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PACIFIC
REGIONAL
OPERATIONS, INC.

P.O. Box 716 • Scottsdale, Arizona 85252 • (602) 994-3147

May 21, 1981
June1, 1981

Mr. Mark F. Jones
1230 W. 2nd Street
Los Angeles, California 90014

Dear Mr. Jones:

Pacific Regional Operations, Inc., is in the process of geologically examining a number of mining properties in Mohave County, Arizona. In our initial review, several patented mining claims which you own have come to our attention, namely, the Flores, Flores West, Flores North and Flores North #2.

Pacific Regional Operations is an Arizona corporation currently involved in the exploration and development of mineralized land. We have been active in the Kingman area for over a year.

The results of our initial study have interested us in further examination of your property. We shall be contacting you during the week of May 26-29, 1981, to discuss equitable terms and recompense for you while we are pursuing further evaluations of your property, if this is agreeable with you. (June 8-12)

Yours very truly,

PACIFIC REGIONAL OPERATIONS, INC.

D. A. Hall

D. A. Hall
Executive Assistant

DAH:lpk

MARK F. JONES (1888-1953)

MARK F. JONES, JR.
LAWYER
1230 WEST SECOND STREET
LOS ANGELES, CALIFORNIA 90026
(213) 624-0253

I enclose herewith requested information. The corporation is demanding a ten per cent (10%) lease with $100,000.00 to be paid at the time of execution of lease.

That $100,000.00 together with any minimums paid until production starts will be reimbursed to the investor on the basis of one-half (½) of the ten per cent (10%) royalty to be credited until all advances have been reimbursed to the investor, thereafter straight ten per cent (10%).

Yours very truly,

MARK F. JONES, JR.

MFJ:kl

Enc.

5-28-81 Telephone conv. 213-624-0253

MARK F. JONES - SOUNDS 60 yrs old or so.

HAS 1979 ENGINEERS REPORT WILL SEND PRO TODAY

MUST HAVE $100,000 up FRONT + 10% ROYALTY

WILL NOT SELL - WILL LEASE $100,000 FIRST YEAR BONUS

$1.00 PER ACRE / PER YR. THEREAFTER FOR 3 YR. LEASE.

10% ROYALTY BUT ONLY PAY 5% TILL $100,000 IS RECOUPED.

ENGINEERS REPORT GIVES PROVEN RESERVES OF 10,000 TONS OF $600 gold ORE WILL RUN 35% CONCENTRATES Cu Pb Zn Ag ORE.

MARK F. JONES JR.
1230 W. SECOND STREET
LOS ANGELES, CALIF. 90026

DEAR MR. JONES:

THANK YOU FOR PROMPTLY MAILING THE GEOLOGICAL REPORT CONCERNING THE FLORES MINING CLAIMS IN MOHAVE COUNTY, ARIZONA. ~~I CAN CERTAINLY FIND LITTLE FAULT WITH~~ FOR MOST PART I CONCUR WITH THE GEOLOGY OF THE REPORT, ~~AS IT~~ CONFORMS QUITE WELL TO ~~MY OWN~~ OUR OBSERVATIONS IN THE AREA. ~~AND MR. THOMSSEN APPEARS, BOTH~~ TO BE A ~~QUALIFIED AND COMPETENT GEOLOGIST.~~

PACIFIC REGIONAL OPERATIONS HAS CONDUCTED NUMEROUS ECONOMIC FEASIBILITY STUDIES IN THE CERBAT MOUNTAINS AND ~~USING OUR OWN FORMULA TO~~ ~~EXPECTED~~ EXPLORATION, AND ~~ANTICIPATE~~ PROJECTED MINING AND SHIPPING COSTS IN THE ~~TO~~ EXCEED THOSE POSTULATED BY MR. THOMSSEN. ~~ALSO, IT APPEARS, MR. THOMSSEN HAS USED 1940 SHIPPING ORE VALUES TO DETERMINE THE VALUE OF UNPROVEN RESERVES AND HAS USED A~~ FIVE-FOOT AVERAGE WIDTH FOR THE MINERALIZED FLORES VEIN; OUR DETAILED ASSAYING EXPERIENCE IN THE AREA SUGGESTS ~~MANDATES THAT WE DISCOUNT HIS FIGURES SOMEWHAT SINCE~~ THE ORE IN VEINS OF THE FLORES TYPE USUALLY AMOUNTS TO ONLY A PORTION OF THE VEIN WHICH ~~IS~~ CAN BE PRIMARILY COMPOSED OF BARREN QUARTZ. ~~I APPEARS MR. T. HAS USED~~ THE ORE SHIPPED IN 1940 ~~CANNOT BE~~ MAY NOT BE ~~CONSIDERED~~ REPRESENTATIVE AS IT IS HIGHLY PROBABLE THE "OLD TIMERS" HAND SORTED THE ORE AS WAS COMMONLY PRACTICED IN THOSE DAYS.

~~IN SHORT, IT APPEARS~~ WE ARE IN GENERAL AGREEMENT WITH MR. THOMSSEN'S CONCLUSIONS THAT THE PROPERTY WILL HAVE TO BE MORE THOROUGHLY EXPLORED AND TESTED TO DETERMINE THE ECONOMIC FEASIBILITY OF REOPENING THE FLORES MINE. THIS EXPLORATION AND TESTING ~~PACIFIC REGIONAL OPERATIONS HAS IN MIND~~ SHOULD INCLUDE ~~WOULD CONSIST~~ OF SURVEY WORK, GEOLOGICAL MAPPING ABOVE AND BELOW GROUND, UNWATERING THE MINES AND

a MAJOR mining investment

, in order to block out sufficient ore reserves to justify ~~the~~ major mining ~~ex~~ costs.

CORE DRILLING, ~~(WE FEEL ALL THIS~~ WOULD NEED TO BE DONE, AND SUFFICIENT ORE WOULD HAVE TO BE PROVEN IN THE PROCESS, TO JUSTIFY AN EXPENDITURE AS STEEP AS YOU REQUIRE.)

FOR A MORE REASONABLE SUM, PACIFIC Regional Operations WOULD PURCHASE AN OPTION TO LEASE THE PROPERTY ACCORDING TO THE TERMS YOU REQUIRE AFTER WE HAVE, AT OUR OWN EXPENSE AND RISK, completed THE EXPLORATION ~~PACKAGE OUTLINED ABOVE.~~

PLEASE CONSIDER ~~WHAT HAS BEEN~~ PROPOSED IN THIS LETTER. Hopefully WE CAN PURSUE THIS MATTER FURTHER.

Sincerely

Wm. VANDERWALL
geologist.

→ TO JUSTIFY AN EXPENDITURE AS STEEP AS YOU REQUIRE, WE DETERMINED THE FOREGOING exploritory procedure TO BE A prerequisite, AND OF COURSE, IN THE process THE DETERMINATE proof OF SUFFICIENT ORE QUANTITIES.

We have reviewed your cover letter requesting $100,000 lease bonus and 10% Royalty. Based upon ~~actual~~ ~~the~~ necessary expenditures ~~of exploration and testing~~ to ~~block~~ ~~justify mining costs~~ justify sufficient blocked ~~the~~ ore, ~~we would~~ too much monies are necessary ~~for~~ exploration and testing to warrant ~~the~~ the initial bonus you request~~ed~~. we would be agreeable If ~~the~~ the can be restructured ~~so~~ that ~~a portion~~ the major portion of the bonus ~~costs~~ will be in exploration and testing costs for the claims. ~~If not~~ ~~we can~~ ~~we would be willing to initiate our studies on these~~

Please consider this approach.

Sincerely

bonus

Preliminary Report

On

FLORES MINE

Cerbat, Mohave County, Arizona

R. W. Thomssen, CPG

Carson City, Nevada

February, 1980

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Mohave County Assessor's Map Book 309, Map 05	In Pocket

Flores Mine,

Cerbat, Mohave County, Arizona

INTRODUCTION

At the request of Mark F. Jones, Jr., of Los Angeles, California, a study was undertaken to determine the feasibility of reopening the Flores Mine in light of recent major increases in the price of precious metals. Several separate though interrelated aspects of the study include a review of the geology of the Flores Mine which is summarized herein. An estimate of potential reserves remaining in the Flores vein relatively close to old workings together with a two phase program for corroborating the estimate and upgrading the reserves to proven and probable categories is also discussed. Finally, a development program leading to mining of the reserves is suggested.

The four patented claims comprising the Flores Mine are: Flores, Flores North, Flores North No. 2, and Flores West. They total 61.34 acres. A listing of parcels and ownership for the W1/2 and SE1/4 of Section 7 wherein the Flores group of claims are situated is attached as Appendix I.

The Flores Mine is located approximately one-half mile north of the site of the old mining town of Cerbat. The area can be reached from U. S. Highway 93 by turning east at the Cerbat Historical Monument ten miles north of Kingman and continuing past the Holyoak Ranch for one-half mile to the second left turn, thence northeasterly for another one-half mile to the Flores Mine.

The Flores Mine is credited with over $200,000 of production, most of which was taken out before 1900. The mine was developed through three shafts, two of which are open down to water, though both are in need of some retimbering. Approximately 500 feet of drifts provide access to stopes which are most extensively developed between No. 1 and No. 2 shafts from the surface down to the 160 level in No. 1 shaft. 1940 was the last year of recorded production when 151.511 dry tons were treated at the mill of Producers Mines, Inc., in Chloride, Arizona. Heads for the four shipments assayed from .2675 to .744 ozAu/ton and averaged .353 ozAu/ton. Silver lead and zinc were not assayed for nor recovered.

GENERAL GEOLOGY

During February, 1980, four days were spent at the Flores Mine mapping the surface geology (scale: 1" = 40') of the area under which previous production was derived and re-

connoitering the area of the claims and immediately adjacent properties. The results of the geological mapping have been plotted on a single sheet which is included herewith.

The principal rock type present at the Flores Mine is granitic gneiss of Precambrian age. Three units were distinguished within the granite gneiss on the basis of the most obvious and, generally, the most abundant mineral. As noted on the geological map, the southern-most unit is a hornblende gneiss (designated gneiss - hornblendic) consisting principally of hornblende (a dark green to black basic calcium iron magnesium silicate) and feldspar and minor quartz. The next unit to the north is a biotite gneiss. This unit is characterized by dark brown flakes of biotite (a basic potassium iron magnesium alumino-silicate). Both the hornblende and biotite gneisses are strongly foliated with easterly to northeasterly strikes to the planes of foliation. Local abrupt variations in strike and dip of these two units seem to be related spacially to thin dikes of pegmatite and irregula masses of alaskite (coarse grained rocks consisting primarily of quartz and feldspar).

North of the biotite gneiss is a unit of feldspar gneiss which is considerably more massive than the other two units although foliation is still evident. Perhaps due to its more massive character and consequent ability to sustain

fracture rather than yielding plastically, the feldspar gneiss is host to a flat dike of diabase (a dark green, dense rock composed of pyroxenes-calcium iron magnesium alumino-silicates and plagioclase feldspar). The diabase dike strikes northerly and dips easterly at 30 degrees. It appears to be about 30 feet thick next to the Flores vein where it is cut off.

The Flores vein is composite in nature with several periods of quartz deposition as indicated by brecciated and recemented quartz vein material particularly along the footwall. Near the surface the vein and subjacent wallrock is stained by iron oxides and is clay altered partly as a result of primary mineralization and partly due to sulfide oxidation and leaching by resulting acidic solutions. Below the weathering zone, the quartz vein contains primary sulfides including principally pyrite (FeS_2), and lesser amounts of sphalerite (ZnS), and galena (PbS).

The aggregate thickness of the various strands of quartz vein material and intercalated altered wallrock reaches a maximum of eight feet in the vicinity of No. 2 shaft and averages perhaps five feet. Access to underground workings is very limited and this figure for average vein thickness may be too conservative.

The Flores vein occupies a shear zone which appears to have substantial displacement as evidenced by the absence of a western extension of the diabase dike in the immediate mine area. The crushing and brecciation of some of the quartz vein material and the presence of clayey gouge zones to six inches demonstrates fault movement at least in part contemporaneous with vein mineralization. Post-vein faulting is present along the east side of the diabase dike offsetting the Flores vein in the stope north of No. 1 shaft. Actual displacement is not exposed within the stope. However, the presence of the vein in No. 1 shaft on trend to the south indicates that offset is on the order of 10 to 20 feet.

EXPLORATION AND DEVELOPMENT

In order to determine if the Flores vein should be tested for ore reserves, the potential must be estimated. The reserves derived from old data which cannot at present be verified in the mine workings must be considered only as an order-of-magnitude estimate derived solely to test the financial advisability of proceeding with the next logical exploration step, namely core drilling or reopening the mine workings or some combination of the two.

The estimate of potential reserves is accomplished by conservatively delineated extensions of mineralized portions

of the vein. The three areas shown on the attached longitudinal section are converted to tons by multiplying by a 5-foot average thickness and dividing by a 12.5 cubic feet per ton density factor. This exercise yields a potential reserve of 18,100 tons. Average grade is derived from the weighted average of 286 tons of material noted with assay values on the longitudinal section and reducing that value by 33% to be conservative to yield a grade of .24 ounces gold per ton. Total gold in the potential reserve calculates to 4,344 ounces worth $2,600,000 at $600 per ounce. This value is of sufficient size that a phased exploration and development program to upgrade the potential reserves into proven and probable categories is justified.

First phase exploration should include core drilling and a limited amount of timber repair work in No. 1 and No. 2 shafts so that safe access to the water level is possible Ventilation should also be supplied in No. 1 shaft to the 75 level where geological mapping and sampling must be carried out.

Initial core drilling in the first phase program should be conducted in the interval between No. 1 and No. 2 shafts so as to intersect the vein below the previously stoped areas. Three holes sited and inclined so as to penetrate the vein between 50 and 100 feet from old workings would total 750

feet. Core intersections of mineralized vein material will be split and assayed. The new data in conjunction with that noted on the longitudinal section will be recalculated to provide several categories of reserves depending on the type of exposure and sample represented by the assay data. Drill hole indicated reserves are of lesser quality than those derived from the sampling of underground exposures of the vein and certainly of less quality than reserves projected from previously mined ore blocks. Consequently, if the drill core intersections are of encouraging grade and thickness, it is necessary to upgrade the resulting drill hole indicated reserves by acquiring samples from nearby underground workings on the vein.

Second phase exploration would be designed to unwater and open up underground workings and sample all accessible exposures of the vein. This phase should, of course, only be initiated if the first phase results are satisfactory. Additional drilling would be an optional part of the second phase program, in actuality being simply a continuation of the first phase program. Drill holes to the south and north of No. 1 and No. 2 shafts, respectively, designed to probe for extensions of the vein within 200 feet of the surface and 150 feet of the two shafts could total as much as 1,000 feet. See Appendix II, Phase II budget.

Up to this point underground work has been limited to unwatering the workings, timber repair, ventilation and geological mapping and sampling. On the basis of this work and the drill core assay data from both the first and second phases, hopefully completed within one year, an evaluation in some detail can be undertaken to determine the feasibility of initiating underground development work consisting of shaft sinking, drifting, and raising to further test and upgrade the drill hole indicated reserves, as well as the probable reserves. To undertake this kind of development work requires a large capital expenditure for surface plant including hoisting capabilities and installation underground of utility lines for compressed air and water to the various working faces, as well as track for haulage. Ventilation must be provided to working areas. In addition, permits for work beyond exploration must be acquired.

The question of a mill to beneficiate the ore which will be produced from drifting on the vein will have to be resolved at this point in time. The Cerbat mill situated about one-half mile to the south of the Flores Mine is the logical place for the ore to be handled. The mill last operated in about 1956 and much of the original equipment is on the property though electric power has been disconnected and several switch boxes, et cetera, on the crushing plant equipment are missing and would have to be replaced.

Grant Holyoak, caretaker of the mill and part owner of the nearby Holyoak Ranch, stated that the mill is in the estate of Floyd Dotson of Fort Scott, Kansas. Anna Maria Feemster, Attorney, also of Fort Scott, is Trustee of the estate. Holyoak further stated that he recently heard she has been awarded title to the patented claims and the mill as her trustee fee. Contact with Feemster appears appropriate and timely.

The mill has a capacity of 150 tons per day (tpd). The grinding circuit contains two 75 tpd capacity ball mills and it may be possible to utilize one independantly of the other without impairing overall efficiency. This would allow milling to start at 75 tpd with the option to increase throughput when appropriate. The inside of the mill was not inspected and so the physical condition of the flotation cells and motors plus pumps is unknown. A survey of the mill should be made by a millman if further efforts toward utilization of the mill for Flores ore is contemplated.

At this point in time estimates for mining plus hoisting costs to deliver ore to the collar of the Flores shafts a year hence are only that, estimates. However, for purposes of discussion some figures will be introduced which have been derived from compariable size operations in the western U. S. Assuming a shrinkage stope method of mining requiring minimal

timber for stope wall support a cost for mining plus hoisting of $15 per ton can be estimated. Haulage to the Cerbat mill plus milling costs to produce concentrates for shipment to smelters can be estimated at $20 per ton. The total operating costs of $35 per ton does not include amoritization of capital investment, industrial accident insurance, supervisory overhead, taxes, or sinking funds to replace worn out equipment. However, even if these items total $50 per ton, ore with a recoverable value of $110 per ton (.24 ounces gold/ton x 85% mill recovery x 90% (dilution factor) x $600 per ounce gold) will return a profit of $25 per ton.

Since values for gold grade, tonnage of potential ore, mining and milling costs, and other expenses have been conservatively estimated, additional profit may well result from careful engineering and operation provided, of course, that the price of gold does not drop below $600 per ounce. In this conjunction, it should be emphasized that no accounting of silver, lead or zinc values in the concentrates has been made so an additional conservative factor has been introduced which should enhance the profitability of the operation.

DUMP PROCESSING

The possibility of utilizing heap leaching techniques to profitably recover gold and silver from the dumps at No. 1

and No. 2 shafts was evaluated. The amount of dump material available is approximately 2,000 tons. An average grade of .04 ounces gold per ton and .9 ounces silver per ton can be assigned to this material on the basis of assay data supplied by Jones. Recoveries of 30% of the silver and 50% of the gold may reasonably be expected. These values lead to a recoverable value of $21.00 per ton of dump material.

Costs of heap leach pad construction, hauling and recovery are estimated at $15.00 per ton. Capital cost for the solution tanks and recovery unit are $50,000 or $25.00 per ton of dump material. The total cost per ton of available leach material substantially exceeds the recoverable precious metal value and this type of operation can not be considered practical with such a small tonnage.

When the operation of the mill is initiated the dumps can be used for break in and tune up material. Recovery of precious metals will at least offset costs for this period of mill operation.

RECOMMENDATIONS

The geological review of the Flores Mine, in addition to an evaluation of data on previous production and old sample results, indicates that a reasonable possibility exists that a significant reserve of gold-silver ore with base metal

values occurs adjacent to old workings. A phased program to test and evaluate this possibility is recommended as follows:

Phase One

1) Drill three core holes so as to intersect the Flores vein as noted on the attached longitudinal section.

2) Repair collar and shaft timber in both No. 1 and No. 2 shafts to water level and provide ventilation in No. 1 shaft to 75 level.

3) Map and sample accessible workings off of No. 1 shaft.

4) Investigate availability of Cerbat mill for use in beneficiating Flores ore.

Phase Two

1) Unwater shafts and repair timbering as needed to provide safe access to all old workings.

2) Map and sample accessible workings off of No. 1 and No. 2 shafts.

3) Optional. Drill four core holes to the north and south of No. 2 and No. 1 shafts to expand drill hole indicated reserves.

4) Perform geological and engineering study on final feasibility of developing ore with underground workings and initiating mining and milling at the Cerbat mill.

Respectfully submitted,

R. W. THOMSSEN

February, 1980

APPENDIX I

Summary of patented claim ownership in the W1/2 and SE1/4, Sec. 7, T22N, R17W -- Refer to Assessor's Map, Book 309, Mohave County Courthouse, Kingman, Arizona.

Assessor's Parcel No.	Claim Names	Mineral Survey No.	Acreage	Owner and Address
Map 05				
03	Gold Nugget	2832	20.66	John E.Pelton Esta c/o George Pelton 124 S. Hudson Ave. Los Angeles, CA 90 9000
04	Flores Lot No. 40	630	20.50	Mark F. Jones Super Products, In 1230 W. 2nd Street Los Angeles, CA 90 9001
	Flores North	3320	)	
	Flores North No. 2	3320	) 40.84	
	Flores West	3320	)	
			61.34	
05	Ellen L.	3585		Ariz.Mohave Mining
	Alma C.	3585	40.0	509 E. Beale Stree Kingman, AZ 86401
06	Idaho	2460		Hazel C. Gentry
	Broken Hills	2460	20.93	5001 Ridge Ave. 27 Las Vegas, NV 8910
07	Golden Gem	1287	8.23	Floyd Dotson
	R.A.	2779	)	Box 896
	Quaker	2779	) 20.46	Ft. Scott, KS 6670
	Exchequer	2779	19.86	
			48.55	
08	Booby	2872		1/2 Int. - Regents Univ. Calif.
	Mohawk	2872	27.87	1/2 Int. - Irving M. Liner 1180 Guerrero Stre San Fran., CA 9441
09	Vanderbilt	2502	6.87	A.L.&Nellie E. Smi 212 N. 4th St-Masc Temple Kingman, AZ 86401
Map 10				
01	Red Seal	2776		Floyd Dotson
	Siwash	2776	37.39	Box 896 Ft. Scott, KS 6670

APPENDIX II

FLORES MINE

PHASE I

Exploration and Development Budget

Core Drilling - 750 feet @30/ft	$22,500
Drillsite Preparation (3 sites)	1,000
Supervision	2,500
Sample Preparation (50 feet)	500
Timber Repair - No. 1 Shaft (40 feet)	5,000
Ventilation to 75 Level	1,000
Timber Repair -No. 2 Shaft (20 feet)	2,500
Ventilation to 40 feet (water level)	600
Sampling and Mapping 75 Level - No. 1 Shaft	500
Geological Evaluation of Results	1,000
Contingency	2,900
	$40,000

APPENDIX II

FLORES MINE

PHASE II

Exploration and Development Budget

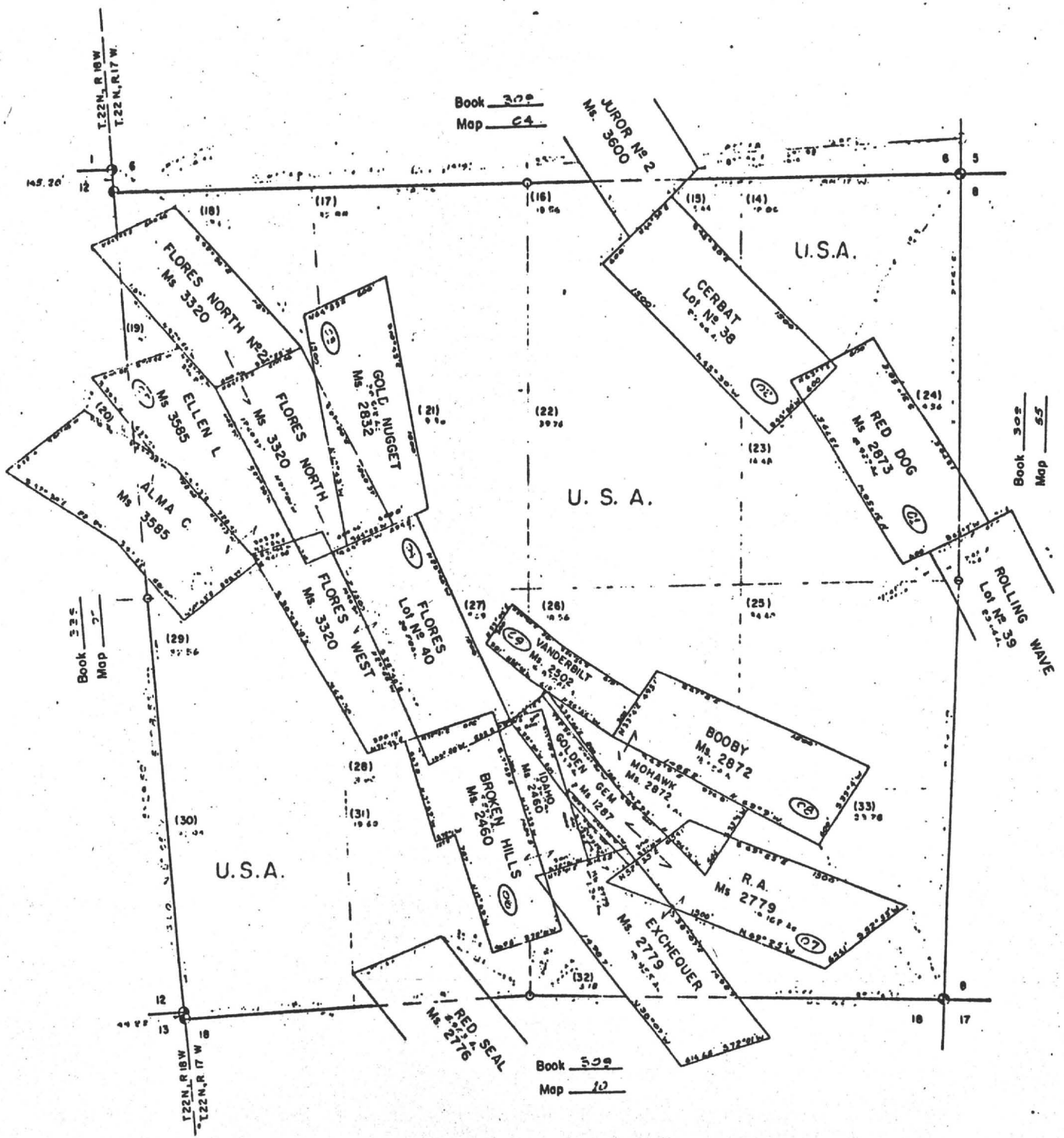
Unwatering - both Shafts	$ 3,000
Timber Repair - both Shafts (50 feet)	6,250
Sampling and Mapping (300 feet)	3,000
Sub-Total	$12,250
Optional	
Core Drilling - 1000 feet	30,000
Drillsite Preparation (4 sites)	1,500
Supervision	2,500
Sample Preparation (100 feet)	1,000
Sub-Total	$35,000
Total	$47,250
Geological Evaluation of Results	1,000
Engineering Evaluation of Workings	1,000
Contingency	5,750
	$55,000

EC. 7 T. 22 N., R. 17 W.

BOOK 309

MAP 05

Code 0400



22 N., 17 W., 7

MOHAVE

R E S U M E

Richard W. Thomssen, ~~1077 Riverside Drive,~~ P.O. Box 12728 Apt. ~~64,~~ Reno, Nevada ~~89503~~ 89510

Place of Birth: Albany, California, April 23, 1933 **Divorced**

Employment Record

July, 1966 to Present - Consulting work involving mineral exploration and project administration for major corporations throughout western North America and southwest Pacific. Full time since July, 1969.

July, 1965 to July, 1966 - Employed by Utah Construction and Mining Company as Senior Geologist in Reno, Nevada office of Mineral Development and Geology Department. Duties involved exploration for and evaluation of possible economic mineral deposits in Nevada and Arizona.

January, 1965 to July, 1965 - Consulting work involving exploration for and evaluation of a variety of metallic and nonmetallic mineral deposits in Utah, Nevada and Idaho.

April, 1964 to January, 1965 - Employed by Silver King Mines, Inc., as Senior Geologist at Ely, Nevada. Duties included participation in establishing an analytical laboratory and evaluation of possible economic base and precious metal deposits in eastern Nevada and western Utah.

February, 1956 to April, 1964 - Employed by The Anaconda Company at Southwest Office, Tucson, Arizona and San Manuel, Arizona and at Salt Lake Office, Salt Lake City, Utah. Duties included examination of a wide variety of base, rare and precious metal deposits and industrial and chemical nonmetallic deposits.

June, 1955 to February, 1956 - Consulting work involving exploration for and evaluation of tungsten and manganese deposits in California and Nevada.

Academic Record

October, 1968 to July, 1969 - Awarded a Pre-doctoral Internship in the Department of Mineral Sciences, Smithsonian Institution, Washington, D. C.

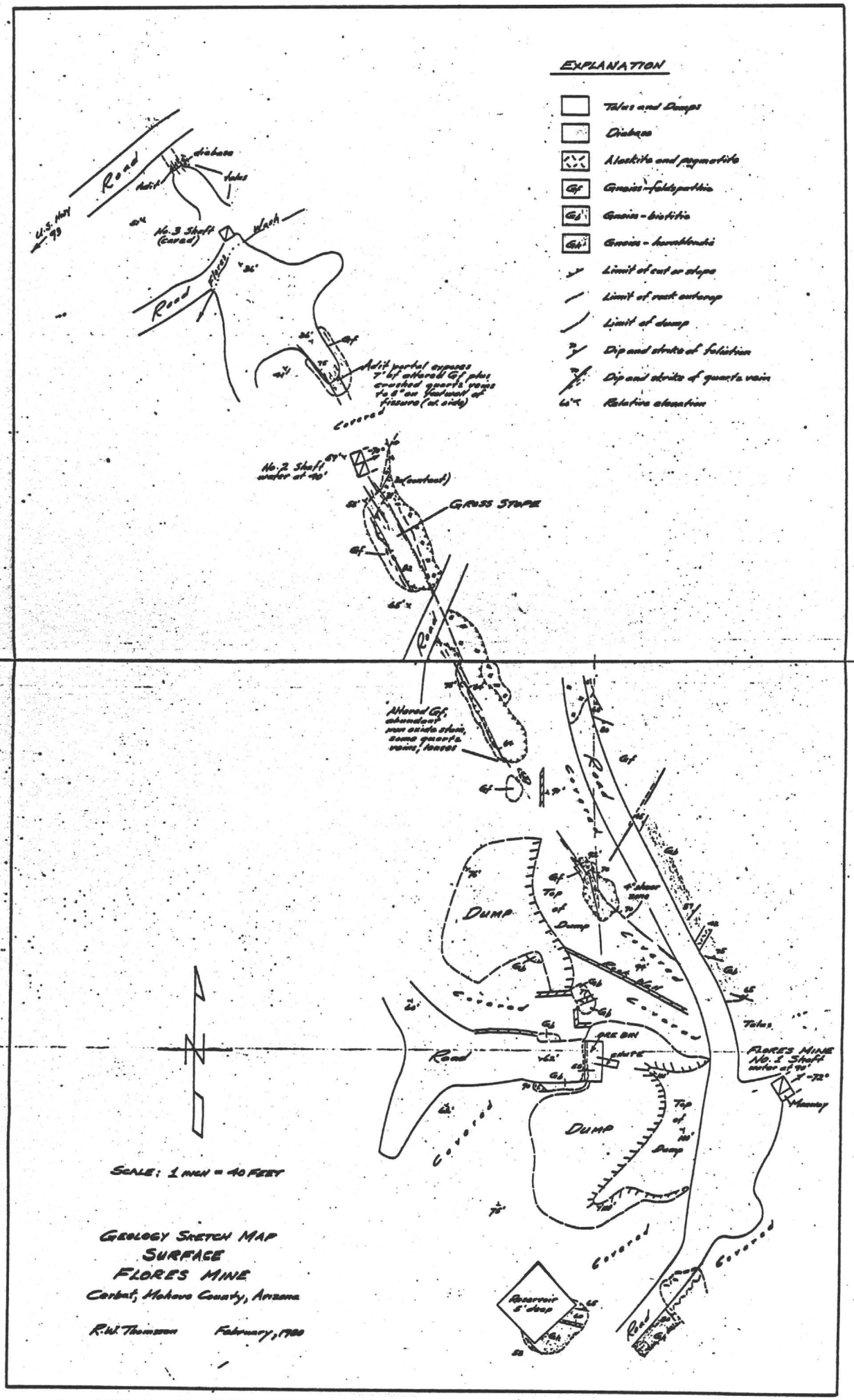
September, 1966 to June, 1969 - Attended Graduate College with major in Geology, University of Arizona, Tucson, Arizona. Completed 60 units of course work - accumulative average - 1.000. Dissertation pending.

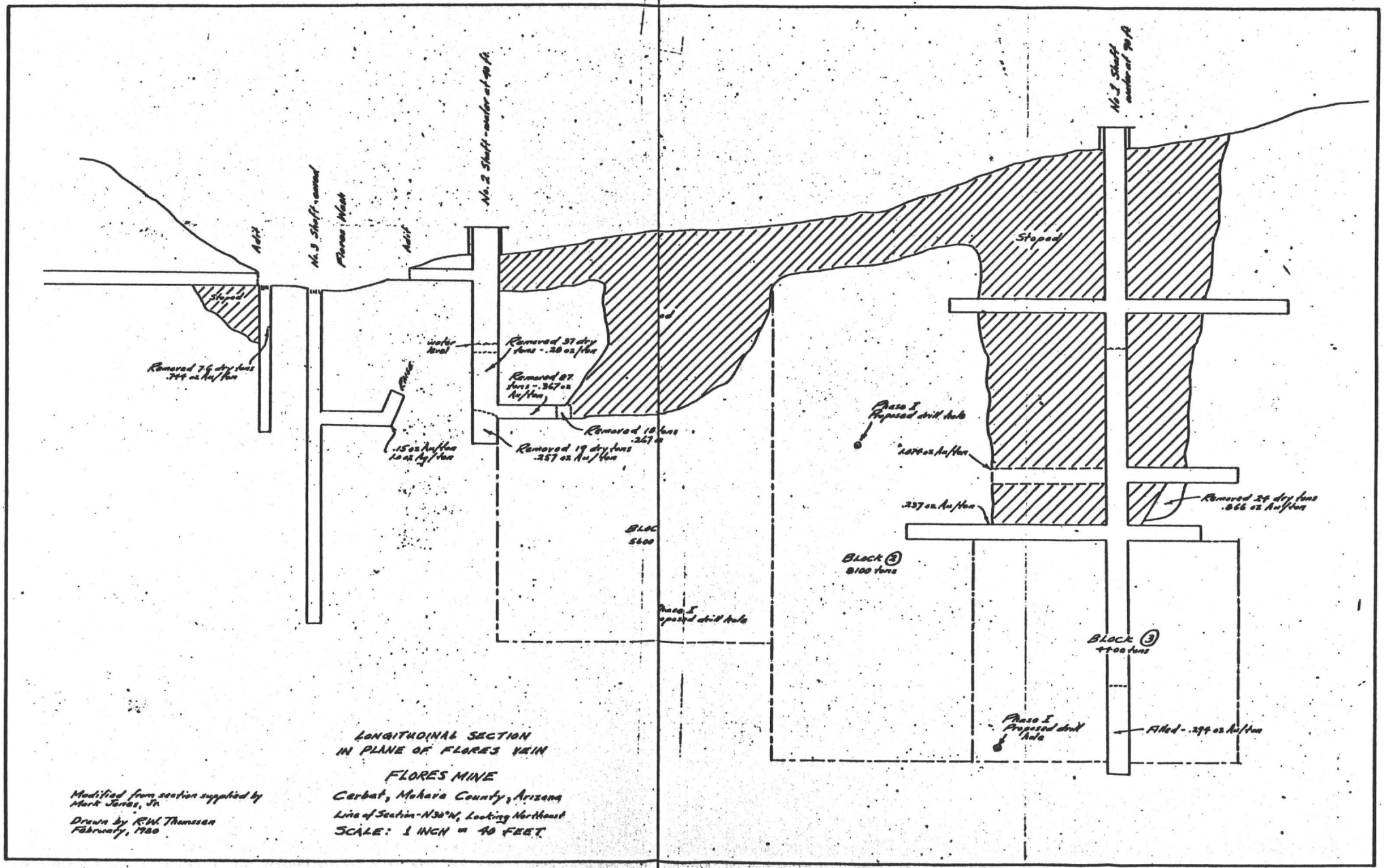
June, 1955 to September, 1966 - Employed, see above.

January, 1955 to June, 1955 - Attended Graduate School in Geological Sciences, University of California; held position as Teaching Assistant.

June, 1951 to January, 1955 - Attended University of California with major in Geological Sciences; graduated with Bachelor of Arts degree with Honors.

January, 1951 to June, 1951 - Attended Contra Costa Junior College, Richmond, California.


EXPLANATION
Talus and Dumps
Diabase
Aleskite and pegmatite
Gneiss - feldspathic
Gneiss - biotitic
Gneiss - hornblendic
Limit of cut or slope
Limit of rock outcrop
Limit of dump
Dip and strike of foliation
Dip and strike of quartz vein
Relative elevation
Road
diabase
talus
adit
No. 3 Shaft (caved)
U.S. Hwy 66 - 93
Adit portal exposes 7' of altered Gf plus crushed quartz veins to 8' on footwall of fissure (at adit)
Covered
No. 2 Shaft water at 40'
GRASS STOPE
Altered Gf, abundant iron oxide stain, some quartz veins, fissures
DUMP
Top of Dump
Rock Wall
Talus
FLORES MINE No. 1 Shaft water at 90'
Headframe
Top of 70' Dump
Reservoir 5' deep
SCALE: 1 INCH = 40 FEET
GEOLOGY SKETCH MAP
SURFACE
FLORES MINE
Cerbat, Mohave County, Arizona
R.W. Thomson February, 1980



LONGITUDINAL SECTION
IN PLANE OF FLORES VEIN

FLORES MINE
Cerbat, Mohave County, Arizona
Line of Section - N30°W, Looking Northeast
SCALE: 1 INCH = 40 FEET

Modified from section supplied by Mark Jones, Jr.

Drawn by R.W. Thomsen
February, 1980

PACIFIC
REGIONAL
OPERATIONS, INC.

P.O. Box 716 • Scottsdale, Arizona 85252 • (602) 994-3147

June 10, 1981

Mark F. Jones Jr.
1230 W. Second Street
Los Angeles, California 90026

Re: Flores Mine
Mohave County, Arizona

Dear Mr. Jones:

Thank you for promptly mailing the preliminary geological report concerning the Flores Mining Claims in Mohave County, Arizona. The geology of the report conforms quite well to our observations in the area.

Pacific Regional Operations has conducted numerous economic feasibility studies in the Cerbat Mountains and our exploration and development costs tend to exceed those postulated by Mr. Thomssen. Our detailed assaying experience on veins of the Flores type suggests a very high waste to ore ratio, the waste being predominately quartz. Also, it appears, Mr. Thomssen has used 1940 shipping ore tenure to calculate the value of possible reserves which may not be representative as the old timers commonly hand sorted their ore.

We are in general agreement with Mr. Thomssen's conclusion that the property will have to be more throughly explored and tested to determine the economic feasibility of reopening the Flores Mine. This exploration and testing should include land surveying, above and below ground geological mapping and , if warranted, core drilling. This is necessary to block out sufficient ore reserves to justify a major mining investment. We have reviewed your cover letter requesting $100,000 lease bonus and 10% royalty. Based on the necessary expenditures for adequate exploration and testing we can not justify an expenditure of this magnitude prior to our feasibility studies.

Pacifci Regional Operations would propose a twelve month option to lease the property during which time we would, at our own risk and expense, evaluate the Flores Mine.

Please consider what has been proposed in this letter. Hopefully we can pursue this matter further.

Sincerely,

William Vanderwall

William Vanderwall
Geologist

lpk

SURVEY NO. 630

PLAT

OF THE

Flores

MINING CLAIM,

Wallapai Mining District,

Mohave County,

ARIZONA.

Claimed by W. C. Parsons

Surveyed by O. F. Kuencer U. S. D. S.

May 5-6 1884

Containing an Area of 20.50 Acres.

Scale 200 feet to the inch.

Variation 14° 20' East.

The original Field Notes of the Survey of the Flores Mining Claim from which this plat has been made, have been examined and approved and are on file in this office; and I hereby certify that they furnish such an accurate description of said Mining Claim as will, if incorporated into a patent, serve fully to identify the premises; and that such reference is made therein to natural objects and permanent monuments, as will perpetuate and fix the locus thereof.

I further certify that the value of the labor and improvements placed thereon by the applicant or his grantor is not less than Five Hundred Dollars, and that said improvements consist of

A shaft 6x7 ft. 100 ft. deep

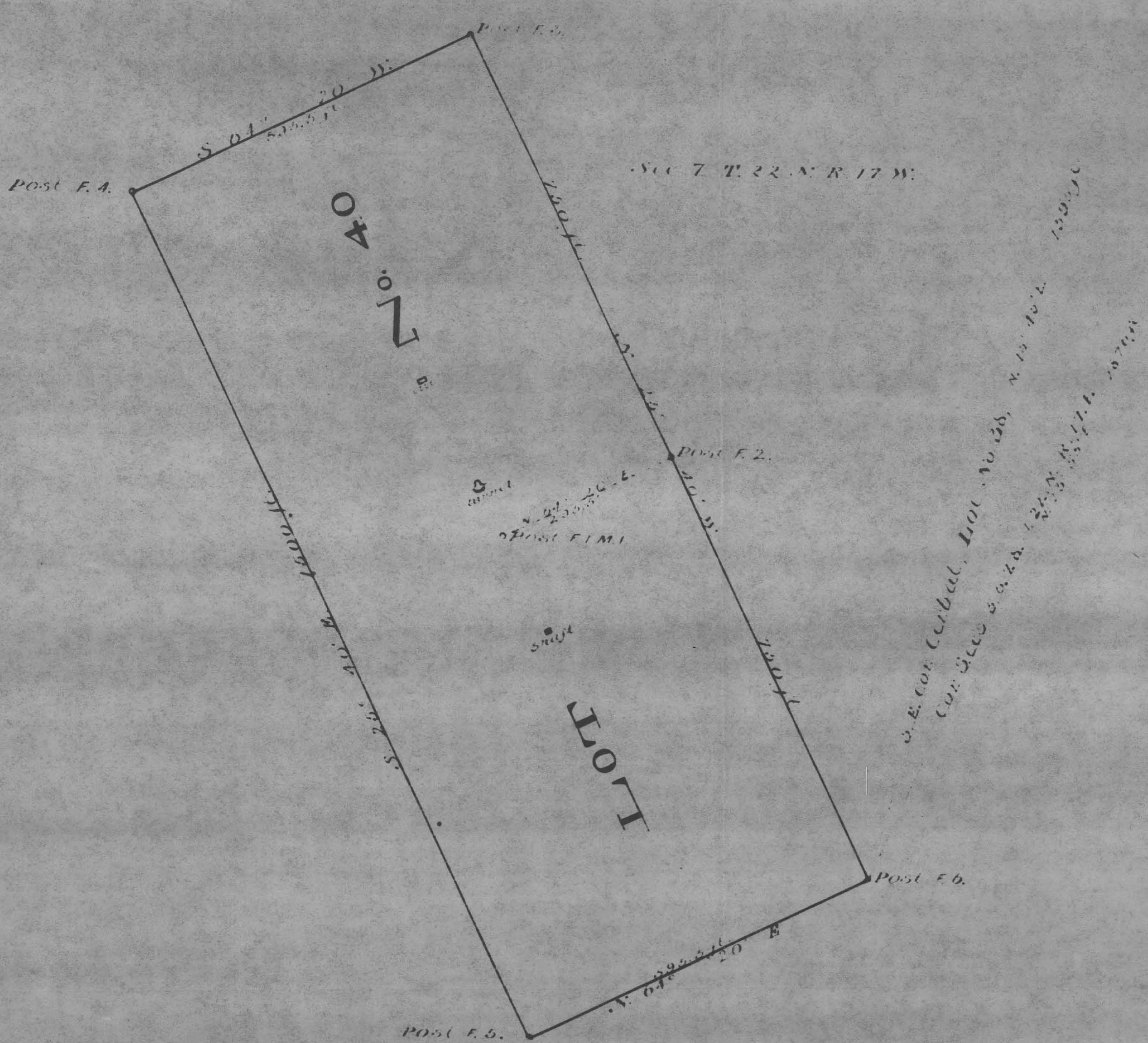
Etc, Etc.

as appears by the report of the Deputy Surveyor and the testimony of two disinterested witnesses.

And I further certify that this is a correct Plat of said Mining Claim, made in conformity with said original Field Notes of the survey thereof.

U. S. Surveyor General for Arizona.

U. S. Surveyor General's Office,
Tucson, Arizona,
May 29, 1884



Sec. 7, T.22N., R.17W.
Sec.12, T.22N., R.18W. (Unsurveyed)

N

Cor N°1
Cor N°2
Cor N°3
Cor N°4

FLORES NORTH N°2
FLORES NORTH
FLORES WEST
GOLD NUGGET Sur. N° 2832
FLORES Sur. N°630
BROKEN HILLS Sur. N° 2460

NW 1/4 NE 1/4
SW 1/4 SE 1/4
Sec 12
Sec 7

Patent Date 8-29-1921
Patent No. 820781
Serial No. 036214

Claims located Flores West, Jan 10, 1912, Flores North, Jan 10, 1912, Flores North N°2, Feb. 28, 1913
Mineral Survey No. 3320

Lot No.
Arizona Land District

PLAT

OF THE CLAIM OF

O.D.M Gaddis, F.M. Townsend and M.J. Trumble

KNOWN AS THE

FLORES WEST, FLORES NORTH, AND FLORES NORTH N° 2 LODES

IN Wallapai MINING DISTRICT.
Mohave COUNTY, Arizona
Containing an Area of _____ Acres
Scale of 400 Feet to the inch
Variation 14°45'E
SURVEYED July 10-14 1916 BY
Charles M. Becker
U.S ~~Deputy~~ Mineral Surveyor.

The Original Field Notes of the Survey of the Mining Claim of O.D.M Gaddis, F.M. Townsend & M.J. Trumble known as the Flores West, Flores North and Flores North N° 2 Lodes

from which this plat has been made under my direction, have been examined and approved, and are on file in this Office, and I hereby certify that they furnish such an accurate description of said Mining Claim as will, if incorporated into a patent, serve fully to identify the premises, and that such reference is made therein to natural objects or permanent monuments as will perpetuate and fix the locus thereof.

I further certify that Five Hundred Dollars worth of labor has been expended or improvements made upon said Mining Claims by claimants or their grantors and that said improvements consist of 4 tunnels, 2 shafts, 1 cut, total value $5500

that the location of said improvements is correctly shown upon this plat, and that no portion of said labor or improvements has been included in the estimate of expenditures upon any other claim.

And I further certify that this is a correct plat of said Mining Claim made in conformity with said original field notes of the survey thereof, and the same is hereby approved.

U.S Surveyor General's Office _____
Phoenix, Arizona
June 1, 1917 Arizona