



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.

DRAKE LIME CORPORATION

P. O. BOX 953
PHOENIX, ARIZONA 85001

11/7777

REPORT TO DRAKE LIME OWNERS

There have been 2 parties interested in the Drake Lime claims thru the efforts of Jim Girard. Copies of Dick Mieritz's reports and maps were sent to each.

On Monday, 1 August, Dick and I met Mr. Louis C. Ball of South Pasadena in Prescott and took him to the property. He was impressed with it and subsequently submitted it to a major national chemical company. The chemical company advised Mr. Ball that the ground limestone did not have the "whiteness" factor necessary for their use.

Mr. Ball has 2 other companies to contact and will advise us of any interest by either one.

Nothing was heard from the other gentleman, Mr. Hal McVay, until I recently contacted him. His firm is still interested, but delayed in actually checking the property, because of a rather substantial involvement in another venture which occurred earlier than they expected. He expects to contact me early in 1978.

The necessary assessment work was done prior to 1 Sept. 1977. It consisted of dozing roads to 2 proposed drill sites to the north of the present holes by Harley Gray and work done by Dick on maps and field trips.

Harley Gray completed the assessment work and I paid him with my check for \$425.00.

Dick Mieritz has not been paid and his bill will be sufficient to cover the \$700 total assessment requirement.

I will continue to make no charge for my time or expenses until we have some money coming in.

Each of you received a report for the years 1975 and 1976 from Gallant-Farrow & Greene. The Trust Bank Account as of 1/1/77 was

	437.08
6/9/77 - Ck. to Gallant-Farrow & Greene - accounting	(32.00)
9/1/77 - Ck. to B-H-B - insurance	(129.00)
Balance	\$ 276.08

The Drake Lime Corp. Bank Acct. 1/1/77	93.16
1/10/77 - Ck. to Arizona Corp. Comm. - filing fee	(30.00)
2/9/77 - Ck. to Gallant-Farrow & Greene - Accounting & Filing	(58.00)
Balance	\$ 5.16

Obviously we need money in both accounts. I believe we should have a little more in the bank than to just cover current expenses, in the event some expense should arise during the negotiations of sale, plus there will be a small attorneys fee and cost of filing several documents to close out the Fisher settlement. \$1500 is the suggested amount split as follows:

	Ownership	% of Money	Dollars
Ethel Freeman	24.75%	26%	\$ 390
Jim Girard	22.75%	24%	360
Dwight McClure	23.75%	25%	375
Mrs. McGee	5%	-0-	
Dennis Pickens	23.75%	25%	375

The Forest Service required a report of "Outline For A Mining Claim Operating Plan" which was filed with the District Ranger on 21 Oct.

There are other parties interested, but it is too early to really know what they may want to do.

I will keep you advised of any future developments.

It will be appreciated if you will send your checks so the remaining bills can be paid.

Thank you.



Dwight McClure

DRAKE LIME CORPORATION

P. O. BOX 953
PHOENIX, ARIZONA 85001
602-252-2946

December 8, 1977

Ms. Betty J. Schoenfeld
c/o Red Carpet Realtors
1777 W. Camelback
Phoenix, Arizona 85015

Dear Betty:

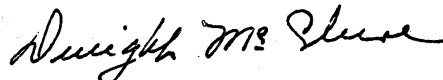
You have indicated an interest in the possibility of selling the Drake Lime Corporation claims (Col No. 1 thru No. 7) located north-west of Drake, Yavapai County, Arizona.

This letter is your authority to proceed on an open listing basis for the lease and/or sale of our property. There are two other parties who have evidenced some interest in the possible lease or purchase of the property.

In the event you consummate a lease and/or sale of the property, Drake Lime Corporation agrees to pay you the normal ten percent (10%) lease/sale commission on any and all monies (monthly payments, purchase payments, royalties, etc.) received by Drake Lime Corporation as a result of a lease and/or purchase completed between your client and Drake Lime Corporation. Any commission due to you will be paid as monies are received by Drake Lime Corp. There will be no prepayment of any portion of the commission.

The open permission grant portion of this instrument will expire six months from the date of this letter (June, 1978). If a lease and/or sale is not consummated during this period, the agreed to commission becomes null and void. Conversely, if a lease and/or sale is consummated during the term of this instrument, you being responsible for such lease and/or sale, then the commission portion is forever binding and effective so long as the lease and/or sale is valid and alive, and not terminated for one reason or another.

Very Truly Yours,



Dwight McClure
President

DM/e1

DRAKE LIME CORPORATION

P. O. BOX 953
PHOENIX, ARIZONA 85001
000-000-0000

December 8, 1977

Betty J. Schoenfeld
Gilbert N. Freeman
Joseph F. Rominger
c/o Red Carpet Realtors
1777 W. Camelback
Phoenix, Arizona 85015

Dear Betty:

In accordance with our recent conversations, the following is submitted as a proposal for the sale of the seven claims, (Col. Nos. 1 thru 7) known as the Drake Limestone Property.

1. Drake Lime Corporation will enter into a lease-bonus arrangement with your client until 12/1/78 for \$30,000 payable at the time of execution of the lease.

The \$30,000 is tax deductible by your client.

During this time your client shall drill and do any other exploratory work which they desire. Copies of all drill hole logs, assay reports and any other pertinent data shall be given to the owners, if your client decides to abandon the property at any time.

During the period of this lease, the lessee shall complete all the necessary assessment work for the period ending 31 August 1978, prior to said date.

All physical work on the property shall be completed in miner like fashion and in accordance with the U.S. Forest Service Regulations as administered by Chino Valley Ranger District.

2. On 12/1/78 your client may have three options:

- A. Purchase the property for \$375,000 cash.
- B. Pay a royalty of \$0.40 per ton on all limestone shipped from the property or used to produce lime and/or other products, with a minimum annual royalty payment of \$30,000, payable at the rate of \$2,500 monthly in advance, with a settlement each third month for excess royalties, if any.
- C. Renew the lease-bonus arrangement for 1 year to 12/1/79, under the same terms and conditions, by the payment of \$50,000 on 12/1/78. The \$50,000 will be reduced to \$30,000, if your client has placed a non-cancelable order for a processing plant to be in operation on or before 12/1/79.

Page 2
12-8-77
Betty J. Schoenfeld, etc

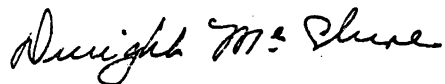
3. On 12/1/79 your client may have two options:

- A. Purchase the property for \$425,000. This price shall increase \$50,000 on each successive 1st day of December.
- B. Continue the royalty of \$0.40 per ton with a minimum annual royalty payment of \$40,000, payable at the rate of \$3,333.33 monthly in advance, under the same terms and conditions as outlined in No. 2 B above.

4. On 12/1/80 the minimum annual royalty shall increase to \$50,000, payable at the rate of \$4,166.67 per month and subject to the terms and conditions as outlined in No. 2 B above. This royalty shall remain constant until the property is purchased.

Please call me if you desire any additional information.

Very Truly Yours,



Dwight McClure
President

DM/el

cc: Gilbert N. Freeman
Box 2025
Scottsdale, AZ 85252

cc: Joseph F. Rominger
7520 N. Lakeside Lane
Scottsdale, AZ 85253

LOUIS C. BALL
1976 OAK STREET
SOUTH PASADENA, CALIFORNIA 91030
(213) 799-0712

November 7, 1977

Dear Mr. McClure

Thank you for your letter of November 3, 1977.

I am very disappointed that my client, the Pfizer Company, Mineral Division has chosen not to investigate the Drake limestone deposit further. Their testing for whiteness based on the small hand sample I furnished showed a factor of 82% where their minimum requirement is for a factor of 92-95%. In the testing itself a finely ground (-325 mesh) sample is compared with the whiteness of pure titanium dioxide (TiO_2) or pure magnesium oxide (MgO) either of which has a whiteness of 100%. Pfizer makes fine ground, high purity whiting for paint filler and other premium sized filler applications. Pfizer has a very heavy investment in plant and land on a deposit near Victorville, California and have been looking at similar deposits within a short radius of delivery. In the deposit now worked, they have substantial reserves but difficult mining problems. Their test of the Drake sample at least did show a very very pure limestone as far as chemical composition is concerned - 99.0% $CaCO_3$.

I understand your aim to bring the Drake to the attention of other prospective buyers and that future efforts of mine on your behalf are non-exclusive.

Sincerely
Louis C. Ball

Page 2
10-21-77
John W. Holt

- (B) Access roads to the claimed area are already on the property, primarily as "rancher" unimproved, dry weather type of road. Existing roads are travelable for the present.
- (C) Annual assessment work will consist of additional surface drilling using either percussion type, air driven drill or by diamond drilling. Only drill location access roads need to be constructed with dozer - mostly to clear a path of underbrush and perhaps some cedar trees.
- (D) No other activity planned at the moment to cause an impact on the surface resources.

IV Environmental Protection Measures

Drill hole location access roads to be constructed would be so aligned as to keep the impact to the surface resources at a minimum, utilizing old existing trails or roads where possible, dodging the trees where possible and constructing in a way to prevent erosional action in the area.

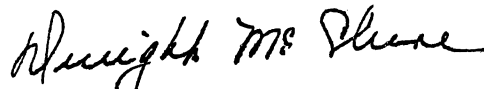
V Season of Operation

Annual assessment work might be done at any time, however, the previous policy of Drake Lime has been to do such work during July and August of each year.

If you require additional information, please advise me and I will attempt to obtain same for you.

Thank you for your cooperation. It has been a pleasure to work with you.

Sincerely,



Dwight McClure
President - Drake Lime Corporation

DM/el

DRAKE LIME CORPORATION

P. O. BOX 953
PHOENIX, ARIZONA 85001
~~602-250-2787~~

November 3, 1977

Mr. Lewis C. Ball
1976 Oak Street
South Pasadena, CA 91030

Dear Mr. Ball:

Thank you for calling me earlier this week.

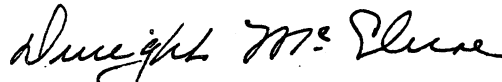
It was disappointing that the ground limestone did not meet the company's requirement. I will appreciate knowing the 'whiteness' factor required, if that is information which you can release.

This letter will confirm our conversation that we will continue to work with you on any future prospective buyer. However, it will be on an open basis with no exclusive arrangement at this time.

Anytime you are in Phoenix I will appreciate hearing from you.

Thank you again for your effort in attempting to sell the property.

Sincerely,


Dwight McClure

DM/el

No. 9823

Dept. _____

Date

Oct 10 1977

Name

Drape Line Corporation

Address

Phoenix Ark.

SOLD BY		CASH	C. O. D.	CHARGE	ON ACCT.	MDSE. RETD.	PAID OUT
QUAN.	DESCRIPTION					PRICE	AMOUNT
1	Pd 10/31/77 by H. M. Thune						
2	CK # 1942.						
3	9 hr. tractor work						
4							
5	done on 2 roads						
6							
7	and repair on						
8							
9	road from gate						
10							
11	to the new roads						
12							
13						\$426	00
14							
15	Work done first						
16							
17	week of Sept.						
18	H. M. Thune						
Customer's Order No.		Rec'd By					
Rediform 5H320		KEEP THIS SLIP FOR REFERENCE					

R. 1 W.

Col N^o 2

Col #5

19
30



Unloading Area

T. 19
N.

For
Harley

R. 1 W.

Work done as
instructed
repair road
from gate to
the new road
and made new
roads as shown.

R.H. [Signature]

LEGEND

- Drilled Holes
- Planned Drill Holes
- Existing Roads
- Roads to be built
- Roads to be repaired

BRAKE LIMESTONE

Scale: 1" = 800 Ft.
7/30/74 R. R. Ritz

LOUIS C. BALL
1976 OAK STREET
SOUTH PASADENA, CALIFORNIA 91030
(213) 799-0712

August 8, 1977

Mr. Richard E. Mieritz, Mining Consultant
2940 North Casa Tomas
Phoenix, Arizona 85016

Dear Dick:

Re: White Limestone

Thank you for your letter of August 4, 1977. The client to whom I submitted the sample of the gray crystalline Drake limestone took one look at it and said he doubted whether it would be white enough when ground to meet their specification. However, it has been submitted to the laboratory and I will have the results in about a week.

With regard to your suggestion, I see no reason to hesitate in our consideration of any other deposit you have in mind. I will look to you for obtaining the consent of owners to offer their properties for sale and obtaining a commitment from them for a Finder's Fee to be paid to us. I am agreeable to a 50-50 division of the fee in any deal where you have found the sellers and I find the buyers. It is important to obtain a firm selling price and a commitment in writing.

In selling or leasing mineral properties, I have found it the most satisfactory to be paid directly from the closing escrow in a sale and to be specifically named in a lease wherein minimum annual payments and/or royalties are to be paid.

As to whiteness or brightness of limestone used as whiting or filler for paint and for glass manufacturing, pure titanium dioxide (TiO_2) and/or pure magnesium oxide (MgO) are used as standards with a value of 100. A finely ground limestone to be suitable for these purposes must have a value of no less than 90 when a sample which is 100% minus 80 mesh is compared with one of the standards. Iron gives the sample a yellow cast, graphite in even small amounts has a smearing effect which renders a gray cast, and either or both are undesirable. Silica and magnesium carbonate should also be low but can be tolerated to some extent.

Mr. Richard E. Mieritz
August 8, 1977

Page Two

With this letter, I am enclosing my copy of "The Mineral Economics of the Carbonate Rocks: Limestone and Dolomite Resources of California," Bulletin 194, California Division of Mines and Geology, 1973. It is an excellent publication and I recommend that you read it carefully. It is a valuable reference and you may want to buy a copy for your own library. Please note in particular, Tables 5 and 7 on pages 42 and 43.

In conclusion, I hope that the owners of deposits you have in mind are realistic concerning the value of proven limestone in place if a sale is contemplated and the royalty value of limestone per ton if a lease is to be considered. In my view, a value of \$0.10 per ton for sale and \$0.25 per ton for lease are "comfortable" figures today.

Best personal regards to you and Mrs. Mieritz.

Sincerely,



Louis C. Ball

LCB:Kcw
Encl.

REPLY TO:
1634 W. HAZELWOOD STREET
PHOENIX, ARIZONA 85015 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

November 30, 1977

Mr. Louis C. Ball
1976 Oak Street
South Pasadena, California, 91030

Dear Louis:

Under separate cover I have sent to you a carton of white limestone pieces from a property near Tucson, Arizona. This carton was sent by Greyhound under ticket number 53673126-1. They have your phone number and would call you.

Since whiteness or brightness is one of the most critical specifications your client has, I thought it best to send you some pieces so they could test the material in this direction and any other direction they wish.

I have quite a complete report on the property and can say this at the moment. It is a high purity limestone, quite free of impurities although you will notice there are some manganese dentrites but believe this to be an exception rather than the rule. It burns well to a good lime but for some reason or other, is not exceptionally reactive to acid which may be a characteristic most suitable to your client. The property has been drilled and has a reserve at the moment of some 5,000,000 tons.

I hope you will agree that the first step should be to test the samples I have sent to determine whether your client would be interested. If positive, then I can prepare a report - abbreviated - and forward to you to provide the particulars of the property. At that time also, I would have a letter from the owner indicating the property would be available to a deal and that a commission would be paid.

In this direction, between the time I corresponded to you with regard other properties for your clients, and the present, Mr. Dwight McClure had mentioned this property to me as being one for your client. I already had this in mind, and since Dwight was responsible for your coming over here, I think it best that you, Dwight and I participate in this deal if it should go that far. After I obtain the letter from the owner, the three of us could prepare a separate letter of agreement. What is your thought on that? Keep me informed.

Sincerely,

cc: D. McClure

R. E. Mieritz

$$10,000,000 \overline{) 25,000.00000} \quad .003$$

$$10,000,000 \overline{) 400,000.000} \quad .04$$

2940 N. Casa Tomas

August 4, 1977

Mr. Louis C. Ball
1976 Oak Street
South Pasadena, California, 91030

Dear Louis:

I hope the information that you received over the telephone provided the necessary data in order to present a "half-way" decent picture to present to your client. Also sorry that Dwight did not send the material to you before you had this appointment with the client.

After your discussion with the client, you should have some idea whether he would be interested in the property or not. He could possibly reject it for one of many reasons. I say that because all users, as you well know, have stringent specifications for the crude material and if there is any one spec that they can not live with it is rejected--all dependent on the use of the material and what products they make, or manufacture.

As I recall, you said you had one chemical company which had a dire need of limestone and it is assumed that the client you visited this day was that chemical company. You also mentioned the "brightness factor" of the raw material--when ground to the users specifications.

What I am leading up to Louis is this. If per chance the Drake limestone deposit is "rejected" for any reason--specifications, economy, whatever, I could advise you of another property but I would want to have the Company's specifications--chemical and physical. Brightness appears to be one of the critical specs, which would indicate that the iron content must be very low, and the natural color should be quite light. Regardless, if you could provide me with the specifications (complete), then I would be able to screen those properties I know about and submit the one which would fit the situation as best as possible.

The Drake limestone comes first--ofcourse, unless it has been "rejected" by a specific client of yours. Oh!, one other thing--some users use the limestone without converting to CaO and others use to neutralize acidity. These I should know also. Some limestones are not that reactive.

Good luck on the Drake. See you some time.

Regards,

ML 16,121817

THE APACHE LIMESTONE & CLAY DEPOSIT

PROPERTY: Eight fractional quarter-section placer mining claims, known as Apache Limestone Numbers One, Two, Three, Four, Five, Six, Seven and Eight, consisting of all of fractional Sections 1 and 2, Township 18 North, Range 2 West, (1,134 acres more or less), near Drake, in Yavapai County, Arizona.

MINERALS: Limestone, argillaceous limestone, and clay.

GEOLOGY: The massive limestone beds that underlie the argillaceous limestone and clay are mainly in the north part of the claimed area. About 200 feet of the bedded limestone is exposed in the canyon. It is a tan crystalline limestone of the Redwall and Martin formations. Argillaceous limestone (caliche) overlies the major part of the claims with a sizable red clay deposit in the western part. Overall or average red clay thickness is probably 30 feet thick.

QUANTITY: The limestone beds here total 2,000 feet thick in places. Using a minable 100 foot thickness, 300,000,000 tons are available here. The caliche beds probably contain upwards of 10,000,000 tons and the red clay beds in the western part around 3,000,000 tons of usable material.

QUALITY: Chemical analysis on the limestone show that it runs from 96.88% CaCO_3 to 99% plus CaCO_3 . It is low in alkali, iron, magnesium and silica. See copies of analysis of limestone. The argillaceous limestone contains principally calcium, aluminum, and silica. With the addition of argillaceous clay, and small amounts of the high-calcium limestone, it is suitable for the manufacture of Portland Cement. The clay is a red plastic material and contains enough aluminum silica and iron to be cement making additive material.

MILLSITE: A millsite on which to build a large Portland Cement Mill, has been prepared on the property.

ACCESS: The property is situated within a quarter of a mile from U. S. Highway #89. An access road from the highway intersects the property.

RAILROAD: The property is within one mile of the Atcheson, Topeka and Santa Fe Railroad. The area was once traversed with a railroad, but rails are removed, grade remains.

POWER: Electric power is within one mile of the property.

WATER: The Abra Water Company, a Public Utility, has made 10,000 gallons of water per minute, available to the said Claims. The Abra Water Company is situated within five miles of the said property.

APACHE LIMESTONE GEOLOGIC REPORT

This large limestone deposit is located in the south end of the Juniper Mountains in Yavapai County, Arizona. Thirty-six miles north of Prescott, Arizona and close to State Highway #89. The property consists of eight fractional quarter section placer mining claims, known as Apache Limestone, numbers one through eight, consisting of all fractional Sections 1 and 2 in Township 18 North-Range 2 West (1,134 acres more or less) near Drake, Arizona.

The claims lie within sight of Highway #89 and to the west of the highway. The topography is one of gentle long slopes, mostly conforming to the bedding of the underlying limestones except where canyons have been eroded through these beds. The limestone beds have a very slight dip to the southeast and are relatively unfaulted.

Vegetation consists of scrub pine, pinion and juniper trees and low brush with sparse grass. The rainfall is around three to five inches per year with occasional heavy winter snows.

Good access to Highway 89 is provided by the County maintained Bullock Road which traverses considerable of the area.

HISTORY:

This area was formerly the site of an early day limestone kiln as evidenced by the still standing structure (see two photographs) and one important enough to rate a railroad to its operation. Production here in about 1890, amounted to about 50,000 tons total of lime products. The rails are now gone, but the rail bed is in evidence on claims 5 and 8.

About 1960 the Henry Kaiser Company, through one of its subsidiaries, the Republic Cement Corporation was organized to bid for the cement to be used on the Glen Canyon Dam project (which contract was eventually awarded to the Riverside Cement Company of Riverside, California.

The Republic Cement Corporation drilled a number of drill holes in the area, mostly on claims 2 and 5. These holes were diamond drill holes in the surface exposed limestone areas. The clay and caliche were probably drilled with a bucket type drill rig. No drill sites of this type are in evidence today.

The geologic survey of this deposit was made near the end of August, 1967. The purpose was to prepare a detailed geologic map of the area and to delineate structure and extent of this very large economic carbonate body in the Southern Juniper Mountains of Arizona.

The claims are now properly claimed and recorded and are owned by Harry and Marie Beckelman, one-half interest; L. W. Armour, one-eighth interest; Elsie Nokes, one-eighth interest; Leland Lindley and his mother, Della Lindley, one-fourth interest, a California group.

REGIONAL GEOLOGY:

The topography here is the range and basin type with volcanic

lava remnants capping beds to the north. Water in streams flowing from the northwest has cut steep walled canyons on the northern boundary of the claims. These canyons are generally not over 100 feet deep. Bare mountain slopes are mostly limestone exposures and the alluvium covered slopes and valleys are covered with red and brown clays and tan white caliche beds of varying thicknesses.

To the northeast the Mogollon Rim Country rises steeply ten miles away with heavy timber country stretching away from its rim to the north and northeasterly direction.

LOCAL GEOLOGY:

Stratigraphy (Lithology) -

1. The recent alluvium here is a river flood plain type of clay deposit. It is a red-brown heavy clay with inclusions of caliche, silicious (cherty) concretions and basalt fragments.
2. Next in the column is a bed of tan-white, fluffy, loose, uncompacted, light weight caliche with limestone pebbles, silicious concretions, basalt fragments and other sedimentary deposited impurities.
3. The surface outcrop of limestone is a gray-tan hard crystallized rock of the Redwall and Martin group, under which lies the Tonto quartzite group.
4. The Tonto formation is not exposed in the area of the claims but is exposed several miles to the southwest.

The Redwall formation, the top of which is exposed in a canyon about 100 feet deep that skirts along the north boundary of the claims. The surface contact with overburden alluvium is plotted on plan map. This exposed area has 12 drill holes drilled in the exposed bedrock portions. The drill holes were put down only in claims 2 and 5. The drill holes were put down as 1½ inch diamond drill holes. A few of these cores are available for inspection. Several holes of 2 inch size were also drilled.

The red-brown clay was deposited as stream flood plain deposits and covers most of claims 5, 6, 7 and 8. In some places it is 50 feet deep (drillers verbal data?). The tan white caliche probably underlies the red clay everywhere except where the limestone is exposed near the canyon area of claims 1 and 2.

Geological Structural Features

There are no structural features prominent here, except the Limestone Creek on the north side of claims and its clearly exposed limestone cliffs. No major faults are exposed or mapped within this report area, but faults do occur to the northeast, toward the "Rim Country".

See profile or cross-section map included with report. Plan map shows claim location or discovery pits and surface geology.

Redwall Limestone -

This massive bedded gray limestone bed appears to be a coarsely crystalline metamorphic rock of Mississippian age with few impurities. Chemical analysis is as follows - 96.88% CaCO_3 to 99% plus CaCO_3 . It is low in iron, magnesium, silica and alkali salts.

The Redwall bed is very consistant as to color and grain size but in places it tends to become a dense fine grained limestone. Grain or crystal size is around 1/8 inch, the rock has an average hardness of 3.5 and a specific gravity of 2.59.

GEOLOGIC COLUMN OF THE AREA

	<u>Thickness</u>	<u>Age</u>
Alluvium (Red Clay White tan Caliche)	50' 30'	Quaternary to recent
Basalt	100 - 200'	Miocene
Clay (liney)	50 - 70'	Miocene
Redwall Limestone - w/agglomerate lenses	200'?	Mississippian
Martin Limestone - w/agglomerate lenses	200'?	Devonian
Quartzite	100 - 200'	Pre-Cambrian
Granite Basement		

General Discussion of Cement Limestones:

A plant chemist usually determines what type of materials to blend for a certain type of cement. A region like the Apache claims area usually has within a few miles all of the necessary materials. Iron ore, high grade hematite ore exists about 25 miles to the northwest, near Seligman, Arizona. High alumina clays can be found usually associated with hydrothermally altered areas and these are not too far distant. The pipestone high alumina clay deposits are in the area. Silica is abundant in the area of the Mogollon Rim in the large sandstone deposits (flagstone rock) about 10 miles in a north-east direction.

Blended Portland Cement mixtures ready to be put into kilns usually have the following chemical limits (dry basis).

Lime (CaO) - - - - -	42-45%
Silica - - - - -	13-16%
Alumina - - - - -	4-6%
Iron Oxide - - - - -	2-3%
Carbon Dioxide (CO ₂) - - - - -	33-35%
Remainder* - - - - -	1-3%

*(Includes magnesia (MgO) and alkalies, such as K₂O and Na₂O)

The degree of variance within these ranges depends upon the type of cement being produced and whether these raw materials are available in the area.

Notes:

A high alumina clay that is suitable for blending with other materials, usually ranges from 22 to 25% Al₂O₃ and is free of alkali salts. (Usually 3% is maximum allowed here).

Magnesium oxide content of Portland Cement klinker must be kept below 5 percent, most cement plants will not use a limestone which, in raw ore form, averages more than 3 percent MgO. Alluvial and residual clays, clay shale, and quartz-mica schist are common forms of sources of alumina and silica. Quartzite, high alumina laterite, partly altered volcanic rock, and quartz diorite can be used if they chemically supply the need.

Gypsum, an essential additive in all types of Portland Cement, (used to control the setting time) is used from 2 to 5 percent. There are fine gypsum deposits about 30 miles east of the Apache claims in the area of Camp Verde, Arizona.

LABORATORY RESULTS:

<u>Red Clay</u>	<u>Approx. %</u>	<u>Caliche</u>	<u>%</u>
CaO - - - - -	9%	CaO - - - - -	46%
K ₂ O - - - - -	15%	K ₂ O - - - - -	1.3%
MgO - - - - -	2.5%	MgO - - - - -	3%
Na ₂ O - - - - -	4%	Na ₂ O - - - - -	6%
Al ₂ O ₃ - - - - -	19%	Al ₂ O ₃ - - - - -	4 - 5%
SiO ₂ - - - - -	40%	SiO ₂ - - - - -	34%
Fe ₂ O ₃ - - - - -	5%	Fe ₂ O ₃ - - - - -	1.5%

<u>Altered Sedimentary Clay</u>	<u>Approx. %</u>
CaO - - - - -	32%
K ₂ O - - - - -	9%
MgO - - - - -	1%
Na ₂ O - - - - -	.4%
Al ₂ O ₃ - - - - -	12%
SiO ₂ - - - - -	34%
Fe ₂ O ₃ - - - - -	2.0%

Sampling Procedure:

Three samples of raw materials were taken on the claims. These were all channel wall cuts in bulldozer cut trenches on the claims.

These samples were (1) The red clay horizon, a composite of four samples from four pits. (2) A composite sample from three caliche exposures in pits, and (3) A remnant limey red pink yellow semi-altered clay, located in the northeast corner of claim #1. This clay occurs in large deposits about $1\frac{1}{2}$ miles to the north of the claims.

Each sample was about 30 pounds in weight. The composite sample of each was quartered down to small size by putting through a Jones riffle sampling device. Assays were done by Mecco Assayers of Los Angeles, California. (See analysis sheet.)

Cement Plant Utilities:

(1) The area around claim 5 where railroad could terminate affords an excellent site for a cement plant or other mill site. The land is fairly level and has clay and caliche as surface soil.

(2) Railroad: The mill site area is about 2 miles from the main line of the Atcheson, Topeka and Santa Fe Railroad tracks to the east. The mill site area was once traversed with a railroad track but the rails were removed.

(3) At present electric power lines are within two miles of the mill site. Large power lines can easily be brought in from the Chino Valley area by the Arizona Power Company.

(4) Water for the mill can be obtained from the Abra Water Company, a Public Utility, has made 10,000 gallons of water per minute, available to the said claims. The Abra Water Company is situated five miles south of the mill site.

(5) The mill site area and the claims are located within a quarter of a mile of U. S. Highway #89. An access road, the Bullock Road, crosses over the property going west.

(6) A natural gas pipe line carrying enough gas for a large cement plant is available in a large 36" high pressure line located east and just alongside Highway #89. This would put it within $1\frac{1}{4}$ miles of the proposed mill site.

Conclusions:

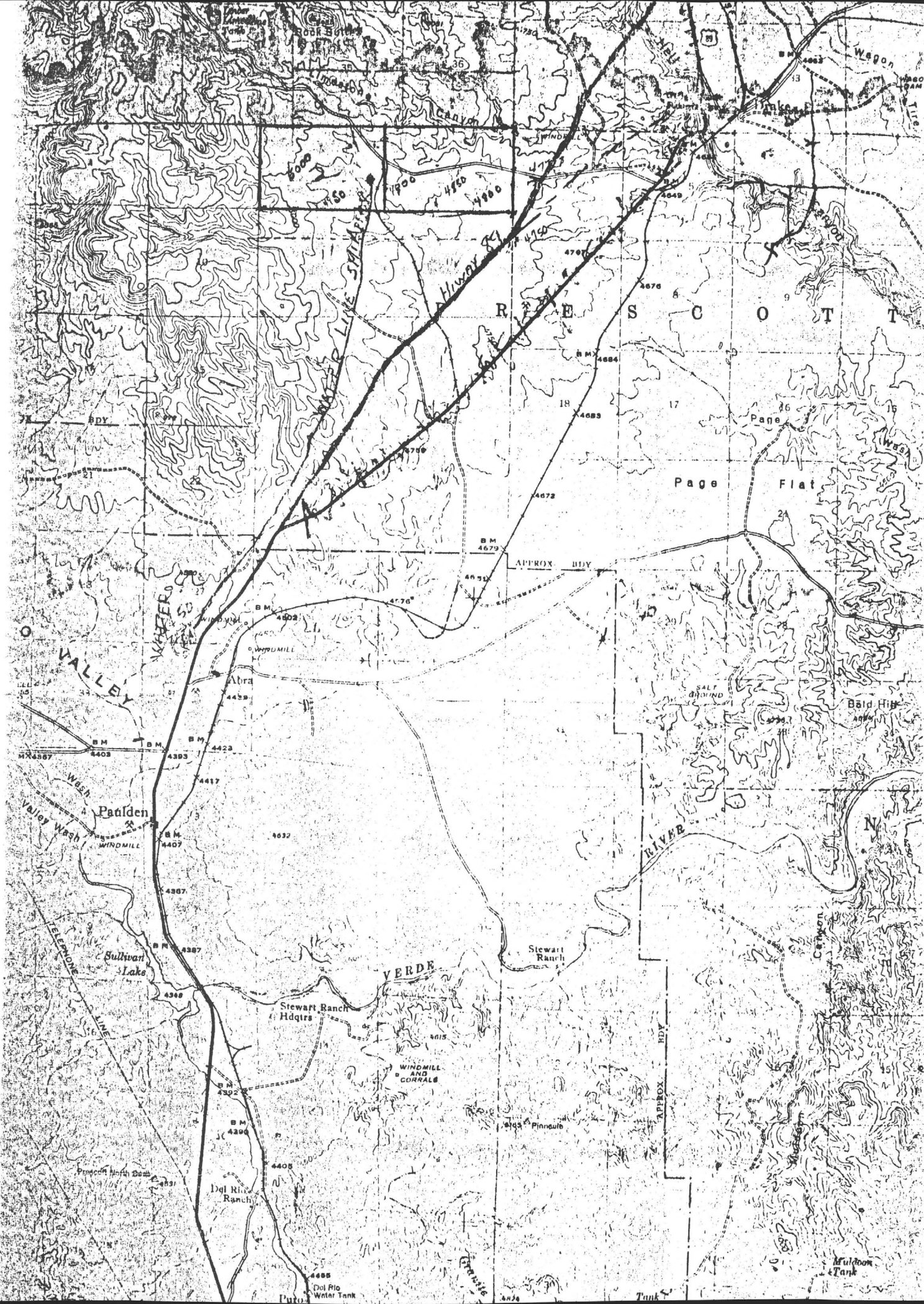
(1) Using an open pit depth of 100' (or a mineable depth of), there is 300,000,000 tons of high grade limestone available here for cement manufacture. The material reported on is very consistent in color, grain size and other properties and one which should merit serious consideration by any leading cement manufacturer.

(2) It is a known cement limestone, as it was formerly qualified by an agency of the Federal Government, for a cement mill, to support a bid to furnish the cement for the Glen Canyon Dam Project.

(3) It has a fine "Industrial Potential" as the State of Arizona and the U. S. Government plan a series of new dams and electric power plants in the area around the Colorado River which will require large amounts of high test Portland Cement. Only one other cement plant can economically compete here for these projects and it is located at Clarksdale, Arizona.

(4) The eight fractional claims comprise 1,134.61 acres and are short about 145 acres of eight regular placer mining claims. If more claims are necessary, the sections to the north, 35 and 36, should be available.

(5) These Placer claims are for sale or lease and this one should merit careful consideration and examination by interested cement manufacturing companies.



Shearill - 265-734

Bill Kessler - Superior Co. 253-2116

Duke: - will send some assays.

$\frac{160}{1120}$

~~Spache~~ - ~~Harry Bucklin~~
~~Norman Hickels~~

$$\frac{500 \times 500}{12} = \frac{250000}{12} = 20,000 \times \text{depth}$$

$$\frac{400 \times 200}{12} = \frac{80000}{12}$$

$$\frac{6,670}{26,700 \times \text{depth}(100)} \quad \underline{26,700,000 \text{ ft}}$$

Inferred

Affidavit of Labor Performed and Improvements Made

STATE OF ARIZONA, }
County of Yavapai } ss.

1978-78

Richard E. Mieritz being duly sworn, deposes and says that he is a citizen of the United States and more than twenty-one years of age, and resides at Phoenix in Maricopa County, State of Arizona, and is personally acquainted with the mining claim known as Col Nos. 1 through 7

mining claim, situate in Quitobaquito Mining District, County of Yavapai, State of Arizona, the location notice of which is recorded in the office of the County Recorder of said County, in Book see below of Records of Mines, at page see below; that between the 15th day of May, A. D. 19 78, and the 30th day of August, A. D. 19 78, at least \$700.00

Seven hundred dollars worth of work and improvements were done and performed upon said claim, not including the location work of said claim. Such work and improvements were made by and at the expense of Drake Lime Corporation, Phoenix, Arizona

owner of said claim for the purpose of complying with the laws of the United States pertaining to assessment of annual work, and repairing existing roads by constructing dips and side ditches to prevent washouts and erosion, constructing new roads to drill sites and preparing drill sites. Monuments and location notices were checked and repaired or replaced. Messrs. Harley Gray, Richard Mieritz and Dwight McClure were the men employed by said owner and who labored upon said claim, did said work and improvements, the same being as follows, to-wit: see above. Ranger Donald L. Ranne of the Chino Valley Ranger District supervised the road work.

Claim locations recorded as follows:

Col Nos. 1 & 2 in Book 666, pages 161 & 162 and as
amended Book 926, pages 329 & 330;

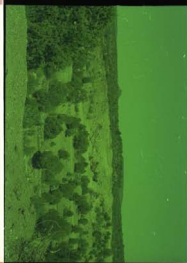
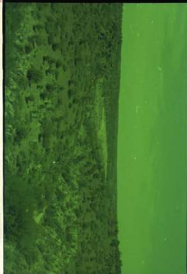
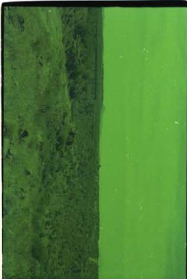
Col Nos. 3 & 4 in Book 666, pages 163 & 164;

Col #s 5, 6 & 7 Book 670, pages 568, 569 & 570.

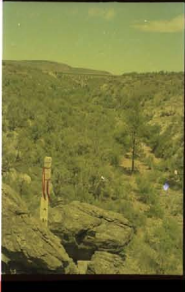
Subscribed and sworn to before me this 1st day of February, A. D. 19 79

(My commission expires Apr 4, 1980)

Notary Public.







A

GEOLOGICAL REPORT

of the

DRAKE LIMESTONE PROPERTY

in

Yavapai County, Arizona

by

Richard E. Mieritz
Mining Consultant
Sun City, Arizona

July 17, 1973

TABLE of CONTENTS

	<u>Page</u>
INTRODUCTION	1
CONCLUSIONS	1
PROPERTY, LOCATION and ACCESSIBILITY	1
FACILITIES and PHYSICAL FEATURES	2
GENERAL GEOLOGY	2
PROPERTY GEOLOGY	3
DEVELOPMENT	4
GEOLOGIC RESERVES	4
RECOMMENDATIONS	4

Exhibits:

Sample Assay Schedule - Marblehead Lime Corp.

Map No. 1 - Index Map, Central Arizona

Map No. 2 - General Geology, Portion of Yavapai County, Arizona

Map No. 3 - Claim Map, Drake Limestone, Yavapai County, Arizona

Map No. 4 - Surface Geology, (Drilled Area) Drake Limestone

Map No. 5 - Sections (Drilled Area), Drake Limestone

Map No. 6 - Sections (Drilled Area), Drake Limestone

INTRODUCTION:

At the request of and authorization by Messrs. Dwight McClure and Dennis Pickens, both of Phoenix, Arizona, part owners and spokesmen for the locators-owners of the Drake Limestone property, Yavapai County, Arizona, the writer has prepared the following geological report on said property and such report is based on the writer's physical examination of the claimed area and his review and study of factual data provided him by the locators. A physical examination was completed on July 3 and 4, 1973.

CONCLUSIONS:

Based on the writer's field examination of the property, a review of the available factual data and the writer's knowledge of this type of deposit, the following conclusions are drawn and forwarded for your consideration.

- (1) - A half million tons of excellent grade limestone (95plus% CaCO_3 , 1.0% or less silica) has been proven in a small area in which seven holes were drilled, sampled and the samples assayed, and
- (2) - The property has a geologic potential of in excess of 100,000,000 tons of material which conceivably could maintain a similar grade as the proven reserve.

PROPERTY, LOCATION and ACCESSIBILITY:

The property consists of seven 160 acre contiguous placer claims known as the following:

Name	Date Claimed	Recorded		
		Book	Page	Date
Col No. 1	June 11, 1971	666	161	June 11, 1971
Col No. 2	" " "	666	162	" " "
Col No. 3	" " "	666	163	" " "
Col No. 4	" " "	666	164	" " "
Col # 5	June 14, 1971	670	568	June 25, 1971
Col # 6	" " "	670	569	" " "
Col # 7	" " "	670	570	" " "

Locators of the claims were Dennis Pickens, Dwight McClure, Margaret McClure, James V. Girard, John R. Elliott, Jack C. Ballam, Frank McGee and George A. Freeman. The latter two are now deceased but their interest being retained by their respective estates.

The claims appear to be in good legal standing with proper discovery work and adequate assessment work completed.

The claims are in T. 19 N., R. 1 W. of the G. & S. R. B. & M., in Yavapai County, Arizona and cover about 2 lineal miles of Hells Canyon and legal subdivision described as the S/2 of Sec. 19, SW/4 of Sec. 20, NW/4 of Sec. 29, N/2 of Sec. 30 and the SW/4 of Sec. 30 for a total of 1120 acres. This area is located approximately 34 miles north of Prescott, Arizona on U. S. 89 towards Ashfork and about 1½ miles northwest of the Santa Fe Railroad "Y" known as Drake (see Map No. 1). The Santa Fe Railroad passes through the northeast corner of the property (see Map No. 3).

Travel to and access into the property is possible by automobile, however, the recent weather has eroded to some extent the access road from the main highway to the "working area" of the property. From Prescott, (junction of U. S. 69 and U. S. 89, northeast of City Center) travel north on U. S. 89 through Chino Valley and Paulden to milepost 346 (about 10 miles north of Paulden) passing a "rest area" on the right and immediately after that crossing Hells Canyon Bridge. Milepost 346 is but 1000 feet past the bridge on the curve. Approximately 800 feet (0.15 miles) north past milepost 346 is an unlocked gate in the highway "right-of-way fence" on the left side of the highway - somewhat hidden. From the gate, follow the "dozer trail" northerly for approximately 0.6 miles to a 4-way intersection of "dozer trails." Straight ahead, westerly, leads to the drilled area, about 600 feet. Right, northerly, leads to the common corner of Sections 19, 20, 29 and 30 - also the common corner of claims Col Nos. 1, 2, 3 and 4, this distance about 240 feet. Left, southerly, leads to the upper eastern bank of Hells Canyon in this area, thus, making the bank edge accessible.

FACILITIES and PHYSICAL FEATURES:

Railroad loading facilities are available at the Santa Fe "Y" (Drake) about $2\frac{1}{4}$ miles by road from the "working area." Paved U. S. 89 serves Ashfork 17 miles north and Prescott 34 miles south.

The writer noticed some "spring water" possibilities in Hells Canyon which could be developed to provide sufficient water for mining and lime plant operation.

Neither electric power nor natural gas are available at or near the property, but both are available at or just east of Drake.

The claimed area is sparsely to moderately covered with the typical upper elevation growth of juniper and cedar, trees 10 to 12 feet high, catsclaw and other similar undergrowth and several varieties of cacti, particularly on the flatter areas surrounding the edges or banks of Hells Canyon. The banks of Hells Canyon are usually sparsely covered but occasionally moderately covered if soil cover prevails.

Topography-wise, the general area is "mesa-like" in nature and the main topographical feature is Hells Canyon and its tributary drainage pattern. Hells Canyon itself ranges in width from 600 to 1600 feet in width from bank top to bank top, whereas the bottom ranges from 50 to 200 feet wide. The vertical elevation differences between canyon bottom and bank tops range from 120 to 150 feet.

GENERAL GEOLOGY:

The geology in the township and range in which the property is located, as well as the range west of the property, is somewhat simple in nature. Exposed on the surface and in the various ravines and canyons are the (1) Pennsylvanian-Permian Supai formation, (2) Carboniferous-Devonian Redwall and Martin limestone, (3) Cambrian Tonto group, (4) Quaternary basalt and (5) Quaternary silt, sand and gravel. (See Map No. 2.)

For the most part these formations are undisturbed and their stratifications being practically horizontal. It then follows that the contact between the two sediment ages and the recent basalt is also relatively horizontal. The Supai formation rests upon the Redwall-Martin limestones. The basalt is in contact with both sediments.

PROPERTY GEOLOGY:

The claimed area has but two prominent rock types present, the Carboniferous Martin limestone and the Quaternary basalt. The Supai formation of the Pennsylvanian-Permian period and part of the Redwall limestone has been eroded prior to basalt coverage, thus the basalt is in contact with the Martin limestone within the claimed area. (See Maps No. 2 and 3.)

Recent rapid erosion (post basalt) by Hells Canyon, which traverses the claimed area from north to south, exposes a 150 foot thickness of the Martin limestone as well as its contact with the basalt at the upper reaches of Hells Canyon banks. Thus, a good stratigraphic bedding section of the Martin limestone is easily visually observed and same leaves little to "guess-work" as to horizontal projection beneath the basalt and thin soil cover common to the area.

The writer mapped in detail the surface geology of the drilled area southwest of the common corner of Sections 19, 20, 29 and 30 which is also the common corner of Placer claims Col Nos. 1, 2, 3 and 4. Beddings of the Martin limestone here and elsewhere in Hells Canyon are not too distinct, except by color and texture and with an almost "0" dip, it is difficult to determine a possible strike. The writer did measure three N-S strikes with two 5°W. and one 10°W. dip. These, however, may be quite local and of little meaning.

The significant features of the local geology as mapped are: (1) a very pure CaCO_3 bedding, light gray and more or less crystalline which is approximately 60 feet thick, (2) a thin calcitic, perhaps siliceous, pink and yellowish stained bed, easily recognized by its color, approximately 5 to 8 feet thick and which most generally lies above the "pure" CaCO_3 material but sometimes within the bed (See Map No. 4), (3) a fine grained, cream-gray to green-gray bed of limestone which erodes quite differently than the two previous beds mentioned and locally becomes pinkish near its contact with the basalt. Visually, it contains silica blobs, seams and siliceous veins. It is in contact with the pure CaCO_3 bed but is somewhat hard to trace as the contact is mostly gradational - crystalline to fine grained, and (4) basalt which is very obvious and usually forms "erosional cliffs" at the banks of the Canyon and the many drainage cuts or small canyons tributary to Hells Canyon.

It is quite obvious, to the writer as a result of his mapping, and to others who would observe the area, that the limestone beds, exposed in the drilled area, would continue beneath the surface of the entire claimed area (1120 acres) which thus provides an immense potential of limestone, the purity of which has yet to be proven, beyond the present explored area.

DEVELOPMENT:

Only a small portion of this immense potential area has been tested by drilling and sampling. Seven air-track holes ranging in depth from 37 to 54 feet were drilled in an area approximately 200 feet wide in an east-west direction and 450 feet long in a north-south direction. (See Map No. 4.)

Most sample lengths in the holes drilled were 8 or 10 feet, but a few did range from 6 feet to 19 feet. These odd lengths were used when the material penetrated appeared to have low CaCO_3 content. All samples taken were assayed for CaCO_3 and SiO_2 and such assays were completed by the Iron King Assay Office - Walter Statler, Arizona Registered Assayer.

Development, other than the drill holes, is a fairly large area (60 feet by 20 feet) which has been blasted in the vicinity of Drill Hole 4. Several tons of bulk samples were sent to Spreckels Sugar Co., Chandler, Arizona, for test purposes. The material was found to be satisfactory as to Spreckels specifications of CaCO_3 and silica contents, brightness and "burning" in their vertical kiln.

No other development has been completed.

GEOLOGIC RESERVES:

Map No. 5 shows the Sections through the drill holes as well as the pertinent data as to drill hole collar elevations, sample depths, assays, etc. The majority of the "pure" CaCO_3 has less than 1.0% silica. Near the base of the "good" bed, the silica appears to increase to a range of 1 to 2%.

The seven drill holes cover an area approximately 200 feet wide and 450 feet long. The results of the drill holes indicate the "good" bed is approximately 60 feet thick. Using these dimensions and an 11.8 cubic foot factor (2.7 specific gravity), there is approximately 500,000 tons of "proven" limestone with a grade of 95plus% CaCO_3 and less than 1.0% silica.

A review of the drill hole sample data indicates very good consistency of CaCO_3 and less than 1.0% silica values from hole to hole. The writer believes that such consistency would be maintained in this bed throughout the claimed area. Allowing for erosional features, there could be in excess of 200,000,000 tons within the claimed area. Reviewing Map No. 3, it is obvious that some of the claimed area could not be utilized because of the highway, the railroad, etc. The potential is therefore reduced to approximately 490 acres which could provide in excess of 100,000,000 tons of material. Consistency of the purity must be proven or determined.

RECOMMENDATIONS:

The drilled area has proven a half million tons of excellent grade limestone and has also proven a good consistency in the CaCO_3 and SiO_2 contents, viz, any variance is slight - not erratic.

It has been indicated that in excess of 100,000,000 tons of material

could exist in a 490 acre surface area. This area would be described as follows:

3/4 of Claim Col No. 1	120 acres
all of Claim Col No. 3	160 acres
1/3 of Claim Col No. 4	50 acres
1/2 of Claim Col # 5	80 acres
1/2 of Claim Col # 6	80 acres
	<u>490 acres</u>

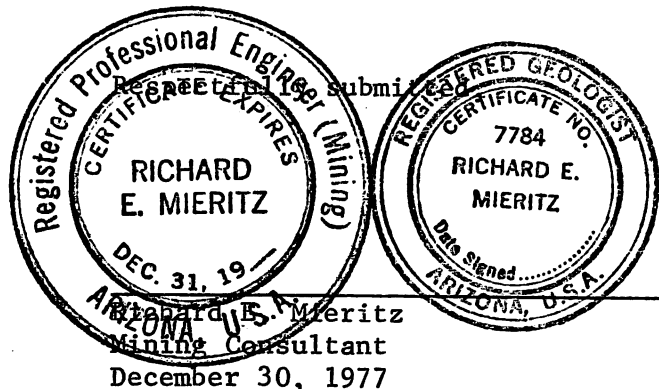
The writer feels that approximately half this acreage should be wide space diamond drilled with 4 holes of approximately 125 feet deep to test the area for stratigraphy - position and continuance of the "good" bed and to sample the full column from surface to the bottom of the hole. It would then be known what configuration, if any, the "good" bed has taken and whether the purity consistency is maintained. A program of 500 feet of diamond drilling should be adequate.

The area considered for this program is claims Col Nos. 1, 3, 4 and Col # 5. The suggested positions of the holes should be:

Col No. 1 - Approximately 500 feet east of Claim center.
Col No. 3 - Approximately 400 feet north of claim south line center.
Col No. 4 - Approximately 600 feet east of claim west line center.
Col # 5 - Approximately 800 feet west of claim east line and approximately 1000 feet north of claim south line.

Development or "blocking out" drilling using a rotary or air-track drilling could then be expanded in all directions from the present "drilled area." The diamond drilling results would be a very helpful, useful guide to the development drilling.

Once the diamond drilling is completed, 10 to 15 development holes could easily "block out" 5,000,000 tons of material.



Note:

Except for slight changes, as a result of reducing the number of claims from 10 to 7, this is a duplicated, re-typed copy of the original report dated July 17, 1973.

DRAKE LIME CORPORATION

P. O. BOX 953
PHOENIX, ARIZONA 85001
~~602-255-2407~~

November 18, 1977

Mr. Richard E. Mieritz
2940 N. Casa Lomas
Phoenix, Arizona 85016

Dear Dick:

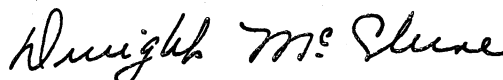
You have indicated an interest in the possibility of selling the Drake Lime Corporation claims (Col No. 1 thru No. 7) located northwest of Drake, Yavapai County, Arizona.

This letter is your authority to proceed on an open listing basis for the lease and/or sale of our property. As you know, there are two other parties who have evidenced some interest in the possible purchase or sale of the property.

In the event a lease and/or sale of the property is consummated, Drake Lime Corporation agrees to pay you the normal ten percent (10%) lease/sale commission on any and all monies (monthly payments, purchase payments, royalties, etc.) received by Drake Lime Corporation as a result of a lease and/or purchase completed between your client and Drake Lime Corporation.

The open permission grant portion of this instrument will expire six months from the date of this letter (May, 1978). If a lease and/or sale is not consummated during this period, the agreed to commission becomes null and void. Conversely, if a lease and/or sale is consummated during the term of this instrument, you being responsible for such lease and/or sale, then the commission portion is forever binding and effective so long as the lease and/or sale is valid and alive, and not terminated for one reason or another.

Sincerely,



Dwight McClure
President

DM/el

DRAKE LIME CORPORATION

P. O. BOX 953
PHOENIX, ARIZONA 85001
~~800-555-2707~~

December 5, 1978

Mr. Richard E. Mieritz
2940 N. Casa Lomas
Phoenix, Az. 85016

Re: My letter of 11-18-77 - copy attached.

Dear Dick:

It is my understanding your client of last year is again interested in a lease/purchase arrangement for the Drake claims.

This letter is your authority to proceed under the same terms and conditions as outlined in my original letter of 11-18-77, except the expiration date.

You will be protected for the 10% commission by Drake Lime Corporation, its successors and/or assigns until 1 June, 1979.

Please contact me if you have any questions.

Sincerely,



Dwight McClure
President

DMcC/nlg
enc.

CAN-AM CORPORATION

R.A. BARBERO
PRESIDENT-C.E.O.

P.O. DRAWER T
DOUGLAS, ARIZONA 85607
TELEPHONE (602) 364-2429

March 27, 1979

Mr. Dick Mieritz
2940 N. Casa Tomas
Phoenix, AZ 85016

Dear Dick:

We have completed negotiations with the Drake group and all documents and required financial transactions will be completed prior to the first of April. This being the case, it is well that we proceed with the necessary geological work at the earliest possible date.

Lets find some mutually agreeable time to sit down and go over the to-date information and make plans for an on-sight visit to finalize our immediate procedures. I am sure you have several things in mind, so I'll do most of the listening.

Give me a buzz at the plant or home.

Very truly yours,



Robert A. Barbero

RAB:jr

189
13.000

MILLERS FALLS
EXERASE
COTTON CONTENT

2940 N. Casa Tomas

January 27, 1979

Mr. R. A. Barbero, Pres.
Can-Am Corporation
Paul Lime Division
P. O. Boxer "T"
Douglas, Arizona 85607

Re: Drake Limestone

Dear Mr. Barbero:

Mr. Dwight McClure, Drake Lime Corp., called me this morning and indicated you wished to have copies of the Drill Logs for the holes drilled on the Drake Limestone property.

As you know, quite a few holes were drilled on the property, I believe a total of twelve, but the hole numbers go to thirteen. When I drilled the last five holes, I skipped the number (8) because I was not sure if there had been seven or eight holes drilled previously. As to drill logs for the first seven or eight, I do not know if they exist. Mr. McClure will check his files on this. There are of course assay logs.

I enclose a copy of the drill logs I made for the last five holes, #9 through #13. These holes, as well as the previous ones, were drilled by airtrack machine, consequently, the sample received was powder or dust. My Logs indicate the depth of sample, the color and the hardness as well as any obvious, out of the ordinary condition encountered while drilling. I personally supervised the drilling, collected and split the samples, bagged and tagged same. My personal observations were made while at the drill rig.

Drilling in this area, diamond or percussion, should be no problem what-so-ever. Our holes went to 140 to 160 feet without any problem with a good 600 CFM compressor. If it be diamond drilling, I suggest NQ wireline or NX regular drilling with non-rotating core barrel. Water would be available at Drake. With short holes, a water return collection system should be forgotten--discharging return onto the ground. I have core boxes for sale, core splitter, footage blocks, drill shift forms and Geologic forms.

If your interest is the geology, the Sections included in the Report I sent you a year ago will indicate that. We have basalt on the western portion of Claim No. 1 and possibly some on the northern part of the claim. This I cannot say for sure until we get a hole down in this area. The rest of the drilling would be in limestone.

Hope this provides the information you desire.

cc: Dwight McClure
S. B. Owens

Sincerely,



DRAKE LIME CORPORATION

P. O. BOX 953
PHOENIX, ARIZONA 85001
~~953-953-953~~

December 8, 1977

Mr. Richard E. Mieritz
2940 N. Casa Lomas
Phoenix, Arizona 85016

Dear Dick:

The letter will confirm our conversation of 7 December 1977.

In the event a lease and/or sale of the Drake Limestone Property is consumated prior to 1 July 1978, Drake Lime Corporation agrees to pay you 10% of any and all monies received by Drake Lime Corporation. Said 10% shall be paid as such monies are received by Drake.

Sincerely,



Dwight McClure

DM/el

DRAKE LIME CORPORATION

P. O. BOX 953
PHOENIX, ARIZONA 85001
~~602-254-2447~~

November 18, 1977

Mr. Richard E. Mieritz
2940 N. Casa Lomas
Phoenix, Arizona 85016

Dear Dick:

You have indicated an interest in the possibility of selling the Drake Lime Corporation claims (Col No. 1 thru No. 7) located northwest of Drake, Yavapai County, Arizona.

This letter is your authority to proceed on an open listing basis for the lease and/or sale of our property. As you know, there are two other parties who have evidenced some interest in the possible purchase or sale of the property.

In the event a lease and/or sale of the property is consummated, Drake Lime Corporation agrees to pay you the normal ten percent (10%) lease/sale commission on any and all monies (monthly payments, purchase payments, royalties, etc.) received by Drake Lime Corporation as a result of a lease and/or purchase completed between your client and Drake Lime Corporation.

The open permission grant portion of this instrument will expire six months from the date of this letter (May, 1978). If a lease and/or sale is not consummated during this period, the agreed to commission becomes null and void. Conversely, if a lease and/or sale is consummated during the term of this instrument, you being responsible for such lease and/or sale, then the commission portion is forever binding and effective so long as the lease and/or sale is valid and alive, and not terminated for one reason or another.

Sincerely,



Dwight McClure
President

DM/e1

HOLE No. 9

DIAMOND DRILL SHIFT REPORT

FILE NO. #9

PROPERTY Duke

DATE 8/30 1974

DRILL No. 1

SHIFT Day

SIZE OF BIT - NUMBER - FROM - TO - ACCUML. TOTAL 2 1/2"

DRILLER Billie

HELPER Coy

WATER - DEPTH ENCOUNTERED _____ FEET

LOST - WATER AT _____ FEET

CASING LOWERED - SIZE - FROM - TO _____ FEET

_____ FEET

CASING REMOVED _____ FEET

EMPLOYMENT OF TIME

MOVING AND SETTING UP _____

CEMENT USED - TYPE _____ QUANTITY _____

DRILLING _____

DRILLING CEMENT - FROM _____ TO _____

SETTING CASING _____

CEMENTING HOLE - FROM _____ TO _____

EQUIPMENT REPAIR _____

DRILLING MUD - FROM _____ TO _____

OTHER DELAYS _____

REAMING HOLE - FROM _____ TO _____

SAMPLES

DEPTH		RECOVERIES			HARDNESS OF ROCK V.H. VERY HARD H-HARD M-MEDIUM S-SOFT V.S. VERY SOFT	CONDITION OF HOLE	COLOR OF SLUDGE	DRY WEIGHT		SP. GR. CORE	REMARKS
FROM	TO	% CORE	% SLUDGE	% WATER				CORE	SLUDGE		
0	10				S		Pink		62.58		
	20				S		Pk-Tan		82.27		
	30				S		Wh-Brown		88.86		
	40				S		Wh		96.98		
	50				S		Wh		95.82		
	60				S		Wh.		97.89		
	70				S		"		98.89		
	80				S		"		98.25		
	86				S		"		95.73		
86	98		No sample Core						(Cavity)		
98	100				V.H.		crum		87.33		Bottom of hole

GENERAL REMARKS

DEPTH OF HOLE AT BEGINNING OF SHIFT _____

SAMPLES LEFT IN SLUDGE BOX _____

DEPTH OF HOLE AT END OF SHIFT _____

SAMPLES CANNED _____

TOTAL LOADS OF WATER HAULED DURING SHIFT _____

SAMPLER Community

WATER ON HAND _____ GALLONS

HOLE No. 10

DIAMOND DRILL SHIFT REPORT

FILE NO. N610PROPERTY DukeDATE 8-20 1974DRILL No. 1

SHIFT _____

SIZE OF BIT - NUMBER - FROM - TO - ACCUML. TOTAL
2 1/2"

DRILLER _____

HELPER _____

CASING LOWERED - SIZE - FROM - TO
_____ FEET

WATER - DEPTH ENCOUNTERED _____ FEET

LOST - WATER AT _____ FEET

_____ FEET

CASING REMOVED _____ FEET

EMPLOYMENT OF TIME

MOVING AND SETTING UP _____

CEMENT USED - TYPE _____ QUANTITY _____

DRILLING _____

DRILLING CEMENT - FROM _____ TO _____

SETTING CASING _____

CEMENTING HOLE - FROM _____ TO _____

EQUIPMENT REPAIR _____

DRILLING MUD - FROM _____ TO _____

OTHER DELAYS _____

REAMING HOLE - FROM _____ TO _____

SAMPLES

DEPTH		RECOVERIES			HARDNESS OF ROCK V.H. VERY HARD H-HARD M-MEDIUM S-SOFT V.S. VERY SOFT	CONDITION OF HOLE	COLOR OF SLUDGE	DRY WEIGHT		SP. GR. CORE	REMARKS
FROM	TO	% CORE	% SLUDGE	% WATER				CORE	SLUDGE		
0	10				5		W		94.55		
10	20				5		W		86.06		
20	30				5		W		92.59		
30	40				5		W		95.54		
40	50				5		W		98.07		
50	60				5		W		95.18		
60	70				5		W		96.90		
70	80				5		W		98.16		
80	90				5		W		95.45		
90	100				5		W		91.57		
100	110				5		W		59.24		
110	120				5		W		51.11		Bottom of Hole

GENERAL REMARKS

DEPTH OF HOLE AT BEGINNING OF SHIFT _____

SAMPLES LEFT IN SLUDGE BOX _____

DEPTH OF HOLE AT END OF SHIFT _____

SAMPLES CANNED _____

TOTAL LOADS OF WATER HAULED DURING SHIFT _____

SAMPLER _____

WATER ON HAND _____ GALLONS

HOLE No. 11

DIAMOND DRILL SHIFT REPORT

FILE NO. #11PROPERTY DrakeDATE 8-31 1979

DRILL No. _____

SHIFT _____

SIZE OF BIT - NUMBER - FROM - TO - ACCUML. TOTAL 2 1/2"

DRILLER _____

HELPER _____

CASING LOWERED - SIZE - FROM - TO

WATER - DEPTH ENCOUNTERED _____ FEET

LOST - WATER AT _____ FEET

_____ FEET

_____ FEET

CASING REMOVED _____ FEET

EMPLOYMENT OF TIME

MOVING AND SETTING UP _____

CEMENT USED - TYPE _____ QUANTITY _____

DRILLING _____

DRILLING CEMENT - FROM _____ TO _____

SETTING CASING _____

CEMENTING HOLE - FROM _____ TO _____

EQUIPMENT REPAIR _____

DRILLING MUD - FROM _____ TO _____

OTHER DELAYS _____

REAMING HOLE - FROM _____ TO _____

SAMPLES

DEPTH		RECOVERIES			HARDNESS OF ROCK V.H. VERY HARD H-MEDIUM S-SOFT V.S. VERY SOFT	CONDITION OF HOLE	COLOR OF SLUDGE	DRY WEIGHT		SP. GR. CORE	REMARKS
FROM	TO	% CORE	% SLUDGE	% WATER				CORE	SLUDGE		
0	10				4	2 1/2" 2003	Gray - Black				No strong sample
10	20				H	6.36	"	"	"		
	30			20-26	H	25.30					Sticking at 26'
	30			26-30	H	84.89					
	40				S	94.82	Mix white Brown				
	50				S	95.26	"		Pink		
	60				S	90.12	"		Pk.		
	70				S	56.08	Mix B/W - yellow - Tan - w.p.				
	80				S	90.67	w/h 92				
	90				S	92.65	"				
	100				S	95.54	"				
	110				S	96.90	"				Bottom of hole

GENERAL REMARKS

DEPTH OF HOLE AT BEGINNING OF SHIFT _____

SAMPLES LEFT IN SLUDGE BOX _____

DEPTH OF HOLE AT END OF SHIFT _____

SAMPLES CANNED _____

TOTAL LOADS OF WATER HAULED DURING SHIFT _____

SAMPLER PM

WATER ON HAND _____ GALLONS

DIAMOND DRILL SHIFT REPORT

HOLE No. 11

FILE NO. #11

PROPERTY _____

DATE Aug 31 1974

DRILL No. _____

SHIFT _____

SIZE OF BIT - NUMBER - FROM - TO - ACCUML. TOTAL 2 1/2"

DRILLER _____

HELPER _____

CASING LOWERED - SIZE - FROM - TO

WATER - DEPTH ENCOUNTERED _____ FEET

LOST - WATER AT _____ FEET

CASING REMOVED _____ FEET

EMPLOYMENT OF TIME

MOVING AND SETTING UP _____

CEMENT USED - TYPE _____ QUANTITY _____

DRILLING _____

DRILLING CEMENT - FROM _____ TO _____

SETTING CASING _____

CEMENTING HOLE - FROM _____ TO _____

EQUIPMENT REPAIR _____

DRILLING MUD - FROM _____ TO _____

OTHER DELAYS _____

REAMING HOLE - FROM _____ TO _____

SAMPLES

DEPTH		RECOVERIES			HARDNESS OF ROCK V.H. VERY HARD H-HARD M-MEDIUM S-SOFT V.S. VERY SOFT	CONDITION OF HOLE	COLOR OF SLUDGE	DRY WEIGHT		SP. GR. CORE	REMARKS
FROM	TO	% CORE	% SLUDGE	% WATER				CORE	SLUDGE		
	120				S	97.71	white				
	130				S	98.79	"				
	140				S	94.82	"				some tan last 2 feet
	150				S	59.42	tan - mostly				
	160				MH	51.05	cream				
	170				H	53.80	vel - cream				
	180				H	54.64	cream - tan				
	190				H	56.43	" "				
	200				H	48.37 (48.37)	cream -				Driller has 200'?
											Indication for my cut
											- 200 ft.

GENERAL REMARKS

Bottom of hole

DEPTH OF HOLE AT BEGINNING OF SHIFT _____

SAMPLES LEFT IN SLUDGE BOX _____

DEPTH OF HOLE AT END OF SHIFT _____

SAMPLES CANNED _____

TOTAL LOADS OF WATER HAULED DURING SHIFT _____

SAMPLER *[Signature]*

WATER ON HAND _____ GALLONS

DIAMOND DRILL SHIFT REPORT

HOLE No. 12
#12
FILE NO. _____

PROPERTY Duke

DATE 8-21-74 19__

DRILL No. _____

SHIFT _____

SIZE OF BIT - NUMBER - FROM - TO - ACCUML. TOTAL

DRILLER _____

HELPER _____

CASING LOWERED - SIZE - FROM - TO

WATER - DEPTH ENCOUNTERED _____ FEET

LOST - WATER AT _____ FEET

_____ FEET

_____ FEET

CASING REMOVED _____ FEET

EMPLOYMENT OF TIME

MOVING AND SETTING UP _____

CEMENT USED - TYPE _____ QUANTITY _____

DRILLING _____

DRILLING CEMENT - FROM _____ TO _____

SETTING CASING _____

CEMENTING HOLE - FROM _____ TO _____

EQUIPMENT REPAIR _____

DRILLING MUD - FROM _____ TO _____

OTHER DELAYS _____

REAMING HOLE - FROM _____ TO _____

SAMPLES

DEPTH		RECOVERIES			HARDNESS OF ROCK V.H. VERY HARD H-HARD M-MEDIUM S-SOFT V.S. VERY SOFT	CONDITION OF HOLE	COLOR OF SLUDGE	DRY WEIGHT		SP. GR. CORE	REMARKS
FROM	TO	% CORE	% SLUDGE	% WATER				CORE	SLUDGE		
0	10										
10	20										
20	30				H	75.24	gray - tan				No heavy sample
	40				S	93.70	white - some orange				No heavy sample
	50				S	95.31	white				
	60				S	72.91	white				
	70				S	85.45	tan - brown				
	80				S	91.37	white				
	90				S	93.16	creamy white (some orange - blk)				
	100				S	97.80	"				
	110				S	94.59	white - some brown (S.O.C.) Fe				

GENERAL REMARKS

DEPTH OF HOLE AT BEGINNING OF SHIFT _____

SAMPLES LEFT IN SLUDGE BOX _____

DEPTH OF HOLE AT END OF SHIFT _____

SAMPLES CANNED _____

TOTAL LOADS OF WATER HAULED DURING SHIFT _____

SAMPLER C. M. M. M.

WATER ON HAND _____ GALLONS

DIAMOND DRILL SHIFT REPORT

FILE NO. _____

PROPERTY_____

DATE 9-1 ^{#12} 1974

DRILL No. _____

SHIFT _____

SIZE OF BIT - NUMBER - FROM - TO - ACCUML. TOTAL

DRILLER _____

HELPER _____

CASING LOWERED - SIZE - FROM - TO

WATER - DEPTH ENCOUNTERED _____ FEET

LOST - WATER AT _____ FEET

_____ FEET

_____ FEET

CASING REMOVED _____ FEET

EMPLOYMENT OF TIME

MOVING AND SETTING UP

CEMENT USED - TYPE _____ QUANTITY _____

DRILLING

DRILLING CEMENT - FROM _____ TO _____

SETTING CASING

CEMENTING HOLE . FROM _____ TO _____

EQUIPMENT REPAIR

DRILLING MUD . FROM _____ TO _____

OTHER DELAYS _____

REAMING HOLE - FROM _____ TO _____

SAMPLES

[illegible]

GENERAL REMARKS

DEPTH OF HOLE AT BEGINNING OF SHIFT _____

SAMPLES LEFT IN SLUDGE BOX_____

DEPTH OF HOLE AT END OF SHIFT_____

SAMPLES CANNED 1000

TOTAL LOADS OF WATER HAULED DURING SHIFT_____

SAMPLER _____

WATER ON HAND _____ **GALLONS**

HOLE No. 13

DIAMOND DRILL SHIFT REPORT

FILE NO. _____

PROPERTY Quake

#13

DATE Sept. 1 1974

DRILL No. _____

SHIFT _____

SIZE OF BIT - NUMBER - FROM - TO - ACCUML. TOTAL

DRILLER _____

HELPER _____

CASING LOWERED - SIZE - FROM - TO

WATER - DEPTH ENCOUNTERED _____ FEET

LOST - WATER AT _____ FEET

_____ FEET

_____ FEET

CASING REMOVED _____ FEET

EMPLOYMENT OF TIME

MOVING AND SETTING UP _____

CEMENT USED - TYPE _____ QUANTITY _____

DRILLING _____

DRILLING CEMENT - FROM _____ TO _____

SETTING CASING _____

CEMENTING HOLE - FROM _____ TO _____

EQUIPMENT REPAIR _____

DRILLING MUD - FROM _____ TO _____

OTHER DELAYS _____

REAMING HOLE - FROM _____ TO _____

SAMPLES

DEPTH		RECOVERIES			HARDNESS OF ROCK V.H. VERY HARD H-MEDIUM S-SOFT V.S. VERY SOFT	CONDITION OF HOLE	COLOR OF SLUDGE	DRY WEIGHT		SP. GR. CORE	REMARKS
FROM	TO	% CORE	% SLUDGE	% WATER				CORE	SLUDGE		
0	10										
	10										
	30										
	40										
	50										
	60										
	70										
	80										
	90										
	100										
	110										

GENERAL REMARKS

DEPTH OF HOLE AT BEGINNING OF SHIFT _____

SAMPLES LEFT IN SLUDGE BOX _____

DEPTH OF HOLE AT END OF SHIFT _____

SAMPLES CANNED _____

TOTAL LOADS OF WATER HAULED DURING SHIFT _____

SAMPLER _____

WATER ON HAND _____ GALLONS

DIAMOND DRILL SHIFT REPORT

FILE NO. _____

PROPERTY K. H. H. H.

DATE APR 1 1974

SHIFT _____

DRILLER

HELPER _____

WATER - DEPTH ENCOUNTERED _____ FEET

LOST - WATER AT _____ FEET

DRILL No. _____

SIZE OF BIT - NUMBER - FROM - TO - ACCUML. TOTAL

CASING LOWERED . SIZE . FROM - TO

CASING REMOVED _____ FEET

EMPLOYMENT OF TIME

MOVING AND SETTING UP

CEMENT USED - TYPE _____ QUANTITY _____

DRILLING

DRILLING CEMENT - FROM _____ TO _____

SETTING CASING

CEMENTING HOLE - FROM _____ TO _____

EQUIPMENT REPAIR

DRILLING MUD . FROM _____ TO _____

OTHER DELAYS

REAMING HOLE - FROM _____ TO _____

SAMPLES

[illegible]

GENERAL REMARKS

DEPTH OF HOLE AT BEGINNING OF SHIFT_____

DEPTH OF HOLE AT END OF SHIFT_____

TOTAL LOADS OF WATER HAULED DURING SHIFT_____

WATER ON HAND _____ **GALLONS**

SAMPLES LEFT IN SLUDGE BOX 1

SAMPLES CANNED 10/11

SAMPLER: 11/11/13

DRAKE LIME CORPORATION

P. O. BOX 953
PHOENIX, ARIZONA 85001
~~7605-3809-87~~

August 22, 1974

Mr. Calvin N. Brice
728 E. McDowell Road.
Phoenix, Arizona. 85006

Dear Cal:

Enclosed are the originals of:

1. Jim Girard's memo to me.
2. Report of location and work done by Messrs. Ballam, Girard and McGee during 10 June thru 11 July, 1971.
3. U. S. G. S. quadrangles for Ash Fork and Paulden with the claim locations indicated on same.

Copies of these documents are being sent to John Elliott and Dick Mieritz.

As you will note on the "Report", Jim Girard has a daily log and topog maps.

Sincerely,

Dwight McClure

DM:jv
encl.

cc: John Elliott

cc: Dick Mieritz ✓

TO Dwight M. C. Chue AT
SUBJECT Drake Time DATE 8-12-74

I lost Dick's address somewhere. He called and requested this info. Jack Ballam will be in Camp Verde so Dick can contact him there. Hope all goes well.

Regards,

James L. Linnell

PLEASE REPLY TO →

SIGNED

DATE

SIGNED

Rediform ®

45 469

SEND PARTS 1 AND 3 WITH CARBON INTACT.
PART 3 WILL BE RETURNED WITH REPLY

Will be in Camp Verde next week & can be reached at 567-3312. May have to meet you there to show where holes are. Jack

August 12, 1974

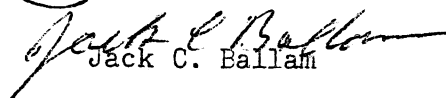
Frank McGee, Jack Ballam, and Jim Girard worked on Drake Mining claims; locating, doing location work, drilling and sampling. Started June 10, 1971 ended July 11, 1971.

- June 10 & 11, started locating claims.
- June 14 - Drilled first hole on claim #3.
- June 15 - Drilled second hole in claim #3.
- June 16 - Drilled holes 3 & 4 in claim #3 marked drilled area.
- June 17 - Drilled holes 5 & 6 in claim #3 marked drilled area.
- June 18 - Drilled hole #7 in claim #1.
- June 21 - Started to drill out for blast.
- June 23 - Finished drilling holes for blast area.
- June 24 - Loaded blast holes and shot.
- June 25 - Moved Air-track out drilling hole #8 in claim #2 in borrow pit.
- June 29 and 30 - Surveyed claims and did dozer location work.
- July 6, 7 and 8 - Hand picked sample from blast for Spreckles Sugar.
- July 9, and 10 - Finished up dozer work on claims.

The enclosed map shows the location of the work done on the claims.

Mr. McGee has since passed away but this work is here by attested to by:


James J. Girard

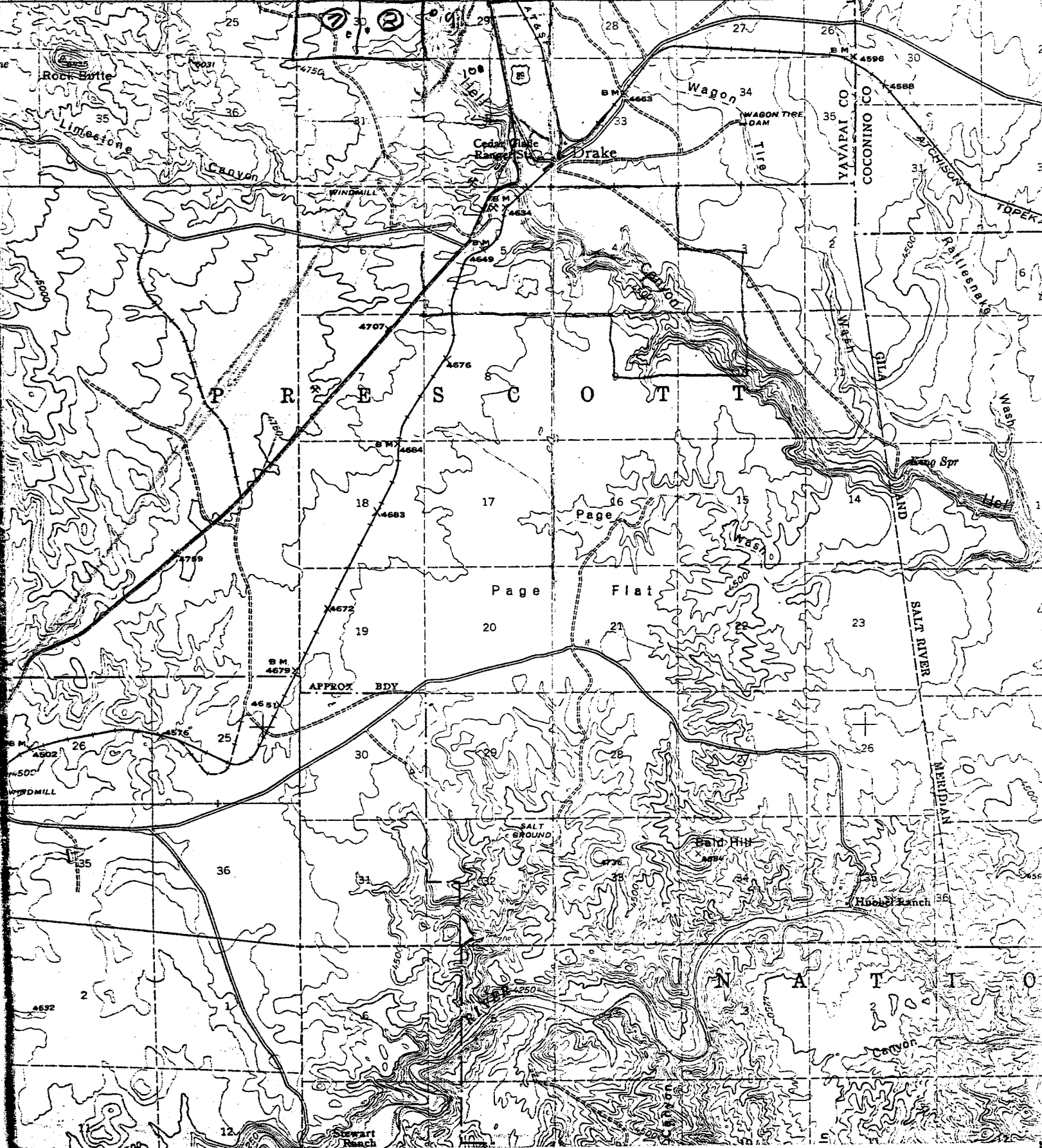

Jack C. Ballam

P.S.: Mr. Girard has his daily logs written at the time the work was done. He also has the topography maps used for this location work.

ERIOR

UNITED STATES
DEPARTMENT OF AGRICULTURE
FOREST SERVICE

ASH FORK 17 MI. (ASH FORK) R. 1 W.



DRAKE LIME CORPORATION

P. O. BOX 953
PHOENIX, ARIZONA 85001
602 - 959-2787

August 23, 1974

Mr. Calvin N. Brice
728 E. McDowell Road.
Phoenix, Arizona. 85006

Dear Cal:

Enclosed are the originals of the amended claim notices
which you prepared and Dick Mieritz posted and filed:
Col. 1, 2, 8, 9 & 10.

Copies of these have been sent to John Elliott and Dick.

Sincerely,



Dwight McClure

cc: John Elliott
cc: Dick Mieritz ✓

STATE OF ARIZONA, County of Yavapai—ss. 23070
I do hereby certify that the within instrument was filed and recorded at the request of Richard E. Mueritz
on Aug 13 A.D., 1974 at 1:05 o'clock P. M. Book 926 Official Records
Page 331 Records of Yavapai County, Arizona.
WITNESS my hand and official seal the day and year first above written.

INDEXED

Microfilmed

PATSY C. JENNEY, County Recorder

By Dorothy J. Clippner Deputy

A M E N D E D
Notice of Mining Location
PLACER CLAIM

TO ALL WHOM IT MAY CONCERN:

This Placer Mining Claim, the name of which is the COL No. 8 (the original Location Notice of which was recorded in Book 670, page 571, records of Yavapai County, Arizona.)

Place Mining Claim, situate on lands belonging to the United State of America, and being a form of valuable mineral deposit other than in veins or lodes of quartz or other rock in place, was entered

upon and located for the purpose of exploration and purchase by DENNIS K. PICKENS,
DWIGHT McCLURE, MARGARET McCLURE, JOHN R. ELLIOTT, JAMES J. GIRARD,
JACK C. BALLAM, FRANK R. McGEE, GEORGE A. FREEMAN, all citizens of
the United States,

(Locator must insert either "a citizen of the United States" or "who has declared his intention to become a citizen of the United States")
the undersigned, on the 14th day of June, 19 74

we claim 160 acres thereof, and have marked the same on the ground as
follows: Beginning at the South 1/4 corner of Sec. 30, T 19 N, R 1 W,
G & SRB & M

(If the land be surveyed land, make the starting point a corner of a rectilinear subdivision of such survey)

(This amended Notice is for the purpose of correcting an error
in the Notice originally posted and recorded.)

at a monument (post, stone or other monument) where this notice is posted;
thence North 2640 feet to a monument
, thence East 2640 feet to a
monument, thence South 2640 feet to a
monument, thence West 2640
feet to the place of beginning, containing 160 acres, all in the Prescott

Mining District, in the County of Yavapai, in the State of Arizona,
about 1.8 miles in a northwesterly direction from
Drake, Arizona.

All done under the provisions of Chapter Six of Title XXXII, of the Revised Statutes of the United States [30 U.S.C.A. §21 et. seq.] and the laws of the State of Arizona.

Dated and posted on the ground this 12th day of August, 19 74

Richard E. Mueritz
Agent for the locators and/or
their estates or heirs

NOTE—This form of notice is for use upon surveyed lands, the claim must conform to such survey by rectilinear subdivisions.

STATE OF ARIZONA, } I hereby certify that the within instrument was filed and recorded
County of _____ } ss. _____, 19____, at _____ M.

In Docket No. _____, Page _____, at the request of _____

When recorded mail to:

Witness my hand and official seal.

County Recorder

By

Deputy Recorder

Fee No.:

Indexed:

Compared:

Photostated:

Fee: \$ _____

I. R. S.: \$ _____

BOOK

926 PAGE 331

I do hereby certify that the within instrument was filed and recorded at the request of Richard E. Meritz
on Aug 13 A.D., 1974 at 1:05 o'clock P M. Book 926 Official Records
Page 332 Records of Yavapai County, Arizona.

WITNESS my hand and official seal the day and year first above written.

Microfilm

PATSY C. JENNEY, County Recorder

By Dorothy J. Clapper Deputy

INDEXED

A M E N D E D
Notice of Mining Location
PLACER CLAIM

TO ALL WHOM IT MAY CONCERN:

This Placer Mining Claim, the name of which is the COL No. 9 (the original Location Notice was recorded in Book 682, page 705, records of Yavapai County, Arizona.)

Place Mining Claim, situate on lands belonging to the United State of America, and being a form of valuable mineral deposit other than in veins or lodes of quartz or other rock in place, was entered

upon and located for the purpose of exploration and purchase by DENNIS K. PICKENS,
DWIGHT MCCLURE, JOHN R. ELLIOTT, JAMES J. GIRARD, EDNA L. GIRARD,
JACK C. BALLAM, FRANK R. MCGEE, GEORGE A. FREEMAN, all citizens

of the United States,

(Locator must insert either "a citizen of the United States" or "who has declared his intention to become a citizen of the United States")

the undersigned, on the 5th day of August, 19 71

we claim 160 acres thereof, and have marked the same on the ground as

follows: Beginning at the NW corner of the SW 1/4 of Section 29, T. 19 N,
R 1 W, G & SRB & M.

(If the land be surveyed land, make the starting point a corner of a rectilinear subdivision of such survey)

(This amended Notice is for the purpose of correcting an error in
the original Notice originally posted and recorded.)

at a monument (post, stone or other monument) where this notice is posted;

thence East 2640 feet to a monument

, thence South 2640 feet to a

monument, thence West 2640 feet to a

monument, thence North 2640

feet to the place of beginning, containing 160 acres, all in the Prescott

Mining District, in the County of Yavapai, in the State of Arizona,

about 1-1/2 miles in a northeasterly direction from

Drake, Arizona. The location work is approximately 600 feet south-
east of the terminal monument.

All done under the provisions of Chapter Six of Title XXXII, of the Revised Statutes of the United States [30 U.S.C.A. §21 et. seq.] and the laws of the State of Arizona.

Dated and posted on the ground this 12th day of August, 19 74

Richard E. Meritz
Agent for the Locators and/or
their estates or heirs.

NOTE—This form of notice is for use upon surveyed lands, the claim must conform to such survey by rectilinear subdivisions.

STATE OF ARIZONA,
County of _____

I hereby certify that the within instrument was filed and recorded
ss. _____, 19____, at _____ M.

Fee No.:

In Docket No. _____, Page _____, at the request of _____

Indexed:

When recorded mail to:

Witness my hand and official seal.

Compared:

Photostated:

Book 926

Pg 332

County Recorder

Fee: \$ _____

By 026-372

Deputy Recorder

I.R.S. \$ _____

I do hereby certify that the within instrument was filed and recorded at the request of Richard E. Meritz
on Aug 13 A.D., 1974 at 1:05 o'clock P.M. Book 926 Official Records
Page 333 Records of Yavapai County, Arizona.
WITNESS my hand and official seal the day and year first above written.

PATSY C. DENNEY, County Recorder

By Kelly D. Keelan Deputy

INDEXED

microfilm

A M E N D E D

Notice of Mining Location PLACER CLAIM

TO ALL WHOM IT MAY CONCERN:

This Placer Mining Claim, the name of which is the COL No. 10 (The original Location Notice was recorded in Book 682, page 706, records of Yavapai County, Arizona.)

Place Mining Claim, situate on lands belonging to the United State of America, and being a form of valuable mineral deposit other than in veins or lodes of quartz or other rock in place, was entered

upon and located for the purpose of exploration and purchase by DENNIS K. PICKENS,

DWIGHT McCLURE, JOHN R. ELLIOTT, JAMES J. GIRARD, EDNA L. GIRARD,

JACK C. BALLAM, FRANK R. McGEE, GEORGE A. FREEMAN

(Locator must insert either "a citizen of the United States" or "who has declared his intention to become a citizen of the United States")
the undersigned, on the 5th day of August, 19 71

we claim 160 acres thereof, and have marked the same on the ground as follows: Beginning at the NE corner of the NW 1/4 of Sec. 32, T 19 N, R 1 W, G & SRB & M.

(If the land be surveyed land, make the starting point a corner of a rectilinear subdivision of such survey)

(This amended Notice is for the purpose of correcting

an error in the Notice originally posted and recorded.)

at a monument (post, stone or other monument) where this notice is posted;

thence South 2640 feet to a monument

, thence West 2640 feet to a

monument, thence North 2640 feet to a

monument, thence East 2640

feet to the place of beginning, containing 160 acres, all in the Prescott

Mining District, in the County of Yavapai, in the State of Arizona,

about 1 mile in a northwesterly direction from

Drake, Arizona.

All done under the provisions of Chapter Six of Title XXXII, of the Revised Statutes of the United States [30 U.S.C.A. §21 et. seq.] and the laws of the State of Arizona.

Dated and posted on the ground this 13th day of August, 19 74

Richard E. Meritz
Agent for the Locators and/or
their estates or heirs.

NOTE—This form of notice is for use upon surveyed lands, the claim must conform to such survey by rectilinear subdivisions.

STATE OF ARIZONA, } I hereby certify that the within instrument was filed and recorded
County of _____ } ss. _____, 19____, at _____ M.

In Docket No. _____, Page _____, at the request of _____

When recorded mail to:

Witness my hand and official seal.

Book 926 Pg 333

County Recorder

By _____

Deputy Recorder

Fee No.:

Indexed:

Compared:

Photostated:

Fee: \$ _____

I.R.S.: \$ _____

REPLY TO

PHONE ARIZONA 850-16
TELEPHONE (602) 277-0033
2940 N. Casa Tomas

Richard E. Mieritz

MINING CONSULTANT

ARIZONA REGISTERED
MINING ENGINEER AND GEOLOGIST

GEOLOGY
EXPLORATION
EVALUATION
FEASIBILITY
OPERATION

January 27, 1979

Mr. R. A. Barbero, Pres.
Can-Am Corporation
Paul Lime Division
P. O. Drawer "T"
Douglas, Arizona 85607

Re; Drake Limestone

Dear Mr. Barbero:

Mr. Dwight McClure, Drake Lime Corp., called me this morning and indicated you wished to have copies of the Drill Logs for the holes drilled on the Drake Limestone property.

As you know, quite a few holes were drilled on the property, I believe a total of twelve, but the hole numbers go to thirteen. When I drilled the last five holes, I skipped the number (8) because I was not sure if there had been seven or eight holes drilled previously. As to drill logs for the first seven or eight, I do not know if they exist. Mr. McClure will check his files on this. There are of course assay logs.

I enclose a copy of the drill logs I made for the last five holes, #9 through #13. These holes, as well as the previous ones, were drilled by airtrack machine, consequently, the sample received was powder or dust. My Logs indicate the depth of sample, the color and the hardness as well as any obvious, out of the ordinary condition encountered while drilling. I personally supervised the drilling, collected and split the samples, bagged and tagged same. My personal observations were made while at the drill rig.

Drilling in this area, diamond or percussion, should be no problem what-so-ever. Our holes went to 140 to 160 feet without any problem with a good 600 CFM compressor. If it be diamond drilling, I suggest NQ wireline or NX regular drilling with non-rotating core barrel. Water would be available at Drake. With short holes, a water return collection system should be forgotten--discharging return onto the ground. I have core boxes for sale, core splitter, footage blocks, drill shift forms and Geologic forms.

If your interest is the geology, the Sections included in the Report I sent you a year ago will indicate that. We have basalt on the western portion of Claim No. 1 and possibly some on the northern part of the claim. This I cannot say for sure until we get a hole down in this area. The rest of the drilling would be in limestone.

Hope this provides the information you desire.

cc: Dwight McClure
S. B. Owens

Sincerely,


R. E. Mieritz

Drake Prop.

Original - Dec 8, 1977

① First 6 months.
\$4500.- or
\$750.-/mo
Explore

② 7-18 months
\$12,000.- or 80¢/ton lms.
\$1,000.-/mo
Explore - Plant Const.

③ 19th month
(a) Purchase for \$375,000.- cash or
(b) \$40/ton lms Royalty \$40,000.- min.
\$3,333.33/monthly -
4th/5th

Present stated royalties of
80¢/ton of crude shipped, and
40¢/ton Cao produced should
be calculated as a % using 1978
sale prices of limestone and Cao at
plant site - such percent should
remain constant thruout life of lease
thus - if prices go up, value of
royalty goes up. If sale prices declines
value of royalty declines

Barbero - Jan 17, 1979

① First 6 months
Same \$4500.-
\$750.-/mo.

② 7-18 months
\$12,000.- or
\$1,000.-/mo

③ ~~19th Month~~

Lease @ 40¢/T Cao
80¢/T lms to 42nd month
min. \$3333.33/mo. ~~THEN~~

A- \$12,000.- or \$1,000.-/mo to 42nd month
or plant completed

B- \$1,000.-/acre for plant site.

④ Purchase for \$375,000.-
cash NO specific date.

50% of Royalties after plant
start up to apply on Purchase.
after 42nd month - Royalty \$40,000.-
or \$3333.33/mo min.

Drake 25
Letter Ed. 8, 1979

Same

Same +
80¢/ton over 1250 TPM.
80¢/ton over 1250 TPA!

⑤ \$40,000/yr when plant camp.
19 to 42nd month.
Purchase price to
increase \$50,000/yr
after 18th month. \$50,000/yr
19th - 42nd month
\$1,000.- + 80¢/ton lms
over 1250 TPA/mo.
\$40,000/yr over 1250 TPA/mo.
if plant not
started.

④ If plant not started
\$40,000.-/yr or \$3333.33/mo.

⑤ 1st 24 months construction
\$1,000/mo + 80¢/ton over 1250 TPA lms
19 thru 42nd month for \$375,000.-
cash - one lump sum. last offer.
If not - Indefinite lease
continues for life of operation
+ 10% annual money interest
for 2 years (19th thru
42nd month - ~~that~~
same

Suggested
February 10, 1979

① First 6 months
\$4500.-/yr or
\$750.-/mo.
Explore - feasibility study

② 7th to 18th month
(A) \$12,000.-/yr or
1,000.-/mo.
Explore - feasibility study
Plant Plans Plant site
surveying - Initiate Patent
~~Purchase Plant Site @~~
(B) At end of 18th month
Purchase Plant Site @
\$1,000.-/acre. CAN-AM
pay for Patenting.
(C) At end of 18th month
Purchase Property for
\$375,000.- CASH - one
lump sum payment.

③ If (c) above NOT completed
Royalty (lease) rules until 45
end of 18th month
fall over:
19th thru 42nd month
1st 24 months construction
\$24,000.-/first year (19th-30th)
\$24,000.-/2nd year (31st-42nd)
and (24th month) 2nd year (43-54th)
\$48,000.-/4th year (55-66th)

~~19th month (can't)~~
Start of Production or 6th
month then royalty @
\$45,000/yr. 50% of which
applies to reduced S.P. permitted
at end of 1st month.
2nd 24 months - \$40,000.-/yr min
(negotiable if necessary because
of plant delays etc.)

DRAKE LIME CORPORATION

P. O. BOX 953
PHOENIX, ARIZONA 85001
~~908-950-0707~~

December 8, 1977

Mr. Richard E. Mieritz
2940 N. Casa Lomas
Phoenix, Arizona 85016

Dear Dick:

In accordance with our recent conversations, the following is submitted as a proposal for the sale of the seven claims, (Col. Nos. 1 thru 7) known as the Drake Limestone Property.

1. An option will be given for six months for \$4500 with \$750 payable monthly in advance. During this time the prospective buyer shall drill and do any other exploratory work they desire. Copies of all drill hole logs, assay reports and any other pertinent data shall be given to the owners, if the prospective buyer decides to abandon the property at any time.

During this option period, the optionee shall complete all the necessary assessment work for the period ending 31 August 1978, prior to said date.

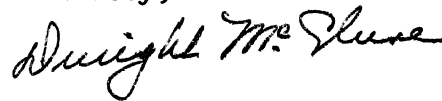
All physical work on the property shall be completed in miner like fashion and in accordance with the U.S. Forest Service Regulations as administered by Chino Valley Ranger District.

2. An extension of the option for one year will be given for additional exploratory work and/or plant construction, if desired. The payment for such extension shall be \$12,000 or a royalty of \$0.30 per ton on all limestone shipped from the property or used to produce lime and/or other products, which ever is greater. Payments shall be \$1000 per month, in advance, with a settlement each third month for excess royalties, if any.
3. At the end of eighteen months the buyer may have two options:
 - A. Purchase the property for \$375,000 cash. This price shall increase \$50,000 on each successive anniversary date of the annual option.
 - B. Continue the royalty on the basis of \$0.40 per ton with a minimum annual payment of \$40,000 payable at the rate of \$3,333.33 monthly in advance under the same terms and conditions as outlined in No. 2 above. This royalty shall remain constant until the property is purchased.

Page 2
12-8-77
Richard E. Mieritz

Please call me if you desire any additional information.

Sincerely,

A handwritten signature in cursive script that reads "Dwight McClure".

Dwight McClure
President

DM/e1

CAN-AM CORPORATION

R.A. BARBERO
PRESIDENT-C.E.O.

P.O. DRAWER T
DOUGLAS, ARIZONA 85607
TELEPHONE (602) 364-2429

January 17, 1979

Mr. Myles Stewart
P.O. Box 2268
Tucson, AZ 85702

Subject: Drake Lime Corporation

Reference: (1) Dwight McClure, President
(2) Drake Limestone Properties

Dear Myles:

I contacted Mr. Dwight McClure, President of the above captioned company, on January 15th and proposed negotiations for Can-Am Corporation to lease certain claims from Drake Lime Corporation. Mr. McClure immediately furnished me a copy of the attached proposal addressed to Richard E. Mieritz and dated December 8, 1977.

Mr. McClure and I went over the enclosed proposal and tentatively agreed on the following:

Condition 1: Requirements set forth remain satisfactory to Drake Lime Corporation and are in agreement with Can-Am's thinking.

Condition 2: This Condition is satisfactory with the exception that time required for plant construction would undoubtedly phase into Condition 3. This situation will be covered below.

Condition 3: This to be modified as follows:

During or at the end of 18 months as provided in Conditions 1 and 2, the buyer may:

- A. Exercise the lease option covering all lease royalties payable in the amount of \$0.40 per ton of lime sold and \$0.80 per ton of limestone sold with minimum annual royalty of \$40,000 payable at the rate of \$3,333.33 monthly in advance under the same terms and conditions as outlined in 2. This royalty shall remain constant throughout the life of the lease, provided minimum royalties are maintained by Can-Am or until property is

Mr. Myles Stewart
January 17, 1979
Continued - Page 2

purchased in accord with provisions set forth in Condition 4.

- (1) Should Can-Am Corporation require time over and above the 18 months option and construction period provided for in Conditions 1 and 2, Drake Lime Corporation agrees to extend this 18 month period -- a maximum of an additional 24 months to provide for completion of plant construction. Minimum monthly royalties during any portion or all of the additional 24 month period will be set at \$1,000 per month payable in accordance with terms and conditions as outlined in 2 above. Should plant construction require additional time over and above the allowed maximum 24 months, minimum royalty payments shall be raised to the rate of \$3,333.33.
- (2) Proper steps will be taken by Drake Lime Corporation to transfer to Can-Am any and all grounds required for plant construction. Such grounds required for mill site areas will require payment by Can-Am to Drake Lime Corporation of \$1,000 per acre required. Drake further agreed that they will lend all help possible toward the patenting of these mill site areas.

Condition 4: Drake Lime has agreed that buyer may purchase all leases for the sum of \$375,000. This price is cash unless other terms are agreed upon. In addition, Drake Lime has agreed that 50% of all royalties paid after plant start-up may be deducted from the above price of \$375,000, provided, however, proper accounting and legal information can prepare the deduction without jeopardizing the tax advantage of Can-Am and/or Drake Lime Corporation.

You will have to contact Mr. McClure regarding the legal descriptions etc. of the claims in question. At such time as you contact Mr. McClure, you might find that he has some additions and/or deletions on the above. We have only had two short visits regarding this matter and I might possibly have misunderstood some minor point. Whatever the case, we need to get this arrangement firmed up.

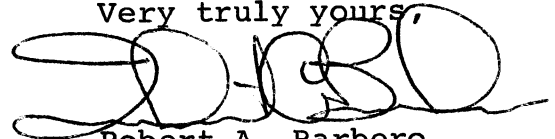
Also note that I have included Mr. Dick Mieritz, Professional Geologist, on the copy distribution as well as Sherwood Owens. Dick Mieritz has done considerable work on the Drake claims and

Mr. Myles Stewart
January 17, 1979
Continued - Page 3

will continue to carry out further exploration on Can-Am's behalf. If Dick can be of any help, don't hesitate to contact him.

I'll be back in town on Tuesday, January 23rd and will get in touch. Meanwhile, I am asking Sherwood to follow through on any problem such as word usage etc.

Very truly yours,



Robert A. Barbero

RAB:jr

cc: Dwight McClure
Dick Mieritz
Sherwood Owens

DRAKE LIME CORPORATION

P. O. BOX 958
PHOENIX, ARIZONA 85001
000-000-0000

December 8, 1977

Mr. Richard E. Mieritz
2940 N. Casa Lomas
Phoenix, Arizona 85016

Dear Dick:

In accordance with our recent conversations, the following is submitted as a proposal for the sale of the seven claims, (Col. Nos. 1 thru 7) known as the Drake Limestone Property.

1. An option will be given for six months for \$4500 with \$750 payable monthly in advance. During this time the prospective buyer shall drill and do any other exploratory work they desire. Copies of all drill hole logs, assay reports and any other pertinent data shall be given to the owners, if the prospective buyer decides to abandon the property at any time.

During this option period, the optionee shall complete all the necessary assessment work for the period ending 31 August 1978, prior to said date.

All physical work on the property shall be completed in miner like fashion and in accordance with the U.S. Forest Service Regulations as administered by Chino Valley Ranger District.

2. An extension of the option for one year will be given for additional exploratory work and/or plant construction, if desired. The payment for such extension shall be \$12,000 or a royalty of \$0.30 per ton on all limestone shipped from the property or used to produce lime and/or other products, which ever is greater. Payments shall be \$1000 per month, in advance, with a settlement each third month for excess royalties, if any.
3. At the end of eighteen months the buyer may have two options:
 - A. Purchase the property for \$375,000 cash. This price shall increase \$50,000 on each successive anniversary date of the annual option.
 - B. Continue the royalty on the basis of \$0.40 per ton with a minimum annual payment of \$40,000 payable at the rate of \$3,333.33 monthly in advance under the same terms and conditions as outlined in No. 2 above. This royalty shall remain constant until the property is purchased.

Page 2
12-8-77
Richard E. Mieritz

Please call me if you desire any additional information.

Sincerely,

A handwritten signature in cursive script that reads "Dwight McClure".

Dwight McClure
President

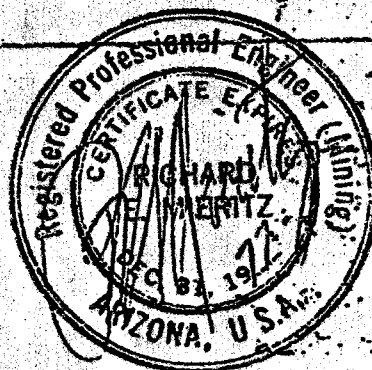
DM/el

R.1 W.

Col/N^o2

Col #5

Drilled Area 102



R.1 W.

Col #7

LEGEND

- 02 Drilled Holes
- Planned Drill Holes
- Existing Roads
- - - Roads to be built
- Roads to be repaired

Scale: 1" = 600 ft.

7/30/74 R. E. Mertz

2-8-79

Drake Lime - Options and Purchase as proposed and some changes offered for consideration.

The initial letter of 12-8-77 to Mr. Mieritz regarding the Drake Limestone Property and the copies of same which were discussed in January, 1979 with CAN-AM Corporation contained the following:

"3. At the end of eighteen months the buyer may have two options:

A. Purchase the property for \$375,000 cash. This price shall increase \$50,000 on each successive anniversary date of the annual option."

The final purchase price of the property is relatively small when compared to the plant cost and putting a product on the market. To better illustrate this:

<u>Plant Cost</u>	<u>Property Cost</u>	<u>%</u>	<u>Property Cost</u>	<u>%</u>
\$ 5,000,000	\$375,000	7 1/2	\$500,000	10
\$ 7,500,000	\$375,000	5	\$500,000	6 2/3
\$10,000,000	\$375,000	3 3/4	\$500,000	5

The present proposal, under the first 3 options, thru 3A, is satisfactory, except as noted below.

1st option -	6 months at	\$ 750/mth
2nd option -	12 months at (minimum)	\$1,000/mth
3rd option - <u>A</u> -	24 months at (minimum)	\$1,000/mth

or until plant is completed.

During option 2 and 3A, a royalty of \$0.80 per ton shall be paid on all limestone sold in excess of 1250 tons per month.

A sentence should be added to option 2, stating that construction of a plant to commercially produce lime shall be started prior to the expiration of said option 2, or option 3 should have a sentence, stating if such construction of the plant is not started by the beginning date of said option 3, the minimum royalty shall be \$3,333.33 until such time as actual physical construction does begin.

During options 1, 2 and 3, until the plant is completed, all money received by sellers is income and does not effect the purchase price of the property.

3rd option - B - plant completed - remaining of 24 months at (minimum) \$3,333.33/mth.

CAN-AM has proposed that during option 3B, the royalty as above, plus \$0.40 per ton on all lime sold shall be paid. 1/2 of the minimum payment, or \$20,000 maximum per year, shall apply to the purchase price, which at the date of completion of the plant and anytime in the future would be \$375,000, said price established in December, 1977.

Sellers cannot agree to this part of the proposal for 2 reasons:

- 1A. Should, for some reason, the plant not be put into operation, the option would extend for 225 months resulting in a very long term payoff at less than 6% interest;
 - 1B. If the plant was in operation, the final result would depend on the excess royalties received.
 - 1C. In addition, there is the unpleasant tax result to sellers of converting long term capital gain on that \$20,000, for the number of years involved, into ordinary royalty income, or;
 - 1D. The proposed application of a part of royalty payments to the sales price, rather than considering it as a form of interest on the deferred purchase price, further compounds the inequity of a fixed price.
2. The second problem relates to the effects of inflation which are discussed in the following paragraphs along with a proposed solution.

In agreeing to a reduction in the minimum monthly payment, from \$3,333.33 to \$1,000, during plant construction time in option 3, the sellers have reduced their potential income, if all 24 months are necessary for construction, by \$56,000.

Seller's proposal - 1977 - \$3,333.33 x 24 = \$79,999.92

Buyer's proposal - 1979 - \$1,000.00 x 24 = \$24,000.00

\$55,999.92

This is a satisfactory arrangement, because sellers are not interested in making the 'up-front' costs difficult for any buyer. However, with the current inflation rate and the contemplated inflation rate, as expressed by most considered experts, sellers should be protected as to the dollar value when said dollars are received by sellers. This is common practice in long-term leases and long-term supply contracts by using some form of escalation clause and in multi-year insurance policies, by an annual review of rates and premiums.

The following is an example of the continued inflation and resultant money received under the arrangement proposed by CAN-AM:

Assuming:

1. The contract is completed by 1 March 1979;
2. The plant is completed by the 12th month of the 3rd option (31 August 1981);
3. The average annual inflation rate stays under double digit - use 9%;

the actual dollar value, as of 31 August 1981, based on a firm price, established in 1977 and used in March 1979, of \$375,000, would be reduced to -

Original price	\$375,000
Inflation rate at 9% - 12-77 thru 8-81 - 3 years + 7 months = 3.583 x 9%	.32247
Depreciation in price due to Inflation	\$120,926
	\$375,000
	\$120,926
Value in 1981 at 1977 dollars	\$254,074

Considering that escalation clauses are usual to many industries, the following is offered as a method to arrive at a future fair price.

The royalty on lime in the proposed contract is \$0.40 per ton.

A major purchaser of lime is paying (2-2-79) \$61.00 per ton f.o.b. the producer's plant.

The factor - \$61.00 divided by \$0.40 is 152.5.

Using the end product lime - and it's price as the control should result in a fair price for the property either up or down, according to the price of lime at the date of purchase.

2-2-79	-	\$61	-	\$0.40	=	152.5	=	\$375,000
X date	-	\$70	-	\$0.40	=	175	=	\$430,328
X date	-	\$52	-	\$0.40	=	130	=	\$319,672

This formula would be effective from the date of the 2nd option - assumed to be 10-1-79. Payment of the computed price, if not cash, can be arranged to the mutual best benefit of both parties once some formula by which to determine the value is agreed to.

The price of lime at the time of purchase could be easily established by a definition in the contract.

CAN-AM CORPORATION

R.A. BARBERO
PRESIDENT-C.E.O.

P.O. DRAWER T
DOUGLAS, ARIZONA 85607
TELEPHONE (602) 364-2429

February 7, 1979

Mr. Richard Mieritz
2940 N. Casa Tomas
Phoenix, AZ 85016

Subject: Drake Limestone

Dear Dick:

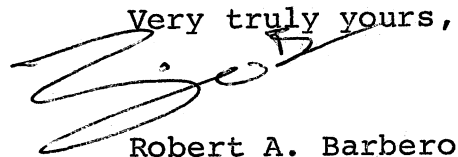
Thanks for your letter of January 27th together with drill logs from the above captioned limestone deposit.

In looking over the logs, I was surprised to learn that the calcium carbonate content of the upper sections were so low. During our visit in the Adams Hotel, I understood that overburden consisting of alluvium and low grade stone averaged about 8-10 feet -- the core information furnished relates to overburden ranging from 20-40 feet.

I'm hopeful that the new drill sites you are proposing provides us with less overburden.

Follow through on the proposed lease purchase arrangement of the Drake deposit being carried out by Mr. McClure and Can-Am Corporation. You will be contacted regarding further exploration as soon as a formal agreement has been executed.

Very truly yours,



Robert A. Barbero

RAB:jr

cc: Mr. Dwight McClure
Mr. S.B. Owens

REPLY TO:

16
PHOENIX, ARIZONA 85016
TELEPHONE (602) 277-6053
2940 N. Casa Tomas

Richard E. Mieritz

MINING CONSULTANT

ARIZONA REGISTERED
MINING ENGINEER AND GEOLOGIST

GEOLOGY
EXPLORATION
EVALUATION
FEASIBILITY
OPERATION

February 8, 1979

Mr. Robert A. Barbero, Pres.
CAN-AM Corporation
P. O. Drawer "T"
Douglas, Arizona, 85607

Re: Drake Limestone

Dear Mr. Barbero:

Thanks for your February 7th letter indicating you had reviewed the Drill Shift Logs I forwarded to you for holes 9 through 13.

It is true, some of these holes have greater overburden than the 8 to ten feet I mentioned at the Adams Hotel. On the other hand, drill holes # 3, 4, 5, 6 and 10 have no overburden at all. The position of the drill holes must be taken into consideration when thinking about the "overburden". You would have to refer to the Report I sent you in December 1977.

Holes #9 through 13, the drilling of which was supervised by myself, were so located as to get the most information for the dollar spent. Their locations were of dual purpose. First, for grade in the specific area, but more important, for structure purposes in order to get a "picture" of how the particular bed is dipping in an area surrounding where the early holes had been drilled. The indications are that the dip becomes quite steep west of the north-south small canyon where good limestone is overburden free. The dip east is relatively flat but the surface topography slopes gently upward. The drilling also indicates an upward dip trend to the north with almost a level surface to the north, therefore, I am suspecting the shallower overburden thicknesses. The present completed drilling also tends to indicate there is almost no disturbance of the beds, --fault-wise--, consequently continuity, which will tend to permit a wider space drilling program when this criteria is fully assured, thus a reduced exploration expenditure.

If you wish, I can prepare and color the Sections and Plan Map of my Report of December, 1977 so you can refer to it as the need arises.

Mr. McClure will follow through the proposed lease purchase arrangement providing Myles Stewart the information over and above what I provided Mr. Stewart a short while back.

Have you decided on whether diamond drill coring will be used or whether percussion or air track drilling will be used?

Sincerely,

cc: Dwight McClure
S. B. Owens


R. E. Mieritz

DRAKE LIME CORPORATION

P. O. BOX 953
PHOENIX, ARIZONA 85001
~~602-666-7797~~

February 12, 1979

Mr. Robert A. Barbero, Pres.
CAN-AM Corporation
P. O. Drawer "T"
Douglas, Az. 85607

Dear Bob:

In accordance with our conversation this morning, I am enclosing a memo which reviews the original proposal - 12-8-77 -, your letter to Myles - 1-17-79 - and some suggestions for consideration. A copy was sent to Myles.

The suggestions are basically the result of a careful study of the entire proposed transaction by our tax accountant.

Please call me if you need clarification of any item, or call me as soon as you have time for a meeting.

I am sure we can work out an equitable solution when we understand your tax position and then 'get the show on the road'.

Sincerely,

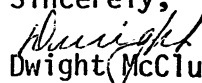


Dwight McClure

DMcC/nlg
CC: Mr. Myles Stewart

Dear Myles:

Bob is sending me a copy of your draft. I will call you, after I study it, so we can discuss both documents.

Sincerely,

Dwight McClure

2-8-79

Drake Lime - Options and Purchase as proposed and same changes offered for consideration.

The initial letter of 12-8-77 to Mr. Mieritz regarding the Drake Limestone Property and the copies of same which were discussed in January 1979 with CAN-AM Corporation contained the following:

- "3. At the end of eighteen months the buyer may have two options:
A. Purchase the property for \$375,000 cash. This price shall increase \$50,000 on each successive anniversary date of the annual option."

The CPI increased 9.44% during 1978. From December 1977 thru February 1979 is 15 months. Extending this for 15 months, the increase is 11.80%.

$$\$375,000 \times 11.80\% = \$44,250$$

Considering the inflation factor or the devaluation of the dollar, the sellers have reduced the actual value of the sales price by \$44,250.

$$\$44,250 + \$55,999.92 = \$100,249.92$$

When the potential loss of income, \$55,999.92 from page 2, is added to the reduced sales price, it represents a possible difference of \$100,249.92 under the original price and terms.

The final purchase price of the property is relatively small when compared to the plant cost and putting a product on the market. To better illustrate this:

<u>Plant Cost</u>	<u>Property Cost</u>	<u>%</u>	<u>Property Cost</u>	<u>%</u>
\$ 5,000,000	\$375,000	7 1/2	\$500,000	10
\$ 7,500,000	\$375,000	5	\$500,000	6 2/3
\$10,000,000	\$375,000	3 3/4	\$500,000	5

The present proposal, under the first 3 options, thru 3A, is satisfactory, except as noted below;

1st option	- 6 months at	\$ 750/mth
2nd option	- 12 months at (minimum)	\$1,000/mth
3rd option - A	- 24 months at (minimum)	\$1,000/mth

or until plant is completed.

During option 2 and 3A, a royalty of \$0.80 per ton shall be paid on all limestone sold in excess of 1250 tons per month.

A sentence should be added to option 2, stating that construction of a plant to commercially produce lime shall be started prior to the expiration of said option 2, or option 3 should have a sentence, stating if such construction of the plant is not started by the beginning date of said option 3, the minimum royalty shall be \$3,333.33 until such time as actual physical construction does begin.

During options 1, 2 and 3, until the plant is completed, all money received by sellers is income and does not effect the Purchase price of the property.

3rd option - B - plant completed - remaining of 24 months at (minimum) \$3,333.33/mth.

CAN-AM has proposed that during option 3B, the royalty as above, plus \$0.40 per ton on all lime sold shall be paid. $\frac{1}{2}$ of the minimum payment, or \$20,000 maximum per year, shall apply to the purchase price, which at the date of completion of the plant and anytime in the future would be \$375,000, said price established in December 1977.

Sellers cannot agree to this part of the proposal for 2 reasons:

- 1A. Should, for some reason, the plant not be put into operation, the option would extend for 225 months resulting in a very long term payoff at less than 6% interest;
- 1B. If the plant is in operation, the final result would depend on the excess royalties received;
- 1C. In addition, there is the unpleasant tax result to sellers of converting long term capital gain on that \$20,000, for the number of years involved, into ordinary royalty income, if buyers do not capitalize this portion of the payment, or;
- 1D. The proposed application of a part of royalty payments to the sales price, rather than considering it as a form of interest on the deferred purchase price, further compounds the inequity of a fixed price;
2. The second problem relates to the effect of inflation which are discussed in following paragraphs along with a proposed solution.

In agreeing to a reduction in the minimum monthly payment, from \$3,333.33 to \$1,000, during plant construction time in option 3, the sellers have reduced their potential income, if all 24 months are necessary for construction, by \$56,000.

Seller's proposal - 1977 - \$3,333.33 x 24 = \$79,999.92

Buyer's proposal - 1979 - \$1,000.00 x 24 = \$24,000.00
\$55,999.92

This is a satisfactory arrangement, because sellers are not interested in making the 'up-front' costs difficult for any buyer. However, with the current inflation rate and the contemplated inflation rate, as expressed by most considered experts, sellers should be protected as to the dollar value when said dollars are received by sellers. This is common practice in long-term leases and long-term supply contracts by using some form of escalation clause and in multi-year insurance policies, by an annual review of rates and premiums.

The following is an example of the continued inflation and resultant money received under the arrangement proposed by CAN-AM:

Assuming:

1. The contract is completed by 1 March 1979;
2. The plant is completed by the 12th month of the 3rd option (31 August 1981);
3. The average annual inflation rate stays under double digit - use 9%;

the actual dollar value, as of 31 August 1981, based on a firm price, established in 1977 and used in March 1979, of \$375,000, would be reduced to -

Original price	\$375,000
Inflation rate at 9% - 12-77 thru 8-81 - 3 years + 7 months = 3.583 x 9%	.32247
Depreciation in price due to Inflation	<u>\$120,926</u>
	\$375,000
	<u>\$120,926</u>
Value in 1981 at 1977 dollars	\$254,074

Considering that escalation clauses are usual to many industries, the following is offered as a method to arrive at a future fair price.

The royalty on lime in the proposed contract is \$0.40 per ton.

A major purchaser of lime is paying (2-2-79) \$61.00 per ton f.o.b. the producer's plant.

The factor - \$61.00 divided by \$0.40 is 152.5.

Using the end product-lime - and it's price as the control should result in a fair price for the property either up or down, according to the price of lime at the date of purchase.

2-2-79	-	\$61	-	\$0.40	=	152.5	=	\$375,000
X date	-	\$70	-	\$0.40	=	175	=	\$430,328
X date	-	\$52	-	\$0.40	=	130	=	\$319,672

This formula would be effective from the date of the 2nd option - assumed to be 10-1-79. Payment of the computed price, if not cash, can be arranged to the mutual best benefit of both parties once some formula by which to determine the value is agreed to.

The price of lime at the time of purchase could be easily established by a definition in the contract.

February 10, 1979

TO:

CAN-AM Corporation - Mr. Robert A. Barbero
 Drake Lime Corp. - Mr. Dwight McClure

Re: Lease-Option to Purchase Agreement - Drake Limestone

Gentlemen:

I am the person in the "middle" who wishes to travel the middle course in this situation. As in any "deal" there will always be some differences between the Buyer and Seller which tend to prolong the consummation of an Agreement which usually results from each not quite understanding the others position as to Tax considerations, time periods, capital expenditures, etc., etc.

Time is of the essence and for that reason I have taken it upon myself to analyze the paper work which has transpired as well as the verbal conversation between the parties concerned. For me to do this I have taken the information and placed it in columns as shown on the table attached to this letter. It is like comparing the results of drill holes.

Although I am not a Tax expert, I am aware of the status for each. Although I am not an expert at writing Lease-Purchase agreements, I have helped prepare some and familiar with operating under such agreements, therefor, feel familiar with same. This attribute helps much to understand both sides of any particular situation as regards some of the conditions each side faces.

The basic point on difference appears to be related to the time periods and payments (type and amount). Project status takes its place in the differences also.

The time periods are defined as follows:

First six months- 0 thru 6th month: Explore deposit, feasibility study.

6th thru 18th month: Explore?, feasibility study, Plant plans, Plant Site survey, purchase Plant site?

19th thru 30th month: Plant construction, Mine preparation, etc.

31st thru 42nd month: Plant construction, Mine preparation, stock-piling of limestone.

43rd thru 54th month: Reserve time for Plant construction where equipment delays, acts of nature delays would not permit completion of plant during 19th thru 42nd month.

55th thru 66th month: Reserve time as for 43rd thru 54th month above.

Page 2

Money payment-wise, CAN-AM desires minimal payments initially. Drake Lime desires payments sufficiently high initially to require the "go" by CAN-AM. This is reasonable and the discussion to date has both the Buyer and Seller in agreement for the first 18 months--1½ years. After that, Drake Lime desires to adjust the purchase price upwards by \$50,000.- annually until purchased. CAN-AM on the other hand desires to reduce royalty payments after the 42nd month and thru the 66th month (Reserve time for delay in Plant construction) These latter two points are both unique and exceptional to an agreement, any agreement. The writer well understands the purpose for each condition, but he does believe it can be resolved in a fashion without actually specifying these conditions.

These points as well as the earlier points of Tax considerations, etc, have been taken into consideration in the writers suggested salient points of an Agreement. The principal point of difference at this stage is "property purchase timing and payment" as well as a second two year period for construction of a plant.

The writers suggested conditions on these two points provides that the "Buyer" and the "Seller" each give a little to provide a satisfactory arrangement and still get the job done. The last column of the attached schedule outlines the writers suggested Agreement. It provides the Buyer two opportunities to purchase the property at specified times for a one lump sum cash payment and a negotiable situation for the Buyer if more construction time is absolutely required after the 42nd month. If the property is not purchased at the specified times, THEN, a life time lease, royalty payment rules.

The writer believes the above would solve the Tax position question for both sides as well as provided assurance to both sides of performance, minimal payments, moderate income, etc.

It is hoped that what has been presented herewith would be considered by all concerned and for each to analyze same towards their respective position.

Respectfully submitted,

R. E. Mieritz

cc: S. B. Owens

DRAKE LIMESTONE PROPERTY
CAN-AM -- DRAKE LIME AGREEMENT

DRAKE Original Proposal, Dec. 8, 1977	CAN-AM Proposal, Jan. 17, 1979	DRAKE Counter Proposal, Feb. 8, 1979	MIERITZ Suggested Proposal, Feb. 10, 1979
<p>1.- <u>D thru 6th Month</u> Can-Am pay Drake \$4,500.- for six month option, payable at Agreement signing.</p>	<p>Same, Approved by CAN-AM this date.</p>	<p>Same, Approved by Drake this date.</p>	<p>Same: CAN-AM pay Drake \$4,300.- for six month option, payable at Agreement signing. Tap one deposit, Feasibility study.</p>
<p>2.- <u>7th thru 18th Month</u> Can-Am pay Drake \$12,000.-/yr. or \$1,000.-/month, or 30¢/ton limestone removed, whichever greater. At end of 18th month, purchase property for one lump sum payment of \$375,000.-. No further royalties or payments, required.</p>	<p>Same, but modified to establish \$40,000.- annual royalty based on 40¢/ton lime and 80¢/ton crude limestone, \$3,333.33/mo. Basically approved by CAN-AM. Pay \$1,000.00/Ac as required for Mill Site.</p>	<p>Same, but modified to extend or grant minimal payment. Can-Am pay Drake \$12,000.- plus 80¢/ton limestone sold in excess of 1250/tpmo. Drake accepts \$1,000.- per acre payment.</p>	<p>Same: CAN-AM pay Drake \$12,000.- for year plus 80¢/T limestone sold in excess of 1250 Tpmo. Construction must start by 18th month. Feasibility study, Plant site survey, initiate Patent (mill site), Plant Plans, start construction. "B" - Exercise option to buy property at end 18th month for one lump sum payment \$375,000.-. Pay \$1,000.-/Ac. for Plant Site.</p>
<p>3.- <u>19th thru 42nd Month</u> If property not purchased, Can-Am pay Drake minimal royalty \$40,000.- annually or \$3,333.33 monthly based on 40¢/ton limestone used or produced.</p>	<p>Same, but modified as Can-AM pays Drake \$12,000.-/yr., \$1,000.- per month during further plant construction period. \$40,000.- per year payment effective with completion of plant or at beginning of 43rd month, whichever soonest.</p>	<p>Same, but modified to include the 80¢/ton limestone royalty in above (2) DRAKE approves the \$40,000.- royalty arrangement.</p>	<p>CAN-AM pays Drake \$12,000.-/yr plus 80¢/T limestone sold in excess of 1250 tons/month until Plant completed between or during time period, or Upon completion or end of 42nd month, payment becomes minimal \$40,000.- based on 80¢/T limestone and/or 40¢/T lime, whichever soonest time-wise.</p>
<p>4.- <u>43rd thru 66th Month</u></p>	<p>CAN-AM begins paying Drake \$40,000.- yearly minimal if Plant not completed by beginning of 43rd month. Purchase for \$375,000.- 50% of royalties to reduce price. No date.</p>	<p>Not approved by DRAKE</p>	<p>CAN-AM continues paying the annual \$40,000.- minimal (under lease). At beginning of 49th month, CAN-AM can purchase property for \$375,000. plus 10% money interest for 30 mths. If not purchased, Agreement reverts to lifetime perpetual LEASE.</p>

We have noted an error in the Questions and Answers Sheet concerning recordation of mining claims.

The question involved is:

Q. How often do mining claim owners file this assessment work or notice of intent?

The correct answer is:

A. Claimants whose claims or sites were located on or before October 21, 1976, must file evidence of assessment work or a notice of intent to hold the claim by December 31 of the calendar year following the date of recordation with BLM. Claimants whose claims or sites were located after October 21, 1976, must file evidence of assessment work or a notice of intent to hold the claim by December 31 of the calendar year following the date of location.

Affidavit of Labor Performed and Improvements Made

STATE OF ARIZONA, }
County of Yavapai } ss.

Richard E. Mieritz being duly sworn, deposes and
says that he is a citizen of the United States and more than twenty-one years of age, and
resides at Phoenix in Maricopa County, State of Arizona, and is personally
acquainted with the mining claim known as Col Nos. 1 through 7

mining claim, situate in Qditobaquito
Mining District, County of Yavapai, State of Arizona, the location notice of which
is recorded in the office of the County Recorder of said County, in Book See Below of Records of
Mines, at page ; that between the first day of August, A. D. 1977,
and the 30th day of August, A. D. 1977, at least Seven hundred (\$700.00)

 dollars worth of work and improvements were
done and performed upon said claim, not including the location work of said claim. Such work
and improvements were made by and at the expense of Drake Lime Corporation
Phoenix, Arizona

owner of said claim for the purpose of complying with the laws of the United States
pertaining to assessment of annual work, and Constructing access drill roads,
remonumenting claim corners, surface sampling and geological work together
with professional supervision. Messrs. Harley Gray, Richard E. Mieritz and
Dwight McClure were those who worked on the claims.

were the men employed by said owner and who labored upon said claim, did said work
and improvements, the same being as follows, to-wit:
Chino Valley Forest Ranger Station has been advised of said work.

Claim Locations recorded as follows:

Col No. 1 Amd., Col No. 2 Amd., Col No. 3, Col N. 4, in Book 926,
pages 161 through 164, Col No. 5, 6 and 7, in Book 670, Pages 568 to 579.



Subscribed and sworn to before me this day of A. D. 1977

(My commission expires)

Notary Public.

Affidavit of Labor Performed and Improvements Made

1975-76

STATE OF ARIZONA, }
County of Yavapai } ss.

Richard E. Mieritz being duly sworn, deposes and
says that he is a citizen of the United States and more than twenty-one years of age, and
resides at Phoenix in Maricopa County, State of Arizona, and is personally
acquainted with the mining claim known as COL Nos. 1 through 7

mining claim, situate in Quitobaquito
Mining District, County of Yavapai, State of Arizona, the location notice of which
is recorded in the office of the County Recorder of said County, in Book 666 & 670 of Records of
161-164, 568-570
Mines, at page ; that between the 23rd day of August, A. D. 1976,
and the 27th day of August, A. D. 1976, at least \$700.00

(Seven hundred) dollars worth of work and improvements were
done and performed upon said claim, not including the location work of said claim. Such work
and improvements were made by and at the expense of DRAKE LIMESTONE Co.
Phoenix, Arizona.

owner of said claim for the purpose of complying with the laws of the United States
pertaining to assessment of annual work, and Repairing some existing roads
and construction of new drill access roads together with professional
supervision and some surface sampling of outcrops. Mr. Harley Gray and
Richard E. Mieritz

were the men employed by said owner and who labored upon said claim, did said work
and improvements, the same being as follows, to-wit: see above.
Chino Valley Forest Ranger Station has been advised of said work.

1087
Page 70
\$72.00



Subscribed and sworn to before me this day of A. D. 19

(My commission expires)

Notary Public.

DRAKE LIME CORPORATION

P. O. BOX 953
PHOENIX, ARIZONA 85001

October 21, 1977

Mr. Louis C. Ball
1976 Oak Street
South Pasadena, CA 91030

RE: Drake Lime

Dear Mr. Ball:

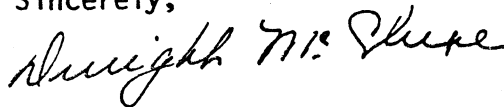
I have tried to reach you by phone - 213 799-0712 - for the past several days, but there has been no answer.

Mr. Mieritz and I have a report to make to the other interested parties. It will be appreciated, if you will advise us of any continued interest in the property by your clients.

Please call me at - 602 264-6448, office, or at - 602 945-4454, home, in the evening.

Thank you.

Sincerely,



Dwight McClure

DM/el

HARLEY GRAY STONE CO.

P.O. BOX 323
PAULDEN, ARIZONA



Drake Lime Corp
P.O. Box 953
Phoenix Ariz

No. 9823

Dept.

Date

Oct 10 77

Name

Drake Lime Corporation

Address

Phoenix Ariz

SOLD BY		CASH	C. O. D.	CHARGE	ON ACCT.	MOSE. RETD.	PAID OUT
QUAN.	DESCRIPTION	PRICE	AMOUNT				
1							
2							
3	9 hr. tractor work						
4							
5	done on 2 roads						
6							
7	and repair on						
8	road from gate						
9	to the new road						
10							
11							
12							
13		\$426					
14							
15	Work done first						
16	week of Sept.						
17							
18							

Customer's Order No. _____ Rec'd By _____

Rediform 5H320

KEEP THIS SLIP FOR REFERENCE

R.I.W.

Col N^o 2

Col #5



unloading Area

Work done as
instructed
repair road
from gate to
the new road
and made new
roads as shown

R.H. G.

For
Harley

R.I.W.

LEGEND

- 2 Drilled Holes
- Planned Drill Holes
- Existing Roads
- Roads to be built
- Roads to be repaired

TRAKE LIVINGSTON
Scale: 1" = 800 Ft.
7/30/74

XXXXXXXXXXXXX
216
2940 N. Casa Tomas

June 10, 1976

Mr. Walter W. Walker,
Technical Director
Marblehead Lime Company
183rd Street & Indiana Ave.
Thornton, Illinois, 60476

Dear Mr. Walker:

Under separate mailing I have parcel post one package of samples address to you at the Company.

The package contains a portion of our reserve samples from drill holes # 9 and # 13, as follows:

Hole # 9, 9 samples, 0 to 86 feet.

Hole #13, 14 samples, 20 to 160 feet.

From the quart container reserve of each sample, I rolled the contents five times from each corner, split the sample with a Jones type dry splitter sufficiently to obtain approximately two measuring scoops and put this portion into a clasp type 3 x 6 sample bag.

Although I have mixed the sample by rolling, I suggest your lab again roll the sample prior to your assaying. Percussion type powder samples are not, in my opinion, the best type of sample that could be obtained, however, it is widely used by many substantial companies.

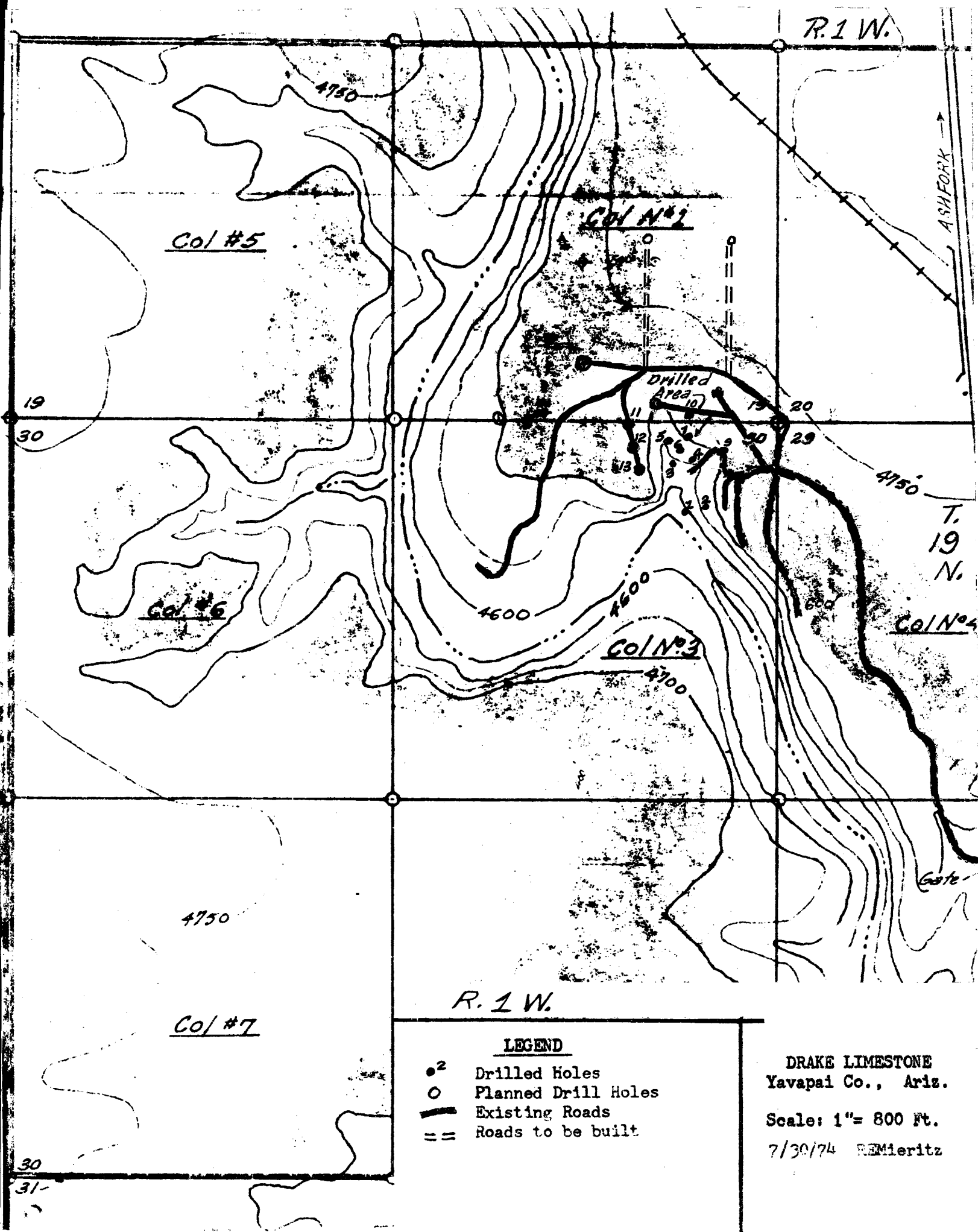
It was indeed a pleasure to accompany you and Mr. Raines to the property and be able to show you around and providing what little information I could forward.

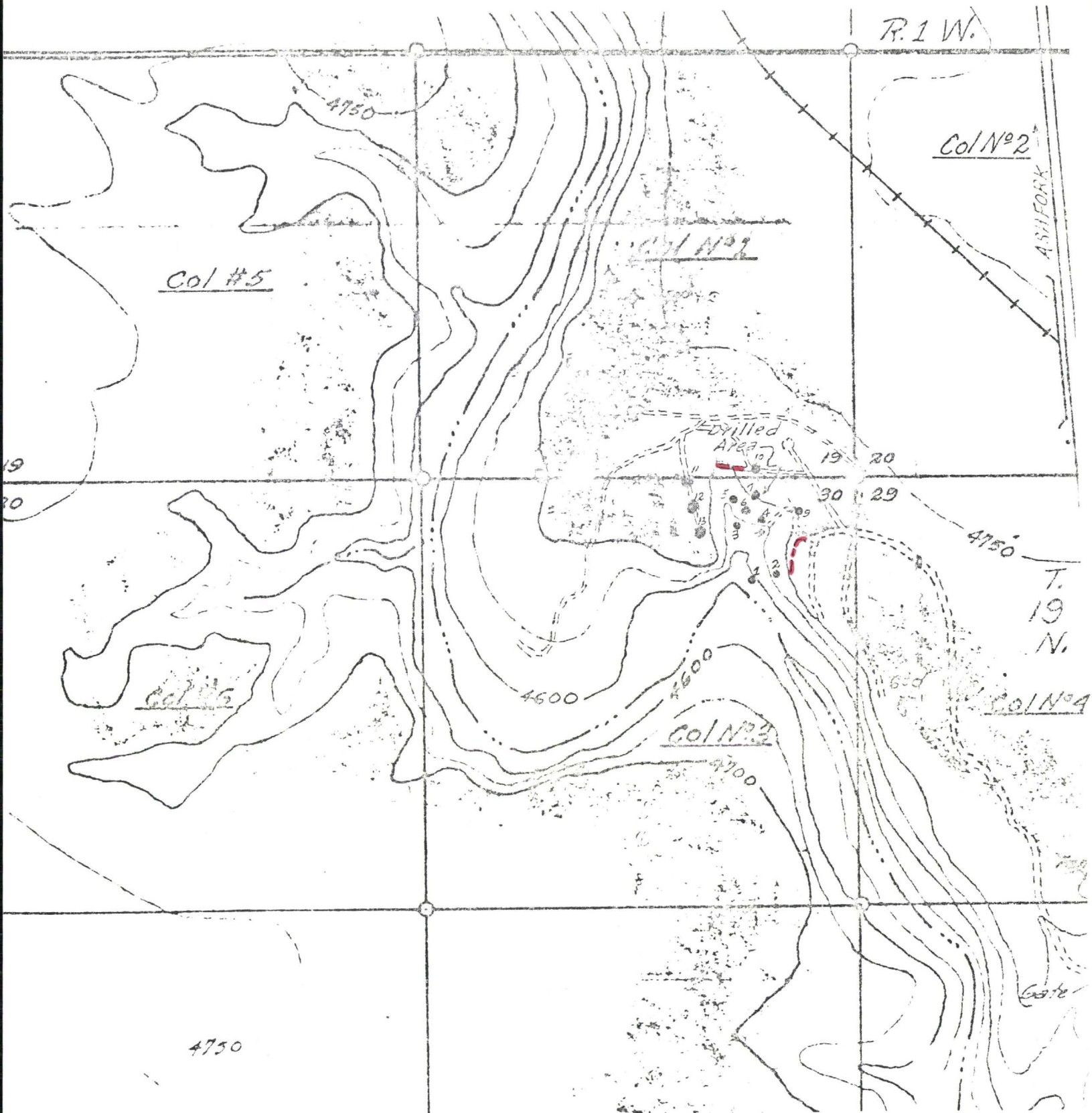
Hope to see you again sometime.

Sincerely yours,

R. E. Mieritz,
Mining Consultant

CC: Mr. Dennis Pickens.



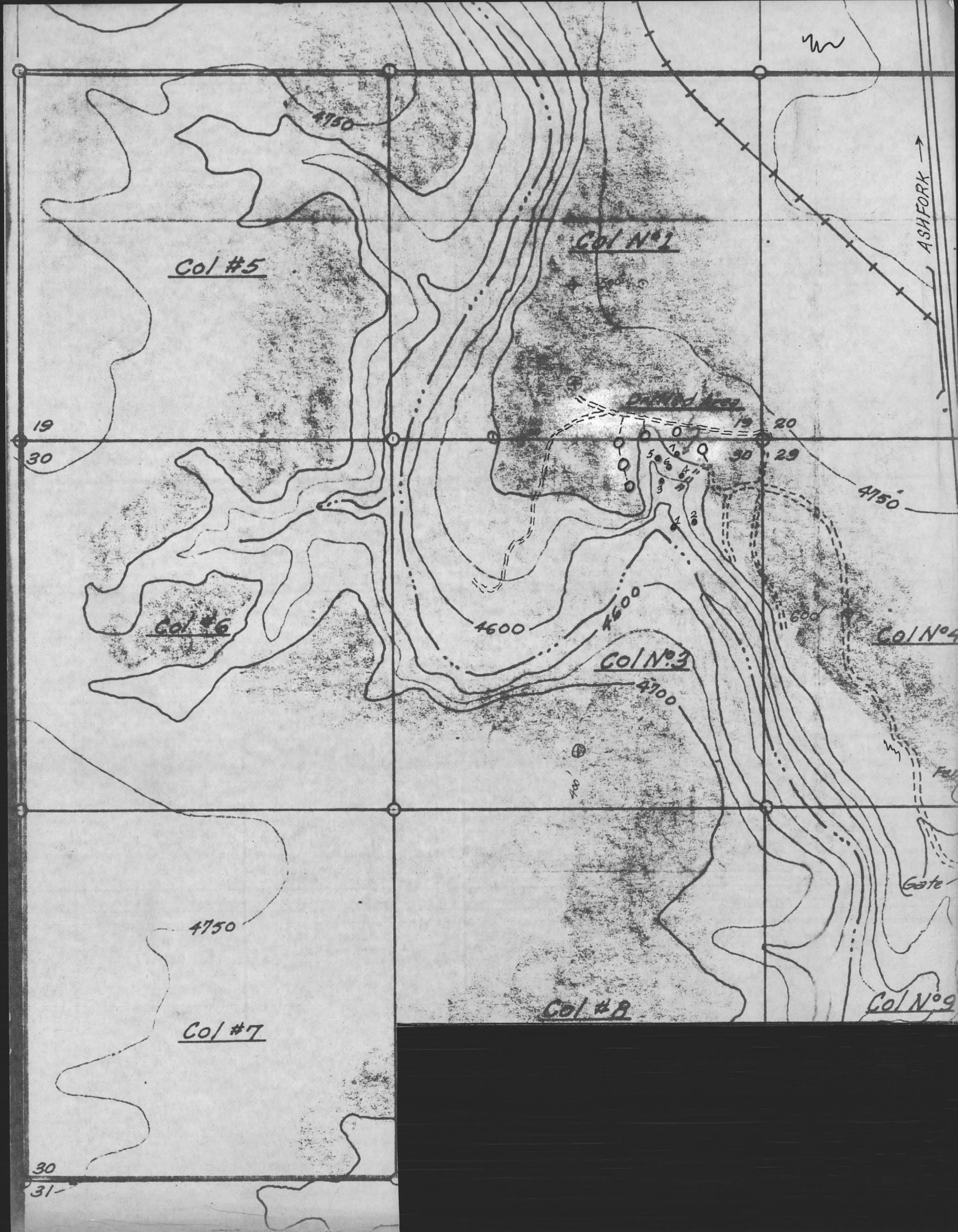


R. 1 W.

LEGEND

- 2 Drilled Holes
- O Planned Drill Holes
- Existing Roads
- Roads to be built
- Roads to be repaired

DRAKE LIMESTONE
 Yavapai Co., Ariz.
 Scale: 1" = 800 Ft.
 7/30/74 R. Mieritz



6-11-71

Cal-1	Pk 666	pg. 161	} if dated - don't recorded.	No
Cal-2	" 666	162		No
3		163		Yes
4		164		(Food - No D. Nom)
5	470	568	6-14-71	Yes
6		569	"	Yes
7		570	"	Yes
8		571	"	Yes
9	682	705	8-5-71	Yes
10		706	8-5-71	Yes

Pro Max 953
85001

Jim Girard - Pullman →

~~805-937-6336~~

aircraft
Earth
Pegasus
Santa Maria

	<u>Pk</u>	<u>Page</u>
Cal 1 Am'd	926	329
" 2 Am'd		330
" 8 Am'd		331
" 9 Am'd		332
" 10 Am'd.		333

Col N^o 1
S.E. 1/4 Sec. 19

Col N^o 2
S.W 1/4 Sec. 20

Hole No. 7
Dia. = 2 3/4" →
Depth = 54'

Col N^o 3
N.E 1/4 Sec 30

Col N^o 4
N.W 1/4 Sec. 29

Scale: 1" = 200'

Placer Claim Col N^o 3

Locators: Dennis K. Pickens, George A. Freeman,
Dwight McClure, Margeret McClure,
James J. Girard, Frank McGee, &
Jack C. Ball

The map shows the position of the sections 19, 20, 29, & 30 T. 15 N., R. 1 W., G. & R.M., on which the Notice of Location for the Placer Claim "Col N^o 3" is posted and the position of the Drill Hole which is the Discovery Work for Col N^o 3.

The Discovery Work was done on the
Evening of June 1971 by the above

Harley Gray. 636-9904
 Fred Glaspie -

Snake Limestone

62971

- 8-12-74 - Trip to Park - find corners, rest land. he liked
- 8-13-74 -
- 8-14-74 - write, & typed report for Cal. Price, attorney

1 day
 1 day
 1/2 day.

3

Assessment Work

- 7-28-74 - Field trip to Park - Dwight, Ralph Thiss
 - 7-31-74 - " " " Self - survey road.
 - 8-2-74 - Plotting claims on Photo
 - 8-30-74 - Supervising drilling & road construction
 - 8-31-74 - " " " " " "
 - 9-1-74 - " " " " " "
 - 9-10-74 - Surveying - hole locations
 - 9-11-74 - Calculations
 - 9-12-74 - Maps - sections & Surf. (no assay)
 - 9-14-74 - Assays on Maps
 - 9-15-74 - Writing report
 - 9-16-74 - Made 2 prints of Claim conflict for Cal. Mc.
 - 9-20- - Coloring Maps - assays on Maps.
- 3 days 150 - ~~500~~ 450
 4 days 125 ~~500~~ 500

1 day
 1/2 day
 3 hrs.
 change 4 days.
 1 day.
 6 hrs.
 3 hrs.
 2 hrs.
 2 hrs.
 4 hrs. 2 hrs.
 6 days.
 5 1/2 50
 125

Samples for O. D. Rohlf's Jr. Mgr. of Mines
 Minerals, pigments and Metals Division
 Pfizer Chemical Co.

August 15, 1974

Mr. Calvin N. Brice,
Cook & Brice Ltd., Lawyers
728 East McDowell Rd.
Phoenix, Arizona, 85006

Dear Mr. Brice:

At your request and authorization by Mr. Dwight McClure, Phoenix, Arizona, the writer travelled to Prescott and the Drake Limestone property for the purpose of inspecting many of the claim corners and the posting of some Amended Placer Claim Location Notices on the ground and in the proper position. Photographs were also taken while the writer was at the particular claim corners.

My activity on the property for two days, August 12th and August 13th, 1974, was as follows:

August 12th: Travel to Prescott, visited the Records Office and reviewed the original ten placer claim notices Col No. 1 through 10.. The recorded notices for Col No. 1 and 2 did not have the day of the month the claims were located. Col No. 3 was OKAY. The recorded notice for Col No. 4 had no day nor month on the notice. In view of this I was prepared to prepare an Amended Location Notice if the copy of the notice posted in the field also was void of day and month.

From Prescott I drove directly to the common corner of Col No. 1, 2, 3 and 4 to inspect the posted notices. Here I found notices for Col No. 1 and 2 had no day, and Col No. 3 and 4 had both day and month. I removed all four, took to Prescott that evening, repaired the very torn notices, copied all four with my copy machine and returned these posted notices to their proper place on August 13th. The Amended Placer Claim Location Notices you prepared for Col No. 1 and 2 were placed in the proper can along with the original notices of location. A photograph of this corner was taken on July 28th when Mr. McClure and I visited the property on that day.

During the balance of the day I visited the NE corner of Col. No. 2 and Photographed, the NW corner of ColNo.. 2 and the NE corner of Col No. 1, and Photographed. Visited the common corner of SE Col No. 4, NE of Col No. 9 and photographed, thence to the comon corner SE of Col No.. 9 and NE corner of Col No. 10, placing the Amended location notice at this point and photographed same.

The Amended location noticedfor Col No. 9 was placed at the common

of Col No. 3, 4, 8 and 9. No original location notice found at this corner, although an old notice without writing was found.

The Amended Placer location Notice for Col No. 8 was placed at the comon Se corner of Col No. 7 and the SW corner of Col No. 8. The original Location Notice for No. 8 was found but that for No. 7 was was not found. A photograph of this corner was taken.

The SW corner of Col No. 7 was visited, the Section corner stone was found and a photograph taken of the corner.

August 13th, 1974: Having zerox copied the original notice for Col claims No. 1, 2, 3 and 4, the evning before, I returned same to the post and cans of the common corner of these claims. Fisher has five notices here, Drake Limestone No. 1, 2, 3, 4, and 5. The first four conform to Col Nos. 1, 2, 3, and 4 and Drake Limestone No. 5 is discribed as the SE/4 of Sec. 30 which conforms to claim Col No. 8.

A return trip to the common corner between Col No. 3, 4, 8 and 9 was made to take a photograph. The time of day and position of the corner required an early morning picture.

The common corner of Col claims No. 8, 9 and 10 (Section corner of 29, 30, 31 and 32 was found and photographed. Fishers Noticessfor Drake Limestone No. 6, 7 and 8 are posted here. Drake Limestone No. 5 should have been posted here also rather than at the Section corner to the north.

The SW corner and the SE corner of Col No. 10 were found and photographed..

The writer returned to Prescott, submitted the five original, dated and signed Amended Placer Location Notices to the County Recorders Office shortly after 1:00 Pm and returned to Phoenix.

My findings in the field indicate that the Fisher claims Drake Limestone 1 through 8 coincide and are on top of Col claims No. 1 through 4, and 8 through 10.

Several of the photographs show markings of M.L. 6, 7, 13 etc. These must be the corners of early Mineral leases and it may be well to check on the status of same.

Attached to this report is a list and discription of the photographs as taken by the writer.

Respectfully submitted,

R. E. Mieritz,
Mining Consultant.

cc: Dwight McClure.

INDEX and DISCRIPTION OF PHOTOGRAPHS

Photo Number	Discription	Direction	Photo Taken	
		Looking	Date	Time
A	Common claim corner, Col No. 1, 2, 3 and 4, Sec. cor. 19,20,29,30	N. 40° W.	7/28/74	12:05PM
1	NE corner Col claim No. 2	N. 70° E.	8/12/74	11:58AM
2	NW Cor. Col No. 2 and NE cor. Col No. 1 claims	N. 25° W.	8/12/74	12:52PM
3	SE Cor. Col No. 4 and NE cor. Col No. 9 claims	N. 77° E.	8/12/74	1:17PM
4	SE cor. Col No. 9 and NE cor. Col No. 10 claims	N. 83° E.	8/12/74	1:43PM
5	SE cor. Col No. 7 and SW cor. Col No. 8 claims	N. 25° E.	8/12/74	3:10PM
6	SW cor. Col No. 7 claim and Sec. cor. 25, 30, 31 and 36	N. 85° E..	8/12/74	3:53PM
7	Common claim cor. Col No. 3, 4, 8 and 9.	N. 70° W.	8/13/74	8:57AM
8	Common claim cor. Col No. 8, 9 and 10, Sec. cor. 29, 30, 31, 32	N. 68° W.	8/13/74	9:36AM
9	SW corner Col No. 10	West	8/13/74	10:36AM
10	SE corner Col No. 10	N. 40° W.	8/13/74	11:05AM

The above photos are identified by proper letter or number on the back. These photos, except "A" are also identified by the same number on the picture side as the writer had attached large numbers to the 4" x 4" posts for identification also. Numbers 5, 6 and 7 on the posts are a bit faint due to the strong sunlight directly on the number. The others are very readable.

Other photographs taken are:

- B General view of Fishers plant in the skyline, approaching from old road, looking SW. 7/28/74
- C Closeup view of Fishers plant, looking SW. 7/28/74
- D View of Fishers plant and railroad and new RR siding bed. Looking easterly towards Drake, 7/28/74
- E Old limestone quarry from distance, on old road, looking westerly. 7/28/74
- F Closer view of limestone quarry with Fisher equipment. Looking northwesterly from old road. 7/28/74

#8. S $\frac{1}{4}$ of Sec 30 - N, E, S, W.

#9 NW cor of SW/4 Sec 29. E, S, W, N.

#10 - NE cor of NW/4 Sec 32 - S, W, N, ~~E~~



A MEMO from

DWIGHT McCLURE

8/25

Dear Dick -

Enclosed is my check as Port
of our payment to you. Dennis
will put his in the mail today -
if you don't receive it in due
time, call me. Leo's estate ck
in mail Sat, & Jim's will be
forwarded soon as I receive.

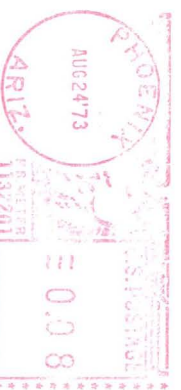
The delay was having our
accountant determine the status
of Drake time & the decision
(IRS) was we have to pay
you individually.

Sorry it took so long & thanks
again for all of your help.

Sincerely

Dwight

Each ck will be different amount
total bill \$912.99 as I add it.



Mr. D. E. Jernigan
11031 White Surtan Rd.
Dun City, Ariz. 85351

DWIGHT McCLURE

POST OFFICE BOX 953

PHOENIX, ARIZONA

85001

MEMO

MINE MANAGEMENT CORPORATION

P. O. Box 7277 • Phoenix, Arizona 85011 • Phone 602-274-8049

TO Richard Mieritz
11031 White Mt Rd
Sun City, Az, 85351

DATE 8/23/73
SUBJECT Check for Share
of Drake Mine Report

Dear Dick

Enclosed is my check # 634 for \$728.24
representing my share of Drake Mine Report,
assessment work i.e. 25% of \$12,904

91-265 G.M.M.
1221

Aug 24-73

R.H.P.

August 24, 1973

Dwight McClure
5656 E. Orange Blossom Lane
Phoenix, Arizona 85018

Dear Dwight;

So frequently I find that verbal instructions, etc are misunderstood, so I prepared a copy of a portion of the map to indicate where the proposed drill hole location should be and what road, distances and directions, should be constructed which could be given to the "cat" man.

Fortunately however you had prepared the same thing and indicated you were going up there Sunday. Perhaps this will be delivered to you on Saturday, tomorrow, if I get it in the mail soon enough.

Sincerely,

R. E. Mieritz

PYRAMID EXPLORATION CORPORATION

523 West 6 th Street Los Angeles Calif. 90014

İrtibat Adresi

Richard E. Mieritz

Müşavir Maden Mühendisi

237/19 Atatürk Bulvarı - Ankara

Telefon : 12 96 67

LEGEND

- ² Drilled Holes
- Planned Drill Holes
- === Existing Roads
- Roads to be built

PLANNED DRILL HOLES

DRAKE LIMESTONE
Yavapai Co., Ariz.

Scale: 1"= 800 Ft.

7/30/74 REMieritz

$$\begin{array}{r} N \\ S-1-29 W \\ 254-27 \\ \hline 255 \quad 56 \\ N 180 \end{array}$$

$$\begin{array}{r} S 75-56 W \\ 192-29 \\ \hline 269 \quad 25 \\ 180 \end{array}$$

$$\begin{array}{r} S 89-25 W \\ 221-11 \\ \hline 320 \quad 36 \\ 359-60 \\ \hline N 39-24 W \end{array}$$

$$\begin{array}{r} N \\ S-75-56 W \\ 215-47 \\ \hline 291 \quad 43 \\ 359-60 \\ \hline N 68-17 W \end{array}$$

$$\begin{array}{r} S 75-56 W \\ 229-47 \\ \hline 315 \quad 43 \\ 359-60 \\ \hline N 44-17 W \end{array}$$

$$\begin{array}{r} N \\ S 89-25 W \\ 17-48 \\ \hline 107 \quad 13 \\ 179-60 \\ \hline S 72-47 E \end{array}$$

$$\begin{array}{r} S \\ N 39-24 W \\ 221-54 \\ \hline 182-32 \\ 180 \\ \hline N 2-32 E \end{array}$$

$$\begin{array}{r} 4742.27 \\ 2.12 \\ \hline 4744.39 \end{array}$$

$$\begin{array}{r} S \\ N 39-24 W \\ 214-35 \\ \hline 175 \quad 11 \\ 179-60 \\ \hline N 4-49 W \end{array}$$

$$\begin{array}{r} N \\ S 1-29 W \\ 260-34 \\ \hline 262 \quad 03 \\ 180 \end{array}$$

$$\begin{array}{r} S 82-03 W \\ 230-41 \\ \hline 312 \quad 44 \\ 359-60 \end{array}$$

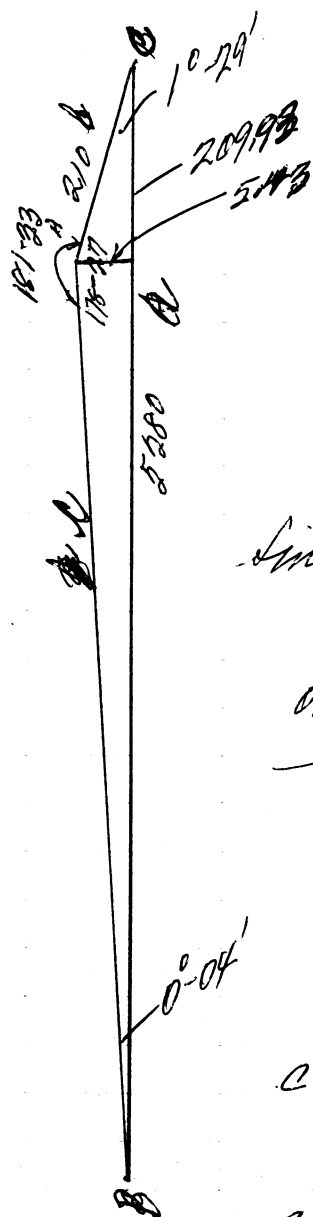
$$\begin{array}{r} S \\ N 47-16 W \\ 138-25 \\ \hline 91 \quad 09 \\ 179-60 \end{array}$$

$$\begin{array}{r} N 88-51 W \\ \hline 10,000.00 \\ -209.93 \\ \hline 9,790.07 \\ -64.59 \\ \hline 9,725.48 \end{array}$$

$$\begin{array}{r} 10,000.00 \\ -209.93 \\ \hline 9,790.07 \\ -64.59 \\ \hline 9,725.48 \end{array}$$

$$\begin{array}{r} 10,000.00 \\ 5.44 \\ \hline 9994.56 \\ 257.77 \\ \hline 9736.79 \end{array}$$

90 780



$$\sin B = \frac{b \sin A}{a}$$

$$c = \frac{a \sin C}{\sin A}$$

$$\sin B = \frac{210 \times 0.02705}{5280} = \frac{5.68050}{5280} = 0.00107$$

$$\frac{0.02705}{210}$$

$$\frac{178-23}{64}$$

$$\frac{178-31}{179-60}$$

$$1^{\circ}29' \text{ S} - 1^{\circ}29' \text{ W.}$$

$$c = \frac{5280 \times 0.02589}{0.02705} = 13669920$$

$$c = 5053$$

August 26th, 1974

Mr. Duane Morgan
Chino Valley Ranger Station
P. O. Box 285
Chino Valley, Arizona. 86323

Dear Mr. Morgan:

Enclosed is a map of a part of the claims which we have discussed. The orange and red indicate the work proposed as our assessment requirement.

Present plans are:

1. Mr. Richard Mieritz, mining will arrive Friday, 8/30/74- to supervise the entire program.
2. Mr. Harley Gray will send one of his tractors to do the small amount of road work and level the drill hole locations- also 8/30/74.
3. Mr. Joe Oliver will move a drill rig in on 8/30 and start drilling on 8/31/74. He should complete the drilling no later than Wednesday-9/4/74.

Please provide Mr. Mieritz with any permits which we may need.

Thank you for your assistance and this courtesy.

Very truly yours,

Dwight McClure

DM:jv
encl.

cc: Mr. Dick Mieritz ✓

Cal No 1 Amd - signed & dated in field 8-12-74 @ 11:00 AM
 Cal No 2 Amd " " " " " " " "
 Cal No 3 } Both had ~~date~~ day and month on notice. 7-17-74 @ 12:05 P
 Cal No 4 }

- #1 - looking N70E - 11:58 AM - 8-12-74 NE cor No 2 No F
- #2 N25W - 12:52 PM - 8-12-74 NE cor No 1 - NW cor No 2 No F Mh 24-25
- #3 N27E 1:17 PM - " SE cor No 4 - NE cor No 9 No F
- #4 N83E 1:43 PM " NE cor No 10 - SE cor No 9 Pat Amd - No Fisher
- #5 N85E 3:10 PM " SW cor No 8, SE cor No 7. Pat Amd & in con
- Notice for #8 only - (ACANS) No Fisher Papers.
- #6 N65E 3:53 PM - No papers - No Fish Paper (Old papers 1956 - Blue ribbon)
- Witness tree - Sec. Cor. SW cor No 7.
- #7 N20W - 8:57 AM 8-13-74 SW No 4, NW No 9, NE No 8, SE No 3.
- No papers at all Mh. 13
- #8 N48W 9:36 AM 8-13-74 Sec Cor #60 - Mh 17, 18. Fisher papers
- Drake No 7 NE 1/4 of Sec. 31 Drake #6 - SW 1/4 of 29
- Drake No 8 - NW 1/4 of Sec 32
- #9 West 10:36 AM - SW cor No 10. Blue ribbon
- #10 N40W 11:05 AM - 8-13-74 SE cor No 10. Blue ribbon

16

2940 N. Casa Tomas

August 15, 1977

U. S. Forest Service
Chino Valley Ranger Station
Chino Valley, Arizona. 86323

Re: Drake Limestone Claims

Dear Sir:

Attached hereto is a Map of the Col No. 1 through 7 Limestone claims located near the Drake overpass on Highway 89 between Prescott and Ashfork, Arizona.

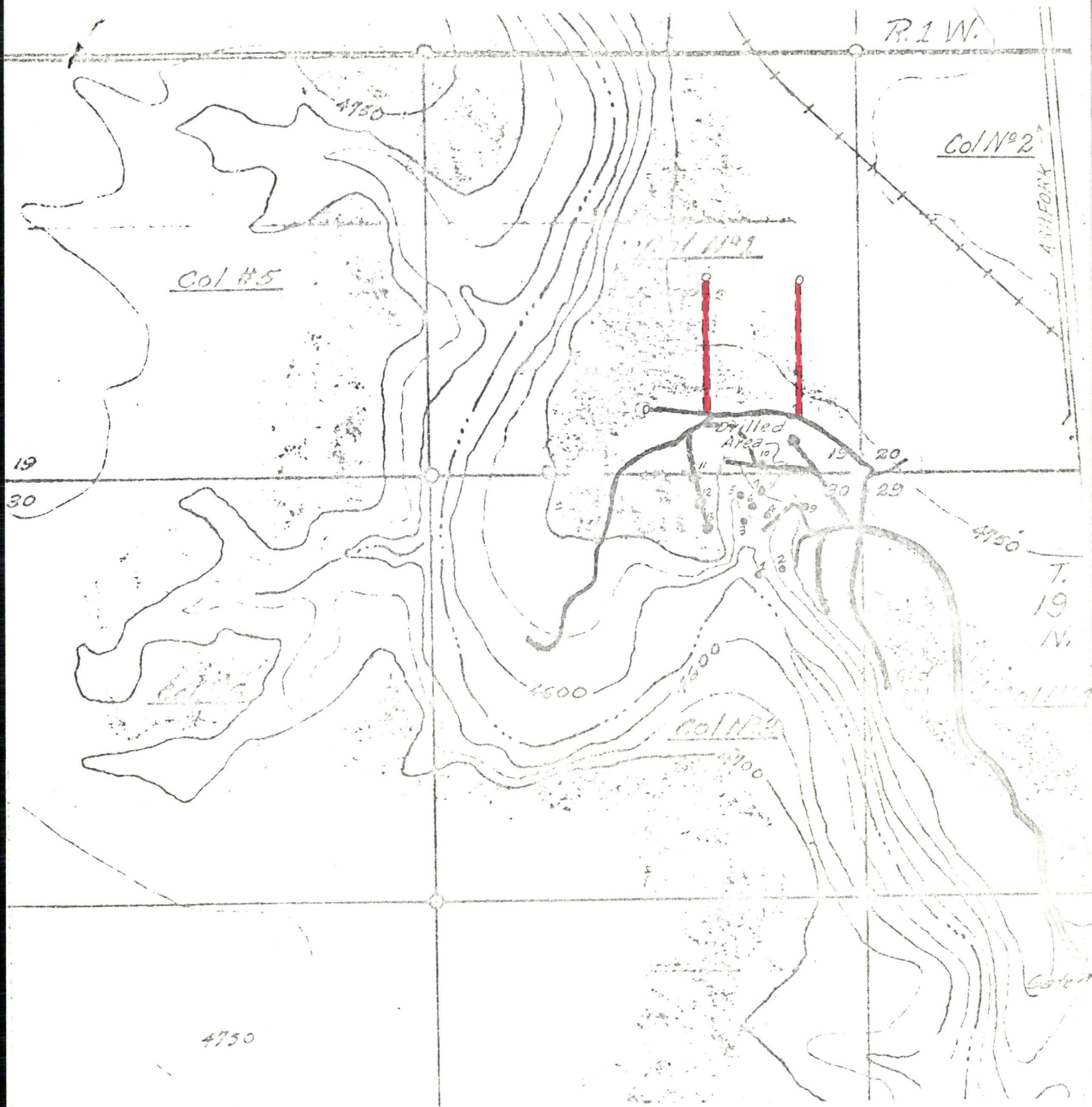
This Map indicates the work that will be done by Harley Gray during the next two weeks. It consists of building two Drill access roads, each about 800 feet long and in the positions as shown on the included Map.

Mr. Dwight McClure, Drake Limestone, is making the necessary arrangements with Mr. Gray.

Very truly yours,

R. E. Mieritz,
Mining Consultant

cc: Drake Limestone
(Mr. Dwight McClure)



R. 1 W.

Col #7

LEGEND

- Drilled Holes
- Planned Drill Holes
- Existing Roads
- Roads to be built
- Roads to be repaired

DRAKE LIMESTONE
 Yavapai Co., Arizona
 Scale: 1" = 800 Ft.
 7/30/74 L. Meritz

XXXXXXXXXXXXXXXXXXXX
x16

2940 N. Casa Tomas

August 17, 1976

U. S. Forest Service
Chino Valley Ranger Station
Chino Valley, Arizona - 86323

Re: Drake Limestone Claims

Dear Sir:

Attached hereto is a Map of the Col No. 1 through 7 Limestone claims located near the Drake overpass on Highway 89 between Prescott and Ashfork, Arizona.

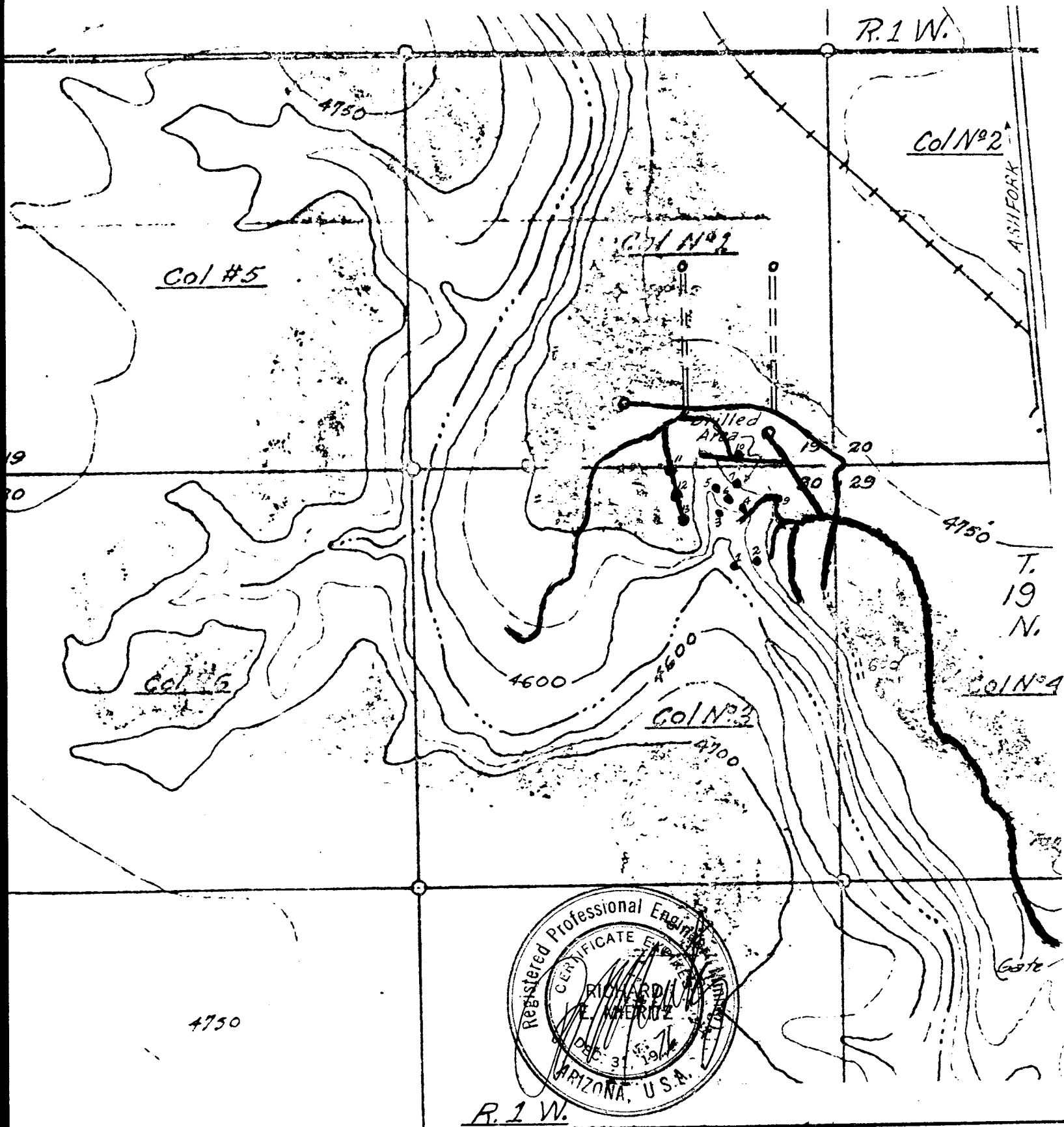
Assessment work for year 1976-77 consists of repairing some of the existing roads on the property and constructing approximately 500 to 600 feet of new road to serve as access to proposed drill holes.

I have indicated this work on the attached Map.. Such work will be completed by Harley Gray of Drake. He plans to start this work on Monday, August 25, 1976.

Very truly yours,

R. E. Mieritz,
Mining Consultant

cc: Drake Limestone
(Mr. Dwight McClure)



LEGEND

- ² Drilled Holes
- Planned Drill Holes
- Existing Roads
- - Roads to be built
- - Roads to be repaired

DRAKE LIMESTONE
Yavapai Co., Ariz.

Scale: 1" = 800 Ft.

2/30/74 R. Meritz

CAN-AM CORPORATION

R.A. BARBERO
PRESIDENT-C.E.O.

P.O. DRAWER T
DOUGLAS, ARIZONA 85607
TELEPHONE (602) 364-2429

December 27, 1977

Mr. Richard Mieritz
2940 N. Casa Tomas
Phoenix, Arizona 85016

Reference: Drake Limestone Deposit

Dear Dick:

I don't know what problems were incurred in the delivery of your December 10 correspondence relative to the above referenced Drake limestone deposit but I received the letter just prior to Christmas.

In studying over the attachments and the copy of the terms and conditions for the sale-lease of the Drake properties I take note of the mentioning of prior exploration and possible availability of core logs, chemical analyses, etc.. If this information is available for our study, I feel it behooves "your client" to withhold finalization on any pending negotiations subject to our studying any and all information available. We have some interest in obtaining a deposit in the area under consideration but it is necessary that we satisfy ourselves with respect to the chemical analyses and extent of the deposit as well as setting up our own pro-forma calculations covering the various costs incurred from "winning" of the in-place materials through the end-all competitive position we will take at the various market points.

As you are aware we are currently producing and selling high quality limestone and chemical lime in the State of Arizona and adjoining areas. This being the case, we feel that any arrangements made between the owners of the Drake deposit and Can-Am Corporation should be mutually beneficial at the earliest possible date. We would hope your client shares this feeling.

Should the above mentioned information be available, we would appreciate a chance to review same at the earliest possible date. Also, with respect to reserves: please set out the reserves in their respective classifications of proven, estimated and geological.

Thanks for keeping us in mind on this deposit, Dick. If you get us the information, we'll do our best to get back with you with a minimum of delay.

Very truly yours,



Robert A. Barbero

RAB;hb

REPLY TO:

~~1084 W. WILLOW STREET~~
PHOENIX, ARIZONA 85016
TELEPHONE (602) 277-6053
2940 N. Casa Tomas

Richard E. Mieritz

MINING CONSULTANT

ARIZONA REGISTERED
MINING ENGINEER AND GEOLOGIST

GEOLOGY
EXPLORATION
EVALUATION
FEASIBILITY
OPERATION

March 1, 1978

Mr. Robert A. Barbero, Pres.
CAN-AM Corporation
Paul Lime Division
P. O. Drawer "T"
Douglas, Arizona, 85607

Re: Darke Lime Property

Dear Mr. Barbero:

As you may recall, during November and December, 1977, Paul Lime was interested in possibly obtaining the Drake Limestone property from the Drake Lime Company and I was acting as intermediary between the Drake Lime Corp. and Paul Lime Corp.

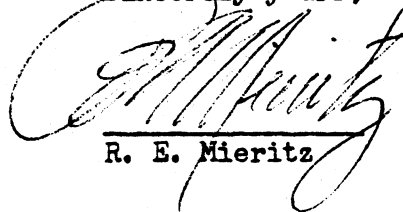
With the depressed copper industry, Paul Limes interest may not be quite as high as it was a few months ago as regards the acquisition of the Drake property.

Unfortunately, the writer is leaving for Iran this coming Sunday and will be gone for seven to ten months, consequently I would not be available as the intermediary between the principals.

Further discussions and/or acts should be taken up with Mr. Dwight McClure, spokesman for the Drake Lime Corp. His Office phone is 264-6448, Phoenix., His residence is 5656 E. Orange Blossom Ln. telephone 959-9255.

It is hoped that the depressed copper situation will soon experience a turn-around so all of us can return to work again.

Sincerely yours,



R. E. Mieritz

MARBLEHEAD LIME COMPANY

P.O. BOX 488 • CHICAGO HEIGHTS, ILLINOIS 60411 • 312/468-5656

May 27, 1977

Mr. Dennis K. Pickens
Mine Management Corporation
1505 Financial Center Bldg.
Phoenix, Arizona 85012

Dear Mr. Pickens:

Enclosed, I am returning your file copy of the Mieritz report on the Drake Lime Co. property. Thank you for your help in our evaluation of this property. In case you are interested, we are also enclosing copies of the analytic data on the surface cross-sections taken during our visit to the area with Mr. Mieritz.

Very truly yours,

MARBLEHEAD LIME COMPANY



Walter W. Walker
Technical Director

WW:lmn
encl.
cc: C. P. Jorgensen

Surface Samples *(taken by Marblehead Geologist)*
Drake, Arizona

MARBLEHEAD LIME COMPANY
THORNTON LABORATORY
CHEMICAL ANALYSIS

DATE REC'D 6/18/76

DATE REP'T 7/2/76

<u>LAB#</u>	<u>DEPTH</u>	<u>SiO₂</u>	<u>Fe₂O₃</u>	<u>Al₂O₃</u>	<u>CaO</u>	<u>MgO</u>	<u>S</u>	<u>P₂O₅</u>	<u>Mn</u>	<u>TiO₂</u>	<u>L.O.I.</u>	<u>TOTAL</u>
M-13816	100'-115'	.28	.07	.12	55.01	.55	.009	.007	.018	<.003	43.94	100.
M-13817	80'-100'	4.32	.11	.17	52.53	.21	.008	.002	.016	<.003	41.77	99.14
M-13817	60'-80'	1.02	.25	.31	54.20	.74	.005	.016	.010	.010	43.52	100.08
M-13819	40'-60'	.34	.02	.16	55.36	.06	.007	.023	.014	.004	44.06	100.04
M-13820	20'-40'	.15	.10	.13	54.85	.51	.005	.013	.008	<.003	44.24	100.
M-13821	0'-20'	.34	.03	.15	55.22	.18	.009	.011	.008	<.003	44.14	100.08
M-13822	0'-10'	4.85	.40	.13	33.56	16.37	.007	---	---	----	44.48	99.81
M-13823	10'-13'	8.80	.37	.10	32.56	15.89	.002	---	---	----	42.27	100.
M-13824	13'-20'	1.27	.09	.15	54.27	.67	.004	.004	.014	<.003	43.53	100.
M-13825	20'-30'	1.05	.02	.10	54.55	.37	.003	.002	.010	<.003	43.85	99.96
M-13826	30'-40'	1.37	.08	.12	54.41	.28	.004	<.003	.010	<.003	43.49	99.76
M-13827	40'-45'	1.32	.02	.09	54.52	.18	.004	<.003	.011	<.003	43.48	99.63
M-13828	45'-50'	.32	.07	.15	55.15	.29	.005	.054	.012	.001	43.85	99.90
M-13829	50'-60'	.79	.05	.11	55.06	.09	.003	.011	.007	<.003	43.88	100.
M-13830	60'-70'	.27	.05	.10	55.39	.12	.008	.006	.010	<.003	43.99	99.94
M-13831	70'-80'	> 10.00	.26	.38	45.63	.01	.004	<.003	.027	.016	36.06	92.38
M-13841	80'-90'	.17	.05	.18	54.87	.36	.008	.005	.012	<.003	44.04	99.70

JFK 7/2

Butler

Drill Chip Samples
Drake, Arizona

(From Mieritz)

MARBLEHEAD LIME COMPANY
THORNTON LABORATORY
HOLE #9

Date Rec'd 6/28/76
Date Rep't 7/2/76

CaO + L.O.I

Lab. #1	Depth	SiO ₂	Fe ₂ O ₃	Al ₂ O ₃	CaO	MgO	P ₂ O ₅	Mn	TiO ₂	L.O.I	Leco S	Total	Remarks	Drake	
M-13858	0'-10'	>10.0	<u>Drake</u> <u>SiO₂</u> >1.0	.56	34.96	<.01	.073	.050	>.1	28.73	.009	>75.37	63.69	62.58	
M-13859	10'-20'	8.14	.72	2.54	45.42	>.01	.031	.024	>.1	37.21	.006	>94.19	82.63	82.27	
M-13860	20'-30'	4.49	.30	1.90	49.26	.04	.053	.017	>.1	40.25	.04	>96.42	89.51	88.86	
M-13861	30'-40'	1.35	0.29	.11	.61	53.33	.21	.016	.014	.027	43.43	.21	99.10	96.76	96.98
M-13862	40'-50'	.98	0.24	.11	.44	53.99	<.01	.011	.010	.019	43.30	.005	98.87	97.29	95.82
M-13863	50'-60'	.71	0.65	.10	.34	54.17	.07	.002	.010	.015	43.58	.021	99.02	98.75	97.89
M-13864	60'-70'	.51	0.15	.09	.30	54.47	.14	<.003	.010	.008	43.81	.008	99.35	98.28	98.89
M-13865	70'-80'	.53	0.25	.08	.23	54.63	.03	<.003	.008	.008	43.68	.005	99.20	98.31	98.25
M-13866	80'-90'	2.85	3.64	.15	.45	52.01	.09	<.003	.015	.023	42.03	.017	97.55	94.04	95.73

HOLE # 13

M-13867	20'-30'	>10.0	>1.0	4.35	39.81	.66	>.1	.062	>.1	33.24	.009	89.32	73.05	69.96	
M-13868	30'-40'	3.22	.33	1.16	50.88	<.01	.017	.018	.088	41.81	.007	97.53	92.69	91.55	
M-13869	40'-50'	.96	1.24	.25	.44	53.90	.11	.019	.014	.034	43.52	.006	99.25	97.42	99.07
M-13870	50'-60'	5.29	.36	1.28	49.52	<.01	.018	.013	.084	40.11	.003	96.68	89.63	89.04	
M-13871	60'-70'	>10.0	.42	1.48	43.03	<.01	.032	.031	>.1	36.78	.010	>90.40	79.81	79.54	
M-13872	70'-80'	4.08	.33	1.15	50.52	.38	.029	.026	.075	41.20	.005	97.80	91.72	88.41	
M-13873	80'-90'	1.11	1.04	.08	.37	54.08	.03	.018	.012	.013	43.35	.005	99.07	97.43	95.76
M-13874	90'-100'	.99	1.04	.08	.29	53.68	.01	.015	.015	.013	43.33	.003	98.43	97.01	93.61

Drill Chip Samples
Drake, Arizona

MARBLEHEAD LIME COMPANY
THORNTON LABORATORY
HOLE # 13

Date Rec'd 6/28/76
Date Rep't 7/02/76

CaO + L.O.I.

Lab. #	Depth	SiO ₂	Fe ₂ O ₃	Al ₂ O ₃	CaO	MgO	P ₂ O ₅	Mn	TiO ₂	L.O.I	Leco S	Total	Remarks	Drake
		<u>Drake(SiO₂)</u>												
M-13875	100'-110'	2.25	1.95	.24	52.47	<.01	.016	.012	.033	42.39	.002	98.03	94.86	95.85
M-13876	110'-120'	.41	0.06	.07	53.37	<.01	<.003	.015	.007	43.81	.013	97.94	97.18	97.37
M-13877	120'-130'	.26	0.10	.07	55.12	.12	.006	.007	.006	43.71	.018	99.51	98.83	97.46
M-13878	130'-140'	.50	0.56	.10	54.45	.01	.002	.012	.013	43.62	.002	98.93	98.07	98.18
M-13879	140'-150'	6.38	.63	.39	35.99	12.12	—	—	—	42.29	.005	97.81	78.28	64.32
M-13880	150'-160'	10.0	.42	.36	28.77	15.38	—	—	—	38.84	.004	>93.77	67.61	50.70

JK
7/2/76

cc: W. Walker, File

GRETA BATES

REPLY TO:

1601 W. HAZELWOOD STREET
 PHOENIX, ARIZONA 85016
 TELEPHONE (602) 277-6053
 2940 N. Casa Tomas

Richard E. Mieritz

MINING CONSULTANT

ARIZONA REGISTERED
 MINING ENGINEER AND GEOLOGIST

GEOLOGY
 EXPLORATION
 EVALUATION
 FEASIBILITY
 OPERATION

September 19, 1974

Drake Lime Corporation
 Messrs. Dwight McClure, Dennis Pickens
 Phoenix, Arizona

Gentlemen:

Please consider the following as an "Addendum" to the writer's initial report of July 17, 1973. This report should be included with the early report.

At your request and authorization, an exploration program as annual assessment work on your seven limestone placer claims near Drake, Yavapai County, Arizona, has been completed and supervised by the writer. This field work started August 30th and finished September 2, 1974, and office work continued on various days to September 19, 1974. Work completed during the period included road and drill site construction by bulldozer, percussion drilling holes 9, 10, 11, 12 and 13 which ranged in depth from 100 to 200 feet and totaled 720 feet of hole, sampling and assaying cuttings, engineering work as to hole locations, surveying, sections of the "ore deposit", preparation of this geological and "ore reserve" report and supervision of the project in the field by the writer.

PHYSICAL FIELD WORK:

Dozer work completed by Harley Gray, Drake, Arizona, on August 30th consisted of constructing new or rehabilitating about 2000 feet of drill access road and five drill locations.

Joe Oliver, drill contractor, Chandler, Arizona, completed 720 feet of drilling in five holes as follows:

<u>Hole Number</u>	<u>Depth</u>	<u>Number of Samples</u>	<u>Assays</u>	
			<u>CaCO₃</u>	<u>SiO₂</u>
9	100	10	10	6
10	120	12	12	7
11	200	20	20	7
12	140	14	12	8
13	160	16	14	7
Totals	720	72	68	35

Drilling and Sampling was completed from August 30 through September 2, 1974.

The assaying of samples by Walter Statler, Iron King Assay Office in Humboldt, Arizona, was completed from September 3 through September 17, 1974.

The writer completed some field work and supervised the drilling program and sampled the drilling on July 31, August 30 through September 2, 1974, surveyed hole locations September 10 and completed Office work, including preparation of this report during the month of September, 1974.

RESULTS OF DRILLING:

All five drill holes intersected and penetrated the high lime bed which was indicated by previous early drilling. The intersections were of similar high purity and thickness as the early drilling indicated.

The present drilling now indicates that the high purity bed is in an anticlinal shape with a north-south axis near the north-south drainage area west of the "blasted area" - (See included Map and Sections). The western limb appears to dip about 10° W. while the eastern limb is, for all practical purposes, horizontal or about 1° dip E. It also appears that the anticline plunges southward, thus, rising in a north direction very much similar to the slope of the present surface in that direction.

Any further exploration should be done northward of the blasted area in a triangle, one side of which is N. 45° W. of the blasted area and the other side as an east-west line from the blasted Pit area, such drilling would develop the "orebody" with a minimum to a "no" overburden situation (except for soil and vegetation).

ORE RESERVE:

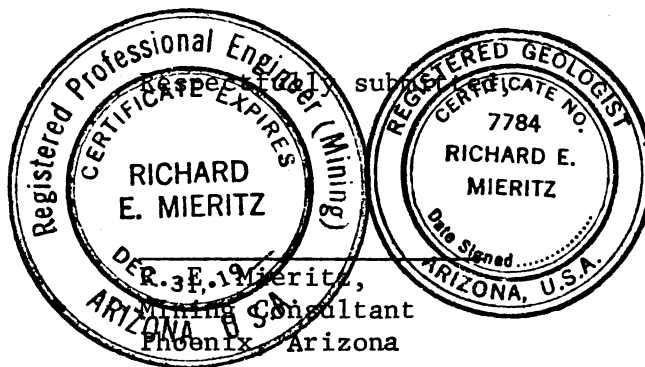
The exploratory drilling recently completed now permits "ore" calculations to be completed and categorized as to "measured or blocked out", "indicated", "inferred" and "geological potential". This the writer has done with the following results:

MEASURED ORE	850,000 tons
INDICATED-INFERRED ORE	10,000,000 tons
GEOLOGICAL POTENTIAL	100,000,000 tons

The red outline of the "measured ore" is shown on Map No. 3 (Claim Map) and Map No. 4 (Surface Geology). The green outline of the "indicated and inferred ore" is shown on Map No. 3 and the blue outline of "geological potential ore" is also shown on Map No. 3.

To calculate and estimate the above reserves a constant 60 foot thickness was used for the "good" limestone bed. A 12 cubic foot factor to the ton was also used. The writer used 215,000 tons of limestone per acre for the larger tonnage figures.

The high purity limestone bed is quite uniform in thickness, averaging about 60 feet. This thickness may vary slightly in as much as a 10 foot length of sample was used while drilling. If the contact between the high purity bed and the lower grade material - either on the top or bottom of the "good" bed, - is at some footage other than the 10 foot sample depth, then the suspected thickness might be increased slightly, at top, at bottom or both. A typical example; Hole 9, from 20 to 30 feet has an 88.9% CaCO_3 content - which could be 6 feet of 83% and 4 feet of 97% to average 88.6% - thus, the thickness would be increased by 4 feet - 26 to 86 feet rather than the 30 to 80 feet as indicated on the Section.



September 19, 1974

NOTE:

Except for slight changes, as a result of reducing the number of claims from 10 to 7, this is a duplicated, re-typed copy of the original Addendum dated September 19, 1974.

Title 43—Public Lands: Interior
CHAPTER II—BUREAU OF LAND MAN-
AGEMENT, DEPARTMENT OF THE IN-
TERIOR

[Circular No. 2419]

PART 3830—LOCATION OF MINING
CLAIMS

Recordation of Mining Claims and Filing
Evidence of Annual Assessment Work
or Notice of Intention to Hold Mining
Claims

Part 3830 is amended by adding Sub-
part 3833 to read:

Subpart 3833—Recordation of Mining Claims and
Filing Proof of Annual Assessment Work or
Notice of Intention To Hold Mining Claims

- Sec.
3833.0-1 Purpose.
3833.0-2 Objectives.
3833.0-3 Authority.
3833.0-5 Definitions.
3833.1 Recordation of mining claims.
3833.1-1 Manner of recordation—National
Park System.
3833.1-2 Manner of recordation—other Fed-
eral lands.
3833.1-3 When recordation not required.
3833.2 Evidence of assessment work/no-
tice of intention to hold claim.
3833.2-1 When filing required.
3833.2-2 Form—evidence of assessment
work.
3833.2-3 Form—notice of intention to hold
claim.
3833.2-4 When evidence or notice not re-
quired.
3833.3 Notice of transfer of interest.
3833.4 Failure to file.
3833.5 Effect of recording and filing.

§ 3833.0-1 Purpose.

One purpose of these regulations is to establish procedures for the recordation in the proper BLM office of unpatented mining claims, mill sites, or tunnel sites on Federal lands, and for the filing in the same office of evidence of performance of annual assessment work or of a notice of intention to hold an unpatented mining claim. Another purpose is to notify the proper BLM office of the transfer of an interest in unpatented mining claims, mill sites or tunnel sites.

§ 3833.0-2 Objectives.

An objective of these regulations is to determine the number and location of unpatented mining claims, mill sites, or tunnel sites located on Federal lands to

assist in the management of those lands and the mineral resources therein. Other objectives are to remove the cloud on the title to these lands because they are subject to mining claims that may have been abandoned and to keep the BLM abreast of transfers of interest in unpatented mining claims, mill sites or tunnel sites. These regulations are not intended to supersede or replace existing recording requirements under State law, except when specifically changed by the provisions of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701), and are not intended to make the BLM office the official recording office for all ancillary documents (wills, liens, judgments, etc.) involving an unpatented mining claim, mill site or tunnel site.

§ 3833.0-3 Authority.

(a) Subsections (a) and (b) of section 314 of the Act require the recordation of unpatented mining claims and the filing of information concerning annual assessment work performed or a notice of intention to hold such a claim in the proper BLM office within specified time periods. Subsection (c) sets forth the consequences of the failure to file such information or documents within the time limits prescribed.

(b) Section 8 of the Act of September 28, 1976 (16 U.S.C. 1901-1912), requires that all unpatented mining claims within the boundaries of the National Park System shall be recorded with the Secretary within one year after the date of the Act and provides penalties for failure to record.

(c) Section 2319 of the Revised Statutes (30 U.S.C. 22) provides that the exploration, location, and purchase of valuable mineral deposits shall be "under regulations prescribed by law," and sec-

tion 2478 of the Revised Statutes, as amended (43 U.S.C. 1201), provides that those regulations will be issued by the Secretary.

(d) The Secretary has general responsibility and authority concerning public lands under 43 U.S.C. 2 and section 310 of the Act.

§ 3833.0-5 Definitions.

As used in this Subpart:

(a) "The Act" means the Federal Land Policy and Management Act of 1976 (Pub. L. 94-579; 90 Stat. 2743).

(b) "Unpatented mining claim" means a lode mining claim or a placer mining claim located under the General Mining Law of 1872, as amended (30 U.S.C. 21-54), for which a patent under 30 U.S.C. 29 and 34 CFR 3860 has not been issued.

(c) "Mill site" means any land located under 30 U.S.C. 42.

(d) "Tunnel site" means a tunnel located pursuant to 30 U.S.C. 27.

(e) "Owner" means any person who holds a recorded possessory interest in all or any part of an unpatented lode or placer mining claim, mill site, or tunnel site whether such interest was obtained by location, purchase, gift, inheritance, or other means recognized under law for transfer of the right of possession and enjoyment recognized in the holder of the claim or claims under the General Mining Law of 1872, as amended, *supra*.

(f) "Federal lands" means any land or interest in land owned by the United States as defined by subparagraph (e) of section 103 of the Act and any other land or interest in land owned by the United States which is subject to location and purchase under the General Mining Law of 1872, *supra*, and 43 CFR Subpart 3811 including, but not limited to, those lands within units of the National Park System, forest reservations within the National

Published in 42 F.R. 5298, January 27, 1977 - Effective January 20, 1977.

Circular Distribution List

Forest System and wildlife refuges within the National Wildlife Refuge System.

(g) "Proper BLM office" means the Bureau of Land Management State Office having jurisdiction over the area in which the lands subject to the regulations are located. (See 43 CFR 1821.2-1 for office location and area of jurisdiction.)

(h) "Date of location" means the date indicated on the notice of location or discovery posted on an unpatented mining claim, mill site, or tunnel site under state law, or, if state law does not require the posting of a notice of location or discovery for unpatented mining claims or tunnel sites the date that the notice of location of the claim was posted in accordance with 43 CFR Parts 3830 and 3840 or if state law does not require the posting of a notice for mill sites, the date that the person who located the site began using or occupying the site for mining or milling purposes.

(i) "Official record of the notice or certificate of location" means the official document of recordation and all accompanying maps, papers or other documents filed for record with the recorder or other officer now authorized to record such instruments under state law in the local jurisdiction where the unpatented mining claim, mill site, or tunnel site is located and any amendments thereof which may change or alter the location of the claim or site.

§ 3833.1 Recordation of mining claims.

§ 3833.1-1 Manner of recordation—National Park System.

The owner of an unpatented mining claim, mill site, or tunnel site located within the boundaries of units of the National Park System must comply with the requirements of the Notice of October 13, 1976, entitled "Claimants of Mining Claims," published on October 20, 1976, at 41 FR 46357, and the requirements of Park Service regulations concerning recordation in 36 CFR Part 9, and copies of all material received by the National Park Service pursuant to that Notice will be given by the Park Service to the proper BLM office. Compliance with the requirements of that Notice will be deemed full compliance with the requirements of section 314 of the Act for all owners of unpatented mining claims, mill sites, or tunnel sites within the boundaries of any unit of the National Park System.

§ 3833.1-2 Manner of recordation—other Federal lands.

(a) The owner of an unpatented mining claim, mill site, or tunnel site located on or before October 21, 1976, on Federal land, excluding land within units of the National Park System, shall file (file shall mean being received and date stamped by the proper BLM office), before October 22, 1979, in the proper BLM office a copy of the official record of the notice or certificate of location of the claim or site filed under state law, or, if state law does not require the recordation of a notice or certificate of location of the claim or site, a certificate of loca-

tion containing the information in paragraph (c) of this section.

(b) The owner of an unpatented mining claim, mill site, or tunnel site located after October 21, 1976, on Federal land shall file (file shall mean being received and date stamped by the proper BLM office), within 90 days after the date of location of that claim in the proper BLM office a copy of the official record of the notice or certificate of location of the claim or site filed under state law or, if the state law does not require the recordation of a notice or certificate of location of the claim or site, a certificate of location containing the information in paragraph (c) of this section.

(c) The copy of the notice or certificates filed in accordance with paragraphs (a) and (b) of this section shall be supplemented by the following additional information unless it is included in the copy:

- (1) The name or number of the claim, or both, if the claim has both;
- (2) A reference by book and page or other identification number to the county or other local public record of the notice or certificate and, if amended, of the last recorded amendment thereof;
- (3) The name, and current mailing address, if known, of the owner or owners of the claim;
- (4) The type of claim or site;
- (5) The date of location;
- (6) For all claims or sites located on surveyed or unsurveyed lands, a legal description shall be furnished. This description shall recite the approximate location of all or any part of the claim or site with a 160 acre quadrant of a section (quarter section) or sections, if more than one is involved. In addition, there must be furnished the township, range, meridian and state obtained from an official survey plat or other U.S. Government map showing either the surveyed or protracted U.S. Government grid, whichever is applicable;
- (7) A map with a scale of not less than 1/4 inch to a mile showing the survey or protraction grids on which there will be depicted the location of the claim or site. Contiguous claims or sites and groups of claims or sites in the same general area may be depicted on this single map so long as the individual claims or sites are clearly identified;
- (8) If the individual claim or site or group of claims or sites are located on unsurveyed land and it is not a part of or included in the notice or certificate, there shall also be furnished either a narrative or a sketch describing the individual claim or site or group of claims or sites in reference to some topographic, hydrographic or man-made feature. Such narrative description or sketch shall set forth the boundaries and position of the individual claim or site or group of claims or sites with such accuracy as will permit the authorized officer of the agency administering the surface of the lands to identify and locate the claimed lands on the ground;
- (9) Nothing in the requirements for a map and description found in this section shall require the owner of a claim or site to employ a professional surveyor or engineer; and

(10) For claims on O & C lands located pursuant to 43 CFR subpart 3821 and claims located pursuant to Public Law 359, 43 CFR Part 3730, the notice or certificate shall be so marked.

(d) Each claim or site filed shall be accompanied by a \$5 service fee which is not returnable.

§ 3833.1-3 When recordation not required.

If the owner of an unpatented mining claim or mill site had on file in the proper BLM office on October 21, 1976, an application for a mineral patent which complies with 43 CFR Part 3860, except the requirements for publication and payment of purchase price (43 CFR 3862.4), or if the owner of an unpatented mining claim or mill site located on or before October 21, 1976, shall file in the proper BLM office an application for a mineral patent, as described above, before October 22, 1979, the filing of the application will be deemed full compliance with the recordation requirements of section 314 of the Act and the owner of that claim or site shall be exempt from the filing requirements of § 3833.1.

§ 3833.2 Evidence of assessment work/notice of intention to hold claim.

§ 3833.2-1 When filing required.

(a) (1) The owner of an unpatented mining claim located on Federal land, excluding land within units of the National Park System, on or before October 21, 1976, shall file before October 22, 1979, and prior to December 31 of each calendar year following the calendar year of recording in the proper BLM office pursuant to this subpart evidence of annual assessment work performed during the preceding assessment year or a notice of intention to hold the mining claim.

(2) The owner of a mill site or tunnel site located on Federal land, excluding land within units of the National Park System, on or before October 21, 1976, shall file before October 22, 1979, and prior to December 31 of each calendar year following the calendar year of recording pursuant to this subpart, in the proper BLM office a notice of intention to hold the mill or tunnel site.

(3) The owner of an unpatented mining claim located within the boundaries of units of the National Park System must comply with the requirements of 36 CFR 9.5(d) for annual filing and copies of all those annual filings received by the National Park Service pursuant to that regulation will be given by the National Park Service to the proper BLM office. Compliance with the requirements of that regulation will be deemed full compliance.

(b) (1) The owner of an unpatented mining claim located after October 21, 1976, shall, prior to December 31 of each year following the calendar year in which such claim was located, file in the proper BLM office evidence of annual assessment work performed during the preceding assessment year or a notice of intention to hold the mining claim.

(2) The owner of a mill site or tunnel site located after October 21, 1976, shall, prior to December 31 of each year following the calendar year in which such claim was located, file in the proper BLM office a notice of intention to hold the mill or tunnel site.

ceding assessment year or a notice of intention to hold the mining claim.

(2) The owner of a mill site or tunnel site located after October 21, 1976, shall, prior to December 31 of each year following the calendar year in which such mill or tunnel site was located, file in the proper BLM office a notice of intention to hold the mill or tunnel site.

§ 3833.2-2 Form—evidence of assessment work.

Evidence of annual assessment work shall be in the form of either:

(a) An official copy of the affidavit of assessment work performed filed in the local jurisdiction of the State where the claim or group of contiguous claims are located setting forth the following information:

(1) The serial number assigned to each claim by the authorized officer upon filing of a copy of the official record of the notice or certificate of location or patent application in the proper BLM office;

(2) Any change in the mailing address, if known, of the owner or owners of the claim or claims; or

(b) An official copy of the detailed report concerning geological, geochemical, and geophysical surveys filed in the office of the local jurisdiction in which the claim is located pursuant to the Act of September 2, 1958 (30 U.S.C. 28-1), setting forth the following additional information:

(1) The serial number assigned to each claim by the authorized officer upon filing in the proper BLM office of a copy of the official record of the notice or certificate of location or patent application; and

(2) Any change in the mailing address, if known, of the owner or owners of the claim.

§ 3833.2-3 Form—notice of intention to hold claim.

A notice of intention to hold a mining claim or group of mining claims or mill or tunnel sites shall be in the form of a letter signed by the owner or owners of such claim or site or their agent setting forth the following information:

(a) The serial number assigned to each claim by the authorized officer upon filing in the proper BLM office or a copy of the official record of the notice or certificate of location;

(b) Any change in the mailing address, if known, of the owner or owners of the claim;

(c) A statement that the claim is held and claimed by the owner(s) for the valuable mineral contained therein;

(d) A statement that the owner(s) intend to continue diligent exploration or development of the claim;

(e) The reasons that physical, legal, or other impediments, beyond the control of the owner(s), have prevented his

filing an affidavit of assessment work performed or a detailed report of geological, geochemical, and geophysical survey under 43 CFR 3833.2-2 (such impediments may include, but are not limited to, deferment of annual assessment work, in which case the notice must be accompanied by a copy of petition for deferment and the order or decision disposing of such petition); and

(f) As required by section 314(a) (1) of the Act, the date on which a copy of the notice of intention to hold the mining claim, was filed in the office of the local jurisdiction in which the claim is located.

§ 3833.2-4 When evidence or notice not required.

Evidence of annual assessment work performed or a notice of intention to hold a mining claim need not be filed on unpatented mining claims or mill sites for which application for mineral patent which complies with 43 CFR Part 3860 has been filed and final certificate has been issued. (See 43 CFR 3851.5). The filing of an application and issuance of the final certificate will be deemed full compliance with the requirements of section 314(a) of the Act and the owner of that claim or site shall be exempt from the filing requirements of § 3833.2-1.

§ 3833.3 Notice of transfer of interest.

(a) Whenever the owner of an unpatented mining claim, mill site or tunnel site, which has been recorded in accordance with § 3833.1-2, sells, assigns, or otherwise conveys all or any part of his interest in the claim, his transferee shall file in the proper BLM office within 60 days after the completion of the transfer the following information:

(1) The serial number assigned to the claim by the authorized officer upon filing of a copy of the official record of the notice or certificate of location in the proper BLM office; and

(2) The name and mailing address of the person(s) to whom an interest in the claim has been sold, assigned, or otherwise transferred.

(b) Whenever any person acquires an interest through inheritance in an unpatented mining claim, mill site, or tunnel site recorded in accordance with § 3833.1, he shall file in the proper BLM office within 60 days after completion of the transfer the information required by paragraph (a) of this section.

§ 3833.4 Failure to file.

(a) The failure to file such instruments as are required by §§ 3833.1 and 3833.2 within the time periods prescribed therein, shall be deemed conclusively to constitute an abandonment of the mining claim, mill site, or tunnel site and it shall be void.

(b) The fact that an instrument is filed in accordance with other laws per-

mitting filing or recording thereof and is defective or not timely filed for record under those laws, or the fact that an instrument is filed for record under this subpart by or on behalf of some, but not all of the owners of the mining claim, mill site, or tunnel site, shall not be considered failure to file an instrument under this subpart.

§ 3833.5 Effect of recording and filing.

(a) Recordation or application involving an unpatented mining claim, mill site, or tunnel site by itself shall not render valid any claim which would not be otherwise valid under applicable law and does not give the owner any rights he is not otherwise entitled to by law.

(b) Nothing in this subpart shall be construed as a waiver of the assessment work requirements of section 2324 of the Revised Statutes, as amended (30 U.S.C. 28), and compliance with the requirements of this subpart shall be in addition to and not a substitute for compliance with the requirements of section 2324 and with laws and regulations issued by any State or other authority.

(c) Filing of instruments pertaining to mining claims under other Federal law with the BLM or any other Federal agency will not excuse the filings required by this subpart and filings under this subpart will not excuse the filing of instruments pertaining to mining claims under any other Federal law, except for filing a notice or certificate of location under this subpart which is marked by the owner as required by section 3833.1-2(c) (10) hereof, which filing shall satisfy the recording requirement for O & C lands under 43 CFR subpart 3821 and Public Law 359 lands under 43 CFR Part 3730.

(d) In the case of any action or contest affecting an unpatented mining claim, mill site or tunnel site, only those owners who have recorded their claim or site pursuant to § 3833.1-2 or filed a notice of transfer of interest pursuant to § 3833.3, will be considered by the United States as the record owners of such claim or site and will be personally notified of such action or contest. Owners who have not recorded a claim or site or filed a notice of transfer will not be personally served but will be put on notice only by publication and will be bound by any contest proceeding even though they have not been personally served. Diligent search and inquiry for the purposes of contesting the validity of a mining claim under this Title shall only require a search of the records of the proper BLM office and shall not require any other search or inquiry.

(e) Actual notice of an unpatented mining claim or mill or tunnel site by any employee or officer of the United States shall not exempt the claim or site from the requirements of this subpart.

Signed at Washington, D.C. on January 19, 1977.

CHRIS FARRAND,
Deputy Assistant
Secretary of the Interior.

[FR Doc.77-2315 Filed 1-19-77; 3:49 pm]

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE

Chino Valley Ranger District
P.O. Box 285
Chino Valley, Arizona 86323

2810
September 20, 1977



Mr. Richard E. Mieritz
2940 N. Casa Tomas
Phoenix, Arizona 85016

Dear Mr. Mieritz:

Thank you for your letter informing us of the assessment work you plan on performing on the Col #1 - 7 Limestone Claims, belonging to Mr. Dwight McClure.

This is some good information; but before it will fulfill the requirements of the Mining Regulations, we must have some additional information from you in the form of an Operating Plan.

*Not Read
by 9/21/77*

{As explained in the booklet 'Mining in National Forests' which I sent to you on 9/10/77, the approved Operating Plan is your authorization to conduct mining operations on National Forest Lands. The Operating Plan supplies us with the basic facts about your operation that we need to evaluate it and keep the impacts to a minimum. Once we approve your Operating Plan, your annual letters on assessment work will be used to amend the base plan for that year.

Enclosed is an outline for this simple, but very important, document. Please submit this information to me at P.O. Box 285, Chino Valley, Arizona, 86323, at your convenience before October 25, 1977. I will be happy to work with you on this, should you have any questions.

Sincerely,

Donald Z. Hume
for JOHN W. HOLT
District Ranger

cc: Drake Lime Corp. (Mr. Dwight McClure)
S.O.

Enclosure

Rec'd 9/21/77

OUTLINE FOR A MINING CLAIM OPERATING PLAN

In accordance with Title 36, Chapter 11, Part 254.2
of the Act Use Regulations affecting Mining and
Prospecting in National Forests.

I. Name and Address of Claimant

List the name and address of the legal Claimant or Claimants
and their designated Field Representative.

II. Location of the Claim

A. A brief description of the type of claim, Number of
acres, County, Mining District, Township, Range and Section
number of the Claim Block, and the Book and Page where it
is recorded.

B. List the individual claims by name and exact location.

C. Map of the area, (1 in. = 1 mile or larger scale) showing
Claim boundaries, existing and proposed roads, access routes,
structures, drill pads, sample pits, and other disturbed
areas.

III. Type of Operation

A. Describe the type of operation, stages of development,
future plans, and general background information.

B. Access - Explain the type of roads needed for access
and development on the claims. Discuss standards, and
suitability of existing roads.

C. Describe the type of assessment work that will be done
each year, how it will be performed, type of equipment, and
the impacts it will have on the surface resources.

D. Explain any other proposed activity which will take place
that will cause an impact on the surface resources.

IV. Environmental Protection Measures

Discuss all the actions you plan to take to keep the Environmental impacts to the surface resources to a minimum, and any unavoidable impacts which will be necessary through your operation.

V. Season of Operation

List the dates of operation and the time of year assessment work will be performed.

Signature of Claimant

Date

A

GEOLOGICAL REPORT

of the

DRAKE LIMESTONE PROPERTY

in

Yavapai County, Arizona

by

Richard E. Mieritz
Mining Consultant
Sun City, Arizona

July 17, 1973

TABLE of CONTENTS

	<u>Page</u>
INTRODUCTION	1
CONCLUSIONS	1
PROPERTY, LOCATION and ACCESSIBILITY	1
FACILITIES and PHYSICAL FEATURES	2
GENERAL GEOLOGY	2
PROPERTY GEOLOGY	3
DEVELOPMENT	4
GEOLOGIC RESERVES	4
RECOMMENDATIONS	4

Exhibits:

Sample Assay Schedule - Marblehead Lime Corp.

Map No. 1 - Index Map, Central Arizona

Map No. 2 - General Geology, Portion of Yavapai County, Arizona

Map No. 3 - Claim Map, Drake Limestone, Yavapai County, Arizona

Map No. 4 - Surface Geology, (Drilled Area) Drake Limestone

Map No. 5 - Sections (Drilled Area), Drake Limestone

Map No. 6 - Sections (Drilled Area), Drake Limestone

INTRODUCTION:

At the request of and authorization by Messrs. Dwight McClure and Dennis Pickens, both of Phoenix, Arizona, part owners and spokesmen for the locators-owners of the Drake Limestone property, Yavapai County, Arizona, the writer has prepared the following geological report on said property and such report is based on the writer's physical examination of the claimed area and his review and study of factual data provided him by the locators. A physical examination was completed on July 3 and 4, 1973.

CONCLUSIONS:

Based on the writer's field examination of the property, a review of the available factual data and the writer's knowledge of this type of deposit, the following conclusions are drawn and forwarded for your consideration.

- (1) - A half million tons of excellent grade limestone (95plus% CaCO_3 , 1.0% or less silica) has been proven in a small area in which seven holes were drilled, sampled and the samples assayed, and
- (2) - The property has a geologic potential of in excess of 100,000,000 tons of material which conceivably could maintain a similar grade as the proven reserve.

PROPERTY, LOCATION and ACCESSIBILITY:

The property consists of seven 160 acre contiguous placer claims known as the following:

Name	Date Claimed	Recorded		Date
		Book	Page	
Col No. 1	June 11, 1971	666	161	June 11, 1971
Col No. 2	" " "	666	162	" " "
Col No. 3	" " "	666	163	" " "
Col No. 4	" " "	666	164	" " "
Col # 5	June 14, 1971	670	568	June 25, 1971
Col # 6	" " "	670	569	" " "
Col # 7	" " "	670	570	" " "

Locators of the claims were Dennis Pickens, Dwight McClure, Margaret McClure, James V. Girard, John R. Elliott, Jack C. Ballam, Frank McGee and George A. Freeman. The latter two are now deceased but their interest being retained by their respective estates.

The claims appear to be in good legal standing with proper discovery work and adequate assessment work completed.

The claims are in T. 19 N., R. 1 W. of the G. & S. R. B. & M., in Yavapai County, Arizona and cover about 2 lineal miles of Hells Canyon and legal subdivision described as the S/2 of Sec. 19, SW/4 of Sec. 20, NW/4 of Sec. 29, N/2 of Sec. 30 and the SW/4 of Sec. 30 for a total of 1120 acres. This area is located approximately 34 miles north of Prescott, Arizona on U. S. 89 towards Ashfork and about 1½ miles northwest of the Santa Fe Railroad "Y" known as Drake (see Map No. 1). The Santa Fe Railroad passes through the northeast corner of the property (see Map No. 3).

Travel to and access into the property is possible by automobile, however, the recent weather has eroded to some extent the access road from the main highway to the "working area" of the property. From Prescott, (junction of U. S. 69 and U. S. 89, northeast of City Center) travel north on U. S. 89 through Chino Valley and Paulden to milepost 346 (about 10 miles north of Paulden) passing a "rest area" on the right and immediately after that crossing Hells Canyon Bridge. Milepost 346 is but 1000 feet past the bridge on the curve. Approximately 800 feet (0.15 miles) north past milepost 346 is an unlocked gate in the highway "right-of-way fence" on the left side of the highway - somewhat hidden. From the gate, follow the "dozer trail" northerly for approximately 0.6 miles to a 4-way intersection of "dozer trails." Straight ahead, westerly, leads to the drilled area, about 600 feet. Right, northerly, leads to the common corner of Sections 19, 20, 29 and 30 - also the common corner of claims Col Nos. 1, 2, 3 and 4, this distance about 240 feet. Left, southerly, leads to the upper eastern bank of Hells Canyon in this area, thus, making the bank edge accessible.

FACILITIES and PHYSICAL FEATURES:

Railroad loading facilities are available at the Santa Fe "Y" (Drake) about $2\frac{1}{2}$ miles by road from the "working area." Paved U. S. 89 serves Ashfork 17 miles north and Prescott 34 miles south.

The writer noticed some "spring water" possibilities in Hells Canyon which could be developed to provide sufficient water for mining and lime plant operation.

Neither electric power nor natural gas are available at or near the property, but both are available at or just east of Drake.

The claimed area is sparsely to moderately covered with the typical upper elevation growth of juniper and cedar, trees 10 to 12 feet high, catsclaw and other similar undergrowth and several varieties of cacti, particularly on the flatter areas surrounding the edges or banks of Hells Canyon. The banks of Hells Canyon are usually sparsely covered but occasionally moderately covered if soil cover prevails.

Topography-wise, the general area is "mesa-like" in nature and the main topographical feature is Hells Canyon and its tributary drainage pattern. Hells Canyon itself ranges in width from 600 to 1600 feet in width from bank top to bank top, whereas the bottom ranges from 50 to 200 feet wide. The vertical elevation differences between canyon bottom and bank tops range from 120 to 150 feet.

GENERAL GEOLOGY:

The geology in the township and range in which the property is located, as well as the range west of the property, is somewhat simple in nature. Exposed on the surface and in the various ravines and canyons are the (1) Pennsylvanian-Permian Supai formation, (2) Carboniferous-Devonian Redwall and Martin limestone, (3) Cambrian Tonto group, (4) Quaternary basalt and (5) Quaternary silt, sand and gravel. (See Map No. 2.)

For the most part these formations are undisturbed and their stratifications being practically horizontal. It then follows that the contact between the two sediment ages and the recent basalt is also relatively horizontal. The Supai formation rests upon the Redwall-Martin limestones. The basalt is in contact with both sediments.

PROPERTY GEOLOGY:

The claimed area has but two prominent rock types present, the Carboniferous Martin limestone and the Quaternary basalt. The Supai formation of the Pennsylvanian-Permian period and part of the Redwall limestone has been eroded prior to basalt coverage, thus the basalt is in contact with the Martin limestone within the claimed area. (See Maps No. 2 and 3.)

Recent rapid erosion (post basalt) by Hells Canyon, which traverses the claimed area from north to south, exposes a 150 foot thickness of the Martin limestone as well as its contact with the basalt at the upper reaches of Hells Canyon banks. Thus, a good stratigraphic bedding section of the Martin limestone is easily visually observed and same leaves little to "guess-work" as to horizontal projection beneath the basalt and thin soil cover common to the area.

The writer mapped in detail the surface geology of the drilled area southwest of the common corner of Sections 19, 20, 29 and 30 which is also the common corner of Placer claims Col Nos. 1, 2, 3 and 4. Beddings of the Martin limestone here and elsewhere in Hells Canyon are not too distinct, except by color and texture and with an almost "0" dip, it is difficult to determine a possible strike. The writer did measure three N-S strikes with two 5°W. and one 10°W. dip. These, however, may be quite local and of little meaning.

The significant features of the local geology as mapped are: (1) a very pure CaCO_3 bedding, light gray and more or less crystalline which is approximately 60 feet thick, (2) a thin calcitic, perhaps siliceous, pink and yellowish stained bed, easily recognized by its color, approximately 5 to 8 feet thick and which most generally lies above the "pure" CaCO_3 material but sometimes within the bed (See Map No. 4), (3) a fine grained, cream-gray to green-gray bed of limestone which erodes quite differently than the two previous beds mentioned and locally becomes pinkish near its contact with the basalt. Visually, it contains silica blobs, seams and siliceous veins. It is in contact with the pure CaCO_3 bed but is somewhat hard to trace as the contact is mostly gradational - crystalline to fine grained, and (4) basalt which is very obvious and usually forms "erosional cliffs" at the banks of the Canyon and the many drainage cuts or small canyons tributary to Hells Canyon.

It is quite obvious, to the writer as a result of his mapping, and to others who would observe the area, that the limestone beds, exposed in the drilled area, would continue beneath the surface of the entire claimed area (1120 acres) which thus provides an immense potential of limestone, the purity of which has yet to be proven, beyond the present explored area.

DEVELOPMENT:

Only a small portion of this immense potential area has been tested by drilling and sampling. Seven air-track holes ranging in depth from 37 to 54 feet were drilled in an area approximately 200 feet wide in an east-west direction and 450 feet long in a north-south direction. (See Map No. 4.)

Most sample lengths in the holes drilled were 8 or 10 feet, but a few did range from 6 feet to 19 feet. These odd lengths were used when the material penetrated appeared to have low CaCO_3 content. All samples taken were assayed for CaCO_3 and SiO_2 and such assays were completed by the Iron King Assay Office - Walter Statler, Arizona Registered Assayer.

Development, other than the drill holes, is a fairly large area (60 feet by 20 feet) which has been blasted in the vicinity of Drill Hole 4. Several tons of bulk samples were sent to Spreckels Sugar Co., Chandler, Arizona, for test purposes. The material was found to be satisfactory as to Spreckels specifications of CaCO_3 and silica contents, brightness and "burning" in their vertical kiln.

No other development has been completed.

GEOLOGIC RESERVES:

Map No. 5 shows the Sections through the drill holes as well as the pertinent data as to drill hole collar elevations, sample depths, assays, etc. The majority of the "pure" CaCO_3 has less than 1.0% silica. Near the base of the "good" bed, the silica appears to increase to a range of 1 to 2%.

The seven drill holes cover an area approximately 200 feet wide and 450 feet long. The results of the drill holes indicate the "good" bed is approximately 60 feet thick. Using these dimensions and an 11.8 cubic foot factor (2.7 specific gravity), there is approximately 500,000 tons of "proven" limestone with a grade of 95plus% CaCO_3 and less than 1.0% silica.

A review of the drill hole sample data indicates very good consistency of CaCO_3 and less than 1.0% silica values from hole to hole. The writer believes that such consistency would be maintained in this bed throughout the claimed area. Allowing for erosional features, there could be in excess of 200,000,000 tons within the claimed area. Reviewing Map No. 3, it is obvious that some of the claimed area could not be utilized because of the highway, the railroad, etc. The potential is therefore reduced to approximately 490 acres which could provide in excess of 100,000,000 tons of material. Consistency of the purity must be proven or determined.

RECOMMENDATIONS:

The drilled area has proven a half million tons of excellent grade limestone and has also proven a good consistency in the CaCO_3 and SiO_2 contents, viz, any variance is slight - not erratic.

It has been indicated that in excess of 100,000,000 tons of material

could exist in a 490 acre surface area. This area would be described as follows:

3/4 of Claim Col No. 1	120 acres
all of Claim Col No. 3	160 acres
1/3 of Claim Col No. 4	50 acres
1/2 of Claim Col # 5	80 acres
1/2 of Claim Col # 6	80 acres
	<u>490 acres</u>

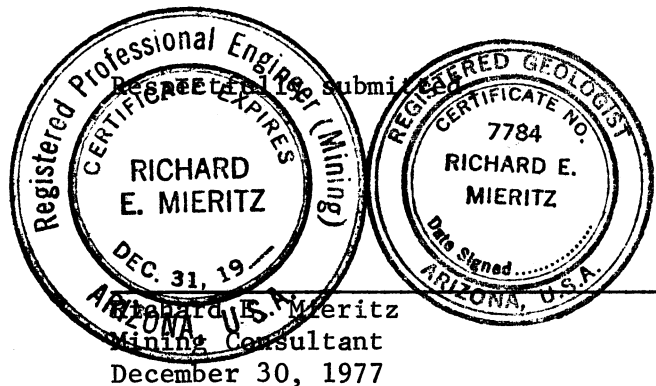
The writer feels that approximately half this acreage should be wide space diamond drilled with 4 holes of approximately 125 feet deep to test the area for stratigraphy - position and continuance of the "good" bed and to sample the full column from surface to the bottom of the hole. It would then be known what configuration, if any, the "good" bed has taken and whether the purity consistency is maintained. A program of 500 feet of diamond drilling should be adequate.

The area considered for this program is claims Col Nos. 1, 3, 4 and Col # 5. The suggested positions of the holes should be:

- Col No. 1 - Approximately 500 feet east of Claim center.
- Col No. 3 - Approximately 400 feet north of claim south line center.
- Col No. 4 - Approximately 600 feet east of claim west line center.
- Col # 5 - Approximately 800 feet west of claim east line and approximately 1000 feet north of claim south line.

Development or "blocking out" drilling using a rotary or air-track drilling could then be expanded in all directions from the present "drilled area." The diamond drilling results would be a very helpful, useful guide to the development drilling.

Once the diamond drilling is completed, 10 to 15 development holes could easily "block out" 5,000,000 tons of material.



Note:

Except for slight changes, as a result of reducing the number of claims from 10 to 7, this is a duplicated, re-typed copy of the original report dated July 17, 1973.

REPLY TO:

1601 W. HAZELWOOD STREET
 PHOENIX, ARIZONA 85016
 TELEPHONE (602) 277-6053
 2940 N. Casa Tomas

Richard E. Mieritz

MINING CONSULTANT

ARIZONA REGISTERED
 MINING ENGINEER AND GEOLOGIST

GEOLOGY
 EXPLORATION
 EVALUATION
 FEASIBILITY
 OPERATION

September 19, 1974

Drake Lime Corporation
 Messrs. Dwight McClure, Dennis Pickens
 Phoenix, Arizona

Gentlemen:

Please consider the following as an "Addendum" to the writer's initial report of July 17, 1973. This report should be included with the early report.

At your request and authorization, an exploration program as annual assessment work on your seven limestone placer claims near Drake, Yavapai County, Arizona, has been completed and supervised by the writer. This field work started August 30th and finished September 2, 1974, and office work continued on various days to September 19, 1974. Work completed during the period included road and drill site construction by bulldozer, percussion drilling holes 9, 10, 11, 12 and 13 which ranged in depth from 100 to 200 feet and totaled 720 feet of hole, sampling and assaying cuttings, engineering work as to hole locations, surveying, sections of the "ore deposit", preparation of this geological and "ore reserve" report and supervision of the project in the field by the writer.

PHYSICAL FIELD WORK:

Dozer work completed by Harley Gray, Drake, Arizona, on August 30th consisted of constructing new or rehabilitating about 2000 feet of drill access road and five drill locations.

Joe Oliver, drill contractor, Chandler, Arizona, completed 720 feet of drilling in five holes as follows:

Hole Number	Depth	Number of Samples	Assays	
			CaCO ₃	SiO ₂
9	100	10	10	6
10	120	12	12	7
11	200	20	20	7
12	140	14	12	8
13	160	16	14	7
Totals	720	72	68	35

Drilling and Sampling was completed from August 30 through September 2, 1974.

The assaying of samples by Walter Statler, Iron King Assay Office in Humboldt, Arizona, was completed from September 3 through September 17, 1974.

The writer completed some field work and supervised the drilling program and sampled the drilling on July 31, August 30 through September 2, 1974, surveyed hole locations September 10 and completed Office work, including preparation of this report during the month of September, 1974.

RESULTS OF DRILLING:

All five drill holes intersected and penetrated the high lime bed which was indicated by previous early drilling. The intersections were of similar high purity and thickness as the early drilling indicated.

The present drilling now indicates that the high purity bed is in an anticlinal shape with a north-south axis near the north-south drainage area west of the "blasted area" - (See included Map and Sections). The western limb appears to dip about 10° W. while the eastern limb is, for all practical purposes, horizontal or about 1° dip E. It also appears that the anticline plunges southward, thus, rising in a north direction very much similar to the slope of the present surface in that direction.

Any further exploration should be done northward of the blasted area in a triangle, one side of which is N. 45° W. of the blasted area and the other side as an east-west line from the blasted Pit area, such drilling would develop the "orebody" with a minimum to a "no" overburden situation (except for soil and vegetation).

ORE RESERVE:

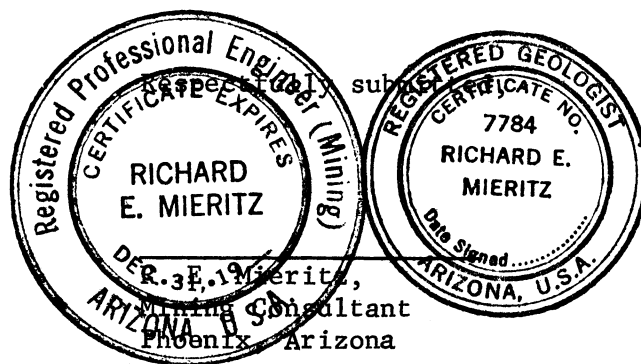
The exploratory drilling recently completed now permits "ore" calculations to be completed and categorized as to "measured or blocked out", "indicated", "inferred" and "geological potential". This the writer has done with the following results:

MEASURED ORE	850,000 tons
INDICATED-INFERRED ORE	10,000,000 tons
GEOLOGICAL POTENTIAL	100,000,000 tons

The red outline of the "measured ore" is shown on Map No. 3 (Claim Map) and Map No. 4 (Surface Geology). The green outline of the "indicated and inferred ore" is shown on Map No. 3 and the blue outline of "geological potential ore" is also shown on Map No. 3.

To calculate and estimate the above reserves a constant 60 foot thickness was used for the "good" limestone bed. A 12 cubic foot factor to the ton was also used. The writer used 215,000 tons of limestone per acre for the larger tonnage figures.

The high purity limestone bed is quite uniform in thickness, averaging about 60 feet. This thickness may vary slightly in as much as a 10 foot length of sample was used while drilling. If the contact between the high purity bed and the lower grade material - either on the top or bottom of the "good" bed, - is at some footage other than the 10 foot sample depth, then the suspected thickness might be increased slightly, at top, at bottom or both. A typical example; Hole 9, from 20 to 30 feet has an 88.9% CaCO_3 content - which could be 6 feet of 83% and 4 feet of 97% to average 88.6% - thus, the thickness would be increased by 4 feet - 26 to 86 feet rather than the 30 to 80 feet as indicated on the Section.



September 19, 1974

NOTE:

Except for slight changes, as a result of reducing the number of claims from 10 to 7, this is a duplicated, re-typed copy of the original Addendum dated September 19, 1974.

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

Richard E. Mieritz

MINING CONSULTANT

ARIZONA REGISTERED
MINING ENGINEER AND GEOLOGIST

GEOLOGY
EXPLORATION
EVALUATION
FEASIBILITY
OPERATION

September 19, 1974

↓
Drake Lime Corporation
Messrs. Dwight McClure, Dennis Pickens
Phoenix, Arizona

Gentlemen:

Please consider the following as an "Addendum" to the writer's initial report of July 17, 1973. This report should be included with the early report.

At your request and authorization, an exploration program as annual assessment work on your ten limestone placer claims near Drake, Yavapai County, Arizona, has been completed and supervised by the writer. This field work started August 30th and finished September 2, 1974, and office work continued on various days to September 19, 1974. Work completed during the period included road and drill site construction by bulldozer, percussion drilling holes 9, 10, 11, 12 and 13 which ranged in depth from 100 to 200 feet and totalled 720 feet of hole, sampling and assaying cuttings, engineering work as to hole locations, surveying, sections of the "ore deposit", preparation of this geological and "ore reserve" report and supervision of the project in the field by the writer.

PHYSICAL FIELD WORK:

Dozer work completed by Harley Gray, Drake, Arizona, on August 30th consisted of constructing new or rehabilitating about 2000 feet of drill access road and five drill locations.

Joe Oliver, drill contractor, Chandler, Arizona, completed 720 feet of drilling in five holes as follows:

Hole Number	Depth	Number of Samples	Assays	
			CaCo ₃	SiO ₂
9	100	10	10	6
10	120	12	12	7
11	200	20	20	7
12	140	14	12	8
13	160	16	14	7
Totals	720	72	68	35

Drilling and Sampling was completed from August 30 through September 2, 1974.

The assaying of samples by Walter Statler, Iron King Assay Office in Humboldt, Arizona, was completed from September 3 through September 17, 1974.

*Put on
next page*

2940 N. Casa Tomas

December 30, 1977

Mr. Robert A Barbero, President
Paul Lime Division
CAN-AM Corporation
Drawer "T"
Douglas, Arizona, 85607

Ref: Drake Limestone

Dear Mr. Barbero:

Thank you for your December 27 letter regarding the Drake Limestone property and the request for information on the property.

Herewith a copy of a report on the property which I prepared in July, 1973 as an evaluation of the property at that time. Later, September 1974 an Addendum was prepared and that is also included behind the original report.

Since acquisition of the property in 1971, Drake Lime completed some exploratory drilling in 1973 -- seven short percussion drill holes. In August-September, 1974, five deep percussion holes were drilled and sampled. The results of these holes, coupled with the results of the early holes - 3 through 7 -- a measured or blocked out ore reserve was calculated. The Addendum contains the latest ore reserve figures.

The samples from holes 1 through 7 apparently were not saved after being assayed. The samples from holes 9 through 13 (reject portions) remaining after analysis are available for chemical analysis if you wish. Along this line, Marblehead Lime Company analyzed the samples from holes 9 and 13 as well as some surface samples in their Chicago laboratory. The results of their analysis are included in the report as an exhibit. The Marblehead results and those of Drake Lime (Iron King Assay Office) compare very favorably -- a very good check.

The writer, at the request of Marblehead, prepared a split portion of the desired samples and sent them to their Chicago Office.

As you may recall, about three months ago three rock samples were delivered to you for burning and other characteristics testing. Each of the three specimens were from a different property in the same general area. The results of these tests have not been received by myself.

Please advise what samples you wish to test chemically. They can

Page II

be split and prepared as they were for Marblehead or the total sample can be brought to Douglas and your chemist can take what amount he requires by his own method from each sample. What remains can be returned to me for safe keeping and future analysis by others if required.

The results of Paul Limes analysis would be appreciated so such results could be compared to Drakes results and/or Marbleheads results.

If there is any information lacking, if there are any questions, or if I myself can provide any additional information for you, please call or write me.

A six to ten hole drill program to an average 120 foot depth could easily triple or quintuple the "measured ore" reserves, within the "indicated and inferred" outline. The drilling thus far now shows the trend of the good bed as well as excellent chemical consistant qualities.

Sincerely yours,

R. E. Mieritz

2940 N. Casa Tomas

December 10, 1977

Mr. Robert A. Barbero, President
Paul Lime Divison
CAN-AM Corporation
Drawer "T"
Douglas, Arizona, 85607

CONFIDENTIALRef: Drake Limestone

Dear Mr. Barbero:

This past Wednesday, Dennis, Dwight and myself lunched together for the purpose of discussing terms for the sale of the Drake limestone property AND a new development.

In August of this year, an option to sell the property was given to Mr. Ball. His first client turned the property down since it did not meet requirements of "brightness". The copy of the terms of his deal is attached. Mr. Ball is currently working on another of his clients.

Secondly, a Scottsdale Real Estate firm - the new development - has entered the picture but the money here, I am sure, is "tax money" needing a "shelter" on which Dennis is quite an expert - if on nothing else. A copy of these terms are attached for your review.

Thirdly, a group from Albuquerque are also interested but not untill January or February, 1978, or perhaps never, who knows.

Fourth of course, Paul Lime is interested.

A review and comparison of the "terms of each "deal" shows a variance in figures but not necessarily in format. At lunah the real estate deal was first discussed by themselves to their satisfaction and agreement, then the terms for "my client". It is obvious these terms are somewhat lower but not quite as low as Paul Lime had indicated.

Since the other two deals existed and my learning of the existance of the second deal at lunch, I felt I could not "press" our terms to the ultimate low on the first go-round - the result being the terms as so presented in a letter to me from Drake Lime Corp.

Both luncheon partners, I am sure, are knowledgeable as to who ~~my~~ client is without any revelation on my part. None-the-less, my feeling is - agthered from the general atmosphere at lunch - that they would prefer to consumate a deal with "my client". Whether they would accept the terms which Paul Lime was thinking about, is questionable at this time, however, having obtained the "medium" terms now, permits Paul Lime to counter offer in writing.

Sincerely,

R. E. Mieritz

December 10, 1977

Mr. Robert A. Barbero, President
Paul Lime Division
CAN-AM Corporation
Drawer "T"
Douglas, Arizona, 85607

Ref: Drake Limestone

Dear Mr. Barbero:

Attached herewith is a copy of a letter from Drake Lime Corporation (Dwight McClure, President) permitting and authorizing me to act as an agent for the sale of their limestone deposit holdings near Drake, Arizona,

Attached also is a copy of the terms and conditions for the sale-lease of this property which was addressed to me for presentation to "my client".

There is some reductions in the figures over an earlier deal submitted to another "agent" about five months ago. The format is, however, much the same.

Paul Lime knows what they can live with as to monthly payments, purchase price, royalty, etc., therefore, it is suggested a counter proposal be made in writing to me that same can be submitted to Drake Lime Corporation for their consideration.

Sincerely,

R. E. Mieritz

DRAKE LIME CORPORATION

P. O. BOX 953
PHOENIX, ARIZONA 85001
602 - 959-2787

July 20, 1977

Mr. Louis C. Ball
1976 Oak Street
South Pasadena, Calif. 91030

Dear Mr. Ball:

In accordance with our conversation on Monday, 18 July, the following is submitted as a proposal for the sale of the seven claims, (COL Nos. 1 thru 7) known as the Drake Limestone property.

1. An option will be given for six months for \$6000 with \$1000 payable monthly in advance. During this time the prospective buyer shall drill and do any other exploratory work which they desire. Copies of all drill hole logs, assay reports and any other pertinent data shall be given to the owners. *750. if turned back.*
2. An extension of the option for one year will be given for additional exploratory work and/or plant construction if desired. The payment for such extension shall be \$15,000 or a royalty of *30* \$0.40 per ton on all limestone shipped from the property, which ever is greater. Payments shall be \$1250 per month, in advance, with a settlement each third month for excess royalties, if any.
3. At the end of eighteen months, the royalty shall continue at \$0.40 per ton, with a minimum annual payment of \$40,000 payable at the rate of \$3,333.33 monthly in advance with a settlement each third month for excess royalties, if any. *1000 750.*

The above payments are subject to negotiation as to terms and time depending on the prospective buyer.

Mr. Mieritz's second report, 19 Sept. 1974, after the drilling of holes 9 thru 13 shows measured, indicated and inferred ore (Bureau of Mines definition) of 5,000,000 tons. The total purchase price of the property should be negotiated on the basis of the work done by the prospective buyer confirming tonnage equal to or in excess of his report. We have no intent of being unreasonable regarding such a price, which we can discuss and determine a "top amount" when you are in Phoenix. *and price at end of year. \$275,000 50,000 per yr. after 2 yrs.*

~~All payments and the total purchase price shall be net to the owners.~~

~~Duplicate samples of the last five holes were retained and are available to you for assay.~~

Please call me if you desire any additional information prior to your coming to Phoenix and personally checking the property.

Very truly yours,

Dwight McClure

Dwight McClure

DM/sc

DRAKE LIME CORPORATION

P. O. BOX 953
PHOENIX, ARIZONA 85001
000-000-0000

November 18, 1977

Mr. Richard E. Mieritz
2940 N. Casa Lomas
Phoenix, Arizona 85016

Dear Dick:

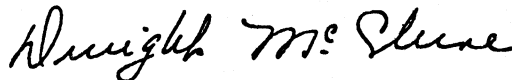
You have indicated an interest in the possibility of selling the Drake Lime Corporation claims (Col No. 1 thru No. 7) located northwest of Drake, Yavapai County, Arizona.

This letter is your authority to proceed on an open listing basis for the lease and/or sale of our property. As you know, there are two other parties who have evidenced some interest in the possible purchase or sale of the property.

In the event a lease and/or sale of the property is consummated, Drake Lime Corporation agrees to pay you the normal ten percent (10%) lease/sale commission on any and all monies (monthly payments, purchase payments, royalties, etc.) received by Drake Lime Corporation as a result of a lease and/or purchase completed between your client and Drake Lime Corporation.

The open permission grant portion of this instrument will expire six months from the date of this letter (May, 1978). If a lease and/or sale is not consummated during this period, the agreed to commission becomes null and void. Conversely, if a lease and/or sale is consummated during the term of this instrument, you being responsible for such lease and/or sale, then the commission portion is forever binding and effective so long as the lease and/or sale is valid and alive, and not terminated for one reason or another.

Sincerely,



Dwight McClure
President

DM/el

DRAKE LIME CORPORATION

P. O. BOX 953
PHOENIX, ARIZONA 85001
602 - 959-2787

July 20, 1977

Mr. Louis C. Ball
1976 Oak Street
South Pasadena, Calif. 91030

Dear Mr. Ball:

In accordance with our conversation on Monday, 18 July, the following is submitted as a proposal for the sale of the seven claims, (COL Nos. 1 thru 7) known as the Drake Limestone property.

1. An option will be given for six months for \$6000 with \$1000 payable monthly in advance. During this time the prospective buyer shall drill and do any other exploratory work which they desire. Copies of all drill hole logs, assay reports and any other pertinent data shall be given to the owners.
2. An extension of the option for one year will be given for additional exploratory work and/or plant construction if desired. The payment for such extension shall be \$15,000 or a royalty of \$0.40 per ton on all limestone shipped from the property, which ever is greater. Payments shall be \$1250 per month, in advance, with a settlement each third month for excess royalties, if any.
3. At the end of eighteen months, the royalty shall continue at \$0.40 per ton, with a minimum annual payment of \$40,000 payable at the rate of \$3,333.33 monthly in advance with a settlement each third month for excess royalties, if any.

The above payments are subject to negotiation as to terms and time depending on the prospective buyer.

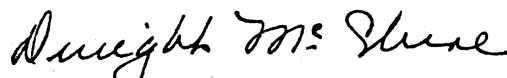
Mr. Mieritz's second report, 19 Sept. 1974, after the drilling of holes 9 thru 13 shows measured, indicated and inferred ore (Bureau of Mines definition) of 5,000,000 tons. The total purchase price of the property should be negotiated on the basis of the work done by the prospective buyer confirming tonnage equal to or in excess of his report. We have no intent of being unreasonable regarding such a price, which we can discuss and determine a "top amount" when you are in Phoenix.

All payments and the total purchase price shall be net to the owners.

Duplicate samples of the last five holes were retained and are available to you for assay.

Please call me if you desire any additional information prior to your coming to Phoenix and personally checking the property.

Very truly yours,



Dwight McClure

DM/sc

DRAKE LIME CORPORATION

P. O. BOX 953
PHOENIX, ARIZONA 85001
~~602-400-0007~~

November 18, 1977

Mr. Richard E. Mieritz
2940 N. Casa Lomas
Phoenix, Arizona 85016

Dear Dick:

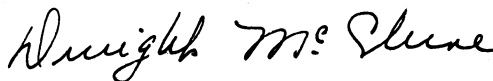
You have indicated an interest in the possibility of selling the Drake Lime Corporation claims (Col No. 1 thru No. 7) located northwest of Drake, Yavapai County, Arizona.

This letter is your authority to proceed on an open listing basis for the lease and/or sale of our property. As you know, there are two other parties who have evidenced some interest in the possible purchase or sale of the property.

In the event a lease and/or sale of the property is consummated, Drake Lime Corporation agrees to pay you the normal ten percent (10%) lease/sale commission on any and all monies (monthly payments, purchase payments, royalties, etc.) received by Drake Lime Corporation as a result of a lease and/or purchase completed between your client and Drake Lime Corporation.

The open permission grant portion of this instrument will expire six months from the date of this letter (May, 1978). If a lease and/or sale is not consummated during this period, the agreed to commission becomes null and void. Conversely, if a lease and/or sale is consummated during the term of this instrument, you being responsible for such lease and/or sale, then the commission portion is forever binding and effective so long as the lease and/or sale is valid and alive, and not terminated for one reason or another.

Sincerely,



Dwight McClure
President

DM/el

REPLY TO:

PHOENIX, ARIZONA 850 16
TELEPHONE (602) 277-6053
2940 No. Casa Tomas

Richard E. Mieritz
MINING CONSULTANT

ARIZONA REGISTERED
MINING ENGINEER AND GEOLOGIST

GEOLOGY
EXPLORATION
EVALUATION
FEASIBILITY
OPERATION

January 24, 1979

Mr. Myles Stewart
Attorney at Law
P.O. Box 2268
Tucson, AZ 85702

RE: Drake Limestone Claims

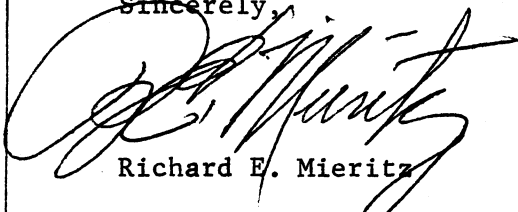
Dear Mr. Stewart:

In December 1977, Drake Lime Corporation, Phoenix, Arizona, provided me the opportunity to possibly sell the Drake limestone claims, Yavapai County, Arizona, for them with the usual commission fee of ten per cent (10%) paid to me in the event a sale was possible. The attached letter is a copy of their submitted proposal for the sale of the seven claims Col No. 1 through 4 and Col #5 and 6 and 7 - as of December 8, 1977.

CAN-AM Corporation, Douglas, Arizona, has indicated a serious intent to move forward on a lease/purchase option as indicated by Mr. R. A. Barbero's January 17, 1979 letter to you. Mr. Barbero and I had a person to person discussion on this subject on January 15, 1979, in Phoenix.

For your information, I include herewith the legal descriptions of the claims as well as prints of two maps - General Geology Map to serve as a general location map and a Claim Map showing the position of the claims - legal subdivision-wise - which you may wish to use in a contract as drawn by yourself for CAN-AM Corporation.

Sincerely,



Richard E. Mieritz

cc: R. A. Barbero
Drake Lime Corp.

EXHIBIT "A"
PLACER CLAIM DESCRIPTIONS

Claim Name	Legal Description	Original Recording		Amended Recording	
		Book	Page	Book	Page
Col No. 1 Am'd	SE/4, Section 19, T. 19 N., R. 1 W., Yavapai Co., Az.	666	161	926	329
Col No. 2 Am'd	SW/4, Section 20, T. 19 N., R. 1 W., Yavapai Co., Az.	666	162	926	330
Col No. 3	NE/4, Section 30, T. 19 N., R. 1 W., Yavapai Co., Az.	666	163		
Col No. 4	NW/4, Section 29, T. 19 N., R. 1 W., Yavapai Co., Az.	666	164		
Col # 5	SW/4, Section 19, T. 19 N., R. 1 W., Yavapai Co., Az.	670	568		
Col # 6	NW/4, Section 30, T. 19 N., R. 1 W., Yavapai Co., Az.	670	569		
Col # 7	SW/4, Section 30, T. 19 N., R. 1 W., Yavapai Co., Az.	670	570		

The above Township and Range is part of The G. & S. R. B. & M. system in Arizona.

Col No. 1 and No. 2 were amended August 13, 1974 because of improper descriptions.

These Placer claims are unpatented.

CAN-AM CORPORATION

R.A. BARBERO
PRESIDENT-C.E.O.

P.O. DRAWER T
DOUGLAS, ARIZONA 85607
TELEPHONE (602) 364-2429

February 14, 1979

Mr. Richard E. Mieritz
2940 N. Casa Tomas
Phoenix, AZ 85016

Reference: Your Letter of February 10, 1979

Dear Dick:

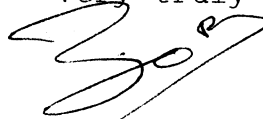
Thanks for your letter of February 10th expressing light concern of a position of being in the "middle". I was not aware that this position was being assumed by yourself or Mr. Dwight McClure. I know that Sherwood and I are looking toward you only for the expertise you possess in the geological phase of the Drake properties.

Dwight and I have had phone conversations in which we expressed our personal preferences and, to the greatest extent, have agreed upon contract wording. As of this date, the two letters written by Dwight and myself have been arranged into a multiloquent legal document comprising 16 pages, a presentation on cost of living and inflation and now a chronological interpretation of Drake Limestone and Can-Am's proposals and counter proposals together with your suggestions. I think you agree we need to simplify things -- even though simplicity is hard to achieve.

I talked with Dwight this morning and we planned to sit down over the contract and try to work out a mutually advantageous, satisfactory agreement. This should be completed prior to February 22nd and you will be contacted regarding the exploration and evaluation of leases.

Thanks for your help.

Very truly yours,



Robert A. Barbero

RAB:jr

cc: Sherwood B. Owens

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE

Chino Valley Ranger District
P.O. Box 285
Chino Valley, Arizona 86323

2810
February 13, 1978



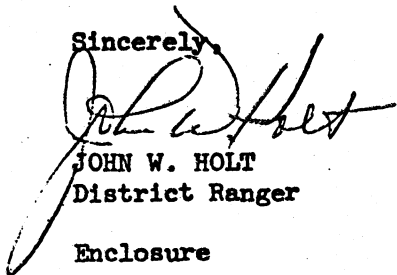
Drake Lime Corporation
c/o Dwight McClure
P.O. Box 953
Phoenix, Arizona 85001

Dear Mr. McClure:

Attached is some information we received from the BLM requiring all claimants of unpatented mining claims on any Federal Land to re-file their claims with the BLM prior to October 21, 1979. Failure to re-file by this date will render your claim null and void as a matter of law.

If you have any questions on this, please contact the Phoenix Office of the BLM at 201 N. Central Avenue, Phoenix, Arizona.

Sincerely,



JOHN W. HOLT
District Ranger

Enclosure

Mr. Richard Mieritz
2940 N. Casa Lomas
Plm - 85016

Office of Public Affairs
Bureau of Land Management
Department of the Interior
18th & C Streets, N.W.
Washington, D.C. 20240

The Federal Land Policy & Management Act of 1976



January 1977

Questions & Answers

RECORDING OF MINING CLAIMS

U.S. Department of the Interior/Bureau of Land Management

Introduction

Recording unpatented mining claims with the Federal Government is required by the Federal Land Policy and Management Act, which became law October 21, 1976. Regulations implementing the law were published by the Department in late January. Until now, the Federal Government has had no way of knowing how many mining claims exist on Federal lands since, under State laws, claims are recorded with County Recorders. The information is important to the Bureau of Land Management and other land use planning agencies. The information will help avoid costly and time-consuming actions to identify and clear the titles to dormant mining claims, as well as preserve valid existing rights. Such data is necessary to advance appropriate land use planning for the public lands. Recorded claims will be maintained as a permanent public record in BLM State Offices.

The following Questions and Answers are offered as a guide to those who are affected.

Q. Who has to record a mining claim with BLM?

A. All owners of unpatented claims, mill or tunnel sites.

Q. Does it make a difference on which Federal lands a claim is located?

A. Yes. If your unpatented lode or placer claim, or mill or tunnel site is located on any Federal lands, including lands where the Federal Government owns only the minerals, then you must record it with BLM. However, if it's located on National Park lands, you record it with the National Park Service one year from the date of their Act of September 28, 1976. The Park Service will forward copies of their filings to BLM.

Q. Do I still record my mining claim with the State, too?

A. Yes. BLM's regulations do not change that procedure.

Q. Where do I record my claim?

A. With the BLM State Office having jurisdiction over the Federal lands where your claim is located.

Q. How much time do I have to record these claims?

A. You have until October 21, 1979, to record your mining

claim if it was located on or before October 21, 1976. If your claim or site was located after October 21, 1976, you must record your claim within 90 days after locating it.

Q. What documents have to be filed to properly record a claim?

A. Either a copy of the notice or certificate of location and any accompanying maps, papers, or other documents that were required to be filed initially under your particular State's law. This includes any amendments that alter the location of the claim or site.

Q. Are owners of unpatented mining claims, mill or tunnel sites located both before and after October 21, 1976, required to file a notice or certificate of location?

A. Yes.

Q. Is there any specific information which must be included with either the notice or certificate of location?

A. Yes, unless it's already included in either document, the information listed at the end of these Questions and Answers.

June 12, 1979

Mr. Hal C. Hansen
Can-Am Corp.
P. O. Drawer "T"
Douglas, Arizona, 85607

Dear Hal:

Herewith the four copies of the Claim Map of the Drake Eimestone property, Yavapai County, Arizona, you requested in your June 7th letter.

I apologize for not sending sooner, but was out of town yesterday and could not get prints until today.

Sincerely,

R. E. Mieritz

Enclosure: Four blueprints of Claim Map.

CAN-AM CORPORATION

H.C. HANSEN
SECRETARY-TREASURER

P.O. DRAWER T
DOUGLAS, ARIZONA 85607
TELEPHONE (602) 364-2429

June 7, 1979

Mr. Richard Mieritz
2940 N. Casa Tomas
Phoenix, AZ 85016

Dear Mr. Mieritz:

Would you please send us four copies for our files of the
claim map #2 that is enclosed.

Thank you.



H. C. Hansen

HCH:jr

Enclosure

- Inglis, James ✓
- Brigger, Norman D. ✓
- Kanner, M. L. ✓
- Millard, L. O. ✓
- Hicks, Clifford ✓
- Brannon, M. D. ✓
- Stutz, John R. ✓
- Woods, George A. ✓
- Reuter, Jim
- Speakes, Gilbert D.
- McClutchen, Jim

Dr James Solomon (P.O. Box 2276, Payson 85541

SME-AIME, CALLER #D, Littleton, Colorado 80123 ^{attn:} Mr. Rick English

Co.	10
Non Pay	40 41
Pay	85
	<hr/> 126 - pay 30