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ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: WHITE MULE GOLD

ALTERNATE NAMES:

GOLDEN EAGLE GROUP

WHITE HORSE

YAVAPAI COUNTY MILS NUMBER: 863

LOCATION: TOWNSHIP 9 N RANGE 3 E SECTION 14 QUARTER NW

LATITUDE: N 34DEG 07MIN 23SEC LONGITUDE: W 112DEG 01MIN 42SEC

TOPO MAP NAME: SQUAW CREEK MESA - 7.5 MIN

CURRENT STATUS: UNKNOWN

COMMODITY:

GOLD

BIBLIOGRAPHY:

ADMMR WHITE MULE GOLD FILE

WHITE MULE GOLD PROPERTIES

See: Gloryanna (file) Yavapai County
Glory Anna Mine (confidential file)
Brooklyn Arizona (card)

WHITE MULE GOLD PROPERTIES

JHJ Office visit 6/8/81 Kenneth E. Brown, working for the above company has relocated the old White Horse and Golden Eagle Group T9N, R3E Sec. 14 & 15, Yavapai County. They have retained Bert Griffen as consultant.

A CUSTOM EXTRACT

White Mule Gold Properties, Inc.

CAPITALIZATION

(Oct. 31, 1982, after sale of 2,800,000 Com. shs. and warrants to buy 2,800,000 Com. shs. in Feb., 1983)

LONG TERM DEBT- None.

STOCK- Auth. Shs. Outstg. Shs.
Common \$0.001 par. *50,000,000 †15,740,000
*Incl. 3,360,000 for warrants.
†Excl. 1,500,000 in treas.

CORPORATE BACKGROUND

Company, in the exploration stage in Nov., 1982, planned to engage in the mining of gold from its owned and leased properties in Ariz. It would seek to extract silver and any other minerals which may be left as a by-product from its gold mining activities.

Company's properties include the White Mule properties in the Squaw Creek Mining District, Yavapai County, which consist of 18 underground mining claims and mill sites covering apx. 160 acres; the Glory Anna mining properties in the Black Canyon mining district, Yavapai County, which consist of 35 claims covering apx. 700 acres; and the Brooklyn mine in the Copper Creek Mining District, Yavapai County, which consists of 47 unpatented Federal lode claims.

INCORPORATED in Del. Oct. 21, 1980.

PRESIDENT, Rudolph Laterza; V-P, V.V. Livingston; SECY & TREAS, Peter Tobia.

DIRECTORS- Rudolph Laterza, V.V. Livingston, Peter Tobia.

OFFICE- Matawan Mall, State Highway No. 34, Matawan, N.J. 07747 (Tel.: 201-583-2510). ANNUAL MEETING- As set by directors.

STOCK DATA

WARRANTS (separately transferable) sold with Com. in units in Feb., 1983, entitle holders to buy Com. at \$0.35 a sh. from Dec. 29, 1983, thru Nov. 29, 1985, expiration date. Warrants protected against dilution, as defined. Terms and trading basis should be checked in detail. REDEEMABLE at any time during exercise period, on 30 days' notice, at \$0.01 per warrant. WARRANT AGENT- American Transfer Co., NYC.

UNITS OFFERED- Nov. 29, 1982, Cosentino & DeFelice, Inc., NYC, offered 5,600,000 Com. shs. and warrants to buy 5,600,000 Com. shs. in units (each consisting of 10 Com. shs. and warrants to buy 10 Com. shs. at \$0.35 each) at \$2.50 a unit. Of

the 560,000 units offered, 280,000 were offered on a best efforts, all-or-none basis (all sold), and the remaining 280,000 were offered on a best efforts only basis (none sold); comm., \$0.25 per unit. Co. sold to underwriter, for \$0.001 each, warrants to buy 28,000 units (each consisting of 10 Com. shs. and warrants to buy 10 Com. shs. at \$0.35 each) at \$3.75 a unit during the 4 yrs. begin. Dec. 29, 1983.

STOCKHOLDERS- Feb. 28, 1983, 500. May 31, 1982, after sale of 2,800,000 Com. shs. in Feb., 1983, Rudolph Laterza owned 21.9% of the Com., Peter Tobia 11.6%, Amelia T. Brennan 5.2% and Rod Munyon 6.5%.

TRANSFER AGENT- American Transfer Co., NYC.

TRADED- OTC bid.

DIVIDENDS- None.

EARNINGS AND FINANCES

aAnnual Report- Inc. Acct.: Thou. \$	Oct. 1'81.	†Oct. 21'80
	To	To
	Aug. 31'82	Sept. 30'81
Revenue.....	---	---
Gen. & adm. exp	43	87
Salaries & related taxes.....	36	71
Repairs & maintenance exp	---	9
Rent & royalties.....	18	11
Oper. income.....	---	d178
Abandon. of mining claims & related costs.....	---	17
Depr. exp.....	Nil	Nil
Net income.....	d97	d195
*Sh. Earnings.....	d\$0.01	d\$0.01
dDeficit.		
*Avge. shs.:.....	14,200,000	13,480,000
†Fr. date of inception.		
aUnaudited.		

cBal. Sheet: Thou. \$	Aug. 31'82	Sept. 30'81
Assets—		
Cash.....	2	26
Security deposits	1	2
Total curr. assets.....	3	28
Mining claims.....	6	6
*Furniture & fixtures, net.....	10	5
Mine exploration costs.....	34	32
Defr. organiz. & syndication costs	134	44
Total assets.....	187	115
Liabilities—		
Notes pay.....	7	7
Accruals.....	209	89
Due to officers.....	4	1
Total curr. liabs.....	220	97
†Com. stk. p. \$0.001.	14	13
aTreas. stk.....	dr7	dr7
bSubscription rec.....	dr1	dr1
Paid in capital.....	252	208
Deficit accum. during exploration stage...	d291	d195
Total liab.....	187	115
Net wkg. cap.....	d217	d69
dDeficit.		
*Depr. & am. res.....	1	1
†Shs.:.....	14,200,000	13,480,000
aShs.: 1,500,000.		
bShs.: 400,000.		
cUnaudited.		

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America's Unique

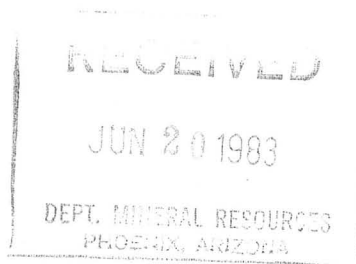
Investment Advisory Organization

White Mule Gold Properties Inc.



EXECUTIVE OFFICE
MATAWAN MALL
HIGHWAY 34
MATAWAN, NJ 07747
(201) 583-2510

June 15, 1983



T 9N, R 3E, Sec 10, 15

GLORY ANNA MINE
BROOKLYN MINE
WHITE MULE PROP.

Mr. John Jett
State of Arizona
Department of Mineral Resources
Mineral Building, Fairgrounds
Phoenix, Arizona

Dear Mr. Jett;

We are all out of prospectuses for our Company, however, I have included copies of the descriptions of our properties in the Black Canyon City area for your information. In addition, enclosed is a copy of our Standard and Poors listing and a recent press release.

We are actively seeking joint venture opportunities for our three prospects (Geological packages are currently being prepared), and we are constantly on the lookout for promising properties and situations. Please call me after you have had an opportunity to review the enclosed.

Very truly yours,

Peter G. Tobia P.E.
Secretary/Treasurer

PGT/lb

Enclosures

560,000 UNITS

ALL SOLD

For Informational Purposes On

Each Unit Consisting of Ten Common Shares, \$.001 Par Value and Ten Common Stock Purchase Warrants



White Mule Gold Properties Inc.

Each Common Stock Purchase Warrant (the "Unit Warrant") entitles the holder to purchase one Common Share, \$.001 par value, at \$.35 per share commencing thirteen months from the date of this Offering Circular and expiring 36 months from said effective date. The Unit Warrant is immediately detachable and may be traded separately from the Common Shares. The Unit Warrants are callable by the Company, at any time after 13 months from the date of this Offering Circular, upon 30 days notice, for \$.01 per Unit Warrant. See "Description of Securities" and "Underwriting".

Pending the sale of 280,000 Units, all proceeds of the offering will be deposited in escrow with Chemical Bank, 20 Pine St., New York, N.Y. 10005 ("Escrow Agent").

Prior to this offering, there has been no public market for the Units, the Warrants or the Common Stock of the Company, and no assurance can be given that such a market will exist upon completion of this offering or that a significant trading market will develop after this offering. The public offering price has been determined by negotiations between the Company and the Underwriter, and bears no relationship to the Company's assets, earnings, book value or other generally accepted criteria of value. See "Risk Factors", "Underwriting" and "Dilution".

THIS COMPANY IS STILL IN THE EXPLORATION STAGE AND HAS NOT ENGAGED IN ANY OPERATIONS TO DATE

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION DOES NOT PASS UPON THE MERITS OF OR GIVE ITS APPROVAL TO ANY SECURITIES OFFERED OR THE TERMS OF THE OFFERING, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR OTHER SELLING LITERATURE. THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE COMMISSION; HOWEVER, THE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THE SECURITIES OFFERED HEREUNDER ARE EXEMPT FROM REGISTRATION.

THESE SECURITIES ARE SPECULATIVE AND INVOLVE A HIGH DEGREE OF RISK. THE PURCHASE THEREOF SHOULD BE CONSIDERED ONLY BY THOSE PERSONS WHO CAN AFFORD A LOSS OF THEIR ENTIRE INVESTMENT. SEE "RISK FACTORS."

	Initial Public Offering Price	Underwriting Discounts and Commissions(1)	Proceeds to the Company(2)
Per Unit	\$ 2.50	\$.25	\$ 2.25
Total Minimum	\$ 700,000	\$ 70,000	\$ 630,000
Total Maximum	\$1,400,000	\$140,000	\$1,260,000

(See notes on following page)

COSENTINO & DeFELICE, INC.

40 EXCHANGE PLACE
NEW YORK, N.Y. 10005
(212) 425-4768

SUMMARY OF OFFERING

The following is a summary of some of the pertinent information contained in this Offering Circular. This summary is qualified in its entirety by the detailed information appearing elsewhere in this Offering Circular. (See particularly "Risk Factors," "Dilution," "Capitalization" and "The Company".)

The Company

White Mule Gold Properties, Inc. (the "Company") was organized to explore, test, develop and mine gold properties owned and leased by the Company in Arizona. The Company does not claim that any of such properties contain proven commercial ore bodies, or if found, that it can be extracted at a profit.

The Offering

	<u>Minimum</u>	<u>Maximum</u>
Units being Offered	280,000	560,000
Common Shares Outstanding Prior to Offering—12,940,000(2)	—	—
Number of Shares to be Outstanding(1)	15,740,000	18,540,000
Net Proceeds to the Company	\$514,500	\$1,116,500
Percentage of Ownership(1):		
Present Shareholders	82.2%	69.8%
Public Investors	17.8%	30.2%

See "Underwriting" for a discussion of the Company's plan of distribution.

- (1) Excludes: (i) a minimum of 2,800,000 and a maximum of 5,600,000 Common Shares issuable upon exercise of the Unit Warrants, (ii) a minimum of 28,000 and a maximum of 56,000 Units issuable upon the exercise of the Underwriter's Warrants and a minimum of 280,000 and a maximum of 560,000 Common Shares issuable upon exercise of Unit Warrants, which also are issuable upon the exercise of the Underwriter's Warrants. (See "Underwriting".)
- (2) Shares outstanding at October 31, 1982 (See "Certain Transactions").

Use of Proceeds

The net proceeds of this offering will be used for the exploration on the Company's existing gold mining properties, principally the White Mule and Glory Anna mines, and for the purchase of mining machinery and equipment, road development and administrative expenses. See "Proposed Business" and "Use of Proceeds".

Risk Factors

The Units offered hereby involve risks and are subject to substantial dilution. See "Risk Factors" and "Dilution".

Selected Financial Data

	<u>For the Period from Inception October 21, 1980, through September 30, 1981</u>	<u>For the Period October 1, 1981 through August 31, 1982</u>
<u>Operations Summary</u>		
Revenues	None	None
Net Loss	\$195,015	\$ 96,857
Loss per Common Share	\$.014	\$.007
<u>Financial Position</u>		
Current Assets	\$ 28,177	\$ 2,819
Current Liabilities	\$ 97,268	\$ 220,330
Working Capital (Deficit)	\$(69,091)	\$(217,511)
Total Assets	\$115,353	\$ 186,558
Long-Term Debt	None	None
Shareholders' Equity	\$ 18,085	\$ (33,772)

GENERAL CHARACTERISTICS OF MINING PROPERTIES

Geological Development

Deposits of mineralization can occur in many geologic environments, some of which are more favorable than others for the existence of such minerals in significant or potentially commercial quantities. The type of rock formation favorable for deposition of minerals may be generally referred to as a "host rock", and the existence of a host rock favorable for mineral deposition is quite important to a geologist in selecting properties which will be the subject of exploration. In some cases, the existence of favorable host rock can be ascertained by a geologist on inspection of surface outcroppings or other natural conditions which expose the host rock. In other instances, the existence of favorable host rock can be ascertained by examination of mine workings, drilling data obtained from others or from a study of numerous and varied published reports upon the geology of a particular area.

It can be generally stated that the geologic environment which is favorable for deposition of mineral deposits is the result of changes which have occurred in the earth's crust over millions of years. In some instances, the changes are rather violent, such as in the case of volcanic activity or prehistoric earthquake-like occurrences causing buckling and sliding of massive areas of the earth's crust, which is the case with respect to the formation of many mountain ranges. In other instances, the changes occur gradually over hundreds of thousands (or even millions) of years whereby sedimentary rock deposits are laid down by nature through lakes, oceans, rivers, and similar natural forces. Over long periods of time, there may also be natural changes in the chemistry of a particular geologic formation which is particularly favorable for the deposition or concentration of mineralization. The objective of exploration is to discover areas in which minerals are concentrated to a degree that they may have economic value.

Most of the exploration performed by the Company will be accomplished through drilling programs on properties selected for exploration. Actual drilling will be performed by independent contractors who own the drilling equipment and who will operate under the close supervision of Company geologists. Normally, the cost of drilling will be based on the amount of footage drilled, although it is common to charge on an hourly basis when difficult drilling conditions are encountered. The drilling contractor will also generally seek compensation for mobilization and demobilization, moving time, standby time and similar items. Drilling is normally performed by either of two methods; core drilling, in which the equipment actually extracts a cylinder of rock from the geologic formation being explored; or rotary drilling, in which only drill cuttings are extracted from the hole. In both cases, the rock or cuttings extracted from the formation of interest is usually taken to an independent assay laboratory in order to determine whether mineralization is present and, if so, the quality thereof, with part of the sample being retained in the event additional assaying or metallurgical work is to be performed with respect to the sample. Metallurgical work, which is essentially research work in order to determine milling characteristics of the material, will generally be performed through a combined effort between engineers and metallurgists employed by the Company and independent consultants specializing in metallurgy.

As stated above, deposition of mineral deposits generally occurs through changes in the earth's crust. At times, cracks have been created which are ultimately filled with molten material from below or with solutions which, because of changing chemical conditions, precipitate solid materials into the cracks. The result of this type of occurrence is a vein or vein-like structure which has in effect, filled the crack or gap. It is common to find mineralized zones within such vein-like structures. Veins tend to be vertical structures, although further changes or upheavals in the earth's crust subsequent to formation of the vein can shift a vein more towards the horizontal. The known horizontal length over which a vein or vein-like structure extends, when tending towards the vertical, is referred to as the "strike length".

A bedded or stratiform deposit can be best characterized as a layer of mineralization which sometimes occurs between two layers of a different geologic formation. It is common for bedded deposits to have been formed through a sedimentary or volcanogenic process and, when mineralization is present in significant quantities, it is often the result of chemical changes causing the precipitation of minerals from solutions flowing over or through the particular formation. It is anticipated that most of the exploration activities conducted by the Company will be in connection with vein-like structures or stratiform volcanogenic deposits.

Title to Mining Properties

In the western United States, vast areas of land are owned by the United States Government and are classified as public domain. A substantial portion of such lands have been, for many years, open to prospecting and mineral entry by the public under federal and state mining laws. A common method of mineral entry is through location of an unpatented mining claim which creates in the locator possessory rights against third persons and the right to prospect, explore and commercially develop minerals. There are essentially two types of mining claims; lode mining claims, which are generally located to acquire rights to vein or bedded type mineralized formations generally referred to as rock-in-place; or placer mining claims, which are generally located to acquire rights to mineral deposits contained within loose or unconsolidated materials generally at or near the surface, such as gravel, which materials have been deposited on the location site through such natural migration processes as glacial action, alluvial action or erosion. In some cases, particularly when a commercially minable deposit of minerals has been discovered within the boundaries of a mining claim, a patent may be obtained from the United States Government, which has the effect of conveying fee title to the mineral interests to the owner of the mining claim.

As hereinafter described, title to a mining claim can be extremely uncertain until such time as a patent is issued to the owner of a claim. More often than not, titles to unpatented mining claims are found to have numerous defects, particularly in the case of older claims having been the subject of numerous conveyances.

The Company intends to engage in a program of evaluation of existing properties ("Evaluation Program") and if required, a program of acquisition of other properties or claims.

Evaluation Program

The first stage, regional appraisal, begins with the compilation of all known published reports, studies, production records and geological surveys. Study of geological photographs and low level aerial photography provide data for preparation of topographic maps. The documentation, photography and topographic mapping are supplemented by ground survey inspections to establish the boundaries of claims.

Reconnaissance, the second stage of exploration, includes geological mapping to identify various rock types and geological structures, and geochemical surveys which consist of taking samples of soil at specified depths and intervals on a widely spaced grid of lines. The soil samples are analyzed by fire assay for metallic traces.

The Company then intends to conduct a geophysical ground survey employing electrical conductivity in order to detect anomalies that show differences in conductivity and resistivity and could indicate metallic zones buried at depth. When an electrical current encounters a probable metallic conductor, the field is modified, providing a means of indicating the size, depth, and direction of the conductor. Finally, reconnaissance includes analysis of mineralization to determine target areas for the next stage of exploration. Geological features other than metallic deposits may exhibit conductivity.

The third stage, if warranted, appraisal of target areas, is basically a concentrated repetition of the second stage and includes detailed mapping of the selected target, extensive geochemical sampling over selected zones and geophysical studies in greater detail. In determining drilling targets, old mine workings are also taken into consideration.

Diamond drilling, the fourth stage, takes core samples from surface to considerable depths. The samples are analyzed, labeled and stored by Company geologists. The core is obtained by diamond drilling rigs. Core containing mineralization is sent out for chemical-mineralogical analysis. The fourth stage of exploration may include two last steps (which the Company has not yet reached) a scale geological model of the mineralized zone and an engineering feasibility study to assess the financial requirements for bringing a property into production.

Possible Future Development

If the Company discovers encouraging mineralization after completing the diamond drilling program described above (see "Evaluation Program"), a detailed program will be initiated which would require additional financing. This will entail appreciable drilling in order to supply grades and mineralized zone thickness with respect to estimating tonnage and average grade. It may also entail underground exploratory work of the drilled off mineral zone requiring shaft sinking and underground development. Following these works a feasibility study will evaluate the economic parameters of the mineralized zone that has been developed. Management would then, if the results are favorable, endeavor to institute underground mining operations.

The Company has never conducted underground mining and there is a limited underground mining labor force currently available in Arizona. Underground mining would normally require construction of a mill. Such a mill would cost between \$5,000,000 to \$15,000,000 or more for which the Company would be required to seek additional financing.

PROPERTIES

HISTORY AND BUSINESS

White Mule

Location:

The Company has secured ownership of 18 underground mining claims and mill sites in the Squaw Creek Mining District, Yavapai County, Arizona, situated in the Tonto National Forest, approximately 3.2 miles northeast of Black Canyon City and 4 miles upstream from the confluence of Squaw Creek and the Aqua Fria River, approximately 50 miles north of Phoenix.

These 18 claims and sites cover approximately 160 acres and consist of eight (8) lode claims, two (2) mill sites, and three (3) tunnel sites, and one (1) 20-acre placer claim. All of the mining claims are unpatented and have been recorded in the County Recorder's office in Yavapai, Arizona. The Company acquired these claims from Stanley C. Pellow and Peter Incardona in October, 1980 (and as amended August 27, 1981) by the issuance of 600,000 unregistered shares of the Company's Common Stock to each of said individuals. The Company valued the total transaction at \$12,000. See "Certain Transactions," and Note 3 of the Notes to Financial Statements.

History and Background:

The White Mule mines were first recorded in 1881 by R. P. Holmes. In 1883 through 1887, further claims on the properties were made. In 1887, the New Era Mining and Milling Co. had secured title to certain of the claims and had started a stamp mill at Holmes Spring and on the Golden Eagle Mill site. From 1897 through 1911, the mines were worked and ore was milled in a ten stamp mill on the Ontario mill site and a smaller stamp mill on the Golden Eagle Mill site. No patent was issued on any of the claims as can be ascertained by any local records. The amount of ore mined is not ascertainable, and production records have not been found, but during the years 1896-1911, between 20 and 40 persons were continuously employed, and two boarding houses were operating. A stage coach road had been constructed from the present Black Canyon City through Squaw Canyon at least as far as the Brooklyn Mine seven miles into the canyon. A stage coach stop called "White Horse" was constructed by the Wells-Fargo Co., and it was reported that, for a time, a United States post office had been opened in that

area. The mines were deserted and all claims abandoned by 1942 and remained that way until 1973, when a few claims were located by Henry P. McNeill, and a small 1-2 ton ball mill with a Shaker table recovery unit was installed at the No. 2 tunnel on the Devonshire claim.

Prior to 1930, a pumping station with a four-inch pump powered by a gasoline engine was installed to pump water 2,300 feet through a four-inch pipe from the Holmes spring in the Golden Eagle mine site to the Ontario mill site. In addition to two dilapidated boarding houses, there were erected rock and lumber houses, tent houses and horse barns. Two tramways were in operation, carrying ore down the mountain to the mills from both the Golden Eagle and Ontario claims, one of which was an 1,800-ft. long combination track-tram. By the 1930's, both mills, the pump station, tramways, cars, rails, timber and all lumber had been removed. The mine was operative for an additional two years, the ore being hauled out over the old stage road to a custom mill. In 1973, when certain claims were located by Henry P. McNeill, a small 1-2 ton ball mill with a Shaker table recovery unit was installed on the Devonshire claim.

Access to the Mines:

Present access to the mines is by helicopter from Phoenix (approximately 20 minutes away) or by four-wheel drive vehicle, on secondary roads approximately 50 miles from Phoenix. All of the mining claims, mill sites, and tunnel sites are classified as unpatented Federal mining claims.

Property:

The entire mine is in complete disrepair, tunnels and shafts caved in and open cuts filled with debris. Most of the roads, including the stagecoach road, the access road from the Ontario Mill up the mountain side to the #2 tunnel, the roadway from the #2 shaft on the Ontario to the tramway head on the Golden Eagle Mill, are washed out. All ladders, stagings and most timbering has been pulled out. The Reindeer ledge-vein crosses the full length of the property in a northeast-southwest direction and crosses the full length of the Reindeer and Wraps claims, the full width (600 feet) of the Devonshire and the Golden Eagle claims, the full lengths of the Aztec and Dundee claims and 1,000 feet of the Empire claim, a total of 7,600 feet.

The Golden Eagle vein runs from a general west to east to southeast in a half moon shape and is exposed by outcroppings, cross-cuts, shafts and cross-cut tunnels, a distance of 1,000 feet on the Golden Eagle claim, and 900 feet on the Ontario. The branch vein on the Reindeer claim crops out for a distance of 400 feet, and the two veins on the Devonshire which converge are traced on the surface for 1,200 feet. The total length of the veins is 10,500 feet.

The veins-ledges are all of quartz intruded into a country rock of granitic schist altered into a type of gneiss in places, sometimes the granite predominates and sometimes the schist.

Utilities:

Public utilities such as gas and water are not available on the property. However, a major power line runs adjacent to the claims. Poles and lines can be strung from this source to the center of the property.

Equipment:

Water can be pumped to the location from Squaw Creek. In addition, there are several springs located in the area and percolating water issues from the lowest existing tunnel on the Devonshire claim. It appears that miners working this claim subsequent to 1973 dammed the tunnel, trapping enough water to serve their needs to run a washer and Shaker table and for their personal and cooking needs. The water from the tunnel has not been

chemically analyzed. The springs in the area seem to have supplied most of the needs for processing from the stamp mill in the past and management believes it to be sufficient for exploratory work. The Company believes it has the right to the unencumbered use of surface water flowing to the property.

Objectives:

The principal exploration target on the White Mule properties is a quartz calcite vein approximately 5 feet thickness which on the basis of fairly extensive work performed by others together with assays of chip and channel samples taken by the Company, throughout portions of the exposed vein and existing underground workings, indicates the presence of gold and silver mineralization. Such information is not necessarily complete or accurate, however, and cannot be relied upon for purposes of determining the extent or quality of the mineralization contained within the property, which can only be determined through exploration.

The initial objective of the Company's exploration program on this property will be to drill approximately (totaling 1,400 feet in depth) widely spaced holes intersecting the vein at various down-dip horizons from 50 to 300 feet in depth utilizing core drilling equipment. The dip of the quartz vein is approximately 78 degrees and the drill targets will be established at regular intervals along the strike. Geologic mapping will be used to determine the precise location for each drill hole.

The Company estimates that the cost of performing the initial phase will be approximately as follows:

Geological mapping	\$ 10,000
Drill site preparation	10,000
Direct drilling expense	56,000
Assaying	5,000
Supervisory salaries	7,500
Travel and miscellaneous expense	4,000
Metallurgical testing	3,000
Provision for contingencies	<u>11,000</u>
Estimated total cost	\$106,500

It is not likely that the initial phase of drilling would determine whether a commercially minable deposit is contained within the property or the extent of any mineralization, particularly at greater depth. If the results of the initial phase of drilling are encouraging, it is the Company's intention to perform a second phase of drilling to determine the extent to which the vein-like structure persists at greater depth and the degree to which gold and silver mineralization of economic interest is contained at such depths, as well as along the strike length of the vein. The second phase of drilling would similarly be accomplished by core drilling. The extent and anticipated cost of the second phase of drilling cannot now be determined, and if a second phase of drilling is undertaken the nature of the program will be largely dependent on the results achieved in the initial phase.

As stated above, the White Mule property consists of unpatented lode mining claims. The validity of the title to a mining claim depends upon the availability of the land for location at the time the location is made, the validity of the mineral discovery within the boundaries of each claim, compliance with federal and state laws and regulations relating to location procedures and maintenance of title, the bona fides of the original locators and the performance of annual assessment work on the property. Inasmuch as title to a mining claim can only be perfected through issuance of a patent from the United States Government, which is generally possible at present only when commercial ore reserves are known to exist on the mining claim, there is always some risk that titles to unpatented mining claims may ultimately be found to be defective.

Glory Anna

Location:

The Glory Anna mining properties are located approximately 50 miles north of Phoenix, near Bumble Bee. The claims cover approximately 700 acres and are situated adjacent to Interstate Route #17, a four-lane paved highway. The Company owns 12 lode claims outright and leases 23 other claims from Frank Melluzzo. All the following claims are located in the Black Canyon mining district, Yavapai County, Arizona.

History and Background:

The above properties have a history dating back to the 1870's when the first Notice of Location of the mines was filed by one J. R. Dorruche on June 29, 1877. On July 12, 1879, another Notice of Location was filed, and on January 2, 1891, A. J. McPhee filed a further Notice of Location on the site that is assumed to be of a similar position to the previous ones. Mr. McPhee expanded his claims and retained control of the mines for at least the next five years and filed assessment certificates in January of 1896 attesting to the activity in the area. Records do not reveal any additional activity or change of ownership until January 3, 1907, when James Morris filed a series of Notices of Location for the above properties. Title to these claims passed ultimately to Walter MacDonald who sold his right, title and interest in the claims to Peter Incardona and then to the Company. See "Certain Transactions". Adjoining claims owned by Frank Melluzzo were leased to the Company. No accurate records of production or dollar value of minerals extracted from the mines have been discovered.

The Company leases the mining rights to the Glory Anna Mine. Royalty expenses related to such leases of mining rights amounted to \$10,875 during the period from inception (October 21, 1980) to February 28, 1982. Commitments under these lease agreements require monthly payments of the larger of a minimal royalty payment (of \$500 per month) subject to periodic escalation, or seven percent of net income from mine production. Such leases have no expiration date, are cancelable by the lessee at any time with 30-day notice, and are renegotiable if ore yields do not reach specified levels. The lessor may cancel the lease after 60 days only in the event of delinquency of royalty payments. The lessee is allowed 60 days in which to remove any equipment from the premises. However, in the event of cancellation, any costs incurred in improving the property by the lessee will be lost to the lessee upon repossession of the property. The minimal annual royalties are: \$11,700 for 1982 through 1984; \$12,450 for 1985; \$14,700 for 1986; \$15,450 for 1987; and \$17,700 for 1988 and beyond. See "Certain Transactions".

Access to the Mine:

Proceed North on I-17 on dual highway to Bumble Bee Interchange, 50 miles from Phoenix. The off ramp leads to the mine site approximately 1½ miles away on an all-weather county maintained gravel road that permits passenger cars to travel this route. The claims are found at the end of said road.

Property:

The country rock is an old, metamorphosed schist with localized gneissose sections. The lineation is generally North-South. The rock is cut by several old doric dikes and some quartz veins. Many of the latter appear to be segregations in old shear zones of green schist. The mineralization appears to be minimal, with some iron carbonate pyrite, copper stains, and free gold. Late dikes of basalt cross-cut the bedrock and are widely exposed as the cap-rocks on nearby mesas.

A deep hole has been bulldozed into the old schist where former workings indicated a large "room". The main portal indicates at least three different adits. A badly-weathered schist, with some mineralization, shows around the excavated sections, while some of the quartz shows reds and purples. The normal quartz seems stark white with black streaks. The "pillars" are of green schist.

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On a line with this principal portal, to the South, is a continuation of the vein. Nearby is the base of the old stamping mill. To the Southeast, approximately a quarter of a mile away, is a hillside exposure of quartz that has localized copper mineralization. An exploratory hole has been dug down about 30 feet around this outcropping. The schist dips quite steeply and malachite and azurite are visible in the quartz. It is located between two draws and quartz outcroppings which are visible on the west side and to north and east. Small granite dike runs in intermittent segments in the schist nearby. Two other holes, by veins, are found close to the road.

Utilities:

No gas or water supplied by a public utility are available on the property. However, electric power is available. There is some water available in an intermittent stream approximately 50 yards from the main portal of the Glory Anna Mine. Remains of a dam is also evident in the stream bed indicating that the miners working here attempted to pond the water flow for a more reliable supply in past years. There is also a spring or seep, depending on the amount of water flowing in response to rainfall, located 25 yards to the east of the old wagon road to Black Canyon. The water was tested and is not potable.

Buildings & Equipment:

There is a mobile home presently on the site and used by a watchman.

Objective:

Gold and silver are the principal minerals of interest with respect to Company exploration activities on this property. As in the case of the White Mule property described above, work performed by others, together with assays of chip and grab samples taken by the Company on the property, indicates the presence of gold and silver mineralization.

In the case of this property, however, the prior work was not nearly as extensive as was conducted on the White Mule property and there is far less information available to the Company.

The mineralization of primary interest on the property occurs in both a quartz vein approximately 5 feet thick and a parallel quartz vein approximately 2 feet thick in green metamorphised schist, which are believed to contain gold and silver mineralization.

The initial objective of the Company's exploration program on this property will be to drill approximately 10 holes in two groups, intersecting the veins and varying in depth from 100 to 300 feet (totalling 2,000 feet in depth) utilizing core drilling equipment.

The Company estimates that the cost of performing the initial phase will be approximately as follows:

Geologic mapping	\$ 10,000
Drill site preparation	5,000
Direct drilling expense	80,000
Assaying	7,500
Supervisory salaries	10,000
Travel and miscellaneous expense	3,000
Metallurgical testing	5,000
Provision for contingencies	<u>16,000</u>
Estimated total cost	\$136,500

As stated above, in the event that the results of the initial phase are encouraging, it is the Company's intention

to conduct a second phase of drilling to determine the extent and quality of any mineralization discovered. In the case of the White Mule property, the estimated cost and extent of the second phase, if any, cannot at present be determined and will depend to a large degree on the results obtained during the initial phase.

As stated above, some of the leasehold properties consist of unpatented lode mining claims, which are subject to the same title risks as described with respect to the White Mule property.

Brooklyn Mine

Location:

The Brooklyn Mine is located in Yavapai County, Arizona, 10 miles in a northeasterly direction from Black Canyon City, on an unnamed tributary of the North Fork of Squaw Creek, one mile above its continuance into the North Fork of Squaw Creek, and is situated in the Tonto National Forest in sections 29, 30, 31, and 32 of Township 9½ North, Range 4 East, Gila and Salt River Base and Meridian. The property is in the Copper Country Mining District and is 6 miles northeast of the White Mule mine.

Ownership:

The Brooklyn Mine consists of 47 unpatented Federal lode claims located by Stan Pellow and Peter Ince and subsequently assigned to the Company. The quit claim deed and the location notices are recorded with the County Recorder of Yavapai County in Prescott, Arizona, and with the United States Bureau of Land Management (U.S.B.L.M.) in Phoenix, Arizona. Assessment work is up to date.

Access to the Mines:

The above mentioned properties may be reached in 25 minutes by helicopter from the Deer Valley Airfield in Phoenix, or by vehicle by following Interstate #17 north from Phoenix, a distance of 57 miles to the Bloody Run Road turnoff, thence 14 miles southward to the Brooklyn Mine Road, thence one mile eastward to the Brooklyn Mine.

Background and History:

It is apparent from the remains of the buildings that the mine at one time supported a population of from 50 to 100 persons. The boarding house (in early day Arizona also a hotel) serviced at least 25 persons, and the rock foundations indicate a sizable camp. One old map classified Brooklyn as a town. The mine was at one time connected to Black Canyon City by stage coach.

The little known facts are all attributed to a Frank Randall, at one time an Arizona Ranger, now deceased. A deep glory hole (now filled with water, but said to reach 175 feet), in addition to a dozen or more coyote holes of varying depths, all show copper stained rock. Sometime after the Brooklyn Co. abandoned the property, it was relocated by Frank Randall who held it for more than 20 years.

Property:

The main shaft, 8 feet by 8 feet, is at present filled to within 20 feet of the surface with water and the surface crosscuts have sloughed in. The tunnel was not located on the ground but is shown on the map as being on Lode Claim #18.

Utilities:

A hi-power line is located one mile west of the BM Lode Claim #1 and sufficient water has been developed in the main shaft, shown on the map as the Brooklyn Well, to indicate that sufficient water for a 50-100 ton pilot mill can be developed. There are also several springs, flowing year round, in the immediate vicinity that may also be utilized.

Rock Formations:

The Brooklyn Mine occurs within a geological structure known as the Bradshaw Granites, a complex formation of schist, gneiss and granites. The claims cover three domes or hills and wherever cut by any fracture (faults, veins, etc.) the rocks are heavily copper stained and if in quartz show copper iron sulfide, copper carbonate, and bornite.

Geologic studies and mapping will be performed prior to and during the initial phase of exploratory operations. The Company estimates that approximately two months will be required to perform such work and estimates that the cost of performing the initial phase of exploration will be approximately as follows:

Geologic mapping	\$10,000
Assaying	1,000
Provision for contingencies	<u>1,000</u>
Estimated total cost	\$12,000

If the results of the initial phase of exploration are encouraging, the Company intends to undertake a second phase of exploration in order to determine the quality and extent of mineralization on the property and, accordingly, whether a commercially minable deposit exists. It is anticipated that the second phase of the project would also involve some metallurgical work to determine the amenability to treatment and the milling characteristics of mineralization encountered. As in the case of the White Mule and Glory Anna properties, the estimated cost and extent of the second phase, if any, cannot at present be determined and will depend to a large degree on the results obtained during the initial phase.

As stated above, the leasehold properties consist of unpatented lode mining claims, which are subject to the same title risks as described with respect to the White Mule property.

ABANDONED PROPERTIES

All of the Company's properties consist of previously producing mines which have been abandoned. In all cases, the mines were abandoned due to the expense involved in further extracting minerals from the sites. There can be no assurance that the price of gold and silver will be high enough, assuming such metals are present, to enable the Company to operate at a profit.

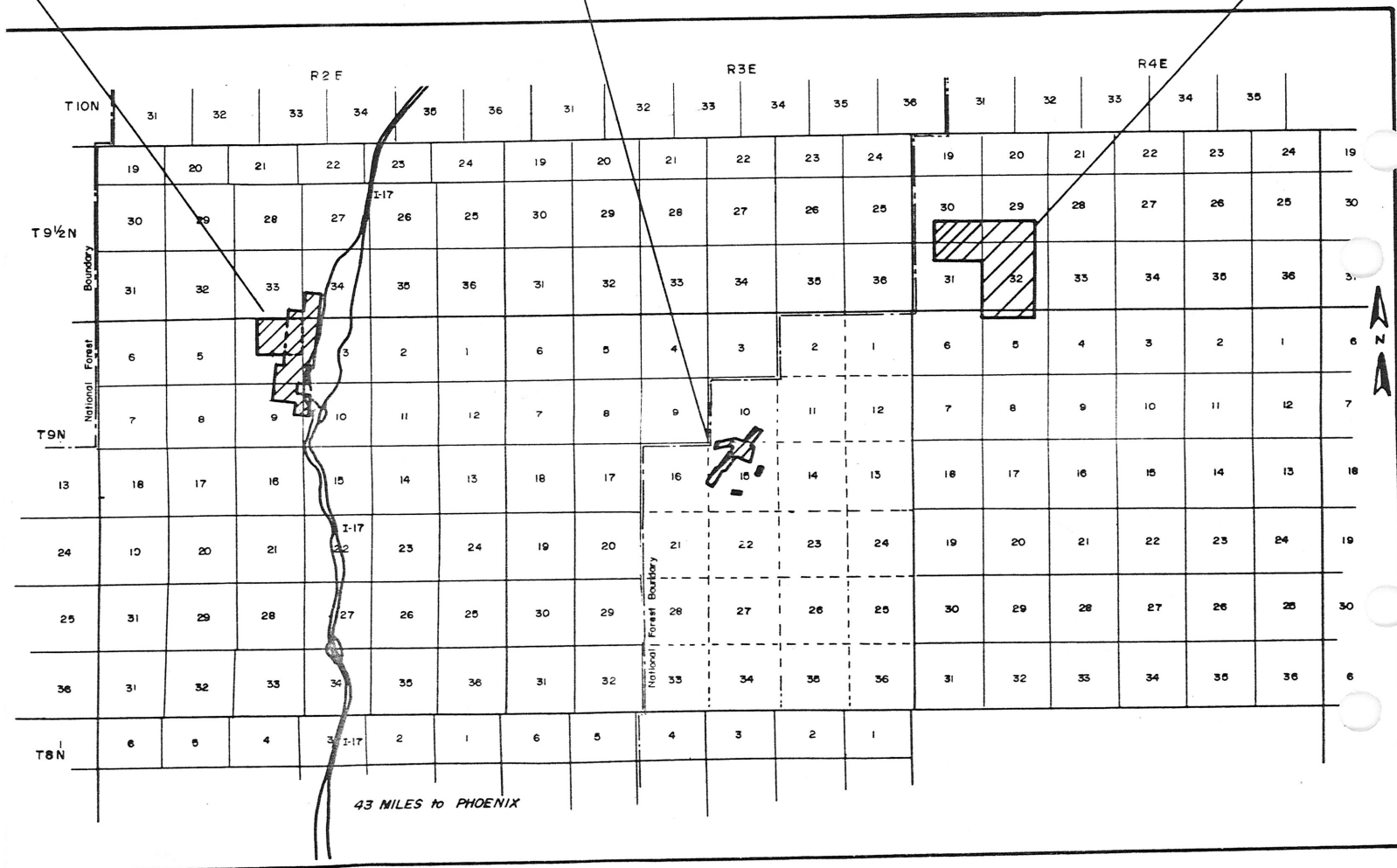
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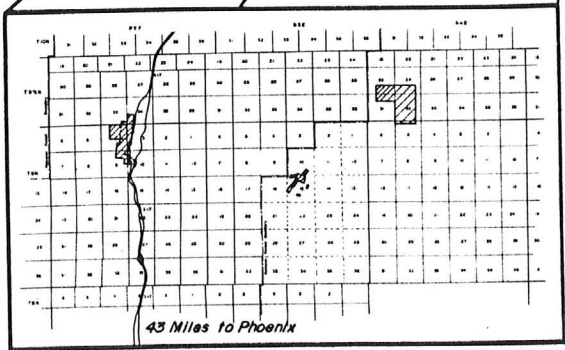
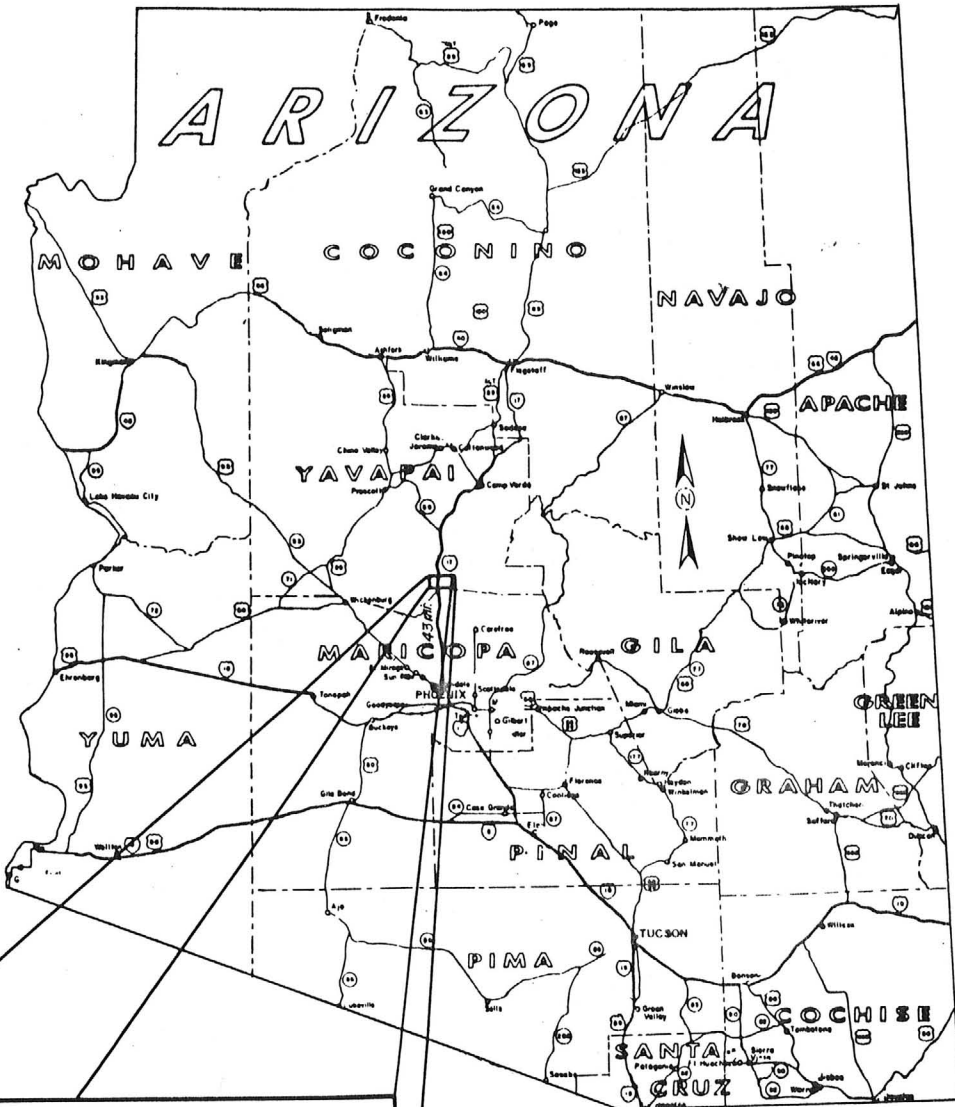
The exploration and production of gold and silver is generally subject to regulation by state regulatory authorities. In most states, the production of gold and silver is regulated by conservation laws and regulations. Compliance with state and federal statutory requirements respecting environmental quality, safety and recordation now existing or as amended in the future, may necessitate significant capital outlays and prevent or delay the commencement or continuance of given operations by the Company. These relate to exploration procedures, reclamation, safety precautions, employees' health and safety, explosives use, air quality standards, pollution of stream and fresh water sources, odor, noise, dust, and other environmental protection controls as well as the rights of adjoining property owners.

Glory Anna Mine

White Mule Mine

Brooklyn Mine





Gold, silver stocks hold growth potential in '80s

By Douglas Casey

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News Release

For Immediate Release/

WHITE MULE GOLD PROPERTIES INC., ANNOUNCES
PRECIOUS METALS JOINT VENTURE

Matawan, N.J. April 11, 1983--White Mule Gold Properties, Inc. announced today the signing of a Joint Venture agreement with Metals International, an Arizona Joint Venture, to purchase silver and gold ore from a number of small Mexican and Arizona mines for processing in the U. S.

Victor Livingston, general manager of the newly formed Joint Venture, and a geological engineer explained, "Over the past several months, we contracted with several individual mining companys to provide up to 3,000 tons of high-grade silver and gold ore per month. We have already acquired 4,775 ozs. of silver or silver equivalant in various stages of being processed."

White Mule Gold Properties is taking full advantage of two current financial conditions--the speculative opportunities of gold and silver and the devaluation of the peso.

White Mule president Rudolph Laterza added, "This should produce a significant cash flow for the Company within three months, with the first returns sometime this month. We are encouraged by the strong demand for silver by industrial users, and are positioning ourselves to take advantage of this market."

White Mule Gold Properties, which completed its initial Public Offering February 17, 1983, owns and leases approximately 1800 acres of unpatented claims in Arizona which have been mined for gold and silver.

* * * * *

Note: White Mule Gold Properties, Inc. units, common shares and warrants are traded on the Over-the-Counter market.

Contact: Peter G. Tobia P.E.
(201) 583-2510

White Mule Gold *Mining Record - April 1983*
Precious Metals



California Mining Journal, June 1983

