



CONTACT INFORMATION  
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602-948-3862

**VEFIK V. BASMAN, PH.D.**

**PRESIDENT**

**CONDUCTRON CORPORATION**  
**ELECTRONIC PRODUCTS MFG.**

**7830 E. GELDING DR.**  
**SCOTTSDALE, AZ. 85260**

Jim Smith

House 947-5128

Cons. Site 585-0214

---

Bottlekip Butte Quad

Walnut Grove "

Rhyolite: Volume % of Phenocrysts  
of orthoclase + Qtz.

Less biotite, hornblende, pyroxene

Groundmass is crystalline, glassy or foamy

light color

---

Amphibole - metamorphic containing abundant  
hornblende

---

Dacite Plagioclase + Qtz.  
(Qtz to biotite)

---

Andesite - Generally porphyritic

Plagioclase - Biotite hornblende, pyroxene.

Olivine >

---

Diorite - Granitoid rock - Hornblende Feldspar (Anorthite)

Plagioclase - Biotite + Augite or Augite alone  
(Dark) Pyroxene

Aplite Dike

Muscovite - Granite - small grains - sugary

Pyroxene

color - Green dark shades

Diopside - Ca - Mg silicate - a variety of  
pyroxene.

Diabase - Plagioclase & Augite  
feldspars abundant

Balleshop Beette

Amc 137691-137693

Jim Gumb 144146-144150

188443-188446

Apex 1-12

wh<sup>th</sup>

T 11 N

R 2 W

Sec 13+14,

G + SRPM.

Yonapi Co. AZ

Temp - Day

Mon 6-11-84

1. Macji - Board Plans meeting cancelled
2. Kim took Indu to airport Parking 1.00 Then to visit Mom
3. Conf w/ Doug - we signed Agreement on Silver Hill property
4. ~~to~~ Editing Vanderwall Report at Hibernia - Silverado Inn area
5. Cancelled 1970 Ford Insurance. (Liability only) <sup>carried</sup>
6. Doug to lunch w/ Loan officer - Western Sav. Subscribers

\$1,200

Enough Cash - Account 220045

12 Claims -

Figure to Plum Tuble Claim

Call Austin Weeks  
To let Paper for office

9/22 Jim Smith  
APEX claims

- ① claim corner #1  
SE cor 7920 w to  
Savage Mon North Fork  
Springs
- ② Quartz stringer 4" w  
N  $9^{\circ}$  W 30' long
- ③ Hill Top N side  
Turning pt
- ④ NE Cor Apex #9  
SW  $\frac{1}{4}$  Sec 12
- ⑤ Shust duke N  $24^{\circ}$  E

⑥ Quartz float &  
? fractured vein 2  
12" - N 10° E

⑦ NE cont #10 NW #9

⑧ #6 vein in place?  
shattered 10"-12"  
dirt under & through  
out - ~~Sample #1~~  
~~(67251)~~

⑨ Quartz out crop  
w 2" boulders  
possibly N 10° E ?  
float everywhere

(10) Granite dike  
N  $9^{\circ}$  E

(11) pt NE cor # 2  
Quartz Pipe

(12) turning pt

(13) Quartz dike  
N  $36^{\circ}$  E  
3-4' width

James C. Smith  
4179 N. 81st Street  
Scottsdale, Ariz. 85251

12/9/84

Bureau of Land Management  
Box 16563  
Phoenix, Arizona 85011

INTENTION TO HOLD MINING CLAIMS

It is the intention of Mr. James C. Smith and Mr. T. Tanita to hold the below described mining claims for the assessment period of September 1, 1983 through August 31, 1984 :

Apex #8 through #12

AMC #'s 144150 , 188443 through 188446

Located in the Hassayampa Mining District, Yavapai County,

Sections 13 & 14, T.11 N., R 2 W., G&SRB&M

Due to a family crisis and medical expenditures, I could only afford to complete the assessment work on seven of my claims. I do, however plan to complete all work prior to the assessment due date next year.

Respectfully submitted,

James C. Smith

STATE OF ARIZONA, } ss.

I hereby certify that the within instrument was filed and recorded

Fee No.:

County of \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_ M.

In Docket No. \_\_\_\_\_, Page \_\_\_\_\_, at the request of

When recorded mail to:

James C. Smith  
4179 N. 81st Street  
Scottsdale, Arizona 85251

Witness my hand and official seal.

County Recorder

Fee: \$

By \_\_\_\_\_

Deputy Recorder

# AFFIDAVIT OF PERFORMANCE OF ANNUAL WORK

State of Arizona

County of \_\_\_\_\_ } ss

1. Janet E. Martin

Name

315 W. Monterosa

Address

Phoenix, Arizona, 85013

City

State

Zip

being duly sworn according to law deposes and says that they are a citizen of the United States more than eighteen years of age and that all of the facts set forth in this affidavit are true and correct according to the best of their knowledge, information and belief.

2. That they are personally acquainted with the mining claim named \_\_\_\_\_

APEX # 1 through #7 situate in the Hassayampa Mining District, Yavapai County, Arizona, the location of which is recorded in the office of

the County Recorder of that County in Book (See Exhibit Page). Notice of location is posted in Section 13, 14, Township 11 N, Range 2 W, G&SRB&M.

3. That between the dates of September 1, 1983 and August 31, 1984

at least Seven Hundred Dollars (\$ 700.00) dollars worth of work and improvements were done and performed upon this claim not including location work.

4. The work and improvements were made by and at the expense of \_\_\_\_\_

James C. Smith & T. Tanita, owners of the mine for the purpose of complying with the laws of the United States pertaining to assessments or annual work.

5. Jim Smith, Silas Brown, D. K. Martin & Associates, Paul Harlan,

Jim Jurecki, Wm. Dusenberry and others were the names of the persons employed by the owner who labored to do the work and improvements.

6. The work and improvements done were Collecting Samples, Assaying and Consultations.

Dated 12/9/84

Janet E. Martin  
Signature



Subscribed to and sworn before me, a Notary Public, this 9th day of December, 1984, by Janet Martin

My Commission expires 1/22/87

Douglas H. Martin  
Notary Public

EXHIBIT A

<u>Claim Name</u>	<u>Loc. Date</u>	<u>Book</u>	<u>Page</u>	<u>Amc. #</u>	<u>Sec.</u>	<u>TwnsHP</u>	<u>Range</u>
Apex #1				137691	14	11 N	2 W
Apex #2				137692	14	11 N	2 W
Apex #3				137693	14	11 N	2 W
Apex #4				144146	13 & 14	11 N	2 W
Apex #5				144147	13 & 14	11 N	2 W
Apex #6				144148	14	11 N	2 W
Apex #7				144149	14	11 N	2 W
Apex #8				144150	14	11 N	2 W
Apex #9				188443	13 & 14	11 N	2 W
Apex #10				188444	14	11 N	2 W
Apex #11				188445	14	11 N	2 W
Apex #12				188446	14	11 N	2 W



**AFFIDAVIT OF  
PERFORMANCE OF  
ANNUAL ASSESSMENT WORK**

MN-2 © LawForms 3-80

Effective Date	County and State
AFFIANT (Name, Address, and Zip Code)  James C. Smith 4179 North 81st Street Scottsdale, Arizona 85251  <div style="text-align: right; margin-right: 50px;"><i>949-5128</i></div>	OWNERS OF MINING CLAIM (Names, Addresses, and Zip Codes) J. C. Smith - 4179 N. 81st Street Scottsdale, Ariz. 85251  T. Tanita - 4502 W. Loma Lane Glendale, Ariz. 85203
Mining Claim (Name, Number, and Mining District) Hassayampa Mining District, Yavapai County, Arizona APEX # 1 through # 12	Period of Time Covered by this Affidavit (give dates) September 1, 1982 through August 31, 1983
Recording and Filing Information The Location Notice of this Mining Claim is recorded at Docket _____, Page _____, Hassayampa Mining District, in the Office of the County Recorder of <u>Yavapai</u> County, Arizona. The Location Notice is also filed under filing serial number _____ (See Reverse Side) with the proper BLM office Located in <u>Prescott</u> in the State of <u>Arizona</u> .	

**PURSUANT TO ARS §27-208 and 43-CFR 3833.2 Affiant States:**

1. Affiant is a citizen of the United States, is over 18 years of age, resides at the above address and is personally acquainted with the above described mining claim.
2. During the period of time stated above, at least \$ 1,300.00 worth of work and improvements were done and performed upon Mining Claim not including the location work of the claim.
3. The work and improvements were made by and at the expense of the above named Owner of Mining Claim for the purposes of complying with the laws of the United States pertaining to assessment or annual work.
4. The following persons were employed by Owner of Mining Claim and labored upon Mining Claim and did the work and improvements:  
  

T. & S. Mining - F. Clark - J. Smith - Wm. Smith
5. The following work was performed on Mining Claim:  
  

Improved and made new access roads to and over property, accomplished preliminary mapping, sampling and assaying.

<div style="font-size: 1.5em; font-family: cursive; margin-bottom: 5px;"><i>James C. Smith</i></div> _____ Signatures of Affiant	Verification. On this date, before me, a Notary Public, ss. personally appeared: <div style="margin-left: 40px;"><u>J. Smith</u></div> who, being duly sworn upon oath, stated that he had read this document and knows of his own knowledge that the facts stated within are true and correct, except for those matters based on information which he believes to be true.	Signature of Notary Public: <div style="text-align: center; margin-top: 10px;"><i>[Signature]</i></div> Notary Expiration Date: <div style="margin-left: 40px;"><u>1/22/87</u></div>
---	---	---



**INSTRUCTIONS:** Record in Office of County Recorder for County where claim is located before December 31 and file with proper BLM office before December 30 each year.

This instrument was recorded or filed at the request of:  <div style="border: 1px solid black; padding: 5px; margin: 10px 0;">                     J. C. Smith                      4179 North 81st Street                      Scottsdale, Arizona 85251                 </div>	<b>CERTIFICATE OF RECORDATION OR FILING</b>  I certify that this instrument was filed or recorded on the date, at the time, in the docket, beginning with the page number, and with the fee number and file number stamped in the top space of this instrument. If the instrument is of multiple pages, the docket and page set forth represent the first page of that instrument and that instrument extends through Docket _____ Page _____.
--	--

The recording official is directed to return this instrument or a copy thereof to the above person.

Official Certifying Recordation	Deputy
---------------------------------	--------

JAMES E. SMITH PROSPECT - APEX 1-8  
YAVAPAI CO., ARIZ.

LOCATION:

From Wickenburg, 37 miles NE to Kirtland Junction via US 89, then about 19 miles ESE on a County road to the Smith Ranch house. The final 3 miles is via a jeep trail where about one mile of road must be built to the prospect.

More specifically, the 8 Apex claims are located in Section 14, T 11 N, R 2 W, G&SRPM, Yavapai County, Arizona.

GEOLOGY

The country rock primarily is granite and granodiorite with local bands of weathered schist. Most of the formations appear to be altered. PreCambrian Age.

The main mineralized zone is a fault, 4 to 5 feet wide. It strikes N 50 W and dips 82° west. The fault gouge is soft and highly broken. The hanging wall is in contact with amphibolite or diorite. The foot wall is in contact with a gray-brown weathered schist which is reported to carry silver. This may be due to radiating fractures from the fault and subsequent hydrothermal action to deposit silver and related minerals.

RECOMMENDATIONS

Starting at the southern end where the fault zone has been exposed by dozer cuts, the fault should be exposed by additional

dozer work and samples across the entire fault for assay. Any cross faults and/or veins should also be exposed and samples at regular intervals and on any formation change.

The hill north of the southern fault exposure should also be exposed to check its attitude (occurrence) and sampled as above.

The weathered schist on the east side of the fault should be properly sampled and assayed for its silver and gold content. The samples should cut across at least 5 feet of the schist and as much as 10 feet where it shows weathering or alteration.

If the assays show commercial ore, a drilling program may be outlined to block out ore reserves. The road building and drilling program should be held in abeyance until the cut, sample and assay results are known.

*Road has been built by Jim*

GENERAL

The samples taken on the reconnaissance field trip indicate a high lead and copper content. The presence of iron oxides and drusy quartz is favorable for gold and the galena is favorable for related silver occurrence.

*Assay Au. 0.3350%*

The claims are considered a very good prospect for gold, silver, lead, zinc and copper and the preliminary dozer program is recommended.

# COPPER STATE ANALYTICAL LAB., INC.

DNYANENDRA A. SHAH  
ARIZONA REG. NO. 8888

REGISTERED ASSAYERS  
P. O. BOX 7517  
TUCSON, ARIZONA 85725

710 E. EVANS BLVD.  
PHONE 602-884-5811  
884-5812

WIL WRIGHT  
ARIZONA REG. NO. 5875

D.K. Martin & Associates  
Att: Doug Martin  
4728 N. 21st Ave.  
Tucson, Arizona 85015

JOB # 000343  
RECEIVED 9/21/81  
REPORTED 10/11/81  
INVOICE # 00490

SAMPLE NUMBER	GOLD	SILVER	LEAD %	COPPER %	ZINC %	Au Opt	Ag Opt
	ppm	ppm					
CG1 0-5'	<0.01	< 1					
10-15'	<0.01	< 1					
45-50'	<0.01	< 1					
CG2 0-5'	<0.01	< 1					
20-25'	<0.01	< 1					
25-30'	<0.01	< 1					
30-35'	<0.01	< 1					
45-50'	<0.01	< 1					
CG3 0-5'	<0.01	< 1					
5-10'	<0.01	< 1					
20-25'	<0.01	< 1					
Apex 1-B Red Vein	>2.00	>100	0.89%	0.98%	8.36%	0.335	3.21
Apex 2-B Shist	0.30 <i>0.009 oz/ton</i>	1 <i>0.0292 oz/ton</i>					
Apex 3-B Quartz	0.79 <i>0.02 oz/ton</i>	10 <i>0.292 oz/ton</i>	88ppm	0.82%	0.40%		

*Franklin*  
*10-21-81*

D. K. M.  
FEB 16 1982



# Arizona Testing Laboratories

817 West Madison Street □ Phoenix, Arizona 85007 □ 602/254-6181

For D K Martin & Associates  
4728 North 21st Avenue  
Phoenix, Arizona 85015

Date February 15, 1983

## ASSAY CERTIFICATE

LAB NO.	IDENTIFICATION	OZ. PER TON		PERCENTAGES			
		GOLD	SILVER	COPPER			
9969	J. Smith property						
	Cut on Road	0.02	0.35				
	Cat Cut on Pipe Apex 2	0.03	0.10				
	<i>Previous Sample from Red Vein (East of Above Sample)</i>						<i>was 0.335 oz AV + 3.21 g Ag</i>

Respectfully submitted,  
ARIZONA TESTING LABORATORIES

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





# Arizona Testing Laboratories

817 West Madison Street □ Phoenix, Arizona 85007 □ 602/254-6181

D. K. M.  
FEB 16 1982

For D K Martin & Associates  
4728 North 21st Avenue  
Phoenix, Arizona 85015

Date February 15, 1983

## ASSAY CERTIFICATE

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		GOLD	SILVER	COPPER			
9969	J. Smith property						
	Cut on Road	0.02	0.35				
	Cat Cut on Pipe Apex 2	0.03	0.10				

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.



# LEASE OF MINING PROPERTY

THIS LEASE MADE AT SCOTTSDALE, ARIZONA THIS \_\_\_\_\_ DAY OF FEBRUARY, 1983 BY AND BETWEEN T & S MINING Co., INC., HEREINAFTER CALLED "LESSOR" AND ASSOCIATED SCIENTISTS Co., HEREINAFTER CALLED "LESSEE",

## WITNESSETH:

LESSOR IS THE OWNER OF CERTAIN UNPATENTED MINING CLAIMS SITUATED IN SECTION 14, TOWNSHIP 11NORTH, RANGE 2 W IN THE HASSAYAMPA MINING DISTRICT OF THE STATE OF ARIZONA HEREINAFTER REFERRED TO AS THE PROPERTY.

THIS LEASE WILL SET FORTH ALL THE TERMS AND CONDITIONS UNDER WHICH THE LESSOR GRANTS A LEASE OF THE PROPERTY FOR THE PURPOSE AND TERM HEREINAFTER PROVIDED.

IN CONSIDERATION OF THE COVENANTS AND AGREEMENTS HEREINAFTER SET FORTH, THE PARTIES AGREE AS FOLLOWS:

## I. GRANT

LESSOR HEREBY GRANTS, LEASES AND DEMISES THE PROPERTY, INCLUDING SUCH PERSONAL PROPERTY AS MAY BE LOCATED THEREON, TOGETHER WITH ALL PRIVILEGES AND APPURTANCES, ALL RIGHT, TITLE AND INTEREST THEREON OWNED, AVAILABLE OR GRANTED TO THE LESSOR AND PERTAINING TO THE PROPERTY.

## II. TERM

THIS LEASE IS GRANTED FOR A TERM COMMENCING FROM AND AFTER THE DATE HEREOF AND SHALL EXTEND FOR THE DURATION OF ALL THE RIGHT, TITLE AND INTEREST OF THE LESSOR, OR, UNTIL THIS LEASE BE TERMINATED AS HEREINAFTER PROVIDED.

## III. PURPOSES

THE PURPOSES OF THE THIS LEASE ARE TO GRANT TO THE LESSEE THE EXCLUSIVE RIGHT TO ENTER INTO AND UPON THE PROPERTY, AND EACH AND EVERY PART THEREOF SO LONG AS THIS LEASE REMAINS IN EFFECT, AND TO EXPLORE FOR, DEVELOP, MINE, LEACH IN PLACE, TREAT, PRODUCE, MILL, SHIP, AND SELL, ALL FOR ITS OWN ACCOUNT, SUCH ORES, MATERIAL [METALLIC AND NON-METALLIC] AND MINERALS AS MAY BE FOUND THEREIN OR THEREON, AND ALL OF WHICH SHALL HEREINAFTER BE REFERRED TO AS PRODUCTION.

## IV. ROYALTIES / RENTALS

4.1 COMMENCING 60 DAYS AFTER THE DATE HEREOF AND THEREAFTER WHILE THIS LEASE REMAINS IN EFFECT, LESSEE SHALL PAY TO LESSOR ON THE LAST DAY OF THE FIRST FULL MONTH SUBSEQUENT TO EACH AND EVERY RECEIPT OF PAYMENT RESULTING FROM THE SALE OF THE PRODUCTION FROM THE PROPERTY, THE LESSEE SHALL PAY TO THE LESSOR AS PRODUCTION ROYALTIES 5% [FIVE PER CENT] OF THE NET SMELTER RETURNS [NSR].

## LEASE OF MINING PROPERTY [PAGE 2]

FOR PURPOSES OF THIS AGREEMENT, NSR SHALL BE DEFINED AS THE NET AMOUNT OF PAYMENT RECEIVED BY THE LESSEE FROM THE SMELTER, MILL OR OTHER PURCHASER OF LESSEE'S PRODUCTION, AS REDUCED BY SMELTER OR MILL TREATMENT CHARGES, PENALTIES, SAMPLING AND ASSAYING CHARGES AND BY TRANSPORTATION COSTS INCURRED BY LESSEE IN CONNECTION WITH DELIVERY OF SUCH PRODUCTION TO ITS PURCHASER.

ON THE SIGNING OF THIS LEASE BY ALL CONSENTING PARTIES CONSISTING OF BOTH THE LESSORS AND LESSEES AT THE DATE HEREOF, THE LESSEE SHALL DEPOSIT IN ESCROW AT THE FIRST AMERICAN TITLE INSURANCE COMPANY OF ARIZONA AT 10808 NORTH SCOTTSDALE ROAD, SCOTTSDALE, ARIZONA, THE SUM OF TEN THOUSAND DOLLARS, [\$10,000.00], WITH THE EXPRESS STIPULATIONS HEREBY MUTUALLY AGREED TO BY BOTH LESSOR AND LESSEE AS FOLLOWS:

1. THE LESSEE HEREBY AGREES TO EXPLORE THIS MINING PROPERTY IN GOOD FAITH IN ORDER TO DETERMINE IF THE MINING PROPERTY MEETS THE CRITERIA OF MINING ECONOMICS AND ANY OTHER FACTOR THE LESSEE DETERMINES WHETHER THE MINING PROPERTY IS OF SUFFICIENT VALUE TO FURTHER PURSUE DEVELOPEMENT OF THE MINING PROPERTY.

2. IN THE EVENT THE LESSEE DETERMINES IN ITS OWN RIGHT THAT THIS MINING PROPERTY DOES NOT MERIT FURTHER DEVELOPMENTAL WORK AND FURTHER WISHES TO ABANDON THIS MINING PROPERTY WITHIN SIXTY DAYS, THE TEN THOUSAND DOLLAR ESCROW AMOUNT SHALL BE RETURNED TO THE LESSOR, SUCH ESCROW FEES INVOLVED TO BE PAID BY THE LESSEE.

3. IN THE EVENT THE LESSEE DETERMINES THE MINING PROPERTY HAS SUFFICIENT POSSIBILITIES TO WARRANT FURTHER DEVELOPMENTAL WORK SUBSEQUENT TO ACTUAL MINING, AFTER THE INITIAL 60 DAY INVESTIGATIVE PERIOD, THE ESCROW AMOUNT OF TEN THOUSAND DOLLARS SHALL BE PAID TO LESSOR LESS ESCROW FEES INCURRED.

4. AFTER THE INITIAL SIXTY-DAY INVESTIGATIVE PERIOD, THE TERMS SET FORTH HEREIN UNDER SECTION IV ROYALTIES/RENTALS SHALL APPLY.

### V. OPERATIONS OF LESSEE

LESSEE SHALL CONDUCT ALL MINING AND OTHER OPERATIONS UNDER THIS LEASE IN ACCORDANCE WITH GOOD MINING PRACTICES AND SOUND PRINCIPLES OF CONSERVATION AND IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES AND REGULATIONS PROMULGATED BY FEDERAL, STATE AND LOCAL AUTHORITIES.

LESSEE SHALL KEEP AND MAINTAIN TRUE AND CORRECT BOOKS OF ACCOUNT AND RECORDS WHICH SHALL SHOW THE AMOUNT OF PRODUCTION FROM THE PROPERTY AND THE AMOUNT OF PROCEEDS DERIVED FROM THE SALE OF SUCH PRODUCTION. SAID BOOKS AND RECORDS SHALL BE OPEN FOR INSPECTION AND AUDIT BY LESSOR OR ITS AGENT AT ALL

## LEASE OF MINING PROPERTY [PAGE 3]

REASONABLE TIMES AND FOR A PERIOD OF ONE [1] YEAR FOLLOWING TERMINATION OF THIS LEASE.

LESSOR EXPRESSLY RESERVES THE RIGHT, AT LESSOR'S OPTION AND EXPENSE, TO MAINTAIN AN AGENT ON THE PROPERTY FOR THE PURPOSE OF VERIFYING PRODUCTION, AND TO CHECK, INSPECT AND KEEP ACCOUNT OF ALL PRODUCTION FROM SAID PROPERTY; PROVIDING SUCH AGENT AND/OR INSPECTIONS DO NOT INTERFERE WITH LESSEE'S OPERATIONS.

### VI. INSURANCE/INDEMNITY

IT IS SPECIFICALLY AGREED BY ALL THE PARTIES HERETO THAT THE LESSOR SHALL NOT BE LIABLE TO THIRD PARTIES, OR EMPLOYEES, OR AGENTS OF THE LESSEE, FOR THE ACTIONS AND THE OBLIGATIONS OF THE LESSEE DURING THE TERM HEREOF, AND THAT SUFFICIENT NOTICE TO SUCH EFFECT SHALL BE POSTED ON THE PROPERTY AND APPROPRIATELY FILED IN ACCORDANCE WITH THE LAWS OF THE POLITICAL JURISDICTION(S) WITHIN WHICH THE PROPERTY IS LOCATED AND WHEREVER LESSEE CONDUCTS OPERATIONS RELEVANT TO THIS LEASE.

PRIOR TO COMMENCEMENT OF OPERATIONS HEREUNDER, LESSEE SHALL OBTAIN ALL WORKMEN'S COMPENSATION INSURANCE, LIABILITY INSURANCE AND POLICIES OF INSURANCE AGAINST OTHER RISKS FOR WHICH LESSOR MAY REASONABLE BE CONSIDERED TO HAVE EXPOSURE AS A RESULT OF LESSEE'S OPERATION AND TENANCY OF THE PROPERTY. ALL INSURANCE SHALL BE MAINTAINED BY LESSEE AT ITS OWN EXPENSE THOROUGHOUT THE DURATION OF THIS LEASE, AND WHENEVER LESSOR REASONABLE REQUESTS, LESSEE SHALL FURNISH TO LESSOR EVIDENCE THAT SUCH INSURANCE IS BEING MAINTAINED.

LESSEE AGREES TO INDEMNIFY AND SAVE LESSOR HARMLESS FROM AND AGAINST ANY AND ALL LIABILITY, CLAIMS AND CAUSES OF ACTION FOR PERSONAL INJURY OR DEATH, AND DAMAGE TO, OR LOSS OR DESTRUCTION OF PROPERTY, RESULTING FROM TENANCY OF THE PROPERTY AND FROM ITS OPERATIONS HEREUNDER.

### VII. ASSESSMENT WORK

LESSEE SHALL PERFORM SUCH ASSESSMENT WORK AS MAY BE REQUIRED BY FEDERAL, STATE AND LOCAL LAW AND SHALL PREPARE AND RECORD, FOR AND ON BEHALF OF LESSOR, AND AFFIDAVIT(S) OF LABOR AND IMPROVEMENTS DURING EACH ASSESSMENT YEAR IN ORDER TO MAINTAIN ALL CLAIMS IN GOOD STANDING IN THE NAME OF THE LESSOR. LESSOR AND LESSEE SHALL EACH PROVIDE THE OTHER WITH A COPY OF ALL SUCH FILINGS MADE IN RESPECT TO THE PROPERTY. SHOULD THIS LEASE BE TERMINATED WITHIN NINETY (90) DAYS BEFORE THE END OF THE THEN CURRENT ASSESSMENT YEAR, LESSEE SHALL NEVERTHELESS PERFORM THE ANNUAL LABOR AND COMPLY WITH THE OTHER REQUIREMENTS OF THIS PARAGRAPH. SHOULD THIS LEASE BE TERMINATED PRIOR TO SAID NINETY (90) DAYS, LESSEE SHALL HAVE NO OBLIGATION TO PERFORM SAID ASSESSMENT WORK.

### VII. ASSIGNMENT

EITHER THE LESSOR OR THE LESSEE MAY ASSIGN ALL OR ANY PORTION OF THEIR RIGHT, TITLE AND INTEREST IN THIS LEASE AND/OR IN THE PROPERTY AT ANY TIME AND FROM TIME TO TIME UPON GIVING WRITTEN NOTICE OF THE IDENTITY AND ADDRESS OF THE ASSIGNEE, PROVIDING

## LEASE OF MINING PROPERTY [PAGE 4]

HOWEVER THAT NOTWITHSTANDING SAID ASSIGNMENTS(S) IN WHATEVER FORM, BOTH THE LESSEE AND LESSOR SHALL REMAIN PRIMARILY AND UNCONDITIONALLY LIABLE, RESPECTIVELY, FOR THE PERFORMANCE OF ALL TERMS AND CONDITIONS HEREOF PRIOR TO THE DATE OF ASSIGNMENT, AS SUCH TERMS AND CONDITIONS ARE APPLICABLE TO EACH.

### IX. TAXES

LESSEE SHALL PAY BEFORE DELINQUENCY ALL TAXES AND ASSESSMENTS THAT MAY BE LEVIED OR ASSESSED AGAINST THE PROPERTY, OR AGAINST THE PRODUCTION THEREFROM, EXCEPT THOSE TAXES WHICH LESSEE IS CONTESTING IN GOOD FAITH AND EXCEPT THOSE TAXES AGAINST THE PROPERTY FOR THE FIRST AND LAST YEAR, WHICH TAXES SHALL BE PRO-RATED BETWEEN LESSEE AND LESSOR.

### X. WARRANTIES AND TITLE

LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE VALUE OR CONDITION OF THE PROPERTY, OR EXISTENCE OR ADEQUACY OF ANY FACILITIES OR EQUIPMENT WHICH ARE THE SUBJECT OF THIS LEASE. HOWEVER, LESSOR WILL AT ALL TIMES DURING THE TERM OF THIS LEASE FURNISH LESSEE WITH ANY AND ALL GEOLOGICAL, PRODUCTION AND METALLURGICAL DATA WHICH MAY BE AVAILABLE TO LESSOR. LESSOR TAKES NO RESPONSIBILITY FOR THE INTERPRETATION OF SUCH DATA.

LESSOR DOES WARRANT THAT IT HAS GOOD AND VALID TITLE TO THE PROPERTY, THAT THERE ARE PRESENTLY NO ADVERSE CLAIMS THAT WILL AFFECT THE PROPERTY OR THIS LEASE, AND THAT IT WILL UPON DEMAND PROMPTLY FURNISH TO THE LESSEE COPIES OF ALL DOCUMENTS AND OTHER EVIDENCE RELATING TO LESSOR'S CLAIM OF TITLE, INCLUDING, BUT NOT LIMITED TO, COPIES OF ALL PATENTS, LOCATION NOTICES AND AFFIDAVITS RELATING TO ASSESSMENT WORK.

LESSOR AGREES TO NOTIFY THE LESSEE AT ONCE OF ANY CLAIM AGAINST LESSOR'S INTEREST IN THE PROPERTY, OR AGAINST THIS LEASE AND WILL IMMEDIATELY UNDERTAKE THE DEFENSE OF THAT CLAIM AT THE LESSOR'S OWN EXPENSE.

LESSOR FURTHER AGREES THAT AT THE OPTION OF THE LESSEE, LESSEE MAY UNDERTAKE THE DEFENSE OF ANY CLAIM AGAINST LESSOR'S INTEREST IN THE PROPERTY OR AGAINST THIS LEASE, AND THE LESSOR WILL BE LIABLE FOR DAMAGES SUSTAINED BY LESSEE INCLUDING THE COST OF SUCH DEFENSE. UPON REQUEST BY LESSEE, LESSOR WILL DELIVER TO THE LESSEE ALL EVIDENCE AND INFORMATION REASONABLE REQUIRED TO DEFEND SUCH A CLAIM, AND WILL CO-OPERATE FULLY IN SUCH A DEFENSE.

LESSOR AND LESSEE EACH AGREE TO EXECUTE, DURING THE TERM OF THIS LEASE AS AN ACCOMMODATION, SUCH ADDITIONAL DOCUMENTS AND AGREEMENTS AS THE OTHER PARTY MAY REASONABLY REQUIRE IN CONNECTION HEREWITH, PROVIDED THAT SUCH ADDITIONAL DOCUMENT(S) OR AGREEMENT(S) WOULD NOT IMPOSE ADDITIONAL OBLIGATIONS UPON OR IMPAIR THE RIGHTS OF THE ACCOMMODATING PARTY.

**XI. DISPUTES**

IT IS SPECIFICALLY AGREED THAT SHOULD THERE ARISE ANY DISPUTE THE PARTIES HERETO, SUCH DISPUTE SHALL NOT INTERRUPT PERFORMANCE OF THIS LEASE BY EITHER LESSOR OR LESSEE, NOR WILL LESSEE'S OPERATIONS HEREUNDER BE INTERRUPTED, DELAYED, OR IMPAIRED DURING THE PENDENCY OF AND UNTIL THE FINAL SETTLEMENT OF SUCH DISPUTE. IN THE EVENT OF LITIGATION BETWEEN THE PARTIES HERETO, THE PREVAILING PARTY WILL BE ENTITLED TO ALL COSTS OF THE LITIGATION, INCLUDING BUT NOT LIMITED TO, REASONABLE ATTORNEY'S FEES.

**XII. TERMINATION**

LESSEE AT ANY TIME AFTER THE DATE HEREOF, SURRENDER THIS LEASE, PROVIDED WRITTEN NOTICE OF TERMINATION IS GIVEN LESSOR NOT LESS THAN THIRTY (30) DAYS PRIOR TO THE EFFECTIVE DATE OF SUCH TERMINATION, AFTER WHICH ALL RIGHT AND OBLIGATION OF THE LESSEE HEREUNDER SHALL CEASE.

IN THE EVENT OF TERMINATION OF THIS LEASE AGREEMENT, LESSEE SHALL DELIVER TO LESSOR WITHIN SIXTY (60) DAYS FOLLOWING THE EFFECTIVE DATE OF SAID TERMINATION, A WRITTEN RELEASE AND QUIT CLAIM DEED RELEASING ALL OF THE RIGHTS GRANTED TO AND ACQUIRED BY LESSEE UNDER THIS AGREEMENT AND QUIT CLAIMING TO LESSOR ALL OF THE RIGHTS GRANTED, TITLE AND INTERESTS OF LESSEE IN AND TO THE PROPERTY.

**XIII. MISCELLANEOUS PROVISIONS**

1. THIS LEASE SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ARIZONA, AND THE FAILURE OF EITHER PARTY TO ENFORCE ANY PROVISION HEREOF AT ANY TIME SHALL NO BE CONSTRUED TO BE A WAIVER OF SUCH PROVISION OR OF ANY OTHER PROVISION.
2. NO AMENDMENT OR MODIFICATION OF THIS LEASE SHALL BE BINDING ON EITHER LESSOR OR LESSEE UNLESS MADE IN WRITING AND DULY EXECUTED BY BOTH.
3. THIS LEASE IS EXECUTED IN MORE THAN ONE COUNTERPART, EACH OF WHICH SHALL BE DEEMED AN ORIGINAL BUT ALL OF WHICH TOGETHER SHALL CONSTITUTE ONE AND THE SAME LEASE.
4. ALL NOTICES TO LESSEE SHALL BE GIVEN ONLY BY REGISTERED MAIL AND ADDRESSED TO ASSOCIATED SCIENTISTS Co. AT 7046 EAST PARADISE DRIVE, SCOTTSDALE, ARIZONA 85254 OR THEIR ASSIGNS WHICH ADDRESS OF THE ASSIGNS WILL BE GIVEN TO LESSOR IF ANY ASSIGNS ARE A PART OF THIS LEASE IN THE FUTURE.
5. ALL NOTICES TO LESSOR MUST BE IN WRITING AND SIGNED BY LESSEE OR THEIR ASSIGNS AND SHALL BE ADDRESSED TO, T & S MINING Co. INC. TO THE ATTENTION OF MR. JAMES SMITH AT 4179 N. 81ST STREET, SCOTTSDALE, ARIZONA 85251 EXCEPT AS SUCH PARTY(S) MAY OTHERWISE BE DESIGNATED FROM TIME TO TIME IN WRITING BY LESSOR.

LEASE OF MINING PROPERTY (PAGE 6)

6. TO THE EXTENT THAT FEDERAL OR STATE "DEPLETION ALLOWANCE" IS AVAILABLE WITH RESPECT TO PRODUCTION FROM THE PROPERTY TO WHICH THIS LEASE RELATES, SUCH DEPLETION ALLOWANCES SHALL BE RESERVED FOR USE BY THE LESSEE.

IN WITNESS WHEREOF THE PARTIES HERETO HAVE EXECUTED THIS LEASE AS OF THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 1983.  
STATE OF ARIZONA  
COUNTY OF MARICOPA

LESSOR:

ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 1983  
PERSONALLY APPEARED BEFORE ME, A NOTARY  
PUBLIC, \_\_\_\_\_  
WHO ACKNOWLEDGED TO ME THAT HE EXECUTED  
THE ABOVE INSTRUMENT.

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC

STATE OF ARIZONA  
COUNTY OF MARICOPA

LESSEE

ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 1983  
PERSONALLY APPEARED BEFORE ME, A NOTARY  
PUBLIC, \_\_\_\_\_  
WHO ACKNOWLEDGED TO ME THAT HE EXECUTED  
THE ABOVE INSTRUMENT.

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC

THIS SIGNATURE PAGE IS NUMBER 6 OF THIS LEASE AGREEMENT

# LEASE OF MINING PROPERTY

THIS LEASE MADE AT SCOTTSDALE, ARIZONA THIS \_\_\_\_\_ DAY OF FEBRUARY, 1983 BY AND BETWEEN T & S MINING Co., INC., HEREINAFTER CALLED "LESSOR" AND ASSOCIATED SCIENTISTS Co., HEREINAFTER CALLED "LESSEE",

## WITNESSETH:

LESSOR IS THE OWNER OF CERTAIN UNPATENTED MINING CLAIMS SITUATED IN SECTION 14, TOWNSHIP 11 NORTH, RANGE 2 W IN THE HASSAYAMPA MINING DISTRICT OF THE STATE OF ARIZONA HEREINAFTER REFERRED TO AS THE PROPERTY.

THIS LEASE WILL SET FORTH ALL THE TERMS AND CONDITIONS UNDER WHICH THE LESSOR GRANTS A LEASE OF THE PROPERTY FOR THE PURPOSE AND TERM HEREINAFTER PROVIDED.

IN CONSIDERATION OF THE COVENANTS AND AGREEMENTS HEREINAFTER SET FORTH, THE PARTIES AGREE AS FOLLOWS:

## I. GRANT

LESSOR HEREBY GRANTS, LEASES AND DEMISES THE PROPERTY, INCLUDING SUCH PERSONAL PROPERTY AS MAY BE LOCATED THEREON, TOGETHER WITH ALL PRIVILEGES AND APPURTANCES, ALL RIGHT, TITLE AND INTEREST THEREON OWNED, AVAILABLE OR GRANTED TO THE LESSOR AND PERTAINING TO THE PROPERTY.

## II. TERM

THIS LEASE IS GRANTED FOR A TERM COMMENCING FROM AND AFTER THE DATE HEREOF AND SHALL EXTEND FOR THE DURATION OF ALL THE RIGHT, TITLE AND INTEREST OF THE LESSOR, OR, UNTIL THIS LEASE BE TERMINATED AS HEREINAFTER PROVIDED.

## III. PURPOSES

THE PURPOSES OF THIS LEASE ARE TO GRANT TO THE LESSEE THE EXCLUSIVE RIGHT TO ENTER INTO AND UPON THE PROPERTY, AND EACH AND EVERY PART THEREOF SO LONG AS THIS LEASE REMAINS IN EFFECT, AND TO EXPLORE FOR, DEVELOP, MINE, LEACH IN PLACE, TREAT, PRODUCE, MILL, SHIP, AND SELL, ALL FOR ITS OWN ACCOUNT, SUCH ORES, MATERIAL [METALLIC AND NON-METALLIC] AND MINERALS AS MAY BE FOUND THEREIN OR THEREON, AND ALL OF WHICH SHALL HEREINAFTER BE REFERRED TO AS PRODUCTION.

## IV. ROYALTIES / RENTALS

4.1 COMMENCING 60 DAYS AFTER THE DATE HEREOF AND THEREAFTER WHILE THIS LEASE REMAINS IN EFFECT, LESSEE SHALL PAY TO LESSOR ON THE LAST DAY OF THE FIRST FULL MONTH SUBSEQUENT TO EACH AND EVERY RECEIPT OF PAYMENT RESULTING FROM THE SALE OF THE PRODUCTION FROM THE PROPERTY, THE LESSEE SHALL PAY TO THE LESSOR AS PRODUCTION ROYALTIES 5% [FIVE PER CENT] OF THE NET SMELTER RETURNS [NSR].

**LEASE OF MINING PROPERTY [PAGE 2]**

FOR PURPOSES OF THIS AGREEMENT, NSR SHALL BE DEFINED AS THE NET AMOUNT OF PAYMENT RECEIVED BY THE LESSEE FROM THE SMELTER, MILL OR OTHER PURCHASER OF LESSEE'S PRODUCTION, AS REDUCED BY SMELTER OR MILL TREATMENT CHARGES, PENALTIES, SAMPLING AND ASSAYING CHARGES AND BY TRANSPORTATION COSTS INCURRED BY LESSEE IN CONNECTION WITH DELIVERY OF SUCH PRODUCTION TO ITS PURCHASER.

ON THE SIGNING OF THIS LEASE BY ALL CONSENTING PARTIES CONSISTING OF BOTH THE LESSORS AND LESSEES AT THE DATE HEREOF, THE LESSEE SHALL DEPOSIT IN ESCROW AT THE FIRST AMERICAN TITLE INSURANCE COMPANY OF ARIZONA AT 10808 NORTH SCOTTSDALE ROAD, SCOTTSDALE, ARIZONA, THE SUM OF TEN THOUSAND DOLLARS, [\$10,000.00], WITH THE EXPRESS STIPULATIONS HEREBY MUTUALLY AGREED TO BY BOTH LESSOR AND LESSEE AS FOLLOWS:

1. THE LESSEE HEREBY AGREES TO EXPLORE THIS MINING PROPERTY IN GOOD FAITH IN ORDER TO DETERMINE IF THE MINING PROPERTY MEETS THE CRITERIA OF MINING ECONOMICS AND ANY OTHER FACTOR THE LESSEE DETERMINES WHETHER THE MINING PROPERTY IS OF SUFFICIENT VALUE TO FURTHER PURSUE DEVELOPEMENT OF THE MINING PROPERTY.

2. IN THE EVENT THE LESSEE DETERMINES IN ITS OWN RIGHT THAT THIS MINING PROPERTY DOES NOT MERIT FURTHER DEVELOPEMENTAL WORK AND FURTHER WISHES TO ABANDON THIS MINING PROPERTY WITHIN SIXTY DAYS, THE TEN THOUSAND DOLLAR ESCROW AMOUNT SHALL BE RETURNED TO THE LESSOR, SUCH ESCROW FEES INVOLVED TO BE PAID BY THE LESSEE. *note #1*

3. IN THE EVENT THE LESSEE DETERMINES THE MINING PROPERTY HAS SUFFICIENT POSSIBILITIES TO WARRANT FURTHER DEVELOPEMENTAL WORK SUBSEQUENT TO ACTUAL MINING, AFTER THE INITIAL 60 DAY INVESTIGATIVE PERIOD, THE ESCROW AMOUNT OF TEN THOUSAND DOLLARS SHALL BE PAID TO LESSOR LESS ESCROW FEES INCURRED. *note #2*

4. AFTER THE INITIAL SIXTY-DAY INVESTIGATIVE PERIOD, THE TERMS SET FORTH HEREIN UNDER SECTION IV ROYALTIES/RENTALS SHALL APPLY. *note #3*

**V. OPERATIONS OF LESSEE**

LESSEE SHALL CONDUCT ALL MINING AND OTHER OPERATIONS UNDER THIS LEASE IN ACCORDANCE WITH GOOD MINING PRACTICES AND SOUND PRINCIPLES OF CONSERVATION AND IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES AND REGULATIONS PROMULGATED BY FEDERAL, STATE AND LOCAL AUTHORITIES. *note #4*

LESSEE SHALL KEEP AND MAINTAIN TRUE AND CORRECT BOOKS OF ACCOUNT AND RECORDS WHICH SHALL SHOW THE AMOUNT OF PRODUCTION FROM THE PROPERTY AND THE AMOUNT OF PROCEEDS DERIVED FROM THE SALE OF SUCH PRODUCTION. SAID BOOKS AND RECORDS SHALL BE OPEN FOR INSPECTION AND AUDIT BY LESSOR OR ITS AGENT AT ALL *note #5*

## LEASE OF MINING PROPERTY [PAGE 3]

REASONABLE TIMES AND FOR A PERIOD OF ONE [1] YEAR FOLLOWING TERMINATION OF THIS LEASE.

LESSOR EXPRESSLY RESERVES THE RIGHT, AT LESSOR'S OPTION AND EXPENSE, TO MAINTAIN AN AGENT ON THE PROPERTY FOR THE PURPOSE OF VERIFYING PRODUCTION, AND TO CHECK, INSPECT AND KEEP ACCOUNT OF ALL PRODUCTION FROM SAID PROPERTY; PROVIDING SUCH AGENT AND/OR INSPECTIONS DO NOT INTERFERE WITH LESSEE'S OPERATIONS.

### VI. INSURANCE/INDEMNITY

IT IS SPECIFICALLY AGREED BY ALL THE PARTIES HERETO THAT THE LESSOR SHALL NOT BE LIABLE TO THIRD PARTIES, OR EMPLOYEES, OR AGENTS OF THE LESSEE, FOR THE ACTIONS AND THE OBLIGATIONS OF THE LESSEE DURING THE TERM HEREOF, AND THAT SUFFICIENT NOTICE TO SUCH EFFECT SHALL BE POSTED ON THE PROPERTY AND APPROPRIATELY FILED IN ACCORDANCE WITH THE LAWS OF THE POLITICAL JURISDICTION(S) WITHIN WHICH THE PROPERTY IS LOCATED AND WHEREVER LESSEE CONDUCTS OPERATIONS RELEVANT TO THIS LEASE.

PRIOR TO COMMENCEMENT OF OPERATIONS HEREUNDER, LESSEE SHALL OBTAIN ALL WORKMEN'S COMPENSATION INSURANCE, LIABILITY INSURANCE AND POLICIES OF INSURANCE AGAINST OTHER RISKS FOR WHICH LESSOR MAY REASONABLE BE CONSIDERED TO HAVE EXPOSURE AS A RESULT OF LESSEE'S OPERATION AND TENANCY OF THE PROPERTY. ALL INSURANCE SHALL BE MAINTAINED BY LESSEE AT ITS OWN EXPENSE THOROUGHOUT THE DURATION OF THIS LEASE, AND WHENEVER LESSOR REASONABLE REQUESTS, LESSEE SHALL FURNISH TO LESSOR EVIDENCE THAT SUCH INSURANCE IS BEING MAINTAINED.

LESSEE AGREES TO INDEMNIFY AND SAVE LESSOR HARMLESS FROM AND AGAINST ANY AND ALL LIABILITY, CLAIMS AND CAUSES OF ACTION FOR PERSONAL INJURY OR DEATH, AND DAMAGE TO, OR LOSS OR DESTRUCTION OF PROPERTY, RESULTING FROM TENANCY OF THE PROPERTY AND FROM ITS OPERATIONS HEREUNDER.

### VII. ASSESSMENT WORK

LESSEE SHALL PERFORM SUCH ASSESSMENT WORK AS MAY BE REQUIRED BY FEDERAL, STATE AND LOCAL LAW AND SHALL PREPARE AND RECORD, FOR AND ON BEHALF OF LESSOR, AND AFFIDAVIT(S) OF LABOR AND IMPROVEMENTS DURING EACH ASSESSMENT YEAR IN ORDER TO MAINTAIN ALL CLAIMS IN GOOD STANDING IN THE NAME OF THE LESSOR. LESSOR AND LESSEE SHALL EACH PROVIDE THE OTHER WITH A COPY OF ALL SUCH FILINGS MADE IN RESPECT TO THE PROPERTY. SHOULD THIS LEASE BE TERMINATED WITHIN NINETY (90) DAYS BEFORE THE END OF THE THEN CURRENT ASSESSMENT YEAR, LESSEE SHALL NEVERTHELESS PERFORM THE ANNUAL LABOR AND COMPLY WITH THE OTHER REQUIREMENTS OF THIS PARAGRAPH. SHOULD THIS LEASE BE TERMINATED PRIOR TO SAID NINETY(90) DAYS, LESSEE SHALL HAVE NO OBLIGATION TO PERFORM SAID ASSESSMENT WORK.

### VII. ASSIGNMENT

EITHER THE LESSOR OR THE LESSEE MAY ASSIGN ALL OR ANY PORTION OF THEIR RIGHT, TITLE AND INTEREST IN THIS LEASE AND/OR IN THE PROPERTY AT ANY TIME AND FROM TIME TO TIME UPON GIVING WRITTEN NOTICE OF THE IDENTITY AND ADDRESS OF THE ASSIGNEE, PROVIDING

## LEASE OF MINING PROPERTY [PAGE 4]

HOWEVER THAT NOTWITHSTANDING SAID ASSIGNMENTS(S) IN WHATEVER FORM, BOTH THE LESSEE AND LESSOR SHALL REMAIN PRIMARILY AND UNCONDITIONALLY LIABLE, RESPECTIVELY, FOR THE PERFORMANCE OF ALL TERMS AND CONDITIONS HEREOF PRIOR TO THE DATE OF ASSIGNMENT, AS SUCH TERMS AND CONDITIONS ARE APPLICABLE TO EACH.

### IX. TAXES

LESSEE SHALL PAY BEFORE DELINQUENCY ALL TAXES AND ASSESSMENTS THAT MAY BE LEVIED OR ASSESSED AGAINST THE PROPERTY, OR AGAINST THE PRODUCTION THEREFROM, EXCEPT THOSE TAXES WHICH LESSEE IS CONTESTING IN GOOD FAITH AND EXCEPT THOSE TAXES AGAINST THE PROPERTY FOR THE FIRST AND LAST YEAR, WHICH TAXES SHALL BE PRO-RATED BETWEEN LESSEE AND LESSOR.

### X. WARRANTIES AND TITLE

LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE VALUE OR CONDITION OF THE PROPERTY, OR EXISTENCE OR ADEQUACY OF ANY FACILITIES OR EQUIPMENT WHICH ARE THE SUBJECT OF THIS LEASE. HOWEVER, LESSOR WILL AT ALL TIMES DURING THE TERM OF THIS LEASE FURNISH LESSEE WITH ANY AND ALL GEOLOGICAL, PRODUCTION AND METALLURGICAL DATA WHICH MAY BE AVAILABLE TO LESSOR. LESSOR TAKES NO RESPONSIBILITY FOR THE INTERPRETATION OF SUCH DATA.

LESSOR DOES WARRANT THAT IT HAS GOOD AND VALID TITLE TO THE PROPERTY, THAT THERE ARE PRESENTLY NO ADVERSE CLAIMS THAT WILL AFFECT THE PROPERTY OR THIS LEASE, AND THAT IT WILL UPON DEMAND PROMPTLY FURNISH TO THE LESSEE COPIES OF ALL DOCUMENTS AND OTHER EVIDENCE RELATING TO LESSOR'S CLAIM OF TITLE, INCLUDING, BUT NOT LIMITED TO, COPIES OF ALL PATENTS, LOCATION NOTICES AND AFFIDAVITS RELATING TO ASSESSMENT WORK.

LESSOR AGREES TO NOTIFY THE LESSEE AT ONCE OF ANY CLAIM AGAINST LESSOR'S INTEREST IN THE PROPERTY, OR AGAINST THIS LEASE AND WILL IMMEDIATELY UNDERTAKE THE DEFENSE OF THAT CLAIM AT THE LESSOR'S OWN EXPENSE.

LESSOR FURTHER AGREES THAT AT THE OPTION OF THE LESSEE, LESSEE MAY UNDERTAKE THE DEFENSE OF ANY CLAIM AGAINST LESSOR'S INTEREST IN THE PROPERTY OR AGAINST THIS LEASE, AND THE LESSOR WILL BE LIABLE FOR DAMAGES SUSTAINED BY LESSEE INCLUDING THE COST OF SUCH DEFENSE. UPON REQUEST BY LESSEE, LESSOR WILL DELIVER TO THE LESSEE ALL EVIDENCE AND INFORMATION REASONABLE REQUIRED TO DEFEND SUCH A CLAIM, AND WILL CO-OPERATE FULLY IN SUCH A DEFENSE.

LESSOR AND LESSEE EACH AGREE TO EXECUTE, DURING THE TERM OF THIS LEASE AS AN ACCOMMODATION, SUCH ADDITIONAL DOCUMENTS AND AGREEMENTS AS THE OTHER PARTY MAY REASONABLY REQUIRE IN CONNECTION HERewith, PROVIDED THAT SUCH ADDITIONAL DOCUMENT(S) OR AGREEMENT(S) WOULD NOT IMPOSE ADDITIONAL OBLIGATIONS UPON OR IMPAIR THE RIGHTS OF THE ACCOMMODATING PARTY.

## LEASE OF MINING PROPERTY [PAGE 5]

### XI. DISPUTES

IT IS SPECIFICALLY AGREED THAT SHOULD THERE ARISE ANY DISPUTE THE PARTIES HERETO, SUCH DISPUTE SHALL NOT INTERRUPT PERFORMANCE OF THIS LEASE BY EITHER LESSOR OR LESSEE, NOR WILL LESSEE'S OPERATIONS HEREUNDER BE INTERRUPTED, DELAYED, OR IMPAIRED DURING THE PENDENCY OF AND UNTIL THE FINAL SETTLEMENT OF SUCH DISPUTE. IN THE EVENT OF LITIGATION BETWEEN THE PARTIES HERETO, THE PREVAILING PARTY WILL BE ENTITLED TO ALL COSTS OF THE LITIGATION, INCLUDING BUT NOT LIMITED TO, REASONABLE ATTORNEY'S FEES.

### XII. TERMINATION

LESSEE AT ANY TIME AFTER THE DATE HEREOF, SURRENDER THIS LEASE, PROVIDED WRITTEN NOTICE OF TERMINATION IS GIVEN LESSOR NOT LESS THAN THIRTY (30) DAYS PRIOR TO THE EFFECTIVE DATE OF SUCH TERMINATION, AFTER WHICH ALL RIGHT AND OBLIGATION OF THE LESSEE HEREUNDER SHALL CEASE.

*NOTE #6*

IN THE EVENT OF TERMINATION OF THIS LEASE AGREEMENT, LESSEE SHALL DELIVER TO LESSOR WITHIN SIXTY (60) DAYS FOLLOWING THE EFFECTIVE DATE OF SAID TERMINATION, A WRITTEN RELEASE AND QUIT CLAIM DEED RELEASING ALL OF THE RIGHTS GRANTED TO AND ACQUIRED BY LESSEE UNDER THIS AGREEMENT AND QUIT CLAIMING TO LESSOR ALL OF THE RIGHTS GRANTED, TITLE AND INTERESTS OF LESSEE IN AND TO THE PROPERTY.

*NOTE #7*

### XIII. MISCELLANEOUS PROVISIONS

1. THIS LEASE SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ARIZONA, AND THE FAILURE OF EITHER PARTY TO ENFORCE ANY PROVISION HEREOF AT ANY TIME SHALL NO BE CONSTRUED TO BE A WAIVER OF SUCH PROVISION OR OF ANY OTHER PROVISION.
2. NO AMENDMENT OR MODIFICATION OF THIS LEASE SHALL BE BINDING ON EITHER LESSOR OR LESSEE UNLESS MADE IN WRITING AND DULY EXECUTED BY BOTH.
3. THIS LEASE IS EXECUTED IN MORE THAN ONE COUNTERPART, EACH OF WHICH SHALL BE DEEMED AN ORIGINAL BUT ALL OF WHICH TOGETHER SHALL CONSTITUTE ONE AND THE SAME LEASE.
4. ALL NOTICES TO LESSEE SHALL BE GIVEN ONLY BY REGISTERED MAIL AND ADDRESSED TO ASSOCIATED SCIENTISTS Co. AT 7046 EAST PARADISE DRIVE, SCOTTSDALE, ARIZONA 85254 OR THEIR ASSIGNS WHICH ADDRESS OF THE ASSIGNS WILL BE GIVEN TO LESSOR IF ANY ASSIGNS ARE A PART OF THIS LEASE IN THE FUTURE.
5. ALL NOTICES TO LESSOR MUST BE IN WRITING AND SIGNED BY LESSEE OR THEIR ASSIGNS AND SHALL BE ADDRESSED TO, T & S MINING Co. INC. TO THE ATTENTION OF MR. JAMES SMITH AT 4179 N. 81ST STREET, SCOTTSDALE, ARIZONA 85251 EXCEPT AS SUCH PARTY(S) MAY OTHERWISE BE DESIGNATED FROM TIME TO TIME IN WRITING BY LESSOR.

LEASE OF MINING PROPERTY (PAGE 6)

6. TO THE EXTENT THAT FEDERAL OR STATE "DEPLETION ALLOWANCE" IS AVAILABLE WITH RESPECT TO PRODUCTION FROM THE PROPERTY TO WHICH THIS LEASE RELATES, SUCH DEPLETION ALLOWANCES SHALL BE RESERVED FOR USE BY THE LESSEE.

IN WITNESS WHEREOF THE PARTIES HERETO HAVE EXECUTED THIS LEASE AS OF THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 1983.

STATE OF ARIZONA  
COUNTY OF MARICOPA

LESSOR:

ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 1983  
PERSONALLY APPEARED BEFORE ME, A NOTARY  
PUBLIC, \_\_\_\_\_  
WHO ACKNOWLEDGED TO ME THAT HE EXECUTED  
THE ABOVE INSTRUMENT.

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC

STATE OF ARIZONA  
COUNTY OF MARICOPA

LESSEE

ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 1983  
PERSONALLY APPEARED BEFORE ME, A NOTARY  
PUBLIC, \_\_\_\_\_  
WHO ACKNOWLEDGED TO ME THAT HE EXECUTED  
THE ABOVE INSTRUMENT.

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC

THIS SIGNATURE PAGE IS NUMBER 6 OF THIS LEASE AGREEMENT

Lease of Mining Property - Assoc Sci  
Jim Smith aka T & S Mining Co

Note #1 -

a 60 day exclusive deserves some consideration

Note #2 -

If determine does not meet criteria, all geological, metallurgical, geophysical etc - Results shall be presented to Lessor & the engineers report as to the general findings (add to section 4)

Note #3

most escro accounts are  $\frac{1}{2}$  buyer &  $\frac{1}{2}$  seller

Note #4

During initial 60 day exploration period, only limited bulk sampling should be allowed. If production begins prior to the expiration of the 60 days, the \$10,000 should be payable & formal lease begun

Note #5

Lessee shall be responsible for all Damage & Restoration bonds etc & post a non liability notice etc - (Covered in section II)

Note #6 - with exception of all geological info etc

Note #7 their Quit claim should be held in escro

Additional Comments

- 1) an exhibit should show claim Name, date of recordation, by whom, Docket, Page & Acre #
- 2) need a protective clause - "if they <sup>or acquire</sup> ~~stake~~ additional claims contiguous to yours within a perimeter of one mile, these claims become a part of this contract" and vice versa

3) There is no mention of production or work  
commitment - Therefore need a guarantee of  
so much per month or the 5%, whichever ever  
the greater -

9-7-82

Jim Smith

Has permit for Road to his Mine property, (completed)

The road will cut 8 different Qtz stringers up to 12" thick. The stringers radiate from a hell. (Place to start survey)

Some Magnetite Veins run up to  $\frac{1}{2}$  oz Au.

Frank Clark will do the dozer road work - cut a road good enough to get a 4-wheel drive vehicle to Top of Hell

Frank No. 986-5681 yard 982-8180

If We find a buyer we get 30% of Top

Jim has been busy in the Construction Business

4179 N 81st St  
Sets  
947-2055

Tues. Aug 25, 1981

Jim Smith - 8 Claims

Wagoner Area - Yavapai Co.  
Sec 14 - T11N - R2W 64SRPM.

### General Observations

1. Fault zone - 4-5' wide N150W Dip 82° W
2. Abundant Calcite, Druzy Qtz & Iron Oxide
3. Reported abundant Silver in weathered schist on E side of fault zone. Probably due to hydrothermal action in fractured zone.
4. Some amphibolite near fault. (w/ Hornblende)
5. Fault zone is mainly composed of fault gouge with some Qtz boulders w/ iron & druzey <sup>Qtz</sup> in places
6. Cross faults or veins may be present
7. Abundant Qtz occurs on Hill North of the Southern cut. *also dozer cut.*
8. Claim corners are marked by 4x4" Posts & white-washed tops

### Recommendations:

1. Dozer-off the fault or vein starting from the South end.
2. Cut samples across the fault or vein & split
3. Have assays made for Gold, Silver, Lead, Zinc & Copper
4. Cut samples of the weathered schist on the east side of the fault. Cut 5-ft Long fresh samples every 25-50 ft. Have Assayed for Silver & Gold.
5. If cross faults or veins are encountered - Doze & sample as above.
6. Cut 2 Sample across the South dozer cut at exposed fault.

We will try to locate the Section corner  $\rightarrow$ 

10	11
15	14

 T11N - R2W  
if the claims need to be surveyed in.

Jim Smith

(2)

General cont.

9. Vein or fault walls show slight alteration
10. Country Rock is weathered granite + granite diorite w/ schist bands
11. No Free gold was observed.
12. Country Rocks are probably pre-Cambrian
13. The main valleys are composed of Tertiary consolidated sands + gravels w/ local white clay beds. General to the East - 20-25°
14. Claims are unsurveyed but in Sec 14-11N-20W according to Topo Sheet.

Wagoner, DIST

Granite

Granodiorite

Qtz. diorite

Schist

Cret-Tertiary

Vein cut granodiorite - related

to diorite - porphyry dikes.

Minnehaha deposits are  
considered pre-e veins

milky white to glaucous Qtz  
w/ tourmaline.

Gold occurs as nuggets & sub-  
microscopic intergrowths of sulphide

Vein walls show slight alteration

Hydrothermal class. - High Temp & Pressure  
connected w/ Bradshaw Granite.

11:05  
8-20-81

1. Sam called Jim Smith 947-2055.

Jim is at the ranch and probably won't be back until tomorrow & will call.

8/23/81

10:20 PM

1. Jim called - Sam to meet him at his home on Tue Aug 25 at 0600 to make room trip to Wagoner area to check his claim.

Camp Bird Mine -  $\pm$  4 Mi S.E. of Wagoner

Indian School & Warden

Right to 81<sup>st</sup>

N. to First St.

Right - 1<sup>st</sup> km Blue

Dot Sum Pick-up (King cab)

4179 N 81<sup>st</sup>

947-2055

THE ARIZONA DEPARTMENT OF MINERAL RESOURCES  
MAKES NO REPRESENTATION AS TO THE ACCURACY  
OF THE CONTENTS OF THESE DOCUMENTS.

Report on the Arizona Klondike Mine

by

P. B. WILKES

Mining Engineer and Geologist

Los Angeles, Calif.

August 1st, 1934.

I N D E X

THE ARIZONA DEPARTMENT OF MINERAL RESOURCES  
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(In the original report different type was used and the matter all double spaced, therefore, this index does not correspond to the pages in this copy, made in 1945 by A.L.Flacc.)

THE ARIZONA DEPARTMENT OF MINERAL RESOURCES  
MAKES NO REPRESENTATION AS TO THE ACCURACY  
General Statement OF THE CONTENTS OF THESE DOCUMENTS.

The Arizona Klondike property comprises 15 unpatented claims situated 25 miles south of Prescott, Yavapai Co., Arizona. The Clorinda vein extends 7500 feet through the property as shown by numerous natural exposures, surface cuts and shallow shafts, and the Clorinda shaft 155 feet in depth with 300 feet of drifting, mostly on the 100 level. This vein is from 4 to 7 feet wide, the vein material being about  $\frac{1}{3}$  amphibolite schist and  $\frac{2}{3}$  quartz. The schist carries from \$4 to \$5 in gold, and the quartz \$15 to \$40, or an average of \$25 per ton. The ore shoot on and above the 100 level contains 5000 tons of ore of a gross value of \$125,000 and will net \$100,000, after deducting the mining and milling charges. This ore shoot is 130 feet long by 100 feet in depth and 5 feet in width.

It is proposed to expend \$25,000 in sinking the Clorinda shaft 150 feet deeper and drifting on this ore shoot which it is expected will put in sight 17,000 tons of ore above the 300 level that will warrant the erection of a 50 ton a day mill at a cost of \$40,000. At the same time development of other ore showings will proceed as well as further drifting on the Clorinda vein. When the mill is in operation the mine will be self supporting and also yield a satisfactory profit over a considerable number of years.

There is considerable evidence to indicate that other ore shoots will be found on the Clorinda vein as well as other veins on the property. Other mines in the district are down to 1000 to 3000 feet, and it is reasonable to expect the veins on this property will continue to equal depths.

1.

1. Name: Arizona Klondike Mine.
2. Location: 25 miles south of Prescott, Arizona.
3. Claims and area: 15 lode claims, approximately 300 acres.
4. Ownership and title: W.B. Blaylock, West Los Angeles, California, owner. Possessory right by location and proofs of annual labor recorded in proper forms.
5. History: The property in the beginning consisted of 5 mining claims to which have been added 10 other claims as ore discoveries were made on each of them and development by surface cuts and shallow shafts on the outcrops of the veins. This has been done by the present owner during the past 14 years. Later a shaft was sunk 155 feet on the Clorinda vein with levels at 50, 100, and 150 feet in depth, developing an ore shoot on the 100 foot level, 130 feet in length by 100 feet in depth and 4 to 7 feet in width.
6. Adjoining and nearby properties: The Bradshaw mountains is an irregular mountain range extending south of Prescott for 40 to 50 miles. The principal gold mines are the Crown King, Senator, Congress, McCabe now milling 200 tons per day, Davis now milling 100 tons per day, and many other smaller mines and prospects. The eastern portion of the range contains several copper properties the ores from which were smelted for many years at the Humbolt smelter.

a. Transportation: By auto and truck highways, roadways for the most part, connecting with Prescott on the north and Wickenburg and Phoenix on the south, all on the Atchinson Topeln and Santa Fe R.R. To operate this mine efficiently it will be necessary to build about 2 miles of road at a cost of \$3000.

b. Power: There is no electric power line nearby. Operation will be by Diesel engine, either direct or generating electricity on the property.

c. Water: Water in the 155 foot shaft rises to the 100 foot level, and with the deeper and lateral development proposed will develop an ample water supply. This has been proven to be the case in all the deep mines of the district. Ample water supply can be obtained from the streams for 8 months of the year. There are also springs with a pipe line to the camp giving a domestic supply of water.

d. Timber: There is no timber on the property. The native timber of this section does not last long underground, and most of the mining timber is shipped in from Oregon. Less than the average amount of timber is required for mining purposes since the veins are perpendicular, or nearly so, and the walls are firm and require a minimum amount of support.

e. Labor conditions: This has been a mining section for many years, and there has always been an ample supply of miners. Cattle raising is the only other industry.

f. Climate: The elevation of the property is 5000 to 6000 feet above sea level. This makes an ideal climate for all the year mining operations. There are, of course, snow storms but on this property the slope is to the south and west, and snow quickly disappears.

g. Topography: The property lies along the slope of a fork of Crooks creek which empties into the Hassayampa river. It has a length of 7500 feet, extending from 4500 to 6000 feet above sea level, or about an average 20% grade. This is a mountainous country, but the slopes are not steep and offer no obstruction to mining operations.

9. Geology: The geological history of the region and this mining property begins with the intrusion of igneous magmas into older rocks of pre-Cambrian age, known as the Yavapai schist, pushing them aside or absorbing and including portions of the schist within the mass. The rocks resulting from the cooling and consolidation of this magma are medium grained granite, some diorite, large areas of aplite, and basic dikes that are now amphibolite schists. These rocks as a whole are known as Bradshaw granite, and represent the normal processes of separation of an igneous magma into acid and basic constituents according to their chemical affinities under the varying conditions of temperature and pressure as cooling, crystallization and consolidation proceeded.

Coincident with the uplift of the Bradshaw mountains these rocks were fissured and fractured affording channels for the escape of the ore solutions and gasses which was the final phase of the magmatic intrusion, and resulting in the formation of the present day ore bearing veins of the district.

As an example of the consolidation of a similar igneous magma comparison is made with the Butte, Montana area where the igneous magma consolidated into granite, aplite and basic dikes. The Butte copper ore bodies were found in the center of the intrusion with gold and silver veins on its borders. In the Bradshaw area copper deposits were found in the center of the uplift with gold and silver veins on its border, as on this mining property. Perhaps a better comparison is made with certain portions of the Mother Lode district in Califor-

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ON THE ACCURACY

nia where large gold ore bodies are found in amphibolite schists. Intrusive into the Calaveras schist, a notable example being the mines at Angels Camp. On the Arizona Klondike property, the Bodie mine, and others nearby, the ore bodies occur, for the most part, in amphibolite schists associated with the intrusive granite. These geological conditions are well known in other mining districts of the west where detailed studies of ore and rock formations have been made during the progress of extensive mining operations, and are considered favorable for the occurrence of profitable gold mines.

10. Ore occurrence. The gold veins on this property, and generally throughout the district, are the usual type of fissure veins, with some gouge materials on the walls, affording a clean separation of ore from the country rock. The Clorinda vein the principal development of which is on the Clorinda vein, can be traced by surface cuts, shallow shafts and natural exposures on the surface through 5 claims, a distance of 7500 feet. It strikes northeast-southwest and dips about 80 degrees to the southeast. It varies in width from 4 to 7 feet and probably averages 5 feet in width. Where it has been opened it contains about 3 to 4 feet of quartz, sometimes on one wall, but more frequently on both walls, separated by 1 to 3 feet of amphibolite schist forming generally the central part of the vein. This is the general appearance of the vein in the Clorinda shaft and workings.

The ore minerals in both quartz and amphibolite schist are free gold and sulphides, pyrite and occasionally a little chalcopyrite. The quartz ore varies from \$15 to \$40, and the amphibolite ore averages \$4 to \$5. Shallow shafts and other surface openings on the Clorinda vein, and on the other veins on the property as well, indicate a similar ore occurrence and other ore shoots of like value should be found with deeper and lateral development.

11. Equipment. There is a 15 horsepower gasoline engine and hoist at the Clorinda shaft which is adequate for mining operations to a depth of 300 feet. There is also a pump that will handle the present flow of water, but with increase of flow as the shaft is sunk deeper a pump of greater capacity will be required. There are two buckets, a mine car, a few small tools and a blacksmith outfit.

12. Development. The Clorinda shaft is 155 feet deep on a pitch of 80 degrees, and 300 feet of drifting as shown on the section herewith. There is a 30 foot shaft on the White Oak claim and a 120 foot tunnel that lacks 20 feet to 30 feet of cutting the vein shown in the shaft which exposes a 5 foot quartz vein that is said to assay \$21. The tunnel is in an amphibolite schist with some quartz, both containing sulphides, that the owner states assay \$5 to \$10. There are other shallow shafts and open cuts on the Clorinda, Albuquerque, Mansco No 1, 7 and 8 and Klondike No. 10 that are insufficient to form any conclusive opinion as to the possibilities at these points.

13. Methods and Costs. Mining by shrinkage is indicated, as the walls are strong and the full width of the vein will be mined and milled. Milling will be done by standard methods of crushing, amalgamation, and concentration by flotation, and cyaniding of the concentrates and reduction of bullion on the property for shipment to the Mint. Mining and milling will cost about \$5 per ton of ore.

14. Production. The owner at one time had a small Gibson mill and stoped the ore shown on the mine section herewith. The mill capacity was too small, about 4 tons in 24 hours at best, recovery unsatisfactory and further milling was abandoned. He reports 60 tons milled that gave the following return:

Bullion to Mint  
8 tons concentrates @ \$170  
Tails \$4 per ton

\$ 741.54  
1020.00  
240.00  
\$ 2001.54

indicating the average value of the ore mined and milled was \$33.36.

15. Sampling. Sampling was confined to the ore shoot developed on the 100 ft level of the Clorinda shaft. It was impossible to sample the roof of the stope shown on the mine section herewith as there was not sufficient timbers on hand to make the necessary staging. The ore that came out of this stope is described in the preceding paragraph on Production. However, a satisfactory sampling of the remainder of the ore shoot was made as shown on the mine section. Samples were cut with a mull and hammer across the vein and caught on canvass on the floor and averaged about 5 pounds per foot of sample. The coarse pieces were broken on canvas and all thoroughly mixed and the samples cut down to about 10 pounds each. The results checked satisfactorily with samples previously taken by the owner.

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16. Ore Reserves.

Positive - 5000 tons averaging \$25, above the 100 foot level,  
Probable - 3000 tons averaging \$25, between the 100 and 150 level.  
Possible - 6000 tons for each 100 feet in depth below the 150 level.

The proposed plan of sinking the shaft another 150 feet below the bottom of the shaft and drifting on the shoot should put in sight to that level 17,000 tons of ore that should net \$20 per ton or a net profit of \$340,000, less \$40,000 for a 50 ton a day mill, or a net above cost of mining, mill and milling of \$300,000. The Clorinda vein has large possibilities with greater depths has been shown at the Crown King, Senator, McCabe, Davis and other mines of the district. Surface showing both east and west of the present shoot indicate another ore shoot will be developed by drifting on the vein, probably on the 300 level when that depth is reached.

17. Cost of future development and equipment.

Repair and sinking Clorinda shaft 150 feet	\$ 5000.
300 feet of drifting on 300 level	4000.
Buildings	1000.
Road	3000.
New water pipe line	1000.
Compressor and engine	2000.
Air drills and other mining equipment	2000.
Development of other surface showings	7000.
	\$ 25000.

18. Conclusions and recommendations.

Reviewing all the evidence at hand as to the character of the veins, the ore occurrences and values shown, the recovery that can be made and the probability that other ore shoots of similar size and value will be found by further work, I am of the opinion that \$25000 expended in further development work will put in sight sufficient ore to warrant the erection of a mill and thereafter the mine will be self supporting and in addition yield a satisfactory return in profit over a long period of years. I recommend the purchase of the property and its further development as set forth herein.

Los Angeles, Cal. August 1, 1934 (Signed) F.B. Weeks, Mining Engineer and Geologist

Arizona Non-ferrous Assays, mill data etc.

Clarinda Shaft

	On Au	On Ag
1 At 15-ft from collar; across 14" in hangingwall side	1.83	tr
2 At 15-ft below collar; across 14" in footwall side	.52	tr
3 At 35-ft from collar; across 32 inches of quartz	.90	tr
4 At 55-ft from collar; 18 in on hangingwall side	1.52	.10
5 At 75-ft from collar; across 18 in on hangingwall	.36	.10
6 At 75-ft from collar; 21 in of diabase	.02	tr
7 At 75-ft from collar; 9 in on footwall	.30	tr
8 At 95-ft from collar; across 54 inches	.02	tr
9 Wall rock	.04	.20
10 Wall rock	.04	.20

90-ft level, south drift., at 5-ft intervals

1		
2	.60	1.12
3	.50	1.15
4	.65	1.45
5	.50	5.70
6	.80	1.60
7	.90	2.50
8	.40	1.10
9	.20	1.00
10	1.20	1.10
11	1.20	2.00
12	2.60	1.00
13	tr	.50
14	1.30	1.50
15	3.10	2.10
	1.10	5.90

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100-ft level, south drift

1	at shaft; 26" quartz, 6" granite, 8" quartz	.18	3.89
2	at shaft; 30" quartz, 5" amphibolite, 24" amphibolite	.08	1.56
3	20 ft from shaft; 12" qtz, 8" gouge, 12" qtz, 2" gouge, 24" qtz	.12	3.26
4	40 ft from shaft; 2" gouge 3" qtz, 6" qtz 5" amphibolite, 12" qtz	1.86	5.07
5	60 ft from shaft; 7" qtz, gouge, 10" qtz	.16	3.29
6	60 ft from shaft; 45" amphibolite	.13	3.13
7	80 ft from shaft; 7" qtz, 27" amphibolite, 24" qtz	.80	2.95
8	100 ft from shaft; 12" qtz, 10" qtz, 30" qtz and silicified granite	.34	2.37
9	100 ft from shaft; 5" amphibolite gouge 22" amphibolite	.12	2.54
10	100 ft from shaft; 7" on silicified	2.05	3.30
11	120 ft from shaft; 24" qtz 12" amphibolite, 10" gouge	.19	2.13
12	137 ft from shaft; 39" amphibolite 30" qtz	.12	3.19
13	144 ft from shaft; altered granite in breast	.11	3.12

100-ft level, north drift.

14	27 ft from shaft; 20" quartz	.14	2.13
15	27-ft from shaft; granite and amphibolite bands 42"	.13	3.17
16	27 ft from shaft; silicified granite walls	.07	2.43
17	13 ft from shaft; silicified granite	.23	2.23
18	15 ft from shaft 12" amphibolite	.18	3.24
19	40 ft from shaft 14" qtz	.12	1.11

20	42-ft in shaft from collar; 4-ft qtz	1.30	3.01
21	Composite of shaft above 90-ft level	.56	2.64
22	Concentrates 3/15/22	1.30	3.10
23	Out 400-ft SW of shaft, 30" qtz	.40	1.96
24	Dump at 40-ft shaft, White Oak claim	.14	2.52
25	Stringer, north end of property (4.8% Copper)	.15	12.38

In 1924, March to October 18th, 224 buckets @ 500 $\frac{1}{2}$ , yielded \$741.54 bullion; tails averaged \$6.00 per ton. Heads from 16.02 to 41.60. Concentrates sampled daily ran 76.52 to 429.00 per ton.

REPORT 6

Field copy

on

10-1926

✓ ARIZONA KLONDYKE GROUP. 24

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The Arizona Klondyke Group, also known as the Circle Cross Group, consisting of five contiguous, unpatented mining claims, is located in the Walnut Grove mining district, Yavapai county, Arizona. The five claims are the White Oak, Clarinda, Kibbner, Claude and Laura.

The property lies a little east of south from Prescott, the county seat, about 15 miles in an air line. The Senator road, over Mount Union and through Venesia comes nearest to the property. This road ends at the sodie Camp, about three miles by trail from the Klondyke camp. A wagon road has been marked out for a part of the distance from the sodie to the Klondyke camp but never has been completed. The only logical as well as the least expensive road to build is the one to the south to connect with the Walnut Grove road at a point about one mile east of the White Spar highway. This road could be built for \$5000 and would be passable at all times of the year, besides giving an easier and much quicker outlet to the south it would be in every way superior to any roads entering from the north.

There is a good spring on the property from which the water is piped to the camp by gravity. The flow is more than sufficient for all domestic needs, one additional water can be had from the mine. The present mine flow will probably be augmented somewhat on sinking.

The equipment consists of two good houses and a screen house, a blacksmith shop all equipped, a 40 HP hoist with 500 feet of cable and two good buckets, three storage tanks for water of a combined capacity of about 10,000 gal., a mine car and miscellaneous tools. There is a small mill on the property consisting of a crusher, a 10 ton wibson mill, amalgamation plates, and a concentrating table all driven by a 12 HP Fairbanks horse motor.

The principal development is on the Clarinda claim. It consists of a shaft 165 feet deep, from which various levels have been run. At a depth of 65 feet a short drift of about ten feet was driven northeast. At 90 feet a drift was run northeast 91 feet. At 100 feet drifts were driven northeast 90 feet and southwest 144 feet. On the fourth level, or at 150 feet, a drift has been started to the southwest and run 29 feet. Another was started to the northeast and has been driven 10 feet. A tunnel on the White Oak claim, nearly 100 feet in length, is the next largest development on the property. Other lesser workings are distributed over the property but are not important at this time.

The country rock is what has been described by the United States Geological Survey as the Creek Complex, a combination of many types of rocks, mostly igneous, and closely associated with the great intrusive mass known as the Bradshaw granite. The most conspicuous member of this series, in fact the only one of any importance on this group of claims, is a gneissic granite with laminations trending north and south with a very steep dip, usually to the east. Other members of the series, both basic and acidic, are found but are not abundant. They occur principally as dikes.

The Clarinda vein is a fissure which was probably filled first by amphibolite. Later it was reopened and an acid porphyry dike injected which occurs frequently on both sides of the amphibolite. The quartz veins, carrying the principal valuable minerals are probably nearly contemporaneous with and undoubtedly closely associated with the porphyry dikes. The walls of the Clarinda fissure are unusually well marked, smooth and firm, and very regular. The fissure may confidently be expected to persist to great depth.

Ground fractures occur but are not numerous. They partake of the nature of quartz filled fractures of varying widths and strikes. It is not improbable

That some of these cross fractures will carry minerals of some importance. One prominent cross fracture now appears in the face of the southwest drift on the 100 foot level. There are no pronounced faults.

Mineralogically the ores are very simple. The gold is evidently primary in the sulphides, the free gold being the result of oxidation of the sulphides. In the present workings the values appear to be distributed in a regular manner. At the present depths unaltered sulphides are more frequent on the foot-wall while free gold predominates on the hanging-wall. No lead, zinc or copper of any consequence were noted in the ores from the Clarinda shaft.

The width of the vein where ore shoots have been opened up is not less than four feet. The maximum width is nearly six feet. Sampling indicates values distributed over the entire width though naturally tending to concentrate in the quartz. Not infrequently values extend into one or both walls. Frequently the porphyry dike material carries enough gold to become pay ore. The granite walls are intensely silicified in some places, indicating that the mineralizing solutions were very active.

The increasing proportion of sulphides as depth is attained indicates that in all probability the zone of free milling ore does not extend much below the present deepest workings. In all probability two hundred feet deeper there will be nothing but concentrating ore.

The amount of ore now developed is not great, probably not to exceed 5000 tons which should average about \$20.00 per ton. For a plant the size of the one on the ground this is quite a reserve, nearly two years run. However, it will hardly be advisable to try to operate this plant. In the first place it is so small that in order to be profitable the ores in the mine must be mined selectively in order to maintain a high grade. This in itself is not a good feature for it represents quite a considerable economic waste. The ores left when selective mining is followed would contain enough value to yield a good profit if handled on a larger scale. At best the recovery in the present plant will be low and in all probability the ultimate loss would reach if not exceed 50% of the total value in the ore.

With the present reserves it is not advisable to consider constructing a plant of larger capacity. In the first place the ore to run a larger plant for a period long enough to amortize the investment is not developed. In the second place no one can confidently say just what sort of milling equipment will be needed for the ores to be opened at depth.

The property is of sufficient merit to justify the expenditure of from \$50,000 to \$100,000 for additional development. The present limited development indicates great possibilities, not for a spectacular high-grade mine, but for a steady production of a moderate tonnage of a uniform grade ore which may be expected to continue over a long period. In the long run mines of this type are the most profitable.

A development program embodying the following essential features is recommended:

The first work should be to construct the necessary road to connect with the Walnut Grove road. This might cost as much as \$5000 but even if it cost double that sum its immediate construction is more than justified by the showing on the property.

As soon as the road can be completed a compressor of sufficient size should be installed. In the selection of this machine due consideration should be given to the program proposed and possible expansion.

For the time being development should be confined to the Clarinda shaft. This should be sunk at least an additional two hundred feet, with the stations cut at regular intervals. Before beginning to sink a few rather awkward irregularities in the present shaft should be corrected.

On the 100 foot level the only work recommended is drifting to the northeast to cut the indicated ore shoot about two hundred feet distant. It

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might be well also to cut through the cross fracture now existing in the face of the southeast drift. The more extensive initial development should be at greater depths.

The first development from the new shaft might well start at the 250 foot level. Drifting both ways on the vein to such limits as may be indicated by the results obtained. Raises not only assist in the ventilation but also facilitate stoping operations and are valuable as additional exposures of the vein for purposes of calculation.

By the time 500 feet of drifting has been done on the 250 foot level drifting should be commenced on the next or 350 level.

The geological conditions are not complicated yet it is very important that they be thoroughly understood. To map the surface geology is very simple providing there is an accurate claim map to use as a base. To correlate the surface conditions with those underground is also an easy matter. A thorough understanding of the governing geological conditions is a long step towards the successful operation of any mining property. It is recommended that you consult with a competent mining geologist at least every ninety days during the development period. The cost of such services will more than be repaid by the results obtained.

Tests on the ores naturally should be made at such time as it is evident that there will be no radical changes in the nature of the ore. In all probability while drifting is in progress on the 250-ft level enough data will be available to determine whether or not it is time to carry on such tests.

Prospecting in other areas will also be quite in order when the surface geology is worked out and some information as to the nature and occurrence of the principal ore bodies has been determined from the work in the Clarinda shaft. Such work can be undertaken then more intelligently and with less risk.

The general conditions disclosed by the limited development work, together with the record of production, which though small is significant, stamp the property as one of real merit, fully justifying further expenditure for roads, equipment and development.

Phoenix, Ari. Ore,  
October 2nd, 1916.

Respectfully submitted,

Consulting Engineer.

A. L. FLAGG

Jim Smith

I do hereby certify that the within instrument was filed, and recorded at the request of Coe & Van Loo  
on AUG 31 '81-2 30 PM o'clock 1407 book 68-76 (incl) Official Records Page  
Records of Yavapai County, Arizona. WITNESS my hand and official seal the day and year first above written.

INDEXED

MICROFILMED

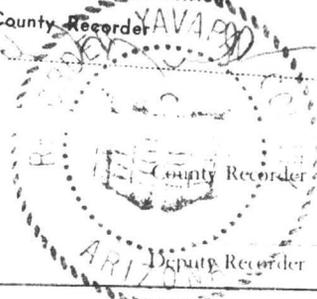
By PATSY C. JENNEY, County Recorder

Deputy

When recorded mail to:

**COE & VAN LOO  
CONSULTING ENGINEERS, INC.  
4550 N. 12th Street  
PHOENIX, ARIZONA 85014**

By



Fee: \$

A. B.

# AFFIDAVIT OF PERFORMANCE OF ANNUAL WORK

State of Arizona }  
County of Yavapai } ss

1. H. Mason Coggin, P.E. & L.S. Name  
4550 North 12th Street  
Phoenix Address Arizona 85014  
City State Zip

being duly sworn according to law deposes and says that they are a citizen of the United States more than eighteen years of age and that all of the facts set forth in this affidavit are true and correct according to the best of their knowledge, information and belief.

2. That they are personally acquainted with the mining claim named Gold Ridge & Black Dike No. 3 AMC No. 7244 & AMC No. 7345 situate in the Weaver Mining District, Yavapai County, Arizona, the location of which is recorded in the office of the County Recorder of that County in Book 710, 153, Page 20, 393. Notice of location is posted in Section 23, Township 10 N, Range 5 W, G&SRB&M.

3. That between the dates of September 1, 1980 and August 31, 1981 at least Two hundred and no/100 (\$ 200.00) dollars worth of work and improvements were done and performed upon this claim not including location work.

4. The work and improvements were made by and at the expense of David G. Cope 5653 E. Adobe Road, Mesa, Az 85205, owners of the mine for the purpose of complying with the laws of the United States pertaining to assessments or annual work.

5. H. Mason Coggin of Coe and Van Loo Consulting Engineers, Inc. were the names of the persons employed by the owner who labored to do the work and improvements.

6. The work and improvements done were Geological and Engineering reports as attached herewith and a copy of resume.

Dated August 27, 1981

H. Mason Coggin  
Signature

Subscribed to and sworn before me, a Notary Public, this 27th day of August, 1981, by H. Mason Coggin

My Commission expires 12/29/83  
500# 1407 PAGE 68

Notary Public  
Notary Public

GEOLOGICAL & ENGINEERING REPORT  
ON THE BLACK DIKE NUMBER THREE LODE CLAIM  
YAVAPAI COUNTY, ARIZONA  
AMC NUMBER 72445



Prepared For:

David C. Cope  
5653 E. Adobe Road  
Mesa, Arizona 85205

Prepared By:

H. Mason Coggin, P.E. & L.S.

COE & VAN LOO CONSULTING ENGINEERS, INC.  
4550 N. 12th Street  
Phoenix, Arizona 85014  
602-264-6831

August 27, 1981

BOOK 1407 PAGE 69



## BLACK DIKE NUMBER THREE

### LOCATION

The Black Dike Number Three Lode Mining Claim is located in the Northwest quarter of Section 23, Township 10 North, Range 5 West, Gila and Salt River Base and Meridian of Arizona, as shown on a map filed with the Yavapai County Recorder Book 1299, Page 609. The claim is located within 1 1/2 mile of the Yarnell Mine, an old gold producer of Yavapai County. The claim can be reached by a well graded dirt road from the town of Yarnell. Elevation of the property is between 4600 and 4800 feet above sea level.

### WORKINGS

The claim includes several exploration shafts and pits. Most of these workings are at least partially caved or filled with debris. They will require some clean-up before they can be accessed for sampling and mapping. There are new roads cut on the property and some small veins have been partially exposed by this recent work.

### GEOLOGY

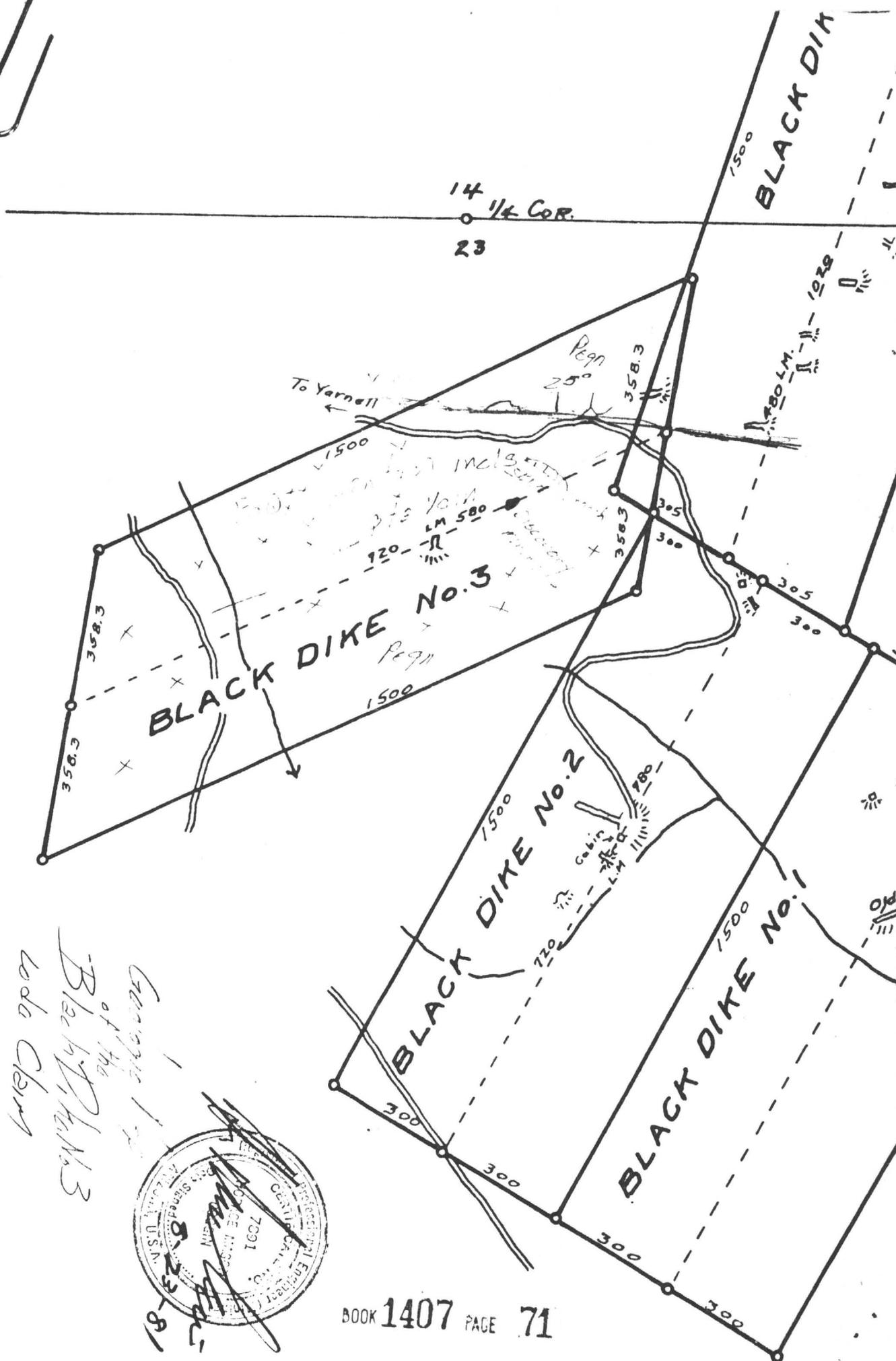
The major feature of this property is a vein striking North 70° East and dipping flatly 20-25° to the East. The vein runs along the North side of the claim and is completely enclosed in a coarse grained granite. The granite is quite blocky and shows alteration rims around most of the joints. This joint pattern is quite pronounced, but must be later than the veining since there is very little mineralization along the system. Several small quartz stringers display hatching along the vein. The vein where it is exposed in and around the old prospects and the new roads appear to be about 2 to 4 feet in thickness with a very small seam of fine gouge in the foot wall.

In adjacent properties, particularly the Yarnell Mine, this vein or a similar vein was found to carry values in gold and silver in widths up to 35 feet. Values contained carried up to \$45.00/ton at a gold price of \$35.00. The Yarnell Mine was last worked between 1938 and 1942 when it was closed by the gold mine closing order at the start of World War II.

### CONCLUSIONS & RECOMMENDATIONS

There is an obvious discovery of valuable mineral in place on this claim that may be economic if thoroughly explored and developed. This can be initiated by cleaning out all available workings and thoroughly sampling the vein with a systematic program followed by detailed surveying and mapping. Pending favorable results of this program, it will be necessary to extend the proof of deposit down dip and along strike. This will require drilling and/or development headings.





George L. ...  
 of the  
 Black Hills  
 Code Claim



GEOLOGICAL & ENGINEERING REPORT  
ON THE GOLD RIDGE CLAIM  
YAVAPAI COUNTY, ARIZONA  
AMC NUMBER 72444



Prepared For:

David C. Cope  
5653 E. Adobe Road  
Mesa, Arizona 85205

Prepared By:

H. Mason Coggin, P.E. & L.S.

COE & VAN LOO CONSULTING ENGINEERS, INC.  
4550 N. 12th Street  
Phoenix, Arizona 85014  
602-264-6831

August 27, 1981

BOOK 1407 PAGE 72



## GOLD RIDGE CLAIM

### LOCATION

The Gold Ridge Claim lies in the Southeast quarter of Section 23, Township 10 North, Range 5 West, Gila and Salt River Base and Meridian as shown on the map filed with the Yavapai County Recorder Book 1299, Page 610. It lies about 1.25 miles to the Southeast of the old Yarnell Mine which is one of the old lode gold producers of Yavapai County. The claim covers 20.66 acres and can be reached by a well graded dirt road. Elevation of the property varies from 4200 to 4400 feet above sea level.

### WORKINGS

Several dozer trenches and road cuts have been made across the structure and at least one vein has been uncovered.

### GEOLOGY

The Geology of the area is complex. It includes a series of ultra mafic rocks striking about North 60° East and dipping steeply to the South. Intruding these formations are two quartz veins some 2 to 3 feet in thickness and striking parallel to the mafic rock formations in the area. Heavy iron staining along the vein and well into the hanging and foot walls of the vein suggesting that values of gold and silver are present in these materials. Due to poorly prepared exposures, the vein could not be sampled. An examination of a stock pile which had been prepared, however, shows heavy limonite and hematite gossans in small poorly formed cubic casts, suggests primary sulfide mineralization of depth.

### CONCLUSIONS & RECOMMENDATIONS

The Gold Ridge Claim is clearly worth holding, but further exploration is required to determine its worth. I recommend the following programs:

1. Cut trenches across the veins on 100 ft. centers to a depth of 6 or 7 feet or until the veins are clearly exposed.
2. Channel sample these exposures by cutting samples with a hammer and moil 4" wide and 2" deep across the full thickness of the vein. If the vein is more than 5 feet thick, break the channel into segments no more than 5 feet in length. Then expose and sample hanging and foot walls in a similar manner.
3. Carefully map, locate and tag each sample and prepare a map on a scale of 1" = 100' showing the location, length and rock type where each sample was taken.
4. Send the samples to a reputable fire assayer such as Iron King in Humboldt, Arizona or Union Assay Office in Salt Lake City, Utah.
5. You will need technical assistance in reviewing these results.

Attached is my resume showing education and experience.



H. MASON COGGIN - SENIOR VICE PRESIDENT, MINING DIVISION  
Coe & Van Loo Consulting Engineers, Inc.

Education & Special Training:

University of Arizona, B.S. 1961  
Special Studies in Statistics & Explosives  
Honors - Recipient of 1961 first place student paper Award Arizona  
Section AIME  
First Aid Certificate - New Mexico State Mine Inspection  
First Aid Certificate - U.S. Bureau of Mines  
Mine Rescue & Self Contained Breathing Apparatus 1959  
Mine Rescue Training - Phelps Dodge Corporation 1964  
MSHA Training Course - 40 hours - Arizona 1979

Registration:

Professional Engineer - Arizona, New Mexico, Nevada, Kansas,  
Washington, Colorado  
Land Surveyor - Arizona, New Mexico, Kansas

Professional Affiliations:

Member - American Institute of Mining, Metallurgical and Petroleum  
Engineers  
Member and Past Chairman, Maricopa Section AIME - 500 members  
Past President, Arizona Small Mine Operators Assoc. - 3,500 members  
Past Chairman, Southwestern New Mexico Section AIME  
Former Vice Chairman, Secretary-Treasurer & Membership Chairman,  
Bisbee Douglas Subsection AIME  
Frequent speaker to social groups on Arizona's Mining Industry

Professional Experience:

For the Firm:

Over five consecutive years of analyzing and evaluating precious  
metal deposits and precious metal properties in the United States  
and Canada. Deposits evaluated include 3 current major gold  
producers and 15 properties now being explored or developed.

Supervision of research and mapping required for the Mineral  
Industry Location System (MILS) for 10 Arizona Counties. The  
project includes developing file information on virtually every  
Arizona mineral property.

Land work including the preparation of property maps, title  
inspection, negotiations in buying, selling, leasing properties and  
claim staking. The total value of lands handled is in the millions  
of dollars.

Design of open pit and underground mines including term production  
plans, analysis of sampling and assay problems for various methods  
of defining reserves.

Design and analysis of mining, milling and processing plants for  
several operations.



Professional Experience: (continued)

Economic analysis for mining ventures from prospect through operations. Special new and innovative techniques were developed for economic evaluation which include sensitizing and optimizing the rate of return, a probabilistic risk evaluation and breakeven analysis.

Principal Investigator for Pit Slope Caving for the U.S. Bureau of Mines. Pit Slope Caving is a new mining technique.

Preparation of bids for general contractors, including mining and general earthwork. Total projects grossed at over \$10 MM. This work also included organizing cost accounting systems.

Prior to joining the firm:

Phelps Dodge Corporation Copper Queen Branch, Bisbee, Arizona, Stope Engineer, 1961 to 1965. This position required providing technical advice to mine management including mine surveying, mapping, sampling, reserve estimating, development planning, production scheduling, ventilation, dust control and fire protection.

Westec Corporation, 1966, Phoenix, Arizona. This position involved the evaluation of exploration projects in Arizona and Idaho.

Phelps Dodge Corporation, Tyrone Branch, Tyrone, New Mexico, 1966 - 1968. Engineering responsibilities included the preparation of periodic production reports on operations, surveying, construction of a property map, design of a rail haulage system and plant planning. Duties in operations included supervising a work force of from 18 to 30 equipment operators utilizing 85 ton trucks, 10 yard electric shovels, 12" diameter rotary drills, track and rubber-tired dozers. This organization was responsible for breaking Phelps Dodge productivity records and setting all time lows for production costs.

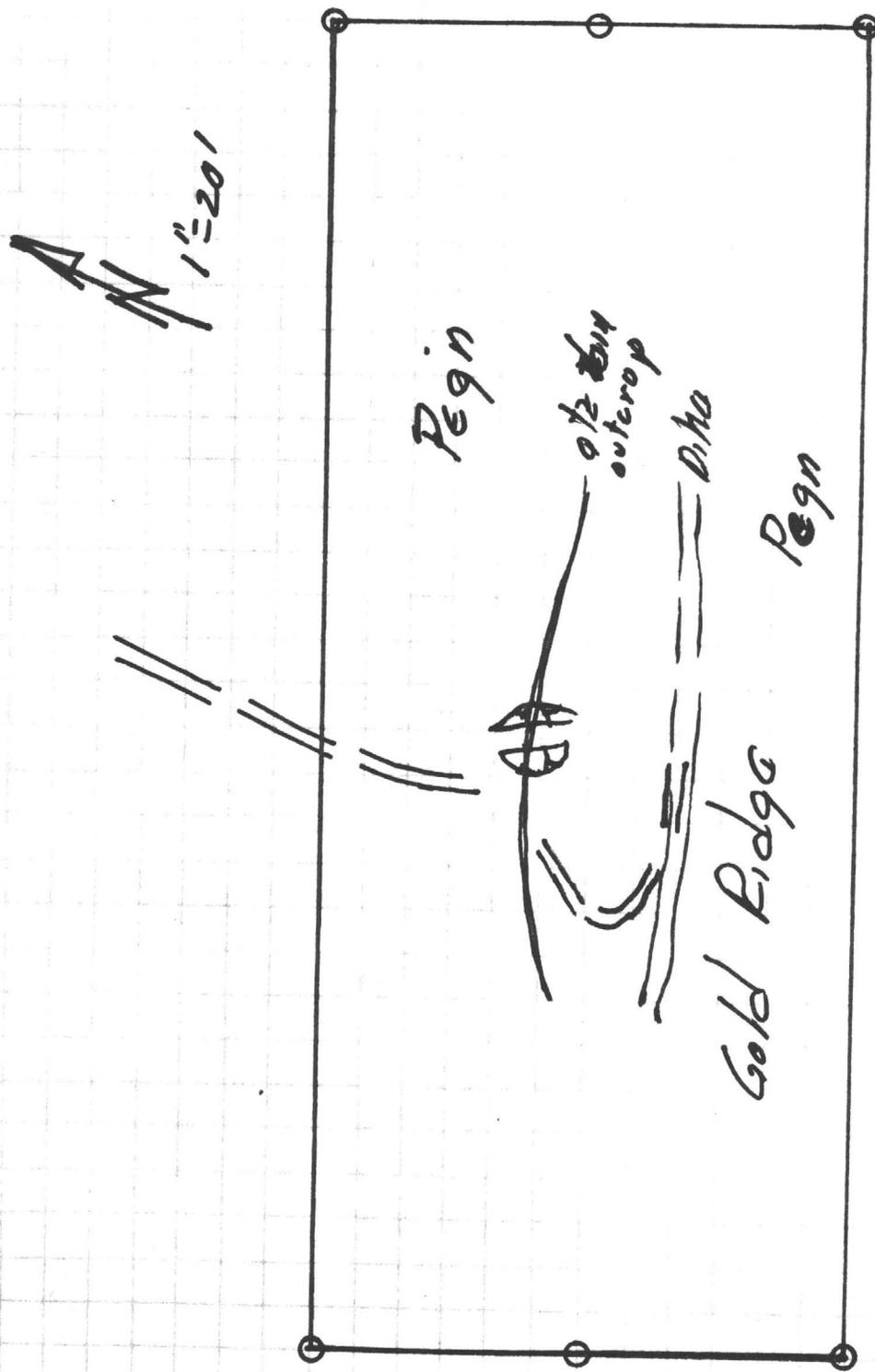
Phelps Dodge Corporation, Safford Project, Safford, Arizona. Assistant Engineer in Charge of Operations - 1969. Duties included design of the pilot plant operation, selection of equipment, writing of specifications, comparison of bids, administration of contracts, exploration and development of aggregate sources and development of a water supply.

Prior to graduation from the University of Arizona in 1961: A miner for the Copper Queen Branch of the Phelps Dodge Company and the San Manuel Division of Magma Copper Company.

Publications:

Conceptual Design and Engineering Economics and Environmental Analysis of Surface Pit Slope Caving Mining Systems, 1977, U.S. Bureau of Mines OFP 1977 & NITS 1978.





Registered Professional Engineer  
 CERTIFICATE NO. 7851  
 HERBERT MASON  
 Signed: *[Signature]*  
 8/23/81  
 ARIZONA

*Geologic map  
 of the  
 Gold Ridge  
 Lado claim  
 8/23/81  
 HML*

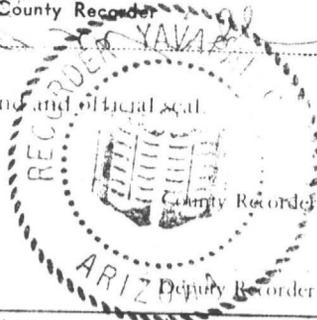
I do hereby certify that the within instrument was filed and recorded at the request of Coe & Van Loo  
on AUG 31 '81-2 30 PM o'clock book 1407 Official Records Page 77-82 (encl)  
Records of Yavapai County, Arizona. WITNESS my hand and official seal the day and year first above written.

By PATSY C. JENNEY, County Recorder  
Deputy

INDEXED

MICROFILMED

Witness my hand and official seal.



Fee: \$ 3.50

When recorded mail to:

# AFFIDAVIT OF PERFORMANCE OF ANNUAL WORK

State of Arizona }  
County of Yavapai } ss

1. H. Mason Coggin, P.E. & L.S. Name  
4550 North 12th Street  
Phoenix Address Arizona 85014  
City State Zip

being duly sworn according to law deposes and says that they are a citizen of the United States more than eighteen years of age and that all of the facts set forth in this affidavit are true and correct according to the best of their knowledge, information and belief.

2. That they are personally acquainted with the mining claim named Turtle #2 and #3  
AMC 72442 and AMC 72443 situate in the Walnut Grove Mining District,  
Yavapai County, Arizona, the location of which is recorded in the office of  
the County Recorder of that County in Book 983, Page 216 & 217. Notice of  
location is posted in Section 23, Township 11 N, Range 4 W, G&SRB&M.

3. That between the dates of September 1, 1980 and August 31, 1981  
at least Two hundred and no/100 (\$ 200.00)  
dollars worth of work and improvements were done and performed upon this claim not including  
location work.

4. The work and improvements were made by and at the expense of David G. Cope  
5653 E. Adobe Road, Mesa, Az 85205, owners of the mine for the  
purpose of complying with the laws of the United States pertaining to assessments or annual work.

5. H. Mason Coggin of Coe and Van Loo Consulting Engineers, Inc.  
\_\_\_\_\_ were the names of the persons employed by the owner who labored to do the work and improvements.

6. The work and improvements done were Geological and Engineering reports as  
attached hereto with a copy of resume

Dated August 27, 1981 [Signature]  
Signature

Subscribed to and sworn before me, a Notary Public, this 27th day of August,  
19 81, by H. Mason Coggin

My Commission expires 12/29/83  
BOOK 1407 PAGE 77 [Signature]  
Notary Public

GEOLOGICAL REPORT ON THE  
TURTLE NUMBER TWO & THREE LODE CLAIMS  
YAVAPAI COUNTY, ARIZONA  
AMC NUMBER 72442 & 72443



Prepared For:

David G. Cope  
5653 Adobe Road  
Mesa, Arizona 85205

Prepared By:

H. Mason Coggin, P.E. & L.S.

COE & VAN LOO CONSULTING ENGINEERS, INC.  
4550 N. 12th Street  
Phoenix, Arizona 85014  
602-264-6831

August 27, 1981  
BOOK 1407 PAGE 78



## TURTLE NUMBER TWO & THREE

### LOCATION

The claims are located as shown on the map recorded in Book 1299, Page 611 & 612 of the Yavapai County Recorder's Office. They lie in the Northeast quarter of Section 23, Township 11 North, Range 4 West, Gila and Salt River Base and Meridian of Arizona, about 3 miles Northwest from the Zonia Mine on the Northwest side of Spring Creek. They are bounded by patented properties.

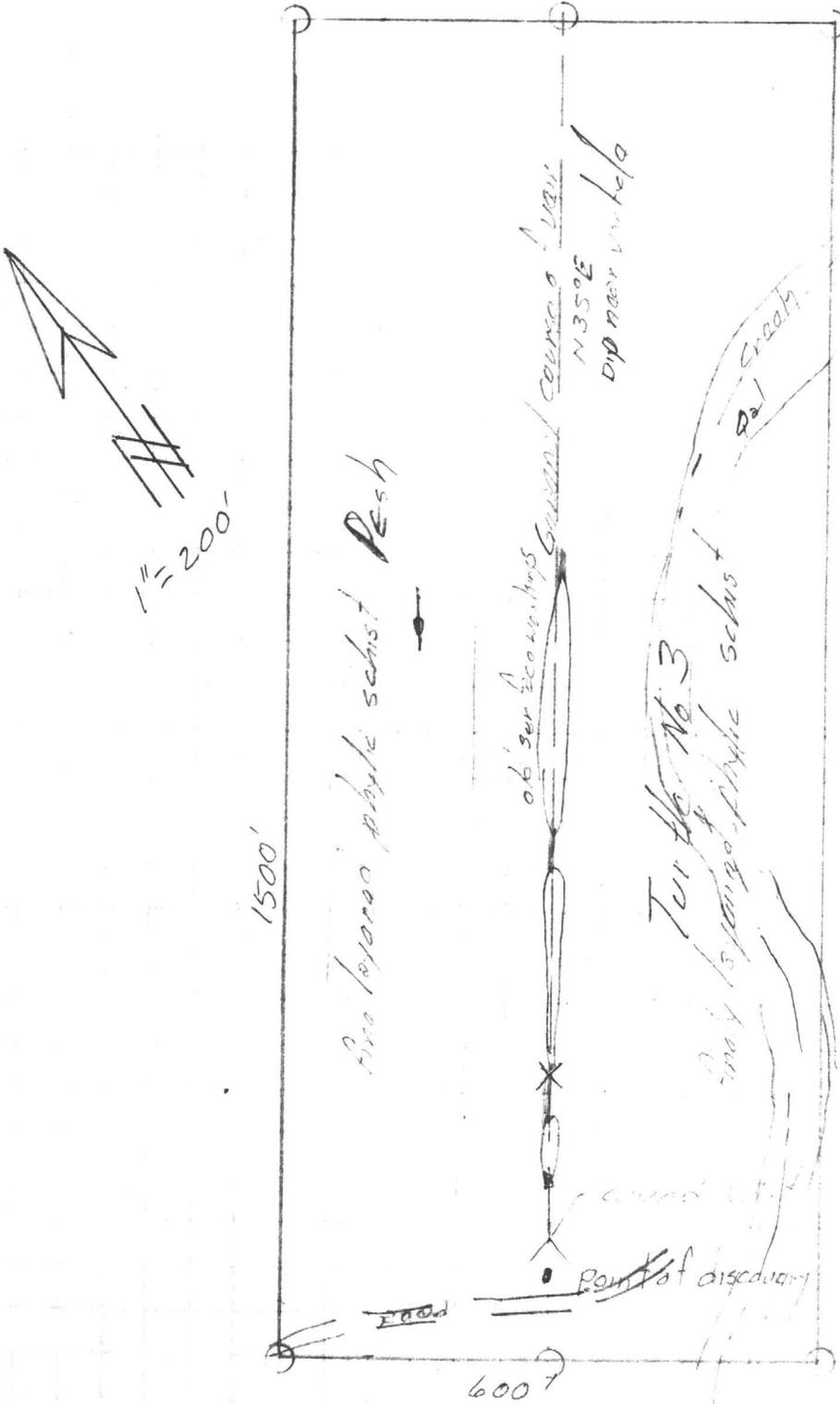
### GEOLOGY

The centerlines of Turtle Number Two & Three are staked along the strike of a narrow but continuous vein with values in free gold. The vein strikes about North 35° East with a near vertical dip for a distance of at least 5000 feet. Except for a 6 by 8 foot shaft which has been sunk for a distance of 15 to 20 feet along the vein on the Turtle Number Two, all other workings along the vein are inaccessible. The small dump at the site of the shaft and an adit does not account for the volume which has been extracted. Presumably at least a portion of the extracted material has been taken elsewhere for treatment. The outcrop of the vein has been extensively trenched along the vein to a depth of several feet. From the extent of this work, it may be further assumed that the vein material extracted from this work was treated or shipped. Small bits and pieces of vein material remaining on the property exhibit a highly mineralized quartz vein with a silicious gargue and visible gold. The wall rock is a precambrian fissal schist sharing strike and dip with the vein.

### CONCLUSIONS AND RECOMMENDATIONS

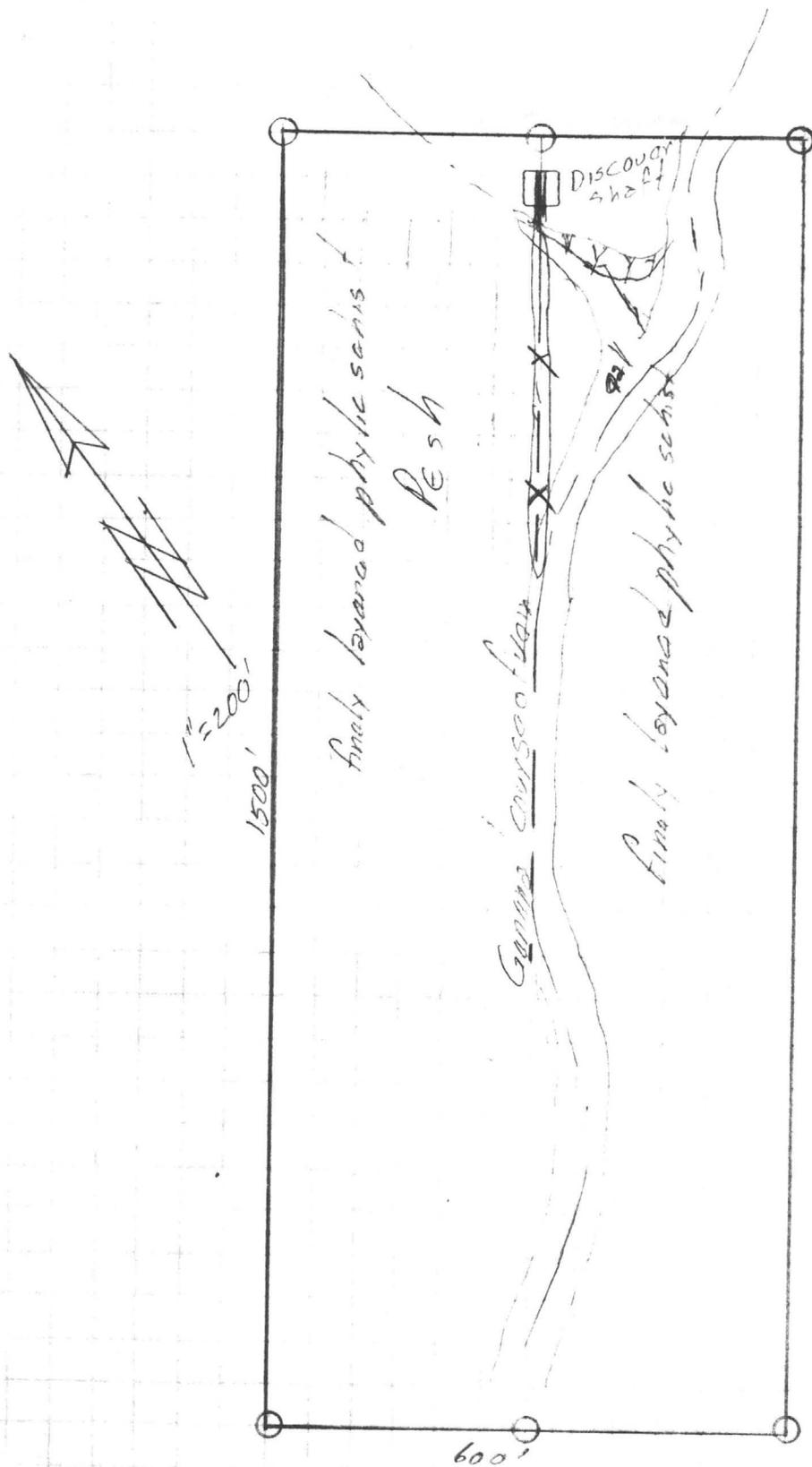
Both claims are certainly worth holding at the present metal price. The potential of this property is for a small very high grade deposit which can be mined and the values recovered by the simplest of methods. Further exploration of these claims should include cleaning out of the old workings, extensive sampling, surveying and mapping. If reasonable results are obtained, further work should entail surveying of these and the surrounding claims to delineate property limits and an attempt made to further explore and develop the deposit. If the values persist, it may be possible to defray all if not part of these exploration costs by milling and gravity concentration of the vein materials. Laboratory testing should be performed to determine the best techniques for treating these materials.





Geologic map of  
 the  
 Turtle No 3  
 Lada claim  
 8/23/81

H/M/L



*Geologic map  
 of the  
 Turtle No 2  
 Lode Claim  
 8/23/81*

*H. M. C.*

*Coe & Van Loo*  
*- 800 (und)*

I do hereby certify that the within instrument was filed and recorded at the request of

on AUG 31 '81-2 30 PM o'clock book 1407 Official Records Page  
Records of Yavapai County, Arizona. WITNESS my hand and official seal the day and year first above written.

PATSY C. JENNEY, County Recorder

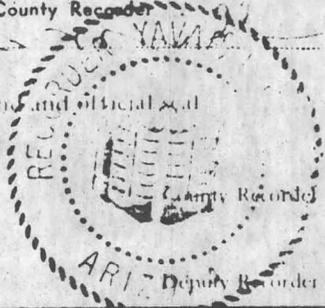
By

Deputy

**INDEXED**

**MICROFILMED**

Witness my hand and official seal



By

Fee: \$

3.50

When recorded mail to:

# AFFIDAVIT OF PERFORMANCE OF ANNUAL WORK

State of Arizona

County of Yavapai

} ss

1. H. Mason Coggin, P.E. & L.S.

Name

4550 North 12th Street

Address

Phoenix

Arizona

85014

City

State

Zip

being duly sworn according to law deposes and says that they are a citizen of the United States more than eighteen years of age and that all of the facts set forth in this affidavit are true and correct according to the best of their knowledge, information and belief.

2. That they are personally acquainted with the mining claim named Turtle #2 and #3

AMC 72442 and AMC 72443

situate in the Walnut Grove

Mining District,

Yavapai

County, Arizona, the location of which is recorded in the office of

the County Recorder of that County in Book 983, Page 216 & 217. Notice of

location is posted in Section 23, Township 11 N, Range 4 W, G&SRB&M.

3. That between the dates of September 1, 1980 and August 31, 1981

at least Two hundred and no/100 (\$ 200.00) dollars worth of work and improvements were done and performed upon this claim not including location work.

4. The work and improvements were made by and at the expense of David G. Cope

5653 E. Adobe Road, Mesa, Az 85205, owners of the mine for the purpose of complying with the laws of the United States pertaining to assessments or annual work.

5. H. Mason Coggin of Coe and Van Loo Consulting Engineers, Inc.

were the names of the persons employed by the owner who labored to do the work and improvements.

6. The work and improvements done were Geological and Engineering reports as attached hereto with a copy of resume

GEOLOGICAL REPORT ON THE  
TURTLE NUMBER TWO & THREE LODE CLAIMS  
YAVAPAI COUNTY, ARIZONA  
AMC NUMBER 72442 & 72443



Prepared For:

David G. Cope  
5653 Adobe Road  
Mesa, Arizona 85205

Prepared By:

H. Mason Coggin, P.E. & L.S.

COE & VAN LOO CONSULTING ENGINEERS, INC.  
4550 N. 12th Street  
Phoenix, Arizona 85014  
602-264-6831

August 27, 1981

BOOK 1407 PAGE 78



## TURTLE NUMBER TWO & THREE

### LOCATION

The claims are located as shown on the map recorded in Book 1299, Page 611 & 612 of the Yavapai County Recorder's Office. They lie in the Northeast quarter of Section 23, Township 11 North, Range 4 West, Gila and Salt River Base and Meridian of Arizona, about 3 miles Northwest from the Zonia Mine on the Northwest side of Spring Creek. They are bounded by patented properties.

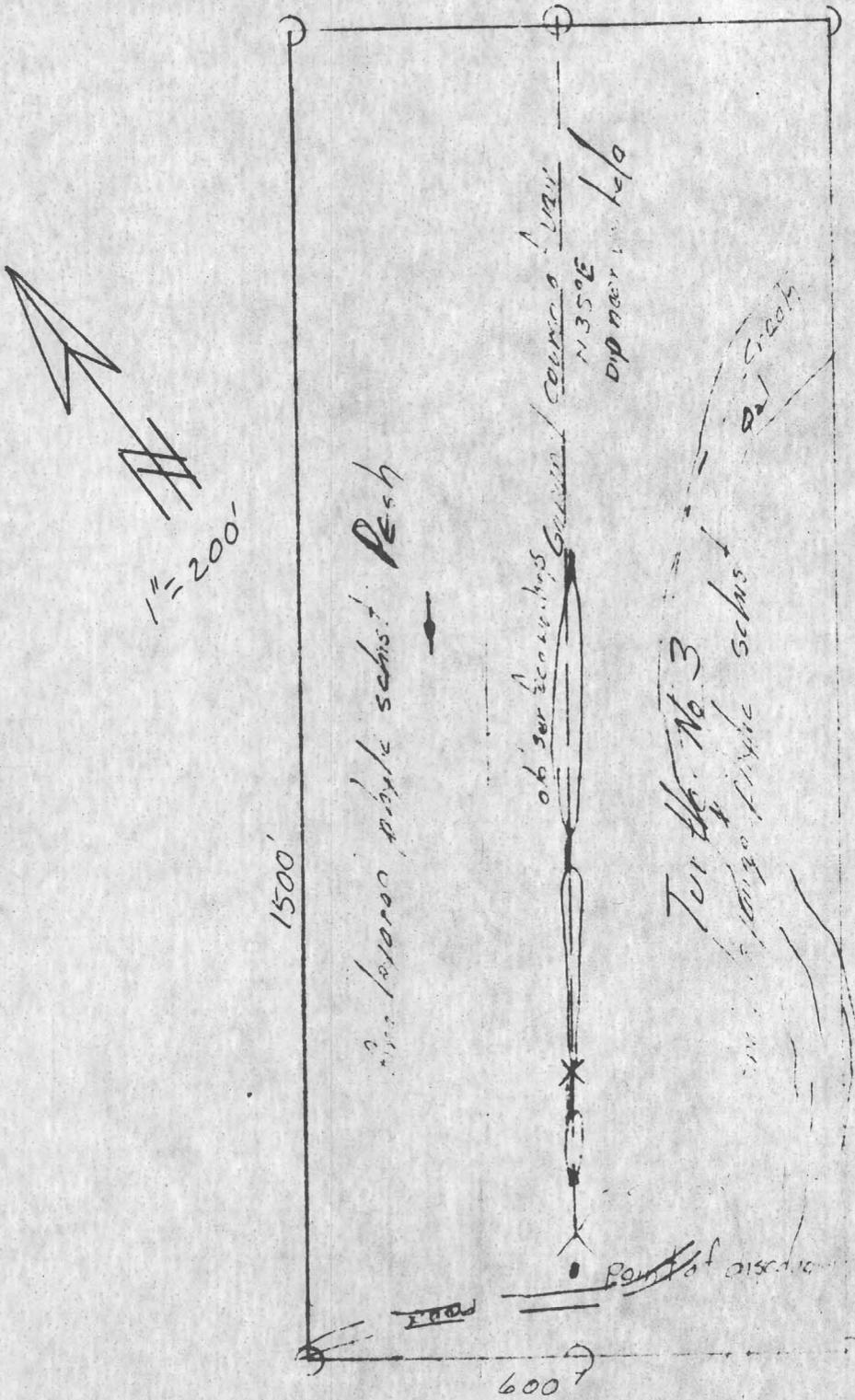
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The centerlines of Turtle Number Two & Three are staked along the strike of a narrow but continuous vein with values in free gold. The vein strikes about North 35° East with a near vertical dip for a distance of at least 5000 feet. Except for a 6 by 8 foot shaft which has been sunk for a distance of 15 to 20 feet along the vein on the Turtle Number Two, all other workings along the vein are inaccessible. The small dump at the site of the shaft and an adit does not account for the volume which has been extracted. Presumably at least a portion of the extracted material has been taken elsewhere for treatment. The outcrop of the vein has been extensively trenched along the vein to a depth of several feet. From the extent of this work, it may be further assumed that the vein material extracted from this work was treated or shipped. Small bits and pieces of vein material remaining on the property exhibit a highly mineralized quartz vein with a silicious gargue and visible gold. The wall rock is a precambrian fissal schist sharing strike and dip with the vein.

### CONCLUSIONS AND RECOMMENDATIONS

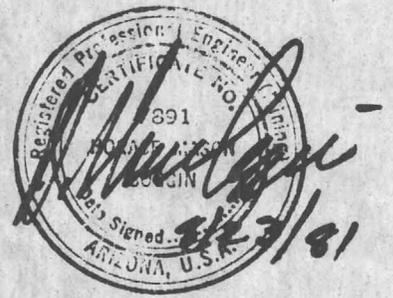
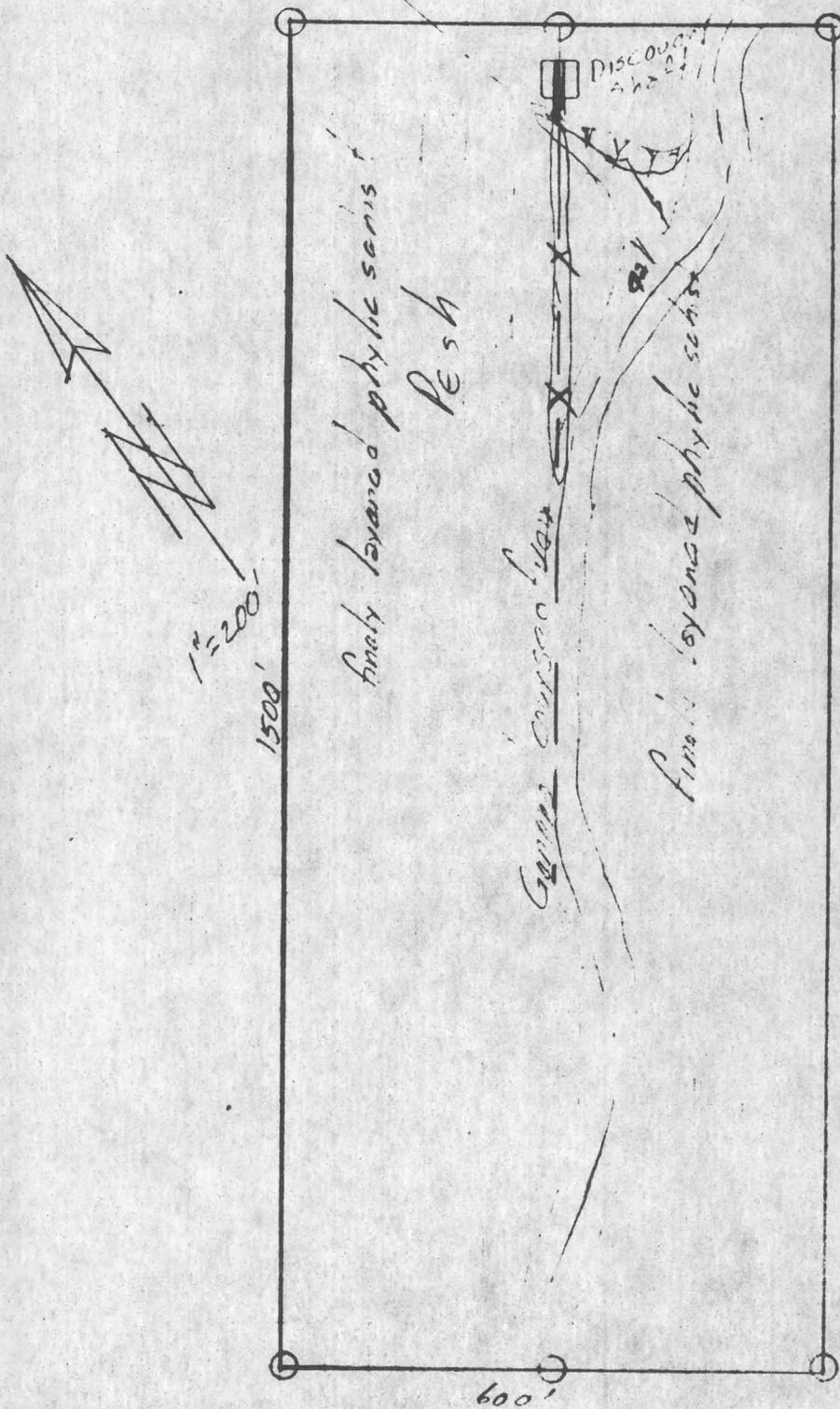
Both claims are certainly worth holding at the present metal price. The potential of this property is for a small very high grade deposit which can be mined and the values recovered by the simplest of methods. Further exploration of these claims should include cleaning out of the old workings, extensive sampling, surveying and mapping. If reasonable results are obtained, further work should entail surveying of these and the surrounding claims to delineate property limits and an attempt made to further explore and develop the deposit. If the values persist, it may be possible to defray all if not part of these exploration costs by milling and gravity concentration of the vein materials. Laboratory testing should be performed to determine the best techniques for treating these materials.





Geologic map of  
 ...  
 with No 3  
 base claim  
 8/23/81

HVC



*Geologic map  
 of the  
 Turtle No 2  
 Lode Claim  
 8/23/81  
 H. M. C.*

STATE OF ARIZONA, County of Yavapai—ss  
I do hereby certify that the within instrument was filed, and recorded at the request of Coe & Van Loo  
on AUG 31 '81-2 30 PM o'clock book 1107 Official Records Page 68-70 (in 2)  
Records of Yavapai County, Arizona. WITNESS my hand and official seal the day and year first above written

INDEXED

MICROFILMED

By PATSY C. JENNEY, County Recorder, YAVAPAI  
Deputy



When recorded mail to:



By

Fee: \$

A. 20

# AFFIDAVIT OF PERFORMANCE OF ANNUAL WORK

State of Arizona }  
County of Yavapai } ss

1. H. Mason Coggin, P.E. & L.S.  
Name  
4550 North 12th Street  
Address  
Phoenix Arizona 85014  
City State Zip

being duly sworn according to law deposes and says that they are a citizen of the United States more than eighteen years of age and that all of the facts set forth in this affidavit are true and correct according to the best of their knowledge, information and belief.

2. That they are personally acquainted with the mining claim named Gold Ridge & Black Dike No. 3 AMC No. 7244 & AMC No. 7345 situate in the Weaver Mining District, Yavapai County, Arizona, the location of which is recorded in the office of the County Recorder of that County in Book 710, 153, Page 20, 393. Notice of location is posted in Section 23, Township 10 N, Range 5 W, G&SRB&M.

3. That between the dates of September 1, 1980 and August 31, 1981 at least Two hundred and no/100 (\$ 200.00) dollars worth of work and improvements were done and performed upon this claim not including location work.

4. The work and improvements were made by and at the expense of David G. Cope 5653 E. Adobe Road, Mesa, Az 85205, owners of the mine for the purpose of complying with the laws of the United States pertaining to assessments or annual work.

5. H. Mason Coggin of Coe and Van Loo Consulting Engineers, Inc. were the names of the persons employed by the owner who labored to do the work and improvements.

6. The work and improvements done were Geological and Engineering reports as attached herewith and a copy of resume.

Dated August 27, 1981

H. Mason Coggin  
Signature

Subscribed to and sworn before me, a Notary Public, this 27th day of August, 1981, by H. Mason Coggin

My Commission expires 12/29/83  
500# 1407 PAGE 68

Patsy C. Jenney  
Notary Public

GEOLOGICAL & ENGINEERING REPORT  
ON THE BLACK DIKE NUMBER THREE LODE CLAIM  
YAVAPAI COUNTY, ARIZONA  
AMC NUMBER 72445



Prepared For:

David C. Cope  
5653 E. Adobe Road  
Mesa, Arizona 85205

Prepared By:

H. Mason Coggin, P.E. & L.S.

COE & VAN LOO CONSULTING ENGINEERS, INC.  
4550 N. 12th Street  
Phoenix, Arizona 85014  
602-264-6831

August 27, 1981

BOOK 1407 PAGE 69



## BLACK DIKE NUMBER THREE

### LOCATION

The Black Dike Number Three Lode Mining Claim is located in the Northwest quarter of Section 23, Township 10 North, Range 5 West, Gila and Salt River Base and Meridian of Arizona, as shown on a map filed with the Yavapai County Recorder Book 1299, Page 609. The claim is located within 1 1/2 mile of the Yarnell Mine, an old gold producer of Yavapai County. The claim can be reached by a well graded dirt road from the town of Yarnell. Elevation of the property is between 4600 and 4800 feet above sea level.

### WORKINGS

The claim includes several exploration shafts and pits. Most of these workings are at least partially caved or filled with debris. They will require some clean-up before they can be accessed for sampling and mapping. There are new roads cut on the property and some small veins have been partially exposed by this recent work.

### GEOLOGY

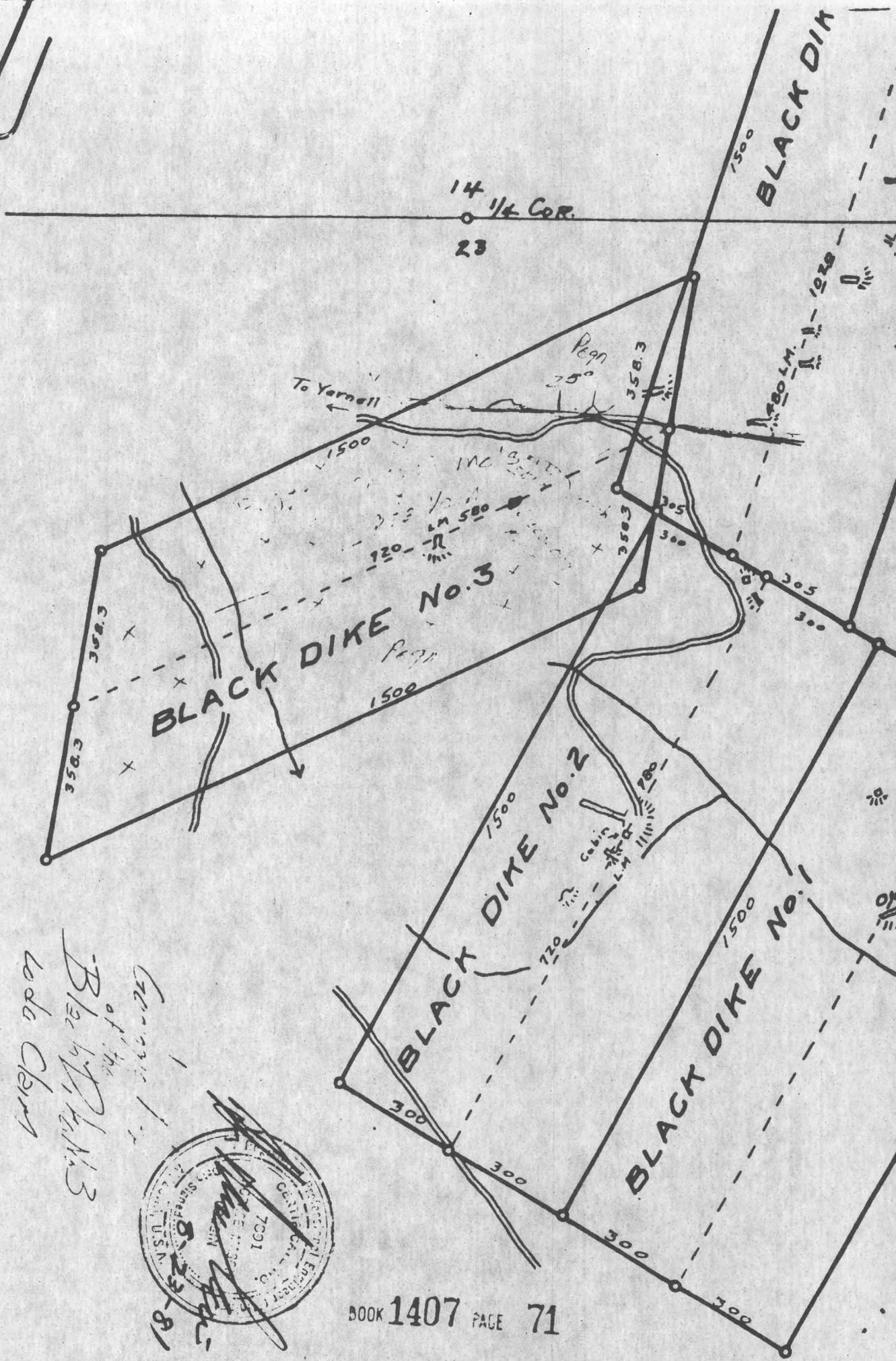
The major feature of this property is a vein striking North 70° East and dipping flatly 20-25° to the East. The vein runs along the North side of the claim and is completely enclosed in a coarse grained granite. The granite is quite blocky and shows alteration rims around most of the joints. This joint pattern is quite pronounced, but must be later than the veining since there is very little mineralization along the system. Several small quartz stringers display hatching along the vein. The vein where it is exposed in and around the old prospects and the new roads appear to be about 2 to 4 feet in thickness with a very small seam of fine gouge in the foot wall.

In adjacent properties, particularly the Yarnell Mine, this vein or a similar vein was found to carry values in gold and silver in widths up to 35 feet. Values contained carried up to \$45.00/ton at a gold price of \$35.00. The Yarnell Mine was last worked between 1938 and 1942 when it was closed by the gold mine closing order at the start of World War II.

### CONCLUSIONS & RECOMMENDATIONS

There is an obvious discovery of valuable mineral in place on this claim that may be economic if thoroughly explored and developed. This can be initiated by cleaning out all available workings and thoroughly sampling the vein with a systematic program followed by detailed surveying and mapping. Pending favorable results of this program, it will be necessary to extend the proof of deposit down dip and along strike. This will require drilling and/or development headings.

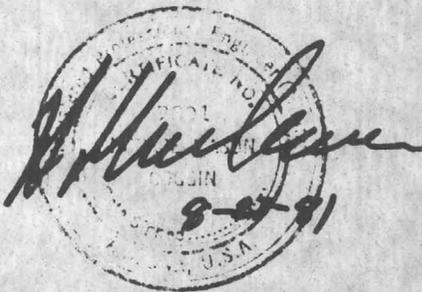




of the  
 Black Dike No. 3  
 Code Claim



GEOLOGICAL & ENGINEERING REPORT  
ON THE GOLD RIDGE CLAIM  
YAVAPAI COUNTY, ARIZONA  
AMC NUMBER 72444



Prepared For:

David C. Cope  
5653 E. Adobe Road  
Mesa, Arizona 85205

Prepared By:

H. Mason Coggin, P.E. & L.S.

COE & VAN LOO CONSULTING ENGINEERS, INC.  
4550 N. 12th Street  
Phoenix, Arizona 85014  
602-264-6831

August 27, 1981

BOOK 1407 PAGE 72



## GOLD RIDGE CLAIM

### LOCATION

The Gold Ridge Claim lies in the Southeast quarter of Section 23, Township 10 North, Range 5 West, Gila and Salt River Base and Meridian as shown on the map filed with the Yavapai County Recorder Book 1299, Page 610. It lies about 1.25 miles to the Southeast of the old Yarnell Mine which is one of the old lode gold producers of Yavapai County. The claim covers 20.66 acres and can be reached by a well graded dirt road. Elevation of the property varies from 4200 to 4400 feet above sea level.

### WORKINGS

Several dozer trenches and road cuts have been made across the structure and at least one vein has been uncovered.

### GEOLOGY

The Geology of the area is complex. It includes a series of ultra mafic rocks striking about North 60° East and dipping steeply to the South. Intruding these formations are two quartz veins some 2 to 3 feet in thickness and striking parallel to the mafic rock formations in the area. Heavy iron staining along the vein and well into the hanging and foot walls of the vein suggesting that values of gold and silver are present in these materials. Due to poorly prepared exposures, the vein could not be sampled. An examination of a stock pile which had been prepared, however, shows heavy limonite and hematite gossans in small poorly formed cubic casts, suggests primary sulfide mineralization of depth.

### CONCLUSIONS & RECOMMENDATIONS

The Gold Ridge Claim is clearly worth holding, but further exploration is required to determine its worth. I recommend the following programs:

1. Cut trenches across the veins on 100 ft. centers to a depth of 6 or 7 feet or until the veins are clearly exposed.
2. Channel sample these exposures by cutting samples with a hammer and moil 4" wide and 2" deep across the full thickness of the vein. If the vein is more than 5 feet thick, break the channel into segments no more than 5 feet in length. Then expose and sample hanging and foot walls in a similar manner.
3. Carefully map, locate and tag each sample and prepare a map on a scale of 1" = 100' showing the location, length and rock type where each sample was taken.
4. Send the samples to a reputable fire assayer such as Iron King in Humboldt, Arizona or Union Assay Office in Salt Lake City, Utah.
5. You will need technical assistance in reviewing these results.

Attached is my resume showing education and experience.



H. MASON COGGIN - SENIOR VICE PRESIDENT, MINING DIVISION  
Coe & Van Loo Consulting Engineers, Inc.

Education & Special Training:

University of Arizona, B.S. 1961  
Special Studies in Statistics & Explosives  
Honors - Recipient of 1961 first place student paper Award Arizona  
Section AIME  
First Aid Certificate - New Mexico State Mine Inspection  
First Aid Certificate - U.S. Bureau of Mines  
Mine Rescue & Self Contained Breathing Apparatus 1959  
Mine Rescue Training - Phelps Dodge Corporation 1964  
MSHA Training Course - 40 hours - Arizona 1979

Registration:

Professional Engineer - Arizona, New Mexico, Nevada, Kansas,  
Washington, Colorado  
Land Surveyor - Arizona, New Mexico, Kansas

Professional Affiliations:

Member - American Institute of Mining, Metallurgical and Petroleum  
Engineers  
Member and Past Chairman, Maricopa Section AIME - 500 members  
Past President, Arizona Small Mine Operators Assoc. - 3,500 members  
Past Chairman, Southwestern New Mexico Section AIME  
Former Vice Chairman, Secretary-Treasurer & Membership Chairman,  
Bisbee Douglas Subsection AIME  
Frequent speaker to social groups on Arizona's Mining Industry

Professional Experience:

For the Firm:

Over five consecutive years of analyzing and evaluating precious  
metal deposits and precious metal properties in the United States  
and Canada. Deposits evaluated include 3 current major gold  
producers and 15 properties now being explored or developed.

Supervision of research and mapping required for the Mineral  
Industry Location System (MILS) for 10 Arizona Counties. The  
project includes developing file information on virtually every  
Arizona mineral property.

Land work including the preparation of property maps, title  
inspection, negotiations in buying, selling, leasing properties and  
claim staking. The total value of lands handled is in the millions  
of dollars.

Design of open pit and underground mines including term production  
plans, analysis of sampling and assay problems for various methods  
of defining reserves.

Design and analysis of mining, milling and processing plants for  
several operations.



Professional Experience: (continued)

Economic analysis for mining ventures from prospect through operations. Special new and innovative techniques were developed for economic evaluation which include sensitizing and optimizing the rate of return, a probabalistic risk evaluation and breakeven analysis.

Principal Investigator for Pit Slope Caving for the U.S. Bureau of Mines. Pit Slope Caving is a new mining technique.

Preparation of bids for general contractors, including mining and general earthwork. Total projects grossed at over \$10 MM. This work also included organizing cost accounting systems.

Prior to joining the firm:

Phelps Dodge Corporation Copper Queen Branch, Bisbee, Arizona, Stope Engineer, 1961 to 1965. This position required providing technical advice to mine management including mine surveying, mapping, sampling, reserve estimating, development planning, production scheduling, ventilation, dust control and fire protection.

Westec Corporation, 1966, Phoenix, Arizona. This position involved the evaluation of exploration projects in Arizona and Idaho.

Phelps Dodge Corporation, Tyrone Branch, Tyrone, New Mexico, 1966 - 1968. Engineering responsibilities included the preparation of periodic production reports on operations, surveying, construction of a property map, design of a rail haulage system and plant planning. Duties in operations included supervising a work force of from 18 to 30 equipment operators utilizing 85 ton trucks, 10 yard electric shovels, 12" diameter rotary drills, track and rubber-tired dozers. This organization was responsible for breaking Phelps Dodge productivity records and setting all time lows for production costs.

Phelps Dodge Corporation, Safford Project, Safford, Arizona. Assistant Engineer in Charge of Operations - 1969. Duties included design of the pilot plant operation, selection of equipment, writing of specifications, comparison of bids, administration of contracts, exploration and development of aggregate sources and development of a water supply.

Prior to graduation from the University of Arizona in 1961: A miner for the Copper Queen Branch of the Phelps Dodge Company and the San Manual Division of Magma Copper Company.

Publications:

Conceptual Design and Engineering Economics and Environmental Analysis of Surface Pit Slope Caving Mining Systems, 1977, U.S. Bureau of Mines OFP 1977 & NITS 1978.



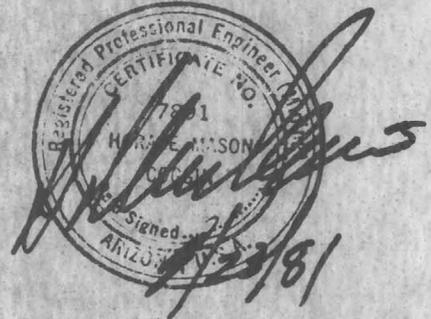
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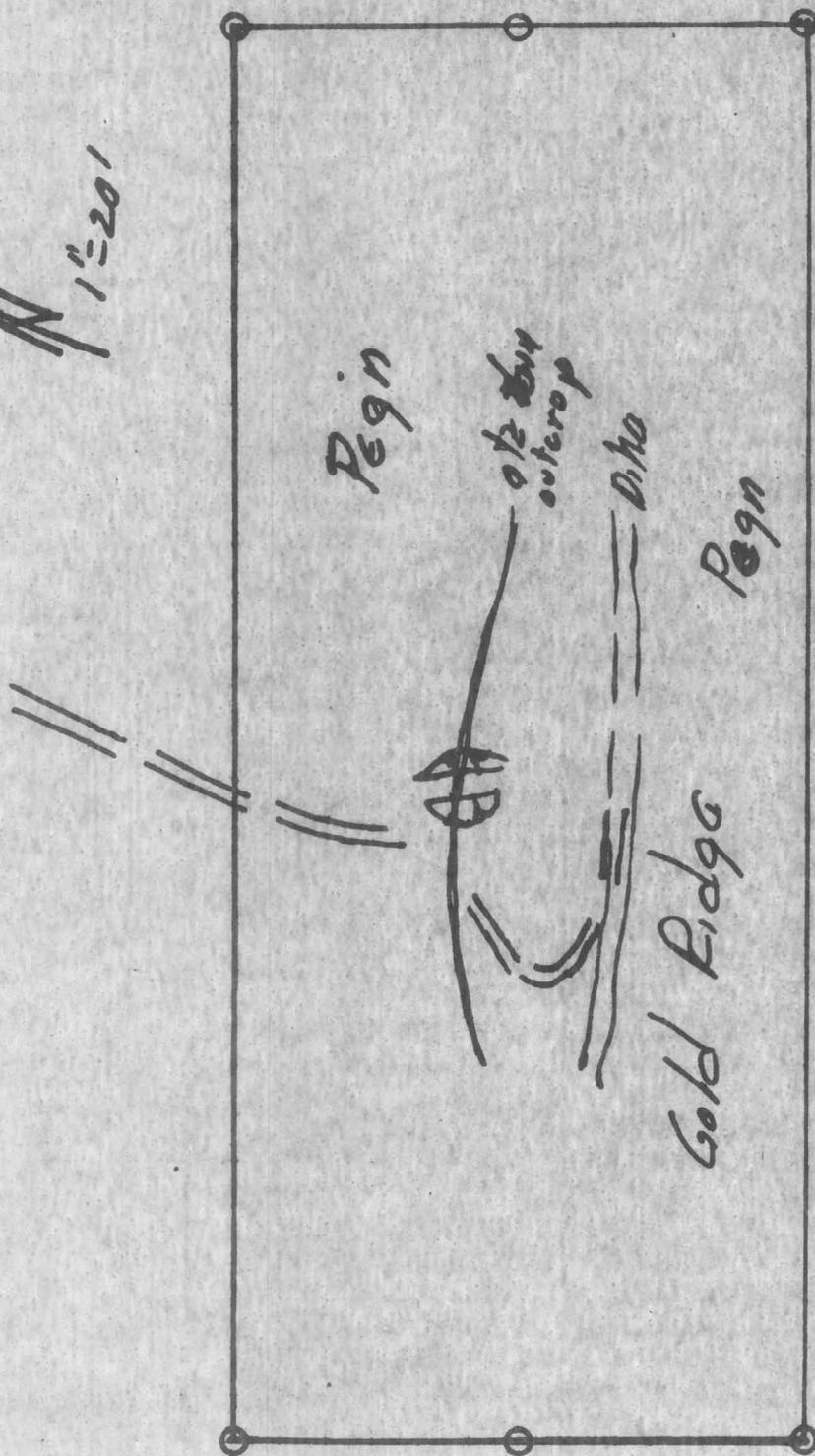
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*A*  
*N 1"=20'*



*Geologic map  
 of the  
 Gold Ridge  
 Lado claim  
 8/23/81  
 HVC*

BOOK 1407 PAGE 76

Off: 246-9573

Office: 4728 N. 21st Ave.  
Phoenix, Ariz. 85015

Dec. 10, 1981

Dr. Vefik. V. Basman  
President  
Conductron Products Mfg.  
7830 E. Gelding Dr.  
Scottsdale, Ariz. 85260

Dear Dr. Basman:

Please find enclosed a copy of the assay sheet on Jim Smith's Apex claims. The copy is not too clear but legible - these blue line second sheets do not reproduce very well on our machine. The other assay report from Dr. Dusenberry is available from Jim.

I enjoyed your visit and hope you have a better understanding of the procedures necessary to properly evaluate this prospect which I believe to be a very good prospect. Phase I - the preliminary geological survey is recommended since the reconnaissance survey indicates commercial ore in the area. We must now find out how much.

If you have any further questions please feel free to call.

Sincerely,

S. C. Brown

ASSAY REPORT

SUBMITTED BY FLOYD:1

OCTOBER 20, 1981.

SAMPLE #1

.02 OZ GOLD PER TON -- SILVER TRACE ONLY

SAMPLE #2

.119 OZ GOLD PER TON -- SILVER .308 OZ PER TON

SAMPLE #3 *shist*

GOLD 1.76 OZ PER TON -- SILVER 4.162 OZ PER TON

SAMPLE #4 *magnetite - 1 mile away*

.241 GOLD OZ PER TON -- SILVER 4.08 OZ PER TON.

RESPECTFULLY SUBMITTED

*William L. Dusenberry* PH.D.  
WILLIAM L. DUSENBERRY

*Robert S. Ido*  
*Burns*

*301 - E Waged foot Rd.*

*993 - 0834*

*Coper*

# COPPER STATE ANALYTICAL LAB., INC.

P. O. BOX 7517  
TUCSON, ARIZONA 85725  
PHONE 602-884-5811, 884-5812

**BILL TO:**

D.K. Martin & Associates  
Att: Doug Martin  
4728 N. 21st Ave.  
Tucson, Arizona 85015

**INVOICE: C 0496**

JOB NO: 000343  
DATE: 10/11/81  
ACCOUNT NO: \_\_\_\_\_  
P. O. NO: \_\_\_\_\_  
PROJECT: \_\_\_\_\_

**COPY TO:**

**PAY FROM THIS INVOICE — NO OTHER STATEMENT WILL BE SENT**

ANALYTICAL CHARGES				OTHER CHARGES	
QUANTITY	DESCRIPTION	UNIT COST	AMOUNT	DESCRIPTION	AMOUNT
14	Gold & Silver	5.00	70.00		
1	Gold Silver	7.00	7.00		
2	Lead	2.80	5.60		
1	Zinc	2.80	2.80		
1	Zinc wet	8.50	8.50		
1	Lead	2.80	2.80		
1	Lead	1.80	1.80		
14		2.00		sample prep	28.00
	<i>Cossan 55.00</i>				
	<i>Smith 71.50</i>				
ANALYTICAL CHARGES				OTHER CHARGES	28.00
				ANALYTICAL CHARGES	98.50 =
TOTAL ANALYTICAL CHARGES			98.50	<b>PAY THIS AMOUNT</b>	<b>\$126.50</b>

Thank You \_\_\_\_\_

*D. A. Shah*

\* LESS 2% DISCOUNT NET TEN DAYS

Bill & Jim Smith

BLM RESERVATION ?

9/18/81

SECTION 3 T23N R18W

SW 1/4	name	own	rec	loc	anno
* 72671-2	<sup>BUG</sup> Bug #1-2	BUSH	5K/2-2	1960	1980
112532	FFG #3,5-7	Longby	660/136-144	1980	-
113177-6	FLAT #3-8		662-813	1980	

SECTION 4 T23N R18W

NE 1/4

76451	NORTH STAR	AVANTS	56-233	1959	1980
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SECTION 9

N 2

87686	PEACOCK	SMITH			
	TFTF #1	DEWON			
94665	<del>AAZ</del>	ARIZJUNO			

SECTION 10 ↗

NW 1/4

94665

113184-6 FLAT

BUG 1-2 MAJORIE BUSH Box 25 CHLORIDE AZ 86431

11N / 2W

# APEX CLAIMS (JIM SMITH) SEPT 1981

	1	2	3	4	5	6	7	8
	GRAB SURFACE SAMPLES							
1	Sample # 1-B							
2			Au	Ag	Pb	Cu	Zn	
3	VEIN							
4								
5								
6	2-B							
7			Au	Ag				
8	SHIST							
9								
10	3B							
11	Quartz Vein		Au	Ag	Pb	Cu	Zn	
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Sept 14, 1981

Conference of Mr. & Mrs. Bill Smith, Jim Smith and  
a Japanese investor of Jim's (Orendale)

Bill has 36 Lode claims and 6 placer claims  
He will give 49% free for exploration work & wants  
\$750,000 cash for his 51%. Besides the claims we would  
get title to 26 acres patented land and what-ever equipment  
on property.

Good spring and he has 18 miles of water from  
Milk Creek. Has established use by irrigating his place last  
year.

All his claims have been recorded in Ysoposi & will  
send us a copy when the BLM records them. All of Bill's claims  
are tied to U.S.L.M 337 in Sec 17-T11N-R2W G8SRM.

Ysoposi Co. Ariz.

30 Bright Angel claims in Secs. 18, 17, 8 & 20 T11N R2W

6 Tin Trough " " " 33 & 34, T. 12N - R2W

6 Placer claims " " " 5 & 8?, T 11N - R2W

Will include any other claims he may stake in the future - some price

Jim Smith: Apex 1-8 Lode claims Secs 13 & 14, T11N-R2W Ysoposi Co.

(We should see if he will give us a deal on these.)

Can't go along with Bill's mode of payment. He will have to change  
this

**H** Heating and  
**C** Cooling Supply, Inc.

HEATING &  
AIR CONDITIONING  
SUPPLIES

WHOLESALE ONLY

4449 SO. 38th PLACE PHOENIX, ARIZONA 85040  
(602) 243-5231 (800) 352-5724 (Outside Phoenix)

Branches in California: San Diego (Main Office) — Escondido — El Monte  
Orange — Van Nuys — Long Beach — Riverside

12/1/81

11:45

Jim Smith - Tomorrow  
Meeting - Velik Basman (Phd)  
Conduction Corp - Pres  
7830 E Guldin Dr  
Scottsdale Airport  
Tanta 49% Jim 59%  
cost of report?

Summary -

Jim is meeting w/ Velik Basman  
(Pres of Conduction Corp) tomorrow.

This man stated to Jim he has &  
can get \$ for prospect

Jim wants to know how much \$  
for a report.

will call tomorrow.

I gave him permission to have  
Basman call you for your observation  
of the property

day  
night

HEATING & AIR CONDITIONING

10-19-81

Phone call w/ Jim Smith

Phelps-Dodge - Small Mines Division sent a Geologist  
 up to look at Jim's property last week  
 Ore has to run over 40 ton mill price before they are  
 interested. They are interested in anything running 3 oz silver  
 or more per ton.

They offered 10% interest with an end price. Jim wants  
 more each each month to be sure they start operating  
 Phelps-Dodge can give an answer in 30 days & will operate  
 on joint venture. Have joint ventured 2 small properties recently.

Sam told Jim the value of assays of iron-Dry quartz samples.  
 Now we need to know how much of that type ore is present.  
 Wants to run 10-20 tons of ore through mill operated near  
 his ranch.

Will sample smooth quartz reported to run 4 oz Au.

Jim Smith

Dusenberry - Own assay work.  
Not Registered  
5' x 9" = shaft.

	An	A9	Oct
1	.02	Tr.	W119
2	.119	3.08	26
3	1.76	4.162	2.41
4	2.41	- 4.08	

Brooks: Wesa

12791  
1472  
-----  
6880

Furn  
Corp.

- put up money for

*[Handwritten signature]*

Lead 43¢/Pound

$$1\% = 2000\# = 20\# = 8.60$$

$$2\% = \quad = 40\# = 17.20$$

$$5\% = \quad = 100\# = 43.00$$

$$10\% = \quad = 200\# = 86.00$$

J. Smith 176.91

28.89

133.00

\$238.80

Zinc = 46¢/Pound

$$1\% = STV = \$9.20$$

$$2\% = \quad = 18.40$$

$$5\% = \quad = 46.00$$

$$10\% = \quad = \$92.00$$

$$8.36\% = STV = 167.20 \times 46 = 76.91$$

Au = \$133.00  
.335 oz

Ag = 28.89 (3.21 oz)



W

Jim Smith

James E  
Donald L.

Duo SW - Clean 42 -

1500<sup>g</sup> SW - 6' wide

0.2 lbs -

water well well site

8-10 m under tree