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FINAL SETTLEMENT

ORE SETTLEMENT

PHELPS DODGE CORPORATION

AUGUST 13, 1980

DOUGLAS REDUCTION WORKS
Drawer E, Douglas, Arizona 85607

Form DRW 2070

BOUGHT OF
ADDRESS
MATERIAL

A. J. Gilbert Construction Co. (Larry Holliday)
P. O. Box 5288 - Bisbee, Arizona 85603
Siliceous Ore

SHIPPED FROM Silver City, New Mexico

Date Received	CAR		WEIGHT			Smelter Lot No. 657	
	Initial	Number	Wet Lbs.	% H ₂ O	Dry Lbs.	Shipper's Lot No. SH 3	
4-28-80	Truck		47,480			Date Sampled 5-10-80	
29			47,360			E & M J Copper Quotation	
29			51,760			Domestic fob Refinery 101.7666 ¢ per lb	
30			55,580			Export fob Refinery ¢ per lb	
			202,180			Deduction 8.0000 ¢ per lb	
	Plus Adjustment To Belt Weight		23,260	.40	224,538	Silver Price	
			225,440			Domestic 1589.6000 ¢ per oz	
						Foreign ¢ per oz	
						Deduction .1250 ¢ per oz	
						U. S. Gold Price 629.7000 \$ per oz	
						Deduction .2500 \$ per oz	

PER TON OF 2000 LBS.

PAYMENTS

AMOUNTS

	Assay	Deduct	Pay For		Per Ton	Total
Gold	.161 oz.	10 % or oz.	.1449 oz. @ 629.4500 \$ per oz.		91.21	
Silver	.76 oz.	% or .50 oz.	.26 oz. @ 1589.4750 ¢ per oz.		4.13	95.34
Copper	.08 %	1.60 Lbs.	Lbs. @ 93.7666 ¢ per Lb.			95.34
			Total Payments			
	Analysis	Deduct	Charge For	CHARGES		
Treatment Base			10% Of \$95.34	Treatment Base	9.53	
	%		% @	¢ per unit		
	%		% @	¢ per unit		
	%		% @	¢ per unit		
	%		% @	¢ per unit		
			Total Treatment		9.53	
			LESS CREDITS			
	%		% @	¢ per unit		
	%		% @	¢ per unit		
			Net Treatment			9.53
			Net Price per Ton			
			f.o.b. Douglas			95.34

Gross Proceeds	112.269	Dry Tons	@ \$ 85.81	per ton	9633.80
Less Freight From Silver City On	112.720	Gross Tons	@ \$ None	per ton	
Less					

FINAL PAYMENT ASSIGNED TO:-
Valley National Bank
P. O. Box 311
Tucson, Arizona 85702

Attn:- Jack Croddy

Note 3919.00
Interest 142.94
Comm. 571.00
\$5,000.80

Balance Due	Valley National Bank	9633.80
Correct	Checked	Approved
WJA	JTH	<i>[Signature]</i>
Inv. Clerk		Chief Accountant

**FINAL SETTLEMENT
ORE SETTLEMENT
PHELPS DODGE CORPORATION**

DATE: July 9, 1980

**DOUGLAS REDUCTION WORKS
Drawer E, Douglas, Arizona 85607**

BOUGHT OF A. J. Gilbert Construction Co. (Larry Holliday)
ADDRESS PO Box 5288 - Bisbee, Arizona 85603
MATERIAL Siliceous Ore

SHIPPED FROM Silver City, New Mexico

Date Received	CAR		WEIGHT			Smelter Lot No.	Shipper's Lot No.	Date Sampled
	Initial	Number	Wet Lbs.	% H ₂ O	Dry Lbs.			
3-21-80	Truck	55	47,440				SH	4-7-80
3-24-80			48,880					
3-31-80			42,760					
4-02-80			52,540					
4-01-80			56,360					
4-04-80			58,400					
			306,380					
	Less Adjustment To Belt Weight		13,960					
			292,420	.97	289,584			

E & M J Copper Quotation			414
Domestic fob Refinery	96.2320	¢ per lb	
Export fob Refinery		¢ per lb	
Deduction	8.0000	¢ per lb	
Silver Price			
Domestic	1661.2500	¢ per oz	
Foreign		¢ per oz	
Deduction	.1250	¢ per oz	
U. S. Gold Price	659.6250	\$ per oz	
Deduction	.2500	\$ per oz	

PER TON OF 2000 LBS.

PAYMENTS

AMOUNTS

	Assay	Deduct	Pay For		Per Ton	Total
Gold	.233 oz.	10% or oz.	.2097	oz. @ 659.3750 \$ per oz.	138.27	
Silver	.21 oz.	% or .21 oz.	-	oz. @ 661.1250 ¢ per oz.	-	
Copper	.24 %	4.800 Lbs.	-	Lbs. @ 88.2320 ¢ per Lb.	-	138.27
			Total Payments			138.27
	Analysis	Deduct	Charge For	CHARGES		
		10%	Of \$138.27	Treatment Base	13.83	
	%		% @	¢ per unit		
	%		% @	¢ per unit		
	%		% @	¢ per unit		
	%		% @	¢ per unit		
				Total Treatment	13.83	
				LESS CREDITS		
	%		% @	¢ per unit		
	%		% @	¢ per unit		
				Net Treatment		13.83
				Net Price per Ton		124.44
				f.o.b. Douglas		

Gross Proceeds 144.792
Less Freight From Silver City On 146.210
Less

Dry Tons @ \$ 124.44 per ton
Gross Tons @ \$ None per ton

FINAL PAYMENT ASSIGNED TO:
Valley National Bank
PO Box 311
Tucson, Arizona 85702

Attn: Jack Croddy

Note 18,017.92
Interest 6797.00
Comm. 265.2
Freight 1,123.0
~~1,167.7~~
~~8664~~
98326

Balance Due Valley National Bank

18,017.92

Correct _____ Checked _____ Approved _____

WJA

JTH

JWT

Inv. Clerk

Chief Accountant

FINAL SETTLEMENT
ORE SETTLEMENT
PHELPS DODGE CORPORATION

DOUGLAS REDUCTION WORKS
Drawer E, Douglas, Arizona 85607

Dec. 27, 1979

BOUGHT OF A. J. Gilbert (Holiday)
ADDRESS P.O. Box 5288, Bisbee, Arizona 85603
MATERIAL Silicious Ore

SHIPPED FROM New Mexico

Date Received	CAR		WEIGHT			Smelter Lot No.	
	Initial	Number	Wet Lbs.	% H ₂ O	Dry Lbs.		
9-14-79	Truck		62,180			779	
15			51,960			SH 1	
17			44,740			Date Sampled	9-27-79
18			50,000			E & M J Copper Quotation	
18			54,100			Domestic fob Refinery	104.1640 ¢ per lb
19			41,740			Export fob Refinery	¢ per lb
19			46,460			Deduction	8.0000 ¢ per lb
20			51,860			Silver Price	
			403,040	1.53	396,874	Domestic	2296.0000 ¢ per oz
						Foreign	¢ per oz
						Deduction	.125 ¢ per oz
						U. S. Gold Price	476.1200 \$ per oz
						Deduction	.25 \$ per oz

PER TON OF 2000 LBS.

PAYMENTS

AMOUNTS

	Assay	Deduct		Pay For		Per Ton	Total
		% or	oz.	oz. @	\$ per oz.		
Gold	0.068 oz.	10 % or	oz.	0.0612 oz. @	475.8700 \$ per oz.	29.12	
Silver	0.11 oz.	% or	.50 oz.	-	oz. @ 2295.8750 ¢ per oz.	-	
Copper	0.08 %		1.600 Lbs.	-	Lbs. @ 96.1640 ¢ per Lb.	-	29.12
				Total Payments			29.12
	Analysis	Deduct		Charge For	CHARGES	Per Ton	Total
	Treatment Base			10% of \$29.12	Treatment Base		
	SiO ₂ Penalty 67.0%		80.0%	13.0 % @	60 ¢ per unit	7.80	
	Al ₂ O ₃ Penalty 11.0%		4.0%	7.0 % @	20 ¢ per unit	1.40	
	%			% @	¢ per unit		
	%			% @	¢ per unit		
					Total Treatment	12.11	
					LESS CREDITS		
	%			% @	¢ per unit		
	%			% @	¢ per unit		
					Net Treatment		12.11
					Net Price per Ton		
					f.o.b. Douglas		17.01

Gross Proceeds
Less Freight From
Less

198.437
on 201.520

Dry Tons @ \$ 17.01 per ton
Gross Tons @ \$ None per ton

3,375.41
125110

Payment Assigned to
Valley National Bank
Douglas, Arizona

-10%

12934
212
191330

Balance Due

3,375.41

Correct

Checked

Approved

WJA

JTH

[Signature]

Inv. Clerk

Chief Accountant

1. Is Water Dog #1 & #2 the mill mine?
2. Need legal descriptions of:
 - A.) Silvia Sites
 - B.) Old Well area (4oz. SILVER)
3. Need agreement on dump site & description (20% royalty)
(Frost)
4. Need agreement & legal descriptions on open pit leased (5 Claims of Hansen)
(Not Apache Gold)
5. Need Mill Site description
 - A.) Water rights (what is description)
6. Description of 10,000 Leased Acres & copies of lease or permits on 60,000 acres.
7. Inventories on equipment

23-70
22-434

6439

QUITCLAIM DEED

R.L. HOLLIDAY a/k/a Robert L. Holliday and CAROLYN J. HOLLIDAY, his wife, for consideration paid quitclaim to IRA HOLLIDAY, whose address is P.O. Box 206, Truth or Consequences, New Mexico the following described Unpatented Lode Mining Claims situate in the County of Hidalgo, State of New Mexico, to-wit:

<u>NAME:</u>	<u>MINING LOCATION RECORDS</u>	
	<u>Book:</u>	<u>Page:</u>
Water Dog #1	13	315
Water Dog #2	13	316

WITNESS our hands and seals this 16 day of June, 1981.

Robert L. Holliday (SEAL)
R.L. Holliday a/k/a Robert L. Holliday

Carolyn J. Holliday (SEAL)
Carolyn J. Holliday

STATE OF N.M.)
COUNTY OF GRANT) ss

The above and foregoing instrument was acknowledged before me this 16 day of June, 1981, by R.L. HOLLIDAY and CAROLYN J. HOLLIDAY, his wife.

OFFICIAL SEAL
Signature [Signature]
J. WAYNE WOODBURY
NOTARY PUBLIC
NOTARY BOND FILED WITH SECRETARY OF STATE
My Commission Expires 8/29/82
Notary Public

STATE OF NEW MEXICO)
COUNTY OF HIDALGO) ss
I hereby certify that this instrument was filed for record in my office on 22nd day of June, 19 81 at 10:41 o'clock A.M., and recorded in Book 22 of Min. Rec. Page 434

Becky T. Diaz
County Clerk
By [Signature]
Deputy

HIDALGO COUNTY CLERK
LORRIS B. M. M. 8804E
'81 JUN 22 AM 10 41

County of Grant

I hereby certify that this instrument was filed for record on the 17 day of June A.D., 1991 at 11:25 o'clock a. M. and duly recorded in book 220 of the records of Miss 22-492 6604 at page 792-9

MINING LEASE AGREEMENT

Witness my hand and seal of office Isabel C. Vega County Clerk, Grant Co., N.M. Diane Maitis Deputy

THIS AGREEMENT, made and entered into as of the first day of November, 1978 by and between DOUGLAS E. HANSON and ROSALIE HANSON, his wife, parties of the first part, hereinafter called "Lessors", and IRA HOLLIDAY, party of the second part, hereinafter called "Lessee".

WITNESSETH:

The parties hereto for and in consideration of the covenants and agreements by each to be kept and performed as hereinafter set forth do hereby covenant and agree each with the other as follows:

Clause 1. PROPERTY LEASED

The Lessors hereby demise and let unto the Lessee those certain unpatented lode mining claims, situate in the Gold Hill Mining District, Counties of Grant and Hidalgo, State of New Mexico, the names of said claims and the book and page of record of the location notices thereof in the office of the County Clerk of Grant County and Hidalgo County, New Mexico, being as follows, to-wit:

NAME	GRANT COUNTY	
	Book	Page
Apache Gold	64	713
Apache Gold No. 1	65	390
Apache Gold No. 2	65	389
Apache Gold No. 3	65	554
Apache Gold No. 4	65	555
Apache Gold No. 5	65	556

NAME	HIDALGO COUNTY	
	Book	Page
Western Bell No. 3	19	199

together with the exclusive right, during the term of this lease, to possess and occupy all of said premises and to prospect for, develop, mine, extract and remove from said premises

22-493

all metals, minerals and mineral products found thereupon and therein, and in so doing make shafts, drifts and openings as may be necessary or convenient for such purpose.

Clause 2:

TERM OF AGREEMENT

The term of this agreement shall commence on November 1, 1978 and terminate on October 31, 1985, provided, however, that in the event ores are being profitably produced from said property, the Lessors grant to Lessee the option to extend this agreement for one additional period of five years on the same terms and conditions. In the event Lessee wishes to exercise such option, he shall prior to the expiration of the initial term herein granted, give to Lessors 30 days written notice of his intention to exercise such option.

Clause 3:

LESSOR'S TITLE

The Lessors covenant and agree with Lessee that all of said premises are free from liens and encumbrances and that said mining properties are valid subsisting unpatented lode mining claim under the laws of the United States and the State of New Mexico and that they have a good possessory title thereto.

Clause 4:

ROYALTIES

Upon all ores and minerals extracted, and bullion produced, removed and sold from said premises Lessee shall pay to the Lessors royalties computed upon the following basis:

22-494

10% of the net proceeds therefrom paid by the smelter, mill, reductions works or Government after deducting all smelter, mill or treatment charges.

Said royalty payments shall be made monthly on the 10th day of each month upon all ore and products extracted and sold during the preceding calendar month for which the Lessee has received payment. Said payment shall be accompanied by duplicate smelter, mill or treatment works settlement sheets and a statement of any deductions made therefrom in accordance with the foregoing not included in such settlement sheets.

Clause 5: WORK REQUIREMENTS

Lessee shall do and perform upon said mining claims the annual labor and improvements required by the laws of the United States and the laws of the State of New Mexico, to keep and maintain the same in good standing as unpatented lode mining claims. Such work shall be done and the affidavits of the doing of the same shall be filed in the office of the County Clerk of Grant County, New Mexico, and the County Clerk of Hidalgo County, New Mexico, and with the Bureau of Land Management prior to the first day of July of each year beginning with the first day of July 1981. During such years as the assessment work requirement is suspended by Act of Congress, Lessee shall not be obligated to do such work but in such case, at the request of Lessee, Lessors shall

22-495

sign notice of intention to hold the unpatented lode mining claims covered by this Agreement and deliver the same to Lessee, which notice Lessee may file in the proper office and such filing shall be in lieu of the performance of said annual labor.

Clause 6: COMPLIANCE WITH LAWS

Lessee shall comply with the Workman's Compensation Act of New Mexico; the New Mexico Unemployment Compensation Act; the New Mexico Occupational Disease Disability Act; the Federal Social Security Act, and all other legislation, federal and state, applicable to the working and operation of said premises, and shall make all payments, returns and reports required by such acts, and shall at all times save harmless said premises and the owners of and from any and all claims, actions, suits, liabilities for damages or compensation for any matter or thing arising out of the work and operations conducted in and upon said premises.

Lessee shall pay all labor, services and materials done, performed or furnished to or for said premises or for the work done thereon and shall not allow any claim or lien for any such thing to be effectually made or asserted against said premises or the Lessors.

Clause 7: INSPECTION BY LESSORS

22-496

The Lessors, or their agents authorized in writing, shall have the right at all reasonable times, when accompanied by a representative of the Lessee, but at their own risk, to enter into and upon said premises or the workings therein for the purpose of examining, inspecting and sampling the same and ascertaining whether the terms and conditions hereof are being carried out and performed by Lessee.

Clause 8: MISCELLANEOUS

- a. The royalty provisions in this agreement shall not only apply to the mining of minerals, but also to the mining and sale of silica in any form or any materials.
- b. It is understood that all ore mined from the above described premises shall be shipped separately or treated separately without being mixed with any ores mined from other operations, or properties, and assay reports together with the royalty computations therefrom shall be furnished the Lessors along with the settlement sheets at the time each payment is made. Lessors shall have the right at any time to sample and check the ores so mined, as well as the right to examine the mill recovery and shall have access to all records concerning assays, mill or smelter records of any ores mined from said mining claims afore named in this agreement, and a right to examine and copy same whether same be in possession of Lessee or others.

22-497

c. The granting of any extension of time hereunder by Lessors shall not create a right to or be deemed a consent to any succeeding or future extension.

d. The terms hereof shall be binding alike upon its devisees and/or assigns, or the heirs, administrators, successors of the parties hereto, and should it become necessary to enforce any provisions hereof by legal action, then in any judgment rendered for either party there shall be included therein his reasonable attorney's fees incurred in such action.

Clause 9:

TERMINATION

a. If Lessee shall fail to keep and perform any of the terms and conditions hereof upon him made incumbent, the Lessors shall notify the Lessee, in writing of such default specifying the exact nature thereof and, if Lessee shall within ninety (90) days from the giving of said notice fail to cure such default, then this agreement and all rights of the Lessee herein and his right to mine, occupy and possess said premises shall at once cease and determine; provided, however, that if such default is occasioned by labor dispute, strike, influx of water, act of God, or any other occurrence not within the control of Lessee, then such default shall not be grounds for terminating Lessee's rights herein in accordance with this paragraph.

22-498

b. Lessee may terminate upon written notice given to Lessors of his desire to do so.

From the date of the giving of such notice, Lessee shall be relieved of all obligations hereunder except payments which may then be due.

c. Upon the termination of this lease by either party, the Lessee shall have the right within ninety (90) days to remove any machinery, equipment, supplies, pumping and hoisting equipment. Lessee shall not remove headframes, electric wiring, rail, pipe, or timbers, devices which support the walls, shafts and tunnels on said properties.

Clause 10:

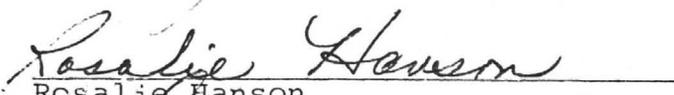
ASSIGNABILITY

Lessee shall have the right to assign his interest under this Agreement to a limited partnership in which he is the general partner, provided that such assignment shall not relieve him of his obligation to comply with all the terms and conditions contained in this agreement.

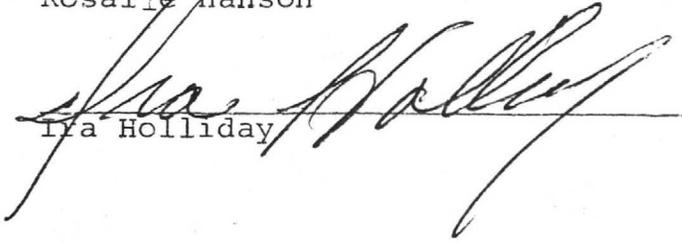
IN WITNESS WHEREOF, the parties hereto have executed this agreement in duplicate originals.



Douglas E. Hanson



Rosalie Hanson

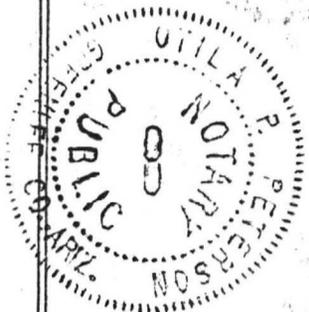


Iva Holliday

22-499

STATE OF NEW MEXICO)
COUNTY OF GRANT) SS
Arizona
Greenlee

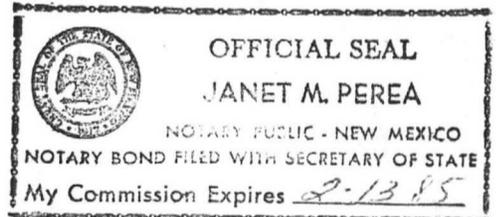
The above and foregoing instrument was acknowledged before me this 8th day of June, 1981 by DOUGLAS E. HANSON and ROSALIE HANSON, his wife.



Otela P. Peterson
Notary Public
My Commission Expires June 9, 1981

STATE OF NEW MEXICO)
COUNTY OF GRANT) SS

The above and foregoing instrument was acknowledged before me this 16th day of June, 1981 by IRA HOLLIDAY.



Janet M. Perea
Notary Public

STATE OF NEW MEXICO)
COUNTY OF HIDALGO) SS
I hereby certify that this instrument was filed for record in my office on 12th day of August, 1981 at 11:11 o'clock A.M. and recorded in Book 22 of Mining Rec Page 492-499
Bucky J. Diaz
County Clerk
Margaret Coogan

'81 AUG 12 AM 11 11

6603

22-491

STATURORY WARRANTY DEED

IRA HOLLIDAY and LINDA HOLLIDAY, his wife, for consideration paid, grant to MINA AMIGOS MINING COMPANY, a limited partnership, whose address is P.O. Box 206, Truth or Consequences, New Mexico, 87901, the described unpatented lode mining claims situate in Hidalgo County, New Mexico, the names of which and the original location notices of which are of record in the office of the County Clerk of Hidalgo County, New Mexico, as follows, to-wit:

<u>NAME:</u>	<u>MINING LOCATION RECORDS</u>	
	<u>Book:</u>	<u>Page:</u>
Water Dog # 1	13	315
Water Dog # 2	13	316

WITNESS our hands and seals this 22 day of

July, 1981.

Ira Holliday (SEAL)

Linda Holliday (SEAL)

STATE OF NEW MEXICO)
COUNTY OF GRANT : SS.

The above and foregoing instrument was acknowledged before me this 22 day of July, 1981, by IRA HOLLIDAY and LINDA HOLLIDAY, his wife.

COUNTY CLERK
STATE OF NEW MEXICO
COUNTY OF HIDALGO
I hereby certify that this instrument was filed for record in my office on 12th day of August, 1981 at 11:11 o'clock A.M. and recorded in book 22 of Mining Rec. Page 491
Becky T. Diaz
County Clerk
By Margaret Coogan
Deputy

OFFICIAL SEAL
Signature [Signature]
L. WAYNE WOODBURN
NOTARY PUBLIC - NEW MEXICO
NOTARY BOND FILED WITH SECRETARY OF STATE
My Commission Expires 8/29/82
Notary Public

Stage I - Exploration - 6 Months

Seismic Survey and Magnetic Survey	\$ 5,000
Drilling and Sampling 10 Rotary Holes from 30-50 Feet Deep	8,000
Portable Trommel Rental and Water Truck Rental	3,000
Testing and Analysis	3,000
Crew (3 Men), as required	5,000
Crew Lodging and Board	5,000
Technical Services, Reports, Accounting, and Supervision	6,000
Vehicle Expense	3,000
Backhoe Rental and Transport	4,000
Contingencies	<u>8,000</u>
Total	\$50,000

94

3175

HIDALGO COUNTY CLERK
L. M. 80045

PROOF OF LABOR ON MINING CLAIM

5 PM 03

STATE OF NEW MEXICO,

County of Hidalgo

ss.

Robert H. Hildner being first duly sworn, deposes and says that the owner Robert H. Hildner & Juan Melich

of Box 1357 Silver City, N.M.

of the unpatented mining claim Gold Hill in the Mining District in said County and State

known and recorded by the name S. M. H. Co. 1 & 2

Recorded in book 1st page 315 & 316

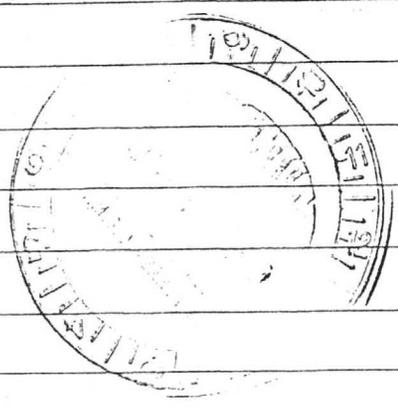
caused to be done and performed the assessment work thereon required by law to be done upon such claim 3 for the year beginning Sept. 1, 1979 ending Aug. 31, 1980; that the time when such work was done was in the month 5 of July

1979 and the amount, character and actual cost thereof

was as follows: repairing road to mine with

material to be no more than 100 yds.

with a cost of \$400.00



STATE OF NEW MEXICO
COUNTY OF HIDALGO

ss.

I hereby certify that the within instrument in writing was filed for record on the 5th

day of Oct. 1979 at 5:03 o'clock

of 20 of Mining Rec. Page 694

By Becky T. Diaz
County Clerk
Carmen Diaz
Deputy

and that the names of the persons who performed such work are as follows:

Robert H. Hildner of Silver City, N.M.

Robert H. Hildner of Silver City, N.M.

This affidavit being made by the undersigned in conformity with Sec. 67-211 N. M. Stat. 1941 Annotated.

Robert H. Hildner

Subscribed in my presence and sworn to before me this 3rd day of

October A. D. 1979

Bessie K. Baird
Notary Public.

My commission expires 4-11-81

'81 JUN 2 AM 9 01

28-678

6381

LEASE AGREEMENT

THIS AGREEMENT, Made and entered into this 28
day of May, 1981, by and between ROBERT L.
HOLLIDAY and CAROLYN J. HOLLIDAY, his wife, parties of the
first part, hereinafter designated as "LESSORS" and IRA
HOLLIDAY, party of the second part hereinafter designated as
"LESSEE".

WITNESSETH:

For and in consideration of the covenants and
agreements hereinafter set forth, to be kept and performed
by LESSEE, LESSORS do hereby demise and let unto LESSEE a
certain tract of land situate in Hidalgo County, New Mexico
as hereinafter described, for the purpose of erecting and
maintaining a mill on said property during the life of this
agreement and any extension thereof.

TO HAVE AND TO HOLD said lands unto LESSEE for the
term of ten (10) years commencing on June 1, 1981, and
unless extended under the provisions hereinafter set forth,
terminating on May 31, 1991.

I.

DESCRIPTION OF PROPERTY

The property leased unto LESSEE is described as
follows:

TOWNSHIP 17 SOUTH, RANGE 22 WEST, N.M.P.M.

Section 2: N $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$

Together with an easement over an existing
road way for access to U.S. Highway 190, it
being understood and agreed that said right
of way is over patented lands belonging to
the LESSORS as well as lands belonging to
the United States and it shall be the
obligation of LESSEE to obtain permission to
go over those lands not belonging to LESSORS.

II.

RENTAL

LESSEE agrees to pay as rent for said premises One Hundred Dollars (\$100.00) per month commencing with June 1, 1981, and monthly thereafter up to and including May 1, 1991, unless this lease is extended as hereinafter provided, in which case the rental shall continue at the same rate.

III.

LESSORS' OBLIGATIONS

1. LESSEE shall have the undisturbed possession of the lands for and during the term hereof.

2. LESSORS agree that during the life of this agreement they will pay all taxes levied and assessed against said premises.

3. LESSEE shall have the right to drill a well upon said premises and develop water as may be necessary to operate said mill, provided that LESSORS do not warrant or guarantee that LESSEE will be successful in obtaining water and further provided that at the termination of this lease agreement or any extension thereof said well and equipment shall be left intact and shall become the property of LESSORS.

IV.

LESSEE'S OBLIGATIONS

1. LESSEE shall use said premises only for the purpose of constructing and operating a mill for the commercial milling of gold, silver and other ores.

2. LESSEE agrees that during the life of this agreement or any extension hereof he will operate said mill in such a fashion as will not disturb the ranching operation of LESSORS and in this connection will fence off any areas that may be dangerous to livestock.

28-680

3. LESSEE shall not in connection with his operation of such mill pollute the stream system, nor place tailings in such a manner as will cause any pollution whatever.

4. LESSEE agrees to maintain at his expense adequate liability insurance in connection with his operation of said mill and agrees that he will indemnify and save harmless LESSORS of and from any liability whatever arising out of his use of the leased premises.

5. LESSEE upon the termination of this lease, or any extension hereof shall be obliged to restore the leased premises covered by this agreement as near as possible to its original condition and in this regard will remove said mill and related equipment, blade and level the lands, and if necessary reseed said land.

6. LESSEE shall pay the rent provided herein in the manner hereinabove set forth.

V.

MISCELLANEOUS

1. LESSORS hereby give and grant unto LESSEE the right to renew this agreement for one (1) additional ten (10) year period, upon the same terms and conditions provided that LESSEE shall not be in default in the performance of any of the terms and conditions of this agreement. LESSEE may exercise said option by giving LESSORS written notice of his intention to do so at least thirty (30) days prior to the expiration of the term herein granted.

2. LESSEE shall have the right to assign his interest in this agreement provided that such assignment shall not relieve him of his liability under this agreement.

MOUNTAIN STATES MUTUAL CASUALTY COMPANY

P. O. Box 249
Albuquerque, New Mexico 87103
(505) 247-1051

PAYROLL REPORT (W.C.I.P.)

INSURED: Mina Amigos Mining Company
700 Ownby St., Apt. B
Lordsburg, New Mexico 88045
Attn: Mr. Ira Holliday

POLICY # WC 39839

EFFECTIVE DATES: 11/20/82-83 Monthly

PAYROLL REPORT FOR PERIOD OF March 1, 1983

through March 31, 1983 8% *cc*

CODE	CLASSIFICATION	PAYROLL	RATES	PREMIUM	FOR OFFICE USE
1164	Underground Mining		.1069	<i>66.00</i>	(PLEASE ROUND ALL PREMIUMS 50¢ & OVER TO NEXT HIGHER DOLLAR)
1452	Ore Milling		.0297	<i>720.00</i>	
0998	Plus 1.6% - Increased Benefits			+	

Subtotal *[Signature]*

Experience Modifier

Total Premium Due

In compliance with the payroll reporting provision of your policy, please complete this report for the period specified above and return the original copy and your payment for this period to our office by the 15th of the month following the report. The second copy is for your records.

PRODUCER: Bundy, Seligman & Thomas
P.O. Box 30227
Albuquerque, New Mexico 87190

[Signature] _____
SIGNATURE TITLE

[Date] _____
DATE



THIS REPORT IS SUBJECT TO VERIFICATION BY OUR PAYROLL AUDITOR

Ounces, Troy:

31.10348 G

1.09714 Oz. Avdp

0.08333 Lb. Troy

Pounds, Troy

373.24477 G

0.82286 Lb. Avdp

12. Oz. Troy

13.1657 Oz. Avdp

Ounces, Avoirdupois:

28.34953 G

0.9115 Oz. Troy

Pounds, Avoirdupois:

453.5924 G

14.5833 Oz. Troy

1.21528 Lb. Troy

Rancher
Cattle Leases

Outright sale

▷ Grover
624-7421

New #
→ 5741818

202 Au

32 30

200 oz Ag.

108 30

1.2 Au

1000 oz Ag.

1 T per week of
concentrates
per 1 shift

* Equip. value \$700,000

Please
Make file

Holliday Project

Robert L. Holliday
Lordsburg, N. Mex. 88045
60 T / day mill
90% recovery
oxide & sulphide

505/542-9667

75 claims 0.10^{oz}/T Au 0-4000^{Ag}

Sec 1 50,000 T. shipped

Avg. ore grade 0.25^{oz}/T Au

Gold Hill Mng. Dist. 25 mi. S.W. of
Silver City

21,000 Taxes due withholding tax

owe 16,000 on power plant
Cummins 150 K/W

Gilbert Terujillo

Allied
Precious Metals

Gold Hill District

25 miles SW of Silver City

Borro Mt Granite - intruded by pegmatites also rhyolite,
g₂ monzonite & diabase

Two structural zones N 30° W

N 70° E - McWhorter Fault

→ 1. Crescent (Homestead Mine ^{dup} N 35° W tunnel 10° incline
Gold-ven N 30° W - 2 feet

→ 2. Apache Gold
N 70° E ^{vertical} g. ven 4 feet - shaft 100 ft

→ 3. Mill Mine 4 adits
N 30° W N 20° E dip 2 feet

→ 4. Aztec Gold - 4 feet
N 30° W N 25° E dip shot incline

→ 5. Open Cut 10 feet
N 70° E vertical

→ 6. Open cut 10 feet
N 70° E vertical

→ 7. Quartz dike 6 feet
N 30° W vertical

→ 8. Spanish Gold
N 30° W N 25° E leach pad

10.50
98
70
75
14

931
01
931

1196
106
106
22
53

1210
110
110
55
2.2

1890
945
02

2780
945
04

21175
1925
1925
55
385

oxide 100 feet depth

heads on 1399

55	2.20	121.0
<u>945</u>	<u>0.02</u>	<u>18.90</u>
1000		139.90

heads ag

55	3.85	211.75
<u>945</u>	<u>.04</u>	<u>37.80</u>
1000		249.55

heads = 249.55

(2)

53	2.2	116.6
14	.75	10.5
<u>935</u>	<u>.01</u>	<u>9.35</u>
1002		136.45

heads = 136.45

.16100
<u>.1449</u>
.161

138 STATE OF NEW MEXICO
County of Grant
I hereby certify that this instrument
was filed for record on the 15
day of July A.D., 1981
at 3:26 o'clock P. M. and duly
recorded in book 220 of the records
of Misc.
at page 1138-1154

22-449
HIDALGO COUNTY CLERK
LEWISBURG, N. M. 88045

6554

'81 JUL 29 AM 10 33

LIMITED PARTNERSHIP AGREEMENT
MINA AMIGOS MINING COMPANY

Witness my hand and seal of office
Isabel C. Vega
County Clerk, Grant Co., N.M.
Mary Ann Shively
Deputy

THIS AGREEMENT, Made and entered into this 13th
day of July, 1981, by and between IRA HOLLIDAY,
hereinafter referred to as the GENERAL PARTNER, and ROBERT E.
RICHARDSON, JOHN W. HINSON, C.L. McLEOD, C.H. LEWIS, JR.,
W. TIM EDGAR, PAUL CORMIER, ROBERT CORMIER, DON E. WENTWORTH
and EDITH H. WENTWORTH, his wife, ELLIS G. FLEMING, FARMCRAFT
ASSOCIATES, INC. a Louisiana corporation, and J.W.H. ENTERPRISES,
a partnership, hereinafter referred to as the LIMITED PARTNERS.
The term "partner" as used herein shall refer to both General
and Limited Partners.

ARTICLE I
FORMATION

Upon the conditions hereinafter set forth the parties to this agreement hereby form a Limited Partnership pursuant to the New Mexico Uniform Limited Partnership Act, Sections 54-2-1, et seq, New Mexico Statutes 1978 annotated, as amended.

ARTICLE II
NAME

The name of the Limited Partnership shall be:
MINA AMIGOS MINING COMPANY.

ARTICLE III
TERM

The Limited Partnership shall commence immediately as among the partners, with limited liability commencing on the day upon which the Certificate of Limited Partnership is duly filed in the office of the County Clerk of Grant and Hidalgo Counties, New Mexico, and shall continue until ten (10) years from the date thereof, and thereafter from year to year until terminated in accordance with the provisions of this agreement.



STATE OF NEW MEXICO)
COUNTY OF HIDALGO) ss 6554
I hereby certify that this instrument was filed
for record in my office on 29th
day of July, 19 81 at 10:33
o'clock A. M., and recorded in Book 22
of Highroads Page _____
Decton T. Arias
County Clerk

22-450

ARTICLE IV
CERTIFICATE OF LIMITED PARTNERSHIP

The parties hereto shall, concurrently with the execution of this agreement, sign and swear to a Certificate of Limited Partnership, hereinafter referred to as the "Certificate" as required by the provisions of the New Mexico Uniform Limited Partnership Act. The GENERAL PARTNER shall hereafter cause the Certificate to be filed for record in the office of the County Clerk and Ex-Officio Recorder of Grant and Hidalgo Counties, New Mexico, the principal places of business of this partnership. If the partnership at any time during its term has places of business situated in, or holds title to real property in, different counties within the State of New Mexico, or counties in states other than New Mexico, a copy of the Certificate, certified by the County Clerk in whose office it is recorded, shall be recorded by the GENERAL PARTNER in the office of the Clerk in each such county.

ARTICLE V
PRINCIPAL PLACE OF BUSINESS

The principal place of business of the partnership shall be Silver City, New Mexico, or at such other address as may be designated by the GENERAL PARTNER. The GENERAL PARTNER may designate other places of business, and the business of the partnership or any part thereof may be conducted elsewhere.

ARTICLE VI
CHARACTER OF BUSINESS

The business of the partnership shall be as follows: To engage in the development and operation of

certain mining properties to be transferred to said partnership by the GENERAL PARTNER and to build and equip a mill and all related facilities for the processing of gold, silver, lead, and any other mineral mined from said properties. It is understood that the mineral property above described consists of two unpatented lode mining claims belonging to the GENERAL PARTNER and a lease of seven additional mining claims, as well as a lease of certain lands to be used for the construction of the mill; to acquire, construct, own, operate and sell any and all real estate, buildings, and related facilities and appurtenances and any and all personal property required or desirable in connection with such business; and generally to do any and all things necessary, pertinent or convenient to the powers herein conferred.

ARTICLE VII

PARTNERS AND CAPITAL

The name of each partner and the contribution and interest in the partnership shall be as follows:

GENERAL PARTNER:

<u>NAME:</u>	<u>CONTRIBUTION:</u>	<u>PER CENT OWNERSHIP</u>
IRA HOLLIDAY	The transfer to the partnership of fee simple title to two unpatented lode mining claims, the assignment of all of his right, title and interest in and to a lease agreement covering seven additional unpatented mining claims, and a lease agreement covering a site for the erection of a mill.	75%

LIMITED PARTNERS:

<u>NAME:</u>	<u>CONTRIBUTION:</u>	<u>PER CENT OWNERSHIP</u>
Robert E. Richardson	\$30,000.00	2.27%
John W. Hinson	\$30,000.00	2.27%
C.L. McLeod	\$30,000.00	2.27%
C.H. Lewis, Jr.	\$30,000.00	2.27%

22-452

<u>NAME;</u>	<u>CONTRIBUTION:</u>	<u>PER CENT OWNERSHIP:</u>
W. Tim Edgar	\$30,000.00	2.27%
Paul Cormier	\$30,000.00	2.27%
Robert Cormier	\$30,000.00	2.27%
Ellis G. Fleming	\$30,000.00	2.27%
Farmcraft Associates Inc.	\$30,000.00	2.27%
J.W.H. Enterprises	\$30,000.00	2.27%
Don E. Wentworth & Edith	\$30,000.00	2.27%
H. Wentworth		

Additional contributions to the capital of the partnership shall be required only upon agreement by the majority of the partners. If additional contributions of capital are agreed upon, the partners shall have the right to make such additional contributions in proportion to their percentage of ownership interest.

If any partner fails or refuses to make any agreed upon additional contribution within thirty (30) days after he has been given notice to do so, his opportunity to so contribute shall pass to the other partners willing to join therein and their proportionate interest shall increase accordingly.

ARTICLE VIII

STATUS OF LIMITED PARTNERS

The LIMITED PARTNERS shall take no part in the conduct or control of the business of the partnership and shall have no right or authority to act for or bind the partnership.

ARTICLE IX

PROFIT AND LOSS

The net profits and losses of the partnership shall be divided among and borne by the partners in accordance with their percentage of ownership in the partnership as detailed in Article VII hereof. The liability of any of the LIMITED PARTNERS for the losses of the partnership shall in no event exceed in the aggregate the amount of his contributions

to the capital of the partnership.

ARTICLE X

SALARIES AND CURRENT DISTRIBUTIONS

A. No partner shall receive any salary or other compensation for services to the partnership, nor shall any partner have any drawing account in the partnership.

B. Available funds of the partnership shall be distributed to the partners quarterly. Funds shall be deemed available for distribution only after amounts sufficient to satisfy known obligations have been set aside but any reserve for depreciation shall not be considered a "known obligation" within the meaning of this paragraph.

ARTICLE XI

INTEREST ON CAPITAL

No interest shall be paid on contributions to the capital of the partnership. Any advance of money to the partnership by partners in excess of their agreed contributions shall not be deemed a capital contribution to the partnership, but a debt due from the partnership to such partner, and shall be repaid with interest at the rate of eight per cent (8%) per annum.

ARTICLE XII

RIGHTS OF GENERAL PARTNER

1. The GENERAL PARTNER shall be solely responsible for the management of the partnership business with all rights and powers generally conferred by law or necessary, advisable or consistent in connection therewith. The GENERAL PARTNER shall devote only such time to the affairs of the partnership as he in his sole discretion shall deem adequate and necessary.

22-454

2. All decisions with respect to the management of partnership affairs shall be made by the GENERAL PARTNER, but he shall have the power to delegate authority over the day-to-day affairs of the partnership to one or more employees or agents or a general manager employed by him.

3. In addition to any other rights and powers which he may possess, the GENERAL PARTNER shall have all specific rights and powers required or appropriate to his management of the partnership business which, by way of illustration but not by way of limitation, may include the following rights and powers.

(a) To acquire, hold and dispose of any real property, interest therein, or appurtenances thereto, as well as personal or mixed property connected therewith, including the purchase, lease, development, improvement, maintenance, exchange, trade or sale of all or substantially all of the partnership's interest in such property at such price, rental or amount, for cash, securities or other property, and upon such terms as he deems in his absolute discretion to be in the best interests of the partnership.

(b) To borrow money and, if security is required therefor, to mortgage or subject to any other security device and to prepay, in whole or in part, refinance, increase, modify, consolidate or extend any mortgage or other security device, all of the foregoing at such terms, and in such amounts as he deems in his absolute discretion, to be in the best interests of the partnership.

(c) To place record title to, or the right to use, partnership assets in the name or names of a nominee or nominees for any purpose convenient or beneficial to the partnership.

(d) To acquire and enter into any contract of insurance which the GENERAL PARTNER deems necessary and proper for the protection of the partnership, for the conservation of its assets, or for any purpose convenient or beneficial to the partnership.

(e) To compromise, arbitrate, or otherwise adjust claims in favor of or against the partnership and to commence or defend litigation with respect to the partnership or any assets of the partnership as the GENERAL PARTNER may deem advisable, all or any of the above matters being at the expense of the partnership.

(f) To execute, acknowledge and deliver any and all instruments to effectuate the foregoing.

4. The GENERAL PARTNER shall have all the rights and powers and be subject to all the restrictions and liabilities of a partner in a partnership without limited partners, except that the GENERAL PARTNER has no authority to:

(a) Do any act in contravention of the Certificate of this agreement.

(b) Do any act which would make it impossible to carry on the ordinary business of the partnership.

(c) Confess a judgment against the partnership.

(d) Possess partnership property or assign the rights of the partnership in specific partnership property for any purpose other than a partnership purpose.

(e) Admit a person as a GENERAL PARTNER except as otherwise provided in this agreement.

(f) Admit a person as a LIMITED PARTNER except as otherwise provided in this agreement.

22-456

(g) Continue the business with partnership property after his retirement, adjudication of bankruptcy or insolvency.

5. The GENERAL PARTNER shall not be liable, responsible nor accountable in damages or otherwise, to any of the LIMITED PARTNERS, for any acts performed by him within the scope of the authority conferred on him by law and this agreement, except for acts of malfeasance or misfeasance.

ARTICLE XIII

ADMISSION OF NEW PARTNERS

A. GENERAL PARTNERS may be admitted to the partnership with the written, unanimous consent to the GENERAL PARTNER and of the LIMITED PARTNERS. In the event that new GENERAL PARTNERS are admitted into the partnership, the share of each new GENERAL PARTNER and all other partners in the profits and losses shall be in such proportion as may be agreed upon between all the partners and the new GENERAL PARTNERS.

B. With the written, unanimous consent of the GENERAL PARTNER and of the LIMITED PARTNERS, new LIMITED PARTNERS may be admitted into the partnership upon the payment of such capital contribution and upon such terms as the GENERAL PARTNER and the LIMITED PARTNERS unanimously decide. If new LIMITED PARTNERS are admitted into the partnership, the share of each new LIMITED PARTNER in the profits and losses shall be in such proportion as may be agreed upon between all of the partners and the new LIMITED PARTNERS. The admission of new LIMITED PARTNERS shall affect the share of the profits and losses of LIMITED PARTNERS, but not the share of the profits and losses of the GENERAL PARTNER.

ARTICLE XIV

ASSIGNMENTS AND SUBSTITUTION

A. Any LIMITED PARTNER shall have the right to assign his interest in the partnership upon thirty (30) days written notice delivered to the GENERAL PARTNER at the principal office of the partnership. Any such assignment shall be effective only to give the assignee the right to receive the share of profits to which his assignor would otherwise be entitled, and shall not give the assignee the right to become a substituted LIMITED PARTNER except as provided below.

B. With the unanimous consent of all the GENERAL and LIMITED PARTNERS, any LIMITED PARTNER may substitute an assignee as a new LIMITED PARTNER in his place, either in whole or in part.

C. Nothing contained in this paragraph however, shall prevent the interest of any LIMITED PARTNER from being:

- (1) Transferred or disposed of by will or intestacy to or for the benefit of the deceased partner's immediate family, or transferred during his lifetime, by gift or inter vivos trust, to or for the benefit of the partner's immediate family; but, in respect to transfers by way of testamentary or inter vivos trust, the trustee or trustees shall be a member or members of the partner's immediate family; or
- (2) Sold, transferred, assigned, pledged, encumbered, or otherwise hypothecated to any other partner herein.

If an interest of a LIMITED PARTNER is transferred pursuant to subparagraph (1) or (2) above, the transferee shall become a substituted LIMITED PARTNER in his place. For the purpose of this paragraph, "immediate family" is defined as the husband, wife, adult child, father or mother,

22-458

or adult sister or adult brother of a partner.

ARTICLE XV

BANKING

All funds of the partnership shall be deposited in its name in such checking account or accounts as shall be designated by the GENERAL PARTNER. All withdrawals therefrom shall be made upon checks signed by the GENERAL PARTNER, or by any of the LIMITED PARTNERS to whom he shall give a written power of attorney for the purpose of writing checks; but such LIMITED PARTNER shall not, by virtue of such written power of attorney, be empowered to manage the partnership business.

ARTICLE XVI

BOOKS

The partnership books shall be maintained at the principal office of the partnership and each partner shall at all times have access thereto. The books shall be kept on the calendar year basis and shall be closed and balanced at the end of each calendar year. An audit shall be made as of the end of each calendar year by a certified public accountant.

ARTICLE XVII

DEATH, INCAPACITY, RETIREMENT

Upon the death, incapacity, or retirement of a GENERAL PARTNER or PARTNERS, pursuant to the provisions of this paragraph, the partnership shall be dissolved and terminated; but the remaining partners may agree to continue the partnership in accordance with the following provisions:

(a) Any general partner shall have the right to retire from the partnership at the end of any calendar year, provided written notice of such intention to retire shall

be served upon all the other partners at the office of the partnership at least three months before the end of such calendar year.

(b) If a general partner duly gives written notice to retire from the partnership and there are no remaining general partners, the partnership shall be dissolved and terminated in accordance with Article XIX hereof. However, a new general partner or partners may be admitted to the partnership prior to the end of the calendar year after such written notice has been given. The admission of a new general partner or partners to the partnership in such event may take place with the consent of all the partners, except that the consent of the retiring general partner shall not be necessary.

(c) If a general partner dies or becomes incapacitated and there are no remaining general partners, the partnership shall be dissolved and terminated in accordance with Article IX hereof.

(d) Should a general partner duly give written notice to retire, or die or become incapacitated and there shall remain a general partner or partners, the partnership shall be dissolved and terminated unless:

- (1) the remaining general partner or partners, within 30 days after such notice has been given, or such death or incapacity has occurred, shall have notified the limited partners of the intention to continue the partnership business, and
- (2) all of the limited partners, within 30 days of the receipt of such notice of intention to continue, shall have agreed to such continuance of the business.

(e) If the partnership is continued pursuant to sub-paragraph (d) above,

- (1) the remaining general partner or partners shall have the right to purchase the

22-460

retiring, deceased, or incapacitated general partner's interest in the partnership upon such terms and conditions as they and the retiring partner or the legal representative or representatives of the deceased or incapacitated partner may agree, or

- (2) if the remaining general partner or partners do not elect, within 30 days of the agreement to continue the partnership business, to purchase the interest of the retiring, deceased, or incapacitated general partner, such interest shall, at the close of the calendar year, be automatically converted into a limited partnership interest and shall be assignable or transferable to the same extent as is any other limited partnership interest under this agreement.

ARTICLE XVIII

DEATH OF LIMITED PARTNER

The death of a LIMITED PARTNER shall not terminate the partnership business, but the interest of the deceased LIMITED PARTNER shall pass in accordance with Article XIV of this agreement.

ARTICLE XIX

LIQUIDATION

If the partnership is terminated there shall be a liquidation of all of the assets thereof with the exception of the lease hold interests assigned by the GENERAL PARTNER to the partnership and the unpatented mining claims transferred to the partnership by the GENERAL PARTNER and the proceeds therefrom shall be distributed in payment of liabilities of the partnership in the following order:

- (a) to creditors of the partnership
- (b) to LIMITED PARTNERS in respect of their share of any undrawn profits
- (c) To LIMITED PARTNERS in respect of their contributions to the capital of the partnership
- (d) to GENERAL PARTNERS in respect to undrawn profits

- (e) to GENERAL PARTNERS in respect of their capital contributions.
- (f) the leasehold interests and unpatented mining claims will be transferred to the GENERAL PARTNER, it being specifically understood that in the event the assets so liquidated are insufficient to pay the creditors of the partnership as detailed in (a) above, the GENERAL PARTNER shall be required to satisfy such creditors prior to obtaining a deed and transfer to the unpatented mining claims and leasehold interests.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands as of the day and year first above written.

Ira Holliday
Ira Holliday

Robert E. Richardson
Robert E. Richardson

John W. Hinson
John W. Hinson

C. L. McLeod
C. L. McLeod

C. H. Lewis
C. H. Lewis

W. Tim Edgar
W. Tim Edgar

Paul Cormier
Paul Cormier

Robert Cormier
Robert Cormier

Don E. Wentworth
Don E. Wentworth

FARMCRAFT ASSOCIATES, INC.

BY John W. Hinson
President

J. W. H. ENTERPRISES

BY Henry E. Blaw
Partner

Edith H. Wentworth
Edith H. Wentworth

Ellis A. Fleming, Ellis A.

22-462

STATE OF NEW MEXICO,
COUNTY OF Hidalgo ~~GRANT~~

)
) SS. Ira Holliday

The above and foregoing instrument was acknowledged before me this 11 day of 7, 1981, by IRA HOLLIDAY.

Manuel C. Hernandez
Notary Public



STATE OF Louisiana
COUNTY OF ALLEN

)
) SS. Robert E. Richardson

The above and foregoing instrument was acknowledged before me this 8 day of July, 1981, by ROBERT E. RICHARDSON.

David C. Sanderson
Notary Public



STATE OF Texas
COUNTY OF Liberty

)
) SS. John W. Hinson

The above and foregoing instrument was acknowledged before me this 9 day of July, 1981, by JOHN W. HINSON.

Rhonda Lynn Wells
Notary Public
3-21-85 RHONDA LYNN WELLS



STATE OF TEXAS
COUNTY OF JEFFERSON

)
) SS. C. L. McLeod

The above and foregoing instrument was acknowledged before me this 8 day of JULY, 1981, by C.L. McLEOD.

Craig L. McLeod
Notary Public



STATE OF *Texas*)
COUNTY OF *Montgomery*) SS. *C.H. Lewis Jr*

The above and foregoing instrument was acknowledged before me this 9th day of July, 1981, by C.H. LEWIS JR.

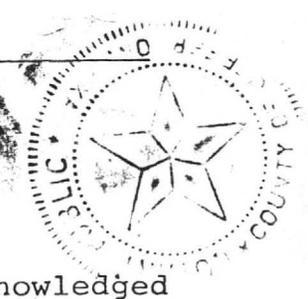
[Signature]
Notary Public



STATE OF *TEXAS*)
COUNTY OF *JEFFERSON*) SS. *W. Tim Edgar*

The above and foregoing instrument was acknowledged before me this 8 day of July, 1981, by W. TIM EDGAR,

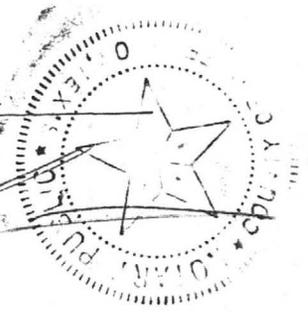
[Signature]
Notary Public



STATE OF *TEXAS*)
COUNTY OF *JEFFERSON*) SS. *[Signature]*

The above and foregoing instrument was acknowledged before me this 8 day of July, 1981, by PAUL CORMIER.

[Signature]
Notary Public



STATE OF *TEXAS*)
COUNTY OF *JEFFERSON*) SS. *[Signature]*

The above and foregoing instrument was acknowledged before me this 8 day of July, 1981, by ROBERT CORMIER.

[Signature]
Notary Public



22-464

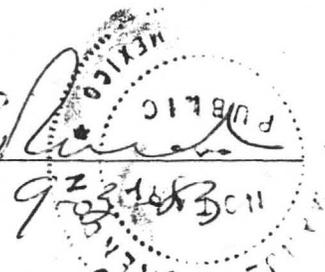
STATE OF *New Mexico*
COUNTY OF *Hidalgo*

)
)
) SS.

Don E. Wentworth
Edith H. Wentworth

The above and foregoing instrument was acknowledged before me this 11 day of 7, 1981, by DON E. WENTWORTH and EDITH H. WENTWORTH, his wife.

Manuel [Signature]
Notary Public



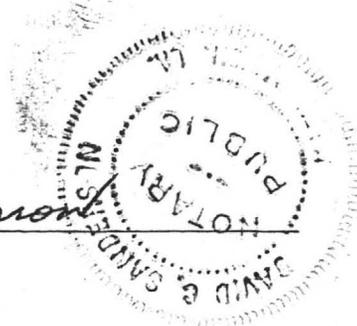
STATE OF *Louisiana*
COUNTY OF *ALLEN*

)
)
) SS.

Ellis G. Fleming

The above and foregoing instrument was acknowledged before me this 8 day of July, 1981, by ^{ELLIS} ELLIS G. FLEMING.

David C. Sanderson
Notary Public



STATE OF *Texas*
COUNTY OF *Liberty*

)
)
) SS.

John W. Henson

The above and foregoing instrument was acknowledged before me this 9 day of July, 1981, by John W. Henson, President of FARMCRAFT ASSOCIATES, INC., a Louisiana corporation, for and on behalf of said corporation.

Rhonda Lynn Wells
Notary Public

3-21-85 RHONDA LYNN WELLS



STATE OF Louisiana
COUNTY OF ALLEN

)
)
) SS. Henry E. Blake

The above and foregoing instrument was acknowledged before me this 8 day of July, 1981, by Henry E. Blake, for and on behalf of J.W.H. ENTERPRISES, a partnership, composed of Henry E. Blake, William D. Blake, and James H. Blake.

David C. Sanderson
Notary Public



22-528

6761

THE UNDERSIGNED, IRA F. HOLLIDAY, for consideration paid does hereby sell, assign, transfer and set over unto MINA AMIGOS MINING COMPANY, a Limited Partnership, all of his right, title and interest in and to that certain Mining Lease Agreement, dated November 1, 1978, between Douglas E. Hanson and Rosalie Hanson, his wife, "Lessors" and Ira E. Holliday, "Lessee", a copy of which is attached hereto and made a part hereof, provided, however that the assignee herein shall fully comply with all of the terms and conditions set forth in said agreement.

IN WITNESS WHEREOF the said Ira F. Holliday has hereunto set his hand this 22 day of July, 1981.

Ira F. Holliday
 Ira F. Holliday

STATE OF N.M)
 COUNTY OF GRANT) SS.

The above and foregoing instrument was acknowledged before me this 22 day of July, 1981, by Ira E. Holliday.

[Signature]
 NOTARY PUBLIC
 My Commission Expires 8/29/82
 Notary Public

STATE OF NEW MEXICO)
 COUNTY OF HIDALGO) ss
 I hereby certify that this instrument was filed for record in my office on 28th day of August, 1981 at 11:17 o'clock A.M. and recorded in Book 22 of Min. Rec. Page 528-536
 Becky T. Diaz
 County Clerk
 By Carmen Arata
 Deputy

STATE OF NEW MEXICO
 County of Grant
 I hereby certify that this instrument was filed for record on the 12 day of August A.D., 1981 at 11:30 o'clock A.M. and duly recorded in book 222 of the records of Misc at page 160-168
 Witness my hand and seal of office
Rosalie C. Vega
 County Clerk Grant Co., N.M.
Marydore Trujillo Deputy

MINING LEASE AGREEMENT

THIS AGREEMENT, made and entered into as of the first day of November, 1978 by and between DOUGLAS E. HANSON and ROSALIE HANSON, his wife, parties of the first part, hereinafter called "Lessors", and IRA HOLLIDAY, party of the second part, hereinafter called "Lessee".

WITNESSETH:

The parties hereto for and in consideration of the covenants and agreements by each to be kept and performed as hereinafter set forth do hereby covenant and agree each with the other as follows:

Clause 1. PROPERTY LEASED

The Lessors hereby demise and let unto the Lessee those certain unpatented lode mining claims, situate in the Gold Hill Mining District, Counties of Grant and Hidalgo, State of New Mexico, the names of said claims and the book and page of record of the location notices thereof in the office of the County Clerk of Grant County and Hidalgo County, New Mexico, being as follows, to-wit:

<u>GRANT COUNTY</u>		<u>MINING LOCATIONS</u>	
<u>NAME</u>		<u>Book</u>	<u>Page</u>
Apache Gold		64	713
Apache Gold No. 1		65	390
Apache Gold No. 2		65	389
Apache Gold No. 3		65	554
Apache Gold No. 4		65	555
Apache Gold No. 5		65	556

<u>HIDALGO COUNTY</u>		<u>MINING LOCATIONS</u>	
<u>NAME</u>		<u>Book</u>	<u>Page</u>
Western Bell No. 3		19	199

together with the exclusive right, during the term of this lease, to possess and occupy all of said premises and to prospect for, develop, mine, extract and remove from said premises

530

all metals, minerals and mineral products found thereupon and therein, and in so doing make shafts, drifts and openings as may be necessary or convenient for such purpose.

Clause 2:

TERM OF AGREEMENT

The term of this agreement shall commence on November 1, 1978 and terminate on October 31, 1985, provided, however, that in the event ores are being profitably produced from said property, the Lessors grant to Lessee the option to extend this agreement for one additional period of five years on the same terms and conditions. In the event Lessee wishes to exercise such option, he shall prior to the expiration of the initial term herein granted, give to Lessors 30 days written notice of his intention to exercise such option.

Clause 3:

LESSOR'S TITLE

The Lessors covenant and agree with Lessee that all of said premises are free from liens and encumbrances and that said mining properties are valid subsisting unpatented lode mining claim under the laws of the United States and the State of New Mexico and that they have a good possessory title thereto.

Clause 4:

ROYALTIES

Upon all ores and minerals extracted, and bullion produced, removed and sold from said premises Lessee shall pay to the Lessors royalties computed upon the following basis:

10% of the net proceeds therefrom paid by the smelter, mill, reductions works or Government after deducting all smelter, mill or treatment charges.

Said royalty payments shall be made monthly on the 10th day of each month upon all ore and products extracted and sold during the preceding calendar month for which the Lessee has received payment. Said payment shall be accompanied by duplicate smelter, mill or treatment works settlement sheets and a statement of any deductions made therefrom in accordance with the foregoing not included in such settlement sheets.

Clause 5:

WORK REQUIREMENTS

Lessee shall do and perform upon said mining claims the annual labor and improvements required by the laws of the United States and the laws of the State of New Mexico, to keep and maintain the same in good standing as unpatented lode mining claims. Such work shall be done and the affidavits of the doing of the same shall be filed in the office of the County Clerk of Grant County, New Mexico, and the County Clerk of Hidalgo County, New Mexico, and with the Bureau of Land Management prior to the first day of July of each year beginning with the first day of July 1981. During such years as the assessment work requirement is suspended by Act of Congress, Lessee shall not be obligated to do such work but in such case, at the request of Lessee, Lessors shall

532

sign notice of intention to hold the unpatented lode mining claims covered by this Agreement and deliver the same to Lessee, which notice Lessee may file in the proper office and such filing shall be in lieu of the performance of said annual labor.

Clause 6:

COMPLIANCE WITH LAWS

Lessee shall comply with the Workman's Compensation Act of New Mexico; the New Mexico Unemployment Compensation Act; the New Mexico Occupational Disease Disability Act; the Federal Social Security Act, and all other legislation, federal and state, applicable to the working and operation of said premises, and shall make all payments, returns and reports required by such acts, and shall at all times save harmless said premises and the owners of and from any and all claims, actions, suits, liabilities for damages or compensation for any matter or thing arising out of the work and operations conducted in and upon said premises.

Lessee shall pay all labor, services and materials done, performed or furnished to or for said premises or for the work done thereon and shall not allow any claim or lien for any such thing to be effectually made or asserted against said premises or the Lessors.

533

Clause 7: INSPECTION BY LESSORS

The Lessors, or their agents authorized in writing, shall have the right at all reasonable times, when accompanied by a representative of the Lessee, but at their own risk, to enter into and upon said premises or the workings therein for the purpose of examining, inspecting and sampling the same and ascertaining whether the terms and conditions hereof are being carried out and performed by Lessee.

Clause 8: MISCELLANEOUS

- a. The royalty provisions in this agreement shall not only apply to the mining of minerals, but also to the mining and sale of silica in any form or any materials.
- b. It is understood that all ore mined from the above described premises shall be shipped separately or treated separately without being mixed with any ores mined from other operations, or properties, and assay reports together with the royalty computations therefrom shall be furnished the Lessors along with the settlement sheets at the time each payment is made. Lessors shall have the right at any time to sample and check the ores so mined, as well as the right to examine the records concerning assays, mill or smelter records of any ores mined from said mining claims afore named in this agreement, and a right to examine and copy same whether same be in possession of Lessee or others.

534

c. The granting of any extension of time hereunder by Lessors shall not create a right to or be deemed a consent to any succeeding or future extension.

d. The terms hereof shall be binding alike upon its devisees and/or assigns, or the heirs, administrators, successors of the parties hereto, and should it become necessary to enforce any provisions hereof by legal action, then in any judgment rendered for either party there shall be included therein his reasonable attorney's fees incurred in such action.

Clause 9:

TERMINATION

a. If Lessee shall fail to keep and perform any of the terms and conditions hereof upon him made incumbent, the Lessors shall notify the Lessee, in writing of such default specifying the exact nature thereof and, if Lessee shall within ninety (90) days from the giving of said notice fail to cure such default, then this agreement and all rights of the Lessee herein and his right to mine, occupy and possess said premises shall at once cease and determine; provided, however, that if such default is occasioned by labor dispute, strike, influx of water, act of God, or any other occurrence not within the control of Lessee, then such default shall not be grounds for terminating Lessee's rights herein in accordance with this paragraph.

b. Lessee may terminate upon written notice given to Lessors of his desire to do so.

From the date of the giving of such notice, Lessee shall be relieved of all obligations hereunder except payments which may then be due.

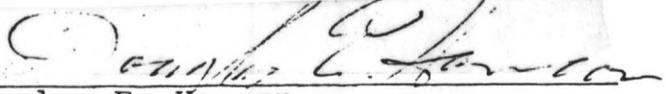
c. Upon the termination of this lease by either party, the Lessee shall have the right within ninety (90) days to remove any machinery, equipment, supplies, pumping and hoisting equipment. Lessee shall not remove headframes, electric wiring, rail, pipe, or timbers, devices which support the walls, shafts and tunnels on said properties.

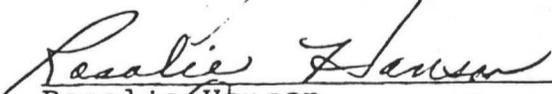
Clause 10:

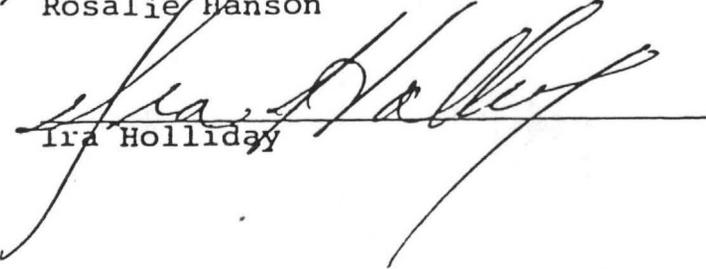
ASSIGNABILITY

Lessee shall have the right to assign his interest under this Agreement to a limited partnership in which he is the general partner, provided that such assignment shall not relieve him of his obligation to comply with all the terms and conditions contained in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement in duplicate originals.


Douglas E. Hanson


Rosalie Hanson


Ira Holliday

536

Arizona
STATE OF ~~NEW MEXICO~~)
COUNTY OF GRANT *Greaser*) SS

The above and foregoing instrument was acknowledged before me this 8th day of June, 1981 by DOUGLAS E. HANSON and ROSALIE HANSON, his wife.

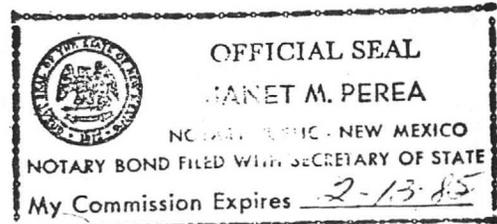
Chela P. Peterson

Notary Public

Mv Commission Expires June 9, 1981

STATE OF NEW MEXICO)
COUNTY OF GRANT) SS

The above and foregoing instrument was acknowledged before me this 16 day of June, 1981 by IRA HOLLIDAY.



Notary Public

SOCORRO ASSAY LAB

902 Cuba Road, S.E.
Socorro, New Mexico 87801

July 15, 1981

SAL # 6776

Dr. Rene Steensma
1303 Brown Dr. NW
Socorro, NM 87801

Dear Dr. Steensma,

Over the past few days I have received eight samples from floatation tests conducted by Mr. Tom McAnulty. Here are the assay results on these samples.

Sample Description	Gold oz/ton	Silver oz/ton	Lead %
Apache #2, tails	trace	trace	n.d.*
Apache # 2, scavenger	0.15	0.44	n.d.
Apache # 2, Conc.	1.9**	0.45**	n.d.
Apache # 3, tails	0.02	0.2	0.011
Apache # 3, Conc.	2.4	0.2	0.405
Apache # 5, tails	trace	trace	0.056
Apache # 5, Scavenger conc.	0.75	0.65	n.d.
Apache # 5, Conc.	2.2	4.2	0.653

*n.d.= not determined; ** average of two analyses

Thank you for your business. If I can be of further help, feel free to contact me.

Sincerely,

David A. Schwab

David A. Schwab
Assayer-chemist

XC: Mr. Tom McAnulty

TRANSMITTAL MEMO

FROM

WESTERN GENERAL RESOURCES INC.

To Rene DATE _____

- | | |
|--|--|
| <input type="checkbox"/> For your information | <input type="checkbox"/> Please reply and copy me |
| <input type="checkbox"/> Your comments, please | <input type="checkbox"/> Review and reply to _____ |
| <input type="checkbox"/> Review and call me | <input type="checkbox"/> Review and forward to _____ |
| <input type="checkbox"/> Review and file | <input type="checkbox"/> Attach previous correspondence and return to me |
| <input type="checkbox"/> Review and return to me | |

COMMENTS/REPLY

APACHE #2 CONC.

DAVE did 2 assays. 1st he got .150 oz/ton

2nd he got 3.65 oz/ton

added = $3.80/2 = 1.9$

however I took the percent fraction of each assay

$\frac{15}{100} \times 0.15 \text{ oz/ton} \rightarrow \text{weighted value } 2.7 \text{ oz/ton}$

$\frac{40}{100} \times 3.65 \text{ oz/ton} = \text{hopefully a more accurate number}$

SOCORRO ASSAY LAB
 902 Cuba Rd.
 Socorro, NM 87801

INVOICE NO.

6776

SOLD TO <i>Rene Steensma</i>			SHIPPED TO <i>Tom McNulty</i>		
STREET & NO. <i>1303 Brown Dr. NW</i>			STREET & NO. <i>NM Tech</i>		
CITY <i>Socorro</i>	STATE <i>NM</i>	ZIP <i>87801</i>	CITY <i>Socorro</i>	STATE <i>NM</i>	ZIP <i>87801</i>

CUSTOMER'S ORDER	SALESMAN	TERMS	F.O.B.	DATE <i>7-14-81</i>
------------------	----------	-------	--------	------------------------

<i>8</i>	<i>pulp samples for Au & Ag @ 6⁵⁰ each</i>			<i>52</i>	<i>00</i>
<i>4</i>	<i>" " for Pb @ 3⁵⁰ each</i>			<i>14</i>	<i>00</i>
				<i>66</i>	<i>00</i>
	<i>tax</i>			<i>2</i>	<i>64</i>
	<i>total</i>			<i>68</i>	<i>64</i>
	<i>Floatation test assays on Apache samples</i>				
	<i>#2 tails, scavenger & cons; #3 tails, cons; #5 tails,</i>				
	<i>scavenger conc & conc.</i>				

INVOICE

FOLLOWUP REPORT

GOLD ORE

INTRODUCTION

On June 24, 1981, a gold ore sample was received from Rene Steensma for flotation testing. The sample was prepared and sampled and a series of five flotation tests were done. The ore responded so well to bulk sulfide flotation that no further tests were needed.

PROCEDURES AND METHODS

One kilogram samples were ground in a laboratory rod mill for 20 minutes or 25 minutes each. The ore is very hard and requires long grinding times. As was stated in the preliminary report, the slimes gave no problems either in the flotation or in the filtering. The grinding test results are expanded in the preliminary report.

The ore samples were then put into a WEMCO laboratory float machine, conditioned for differing periods of time, then floated for a bulk sulfide concentrate. A second conditioning period might be done if a scavenger float was to be done. The different fractions would be filtered, dried, and preped for assay. The gold and silver were tested by fire assay and lead by Atomic Absorption.

TEST RESULTS

Test #1

A standard reagent scheme used Aero 317, (Sodium isobutyl zanthate) plus Aerofloat 208 to promote the sulfides to float. MIBC was used as the frothing agent. Because pyrite was present and often oxidized rapidly, NaHS was used to sulfize any oxidized pyrite

but it was soon evident that oxides were not a problem and NaHS was only used in one other test by mistake.

Test #2

The same promoters were added to this test as were added to the first test. The 208 was added in the scavenger float to see if it was necessary. Without it the first float had a weak froth. This and all remaining tests had sodium silicate added to disperse any slimes and to prevent them from floating. All the tests with the sodium silicate present had a reduced weight and higher grade.

Test #3

A different reagent, Pennfloat 3 in a kerosene emulsion, was tried. This reagent had worked well on another ore and was used in the same way for this ore. The NaHS was added as in the other ore. The reagent worked as well as the other reagent scheme, leaving the same amount of gold in the tails.

Test #4

Aerofloat 33 was added in test 4. It has been used for silver and lead and does a good job. It was added in the ball mill because of a tendency to overfroth if added after the ball mill. Since the ore has shown a weak froth at times, 33 can be good. The Aero 238 was added to float cell. Again, the recovery was as good as the other 20 minute grind times.

Test #5

Test 5 was a repeat of test 2 to see if the low tailings value was repeatable. A shorter first flotation time was used to see if a higher grade was possible. The scavenger float insured a complete recovery.

DISCUSSION

The bulk concentrates were predominately pyrite and the scavenger concentrates were silicates with some visible pyrites. The tails were mostly silicates with no visible pyrites.

The recovery is related to the fineness of grind. The ore gave .02 ounce gold in the tails, regardless of the reagent, if it was ground for 20 minutes, but if ground for 25 minutes, the tails showed only a trace of gold or silver.

TEST #	1ST CONC(oz/ton)	2ND CONC(oz/ton)	TAILS(oz/ton)
20 MINUTE GRIND			
TEST#1			
Au	1.48	0.00	0.02
Ag	0.40	0.22	0.00
TEST#3			
Au	2.40	----	0.02
Ag	0.20	----	0.20
TEST#4			
Au	2.20	----	0.02
Ag	3.85	----	0.04
25 MINUTE GRIND			
TEST#2			
Au	2.70	0.15	Trace
Ag	0.15	0.44	Trace
TEST#5			
Au	2.20	0.75	Trace
Ag	4.20	0.65	Trace

Test5 was floated a short time to see if a higher grade concentrate could be made but only more gold escaped to the scavenger float.

The silver and lead are both low in content and value in the sample tested. The silver was low enough that it was difficult to close the calculated head value with the assayed head value. Still, with the finer grinding, the silver is recovered almost 100 percent. The lead, likewise of low value, is recovered but at its low present level it is not economically of any value.

CONCLUSIONS

All the reagents used worked well. The concentration ratio varied between 12 and 18 and the total recovery from 88% to 96%. The reagent for a commercial operation will have to be determined by economic factors and perhaps a pilot plant run.

The separation of gold from the pyrite may be possible but only at finer grinding. No free gold was seen during any of the tests.

It is probable that only a single flotation step without a scavenger step can be done.

The gold is very easily concentrated by flotation with very high recoveries. It will have to be treated by some additional step to recover free gold but the ease with which it can be floated will allow fairly low grade ore to be economically treated if tonnage ore is available.

Thomas G. McAnulty

THOMAS G. McANULTY

METALLURGIST

TESTED BY J6M UNIT AND ORE TREATED Flotation Apache Gold (R.S.)
 TEST NO. 2 PROCESS OF TREATMENT Flotation
 DATE June 26, 1951

NO. _____ AU AG PB CU ZN % % % % % % % %
 NON-SULFIDE
 PB CU ZN
 % % %
 ASSAY OF HEADS _____

NO.	DESCRIPTION	DRY WEIGHTS		ASSAYS																			
		GRAMS	% TOTAL	PERCENT																			
				Au	g/ton	Ag																	
	<u>Conc</u>	<u>55</u>	<u>5.5</u>	<u>2.7</u>	<u>g*</u>	<u>.50</u>																	
	<u>Scavenger</u>	<u>20</u>	<u>2.0</u>	<u>.15</u>		<u>.44</u>																	
	<u>Tails</u>	<u>920</u>	<u>92.0</u>	<u>TRACE</u>		<u>TRACE</u>																	
		<u>995</u>																					
	* sum of two weighed fractions assays																						

METAL CONTENTS				RECOVERIES									
PRODUCT	Au g/ton	Ag											
CALC. HEAD	<u>1.55</u>	<u>.130</u>						100	100	100	100	100	100
<u>Conc</u>	<u>.179</u>	<u>.023</u>						<u>96.0</u>		<u>(17.7%)</u>			
<u>Scavenger</u>	<u>.003</u>	<u>.009</u>						<u>2.0</u>		<u>(6.9%)</u>			<u>very uneven</u>
<u>Tails</u>	<u>Trace</u>	<u>Trace</u>						<u>3%</u>		<u>(75)</u>			
<u>Trace < .01 g/ton</u>		<u>Trace < .1 g</u>											

REAGENTS						NOTES	
	GRIND	Conc	float	Conc	float		
MINUTES	<u>25 min</u>	<u>3+2</u>	<u>5 min</u>	<u>2</u>	<u>3</u>		
pH							
<u>317</u>		<u>.15 lb</u>					<u>will try for higher gold</u>
<u>diams. Sulfide</u>		<u>.4 lb</u>					<u>sulfides. Shorter float</u>
<u>MIBC</u>		<u>Schiff</u>					<u>time, also ground fine</u>
<u>208</u>			<u>.2 lb</u>	<u>.2 lb</u>			<u>The Pyrite is very easy to</u>
							<u>float. 317 + MIBC gives</u>
							<u>poor float. 208 gives</u>
							<u>good float</u>
							<u>little float material</u>

TESTED BY 13 UNIT AND ORE TREATED Pure Steamman Gold ore
 TEST NO. 9 PROCESS OF TREATMENT Powder Floation
 DATE 1.2.52

NO. _____ AU AG PB CU ZN % % % % % % %
 ASSAY OF HEADS _____

NON-SULFIDE
 PB CU ZN
 % % %

NO.	DESCRIPTION	DRY WEIGHTS		ASSAYS														
		GRAMS	% TOTAL	PERCENT														
				Au		Ag		Pb										
	8.50	98 g	8.9	2.1		7		1.05										
		912 g	91.2	0.2		0.5		2.1										

METAL CONTENTS

RECOVERIES

PRODUCT	Au	Ag	Pb	Cu	Zn	Fe	Si	Al	Mn	Ca	Mg
CALC. HEAD	.230	.0260	.0456	100	100	100	100	100	100	100	100
Conc	.211	.00176	.0356	96		.85					78
Tails	.018	.0182	.0100	4		99.1					22

REAGENTS

NOTES

REAGENTS	GRIND																	
MINUTES	20	5	5															
pH	not																	
concentr. em.		5ml	1ml															
TPENN 3																		
317		0.05	0.05															
MIBC		3d.																
238			0.05															
NaHS			0.1															

5ml of 1% Potassium
 TPENN 3 was
 added to the feed
 mill.
 Some pyrite float
 immediately
 then some more
 floated very slow
 some 238 at
 the end of
 to be benefited

TESTED BY TGM UNIT AND ORE TREATED Apple Gold 1000g
 TEST NO. 4 PROCESS OF TREATMENT Flotation
 DATE _____

NO. _____ AU AG PB CU ZN % % % % % %
 ASSAY OF HEADS _____

NON-SULFIDE

PB CU ZN
% % %

NO.	DESCRIPTION	DRY WEIGHTS		ASSAYS PERCENT								
		GRAMS	% TOTAL	Au	Ag							
507	Cone	55g	5.5	2.20	3.85							
508	Tails	945g	94.5	.02	.04							
	Reeds	1000g	100	.1399								

METAL CONTENTS

RECOVERIES

PRODUCT	Au	Ag							
CALC. HEAD	0.141	2.56			100	100	100	100	100
Cone	0.122	.212							
Tails	0.019	.038							

REAGENTS

NOTES

	GRIND	Grind	Float						
MINUTES	20								
pH	7.5	2.5	8.0						
AC 33	.0518/tm								
NaOH (1.1m)	25ml = .316/tm								
AC 238	.0116/tm								
MIBC	3 drops = .0416/tm								
Sodium Sulfide	.0316/tm								

Add AC 33 in ball

TESTED BY J6m UNIT AND ORE TREATED Repeat Test 2

TEST NO. 5 PROCESS OF TREATMENT _____

DATE _____

NO. _____ AU AG PB CU ZN % % % % % %
NON-SULFIDE
 PH CU ZN
 % % %

ASSAY OF HEADS _____

NO.	DESCRIPTION	DRY WEIGHTS		ASSAYS								
		GRAMS	% TOTAL	PERCENT								
	Conc	53	5.3	Au	Ag							
	Scavenger	14	1.4	.75	.65							
	TAILS	935	93.5	trace	trace							
		1602										

METAL CONTENTS

RECOVERIES

PRODUCT	Au	Ag			Ag	Au			
CALC HEAD	.833mg	.280			100	100	100	100	100
Conc	.117	.222			79.3	88.0			
Scavenger Conc	.011	.009			3.2	8.3			
Tails	(.005)*	(.05)*			17.8	3.7			

* estimated
 1/2 Alac = 1/2 error
 limit of assay

REAGENTS

NOTES

	GRIND	Cond	Flot	Cond	Flot				
MINUTES	25	3	25	2	5				
pH	Natural								
317		.15/6							
Sod. Sila		.4/6							
MIBC		5 drops = .0616/lm							
208				.2/6					

