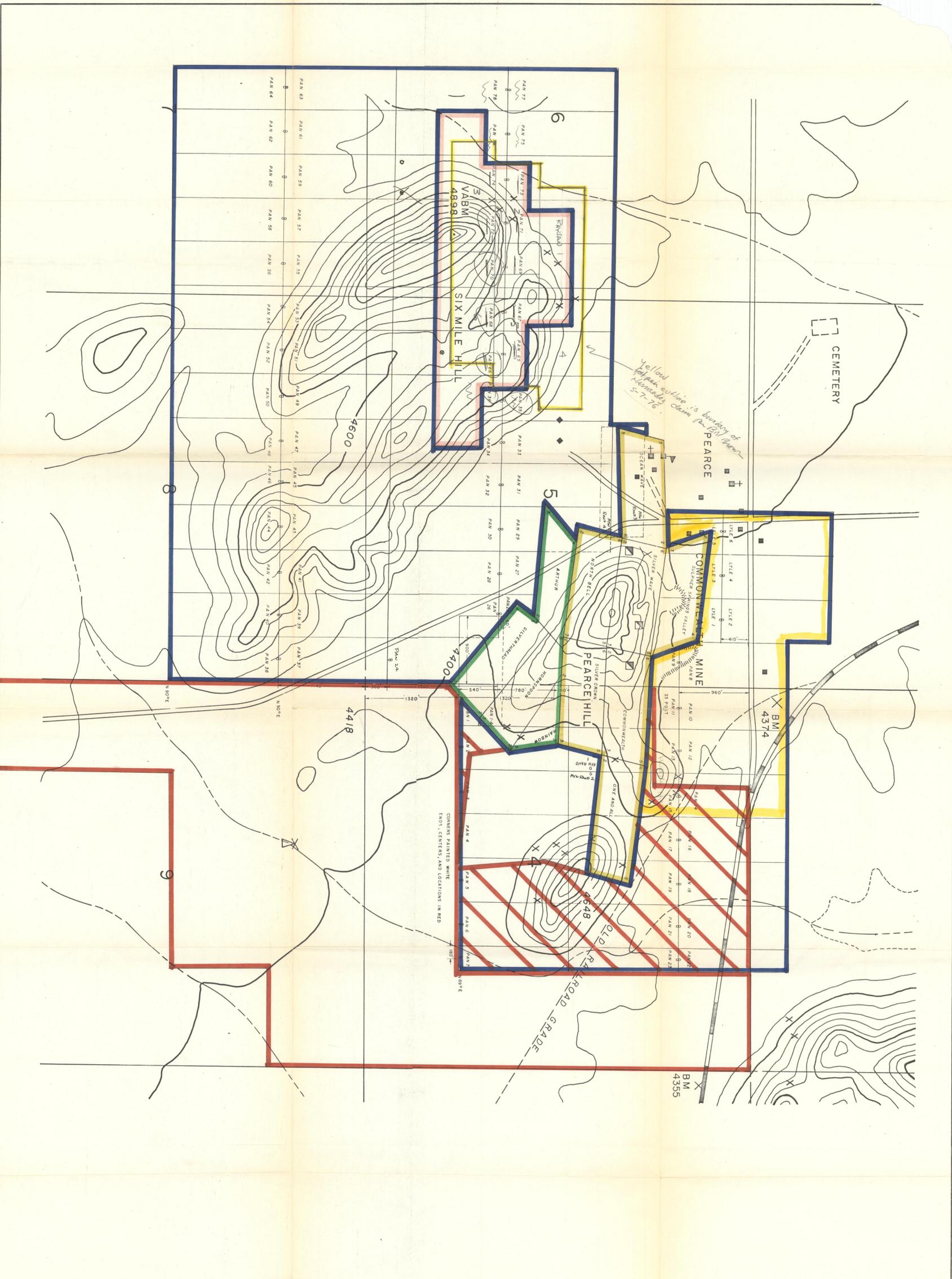


PARCELS OWNED OR CONTROLLED BY PLATORO MINES, INC.

- PARCEL NO. 1
THERFORD PATENT CLAIM GROUP
- PARCEL NO. 2
BEN BROWN PATENT CLAIM GROUP
- PARCEL NO. 3
PLATORO MINES CLAIM GROUP: LODE CLAIMS
- PARCEL NO. 4
BUSENBARK PRIVATE LAND GROUP
- PARCEL NO. 5
HERNANDEZ CLAIM GROUP (APPROX. LOC.)
- PARCEL NO. 6
BUSENBARK PRIVATE MINERAL AND LAND GROUP
- PARCEL NO. 7
PLATORO MINES CLAIM GROUP - FLACER CLAIMS
- PARCEL NO. 8
THERFORD UNPATENTED PLACER CLAIM GROUP
- PARCEL NO. 9
PLATORO MINES: STATE PERMITS

PLATORO MINES INC.
COMMONWEALTH MINE
PEARCE CLAIM LOCATION MAP
ARIZONA
BY: BILL BROWN
SCALE 1"=500'
DATE: MAY, 1975



*Yellow
outline is boundary of
Herandez claim per 5-7-76*

PARCELS OWNED OR CONTROLLED BY PLATORO MINES, INC.

- PARCEL NO. 1
THEFTSOD PATENT CLAIM GROUP
- PARCEL NO. 2
BEN BROWN PATENT CLAIM GROUP
- PARCEL NO. 3
PLATORO MINES CLAIM GROUP - LOVE CLAIMS
- PARCEL NO. 4
BUSEBEAR PRIVATE LAND GROUP (SURFACE)
- PARCEL NO. 5 *
- HERVADEZ CLAIM GROUP (APPROX. LOC.)
- PARCEL NO. 6
BUSTAMANTE PRIVATE MINERAL AND LAND GROUP

Qcd by Review to Carbonyl Inc 6-27-77

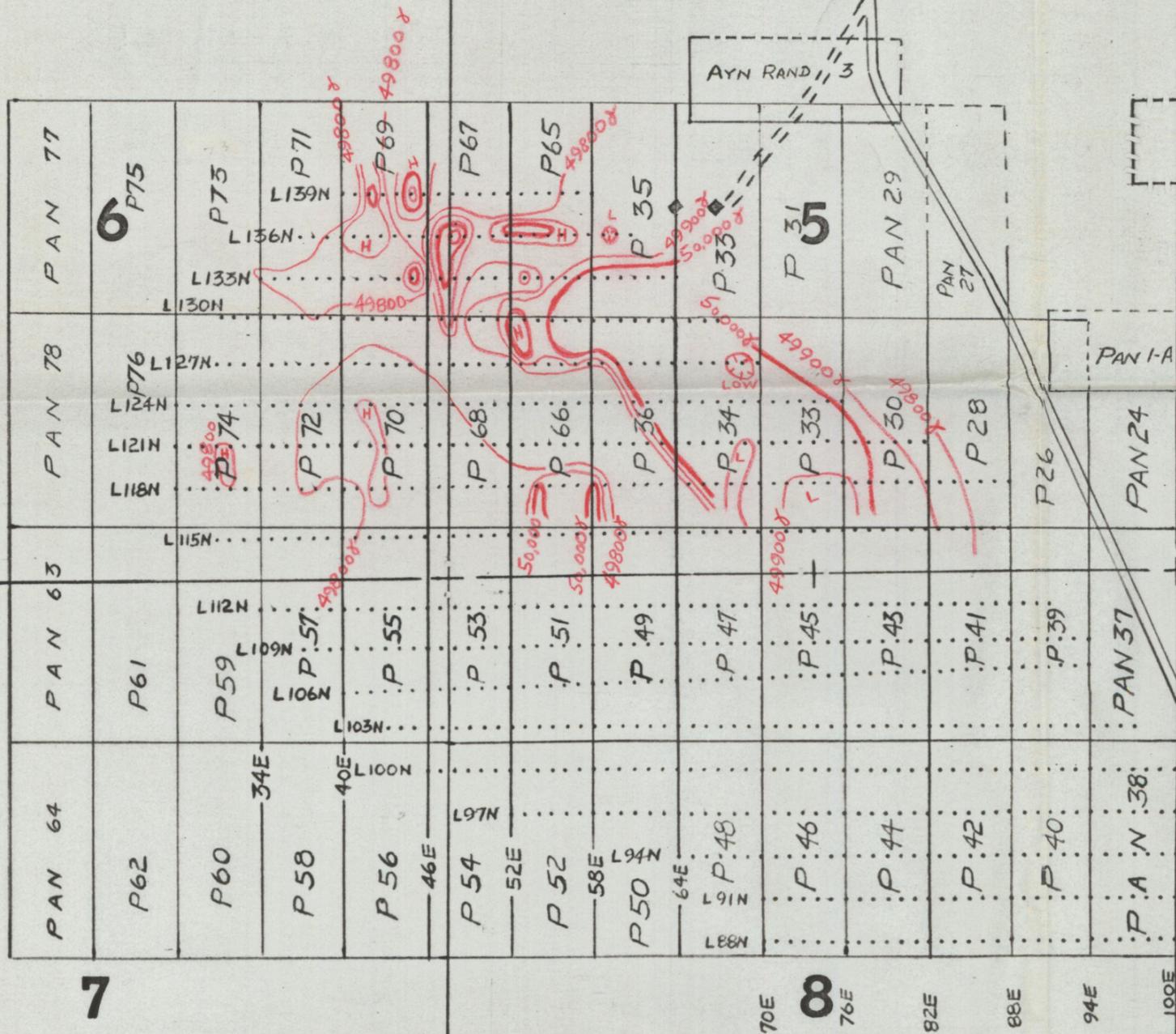
PLATORO MINES INC.
COMMONWEALTH MINE
PEARCE
CLAIM LOCATION MAP
ARIZONA
SCALE 1"=500'
DATE: MAY, 1975
BY: BILL BROWN

Revised 7-30-80

R25E

PEARCE

T
18
S



7

70E 8 76E 82E 88E 94E 100E

70E INDICATES STATION & NUMBER EAST
 LOON " " LINE NUMBER NORTH
 P " PAN



E. GROVER HEINRICHS & ASSOCIATES
 TUCSON ARIZONA 85705 U.S.A.

9
 EXHIBIT B

MAGNETIC INTENSITY IN GAMMAS
 CONTOUR INTERVAL = 100γ
 DATA BY: W. DAFFRON & J. PEACE
 FILE NO A-2

PLATORO MINES INC.
 COMMONWEALTH MINE
 PEARCE COCHISE COUNTY ARIZONA
 SCALE 1" = 1000'
 BY: BILL BROWN DATE: MAY, 1975.
 REVISED: EGH SEPT. 1980



**ECONOMIC EVALUATION
OF
THE COMMONWEALTH MINE
COCHISE COUNTY ARIZONA
USING HEAP LEACHING**

Economic Evaluation of the Commonwealth Mine
using
Heap Leaching

Criteria

Suppose ore reserves at Commonwealth are as follows:

25,000,000 tons @ 1.5 ozs. Ag/T and .01 oz. Au/T.

Treatment Rate - 5,000 tons/day, 1,650,000 tons/year or
15 years run.

Treatment Method - Crushing to - 1/4" and heap leaching with
cyanide solutions - carbon adsorption and electrowinning
of gold-silver - Sale of Dore metal.

Extractions - 60% of silver and 90% of gold.

Production

Recovery in oz. per year:

Silver - $1,650,000 \times 1.5 \times .6 = 1,485,000$ oz. Ag/year.

Gold - $1,650,000 \times .01 \times .9 = 14,850$ oz. Au/year.

Value of Sales

Silver @ \$4.00/oz.	- \$5,940,000
Gold @ \$130/oz.	- <u>\$1,930,500</u>
<u>Total</u>	<u><u>\$7,870,500</u></u>

Capital Cost

Mine Development	\$3,000,000
Ore Handling	1,300,000
Crushing	1,200,000
Leaching and Carbon Adsorption	520,000
Gold Recovering Facilities	520,000
Supporting Facilities	300,000
	<u>\$6,840,000</u>

Direct Annual Operating Cost

	<u>Dollars/Year</u>	<u>Dollars/Ton</u>
Mining (includes stripping)	\$1,300,000	0.79
Treatment		
Supervision	100,000	0.06
Labor	150,000	0.09
Power	167,000	0.10
Reagents	547,000	0.33
Water	198,000	0.12
Maintenance	115,000	0.07
Miscellaneous	36,000	0.02
	<u>\$2,613,000</u>	<u>\$1.58</u>

Power - \$0.015/KWH
Maintenance - 3% of capital (less mine development)
Water - \$0.10/1,000 gals.

Direct and Indirect Annual Costs

		<u>Dollars/Ton</u>
Direct Mining		0.79
Direct Processing		0.79
Indirect		
1. Administration \$0.12/ton	.12	
2. Preproduction mine development over 10 yrs.	.18	
3. Surface Plant depreciated over 10 yrs. - straight line	.23	
4. Local taxes 3% of sales	.14	
5. Federal Income tax (48%)	.74	
6. Thetford royalty payment (5% of net sales until \$3,000,000 paid)	<u>.24</u>	<u>1.65</u>
	Total	\$3.23

Cash Flow

Capital Invested \$6,840,000

Net Sales 7,870,500

Cost and Expenses

Operating 2,613,000

Administrative 200,000

Local Taxes 236,115

Thetford Royalty 393,525

Preproduction mine amort. 300,000

Depreciation 384,000

Depletion 1,180,575

Total \$5,307,215

Operating Income \$2,563,285

Federal Income Tax \$1,230,376

Net Income \$1,332,909

Cash Flow

- 1,332,909

- 300,000

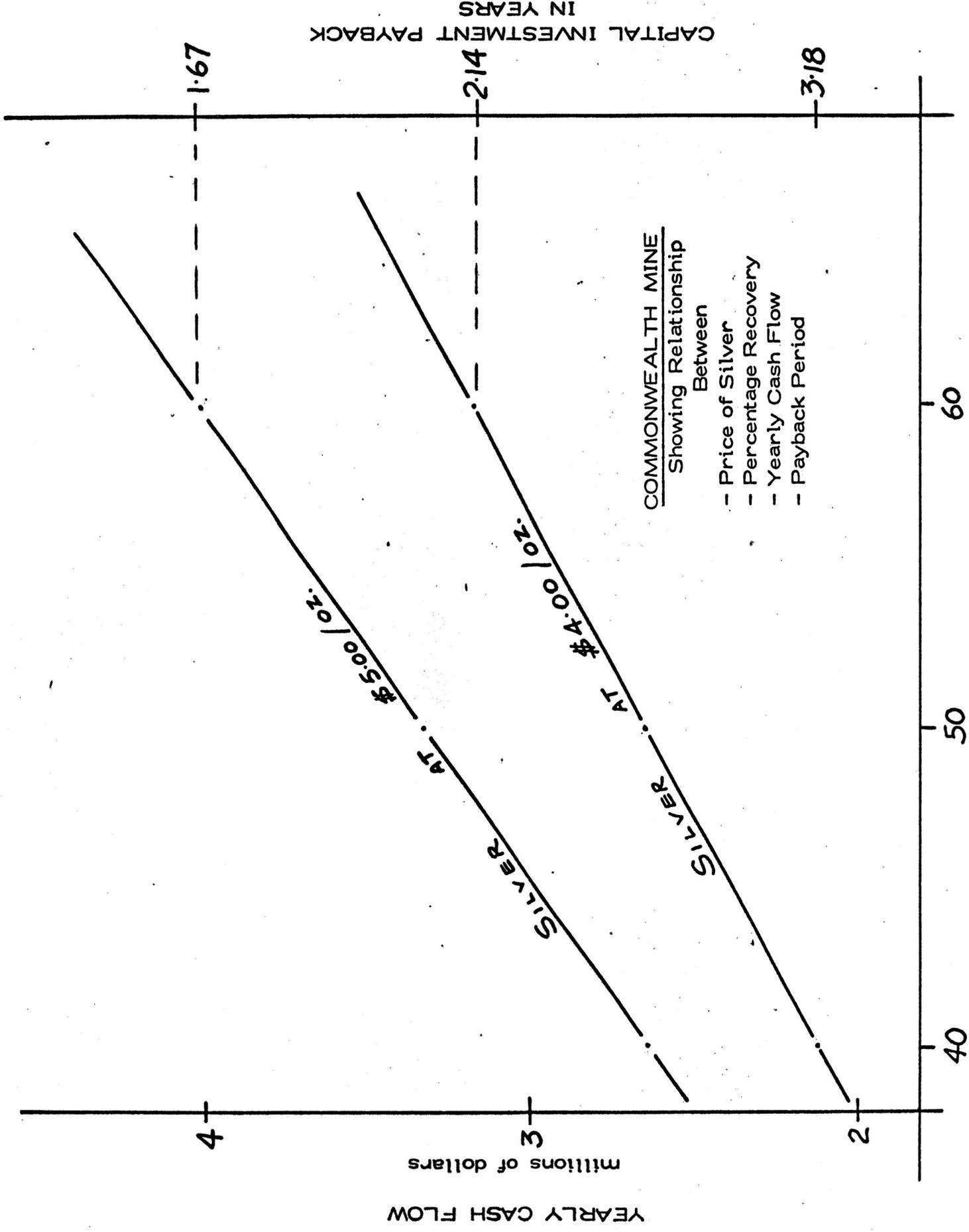
- 384,000

- 1,180,575

\$3,197,484

Payout in years

2.14



CAPITAL INVESTMENT PAYBACK
IN YEARS

1.67

2.14

3.18

YEARLY CASH FLOW

millions of dollars

4

3

2

COMMONWEALTH MINE

Showing Relationship

Between

- Price of Silver
- Percentage Recovery
- Yearly Cash Flow
- Payback Period

\$3.00 / oz.

\$4.00 / oz.

AT

AT

SILVER

SILVER

60

50

40

PERCENTAGE RECOVERY
HEAP LEACHING WITH CYANIDE SOLUTION

ARTICLES OF INCORPORATION
of
PLATORO MINES, INC.

We, the undersigned, associate ourselves together for the purpose of forming a corporation under the laws of the State of Arizona and adopt the following Articles of Incorporation:

Article I

The name of this corporation shall be PLATORO MINES, INC.

Article II

The principal place of business of the corporation shall be Tucson, Arizona, but it may maintain offices, hold meetings, and transact business anywhere within or without the United States of America.

Article III

The general nature of the business to be transacted and the purposes for which the corporation is formed are as follows: To engage in mineral exploration, development, production, smelting, trading, exporting, and importing; to make contracts, acquire and transfer property, possessing the same powers in such respects as private individuals enjoy; to establish bylaws and make rules and regulations deemed expedient for the management of the affairs of the

corporation; to own, hold title to, use, convey, mortgage, sell, pledge, and otherwise employ and invest in real estate, mortgages, stocks, commodities, bonds, or any other types of investments, and any and all types and kinds of personal property necessary or desirable for the carrying on of a business; to carry on any type of business any place in the world; and to establish employee pension benefit plans, profit-sharing plans, and other benefits for employees. The objects and purposes specified in the foregoing clause shall not be limited or restricted by reference to any clause herein contained, but the corporation shall be permitted to carry on any business or activity not forbidden by the laws of the State of Arizona.

Article IV

The amount of authorized capital stock of this corporation shall be Five Million (5,000,000) shares of voting common stock with the par value of One Dollar (\$1.00) per share. Stock shall be issued when paid for in cash, property, or services, and when so issued shall be deemed fully paid and non-assessable. At all elections for Directors of the cCorporation, each shareholder may cast as many votes in the aggregate as he is entitled to vote, multiplied by the number of Directors to be elected. Each shareholder may cast the whole number of votes, either in person or by proxy, for one candidate, or distribute such votes among two or more candidates.

Article V

The name, residence and post office address of each incorporator is as follows:

Lyall J. Lichty	W.G. Brown
Lazy L. Ranch	307 East Kelso
Tubac, Arizona 85640	Tucson, Arizona 85705

Article VI

This corporation shall commence on the date a certificate of incorporation is issued by the Corporation Commission of the State of Arizona, and its existence shall terminate twenty-five (25) years thereafter, subject to renewal as provided by law.

Article VII

The corporation shall be governed by a Board of Directors of not less than three nor more than nine Directors elected by the shareholders at the annual meeting of the shareholders which shall be held on the first Monday of May. The exact number of Directors, term of office, removal, and manner of filling vacancies shall be as provided in the bylaws, except that the first Board of Directors shall consist of the following individuals:

W.G. Brown	L.A. Galyen
W.D. Cole	Lyall J. Lichty
Paul I. Eimon	

The first Board of Directors shall serve until the next annual meeting of the shareholders. A Director need not be

a shareholder. The affairs of the corporation shall be conducted by the following officers: a President, one or more Vice Presidents, a Secretary, and a Treasurer, and such other officers as the bylaws may provide. One individual may hold more than one office, except that the President may not also be a Vice President. Officers shall be elected by the Board of Directors at the annual meeting of the Board of Directors which shall be held as soon as practicable after the adjournment of the annual meeting of the shareholders. The term of office, removal, and manner of filling vacancies shall be as provided in the bylaws, except that the first group of officers shall be elected at the first meeting of the Board of Directors which shall be held as soon as practicable after the corporation is organized. The first group of officers shall serve until the next annual meeting of the Board of Directors. An officer need not be a Director or a shareholder. No contract or other transaction between the corporation and any corporation, firm, or association in which one or more of its Directors are directors or are financially interested shall be either void or voidable by reason of the fact that such Director or Directors are present at the meeting of the Board of Directors which authorizes or approves such contract or transaction, or that his or their votes are counted for such purpose; and such common or interested directors shall be counted in determining the presence of a quorum at each such meeting of the Board.

Article VIII

The corporation may indemnify any and all of its directors, and officers or former directors and officers against expenses incurred by them, including legal fees or judgments, or penalties rendered or levied against any such person in a legal action brought against any such person for actions or omissions alleged to have been committed by any such person while acting within the scope of his employment as a director or officer of the corporation, provided that the Board of Directors shall determine in good faith that such person did not act, fail to act, or refuse to act willfully or with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action, and further provided that the Board of Directors, shall approve such indemnification as being for the best interests of the corporation. The foregoing right of indemnification shall be in addition to and not exclusive of other rights to which such director or officer may be entitled under any law, bylaw, agreement, vote of stockholders, or otherwise.

Article IX

The maximum amount of indebtedness or liability of this corporation shall not exceed two-thirds of the authorized capital stock or such greater amount as may be authorized by the laws of the State of Arizona.

Article X

The private property of the stockholders and Directors and officers of this corporation shall forever be exempt from all corporate debts and liabilities.

Article XI

The authorized and/or issued capital stock of the corporation may be changed, the price at which capital stock is issued may be set, the articles of incorporation may be amended and the bylaws may be amended only by a 70% affirmative vote of the issued and outstanding shares of stock of the corporation. At least thirty days notice in writing of the proposed increase or decrease in capital stock or the proposed amendment shall be given to the shareholders of the corporation.

Article XII

The initial Statutory Agent for this corporation shall be Leo N. Smith, 902 Transamerica Building, Tucson, Arizona, 85701, who has been a bona fide resident of the State of Arizona for more than the last three years. The initial Statutory Agent and his successors may be replaced from time to time by the Board of Directors as it may deem advisable.

STATE OF ARIZONA)
COUNTY OF PIMA)

ss:

Lyall J. Lichy
Lyall J. Lichy

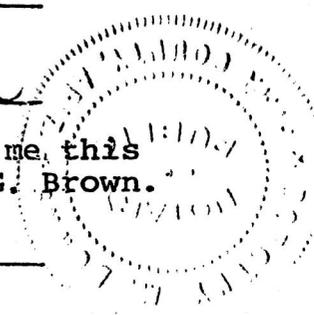
William G. Brown
W.G. Brown

The foregoing instrument was acknowledged before me this 21st day of APRIL, 1976, by Lyall J. Lichy and W.G. Brown.

My commission expires:

September 4, 1979

Dorothy M. Brown
Notary Public



P. O. BOX 1889
30 S. MAIN ST.



Jacobs Assay Office

PHONE MA 2-0813

Registered Assayers

TUCSON, ARIZONA.

C. F. G. 1967

Sample Submitted by Mr

World's Fair Syndicate

SAMPLE MARKED	Au. OZ/TON	Ag OZ/TON	Cu %	SAMPLE MARKED	Au OZ/TON	Ag OZ/TON	Cu %
1960	0.005	2.05	0.03	1975	Trace	0.10	Trace
61	Trace	0.05	0.02	76	Trace	0.15	0.02
62	Trace	3.30	0.08	77	0.005	0.15	0.02
63	0.005	0.05	0.02	78	Trace	0.10	Trace
64	Trace	0.10	Trace	80	Trace	0.10	0.02
65	Trace	0.10	Trace	81	0.005	0.05	0.02
66	Trace	0.05	Trace	82	Trace	0.05	Trace
67	Trace	0.05	0.02	83	0.005	0.65	0.02
68	0.005	0.15	Trace	84	0.005	0.10	0.02
69	Trace	0.10	Trace	85	0.005	0.40	0.04
70	Trace	0.15	Trace	86	Trace	0.05	0.03
71	Trace	0.10	0.02	87	Trace	0.10	0.04
72	Trace	0.10	Trace	88	0.005	0.30	0.03
73	0.005	0.15	0.02	89	Trace	0.10	0.02
1974	Trace	0.05	0.02	1990	Trace	0.10	0.02

Very respectfully,

Ben P. Jacobs

Charges \$

210⁰⁰

76

Capital Cost

Mine Development	\$3,000,000
Ore Handling	1,300,000
Crushing	1,200,000
Leaching and Carbon Absorption	520,000
Gold recovering facilities	520,000
Supporting facilities	300,000

\$6,840,000

Direct Annual Operating Cost

	<u>Dollars/year</u>	<u>Dollars/ton</u>
← Mining (includes stripping)	\$1,300,000	0.19
← Treatment Supervision	100,000	0.06
Labour	150,000	0.09
Power	167,000	0.10
Reagents	547,000	0.33
Water	198,000	0.12
Maintenance	115,000	0.07
Miscellaneous	36,000	0.02
<u>Total Operating Cost</u>	<u>\$2,613,000</u>	<u>\$1.58</u>

Power - 0.015/KWH

Maintenance - 3% of capital (less mine development)

Water 0.10 / 1000 gals.

Richard Kelly
Accounting Dept.

Essex Group Inc.

1001 Dale St.

Ft. Wayne, IN 46804

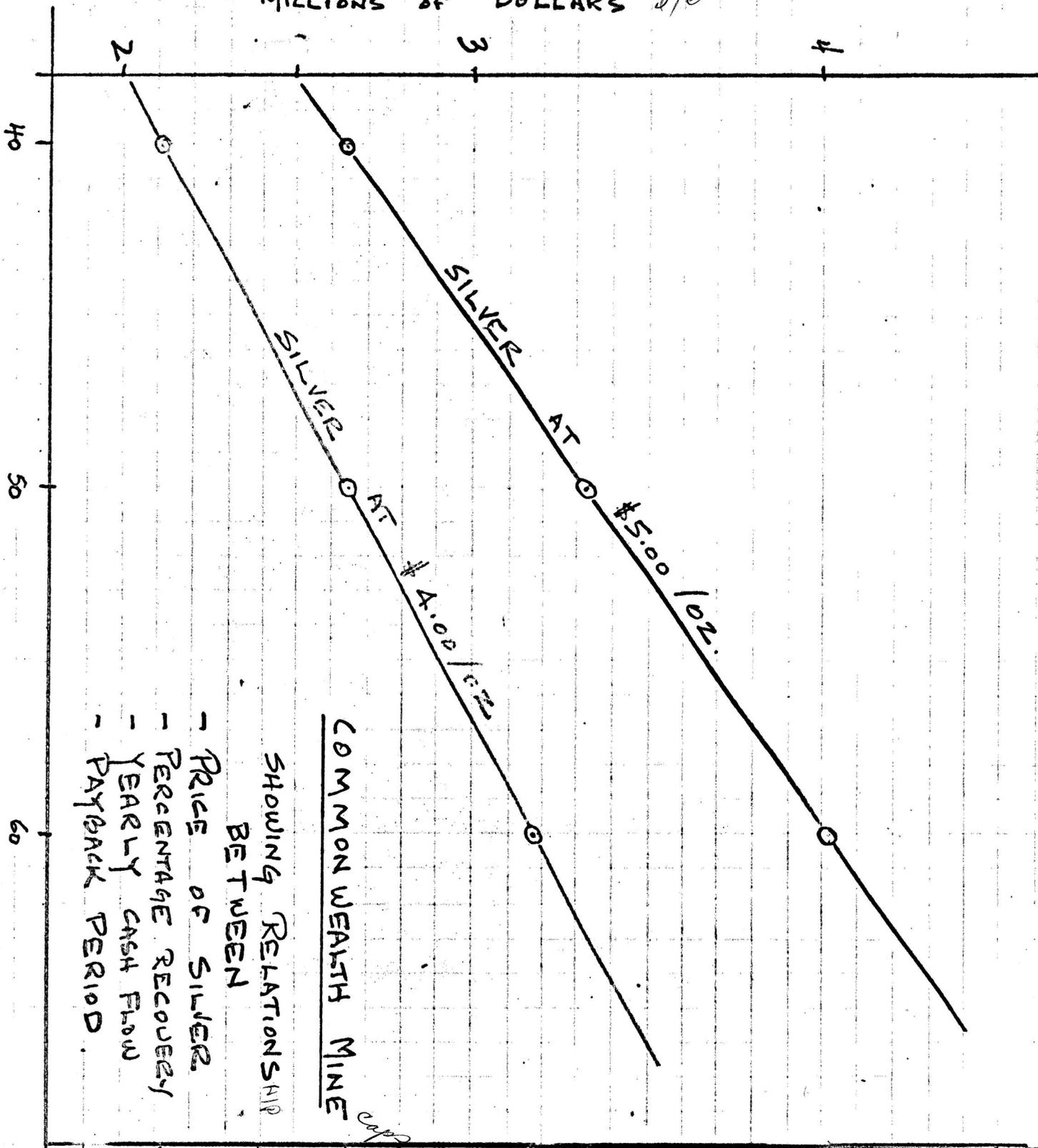
(3)

Direct and Indirect Annual Costs

Dollars/ton

← Direct Mining		0.79
← Direct Processing		0.79
← <u>Indirect</u>		
1. Administration \$ 0.12/ton	.12	
2. Pre production mine develop. over 10 years	.18	
3. Surface Plant depreciated over 10 years - straight line	.23	
4. Local taxes 3% of sales	.14	
5 Federal Income tax (48%)	.74	
6. Netford royalty payment. (5% of Net sales until \$3,000,000 paid)	.24	1.65
Total		<u>\$ 3.23</u>

YEARLY CASH FLOW, cap.
MILLIONS OF DOLLARS l/c

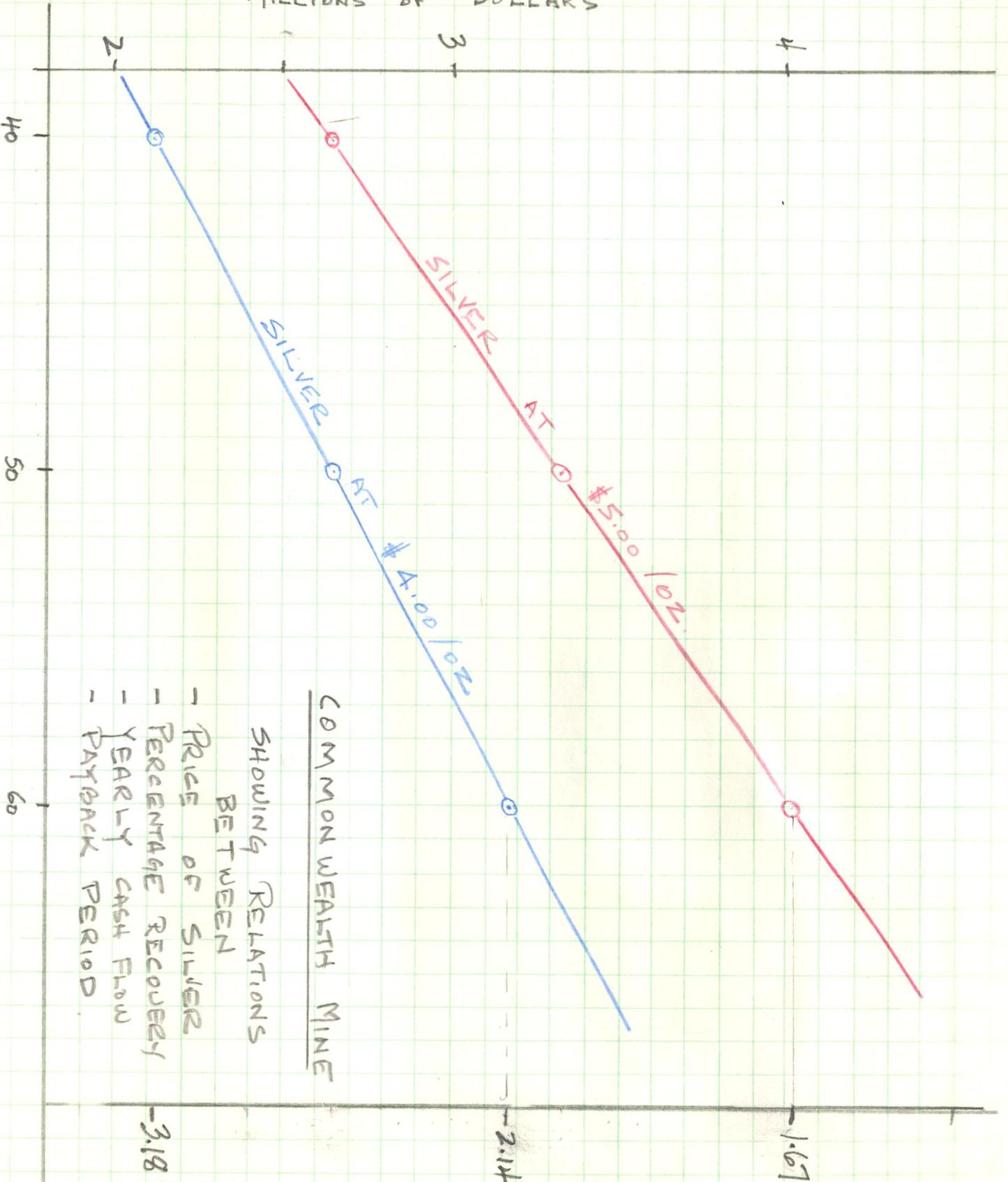


COMMON WEALTH MINE
SHOWING RELATIONSHIP
BETWEEN
- PRICE OF SILVER
- PERCENTAGE RECOVERY
- YEARLY CASH FLOW
- PAYBACK PERIOD.

CAPITAL INVESTMENT PAYBACK cap.
IN YEARS l/c

1.67

YEARLY CASH FLOW,
MILLIONS OF DOLLARS



PERCENTAGE RECOVERY WITH LEACHING WITH CYANIDE SOLUTION

COMMONWEALTH MINE
SHOWING RELATIONS BETWEEN
- PRICE OF SILVER
- PERCENTAGE RECOVERY
- YEARLY CASH FLOW
- PAYBACK PERIOD

CAPITAL INVESTMENT PAYBACK IN YEARS

3-21-77

COMMONWEALTH MINE
MAPS & SECTIONS
FROM PLATORO

- 1- 3 RD Level Plan 1" = 50'
- 2- 6 ID? Level Plan? 1" = 50'
- 3- Surface Sampling 1" = 50'
- 4- CP-76-5 Bethlehem Copper 1" = 100'
- 5- X-section 97+20 E 1" = 50' (BETH. COPPER)
- 6- " 98+20 " " "
- 7- " 99+00 " " "
- 8- " 100+00 " " "
- 9- " 97+80 " " "
- 10- " 101+00 " " "
- 11- " 113+60 " " "
- 12- " 101+30 " " "
- 13- " 99+40 " " "

S.R. Davis
ASARCO

9 X-sections vellum
6 plan maps vellum & mylar

loaned to Will Dorch 795 8380 Sage Assc.

3-23-77

Returned 3-25-77

Economic Evaluation of ^{the} Commonwealth Mine ①

using Heap Leaching

Suppose our reserves at Commonwealth are as follows

25,000,000 tons @ 1.5 ^{oz.} Ag/T and .01 oz Au/T.

Treatment Rate - 5000 tons/day, 1,650,000 tons/year or 15 years run

Treatment Method - Crushing to $\frac{1}{4}$ " and heap leaching with cyanide solutions - carbon adsorption and electrowinning of gold-silver - Sale of Dore metal.

Extractions - 60% of silver and 90% of gold electrowinning

Production

Recovery in oz. per year

Silver $1,650,000 \times 1.5 \times .6 = 1,485,000$ oz Ag/year

Gold $1,650,000 \times .01 \times .9 = 14,850$ oz Au/year

Value of Sales

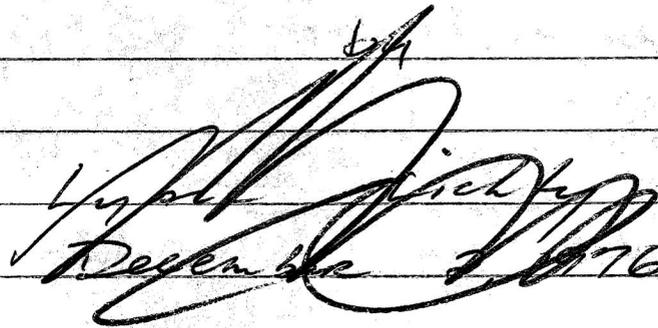
Silver @ \$400 / oz - \$5,940,000

Gold @ \$130 / oz - 1,930,500

Total \$ 7,870,500

Economic Evaluation
of
The Commonwealth Mine
Cochise County, Arizona

Using Heap Leaching

^{by}

December 2, 1976

~~Lyall J. Lichty~~

December 2, 1976
Lyall J. Lichty
Lyall J. Lichty

(4)

Amortization

Cash Flow

Capital Invested \$ 6,840,000

Net Sales \$ 7,870,500

Cost and Expenses

Operating 2,613,000

Administrative 200,000

Local Taxes 236,115

Theft and Royalty 393,525

Pre production mine costs 300,000

Depreciation 384,000

Depletion 1,180,575

Total \$ 5,307,215

Operating Income \$ 2,563,285

Federal Income tax \$ 1,230,376

Net Income 1,332,909

Cash Flow

- 1,332,909

- 300,000

- 384,000

- 1,180,575

\$ 3,197,484

Payoff in years

2.14