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BLACK REEF MINING CLAIMS

PROPERTY:

Four (4) full patented lode claims, 82.644 acres on the south side of Cunningham Pass, Harcuvar Mountains, located in the Ellsworth Mining District, eight (8) miles north of Wenden, a Santa Fe railroad loading point, ~~Yuma~~ ^{LA PAZ} County, Arizona. Easily accessible, situated less than one-half (1/2) mile from recently paved road to Saguaro Recreational and Administrative Area near Alamo Dam ~~on the~~ on Bill Williams River. El Paso Natural Gas pipe line, and Arizona Public Service power line are available within one-half (1/2) mile.

DEVELOPMENT:

The main shaft, 6x8 feet in the clear of the timbers, located on the Robert E. Lee claim, is described as follows: Strike North 35° East, dip for first 80 feet 64°; next 400 feet 78°. Total depth of shaft 480 feet. On the 80 foot level there is a 4x6 drift bearing South 85°-30' West - 35 feet; another North 85°30' East - 100 feet. On the 175 foot level a drift bearing South 85° West - 35 feet; another North 85° East - 115 feet. On the 300 foot level a drift bearing South 85°-30' West - 260 feet; thence South 81° East - 255 feet, thus making 515 feet on the West side of the shaft on the 300 foot level. Total development work in excess of 1280 feet. Original cost of improvements in 1924 estimated at \$32,470, when gold was \$20.67 per oz. Early reports indicate that the shaft could provide 25,000 gals/day water supply. Excerpts from the MINES HANDBOOK, 1924, Volume XVI, page 260:

ORE:

Carries chalcopryrite and bornite associated with limonite and siderite. An ore shoot on the 300 foot level is said to show \$3.00 to \$40.00 gold (equivalent ounces per ton .145 to 1.983), 3% to 35% copper and high iron values. Vein is two to three feet wide with swell to six feet at 100 feet in depth.

The following statements are taken from a geological report dated August 30, 1957, as prepared by R. E. Meritz, P. E. Mining Consultant.

STRUCTURE:

"This structure is unlike any in the district since its gangue material is siderite, an iron carbonate. Examination of the dump material (about 10,000T avg. 0.15 ozs Au) indicates sulphide copper mineralization is present as chalcopryrite, chalcocite, and bornite. Some oxides are also present. The siderite outcrop is a distinct landmark as a protrusion above its surroundings by four to six feet and visible for 500 feet along its east-west strike. Very little blood red specular hematite was evidenced within this structure. No doubt there is much tonnage that could be developed.

RESERVES:

"Inferred reserves are estimated at 75,000 tons of four (4) percent copper, amounting to approximately \$1,625,000 of \$.27 copper in place." (At current price of \$.81 per pound represents approximately \$4,875,000 not including gold or silver values.)

OWNERS:

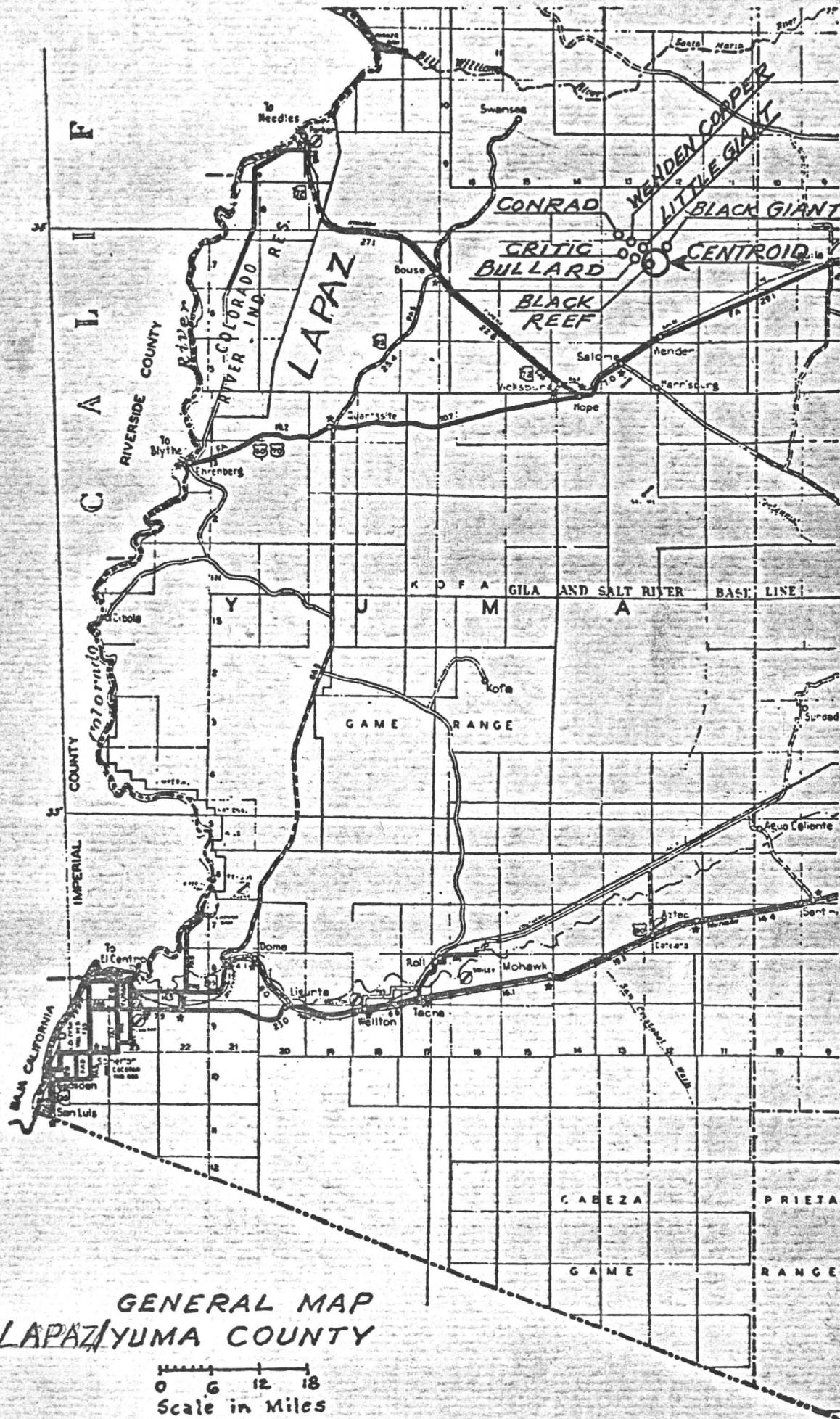
Albert M. Reguly and Mrs. Cornelia M. Phelps. Phone (602) 266-8331
2947 North 18th Street, Phoenix, Arizona 85016. Phone: 996-6264
^{LA PAZ}

ENCLOSURE:

General Map of Yuma, ^{LA PAZ} County showing the approximate location of the Black Reef mining claims together with the surrounding mining properties which have been producers of valuable minerals.

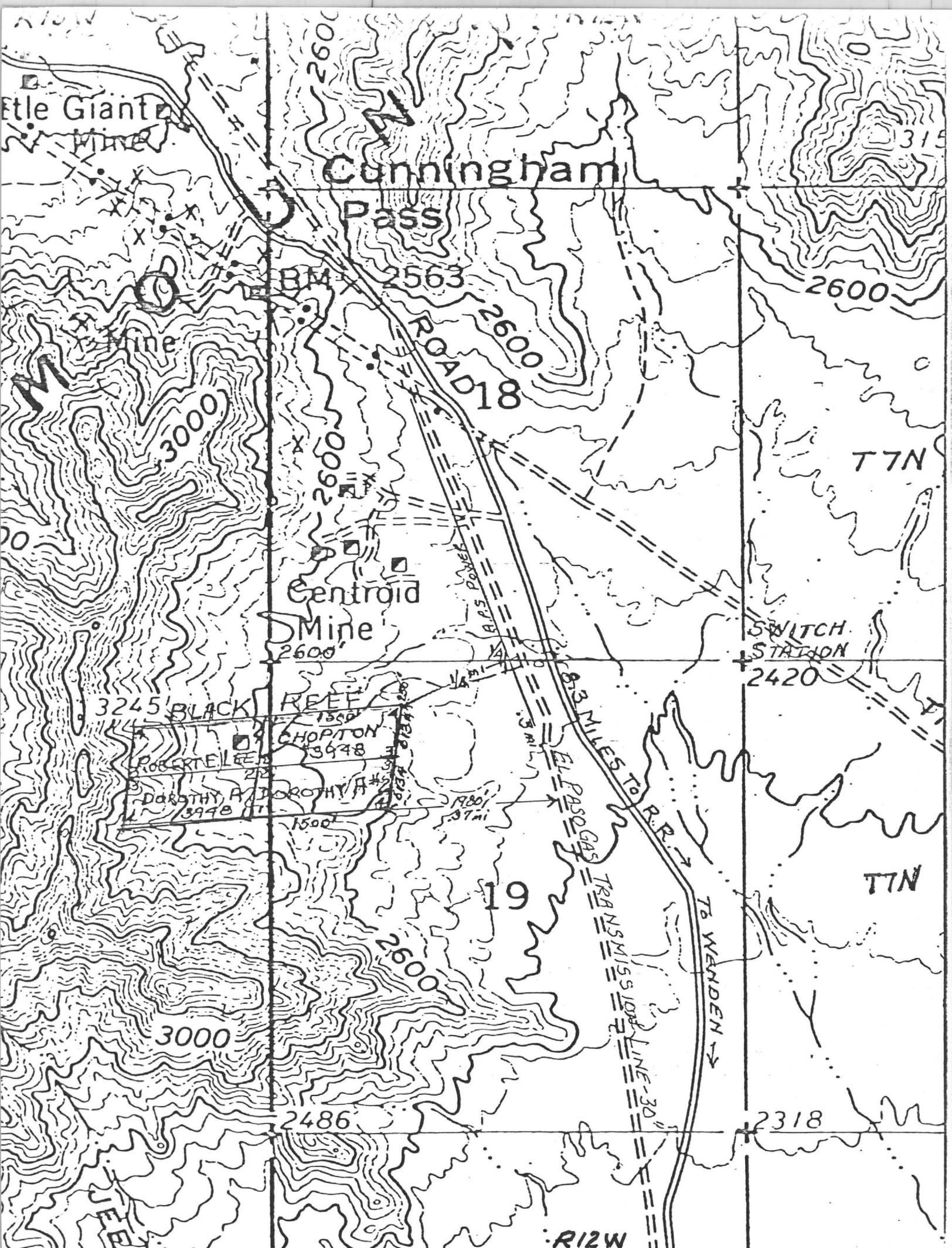
PRICETERMS:

OPEN TO NEGOTIATION.



**GENERAL MAP
LAPAZ/YUMA COUNTY**

0 6 12 18
Scale in Miles



Cunningham Pass

Centroid Mine

3245 BLACK REEF
CHOPTON
ROBERTE LEE
DOROTHY A
DOROTHY A #2

SWITCH STATION
2420

ROAD 18

EL PASO GAS TRANSMISSION LINE - 30

To Wenden →

R12W

T7N

T7N

BM 2563

2486

2318

19

3000

2600

315

Little Giant Mine

Mine

Good Progress at Wenden Copper Co's Mine

MAY 30 1917

Superintendent Wally Ormsby is pushing work on the Wenden Copper company's mine in Cunningham Pass with all possible speed and is reported to be developing some very high grade ore bodies.

Sinking has been recommenced on the main shaft and will be continued for at least another 100 feet, when it is probable that a station will be cut and another drift run towards the old shaft, under which values that might well be called sensational have been discovered.

The company is strong financially and proposes to develop their holdings most thoroughly. Commercial ores are being hoisted daily but it is not planned to resume shipments until much more work has been done. An arrangement has been perfected by which the Wenden will be able to secure air from the Wenden King company's plant and, as soon as the new machinery just purchased by the latter concern is installed, Supt. Ormsby will be able to speed up his operations considerably.

A highly encouraging feature at the Wenden is the striking of water in the main shaft. The quantity is not yet sufficient to be any trouble, but is increasing as further depth is attained.

WENDEN COPPER STRIKES RICH ORE BODY

MAY 10 1917

From Salome comes the news that the entire Cunningham Pass district is stirred up over the remarkable strike, made at the mine of the Wenden Copper company, on the west side of the Pass.

It is said that a two and one-half foot vein of 30 per cent copper, with a gold content of \$22 per ton, has been cut.

The vein has a total width of four feet; but, as stated, the high-grade streak is two and one-half feet wide.

A number of prominent stockholders in the company have visited the mine since Superintendent Ormsby announced the new discovery.

Among the visitors was Secretary of State Sidney Osborn, who has been identified with the property since the formation of the present company, and whose faith in its success has never faltered.

The bringing in of the Wenden is one of the best pieces of news that has happened in the district in many a day.

WENDEN COPPER

Adjoining the Critic on the north is the property of the Wenden Copper company, backed by Globe people, some of whom hold high places in the Old Dominion organization. W. N. Ormsby, who won a reputation for himself in the copper country of Michigan, is superintendent, and he is making a record in speedy, efficient development at the Wenden.

Several carloads of high-grade copper ores have been shipped from the Wenden. The last carload came from the 125-foot level, where at least two shoots of glance, three to four feet wide, were exposed. Ormsby could have gone ahead indefinitely stopping ore from that level but he received orders from headquarters to resume sinking the shaft and forget about shipping. All of which shows the wisdom of the Wenden people, for what that whole district needs is deep development.

The Wenden company has a splendid little plant of machinery and the shaft is being sunk with all possible speed.

El Paso people have organized the Wenden King Copper company to develop the Conrad group, adjoining the Wenden. Machinery is now being installed. Another company that is just starting development in that neighborhood is the Wenden Verde. All these companies have surface showings similar to those of the Critic and Black Giant, though nothing approaching the Giant in size.



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

CENTROID GROUP
LA PAZ COUNTY ARIZ

Mr. Albert M. Reguly
2947 No. 18th Street
Phoenix, Arizona 85016

3/8/85
RE: Contract

Dear Mr. Reguly,

As per your request, I have examined the submitted copy of a contract and am offering the following comments to be considered by you and your attorney:

The mining lease agreement submitted was used as a basis for comment, listed in numerical order with summary conclusions following:

Page 1, a) It is my understanding you are not a sole owner, therefore a list of all owners and their percentage ownership must be disclosed as Exhibit D, or an insertion of words to the effect, "...or is legal agent for the owners with full power of attorney from such owners, issuing the agent authority to enter into this agreement..." Exhibit D shall then contain copies of the Power of Attorney from each owner of which each delineates percentage of ownership.

b) To protect yourself from the extraction of other materials or minerals from the property, expand this paragraph to include or exclude: non-mineral bearing materials, oil, gas, hydro & geothermal steam & waters..etc...

Page 2, 1) There is no default mentioned, add "...unless sooner terminated pursuant to the provisions of Section 13."

2) After the word "...discretion", the exception of annual assessment work should be stated.

3) See comments on Schedule B & C

4) See comments on Schedule B & C

Page 3, 5) Insert sentence that all operations shall be done according to Arizona State Mining Laws and those of the USA, Federal Mining Laws and Regulations.

(continued)

Page 3, 6) Continue paragraph, ...if such purposes shall comply with the Arizona State Water Authority and Commission Regulations and By-Laws.

7) The latter portion of this paragraph should stipulate part of the \$25,000 shall be for the accomplishment of the Annual Assessment work prior to August 1, 1985.

8) Add, subject to the Paramount rights of the United States of America and the State of Arizona in the unpatented mining claims. Also include it is understood by Lessee that Lessor reserves all possessory rights to any oil, natural gasses or geothermal contents within the property.

The last sentence needs to be revised to say "... no other person or organization other than listed in Exhibit D, has any interest in the claims or the mineral rights."

Page 4, 9) Add: "...and Lessee shall furnish Lessor copy of such Insurance coverage prior to the commencement of mining activities."

10) Add requirements for annual assessment work for the unpatented claims.

12) Replace this paragraph with the following: " Upon any termination or expiration of this agreement, Lessee shall have a period of ninety (90) days from and after the effective date of termination in which to remove from the Claims all of Lessee's movable machinery, buildings, structures, facilities, equipment and other property of every nature and description erected thereon, except supports placed in underground workings and underground trackage in the Premises. Lessee shall not remove anything that is attached to the real property or the removal of which would damage anything attached to the real property. Any property of Lessee not so removed at the end of said 90 day period, shall become the property of Lessor."

13) Replace this paragraph with the following: "In the event of any default by Lessee in the performance of the obligations hereunder, other than performance of annual labor on the unpatented mining claims, and other than the payment of money due hereunder, Lessor shall give to Lessee written notice specifying the default. If the default is not cured within thirty (30) days after Lessee has received the notice, or if Lessee has not within that time begun action to cure the default and does not thereafter diligently prosecute such action to completion, Lessor may terminate this Agreement by giving Lessee written notice of such termination and recording such notice. If the default consists of failure to complete assessment work by August 1 of each year, Lessor may give ten (10) days notice of termination. No notice is required for

the non-payment of money when due according to the terms of this Agreement.

Page 6, 17) Add into this paragraph "...except for the performance of annual assessment work on the unpatented claims where no deferment is granted under 30 U.S.C.#286 and the minimum monthly payment of money due hereunder..."

19) Add "...and except to the terms as set forth in Section 25."

Page 7, 23) The mine is in Arizona, U.S.A., the Lessor is in U.S.A. and a Citizen, all governed by the State of Arizona and the USA, therefore the Agreement should be governed here. A Canadian Corporation doing business in Arizona must register with the Arizona Corporation Commission as a Foreign Corporation prior to beginning mining, (Exploration is excepted), and be subject to USA and State Laws and Taxes.

Page 8, 26) Replace with the following: "Lessee shall have the right to amend, in the name of the Lessor, any of the unpatented mining claims, leases or permits which Lessee deems advisable to so amend. Upon request by Lessee, Lessor shall apply for a patent to any of the unpatented mining claims so designated by Lessee and shall execute all necessary applications and documents in connection therewith and shall cooperate fully with Lessee in securing such patents. All expenses incurred or authorized by Lessee in connection with such amendment and patent proceedings shall be borne by Lessee. The rights of Lessee under this Agreement shall extend to any of the amended or patented mining claims, leases or permits.

Schedule B "Net Profits"

If this were a partnership, limited partnership, percentage ownership, preferred stockholder or joint venture, these terms may be acceptable, only in view of the magnitude of your involvement.

There is no guarantee of ever receiving more than the minimum monthly payment required. If perhaps ore or concentrate are shipped to Canada, Germany or other Countries, in most cases the smelter makes money, the mine does not.

The payment on newly mined ores set out in Schedule B, "5% of Net Profits", can and cannot be beneficial. you must determine the minimum payment, and calculate it out of the period of the renewable contract. Then you must determine the tonnage proposed to be mined (no where in the contract is this stated), and calculate the 5% Net Profit based on the estimates furnished by the Lessee.

(continued)

In order for the above to be profitable, certain requirements must be placed upon the Lessee. Exploration period (See Letter of Intent, below), development period, production startup and tonnage to be mined and processed.

If this is impossible, then I suggest the "Net Profit" section be replaced by a "Net Smelter Return", of reasonable percentage.

Since there is no formal exploration period set, it will be impossible to protect the dumps from being processed prior to mining and processing of new ores unless it is specifically stated in either the contract or Letter of Intent. This limitation should be included in the section covering what you grant, and allow the Lessee to take bulk samples for metallurgical testing (but only in reasonable quantities sufficient to test the composition thereof and to determine the economic value of ores or mineral deposits).

Schedule "C", "Net Smelter Returns"

As written, this only applies to the existing dumps. Fifteen percent is not too much to ask considering no mining expense is incurred. But, this percentage is usually based upon the amount of tonnage available and its overall value. The lower the recoverable metal, the lower the percentage.

A scale of between 12% and 3% now is common for newly mined ores, depending upon the grade, tonnage, vein size, depth and accessibility. Most contracts state the minimum payment shall be \$X.xx per period or 10% Net Smelter Return, whichever the greater. A Net Smelter Return payment in excess of the minimum payment shall not be carried over and the excess applied to the next minimum payment.

Letter of Intent

Sub paragraph headings that follow correlate with the paragraphs on the submitted Letter of Intent:

2) I believe 6 months exploration is adequate time for the Lessee to sample and make the decision on whether to enter into the lease agreement.

3) Here they limit themselves, but have given one year for exploration. Refer to 2).

5) It is recommended the lease be based upon "Net Smelter Return" only.

7) The usual is 5 miles - this is to your advantage at this time.

8) This is similar to the "Schedule B", discussed above. If a stock trade were to be negotiated at equal value, you receive nothing, but will continue as per lease agreement after their

Reguly
3/8/85
Page Five

spending the \$25,000 on the venture. I feel this is an extra, only if an insertion referring to the formal lease agreement terms is included.

9) Continue this paragraph stating, "... and that all assessment work has been completed prior to 8/1/85, and verification has been received by Owner."

10) Continue this paragraph stating "... and shall be delivered to Owner within 30 days of decision."

Comment :

In general this is an acceptable Letter of Intent, providing the above listed notations are considered.

Respectfully submitted,



Douglas K. Martin

DKM:dm

EXCLUDES The Following?

ODG

GEO THERMAL

HC-113

MINING LEASE AGREEMENT

.....

THIS AGREEMENT is made and entered into this _____ day of _____, 1985.

BETWEEN:

(the "Lessor")

OF THE FIRST PART

AND:

(the "Lessee")

OF THE SECOND PART

WHEREAS the Lessor represents, covenants and warrants that he is the legal and beneficial owner, free of all encumbrances, of certain patented and unpatented mining claims in ~~Yuma~~ ^{LAPAZ} County of the State of Arizona, one of the United States of America, as set out in Schedule "A" which is attached hereto and forms part of this Agreement (the "Claims");

AND WHEREAS the Lessor has agreed to grant to the Lessee the full right of access to the Claims and the right to conduct exploration, mining and milling operations on the Claims and the shipping of ore from the Claims;

c) NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and mutual covenants and conditions hereinafter contained, the parties hereto agree as follows:

1. The Lessor hereby grants, leases, demises and lets, solely and exclusively to the Lessee, the Claims, together with the personal property contained thereon, irrevocably for the term hereof continuing to and including January 31, 1990? 1995, with options of renewals on like terms and for like periods.

2. The Lessor grants to the Lessee the full right of ingress, egress and regress upon the Claims for the purpose of conducting exploration and mining operations on the Claims as the Lessee may decide in its sole discretion, for and in consideration of the sum of ONE (\$1.00) DOLLAR, receipt of which is hereby acknowledged, and other good consideration.

? 3. The Lessee shall pay to the Lessor a royalty of 5% of the net profits derived from production from the Claims, 12% of GROSS PROFITS surface dumps excepted, such net profit to be subject to a minimum royalty payment of _____ per month during the term of this Agreement. Net profits shall be defined and paid in accordance with the provisions of Schedule "B" attached hereto.

? 4. The Lessee shall pay to the Lessor a royalty of 15% of the net smelter returns derived solely from production of the surface dumps existant on the Claims as of the date of 50% of GROSS S.M. this Agreement. Net smelter returns shall be defined and or \$5/TON whichever paid in accordance with the provisions of Schedule "C" attached is greater. hereto. Min. payment of _____ per mo.

5. During the currency of this Agreement, the Lessee and its servants, employees, agents and assigns are granted the exclusive possession of the Claims, and the right to enter upon the Claims to erect buildings, structures, leaching plant, install machinery, conduct examinations and do such prospecting, exploration and conduct such surface or underground mining operations and remove such ore, as the Lessee may determine, provided that the Lessee shall carry on all its operations on the Claims in a proper minerlike manner. The Lessee for the

purpose of conducting exploration and mining operations, shall be permitted to open tunnels, shafts and do such surface excavation and prepare such tailings ponds and waste sites as it may deem necessary provided that it shall construct fences around all drilling sites, excavation workings, tailings ponds and buildings constructed on the Claims by the Lessee. Nothing contained in this Agreement shall be construed so as to prevent the Lessee from subcontracting any part of its operations as contemplated by this Agreement.

6. The Lessee shall be entitled to use all water from the Claims which it may deem necessary for the purposes of its exploration and mining operations on the Claims and shall have the liberty to construct dams and drill wells for such purposes.

7. In the event that the Lessee assigns the whole or a part of its interest in this Agreement to any other person or company, and is not an assignment to a wholly-owned subsidiary corporation of the Lessee, then the Lessor shall receive 40% of the net profit received by the Lessee from its assignee after recovery of cost and investment expenses verifiable by the Lessee. Paragraph 25 of this Agreement notwithstanding, this Agreement may not be assigned by the Lessee unless the Lessee has spent a minimum of \$25,000.00 for exploration purposes on the Claims within twelve months from the date of this Agreement, an assignment by the Lessee to a wholly-owned subsidiary corporation formed for the purpose of fulfilling the terms of this Agreement excepted.

8. The Lessor covenants to and warrants with the Lessee that he is fully authorized and empowered to enter into this Agreement and that he has the right to lease the Claims to the Lessee notwithstanding any act of the Lessor and that the Lessee shall have quiet possession of the Claims and mineral rights for the purposes heretofore described, free and clear of all liens, charges and encumbrances as to mineral rights and that no act has been done or will be done by the Lessor whereby the Claims or the mineral rights or any portion thereof has in any manner become encumbered and that no other person or organization has any interest in the Claims or the mineral rights.

oelg.
Geothermal

9. The Lessee covenants that it will keep the Claims free and clear of any and all liens and encumbrances for work done or material supplied in connection with any operations conducted on the Claims by the Lessee during the term of this Agreement or any time thereafter. A lien upon the Claims shall not, however, constitute default by the Lessee if it in good faith disputes the validity thereof. The Lessee further covenants and agrees to indemnify the Lessor and save him harmless from or against any claim or action for damages which may arise against him or any of the operations of the Lessee on the Claims. The Lessee agrees to carry liability insurance commensurate with the risk exposure and to carry Workmens' Compensation Insurance coverage for its employees.

10. The Lessee shall during the term of the Agreement pay all taxes and assessments levied upon the Claims with respect to the mineral rights or any structures on the Claims used by the Lessee in connection with its operation on the Claims.

11. The Lessee agrees to furnish to the Lessor a copy of all relevant maps, plans, logs and assays and shall safely keep all core or part core where core has been split and sampled and all engineering data obtained or developed by the Lessee, all of which shall be available for inspection by the Lessor and the Lessor shall at all reasonable times during the currency of this Agreement have free access to the Claims and the workings thereon.

12. In the event that this Agreement is not renewed or is abandoned, the Lessee shall be at liberty for a period of six (6) months after such termination or abandonment to remove from the Claims all buildings, machinery, equipment and supplies which it shall have placed or caused to be placed or brought on to the Claims.

13. In the event that the Lessee shall be in default under this Agreement, the Lessor shall give notice of such default and if the default as aforesaid has not been corrected within thirty (30) days of the receipt of such notice, then this Agreement shall terminate.

14. Any notice to be given or payments to be made under this Agreement shall be given or made by prepaid mail or prepaid telegram addressed as follows:

To the Lessor - Notice:

To the Lessor - Payment:

To the Lessee:

or to such other address as the parties may from time to time advise each other in writing.

15. Any notice or payment so mailed shall be deemed to be given or made on the third business day following the day on which it was mailed, provided that if there shall be a postal strike, slow down or other labour dispute which may affect the delivery of such notice through the mail between the time of mailing and the actual receipt of notice then such notice shall only be effective if actually delivered. Any notices sent by prepaid telegram shall be deemed to be given the day of the telegram, and any payment made by electronic bank transfer shall be deemed to be paid the day following the bank transfer.

16. It is understood and agreed that if the Lessor's title should fail as to any of the Claims set out in Schedule "A" to this Agreement, the production royalty herein provided for shall not be applicable as to the Claim or Claims to which title has failed. The Lessor agrees that the Lessee may, at its option, pay and discharge any taxes, mortgages or other liens upon the Claim or Claims either in whole or in part and in the event that the Lessee exercises such option it shall have the right to apply Lessor's production royalties under this Agreement to reimbursing the Lessee for any expenses incurred and disbursements made in restoring the Lessor's title to the failed Claim or Claims.

17. In the event the Lessee shall be prevented or delayed at any time in keeping or performing any agreement or obligation on its part to be kept or performed accordingly to the terms and provisions hereof, by strikes, lockouts, fire, unusual delay in transportation, orders of the Government, or any duly constituted instrumentality thereof, unavoidable casualties, or any like or unlike causes beyond the reasonable control of the Lessee, such delay shall not be deemed a breach of this Agreement or a default on the part of the Lessee constituting a cause for forfeiture and the time for performing any such agreement or obligations shall be extended by such delay for the period of time during which performance was suspended. Lessee agrees to use reasonable diligence to remove such causes of disability as may occur from time to time.

Lo Paz
18. The parties hereto agree to arbitrate all matters of dispute relating to the terms of this Agreement. In the event that such dispute cannot be resolved by the parties hereto, the Lessor and the Lessee shall each appoint one arbitrator; the two arbitrators so selected shall choose a third arbitrator, and the decision of two of the three arbitrators so appointed shall be binding on all parties hereto. Should the two arbitrators be unable to agree upon the choice of a third arbitrator, he shall be the senior Superior Court Judge of Yuma County in the State of Arizona, or such person as the latter shall appoint. Disputes or differences between the parties hereto shall not interrupt performance of this Agreement or the continuations of operations hereunder. In the event of any dispute or difference, operations shall be continued, and settlements and payments made hereunder, in the same manner as before the dispute or difference arose, until the matters in dispute have been finally determined between the parties hereto, and thereupon such payment or restitution shall be made as may be required under the terms of the settlement or final determination of the dispute.

OK
19. With the exception of a transfer of the Claims, partially or wholly, to a lineal descendant, the Lessor agrees that during the term and renewals of this Agreement, he will not enter into any transactions involving the Claims except the sale thereof.

If the Lessor receives at any time during the term of this Agreement a bona fide offer to purchase all or any of the Claims and intends to accept it, he shall first offer such part of the Claims to the Lessee by notice in writing specifying the terms and conditions of the offer received by him. The Lessee shall then be entitled within thirty (30) days after the said notice is given to purchase all of the Claims comprised in the offer at the price and upon the terms and conditions specified. If the Lessee does not exercise this right within the period of thirty (30) days, the Lessor shall be entitled within the following ninety (90) days to sell the Claims comprised in the offer to the person, firm or corporation who made the offer, but only upon the terms and conditions contained in that offer. If such sale is not consummated within that ninety day period, the parties hereto shall revert to their previous relationship and this clause shall apply to any fresh offer. The sale of any part of the Claims shall be specifically made subject to all the terms and conditions of this Agreement, a copy of which shall be attached to the contract of sale. Before closing any such sale, the Lessor shall deliver to the Lessee the signed undertaking of the purchaser to be bound by all the terms and conditions of this Agreement.

20. All monies paid hereunder shall be in United States funds.

21. Time shall be of the essence of this Agreement.

22. This Agreement is subject to the approval of the Regulatory Authorities of the Province of British Columbia.

23. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia; however, should the Lessee assign its interest in this Agreement to a domestic corporation resident in the State of Arizona, one of the United States of America, then this Agreement shall be governed by and interpreted in accordance with the laws of the State of Arizona and the United States of America.

STATE OF ARIZONA)
) SS.
COUNTY OF MARICOPA)

The foregoing contract was acknowledged before
me this _____ day of _____, 1985, by
 as the Lessor.

Witness my hand and official seal.

My commission expires:

Notary Public

PROVINCE OF BRITISH COLUMBIA)
) SS.
CITY AND COUNTY OF VANCOUVER)

The foregoing contract was acknowledged before
me this _____ day of _____, 1985, by
 as the Lessee.

Notary Public

THIS IS SCHEDULE "B" TO AN AGREEMENT
MADE IN WRITING BETWEEN ██████████
OF THE FIRST PART AND ROCOCO RESOURCES
LTD. OF THE SECOND PART DATED JANUARY
██████, 1985.

1. For the purposes of this Agreement, the term "net profits" shall mean the annual gross revenue accruing to the Lessee from its realized sale of metals, minerals, materials, concentrates and ores (herein referred to as the "Products") produced from the Claims during each fiscal year of this Agreement, including renewals, less all Direct Expenses incurred in such fiscal year and less any excess of Direct Expenses over such gross revenues from prior years to the extent that such excess was not previously deducted in computing net profits for preceding years. "Direct Expenses" means and includes, without intending to enumerate all types of expenses, the following types of expenditures incurred by or on behalf of the Lessee with respect to exploration, pre-production, mining and production activities directly related to the Mineral Rights underlying the Claims, namely: exploratory development; pre-production and production expenses, rentals, capital outlays for machinery, buildings and equipment on the Claims, supplies (but excluding charges for depreciation expenses and depletion), all costs and expenses of operations, transportation of ores, concentrates, men and equipment, maintenance and administration of mine and mill facilities and related employee welfare facilities, mining taxes and all other taxes and assessments applicable to the Mineral Rights underlying the Claims and exploration thereof, and the Products produced therefrom; costs of transportation or ores and concentrates, insurance and all expenses incurred in the treatment of the Products and the sale thereof.

2. Any royalty of net profits payable to the Lessor hereunder shall be paid quarterly, within sixty (60) days after the end of each fiscal quarter of the Lease. The records relating to the calculation of net profits shall be calculated annually at the end of each fiscal year of the Lease and:

- (a) any adjustments of net proceeds payable to the Lessor shall be made forthwith;
- (b) a copy of the statements shall be delivered to the Lessor as soon as practicable;
- (c) the Lessor shall have ninety (90) days after receipt of such statements to question their accuracy in writing, and failing such objection, the statements shall be deemed prima facie correct.

3. The Lessor, or an auditor duly appointed in writing by the Lessor, shall have the right at all reasonable times, upon written request, to inspect and obtain copies of those of the books and financial records of the Lessee as are relevant to the determination of net proceeds and at its own expense to make copies thereof.

THIS IS SCHEDULE "C" TO AN AGREEMENT
MADE IN WRITING BETWEEN ██████████
OF THE FIRST PART AND ROCOCO RESOURCES
LTD. OF THE SECOND PART DATED JANUARY
 , 1985.

1. For the purposes of this Agreement, the term "net smelter returns" shall mean the net proceeds received by the Lessee from the sale of metals, minerals, materials, concentrates, precipitates and ores (the "Product") produced from the surface dumps existant on the Claims by the Lessee to a bona fide purchaser, after deductions for all of the following:

- (i) custom smelting costs, treatment charges and penalties including, but without being limited to, metal losses, penalties for impurities, and charges for refining, selling, and transportation from smelter to refinery and from refinery to market;
- ? (ii) costs of transporting and handling Product from the Claims to a concentrator or other place of treatment;
- ? (iii) costs of transporting Product from the concentrator to a smelter or other place of treatment;
- (iv) taxes of any kind, including sales taxes, levied on Product or on its production or sale.

Net smelter returns for Product treated at a smelter owned, operated or controlled by the Lessee or treated on a toll basis for the Lessee shall be computed in the above manner, with deductions for all charges and items of cost equivalent to the deductions set forth above.

2. Any royalty of net smelter returns payable to the Lessor hereunder for any month shall be due and payable on or before the 25th day of the month succeeding. Each such royalty settlement shall be accompanied by a duplicate copy of the mill, refinery or smelter return or by a copy of the settlement for other sales.

3. The Lessor, or an auditor duly appointed in writing by the Lessor, shall have the right at all reasonable times, upon written request, to inspect and obtain copies of those of the books and financial records of the Lessee as are relevant to the determination of net proceeds and at its own expense to make copies thereof.

MEMORANDUM OF UNDERSTANDING

AND

LETTER OF INTENT

- and
Vancouver, B.C. Canada,
- (604) LESSEE, agree to the following generally termed and proposed business agreement.
- 1) grants , for the sum of ⁵25,000 U.S. dollars the exploration rights and all first rights of refusal involving the described in Appendix A. This exploration phase is limited to the duration of upon signing of a final agreement.
 - 2) The first right of refusal to extend this exploration phase to be converted into a mining lease is hereby guaranteed. The final documents will be signed in no more than 45 days upon the execution of this letter.
 - 3) The general terms of this agreement and a pending lease agreement will be more specific and concise in the final documents. However, the following terms and clauses are agreeable between the OWNERS and the LESSEE and at the present time, without prejudices, have been negotiated between and G. HEIN MUELLER of Vancouver, B.C. as follows:
 - 3.5) The OWNER will receive a net profit of 5% (five) or monthly payments, whichever is greater from the mining proceeds of all properties involved in this agreement.
 - 6) The OWNER has rightfull access to the accounting and audits of this venture.
, will indemnify the OWNER against workman's leans and other claims in suitable forms of insurance and or bonds.
 - 7) The OWNER will indemnify the LESSEE against all previous claims and leans against the described properties and declares them as unencumbered. Any properties that will be acquired by either party within a twenty five mile radius of the will be part of this and other agreements and thus deemed to be common property of the OWNER and LESSEE.
 - 8) The OWNER grants , the sublease option. In the event of the execution of this option, the OWNER shall receive 40% (forty percent) of the NET PROFIT after recovery of cost and investment expenses verifiable by the LESSEE.
50% ?
of ?
 - 9) The LESSEE will spend no less than \$25,000 (twenty five thousand) U.S. dollars on the properties for exploration purposes within 12 (twelve) months.
at least \$5000 will be spent toward qualified annual assessment work prior to Aug. 30, 1985.
 - 10) The resulting scientific data and pertaining information concerning the described properties will become the sole property of the OWNER in the event that the decision to commence mining would be negative.

- 11) The LESSEE may form joint ventures to explore and operate the properties, and install machinery and equipment.
- 12) The removable improvements shall remain the property of the LESSEE for the duration of the exploration phase.
- 13) IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year written below. So in receipt of one dollar (\$1.00) and other valuable consideration we do put this agreement in effect.

State of Arizona
 County of Maricopa

This instrument was acknowledged before me this _____
 By _____

My commission expires _____

 Notary Public

State of Arizona)
) s.s.
 County of Maricopa)

On this, the _____ day of _____, 198____, before me, the undersigned Notary Public in and for the County of Yuma, State of Arizona, personally appeared G. HEIN MOELLER who acknowledged himself to be Agent of _____ and that he as such being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Agent.

In witness whereof, I hereunto set my hand and official seal.

My commission expires _____

 Notary Public

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. It is the general policy of the Company to acquire properties, including mining claims, only after having secured title insurance with respect to patented claims and opinions of special counsel with respect to unpatented claims. The Company's special counsel who have rendered opinions with respect to its acquired

unpatented claims are De Concini McDonald Brammer Yetwin & Lacy, P.C. 240 North Stone Avenue, Tucson, Arizona 85701. (See "Properties of the Company".) The Company owns and leases 39 patented claims and 670 unpatented claims. The objective of the title work is to establish a reasonable likelihood, on the basis of field examination and an examination of documents of record, that title to such property is owned by the person or persons with whom negotiations for acquisition are being conducted. Curative work is generally conducted, if needed, after acquisition of the property, a leasehold or other interest has been completed. Although title insurance and opinions of special counsel do not guarantee good title, the Company except as next noted is not aware of any title defects with respect to the properties already acquired, which could have a material adverse affect on the ability of the Company to conduct the exploration programs hereinafter outlined. The Company has secured title to the Hattie Queen unpatented claim in exchange for the payment of \$7,500 and the promise to pay an additional \$7,500 upon the prior owner securing a judgment of quiet title action against the owner of the T & B unpatented claim. The Company had previously contracted to purchase the T & B unpatented claim for \$15,000, but discovered a conflict between that claim and the Hattie Queen claim. The T & B contract is still outstanding and no payments have been made with

Centroid Consolidated Mines - Surface Material, 1981

Update Report by E. W. Sears

Location of Area

The Centroid property consists of 45 mining claims located in Cunningham Pass, low saddle in the Harcuva Mountains, Yuma County, Arizona. The 12 patented and 33 unpatented claims can be reached by traveling approximately 8 miles North from the town of Wendon, Arizona on a well-paved road that also goes to Alamo Lake. The claims are located in the Ellsworth Mining District and are easily accessible to the Santa Fe Railroad located in Wendon.

Purpose and Scope of Report

This report is of a dual purpose. First it is an investigation of the amount of surface dump material available on the Centroid properties. Secondly it is an analysis of the percentage of mineral (gold and silver) within the dump material.

Amount of Material

The majority of the dump material tonnage is located at three separate locations on the Centroid Claims, however there are numerous other prospect holes and diggings within the property group. This investigation will concern the three largest and most accessible deposits of material.

Sampling

Sampling of the dump material was undertaken at three separate locations at each dump investigated. It consisted of digging a hole to a depth of approximately 18 inches and removing approximately a cup of the rocky, loose material. This material was then crushed using a mortar and pestle. This sample was then homogeneously mixed with the other two samples from the same dump for assaying by the Arizona Testing Laboratories in Phoenix. The assay results are included as one page of this report.

The First Dump

The first dump, Fig. 1, is situated approximately 100 yards West[?] of the iron corrugated building and bunkhouse. At the dump site is found a vertical shaft, (The Main Shaft).

The dump material sets on the slope of the hill and measures approximately 180 feet long, 50 feet in width and 30 feet in depth in the East side. It contains approximately 5000 cu. yards, an estimated 6,750 tons of processable material.

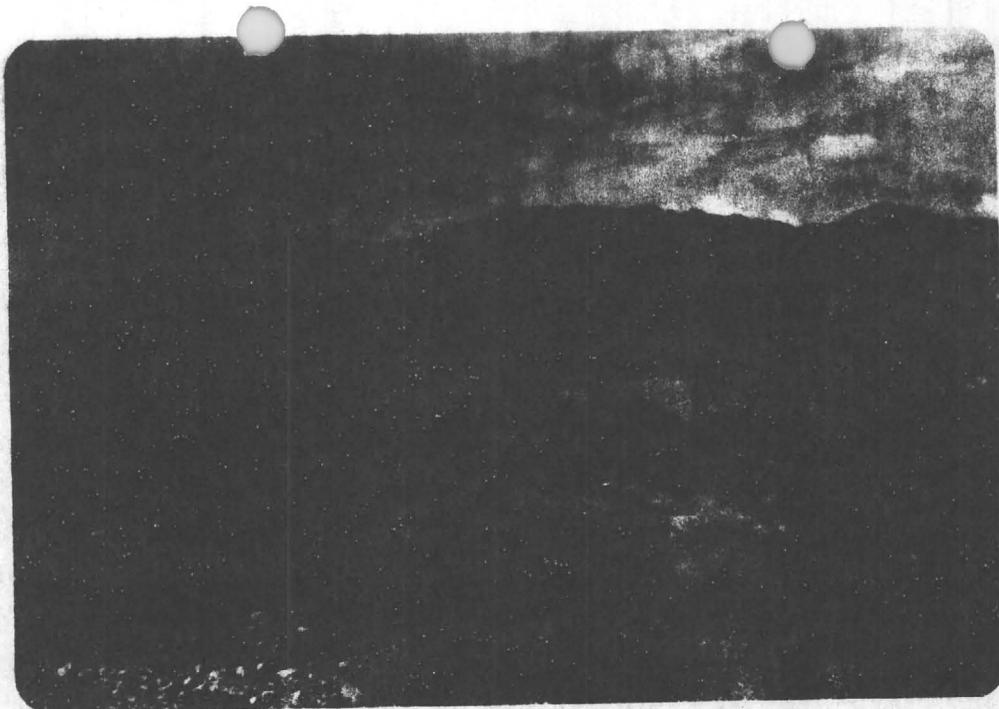


Fig. 1

The Second Dump

The second dump lies approximately 300 yds. South of the Main Shaft Dump. It is adjacent to the inclined Horse Whim Shaft. The dimensions of this dump measure approximately 300 feet long, 30 feet wide and 30 feet in depth on the East side. See Fig. 2, This dump also contains approximately 5000 cu. yds. of processable material.

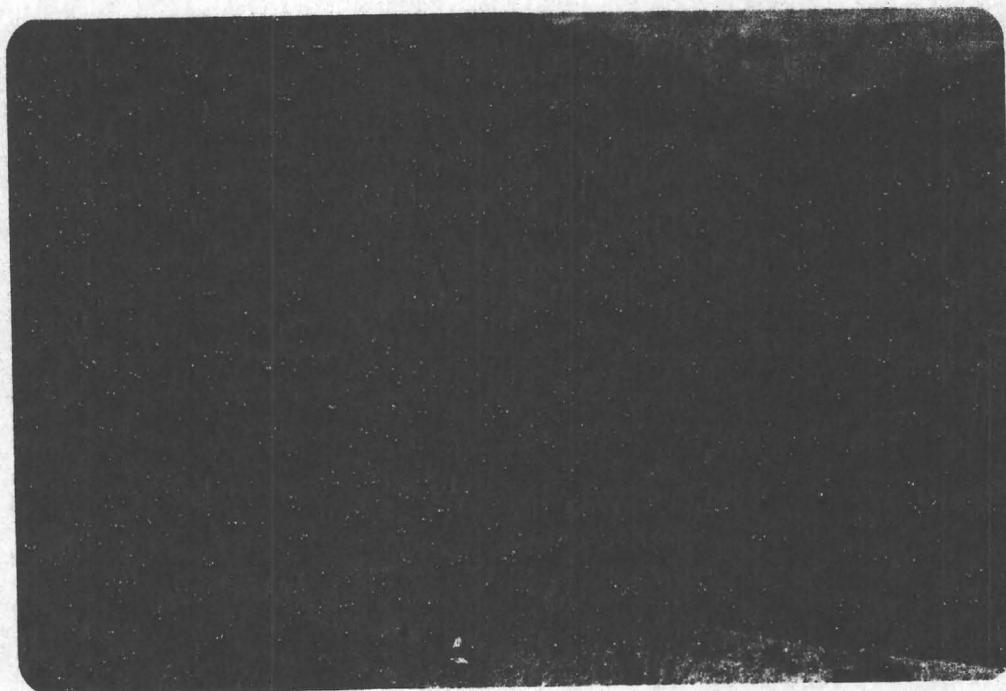


Fig. 2

The Third Dump

The third dump is located South and East of the Horse Whim Dump approximately 300 yds., Fig. 3. The rock material is derived from an inclined shaft situated on the North side of the dump. This dump measures approximately 300 feet long, 40 feet wide and 40 feet deep on the East side. It contains approximately 8,800 cu. yds. of processable material with an estimated tonnage of 12,000 tons.

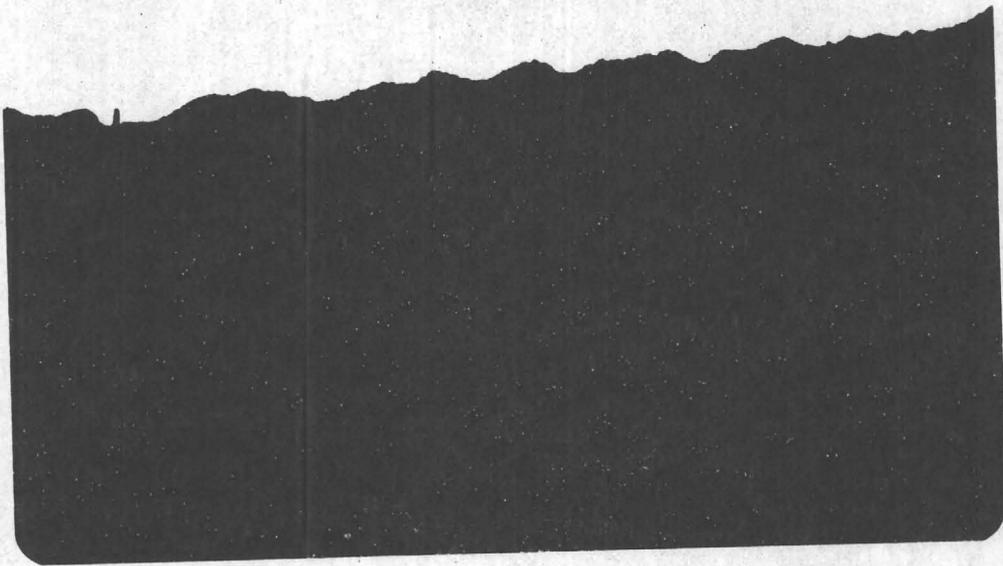


Fig. 3

Summary

This investigation has provided data on the amount of above ground waste material present at three locations on the Centroid Claims. Of the dumps investigated it has been found that there is available an approximate total of 18,000 cu. yds. and 25,000 tons of material thought to be waste.

It should be noted that it has not been within the scope of this report to determine the economic feasibility of processing the dump material. But it should be left up to the reader to weight the facts to determine the Centroid's merit.

Arizona Testing Laboratories

817 West Madison · Phoenix, Arizona 85007 · Telephone 254-6181

For Centroid Consolidated Mines
4802 W. Encanto
Phoenix, Arizona 85035

Date July 15, 1981

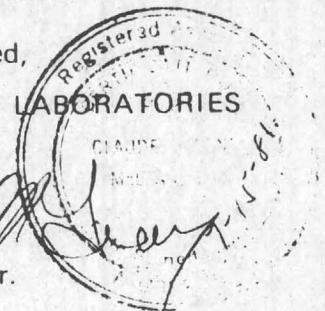
ASSAY CERTIFICATE

LAB NO.	IDENTIFICATION	OZ. PER TON		PERCENTAGES			
		GOLD	SILVER	COPPER			
2497	#1	0.12	.05				
	#2	0.10	Trace				
	#3	0.03	Nil				

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.
Claude E. McLean, Jr.



D. K. MARTIN & ASSOC.
315 W. MONTEROSA
PHOENIX, ARIZONA 85013

Arizona Testing Laboratories

817 West Madison · Phoenix, Arizona 85007 · Telephone 254-6181

For Centroid Consolidated Mines
4802 W. Encanto
Phoenix, Arizona 85035

Date July 15, 1981

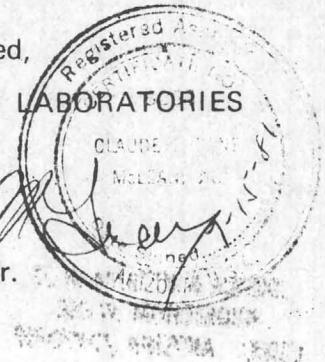
ASSAY CERTIFICATE

LAB NO.	IDENTIFICATION	OZ. PER TON		PERCENTAGES			
		GOLD	SILVER	COPPER			
2497	#1	0.12	.05				
	#2	0.10	Trace				
	#3	0.03	Nil				

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.



Charles N. Dunning, E.M., reports as follows:

"Your property has most excellent geological conditions for the formation of large and profitable ore bodies. The development already completed has made an excellent showing and tends to prove the theories which the surface conditions indicate."

R. Burton Rose, M.S. Mining Geologist, San Jose, California, says:

"Geologic and mineralogic indications show marked leaching effect and the probability of appreciable deeper secondary enrichment."

Conclusions as submitted by R. E. Mieritz, P.E. Mining Consultant:

"The Ellsworth Mining District in which the property is located, is a forgotten but a good potential copper producing district as evidenced by some early production reports and records from 1918 to 1924. The principal interest at that time being the gold and silver associated with the copper mineralization. The present interest should be the production of copper. The associated gold and silver values would support a milling operation.

"The Centroid Property is in a setting of much surfaced exposed copper and iron mineralization as evidenced in the many cuts, pits and shafts within and without the property.

"Development of a low grade copper body in the vicinity of the Horse Whim area is highly possible. The possibility exists to the north and northeast of the existing drill exploration completed as of this writing.

"The development of high-grade copper is possible in the fissure system to the north of the Horse Whim area and same must definitely be explored by drilling.

"That District-wise, sufficient moderate grade copper material could be developed and available to a mill servicing the district and the sulphide mineralization evidenced on the property and in the district should easily be amendable to a simple flotation process with expected high recoveries."

Corporate Data

The company was organized in the year 1936, as a mining company, under the laws of Arizona. The Articles of Incorporation, as amended, authorize the issuance of 3,000,000 shares of common capital stock with a par value of \$0.10 per share, fully paid and non-assessable.

Approx. 2,250,000 shares have been issued and are outstanding.
750,000 shares are unissued.

3,000,000 total shares authorized

The corporation remains in good standing with the Arizona Corporation Commission. The last offering to the public was in 1952, at a selling price of \$0.50 per share.

Shafts were sunk on the mining claims Jubilee No. 5, Centroid No. 4 and Jubilee No. 2, each one encountering most encouraging deposits of oxydized and leached ores, and opening up wide, crushed (brecciated) shears or mineralized faults. Geological and mining engineering advice appears to indicate strongly that greater depth is necessary.

On the mining claim Jubilee No. 5 is located the main vertical shaft. This shaft was sunk to the 300 foot level and a long cross cut sent forward for 600 feet, cutting at 200 feet from the shaft bottom a diorite dike, from 200 feet to 300 feet, a zone of porphyry and gneis, and from 300 feet to 326 feet, a wide, brecciated mineralized fault, so crushed and open that the downward percolating waters have impoverished the 26 feet of crushed, quartz porphyry; the secondary values are presumed at a greater depth. This fault or shear is known as the October vein and carries some pyrite, some chalcopyrite, and in places bornite carrying gold was found covered with a black oxide of copper or what might be termed in other districts--sooty chalcocite.

A sketch map of this shaft and its underground workings is attached with a cross section of the immediate area correlating the main shaft with the Horse Whim Workings on the adjoining mining claim Jubilee No. 2. The Horse Whim shaft has been widened and straightened out to the 200 foot level, extended to a depth of 386 feet and over 500 feet of drifting and cross-cutting have been completed in an oxydized and leached ore body.

On the 375 foot level, reference is here made to the map attached and marked at different points, B, C, D, E, F and G, with Assay Index. These assays were taken from the better looking ore showings, and are selected samples taken from ore in place by the former management. On the same map attached, there is marked point A. At this point a wide exposure, gradually rolling toward the October Vein and heading toward the gossan outcrop, assayed 1.6% copper over a width of fourteen feet. All headings on the 375 foot level show a thoroughly oxydized and leached area.

Ore and Vein Forming Agencies:

1. Brecciation
2. Introduction of hematite, usually as cement in breccia veins, but also as massive bodies, veins and stringers. The brecciation is due probably to the granite porphyry intrusion; the hematite pervades the pegmatites - therefore, it is later.
3. Introduction of siderite, calcopyrite, and pyrite.
4. Deposition of quartz, calcopyrite and pyrite; oxidation and secondary enrichment have been very pronounced.

Engineering Analyses: W. Tovote, E.M., reports on the properties as follows:

"The Desert Vein, one of the biggest, has a remarkable outcrop of hematite and quartz, surrounded by wide areas of crushed chloritized porphyry. Copper stain is found as well in the hematite quartz, as in the altered decomposed porphyry. The vein occurs at and near a schist-granite-porphyry contact and diorite dikes are intruded in the vein zone. The big outcrop is apparently due to the intersection of several veins."

Centroid Consolidated Mines

J. K. SMITH & ASSOC.
27 W. MONTEROSA
PHOENIX, ARIZONA 85012

Description: The property consists of twelve (12) patented and thirty-three (33) unpatented lode mining claims covering approximately 840 acres on both sides of Cunningham Pass (Elev. 2565') in the Harcuvar Mountains, overlooking McMullen Valley to the south with agricultural development and Butler Valley to the north. The claims are located in the Ellsworth Mining District, about eight miles north of Wenden (Elev. 1869')--a Santa Fe railroad loading point, Yuma, County, Arizona. This difference of about 700 feet elevation represents less than a two (2) percent grade between Federal Highways 60 and 70 at Wenden up to the pass.

This property is easily accessible by a recently paved road from Wenden to the Saguaro Recreational and Administrative Area near the ~~reservoir~~ Alamo Dam and Reservoir Site on the Bill Williams River. About one and one-quarter miles of this road passes through the property. The El Paso Natural Gas pipe line and Arizona Public Service power line traverse the property.

Geology: Pre cambrian, intruded by quartz porphyry, diabase, diorite, granite porphyry, pegmatite - and near the shears an ancient marine lime.

Structure: A wide mineralized fault runs through the Centroid properties for over a mile, making its way finally through Cunningham Pass both northwest and southeast, presumably burying itself northwesterly in Butler Valley and southeasterly in McMullen Valley. Westerly from the main mineralized fault and extending both northwesterly and southeasterly, is an area spoken of by mining engineers as (1) a shear zone, or (2) several parallel shears. Atop the foothills, further west, is the principal outcrop of the Centroid properties. This apex of an important junction of wide mineralized veins, a fracture zone and intruded diorite in the vein matter, is prominent with outcropping copper stained porphyry.

Mineralization: Copper, gold, silica and iron appear to predominate.

Development: During the past sixty-five years intermittent prospecting has been carried on by individuals or groups with limited capital in the Cunningham Pass District. However, most of this prospecting has been done in search of high grade outcrops that would produce shipping grade ores. This type of prospecting, when carried on, has resulted in intermittent shipments of profitable ores, but has not properly prospected the district's possibilities as to the existence of large low grade deposits. Even so, this type of development has opened up pay ores near the surface, and such ores have been shipped to smelters from the mining properties known as the Critic, Bullard, Little Giant, Cuprite and Robinson. This last mentioned (Robinson) is now the location of the Centroid properties.

On the mining claim Hancock No. 2, open cuts found good grades of shipping ore and a shaft was sunk to a depth of fifty feet on a diorite contact which produced more evidence in the form of oxydized shipping grade of copper-gold ore. Along the foothills (being the westerly portion of the Centroid properties) every mining claim showed satisfactory mineralization in holes, shafts, open cuts and tunnels, the minerals exposed or shipped to the smelter being predominantly of gold, silver, copper, iron and silica.

Prospectus

D. K. MARTIN & ASSOC.
315 W. MONTEROSA
PHOENIX, ARIZONA 85013

CENTROID CONSOLIDATED MINES

909 North First Street
Phoenix, Arizona

P. O. Box No. 2236

Telephone AL 42511

Incorporated under the laws of the State of Arizona - 1936

CAPITALIZATION:

Total authorized capital

\$300,000.00

3,000,000 shares common stock

Par \$0.10

Fully paid and non-assessable

THE COMPANY OFFERS TO THE PUBLIC: 100,000 shares of its common capital stock at a selling price of \$0.50 per share. The per unit and aggregate offering price, commissions and net proceeds to issuer is set forth in the following table:

	Offering Price	Underwriting Discounts and commissions	Net Proceeds to Issuer
Per unit	\$ 0.50	\$ 0.10	\$ 0.40
Aggregate	50,000.00	10,000.00	40,000.00

TRANSFER AGENT

First National Bank of Arizona—Trust Department

The shares of stock are offered subject to prior sale and to withdrawal, cancellation or modification of the offer without notice.

NOTE: This prospectus has been filed with the Securities Department of the Arizona Corporation Commission, and also with the Federal Securities and Exchange Commission, under its regulations exempting from registration offerings not exceeding \$300,000.00. The offering herein described has been registered with the Arizona Corporation Commission.

BECAUSE THESE SECURITIES ARE BELIEVED TO BE EXEMPT FROM REGISTRATION UNDER THE FEDERAL SECURITIES ACT, THEY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION, BUT SUCH EXEMPTION, IF AVAILABLE, DOES NOT INDICATE THAT THE SECURITIES HAVE BEEN EITHER APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, OR THAT SAID COMMISSION HAS CONSIDERED THE ACCURACY OR COMPLETENESS OF THE STATEMENTS IN THIS COMMUNICATION.

No person has been authorized to give any information or to make any representations other than those contained in this prospectus, and if given or made, such information or representations must not be relied on as having been authorized by the company or by any person named in this prospectus. The statements herein contained are made as of the date of this prospectus unless another date is specified.

August 5, 1952

PURPOSE OF OFFERING

The aggregate net proceeds to the issued will be expended, as nearly as can be estimated, as follows:

	Estimated
Administration, legal and engineering.....	\$ 7,500.00
Drifting, cross-cutting, sinking, Horse whim ore body.....	15,000.00
New head frame, power house, B. S. Shop, setting 25 H. P. hoist, incidental tools, etc., rehabilitation of timbering, main vertical shaft	10,000.00
Diamond drilling from the main shaftway.....	5,000.00
Timbering in main shaft and cross cut on 300 foot level	2,500.00
TOTAL	\$40,000.00

Priority of expenditure of the funds will be in the order above listed.

Some of the officers and directors may assist in selling the securities herewith offered for sale, in which event, they would be entitled to and would be paid, the commission of Ten (\$0.10) Cents per share, noted above. **THE CORPORATION, CENTROID CONSOLIDATED MINES, RESERVES THE RIGHT TO WITHDRAW THIS OFFER WITHOUT PRIOR NOTICE.**

CORPORATE DATA

The company was organized in the year 1936, as a mining company, under the laws of Arizona. The Articles of Incorporation, as amended, authorize the issuance of 3,000,000 shares of common capital stock, of a par value of \$0.10 per share.

1,680,950 shares have been issued and are outstanding.
1,319,050 shares are unissued.

3,000,000 total shares authorized.

PROPERTIES

The principal assets of the corporation are set forth on the attached balance sheet. A survey map of the properties is also attached. The claims consist of:

Jubilee Group
Hancock Group
Centroid Group
Black Hawk Group
Oversight
and
Capella Group

Comprising 37 unpatented mining claims, approximately 1-1/2 miles on the strike of the several vein systems and one mile wide. 33 of the claims are surveyed and mapped by J. W. Waara, U. S. Mineral Surveyor; 4 claims unsurveyed. These latter lie easterly from Jubilee 4, contiguously.

Location

Lying astride of and surrounding Cunningham Pass, Yuma County, Arizona, the mining claims groups are part of Sec. 7, 18 and 19, Range 12 west, Gila and Salt River Base and Meridian, and Sections 12, 13 and 24, Range 13 west, Gila and Salt River Base and Meridian.

A Yuma County map is attached, upon which as been drawn the approximate location of the Centroid properties, eight miles northerly from the A.T.&S.F. Railroad Station, at Wenden, Arizona, and the surrounding mining properties which have been producers of valuable minerals. The Swansea Copper mine, a producer of much copper, lies approximately 20 miles north-westerly from Centroid property. Its ore is similar to that of Centroid.

Geology

Pre cambrian, intruded by quartz porphyry, diabase, diorite, granite porphyry, pegmatite—and near the shears an ancient marine lime. (A map of the regional geology, showing the location of the Cunningham Pass, taken from Arizona State Geologic Map, is attached).

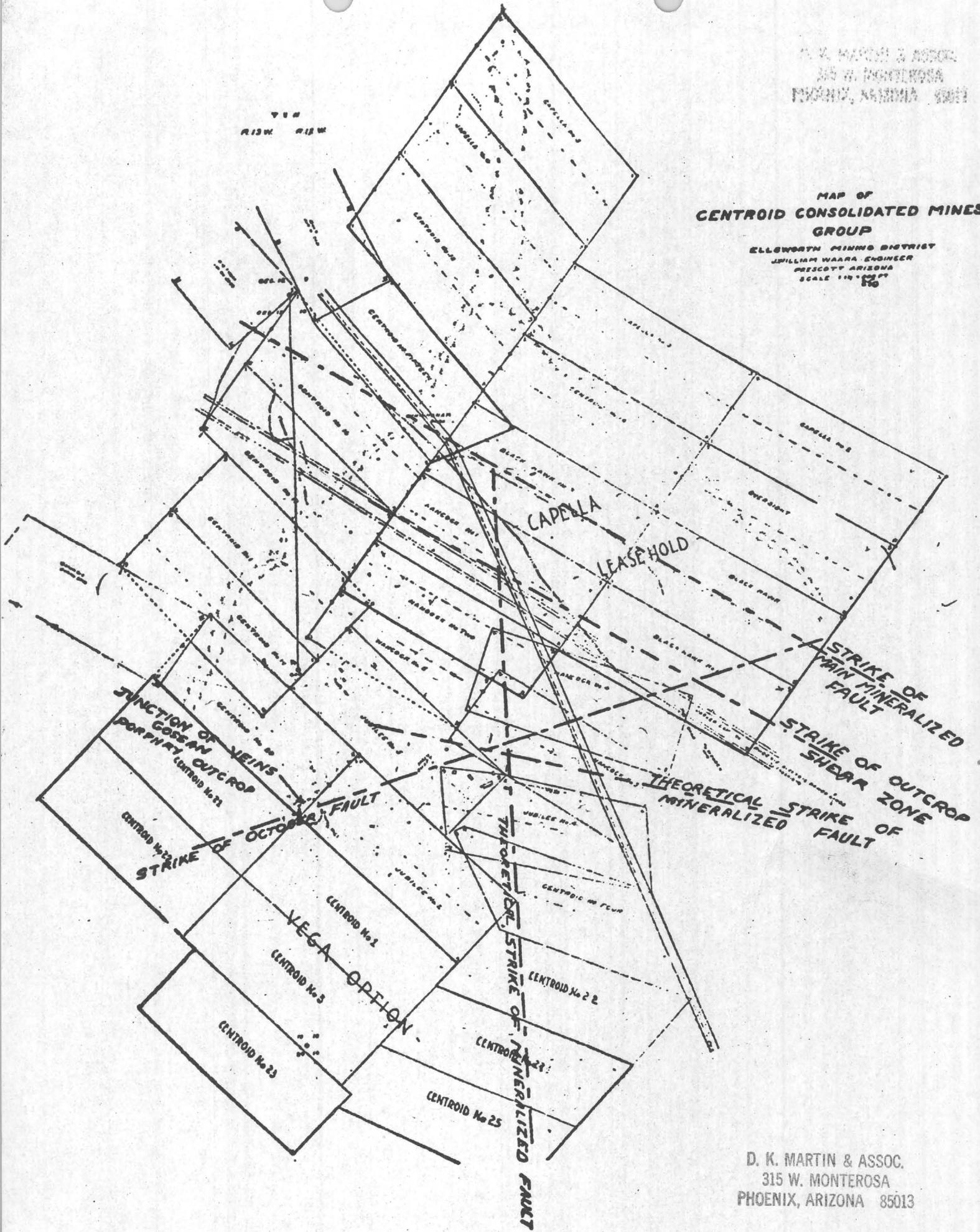
Structure

A wide mineralized fault runs through the Centroid Properties for over a mile, making its way finally through Cunningham Pass both northwest and southeast, presumably burying itself

D. K. MARTIN & ASSOC.
315 W. MONTEROSA
PHOENIX, ARIZONA 85013

MAP OF
**CENTROID CONSOLIDATED MINES
GROUP**

ELLENWORTH MINING DISTRICT
WILLIAM WAARA ENGINEER
PRESCOTT ARIZONA
SCALE 1" = 1000 FT
1960



D. K. MARTIN & ASSOC.
315 W. MONTEROSA
PHOENIX, ARIZONA 85013

WICKENBURG ORE MARKET

Operated by John C. Herr

D. K. MARTIN & ASSOC.
315 W. MONTEROSA
PHOENIX, ARIZONA 85013

Wickenburg, Arizona 194...
Settlement for Lot No.
Classification: 344

Shipper: Marble & Posedo. (Employees of Centroid Consolidated Mines)
Address: Wenden Ariz: Centroid Consolidated Mines)

Net Weight of Lot: 31.370 lbs.
Moisture: 2 per cent 631 lbs.
Net dry weight: 30.239 lbs.

Name of Claim: Ellsworth :
Mining District: Yuma:
County: Yuma:

Equivalent in tons (2000 lbs.): 15.119 Tons

PAYMENTS PER TON

Assay	Amount Paid For	Rate	Value
Gold: 0.90 ozs.	All	oz. at \$ 30.20	\$ 28.36
Silver: ozs.		oz. at 09 ¢	
Copper: 3.3% - .4 - 2.3% Pct.	58# Pay 95#--55.10#	lbs. at	4.96
Lead: Pct.		lbs. at	
Value per ton at shipping point:			\$ 33.32
Freight Rate per ton:			\$ 3.25
Smelter—Treatment per ton:			5.40
			\$ 8.65
Net smelter value per dry ton:			\$ 24.67

Total net smelter value of 15.119 net dry tons at \$ 24.67 \$ 372.81

Brokerage 10 per cent (\$2.00 ton minimum): \$ 39.12

Sampling—Assaying: None

5 ton lots or over, no charge for Sampling and Assaying

If you are not satisfied with your returns, go out and take a 50 lb. grab sample off your ore pile at my expense

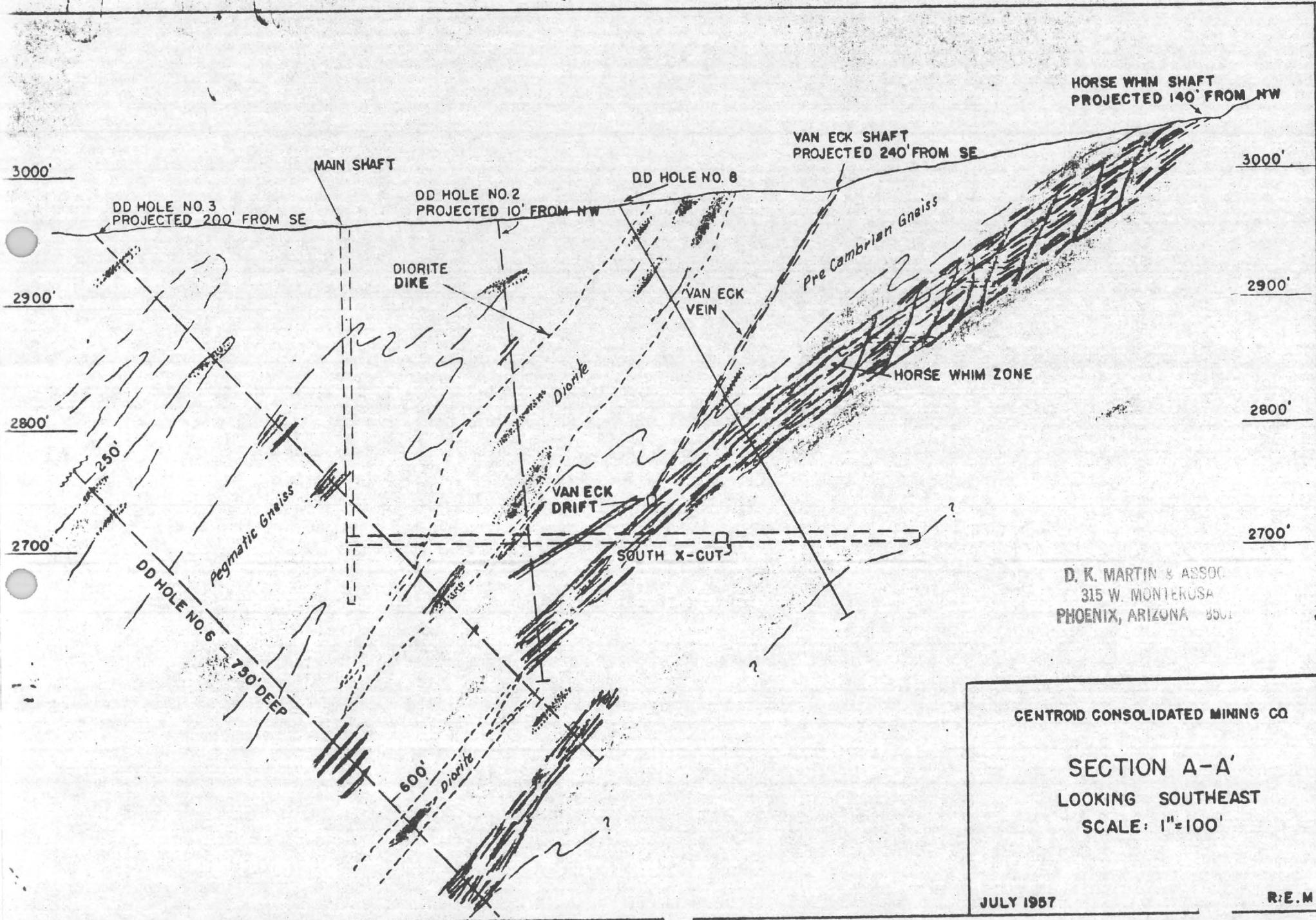
\$ 33.12 \$ 39.12

Approved By: _____

Net Amount Due Shipper: \$ 358.09

Hauling ----- \$35.50
Advanced ----- 20.00
" ----- 5.00
\$ 60.50 Total

Less ----- 60.50
Check - 291.59



D. K. MARTIN & ASSOC.
 315 W. MONTERUSA
 PHOENIX, ARIZONA 8501

CENTROID CONSOLIDATED MINING CO

 SECTION A-A'
 LOOKING SOUTHEAST
 SCALE: 1"=100'

JULY 1957 R.E.M.

ELEVATIONS - NOT RELIABLE

**COPPER LAKE EXPLORATIONS LTD. COMPLETES
\$20,000,000 EUROBOUND FINANCING, PREPARES DEWEY &
CLEMENTINE FOR PRODUCTION**

*International
Investor's
Viewpoint*

by Mr. Weather, he claimed...

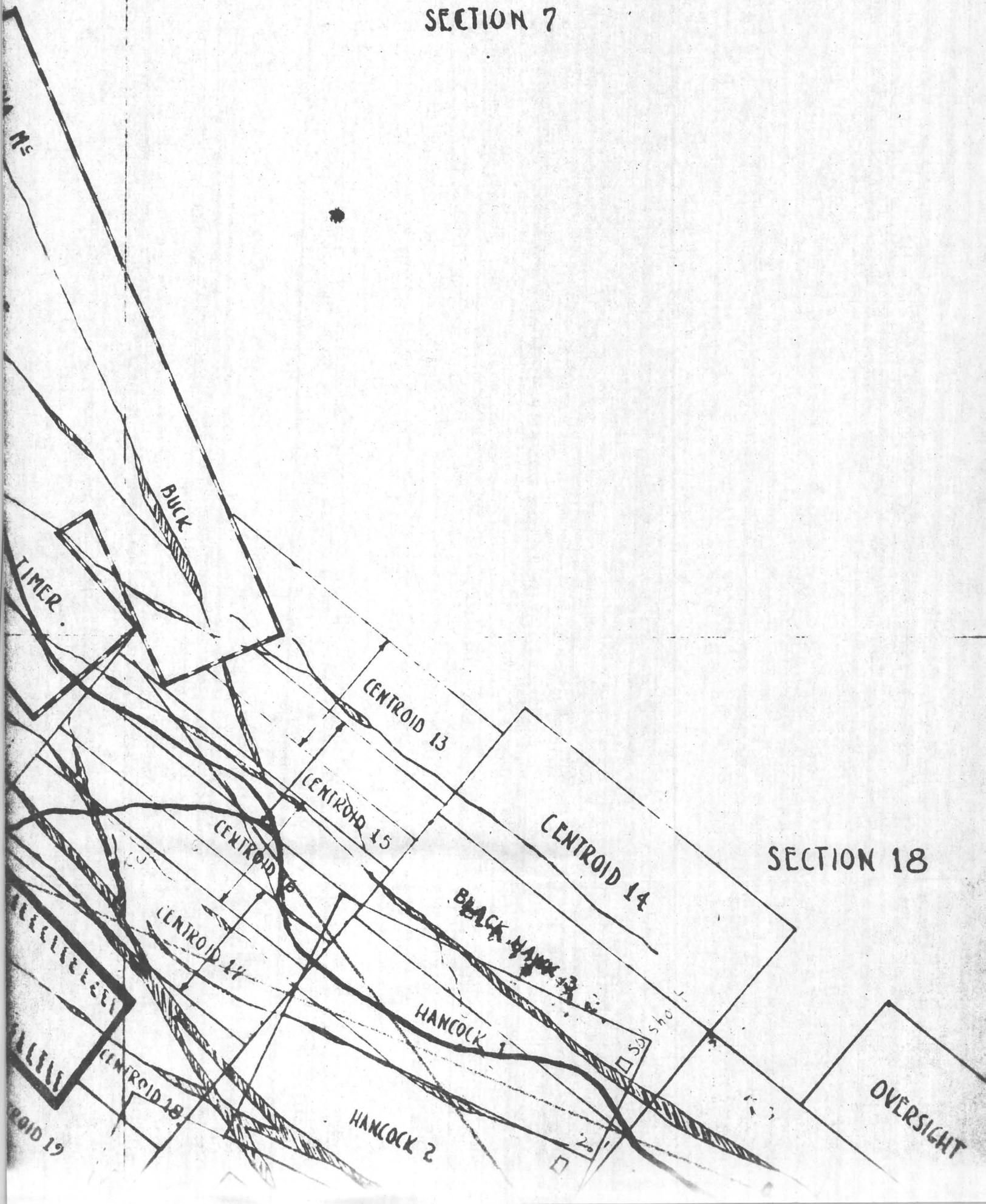




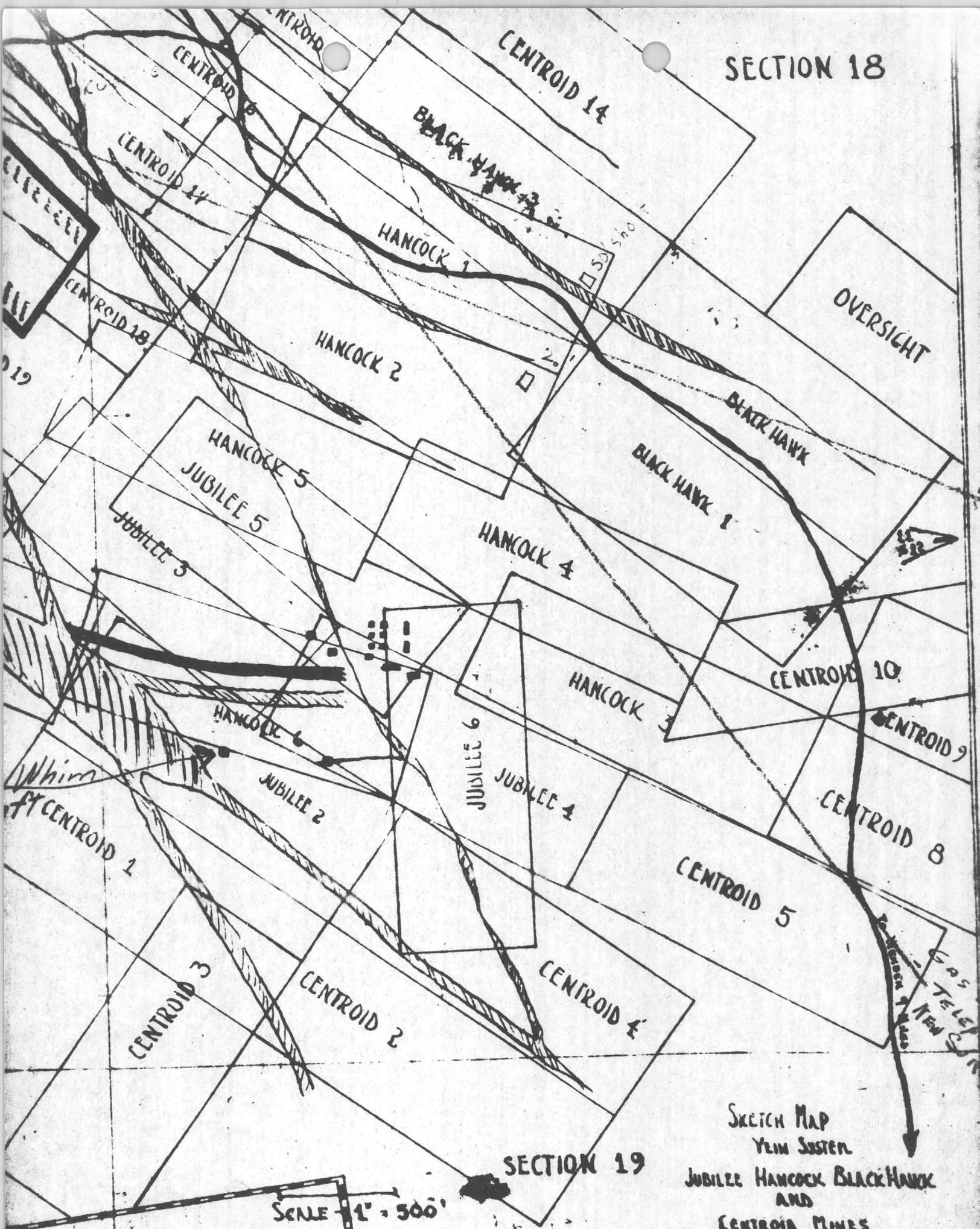
TOWNSHIP
13 WEST

7 NORTH
RANGE 12 WEST

SECTION 7



SECTION 18

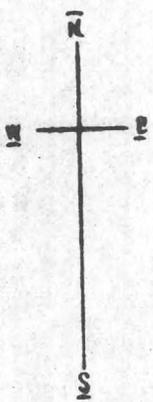
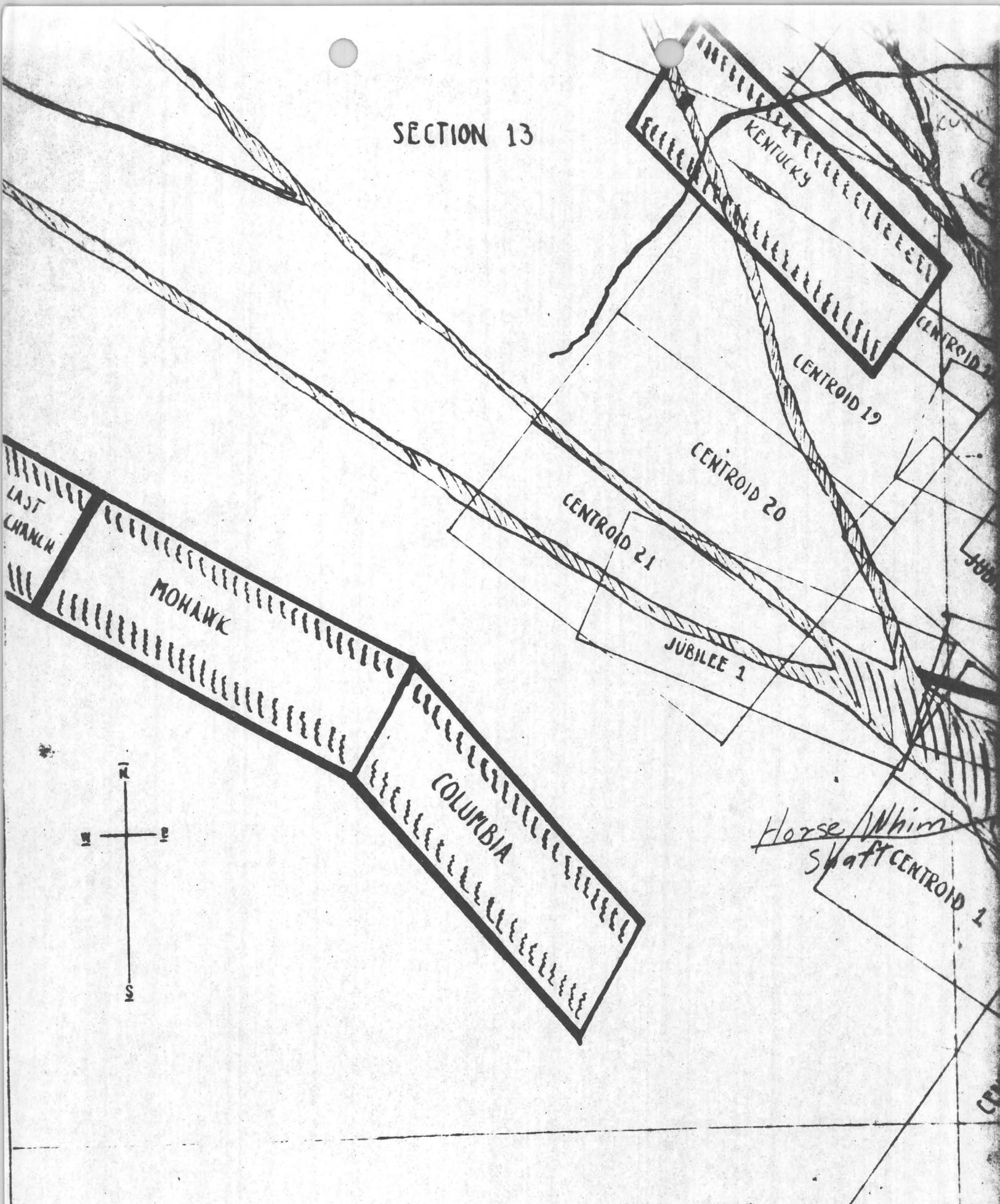


SECTION 19

SCALE - 1" = 500'

SKETCH MAP
 VEIN SYSTEM
 JUBILEE HANCOCK BLACK HAWK
 AND
 CENTROID MINES
 PROPERTY OF
 CENTROID CONSOLIDATED MINES
 3-3-37

SECTION 13



SECTION 24

D. K. MARTIN & ASSOC.
 315 W. MONTEROSA
 PHOENIX, ARIZONA 85013



TOWNSHIP
RANGE 13 WEST

7 NORTH
RANGE

SECTION 12

NORTH STAR

LITTLE GEM

ANNA M^e

RED ROSE

LITTLE GIANT

WISCONSIN

MINE

TEDDY

OLD TIMER

BUCK

SECTION 13

INDIANA

KENTUCKY

CENTROID

CENTROID 19

CENTROID 18

CENTROID 20

CENT

954 Ce

(Registered)

Phoenix, Arizona

P. O. Box 1148

Arizona Assay Office

Phone Alpine 3-4001

CENTROID CON. MINES

Short Ton

Short Ton Unit

Long Ton

Long Ton Unit

VALUES
Latest Quotation
Gold
Silver
Copper
Lead
Zinc

THIS CERTIFIES
as submitted for assay
as follows:

MARKS	SILVER PER TON		VALUE PER TON	GOLD PER TON		VALUE PER TON	TOTAL VALUE PER TON of Gold & Silver	PERCENTAGE		REMARKS
	Ozs.	Tenths		Ozs.	100ths			Copper		
No. 1 } some free				.75	\$26.25		6.35	4'8" cut		all in
No. 2 }				.36	\$12.60		1.71	4'8" cut		cut to
No. 3				.24	\$8.40		1.20	2' cut		head
No. 4 } some free				.71	\$24.85		3.70	4'6" "		
No. 5 }				.03	\$1.05		.55	4'6" "		
No. 6				.24	\$8.40		2.00	4'8" "		
				AVG. 39		AVG		2.58		

arges \$ 31.50

Assayer..... ARIZONA ASSAY OFFICE

5793
942 Ce

Mar. 24, 1958

CHAS. A. DIEHL
(Registered)

815 North First Street
Phoenix, Arizona
P. O. Box 1148

Arizona Assay Office

Phone Alpine 3-4001

CENTROID CONSOLIDATED MINES.

VALUES
Latest Quotation
Gold
Silver
Copper
Lead
Zinc

THIS CERTIFIES
as submitted for assay
as follows:

Short Ton 2000 LB
Short Ton Unit 20 LB
Long Ton 2240 LB
Long Ton Unit 224 LB

MARKS	SILVER PER TON		VALUE PER TON	GOLD PER TON		VALUE PER TON	TOTAL VALUE PER TON of Gold & Silver	PERCENTAGE		REMARKS
	Ozs.	Tenths		Ozs.	100ths			Copper		
0.1				1.90	\$63.50		22.55			taken from vein beginning of drift
4" Outcrop Continued # 22										

Arizona Assay Office

4.00 Paid

Assayer..... *Diehl*

arges \$

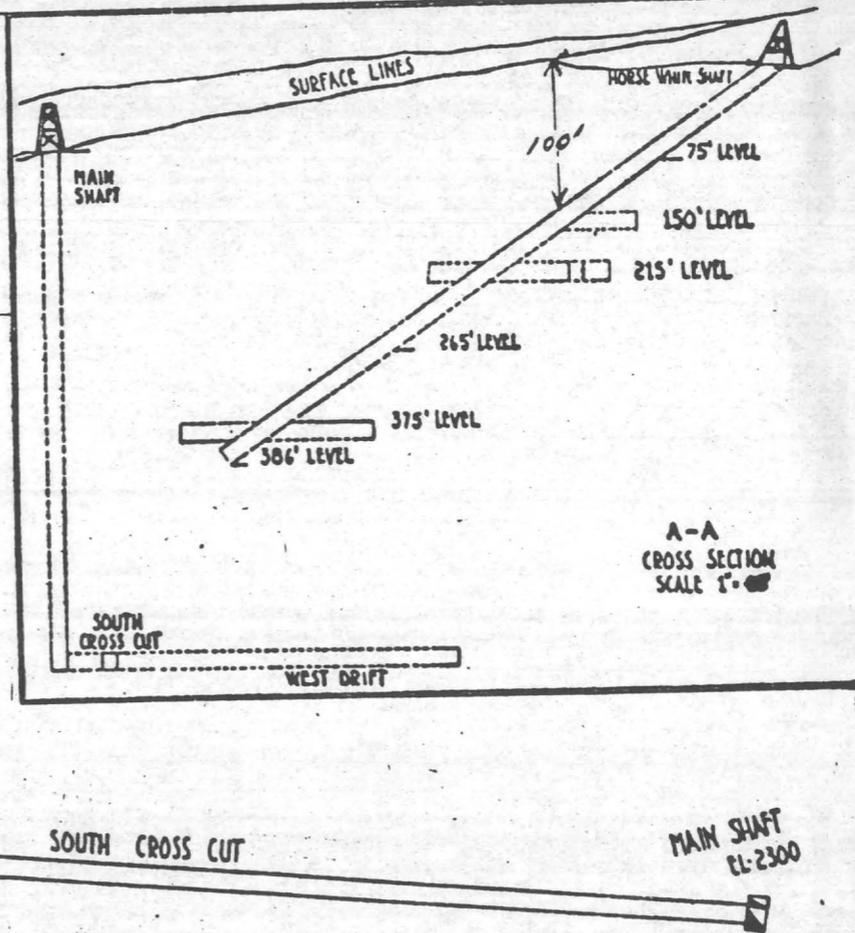
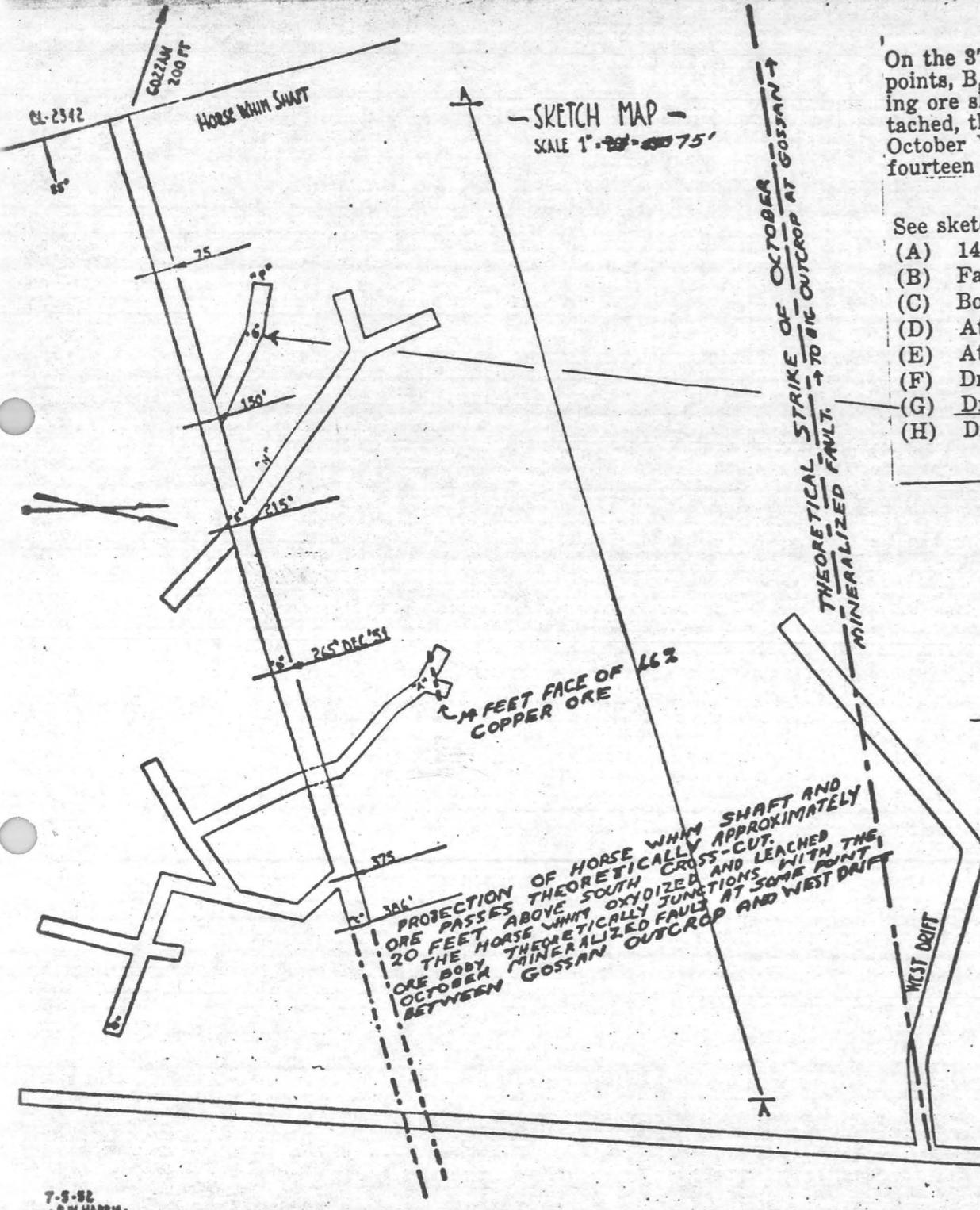
CENTROID CONSOLIDATED MINES

On the 375 foot level, reference is here made to the map attached and marked at different points, B, C, D, E, F and G, with Assay Index. These assays were taken from the better looking ore showings, and are selected samples taken from ore in place. On the same map attached, there is marked point A. At this point a wide exposure, gradually rolling toward the October Vein and heading toward the gossan outcrop, assayed 1.6% copper over a width of fourteen feet.

ASSAY INDEX

See sketch map of Main Vertical Shaft and Horse Whim Shaft underground workings.

- (A) 14 foot face, west drift, 375 foot level - Gold, \$0.35 Copper - 1.60%
- (B) Face, East Cross cut, 375 foot level - Gold, \$0.35; Silver \$0.72; Copper - 1.80%
- (C) Bottom of shaft - Gold, \$1.40 Copper - 2.45%
- (D) At 300 feet, shaft bottom - Gold \$0.35 Copper - 7.60%
- (E) At 215 foot level, drillings - Gold, \$0.35; Silver \$0.36; Copper - 1.40%
- (F) Drift 150 foot level, Gold, \$14.00 Copper - 8.95% *Approx. 1.0 oz/Ton*
- (G) Drift 150 foot level, oxydized shoot, Gold, \$33.60; Silver \$0.54; Copper - 32.90%!
- (H) Drift 215 foot level, slacked material from walls, oxydized, Gold \$0.35
Copper - 4.20% (By fire assay. Leaching gives higher content)



RECEIVED
DEC 23 1988
10:10 AM

December 22, 1988

Centroid Consolidated Mines
c/o Al. Reguly
2947 N. 18 th St.
Phoenix, Az.

Enjoyed our brief meeting and look forward to seeing you soon to discuss the Centroid project.

I shall be tied up until after the holidays. Let us get in contact with each other then.

Thank you for the enclosed information which I have copied.

Very Truly Yours,

Douglas K. Martin

encl

DKM/ld

*E. K. Martin & Assoc
315 W. Monterosa
Phoenix, Arizona 85013*

D. K. MARTIN & ASSOC
315 W. MONTEROSA
PHOENIX, ARIZONA 85013

Centroid Consolidated Mines

Description: The property consists of twelve (12) patented and thirty-three (33) unpatented lode mining claims covering approximately 840 acres on both sides of Cunningham Pass (Elev. 2565') in the Harcuvar Mountains, overlooking McMullen Valley to the south with agricultural development and Butler Valley to the north. The claims are located in the Ellsworth Mining District, about eight miles north of Wenden (Elev. 1869')--a Santa Fe railroad loading point, Yuma, County, Arizona. This difference of about 700 feet elevation represents less than a two (2) percent grade between Federal Highways 60 and 70 at Wenden up to the pass.

This property is easily accessible by a recently paved road from Wenden to the Saguaro Recreational and Administrative Area near the proposed Alamo Dam and Reservoir Site on the Bill Williams River. About one and one-quarter miles of this road passes through the property. The El Paso Natural Gas pipe line and Arizona Public Service power line traverse the property.

Geology: Pre cambrian, intruded by quartz porphyry, diabase, diorite, granite porphyry, pegmatite - and near the shears an ancient marine lime.

Structure: A wide mineralized fault runs through the Centroid properties for over a mile, making its way finally through Cunningham Pass both northwest and southeast, presumably burying itself northwesterly in Butler Valley and southeasterly in McMullen Valley. Westerly from the main mineralized fault and extending both northwesterly and southeasterly, is an area spoken of by mining engineers as (1) a shear zone, or (2) several parallel shears. Atop the foothills, further west, is the principal outcrop of the Centroid properties. This apex of an important junction of wide mineralized veins, a fracture zone and intruded diorite in the vein matter, is prominent with outcropping copper stained porphyry.

Mineralization: Copper, gold, silica and iron appear to predominate.

Development: During the past sixty-five years intermittent prospecting has been carried on by individuals or groups with limited capital in the Cunningham Pass District. However, most of this prospecting has been done in search of high grade outcrops that would produce shipping grade ores. This type of prospecting, when carried on, has resulted in intermittent shipments of profitable ores, but has not properly prospected the district's possibilities as to the existence of large low grade deposits. Even so, this type of development has opened up pay ores near the surface, and such ores have been shipped to smelters from the mining properties known as the Critic, Bullard, Little Giant, Cuprite and Robinson. This last mentioned (Robinson) is now the location of the Centroid properties.

On the mining claim Hancock No. 2, open cuts found good grades of shipping ore and a shaft was sunk to a depth of fifty feet on a diorite contact which produced more evidence in the form of oxydized shipping grade of copper-gold ore. Along the foothills (being the westerly portion of the Centroid properties) every mining claim showed satisfactory mineralization in holes, shafts, open cuts and tunnels, the minerals exposed or shipped to the smelter being predominantly of gold, silver, copper, iron and silica.

Shafts were sunk on the mining claims Jubilee No. 5, Centroid No. 4 and Jubilee No. 2, each one encountering most encouraging deposits of oxydized and leached ores, and opening up wide, crushed (brecciated) shears or mineralized faults. Geological and mining engineering advice appears to indicate strongly that greater depth is necessary.

On the mining claim Jubilee No. 5 is located the main vertical shaft. This shaft was sunk to the 300 foot level and a long cross cut sent forward for 600 feet, cutting at 200 feet from the shaft bottom a diorite dike, from 200 feet to 300 feet, a zone of porphyry and gneis, and from 300 feet to 326 feet, a wide, brecciated mineralized fault, so crushed and open that the downward percolating waters have impoverished the 26 feet of crushed, quartz porphyry; the secondary values are presumed at a greater depth. This fault or shear is known as the October vein and carries some pyrite, some chalcopyrite, and in places bornite carrying gold was found covered with a black oxide of copper or what might be termed in other districts--sooty chalcocite.

A sketch map of this shaft and its underground workings is attached with a cross section of the immediate area correlating the main shaft with the Horse Whim Workings on the adjoining mining claim Jubilee No. 2. The Horse Whim shaft has been widened and straightened out to the 200 foot level, extended to a depth of 386 feet and over 500 feet of drifting and cross-cutting have been completed in an oxydized and leached ore body.

On the 375 foot level, reference is here made to the map attached and marked at different points, B, C, D, E, F and G, with Assay Index. These assays were taken from the better looking ore showings, and are selected samples taken from ore in place by the former management. On the same map attached, there is marked point A. At this point a wide exposure, gradually rolling toward the October Vein and heading toward the gossan outcrop, assayed 1.6% copper over a width of fourteen feet. All headings on the 375 foot level show a thoroughly oxydized and leached area.

Ore and Vein Forming Agencies:

1. Brecciation
2. Introduction of hematite, usually as cement in breccia veins, but also as massive bodies, veins and stringers. The brecciation is due probably to the granite porphyry intrusion; the hematite pervades the pegmatites - therefore, it is later.
3. Introduction of siderite, calcopyrite, and pyrite.
4. Deposition of quartz, calcopyrite and pyrite; oxidation and secondary enrichment have been very pronounced.

Engineering Analyses: W. Tovote, E.M., reports on the properties as follows:

"The Desert Vein, one of the biggest, has a remarkable outcrop of hematite and quartz, surrounded by wide areas of crushed chloritized porphyry. Copper stain is found as well in the hematite quartz, as in the altered decomposed porphyry. The vein occurs at and near a schist-granite-porphyry contact and diorite dikes are intruded in the vein zone. The big outcrop is apparently due to the intersection of several veins."

Charles N. Dunning, E.M., reports as follows:

"Your property has most excellent geological conditions for the formation of large and profitable ore bodies. The development already completed has made an excellent showing and tends to prove the theories which the surface conditions indicate."

R. Burton Rose, M.S. Mining Geologist, San Jose, California, says:

"Geologic and mineralogic indications show marked leaching effect and the probability of appreciable deeper secondary enrichment."

Conclusions as submitted by R. E. Mieritz, P.E. Mining Consultant:

"The Ellsworth Mining District in which the property is located, is a forgotten but a good potential copper producing district as evidenced by some early production reports and records from 1918 to 1924. The principal interest at that time being the gold and silver associated with the copper mineralization. The present interest should be the production of copper. The associated gold and silver values would support a milling operation.

"The Centroid Property is in a setting of much surfaced exposed copper and iron mineralization as evidenced in the many cuts, pits and shafts within and without the property.

"Development of a low grade copper body in the vicinity of the Horse Whim area is highly possible. The possibility exists to the north and northeast of the existing drill exploration completed as of this writing.

"The development of high-grade copper is possible in the fissure system to the north of the Horse Whim area and same must definitely be explored by drilling.

"That District-wise, sufficient moderate grade copper material could be developed and available to a mill servicing the district and the sulphide mineralization evidenced on the property and in the district should easily be amendable to a simple flotation process with expected high recoveries."

Corporate Data

The company was organized in the year 1936, as a mining company, under the laws of Arizona. The Articles of Incorporation, as amended, authorize the issuance of 3,000,000 shares of common capital stock with a par value of \$0.10 per share, fully paid and non-assessable.

Approx. 2,250,000 shares have been issued and are outstanding.

750,000 shares are unissued.

3,000,000 total shares authorized

The corporation remains in good standing with the Arizona Corporation Commission. The last offering to the public was in 1952, at a selling price of \$0.50 per share.

Stock holders: over 1000.

THE DESERT MINE IN CUNNINGHAM PASS, ARIZONA
Report by W. TOVOTE.

LOCATION.

The DESERT MINE is located just West of Cunningham Pass, a low saddle in the Harcuvar Mountains, Yuma County, Arizona. The mine is on the south slope of the mountain range and the country descends from here on easy downward grade to Wenden on the Santa Fe Railroad, Arizona and California Branch, the nearest railroad point, which is approximately ten miles to the south. The road connecting the mine with Wenden, is in fairly good condition only the short branch, from the main Cunningham Pass road to the mine, about one quarter of a mile in length, is in need of repair. Four miles of the main road, in immediate vicinity of Wenden are over sandy ground and liable to be cut up considerable during the dry season; the balance is on good gravel bottom.

The climate is typical desert climate, splendid winters and hot summers.

THE PROPERTY.

The property consists in eleven unpatented mining claims, owned by R. G. Robinson, Wenden, and held under option by D. W. Hall of Salome.

DEVELOPMENT.

Considerable development work has been done on the ground, without leading to favorable result, but the work was not done with due regard to the Geological features of the property or the District generally, and the outcome cannot be accepted as final as far as the possibility of the mine is concerned.

The principal workings are:

Shaft No. 1, an incline shaft 200 feet in depth, with short lateral cuts and about fifty feet of drifting on the bottom level.

Shaft No. 2, the main shaft, an incline 325 feet deep, with over 500 feet of laterals, most of these near the bottom of the shaft, and at present under water.

Shaft No. 3, an incline about 70 feet deep.

Shaft No. 1 and No. 2, are on the Copper Hill Claim, shaft No. 3, is on the Amanda Claim. Besides these workings there are a great number of shallow shafts, tunnels and cuts.

EQUIPMENT.

The property is well equipped. It contains a camp on the Copper Hill Claim, consisting of two iron corrugated buildings, the larger of which was designed as combination office, bunk house, warehouse; it is 100 feet by 30 feet and in good condition. The smaller could be utilized as a dwelling or bunk house.

At shaft No. 2 is a 25 H.P. Fairbanks Morse gasoline hoist and a 9x9 Ingersoll Rand Compressor, well housed in a corrugated iron building. The shaft has a good wooden head frame, the hoist about 400 feet of 1/2" cable, several buckets and other accessories. A pump was on the bottom level at the time of my last visit to the mine, when the water had been taken out. It is supposed to be there

still, but not in good condition. An air receiver, five tanks, piping, blacksmith outfit, and other miner equipment is on hand.

At Shaft No. 1 is a horse whim.

The mine is therefore in excellent condition for an immediate resumption of work. The flow of water is not heavy and can be easily handled by bailing.

GEOLOGY.

The Cunningham Pass district is an area of schist, invaded by large masses of granite porphyry, which send out pegmatitic and aplitic dikes. Other intrusions are dikes of diabase or diorite, or both. Near Cunningham Pass these dikes resemble diabase, but further west, they are decidedly diorite. Possibly there is still a later intrusion of a semibasic porphyry.

The veins of the district strike NW/SE and dip generally to the N.E. Deviations to almost due North/South and East/West are found, but the most important ore shoots are found along veins of the intermediate directions, and N 65 W and N 30 W., seem to be the most favored directions.

The mineralization is two fold and consists in copper and gold, both occur independently as well as jointly in the veins. The principal gangue minerals are quartz, hematite and siderite. Gold seems to be more closely connected with the hematite and quartz, copper with the siderite, but both mineralizations blend into each other. Chloritisation is the principal rock alteration along the veins.

Very high grade ore has been produced from the district, about 18% copper is perhaps the average of past shipments, more attention has been paid to the copper heretofore than to the gold, because it is more easily recognized and sorted, but I have the impression that many a workable gold vein has been overlooked and that the future will bring considerable research in that direction. Shipments of ore, assaying as high as \$100.00 - in gold are on record, but exceptional. Past shipments average probably close to \$10.00 in gold, accessory with the copper, but as mentioned before, gold veins, irrespective of copper, need more careful investigation.

The vein forming agencies are documented as follows:

1. Brecciation.
2. Introduction of hematite, usually as cement in breccia veins, but also as massive bodies, veins and stringers. The brecciation is probably due to the granite porphyry and pegmatite intrusion, the hematite pervades the pegmatite and is therefore later: it might be due to the diorite intrusion.
3. Introduction of siderite, chalcopyrite and pyrite.
4. Deposition of quartz, chalcopyrite and pyrite. The copper deposition has very frequently followed the pre-existing hematite veins and these have been followed generally in prospecting. Quartz, pyrite, chalcopyrite veins have been prospected independently, but are most important, where they join the older hematite veins. Oxidation and secondary enrichment have been very pronounced and most of the ore mined hitherto has come from horizons, affected by these agencies. Minerals of these horizons are: malachite, azurite, cuprite, and chalcocite, but a good deal of straight chalcopyrite-pyrite ore has been mined profitably, which could be considered strictly primary, even, if there is sometimes an indication, that chalcopyrite, also, might locally be a product of secondary processes.

Successful mines have been the Bullard and the Critic, which started on very good ore bodies from the grass roots down.

Lately the Little Giant has shipped some ore of very good grade, found below very uninviting outcrops. A good many other properties and veins have produced occasional shipments, mostly from short and shallow ore bodies, mined by prospectors and leasers, which abandoned the work, as soon as the visible ore was exhausted. The veins explored were usually tight stringer veins and the ore shoots at their best short irregular lenses, which could be mined only because the ore was of very good grade and attractive self fluxing quality. There was a number of very strong veins, with big hematite - quartz croppings in the district which appeal to me as decidedly worth testing, because they embody all the features of the proven veins and very frequently show copperstain and copper ore locally. It is peculiar, that practically no serious development work has been attempted on these veins up to now. Probably the most attractive of these is the Desert Vein.

THE DESERT VEIN: *Three Shows*

The desert vein has a remarkable outcrop of hematite and quartz, surrounded by wide areas of crushed chloritized porphyry. Copperstain is found as well in the hematite-quartz, as in the altered decomposed porphyry. The vein occurs at and near a schist/granite-porphyry contact and diorite dikes are intruded in the vein zone. The big outcrop is apparently due to the intersection of several veins. The entire width of the outcrop is locally up to 100 feet and more on the surface, but the actual width of the vein is considerably less; because the flat dip of the vein gives an exaggerated impression. Still the vein is remarkably strong and wide and will probably average over 25 feet in width over large sections. Besides the main vein there are several minor veins on the property, some of which disclose fair copper showings in superficial workings.

The intersection area, marked by the big outcrop, is on the side of the hill, over 500 feet, N.W. from shaft No. 1, the nearest working of any moment. The intersection line should draw away from this shaft even further in depth. Shaft No. 2 is about 500 feet further south, beyond shaft No. 1, and the workings from shaft No. 2 in depth are about abreast of Shaft No. 1. It would require probably an additional 750 feet of drifting from here, before the workings on this level would enter the favorable area, indicated by the Big Outcrop. The long draft from shaft No. 2 shows a very strong and wide vein of altered, crushed and partly chloritized porphyry impregnated with pyrite and chalcopyrite locally and permeated with hematite in seams and flakes. Brecciation is very pronounced. One small shoot with good chalcopyrite ore and siderite and hematite was encountered, showing that copper mineralization is to be expected. While the vein explored is undoubtedly one of the veins responsible for the Big Outcrop, it is only one of two or more, which produce this outcrop in their intersection zone. Beside this main intersection, the vein system of the Desert Mine indicates several or more favorable intersection points, none of which have been explored so far. Their exact location can only be approximately located, because the veins are largely buried under desert gravel below shaft No. 2.

As mentioned before, good copper showings are found in a number of places and the veins are in every way exactly like the others, which have been proven productive, but even more encouraging is the fact, that one branch of the Desert Vein can almost certainly be traced across the summit of the mountain into Bullard ground and is identical with the Bullard Vein, which has a very good record of past productions.

While copper ore might perhaps be limited to the vicinity of intersection points on this property, the possibilities of finding good ore along this vein appear as very good to me. If ore should be encountered along this vein, the chances are that it will be found in fairly large bodies, commensurate with the size and strength of the veins since the general character of the Cunningham Pass ore, is so very attractive, I consider the Desert an excellent prospect, which invites development work, to decide once and for all, whether there are possibilities in this district beyond the narrow stringer veins, hitherto exploited.

The ground in the old workings is soft and rather heavy, and the flooding will have caused considerable damage; therefore I would advise, not to use the old workings for further prospecting, but rather to abandon them altogether, and prospect the property anew in immediate vicinity of the Big Outcrop.

\$10,000.00 judiciously spent, should be sufficient to decide merits of the prospect and while this amount is an it seems to me well advisable on the strength of geological characteristics of the property to risk development work.

Respectfully submitted,

(Signed) W. Tovote.

January 7th, 1919.

Note: The original of this report was found and read in the files of Seeley Mudd and Company, Engineers, Los Angeles, California

D. K. MARTIN & ASSOC.
315 W. MONTEROSA
PHOENIX, ARIZONA 85013

C O P Y

MAGNA COPPER COMPANY
Superior, Arizona.

Smelter Lot # 1466 Shipper Lot # M 694 Bought of Centroid Cons
Mines.

Settlement # 1032

Date December 7, 1936

Car S.P. 92495 Net weight Dry 77,371 38,6855 Tons.
N.Y. Quotations Date Nov 30, 1936 Copper at \$10275 per pound.
Gold at \$32.20 per ounce.

Assay and analysis.

Copper .91
Silver .40
Gold .43
Iron 24.4
Lime .6
Alumina 3.5
Silica 53.4
Sulphur, None.

Value of shipment, net, - \$421.62
Dec 1936

Values of shipment as of Sept 15, 1930

(Gold \$ 172.48
Copper 581.00
\$ 753.48

The above shipment was taken from the hanging wall Horse Thin Shaft fifty feet above where an economic body of copper-gold ore was discovered a month after. Vertical depth 110 feet. Predicted by both Tovote and Mills.

C O P Y

Silver ozs. value.	Gold Ozs.	Value.	Copper %	Value.	Total 1937	1950.
6	.22	\$7.70	.16	.48	\$8.50	\$8.50
	.01	.35	1.62	4.86	5.21	8.28
.1	.09	3.15	1.51	4.53	7.68	11.03
.4	.05	1.75	1.29	3.87	5.62	8.07
.02	.15	5.25	2.05	6.15	11.30	15.29

Above five samples taken from a trench in the gossan[#] Area reported upon by W.Tovote.

This is an outcropping of a massive ore body on the south side of diorite. On the west side of the diorite is a FRACTURE ZONE in porphyry.

Attached photo is of this area.

Centroid Consolidated Mines

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This property is easily accessible by a recently paved road from Wenden to the Saguaro Recreational and Administrative Area near the proposed Alamo Dam and Reservoir Site on the Bill Williams River. About one and one-quarter miles of this road passes through the property. The El Paso Natural Gas pipe line and Arizona Public Service power line traverse the property.

Geology: Pre cambrian, intruded by quartz porphyry, diabase, diorite, granite porphyry, pegmatite - and near the shears an ancient marine lime.

Structure: A wide mineralized fault runs through the Centroid properties for over a mile, making its way finally through Cunningham Pass both northwest and southeast, presumably burying itself northwesterly in Butler Valley and southeasterly in McMullen Valley. Westerly from the main mineralized fault and extending both northwesterly and southeasterly, is an area spoken of by mining engineers as (1) a shear zone, or (2) several parallel shears. Atop the foothills, further west, is the principal outcrop of the Centroid properties. This apex of an important junction of wide mineralized veins, a fracture zone and intruded diorite in the vein matter, is prominent with outcropping copper stained porphyry.

Mineralization: Copper, gold, silica and iron appear to predominate.

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On the mining claim Jubilee No. 5 is located the main vertical shaft. This shaft was sunk to the 300 foot level and a long cross cut sent forward for 600 feet, cutting at 200 feet from the shaft bottom a diorite dike, from 200 feet to 300 feet, a zone of porphyry and gneis, and from 300 feet to 326 feet, a wide, brecciated mineralized fault, so crushed and open that the downward percolating waters have impoverished the 26 feet of crushed, quartz porphyry; the secondary values are presumed at a greater depth. This fault or shear is known as the October vein and carries some pyrite, some chalcopryite, and in places bornite carrying gold was found covered with a black oxide of copper or what might be termed in other districts--sooty chalcocite.

A sketch map of this shaft and its underground workings is attached with a cross section of the immediate area correlating the main shaft with the Horse Whim Workings on the adjoining mining claim Jubilee No. 2. The Horse Whim shaft has been widened and straightened out to the 200 foot level, extended to a depth of 386 feet and over 500 feet of drifting and cross-cutting have been completed in an oxydized and leached ore body.

On the 375 foot level, reference is here made to the map attached and marked at different points, B, C, D, E, F and G, with Assay Index. These assays were taken from the better looking ore showings, and are selected samples taken from ore in place by the former management. On the same map attached, there is marked point A. At this point a wide exposure, gradually rolling toward the October Vein and heading toward the gossan outcrop, assayed 1.6% copper over a width of fourteen feet. All headings on the 375 foot level show a thoroughly oxydized and leached area.

Ore and Vein Forming Agencies:

1. Brecciation
2. Introduction of hematite, usually as cement in breccia veins, but also as massive bodies, veins and stringers. The brecciation is due probably to the granite porphyry intrusion; the hematite pervades the pegmatites - therefore, it is later.
3. Introduction of siderite, calcopryite, and pyrite.
4. Deposition of quartz, calcopryite and pyrite; oxidation and secondary enrichment have been very pronounced.

Engineering Analyses: W. Tovote, E.M., reports on the properties as follows:

"The Desert Vein, one of the biggest, has a remarkable outcrop of hematite and quartz, surrounded by wide areas of crushed chloritized porphyry. Copper stain is found as well in the hematite quartz, as in the altered decomposed porphyry. The vein occurs at and near a schist-granite-porphyry contact and diorite dikes are intruded in the vein zone. The big outcrop is apparently due to the intersection of several veins."

Charles N. Dunning, E.M., reports as follows:

"Your property has most excellent geological conditions for the formation of large and profitable ore bodies. The development already completed has made an excellent showing and tends to prove the theories which the surface conditions indicate."

R. Burton Rose, M.S. Mining Geologist, San Jose, California, says:

"Geologic and mineralogic indications show marked leaching effect and the probability of appreciable deeper secondary enrichment."

Conclusions as submitted by R. E. Mieritz, P.E. Mining Consultant:

"The Ellsworth Mining District in which the property is located, is a forgotten but a good potential copper producing district as evidenced by some early production reports and records from 1918 to 1924. The principal interest at that time being the gold and silver associated with the copper mineralization. The present interest should be the production of copper. The associated gold and silver values would support a milling operation.

"The Centroid Property is in a setting of much surfaced exposed copper and iron mineralization as evidenced in the many cuts, pits and shafts within and without the property.

"Development of a low grade copper body in the vicinity of the Horse Whim area is highly possible. The possibility exists to the north and northeast of the existing drill exploration completed as of this writing.

"The development of high-grade copper is possible in the fissure system to the north of the Horse Whim area and same must definitely be explored by drilling.

"That District-wise, sufficient moderate grade copper material could be developed and available to a mill servicing the district and the sulphide mineralization evidenced on the property and in the district should easily be amendable to a simple flotation process with expected high recoveries."

Corporate Data

The company was organized in the year 1936, as a mining company, under the laws of Arizona. The Articles of Incorporation, as amended, authorize the issuance of 3,000,000 shares of common capital stock with a par value of \$0.10 per share, fully paid and non-assessable.

Approx. 2,250,000 shares have been issued and are outstanding.

750,000 shares are unissued.

3,000,000 total shares authorized

The corporation remains in good standing with the Arizona Corporation Commission. The last offering to the public was in 1952, at a selling price of \$0.50 per share.

Stockholders: over 1000.

C O P Y

MAGNA COPPER COMPANY
Superior, Arizona.

Smelter Lot # 1466 Shipper Lot # M 684 Bought of Centroid Cons
Mines.

Settlement # 1032

Date December 7, 1936

Car S.P. 92495 Net weight Dry 77,371 38,6855 Tons.
N.Y. Quotations Date Nov 30, 1936 Copper at \$10275 per pound.
Gold at \$32.20 per ounce.

Assay and analysis.

Copper	.91
Silver	.40
Gold	.43
Iron	24.4
Lime	.6
Alumina	3.5
Silica	53.4
Sulphur	None.

Value of shipment, net, - \$421.62
Dec 1936

Values of shipment as of Sept 15, 1930

Gold	\$ 172.48
Copper	561.00
	<u>\$ 753.48</u>

The above shipment was taken from the hanging wall Horse Chim Shaft fifty feet above where an economic body of copper-gold ore was discovered a month after. Vertical depth 110 feet. Predicted by both Tovote and Mills.

C O P Y

Silver ass. value.	Gold Ass. Value.	Copper %	Value.	Total 1937	1950.	
6	.22	17.70	.16	.48	33.50	38.50
	.01	.35	1.62	4.36	5.21	8.28
.1	.03	3.15	1.51	4.53	7.68	11.03
.4	.05	1.75	1.29	3.67	5.62	8.07
.02	.15	5.25	2.05	6.15	11.30	15.29

Above five samples taken from a trench in the Gossard Area reported upon by W. Tovote

This is an outcropping of a massive ore body on the south side of diorite. On the west side of the diorite is a FRACTURE ZONE in porphyry.

Attached photo is of this area.

Critic 2468
NED BUCHANAN

U.S.M.M.
2468

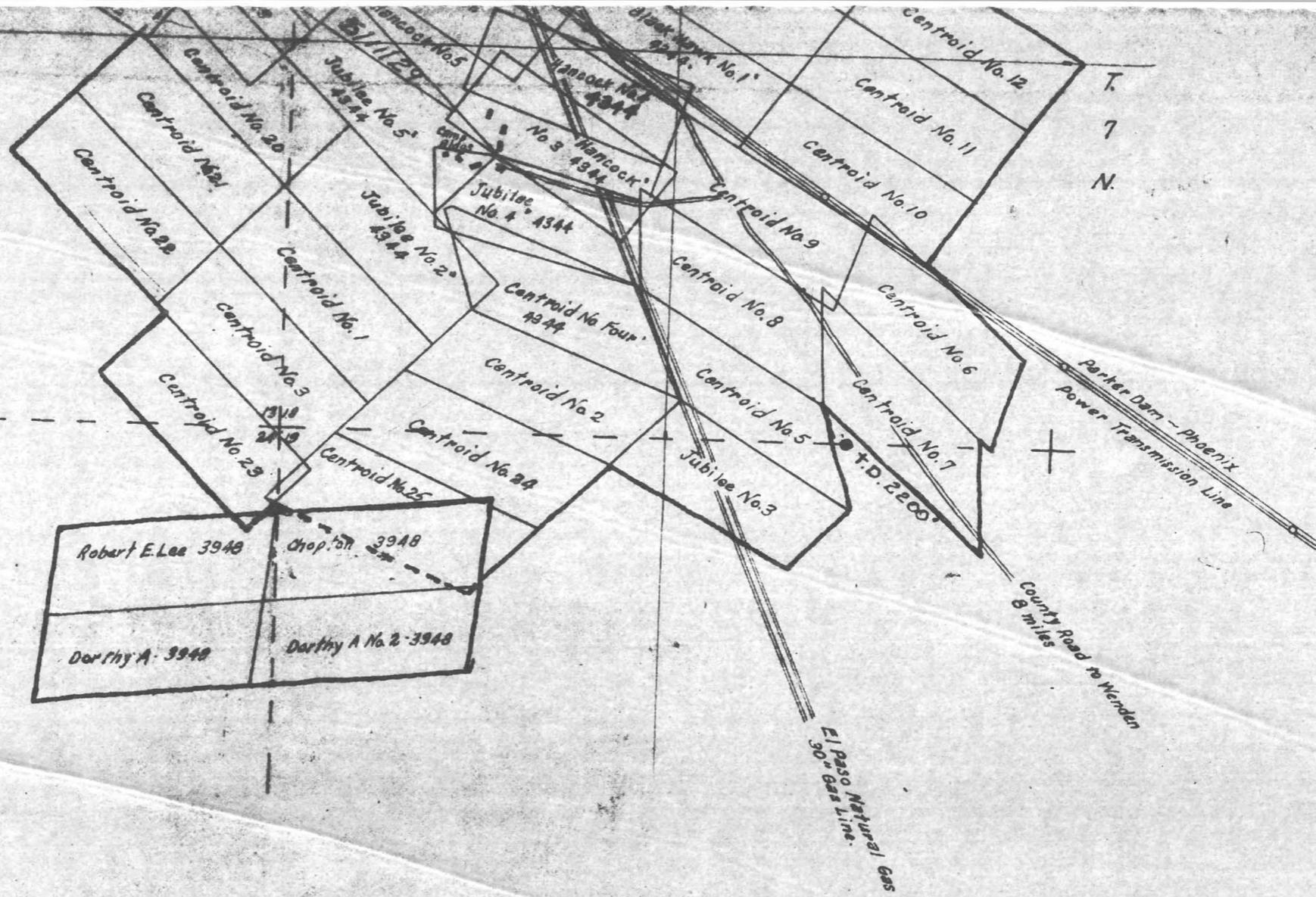
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BRADLEY JAMES

Last Chance 2470
Seven D
Mohawk 2471

Black Diamond 2515
BRADLEY JAMES

PHOENIX, ARIZONA 85013
312 W. MONTEROSA
D. K. MARTIN & ASSOC.

D. K. MARTIN & ASSOC
315 W. MONTEROSA
PHOENIX, ARIZONA 85013



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D. K. MARTIN & ASSOC.
315 W. MONTEROSA
PHOENIX, ARIZONA 85013

ELLSWORTH MINING DIST.
YUMA COUNTY, ARIZONA
SCALE: 1 IN=1000 FT.
SEPT. 1957
R.E.M.

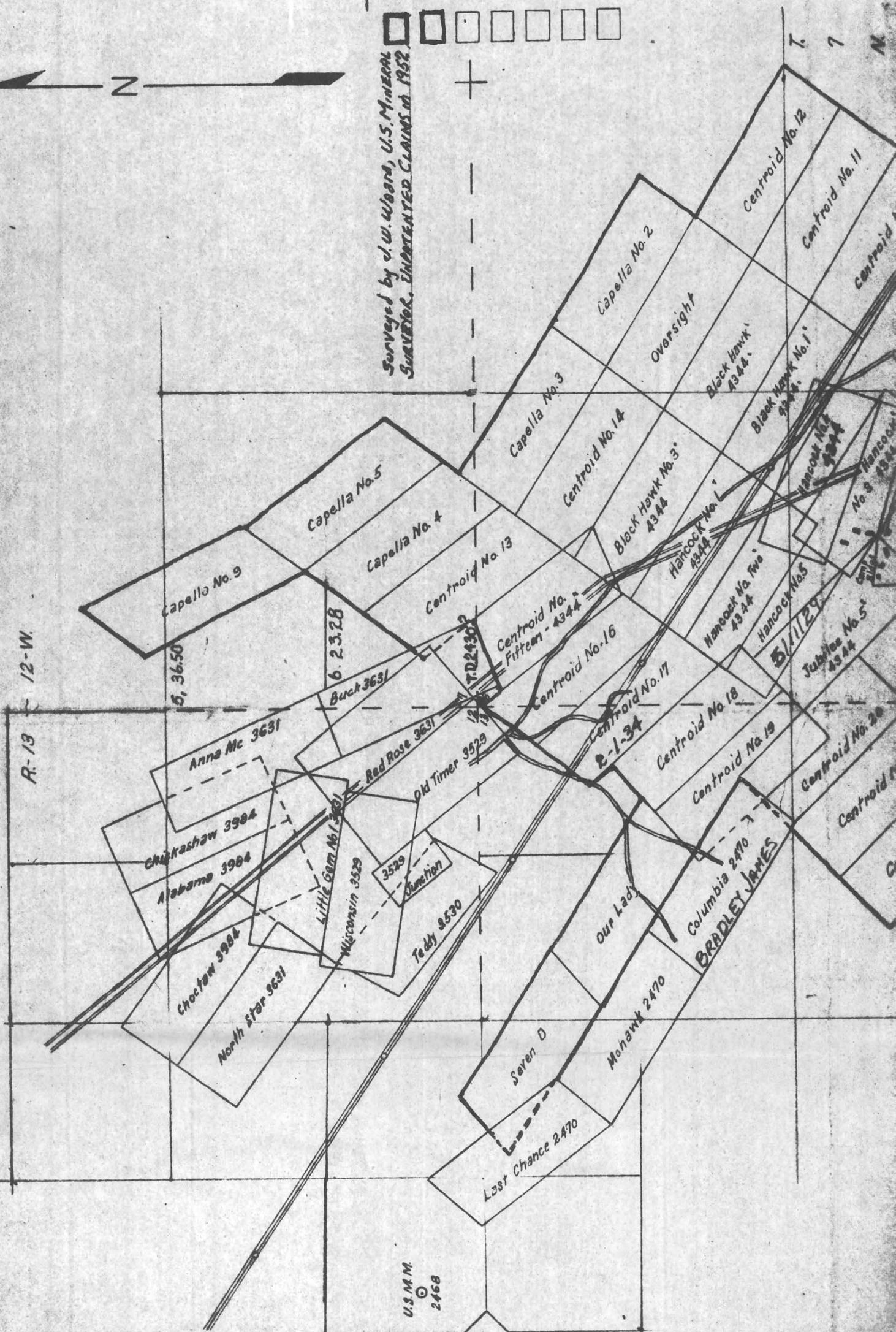


PROPERTY

- Centroid Consolidated
- Black Reef
- Little Giant } now one owner
- Black Giant }
- Bullard } under lease to same group
- Critic }
- Sara }

Surveyed by *d. W. Woods, U.S. Mineral Surveyor, Unpatented Claims in 1952.*

R-13 12-W



U.S.M.M.
2468

BRADLEY JAMES
Columbia 2470

5/11/29

Last Chance 2470

Our Lady

Mohawk 2470

Seven D

Teddy 2530

Old Timer 3529

Red Rose 3631

Anna Mc 3631

North Star 3631

Choctaw 3984

Alabama 3984

Chickashaw 3984

Cherokee 3984

Capella No. 9

Capella No. 5

Capella No. 4

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Capella No. 2

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THE DESERT MINE IN CUNNINGHAM PASS, ARIZONA
Report by W. TOVOTE.

LOCATION.

The DESERT MINE is located just West of Cunningham Pass, a low saddle in the Harcuvar Mountains, Yuma County, Arizona. The mine is on the south slope of the mountain range and the country descends from here on easy downward grade to Wenden on the Santa Fe Railroad, Arizona and California Branch, the nearest railroad point, which is approximately ten miles to the south. The road connecting the mine with Wenden, is in fairly good condition only the short branch, from the main Cunningham Pass road to the mine, about one quarter of a mile in length, is in need of repair. Four miles of the main road, in immediate vicinity of Wenden are over sandy ground and liable to be dug up considerable during the dry season; the balance is on good gravel bottom.

The climate is typical desert climate, splendid winters and hot summers.

THE PROPERTY.

The property consists in eleven unpatented mining claims, owned by R. G. Robinson, Wenden, and held under option by D. W. Hall of Salome.

DEVELOPMENT.

Considerable development work has been done on the ground, without leading to favorable result, but the work was not done with due regard to the Geological features of the property or the District generally, and the outcome cannot be accepted as final as far as the possibility of the mine is concerned.

The principal workings are:

Shaft No. 1, an incline shaft 200 feet in depth, with short lateral cuts and about fifty feet of drifting on the bottom level.

Shaft No. 2, the main shaft, an incline 325 feet deep, with over 500 feet of laterals, most of these near the bottom of the shaft, and at present under water.

Shaft No. 3, an incline about 70 feet deep.

Shaft No. 1 and No. 2, are on the Copper Hill Claim, shaft No. 3, is on the Amanda Claim. Besides these workings there are a great number of shallow shafts, tunnels and cuts.

EQUIPMENT.

The property is well equipped. It contains a camp on the Copper Hill Claim, consisting of two iron corrugated buildings, the larger of which was designed as combination office, bunk house, warehouse; it is 100 feet by 30 feet and in good condition. The smaller could be utilized as a dwelling or bunk house.

At shaft No. 2 is a 25 H.P. Fairbanks Morse gasoline hoist and a 9x9 Ingersoll Rand Compressor, well housed in a corrugated iron building. The shaft has a good wooden head frame, the hoist about 400 feet of 1/2" cable, several buckets and other accessories. A pump was on the bottom level at the time of my last visit to the mine, when the water had been taken out. It is supposed to be there

still, but not in good condition. An air receiver, five tanks, piping, blacksmith outfit, and other miner equipment is on hand.

At Shaft No. 1 is a horse whim.

The mine is therefore in excellent condition for an immediate resumption of work. The flow of water is not heavy and can be easily handled by bailing.

GEOLOGY.

The Cunningham Pass district is an area of schist, invaded by large masses of granite porphyry, which send out pegmatitic and aplitic dikes. Other intrusions are dikes of diabase or diorite, or both. Near Cunningham Pass these dikes resemble diabase, but further west, they are decidedly diorite. Possibly there is still a later intrusion of a semibasic porphyry.

The veins of the district strike NW/SE and dip generally to the N.E. Deviations to almost due North/South and East/West are found, but the most important ore shoots are found along veins of the intermediate directions, and N 65 W and N 30 W., seem to be the most favored directions.

The mineralization is two fold and consists in copper and gold, both occur independently as well as jointly in the veins. The principal gangue minerals are quartz, hematite and siderite. Gold seems to be more closely connected with the hematite and quartz, copper with the siderite, but both mineralizations blend into each other. Chloritization is the principal rock alteration along the veins.

Very high grade ore has been produced from the district, about 18% copper is perhaps the average of past shipments, more attention has been paid to the copper heretofore than to the gold, because it is more easily recognized and sorted, but I have the impression that many a workable gold vein has been overlooked and that the future will bring considerable research in that direction. Shipments of ore, assaying as high as \$100.00 - in gold are on record, but exceptional. Past shipments average probably close to \$10.00 in gold, accessory with the copper, but as mentioned before, gold veins, irrespective of copper, need more careful investigation.

The vein forming agencies are documented as follows:

1. Brecciation.

2. Introduction of hematite, usually as cement in breccia veins, but also as massive bodies, veins and stringers. The brecciation is probably due to the granite porphyry and pegmatite intrusion, the hematite pervades the pegmatite and is therefore later: it might be due to the diorite intrusion.

3. Introduction of siderite, chalcopyrite and pyrite.

4. Deposition of quartz, chalcopyrite and pyrite. The copper deposition has very frequently followed the pre-existing hematite veins and these have been followed generally in prospecting. Quartz, pyrite, chalcopyrite veins have been prospected independently, but are most important, where they join the older hematite veins. Oxidation and secondary enrichment have been very pronounced and most of the ore mined hitherto has come from horizons, affected by these agencies. Minerals of these horizons are: malachite, azurite, cuprite, and chalcocite, but a good deal of straight chalcopyrite-pyrite ore has been mined profitably, which could be considered strictly primary, even, if there is sometimes an indication, that chalcopyrite, also, might locally be a product of secondary processes.

Successful mines have been the Bullard and the Critic, which started on very good ore bodies from the grass roots down.

Lately the Little Giant has shipped some ore of very good grade, found below very uninviting outcrops. A good many other properties and veins have produced occasional shipments, mostly from short and shallow ore bodies, mined by prospectors and leasers, which abandoned the work, as soon as the visible ore was exhausted. The veins explored were usually tight stringer veins and the ore shoots at their best short irregular lenses, which could be mined only because the ore was of very good grade and attractive self fluxing quality. There was a number of very strong veins, with big hematite - quartz croppings in the district which appeal to me as decidedly worth testing, because they embody all the features of the proven veins and very frequently show copperstain and copper ore locally. It is peculiar, that practically no serious development work has been attempted on these veins up to now. Probably the most attractive of these is the Desert Vein.

THE DESERT VEIN. *From the mine*

The desert vein has a remarkable outcrop of hematite and quartz, surrounded by wide areas of crushed chloritised porphyry. Copperstain is found as well in the hematite-quartz, as in the altered decomposed porphyry. The vein occurs at and near a schist/granite-porphry contact and diorite dikes are intruded in the vein zone. The big outcrop is apparently due to the intersection of several veins. The entire width of the outcrop is locally up to 100 feet and more on the surface, but the actual width of the vein is considerably less; because the flat dip of the vein gives an exaggerated impression. Still the vein is remarkably strong and wide and will probably average over 25 feet in width over large sections. Besides the main vein there are several minor veins on the property, some of which disclose fair copper showings in superficial workings.

The intersection area, marked by the big outcrop, is on the side of the hill, over 500 feet, N.W. from shaft No. 1, the nearest working of any moment. The intersection line should draw away from this shaft even further in depth. Shaft No. 2 is about 500 feet further south, beyond shaft No. 1, and the workings from shaft No. 2 in depth are about abreast of Shaft No. 1. It would require probably an additional 750 feet of drifting from here, before the workings on this level would enter the favorable area, indicated by the Big Outcrop. The long draft from shaft No. 2 shows a very strong and wide vein of altered, crushed and partly chloritised porphyry impregnated with pyrite and chalcopyrite locally and permeated with hematite in seams and flakes. Brecciation is very pronounced. One small shoot with good chalcopyrite ore and siderite and hematite was encountered, showing that copper mineralization is to be expected. While the vein explored is undoubtedly one of the veins responsible for the Big Outcrop, it is only one of two or more, which produce this outcrop in their intersection zone. Beside this main intersection, the vein system of the Desert Mine indicates several or more favorable intersection points, none of which have been explored so far. Their exact location can only be approximately located, because the veins are largely buried under desert gravel below shaft No. 2.

As mentioned before, good copper showings are found in a number of places and the veins are in every way exactly like the others, which have been proven productive, but even more encouraging is the fact, that one branch of the Desert Vein can almost certainly be traced across the summit of the mountain into Bullard ground and is identical with the Bullard Vein, which has a very good record of past productions.

While cepper ore might perhaps be limited to the vicinity of intersection points on this property, the possibilities of finding good ore along this vein appear as very good to me. If ore should be encountered along this vein, the chances are that it will be found in fairly large bodies, commensurate with the size and strength of the veins since the general character of the Cunningham Pass ore, is so very attractive, I consider the Desert an excellent prospect, which invites development work, to decide once and for all, whether there are possibilities in this district beyond the narrow stringer veins, hitherto exploited.

The ground in the old workings is soft and rather heavy, and the flooding will have caused considerable damage; therefore I would advise, not to use the old workings for further prospecting, but rather to abandon them altogether, and prospect the property anew in immediate vicinity of the Big Outcrop.

\$10,000.00 judiciously spent, should be sufficient to decide merits of the prospect and while this amount is an it seems to me well advisable on the strength of geological characteristics of the property to risk development work.

Respectfully submitted,

(Signed) W. Tovote.

January 7th, 1919.

Note: The original of this report was found and read in the files of Seeley Mudd and Company, Engineers, Los Angeles, California

D K MARTIN & ASSOC.
319 W. MONTEROSA
PHOENIX, ARIZONA 85013

HAR
E LLS

Centroid

SUN SET EXT No. 2
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369

NE 1/4, T. 7 N., R. 13 W.
HARCUVAR DIST.
ELLSWORTH DIST.



ROBERT E. LEE PAT. 3948	CHAPTON PAT. 3948
DOROTHY A. PAT. 3948	DOROTHY A. No. 2 PAT. 3948

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