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Charley Hayashida Enterprises

Phone: (303) 379-3294-3295

P.O. Box 126
FT. GARLAND, COLORADO 81133
July 7, 1975

Mr. J. Bruce Imswiler
International Mineral & Chemical Corp.
390 Freeport Blvd.
Reno, Nevada

Dear Mr. Imswiler:

Enclosed is additional information regarding the Iron Ore deposits. This information may be of interest to you in that it includes records from the Arizona Department of Mineral Resources, and provides historical information pertinent to the deposits.

We are in hopes that this deposit will be of interest to you since we are sincere in our interest to sell the deposits and the availability of such deposits for sale in the United States is limited. We believe that due to the volume ore content of the deposits, the yield of material could be very profitable to a company such as yours with the interest and capability of development.

We thank you for your considerations!

Sincerely,

Charley Hayashida
President

CTH:lwh

Next - Time Time to Original - Check
Contact Charlie Rydholm

(303)
Phone alternate : 379-3299

this report has less TD_2 than other

rust mc miller - in Rhemire

7-3-75

Charlie Yoshida

Dept Mineral Resources

Personal Data

Brown magnetite - Fred Brown

↓

Fred Brown

ZFC Mining Company

8-25-60

-64

6-18-64

7-4-65

Have done a lot of drilling
Some gold evident

Worth \$30-35/ton

in concentrates

1-125



Not promising any one else.

Offer still stands at price given.

Charlie Hayashida - re.: Iron Ore @
500 mm - 1 mm in
Asking 2¢/ton
Big Horn Mining Dist
Maucoopa Co., Ariz.
(85 miles west of Phoenix)

We would own the

Outright 2¢/ton on established reserves

Core Drilling Done

Party that has it now

Depth to 500 feet

Heavy water = H_3O

H_2O

$\left(\frac{+}{-}\right) \rightarrow$ Ductile "H"

want to be

Richard E. Murity \rightarrow Has data on
7-10 feet to 8-10 feet (Check Arizona Ben.
mines)



Charley Hayashida Enterprises

Phone: (303) 379-3294-3295

P.O. Box 126
FT. GARLAND, COLORADO 81133

5/9/75

Mr. Peter O. Sandrock
Chief Geologist
International Mineral & Chemicals
Libertyville, Ill.

MINING & EXPLORATION
Referred..... Approved.....
RECEIVED
File - Adm. - Gen. - Loc. - Opt. - Exp. - Equip.
Subject.....

Dear Mr. Sandrock:

Enclosed are all the available information on the Iron ore deposits.

Thank you

Very truly yours,

Charley Hayashida

REPLY TO:
1634 W. HAZELWOOD STREET
PHOENIX, ARIZONA 85015
TELEPHONE (602) 277-6053

Richard E. Mieritz

MINING CONSULTANT

ARIZONA REGISTERED
MINING ENGINEER AND GEOLOGIST

GEOLOGY
EXPLORATION
EVALUATION
FEASIBILITY
OPERATION

Walter W. McMillen, etal.
4040 East McDowell Rd.
Phoenix, Arizona, 85008

Dear Mr. McMillen:

At your request and authorization, December 2, 1974, the writer visited the Magna Placer Claims, T. 4 N., R. 9 W., Maricopa County, Arizona on December 6 and 7, 1974 for the purpose of sampling several newly excavated discovery pits or test pits within the confines of the forty 160 acre placer claims staked by yourself and others.

The following is therefor the writers report on how this work was completed and the results thereof.

PROPERTY, LOCATION and ACCESSIBILITY:

Your property consists of 40 - 160 acre Placer Claims known as Magna No. 1 through No. 40, being relocations, for the most part, of old claims known as the D. J and L. J. C. Placers. Your claims cover all or parts of Sections 19, 20, 21, 22, 23, 27, 28, 29, 30, 31 and 32, all in T. 4 N., R. 9 W., G. & S. R. B. & M., Maricopa County, Arizona.

Access to the property from Phoenix is not difficult and can be accomplished by passenger car. The property (Mill Area) is approximately 85 miles westerly of Downtown Phoenix through Buckeye and Tonopah. Travel to Tonopah is via U. S. Highway 80 and/or temporary I-10 towards Los Angeles. Using the Tonopah I-10 overpass (true start of route I-10) travel 13.0 miles westward on I-10 to the Salome Road Exit (Exit 81) and 0.5 miles on the Exit road. Travel northwesterly (to the right) 0.4 miles to junction of a northward trending desert road on the right (at a sign marked Salome - 31 miles). Making the right turn onto this road, travel 0.8 miles to another junction at which point a left turn is made. After 8.5 miles travel on this desert type road is another junction as a "Y". Taking the left arm of the "Y", the Mill Area is 0.5 miles distant. (See Map No. 2 for position of claims, Mill area and roads.).

CLAIM VALIDATION:

The required discovery pits on the 40 placer claims have been



using a "back-hoe" excavator. For the most part, these discovery pits were dug near the common corner of four claims, one pit on each of the four claims. This work commenced on December 6 and continued through December 7 and 8, 1974. Map No. 2, SAMPLE LOCATION MAP, shows the position of these pits which were dug on December 6 and 7, while the writer was present on the property.

The discovery and/or test pits had dimensions of 5 to 6 feet deep, 4 1/2 to 6 feet wide and 11 to 13 feet long with vertical or near vertical walls on 3 sides and a high degree sloping wall on the remaining side (permitting access to examine the gravel-sand stratas encountered to take the samples decided upon.).

SAMPLING-GENERAL:

Nine samples were personally taken and prepared by the writer on December 6 and 7. The geology of the pit sampled was also examined and noted by the writer. These pits which were sampled are shown on Map No. 2 and are designated by the writers sample numbers 1256 through 1264.

Although the taking of the samples is accurate and considered as good sampling procedure, it must be remembered these samples are strictly preliminary in nature being indicative of present "surface trends" of mineralisation and to a limited "depth factor" as penetrated by the pits.

SAMPLE TAKING and PREPARATION:

Proper sampling and preparation of placer material is a time consuming, tedious process involving measurements, large volumes and weights, as well as many calculations.

The following general procedure was used by the writer for the taking and preparation of the samples from those pits designated on Map No. 2 as being sampled.

- (1) - After the pit was dug by the back-hoe excavator, the most vertical, even planed wall parallel to the pit length was selected to be sampled.
- (2) - This wall was "skinned" by the writer to trim and even the wall.
- (3) - A specific section of selected dimensions, area-wise, was marked using a geologists pick.
- (4) - A large plastic sheet was spread on the floor of the pit to more than cover the length of the sample.
- (5) - Using a shovel and pick, successive "layers" of the material were scaled from the wall from the top to the bottom and across the "marked area" until the volume obtained approximated the volume of the sample measuring box.
- (6) - The sampled, loose material (sand, gravel, rocks, etc) was hoisted



to the surface and emptied into the measuring box until full to the corners. Some tamping was done.

(7) - The measuring box used and made by the writer has a 2.7 cubic foot volume level full, or one tenth (1/10) of a cubic yard.

(8) - After being filled and tamped, the material was shoveled from the box and screened using a $\frac{1}{2}$ inch size screen. The undersize was then usually split twice using a Jones type splitter.

(9) - The final quarter was then screened using an ordinary window screen mesh (about a 1/16th inch opening).

(10) - If the undersize was too much material, a third split was completed. A third split was necessary in all cases.

(11) - Half of this split (now 1/8th) of the original sample except for the plus $\frac{1}{2}$ inch discarded earlier, was panned using a standard gold pan until some of the very fine grained size "heavies" (magnetite, gold, etc.) started to move over the pan edge.

(12) - The final concentrate (sand grains and heavies) were low heat dried and packaged in sample envelopes after being properly identified by number.

(13) - Jacobs Assay Office, Tucson, Arizona, weighed each concentrate and assayed for natural iron (Fe), gold (Au) and silver (Ag). Five of the samples were assayed for Titanium (Ti) and one sample assayed for sulphur.

SAMPLE DISCRPTIONS:

Nine samples were taken by the writer on December 6 and 7th, immediately after the discovery and/or test pit was excavated by the back-hoe equipment. The following sample descriptions include pit location, direction, size, size of sample block as measured by the writer and geological stratigraphy of the penetrated material, in that order.

Sample #1256 - Magna No. 5 (NW/4, Sec. 31) Pit at SE corner of claim, N. 45° W., 11 feet long, 4.5 feet wide, 6 feet deep. Sample 3.5 feet long, 2.5 feet high, $\frac{1}{2}$ foot deep, NE wall, 2 feet NW of SE end and sample top is 3.6 feet below surface which contains soil, rocks up to 4 inches and some caliche. Sample area is successive layers of sand, magnetite, pebbles and some rocks up to 4 inches.

Sample #1257 - Magna No. 18 (SW/4, Sec. 32) Pit at NE corner of claim, N. 40° W., 12 feet long, 6 feet wide, 6 feet deep. Sample 4 feet long, 4 feet high and $\frac{1}{2}$ foot deep, NE wall, 2 feet NW of SE end and sample top is 1.5 feet below surface which contains soil and clay. Sample area is successive layers of sand, pebbles and some clay, possibly some magnetite.

Sample #1258 - Magna No. 4 (SW/4, Sec. 30) Pit at NE corner of claim, N. 45° W., 11 feet long, 4.5 feet wide, 6 feet deep. Sample 4.5 feet long, 4 feet high, 1/3 foot deep, NE wall, 2 feet NW of SE end and 1.8



feet below surface which contains soil and clay. Sample area is layers of sand, pebbles and rocks and about 4 inches of caliche. Some magnetite may be present.

Sample #1259 - Magna No. 21 (SE/4, Sec. 21) Pit at NW corner of claim, N. 25° W., 12 feet long, 5.5 feet wide, 5.5 feet deep. Sample 5 feet wide, 5.5 feet high and 2 inches deep, NE wall, 2 feet NW of SE end. Sample area is 3.5 feet magnetite, sand and pebbles above 2 feet of caliche and 4 inch rocks near bottom.

Sample #1260 - Magna No. 29 (SE/4, Sec. 28) Pit at NW corner of claim, N. 30° W., 11 feet long, 4.5 feet wide, 4.5 feet deep. Sample 5 feet long, 4.5 feet high and $\frac{1}{2}$ foot deep, NE wall, 2 feet NW of SE end. Sample area is soil and silt for the top 4 inches, the balance being sand and pebbles and some rocks to 4 inches, but not necessarily layered whereas the magnetite does occur as discernable layers.

Sample #1261 - Magna No. 26 (SW/4, Sec. 21) Pit at SE corner of claim, S. 45° E., 11 feet long, 4.5 feet wide, 5.5 feet deep. Sample 4.5 feet long, 5 feet high, 3 inches deep, SW wall, 2 feet SE of NW end and $\frac{1}{2}$ foot below surface which is soil and silt. Sample area is mostly sand with two layers of some pebbles and rocks to 4 inches at 1 foot and 3 feet above the pit bottom.

Sample #1262 - Magna No. 23 (SE/4, Sec. 20) Pit at SE corner of claim, N. 50° W., 11 feet long, 5.5 feet wide and 5.5 feet deep. Sample 5 feet long, 3.5 feet high, 3 inches deep, SW wall, 2 feet NW of SE end, 1.5 feet below surface which is soil and silt. Sample area is 3.5 feet sand and pebbles with $\frac{1}{2}$ foot of sand, pebbles and rocks up to 3 inches, all with layers of magnetite, some quite coarse grained.

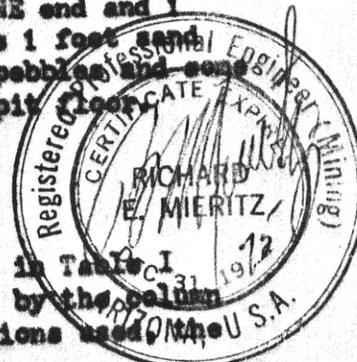
Sample #1263 - Magna No. 33 (NW/4, Sec. 27) Pit at NE corner of claim, N. 80° W., 12 feet long, 4.5 feet wide, 6 feet deep. Sample 4.5 feet long, 2 feet high, $\frac{1}{2}$ foot deep, South wall, 4.5 feet West of East end and 4 feet below surface which is caliche. Sample area is sand, pebbles and some rock to 2 inches and minor amounts of fine grained magnetite.

Sample #1264 - Magna No. 40 (SE/4, Sec. 23) Pit at SE corner of claim, S. 70° W., 11.5 feet long, 4.5 feet wide and 6 feet deep. Sample 4 feet long, 5 feet high, $\frac{1}{2}$ foot deep, North wall, 3 feet SW of NE end and 1 foot below surface which is soil and sand. Sample area is 1 foot sand below the soil, 2 feet of soft caliche containing rocks, pebbles and some sand and 2 feet of sand, clay and some pebbles above the pit floor.

SAMPLE DATA and RESULTS:

Sample data, calculations and assay results are exhibited in Table I and Table II. All data is self explanatory as identified by the column headings, however, as a matter of explanation and assumptions used, the following should be noted:

(1) - The natural iron content is considered to be derived completely from the iron mineral magnetite (Fe_3O_4 , Fe = 72.4%, O = 27.6%, Sp. G. 5.17)



- (2) - That the bulk of the material other than magnetite in the concentrate is sand grains (SiO_2 , 100%, Sp. G. 2.65.
- (3) - That the titanium oxide can be considered most likely as the mineral ilmenite and/or rutile, wholly or in part as an admixture with the magnetite, and
- (4) - That one cubic yard of sample averages 2,700 pounds, and
- (5) - that the following calculations were used to determine the values of the columns shown in Table I. For absolute true values of the columns, mineralogical tests of the concentrates would be required, however, for the purpose of this work, the calculations as used are considered as being adequate and precise to the degree herewith required.

$$\begin{aligned} \text{Col. 5 (\% magnetite)} &= \text{Col. 4 (\% natural Fe)} \times \frac{100\% \text{ (true magnetite)}}{72.4 \text{ (\% iron in true magnetite)}} \\ \text{Col. 6 (\% sand)} &= 100\% \text{ (concentrate)} - \text{Col. 5 (\% magnetite)} \\ \text{Col. 7 (Sp.G. of Conc.)} &= \text{Col. 5 (\% mag.)} \times 5.17 \text{ (Sp.G. mag)} + \text{(next line)} \\ &\quad \frac{\text{Col. 6 (\% sand)} \times 2.65 \text{ (Sp.G. sand, } SiO_2)}{100\%} \\ \text{Col. 8 (Wt mag/cu. yd)} &= \text{Col. 3 (Conc Wt.)} \times \text{Col. 5 (\% mag)} \times 80 \text{ (Split portion} \\ &\quad \text{X sample volume portion, } 10 \times 8) \\ \text{Col. 9 (\% mag/cu. yd)} &= \frac{\text{Col. 8 (Wt. of magnetite / cu. yd.)}}{2700 \text{ (Wt. of cu. yd. sand-gravel, assumed)}} \\ \text{Col. 10 (Cu. yds for 1 ton mag.)} &= \frac{2000 \text{ (pounds/ton-short)}}{\text{Col. 8 (Wt. of magnetite/cu. yd.)}} \\ \text{Cols. 11, 12 and 13} &= \frac{\text{Gold, Silver and Titanium Oxide Assays} \times 100}{\text{Col. 5 (\% magnetite in Conc.)}} \end{aligned}$$

ANALYSIS of SAMPLE RESULTS:

It must be remembered that the completed sampling program is very preliminary in nature and basically only tests the material from the surface to a 5 or 6 foot depth. Material to this depth is usually constantly "working" (moving horizontally and vertically) due to the annual precipitation as rain - hard rains - (flash flooding) in many instances.

Such test work however accomplishes to a great extent - validation of claims - and provides information as to "trends" or channels of moderate or strong mineralisation, particularly as regards magnetite (Fe_3O_4) content.

The sampling program was wide spaced, therefore merely indicative of particular areas.

The tabulated and calculated information of Table I strongly suggests that the magnetite content in the sand-gravel material is somewhat "weak," except in sample #1262, over most of the surface area and to a depth of 5 or 6 feet. The same is true for all the gold and silver values of the samples taken and their presence is most certainly part and parcel of, and being, in solid solution with the magnetite. Little to no gold or silver would or could be considered as "native - free". As can be seen in Table I, these values are quite low.

Those samples assayed for titanium oxide suggests that this mineral (probably all ilmenite - $FeTiO_3$) is not totally dependent on the magnetite content - to wit - sample #1256 with 25.7% magnetite and 1.13%



TiO₂ as compared to sample #1262 with 54.4% magnetite and only 0.91% TiO₂.

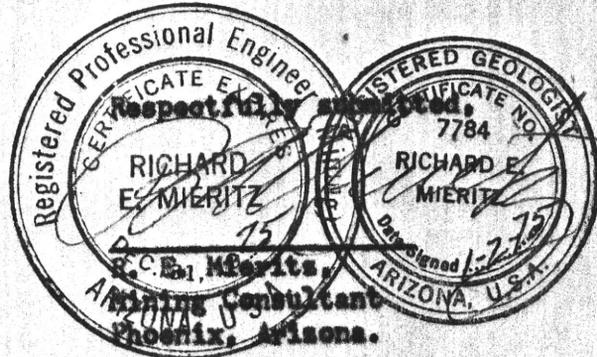
FUTURE EXPLORATION:

The sampling results indicate favorable trends or channels of strong mineralization in all or part of Claims No. 23, 15, 22, 16, 21, 8, 17, 7 and 18 as one trend and Claims No. 35, 33, 30, 27, 29 and 28 as a second trend.

The sand-gravels within these two trends should be explored to 40 foot depths initially to learn the stratification of the area and also to sample and test for the magnetite content.

Placer sampling requires large volume samples which must be prepared like or similar to the method used by the writer. To obtain the necessary volume, large diameter drilling or shaft sinking is required. Placer sampling is an energetic program, both time-wise and financial-wise. Preparedness in both categories is a requirement for proper first phase development of the property.

The major trend - first mentioned in earlier paragraph - should be the first to be explored, particularly in the norther portion of the property because a coarser grained magnetite is suspected by the writer. Greater magnetite contents are also suspected.



January 2, 1975

TABLE I

Sample Number	Sample Volume Ca. Ft.	Number of Splits & Ratio	Weight of Conc. Pounds (3)	Natural Iron-% (4)	Magnetite % (5)	Sand % (6)	Specific Gravity of Conc. (7)	Magnetite per cubic yard Lbs. - % (8) (9)	Cubic Yards Req'd for one ton Magnetite (10)
1256	2.7	3 (1/8)	0.563	18.6	25.69	74.31	3.297	11.60 0.43	172.4
1257	2.7	3 (1/8)	1.688	26.0	35.91	64.09	3.555	48.48 1.79	41.3
1258	2.7	3 (1/8)	0.688	23.4	32.32	67.68	3.464	17.79 0.66	112.4
1259	2.7	3 (1/8)	0.688	33.6	46.41	53.59	3.819	25.52 0.95	78.3
1260	2.7	3 (1/8)	1.188	30.2	41.71	58.29	3.701	39.68 1.47	50.4
1261	2.7	3 (1/8)	1.062	20.7	28.59	71.41	3.370	24.32 0.90	82.2
1262	2.7	3 (1/8)	2.062	39.4	54.42	45.58	4.021	89.76 3.32	22.3
1263	2.7	3 (1/8)	0.625	29.2	40.33	59.67	3.666	20.16 0.75	99.2
1264	2.7	3 (1/8)	0.625	24.4	33.70	66.30	3.499	16.88 0.63	118.5

TABLE I Cont'd

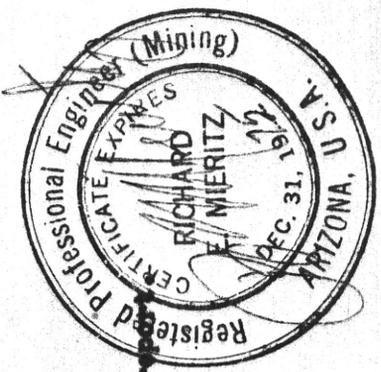
Sample Number	Assays of Original Concentrate			
	Natural Iron %	Gold Os/Ton	Silver Os/Ton	Titanium Sulphur Oxide %
1256	18.6	Tr.	0.15	1.13
1257	26.0	Tr.	0.10	
1258	23.4	0.005	0.05	1.55
1259	33.6	Tr.	0.05	1.31
1260	30.2	Tr.	0.10	1.16
1261	20.7	Tr.	0.10	
1262	39.4	0.005	0.15	0.91
1263	29.2	Tr.	0.05	
1264	24.4	Tr.	0.05	2.85

Calculated Contents for 100% Pure Magnetite Concentrate.

Gold Os/Ton (11)	Silver Os/Ton (12)	Titanium Oxide % (13)
Tr.	0.58	4.40
Tr.	0.28	
0.015	0.15	4.80
Tr.	0.11	2.82
Tr.	0.24	2.78
Tr.	0.35	
0.010	0.28	1.67
Tr.	0.12	
Tr.	0.15	

All calculations made by R. E. Mieritz, Mining Consultant.

For explanation as to how each column (numbered) was calculated, refer to page 5 of the report.



May 14, 1975

Mr. Charley Hayashida
Charley Hayashida Enterprises
P.O. Box 126
Ft. Garland, Colorado 81133

Dear Mr. Hayashida:

This is to acknowledge receipt of claim location notices, claim map, brief reports by McMillen and Mieritz, and an E&MJ report on iron ore. I am sending all of this information to our Manager of Exploration - Western USA, Mr. J. Bruce Imswiler, in our Reno regional office.

You will be hearing directly from Mr. Imswiler after he has had a chance to review the material.

Thank you very much for thinking of IMC in connection with this mineral development opportunity.

Sincerely yours,

Peter O. Sandvik
Chief Geologist

POS/mp

cc: Mr. J. B. Imswiler

THIS COPY FOR

THE MAGNA AND IRON MAC PLACER CLAIMS

LOCATION AND DESCRIPTION

The Magna and Iron Mac Placer Claims are located in the Big Horn Mining District of Maricopa County, Arizona, approximately 85 miles west of Phoenix and 300 miles east of Los Angeles. They can be reached via Interstate 10, the main highway connecting Phoenix and Los Angeles, to the Salome Exit (Exit 81) thence via an unimproved dirt road a distance of approximately 8 miles in a northerly direction.

There are railheads on the A.T.&S.F. (Santa Fe) railroad at Aguila and Salome about 30 miles northwest of the property via gravelled roads, and on the Southern Pacific railroad at Arlington about 28 miles southeast of the property approximately 20 miles of which is via paved road. (See Arizona Highway Map)

The claims consist of 79 unpatented placer mining claims located on public lands of the federal government which are open to mineral discovery and exploration pursuant to the mining laws of the U. S. and the State of Arizona. The principal mineral discovered is magnetite (FE_3O_4) existing in "black sands" with some titanium, gold and silver in evidence.

HISTORY AND BACKGROUND

The Magna Claims, except for Claim Nos. 35, 36, 41 and 42, were originally located circa 1954-1955 by a Fred Brown and others under the name D. J. Placer Claim Nos. 1 through 34. These claims were later transferred by quit-claim deed to Frank Broes who transferred them in succession to Calazona Development Company, L. J. C. Iron Company and Stradco Iron Company, all corporations in which he was either the sole or majority stockholder and over which he exercised absolute control.

The writer first became aware of the existence of the claims while he was employed for a brief period in 1966 by Calazona Development Company and had

occasion to visit them in connection with his employment. Prior to that time Broes, acting through his various corporations, had undertaken an extensive drilling and exploration project on the claims, and the writer later learned through reading correspondence and assay reports which were shown to him, and through visual observation and conversations with Broes and others who were present at the time of the project, that a sizeable body of magnetite ore had been blocked out over the claimed area. The depth was reported to be 500 feet with some assays running as high as 69% plus magnetite or 55% plus iron. This was confirmed by a report of a registered geologist named Donald P. McCarthy (now deceased) and accompanying assay reports which were read by the writer. Some 30 odd holes 36 inches in diameter and approximately 30 feet deep were drilled. Some of them are still in existence but have become partially filled. It was also reported to the writer that some 200 core drill holes 2 inches in diameter by 500 feet deep were drilled. None of these was ever seen by the writer, but one can occasionally run across the 2 x 2 white painted stakes on the property which reportedly were used to mark the location of the holes. In addition two 10 inch by at least 500 foot deep water wells were drilled on the property, and during the time the writer was employed by the company at least one of these wells was producing what was reputed to be "heavy water" with gold in suspension. Samples of this water were shown to the writer. At that time Broes under the guidance of a metallurgist named Howe was attempting to develop a process whereby gold could be taken out of suspension, but as far as the writer knows this was unsuccessful. The ruins of the building and part of the equipment employed in this process are still in existence on the property. The two wells were evidently capped at one time and apparently the caps have been cut off the casing and dropped into the wells. As a consequence the wells are both plugged at this time.

The writer was again employed by Broes in 1971. This time as Secretary of Stradco, Inc., a holding company with offices in Washington, D. C.. During this employment the claims were transferred to Stradco Iron Company, a subsidiary of Stradco, Inc., and as part of this employment the writer was detailed to secure an appraisal of the mining claims for corporate accounting purposes. This appraisal was made by Richard E. Mieritz, a registered geologist. Since no current information was available to him upon which to base his appraisal a "conditional" appraisal was made based upon the assumption that the McCarthy geological report was accurate and correct and that the assay reports were correct and upon a visual inspection of some of the remaining 36 inch by 30 foot drill holes, which by that time had become partially filled. As the writer can best recollect Mieritz appraised the value of the mineral in place to a depth of 27 feet at \$165,000,000.00, and the possible existence of gold, silver and titanium in the ore body and the existence of "heavy water" with gold in suspension were not taken into consideration. For reasons of professional ethics Mieritz cannot make available a copy of his appraisal and the McCarthy report and accompanying assay reports are not available to the writer. In any event it is believed they would be of little or no probative value at this time and their contents would have to be confirmed through another extensive drilling and assaying program. However, based upon what the writer has seen and heard of the ore body, and the results of recent shallow subsurface sampling by the writer and the other locators under the direction of Mieritz, it is felt there is good reason to believe the ore body exists in some degree of proximation to that which was previously reported.

During the period from noon September 1, 1973 through noon September 1, 1974, Stradco Iron Company failed to perform the assessment work required to be

performed each year on unpatented mining claims. As the direct result of this failure the property reverted by operation of law to the public domain and became open to mineral location.

The writer and the other locators named in the notices of location re-located the D. J. Claims on November 1, 1974 as Magna Placer Claims together with Magna Claims Nos. 35 and 36 which were located as original locations. Later, on December 21, 1974, Magna Placer Claims Nos. 41 and 42 were located as original locations. On February 15 through 17, 1975, the Iron Mac Placer Claims Nos. 1 through 29 together with 9X, 9Y, 9Z, 10X, 10Y, 10Z, 14X and 15X were located as original locations. Three of these claims are one-half of a quarter section. The remainder are quarter section claims.

The total number of 79 claims now held by the locators of the Magna and Iron Mac Placer Claims comprises 19.125 sections of surface land. Arbitrarily assuming that 75% of the area can be mined as a placer deposit, an area covering 14.14 sections, 9050 acres, or 43,802,000 square yards could be mined to a depth as yet undetermined. Based upon that assumption, and the weight of the ore (i. e. sand, gravel, rock and minerals) being 1.35 tons per cubic yard (as determined by R. E. Mieritz), and further assuming various average contents of iron which might exist throughout the ore body, as yet undetermined, the following attached table was compiled to demonstrate graphically the various possibilities which could exist in these mining claims upon a determination of the average iron content and the depth of the ore body.

Respectfully submitted,

Walter W. McMillen
Walter W. McMillen

Depth Feet	Ore Cubic Yds.	Ore Tons	IRON (Fe)/tons		
			30%	40%	50%
30	438,020,000	591,327,000	177,398,100	236,530,800	295,663,500
60	876,040,000	1,182,654,000	262,812,000	350,416,000	438,020,000
90	1,314,060,000	1,773,981,000	394,218,000	525,624,000	657,030,000
120	1,752,080,000	2,365,308,000	525,624,000	700,832,000	876,040,000
150	2,190,100,000	2,956,635,000	657,030,000	876,040,000	1,095,050,000
180	2,628,120,000	3,547,962,000	788,436,000	1,051,248,000	1,314,060,000
210	3,066,140,000	4,139,289,000	919,842,000	1,226,456,000	1,533,070,000
240	3,504,160,000	4,730,616,000	1,051,248,000	1,401,664,000	1,752,080,000
270	3,942,180,000	5,321,943,000	1,182,654,000	1,576,872,000	1,971,090,000
300	4,380,200,000	5,913,270,000	1,314,060,000	1,752,080,000	2,190,100,000

Location: 18 miles due south of Aguila., T4N, R9W, Secs. 19-23, 27-30 and 32

Owner: Fred Brown, Picacho, Arizona

Lessees: Ralph R. Langley et al, 1156 South Highland Avenue, Los Angeles 19, California. (Telephone WE 1-2351).

Property: 10 sections of ground.

Preliminary Tests: These show an unknown depth of magnetite placer which runs $5\frac{1}{2}\%$ of magnetitic material. Tests with magnetic separators, with variable degrees of strength, also show that the placer shows 0.8% of TiO_2 . However, the titanium is reduced to 0.14% and the iron raised to 60.6% with a magnetic strength of so much. The titanium concentrate thus obtained runs around 27% and some silica. This meets Japa nese specifications. Agglomeration tests show that the magnetite concentrate can be agglomerated by extrusion to pellets which are $2\frac{1}{2}$ to 3 inches long and 2 inches thick in the shape of a small hamburger bun.

According to Mr. Langley, the hardness and toughness of the pellets is dependent upon the complete removal of all air in the concentrate rather than on pressure alone. The pellets produced from the Brown ore, were quite satisfactory in a blast furnace charge as tested by the Japanese Cartel laboratories. A Stearns Magnetic Separator was used and the analytic work done by Wisenhauer Laboratories of Los Angeles. Several firms are cooperating with Langley in the tests.

Further Tests: Long Drilling Company, 4345 N 32nd St., Phoenix, has been contracted to drill ten or more 16 inch tests holes up to 100 feet of depth. This firm did the test-holing for Garpac. These holes will also serve for the annual assessment work on the claims. They will be sampled in 1 foot intervals at first. The interval will be widened if practicable, depending upon the first results.

Mr. Langley said he had negotiated a \$3.00 per ton freight rate from Aguila. The Aguila to Hassayampa road passes within 2 miles of the area making a total haul of 18-20 miles by truck to Aguila. This haul can be contracted for 4 to $4\frac{1}{2}$ cents per ton mile. As now figured the price for +60% iron ore F.O.B. ship at San Pedro, is around \$10.00 to \$10.50.

Mr. Langley said that the Japs are "hot" on the material and want it as soon as possible since their sources of iron ore are inadequate. They want a considerable tonnage. He is now working out the agglomeration costs. However, the Japs will take unagglomerated ore temporarily. As soon as the test hole results and the agglomeration cost figures are obtained he will be able to determine the economic feasibility of the deposit. He now thinks it may work out well.

Mr. Langley also has tentative working agreements with Kelly (Tucson) who has the deposit west of Omega, and with Paul Bauer and Kelly, who have a similar but lower grade deposit near Salome. He wants to obtain a royalty of 25 cents per ton of concentrates.

Brown Magnetite Deposit (continued)

The plant would consist of an ordinary gravel aggregate plant plus magnetic separators and infra red driers. The agglomeration at first would be done at an extrusion plant near San Pedro. Power for the mine and mill plant would be furnished by a diesel generator unit at the mine.