RIGHT, LOOKING
UPSTREAM FROM VALE #1
TOWARD VALE #2; ROCK #1 &
"2, YELLOW BAR & CLAY BAR.
LOWER LEFT, VIEWING VALE #1
FROM ANOTHER ANGLE.



FORWARD

IN SUMMARY _ THIS BRIEFLY OUTLINES AN APPROACH TO BRING THE TWENTY ONE (21) WELL ESTABLISHED, PLACER GOLD CLAIMS (APPROX. 12.5 MILLION CUBIC YARDS), ¹ OF GRAY/FISCUS/WHELAN INTO MORE THOROUGH EXPLORATION AND MODERN PRODUCTION. IT DELINEATES THE OPERATIONAL PHASES, THE ORGANIZATION OF MINING STRUCTURE AND ITEMIZES (ON PAGES 14 & 15) THE SIX HUNDRED FIFTY FIVE THOUSAND (\$655,000) DOLLAR FUNDING REQUIREMENT. GRAY/FISCUS/WHELAN AND THREE OTHER RESPONSIBLE, LIFE-LONG, ARIZONA RESIDENTS (WHO WILL ALSO BE INVOLVED IN THIS PROJECT), ALL, COLLECTIVELY PROJECTING OVER ONE HUNDRED YEARS OF MINING EXPERTISE INCLUDING THE ENGINEERING BIOLOGY, CHEMISTRY, ET AL, PROVIDED THE AUTHORSHIP, HEREOF. TWO OF THIS GROUP DEVELOPED THE UNIQUE, PRECIOUS ORE RECOVERY PROCESS CALLED "ELECTRO POTENTIAL CELL," PATENTED IN 1974, WHICH WILL ALSO BE USED IN THIS PROJECT.

THE CLAIMS, SHOWING EXCELLENT POTENTIAL, ² ARE LOCATED IN THE BLACK CANYON RIVER AREA OF THE BLACK CANYON MINING DISTRICT, YAVAPAI COUNTY.

OWNERS INVITE SERIOUS DISCUSSION WITH QUALIFIED FINANCE LEADING INTO A JOINT VENTURE ARRANGEMENT.

-
1. This is a conservative average of the following professional engineers: Tony Bennet, Goodyear, AZ, Andy Zenkle, Prescott, AZ Jack Pierce, Mountain State Engineer.
 2. Pursuant to reports of assay and research composing the last ten pages of this outline, particularly, the May and June 1982 reports of J and J Research and Development, Inc.

PLACER GOLD CLAIMS
EXPLORATION AND DEVELOPMENT

PURPOSE

The following is a guide for the exploration and development of twenty-one gold claims located in the Black Canyon River area of the Black Canyon Mining District, Yavapai County, Arizona. It is produced for the purpose of organizing the authors' ideas concerning further exploration of the mining claims. It is not submitted as a proof of or statement on the precious metals content of those claims. All statements, contained herein, regarding the presence or existence of economically viable quantities of precious minerals or ores in the above-identified unpatented mining claims are speculative in nature. The purpose of the exploration program described herein is to prove, or disprove, the presence of locatable minerals in quantities which can be mined at a profit, through extensive testing and investigation of the mining claims.

The authors of this Guide desire that all parties reading this Guide understand the inherently speculative nature of the mining industry. Those parties should, independently of this Guide and all other statements by the holders of the mining claims, conduct their own in-

vestigations and reach their own conclusions as to the mineral potential and content of the mining claims.

INTRODUCTION

Yavapai County ranks first among gold producing counties of Arizona, producing well over \$50,000,000.00 of record.¹ Its Black Canyon Mining District comprises an area about eighteen miles long by eight miles wide between the eastern foot of the Bradshaw Mountains and the Agua Fria River, from the vicinity of Cordes on the north to the Maricopa County line on the south. The Black Canyon River is like a big sluice box; this is why it has (deposits of) gold, silver and other minerals.²

Black Canyon's placer gold is coarse (in the form of nuggets), colloidal and fine, much being microscopic in size. Some has been discovered trapped in Mica flakes thus requiring grinding to release for chemical leaching processes. The river also carries a lot of heavy black sand in its mix of various minerals.

EXPLORATION PROCEDURE

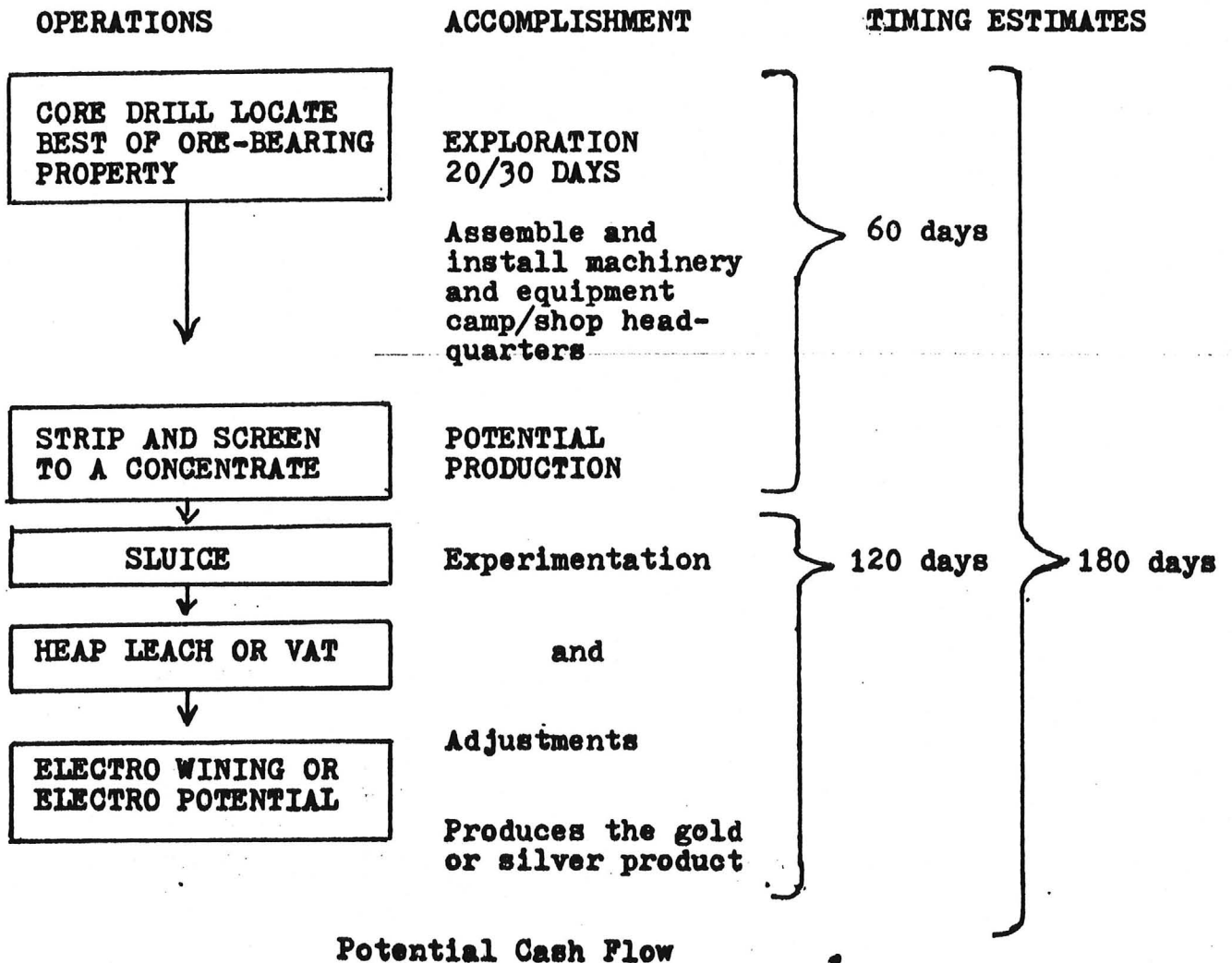
Locales of greatest concentrations of potential precious ore-bearing material will be determined, primarily through core drilling. In addition, the most effective and efficient method for extraction (chemical

¹Geology of the Black Canyon Water Sheet, bulletin, Arizona

²School of Mines, University of Arizona
IBID.

leaching, electro winning or electro potential) will be determined. Other means will be used to capture any nuggets, but nuggets appear to be a much smaller part of the total values.

Operations will begin on the upper nine claims known as the Comet and the Bumble Bee and proceed as the following outline.



POTENTIAL PRODUCTION

Claim Names

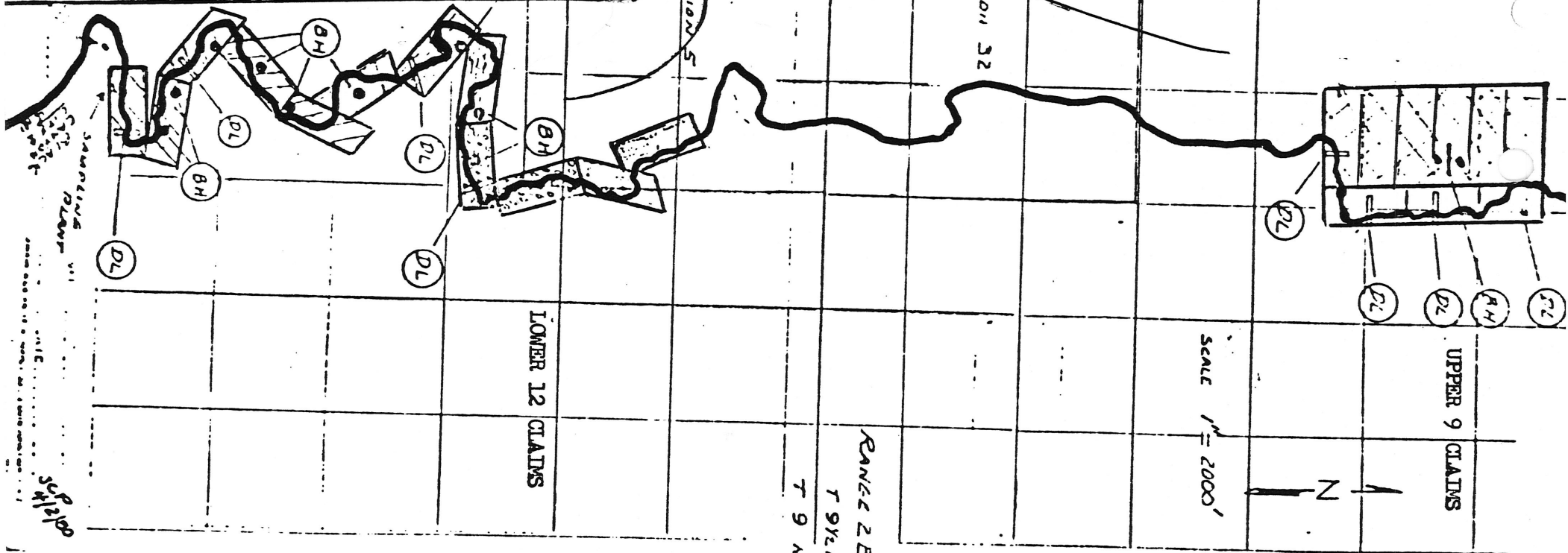
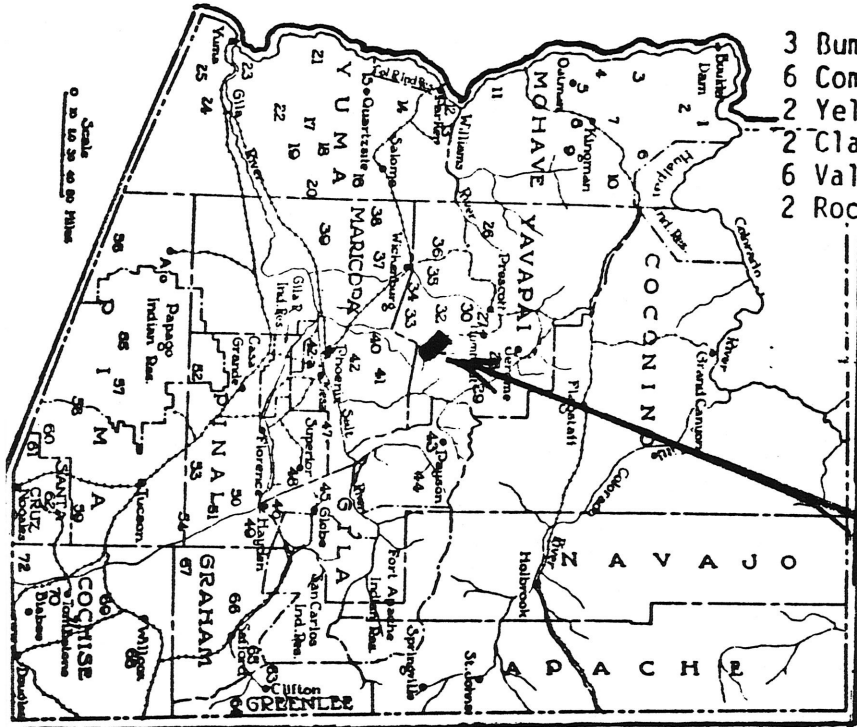
Approx. Acres

A.M.C.

- 3 Bumble Bee Group
- 6 Comet Group
- 2 Yellow Bar Group
- 2 Clay Bar Group
- 6 Vale Group
- 2 Rock Group

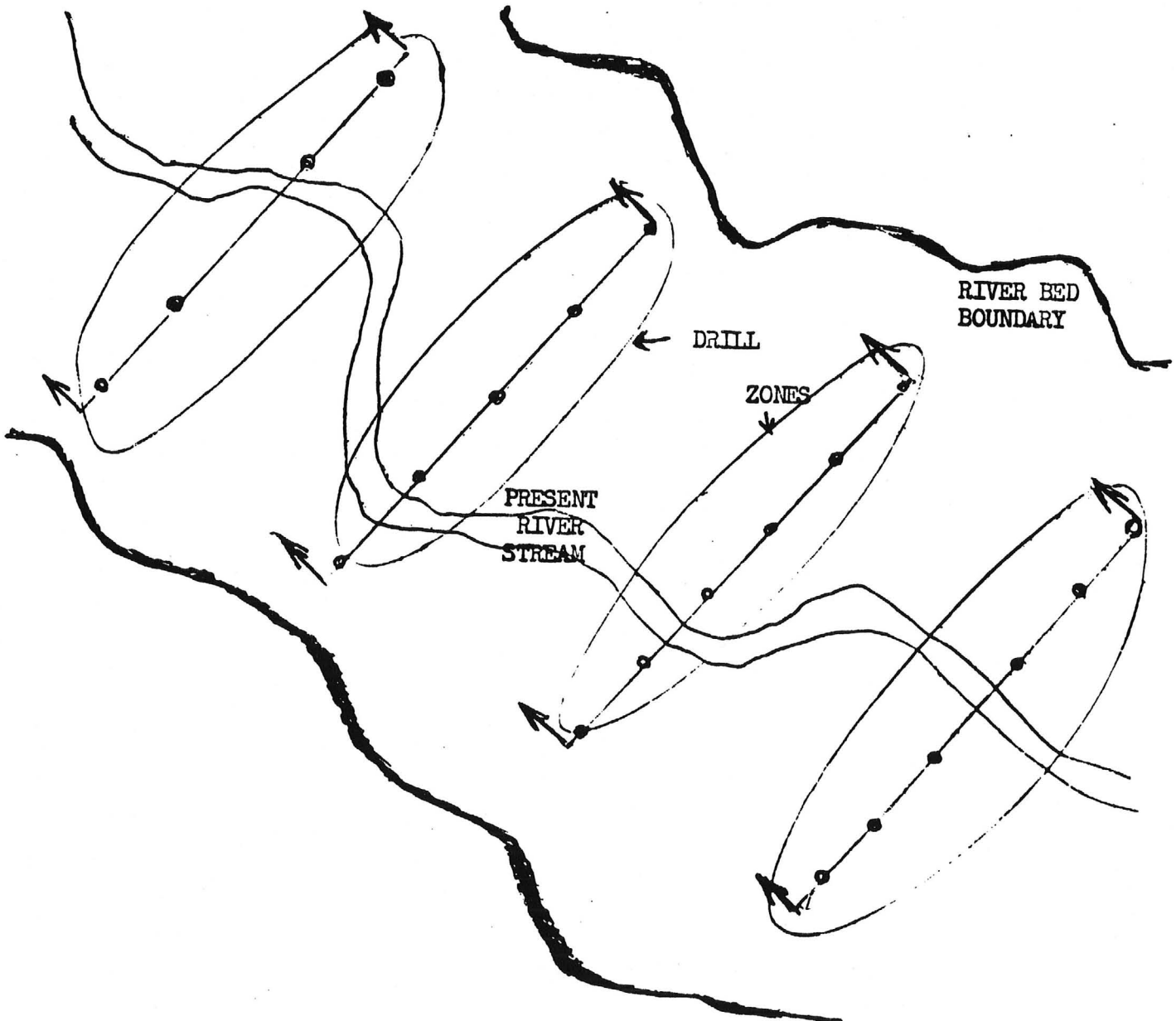
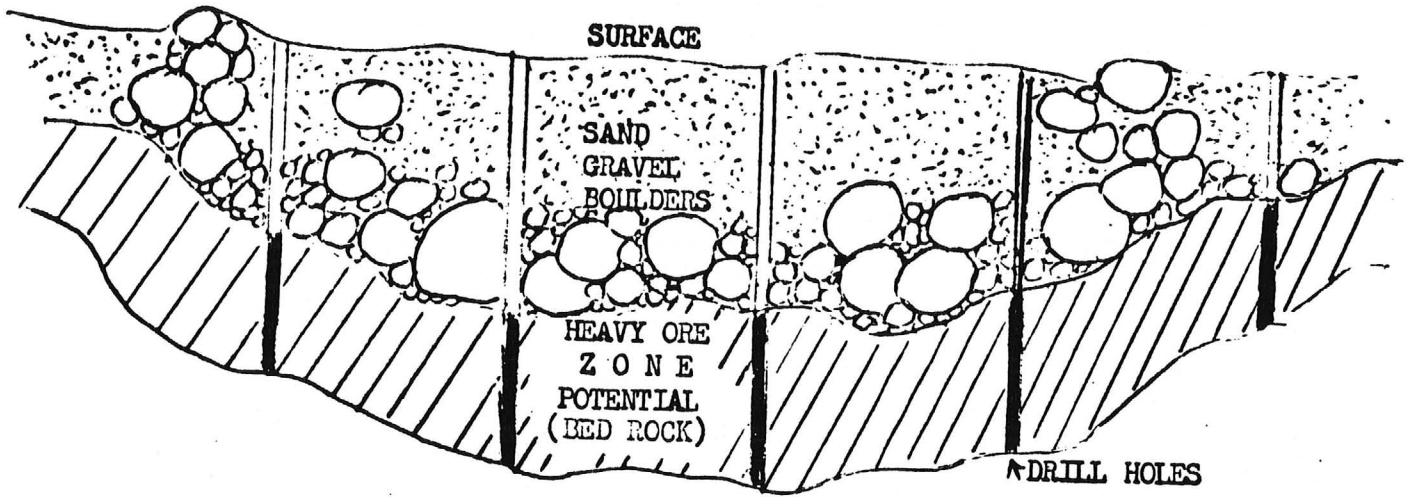
60
120
40
40
120
40

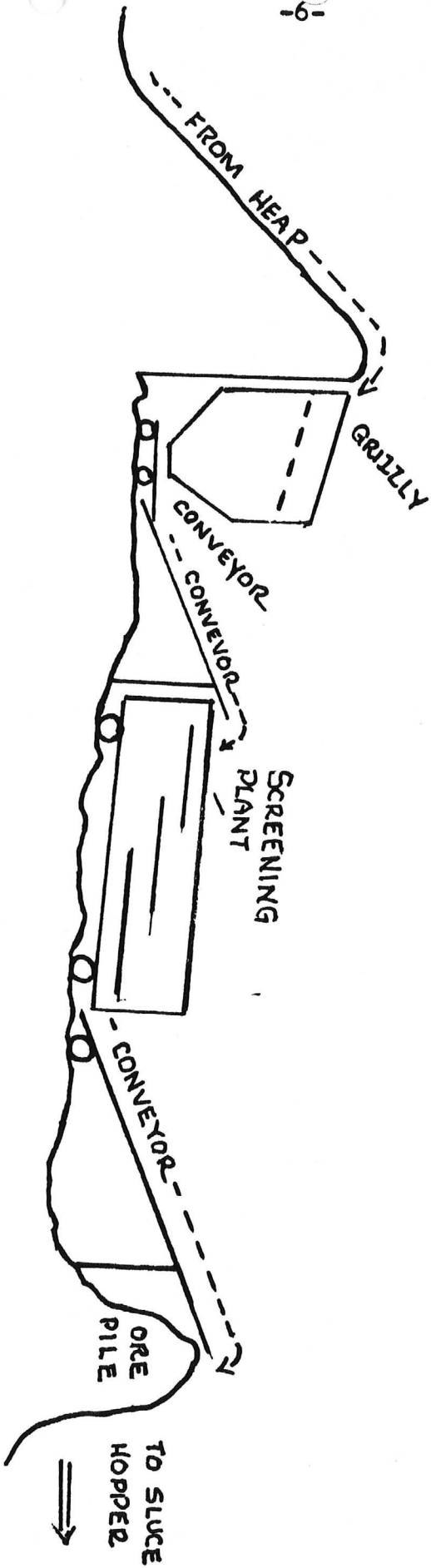
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#137370 (2) 137371
#137372 (2) 137373



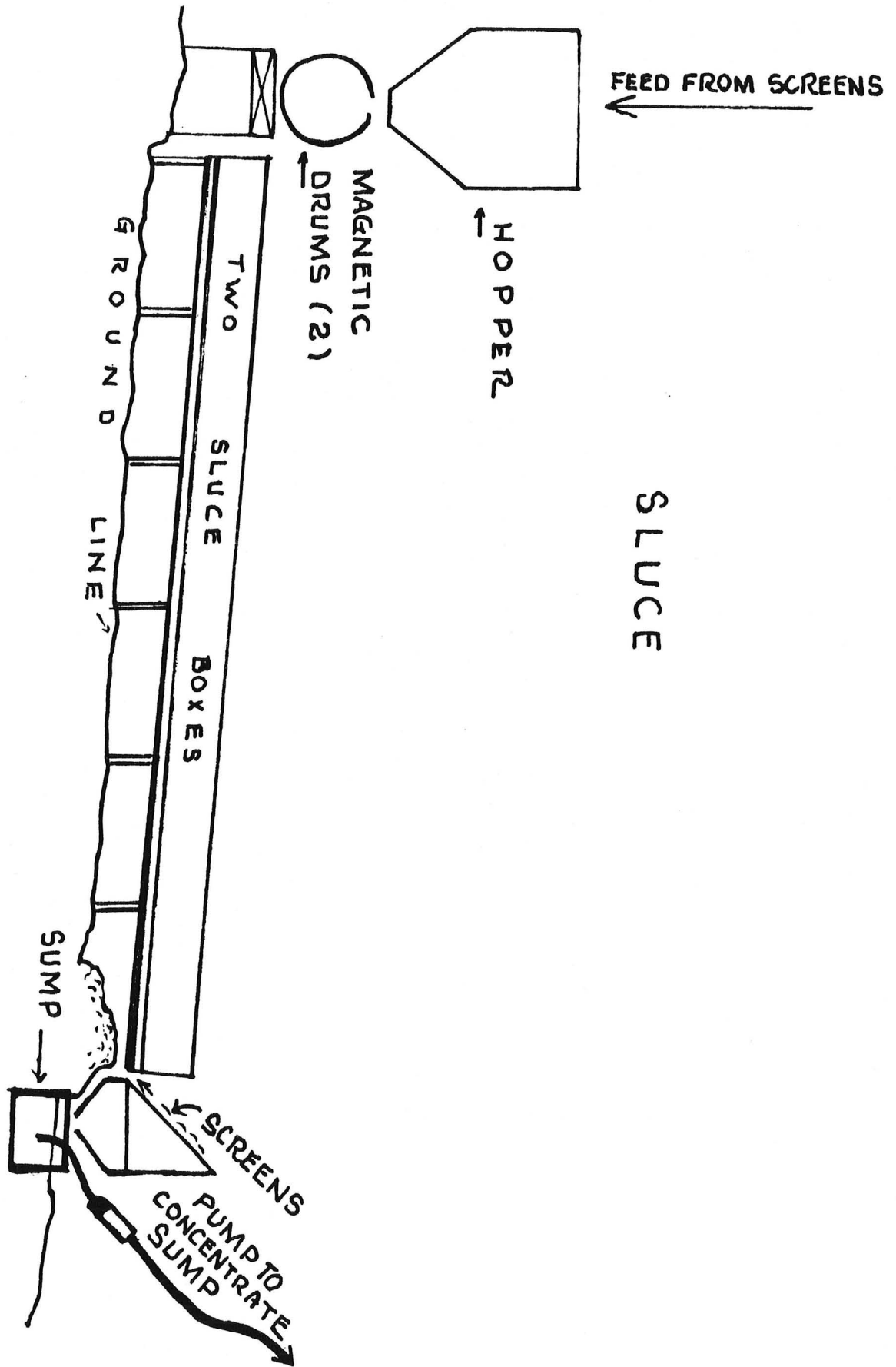
LOCATION MAP

EXPLORATION



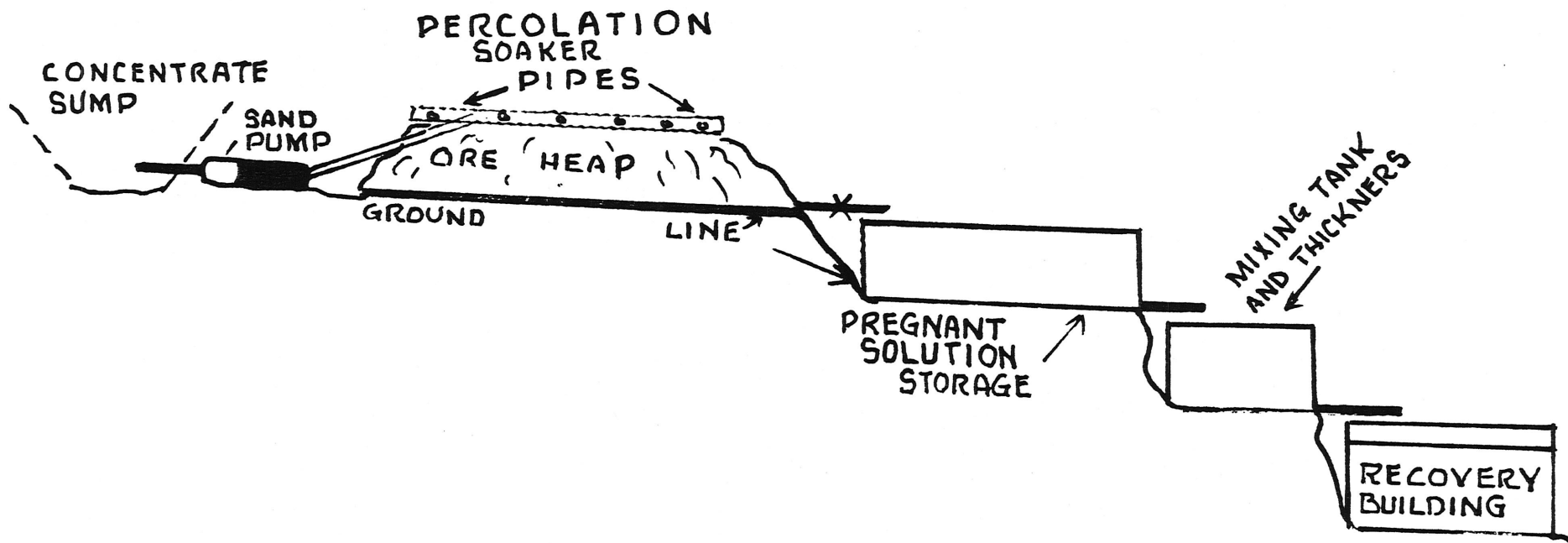


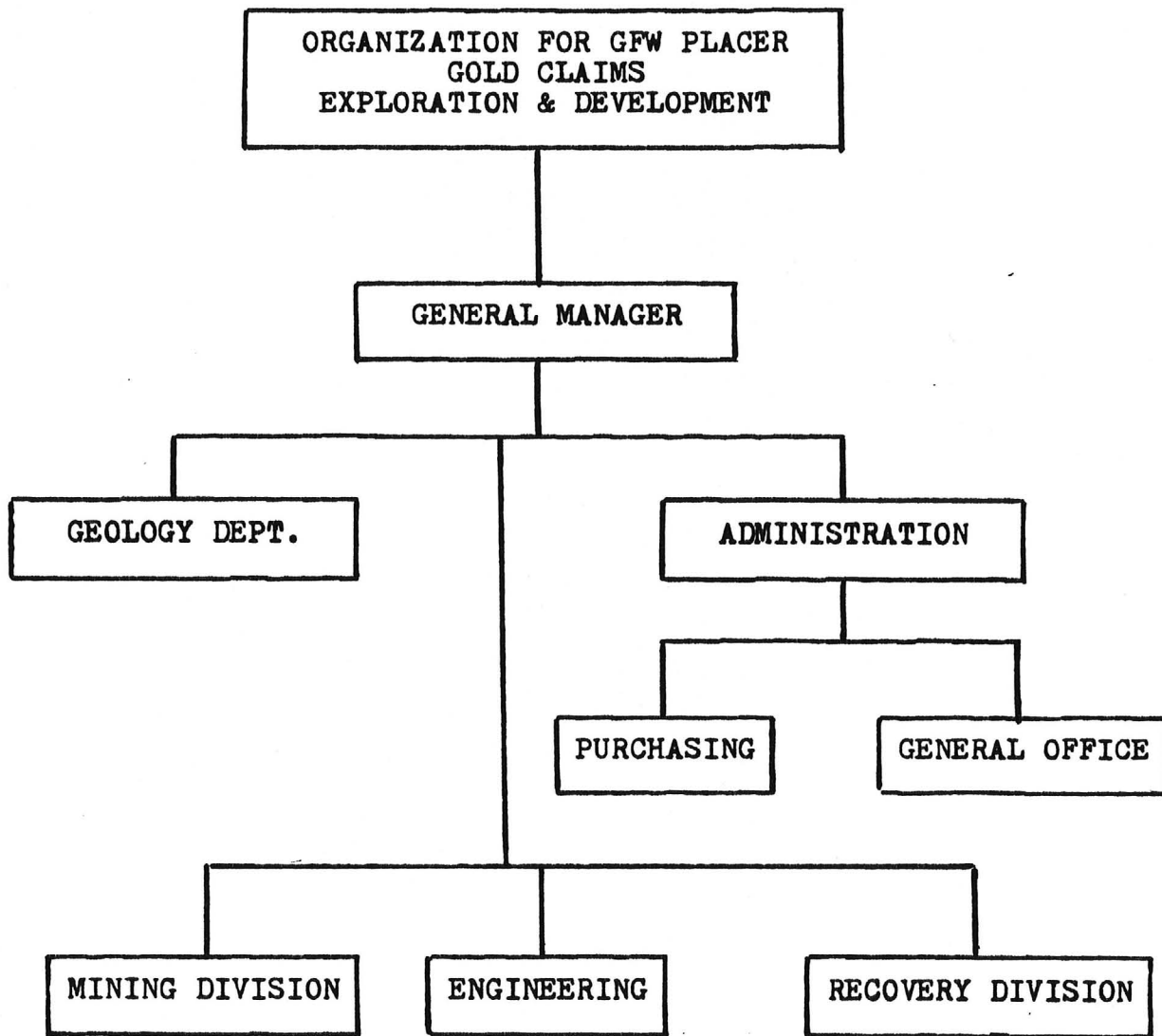
STRIP AND SCREEN TO A CONCENTRATE

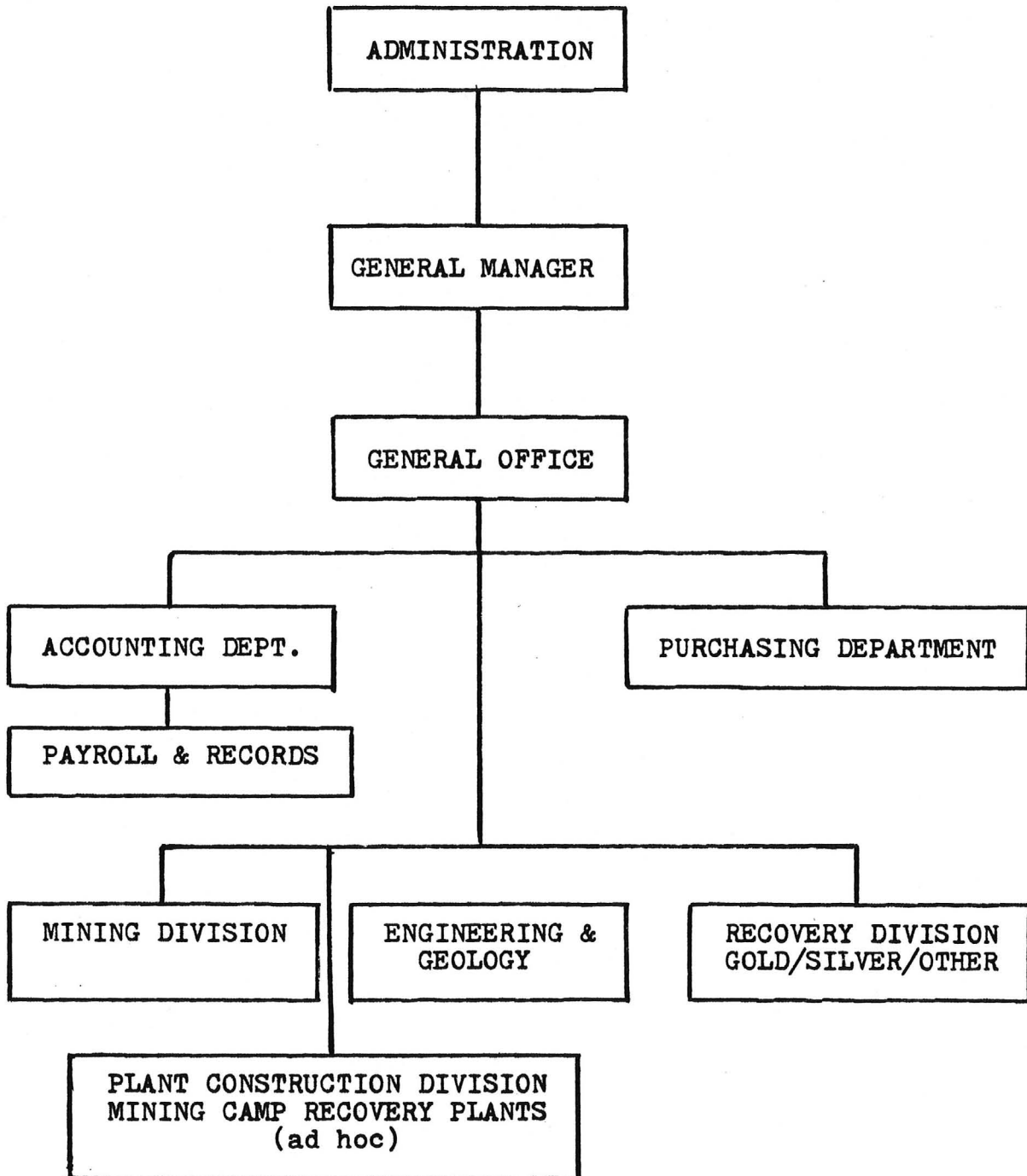


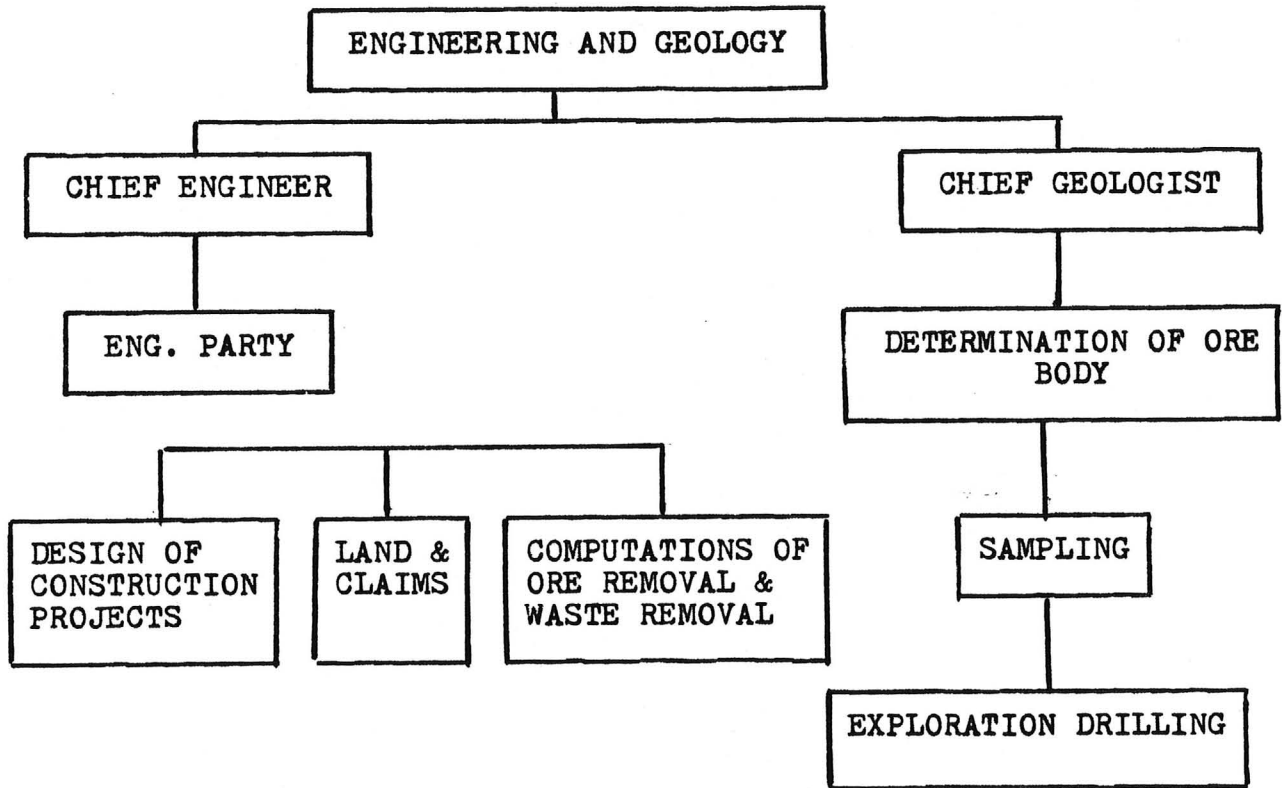
POTENTIAL RECOVERY

-8-





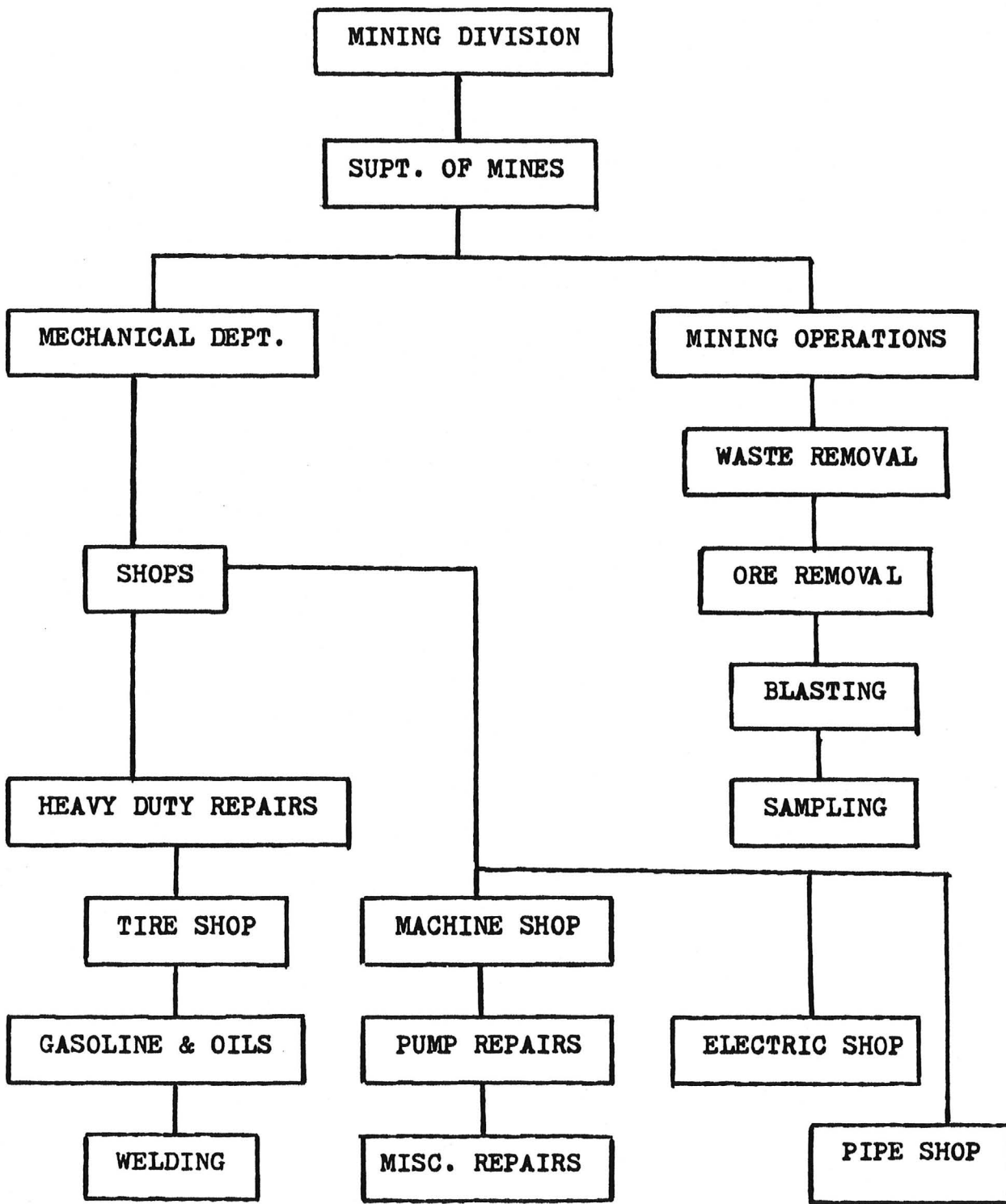




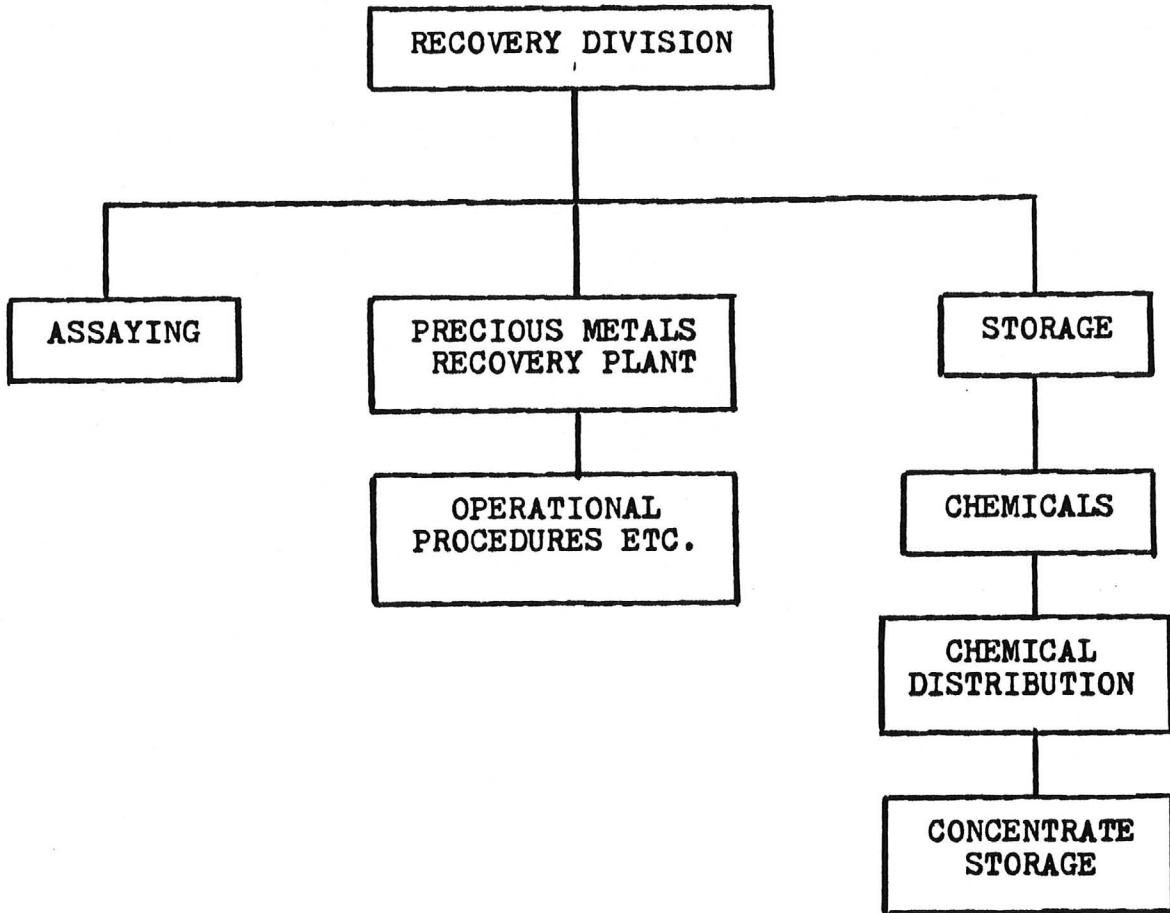
1 Engineer and
1 Rodman

2 Men

1 Field Geologist



From 7 to 12 employees
and/or earth moving contract(s)



1 man assay office
1 plant operator
3 shifts

1 employee
3 employees

FUNDING REQUIREMENTS

<u>ITEM/ACTIVITY</u>	<u>INITIAL START UP</u>	<u>WITHIN 60 DAYS</u>	<u>WITHIN 120 DAYS</u>	<u>TOTAL</u>
EXPLORATION				
Drilling, mapping, assaying, etc.	18,000			18,000
HEADQUARTERS/SHOP/CAMP SETUP				
1 trailer (12 x 60)	6,000			6,000
3 trailers (12 x 60)		18,000		18,000
Water/sewer systems	3,000			3,000
Chain link fence, 1-acre installed	4,000			4,000
3-shift flood lighting system	3,000			3,000
Repair shop (1500 sq. ft.) (approximately)	17,000			17,000
*OFFICE EQUIPMENT/SUPPLIES	500		500	1,000
REROUTE ROAD TO CASTLE CREEK		1,500		1,500
*END LOADER	6,000	6,000	6,000	18,000
*BACKHOE	3,600	3,600	3,600	10,800
DUMP TRUCK 95-yd) reconditioned	6,500			6,500
DOZER (rental, 80 hours)	1,000	2,200		3,200
GENERAL PAYROLL (6-months)				
Administrative and labor	21,684	54,660	54,660	131,004
FICA (25%)	4,373	10,932	10,932	26,237
Industrial Insurance (5%)	1,093	2,733	2,733	6,559
Liability Insurance (\$500,000/1,000,000)	2,000	1,000	1,000	4,000
FUEL (Gas/diesel/lubricants)	2,000	6,000	6,000	14,000
LEGAL SERVICES	2,500	2,500		5,000
PRODUCTION PLANT				
(Building 60 x 30)	38,000			38,000
Storage tank (13,000 gal.)	4,000			4,000
CONTRACT (25,000 cu. yds. screened to -5/8 delivered to plant)	<u>45,000</u>	<u>45,000</u>	<u> </u>	<u>90,000</u>
Sub-total	189,250	154,125	85,425	428,800

*lease purchase

FUNDING REQUIREMENTS (cont)

<u>ITEM/ACTIVITY</u>	<u>INITIAL START UP</u>	<u>WITHIN 60 DAYS</u>	<u>WITHIN 120 DAYS</u>	<u>TOTAL</u>
RECOVERY PLANT				
ELECTRO WINNING	10,000			10,000
SLUCE	4,000			4,000
HOPPER	1,500			1,500
MAGNETIC DRUMS (2)	5,000	5,000		10,000
SWITCH PANELS (installed)	2,500			2,500
PUMPS, 6" + (2) 3" (800 gpm)	3,000	3,000		6,000
PLUMBING AND PIPE	4,000	4,000		8,000
LABORATORY	18,000	8,000		26,000
TANKER TRUCK (used) 18' flatbed	10,000			10,000
ELECTRO POTENTIAL PLANT (initial)	15,000	10,000		25,000
STORAGE TANKS (6) fibre glass (solution storage)		5,000		5,000
PUMPS (recirculate/reject) (4)		2,000		2,000
GRINDING MILL(s) -3- (15 tons/ hr) installation		5,000	10,000	15,000
		5,000	7,500	12,500
*POWER GENERATORS (2)	<u>3,000</u>	<u>13,500</u>	<u>13,500</u>	<u>30,000</u>
Sub total	76,000	60,500	31,000	167,500
From previous page	<u>189,250</u>	<u>154,125</u>	<u>85,425</u>	<u>428,800</u>
TOTAL	265,250	214,625	116,425	596,300
Contingency (10%)	<u>26,525</u>	<u>21,463</u>	<u>11,642</u>	<u>59,630</u>
GRAND TOTAL	291,775	236,088	128,067	655,930

*lease purchase

WAGE AND SALARY SCHEDULE

1983/84

GENERAL MANAGER/SUPERINTENDENT	\$2,500.00/month
ENGINEERING & GEOLOGY	2,500.00/month
MILL SUPERINTENDENT	2,500.00/month
ACCOUNTING	1,400.00/month
PAYROLL	1,400.00/month
PURCHASING	1,400.00/month
GENERAL LABOR Semi-skilled, unskilled	to \$7.00/hour

HISTORICAL AND PERSPECTIVE

Modern mining technology and the extraction of ore through the new leaching processes have not yet been applied in the Black Canyon area. That gold and silver and other minerals are ever present in this area and have been successfully mined, intermittently, on a small scale by individuals and small groups, operating under very primitive conditions, particularly, during the immediate, pre-1900's and during the 1930's is a matter of historical record.¹ Recent assays and other investigative reports, attached herewith, are also indicative of potential.

Today's \$500.00 gold and \$12.00 silver prices are, of course, about fifteen times higher than those of the 1930's and prior years. Also today's mining technology captures a far greater percentage of the values present, capturing, for example, even the flour-sized flakes and granules not visible to the naked eye. (Leaching processes can turn even some of the waste dumps of early mining operations into profitable operations.)

To ascertain the full extent of the placer mineral deposits of all twenty-one claims and determine their econom-

¹Gold Placers and Placering in Arizona, Wilson, Bulletin 168, Bur. Mines, University of Arizona. Also, Arizona Lode Gold Mines and Gold Mining, Wilson/Cunningham and Butler, Bulletin 137, Arizona Bur. Mines, U of A

ical extractability and, further, to develop a viable, thus profitable mining operation is the purpose of this proposed, exploratory and developmental program.

The three Bumble Bee claims of this group of twenty-one were located in September, 1949, by the Fiscus family and, subsequently, turned over to the jurisdiction of Dale Fiscus, one of the GRAY/FISCUS/WHELAN partnership which, now and since its 1979 creation, has jurisdiction over all of the twenty-one claims. The adjoining six claims of the Comet group were located by Dale Fiscus and his family in January, 1974, and in April, 1974, Fiscus located the two claims of the Yellow Bar, the two of the Claybar and, in March, 1974, Fiscus located the Vale Groups #1 and #2 consisting of a total of six claims. The Rock claims #1 and #2 were purchased in 1976 by Pat Gray and through power of attorney to her father, Ralph Gray, are now administered by G/F/W.

Sometime prior to the organizing of the GFW partnership and during most of the year following, Gray, Fiscus and Whelan conducted thorough (but engineeringly unsupervised) exploratory type mining operations on some of the lower twelve claims and the Comet, financed by Whelan. The assay information gained by this operation is included herein.

During the year following the creation of the GFW partnership, GFW was approached for a real estate listing by Neal Realty and Peg Brown Realty (Ray Bert) which, in time was

consumated jointly with both realtors by the agreement of February 28, 1980, with the stipulation that the Realtors would arrange a fund for the financing of a reputable engineering firm's investigation and analysis of the property. The financier would receive a small ownership position in the claims for such funding.

A while after the listing agreement, the Realtors decided they wanted the claims for themselves and, subsequently became GFW's LESSEE under a one year, \$2,520,000.00 Lease purchase agreement dated October 8, 1980. The Realtors organized the Bumble Bee Land and minerals company, an Arizona Corporation of ten people including themselves and assigned the lease to the Corporation. The BBLM lessees 'poor boyed' an investigational research effort with Mountain States Engineering Company, Vale, Arizona, in which the LESSORS (GFW) augmented the effort by providing free labor and the use of its equipment. The research was incomplete and unsatisfactory. The Mountain States conclusion on page 3, section 3 of its report to Bumble Bee Land and Minerals (paragraph 5), "The values represented by the samples processed in this program are sufficiently high to justify evaluation of the feasibility of initiation production on the properties."

The lease agreement between GFW and the realtors provided only that the Lessees pay to Lessors a 10% royalty

and guarantee to process a minimum amount of placer material. Inactivity (little or no mining) on the part of the Lessees caused confrontation between GFW and the (BBLM) lessees which then led into a new lease requiring LESSEES to cash guarantee monthly minimum rental payments to LESSORS. This new, four year lease/purchase agreement was consummated February 10, 1982 with Bumble Bee Land and Minerals, Ray Bert, President. It was cancelled by LESSORS November 5, 1982 when LESSEES ceased making rental payments, their contract having become delinquent July 15, 1982.

In August, 1981, new location papers were filed on all twenty-one claims by GFW, receiving new AMC identification numbers from the U. S. Bureau of Land Management registry.

In August, 1982, GFW discovered that EXXON had filed lode claims over GFW's placers and subsequently requested and received from EXXON their quit claim deeds to GFW for GFW's placers. EXXON's quit claim deeds are dated October 22, 1982.

An assay summary of the investigative work performed on the claims by GFW is presented on the following page. Subsequent pages are the reports developed through Bumble Bee land and Minerals Corporation.

As presented, herein, funding is required to implement a full program of exploration and to develop an efficient and effective extractive process. GFW invites

discussion with qualified finance leading to a joint venture arrangement.

SUMMARY OF GFW INVESTIGATIONS

11/21/78 to 6/19/80

DATE	ASSAY FIRM	LAB NO.	OUNCES GOLD	PER TON SILVER
11-21-78	Arizona Testing Lab.	8459	.05	(no test)
2-23-79	" " "	9234	0.05	0.10
	" " "	"	trace	0.10
	" " "	"	0.02	0.50
	" " "	"	Nil	0.05
	" " "	"	0.11	2.3
	" " "	"	trace	0.15
	" " "	"	trace	0.30
4-10-79	" " "	9861	0.01	0.05
5-22-79	" " "	92	0.11	Nil
11-26-79	Iron King Assay Office	911-231	.056	0.08
"	" " "	"	.162	0.06
2-7-80	" " "	10-19	.002	Nil
"	" " "	10-20	4.41	0.53
6-19-80	Arizona Testing Lab.	6475	0.09	(no test)

Log Key 129



METAL RECOVERY SYSTEMS, INC.

426 SOUTH ROBSON
MESA, ARIZONA 85202
(602) 835-7592

January 8, 1982

Mr. Jim Brockert,
Bumble Bee Mine,
Bumble Bee, AZ

Dear Jim:

Here are the results we obtained from the eleven hour production run given to us.

Total sample is estimated at 1000 pounds.

20% magnetics (est) assayed at 1.6 oz/ton	= 0.16 oz Au
80% non-magnetics (est) assayed at avg. 2.0 oz/ton	= 1.60 " "
Metallic gold collected was 2.7319 grams	= 0.09 " "
	<u>1.85</u> " "

1.14 *2.49*
1.85 oz Au/11 hour run = 4.04 oz/24 hour @ 85% recovery = 3.4 oz Au.

We hope that this will help you to see the viability and economic feasibility of operation, and look forward to working with you on further development in the near future.

Very truly yours,
METAL RECOVERY SYSTEMS, INC.

Tony Razzini
Tony Razzini, President

1450/48
+
Sluice Box Nuggets (NOT COUNTED)

VALE



METAL RECOVERY SYSTEMS, INC.

426 SOUTH ROBSON
MESA, ARIZONA 85202
(602) 835-7592

March 17, 1982

VALE CLAIM

Mr. Jim Bröckert,
Bumble Bee Mine
Bumble Bee, AZ

SUBJECT: REPORT ON TESTS AND ASSAYS PERFORMED ON SAMPLES.

PERFORMANCE: A core sample was extracted from each of the ten samples presented. Each was panned and checked for any free gold. None of the samples were found to contain free gold visible to the naked eye.

Fire assays were conducted on all samples with the results as listed below. *This was from 192 yds of Hand Material*

IDENTIFICATION	VALUES
1. Table waste from 101 lb sample <i>all Buckets</i>	1.2 oz troy/ton Au
2. Wood sluice #2 - 7 lbs Concentrate } <i>out of</i>	0.4 " " " "
3. Wood sluice #1 - 5 lbs Concentrate } <i>65#s</i>	12.0 " " " "
4. #2's Black Sands auger	3.2 " " " "
5. #1's Black Sands Auger <i>85#s</i>	0.4 " " " "
6. #1's Pond - 1 1/2 lbs Concentrate, <i>out of 65#s</i>	14.2 " " " "
7. #2 Sluice, last riffle Tested 7 1/2 lbs	0.2 " " " "
8. #2's Pond 12 lbs Concentrate, <i>out of 65#s</i>	0.4 " " " "
9. #2 Sluice, last riffle Tested 7 1/2 lbs	0.4 " " " "
10. 5 gal. bucket, no identification <i>Tails</i>	0.0 " " " "

Thank you for the opportunity to serve you, and we look forward to your future business.

Very truly yours,
METAL RECOVERY SYSTEMS, INC.

Tony Fazzini, President

J and J Research and Development Inc.

Gold, Silver and Platinum Ores

2027 South McQueen Road • Mesa, Arizona 85202

Phone: (602) 892-4561

May 28, 1982

MEMO TO: Bumble Bee Land and Minerals Company
Mr. James P. Brockert

SUBJECT: Tests on Placer Sands

These sands are the final product of a sluice operation which the subject company has near Black Canyon City, Arizona. The nugget gold is recovered from their sluice boxes. A -20 mesh sand is recovered at the tail end of the sluice. It is claimed that about 30 tons of sand per hour is produced from this operation.

Our laboratory has studied the composition of these sands and found the main constituents to be silica sand, micaceous materials, iron products, garnet and calcite. Of all these products, the irons are the heavier and one would suspect they would carry the gold. Assays found them to contain an average of only .05 ounce of gold per ton. Some of the platinum groups were detected but not isolated. This would account for the poor showing on a regular concentrating table.

The irons make up about 20% of the sand (78% of the iron is magnetic). This black sand may prove of interest to a rare metal refiner.

After grinding, the iron was removed; the remaining material was further ground in a mortar until the mica was disintegrated. A microscopic examination revealed the gold to be isolated from its matrix.

O and J Research and Development Inc.

Gold, Silver and Platinum Ores

2027 South McQueen Road • Mesa, Arizona 85202

Phone: (602) 892-4561

It is concluded that the gold is precipitated between the leaves of the mica books and if separated and not reshaped, they will follow any up current in classification thus losing the values. Working with this observation, we adopted the following procedure:

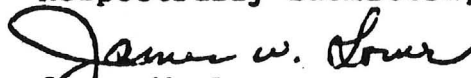
A hundred gram sample was ground and classified wet to about -200 mesh; the +200 mesh portion was composed of the "heavies" such as the iron, garnet, etc. making up about 30 grams of the original 100. The assay showed .02 ounces per ton in gold value. The lighter "mud" (70 grams) was dried and assayed from which the results were 2.42 ounces per ton in gold and 3.82 ounces per ton in silver.

A plant must be designed that will meet these requirements: The mill must be capable of grinding the mica material to free the gold. This should be a wet process because of the volume.

To concentrate, there are several avenues. The gold must be changed from a flat sheet to a rounded nugget so that concentration can be better affected. We are proceeding with gravity, cyanide, flotation and amalgamation tests.

The grinding machine must be carefully selected as well. It is advisable to proceed with the Del Bentz machine to further substantiate a feasible operation and establish average values in the ore.

Respectfully submitted,



James W. Lower
Mechanical Metallurgical Engineer

J and J Research and Development Inc.

Gold, Silver and Platinum Ores

2027 South McQueen Road • Mesa, Arizona 85202

Phone: (602) 892-4561

June 28, 1982

Memo to: Jim Brochert

Bumble Bee Land & Minerals Co.

Subject: Testing progress in addition to that of memo dated May 28, 1982

Assays completed:

1. 90 gram sample:

Procedure: Concentrated ratio 22.5 to -1

Assay of concentrates: Au 4.5 Oz. per ton

Ag 13.5

Assay of Raw Feed: Au 0.2 Oz. per ton

Ag 1.0

2. Iron Concentrates:

Procedure: Separated magnetics and non-magnetics

Assay of magnetics: Au .08 Oz. per ton

Ag 0.5

Assay of non-magnetics: Au 0.05 Oz. per ton

Ag 0.35

3. Sand:

Procedure: 100 grams sand non-magnetics grind to 80 mesh, assayed mud after classifying and decanting:

Au 2.42 Oz. per ton

Ag 7.0

4. Concentrates from "Del Bentz" mill:

Procedure: Concentrates from 2400 lb. run on sand

Au 2.5 Oz. per ton

Ag 7.5

5. Concentrates from 600 lb. run in "Del Bentz" mill

Procedure: 476 grams cyanided (standard procedure)

Pregnant solution pumped through resin, made dore' bar and electrowon same:

Assay heads: Au 12 Oz. per ton

Ag 30 Oz. per ton

5. Concentrates from 600 lb. (Cont'd)

KCl button: Au 1.086 Oz. per ton
Ag 3.0

Tails: Au 4.2 Oz. per ton
Ag 10.0

6. Sand:

Procedure: Ground 10 lbs. of sand in ball mill wet;
added mercury, ground to 80 mesh.

Assay of Hg. Au .05 Oz. per ton
Ag Nil

Conclusion: Will not amalgamate.

7. Iron Oxide:

Procedure: Leach non-magnetics in dilute hydrochloric
solution to free iron oxide.

Decant iron oxide:

Assay Au 31.69 Oz. per ton
Ag 60.5

8. Magnetics cyanide leach:

Procedure: Pregnant solution stripped with resin

Assay Au 0.65 Oz. per ton
Ag 2.30

9. Sand:

Procedure: 320 grams total, 80 gms. middlings and
240 gms. tails; cyanided 75 grams from heads.

Assay middlings Au 2.0 Oz. per ton
Ag 5.4

Tails Au 0.8 Oz. per ton
Ag Trace

Cyanide leach Au 0.75 Oz. per ton
Ag 1.50

10. 20 lb. sand ground 100 mesh

Procedure: Standard cyanide in mixer

Recovery from solution in resin extracting:

Au 0.02 Oz. per ton
Ag 1.0

11. 454 grams sand:

Use chlorine leach:

Assay: Au, trace

12. 454 grams concentrates from "bertz" mill "off table" sample

Procedure: Free iron oxide with dilute hydrochloric solution

and decant: Got a 75 -1 ratio of dry FeO

Assay: Au 30.0 Oz. per ton

Ag 10.0

Cyanided magnetics Au 1.20 Oz. per ton

Ag 3.5

13. Sands:

Procedure: Screened and washed slime from -20 mesh sands;

ground to 60 mesh concentrated 9.36 -1 on 908 sample.

Treated cons with dilute hydrochloric acid then decanted iron oxide.

Assay Au 31.0 Oz. per ton

Ag 60.0

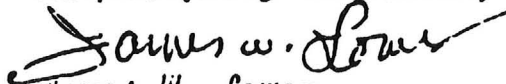
Screen analysis of the furnished raw sands:

<u>Mesh (Tyler)</u>	<u>Percentage</u>	<u>Assay Au</u>
-20 +60	17%	0.20
-60 +100	48%	0.01
-100 +200	20%	Trace
-200 +325	14%	Trace
-325	1%	Trace

The above Au assays were from the rock in its natural state.

Test 7 and 13 offered a good breakthrough and has developed a consistent pattern in all tests so far. It has the possibility of an economical process. All assays show the presence of platinum group minerals but quantities not ascertained.

Respectfully submitted,


James W. Lower

Mechanical Metallurgical Engineer

ACTIC MINING COM.

P.O. BOX 533
TRONA, CALIFORNIA 93560
Telephone: (714) 372-5850

Date JUNE 27, 1982

Name BUMBLE BEE LAND AND MINERAL

Tests and fire assays in this program have indicated that this ore carries the following amounts of precious metals:

1.5 TO 3 oz Au/ton .37 TO .1 oz Ag/ton oz Platinum metals

We have determined that CLS -1 or -13 non-cyanide leaching can recover approximately:

92 % Au 76 % Ag % Pt metals

Precious metal recovery from your ore as given above depends upon the following conditions:

1. Pre-treatments as follows: 5% SOLUTION OF HCL FOR TWO HOURS THEN WASH
2. Pulverize to mesh number 80.
3. Use CLS -1 or -13 at a strength of 3 oz per gallon of water. This would be approximately 80 pounds of CLS per ton of ore. The solution may be re-used.
4. Leach at a temperature of 150° F. or .
5. Heat and agitate for a period of 18 hrs.
6. Add 8 gallons of HCL acid or pounds of acid powder per ton of ore.

The above conditions are the basic parameters for CLS leaching. These parameters are separate from other portions of the flow chart and may require some alteration under various conditions. It will usually be found that an ore should be concentrated before leaching. Concentrating will usually change the above parameters

THIS ORE SHOULD BE
CONCENTRATED BEFORE
LEACHING FOR ECONOMICS.

Jim V. Dumble
LABORATORY SUPERVISOR

22m.

SUN CHIEF MINES

EXPLORATION

P. O. BOX 2819 • GLOBE, AZ 85501
(602) 425-3156

August 18, 1981

CERTIFICATE OF ASSAY

MARKS, ETC.	SAMPLE	Au				
	GMS.	02/1				
BBLM #1	0.097	0.684	1020	FIRST RUN	SHAKER	TABLE
BBLM #2	0.379g	2.67	1250	CONV	RUN SHAKER	TABLE
BBLM #3	11.29g	79.56g		VIBRATING	SLUIC	3 YDS - 10 LOS -

Analysed by
K. [Signature]

ASSAYER

CONCENTRATE 3 TON