CONTACT INFORMATION
Mining Records Curator
Arizona Geological Survey
416 W. Congress St., Suite 100
Tucson, Arizona 85701
520-770-3500
http://www.azgs.az.gov
inquiries@azgs.az.gov

The following file is part of the

Richard Mieritz Mining Collection

ACCESS STATEMENT

These digitized collections are accessible for purposes of education and research. We have indicated what we know about copyright and rights of privacy, publicity, or trademark. Due to the nature of archival collections, we are not always able to identify this information. We are eager to hear from any rights owners, so that we may obtain accurate information. Upon request, we will remove material from public view while we address a rights issue.

CONSTRAINTS STATEMENT

The Arizona Geological Survey does not claim to control all rights for all materials in its collection. These rights include, but are not limited to: copyright, privacy rights, and cultural protection rights. The User hereby assumes all responsibility for obtaining any rights to use the material in excess of "fair use."

The Survey makes no intellectual property claims to the products created by individual authors in the manuscript collections, except when the author deeded those rights to the Survey or when those authors were employed by the State of Arizona and created intellectual products as a function of their official duties. The Survey does maintain property rights to the physical and digital representations of the works.

QUALITY STATEMENT

The Arizona Geological Survey is not responsible for the accuracy of the records, information, or opinions that may be contained in the files. The Survey collects, catalogs, and archives data on mineral properties regardless of its views of the veracity or accuracy of those data.

935-4450
Fitchfield

AN APPRAISAL

of

"IN PLACE" MINERAL WEALTH

of the

D. J. & L. J. C. PLACERS

in

Maricopa County, Arizona

by

Richard E. Mieritz
Mining Consultant
Engineer - Geologist
(Sun City, Arizona)
Phoenix, Arizona

October 23, 1971

TABLE of CONTENTS

	Page
Introduction	1
Conclusions	1
Property, Location and Accessibility	1
Geology	2
Mineralization	2
Property Development	3
Potential Mineral Wealth	4

Attachments:

Map No. 1, Index Map
Map No. 2, Property Map
Map No. 3, Surface Geology Map

Factual data submitted By Stradco ~~Inc.~~ Iron Company and reviewed by the writer.

Assay Sheet, Metallurgical Laboratories, May 6, 1964
Assay Sheet, Laboratory of Analytical Chemistry, July 18, 1968
Assay and screening sheet, part of above
Assay Sheet, Technical, Commercial & Industrial Co. July 29, 1968
Assay Sheet, Smith-Emery Company, June 10, 1964
Spectrographic Examination Sheet, Smith-Emery Co., June 10, 1964
Assay Sheet, Smith-Emery Company, June 30, 1964
Assay Sheet, Technical, Commercial & Industrial Co., August 2, 1968

1351 Airport Service Rd,
P.O. Box 18189, Jacksonville,
Florida, 32229

INTRODUCTION:

~~At the request of Mr. Walter W. McMillen, an associate of Stradco Inc.~~ and with written authorization from Mr. Frank Broes, Board Chairman of ~~Stradco Inc.~~ Iron Company, ~~Suite 700, 1030 Fifteenth Street, N. W., Washington D. C.,~~ the writer completed an appraisal of the D. J. and L. J. C. placer mining claims, Maricopa County, Arizona. The completed appraisal reported on herein factualizes to some extent and reflects the potential mineralwealth in situ within the property boundary.

The writer personally and physically examined a portion of the property in a general way on October 20, 1971, accompanied by Mr. McMillen. Some of the physical exploratory efforts by International Iron Co. were observed on the ground during the visit. Unfortunately, no drill hole sample records, geologic or assay, are available for study, consequently, no "ore reserve" as such can be calculated. A few assay records of "crude ore" and "concentrates" are available but sample discriptions, correlations, locations and other sample details are lacking.

In view of the above situation - lack of adequate, positive, identifyable information, the writer is required to rely on his experience with and knowledge of placer deposits of similar nature, characteristics and mineralization.

CONCLUSIONS:

The purpose of this report is but for a single objective - an appraisal of the placer claims mineral wealth "in place" - consequently but one conclusion is required. The conclusion is based on four assumptional factors. A variance of any one factor would revise the appraisal either upwards or downwards. Also, for the most part, the four assumptions are derived from the writers experience and knowledge of similar deposits in Arizona. The limited factual data available on the property in question has been used solely as a guide, rather than actual proof, to establish the realistic assumptions used by the writer. The limited amount of factual data permits the writer but one categorical definition of the appraisal value - namely, inference, - thus justifyably, the writer concludes that:

(1) - The area of consideration as discribed within the report would have and "inferred, in place" mineral wealth, as regards the mineral magnetite (Fe_3O_4), of 9,161,000 long tons at a possible market value of $176,700,000.- - at property.

PROPERTY, LOCATION and ACCESSIBILITY:

The property consists of fifty seven 160 acre placer claims totalling plus or minus 9120 acres. Claims involved are the D. J. #1 through #34 and the L. J. C. #1 through #8, #25 through #31, #153 through #156 and #172 through #174. (34 D. J. claims and 23 L. J. C. claims) See Map No. 2.

All of the D. J. claims lie within T. 4 N., R. 9 W. covering all of

Sections 19, 20, 21, 26, 28, 29, 30, 32 and the N/2 of Section 27. The L. J. C. claims cover all of Sections 31 in T. 4 N., R. 9 W., all of Sections 6, 7, 18 and 19 plus the N/2 and SE/4 of Section 30 in T. 3 N., R. 9 W., of the G. & S. R. B. & M. in western Maricopa County, Arizona.

Mr. McMillen states that all claims are valid and current as regards annual assessment work.

Travel to the property can be accomplished by passenger auto from Phoenix via U. S. highway 80 to Buckeye, thence westerly on the Buckeye-Hassayampa-Salome County road. This route is paved to a point 29 miles westerly of Buckeye (the Mary E. farm road Junction). Beyond this junction the road is gravel but usually well maintained by the County Highway Department. Twenty miles past the Mary E. Junction in a northwesterly direction toward Salome, a northeasterly trending gravel road junctions on the right and leads to the town of Aguila located on U. S. highway 60-70. Traveling 3.9 miles northeasterly on this road is an easterly trending desert road on the right. Travel on this desert road for 5.1 miles easterly, passing a ranchers fenced earth water tank, one intersects the west boundary (Range Line) of the property and onto claim D. J. #26, Section 30, T. 4 N., R. 9 W. See Map No. 1 and No. 3.

Several ranch type desert roads make a portion of the property accessible by passenger auto. Access to other portions would possibly require a four wheel drive, high center vehicle to overcome some of the hazardous steep banked narrow type gullies in the area.

GEOLOGY:

For the most part, the claims cover a broad expanse of valley fill alluvium consisting of sand, pebbles, cobbles and boulders representing the exposed rocks of the surrounding area. A striking physical feature of the alluvium is the minimum amount of boulders (a four to six inch size or greater) and the abundance of sand and pebbles. This characteristic was also observed when viewing the walls of several 36 inch diameter drill holes.

Rocks in the surrounding area consist of Pre-Cambrian gneiss and granite, Cretaceous andesite and rhyolite and Quaternary basalt which is largely small remnants capping the ridges of the mounds and hills surrounding the placer property. See Map No. 3. Float-wise, white quartz fragments were noted as well as some pieces of pegmatite, not at all uncommon to the area.

MINERALIZATION:

The principal mineral of interest within the placer property is magnetite, Fe_3O_4, which has a magnetic characteristic and a usual constituent of many igneous rock types. Through the erosional processes, the magnetite has been removed from the rocks and transported to the valley fill alluvium where it concnetrates in thin layers separated by barren or lean sand and pebble layers. To a lesser degree there may be dissemination of the magnetite in the afore mentioned barren or lean layers.

Most magnetite occurring in placer deposits, particularly in Arizona, contains illmenite ($FeTiO_3$) as an admixture and a deleterious impurity when considering the magnetite as a raw material for production of iron and steel. Many of the Arizona magnetite sands contain this impurity. Removal of the titanium is a difficult and costly process and it is mostly for this reason that several of the magnetite placers in Arizona are not operative. Illmenite also occurs as a separate, divorced mineral and as such, because of its slight magnetic property, it can be almost wholly removed.

Available assay reports of ore samples and concentrates indicate that some of the titanium content can be removed by concnetration of the magnetite and (2) that there is a very minimum amount of titanium married to the magnetite as an admixture, which, ofcourse, is good from the standpoint of the material being concentrated and used as an iron ore.

All Arizona magnetite sands range from about 4% to 6% magnetite (2.8 to 4.2% iron). These percentages bear a direct relationship to the magnetite content of the surrounding rock outcrops from whence it came. The D. J. and L. J. C. placer group is no exception. All Arizona magnetite sands contain gold in varying amounts. Occasionally, the gold is free (pannable or amalgamable) but more often than not, the gold is married to the magnetite as an admixture - like the titanium - and in this occurance would require a cyanide dissolution.

Summarizing, the potential mineral wealth of the property is in its magnetite content for use as an iron ore and possibly, just possibly, the gold content, if extractable.

PROPERTY DEVELOPMENT:

Available records indicate that the property was partially explored by 34 drill holes of 36 inch diameter and 20 to 30 feet deep. This is one hole on each of the 34 D. J. claims. (See Map No. 3.) It is assumed by the writer that most holes were located close to the center of each claim (as shown on the Map), however, it is thought that their location was determined more by accessibility of the truck mounted drill than by an exacting, equally spaced, surveyed grid drilling pattern. Thus, the drill hole locations on the map are merely pictorial for convenience.

Fortyfive 2 inch diameter drill holes were reported as drilled to an average of 30 feet. The location of such holes are not known, however, they were marked in the field by 2" x 2" x 5 foot stakes with the hole numbers and depth of hole marked on each stake. Again, accessibility appears to have determined their location.

While in the field, Mr. McMillen and the writer found six stakes (some upright, others on ground) (See Map No. 3) but none of the 2 inch holes could be located -- no doubt caved and filled in as a result of rain, etc.

Five 36 inch diameter drill holes were found and only one of these had caved and filled in. (See Map No. 3) Three holes were approximately

20 feet deep and the fourth visible hole was estimated at 30 feet deep. Observation of the hole walls in three of the holes indicated the alluvium penetrated consisted, for the most part, of sand, pebbles and cobbles with few boulders larger than 4 to 6 inches. The fourth observed hole (believed to be in Section 19, SE/4) contained a greater amount of boulders larger than 4 to 6 inches. This criteria was also noted on the surface inthe immediate area. This criteria should be a significant indicator for determining particle sizes at depth.

Two water wells, approximately 800 feet deep are located near the plant building. See Map No. 3. It is reported that water was encountered at 200 feet, however, the writer timed a falling stone and only a loud metallic sounding noise was heard at approximately 700 to 750 feet in both wells. No sound of water was heard.

POTENTIAL MINERAL WEALTH:

Unfortunately, as in many instances, the above discribed exploratory drilling and development has been for naught in as much as there are no geologic logs, sample discriptions or sample assay values available to and for the writer to review, study and correlate into a meaningful, accurate and positive type calculation to arrive at an "in place" potential mineral wealth appraisal. Records such as these, if taken, are usually lost or misplaced or else not taken during the exploratory program.

In view of the above status, the writer has little choice but to apply his experience and knowledge in an of deposits of similar nature and character and to sparingly apply the very limited and un-identifyable assay data and test work data to justify the conclusions and terms of the calculations herein presented. The mineral wealth appraisal, as presented, can achieve a level no higher than an "inference", in terms of the industry's mineralization classifications of "inferred","indicated" and "proven".

Lack of positive, orderly obtained, adequately identifyable information and records requires that certain assumptions be made, keeping in mind, that these assumptions are not "unknowns" but substantiated facts as related to similar deposits in Arizona. These are:

(1) - Magnetite content averages 4.5% (3.1% Fe)
(Dept. of Mineral Resources data, writers experience)

(2) - Magnetite content continues to an average 21 foot depth.
(Indicated by large diameter drill holes)

(3) - Magnetite recovery is possible in excess of 93%
(Indicated by Laboratory of Analytical Chemistry, Athens, Greece)

(4) - Weight per cubic yard of material averages 3000 pounds.
(writers experience)

The area of mineralization under consideration in this instance is:

All of Sections 20, 21 & 30,	T. 4 N.,	R. 9 W.			1920	acres
90% of Sections 19 & 32	"	"	"	"	1150	"
80% of Section 29	"	"	"	"	510	"

65% of Sections 26 & 28, T. 4 N., R. 9 W.	830 acres
50% of Section 27 " " " "	320 "
Total area	4730 acres
Square yard factor (acres to yards)	x 4840
Square yards	22,893,200 sq. yds.
Factor for 21 foot depth, 7 yards	x 7
Cubic yards for 7 yard depth	160,252,400 cu. yds.
Factor, cubic yards to short tons	x 1.5
Short tons mineralized sand, gravel	240,378,600 S. T.
Magnetite content, 4.5% (assumed)	x 4.5
Magnetite, short tons	10,817,000 S. T.
Recovery factor (beneficiation), 93%	x 0.93
Marketable magnetite, 97%	10,260,000 S. T.
Conversion factor, Short to long tons, 0.89287	x 0.89287
Marketable Magnetite, long tons	9,160,900 L. T.
Marketable iron grade, 65%+ Fe.	
Pellet price, 28¢/LTU or $18.20/LT (E. & M. J. quotation, Sept. 1971)	x $18.20.
Inferred value of magnetite mineralization "in place" within D. J. placer claims to a depth of 21 feet below surface.	$176,728,400.-

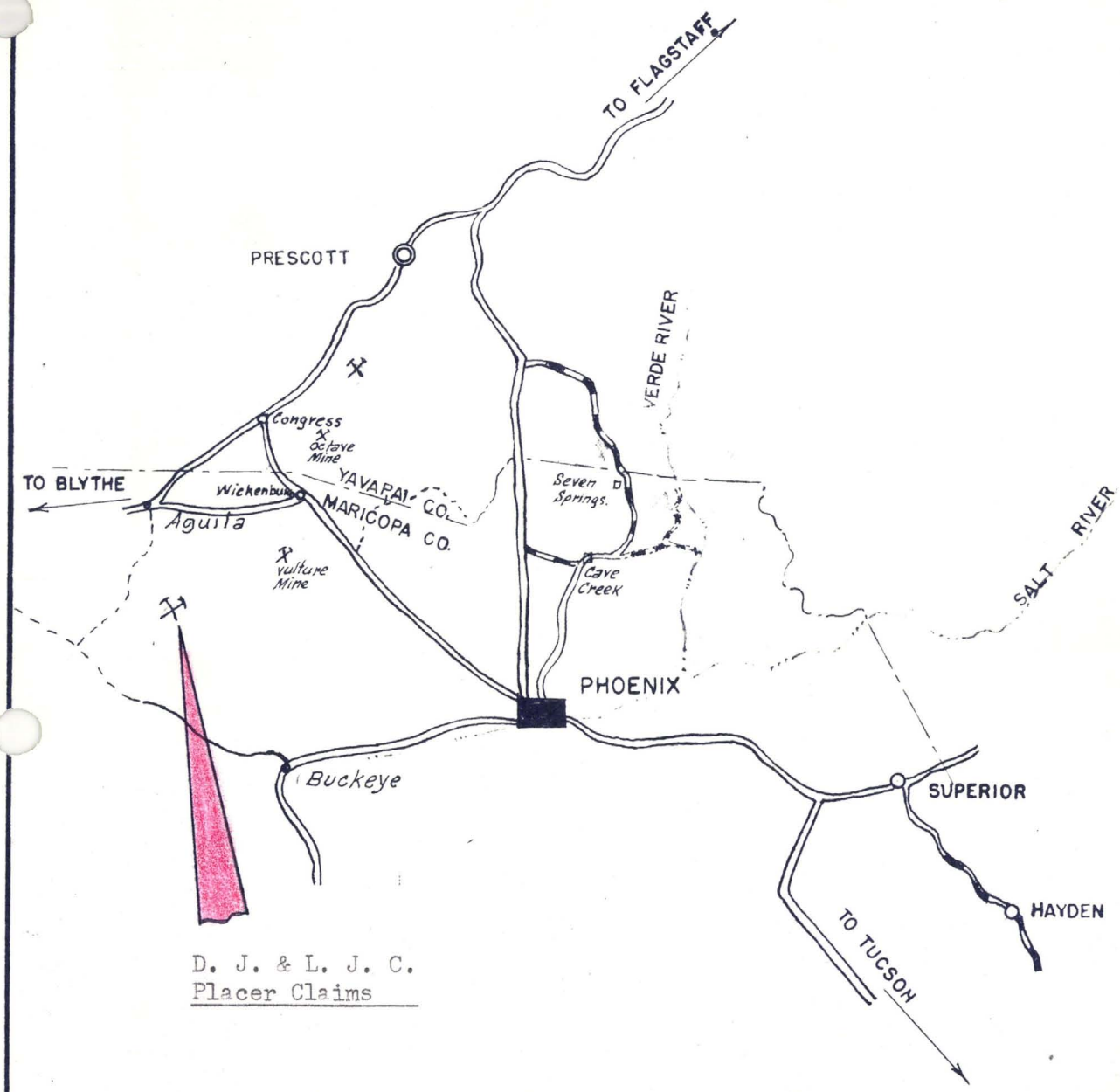
The 23 L. J. C. claims have not been considered in the above appraisal simply because of their geographic position and lack of any positive and visual information. However, if similar conditions exist, a dollar value equivalent to 50% of the above figure, or $88,000,000.-, could be added to the above calculated value.

Mr. Frank Broes had advised the Department of Mineral Resources, Phoenix, Arizona, on or about February 4, 1965 that gold values of $30.00 to $35.-/tonof concentrates (magnetite) were indicated. The writer has no factual data or proof at hand to verify this conclusion, consequently, an appraisal of the gold content cannot be included in the appraisal value. If, however, the gold is present in the amounts indicated, it would more than double the "inferred" appraised or calculated dollar value of mineral wealth "in place".

Actual development of a proven, delimited ore reserve of specific grade by drilling, feasibility study of mining and beneficiation, economics and marketing are the next successive phases toward a complete evaluation prior to an operation.

Respectfully submitted,

Richard E. Mieritz,
Mining Consultant
Engineer and Geologist
Sun City, Arizona (now Phoenix)
October 23, 1971



D. J. & L. J. C.
Placer Claims

Registered Professional Engineer (Mining)
CERTIFICATE EXPIRES
RICHARD
E. MIERITZ
DEC. 31, 19
ARIZONA, U.S.A.

Not to be reproduced or altered
without permission.
R.E.M.

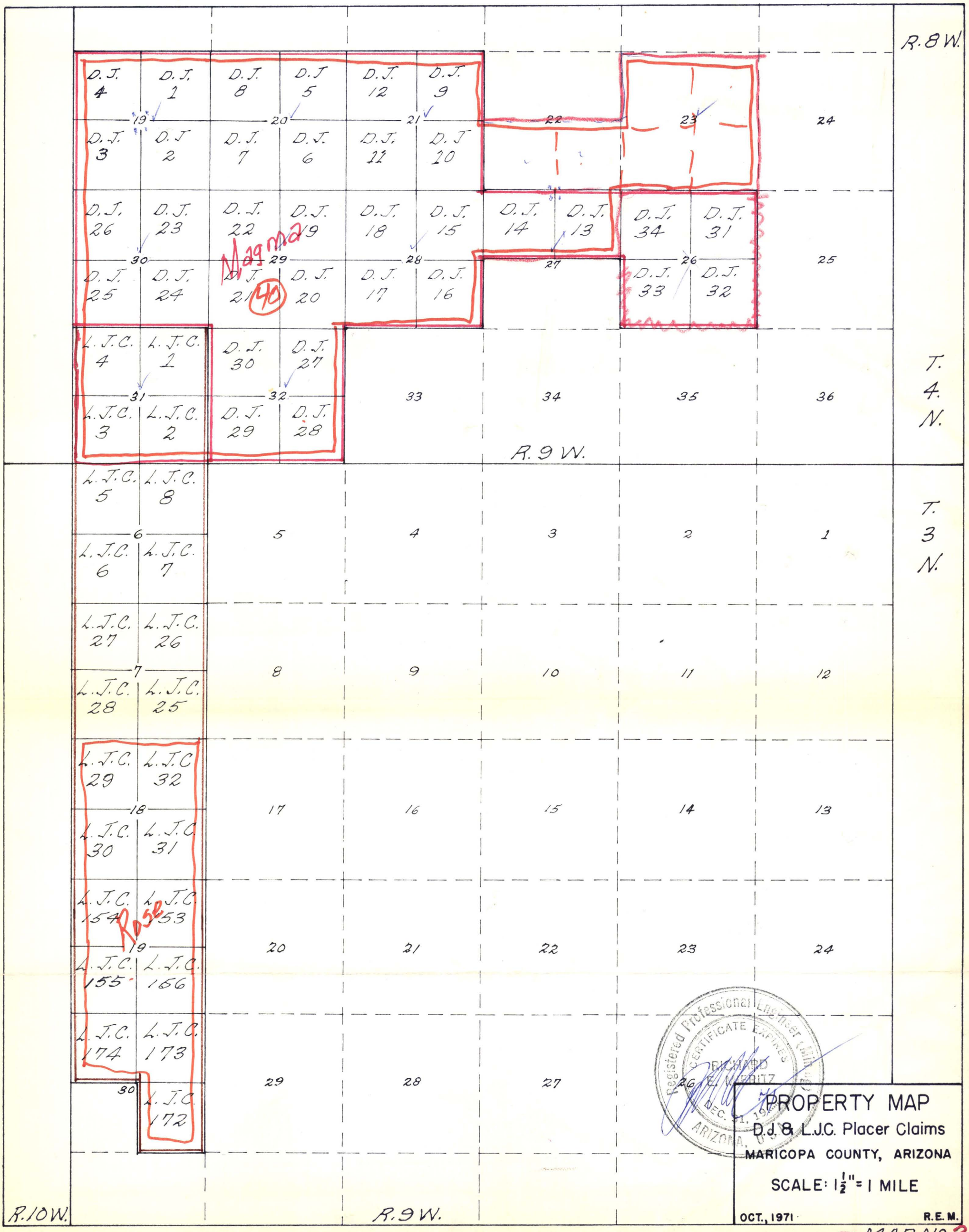
INDEX MAP
CENTRAL ARIZ.

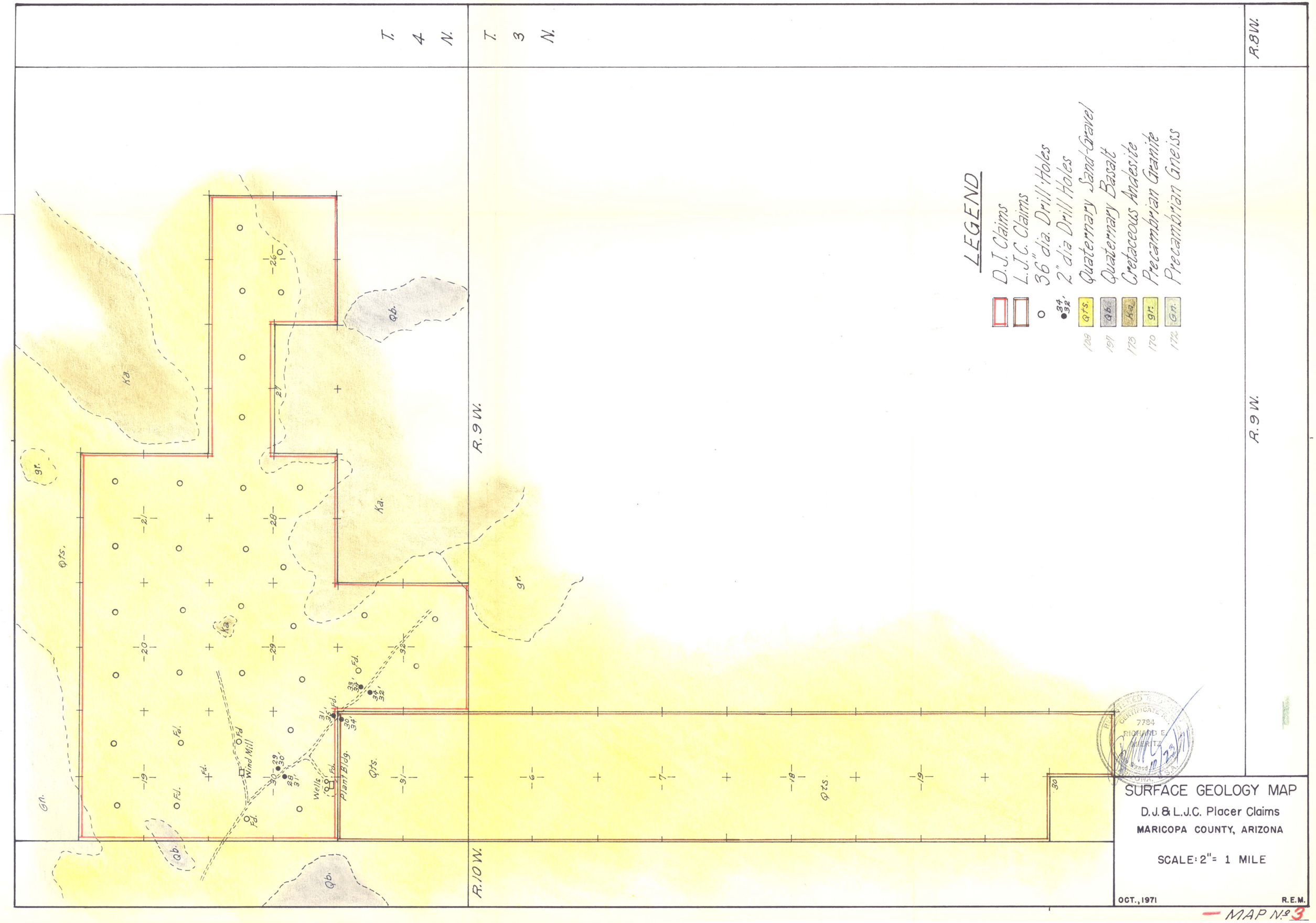
SCALE: 1" = 27 MI.

R.E. MIERITZ, P.E. MAR., 1962

MAP No. 1

A-23


R.8W.
T. 4. N.
R.9W.
T. 3 N.
R.10W.
R.9W.
D.J. 4
D.J. 1
D.J. 8
D.J. 5
D.J. 12
D.J. 9
19
20
21
22
23
24
D.J. 3
D.J. 2
D.J. 7
D.J. 6
D.J. 11
D.J. 10
D.J. 26
D.J. 23
D.J. 22
D.J. 19
D.J. 18
D.J. 15
D.J. 14
D.J. 13
D.J. 34
D.J. 31
30
29
28
27
26
25
D.J. 25
D.J. 24
D.J. 21
D.J. 20
D.J. 17
D.J. 16
D.J. 33
D.J. 32
Magma
40
L.J.C. 4
L.J.C. 1
D.J. 30
D.J. 27
31
32
33
34
35
36
L.J.C. 3
L.J.C. 2
D.J. 29
D.J. 28
L.J.C. 5
L.J.C. 8
6
5
4
3
2
1
L.J.C. 6
L.J.C. 7
L.J.C. 27
L.J.C. 26
7
8
9
10
11
12
L.J.C. 28
L.J.C. 25
L.J.C. 29
L.J.C 32
18
17
16
15
14
13
L.J.C. 30
L.J.C 31
L.J.C. 154
L.J.C. 153
Rose
19
20
21
22
23
24
L.J.C. 155
L.J.C. 156
L.J.C. 174
L.J.C. 173
30
29
28
27
26
L.J.C. 172
Registered Professional Engineer (Mining)
CERTIFICATE EXPIRES
RICHARD E. KRUTZ
DEC. 31, 19
ARIZONA, U.S.A.
PROPERTY MAP
D.J. & L.J.C. Placer Claims
MARICOPA COUNTY, ARIZONA
SCALE: 1½" = 1 MILE
OCT., 1971
R.E.M.
MAP No. 2


T. 4 N.
T. 3 N.
R. 9 W.
R. 10 W.
R. 8 W.
R. 9 W.
LEGEND
D.J. Claims
L.J.C. Claims
36" dia. Drill Holes
2" dia Drill Holes
Qrs. 108 Quaternary Sand-Gravel
Qb. 197 Quaternary Basalt
Ka. 173 Cretaceous Andesite
gr. 170 Precambrian Granite
Gn. 172 Precambrian Gneiss
Wind Mill
Wells
Plant Bldg.
Fd.
SURFACE GEOLOGY MAP
D.J. & L.J.C. Placer Claims
MARICOPA COUNTY, ARIZONA
SCALE: 2" = 1 MILE
OCT., 1971
R.E.M.
MAP No. 3

AN APPRAISAL

OF

"IN PLACE MINERAL WEALTH"

of the

D. J. & L. J. C. PLACERS

in

Maricopa County, Arizona

by

Richard E. Mieritz
Mining Consultant
Engineer - Geologist
Sun City, Arizona

January 27, 1973

TABLE of CONTENTS

	Page
Introduction	1
Conclusions	1
Property, Location and Accessibility	1
Geology	2
Mineralization	2
Property Development	3
Potential Mineral Wealth	4

Attachments:

Map No. 1, Index Map
Map No. 2, Property Map
Map No. 3, Surface Geology Map

Factual Data submitted by Tradco Inc. and reviewed by the writer.

Assay Sheet, Metallurgical Laboratories, May 6, 1964
Assay Sheet, Laboratory of Analytical Chemistry, July 18, 1968
Assay and screening sheet, part of above.
Assay Sheet, Technical, Commercial & Industrial Co., July 29, 1968
Assay Sheet, Smith-Emery Company, June 10, 1964
Spectrographic Examination Sheet, Smith-Emery Co., June 10, 1964
Assay Sheet, Smith-Emery Company, June 30, 1964
Assay Sheet, Technical, Commercial & Industrial Co., August 2, 1968

INTRODUCTION:

At the request of Mr. Walter W. McMillen, an associate of Stradco Inc. and with written authorization from Mr. Frank Broes, Board Chairman of Stradco Inc., Suite 700, 1030 Fifteenth Street, N. W., Washington D. C., the writer completed an appraisal of the D. J. and L. J. C. placer mining claims, Maricopa County, Arizona. The completed appraisal reported on herein factualizes to some extent and reflects the potential mineral wealth in situ within the property boundary.

The writer personally and physically examined a portion of the property in a general way on October 20, 1971, accompanied by Mr. McMillen. Some of the physical exploratory efforts by International Iron Co. were observed on the ground during the visit. Unfortunately, no drill hole sample records, geologic or assays, are available for study, consequently, nor "ore reserve" as such can be calculated. A few assay records of "crude ore" and "concentrates" are available but sample discriptions, correlations, locations and other sample details are lacking.

In view of the above situation - lack of adequate, positive, identifyable information, the writer is required to rely on his experience with and knowledge of placer deposits of similar nature, characteristics and mineralization.

CONCLUSIONS:

The purpose of this report is but for a single objective - an appraisal of the placer claims mineral wealth "in place" - consequently but one conclusion is required. The conclusion is based on four assumptional factors. A variance of any one factor would revise the appraisal either upwards or downwards. Also, for the most part, the four assumptions are derived from the writers experience and knowledge of similar deposits in Arizona. The limited factual data available on the property in question has been used solely as a guide, rather than actual proof, to establish the realistic assumptions used by the writer. The limited amount of factual data permits the writer but one categorical definition of the appraisal value - namely, inference, - thus justifyably, the writer concludes that:

(1) - The area of consideration as discribed within the report would have an "inferred, in place" mineral wealth, as regards the mineral magnetite (Fe_3O_4), of 9,161,000 long tons at a possible market value of $176,700,000.- - at property.

PROPERTY, LOCATION and ACCESSIBILITY:

The property consists of fifty seven 160 acre placer claims totalling plus or minus 9120 acres. Claims involved are the D. J. #1 through #34 and the L. J. C. #1 through #8, #25 through #31, #153 through #156 and #172 through #174. (34 D. J. Claims and 23 L. J. C. Claims) See Map No. 2.

All of the D. J. claims lie within T. 4 N., R. 9 W. covering all of

Sections 19, 20, 21, 26, 28, 29, 30, 32 and the N/2 of Section 27. The L. J. C. claims cover all of Sections 31 in T. 4 N., R. 9 W., all of Sections 6, 7, 18 and 19 plus the N/2 and SE/4 of Section 30 in T. 3 N., R. 9 W., of the G. & B. R. B. & M. in western Maricopa County, Arizona.

Mr. McMillen states that all claims are valid and current as regards annual accessment work.

Travel to the property can be accomplished by passenger auto from Phoenix via U. S. Highway 80 to Buckeye, thence westerly on the Buckeye-Hassayampa-Salome County road. This route is paved to a point 29 miles westerly of Buckeye (the Mary E. farm road junction). Beyong this junction the road is gravel but usually well maintained by the County Highway Department. Twenty miles past the Mary E. Junction in a northwesterly direction toward Salome, a northeasterly trending gravel road junctions on the right and leads to the town of Aguila located on U. S. Highway 60-70. Travelling 3.9 miles northeasterly on this road is an easterly trending desert road on the right. Travel on this desert road for 5.1 miles easterly, passing a ranchers fenced earth water tank, one intersects the west boundary (Range line) of the property and onto claim D. J. #26, Section 30, T. 4 N., R. 9 W. See Map No. 1 and No. 3.

Several ranch type desert roads make a portion of the property accessible by passenger auto. Access to other portions would possibly require a four wheel drive, high center vehicle to overcome some of the hazardous steep banked narrow type gullies in the area.

GEOLOGY:

For the most part, the claims cover a broad expanse of valley fill alluvium consisting of sand, pebbles, cobbles and boulders representing the exposed rocks of the surrounding area. A striking physical feature of the alluvium is the minimum amount of boulders (a four to six inch size or greater) and the abundance of sand and pebbles. This characteristic was also observed when viewing the walls of several 36 inch diameter drill holes.

Rocks in the surrounding area consist of Pre-Cambrian gneiss and granite, Cretaceous andesite and rhyolite and Quaternary basalt which is largely small reminants capping the ridges of the mounds and hills surrounding the placer property. See Map No. 3. Float-wise, white quartz fragments were noted as well as some pieces of pegmatite, not at all uncommon to the area.

MINERALIZATION:

The principal mineral of interest within the placer property is magnetite, Fe_3O_4, which has a magnetic characteristic and a usual constituent of many igneous rock types. Through the erosional processes, the magnetite has been removed from the rocks and transported to the valley fill alluvium where it concentrates in thin layers separated by barren or lean sand and pebble layers. To a lesser degree there may be dissemination of the magnetite in the aforementioned barren or lean layers.

Most magnetite occurring in placer deposits, particularly in Arizona, contains illmenite ($FeTiO_3$) as an admixture and a deleterious impurity when considering the magnetite as a raw material for production of iron and steel. Many of the Arizona magnetite sands contain this impurity. Removal of the titanium is a difficult and costly process and it is mostly for this reason that several of the magnetite placers in Arizona are not operative. Illmenite also occurs as a separate, divorced mineral and as such, because of its slight magnetic property, it can be almost wholly removed.

Available assay reports of ore samples and concentrates indicate that some of the titanium content can be removed by concentration of the magnetite and (2) that there is a very minimum amount of titanium married to the magnetite as an admixture, which, ofcourse, is good from the standpoint of the material being concentrated and used as an iron ore.

All Arizona magnetite sands range from about 4% to 6% magnetite (2.8 to 4.2% iron). These percentages bear a direct relationship to the magnetite content of the surrounding rock outcrops from whence it came. The D. J. and L. J. C. placer group is no exception. All Arizona magnetite sands contain gold in varying amounts. Occasionally, the gold is free (pannable or amalgamable) but more often than not, the gold is married to the magnetite as an admixture - like the titanium - and in this occurance would require a cyanide dissolution.

Summarizing, the potential mineral wealth of the property is in its magnetite content for use as an iron ore and possibly, just possibly, the gold content, if extractable.

PROPERTY DEVELOPMENT:

Available records indicate that the property was partially explored by 34 drill holes of 36 inch diameter and 20 to 30 feet deep. This is one hole on each of the 34 D. J. claims. (See Map No. 3) It is assumed by the writer that most holes were located close to the center of each claim (as shown on the Map), however, it is thought that their location was determined more by accessibility of the truck mounted drill than by an exacting, equally spaced, surveyed grid drilling pattern. Thus, the drill hole locations on the map are merely pictorial for convenience.

Fortyfive 2 inch diameter drill holes were reported as drilled to an average of 30 feet. The location of such holes are not known, however, they were marked in the field by 2" x 2" x 5 foot stakes with the hole numbers and depth of hole marked on each stake. Again accessibility appears to have determined their location.

While in the field, Mr. McMillen and the writer found six stakes (some upright, others on ground) (See Map No. 3) but none of the 2 inch holes could be located -- no doubt caved and filled in as a result of rain, etc.

Five 36 inch diameter drill holes were found and only one of these had caved and filled in. (See Map No. 3). Three holes were approximately

20 feet deep and the fourth visible hole was estimated at 30 feet deep. Observation of the hole walls in three of the holes indicated the alluvium penetrated consisted, for the most part, of sand, pebbles and cobbles with few boulders larger that 4 to 6 inches. The fourth observed hole (believed to be in Section 19, SE/4) contained a greater amount of boulders larger than 4 to 6 inches. This criteria was also onted on the surface in the immediate area. This criteria should be a significant indicator for determining particle sized at depth.

Two water wells, approximately 800 feet deep, are located near the plant building. See Map No. 3. It is reported that water was encountered at 200 feet, however, the writer timed a falling stone and only a loud metallic sounding noise was heard at approximately 700 to 750 feet in both wells. No sound of water was heard.

POTENTIAL MINERAL WEALTH:

Unfortunately, as in many instances, the above discribed exploratory drilling and development has been for naught in as much as there are no geologic logs, sample discriptions or sample assay values available to and for the writer to review, study and correlate into a meaningful, accurate and positive type calculation to arrive at an "in place" potential mineral wealth appraisal. Records such as these, if taken, are usually lost or misplaced or else not taken during the exploratory program.

In view of the above status, the writer has little choice but to apply his experience and knowledge in and of deposits of similar nature and character and to sparingly apply the very limited and un-identifyable assay data and test work data to justify the conclusions and terms of the calculations herein presented. The mineral wealth appraisal, as presented, can achieve a level no higher than an "inference", in terms of the industry's mineralization classifications of "inferred". "indicated" and "proven".

Lack of positive, orderly obtained, adequately identifyable information and records requires that certain assumptions be made, keeping in mind, that these assumptions are not "unknowns" but substantiated facts as related to similar deposits in Arizona. These are:

(1) - Magnetite content averages 4.5% (3.1% Fe)
(Dept. of Mineral Resources data, writers experience)

(2) - Magnetite content continues to an average 21 foot depth.
(Indicated by large diameter drill holes)

(3) - Magnetite recovery is possible in excess of 93%.
(Indicated by Laboratory of Analytical Chemistry, Athens, Greece)

(4) - Weight per cubic yard of material averages 3000 pounds.
(writers experience).

The area of mineralization under consideration in this instance is:

All of Sections 20, 21 & 30,	T. 4 N.,	R. 9 W.			1920 acres
90% of Sections 19 & 32	"	"	"	"	1150 "
80% of Section 29	"	"	"	"	510 "

65% of Sections 26 & 28, T. 4 N., R. 9 W.	830 acres
50% of Section 27 " " " "	320 "
Total area	4730 acres
Square yard factor (acres to yards)	X 4840
Square yards	22,893,200 sq. yds.
Factor for 21 foot depth, 7 yards	X 7
Cubic yards for 7 yard depth	160,252,400 cu. yds.
Factor, cubic yards to short tons	X 1.5
Short tons mineralized sand, gravel	240,378,600 S. T.
Magnetite content, 4.5% (assumed)	X 4.5
Magnetite, short tons	10,817,000 S. T.
Recovery factor (beneficiation), 93%	X 0.93
Marketable magnetite, 97%	10,260,000 S. T.
Conversion factor, short to long tons, 0.89287	X 0.89287
Marketable magnetite, long tons	9,160,900 L. T.
Marketable iron grade, 65%+ Fe.	
Pellet price, 28¢/LTU or $18.20/LT (E. & M. J. quotation, Sept. 1971)	X $18.20
Inferred value of magnetite mineralization "in place" within D. J. placer claims to a depth of 21 feet below surface.	$176,728,400.-

445

The 23 L. J. C. claims have not been considered in the above appraisal simply because of their geographic position and lack of any positive and visual information. However, if similar conditions exist, a dollar value equivalent to 50% of the above figure, or $88,000,000.-, could be added to the above calculated value.

Mr. Frank Broes had advised the Department of Mineral Resources, Phoenix, Arizona, on or about February 4, 1965 that gold values of $30.00 to $35.-/ton of concentrates (magnetite) were indicated. The writer has no factual data or proof at hand to verify this conclusion, consequently, an appraisal of the gold content cannot be included in the appraisal value. If, however, the gold is present in the amounts indicated, it would more than double the "inferred" appraised or calculated dollar value of mineral wealth "in place".

Actual development of a proven, delimited ore reserve of specific grade by drilling, feasibility study of mining and beneficiation, economics and marketing are the next successive phases toward a complete evaluation prior to an operation.

Respectfully submitted,

Richard E. Mieritz,
Mining Consultant,
Engineer and Geologist
Sun City, Arizona
January 27, 1973

AN APPRAISAL

of

"IN PLACE" MINERAL WEALTH

of the

D. J. & L. J. C. PLACERS

in

Maricopa County, Arizona

by

Richard E. Mieritz
Mining Consultant
Engineer - Geologist
(Sun City, Arizona)
Phoenix, Arizona

October 23, 1971

TABLE of CONTENTS

	Page
Introduction	1
Conclusions	1
Property, Location and Accessibility	1
Geology	2
Mineralization	2
Property Development	3
Potential Mineral Wealth	4

Attachments:

Map No. 1, Index Map
Map No. 2, Property Map
Map No. 3, Surface Geology Map

Factual data submitted by Stradco Iron Company and reviewed by the writer.

Assay Sheet, Metallurgical Laboratories, May 6, 1964
Assay Sheet, Laboratory of Analytical Chemistry, July 18, 1968
Assay and Screening Sheet, part of above
Assay Sheet, Technical, Commercial & Industrial Co., July 29, 1968
Assay Sheet, Smith-Emery Company, June 10, 1964
Spectrographic Examination Sheet, Smith-Emery Co., June 10, 1964
Assay Sheet, Smith-Emery Company, June 30, 1964
Assay Sheet, Technical, Commercial & Industrial Co., August 2, 1968

INTRODUCTION:

At the request of Mr. Walter W. McMillen, an associate of Stradco, Inc., and with written authorization from Mr. Frank Broes, Board Chairman of Stradco Iron Company, 1351 Airport Service Rd., P.O. Box 18189, Jacksonville, Florida, 32229, the writer completed an appraisal of the D. J. and L. J. C. placer mining claims, Maricopa County, Arizona. The completed appraisal reported on herein factualizes to some extent and reflects the potential mineral wealth in situ within the property boundary.

The writer personally and physically examined a portion of the property in a general way on October 20, 1971, accompanied by Mr. McMillen. Some of the physical exploratory efforts by International Iron Co. were observed on the ground during the visit. Unfortunately, no drill hole sample records, geologic or assay, are available for study, consequently, no "ore reserve" as such can be calculated. A few assay records of "crude ore" and "concentrates" are available but sample descriptions, correlations, locations and other sample details are lacking.

In view of the above situation - lack of adequate, positive, identifiable information, the writer is required to rely on his experience with and knowledge of placer deposits of similar nature, characteristics and mineralization.

CONCLUSIONS:

The purpose of this report is but for a single objective - an appraisal of the placer claims mineral wealth "in place" - consequently but one conclusion is required. The conclusion is based on four assumptional factors. A variance of any one factor would revise the appraisal either upwards or downwards. Also, for the most part, the four assumptions are derived from the writer's experience and knowledge of similar deposits in Arizona. The limited factual data available on the property in question has been used solely as a guide, rather than actual proof, to establish the realistic assumptions used by the writer. The limited amount of factual data permits the writer but one categorical definition of the appraisal value - namely, inference, - thus justifiably, the writer concludes that:

(1) - The area of consideration as described within the report would have an "inferred, in place" mineral wealth, as regards the mineral magnetite (Fe_3O_4) of 9,161,000 long tons at a possible market value of $264,979,000. -- at property.

PROPERTY, LOCATION and ACCESSIBILITY:

The property consists of fifty seven 160 acre placer claims totaling plus or minus 9120 acres. Claims involved are the D. J. #1 through #34 and the L. J. C. #1 through #8, #25 through #31, #153 through #156 and #172 through #174. (34 D. J. claims and 23 L. J. C. claims) See Map No. 2.

All of the D. J. claims lie within T. 4 N., R. 9 W., covering all of

Sections 19, 20, 21, 26, 28, 29, 30, 32 and the N/2 of Section 27. The L. J. C. claims cover all of Sections 31 in T. 4 N., R. 9 W., all of Sections 6, 7, 18 and 19 plus the N/2 and SE/4 of Section 30 in T. 3 N., R. 9 W., of the G. & S. R. B. & M. in western Maricopa County, Arizona.

Mr. McMillen states that all claims are valid and current as regards annual assessment work.

Travel to the property can be accomplished by passenger auto from Phoenix via U. S. highway 80 to Buckeye, thence westerly on the Buckeye-Hassayampa-Salome County road. This route is paved to a point 29 miles westerly of Buckeye (the Mary E. farm road Junction). Beyond this junction the road is gravel but usually well maintained by the County Highway Department. Twenty miles past the Mary E. Junction in a northwesterly direction toward Salome, a northeasterly trending gravel road junctions on the right and leads to the town of Aguila located on U. S. highway 60-70. Traveling 3.9 miles northeasterly on this road is an easterly trending desert road on the right. Travel on this desert road for 5.1 miles easterly, passing a rancher's fenced earth water tank, one intersects the west boundary (Range Line) of the property and onto claim D. J. #26, Section 30, T. 4 N., R. 9 W. See Maps No. 1 and No. 3.

Several ranch type desert roads make a portion of the property accessible by passenger auto. Access to other portions would possibly require a four wheel drive, high center vehicle to overcome some of the hazardous steep banked narrow type gullies in the area.

GEOLOGY:

For the most part, the claims cover a broad expanse of valley fill alluvium consisting of sand, pebbles, cobbles and boulders representing the exposed rocks of the surrounding area. A striking physical feature of the alluvium is the minimum amount of boulders (a four to six inch size or greater) and the abundance of sand and pebbles. This characteristic was also observed when viewing the walls of several 36 inch diameter drill holes.

Rocks in the surrounding area consist of Pre-Cambrian gneiss and granite, Cretaceous andesite and rhyolite and Quaternary basalt which is largely small remnants capping the ridges of the mounds and hills surrounding the placer property. See Map No. 3. Float-wise, white quartz fragments were noted as well as some pieces of pegmatite, not at all uncommon to the area.

MINERALIZATION:

The principal mineral of interest within the placer property is magnetite, Fe_3O_4, which has a magnetic characteristic and a usual constituent of many igneous rock types. Through the erosional processes, the magnetite has been removed from the rocks and transported to the valley fill alluvium where it concentrates in thin layers separated by barren or lean sand and pebble layers. To a lesser degree there may be dissemination of the magnetite in the aforementioned barren or lean layers.

Most magnetite occurring in placer deposits, particularly in Arizona, contains illmenite ($FeTiO_3$) as an admixture and a deleterious impurity when considering the magnetite as a raw material for production of iron and steel. Many of the Arizona magnetite sands contain this impurity. Removal of the titanium is a difficult and costly process and it is mostly for this reason that several of the magnetite placers in Arizona are not operative. Illmenite also occurs as a separate, divorced mineral and as such, because of its slight magnetic property, it can be almost wholly removed.

Available assay reports of ore samples and concentrates indicate that some of the titanium content can be removed by concentration of the magnetite and (2) that there is a very minimum amount of titanium married to the magnetite as an admixture, which, of course, is good from the standpoint of the material being concentrated and used as an iron ore.

All Arizona magnetite sands range from about 4% to 6% magnetite (2.8% to 4.2% iron). These percentages bear a direct relationship to the magnetite content of the surrounding rock outcrops from whence it came. The D. J. and L. J. C. placer group is no exception. All Arizona magnetite sands contain gold in varying amounts. Occasionally, the gold is free (pannable or amalgamable) but more often than not, the gold is married to the magnetite as an admixture - like the titanium - and in this occurrence would require a cyanide dissolution.

Summarizing, the potential mineral wealth of the property is in its magnetite content for use as an iron ore and possibly, just possibly, the gold content, if extractable.

PROPERTY DEVELOPMENT:

Available records indicate that the property was partially explored by 34 drill holes of 36 inch diameter and 20 to 30 feet deep. This is one hole on each of the 34 D. J. claims. (See Map No. 3.) It is assumed by the writer that most holes were located close to the center of each claim (as shown on the Map), however, it is thought that their location was determined more by accessibility of the truck mounted drill than by an exacting, equally spaced, surveyed grid drilling pattern. Thus, the drill hole locations on the map are merely pictorial for convenience.

Forty five 2 inch diameter drill holes were reported as drilled to an average of 30 feet. The location of such holes are not known, however, they were marked in the field by 2" x 2" x 5 foot stakes with the hole numbers and depth of hole marked on each stake. Again, accessibility appears to have determined their location.

While in the field, Mr. McMillen and the writer found six stakes (some upright, others on ground) (See Map No. 3) but none of the 2 inch holes could be located -- no doubt caved and filled in as a result of rain, etc.

Five 36 inch diameter drill holes were found and only one of these had caved and filled in. (See Map No. 3.) Three holes were approximately

20 feet deep and the fourth visible hole was estimated at 30 feet deep. Observation of the hole walls in three of the holes indicated the alluvium penetrated consisted, for the most part, of sand, pebbles and cobbles with few boulders larger than 4 to 6 inches. The fourth observed hole (believed to be in Section 19, SE/4) contained a greater amount of boulders larger than 4 to 6 inches. This criteria was also noted on the surface in the immediate area. This criteria should be a significant indicator for determining particle sizes at depth.

Two water wells, approximately 800 feet deep are located near the plant building. See Map No. 3. It is reported that water was encountered at 200 feet, however, the writer timed a falling stone and only a loud metallic sounding noise was heard at approximately 700 to 750 feet in both wells. No sound of water was heard.

POTENTIAL MINERAL WEALTH:

Unfortunately, as in many instances, the above described exploratory drilling and development has been for naught inasmuch as there are no geologic logs, sample descriptions or sample assay values available to and for the writer to review, study and correlate into a meaningful, accurate and positive type calculation to arrive at an "in place" potential mineral wealth appraisal. Records such as these, if taken, are usually lost or misplaced or else not taken during the exploratory program.

In view of the above status, the writer has little choice but to apply his experience and knowledge in and of deposits of similar nature and character and to sparingly apply the very limited and unidentifiable assay data and test work data to justify the conclusions and terms of the calculations herein presented. The mineral wealth appraisal, as presented, can achieve a level no higher than an "inference," in terms of the industry's mineralization classifications of "inferred," "indicated" and "proven."

Lack of positive, orderly obtained, adequately identifiable information and records requires that certain assumptions be made, keeping in mind that these assumptions are not "unknowns" but substantiated facts as related to similar deposits in Arizona. These are:

(1) - Magnetite content averages 4.5% (3.1% Fe)
(Dept. of Mineral Resources data, writer's experience)

(2) - Magnetite content continues to an average 21 foot depth.
(Indicated by large diameter drill holes)

(3) - Magnetite recovery is possible in excess of 93%
(Indicated by Laboratory of Analytical Chemistry, Athens, Greece)

(4) - Weight per cubic yard of material averages 3000 pounds.
(writer's experience)

The area of mineralization under consideration in this instance is:

All of Sections 20, 21 & 30,	T. 4 N.,	R. 9 W.			1920 acres
90% of Sections 19 & 32	"	"	"	"	1150 "
80% of Section 29	"	"	"	"	510 "

65% of Sections 26 & 28, T. 4 N., R. 9 W.	830 acres
50% of Section 27 " " " "	320 "
Total area	4730 acres
Square yard factor (acres to yards)	x 4840
Square yards	22,893,200 sq. yds.
Factor for 21 foot depth, 7 yards	x 7
Cubic yards for 7 yard depth	160,252,400 cu. yds.
Factor, cubic yards to short tons	x 1.5
Short tons mineralized sand, gravel	240,378,600 S. T.
Magnetite content, 4.5% (assumed)	x 4.5
Magnetite, short tons	10,817,000 S. T.
Recovery factor (beneficiation), 93%	x 0.93
Marketable magnetite, 97%	10,260,000 S. T.
Conversion factor, Short to long tons, 0.89287	x 0.89287
Marketable Magnetite, long tons	9,160,900 L. T.
Marketable iron grade, 65%+ Fe. 55.5	
Pellet price, 44.5¢/LTU or $28.92/LT (E. & M. J. quotation, April, 1975)	x $28.92 36.07
Inferred value of magnetite mineralization "in place" within D. J. placer claims to a depth of 21 feet below surface.	$264,979,000.- $330,438,000.-

The 23 L. J. C. claims have not been considered in the above appraisal simply because of their geographic position and lack of any positive and visual information. However, if similar conditions exist, a dollar value equivalent to 50% of the above figure, or $132,000,000.-, could be added to the above calculated value. 165,000,000.-

Mr. Frank Broes had advised the Department of Mineral Resources, Phoenix, Arizona, on or about February 4, 1965, that gold values of $30.00 to $35.00/ton of concentrates (magnetite) were indicated. The writer has no factual data or proof at hand to verify this conclusion, consequently, an appraisal of the gold content cannot be included in the appraisal value. If, however, the gold is present in the amounts indicated, it would more than double the "inferred" appraised or calculated dollar value of mineral wealth "in place."

Actual development of a proven, delimited ore reserve of specific grade by drilling, feasibility study of mining and beneficiation, economics and marketing are the next successive phases toward a complete evaluation prior to an operation.

Respectfully submitted,

Richard E. Mieritz,
Mining Consultant
Engineer and Geologist
Sun City, Arizona (now Phoenix)
(October 23, 1971)

NOTE:
The foregoing is an exact copy of the report completed by the writer dated October 23, 1971 except for Company name and address change and the use of the ~~April~~ Sept. 1975 1975 E. & M. J. quotation of 44.5¢/LTU of pellets, replacing the September 1971 quotation. 55.5

Report of Jan. 2, 1975

Walter W. McMillen, etal.
4040 East McDowell Rd.
Phoenix, Arizona, 85008

Dear Mr. McMillen:

At your request and authorization, December 2, 1974, the writer visited the Magna Placer Claims, T. 4 N., R. 9 W., Maricopa County, Arizona on December 6 and 7, 1974 for the purpose of sampling several newly excavated discovery pits or test pits within the confines of the fourty 160 acre placer claims staked by yourself and others.

The following is therefor the writers report on how this work was completed and the results thereof.

PROPERTY, LOCATION and ACCESSIBILITY:

Your property consists of 40 - 160 acre Placer Claims known as Magna No. 1 through No. 40, being relocations, for the most part, of old claims known as the D. J and L. J. C. Placers. Your claims cover all or parts of Sections 19, 20, 21, 22, 23, 27, 28, 29, 30, 31 and 32, all in T. 4 N., R. 9 W., G. & S. R. B. & M., Maricopa County, Arizona.

Access to the property from Phoenix is not difficult and can be accomplished by passenger car. The property (Mill Area) is approximately 85 miles westerly of Downtown Phoenix through Buckeye and Tonopah. Travel to Tonopah is via U. S. Highway 80 and/or temporary I-10 towards Los Angeles. Using the Tonopah I-10 overpass (true start of route I-10) travel 13.0 miles westward on I-10 to the Salome Road Exit (Exit 81) and 0.5 miles on the Exit road. Travel northwesterly (to the right) 0.4 miles to junction of a northward trending desert road on the right (at a sign marked Salome - 31 miles). Making the right turn onto this road, travel 0.8 miles to another junction at which point a left turn is made. After 8.5 miles travel on this desert type road is another junction as a "Y". Taking the left arm of the "Y", the Mill Area is 0.5 miles distant. (See Map No. 2 for position of claims, mill area and roads.).

CLAIM VALIDATION:

The required discovery pits on the 40 placer claims have been dug

using a "back-hoe" excavator. For the most part, these discovery pits were dug near the common corner of four claims, one pit on each of the four claims. This work commenced on December 6 and continued through December 7 and 8, 1974. Map No. 2, SAMPLE LOCATION MAP, shows the position of those pits which were dug on December 6 and 7, while the writer was present on the property.

The discovery and/or test pits had dimensions of 5 to 6 feet deep, 4½ to 6 feet wide and 11 to 13 feet long with vertical or near vertical walls on 3 sides and a high degree sloping wall on the remaining side (permitting access to examine the gravel-sand stratas encountered and to take the samples decided upon.).

SAMPLING-GENERAL:

Nine samples were personally taken and prepared by the writer on December 6 and 7. The geology of the pit sampled was also examined and noted by the writer. Those pits which were sampled are shown on Map No. 2 and are designated by the writers sample numbers 1256 through 1264.

Although the taking of the samples is accurate and considered as good sampling proceedure, it must be remembered these samples are strictly preliminary in nature being indicative of present "surface trends" of mineralization and to a limited "depth factor" as penetrated by the pits.

SAMPLE TAKING and PREPARATION:

Proper sampling and preparation of placer material is a time consuming, tedious process involving measurements, large volumes and weights, as well as many calculations.

The following general proceedure was used by the writer for the taking and preparation of the samples from those pits designated on Map No. 2 as being sampled.

(1) - After the pit was dug by the back-hoe excavator, the most vertical, even planed wall parallel to the pit length was selected to be sampled.

(2) - This wall was "skimmed" by the writer to trim and even the wall.

(3) - A specific section of selected dimensions, area-wise, was marked using a geologists pick.

(4) - A large plastic sheet was spread on the floor of the pit to more than cover the length of the sample.

(5) - Using a shovel and pick, successive "layers" of the material were scaled from the wall from the top to the bottom and across the "marked area" until the volume obtained approximated the volume of the sample measuring box.

(6) - The sampled, loose material (sand, gravel, rocks, etc) was hoisted

to the surface and emptied into the measuring box until full to the corners. Some tamping was done.

(7) - The measuring box used and made by the writer has a 2.7 cubic foot volume level full, or one tenth (1/10) of a cubic yard.

(8) - After being filled and tamped, the material was shoveled from the box and screened using a ¼ inch size screen. The undersize was then usually ssplit twice using a Jones type splitter.

(9) - The final quarter was then screened using an ordinary window screen mesh (about a 1/16th inch opening).

(10)- If the undersize was too much material, a third split was completed. A third split was necessary in all cases.

(11)- Half of this split (now 1/8th) of the original sample except for the plus ¼ inch discarded earlier, was panned using a standard gold pan until some of the very fine grained size "heavies" (magnetite, gold, etc.) started to move over the pan edge.

(12)- The final concentrate (sand grains and heavies) were low heat dried and packaged in sample envelopes after being properly identified by number.

(13)- Jacobs Assay Office, Tucson, Arizona, weighed each concentrate and assayed for natural iron (Fe), gold (Au) and silver (Ag). Five of the samples were assayed for Titanium (Ti) and one sample assayed for sulphur.

SAMPLE DISCRIPTIONS:

Nine samples were taken by the writer on December 6 and 7th, immediately after the discovery and/or test pit was excavated by the back-hoe equipment. The following sample discriptions include pit location, direction, size, size of sample block as measured by the writer and geological stratigraphy of the penetrated material, in that order.

Sample #1256 - Magna No. 5 (NW/4, Sec. 31) Pit at SE corner of claim, N. 45° W., 11 feet long, 4.5 feet wide, 6 feet deep. Sample 3.5 feet long, 2.5 feet high, ½ foot deep, NE wall, 2 feet NW of SE end and sample top is 3.6 feet below surface which contains soil, rocks up to 4 inches and some caliche..Sample area is successive layers of sand, magnetite, pebbles and some rocks up to 4 inches.

Sample #1257 - Magna No. 18 (SW/4, Sec. 32) Pit at NE corner of claim, N. 40° W, 12 feet long, 6 feet wide, 6 feet deep. Sample 4 feet long, 4 feet high and ¼ foot deep, NE wall, 2 feet NW of SE end and sample top is 1.5 feet below surface which contains soil and clay. Sample area is successive layers of sand, pebbles and some clay, possibly some magnetite.

Sample #1258 - Magna No. 4 (SW/4, Sec. 30) Pit at NE corner of claim, N. 45° W., 11 feet long, 4.5 feet wide, 6 feet deep. Sample 4.5 feet long, 4 feet high, 1/3 foot deep, NE wall, 2 feet NW of SE end and 1.8

feet below surface which contains soil and clay. Sample area is layers of sand, pebbles and rocks and about 4 inches of caliche. Some magnetite may be present.

Sample #1259 - Magna No. 21 (SE/4, Sec. 21) Pit at NW corner of claim, N. 25° W., 12 feet long, 5.5 feet wide, 5.5 feet deep. Sample 5 feet wide, 5.5 feet high and 2 inches deep, NE wall, 2 feet NW of SE end. Sample area is 3.5 feet magnetite, sand and pebbles above 2 feet of caliche and 4 inch rocks near bottom.

Sample #1260 - Magna No. 29 (SE/4, Sec. 28) Pit at NW corner of claim, N. 30° W., 11 feet long, 4.5 feet wide, 4.5 feet deep.Sample 5 feet long, 4.5 feet high and ½ foot deep, NE wall, 2 feet NW of SE end. Sample area is soil and silt for the top 4 inches, the balance being sand and pebbles and some rocks to 4 inches, but not necessarily layered whereas the magnetite does occur as discernable layers.

Sample #1261 - Magna No. 26 (SW/4, Sec. 21) Pit at SE corner of claim, S. 45° E., 11 feet long, 4.5 feet wide, 5.5 feet deep. Sample 4.5 feet long, 5 feet high, 3 inches deep, SW wall, 2 feet SE of NW end and ½ foot below surface which is soil and silt. Sample area is mostly sand with two layers of some pebbles and rocks to 4 inches at 1 foot and 3 feet above the pit bottom.

Sample #1262 - Magna No. 23 (SE/4, Sec. 20) Pit at SE corner of claim, N. 50° W., 11 feet long, 5.5 feet wide and 5.5 feet deep. Sample 5 feet long, 3.5 feet high, 3 inches deep, SW wall, 2 feet NW of SE end, 1.5 feet below surface which is soil and silt. Sample area is 3.5 feet sand and pebbles with ½ foot of sand, pebbles and rocks up to 3 inches, all with layers of magnetite, some quite coarse grained.

Sample #1263 - Magna No. 33 (NW/4, Sec. 27) Pit at NE corner of claim, N. 80° W., 12 feet long, 4.5 feet wide, 6 feet deep. Sample 4.5 feet long, 2 feet high, ½ foot deep, South wall, 4.5 feet West of East end and 4 feet below surface which is caliche. Sample area is sand, pebbles and some rock to 2 inches and minor amounts of fine grained magnetite.

Sample #1264 - Magna No. 40 (SE/4, Sec. 23) Pit at SE corner of claim, S. 70° W., 11.5 feet long, 4.5 feet wide and 6 feet deep. Sample 4 feet long, 5 feet high, ½ foot deep, North wall, 3 feet SW of NE end and 1 foot below surface which is soil and sand. Sample area is 1 foot sand below the soil, 2 feet of soft caliche containing rocks, pebbles and some sand and 2 feet of sand, clay and some pebbles above the pit floor.

SAMPLE DATA and RESULTS:

Sample data, calculations and assay results are exhibited in Table I and Table II. All data is self explanatory as identified by the column headings, however, as a matter of explanation and assumptions used, the following should be noted:

(1) - The natural iron content is considered to be derived completely from the iron mineral magnetite (Fe_3O_4, Fe = 72.4%, O = 27.6%, Sp. G. 5.17)

(2) - That the bulk of the material other than magnetite in the concentrate is sand grains (SiO_2, 100%, Sp. G. 2.65.
(3) - That the titanium oxide can be considered most likely as the mineral illmenite and/or rutile, wholly or in part as an admixture with the magnetite, and
(4) - That one cubic yard of sample averages 2,700 pounds, and
(5) - that the following calculations were used to determine the values of the columns shown in Table I. For absolute true values of the columns, mineralogical tests of the concentrates would be required, however, for the purpose of this work, the calculations as used are considered as being adequate and precise to the degree herewith required.

$$\text{Col. 5 (\% magnetite)} = \text{Col. 4 (\% natural Fe)} \times \frac{100\% \text{ (true magnetite)}}{72.4 \text{ (\% iron in true magnetite)}}$$

Col. 6 (% sand) = 100% (concentrate) - Col. 5 (% magnetite)

$$\text{Col. 7 (Sp.G. of Conc.)} = \text{Col. 5 (\% mag.)} \times 5.17 \text{ (Sp.G. mag)} + \frac{\text{Col. 6 (\% sand)} \times 2.65 \text{ (Sp.G. sand, } SiO_2\text{)}}{100\%}$$

(next line)

Col. 8 (Wt mag/cu. yd) = Col 3 (Conc Wt.) X Col. 5 (% mag) X 80 (Split portion X sample volume portion, 10 X 8)

$$\text{Col. 9 (\% mag/cu. yd)} = \frac{\text{Col. 8 (Wt. of magnetite / cu. yd.)}}{2700 \text{ (Wt. of cu. yd. sand-gravel, assumed)}}$$

$$\text{Col. 10 (Cu. yds for 1 ton mag.)} = \frac{2000 \text{ (pounds/ton-short)}}{\text{Col. 8 (Wt. of magnetite/cu. yd.)}}$$

$$\text{Cols. 11, 12 and 13} = \frac{\text{Gold, Silver and Titanium Oxide Assays} \times 100}{\text{Col. 5 (\% magnetite in Conc.)}}$$

ANALYSIS of SAMPLE RESULTS:

It must be remembered that the completed sampling program is very preliminary in nature and basically only tests the material from the surface to a 5 or 6 foot depth. Material to this depth is usually constantly "working" (moving horizontally and vertically) due to the annual precipitation as rain - hard rains - (flash flooding) in many instances.

Such test work however accomplishes to a great extent - validation of claims - and provides information as to "trends" or channels of weak, moderate or strong mineralization, particularly as regards magnetite (Fe_3O_4), content.

The sampling program was wide spaced, therefor merely indicative in the particular areas.

The tabulated and calculated information of Table I strongly suggests that the magnetite content in the sand-gravel material is somewhat "weak", except in sample #1262, over most of the surface area and to a depth of 5 or 6 feet. The same is true for all the gold and silver values of the samples taken and their presence is most certainly part and parcel of, and being, in solid solution with the magnetite. Little to no gold or silver would or could be considered as "native - free". As can be seen in Table I, these values are quite low.

Those samples assayed for titanium oxide suggests that this mineral (probably all illmenite - $FeTiO_3$) is not totally dependent on the magnetite content - to wit - sample #1256 with 25.7% magnetite and 1.13%

TABLE I

Sample Number	Sample Volume Cu. Ft.	Number of Splits & Ratio	Weight of Conc. Pounds (3)	Natural Iron- % (4)	Magnetite % (5)	Sand % (6)	Specific Gravity of Conc. (7)	Magnetite per cubic yard Lbs. - % (8)	(9)	Cubic Yards Req'd for one ton Magnetite (10)
1256	2.7	3 (1/8)	0.563	18.6	25.69	74.31	3.297	11.60	0.43	172.4
1257	2.7	3 (1/8)	1.688	26.0	35.91	64.09	3.555	48.48	1.79	41.3
1258	2.7	3 (1/8)	0.688	23.4	32.32	67.68	3.464	17.79	0.66	112.4
1259	2.7	3 (1/8)	0.688	33.6	46.41	53.59	3.819	25.52	0.95	78.3
1260	2.7	3 (1/8)	1.188	30.2	41.71	58.29	3.701	39.68	1.47	50.4
1261	2.7	3 (1/8)	1.062	20.7	28.59	71.41	3.370	24.32	0.90	82.2
1262	2.7	3 (1/8)	2.062	39.4	54.42	45.58	4.021	89.76	3.32	22.3
1263	2.7	3 (1/8)	0.625	29.2	40.33	59.67	3.666	20.16	0.75	99.2
1264	2.7	3 (1/8)	0.625	24.4	33.70	66.30	3.499	16.88	0.63	118.5

TABLE I Cont'd

Sample Number	Assays of Original Concentrate: Natural Iron %	Gold Oz/Ton	Silver Oz/Ton	Titanium Oxide %	Sulphur %	Calculated Contents for 100% Pure Magnetite Concentrate: Gold Oz/Ton (11)	Silver Oz/Ton (12)	Titanium Oxide % (13)
1256	18.6	Tr.	0.15	1.13		Tr.	0.58	4.40
1257	26.0	Tr.	0.10			Tr.	0.28	
1258	23.4	0.005	0.05	1.55		0.015	0.15	4.80
1259	33.6	Tr.	0.05	1.31		Tr.	0.11	2.82
1260	30.2	Tr.	0.10	1.16		Tr.	0.24	2.78
1261	20.7	Tr.	0.10			Tr.	0.35	
1262	39.4	0.005	0.15	0.91	2.85	0.010	0.28	1.67
1263	29.2	Tr.	0.05			Tr.	0.12	
1264	24.4	Tr.	0.05			Tr.	0.15	

All calculations made by R. E. Mieritz, Mining Consultant.

For explanation as to how each column (numbered) was calculated, refer to page 5 of the report.

TiO_2 as compared to sample #1262 with 54.4% magnetite and only 0.91% TiO_2.

FUTURE EXPLORATION:

The sampling results indicate favorable trends or channels of strong mineralization in all or part of Claims No. 23, 15, 22, 16, 21, 8, 17, 7 and 18 as one trend and Claims No. 35, 33, 30, 27, 29 and 28 as a second trend.

The sand-gravels within these two trends should be explored to 40 foot depths initially to learn the stratification of the area and also to sample and test for the magnetite content.

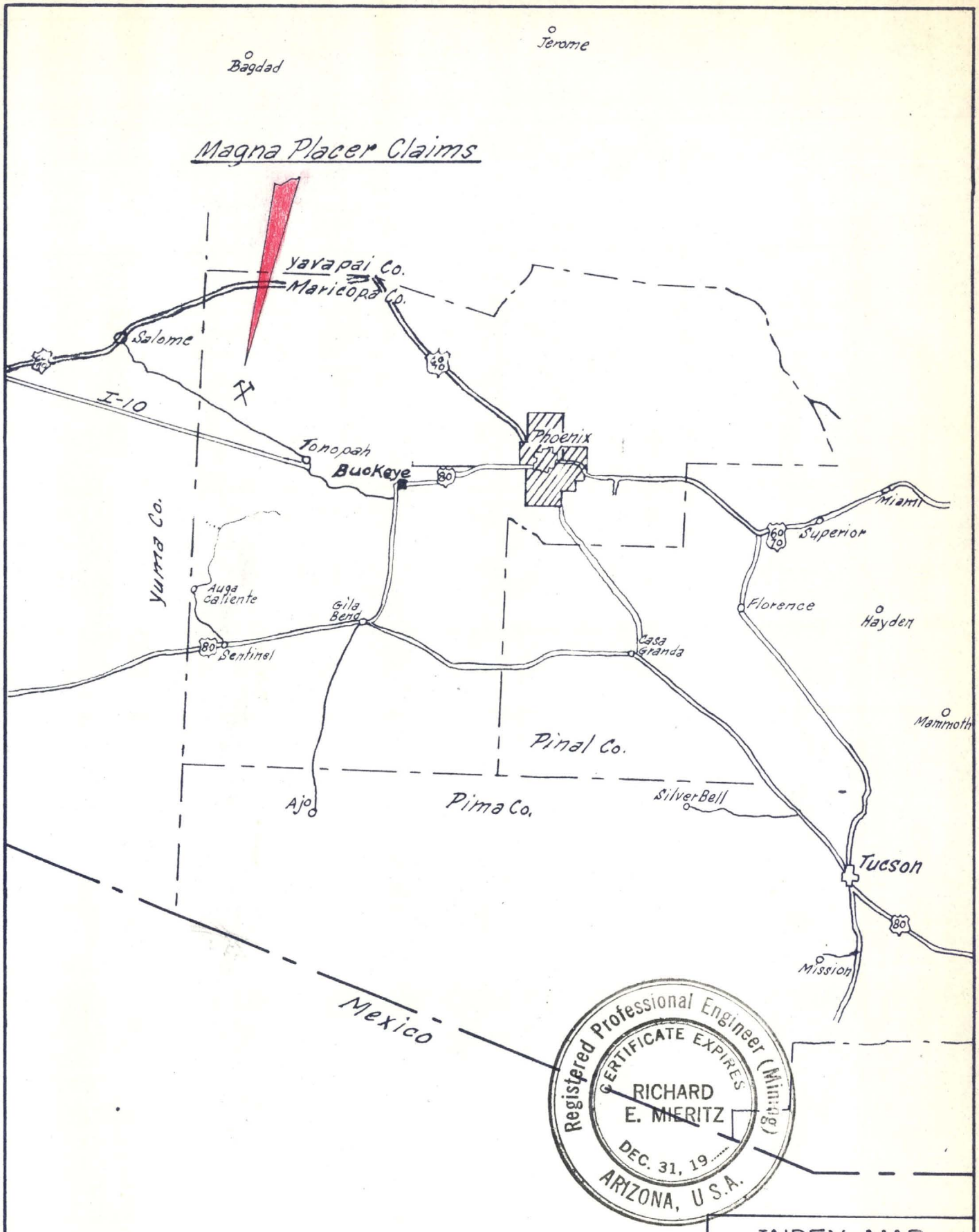
Placer sampling requires large volume samples which must be prepared like or similar to the method used by the writer. To obtain the necessary volume, large diameter drilling or shaft sinking is required. Placer sampling is an energetic program, both time-wise and financial-wise. Preparedness in both categories is a requirement for proper first phase development of the property.

The major trend - first mentioned in earlier paragraph - should be the first to be explored, particularly in the norther portion of the property because a coarser grained magnetite is suspected by the writer. Greater magnetite contents are also suspected.

Respectfully submitted,

R. E. Mieritz,
Mining Consultant
Phoenix, Arizona.

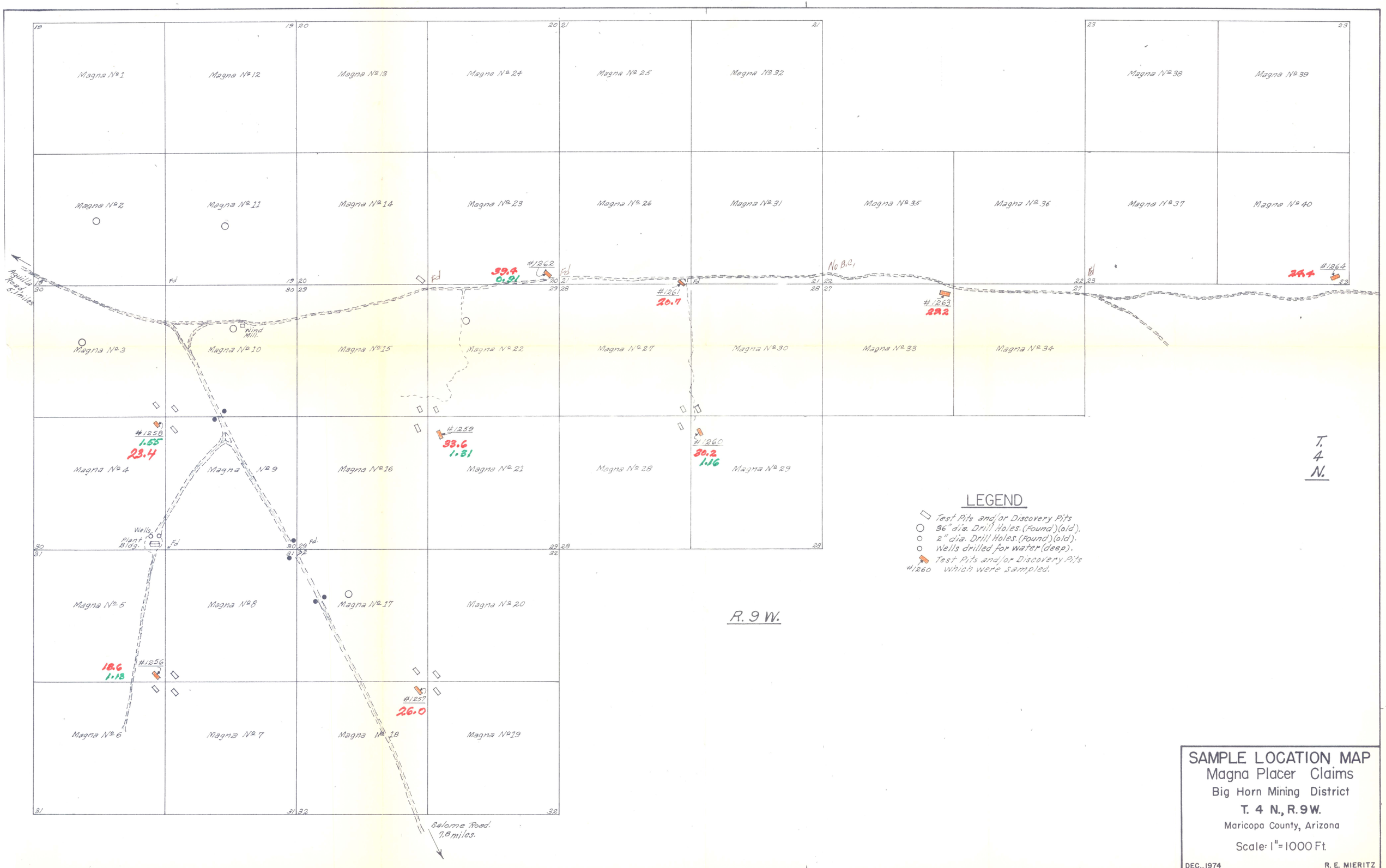
January 2, 1975



INDEX MAP
SOUTHWEST ARIZONA
SCALE: 1" = 27.5 MILES

JAN., 1962
R. E. MIERITZ, P.E. PHX, ARIZ

MAP Nº 2



SAMPLE LOCATION MAP
Magna Placer Claims
Big Horn Mining District
T. 4 N., R. 9 W.
Maricopa County, Arizona
Scale: 1" = 1000 Ft.
DEC., 1974
R. E. MIERITZ

MAP No 2

Typed 10/27/77

AN APPRAISAL

of

"IN PLACE" MINERAL WEALTH

of the

D. J. & L. J. C. PLACERS

in

Maricopa County, Arizona

by

Richard E. Mieritz
Mining Consultant
Engineer - Geologist
(Sun City, Arizona)
Phoenix, Arizona

October 23, 1971

TABLE of CONTENTS

	Page
Introduction	1
Conclusions	1
Property, Location and Accessibility	1
Geology	2
Mineralization	2
Property Development	3
Potential Mineral Wealth	4

Attachments:

Map No. 1, Index Map
Map No. 2, Property Map
Map No. 3, Surface Geology Map

Factual data submitted by Stradco Iron Company and reviewed by the writer.

Assay Sheet, Metallurgical Laboratories, May 6, 1964
Assay Sheet, Laboratory of Analytical Chemistry, July 18, 1968
Assay and Screening Sheet, part of above
Assay Sheet, Technical, Commercial & Industrial Co., July 29, 1968
Assay Sheet, Smith-Emery Company, June 10, 1964
Spectrographic Examination Sheet, Smith-Emery Co., June 10, 1964
Assay Sheet, Smith-Emery Company, June 30, 1964
Assay Sheet, Technical, Commercial & Industrial Co., August 2, 1968

INTRODUCTION:

1640 Northwest 14th Avenue
Phoenix, Arizona
~~850~~
P.O. Box 96229
Houston Tex
77015

At the request of Mr. Walter W. McMillen, an associate of Stradco, Inc., and with written authorization from Mr. Frank Broes, Board Chairman of Stradco Iron Company, 1~~351 Airport Service Rd., P.O. Box 18189, Jacksonville, Florida, 32229~~, the writer completed an appraisal of the D. J. and L. J. C. placer mining claims, Maricopa County, Arizona. The completed appraisal reported on herein factualizes to some extent and reflects the potential mineral wealth in situ within the property boundary.

The writer personally and physically examined a portion of the property in a general way on October 20, 1971, accompanied by Mr. McMillen. Some of the physical exploratory efforts by International Iron Co. were observed on the ground during the visit. Unfortunately, no drill hole sample records, geologic or assay, are available for study, consequently, no "ore reserve" as such can be calculated. A few assay records of "crude ore" and "concentrates" are available but sample descriptions, correlations, locations and other sample details are lacking.

In view of the above situation - lack of adequate, positive, identifiable information, the writer is required to rely on his experience with and knowledge of placer deposits of similar nature, characteristics and mineralization.

CONCLUSIONS:

The purpose of this report is but for a single objective - an appraisal of the placer claims mineral wealth "in place" - consequently but one conclusion is required. The conclusion is based on four assumptional factors. A variance of any one factor would revise the appraisal either upwards or downwards. Also, for the most part, the four assumptions are derived from the writer's experience and knowledge of similar deposits in Arizona. The limited factual data available on the property in question has been used solely as a guide, rather than actual proof, to establish the realistic assumptions used by the writer. The limited amount of factual data permits the writer but one categorical definition of the appraisal value - namely, inference, - thus justifiably, the writer concludes that:

(1) - The area of consideration as described within the report would have an "inferred, in place" mineral wealth, as regards the mineral magnetite (Fe_3O_4) of 9,161,000 long tons at a possible market value of $~~264,979,000~~ 330,525,000. -- at property.

PROPERTY, LOCATION and ACCESSIBILITY:

The property consists of fifty seven 160 acre placer claims totaling plus or minus 9120 acres. Claims involved are the D. J. #1 through #34 and the L. J. C. #1 through #8, #25 through #31, #153 through #156 and #172 through #174. (34 D. J. claims and 23 L. J. C. claims) See Map No. 2.

All of the D. J. claims lie within T. 4 N., R. 9 W., covering all of

Sections 19, 20, 21, 26, 28, 29, 30, 32 and the N/2 of Section 27. The L. J. C. claims cover all of Section 31 in T. 4 N., R. 9 W., all of Sections 6, 7, 18 and 19 plus the N/2 and SE/4 of Section 30 in T. 3 N., R. 9 W., of the G. & S. R. B. & M. in western Maricopa County, Arizona.

Mr. McMillen states that all claims are valid and current as regards annual assessment work.

Travel to the property can be accomplished by passenger auto from Phoenix via U. S. highway 80 to Buckeye, thence westerly on the Buckeye-Hassayampa-Salome County road. This route is paved to a point 29 miles westerly of Buckeye (the Mary E. farm road Junction). Beyond this junction the road is gravel but usually well maintained by the County Highway Department. Twenty miles past the Mary E. Junction in a northwesterly direction toward Salome, a northeasterly trending gravel road junctions on the right and leads to the town of Aguila located on U. S. highway 60-70. Traveling 3.9 miles northeasterly on this road is an easterly trending desert road on the right. Travel on this desert road for 5.1 miles easterly, passing a rancher's fenced earth water tank, one intersects the west boundary (Range Line) of the property and onto claim D. J. #26, Section 30, T. 4 N., R. 9 W. See Maps No. 1 and No. 3.

Several ranch type desert roads make a portion of the property accessible by passenger auto. Access to other portions would possibly require a four wheel drive, high center vehicle to overcome some of the hazardous steep banked narrow type gullies in the area.

GEOLOGY:

For the most part, the claims cover a broad expanse of valley fill alluvium consisting of sand, pebbles, cobbles and boulders representing the exposed rocks of the surrounding area. A striking physical feature of the alluvium is the minimum amount of boulders (a four to six inch size or greater) and the abundance of sand and pebbles. This characteristic was also observed when viewing the walls of several 36 inch diameter drill holes.

Rocks in the surrounding area consist of Pre-Cambrian gneiss and granite, Cretaceous andesite and rhyolite and Quaternary basalt which is largely small remnants capping the ridges of the mounds and hills surrounding the placer property. See Map No. 3. Float-wise, white quartz fragments were noted as well as some pieces of pegmatite, not at all uncommon to the area.

MINERALIZATION:

The principal mineral of interest within the placer property is magnetite, Fe_3O_4, which has a magnetic characteristic and a usual constituent of many igneous rock types. Through the erosional processes, the magnetite has been removed from the rocks and transported to the valley fill alluvium where it concentrates in thin layers separated by barren or lean sand and pebble layers. To a lesser degree there may be dissemination of the magnetite in the aforementioned barren or lean layers.

Most magnetite occurring in placer deposits, particularly in Arizona, contains illmenite ($FeTiO_3$) as an admixture and a deleterious impurity when considering the magnetite as a raw material for production of iron and steel. Many of the Arizona magnetite sands contain this impurity. Removal of the titanium is a difficult and costly process and it is mostly for this reason that several of the magnetite placers in Arizona are not operative. Illmenite also occurs as a separate, divorced mineral and as such, because of its slight magnetic property, it can be almost wholly removed.

Available assay reports of ore samples and concentrates indicate that some of the titanium content can be removed by concentration of the magnetite and (2) that there is a very minimum amount of titanium married to the magnetite as an admixture, which, of course, is good from the standpoint of the material being concentrated and used as an iron ore.

All Arizona magnetite sands range from about 4% to 6% magnetite (2.8% to 4.2% iron). These percentages bear a direct relationship to the magnetite content of the surrounding rock outcrops from whence it came. The D. J. and L. J. C. placer group is no exception. All Arizona magnetite sands contain gold in varying amounts. Occasionally, the gold is free (pannable or amalgamable) but more often than not, the gold is married to the magnetite as an admixture - like the titanium - and in this occurrence would require a cyanide dissolution.

Summarizing, the potential mineral wealth of the property is in its magnetite content for use as an iron ore and possibly, just possibly, the gold content, if extractable.

PROPERTY DEVELOPMENT:

Available records indicate that the property was partially explored by 34 drill holes of 36 inch diameter and 20 to 30 feet deep. This is one hole on each of the 34 D. J. claims. (See Map No. 3.) It is assumed by the writer that most holes were located close to the center of each claim (as shown on the Map), however, it is thought that their location was determined more by accessibility of the truck mounted drill than by an exacting, equally spaced, surveyed grid drilling pattern. Thus, the drill hole locations on the map are merely pictorial for convenience.

Forty five 2 inch diameter drill holes were reported as drilled to an average of 30 feet. The location of such holes are not known, however, they were marked in the field by 2" x 2" x 5 foot stakes with the hole numbers and depth of hole marked on each stake. Again, accessibility appears to have determined their location.

While in the field, Mr. McMillen and the writer found six stakes (some upright, others on ground) (See Map No. 3) but none of the 2 inch holes could be located -- no doubt caved and filled in as a result of rain, etc.

Five 36 inch diameter drill holes were found and only one of these had caved and filled in. (See Map No. 3.) Three holes were approximately

20 feet deep and the fourth visible hole was estimated at 30 feet deep. Observation of the hole walls in three of the holes indicated the alluvium penetrated consisted, for the most part, of sand, pebbles and cobbles with few boulders larger than 4 to 6 inches. The fourth observed hole (believed to be in Section 19, SE/4) contained a greater amount of boulders larger than 4 to 6 inches. This criteria was also noted on the surface in the immediate area. This criteria should be a significant indicator for determining particle sizes at depth.

Two water wells, approximately 800 feet deep are located near the plant building. See Map No. 3. It is reported that water was encountered at 200 feet, however, the writer timed a falling stone and only a loud metallic sounding noise was heard at approximately 700 to 750 feet in both wells. No sound of water was heard.

POTENTIAL MINERAL WEALTH:

Unfortunately, as in many instances, the above described exploratory drilling and development has been for naught inasmuch as there are no geologic logs, sample descriptions or sample assay values available to and for the writer to review, study and correlate into a meaningful, accurate and positive type calculation to arrive at an "in place" potential mineral wealth appraisal. Records such as these, if taken, are usually lost or misplaced or else not taken during the exploratory program.

In view of the above status, the writer has little choice but to apply his experience and knowledge in and of deposits of similar nature and character and to sparingly apply the very limited and unidentifiable assay data and test work data to justify the conclusions and terms of the calculations herein presented. The mineral wealth appraisal, as presented, can achieve a level no higher than an "inference," in terms of the industry's mineralization classifications of "inferred," "indicated" and "proven."

Lack of positive, orderly obtained, adequately identifiable information and records requires that certain assumptions be made, keeping in mind that these assumptions are not "unknowns" but substantiated facts as related to similar deposits in Arizona. These are:

(1) - Magnetite content averages 4.5% (3.1% Fe)
(Dept. of Mineral Resources data, writer's experience)

(2) - Magnetite content continues to an average 21 foot depth.
(Indicated by large diameter drill holes)

(3) - Magnetite recovery is possible in excess of 93%.
(Indicated by Laboratory of Analytical Chemistry, Athens, Greece)

(4) - Weight per cubic yard of material averages 3000 pounds.
(writer's experience)

The area of mineralization under consideration in this instance is:

All of Sections 20, 21 & 30,	T. 4 N., R. 9 W.	1920 acres
90% of Sections 19 & 32	" " " "	1150 "
80% of Section 29	" " " "	510 "

65% of Sections 26 & 28, T. 4 N., R. 9 W.	830 acres
50% of Section 27 " " " "	320 "
Total area	4730 acres
Square yard factor (acres to yards)	x 4840
Square yards	22,893,200 sq. yds.
Factor for 21 foot depth, 7 yards	x 7
Cubic yards for 7 yard depth	160,252,400 cu. yds.
Factor, cubic yards to short tons	x 1.5
Short tons mineralized sand, gravel	240,378,600 S. T.
Magnetite content, 4.5% (assumed)	x 4.5
Magnetite, short tons	10,817,000 S. T.
Recovery factor (beneficiation), 93%	x 0.93
Marketable magnetite, 97%	10,260,000 S. T.
Conversion factor, Short to long tons, 0.89287	x 0.89287
Marketable Magnetite, long tons	9,160,900 L. T.
Marketable iron grade, 65% plus Fe.	
55.5¢ Pellet price, 44.5¢/LTU or ~~$28.92~~/LT 36.08 (E. & M. J. quotation, ~~April 1975~~) Dec, 1977	x ~~$28.92~~ 36.08
Inferred value of magnetite mineralization "in place" within D. J. placer claims to a depth of 21 feet below surface	338,525,000.- ~~$264,979,000.-~~

The 23 L. J. C. claims have not been considered in the above appraisal simply because of their geographic position and lack of any positive and visual information. However, if similar conditions exist, a dollar value equivalent to 50% of the above figure, or $~~132,000,000~~.-, could be added to the above calculated value. 165,000,000

Mr. Frank Broes had advised the Department of Mineral Resources, Phoenix, Arizona, on or about February 4, 1965, that gold values of $30.00 to $35.00/ton of concentrates (magnetite) were indicated. The writer has no factual data or proof at hand to verify this conclusion, consequently, an appraisal of the gold content cannot be included in the appraisal value. If, however, the gold is present in the amounts indicated, it would more than double the "inferred" appraised or calculated dollar value of mineral wealth "in place."

Actual development of a proven, delimited ore reserve of specific grade by drilling, feasibility study of mining and beneficiation, economics and marketing are the next successive phases toward a complete evaluation prior to an operation.

Respectfully submitted,

Richard E. Mieritz
Mining Consultant
Engineer and Geologist
Sun City, Arizona (now Phoenix)
(October 23, 1971)

NOTE:
The foregoing is an exact copy of the report completed by the writer dated October 23, 1971 except for Company name and address change and the use of the ~~April 1975~~ E. & M. J. quotation of ~~44.5¢~~/LTU of pellets, replacing the September 1971 quotation. 55.5
December, 1977

typed 1-3-78

REPLY TO:
~~1634 W. HAZELWOOD STREET~~
PHOENIX, ARIZONA 850[redacted]16
TELEPHONE (602) 277-6053
2940 N. Casa Tomas

Richard E. Mieritz

MINING CONSULTANT

ARIZONA REGISTERED
MINING ENGINEER AND GEOLOGIST

GEOLOGY
EXPLORATION
EVALUATION
FEASIBILITY
OPERATION

January 3, 1978

Mr. Frank Broes, Board Chairman
Stradco Iron Company
P. O. Box 96229
Houston, Texas, 77015

Dear Mr. Broes:

Thank you kindly for your telephone authorization of January 2nd to the retyping and updating of the original October 23, 1971 report which I completed on the D. J. & L. J. C. Placer claims, Maricopa County, Arizona.

Herewith then, the original and six copies of the report as you had requested.

As you had also requested, the Company address change has been made as compared to the original report as well as the use of the December, 1977 E. & M. J. quotation price for iron pellets which is now 55.5¢/ltu instead of 28¢ in September, 1971 and 44.5¢ in April, 1975- both previously used figures. Except for these changes, this retyping of the report is the same as the original report of October , 1971.

Sincerely yours,

Richard E. Mieritz

Richard E. Mieritz,
Mining Consultant
Phoenix, Arizona.

AN APPRAISAL

of

"IN PLACE" MINERAL WEALTH

of the

D. J. & L. J. C. PLACERS

in

Maricopa County, Arizona

by

Richard E. Mieritz
Mining Consultant
Engineer - Geologist
(Sun City, Arizona)
Phoenix, Arizona

October 23, 1971

TABLE of CONTENTS

	Page
Introduction.	1
Conclusions	1
Property, Location and Accessibility.	1
Geology..	2
Mineralization.	2
Property Development.	3
Potential Mineral Wealth.	4

Attachments:

Map No. 1, Index Map
Map No. 2, Property Map
Map No. 3, Surface Geology Map

Factual data submitted by Stradco Iron Company and reviewed by the writer.

Assay Sheet, Metallurgical Laboratories, May 6, 1964
Assay Sheet, Laboratory of Analytical Chemistry, July 18, 1968
Assay and Screening Sheet, part of above
Assay Sheet, Technical, Commercial & Industrial Co., July 29, 1968
Assay Sheet, Smith-Emery Company, June 10, 1964
Spectrographic Examination Sheet, Smith-Emery Co., June 10, 1964
Assay Sheet, Smith-Emery Company, June 30, 1964
Assay Sheet, Technical, Commercial & Industrial Co. August 2, 1968

INTRODUCTION:

At the written request of and authorization (dated October 19, 1971) by Mr. Frank Broes, Board Chairman of Stradco Iron Company, the address of which is P. O. Box 96229, Houston, Texas, 77015, the writer completed an appraisal of the D. J. and L. J. C. placer mining claims, Maricopa County, Arizona. The completed appraisal reported on herein factualizes to some extent and reflects the potential mineral wealth in situ within the property boundary.

The writer personally and physically examined a portion of the property in a general way on October 20, 1971, accompanied by a Mr. McMillen. Some of the physical exploratory efforts by International Iron Co. were observed on the ground during the visit. Unfortunately, no drill hole sample records, geologic or assay logs are available for study, consequently, no "ore reserve" as such can be calculated. A few assay records of "crude ore" and "concentrates" are available but sample descriptions, correlations, locations and other sample details are lacking.

In view of the above situation - lack of adequate, positive, identifiable information, the writer is required to rely on his experience with and knowledge of placer deposits of similar nature, characteristics and mineralization.

CONCLUSIONS:

The purpose of this report is but for a single objective - an appraisal of the placer claims mineral wealth "in place" - consequently but one conclusion is required. The conclusion is based on four assumptional factors. A variance of any one factor would revise the appraisal either upwards or downwards. Also, for the most part, the four assumptions are derived from the writer's experience and knowledge of similar deposits in Arizona. The limited factual data available on the property in question has been used solely as a guide, rather than actual proof, to establish the realistic assumptions used by the writer. The limited amount of factual data permits the writer but one categorical definition of the appraisal value - namely, inference, - thus, justifiably, the writer concludes that:

(1) - The area of consideration as described within the report would have an "inferred, in place" mineral wealth, as regards the mineral magnetite (Fe_3O_4) of 9,161,000 long tons at a possible market value of $330,525,000.-- at property.

PROPERTY, LOCATION and ACCESSIBILITY:

The property consists of fifty seven 160 acre placer claims totaling plus or minus 9,120 acres. Claims involved are the D. J. #1 through #34 and the L. J. C. #1 through #8, #25 through #31, #153 through #156 and #172 through #174. (34 D. J. claims and 23 L. J. C. claims) See Map No. 2.

All of the D. J. claims lie within T. 4 N., R. 9 W., covering all of

Sections 19, 20, 21, 26, 28, 29, 30, 32 and the N/2 of Section 27. The L. J. C. claims cover all of Section 31 in T. 4 N., R. 9 W., all of Sections 6, 7, 18 and 19 plus the N/2 and SE/4 of Section 30 in T. 3 N., R. 9 W., of the G. & S. R. B. & M. in western Maricopa County, Arizona.

Mr. F. Broes states that all claims are valid and current as regards annual assessment work.

Travel to the property can be accomplished by passenger auto from Phoenix via U. S. Highway 80 to Buckeye, thence westerly on the Buckeye-Hassayampa-Salome County Road. This route is paved to a point 29 miles westerly of Buckeye (the Mary E. farm road Junction). Beyond this junction the road is gravel but usually well maintained by the County Highway Department. Twenty miles past the Mary E. Junction in a northwesterly direction toward Salome, a northeasterly trending gravel road junctions on the right and leads to the town of Aguila located on U. S. Highway 60-70. Traveling 3.9 miles northeasterly on this road is an easterly trending desert road on the right. Travel on this desert road for 5.1 miles easterly, passing a rancher's fenced earth water tank, one intersects the west boundary (Range Line) of the property and onto claim D. J. #26, Section 30, T. 4 N., R. 9 W. See Maps No. 1 and No. 3.

Several ranch type desert roads make a portion of the property accessible by passenger auto. Access to other portions would possibly require a four wheel drive, high center vehicle to overcome some of the hazardous steep banked narrow type gullies in the area.

GEOLOGY:

For the most part, the claims cover a broad expanse of valley fill alluvium consisting of sand, pebbles, cobbles and boulders representing the exposed rocks of the surrounding area. A striking physical feature of the alluvium is the minimum amount of boulders (a four to six inch size or greater) and the abundance of sand and pebbles. This characteristic was also observed when viewing the walls of several 30 inch diameter drill holes.

Rocks in the surrounding area consist of Pre-Cambrian gneiss and granite, Cretaceous andesite and rhyolite and Quaternary basalt which is largely small remnants capping the ridges of the mounds and hills surrounding the placer property. See Map No. 3. Float-wise, white quartz fragments were noted as well as some pieces of pegmatite, not at all uncommon to the area.

MINERALIZATION:

The principal mineral of interest within the placer property is magnetite, Fe_3O_4, which has a magnetic characteristic and a usual constituent of many igneous rock types. Through the erosional processes, the magnetite has been removed from the rocks and transported to the valley fill alluvium where it concentrates in thin layers separated by barren or lean sand and pebble layers. To a lesser degree there may be dissemination of the magnetite in the aforementioned barren or lean layers.

Most magnetite occurring in placer deposits, particularly in Arizona, contains illmenite ($FeTiO_3$) as an admixture and a deleterious impurity when considering the magnetite as a raw material for production of iron and steel. Many of the Arizona magnetite sands contain this impurity. Removal of the titanium is a difficult and costly process and it is mostly for this reason that several of the magnetite placers in Arizona are not operative. Illmenite also occurs as a separate, divorced mineral and as such, because of its slight magnetic property, it can be almost wholly removed.

Available assay reports of ore samples and concentrates indicate that some of the titanium content can be removed by concentration of the magnetite and (2) that there is a very minimum amount of titanium married to the magnetite as an admixture, which, of course, is good from the standpoint of the material being concentrated and used as an iron ore.

All Arizona magnetite sands range from about 4% to 6% magnetite (2.8% to 4.2% iron). These percentages bear a direct relationship to the magnetite content of the surrounding rock outcrops from whence it came. The D. J. and L. J. C. placer group is no exception. All Arizona magnetite sands contain gold in varying amounts. Occasionally, the gold is free (pannable or amalgamable) but more often than not, the gold is married to the magnetite as an admixture - like the titanium - and in this occurrence would require a cyanide dissolution.

Summarizing, the potential mineral wealth of the property is in its magnetite content for use as an iron ore and possibly, just possibly, the gold content, if extractable.

PROPERTY DEVELOPMENT:

Available records indicate that the property was partially explored by 34 drill holes of 36 inch diameter and 20 to 30 feet deep. This is one hole on each of the 34 D. J. claims. (See Map No. 3.) It is assumed by the writer that most holes were located close to the center of each claim (as shown on the Map), however, it is thought that their location was determined more by accessibility of the truck mounted drill than by an exacting, equally spaced, surveyed grid drilling pattern. Thus, the drill hole locations on the map are merely pictorial for convenience.

Forty five 2 inch diameter drill holes were reported as drilled to an average of 30 feet. The location of such holes is not known, however, they were marked in the field by 2" x 2" x 5 foot stakes with the hole numbers and depth of hole marked on each stake. Again, accessibility appears to have determined their location.

While in the field, Mr. McMillen and the writer found six stakes (some upright, others on ground) (See Map No. 3) but none of the 2 inch holes could be located -- no doubt caved and filled in as a result of rain, etc.

Five 36 inch diameter drill holes were found and only one of these had caved and filled in. (See Map No. 3.) Three holes were approximately

20 feet deep and the fourth visible hole was estimated at 30 feet deep. Observation of the hole walls in three of the holes indicated the alluvium penetrated consisted, for the most part, of sand, pebbles and cobbles with few boulders larger than 4 to 6 inches. The fourth hole observed (believed to be in Sec. 19, SE/4) contained a greater amount of boulders larger than 4 to 6 inches. This criteria was also noted on the surface in the immediate area. This criteria should be a significant indicator for determing particle sizes at depth.

Two water wells, approximately 800 feet deep are located near the plant building. See Map No.3. It is reported that water was encountered at 200 feet, however, the writer timed a falling stone and only a loud metallic sounding noise was heard at approximately 700 to 750 feet in both wells. No sound of water was heard.

POTENTIAL MINERAL WEALTH:

Unfortunately, as in many instances, the above described exploratory drilling and development has been for naught inasmuch as there are no geologic logs, sample descriptions or sample assay values available to and for the writer to review, study and correlate into a meaningful, accurate and positive type calculation to arrive at an "in place" potential mineral wealth appraisal. Records such as these, if taken, are usually lost or misplaced or else not taken during the exploratory program.

In view of the above status, the writer has little choice but to apply his experience and knowledge in and of deposits of similar nature and character and to sparingly apply the very limited and unidentifiable assay data and test work data to justify the conclusions and terms of the calculations herein presented. The mineral wealth appraisal, as presented, can achieve a level of no higher than an "inference" in terms of the industy's mineralization classifications of "inferred", "indicated" and "proven".

Lack of positive, orderly obtained, adequately identifiable information and records requires that certain assumptions be made, keeping in mind that these assumptions are not "unknowns" but substaniated facts as related to similar deposits in Arizona. These are:

(1) - Magnetite content averages 4.5% (3.1% Fe)
(Dept. of Mineral Resources data, writers experience)

(2) - Magnetite content continues to an average 21 foot depth.
(indicated by large diameter drill holes)

(3) - Magnetite recovery is possible in excess of 93%.
(Indicated by Laboratory of Analytical Chemistry, Athens, Greece)

(4) - Weight per cubic yard of material averages 3000 pounds.
(writers experience)

The area of mineralization under consideration in this instance is:

All of Sections 20, 21 and 30,	T. 4 N.,	R. 9 W.			1920 acres
90% of Sections 19 & 32	"	"	"	"	1150 " "
80% of Section 29	"	"	"	"	510 " "

65% of Sections 26 & 28, T. 4 N., R. 9 W.	830 acres
50% of Section 27 " " " "	320 "
Total area	4730 acres
Square yard factor (acres to yards)	x 4840
Square yards	22,893,200 sq. yds.
Factor for 21 foot depth, 7 yards	x 7
Cubic yards for 7 yard depth	160,252,400 cu. yds.
Factor, cubic yards to short tons	x 1.5
Short tons mineralized sand, gravel	240,378,600 S. Tons.
Magnetite content, 4.5% (assumed)	x 4.5
Magnetite, short tons	10,817,000 S. Tons.
Recovery factor (beneficiation), 93%	x .93
Marketable magnetite, 97%	10,260,000 S. Tons.
Conversion factor, Short to Long tons, (0.89287)	x .89287
Marketable Magnetite, long tons	9,160,900 L. Tons.
Marketable iron grade, 65% plus Fe.	
Pellet price, 55.5¢/LTU or $36.08 (E. & M. J. quotation, December, 1977	x $36.08
Inferred value of magnetite mineralization "in place" within D. J. placer claims to a depth of 21 feet below surface.	$330,525,000.--

The 23 L. J. C. claims have not been condisered in the above appraisal simply because of their geographic position and lack of any positive and visual information. However, if similar conditions exist, a dollar value equivalent to 50% of the above figure, or $165,000,000.--, could be added to the above calculated value, or a $495,000,000.-- total.

Mr. Frank Broes had advised the Department of Mineral Resources, Phoenix, Arizona, on or about February 4, 1965, that gold values of $30.00 to $35.00/ton of concentrates (magnetite) were indicated. The writer has no factual data or proof at hand to verify this conclusion, consequently, an appraisal of the gold content cannot be included in the appraised value. If, however, the gold is present in the amounts indicated, it would more than double the "inferred" appraised or calculated dollar value of mineral wealth "in place".

Actual development of a proven, delimited ore reserve of specific grade by drilling, feasibility study of mining and beneficiation, economics and marketing are the next successional phases toward a complete evaluation prior to an operation.

Respectfully submitted,

Registered Professional Engineer (Mining) CERTIFICATE EXPIRES DEC. 31, 19__ RICHARD E. MIERITZ ARIZONA, U.S.A.

REGISTERED GEOLOGIST CERTIFICATE NO. 7784 RICHARD E. MIERITZ Date Signed ..... ARIZONA, U.S.A.

Richard E. Mieritz
Mining Consultant
Engineer and Geologist
Sun City, Arizona (now Phoenix)
October 23, 1971

NOTE:
The foregoing is an exact retyped copy of the report completed by the writer dated October 23, 1971 except for Company name and address change and the use of the December, 1977 E. & M. J. quotation of 55.56/LTU of pellets, replacing the September, 1971 quotation.

METALLURGICAL LABORATORIES

CHEMISTS • ASSAYERS • SPECTROGRAPHERS

1142 HOWARD STREET • SAN FRANCISCO 3, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ANALYSIS

Date May 6, 1964

Submitted by Arizona Assay Office
P. O. Box 1148
Phoenix, Arizona

Sample of Mineral

LABORATORY NO.	MARK	PERCENTAGES	
1566	476-McCarthy	Titanium	0.54

METALLURGICAL LABORATORIES

By [signature]

THEO. G. MOURABAS
CHEM. ENGINEER
G. TH. MOURABAS
CHEMIST

ATHENS, 18 - 7 - 1968

KILKIS 6, TEL. 533.567

LABORATORY OF ANALYTICAL CHEMISTRY

RESEARCH & ANALYSIS OF MINING PRODYCES
ORES - MINERALS - SOILS - MINERALS WATERS

INDEX OF ANALYSIS No 3767

SENDER Mr. BROES, INTERNATIONAL IRON CO. LTD.

SAMPLE MAGNETIC IRON ORE

MARK OF SAMPLE

		Percentage
Loss on Ignition		
Moisture	OH_2	
Combined water	OH_2	
Carbon dioxide	CO_2	0,05
Silica	SiO_2	1,80
Titanium Oxide	TiO_2	0,005
Ferrous »	FeO	
Ferric »	Fe_2O_3	
Iron Total	Fe	70,40
Aluminium Oxide	AL_2O_3	
Calcium »	CaO	0,40
Magnesium »	MGO	0,25
Sulfur »	SO_3	
Sodium »	Na_2O	
Pottassium »	K_2O	

		Percentage
Manganese dioxide	MnO_2	
» Oxide	MnO	
» Total	Mn	0,17
Chromium Oxide	Cr_2O_3	0,007
Lead	Pb	
Zinc	Zn	
Copper	Cu	
Antimony	Sb	
Nickel	Ni	0,002
Cobalt	Co	0,001
Phosphorus	P	0,055
Arsenic	As	
Sulfur	S	

Fe_3O_4 97,20

THE CHEMIST

ΧΗΜΙΚΟΝ ΕΡΓΑΣΤΗΡΙΟΝ
Γ. Θ. ΜΟΥΡΑΜΠΑ
ΚΙΛΚΙΣ 6 - Τ. 207
ΤΗΛ. 533-567

実験に供試材料取り扱ったサンプルの分析結果は次の通りである。

（品　位）

	Crude Ore (1)	Crude Ore (2)	half finished Ore	Finished Ore
				（品　位）
	%			
SiO_2	71.24		15.10	3.20
Al_2O_3	10.18		3.66	1.15
Fe	4.27	8.47 %	55.37	69.39
Cu	0.004		0.007	0.010
TiO_2	0.78		0.83	0.72
V_2O_5	0.021		0.17	0.18
S	0.014		0.045	0.020
P	0.047		0.098	0.036
As	0.0034		0.014	0.012

注：Crude Ore には Fe 4.27 のものと Fe 8.47 のものと二種類ある。
Fe 8.47 のものの Fe 以外の Element の分析は現在検討中であり、この二種類の関係については現在調査中であるが、同鉱区にはこの二種類の Crude Ore があると考えられる。

Fe_2O_3 が磁選前に於いては下記の通り

	Crude Ore (1)	Crude Ore (2)	half finished ore	Finished Ore
FeO	1.45 %	2.38 %	15.26 %	19.77 %
percentage of magnetic collection	3.6 %	7.6 %	74.0 %	97.2%

(Size)

Crude Ore (1)		Half Finished		Finished Ore	
10 mesh	4.4%	10 mesh	1.0%	50 mesh	3.6%
20 mesh	19.0%	20 mesh	7.5%	64 mesh	4.4%
40 mesh	9.5%	30 mesh	13.8%	80 mesh	5.8%
50 mesh	2.9%	40 mesh	2.6%	100 mesh	9.0%
64 mesh	12.3%	50 mesh	9.5%	120 mesh	4.8%
80 mesh	5.9%	64 mesh	20.1%	150 mesh	8.4%
100 mesh	3.8%	80 mesh	17.0%	200 mesh	2.4%
150 mesh	2.1%	100 mesh	13.5%	-200 mesh	61.6%
-150 mesh	2.9%	120 mesh	4.3%		
		150 mesh	7.0%		
		200 mesh	1.3%		
		-200 mesh	2.4%		

TECHNICAL, COMMERCIAL & INDUSTRIAL COMPANY
G. PANAS & G. PECLARIS
54, STADIOU STREET
ATHENS 131 - GREECE

CABLES: TECOMINCO
TELEPHONES: 315.614 / 838.291 / 252.768
WAREHOUSE TEL. 815.493

PARTNERS:
G. PANAS, B. COM.
G. PECLARIS, M. SC.

CORRESPONDENCE:
IN ENGLISH OR FRENCH.

TECHNICAL DEPARTMENT:
- NONDESTRUCTIVE PLATE THICKNESS MEASUREMENTS BY ULTRASONIC
- FREE CASING
- METALS AND ALLOYS ANALYSIS
- CRACKS DETECTION IN METALS BY LIQUID PENETRANT

ATHENS 29th July 1968
P.O.B. 1118 (ATHENS)

INTERNATIONAL IRON Co Ltd
71, Vassilissis Sofias St
Athens 140 - Greece

For attention of Mr FRANK BROES

Dear Sirs,

Re: Analysis of a sample of ore(mineral)

We have the honour to bring to your knowledge the results of the analysis effected on the sample submitted to us.

Description of sample: Coarse sand of a black grey mettalic Colour

Analysis results:

Iron Fe	69,48%
Silica SiO_2	1,23%
Alumina Al_2O_3	0,68%
Calcium Magnesium CaO+MgO	0,54%

Always with pleasure at your service

Yours faithfully
TECHNICAL COMMERCIAL & INDUSTRIAL Co
G.PANAS & G.PECLARIS

G. Peclaris

G.Peclaris
Chemical Engineer

RICHMOND 9-3411

FORM P-2 1-62 LC

SMITH-EMERY COMPANY

CHEMISTS • TESTING • INSPECTION • ENGINEERS

751 EAST WASHINGTON BOULEVARD

LOS ANGELES 21, CALIFORNIA

ALL REPORTS ARE SUBMITTED AS THE CONFIDENTIAL PROPERTY OF CLIENTS. AUTHORIZATION FOR PUBLICATION OF OUR REPORTS, CONCLUSIONS, OR EXTRACTS FROM OR REGARDING THEM IS RESERVED PENDING OUR WRITTEN APPROVAL AS A MUTUAL PROTECTION TO CLIENTS, THE PUBLIC AND OURSELVES.

FILE NO.: 4905-64
LABORATORY NO.: C-517653

DATE: JUNE 10, 1964

CALZONA DEVELOPMENT CO.
111 NO. 28TH STREET
PHOENIX, ARIZONA

ATTN: MR. FRANK BROES

REPORT OF DETERMINATIONS

IN ACCORDANCE WITH YOUR INSTRUCTIONS THE SAMPLE OF MINERAL WHICH YOU SUBMITTED TO US JUNE 1, 1964, WAS TESTED TO DETERMINE THE CONSTITUENTS REPORTED BELOW:

ON MAGNETIC FRACTION
OF SAMPLE SUBMITTED

IRON (FE) ----------	68.97%
VANADIUM PENTOXIDE (V_2O_5) ------	0.33%

RESPECTFULLY SUBMITTED,

SMITH-EMERY COMPANY

BY P. E. Matheny
P. E. MATHENY

6 CALZONA DEVELOPMENT CO.
TLL

RICHMOND 9-3411

FORM C-1(

SMITH-EMERY COMPANY

CHEMISTS • TESTING • INSPECTION • ENGINEERS

701 EAST WASHINGTON BOULEVARD

LOS ANGELES 21, CALIFORNIA

ALL REPORTS ARE SUBMITTED AS THE CONFIDENTIAL PROPERTY OF CLIENTS. AUTHORIZATION FOR PUBLICATION OF OUR REPORTS, CONCLUSIONS, OR EXTRACTS FROM OR REGARDING THEM IS RESERVED PENDING OUR WRITTEN APPROVAL AS A MUTUAL PROTECTION TO CLIENTS, THE PUBLIC AND OURSELVES.

FILE NO: 4905-64
LABORATORY NO: C-517653

DATE: JUNE 10, 1964
P. O. NO:
SUBMITTED BY: CLIENT
SAMPLE: MINERAL
MARKED: NO MARK

CLIENT: CALZONA DEVELOPMENT CO.
ADDRESS: 111 NO. 28TH ST., PHOENIX, ARIZONA
ATTENTION: MR. FRANK BROES

REPORT OF QUALITATIVE SPECTROGRAPHIC EXAMINATION

(SEE STATEMENT ATTACHED REGARDING EXAMINATION)

ELEMENT	APPROXIMATE QUANTITY
MAJOR CONSTITUENT	10% OR GREATER
IRON	
INTERMEDIATE CONSTITUENT	2% TO 10%
NONE FOUND	
MINOR CONSTITUENTS	
VANADIUM	1.0%
SILICON	0.1%
TITANIUM	0.1%
BORON	0.05%
ALUMINUM	0.05%
MAGNESIUM	0.05%
MANGANESE	0.05%
CALCIUM	0.05%
CHROMIUM	0.05%
COPPER	TRACE
OTHER ELEMENTS	NONE DETECTED

RESPECTFULLY SUBMITTED,

SMITH-EMERY COMPANY

BY P. E. Matheny
P. E. MATHENY

6 CALZONA DEVELOPMENT CO.
TLL

RICHMOND 9-9411

FORM P-2 1-62 LC

SMITH-EMERY COMPANY

CHEMISTS • TESTING • INSPECTION • ENGINEERS
701 EAST WASHINGTON BOULEVARD
LOS ANGELES 21, CALIFORNIA

ALL REPORTS ARE SUBMITTED AS THE CONFIDENTIAL PROPERTY OF CLIENTS. AUTHORIZATION FOR PUBLICATION OF OUR REPORTS, CONCLUSIONS, OR EXTRACTS FROM OR REGARDING THEM IS RESERVED PENDING OUR WRITTEN APPROVAL AS A MUTUAL PROTECTION TO CLIENTS, THE PUBLIC AND OURSELVES.

FILE NO.: 4905-64
LABORATORY NO.: C-518443

DATE: JUNE 30, 1964

CALZONA DEVELOPMENT CO.
111 NO. 28TH STREET
PHOENIX, ARIZONA

ATTN: FRANK BROES

REPORT OF DETERMINATIONS

IN ACCORDANCE WITH YOUR INSTRUCTIONS THE SAMPLE OF MATERIAL WHICH YOU SUBMITTED TO US JUNE 25, 1964, MARKED AS ABOVE, WAS ANALYZED WITH THE FOLLOWING RESULTS:

SILICA (SiO_2)	1.12%
SULFUR (S)	TRACE
TOTAL IRON (FE)	69.30%
IRON CALCULATED AS Fe_2O_3	99.20%
IRON CALCULATED AS Fe_3O_4	95.70%
CARBONATES (CO_3)	NONE FOUND
SULFIDES	NONE FOUND

NOTE: THE ABOVE ANALYSIS INDICATES THE SAMPLE TO BE COMPOSED OF ALMOST ENTIRELY IRON IN SOME FORM. IT IS IMPOSSIBLE TO DETERMINE THE EXACT COMPOSITION OF THE MATERIAL DUE TO THE POSSIBILITY OF VARIOUS OXIDES OF IRON AS WELL AS SOME METALLIC IRON BEING PRESENT.

RESPECTFULLY SUBMITTED,

SMITH-EMERY COMPANY

BY P. E. Matheny
P. E. MATHENY

'6 CALZONA DEVELOPMENT CO.
1 L.J.C. IRON CO.
TLL

TECHNICAL COMMERCIAL & INDUSTRIAL COMPANY
G. PANAS & G. PECLARIS
54, STADIOU STREET
ATHENS 131 - GREECE

CABLES: TECOMINCO
TELEPHONES: 315.614 / 838.291 / 252.768
WAREHOUSE TEL. 815.498

PARTNERS:
G. PANAS, B. COM.
G. PECLARIS, M. SC.

CORRESPONDENCE:
IN ENGLISH OR FRENCH.

TECHNICAL DEPARTMENT:
- NONDESTRUCTIVE PLATE THICKNESS MEASUREMENTS BY ULTRASONIC
- FREE GASING
- METALS AND ALLOYS ANALYSIS
- CRACKS DETECTION IN METALS BY LIQUID PENETRANT

ATHENS 2d August 1968
P.O.B. 1118 (ONONIA)

INTERNATIONAL IRON Co Ltd
71, Vassilissis Sofias St
Athens 140 - Greece

For attention of Mr FRANK BROES

Dear Sirs,

Re: Analysis of a sample of ore (mineral)

We have the honour to bring to your knowledge the results of the analysis effected on the sample submitted to us.

Description of sample: Coarse sand of a black grey metallic colour.

Analysis results:

Iron (Fe)	69,30 %
Silica (SiO_2)	1,82 %
Alumina (Al_2O_3)	2,25 %
Calcium oxide (CaO)	0,85 %
Magnesium oxide (MgO)	0,32 %

Always with pleasure at your service.

Yours faithfully
TECHNICAL COMMERCIAL & INDUSTRIAL Co
G.PANAS & G.PECLARIS

G Peclaris

G.Peclaris
Chemical Engineer

STRADCO INC.
SUITE 700 1030 FIFTEENTH STREET, N.W. WASHINGTON, D.C. 20005

AREA CODE 202 659-1730
Telex: WSH 89-2673 1731
Apl. 959-1813

October 19, 1971

Mr. Richard E. Mieritz
11031 White Mountain Road
Sun City, Arizona 85351

Dear Mr. Mieritz:

Mr. Walter McMillen, our associate, requested that I send a letter to you authorizing you to prepare an appraisal on land owned by us there in Arizona.

Please accept this letter as your authorization to proceed with the work.

I would appreciate you expediting this as soon as possible and either give Mr. McMillen the invoice or send it directly to us here at our Washington office for payment.

Also enclosed are several reports made from the Japanese people who were interested in purchasing this iron and made their own assay. Smith-Emery made the test for us. Included are reports from the people in Greece who were also interested in purchasing the iron and other reports made by independent survey on these locations.

Thanking you in advance.

Very truly yours,

Frank Broes

Frank Broes
Chairman of the Board

FB/lp

Enclosures

October 23, 1971

Mr. Frank Broes,
Chairman of the Board
Stradco Inc.
Suite 700
1030 Fifteenth Street, N. W.
Washington, D. C., 20005

Dear Mr. Broes:

Thank you kindly for your registered letter of October 19th as well as the assay and test work data included with same.

I am transmitting the original and two copies of my mineral wealth appraisal report on the D. J. and L. J. C. placer claims in hand to Mr. Walter W. McMillen, an associate of your company who in turn will hand to you.

It is indeed unfortunate that detailed records and information of the vast amount of exploratory drilling that was completed are not available. Had these records been available, a more detailed and comprehensive appraisal of a higher order of classification might have been possible. Without factual data I cannot justify anything more than I have in the above report.

As requested by Mr. McMillen, I attach herewith a copy of my professional resume which is usually requested by new clients. It is general in scope but of sufficient specifics to advise the spectrum of my experience and qualifications.

I wish to thank you for being able to serve you If I can be of further future service to you on this or any other project befitting my experience and qualifications, please contact me.

Very truly yours,

Richard E. Mieritz,
Mining Consultant.

November 8, 1971

Mr. Richard E. Mieritz
Mining Consultant
11031 White Mountain Rd
Sun City, Ariz. 85351

Dear Mr. Mieritz:

Thank you for rendering the service on appraising our claims.

Enclosed is our check for $612.50 representing payment in full as per your invoice dated October 23, 1971.

Cordially yours,

Frank Broes
Board Chairman

FB/am
Encl.

Sent 11/19/71 airmail Registered Return receipt.

November 19, 1971

Mr. Frank Broes
Chairman of the Board
Stradco Inc.
Suite 700
1030 Fifteenth Street NW.
Washington D. C., 20005

Dear Mr. Broes:

My mail was delivered this morning and I failed to receive the registered airmail letter and check which you promised during our telephone conversation on Tuesday morning, November 16, 1971. To say the least, the situation of my not receiving payment for my work on the D. J. and L. J. C. Placer claims in Maricopa County, Arizona has now become a serious matter and I personally object to the self evident "constant delay".

It is felt I have cooperated with you to the fullest extent - expiditing the work and report and being relatively patient as regards awaiting payment for the work. I made one mistake about a year and a half ago on a similar type "Mineral Wealth" report by not diligently persuing the matter of payment for same. I "swallowed" that one.

Unfortunately the cooperativeness has been one sided - Mine. To review, on October 18, 1971, Mr. W. W. McMillen, your associate, contacted me regarding the examination of the aforementioned mining property. He was advised of my fees, payments, etc., even to the extent that I require an advance payment and that I require a letter of authorization from you. The latter you wrote on October 19 and it was received by registered mail on October 22, 1971.

On October 20, Mr. McMillen advised me while travelling to the property that you would send the letter of authorization and an advance check of $150.00. The aforementioned letter received did not contain the advance check - a broken promise.

On October 25, as indicated in your October 19 letter, the report, covering letter and my invoice were hand delivered to Mr. McMillen. It was accepted in the Companys Phoenix apartment, read and the statement made by Mr. McMillen that payment would be made if report was acceptable by your accountants. Mr. Broes, payment for my work and reports are not dependent on the approval by the requestor or a third party. I do not write reports to specifically suit the client. Mine are not biased.

Having delivered the report to Mr. McMillen, I patiently awaited payment of the invoice. Not having received same by November 8 (two

weeks after having delivered report), I called you long distance at 12:50PM Phoenix time and questioned you about payment. Your answer was "its on its way". I stated I would await same.

Eight days later, still no check, I called you long distance at 7:50AM Phoenix time on November 16 and again asked about payment. you answered with the question "hadn't I received it yet - as it was sent airmail" and you proceeded further to explain that your mail from Washington D. C. is being lost. A possibility occasionally. I requested a Western Union telegraph money order and you indicated this would create "bkok-keeping problems" but that you would send another check by registered airmail and put a "stop order" on the first check. Ample time has gone by and still no payment. Again, a broken promise.

My invoices - as so stated on same - are payable upon presentation and at time report is delivered. Since your headquarters are in Washington D. C. and the report was handed to one of your organization, I waived the requirement but the elasped time of non-payment is now very much in excess - almost four weeks - from date of report delivery.

This letter should be delivered to your office on Monday, November 22, 1971. Under the circumstances, I again wish to request a Western Union Telegraph money order to reach me by late afternoon on Tuesday, November 23, or sooner. This is my last personal formal request.

Very truly yours,

R. E. Mieritz,
Mining Consultant.

STRADCO INC.
SUITE 700 1030 FIFTEENTH STREET, N. W. WASHINGTON, D. C. 20005
AREA CODE 202 659-1730

November 19, 1971

Mr. Richard E. Mieritz
Mining Consultant
11031 White Mountain Rd
Sun City, Ariz. 85351

Dear Mr. Mieritz:

Terribly sorry you did not receive my check mailed to you on November 8. I am enclosing a copy of the letter mailed you and a new check for the amount of $612.50.

Again may I take this opportunity to thank you for your services rendered.

Cordially yours,

Frank Broes

Frank Broes
Board Chairman

FB/am
Encl.

STRADCO INC.

SUITE 700 1030 FIFTEENTH STREET, N. W. WASHINGTON, D. C. 20005

WASHINGTON NOV 19 '71 D. C.

U.S. POSTAGE .53

CERTIFIED No. 306310 MAIL

RETURN RECEIPT REQUESTED

Mr. Richard E. Mieritz
Mining Consultant
11031 White Mountain Rd
Sun City, Ariz 85351

November 22, 1971

Mr. Frank Broes,
Chairman of the Board
Stradco Inc.
Suite 700
1030 Fifteeth Street NW.
Washington D. C., 20005

Dear Mr. Broes:

I have today received your November 19th letter (registered), along with Stradcos check #5091 on the National Savings and Trust Co., Washington D. C. as well as a copy of a November 8 letter from you that addressed to myself.

The referred to check will be submitted to my bank today for collection. This is my proceedure with all checks other than those of local origin whereby are relatively easy to collect immediately.

My persistance of pursuit of unpaid invoices stems from previous sad experiences, particularly when reports have been issued and no advance payment has been received. I make no excuses or justifications for this proceedure and all new clients ate handled accordingly until their sincereity has proven itself. I am available if needed but not available the intention is "use". The client pays good money - I respect that - and in return he receives "good" to the best of my ability in the fields for which I am qualified.

Again, thank you for the payment.

Very truly yours,

R. E. Mieritz,
Mining Consultant.

Board Members of H. O. A., Committee Members and Sun City Residents.

As a resident of Sun City, I wish to express my oposition to the proposed Sun City Incorporation. Let

January 27, 1973

Mr. Frank Broes,
Chairman of the Board
Stradco Inc.
Suite 700
1030 Fifteenth Street, N. W.
Washington D. C., 20005

Dear Mr. Broes:

Thank you kindly for your registered letter as well as the assay and test work data included with same.

I am transmitting the original and two copies of my mineral wealth appraisal report on the D. J. and L. J. C. placer claims in hand to Mr. Walter W. McMillen, an associate of your company who in turn will hand to you.

It is indeed unfortunate that detailed records and information of the vast amount of exploratory drilling that was completed are not available. Had these records been available, a more detailed and comprehensive appraisal of a higher order of classification might have been possible. Without factual data I cannot justify anything more than I have in the above report.

As requested by Mr. McMillen, I attach herewith a copy of my professional resume which is usually requested by new clients. It is general in scope but of sufficient specifics to advise the spectrum of my experience and qualifications.

I wish to thank you for being able to serve you. If I can be of further future service to you on this or any other project befitting my experience and qualifications, please contact me.

Very truly yours,

R. E. Mieritz,
Mining Consultant.

January 27, 1973

Mr. Frank Broes,
Chairman of the Board,
Stradco Inc.
Suite 700
1030 Fifteenth Street N. W.
Washington D. C., 20005

Dear Mr. Broes:

Pursuant to your telephone request of January 26, 1973, herewith the original and two copies of my appraisal report prepared for you in October, 1971.

As you indicated, your desire was merely for the retyping of the written material of the report and not the three Maps which accompanied the original issuance of the report in 1971.

Herewith also, my invoice for this work. Am appreciative of again serving you.

Very truly yours,

R. E. Mieritz,
Mining Consultant.

STRADCO, INC.
1351 AIRPORT SERVICE ROAD, JACKSONVILLE INTERNATIONAL AIRPORT
P. O. BOX 18189, JACKSONVILLE, FLORIDA 32229

TELEX-56 8470
AREA CODE (904) 757-7600

April 22, 1975

Mr. Richard E. Mieritz
Mining Consultant
1634 W. Hazelwood
Phoenix, Ariz. 85015

Dear Mr. Mieritz:

First my sincere congratulations on your new marriage and may the Lord bless it, peace, happiness.

As I stated on the telephone, I would like this report you made for me January 27, 1973 updated. Make the changes as per sample copy enclosed. I am not asking to change the contents, just the name and addresses, etc.

I would appreciate this as soon as possible. The check will be sent to you promptly upon receipt of invoice.

Cordially yours,

Frank Broes

Frank Broes
Board Chairman

FB/am
Encl. 1

TO : R. E. Mieritz
Mining Consultant

SUBJECT : IRON APPRAISAL

Changes to be made as follows:

1. In letter of Transmittal

Date - Current

Address change to: Mr. Frank Broes
Chairman of the Board
Stradco Iron Company
1351 Airport Service Road
P.O. Box 18189 - Jacksonville, Florida 32229

2. Table of Contents

Line starting with " Factual Data submitted by

Stradco Iron Company delete Stradco Inc.

3. Page 1

INTRODUCTION:

First paragraph address change to: Mr. Frank Broes, Board Chairman of Stradco Iron Company, 1351 Airport Service Road, P. O. Box 18189, Jacksonville, Florida 32229

4. Page 5

Add to total $88,000,000

$ 176,728,400
88,000,000

$ 264,728,400

Current date with signature...

May 1, 1975

Mr. Frank Broes
Chairman of the Board
Stradco Iron Company
1351 Airport Service Road
Jacksonville, Florida, 32229

Dear Mr. Broes:

Thank you kindly for your ~~April 22 letter authorizing~~ telephone authorization of January 2, 1978 to the retyping and updated of the original October 23, 1971 ~~and January 27, 1973~~ report on the D. J. & L J..C. Placer claims, Maricopa County, Arizona.

Thank you also for your congratulations and good wishes of my recent marriage. We had a wonderful three weeks in Mexico and Jamaica, so now it is back to work.

Please send me a cashiers check in the amount shown on the enclosed invoice for the retyping of the report and by the time I receive your check, the report will be finished for mailing to you, - by airmail.

The factual ~~name and~~ address changes ~~will be~~ made as you indicated and the total value (inferred) of ~~$264,728,400.-~~ has been $330,525,000.- ~~will be~~ used on page 5 since the value per long ton unit of pellets is now ~~44.50~~ 55.5 per unit (E. & M. J. quote, ~~March~~ December 1977).

Sincerely yours,

R. E. Mieritz,
Mining Consultant

REM/chm

STRADCO, INC.
1351 AIRPORT SERVICE ROAD, JACKSONVILLE INTERNATIONAL AIRPORT
P. O. BOX 18189, JACKSONVILLE, FLORIDA 32229
TELEX-56 8470
AREA CODE (904) 757-7600

May 5, 1975

Mr. Richard E. Mieritz
Mining Consultant
1634 W. Hazelwood Street
Phoenix, Arizona 85015

Dear Mr. Mieritz:

Enclosed is check No.313 dated May 5, 1975 in the amount of $123.12 to cover your statement rendered May 1,1975 for professional services.

Your most expeditious manner in completing this report will be most appreciated.

Very truly yours,

Frank Broes

Frank Broes, Chairman

FB:rb
Enc.(1)

May 6, 1975

Mr. Frank Broes,
Chairman of the Board
Stradco Iron Company
1351 Airport Service Road
P. O. Box 18189
Jacksonville, Florida, 32229

Dear Mr. Broes:

As requested and authorized in your April 22, 1975 letter, herewith the original and two copies (retyped) of my original report on the D. J. & L. J. C. Placer Claims, Maricopa County, Arizona.

Also as requested, I have changed the Company name and address as well as ascribing the most recent value of iron pellets as quoted in the April, 1975 E. & M. J. to more reflect the present day value of the inferred mineralization within the property.

My seals bear todays date.

Thank you for the check as well as the good wishes you voiced on my marriage.

Sincerely yours,

R. E. Mieritz,
Mining Consultant.

STRADCO, INC.
1351 AIRPORT SERVICE ROAD, JACKSONVILLE INTERNATIONAL AIRPORT
P. O. BOX 18189, JACKSONVILLE, FLORIDA 32229
TELEX-56 8470
AREA CODE (904) 757-7600

March 26, 1976

Mr. Richard Mieritz
1634 W. Hazelwood St.
Phoenix, AZ 85015

Dear Mr. Mieritz:

I was in your lovely city recently and it was my intention to contact you and visit over a cup of coffee. However, I had to make a hasty departure to Chicago. That changed my plans. I intend to be back in Phoenix very shortly and I would like to meet with you as there are big plans for the development of my property.

While visiting Mr. MacKenzie, my attorney, he said he would like to use your services to help remove the cloud on my property. This letter will serve as your authorization to assist him.

Please contact him as soon as possible. I would appreciate your assisting him. When completed please send me your statement and I will be delighted to honor it.

Thanking you in advance,

Cordially yours,

Frank Broes

Frank Broes
Chairman

FB/am
cc: Albert H. MacKenzie, Esq.

STRADCO, INC.
1351 AIRPORT SERVICE ROAD, JACKSONVILLE INTERNATIONAL AIRPORT
P. O. BOX 18189, JACKSONVILLE, FLORIDA 32229

JACKSONVILLE, FL 322
PM
29 MAR
1976

13¢ USAirmail

ADVISE CORRESPONDENTS AND
PUBLISHERS OF YOUR CORRECT
MAILING ADDRESS AND ZIP CODE

2940 N CASA TOMAS
PHOENIX, AZ 85016

Mr. Richard Mieritz
1634 W. Hazelwood St.
Phoenix, AZ 85015

REPLY TO:
1634 W. HAZELWOOD STREET
PHOENIX, ARIZONA 85015
TELEPHONE (602) 277-6053
2940 N. Casa Tomas

Richard E. Mieritz
MINING CONSULTANT
ARIZONA REGISTERED
MINING ENGINEER AND GEOLOGIST

GEOLOGY
EXPLORATION
EVALUATION
FEASIBILITY
OPERATION

October 27, 1977

Mr. Frank Broes, Board Chairman,
Stradco Iron Company
1351 Airport Service Rd.
Jacksonville, Florida, 32229

Dear Mr. Broes:

Pursuant to our conversation of yesterday, I am pleased to provide information on your record of payment for my pst services of work performed for Stradco Iron Co. as shown below.

Invoice Date	Date paid	Amount	Check No.	Type Work
10-23-71	11-22-71	$612.50	5091	Original Report
1 -27-73	3-12-73	$ 62.50	5372	Copy & Update
5 - 1-75	5- 9-75	$123.12	313	Copy & Update

During our visit of yesterday, you showed me a transcript of testimony relative Cas N. C-312502 - Phoenix Western Engineering, Etal, Plaintiffs vs. Stradco Iron Co., Etal. My name appears in the transcript several times as mentioned by Mr. Albert H. Mackenzie, Phoenix attorney and Mr. Walter McMillen, former employee of Stradco Iron Co.

By reference to page and line, permit me to state the facts as I have record of.
Page 3, lines 8,9,10. Mr. Mackensies testimony. I received Mr. Broes March March 26, 1976 letter (copy to Mr. Mackenzie) and on April 1, 1976 tried calling his office all day long. His phone was out of order. On April 26, 1976, I visited Mr. Mackenzies office and we discussed the matter. He provided me an outline of various points (herewith attached).

Mr. McMillens Testimony, pages 20, 21, 22 and 30.

The train of events as regards Mr. McMillen and the Magna claims, according to my records and recollection are:

November 7, 1974, Mr. McMillen called advising he relocated the D.J. and L. J. C. claims, could I do a report for him. Yes, I kould, but did he do location work, etc. No. My advise to put down discovery pits and sample some of them. Could I do that. Yes. He would have to arrange for the work and would call when ready. Fees were also quoted to him.

December 2, 1974, Mr. McMillen called to authorize the suggested work.

December 4, 1974, Mr. McMillen called, arranged to meet him December 6, 1974 NW corner Litchfield Rd. and West Indian School Rd at 7:00AM

December 6, 1974, Met Mr. McMillen, travelled to Magna claims, dug pits and took three (3) samples on Magna claims 4, 5 and 18. To Salome, stayed at International Motel.

December 7, 1974, Travelled Salome to property, took six (6) samples. One backhoe machine at property. Travelled to Phoenix, with samples. persons helping both days remained to finish digging discovery pits as I indicated on their claim Map. A Report on the work completed and the results of the samples was completed on January 2, 1975.

Please consider this document as my affidavit of facts as known to me at this time and to the best of my recollection.

Sincerely yours,

Richard E. Mieritz,
Mining Consultant.

John Cosby — Mesa
called about report of
Jan 23, 1973
Sue Bears — deposition
that I was there on date
etc.
6/12/73

From the desk of

RICHARD MIERITZ

D. J. & h. J. C.

Orig 10-23-71

1st 1-27-73

Mayne 1-2-75

Appd 5-6-75

Fd June 1977

1435 S. 10th AVE.
P. O. BOX 1889

Jacobs Assay Office

Registered Assayers

PHONE 622-0813

Certificate No. 59454

TUCSON, ARIZONA 85702 Dec 17" 1974

Sample Submitted by Mr. R E Meretz

SAMPLE MARKED	GOLD Ozs. per ton ore	GOLD Value per ton ore *	SILVER Ozs. per ton ore	COPPER Per cent Wet Assay	~~LEAD Per cent Wet Assay~~ Weight LBS-OZS	Fe Per cent Wet Assay	S Per cent Wet Assay
		$			LBS- OZS		
# 1256	Trace		0.15		0-9	18.6	
57	Trace		0.10		1-11	— 26.0	
58	0.005		0.05		0-11	— 23.4	
59	Trace		0.05		0-11	33.6	
60	Trace		0.10		1-3	30.2	
61	Trace		0.10		1-1	20.7	
62	0.005		0.15		2-1	39.4	2.85
63	Trace		0.05		0.10	29.2	
64	Trace		0.05		0.10	24.4	

REGISTERED ASSAYER
CERTIFICATE EXPIRES
1041
BENJAMIN P.
JACOBS
DEC. 31, 19 74
ARIZONA, U.S.A.

* Gold Figured $85.00 per oz. Troy

Charges $ 58.50

Very respectfully,

Ben P. Jacobs

1435 S. 10th AVE.
P. O. BOX 1889

Jacobs Assay Office

Registered Assayers

PHONE 622-0813

Certificate No. 59461

TUCSON, ARIZONA 85702 Dec 31st 1974

Sample Submitted by Mr. R. E. Meeritz

SAMPLE MARKED	GOLD Ozs. per ton ore	GOLD Value per ton ore *	SILVER Ozs. per ton ore	COPPER Per cent Wet Assay	LEAD Per cent Wet Assay	TiO2 Per cent Wet Assay	Fe Per cent Wet Assay
		$					
#1256						1.13	
1257							36.0
1258						1.55	33.40
1259						1.31	
1260						1.16	
1262						0.91	

REGISTERED ASSAYER
CERTIFICATE NUMBER
1041
BENJAMIN P. JACOBS
Dec. 31, 74
ARIZONA U.S.A.

* Gold Figured $100.00 per oz. Troy

Charges $ 25.00

Very respectfully,

Ben P. Jacobs

1435 S. 10th AVE.
P. O. BOX 1889

DUPLICATE

Jacobs Assay Office

Registered Assayers

PHONE 622-0813

TUCSON, ARIZONA 85702

Certificate No. 59461

Dec. 31st 1974

Sample Submitted by Mr. R. E. Mertz

SAMPLE MARKED	GOLD Ozs. per ton ore	GOLD Value per ton ore *	SILVER Ozs. per ton ore	COPPER Per cent Wet Assay	LEAD Per cent Wet Assay	Zinc Per cent Wet Assay	Fe Per cent Wet Assay
		$					
#1256						1.13	
1257							36.0
1258						1.55	33.0
1259						1.31	
1260						1.16	
1262						0.91	

REGISTERED ASSAYER
CERTIFICATE EXPIRES
1041
BENJAMIN P.
JACOBS
DEC. 31, 19 74
Arizona U. S. A.

* Gold Figured $35.00 per oz. Troy

Charges $ 25.00

Very respectfully,

Ben P. Jacobs

Established 1880

1435 South 10th Ave.

COPY

JACOBS ASSAY OFFICE

REGISTERED ASSAYERS

PHONE MAIN 2-0813 P. O. BOX 1889

TUCSON, ARIZONA 85702

Dec-31-1974

Mr. R.E.Mieritz
1634 W Hazelwood Rd.,
Phoenix, Arizona 85015

Assaying

Dec-17	----------	$ 58.50
31	----------	25.00
		$ 83.50

25 April 76

Re: Broze

✓ Dem. Car

✓ Ck - 7 70.- bounced

✓ Bishop

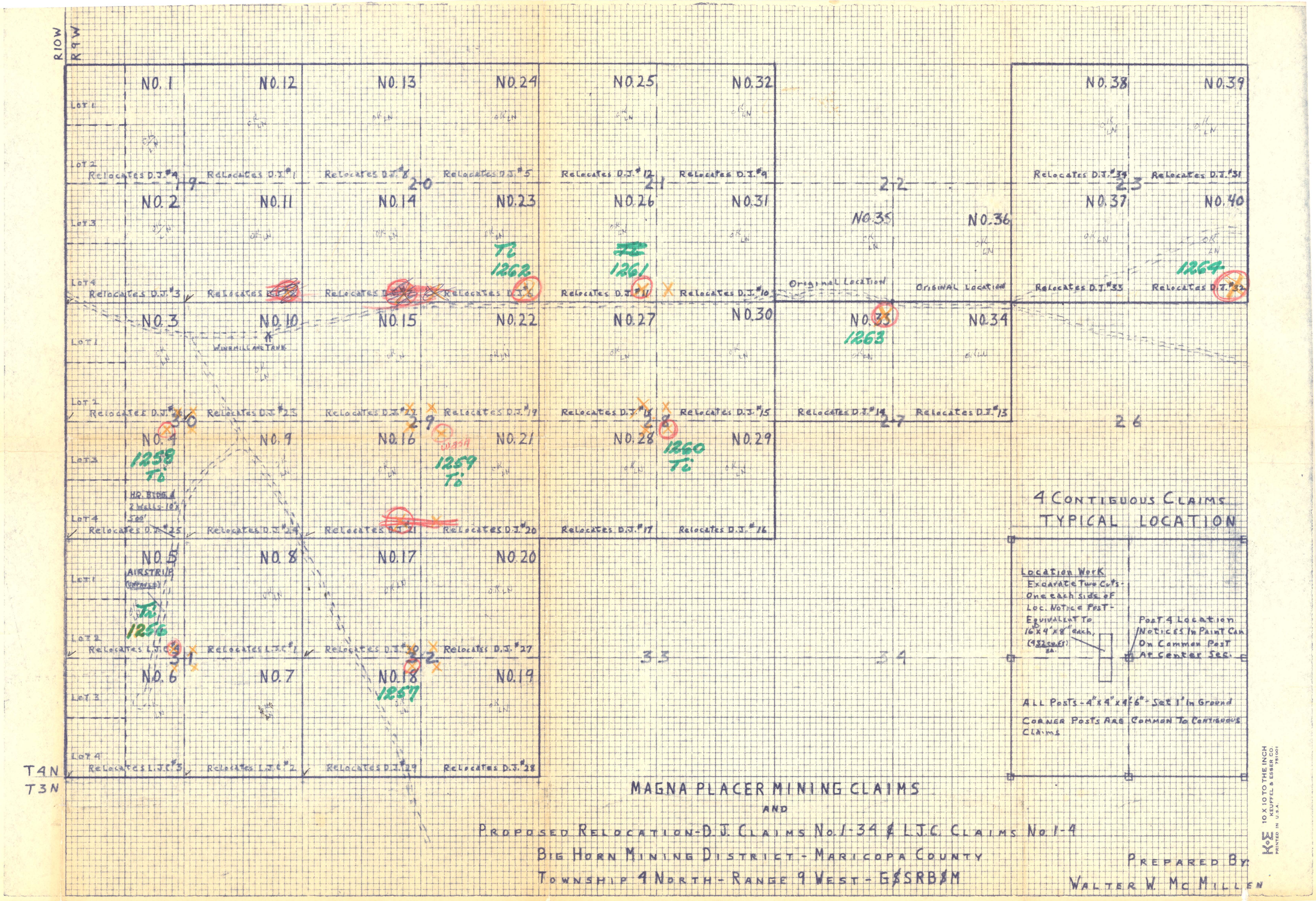
March 26. 76

✓ McMillan - my home - yes

✓ Embezzlement

✓ Chicago / Wash - Fla.

✓ John Cable - Western



MAGNA PLACER MINING CLAIMS

AND

PROPOSED RELOCATION - D.J. CLAIMS No. 1-34 & L.J.C. CLAIMS No. 1-4

BIG HORN MINING DISTRICT - MARICOPA COUNTY

TOWNSHIP 4 NORTH - RANGE 9 WEST - G&SRB&M

PREPARED BY:

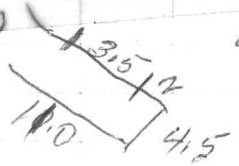
WALTER W. MC MILLEN

K&E 10 X 10 TO THE INCH KEUFFEL & ESSER CO. 359-1001 PRINTED IN U.S.A.

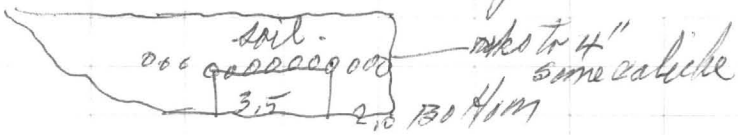
44174 Phx
234.2 - Tonopah airport - Salome Rd. Exit 81 - M.P.
249.2 Turnoff - ~~Aguila~~ Rd.
49.7 - Rt.
58.1 - Rt - Salome 31 - Mile.
50.9 - left.
59.4 - left, Tox.
259.9 - Camp.

Walt Me - Pm Western Engs Inc.
Le and

~~#5 - N 45° W~~ 6 ft deep.
#1256 Sample 3.5 long - 2.5 high 6" deep.
all 3.6' below surface.



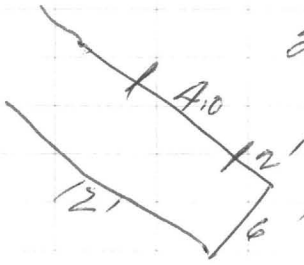
~~1/4 split~~
1/8 split

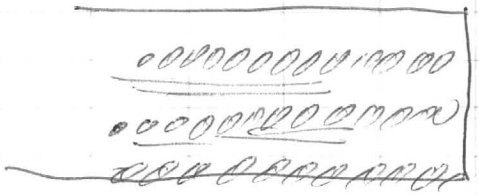


#18 - N 40° W - pit 6' deep -

1257 Sample - 4' x 4' x 10" deep - NE wall
1.5' below surface.
Change to 6".

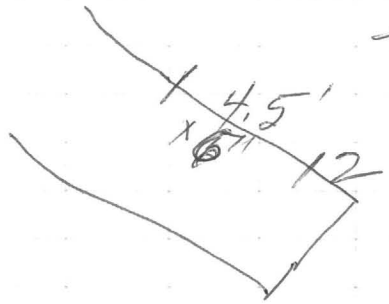
1/8 split





#4 - 4.5 x 11 x 6' deep.

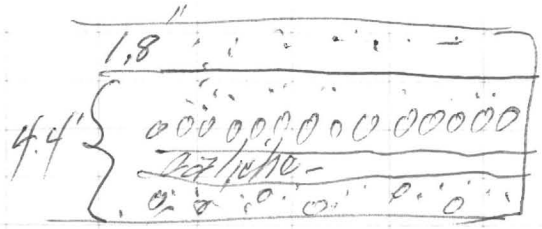
#1258



Samp - 4.5' long, 6" deep, & 4.4' high
1.8' below surface

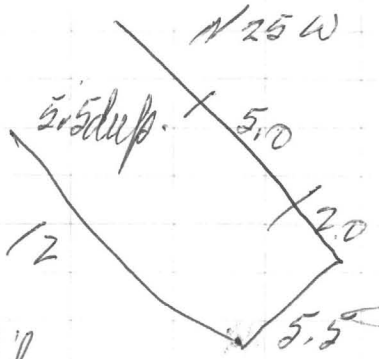
Photo 4"

1/8 split



#2 -

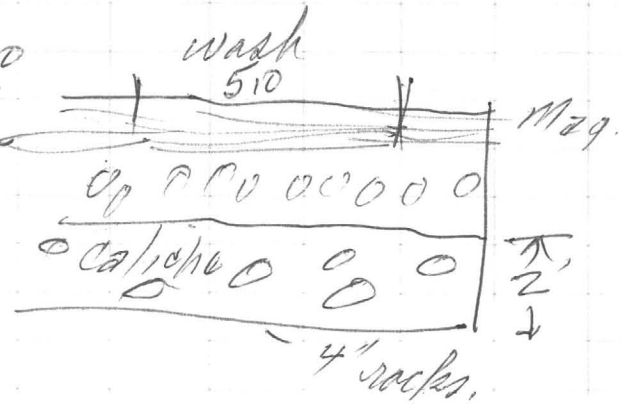
#1259



Sample

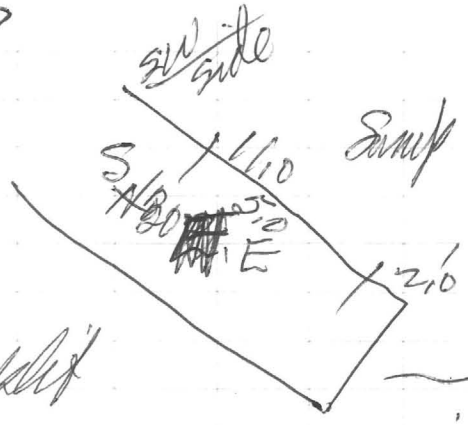
5.0' x 5.5 high x 4"

1/8 split



#29

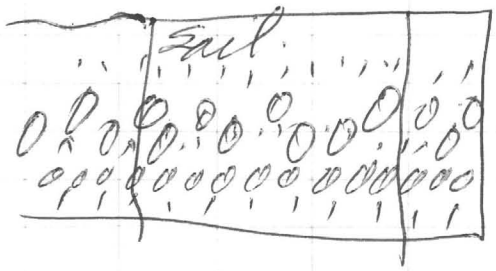
#1260



Samp 5.0 x 4 1/2 x 8".

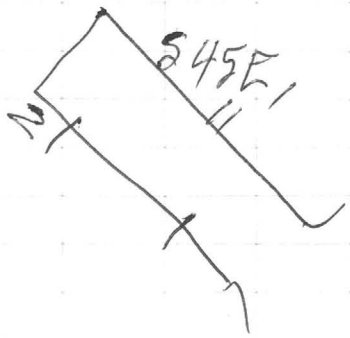
Pit. 11.0 x 4 1/2 x 4 1/2

1/8 split



26

#1261

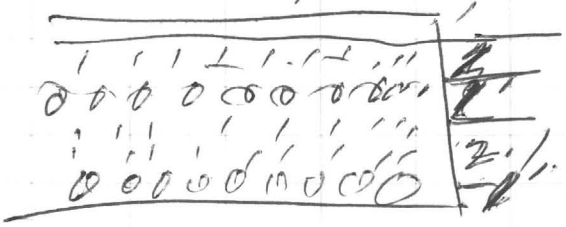


Pit 11' x 4 1/2 w x 5 1/2 deep

Samp. SW wall - 4 1/2 x 5.0 x 8"

Photo 4" muddy sand.

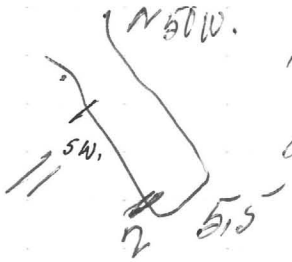
1/8 split



23

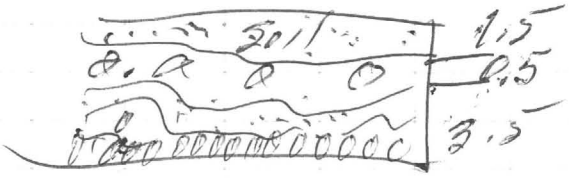
#1262

1/8 split



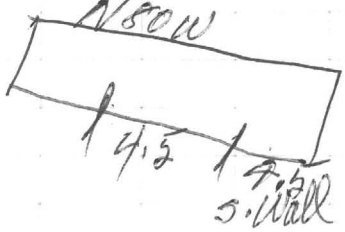
Pit 11.0 x 5.5 x 2.5 h.

Samp. 5.0 x 3.5 x 8"



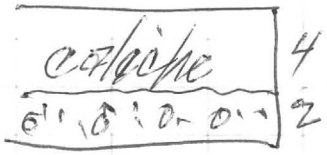
~~#33~~

#1263



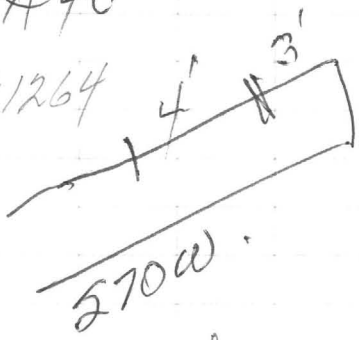
Pit 12' x 4½ w. x 6' deep
Samp - 4½ x 2' x 10"

1/8 split



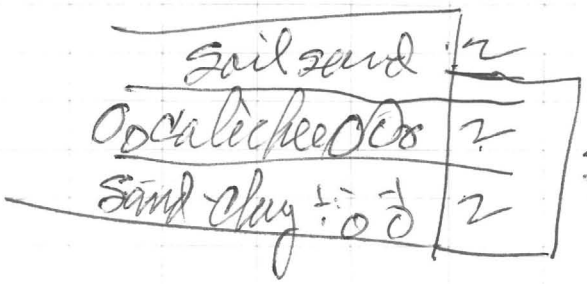
#40

#1264



Pit 11½ x 4½ x 6' deep.
Samp 4 x 5½ x 6" -

1/4 split



(13) (13)

Sample Number	Sample Volume cubic Feet	Number of Splits Ratio	Weight of Conc. Pounds (3)	Natural Iron-% (4)	Magnetite % (5)	Sand % (6)	Specific Gravity of Conc. (7)	Magnetite % per cubic yard (8)	Cu. Yards Required for 1 ton Magnetite (9)	(10)
1256	2.7	3-(1/8)	0.563	18.6	25.69 (~~10%~~)	74.31	3.297	0.145	11.60 - ~~0.55~~ 0.43	172.4
57	"	"	1.688	26.0	35.91 (~~20%~~)	~~64.09~~	~~3.525~~	—	~~48.48~~ → 1.79	41.3
58	"	"	0.688	23.4	32.32 (~~20%~~)	~~67.68~~	~~3.464~~	—	~~11.48~~ 0.66	112.4
59	"	"	0.688	33.6	46.41 (~~25%~~)	53.59	3.819	0.319	25.52 - ~~1.07~~ 0.95	78.3
60	"	"	1.188	30.2	41.71 (~~25%~~)	58.29	3.701	0.496	39.68 - ~~1.98~~ 1.47	50.4
61	"	"	1.062	20.7	28.59 (~~15%~~)	71.41	3.370	0.304	24.32 - ~~1.22~~ 0.90	82.2
62	"	"	2.062	39.4	54.42 (~~40%~~)	45.58	4.021	1.127	89.76 - ~~4.49~~ 3.32	22.0
63	"	"	0.625	29.2	40.33 (~~10%~~)	59.67	3.666	0.252	20.16 - ~~1.08~~ 0.75	99.2
64	"	"	0.625	24.4	33.70 (~~10%~~)	66.30	3.499	0.241	16.88 - ~~0.84~~ 0.63	118.~~[illegible]~~

Assays of Original Conc.

Sample Number	Natural Iron %	Gold Oz/ton	Silver Oz/ton	Titanium oxide % (TiO_2)	Sulphur %
1256	18.6	Tr	0.15	1.13	
57	26.0	Tr	0.10		
58	23.4	0.005	0.05	1.55	
59	33.6	Tr	0.05	1.31	
60	30.2	Tr	0.10	1.16	
61	20.7	Tr	0.10		
62	39.4	0.005	0.15	0.91	2.85
63	29.2	Tr	0.05		
64	24.4	Tr	0.05		

Calculated Contents for 100% Pure Magnetite Conc.

Gold Oz/ton (11)	Silver Oz/ton (12)	Titanium oxide % (13)
Tr	0.58	4.40
Tr	~~0.76~~ 0.28	
0.005	~~0.05~~ 0.15	4.80
Tr	0.11	2.82
Tr	0.~~35~~24	2.78
Tr	0.~~38~~	
	0.28	1.47
Tr	0.12	
Tr	0.15	

26 actual lines + Table I

Top 3/4" + Middle 1/2"

col 5 = Col 4 × 100/72.4 (My Formula)

Col 6 = 100.0% − col. 5

col 7 = (col 5 × 5.17 + col 6 × 2.65)/100

col 8 = col 3 × Col 5 × 80

Col 9 = Col 8/2000

col 10 = ~~col 2000~~ / col 8

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA

FIELD ENGINEERS REPORT

Mine L.J.C. IRON PLACER Date 2/4/65

District MARICOPA COUNTY - BIG HORN DIST. Engineer Lewis A. Smith

Subject: Mine Visit and Conference - Chris J. Hall (In charge of field operations) 2/4/65

ACCESS: Travel 26 miles along the Hassayampa - Salome County road to where the Mary E. Ranch road joins it. Here turn north for 9 miles to the mine headquarters (This road had been graded, but it is now rough). (The road from Hassayampa is paved to the Mary E junction, but is 3 miles longer.

WORK: This is described in previous reports, except that the present water hole is now at 575 feet and has a set of tools stuck in it. Water in both holes was encountered at about 200' below the collar, according to Hall. At this well a fence has been erected for a storage yard and the proposed plant. A pile of tarred power poles was stored here. Later this will be used to build a power line 8 miles to Public Service lines on the Salome highway. The rerun on the samples from the 36" holes shows considerable recoverable gold. (The concentrates, according to Frank Broes, show up to $30-$35 of gold per ton or rough $1-$1.25 per ton of gravel, and 4½-5 percent of magnetite (up to 6 ~~pounds~~ percent). He stated that the Japanese checked this gold figure, and it was their report that caused L.J.C. to make the rerun for gold. The 34 holes (36 inches in diameter) showed reasonable consistency in magnetite content as did 45-2" holes (30 feet deep).

GEOLOGY: The magnetite placer occupies an amphitheatre that is roughly half of a circle, surrounded on the east and north by volcanic flow rocks lying on granite gneiss (and probably some schist). These in order are andesite, rhyolite and rhyolitic tuff, and last capping the ridges, is a flow of basalt that is largely small remnants. Each of the three groups of flows is separated from the other by erosional unconformities. The andesite is somewhat basic in places. The magnetite may have weathered out of the basalt and the andesites. The Tiger and other small gold properties lie N and NE and lie, in the main, in the andesites and the underlying granite gneiss. This sort of mineralization could also have yielded the gold found in the placer. Comparing the thick flows of the Plomosa Mountains andesites (Kofa Series) (possibly 2,000 feet thick) with what remains of the Big Horn andesites, it is evident that an erosion of the latter has been extensive. It is also probably that the granitic rocks may be in part basic (diorite or hornblendite) as is the case in the Little Harquahala Mountains to the NW of this area. (These rocks formed the Bauer magnetite placer). In the manganese bearing area immediately north of this area the remaining andesites were locally very thin, and indicating extensive erosion. To the northwest gneissic granitic rocks predominate. A few small granite and gneissic granite remnants project upward out of the gravels and out from under the andesite flows, around the east and north perimeter of these gravels. The 800-foot water hole, ending in coarse gravel, show that a considerable volume of gravels lies in the amphitheatre. The cobbles, pebbles and sand around the camp consist of andesite, rhyolite, basalt and granitic rocks, at or near the surface of the gravels. The sand is largely of granitic origin.

The drill rig is a Walker-Neer Model S-32. The casing in the collar of the 575 foot hole is in 12" diameter. Recently two diesel motor-driven generators (125 KW) were placed on the ground for standby power. They are Ready Power units manufactured in Detroit, Mich.

6-27-77 Walt Smith called - wants update on Bros Report.
~~2-7-76 - Fred Mac Mac - out of order.~~
~~2-10-76 - FBI - Craig Wilson - Bros, & others.~~
9-28-75 - Bros called - claims jumped (some lawyer) (McKenzie - Elkins)
9-22-75 - Nick Koster (h.A) - told him to write me letter. —
1-14-75 - 914-248-7262 - Bob Maher (Marr) had questions on h-73 report to J. h.T.C.
9-
6-18-73 John B. Cashiff (Col.) →

NM

244-9361
Rm 103.

Stader -

5-1-75	5-9-75	#313 —	$ 123.12 copy
1-27-73	3-12-73	#5372.	$ 62.50 copy.
10-23-71	10-22-71	#5091	$ 612.50

12-4-74 - 6-7 - Rpt - 1-75

6-27-77 call

Letter — (1)
May a letter

Jamsafit - C-312502

Page 3 - 8-9-10 - said Eng. to contact me,
on
Page 20 - 18-19-20-21-22 - Didizzu ultimately relocate this claim - Mr McNeil - when was that - Nov 1, 1974
21 - 12-20 - W. Nov. 1, 2, 1974 - Nov. 6, would
Lor. Dec 4, 7, 8.

Page 22 - 1-23-4. - 2 backhoes -
time 7-89
Page 30 - 13 - [redacted] Incl. ●●
page 31 line 29 →

Palm Westin - chal
Plan
Stader.
1/2/77 - 10:00am -

Michigan Gilmore Oil Company - Operating No. Lease 40
T4N, R. 9W
Montcalm

Sec. Mich & Mich Pumps on Mich Pumps
T5N, R.9W.
6th M.-Dec. 17, 1979 Yearly

Mich Pumps
Etc.

Re. Stratco.

Mr. W. W. McMillan - 959-1813 10/18/91
2950 N. 46th St. Apt 124 -
Stratco Inc. 1030 15th St. NW., Wash. D.C. 20005, 202-659-1730

International Sun Ltd.
Frank ~~[illegible]~~, Chm of Bord. Pres.
Stratco - Holding Co. - Washington D.C. 1030 15th St. NW 20005
Book value of claims - of appraisal - 659-1730 202 D.C.
M.A.I. appr. -

Placer claims: -
34 claims + outside claims, 5540 Ac. - D.T. Placers.
T 4 - 9W.

Mesa - L.S. 962-6098 - 2037 East Aspen. - Cave Del Fel.
83204 -

IC 8236 - 1964 pg 71 - Brown Iron, Ouro Dc.
Secs. 9, 10, 14, 15, 16, 17, 19, 20, 21, 22, 25, 27, 28, 29, 30 and 32
T. 4N R. 9W. - 17 mi S. of Agoura.
Mag - from few ft to more than 100 ft. - ilmenite) (3 to 7%)
up to 10%
Beneficiation tests by bureau 1964 - screen and mag separation
65-69% Fe, 0.3 to 0.8% titania. -
trench pits 10-15 ft.

L.T.C Iron Co. 111 N 28th St. - Bang upkd - magnetite extract Na from
Mag. - Trying to finance 90 mile cond. to Bluff
Bros 34 - 12" holes (1 per 1/4 Sec.) from 20-25 feet.
37 - 2" holes " 40-50 feet
1 - 12" hole to 800 ft - 40 @ 600 feet.
Samples 4-5% magnetite alone being 6%. - Titanium
less than 0.1 in magnetite conc.
Concentration 20-25 to 1.
(LAS - eqn. close to marginal at best)

Calazona Mining part of L.T.C Iron Co -

L.A.S. 8/25/60
Ralph R. Langley. Los Angeles, Calif.

2.45

4.02 9.3

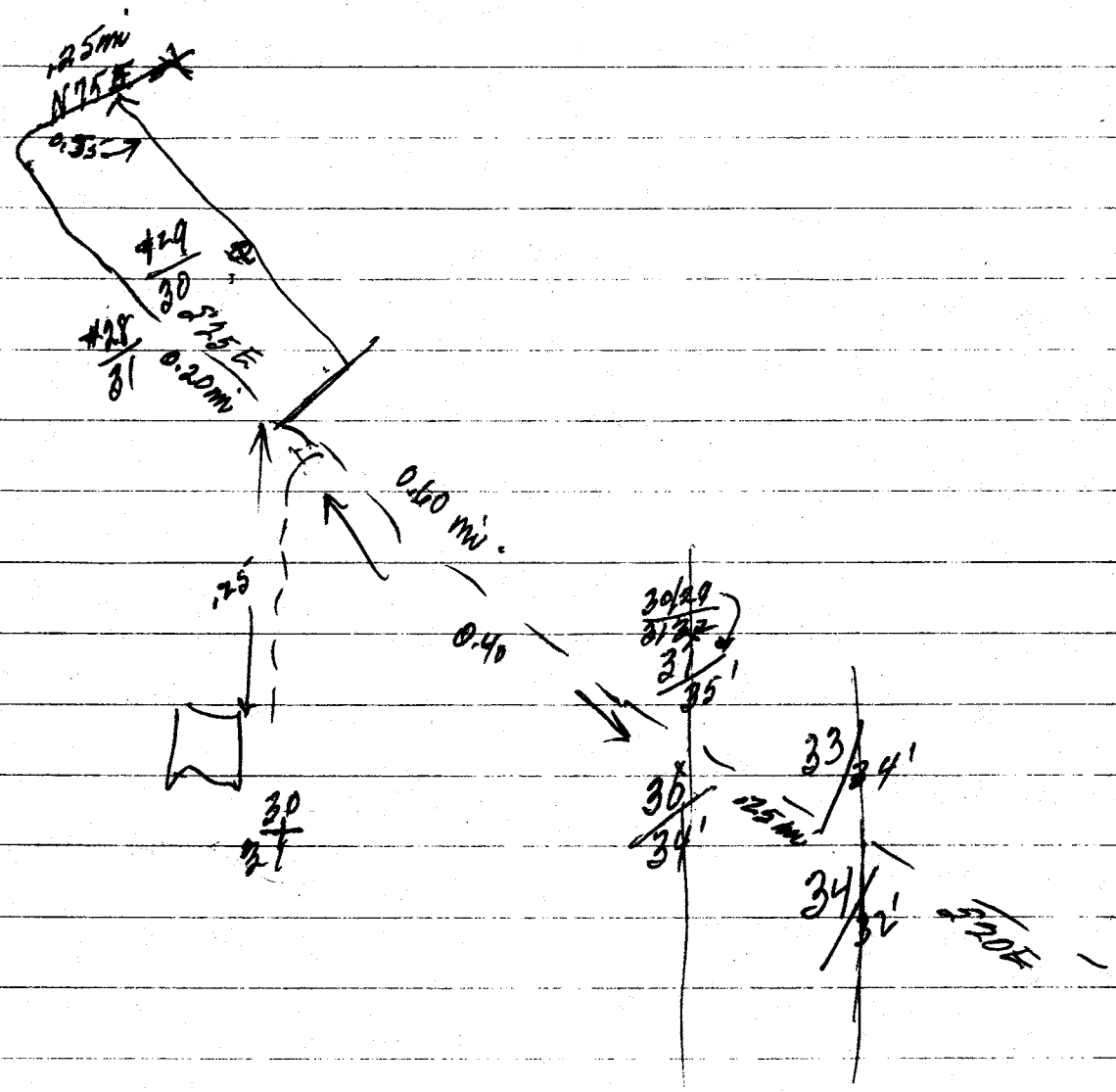
Ag. Rd to West Boundary - 5.1 mi.

9.3 - 13.2

Ag Rd to Balance Rd -

13.3 - 33.1 = 20 miles Par. to Ag. Rd.

29.1 mi par - Buckeye.



Case No. C312502

Page 3, Lines 8, 9, 10

No response either by telephone or by mail. He was instructed to have his engineer who is to be his chief witness get in touch with me and he never did so.. Letter A or B On November 1, 1974

Page 20, Lines18 , 19, 20, 21 22.

Q. Did you ultimately relocate these claims, Mr. McMillen:

A. Yes, I did.

Q. When was that?

A. It was on the 1st of November 1974.

Pg 21, lines 12-20

A. Well, in the locations of the claims on November 1 and 2 of 1974, my brother and I went out there with a 4 wheel drive vehicle and a compass and we located the claims putting down a 4 x 4 post every ½ mile driving on a line. You put location notiees in cans on the center post of each section for locations notices for the four additional claims there following that posting. Yes we did record on November 6 and 7 and within 90 days thereafter did location work. Location work done Devember 6, 7 and 8.

Page 21, line 26 - locators did work on 6, 7, 8.

Page 22, lines 1, 2, 3, 4. - 7 & 8, I believe 1974.

Line 7, Dick Baker, my brother, David Don Segun, Mike Wieland, Ray McMederhoff and Richard E. Mieritz.

Pg 30 - lines 13-25 inclusive.

No knowledge quit claim deed. You said Mr. Mieritz was out with you at the time of location.- He was not a locator. We employed him to sample some of the location holes. This was on December (no date) 1974. - You knew he was an engineer for Stradco?- No, I didn't. As far as I know he is an independent consulting engineer and geologist. (per McMillen)) see below

Pg30, line 23 Mackenzie questioning McMillen - Q - And you knew, did you not, that he Mr. Mieritz, was an engineer for Stradco? A - No, I didn't. As far as I know, he is an independent consulting engineer and geologist.

Pg 31 - line A - Q. Allright, didn't you know when you were part of the company as treasurer of Stradco that Stradco or Mr. Broes had employed Mr. Mieritz

as a consulting engineer with respect to those claims? Yes, I did.

E

Phoenix Western engineering et al January 7, 1977 10 a.m.

Judge Paul La Prade of the superior court.