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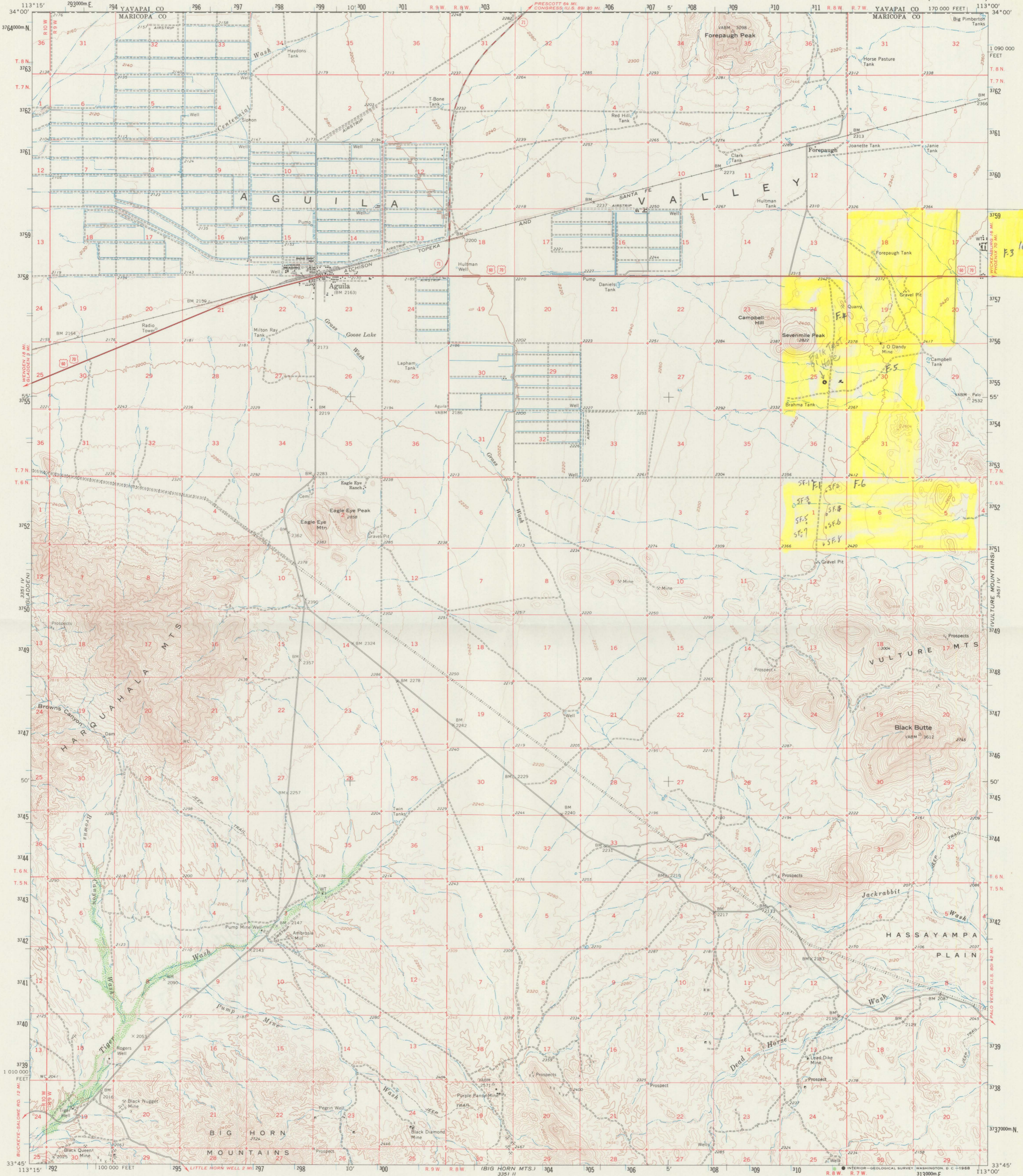
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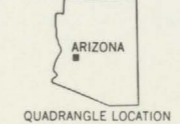
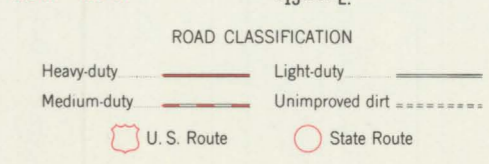
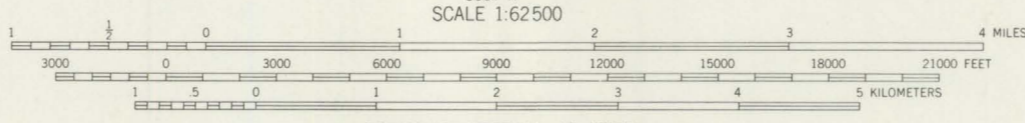
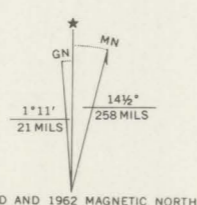
Control by USGS and USC&GS

Topography by photogrammetric methods from aerial photographs taken 1951 and 1960. Field checked 1962

Polycyclic projection. 1927 North American datum

10,000-foot grid based on Arizona coordinate system, central zone

1000-meter Universal Transverse Mercator grid ticks, zone 12, shown in blue



THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
FOR SALE BY U. S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225 OR WASHINGTON, D. C. 20242
A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

AGUILA, ARIZ.
N3345-W11300/15
1962
AMS 3551 I-SERIES V798

COLORADO GOLD & SILVER, INC.

Feb. 12, 1987

Brooks Towers, Suite 8K
1020 15th Street
Denver, CO 80202
(303) 595-0030

Mr. Hugo Zummett
Westmont Mining
2341 S. Friebus
Tucson, AZ 85713

Dear Mr. Zummett:

By my telephone call of this morning, I contacted you among the first on our desert playa property in Arizona because from our January conversation I considered you one of the most likely to be able to study and help us operate the property most promptly.

So by this call I have given you the net results of the bulk testing done on material from the 9' hole dug by the road on Sect. 25, T7N, R8W of the Maricopa County claims. In this test the upper 2' of the red material showed very little; but the lower area (which apparently continues uniform to great depth) showed .077 Au by head ore assay and 6.624 by assaying the cons. achieving a 48 to 1 concentration. So it appears that the concentrates contain almost twice the values indicated in the head ore assay.

Further, since there is so much amphibole in the material, I am sending you a copy of the new assay procedure developed in the above tests. This procedure strips around half of the bulk before assaying, and therefore gets results. So you must make your assayer promise to follow this procedure strictly or he will get very little values. And this is the procedure we will use henceforth.

However, a great deal of assaying was done on samples heretofore taken from the upper 2-3' layer of material, using a roasting process before assaying (as indicated herein) and an amalgamation process. (Nos. 1 & 2) This procedure we do not consider as accurate as our new process; but I am sending you copies of it which you can use as background information.

In taking samples, in view of the above, we suggest that you be sure to get a sample in each hole of the lighter material starting 2-3' below the surface, as this comprises (due to its depth) the bulk of the reserves.

In case you need a backhoe, Tony Christofferson, of Aguila, (602-685-2253, has one that will go to 9-10', and knows where the property is, as he has already dug some.

Use of the above new assay procedure, as compared to the former roasting or amalgamation process, can be boted by comparing the following results to those splits of same shown in Nos. 1 & 2 above & enclosed.

| | | | | | | |
|---------|-----|---------|---------|-----|---------|---------|
| Sample: | S-1 | .046 Au | .254 Ag | Y-7 | .217 Au | .218 Ag |
| | Y-3 | .222 | .252 | Y-8 | .107 | .505 |
| | Y-4 | .117 | .254 | | | |

Assuming you are still interested after sampling, we can then go over the report we have on the bulk testing and make plans for operating.

The testing company suggests that we should start first with a plant to run 50-100 tons per day to give it the final commercial proof, and that such would cost some \$50 to \$60,000.

Since his other company builds such plants to handle the ore from start to finish, including concentration and electrolytic recovery, I have asked for prices of different sizes and should have them soon. This availability should save us a lot of time.

Awaiting further word from you, I am

Yours sincerely,



M. Coke Reeves
President

ENCLOSURES:

Area Map, Wickenburg to Aguila.

Maricopa County Claims Map.

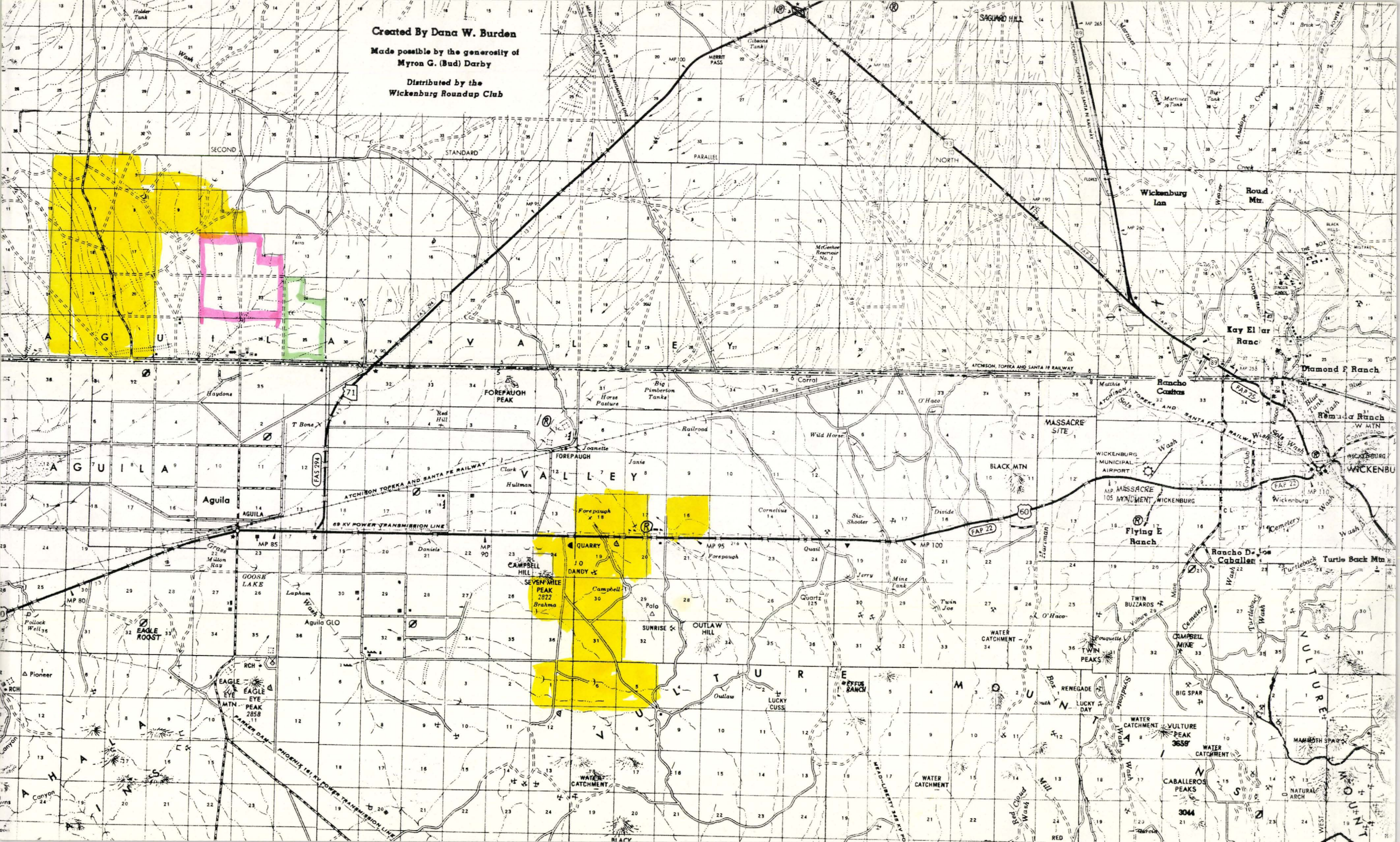
Yavapai County Claims map.

New Assay procedure.

No. 1, previous assays and method.

No. 2, Previous assays and methods.

Created By Dana W. Burden
Made possible by the generosity of
Myron G. (Bud) Darby
Distributed by the
Wickenburg Roundup Club



No 2

December 21, 1986

METHODS OF TESTING

The assays attached were done by Hg Amalgamation, as follows:

Pre-roasted at 750 degreeed F for 30 minutes.
Then brought up to 1150 degrees for 30 minutes.
Let cool in furnace.

One assay ton, 29.16 Grams.
Put in roll jar with 50 ml distilled water & 15 grams Mercury.
Tumble four hours.

Then thoroughly wash mercury in distilled water.
And pour back & forth from 2 beakers to assure clean.

Then add a 1 to 3 mixture of distilled water and nitric acid.
Heal almost to boiling point for 30-60 minutes.
Mercury now in solution.

Pour off solution into parting dish and then into beaker,
and gold is in bottom as a speck.
Then put into parting dish, dry and weigh.

ASSAY REPORT FORM

Noel E. Dill
 7007 Huntbrook
 Spring, Texas 77379
 (713) 376-5094

To: Colorado Gold & Silver, Inc.
 Brooks Towers
 Suite 8K
 1020 15th. Street
 Denver, Colorado 80202

Date: 12/20/86

Signature: *Noel E. Dill*

HG AMALGAMATION

Gold Only.

| NAME | NUMBER | COMMENTS | AU oz/ton | AG oz/ton |
|-----------------------|--------|-----------|-----------|-----------|
| Arizona Desert Placer | SY-1 | Pre-Roast | .31 | |
| Same | SY-2 | Same | .31 | |
| Same | SY-3 | Same | .25 | |
| Same | SY-4 | Same | .31 | |
| Same | SY-5 | Same | .30 | |
| Same | SY-6 | Same | .24 | |
| Same | SY-7 | Same | .30 | |
| Same | SY-8 | Same | .34 | |

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 1020 15th. Street
 Denver, Colorado 80202

Date: 12-19-86

Signature: *Noel E. Dill*

HG AMALGAMATION

Gold Only.

| NAME | NUMBER | COMMENTS | AU oz/ton | AG oz/ton |
|------------------------|--------|-----------|-----------|-----------|
| Arizona Desert Placer. | SF-1 | Pre-Roast | .40 | |
| Same | SF-2 | Same | .55 | |
| Same | SF-3 | Same | .41 | |
| Same | SF-4 | Same | .35 | |
| Same | SF-5 | Same | .29 | |
| Same | SF-6 | Same | .22 | |
| Same | SF-7 | Same | .31 | |
| Same | SF-8 | Same | .21 | |

ASSAY REPORT FORM

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 (713) 376-5094

To: Colorado Gold & Silver, Inc.
 Brooks Towers
 Suite 8K
 1020 15th. Street
 Denver, Colorado 80202

Date: 12/19/86

Signature: *Noel E. Dill*

HG AMALGAMATION

Pre-Roasted

Gold Only.

| NAME | NUMBER | COMMENTS | AU oz/ton | AG oz/ton |
|-------------------------------------------------------------|----------------------|-----------|-----------|-----------|
| Arizona Desert Placer, Mill <i>Sight Site, Y area</i> | <i>Depth</i> 0-2' | Pre-Roast | .23 | |
| Same | 2-4' | Same | .49 | |
| Same | 4-6' | Same | .51 | |
| Same | 6-9' | Same | .15 | |

No 1

COLORADO GOLD & SILVER, INC.

November 18, 1986

Brooks Towers, Suite 8K
1020 15th Street
Denver, CO 80202
(303) 595-0030

ARIZONA DESERT PLACER

29 Sections

THIS COMPANY HAS 29 SECTIONS OF LEVEL B.L.M PLACER GROUND NEAR AGUILA AND FOREPAUGH, ARIZONA, 15-25 MILES WEST OF WICKENBURG. ASSAYS HAVE SHOWN GOLD & SILVER AT INTERESTING LEVELS, AND SOME PLATINUM GROUP.

The property is on a level area which in geological history has been covered seven times by the sea. This material is alluvial. The precious metals are so fine and/or complexed that assaying in the past has been difficult. Production there has not as yet been successful, probably due to the fact that proper techniques have not been proven before put to use.

Assays heretofore done by most custom assayers have not been consistent and have come up usually with very low values, however, with occasional high ones. However, we have now determined that simple precautions in assaying, such as pre-roasting at proper temperature, will give excellent results, as shown by the attached assay sheets, both for fire assay and Hg amalgamation. Cyaniding is ^{not so} also successful; and those tests are now in progress.

A California company has reported their first assay test as follows:

Au. .28 oz/ton; Ag. 4.00; Pt. .10

The values across this extensive property seem to be relatively uniform. Recently our superintendent and I took a number of samples at intervals thereon (assays attached); and assaying was done by Aurum Smelting, Utah. And to confirm, he has pasted the gold bead by each assay value.

Now our associate lab in Houston, Noel Dill, has run splits of the above samples (at a full assay ton rather than a quarter) putting his beads also on the sheets, and both by fire and amalgamation. Note the correlation. These labs are not acquainted and are a thousand miles apart. But even these are not constantly uniform, perhaps showing that not all the metal is being recovered; however, the lowest of them is still very good.

As a further check on these assays, I had a Colorado assayer re-weigh several of the beads on the sheets to confirm the correctness of the weights.

The approximate location of each of the samples shown is marked on the two geologic maps we have available.

Further closer samples will be taken shortly; but we think they will re-confirm the uniformity of values above shown.

Assays shown herewith are from samples taken from 0 to 3' in depth. To estimate possible reserves, of course, multiply these values by tons-per-acre, acres per section, etc., and the potential emerges.

Previous tests have shown the values continuing downward below the 3 feet. We will reconfirm this shortly with samples at lower depths.

The property is located both in Maricopa and Yavapai Counties, AZ.

Water is available by drilling a well into the alluvial ground, as is attested by extensive irrigation being used in the general area.

We must now complete our testing and then also our bulk testing.

Thus we would welcome a participant who can help us financially and perhaps also technically to complete this project on a joint-venture basis or otherwise as may be negotiated.

Sincerely,

M. Coke Reeves
President

Telephone and address above, or
Bishop, CA 619-873-5800
Texas, Home 409-826-2218

SUMMARY, Preliminary Assays

GOLD, Ounces per Ton

Samples taken across 29 sections of Arizona Desert Placer

Assayed by:

Noel E. Dill, Spring, Texas

&

Aurum Smelting, Moapa, Utah

12-1-86

| Sample No. | FIRE ASSAY | | HG AMALGAMATION | | Assays by Aurum Smelting |
|------------|--------------------|-------------|--------------------|-------------|-----------------------------|
| | NOT Pre-Roasted | Pre-Roasted | NOT Pre-Roasted | Pre-Roasted | |
| F-1 | .30 | .35 | .24 | .73 | |
| F-3 | .12 | .25 | .15 | .23 | .218 |
| F-4 | | | | | .158 |
| F-5 | .05 | .15 | .35 | .38 | .137 |
| F-6 | .15 | .21 | .31 | .46 | .214 |
| S-1 | .15 | .30 | .20 | .38 | .148 |
| Y-1 | .05 | .15 | .10 | .31 | |
| Y-3 | .25 | .26 | .18 | .24 | .247 |
| Y-4 | .12 | .29 | .21 | .23 | .108 |
| Y-5 | .05 | .25 | .35 | .40 | .128 |
| Y-6 | | | | | .166 |
| Y-7 | .10 | .26 | .25 | .26 | .150 |
| Y-8 | .05 | .35 | .22 | .23 | .044 |

ASSAY METHOD

This method sets forth a process to insure consistent results for complexed and or low level samples.

Crush and grind sample to -64 mesh

Cone & quarter to obtain 100 gram sample

Mix sample with 1000 ml of water let stand for 5 min and then draw off and discard the aqueous portion

Repeat water wash with 1000 ml and let stand 1 min then discard the aqueous portion

Dry and weigh sample to determine weight loss

For desert playa properties use 5% HCl in place of first water wash
(which ours is)

Use full Assay Ton (29.166 grams) and proceed with standard fire assay methods

If Platinum Group Metals are suspected then in addition proceed to add the following steps (not any suspected)

To a 5 gram sample add 25 ml of a 20% Nitric acid solution and digest to almost dryness

Add 25 ml of standard Aqua Regia solution and digest to almost dryness

Dilute with 110 ml of distilled water and heat for 10 minutes at 110-120 degrees F

Shake vigorously and filter

To 75 ml of filtrate add 15 ml of MIBK, shake, allow to stand until layers separate, draw off and discard the aqueous phase

Gold + Silver

Pt

To the MIBK phase add 35 ml of 10 % HCL and shake and discard the aqueous after seperation

If a yellow color persists, extract the organic layer (MIBK) with an additional 35 ml of 10% HCl, let stand and discard aqueous phase

Read MIBK on Atomic Spectrograph Unit

Calculations:

Micrograms/ml in extract x 0.5826 divided by sample weight is Platinum in TROY OZ per TON

NOTE: This sample can also be read for Gold on the AA unit

COLORADO GOLD & SILVER, INC.

March 17, 1987

Brooks Towers, Suite 8K
1020 15th Street
Denver, CO 80202
(303) 595-0030

Mr. Hugo Zummett
Westmont Mining Co.
2341 S. Friebus
Tucson, AZ 85713

Dear Mr. Zummett:

RE: Our ARIZONA DESERT PLACER (Playa) property on which we have furnished you certain data, we think this project is now ready to get under way: ----

You have a record of the different types of assays we have done and the methods used.

You also have a copy of the bulk test run on a sample from the property by SRDCO in which they concentrated the head material 48 to 1, and the concentrates ran 6.624 oz/Au/ton, plus silver. This would figure out about .138 oz/Au/ton on the head material, or about \$56 per ton on the material at present prices.

Also you now have the prices from SRDCO (or THG Industries) on running large bulk samples and for building a pilot mill of various sizes.


You will note that their charge for running a 100-ton bulk test is much lower than the usual charge by universities etc. for running a one-ton test.

A 50-tpd mill, according to recoveries in our bulk test, would produce approximately 6.9 oz/Au/day, which would on a 300-day year be about \$800,000. in gold. And note how economical the proposed mill is in comparison to the cost of the usual crusher-ball mill-concentrator plant.

Thus we now recommend that you contact us and arrange to see the property, then to have your own large bulk test run, and then, if satisfactory, to install your own pilot plant on a joint venture with us. We will furnish the property and technology and you may furnish the funds - and operate if you like.

I will be glad to meet you in Arizona at your convenience and show the property, or have our representative show it.

Sincerely,


M. Coke Reeves
President

COLORADO GOLD & SILVER, Inc.
Brooks Towers, Suite 8K
Denver, Co 80202
(303)595-0030

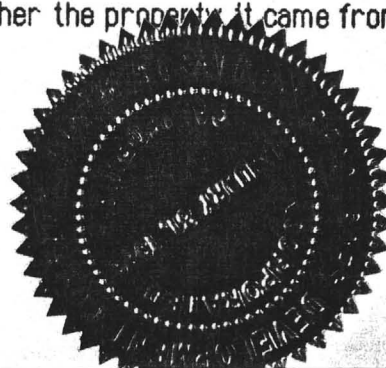
SUMMARY
of
Arizona Desert Placer Study

PREPARED BY:
SRDCO, Inc.
13892 HWY 215 E.
Moreno Valley, Ca. 92388
(714) 656-8224

CAVEAT EMPTOR

This report is provided to the above named client for informational purposes and unless the report so states, does not guarantee where the sample came from, or whether it was altered before receiving it. No publication of this report in any form is permitted without the prior written consent of **SRDCO, Inc.** Assay data contained in this report represents only those values in the samples studied and does not conclude whether the property it came from has any value.

Dated this 27th day of January, 1987 at Riverside, Calif.



ABSTRACT

Results of the investigation of the samples submitted indicate that the "precious metal" component is complexed. Microscopic analysis did not indicate the presence of free gold or silver in the samples studied.

Concentration studies indicate that the complexed precious metal could be recovered by gravity concentration.

Two other possible economic grade materials are found in the samples studied.

Caustic cyanidation is not amenable with this ore due to base metal complex formation.

Co GS Inc Study

STUDY PROTOCOL

- 1) Semi-quantitative Spectrographic Analysis of "Head Ore"**
- 2) Fire Assay for Precious Metals**
- 3) Concentration study to determine if gravity concentration methods can be employed as part of a recovery process.**
- 4) Semi-quantitative Spectrographic Analysis of concentrates.**
- 5) Fire Assay for Precious Metal content in concentrated sample.**
- 6) Microscopic Analysis for particle size determination.**
- 7) Determine if Precious Metal component is "free" or complexed. If complexed, identify if possible.**
- 8) Prepare flow sheet for recommended recovery method.**
- 9) Prepare recommended Assay Method.**

Co GS Inc Study

SAMPLE DATA

On 1/09/87 the client supplied two 55 gallon metal drums containing samples of placer material. These samples were marked as AZ 0-2 and AZ 2-9. Client states sample Az 0-2 was collected from surface to a depth of two feet and sample Az 2-9 was collected from a depth of two feet thru nine foot.

The samples submitted by client are reported to be from certain Mining Claims some 20 miles West of Wickenburg, Az.

PROBLEM SUMMARY

Post assays made by various firms have produced inconsistent results. Most studies showed very low values, but with enough high values reported to support continued interest and exploration investment by the client. No spectrographic data has been developed. Some work has been reported that shows increased values by pre-roasting samples prior to fire assay.

Methodologies employed include fire assay, cyanidation and mercury amalgamation.

The problem is assumed to involve either particle size or the chemical complexed nature of the precious metals in this alluvial deposit.

Co 6S Inc Study

INTRODUCTION

The samples are not prescreened for sizing and the total sample submitted is processed. No crushing of the sample was required due to the small clasp size. Samples are milled to -64 mesh and blended for uniformity.

The milled sample is split into 200 pound fractions and then quartered to obtain a 1000 gram sample for spectrographic study and fire assay.

A two hundred pound sample is then subjected to gravity concentration at a ratio of 48:1. The concentrates are collected, dried, weighed, quartered and a 200 gram sample collected for spectrographic study and fire assay.

Co GS Inc Study

RESULTS

Both samples contained very high clay content and could be compacted with ease. The color is of a reddish tone. The high clay content required that the material first be made into a slurry and then diluted as part of the gravity concentration process.

"Head ore" samples continued to be inconsistent in precious metal content.

| | Gold T.O./Ton | Silver T.O./Ton |
|--------|---------------|-----------------|
| Az 0-2 | 0.00 | 0.00 |
| Az 0-2 | 0.006 | 0.00 |
| Az 2-9 | 0.013 | Trace |
| Az 2-9 | 0.077 | 0.00 |

From this data we projected concentrate values for the samples as follows

| | | |
|--------|-------|-------|
| Az 0-2 | 0.145 | Trace |
| Az 2-9 | 2.137 | Trace |

The actual results of concentration were as follows

| | | |
|--------|-------|------|
| Az 0-2 | 0.331 | 0.00 |
| Az 2-9 | 6.624 | 7.93 |

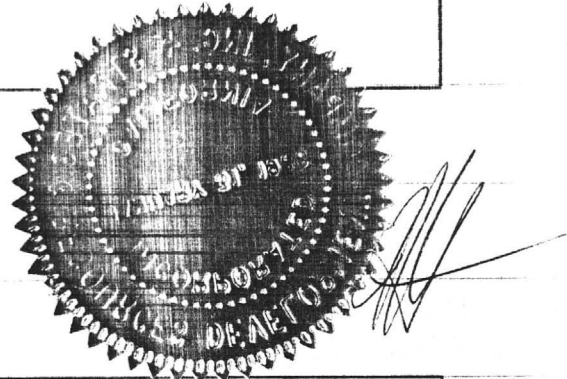
Microscopic studies of the concentrates showed *no evidence of free gold or silver*. The spectrographic analysis provided the answer to the nature of this ore. The "head ore" indicated no base metals but the concentrates from Az 2-9 produced **2.8% LEAD** in addition to

1.1% CHROMIUM

| | | |
|------------------------------------|-----------------------|----------------------------|
| Client CO GOLD & SILVER Inc | VERIFIED NO | Sample Ident Az 0-2 |
| Submitted 1/09/87 | Fire Assay Yes | Spectrographic Yes |
| Date Reported 1/27/87 | | |

| | | |
|-------------------------------------------------|------------------------------------|---------------------------------------|
| GOLD | COPPER <input type="text"/> | IRON 8.1% |
| SILVER | LEAD <input type="text"/> | CHROMIUM Trace |
| PLATINUM | ZINC <input type="text"/> | Titanium 0.08% |
| PALADIUM | MOLYBDENUM Trace | Vanadium <input type="text"/> |
| | | Zirconium <input type="text"/> |
| | | Magnesium 2.3% |
| | | Manganese 0.35% |

| | |
|-----------------------|-------------------------------------------------|
| CALCIUM 3.9% | Rare Earth Elements <input type="text"/> |
| POTASSIUM 0.7% | |
| SODIUM 6.5% | |

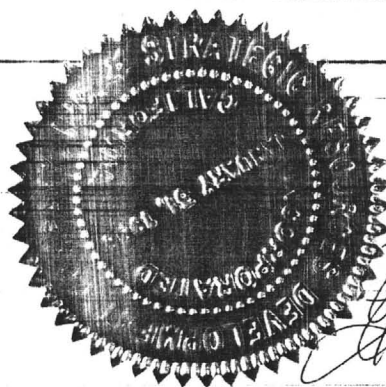


| | | |
|--------------------------------------|-----------------------|----------------------------|
| Client Co Gold & Silver, Inc. | VERIFIED NO | Sample Ident AZ 2-9 |
| Submitted 1/09/87 | Fire Assay Yes | Spectrographic Yes |
| Date Reported 1/27/87 | | |

| | | |
|-------------------------------------------------|------------------------------------|---------------------------------------|
| GOLD 0.013 T.O./Ton | COPPER <input type="text"/> | IRON 7.1% |
| SILVER Trace | LEAD <input type="text"/> | CHROMIUM 0.41% |
| PLATINUM | ZINC <input type="text"/> | Titanium 0.3% |
| PALADIUM | MOLYBDENUM 0.003% | Vanadium <input type="text"/> |
| | | Zirconium <input type="text"/> |
| | | Magnesium 1.4% |
| | | Manganese 0.2% |

| | |
|-----------------------|-------------------------------------------------|
| CALCIUM 3.6% | Rare Earth Elements <input type="text"/> |
| POTASSIUM 0.8% | |
| SODIUM 6.6% | |

| | | | | | |
|----------------|----------------------|------------|-----|---------------------|---------|
| Client | Co Gold & Silver Inc | VERIFIED | NO | Sample Ident | AZ 2-9 |
| Submitted | 1/09/87 | Fire Assay | Yes | Date Reported | 1/27/87 |
| Spectrographic | NO | | | | |
| GOLD | 0.077 T.O./Ton | COPPER | | IRON | |
| SILVER | | LEAD | | CHROMIUM | |
| STINUM | | ZINC | | Titanium | |
| PALADIUM | | MOLYBDENUM | | Vanadium | |
| | | | | Zirconium | |
| | | | | Magnesium | |
| | | | | Manganese | |
| | | CALCIUM | | Rare Earth Elements | |
| | | POTASSIUM | | | |
| | | SODIUM | | | |



| | | | | | |
|----------------|----------------------|------------|--------|---------------------|-------|
| Client | Co Gold & Silver Inc | VERIFIED | NO | Sample Ident | Conc. |
| Submitted | 1/09/87 | Fire Assay | Yes | Date Reported | |
| Spectrographic | Yes | | | | |
| GOLD | 6.624 T.O./Ton | COPPER | | IRON | 7.3% |
| SILVER | 7.93 T.O./Ton | LEAD | 2.8% | CHROMIUM | 1.1% |
| STINUM | | ZINC | | Titanium | 0.5% |
| PALADIUM | | MOLYBDENUM | 0.002% | Vanadium | |
| | | | | Zirconium | |
| | | | | Magnesium | 1.8% |
| | | | | Manganese | 0.2% |
| | | CALCIUM | 4.3% | Rare Earth Elements | |
| | | POTASSIUM | 1.1% | | |
| | | SODIUM | 6.2% | | |

Co GS Inc Study

Silver Recovery

Lead Recovery

Gold Recovery

Co GS Inc Study

AREA DATA SEARCH

A data search of the mineralogy records for Maricopa and Yavapai counties show a report by S.A. Williams (1968) Amer. Min. 1433-1438 " A New Mineral from Arizona, WICKENBURGITE" a secondary lead mineral formed from the oxidation of lead ores and is associated with other exotic secondary minerals such as CROCOITE. Both minerals are common to the Wickenburg area. In addition gold production as reported in Arizona Bureau of Mines Bulletins 137,168 and 180 show that almost all of the gold production from the Vulture mining district (Maricopa County) came lead-silver ores with WULFENITE.

The first reported CROCOITE was by B. Silliman (1881) Amer Jour Sci 3rd series 198-205 in the Vulture district and other areas around Wickenburg. In addition he also noted gold in this same area associated with JAROSITE during his study of 1879.

CONCLUSIONS

Additional studies of this property should be undertaken on a larger scale to determine the uniformity of the deposit.

The precious metals can be recovered from this type of concentrate by the use of a leach solution or smelting.

Even when technically possible, it should be noted that transportation costs and smelter charges become limiting factors for the use of smelting as a means of recovery. A hydrometallurgical approach should be seriously considered to provide a simple, inexpensive, low pollution approach to treating this ore on a small scale in as much as, construction of small smelters is generally not economically feasible.

The lead contained in the concentrates could be recovered and assist with the reduction of operating costs.

Additional studies may show the chromium to be recoverable at an economic level.

A leach solution of acidic FDS will recover the precious metal in excess of 85%, the gold and silver can then be recovered from the leach solution by extraction in a electrolytic cell, which will permit reuse of the leach solution.

ASSAY METHOD

This method sets forth a process to insure consistent results for complexed and or low level samples.

Crush and grind sample to -64 mesh

Cone & quarter to obtain 100 gram sample

Mix sample with 1000 ml of water let stand for 5 min and then draw off and discard the aqueous portion

Repeat water wash with 1000 ml and let stand 1 min then discard the aqueous portion

Dry and weigh sample to determine weight loss

For desert playa properties use 5% HCl in place of first water wash

Use full Assay Ton (29.166 grams) and proceed with standard fire assay methods

If Platinum Group Metals are suspected then in addition proceed to add the following steps

To a 5 gram sample add 25 ml of a 20% Nitric acid solution and digest to almost dryness

Add 25 ml of standard Aqua Regia solution and digest to almost dryness

Dilute with 110 ml of distilled water and heat for 10 minutes at 110-120 degrees F

Shake vigorously and filter

To 75 ml of filtrate add 15 ml of MIBK, shake, allow to stand until layers separate, draw off and discard the aqueous phase

To the MIBK phase add 35 ml of 10 % HCL and shake and discard the aqueous after seperation

If a yellow color persists, extract the organic layer (MIBK) with an additional 35 ml of 10% HCl, let stand and discard aqueous phase

Read MIBK on Atomic Spectrograph Unit

Calculations:

Micrograms/ml in extract x 0.5826 divided by sample weight is Platinum in TROY OZ per TON

NOTE: This sample can also be read for Gold on the AA unit

**THE INDUSTRIES
13892 HWY 215 E.
MORENO VALLEY, CA 92388**

**Colorado Gold & Silver, Inc
Brooks Towers, Suite 8K
Denver, Co 80202**

3\09\87

Dear Mr. Reeves;

This will serve to follow up our conversation of 3\03\87 and your letter of 3\04\87 requesting pricing information.

As you are aware we are not in equipment manufacturing or custom ore processing and would ask that you do not quote these prices to anyone outside your organization.

In answer to the question of our plant processing large bulk samples, yes we could. We would process all the way to final metal(s) recovery, with sampling and testing as we progressed through the various process steps. We would require not less than 100 tons and 7 to 10 working days to complete test data and 5 working days thereafter to complete actual metal(s) recovery. Our charges are as follows:

| | |
|-----------------|-----------------|
| 100 tons | \$11,800 |
| 250 tons | \$21,800 |
| 500 tons | \$35,800 |

Ore delivered to our San Bernardino Plant

This tonnage could be taken from more than one test site and we would, within reason, (20 tons) provide yield data for each site.

Either 20 or 50 TPD processing plants would require 6 to 8 weeks fabrication. After checking with our suppliers the following quotes are firm for the month of March:

| | |
|--------------------------------|-----------------|
| 20 TPD Processing Plant | \$33,650 |
| 50 TPD Processing Plant | \$54,480 |

FOB San Bernardino plus tax

We would require a 75% deposit with the order and payment in full when equipment is ready to ship.

In addition you can assume operating costs for 20 TPD testing program of \$25/ton

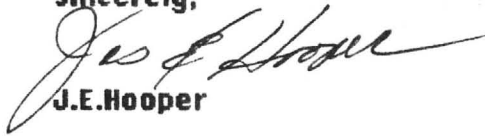
714-887-8129

and your costs of final metal recovery. If a well is required your capital costs should be \$45/ft for the first 100 feet and \$30-35/ft thereafter plus the cost of a storage tank.

A pilot program of this scale will provide the data base required to develop your final production flow sheet and prove out your reserves by actual yield rather than assay. This means at some point in the operation you should be generating income to offset operating costs.

Hoping this information has been of assistance to you, I remain

Sincerely,



J.E. Hooper

File:CGS:MSWrks2

714-887-8129

NOTES ON THE PRICES GIVEN US BY DR. JOE HOOPER ON RUNNING TEST
BATCHES OF DESERT PLACER ORE AND BUILDING TEST PLANTS. OF 3-09-87.

On the processing of the 100 tons or ore or more delivered to his San Bernardino plant, he can separate the batches therein into 20 or 10-ton batches by a marker, if desired, and get a reading on the values in each batch, no extra cost.

The man sent to observe the process must be a technical man, as he doesn't have time to educate a beginner on the process.

Operating costs for the 20-ton pilot plant are given at \$25./ton. For a 50-ton pilot plant would be about \$15./ton. And for a 100-ton, about \$7 to \$8 per ton.

His prices do not include the earth-moving equipment nor the water.

On small pilot plants, the concentrates produced would be taken to Joe's San Bernardino plant for metal recovery.

On larger field plants he would set us up for leaching the cons. with his FDS solution and recovery (electrolytic) on plates, on the site.

Rough price for a 100-ton plant would be around \$80,000., not over \$100,000. Other costs to be added as per above.

Joe's consulting fee, if needed, is \$120./hour.

He recommends, as to sampling, for example, on a 5-acre test site, to take 20 tons in each corner and 20 tons in the center, for the 100 tons.

Joe will not run any more small samples, a ton or two. He doesn't have time. Anyway his charge for running 100 tons is less than the universities and other laboratories charge for running a small batch.

REGULATIONS FOR SAMPLING, TESTING & MINING CLAIMS, ARIZONA

Where the BLM has the surface and the minerals:

File a simple plan of operation for the first 5 acres maximum, and then wait 15 days before beginning operations.

However, if not near homes and in a hurry, go ahead.

For larger mining acreage than 5 acres, have to file for full permit which requires compliance with various agencies. See BLM.

BLM Notice of Intent form enclosed.

Where the BLM has the minerals but the State has the surface:

Ok to access the property to take small samples.

However to take larger samples, must fill out an ARIZONA STATE LAND DEPARTMENT plan of operation.

They say that on uncomplicated testing they should approve plan in 30 days.

More detailed operation may take longer.

Bond may be required on larger operation.

No fees required.

On testing, state how much material to be removed.

Explain on the form also where the water will come from and how used.



United States Department of the Interior

IN REPLY REFER TO:

BUREAU OF LAND MANAGEMENT

Phoenix District Office
2015 West Deer Valley Road
Phoenix, Arizona 85027

NOTICE OF INTENT

Instructions for Operators: Please complete in as much detail as possible. Additional sheets can be used if necessary. Return this form to the address above C/O Phoenix Resource Area 15 calendar days prior to commencing operations.

1. Name and mailing address of claimant and operator.

Telephone number: _____

2. Name of mining claims, legal descriptions (township, range and section) and A.M.C. or M.S. number.

3. Describe the activities proposed, type of equipment to be used, total surface area to be disturbed and access to claims. Please include a map locating the site on the ground.

4. Will construction or improvement of access involve cuts of 3 feet or more on the inside edge?

5. I will complete reclamation of all disturbed sites during my operations in accordance with 43 CFR 3809.1-3(d) and all reasonable measures will be taken to prevent unnecessary or undue degradation of the Federal lands during operations.

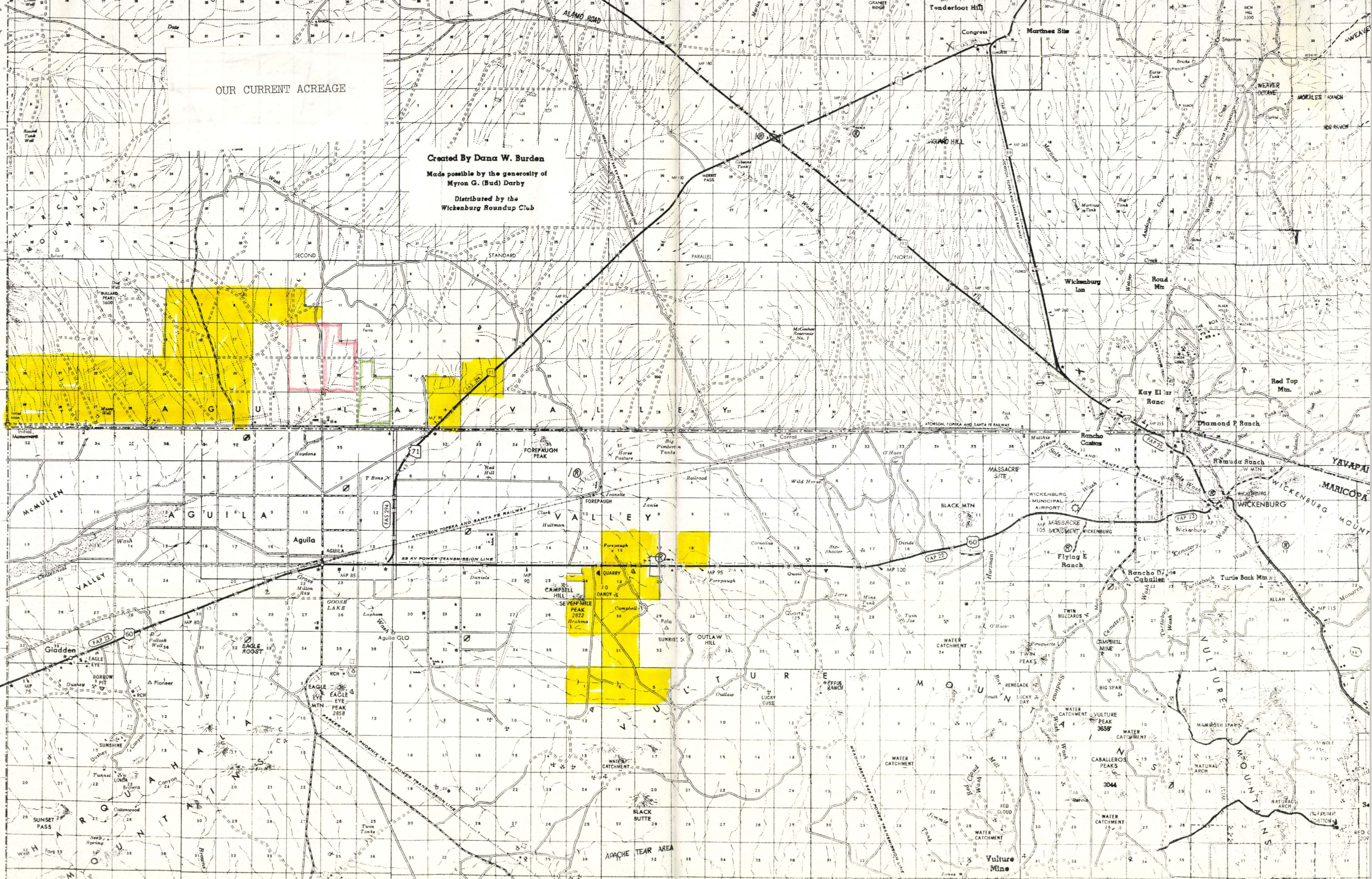
Date

Signature of Claimant or Operator

Reference: Title 43 Code of Federal Regulations 3809

OUR CURRENT ACREAGE

Created By Dana W. Burden
Made possible by the generosity of
Myron G. (Bud) Darby
Distributed by the
Wickenburg Roundup Club



COLORADO GOLD & SILVER, INC.

January 22, 1987

Brooks Towers, Suite 8K
1020 15th Street
Denver, CO 80202
(303) 595-0030

Mr. Hugo Zummett
Westmont Mining
2341 S. Friebus
Tucson, AZ 85713

Dear Mr. Zummitt:

Thank you for calling today about our 29 sections of 'desert placer' west of Wickenburg, AZ.

As I mentioned, this material is somewhat complex, but carries good values in the precious metals, as well as others.

It has been difficult to assay and to recover; but we are presently having our final bulk test run, and will have full information next week, we think. So at that time I can send same on to you.

Meanwhile, I enclose a summary of assays we have run the past two months on material from the property.

Sincerely,



M. Coke Reeves
President

COLORADO GOLD & SILVER, INC.

January 20, 1987

Brooks Towers, Suite 8K
1020 15th Street
Denver, CO 80202
(303) 595-0030

SUMMARY OF ASSAYS Arizona Desert Placer - Past 3 Months

ASSAYS by Dill, Houston, TX

| | <u>No. Assays</u> | <u>Oz AU Ton Average</u> | <u>No. Assays</u> | <u>Oz AG Ton Average</u> |
|-------------------------------|-------------------|------------------------------|-----------------------|------------------------------|
| Fire Assay, Not Pre-roasted | 11 | .1263 | | |
| Fire Assay, Pre-roasted | 13 | .2723 | | |
| Amalgamation, Not Pre-roasted | 11 | .2327 | | |
| Amalgamation, Pre-roasted | 31 | .3332 | 21 | .429 |

Assays by Aurum Ref., Moapa, Utah

| | | | | |
|----------------------------------|----|------|----|-------|
| Fire Assay of Chiddy Precipitate | 11 | .155 | 11 | 1.915 |
|----------------------------------|----|------|----|-------|