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PRELIMINARY RECONNAISSANCE EXAMINATION

Date: 7/12/70

By: Dennis Fischer

Name of Property: Sheep Rock

State: Utah

County: Tooele

Location: Sec. 31, 32, T9S, R6W Salt
5, 6, 7, 8, 9 T10S, Lake

District:

Date of this Report: 7/12/70 Meridian:

Map & Aerial Photo Ref.:

Extent of Property: 4 patented claims mineral survey #3093
70 unpatented

Ownership (Name & Address): Leased or Optioned to (Name & Address):

Facilities: Earl Clinger XL Minerals Corp.

(a) Accessibilities (Roads, Trails,
etc.):

(f) Water:

Springs on property

(b) Air Fields: Good dirt road
14 miles north of Delta Utah

(g) Labor:

(c) Power: 14 miles north

(h) Climate: 6000 - 7000 feet

(d) Telephone: "

(i) Supply Source: Salt Lake City

(e) Housing: Delta

(j) Miscellaneous:

Railroad 14 miles north.

Type of Deposit: (Describe briefly under following headings; Structure, Lithology, Mineralogy, Stratigraphic conditions, Physiographic conditions, Reserves, Possible Extensions, Geology, Geophysics & Drilling):

The ore is both sulphid and oxide copper as chalcopyrite, malachite and azurite. Rock type is a coarse grained qtz. monzonite associated with some limestone, quartzite and porphyry dikes. The mineralization seems to occur with abundant iron oxides and sulfides (pyrite, siderite, ilmenite? specularite). The area also shows fluorite and pitchblende but lacks any alteration zone to speak of.

Mine Workings: (Brief description of methods used, map to be attached if available)

There are several small drifts, includes and shafts over the area.
There is one 700 foot drift which caved shut at the entrance.

Production Data: (Past, present and possible future)

Several dump samples assaying around 2.5-3% total copper.
Taken by Jerry Glazier.

Sampling and Analysis: (By whom--Results)

Mining Equipment on Property: **None**

Mill Equipment on Property: **None**

Misc. Equipment on Property: **8 - 10 shacks**

Camp Facilities: **None**

Ore Reserve Estimates: **?**

Recommendations and Conclusions:

The host rock and ore signs indicate that there is a good possibility of ore at depth along shear zones. I would recommend an I.P. survey followed by drilling based on I.P. results.

References: (Bibliography, Maps, Former Workers or Engineers)

Earl Clinger - personal knowledge



HEINRICHS GEOEXPLORATION COMPANY

806 WEST GRANT ROAD, TUCSON, ARIZONA, 85703. P.O. BOX 5671. PHONE: (AREA CODE 602) 623-0578

August 24, 1970

To:

Mr. Howard Lanier
ESSEX International Inc.
Room 222, Sun Building
2030 E. Speedway
Tucson, Arizona 85716

From: D. Cooley

Re: Sheep Rock Exploration Proposal

Enclosed is a list of assays taken from this property during our examination trip earlier this month. Our recommended procedure for evaluating the property is as follows:

1. In the field - on the ground, locate the claim perimeter. At this time, the boundaries are essentially unknown.
2. Check the literature as listed below. This will be a help in subsequent work.
3. While locating the claim group perimeter, some reconnaissance geology should be underway. If the literature is sufficiently helpful an absolute minimum of new reconnaissance geology may be all that is necessary - mainly confirmatory and to provide familiarity required for future interpretation.
4. Approximately 6 to 8 reconnaissance I.P. lines should be run over the property. The exact orientation or amount of coverage cannot be determined until the preceding recommendations have been completed. Because of the difficult access and lack of established control this project will be somewhat slower than usual and 18 to 24 field days may be consumed under existing conditions. We expect that the crews will be able to

Cont'd.....

stay on the property, preferably in the house that is there. The cost for this should run between \$7,200.00 and \$9,600.00, hopefully toward the lower of these two figures. This area has been investigated by the AEC for uranium and this information will be checked into.

Assay Results:

The three samples taken along the top of the dump at the main tunnel are 0.16%, 0.28% and 0.32% copper which is only indicative that copper mineralization exists in the rock mined.

The two samples taken from the Porcupine Tunnel are 0.55% and 0.30% copper.

At the shafts above the main tunnel, the sample along the top of the dump ran 0.66% copper and the composite sample down the side of the dump was 0.12% copper.

The grab samples of "black iron and manganese oxide" taken from the side of the hill above the road down to the property ran 1.03% copper, but was selected from the dumps.

The sample selected from the dump by Earl Clinger as representative from the clay in the Big Fracture in the main tunnel has 0.79% copper.

The composite sample from the dump behind the house ran 0.45% copper.

Publications:

Geology of the Sheep Rock Mountains, Tooele County, Utah, R.E. Cohenour, 1959, 200 pp. Utah Geological and Mineralogical Survey, 103 Utah Geological Survey Building, University of Utah, Salt Lake City, Utah, 84112.

U.S. Geological Survey:

Professional Paper 575C - 1967 - Breccia Pipes in the West Tintic and Sheep Rock Mountains, Utah.

Enclosure - Extra cc:

DBC/re:

February 15, 1971

Mr. Jerry Glazier
Glazier Construction Co.
P.O. Box 247
Hurricane, Utah 84737

Dear Jerry:

I have re-written the mineral lease for the Sheep Rock property and suggest the following changes be included. I am returning the agreement that you forwarded. As I understand, you would like to retain the signature page intact, consequently we cannot have more than ten items in the agreement. You will note that you inadvertently had two Item 5's. I am suggesting that the article on Utilities be included as a separate paragraph in Item 6, "Taxes and Assessment Work."

Page 1 - Item 1

Lessor does hereby lease to Lessee under the terms and conditions hereinafter contained, and Lessee does hereby lease from Lessor the above described property for the purposes as above set forth. Lessee shall come into possession of said property and premises and commence for a one (1) year option development period for prospecting and development of said properties for commercial mining operations on all or part of said Leaseholds in such manner and to such extent that Lessee in Lessee's sole judgment may deem to be desirable. In the event Lessee desires to remove any of the cabins or any of the improvements located upon said Leasehold, cabins or any other improvements shall be re-established in a place suitable to both Lessee and Lessor. The development and prospecting work shall consist of all such developing and prospecting work familiar to the development of mining properties including but not being limited to diamond drilling, trenching, crosscutting, sampling, construction of roads, dams, buildings and other structures, the drilling of water wells, and the

Mr. Jerry Glazier
Hurricane, Utah

February 15, 1971

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installation of pipelines, machinery and equipment. Any water encountered or improvements made on said property during the prospecting and development of the same or during the term of this Lease and Option shall remain with the property and shall not be sold or conveyed off the property.

Page 2 - Item 2

MINING OPERATIONS. Upon completion of the development of ore reserves and in the event Lessee shall determine with its sole judgment that all or part of the Leasehold can be commercially mined at a reasonable profit, Lessee will commence mining operations on the Leasehold and thereafter will continue such mining operations in a good and minerlike manner consistent with economical mining and with general economic conditions and in compliance with applicable laws and applicable rules, regulations and orders of governmental and state agencies. The continued development of said properties for said purposes as above set forth shall be at Lessee's sole discretion and option, and in the event Lessee determines not to develop the same then this Agreement shall become null and void and of no further force and effect.

Page 3 - Item 4

Insert the work "option" in the third line between the words "year" and "period."

Page 3 - Item 5

Change title to **ROYALTY AND RENTAL.** As and for a royalty to be paid to Lessor by Lessee, from and after the initial one year option period as above set forth, Lessee shall pay minimum rental of \$500.00 per month commencing July 15, 1971 or a 2½¢ per pound royalty, which ever is greater, on all copper produced for sale from said property and Leasehold. Also Lessee shall pay to Lessor a 10% royalty on all net mill or net smelter return or on other materials mined or milled upon said property. The term "net smelter returns" as used in the foregoing royalty provision shall mean the amount received from

Mr. Jerry Glazier
Hurricane, Utah

February 15, 1971

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the smelter upon the sale of such ores or concentrates after deducting from the gross value thereof the costs of milling, smelting, transportation and taxes. At the time the royalty payments are made to Lessor, Lessee shall give to Lessor copies of all buyer's smelter statements. Said royalties shall be paid to Lessor's account at the Hurricane Branch, Zion's First National Bank, Hurricane, Utah before the 15th of each month.

Lessee may terminate this Lease Agreement at any time during the term hereof by giving thirty (30) days prior notice in writing to Lessors. In the event of any default by Lessee in any of its payment obligations hereunder, Lessors shall give to Lessee written notice specifying the default. If the default is not cured within thirty (30) days after Lessee has received the notice, Lessors may terminate this Lease Agreement by delivering to Lessee written notice of such termination, subject to the right of Lessee to remove, for a period of ninety (90) days thereafter, all property and equipment placed or installed upon the Subject Premises by Lessee. Neither party shall have any right to terminate this Lease Agreement except as set forth in this paragraph.

Page 4 - Item 9

EXTENT OF LEASE. In the event the Lessee exercises the option to retain the lease following the one year option period, the term of the lease will be for a period of 99 years from and after the date of this lease agreement, and as long thereafter as ores, minerals or other materials are mined and moved from the premises on a continuous basis in paying quantities unless sooner terminated as provided under Section 5 of this agreement. For the purposes of this agreement operations shall be termed continuous so long as mining, processing or marketing operations do not cease for a period of more than 180 consecutive days.

Page 4 - Item 7

Should be re-titled TITLE WARRANTEE AND IMPAIRMENT OF LESSEE'S OR LESSOR'S RIGHTS. The following paragraph should be included as the first paragraph of Item 7:

Mr. Jerry Glazier
Hurricane, Utah

February 15, 1971

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Lessors warrant that they have good and sufficient title to the Subject Premises. If--(i) in the opinion of Lessee's counsel, Lessors' title to any of the Subject Premises is defective, or (ii) Lessors' title is contested by any third party--and if Lessors are unable or unwilling to promptly correct the defects or alleged defects in title, Lessee may defend or initiate litigation to protect Lessors' title. In that event, Lessors shall execute all documents and shall take such other actions as are reasonably necessary to assist Lessee in its efforts to perfect, defend or protect Lessors' title and all costs and expenses therefor (including, but without being limited to, the costs of attorney's fees and the cost of releasing or satisfying any mortgages, liens or encumbrances) shall be a credit against any payment thereafter to be made to Lessors under this Lease Agreement unless the encumbrance or dispute arises from Lessee's failure to perform its obligations hereunder (in which case such costs shall be borne by Lessee). Nothing contained in this paragraph shall limit or diminish Lessee's right to terminate this Lease Agreement at any time as provided above.

During the life of this Lease, Lessee and Lessor will not do, cause, or permit to be done any act or thing that might prejudice, impair, or burden either parties rights hereunder, and will not convey, or suffer any encumbrance to be placed on all or any part of the Leasehold.

Once you have had an opportunity to review this it may be necessary to clarify some of the points by telephone.

Very truly yours,

ESSEX INTERNATIONAL, INC.

Howard Lanier, General Manager
Copper Operations

HL:td

cc: Lynn Burr

MINERAL LEASE AND OPTION

This indenture of Lease and Option Agreement entered into this 18 day of July, 1970, by and between X L MINERALS CORPORATION, a Utah Corporation, of Hurricane, Washington County, State of Utah, hereinafter called Lessor, and DIXIE BASIN SMELTERS CORPORATION, a Nevada Corporation, of Las Vegas, Nevada, and their assigns, hereinafter called Lessee, WITNESSETH:

WHEREAS Lessor is the Owner of certain patented and unpatented mining claims situated in the Erickson Mining District, Tooele County, State of Utah, and particularly described in "Schedule A" which is attached hereto and hereby made a part of this Agreement as though fully incorporated herein; and

WHEREAS Lessee is desirous of prospecting and developing the said property for minerals, metals, ores, gas, hydro-carbon substances and other inorganic substances located in, on or under the surface of the Leasehold, and Lessor is in accord with said desires and desires to lease the same to Lessee for said purposes;

NOW THEREFORE in consideration of the premises, and of the covenants and agreements hereinafter contained, it is agreed by and between the parties hereto as follows to-wit:

1. Lessor does hereby Lease to Lessee, under the terms and conditions hereinafter contained, and Lessee does hereby Lease from Lessor, the above described property, for the purposes as above set forth. (Lessee shall come into possession of said property and premises, and commence, after a One (1) year development period, (the prospecting and developing of said properties) for commercial mining and milling operations,) on all or part of said Leasehold, in such manner and to such extent that Lessee in Lessee's sole judgment may deem to be desireable. X In the event Lessee desires to remove any of the cabins or any of the improvements located upon said Leasehold, cabins or any other improvements shall be re-established in a place suitable to both

X Lessee and Lessor. The development and prospecting work shall consist of all such developing and prospecting work familiar to the development of mining properties including but not being limited to diamond drilling, trenching, crosscutting, sampling, construction of roads, dams, buildings and other structures, the drilling of water wells, and the installation of pipelines, machinery and equipment. Any water encountered ^{or improvements made} on said property during the prospecting and development of the same or during the term of this Lease and Option shall remain with the property and shall not be sold or conveyed off the property.

2. MINING OPERATIONS. Upon completion of the development of ^{ORE RESERVES} program contemplated for the first year of this Lease and Option ^{or more time is necessary to complete said program.} Agreement, and in the event Lessee shall determine with its Sole Judgment, that all or part of the Leasehold can be commercially mined at a reasonable profit, Lessee will commence mining operations on the Leasehold and thereafter will continue such mining operations in a good and minerlike manner consistent with economical mining and with general economic conditions and in compliance with applicable laws and applicable rules, regulations and orders of governmental and state agencies. The continued development of said properties for said purposes as above set forth shall be at Lessee's sole discretion and option, and in the event Lessee determines not to develop the same then this Agreement shall become null and void and of no further force and effect.

3. Lessee shall have the right to mine, remove, process and sell any and all metals, ores, gas, hydro-carbon substances, and other mineral and inorganic substances located in or under the surface of the Leasehold and in connection therewith Lessee, shall have the right to erect structures, buildings and facilities, and the right to make excavations, pits, tunnels and other openings and otherwise may use the Leasehold, and may conduct operations thereon in such manner as he may deem necessary or convenient in

accordance with good mining practices.

4. As consideration for the granting of this mineral lease and option and for the right to develop said properties for the above said one year ^{option} period, the said Lessee shall pay to Lessor the sum of \$1,000.00, said sum to be paid within 60 days from the date of this agreement. No further rental or royalty payments shall be required during the first year of this agreement.

5. ROYALTY. As and for a royalty to be paid to Lessor by Lessee, from and after the initial one year ^{option} period as above set forth, Lessee shall pay to Lessor two and one-half cents per pound on all copper ^{Sold, use for sale, for use or storage in any way} produced from said property and leasehold and Lessee shall pay to Lessor a ten per cent royalty on all net mill or smelter returns on all other metals mined or milled upon said property. The term "net smelter returns" as used in the foregoing royalty provision shall mean the amount received from the mill or smelter upon the sale ^{or use, in the event it is held, ten percent of the current value reasonable} of such ores or concentrates after deducting from the gross value thereof the costs of milling, ^{AND TRANSPORTATION.} or smelting. At the time the royalty payments are made to Lessor, said Lessee shall give to Lessor copies of all buyer's smelter statements. The minimum Royalty to be paid hereunder shall be the sum of \$500.00 per month, commencing ^{July 15, 1971.} at the expiration of the ~~abovesaid prospecting and developing period.~~ Said royalties shall be paid to Lessor's account at the Hurricane Branch, Zion's First National Bank, Hurricane, Utah before the 15th of each month.

Failure to meet the minimum royalty payments as provided for by this lease agreement shall be cause for immediate cancellation of this lease. Lessee's obligation to pay royalty hereunder shall terminate (except as to accrued and unpaid royalties) upon lessee's termination of this lease provided lessor is notified by mail 30 days before cancellation date, and surrender of the lease. Lessee shall have the right to terminate upon giving such notice.

UTILITIES. During the life of this lease, lessee shall

Permit
This lease shall be subject to be approved by the state and county health department.

Suggest this be included as part of 6

have the right to authorize any public or private utility Company to erect, and maintain electric connections, gas lines, or water lines upon the Leasehold, and, if necessary or appropriate, Lessor will grant and by executing this Lease, does grant to the Utility Company or Companies the required easements and rights of way.

6. TAXES AND ASSESSMENT WORK. During the life of this Lease, Lessee will pay all taxes and assessments levied on the Leasehold, and will do or cause to be done all required Assessment Work, and file Proof of Labor for same in the name of the Lessor and give notification of the same to Lessor thirty days prior to the expiration date for filing Annual Proof of Labor according to State and governmental Laws. A copy of all paid tax receipts and assessments should also be sent to Lessor by Lessee. Lessee shall have the right at any time to patent any or all of the unpatented mining claims covered by this Lease in Lessor's name.

7. IMPAIRMENT OF LESSEE'S OR LESSOR'S RIGHTS. During the life of this Lease, Lessee and Lessor will not do, cause, or permit to be done any act or thing that might prejudice, impair, or burden either parties rights hereunder, and will not convey, or suffer any encumbrance to be placed on all or any part of the Leasehold.

8. INSPECTION. Lessor shall have the right during ordinary working hours and at reasonable intervals to make reasonable inspection of Lessee's operations on the Leasehold and of Lessee's records relating to the ore or other substances mined or removed from the Leasehold and sold and paid for.

9. EXTENT OF LEASE: In the event the Option is exercised the Lease will be for a period of ten (10) years, ending August 1, 1981). At that time if both Parties are agreeable and no legal actions are pending, the Lessor will extend the Lease for an additional ten (10) years, with a renewable clause for another ten (10) years; upon the same terms and conditions as herein set forth for the original Lease, Forty nine years being the total length of this Lease.

Add the paragraph referred to as "Utilities" to this section

Change to TITLE WARRANT & add a paragraph warrant of title.

New Paragraph

Reverts

the lessee is living up to all the agreements contained in this lease
and no legal actions are pending
also renewable again up to and including 49 years
Forty nine years being the total length of this lease.

Duane B. Herbert
Notary Public

My Commission Expires 6-5-71

Residing at Orem, Utah

STATE OF Utah)
COUNTY OF Utah) SS

On this 18th day of July, 1970 personally appeared before me Jerry Alzini and Leon Alzini who being by me duly sworn did say, each for himself that he, the said Jerry Alzini is the president, and he, the said Leon Alzini is the secretary of DIXIE BASIN SMELTERS CORPORATION and that the within and foregoing instrument was signed in behalf of said corporation by authority of a resolution of its board of directors and said Jerry Alzini and Leon Alzini each duly acknowledged to me that said corporation executed the same and that the seal affixed is the seal of said corporation.

Oscar Barrick
Notary Public

My Commission Expires 8-15-74

Residing at Parrish, Utah

"SCHEDULE A"

The mining claims identified as the "Leasehold" in the foregoing Lease and Option Agreement owned by XL MINERALS CORPORATION, and situated in the Erickson Mining District in Tooele County, State of Utah, are described as follows: UNPATENTED CLAIMS

Silver Lode and Silver Lode Nos. 1, 2, 3 and 4. Silver Lode Extension and Silver Lode Extension Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, and 17. East Silver Lode and East Silver Lode Nos. 1, 2, 3, 4, 5, 6, 7, 9 and 10. West Extension Silver Lode and West Extension Silver Lode No. 1. West Silver Lode Nos. 5, 6, 10 and 11.

Contact Nos. 1, 2, 3, 4 and 5. Contact Nos. 1A, 2A, 3A, 4A and 5A. Contact Extension Nos. 1, 2, 3, 4 and 5. Contact Extension Nos. 4A and 5A. East Contact and East Contact Nos. 1, 2, 3 and 8. East Contact Extension and East Contact Extension Nos. 1 and 2. East Contact 4, 5, 6 and 7.

PATENTED MINING CLAIMS

Silver King, Silver King Nos. 1, 2 and 3, Survey No. 3093, containing 80.280 Acres.

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PRELIMINARY RECONNAISSANCE EXAMINATION

Date: July 6, 1970

By: Earl J. Clinger, President

Name of Property: XL MINERALS CORP.
a Utah Corporation

State: Utah

County: Tooele

Location: in Sheeprock Mountains

District: Erickson

Aprox. Secs. 5,6,7,8,9 Tps 9 & 10 S. R. 6 W. (claims are on unsurveyed land)

Date of this Report: July 6, 1970

By: Earl J. Clinger, President and
Jerry Glazier

Map & Aerial Photo Ref.: Map attached

Extent of Property: 4 Patented Claims, Mineral Survey No. 3093 and 66 other claims held
by Location (See map for sections Tp. and Range.)

Ownership (Name & Address):

Leased or Optioned to (Name & Address):

XL MINERALS CORPORATION, EARL J. CLINGER, Pres., P.O. Box 94, Hurricane, Utah 84737

Facilities:

(a) Accessibilities (Roads, Trails,
Roads fair etc.):

(f) Water: Plenty of water available

(b) Air Fields: very good place
for air strip close by.

(g) Labor:

(c) Power: Power line within about
10 miles at Vernon, Utah

(h) Climate: work can continue year around

(d) Telephone: telephone line
within about 10 miles at Vernon, Utah

(i) Supply Source: about 70 miles from Salt Lake

(e) Housing: nice camp site
2 cabins & shop

(j) Miscellaneous:

Type of Deposit: (Describe briefly under following headings; Structure, Lithology,
Mineralogy, Stratigraphic conditions, Physiographic conditions,
Reserves, Possible Extensions, Geology, Geophysics & Drilling):

Mostly monzonite contacted with quartzite and lime. In the area of this group of
claims, a monzonite stock has cut lower Paleozoic sedimentary and metamorphic rocks.
The metamorphic rocks are primarily a brownish quartzite (Tintic) of lower
Cambrian Age. These claims have a good copper showing over a large area. We grid
sampled it and took 83 samples and they all showed values in copper and silver.
A core drilling program is recommended.

Mine Workings: (Brief description of methods used, map to be attached if available)

Map shows mine workings and also bulldozer cuts. One 700 ft. drift, with dump
consisting of 5,000 tons, averaging 1.07% Cu. No. 1 shaft on Silver King Lode Claim 75 ft. deep,
dump assayed 2.53 Cu. 2 shafts on Silver King No. 2 Claim each is 70 ft deep, dumps assayed
3.40 Cu. Porcupine Drift 150 ft. on Silver King No. 3, dump assayed 2.51 Cu.

The 700 ft drift was run in 1953 using track and mucking machine.

Production Data: (Past, present and possible future)

Property has produced but we have no record of its production.

Sampling and Analysis: (By whom--Results)

Brown and Brown, Eureka, Utah/ ^{sampled} most of our ore. The high est sample from 700 ft
drift was 13.8% copper, 22 oz. in silver and .12 oz in gold. Hand picked samples 43% Cu. and 56 oz.
Ag., and 2% U308.

PRELIMINARY RECONNAISSANCE EXAMINATION

Mining Equipment on Property: None
Date:

Mill Equipment on Property: None
County: State:

Misc. Equipment on Property: About \$600.00 worth of timber on property
Date of this Report: By:

Camp Facilities: Wood and water available. Good campsite.
Extent of Property: Ownership (Name & Address):

Ore Reserve Estimates: All of the workings have been too shallow to show a complete copper reserves. Four holes drilled by AEC showed that copper increased in value at depth as did the Uranium also. The holes were drilled on an angle with a vertical depth of 120 ft. Large tonnage looks very promising.
Recommendations and Conclusions:

We recommend a drilling program and development work.

References: (Bibliography, Maps, Former Workers or Engineers)

Mine workings: (Brief description of methods used, map to be attached if available)

Production Data: (Past, present and possible future)

Sampling and Analysis: (By whom - results)

290655

No. _____
RECORDED AT THE REQUEST OF Earl Clinger
DATE JUN 29 1970 TIME 11:30 a.m.
BOOK 96 OF RECORDS PAGE 7 FILE 14
Ida J. Long
Tooele County Recorder
IDA JOHNSON LONG

PROOF OF LABOR

State of Utah)
) ss.
County of Washington)

Earl J. Clinger, being first duly sworn, deposes and says: That he is a citizen of the United States, over the age of 21 years, residing at Hurricane, Utah; That he is the President of the XL MINERALS CORPORATION, (formerly IXL Uranium Corporation) owner of the following named mining claims and as such President is personally acquainted with the said claims and that said claims are situated in the Sheeprock Mountains, East Erickson Mining District, Tooele County, Utah.

Further, that he, as such President, duly caused work to be done on the Silver Lode and other claims in the form of drilling, tunnel, shaft, open cut and other work and road and cabin repair in the amount of \$6,435.00. Said claims are all grouped together and said work was done under Earl J. Clinger's direction for the benefit and improvement of the following described mining claims, to-wit:

Silver Lode and Silver Lode Nos. 1, 2, 3 and 4. Silver Lode Extension and Silver Lode Extension Nos. 1, 2, 3,4,5,6,7,8,9,10,11,12,14,15 and 17. East Silver Lode and East Silver Lode Nos. 1,2,3,4,5,6,7,9 and 10. West Extension Silver Lode and West Extension Silver Lode No.1. West Silver Lode Nos. 5,6,10 and 11.

Contact Nos. 1,2,3,4 and 5. Contact Nos. 1A 2A,3A,4A and 5A. Contact Extension Nos. 1,2,3,4 and 5. Contact Extension Nos.4A and 5A. East Contact and East Contact Nos. 1,2,3 and 8. East Contact Extension and East Contact Extension Nos. 1 and 2.

That said work was done and improvements made for the year commencing July 1, 1969 and ending July 1, 1970 and still continues.

IN WITNESS WHEREOF my hand and seal this 27 day of June, A.D.1970.

Earl J. Clinger
President of XL MINERALS CORPORATION
(Formerly IXL URANIUM CORPORATION)

Subscribed and sworn to before me this 27 day of June, A.D.1970

Grant Wright
Notary Public, Residing at Hurricane, Utah

My Commission Expires April 15, 1972

Recorded at Request of Earl J. Clinger
 at 4:05 P. M. Fee Paid \$ 3.50 Isa J. Long - Tooele County Recorder
 by _____ Dep. Book 89 Page 190 Ref.: _____
 Mail tax notice to _____ Address _____

QUIT-CLAIM DEED

EARL J. CLINGER AND GLADYS H. CLINGER, husband and wife,
 of Hurricane _____, County of Washington, State of Utah, hereby
 QUIT-CLAIM to XL MINERALS CORPORATION, a Utah Corporation

of Hurricane, Utah
 Ten Dollars and other valuable consideration
 grantee for the sum of DOLLARS,

Patented Mining Claims and unpatented Mining Claims
 the following described ~~tract of land~~ Erickson Mining District, Tooele County,
 State of Utah:

Silver King, Silver King #1, 2 and 3, Survey #3093, Containing 80.280
 Acres.

Also all other Mining Claims contiguous and adjoining the Silver King
 Group, including the Silver Lode.

Together with all improvements and appurtenances.

WITNESS the hand^s of said grantor^s, this 29th day of
 August, A. D. one thousand nine hundred and Sixty Nine

Signed in the presence of
Paul M. Croger }
Earl J. Clinger
Gladys H. Clinger

STATE OF UTAH, }
 County of Washington } ss.

On the 29th day of August A. D. one
 thousand nine hundred and Sixty Nine personally appeared before me
 Earl J. Clinger and Gladys H. Clinger, husband and wife

the signer^s of the foregoing instrument, who duly acknowledged to me that they executed the
 same.

Grant Wright
 Notary Public.
 Address: Hurricane, Utah

My commission expires
April 15, 1972

COPY

CORRECTED

QUIT-CLAIM DEED

EARL J. CLINGER AND GLADYS H. CLINGER, husband and wife, and IXL URANIUM CORPORATION, a Nevada Corporation, by Earl J. Clinger, Pres. Grantors of Hurricane, County of Washington, State of Utah, hereby QUIT-CLAIM to XL MINERALS CORPORATION, a Utah Corporation, grantee of Hurricane, Utah for the sum of Ten Dollars and other valuable consideration the following described Patented Mining Claims and unpatented Mining Claims in the Erickson Mining District, Tooele County, State of Utah:

Silver King, Silver King No.1, 2 and 3, Survey No. 3093, containing 80.280 Acres.

Silver Lode and Silver Lode Nos. 1, 2, 3 and 4. Silver Lode Extension and Silver Lode Extension Nos. 1, 2,3,4,5,6,7,8,9,10,11,12,14,15 and 17. East Silver Lode and East Silver Lode Nos. 1,2,3,4,5,6,7,9 and 10. West Extension Silver Lode and West Extension Silver Lode No.1. West Silver Lode Nos. 5,6,10 and 11.

Contact Nos. 1,2,3,4 and 5. Contact Nos. 1A,2A,3A,4A and 5A. Contact Extension Nos. 1,2,3,4 and 5. Contact Extension Nos. 4A and 5A. East Contact and East Contact Nos. 1,2,3 and 8. East Contact Extension and East Contact Extension Nos. 1 and 2.

This deed is a correction of Quit-Claim Deed dated August 29th, A.D. 1969 and recorded in Book 89 Page 190.

The above sixty-six claims are quit-claimed together with all improvements and appurtenances thereto, belonging.

(See IXL URANIUM CORPORATION Minutes of March 8, 1969 for authorization to transfer above properties to XL MINERALS CORPORATION.)

WITNESS the hands of said grantors, this 10th day of July A.D. 1970.

Signed in the presence of
Jerry Glazier

Earl J. Clinger
Earl J. Clinger
Gladys H. Clinger
Gladys H. Clinger

ATTEST:
Gladys H. Clinger
Asst. Secretary

IXL URANIUM CORPORATION
By Earl J. Clinger Pres.

State of Utah }
County of Washington } ss.

On the 10th day of July, A.D. 1970 personally appeared before me Earl J. Clinger and Gladys H. Clinger, husband and wife, and Earl J. Clinger, Pres. of IXL URANIUM CORPORATION, the signers of the foregoing instrument, who duly acknowledged to me that they executed the same, personally and by a resolution of the Board of Directors of IXL Uranium Corporation.

GRANT WRIGHT
Notary Public, residing at Hurricane, Utah.
My Commission Expires April 15, 1972

(Seal)

WARRANTY DEED

OLIVE M. MARSHALL, a Widow,

Grantor, of Salt Lake City in the County of Salt Lake State of Utah, hereby convey^s and warrant^s to EARL J. CLINGER

Grantee, of Orem, Utah County, State of Utah, for the sum of One Dollar and other valuable consideration ~~DOLLARS~~ Patented Mining Claims the following described tract of land in Tooele County, State of Utah, to-wit:

Silver King, Silver King No.1, Silver King No.2, and Silver King No.3 known as Survey No.3093, containing 80.280 Acres, more or less, situated in the Erikson Mining District, Tooele County, Utah.



WITNESS THE HAND of said Grantor, this 12th day of September, A. D. 19 53.

Signed in the presence of

Olive M. Marshall

Gladys H. Clinger

STATE OF UTAH,

County of Salt Lake

} ss.

On the 12th day of September, A. D. 1953, personally appeared

before me, a Notary Public in and for the State of Utah, OLIVE M. MARSHALL, a

Widow,

the grantor of the above instrument, who duly acknowledged to me that she executed the same.

Olive M. Marshall
Notary Public

My commission expires 12/31/54 Residence Salt Lake City, Utah



WARRANTY DEED

No. 248370

Grantor

Date Sept. 12, 1953 Grantee

Recorded at the request of Earl F. Clinger Dec. 8, 1957

at 4:35 o'clock P. M. in Book 9 of Deeds Page 294-295

Recorder *Ross O. Thompson* (County, Utah) Deputy

Received by _____
Recorded by _____
Proof-read by _____
Indexed _____
Abstracted _____
Fees Paid \$ _____
Mail to _____

Grantor
Grantee

Book
Page

Box 368

"SCHEDULE A"

The mining claims identified as the "Leasehold" in the foregoing Lease and Option Agreement owned by XL MINERALS CORPORATION, and situated in the Erickson Mining District in Tooele County, State of Utah, are described as follows: UNPATENTED CLAIMS

Silver Lode and Silver Lode Nos. 1, 2, 3 and 4. Silver Lode Extension and Silver Lode Extension Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, and 17. East Silver Lode and East Silver Lode Nos. 1, 2, 3, 4, 5, 6, 7, 9 and 10. West Extension Silver Lode and West Extension Silver Lode No. 1. West Silver Lode Nos. 5, 6, 10 and 11.

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PATENTED MINING CLAIMS

Silver King, Silver King Nos. 1, 2 and 3, Survey No. 3093, containing 80.280 Acres.

.....

SXM

AUG 25 1970

RECEIVED



HEINRICHS GEOEXPLORATION COMPANY

806 WEST GRANT ROAD, TUCSON, ARIZONA, 85703. P.O. BOX 5671. PHONE: (AREA CODE 602) 623-0578

To:

August 24, 1970

Mr. Howard Lanier
ESSEX International Inc.
Room 222 Sun Building
2030 E. Speedway
Tucson, Arizona 85716

From: D. Cooley

Re: Sheep Rock Exploration Proposal

Enclosed is a list of assays taken from this property during our examination trip earlier this month. Our recommended procedure for evaluating the property is as follows:

1. In the field - on the ground, locate the claim perimeter. At this time, the boundaries are essentially unknown.
2. Check the literature as listed below. This will be a help in subsequent work.
3. While locating the claim group perimeter, some reconnaissance geology should be underway. If the literature is sufficiently helpful an absolute minimum of new reconnaissance geology may be all that is necessary - mainly confirmatory and to provide familiarity required for future interpretation.
4. Approximately 6 to 8 reconnaissance I.P. lines should be run over the property. The exact orientation or amount of coverage cannot be determined until the preceding recommendations have been completed. Because of the difficult access and lack of established control this project will be somewhat slower than usual and 18 to 24 field days may be consumed under existing conditions. We expect that the crews will be able to stay on

the property, preferably in the house that is there. The cost for this should run between \$7,200.00 and \$9,600.00, hopefully toward the lower of these two figures. This area has been investigated by the AEC for uranium and this information will be checked into.

Assay Results:

The three samples taken along the top of the dump at the main tunnel are 0.16%, 0.28% and 0.32% copper which is only indicative that copper mineralization exists in the rock mined.

The two samples taken from the Porcupine Tunnel are 0.55% and 0.30% copper.

At the shafts above the main tunnel, the sample along the top of the dump ran 0.66% copper and the composite sample down the side of the dump was 0.12% copper.

The grab samples of "black iron and manganese oxide" taken from the side of the hill above the road down to the property ran 1.03% copper, but was selected from the dumps.

The sample selected from the dump by Earl Clinger as representative from the clay in the Big Fracture in the main tunnel has 0.79% copper.

The composite sample from the dump behind the house ran 0.45% copper.

Publications:

Geology of the Sheep Rock Mountains, Tooele County, Utah, R.E. Cohenour, 1959, 200 pp. Utah Geological and Mineralogical Survey, 103 Utah Geological Survey Building, University of Utah, Salt Lake City, Utah, 84112.

U.S. Geological Survey:

Professional Paper 575C - 1967 - Breccia Pipes in the West Tintic and Sheep Rock Mountains, Utah.

Enclosure - Extra cc:

Don

DBC/re:

SXM

AUG 25 1970

RECEIVED



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Enclosure - Extra cc:



Don

DBC/re:

Heenan Onionskin

MINERAL LEASE AND OPTION

This indenture of Lease and Option Agreement entered into this 18 day of July, 1970, by and between X L MINERALS CORPORATION, a Utah Corporation, of Hurricane, Washington County, State of Utah, hereinafter called Lessor, and DIXIE BASIN SMELTERS CORPORATION, a Nevada Corporation, of Las Vegas, Nevada, and their assigns, hereinafter called Lessee, WITNESSETH:

WHEREAS Lessor is the Owner of certain patented and unpatented mining claims situated in the Erickson Mining District, Tooele County, State of Utah, and particularly described in "Schedule A" which is attached hereto and hereby made a part of this Agreement as though fully incorporated herein; and

WHEREAS Lessee is desirous of prospecting and developing the said property for minerals, metals, ores, gas, hydro-carbon substances and other inorganic substances located in, on or under the surface of the Leasehold, and Lessor is in accord with said desires and desires to lease the same to Lessee for said purposes;

NOW THEREFORE in consideration of the premises, and of the covenants and agreements hereinafter contained, it is agreed by and between the parties hereto as follows to-wit:

1. Lessor does hereby Lease to Lessee, under the terms and conditions hereinafter contained, and Lessee does hereby Lease from Lessor, the above described property, for the purposes as above set forth. Lessee shall come into possession of said property and premises, and commence, after a One (1) year development period, the prospecting and developing of said properties for commercial mining and milling operations, on all or part of said Leasehold, in such manner and to such extent that Lessee in Lessee's sole judgment may deem to be desirable. In the event Lessee desires to remove any of the cabins or any of the improvements located upon said Leasehold, cabins or any other improvements shall be re-established in a place suitable to both

Lessee and Lessor. The development and prospecting work shall consist of all such developing and prospecting work familiar to the development of mining properties including but not being limited to diamond drilling, trenching, crosscutting, sampling, construction of roads, dams, buildings and other structures, the drilling of water wells, and the installation of pipelines, machinery and equipment. Any water encountered on said property during the prospecting and development of the same or during the term of this Lease and Option shall remain with the property and shall not be sold or conveyed off the property.

2. MINING OPERATIONS. Upon completion of the development program contemplated for the first year of this Lease and Option Agreement, and in the event Lessee shall determine with its Sole Judgment, that all or part of the Leasehold can be commercially mined at a reasonable profit, Lessee will commence mining operations on the Leasehold and thereafter will continue such mining operations in a good and minerlike manner consistent with economical mining and with general economic conditions and in compliance with applicable laws and applicable rules, regulations and orders of governmental and state agencies. The continued development of said properties for said purposes as above set forth shall be at Lessee's sole discretion and option, and in the event Lessee determines not to develop the same then this Agreement shall become null and void and of no further force and effect.

3. Lessee shall have the right to mine, remove, process and sell any and all metals, ores, gas, hydro-carbon substances, and other mineral and inorganic substances located in or under the surface of the Leasehold and in connection therewith Lessee, shall have the right to erect structures, buildings and facilities, and the right to make excavations, pits, tunnels and other openings and otherwise may use the Leasehold, and may conduct operations thereon in such manner as he may deem necessary or convenient in

accordance with good mining practices.

4. As consideration for the granting of this mineral lease and option and for the right to develop said properties for the above said one year period, the said Lessee shall pay to Lessor the sum of \$1,000.00, said sum to be paid within 60 days from the date of this agreement. No further rental or royalty payments shall be required during the first year of this agreement.

5. ROYALTY. As and for a royalty to be paid to Lessor by Lessee, from and after the initial one year period as above set forth, Lessee shall pay to Lessor two and one-half cents per pound on all copper produced from said property and leasehold and Lessee shall pay to Lessor a ten per cent royalty on all net mill or smelter returns on all other metals mined or milled upon said property. The term "net smelter returns" as used in the foregoing royalty provision shall mean the amount received from the mill or smelter upon the sale of such ores or concentrates after deducting from the gross value thereof the cost of milling or smelting. At the time the royalty payments are made to Lessor, said Lessee shall give to Lessor copies of all buyer's smelter statements. The minimum Royalty to be paid hereunder shall be the sum of \$500.00 per month, commencing at the expiration of the abovesaid prospecting and developing period. Said royalties shall be paid to Lessor's account at the Hurricane Branch, Zion's First National Bank, Hurricane, Utah before the 15th of each month.

Failure to meet the minimum royalty payments as provided for by this lease agreement shall be cause for immediate cancellation of this lease. Lessee's obligation to pay royalty hereunder shall terminate (except as to accrued and unpaid royalties) upon lessee's termination of this lease provided lessor is notified by mail 30 days before cancellation date, and surrender of the lease. Lessee shall have the right to terminate upon giving such notice.

5. UTILITIES. During the life of this lease, lessee shall

have the right to authorize any public or private utility Company to erect, and maintain electric connections, gas lines, or water lines upon the Leasehold, and, if necessary or appropriate, Lessor will grant and by executing this Lease, does grant to the Utility Company or Companies the required easements and rights of way.

6. TAXES AND ASSESSMENT WORK. During the life of this Lease, Lessee will pay all taxes and assessments levied on the Leasehold, and will do or cause to be done all required Assessment Work, and file Proof of Labor for same in the name of the Lessor and give notification of the same to Lessor thirty days prior to the expiration date for filing Annual Proof of Labor according to State and governmental Laws. A copy of all paid tax receipts and assessments should also be sent to Lessor by Lessee. Lessee shall have the right at any time to patent any or all of the unpatented mining claims covered by this Lease in Lessor's name.

7. IMPAIRMENT OF LESSEE'S OR LESSOR'S RIGHTS. During the life of this Lease, Lessee and Lessor will not do, cause, or permit to be done any act or thing that might prejudice, impair, or burden either parties rights hereunder, and will not convey, or suffer any encumbrance to be placed on all or any part of the Leasehold.

8. INSPECTION. Lessor shall have the right during ordinary working hours and at reasonable intervals to make reasonable inspection of Lessee's operations on the Leasehold and of Lessee's records relating to the ore or other substances mined or removed from the Leasehold and sold and paid for.

9. EXTENT OF LEASE: In the event the Option is exercised the Lease will be for a period of ten (10) years, ending August 1, 1981). At that time if both Parties are agreeable and no legal actions are pending, the Lessor will extend the Lease for an additional ten (10) years, with a renewable clause for another ten (10) years, upon the same terms and conditions as herein set forth for the original Lease.

10. Lessor, at its option, shall have the right to be advised by Lessee of the results of any exploration activity conducted on said leasehold and Lessee shall keep Lessor advised of the same at Lessor's request.

All covenants and agreements contained herein shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.

WITNESS THE HANDS of said Lessor and Lessee on the day and year first above written.

Lessor: XL MINERALS CORPORATION

Attest:

By Earl J. Clinger
President

Clarence Bliss
Secretary

Lessee: DIXIE BASIN SMELTERS CORPORATION

Attest:

By Jerry Slazus
President

Jerry Slazus
Secretary

STATE OF UTAH)
) SS
COUNTY OF UTAH)

On this 18 day of July, 1970 personally appeared before me Earl J. Clinger and Clarence Bliss who being by me duly sworn did say, each for himself that he the said Earl J. Clinger is the president and he the said Clarence Bliss is the secretary of XL MINERALS CORPORATION and that the within and foregoing instrument was signed in behalf of said corporation by authority of a resolution of its board of directors and said Earl J. Clinger and Clarence Bliss each duly acknowledged to me that said corporation executed the same and that the seal affixed is the seal of said corporation.

Duane B. Herbert
Notary Public

My Commission Expires 6-5-71

Residing at Orem, Utah

STATE OF Utah)

COUNTY OF Utah) SS

On this 18th day of July, 1970 personally appeared before me Jerry Slazni and Leon Slazni who being by me duly sworn did say, each for himself that he, the said Jerry Slazni is the president, and he, the said Leon Slazni is the secretary of DIXIE BASIN SMELTERS CORPORATION and that the within and foregoing instrument was signed in behalf of said corporation by authority of a resolution of its board of directors and said Jerry Slazni and Leon Slazni each duly acknowledged to me that said corporation executed the same and that the seal affixed is the seal of said corporation.

Oscar Barrick
Notary Public

My Commission Expires 8-15-74

Residing at Hurricane Utah

"SCHEDULE A"

The mining claims identified as the "Leasehold" in the foregoing Lease and Option Agreement owned by XL MINERALS CORPORATION, and situated in the Erickson Mining District in Tooele County, State of Utah, are described as follows: UNPATENTED CLAIMS

Silver Lode and Silver Lode Nos. 1, 2, 3 and 4. Silver Lode Extension and Silver Lode Extension Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, and 17. East Silver Lode and East Silver Lode Nos. 1, 2, 3, 4, 5, 6, 7, 9 and 10. West Extension Silver Lode and West Extension Silver Lode No. 1. West Silver Lode Nos. 5, 6, 10 and 11.

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PATENTED MINING CLAIMS

Silver King, Silver King Nos. 1, 2 and 3, Survey No. 3093, containing 80.280 Acres.