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June 22, 1974

LETTER OF CERTIFICATION

I, Richard E. Mierits of 1634 West Haselwood Street, #2, Phoenix, Maricopa County, Arizona, does hereby certify that:

(1) I am a mining engineer, graduated from the University of Wisconsin with the degree of Bachelor of Science in 1939.

(2) I have practised my profession continuously since then, receiving my Arizona State Registration as a Mining Engineer in 1956 and my Arizona State Registration as a Geologist in 1970, being a member in good standing.

(3) The report to which this letter is attached and part of, has been prepared on the basis of personal observations on and of the property several times dating back to 1957, on the writers general knowledge of the area and the review and study of available factual data.

(4) I have no direct nor indirect interest in the property.

(5) I have no direct nor indirect interest, nor do I expect to receive any interest, direct or indirect in the properties or the securities of Matador Development Ltd., Vancouver, B. C., Canada, or its affiliates.

Respectfully submitted,

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

Signed 8-10-74

A

GEOLOGICAL EVALUATION

and

EXPLORATION

REPORT

on the

MORGAN PROPERTY

Gila County, Arizona

by

Richard E. Mierita
Mining Consultant
Phoenix, Arizona

June 22, 1974

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COMPOSITE DIAMOND DRILL LOG M-2
COMPOSITE DIAMOND DRILL LOG M-3

INTRODUCTION:

The following exploration report on the Morgan group of claims, Globe-Miami area, Gila County, Arizona has been prepared by the writer for Matador Development Ltd., Vancouver, B. C., Canada. The property was visited and re-examined on June 20, 1974.

The basis and preparation of this report includes the writers personal supervision of limited exploration of the property in early 1957 - then known as the Madera property, - on a re-examination and assessment of exploration completed by E + E Management Corp. in mid year 1970, as well as a review of all factual data in the writers files and those of E + E Management and on the writers general and detailed geologic knowledge of the Globe-Miami mining area.

PROPERTY, LOCATION & ACCESSIBILITY:

The Morgan property, formerly known as the Madera property, now consists of 61 full or partial standard lode mining claims held by right of location. (See Map No. 2). These include the following:

Claim Names	Recorded Locations Docket	Page
Morgan #1	258	520
Morgan #2 Amended	268	70
Morgan #3 Amended	268	71
Morgan #4 Amended	268	72
Morgan #5 through #15	268	73 - 83
Morgan #16 through #27	273	226 - 237
Morgan #28 through #30	273	276 - 278
Morgan #31 through #37	273	430 - 436
Morgan #38 and #39	274	277 - 278
Morgan #41 through #62	274	279 - 300

The claims are in unsurveyed territory but by projection would be in T. 1 S., R. 14½ E., G. & S. R., B. & M., Gila County, Arizona, covering both Madera and Morgan Peaks in the Pinal Mountains in the National Forest and approximately 5 airline miles south-southwest of Miami, Arizona, a town on U. S. Highway 60, approximately 95 miles east of Phoenix, Arizona.

Present access to the property is from Miami. Using the popular Copper Hills Motel-Coffee shop on U. S. Highway 60 in the town of Miami as the starting point, complete the following travel, total 16.7 miles.

1 - Eastward towards Globe 0.4 miles on U. S. Highway 60 to traffic light or signal, - turn right.
2 - Travel southward 6.5 miles (1.7 miles of pavement and then 4.8 miles gravel road) to "Y". (Junction of Forest Roads 55 and 651). Four tenths of a miles south of the traffic light a "Y" [illegible] knobkurs in the city streets -- take the right arm leading up the canyon to the south.

3 - At junction of Forest Roads 55 and 651 - turn right onto No. 651 (Pinal Peak road) and travel 5.5 miles to a second junction being that of Forest Roads 651 and 580.

4 - Turn right onto No. 580 (Madera Peak road) and travel northward for 4.3 miles. At this point the mine access road junctions from the left. This junction is located near the northeast corner of Morgan #18 claim. (See Map No. 2).

Travel to the above junction (Forest Road 580 - Mine access road) is possible using an automobile. Non-use of the mine roads the past two years or so prevents automobile travel but would not prevent travel by 4-wheel drive vehicles. Repair of the roads would render same usable to automobile tral over most of these roads.

FACILITIES:

No gas, electricity or water are available at or near the property. It would be necessary to haul water for drilling. Water may be available in Pinto Creek - perhaps a 3 to 4 mile haul, or, in Russel Canyon south of Miami - perhaps a 12 to 14 mile haul.

HISTORY, DEVELOPMENT and PRODUCTION:

Prior to year 1957, development of the property consisted of the lower Adit (±20 feet in length), the upper Adit (520 feet long) with two winzes, 30 and 48 feet deep, some short cross-cuts and a surface churn drill hole by Miami Copper Co., Miami, Arizona. No doubt, several old timers advanced the upper Adit in stages at various time.

The owners in 1957 were Mr. and Mrs. Ellis and perhaps after the death of Mr. Ellis, Mrs. Ellis allowed the claims to lapse. In early 1969 the claims were re-staked and named the Morgan property. Shortly thereafter, E + E Management Corp., San Francisco, California acquired the property, staked additional claims, surveyed same, built roads, completed geological work, geophysical surveys (Magnetic and I. P.), geochemical surveys (copper and molybdenum) and diamond drilled four surface vertical holes. (See Map Nos 3, 4 and 7)

In year 1957, Consolidated Uranium Co. diamond drilled three underground holes (M-1, M-2 and M-3) in the upper Adit. (See Map Nos. 3, 4, 5, 6 and 7 and Composite Diamond Drill Logs M-1, M-2 and M-3)

E + E Management Corp. provided the writer with the Adit sample results but could not identify who was responsible for that work.

DISTRICT MINING-DEVELOPMENT ACTIVITY:

The Globe-Miami area is considered the oldest, most highly copper mineralized,greatest most widespread but concentrated group of copper deposits in Arizona. A mere glance at the topography Maps of the area indicates many mines within a circle of 25 miles in diamete with Miami as the center. The included Index Map (No. 1) indicates a few of these

deposits. The following is a list of the companies and some of their deposits.

Carlota	Sonesta and Fortune Channel
Castle Dome, Pinto Creek, Cactus	Miami Copper Co.
BlueBird, Oxhide	Ranchers Exploration
Inspiration	Inspiration Consolidated
Sleeping Beauty	Copper Cities

Many deposits are old but being expanded by drilling. Others have just been developed (Pinto Creek and Occidental Oil Co. deposit in town of Miami) and some are being developed by drilling. Example, Carlota deposit by Sonesta and Fortune Channel of Canada.

The entire area is well mineralized and the writer feels additional deposits will be developed in the future, by the present operating companies in the area or by new or outside companies.

GENERAL GEOLOGY:

The general geology of the Globe-Miami area is that of Pre-Cambrian granite and schist intruded by a much later coarse grained Tertiary granite and late Cretaceous (?) quartz diorite sills and dikes. Sedimentary rocks include those of Pre-Cambrian, Cambrian, Devonian and Carboniferous which include quartzites, shales and limestones.

The area is abundantly endowed with structures which are conducive to mineralization and prone to large orebodies of low grade mineralization. The Cactus orebody and the Carlota orebody are controlled by the Kelly fault and others in the immediate area. Other orebodies in the area are controlled by their respective structures. Many of the rocks in the area are mineralized - sediments, igneous and schists. Thus, structures are of more importance than the rock type.

LOCAL GEOLOGY:

The Morgan property has within its boundary a highly silicified Pre-Cambrian schist which strikes N. 10°-20° W. and dips 50°-60° W. The trend of the schist is about N. 45° E. (See Ma No. 3). The schist is in contact on its southeast boundary with a Cretaceous (?) relatively fresh quartz diorite which could well be a sill of large dimensions. To the northwest the schist is in contact with the Larimide intrusive granite and related crystalline rocks. Where the granitoid is exposed near its contact with the schist -- the character of the rock appears to favor a monzonite classification.

The obvious developed structure is that on which the upper Adit is driven. Surface-wise, this structure is accompanied by a zone of strong erosion resistant silicification. Geologic mapping along the present mine road system would perhaps indicate other major structures. A severe

fracture pattern is very noticeable in the schist zone and the major trend parallels the N. 20° W. structure in the Adit. The accompanying complimentary cross fractures are also present.

A similar fracture pattern, although not so pronounced, is present in the diorite southeast of the schist.

MINERALIZATION:

Quartz, pyrite, chalcopyrite, malachite and limonite derivatives make up the mineralization spectrum associated with the N. 20° W. structure and the surrounding area within the schist zone, being strongest within the structure.

Sparse pyrite and calcite, along with occasional small blebs of chalcopyrite and/or bornite favor the hairline or paper thin fractures of the diorite sill. A sample taken by the writer in 1957 assayed 0.01% copper. Disseminated mineralization in the diroite is non-existant - at least non-existant under the glass.

Mineralization in the outcropping monzonite (?) on the surface approximately 300 feet northwest of the Adit face consists of moderate to strong, brown to red to black, limonite derivatives occuring as veinlets and disseminations which provide a "pink to tan" cast to the rock. Lack of visible sulphide or oxide minerals of copper indicate a moderate "leaching" effect of the rock with possible secondary inrichment of copper at some depth. The limonite derivatives are primary sulphide iron and copper mineral residuum. However, to what extent and depth secondary enrichment has occurred is difficult to forecast.

ORE RESERVES - PROPERTY POTENTIAL:

The 1957 underground diamond drilling, supervised by the writer, coupled with the Adit sample results indicates some 3,100,000 tons of 0.35% Cu., with probably 0.02% Mo., exists as a mineralized reserve in Block "A". (See Map Nos. 3, 6 and 7). Block "B" is calculated to contain 1,500,000 tons of 0.36% Cu. as an "inferred" mineralized reserve.

The total calculated mineralized reserve as of year 1957 and as of this writing is 4,600,000 tons of 0.352% Cu. The later drilling concentrated on some of the geophysical anomalous areas which added nothing to the mineralization surrounding the Adit, but in effect, did limit the mineralization in the schist to the southeast and southwest.

The property potential is dependent on the targets available and here at the Morgan property the target is area "A", (See Map Nos. 3 and 4) which includes the suspected mineralized schist northwest of the Adit face and drill holes M-1 and M-2 to the schist-monzonite contact - and beyond into the area of the monzonite. The known observable geologic conditions are good and surface area-wise it is several times larger than that reflected by the present calculated tonnage. The writer suspects grade improvement along with greater tonnage improvements.

The mineralized reserve calculation details are on file at the writers Office and open to inspection, as are the geologic and assay logs of diamond drill holes 1, 2, 3 and 4, as completed by E + E Management Corp. during their exploration program after acquiring the property.

EXPLORATION REQUIREMENTS - COSTS:

The property potential of immediate interest (target "A" on Map No. 4) covers a surface area of approximately 900 feet by 1100 feet which would initially require it be diamond drilled with -60° angle, N. 60°-70° E. directed holes to depths of 400 to 500 feet and at a 200 to 400 foot spaced grid pattern.

Three to four such holes are suggested to initially test the target area as a first phase program. Mine road rehabilitation and new mine road construction and drill site preparation are also necessary. Limited surface detailed geological mapping in the target area is also a requirement.

With this program in mind, the following cost of the initial Phase is estimated to be:

PHASE I:

Mine road and drill site rehabilitation and construction.	$ 3.000.-
Detailed surface geological mapping, including expenses for consultant.	$ 1,500.-
1500 feet diamond drilling, including sampling, assaying, personnel travel, expenses @ $20.-/ft.	$ 30,000.-
Project Supervision, Consultant, including travel and expenses, Core logging, etc.	$ 4,000.-
Total Phase I	$ 38,500.-

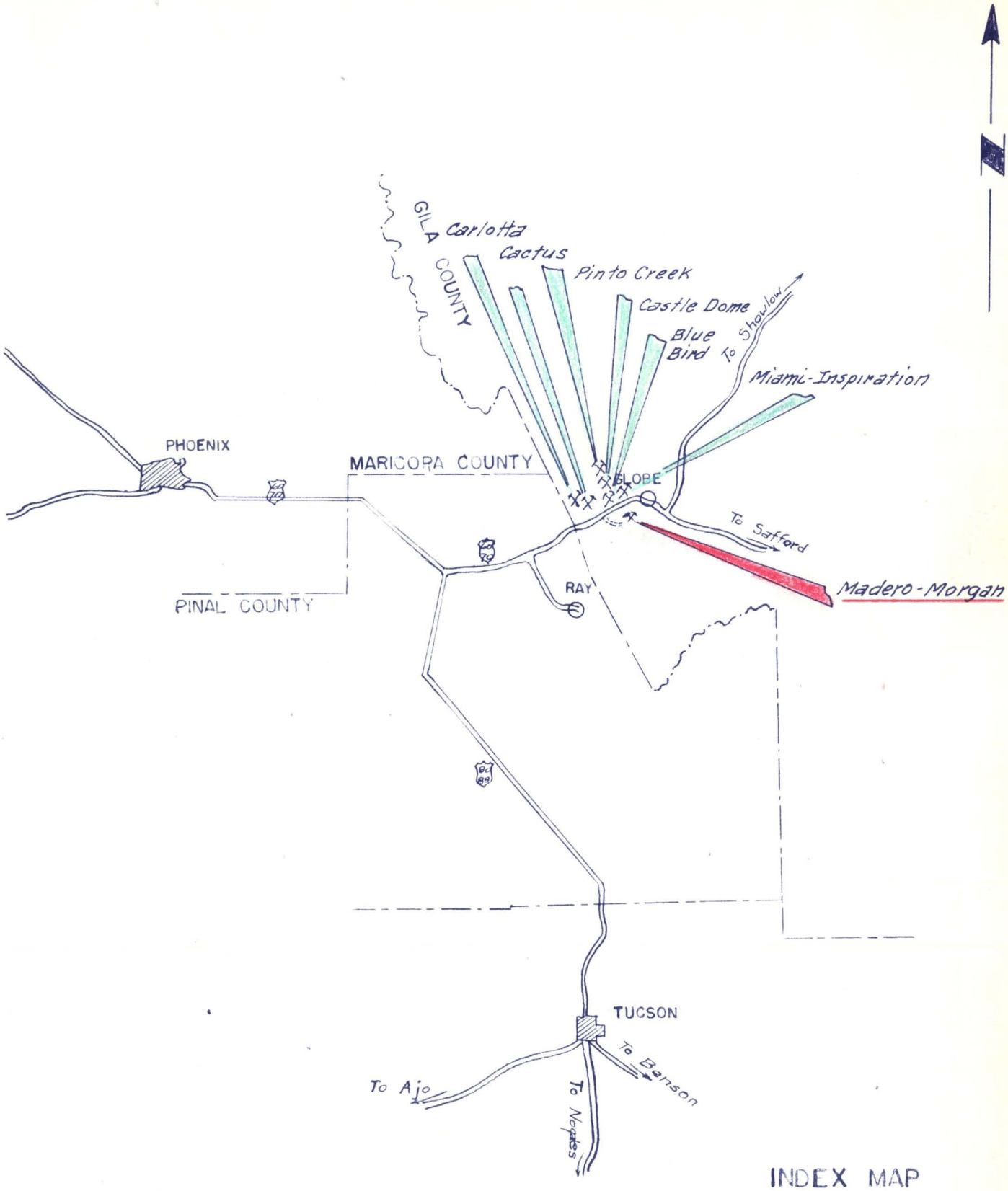
If a Phase II program of exploration is justified by the results of Phase I, the writer envisions exploration expenditures in excess of $200,000.- for further diamond drilling and rotary drilling for blocking out purposes.

Respectfully submitted,

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

June 22, 1974

Retyped 8-20-74



INDEX MAP
OF
SOUTH CENTRAL ARIZ.

SCALE: 1" = 21 MILES

0 10 20 30 40

NOTE:

Federal Highways

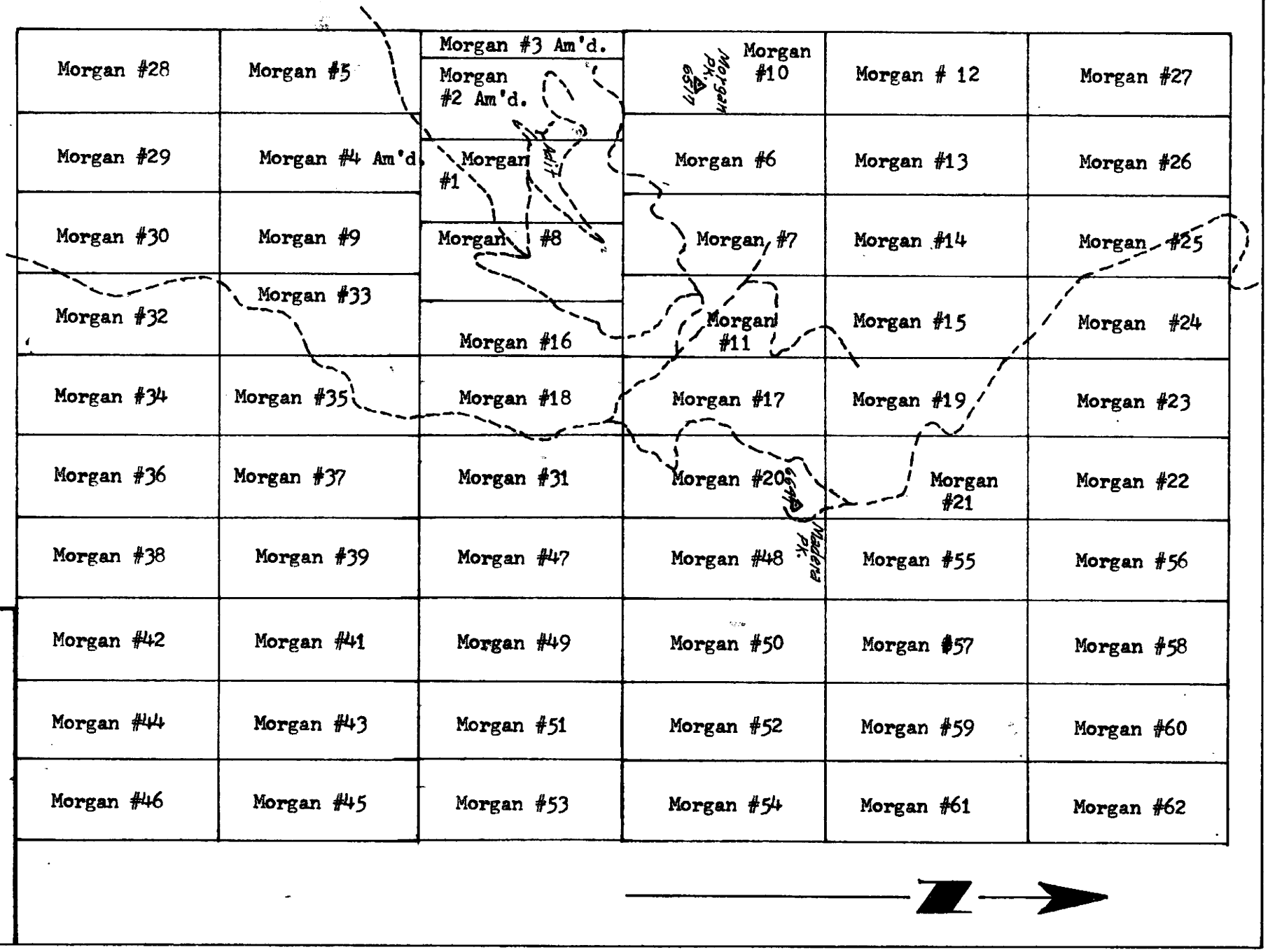
Graveled County Roads

MAY 1957

R. E. M.

PLATE I

A-6



Roads

NOTE: Claims are in unsurveyed Territory, by projection in T. 1 S., R. 14½ E., G. & S. R. B. & M., Gila County, Arizona

CLAIM MAP

MORGAN COPPER PROPERTY

Globe - Miami Area

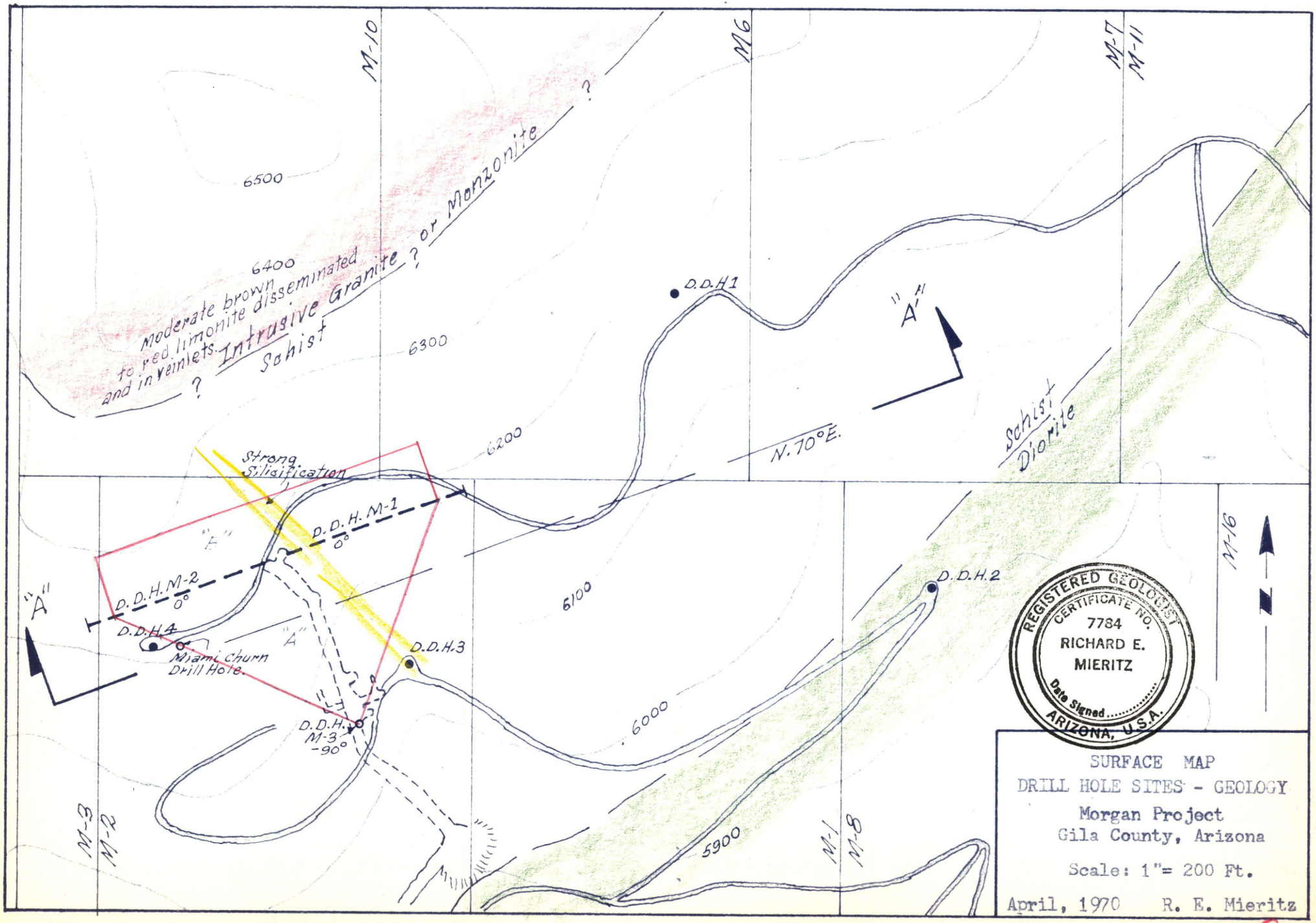
Pinal Mt. Mining District

SCALE: 1" = 1000 Ft.

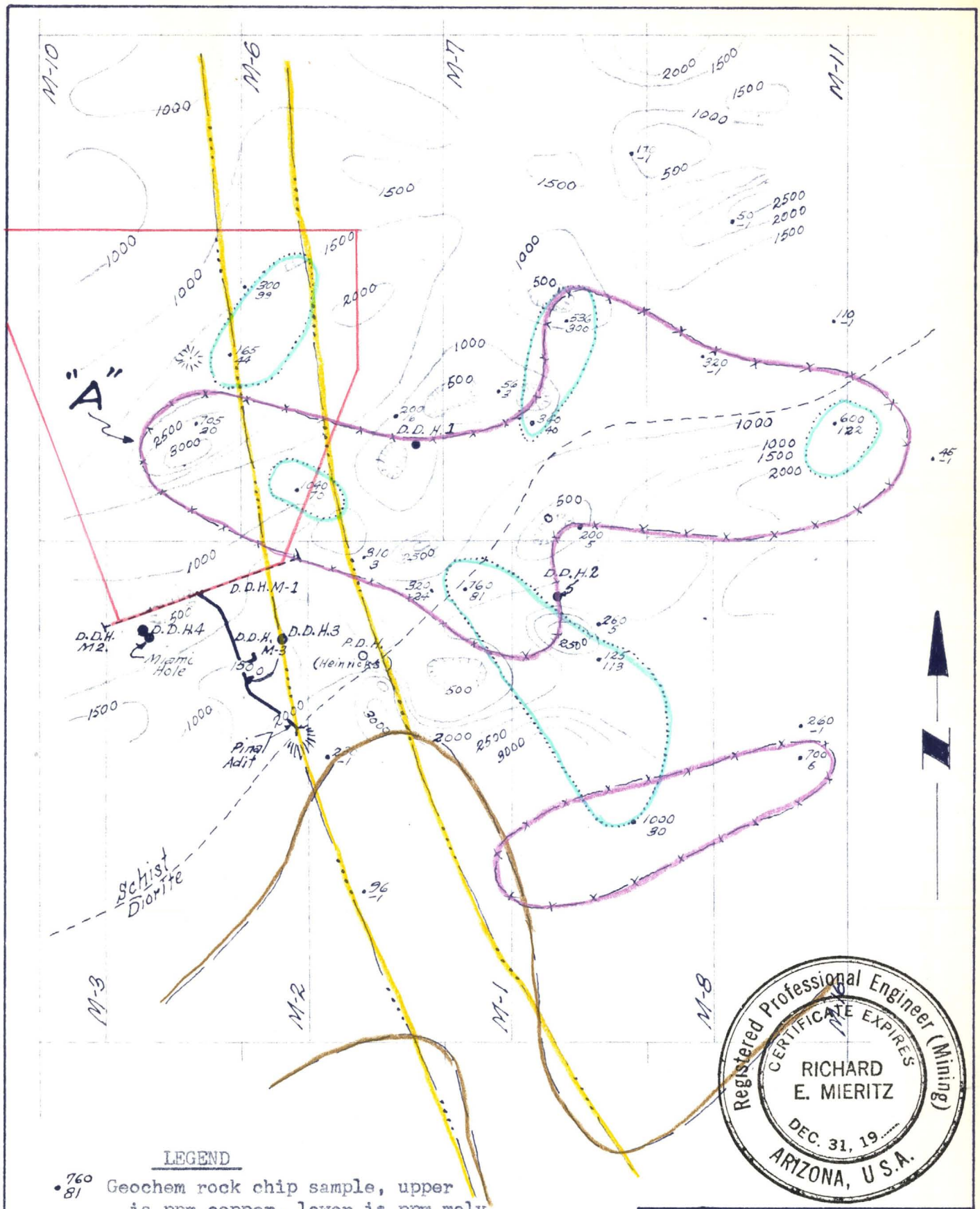
June, 1974

R.E. Mieritz

MAP No. 2


M-10
M6
M-7
M-11
6500
6400
6300
6200
6100
6000
5900
Moderate brown to red limonite disseminated and in veinlets.
Intrusive Granite ? or Monzonite ?
Schist ?
D.D.H1
"A"
N. 70°E.
Schist
Diorite
Strong Silicification
D.D.H.M-1
0°
D.D.H.M-2
0°
D.D.H.4
Miami Churn Drill Hole.
D.D.H.3
D.D.H.2
D.D.H.M-3
-90°
M-16
M-3
M-2
M-1
M-8
REGISTERED GEOLOGIST
CERTIFICATE NO.
7784
RICHARD E.
MIERITZ
Date Signed.....
ARIZONA, U.S.A.
SURFACE MAP
DRILL HOLE SITES - GEOLOGY
Morgan Project
Gila County, Arizona
Scale: 1"= 200 Ft.
April, 1970 R. E. Mieritz

Map. 3



LEGEND

- 760/81 Geochem rock chip sample, upper is ppm copper, lower is ppm moly.
- Copper Geochem Anomaly, 300 ppm +
- Moly Geochem Anomaly, 30 ppm +
- 500 Magnetic Anomaly, 500 gamma Interval.
- I. P. Anomaly, Zone "A" and "B".
- I. P. Anomaly, Zone "C"
- D.D.H.3 E. + E. Surface Drill Holes
- D.D.H.M1 Early Underground Drill Holes.

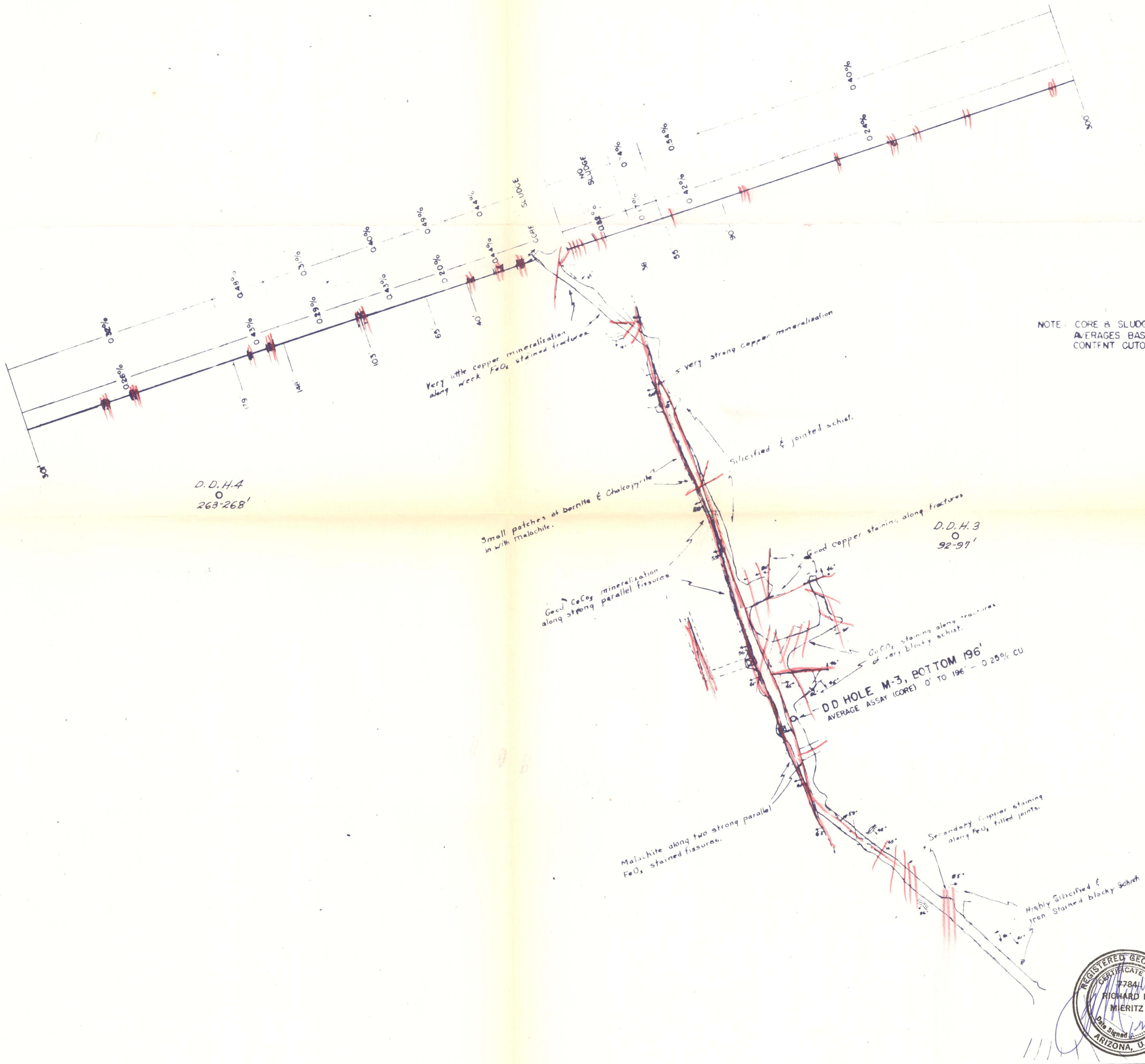
Registered Professional Engineer (Mining)
CERTIFICATE EXPIRES
RICHARD E. MIERITZ
DEC. 31, 19
ARIZONA, U.S.A.

SUPERIMPOSED
GEOPHYSICAL ANOMALIES
Morgan Project
Gila County, Arizona

Scale: 1" = 400 Ft.

April, 1970 R. E. Mieritz

Map. 4



NOTE: CORE & SLUDGE ASSAYS ARITHMETIC AVERAGES BASED ON 0.40% CU. CONTENT CUTOFF.

REGISTERED GEOLOGIST
CERTIFICATE No. 2784
RICHARD E. MIERITZ
Date Signed
ARIZONA, U.S.A.

CONSOLIDATED URANIUM CO.

ASSAY & GEOLOGIC MAP

MADERO MINE

GILA COUNTY — ARIZONA

SCALE 1 IN. = 40 FT

0' 20' 40' 80' 120'

MARCH 1957 — R. E. MIERITZ

PLATE 3 Map 5

COMPOSITE DIAMOND DRILL LOG

HOLE Nº M-3

COMPANY: CONSOLIDATED URANIUM COMPANY MINE: MADERO CLAIM: MADERO NO. 1 DISTRICT:

COUNTY: GILA STATE: ARIZONA TWS: 1 S RGE: 14 E SEC: N.S. E.W.

BEARING: VERTICAL ANGLE: 90° ELEVATION: FT. T.D.: 196 FT. DATE STARTED: 4-23-57 DATE COMP: 4-30-57

DEPTH	ELEV.	ROCK TYPE	GEOLOGIC DESCRIPTION & REMARKS	HOLE: ——— CASING: — —	CORE SIZE	CORE RUNS	CORE REC.%	MINERALIZATION	ASSAYS % CU.
5					BX				0.30
10									0.20
15									
20						20			0.15
25									
30									0.20
35									0.35
40						40			
45									0.15
50									0.20
55									
60						60			0.15
65									
70									0.20
75									0.25
80						80			
85									0.40
90									0.20
95									0.30
100			HIGHLY SILICIFIED, LIGHT GRAY SCHIST WITH INTERMITT-		AX	100			
105			ENT DARK TO MEDIUM GRAY BANDS FROM 3' TO 10' THICK						0.45
110			QUARTZ IS THE PREDOMINANT MINERAL, 80 TO 90%,						0.35
115			BUT DECREASES IN PERCENTAGE WHERE SCHIST BECOMES						0.30
120			DARK WITH BANDS OF BIOTITE, HORNBLEND, & AUGITE (?).			120			0.10
125									0.35
130			COPPER & IRON MINERALIZATION IS PRIMARILY CONFINED						0.30
135			TO VERY SMALL QUARTZ STRINGERS (1/4" OR LESS)						0.35
140			CONTAINING PYRITE, CHALCOPYRITE, MALACHITE, &			140			
145			IRON OXIDES.						0.15
150									0.20
155									0.25
160						160			
165									0.15
170									0.30
175									
180						180			0.10
185									0.20
190									
195									0.65
200						200	20% 60% 100%	CuFeS2 FeS2 CuOx QUARTZ	
205									
210									
215									
220						220			
225									
230									
235									
240						240			
245									
250									
255									
260						260			
265									
270									
275									
280						280			
285									
290									
295									
300						300			

B9

COMPOSITE DIAMOND DRILL LOG

HOLE Nº M-2

COMPANY: CONSOLIDATE URANIUM COMPANY MINE: MADERO CLAIM: MADERO NO. 1 DISTRICT:

COUNTY: GILA STATE: ARIZONA TWS: 1 S RGE: 14 E SEC: N.S. E.W.

BEARING: S 70° W ANGLE: -4° ELEVATION: FT. T.D.: 301 FT. DATE STARTED: 4-5-57 DATE COMP: 4-17-57

DEPTH	ELEV.	ROCK TYPE	GEOLOGIC DESCRIPTION & REMARKS	HOLE: ——— CASING: — —	CORE SIZE	CORE RUNS	CORE REC.%	MINERALIZATION	ASSAYS % CU.
5					BX				0.25
10									0.95
15									
20						20			0.12
25									0.35
30									0.50
35									0.30
40						40			0.55
45									
50									0.15
55									0.15
60						60			0.30
65									0.20
70									0.40
75									0.40
80						80			0.45
85									0.30
90									0.40
95									
100			HIGHLY SILICIFIED, LIGHT GRAY SCHIST WITH INTERMITTENT DARK TO MEDIUM GRAY BANDS FROM 3' TO 10' THICK. QUARTZ IS THE PREDOMINANT MINERAL, 80 TO 90%, BUT DECREASES IN PERCENTAGE WHERE SCHIST BECOMES DARK WITH BANDS OF BIOTITE, HORNBLEND & AUGITE (?).			100			0.65
105									0.25
110									0.30
115									0.32
120						120			0.45
125									
130									0.25
135			COPPER & IRON MINERALIZATION IS PRIMARILY CONFINED TO VERY SMALL QUARTZ STRINGERS (1/4" OR LESS) CONTAINING PYRITE, CHALCOPYRITE, MALACHITE, & IRON OXIDES.						0.20
140					AX	140			0.20
145									0.20
150									0.55
155									0.65
160						160			0.30
165									0.25
170									0.40
175									0.30
180						180			0.25
185									0.35
190									0.50
195									0.15
200						200			0.25
205									0.15
210									0.25
215									0.35
220						220			0.40
225									0.40
230									0.20
235									0.25
240						240			0.40
245									0.20
250									0.15
255									0.20
260						260			0.25
265									0.20
270									0.15
275									0.15
280						280			0.10
285									
290									
295									
300						300			
301									

20% 60% 100%
$CuFeS_2$ CuO FeS_2 QUARTZ

B-8

COMPOSITE DIAMOND DRILL LOG

HOLE Nº M-1

COMPANY: CONSOLIDATED URANIUM COMPANY MINE: MADERO CLAIM: MADERO NO. 1 DISTRICT:

COUNTY: GILA STATE: ARIZONA TWS: 1 S RGE: 14E SEC: N.S. E.W.

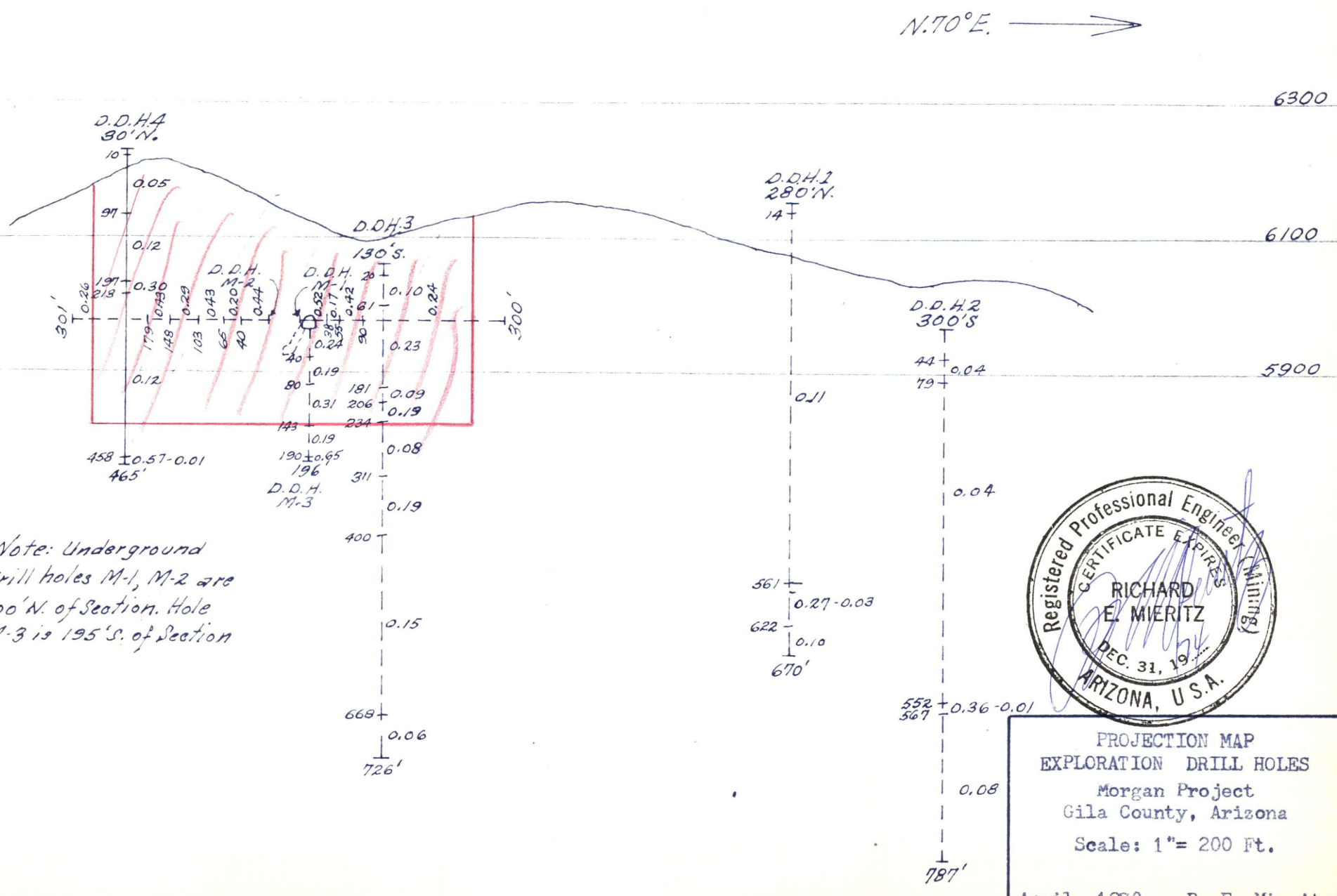
BEARING: N70ºE ANGLE: -4° ELEVATION: FT. T.D.: 300 FT. DATE STARTED: 3-19-57 DATE COMP: 4-4-57

DEPTH	ELEV.	ROCK TYPE	GEOLOGIC DESCRIPTION & REMARKS	HOLE: CASING:	CORE SIZE	CORE RUNS	CORE REC.%	MINERALIZATION	ASSAYS % CU.
5					BX				0.18
10									0.40
15									0.20
20						20			1.76
25									0.22
30									0.36
35									0.40
40						40			0.62
45									0.22
50									0.12
55									0.16
60						60			0.46
65									0.60
70									0.08
75									0.54
80						80			0.44
85									0.44
90									0.40
95									0.30
100			HIGHLY SILICIFIED, LIGHT GRAY SCHIST WITH INTERMITTENT DARK TO MEDIUM GRAY BANDS FROM 3' TO 10' THICK. QUARTZ IS THE PREDOMINANT MINERAL, 80 TO 90%, BUT DECREASES IN PERCENTAGE WHERE SCHIST BECOMES DARK WITH BANDS OF BIOTITE, HORNBLEND, & AUGITE (?).			100			0.26
105									0.29
110									0.20
115									0.44
120						120			0.18
125									0.10
130									0.16
135			COPPER & IRON MINERALIZATION IS PRIMARILY CONFINED TO VERY SMALL QUARTZ STRINGERS (1/4" OR LESS) CONTAINING PYRITE, CHALCOPRITE, MALACHITE, & IRON OXIDES.						0.08
140						140			0.16
145					AX				0.30
150									0.24
155									0.26
160						160			0.30
165									0.32
170									0.25
175									0.15
180						180			0.30
185									0.80
190									0.40
195									0.25
200						200			0.40
205									0.27
210									0.25
215									0.20
220						220			0.12
225									0.15
230									0.10
235									0.30
240						240			0.18
245									0.12
250									0.30
255									0.15
260						260			0.10
265									0.15
270									0.15
275									0.12
280						280			0.25
285									0.20
290									0.20
295									
300						300			

20% 60% 100%

CUFeS2 CUOx FeS2 QUARTZ

B-1



PROJECTION MAP
EXPLORATION DRILL HOLES
Morgan Project
Gila County, Arizona
Scale: 1"= 200 Ft.

April, 1970 R. E. Mieritz

Map. 7

June 22, 1974

LETTER OF CERTIFICATION

I, Richard E. Mieritz of 1634 West Hazelwood Street, #2, Phoenix, Maricopa County, Arizona, does hereby certify that:

(1) I am a mining engineer, graduated from the University of Wisconsin with the degree of Bachelor of Science in 1939.

(2) I have practised my profession continuously since then, receiving my Arizona State Registration as a Mining Engineer in 1956 and my Arizona State Registration as a Geologist in 1970, being a member in good standing.

(3) The report to which this letter is attached and part of, has been prepared on the basis of personal observations on and of the prperty several times dating back to 1957, on the writers general knowledge of the area and the review and study of available factual data.

(4) I have no direct nor indirect interest in the property.

(5) I have no direct nor indirect interest, nor do I expect to receive any interest, direct or indirect in the properties or the securities of Challenger Exploration Ltd., Vancouver, B. C., Canada, or its affiliates.

Respectfully submitted,

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

INTRODUCTION:

At the request of and authorization by Challenger Exploration Ltd., Vancouver, B. C., Canada, the writer has prepared the following exploration report on the Morgan group of claims, Globe-Miami area, Gila County, Arizona. The property was visited and re-examined on June 20, 1974.

The basis and preparation of this report includes the writers personal supervision of limited exploration of the property in early 1957 - then known as the Madera property, - on a re-examination and assessment of exploration completed by E + E Management Corp in mid year 1970, as well as a review of all factual data in the writers files and those of E + E Management and on the writers general and detailed geologic knowledge of the Globe-Miami mining area.

PROPERTY, LOCATION & ACCESSIBILITY:

The Morgan property, formerly known as the Madera property, now consists of 61 full or partial standard lode mining claims held by right of location. (See Map No. 2). These include the following:

Claim Names	Recorded Locations Docket	Page
Morgan #1	258	520
Morgan #2 Amended	268	70
Morgan #3 Amended	268	71
Morgan #4 Amended	268	72
Morgan #5 through #15	268	73 - 83
Morgan #16 through #27	273	226 - 237
Morgan #28 through #30	273	276 - 278
Morgan #31 through #37	273	430 - 436
Morgan #38 and #39	274	277 - 278
Morgan #41 through #62	274	279 - 300

The claims are in unsurveyed territory but by projection would be in T. 1 S., R. 14½ E., G. & S. R. B. & M., Gila County, Arizona, covering both Madera and Morgan Peaks in the Pinal Mountains, in the National Forest and approximately 5 airline miles south-southwest of Miami, Arizona, a town on U. S. Highway 60, approximately 95 miles east of Phoenix, Arizona.

Present access to the property is from Miami. Using the popular Copper Hills Motel-Coffee shop on U. S. Highway 60 in the town of Miami as the starting point, complete the following travel: total 16.7 miles.

1 - Eastward towrds Golbe 0.4 miles on U. S. Highway 60 to traffic light or signal, - turn right.
2 - Travel southward 6.5 miles (1.7 miles of pavement and then 4.8 miles gravel road) to "Y". (Junction of Forest Roads 55 and 651). Four tenths of a mile south of the traffic light a "Y" occurs in the city streets -- take the right arm leading up the canyon to the south.

The mineralized reserve calculation details are on file at the writers Office and open to inspection, as are the geologic and assay logs of diamond drill holes 1, 2, 3 and 4, as completed by E + E Management Corp. during their exploration program after acquiring the property.

EXPLORATION REQUIREMENTS - COSTS:

The property potential of immediate interest (target "A" on Map No. 4) covers a surface area of approximately 900 feet by 1100 feet which would initially require it be diamond drilled with -60° angle, N. 60°-70° E. directed holes to depths of 400 to 500 feet and at a 200 to 400 foot spaced grid pattern.

Seven such holes are suggested to initially test the target area as a first phase program. Mine road rehabilitation and new mine road construction and drill site preparation are also necessary. Limited surface detailed geological mapping in the target area is also a requirement.

With this program in mind, the following cost of the initial Phase is estimated to be:

PHASE I:

Mine road and drill site rehabilitation and construction.	$ 12,000.-
Detailed surface geological mapping, including expenses for consultant.	$ 3,000.-
3500 feet diamond drilling, including sampling, assaying, personnel travel and expenses, @ $20.-/ft.	$ 70,000.-
Project Supervision, Consultant, including travel and expenses. Core logging, etc.	$ 8,500.-
Total Phase I	$ 93,500.-

If a Phase II program of exploration is justified by the results of Phase I, the writer envisions exploration expenditures in excess of $300,000.- for further diamond drilling and rotary drilling for blocking out purposes.

Respectfully submitted,

R. E. Mieritz,
Mining Consultant
Phoenix, Arizona

June 22, 1974

E - E MORGAN PROJECT

Exploration Drilling Log

Property	MORGAN	Total Depth	670 Ft.	Date Started	10/21/69
Drill Hole No	1	Inclination	⊖ 90°	Date Finished	11/6/69
Location	50280 N-50039 E	Sampler	Jacobs Assay	Logged by	A.G. Blucher
Collar Elev.	6154				

Depth (Ft.)	% Cu	Other	MO %	Rock Type	Minerals	Alteration	% Recovery
14-18.5	0.10		0.004	0' - 180' - Oxidized and part oxide and leached gneissic diorite and quartz diorite. Varies from medium grained to schistose textures. At 87' fault gouge and breccia. After 110' grain size increases	Sparse yellow and brown iron oxides. Occasional remnant pyrite. Little or no limonite after chalcocite. 90% of mineralization on fractures & veinlets. 10% dissemination. 140' to 200' occasional chalcocite.	Spotty - moderate to intense sericite and silica.	90%
18.5-23.5	0.11		Trace				
23.5-28.5	0.11		Trace				
28.5-33	0.10		0.002				
33-38	0.08		0.003				
38-42.5	0.04		Trace				
44.5-50.5	0.09		Trace				
50.5-55	0.06		Trace				
55-59	0.08		Trace				
59-63.5	0.07		0.002				
63.5-68	0.03		Trace				
68-72.5	0.09		0.005				
72.5-77	0.10		Trace				
77-82	0.06		0.002				
8[illegible]-87	0.05		0.003				
8[illegible]-91.5	0.06		0.002				
91.5-96.5	0.04		0.002				
96.5-100.5	0.12		0.011				
100.5-105	0.18		0.008				
106-110	0.07		Trace				
110-115	0.13		Trace				
115-120	0.07		Trace				
120-124	0.10		0.005				
124-129	0.07		Trace				
129-133	0.11		0.003				
133.5-137.5	0.09		Trace				
137.5-142	0.17		0.075				
142-147	0.10		0.027				
147-151	0.06		0.006				
151-155.5	0.09		0.007				
155.5-160	0.18		0.002	At 155' 2' fault gouge.			
160-165.5	0.14		0.010				
165.5-169	0.03		0.013				
169-173.5	0.04		0.002				
173.5-178	0.08		Trace				
178-182	0.05		0.002	Oxide			
1[illegible]-185.5	0.07		Trace	Sulfide.			+80%
186.5-191.5	0.06		0.010	Fine to medium grained diorite gneiss.			
191.5-195	0.16		0.003				
195-198	0.03		Trace				
198-200	0.17		0.014				

E E MORGAN PROJECT

Exploration Drilling Log

Property	MORGAN	Total Depth	670 Ft.	Date Started	10/21/69
Drill Hole No.	1	Inclination	⊖ 90°	Date Finished	11/6/69
Location	50280 N-50039 E	Sampler	Jacobs Assay	Logged by	A.G. Blucher
Collar Elev.	6154				

Depth (Ft.)	% Cu	Other	MO %	Rock Type	Minerals	Alteration	% Recovery
203.5-208.5	0.03		0.002	Moderate	Very weak	Moderate-	
208.5-213.5	0.02		Trace	dipping	pyrite and	increase in	
213.5-218	0.05		Trace	lineation.	chalcopyrite.	chlorite.	
218-222.5	0.07		Trace	After 250		Quartz	
222.5-227	0.05		0.009	grain size		banding is	
227-232	0.10		0.011	decreases.		meta-	
232-237	0.06		0.005	Some seg-		morphic.	
237-241	0.04		0.004	ments may			
241-245.5	0.03		0.002	be Pinal			
245.5-249.5	0.04		Trace	Schist. Sparse	Fair		
249.5-253.5	0.28		0.034	yellow iron	chalcopyrite		
253.5-258	0.08		0.005	oxide at	at 250'.		
258-263	0.15		0.005	300'.			
263-268	0.10		0.006				
268-273	0.11		Trace				
[illegible]-277.5	0.12		0.002				
277.5-282.5	0.05		Trace				
282.5-286	0.29		0.014				
286-291	0.05		0.012				
291-295.5	0.04		0.002				
295.5-300	0.06		Trace				
300-304	0.21		0.016				
304-308	0.09		0.002				
308-312	0.12		0.007				
312-317	0.11		0.005				
317-322	0.04		0.007				
322.5-327	0.04		0.019				
327-332	0.03		0.006				
332-337	0.09		0.002				
337-342	0.18		0.006				
342-346	0.07		0.006		Chalcopyrite		
346-350	0.09		0.007		gradually		
350-355	0.14		Trace		increases.		
355-360	0.10		0.007				
360-365	0.06		0.002				
369-374	0.06		0.005				
374-377.2	0.03		Trace				
[illegible].5-381.5	0.06		Trace				
381.5-386	0.08		0.005				
386-391	0.10		0.002				
391-396	0.08		Trace				
396-401	0.14		Trace				

E + E MORGAN PROJECT

Exploration Drilling Log

Property	MORGAN	Total Depth	670 Ft.	Date Started	10/21/69
Drill Hole No.	1	Inclination	⊖ 90°	Date Finished	11/6/69
Location	50280 N-50039E	Sampler	Jacobs Assay	Logged by	A.G. Blucher
Collar Elev.	6154				

Depth (Ft.)	% Cu	Other	MO %	Rock Type	Minerals	Alteration	% Recovery
401-406	0.10		0.005	Same.		Same.	
406-410.5	0.14		0.004				
410.5-415	0.14		0.002				
415-419.5	0.10		0.005				
419.5-423.5	0.06		Trace				
423.5-428	0.03		Trace	Fault gouge	Good moly		
428-433	0.09		0.013	in breccia	at 428'.		
433-436.5	0.08		0.003	at 430'.			
436.5-440	0.10		0.002				
440-444.5	0.12		0.010				
444.5-449	0.11		0.004				
449-453.5	0.19		Trace				
453.5-458	0.11		0.009				
458-462.5	0.10		0.004				
462.5-467	0.06		Trace				
467-473	0.20		Trace				
473-477	0.14		0.002				
477-482	0.10		Trace				
482-487	0.10		Trace				
487-491.5	0.07		0.002				
491.5-496	0.07		Trace				
496-501	0.07		Trace		After 500'		75%
501-506	0.12		0.005		chalcopyrite		
506-511	0.14		0.002		increasing -		
511-516	0.10		Trace		mostly on		
516-520	0.17		Trace		vertical		
520-524	0.17		0.003		veinlets.		
524-529	0.14		Trace				
529-534	0.14		0.004				
534-538.5	0.09		0.005				
538.5-543	0.12		0.005				
543-548	0.17		0.006				
548-553	0.16		Trace				
553-557	0.16		0.007				
561-563	0.25		Trace	563' - 568'			
568-573	0.18		0.002	no core -			
573-578.5	0.29		Trace	Fault?			
578-594	0.43		0.041	580' - 598'			60% ±
594-602	0.42		0.029	Fault gouge			
602-607	0.20		0.005	& breccia.			

E + E MORGAN PROJECT

Exploration Drilling Log

Property: MORGAN
Total Depth: 670 Ft.
Date Started: 10/21/69
Hole No.: 1
Inclination: ⊖ 90°
Date Finished: 11/6/69
Location: 50280 N-50039 E
Sampler: Jacobs Assay
Logged by: A.G. Blucher
Collar Elev.: 6154

Depth (Ft.)	% Cu	Other	MO %	Rock Type	Minerals	Alteration	% Recovery
607-612	0.14		0.013	Coarse	Fair	Same.	
612-617	0.21		0.068	grained	chalcopyrite.		
617-622.5	0.32		0.024	gneiss.	No pyrite.		
622.5-630	0.13		0.002	598' - 670'			70%
630-638	0.09		Trace	Fine grained			
638-643	0.04		Trace	gneiss.			
643-648	0.16		0.002				
648-654	0.08		0.002				60%
654-660	0.10		Trace				
660-665	0.05		0.014				
665-670	0.03		Trace	Bottom of hole.			

E + E MORGAN PROJECT

Exploration Drilling Log

Property	MORGAN	Total Depth	787 Ft.	Date Started	11/14/69
Drill Hole No.	2	Inclination	⊖ 90°	Date Finished	12/20/69
Location	49820 N-50460 E	Sampler	Jacobs Assay Ariz. Test. Lab.	Logged by	A.G. Blucher
Collar Elev.	5967				

Depth	% Cu	Other	MO %	Rock Type	Minerals	Alteration	% Recovery
44-48 48-53 53-58 58-63 63-68 68-73.5 73.5-79	0.07 0.03 0.04 0.07 0.04 0.02 0.03		0.008 0.002 Trace 0.003 Trace 0.003 Trace	Quartz diorite porphyry. Variable texture. Fine to medium grained. Oxidized and leached.	Partly oxidized. Brown & yellow limonite on fractures. Occasional pyrite remnants. Very rare molybdenite.	Sparse quartz veinlets. Biotite moderately altered to chlorite(?) Feldspars cloudy from incipient sericitization.	80-100% overall, but erratic.
79-82.5 82.5-86 86-94 94-103 [illegible]3-112 112-121 121-126 126-131 131-138 138-145 145-149.5 149.5-154 154-158 158-162 162-167 167-172 172-176.5 176.5-181 181-184.5 184.5-188 188-193 193-198 198-202.5	0.03 0.07 0.04 0.03 0.02 0.02 0.03 0.05 0.02 0.03 0.03 0.02 0.04 0.11 0.03 0.02 0.02 0.03 0.03 0.02 0.03 0.02 0.02		Trace 0.002 Trace Trace 0.003 Trace Trace 0.002 Trace Trace 0.002 Trace 0.002 0.003 Trace Trace 0.002 Trace 0.003 0.002 Trace 0.002 0.005	Same - After 80' the rock texture is gneissic. Lineation cuts axis of core at an angle of about 40 - 60 degrees. Only occasionally is the rock texture porphyrytic. For the most part it is equigranular.	Sulfide zone weak to moderate pyrite. Very weak chalcopyrite. Fine grained magnetite common. Less than 3% total sulfide minerals. At 120', 145', 160', & 187' there is fair chalcopyrite. Very little disseminated mineralization almost all on fractures or veinlets. Rare molybdenite.	Moderate to abundant coarse sericite. Not typical of alteration products. After 140' increasing sericite & qtz veinlets. Biotite completely altered to sericite or other silicates. Not identifiable with a hand lens. Occas gypsum veinlets.	90% ±
202.5-207 207-212 212-216.5 [illegible]6.5-221 221-225.5 225.5-230 230-235 235-240	0.05 0.03 0.04 0.02 0.02 0.03 0.02 0.04		0.002 Trace Trace 0.002 0.003 Trace Trace 0.002	Same, but alteration is increasing. Same quartz diorite gneiss	No increase. No magnetite. After about 270' the degree of mineralization decreases. With	Sericite, silica, to partly sericitized feldspars. After about 270' the degree of alteration	90% ±

E + E MORGAN PROJECT

Exploration Drilling Log

Property	MORGAN	Total Depth	787 Ft.	Date Started	11/14/69
Drill Hole No.	2	Inclination	⊖ 90°	Date Finished	12/20/69
Location	49820 N-50460 E	Sampler	Jacobs Assay Ariz.Test.Lab.	Logged by	A.G. Blucher
Collar Elev.	5967				

Depth	% Cu	Other	MO %	Rock Type	Minerals	Alteration	% Recovery
240-248	0.06		0.003		pegmatitic textures there is occasional strong pyrite. At 309' fair moly with strong silicification. Decrease in mineralization continues. Less than 1% total sulfides (py & cp)	diminishes - some biotite & feldspar is almost fresh. With depth the grain size of phenocrysts increases. At 304' the texture is almost pegmatitic. After about 430' alteration again increases. Silicified bands increase.	
248-252.5	0.03		Trace				
252.5-257	0.02		Trace				
257-261.5	0.03		0.005				
261.5-266	0.06		0.002				
266-271.5	0.03		0.003				
271.5-277	0.03		0.003				
277-280	0.02		0.002				
280-284.5	0.03		0.004				
284.5-289	0.03		0.004				
289-293	0.04		Trace				
293-298.5	0.03		Trace				
298.5-303	0.03		0.005				
303-308	0.05		0.002				
308-313	0.03		0.014				
3-318	0.03		0.002				
318-322.5	0.02		Trace				
322.5-327	0.02		Trace				
327-331.5	0.03		Trace				
331.5-336	0.08		0.021				
336-340.5	0.05		0.002				
340.5-345	0.06		Trace				
345-349.5	0.03		Trace				
349.5-354	0.02		0.003				
354-359	0.02		Trace				
359-364	0.03		Trace				
364-367.5	0.02		Trace				
367.5-371	0.06		0.003				
371-376	0.04		Trace				
376-381	0.03		Trace				
381-387	0.02		Trace				
387-393	0.02		0.006				
393-397	0.04		Trace				
397-401	0.03		Trace				
409-413.5	0.02		0.012				
413.5-418	0.04		0.009				
8-423	0.03		0.006				
423-428	0.03		0.002				
428-432.5	0.10		0.003				
432.5-437	0.06		0.004				
437-442	0.03		0.007				
442-447	0.02		0.010				

E + E MORGAN PROJECT

Exploration Drilling Log

Property	MORGAN	Total Depth	707 Ft.	Date Started	11/14/69
Drill Hole No.	2	Inclination	⊖ 90°	Date Finished	12/20/69
Location	49820 N-50460 E	Sampler	Jacobs Assay Ariz. Test. Lab.	Logged by	A.G. Blucher
Collar Elev.	5967				

Depth	% Cu	Other	MO %	Rock Type	Minerals	Alteration	% Recovery
447-452	0.02		0.003				
452-457	0.05		0.011				
457-463	0.03		0.002				
463-468.5	0.06		0.012				
468.5-473	0.05		0.002				
473-478	0.06		0.003				
478-483	0.06		Trace				
483-488	0.04		0.002				
488-497	0.05		Trace				
497-506	0.03		0.005	Light colored diorite porphyry.			
				Fault gouge, breccia.	Post - mineral fault (?)		< 50
506-515	0.04		Trace	Quartz diorite porphyry and med. to coarse grain quartz diorite. Variable grain size and increasing gneissic textures. At 536' pegmatitic texture with strong pyrite. At 553' pegmatite. At 557' a 1 ft. thick basic dike.	Very weak- less than 1% tot. sulfides except in pegmatitic zones. After 530' occasional good chalcopyrite.	Intensely altered. Abundant sericite, chlorite, and silica.	90+
515-524.5	0.04		0.002				
524.5-529	0.09		Trace				
529-533	0.03		0.005				
533-538	0.13		Trace				
538-543	0.12		0.009				
543-547.5	0.16		Trace				
547.5-552	0.07		Trace				
552-558	0.28		0.004				
558-562	0.47		0.017				
562-567	0.32		0.008	Medium grained quartz diorite porphyry. Even textures. No gneiss.	Very weak pyrite. Occasional good chalcopyrite on quartz veinlets.	Moderate - biotite to chlorite - weak to moderate sericite and silica.	90% +
567-572	0.12		Trace				
572-577	0.03		Trace				

E + E MORGAN PROJECT

Exploration Drilling Log

Property	MORGAN	Total Depth	787 Ft.	Date Started	11/14/69
Drill Hole No.	2	Inclination	⊖ 90°	Date Finished	12/20/69
Location	49020 N-50460 E	Sampler	Jacobs Assay Ariz. Test.Lab.	Logged by	A.G. Blucher
Collar Elev.	5967				

Depth	% Cu	Other	MO %	Rock Type	Minerals	Alteration	% Recovery
577-582	0.06		Trace	Quartz diorite & quartz diorite porphyry - irregular grain size and variable gneissic textures. At 682' & 687' small dikes similar to 489' - 504'.	Mainly pyrite. At 633' fair chalcopyrite. At 661' fair chalcopyrite.	Strong alteration. After 670' much coarse grained sericite and silicification.	85% +
582-586.5	0.11		0.013				
586.5-591	0.25		0.023				
591-596	0.15		Trace				
596-601	0.08		0.006				
601-605.5	0.17		Trace				
605.5-610	0.12		0.014				
610-614.5	0.13		0.002				
614.5-619	0.07		0.015				
619-623.5	0.03		Trace				
623.5-628	0.09		0.007				
628-632.5	0.22		0.003				
632.5-637	0.09		0.008				
637-641.5	0.05		0.002				
641.5-646	0.09		0.002				
646-650.5	0.06		Trace				
650.5-655	0.02		Trace				
655-658	0.01		Nil				
658-663	0.15		Nil				
663-668	0.05		Nil				
668-673	0.03		Nil				
673-677	0.03		Nil				
677-682	0.03		Nil				
682-687	0.38		Nil				
687-692	0.14		Nil				
692-697	0.02		Nil				
697-702	0.03		Nil	Fine to medium grained diorite gneiss After 721' grain size increases. At 770' narrow basic dike. Same gneiss to bottom of hole.	Weak veinlet pyrite and chalcopyrite. Same. At about 740' good veinlet chalcopyrite - little pyrite. At 748' & 753' fair chalcopyrite. Pyrite is with gypsum veinlets and chalcopyrite with quartz veinlets.	Moderate. Increase in sericite.	90% +
702-707	0.03		Nil				
707-712	0.05		Nil				
712-716	0.02		Nil				
716-721	0.01		Nil				
721-726	0.05		Nil				
726-731	0.05		Nil				
731-736	0.01		Nil				
736-741	0.13		Nil				
741-745	0.21		Nil				
745-750	0.09		Nil				
750-761	0.04		0.001				
761-766	0.12		0.002				
766-773.5	0.12		Nil				
773.5-778.5	0.06		Nil				
778.5-783	0.12		Nil				
783-787	0.01		Nil				

E + E MORGAN PROJECT

Exploration Drilling Log

Property	MORGAN	Total Depth	726 ft.	Date Started	1/8/70
Drill Hole No.	3	Inclination	⊖ 90°	Date Finished	2/4/70
Location	49680 N-49630 E	Sampler	Ariz.Test.Lab.	Logged by	A.G. Blucher
Collar Elev.	6059				

Depth	% Cu	Other	MO %	Rock Type	Minerals	Alteration	% Recovery
20-25	0.06		0.020	Diorite & quartz-diorite gneiss - oxidized & leached - Brown & yellow. Limonites on fractures.	The limonitic products are typical of oxidized pyrite and chalcopyrite. No risidual sulfides were seen- Sparse copper ox.	Oxidized & leached	70% +
25-30	0.07		0.004				
30-34.5	0.07		0.004				
34.5-39	0.08		0.002				
39-43.5	0.13		0.008				
43.5-48	0.04		0.02				
48-53	0.08		0.006				
53-57	0.15		0.02				
57-61.5	0.28		0.004				
61.5-66	0.07		0.008				
66-70.5	0.23		0.004				
70.5-75	0.14		0.002				
75-79	0.34		0.002	Same formation - Sulfide zone - Gouge & breccia @ 83' & 100' - partial oxidation @ 120' & 130' -149' - Gneissic banding flat to 50 degree - after 130' grain size decreases - much of the rock has almost a diabasic texture.	Few disseminated sulfides - weak pyrite - fair chalcopyrite on quartz vienlets - Chalcocite partially replaces chalcopyrite and some of the pyrite- Ratio of chalcopyrite to pyrite about 1:1 - Total sulfides about 2% by weight. After 160' there is no chalcocite & total Cu decreases. Total sulfides increase gradually. After 260' total sulfides decrease.	Strong sericite, moderate chlorite, & spotty silicification. No apparent magnetite. Chlorite & sericite zones have graditional limits. Silicification decreases after 130'. At 150' silica again increases.	
79-83	0.25		0.002				
83-87.5	0.70		0.005				
87.5-92	0.15		0.001				
[illegible]-97	0.36		0.002				
97-102	0.30		0.003				
102-106	0.14		0.005				
106-111	0.12		0.006				
111-114.5	0.08		0.004				
114.5-120	0.27		0.005				
120-125	0.17		0.005				
125-130	0.27		0.006				
130-134.5	0.12		0.005				
134.5-139	0.09		0.006				
139-143.5	0.19		0.006				
143.5-148	0.13		0.004				
148-152.5	0.22		0.010				
152.5-157	0.21		0.010				
157-161	0.30		0.006				
161-166	0.49		0.012				
166-171	0.21		0.004				
171-176	0.17		0.004				
176-181	0.18		0.011				
181-187	0.10		0.009				
187-191	0.08		0.004				
191-196	0.05		0.005				
[illegible]-201	0.12		0.004				
201-206	0.08		0.003				
206-211	0.17		0.004				
211-215	0.15		0.004				
215-220	0.31		0.008				
220-225	0.13		0.006				

E + E MORGAN PROJECT

Exploration Drilling Log

Property	MORGAN	Total Depth	726 ft.	Date Started	1/8/70
Drill Hole No.	3	Inclination	⊖ 90°	Date Finished	2/4/70
Location	49630 N-49630 E	Sampler	Ariz.Test.Lab.	Logged by	A.G. Blucher
Collar Elev.	6059				

Depth	% Cu	Other	MO %	Rock Type	Minerals	Alteration	% Recovery
225-230	0.10		0.005				
230-234	0.25		0.007	Medium to course - grained quartz diorite gneiss with pegmatitic zones. At 308' minor gouge & breccia. The rock is still intensely altered diorite & quartz diorite with varying degrees of gneissic texture.	Spotty & weak mineralization @ 292', 294' & 306' chalcopyrite on fractures & veinlets. At 311', 315', 317', 322', 324', 329' & 331' good chalcopyrite on veinlets but little or no mineralization in between. 345' - 347' very good chalcopyrite, disseminated & on veinlets. Very little pyrite.	Abundant sericite & silica. Spotty chlorite & partly altered biotite. After 330' silicification increases. After 340 silica decreases. Overall the rock is intensely sericitized & silicified. Abundant chlorite.	85% +
234-239	0.05		0.004				
239-243	0.27		0.008				
243-248	0.13		0.006				
248-253	0.12		0.005				
253-258	0.05		0.003				
258-264	0.05		0.003				
264-269	0.03		0.002				
269-274	0.25		0.003				
274-279	0.06		0.003				
279-284	0.16		0.009				
284-288	0.31		0.006				
288-292	0.34		0.003				
292-297	0.15		0.002				
297-302	0.04		0.003				
302-307	0.14		0.003				
307-311	0.07		0.002				
311-316	0.24		0.005				
316-321	0.15		0.009				
321-326	0.20		0.004				
326-331	0.10		0.009				
331-335	0.20		0.010				
335-340	0.13		0.004				
340-345	0.32		0.005				
345-349	0.19		0.004				
349-354	0.38		0.007				
354-359	0.11		0.004	Fine to medium - grained diorite gneiss - Banding is nearly flat to 40 degrees - 300' to 400' distorted, high angle gneissic banding.	Weak mineralization. Very little pyrite. Chalcopyrite @ 359', 363' & 366' - 380' to 384' strong chalcopyrite in vugs & veinlets - Sparse pyrite.	- Intense alteration - Sericite, silica, chlorite.	90% ±
359-363	0.13		0.003				
363-367	0.16		0.004				
367-372	0.13		0.003				
372-377	0.13		0.003				
377-382	0.27		0.004				
382-386	0.12		0.002				
386-391	0.13		0.005				
391-396	0.13		0.003				
396-400	0.35		0.003				
400-405	0.06		0.002				
5-410	0.03		0.002				
410-415	0.04		0.002				
415-420	0.30		0.016				
420-424	0.19		0.008	Fine grained gneiss-nearly flat banding	Weak mineralization. Little	Moderate to weak quartz-sericite.	
424-429	0.03		0.004				

E + E MORGAN PROJECT

Exploration Drilling Log

Property	MORGAN	Total Depth	726 Ft.	Date Started	1/8/70
Drill Hole No	3	Inclination	⊖ 90°	Date Finished	2/4/70
Location	49660 N-49630E	Sampler	Ariz.Test.Lab.	Logged by	A.G. Blucher
Collar Elev.	6059				

Depth	% Cu	Other	MO %	Rock Type	Minerals	Alteration	% Recovery
429-434	0.06		0.008		pyrite.	Partial	
434-439	0.24		0.006		Chalcopyrite	chloritiza-	
439-444	0.25		0.004		occasionally	tion.	
444-449	0.16		0.012		on fractures.		
449-453	0.18		0.004		Good chal-		
453-458	0.10		0.002	After about	copyrite @		
458-463	0.14		0.008	450' gneissic	440' & 442		
463-468	0.15		0.004	textures are	Chalcopyrite		
468-473	0.10		0.002	less	mineraliza-		
473-478	0.13		0.006	pronounced.	tion in-		
478-482	0.15		0.004		creases.		
482-487	0.13		0.002	Same to 560'	Almost no		
487-491	0.19		0.002	with occa-	pyrite.		
491-496	0.14		0.006	sional zones	Fairly even		
496-501	0.42		0.004	of coarse	chalcopyrite		
501-505	0.19		0.002	crystalline	as vugs &		
505-510	0.38		0.012	quartz.	veinlets to		
510-515	0.02		0.004		the bottom	Alteration	
515-519	0.04		0.004		of the hole.	is spotty.	
519-524	0.04		0.003				
524-529	0.18		0.004				
529-534	0.11		0.007				
534-540	0.25		0.006				
540-545	0.12		0.003				
545-550	0.18		0.007				
550-554	0.24		0.003				
554-559	0.21		0.004				
559-563	0.28		0.005				
563-568	0.07		0.007				
568-573	0.13		0.003	After 560'			
573-577	0.15		0.004	the dip of			
577-580	0.08		0.020	gneissic			
580-585	0.19		0.004	banding			
585-590	0.20		0.003	increases.			
590-596	0.20		0.009				
596-601	0.09		0.003				
601-606	0.08		0.001				
606-611	0.12		0.004				
611-616	0.04		0.003				
616-621	0.17		0.005				
621-626	0.01		0.003				
626-630	0.09		0.004	Same to 653'		Alteration	
630-635	0.14		0.008			increases.	

E + E MORGAN PROJECT

Exploration Drilling Log

Property: MORGAN
Total Depth: 726 Ft.
Date Started: 1/8/70
Drill Hole No.: 3
Inclination: ⊖ 90°
Date Finished: 2/4/70
Location: 49680 N - 49630 E
Sampler: Ariz.Test.Lab.
Logged by: A.G. Blucher
Collar Elev.: 6059

Depth	% Cu	Other	MO %	Rock Type	Minerals	Alteration	% Recovery
635-640	0.15		0.010				
640-644	0.09		0.003				
645-650	0.16		0.006		At 648' good moly.		
650-654	0.17		0.005	653' - 660' diabase.	Very weak.	Weak to moderate.	75% ±
654-659	0.32		0.010				
659-663	0.22		0.003	At 660' thick zone of gouge & breccia. Rock is diorite gneiss.	Mineralization decreases. Occasional primary hematite.	Strong sericite. Moderate kaolin & silica.	90% ±
663-668	0.16		0.003				
668-673	0.09		0.002				
673-678	0.02		nil				
678-683	0.01		nil				
683-689	0.02		0.001				
689-695	0.03		nil				
695-701	0.05		nil				
701-707	0.09		nil				
7-716	0.06		nil				
716-721	0.06		0.003	721' - 726' fault gouge & breccia. Same rock.	Finely divided chalcocite in gouge?	Intense.	
721-726	0.21		0.020				

E + E MORGAN PROJECT

Exploration Drilling Log

Property	MORGAN	Total Depth	464 Ft.	Date Started	2/6/70
Drill Hole No	4	Inclination	⊖ 90°	Date Finished	2/16/70
Location	49699 N-49223 E	Sampler	Ariz.Test.Lab.	Logged by	A.G. Blucher
Collar Elev.	6226				

Depth (Ft.)	% Cu	Other	MO %	Rock Type	Minerals	Alteration	% Recovery
10-16	0.01		0.001	Fine to	Brown &	Weak	90% ±
16-22	0.02		0.001	medium	yellow iron	quartz -	
22-27	0.06		0.002	grained	oxides.	sericite-	
27-32	0.06		0.001	gneiss.	Moderate	chlorite	
32-37	0.06		0.004		amounts of		
37-43	0.05		0.002		black Mn-		
43-47	0.05		0.002	At 46' fault	Cu oxides.		
47-52	0.06		0.003	gouge &			
52-57	0.05		0.002	breccia.			
57-62	0.05		0.002				
62-67	0.06		0.002				
67-78	0.03		0.001				
78-85	0.03		0.002				
85-92	0.07		0.003	After 90'	After 95'		
92-97	0.09		0.002	grain size	mineraliza-		
97-102	0.20		0.003	increases.	tion increase.	Alteration	
[illegible]-107	0.17		0.002	Dip of band-	Fairly com-	increasing.	
107-112	0.18		0.003	ing is plus	mon quartz		
112-117	0.06		0.001	50°.	veinlets with		
117-121	0.09		0.002		limonite &		
121-126	0.13		0.001		malachite.		
126-131	0.11		0.001				
131-136	0.19		nil				
136-141	0.09		nil				
141-146	0.09		0.001		After 200'		
146-151	0.09		0.001	Occasional	occasional		
151-156	0.08		0.001	coarse	relict sulfides.		
156-163	0.08		0.002	grained	Random		
163-168	0.09		0.008	textures.	oxide filled		
168-173	0.09		0.004		veinlets &		
173-178	0.10		0.005		fractures.		
178-183	0.13		0.004		Estimated		
183-188	0.19		0.002		6-8% total		
188-192	0.13		0.001		sulfides be-		
192-197	0.07		0.001		fore oxida-		
197-203	[illegible]		0.002		tion. About		
203-208	0.45		0.006		90% on		
208-213	0.28		0.003		veinlets.		
[illegible]-218	0.09		0.001				
[illegible]-224	0.09		0.001				
224-231	0.07		0.001				
231-239	0.14		0.001				
239-244	0.07		0.001				

E + E MORGAN PROJECT

Exploration Drilling Log

Property: MORGAN
Total Depth: 464 Ft.
Date Started: 2/6/70
Drill Hole No.: 4
Inclination: ⊖90°
Date Finished: 2/16/70
Location: 49699 N - 49223 E
Sampler: Ariz. Test. Lab.
Logged by: A.G. Blucher
Collar Elev.: 6226

Depth (Ft.	% Cu	Other	MO %	Rock Type	Minerals	Alteration	% Recovery
244-246	0.07		0.001			Sericite-	
246-253	0.09		0.001	At 251'&		kaolinite -	
253-258	0.06		0.001	260' fault		chlorite	
258-263	0.10		0.001	gouge &		with	
263-268	0.11		0.001	breccia.		moderate	
268-272	0.14		0.001			silicifica-	
272-277	0.14		0.001			tion.	
277-282	0.09		0.001				
282-287	0.17		0.002				
287-292	0.16		0.002				
292-297	0.19		0.003				
297-302	0.06		0.002		After 312'		
302-308	0.10		0.002		limonites		
308-313	0.13		0.003		decrease.		
313-318	0.07		0.002		Fracturing		
[illegible]-323	0.13		0.001	Oxide.	decreases.		
323-328	0.07		0.001*l.t	Sulfide zone.	Weak		90% ±
328-333	0.18		0.001		chalcopyrite		
333-337	0.04		0.001		& pyrite.		
337-342	0.02		0.011		Occasional		
342-347	0.13		0.001		fair moly.		
347-352	0.24		0.001				
352-356	0.09		0.002				
356-359	0.05		0.005			Below 350'	
359-363	0.07		0.003			silicifica-	
363-368	0.11		0.001	Diorite		tion	
368-372	0.34		0.007	gneiss.		increases to	
372-377	0.03		0.002	Moderately		bottom of	
377-382	0.03		0.001	dipping		hole.	
382-387	0.06		0.001	banding.			
387-391	0.03		0.001				
391-396	0.05		0.001				
396-401	0.16		0.001				
401-406	0.21		0.007				
406-411	0.16		0.002				
411-416	0.15		0.002				
416-422	0.11		0.002				
[illegible]-427	0.11		0.002				
[illegible]-432	0.03		0.001				
432-437	0.13		0.001				
437-442	0.14		0.001				
442-447	0.07		0.001				
447-453	0.09		0.002				

*l.t. = less than

E + E MORGAN PROJECT

Exploration Drilling Log

Property: MORGAN
Total Depth: 464 Ft.
Date Started: 2/6/70
Drill Hole No.: 4
Inclination: ⊖ 90°
Date Finished: 2/16/70
Location: 49699 N - 49223 E
Sampler: Ariz. Test. Lab.
Logged by: A.G. Blucher
Collar Elev.: 6226

Depth (Ft.)	% Cu	Other	MO %	Rock Type	Minerals	Alteration	% Recovery
453-458	0.10		0.003	Same.			
458-464	0.38		0.004	Very broken.			
464-465	0.76		0.002				