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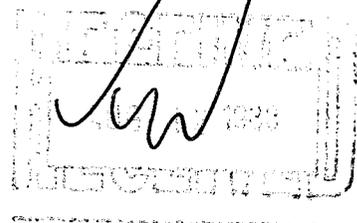
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Subs "G"
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July 29, 1988

LODESTAR MINERALS INC.
P.O. Box 1089
Mesa, Arizona 85211
(602) 833-3355

Dear Sir,

The following is an information package on the "Gibson Copper Mine." Lodestar Minerals Inc. is presently conducting preliminary development work on the property. If your company or an associate is interested in additional information, please contact Don Ross or Jerry Covey or write Lodestar Minerals.

Sincerely yours,

Jerry A. Covey
Jerry A. Covey

Vice President &
Chief Financial Officer

LODESTAR MINERALS INC.

P.O.BOX 1089 MESA, ARIZONA 85211

SUMMARY of the GIBSON COPPER MINE

INTRODUCTION

The goal of Lodestar Minerals Inc. is to develop the Gibson property into a profitable mining operation. Based on the data collected to date, the company feels that, without doubt, there are sufficient minable reserves on the Gibson to produce a successful mining operation and a substantial profit.

COPPER PRICE

Indications are that the price of copper is expected to remain strong. The existing reports indicate the Gibson property can be profitable with copper as low as 60 cents per pound.

AVERAGE YIELD OF COPPER ORE RESERVES

In the report, "History of the Gibson Mine," shipments from the mine show that the property has produced extremely high grade ore. The average yield of U.S. copper ores has fallen from 1.88% in 1910 to 0.49% in 1979 (J. Brent Hiskey's Fieldnotes). The Gibson, as reported by Fletcher et al has:

- a) .70% copper average identified in 10,800,000 tons of disseminated ore reserves.
- b) 5.0% copper average identified in 672,000 tons of vein ore reserves.
- c) 1.5% copper average identified in 250,000 tons of mine dump ore reserves.
- d) 2.0% copper average identified in 100,000 tons of the underground mine workings ore reserves.

All of these averages exceed the U.S. average.

COPPER ORE RESERVES

In the Fletcher report on "Areas of Disseminated Mineralization", Calculation I (0.70% CU), reports that the areas has a geologic potential of 151,000,000 pounds of copper. In his Calculation II, (0.40% CU), Fletcher reports a potential of 345,000,000 pounds of copper. Based on the copper ore reserves identified, Fletcher et al designed a Conceptual Mine Model. A conservative figure 1,080,000 tons of reserves averaging 2.0% copper for a 10 year mine life, was reached. With a 70% recovery rate, the mine will produce 30,024,000 pounds of copper. It is expected gold and silver will also be produced but that has not been estimated. The entire property area used to obtain these figures is less than 10% of the total Gibson property.

Heinrichs Geoexploration Company conducted and completed an ore reserve estimate on a small area of the Gibson property. Based on their report, an additional 421,000 pounds of copper are identified as a reserve.

In his report on the "Gibson Mine Potential", Nicholas H. Carouso says that a conservative estimate should be at least 5,000,000 tons of ore with a grade of at least 1.0% copper per ton. This would yield 100,000,000 pounds of copper. The Carouso report also supplies data on vat leaching and in-situ leaching potential.

TECHNOLOGY

Hydrometallurgical processing of ore deposits by solution mining or in-situ (in place) is now state-of-the-art technology as reported by Dr. J. Brent Hiskey, Dr. L.E. Murr and Dr. M.E. Wadsworth. Considerable cost savings can be recognized by in-situ solution mining. Since the ore is not moved or crushed, the production costs per pound of copper is substantially reduced.

The leaching of combined oxide and sulphide copper ore has been improved with the use of Thiobacillus Ferroxidans and Thiobacillus Thiooxidans in the leach solution. The use of leach solvents other than sulfuric acid, such as ferric sulfate and ferric chloride, have been observed to be more effective on some copper ores. The Gibson mineralization, 5 miles of underground workings, 2 sets of leach pads, and topography make the property very suitable to the latest technology available.

CONCLUSION

It is Lodestar's opinion that there is substantial virgin ground yet to be discovered on the Gibson property. Reports such as a "9% disseminated ore body below the 600 foot level", the Carouso report on the Arlene Claims indicating potential economic mineralization, and actual mined ore of 46% copper, lead us to believe that the present identified reserves are only a portion of what may be available. In our interview with James Fletcher, it was reported that the Van Dyke and Inspiration ore bodies were overlaid by veins similar to that of the Gibson and that when Oxidental Petroleum drilled past the old mine working of the Van Dyke mine, they found a disseminated ore body below. Fletcher said the ore body goes under the city of Miami.

Arizona produces two thirds of the U.S. copper, much from this area. There is obvious foreign interest in U.S. copper mines. Phelps Dodge has two mines that produce copper for Japanese co-owners. The most conservative estimate reporting over \$30,000,000.00 of copper reserves in sight minus gold and silver, lead us to believe the initial capital required is small in comparison to the potential return.

It appears since copper prices have stabilized around the \$1.00 mark (40% higher than the mid 1980's) that much of the risk to place the Gibson into production has been substantially reduced. Now that the mine has over 4 square miles of land, plus in-situ, heap leach and solvent extraction recovery techniques for copper ore are well proven, a bright future is certain for the Gibson.

REFERENCES CITED

The data for this summary has been collected from numerous documents, records, reports, and interviews including:

- * The Arizona Department of Mines and Mineral Resources in Tucson and Phoenix, Az;
- * The Bureau of Land Management in Phoenix, Az;
- * The Gila County Recorders office in Globe, Az;

Reports on the Gibson Mine potential written by:

- * Fred H. Perkins, Mining Engineer, Arizona Department of Mines and Mineral Resources, Phoenix, Az. Oct. 1942;.
- * A. Macfarlane, Mining Engineer, Arizona Department of Mines and Mineral Resources, Phoenix, Az. June, 1944;
- * Harvey S. Durand, Geologist, Heinrichs Geoexploration Company, Tucson, Az. April, 1967;
- * Nicholas H. Carouso, Mining engineer, Geo-Processing Inc. Globe, Az. Nov. 1973, and Aug. 1978;
- * James B. Fletcher, Mining Engineer, Thomas A. Clary, Geologist, Floyd J. Ingram, Geologist, of Vanguard Mines Inc. Globe, Az. Aug. 1984;
- * L. A. Bayrock, Geologist, Bayrock Surfical Geology LTD. Vancouver B.C. Feb. 1985.

Newspaper articles about the Gibson supplied the historical chain of events from the early 1900's to the 1940's.

The interviews were used to support data that was vague or missing. Some of these people have in depth knowledge on facts that are not public record or published in any reports. The following people were contacted:

- | | |
|-------------------------|-----------------------|
| * Robert M. Franks | * Nicholas H. Carouso |
| * James B. Fletcher | * Mrs . Lester Cox |
| * Mrs. Dorothy Striegel | * Rocky A. Miller |

The technology for heap leaching and in-situ leaching (solution mining) on copper ore was written by:

- * J. Brent Hiskey Ph.D., Assistant Director, Arizona Bureau of Geology and Mineral Technology, Tucson, Az. "The Renaissance of Copper Solution Mining." Fieldnotes, Vol. 16, No. fall 1986.
- * L. E. Murr Ph.D., Head of the Department of Metallurgical and Minerals Engineering at the New Mexico Institute of Mining and Technology. Socorro, New Mexico. "Theory and Practice of Copper Sulphide Leaching in Dumps and In-Situ." Minerals Science and Engineering, Vol 12, No 3. July, 1980.
- * Milton E. Wadsworth Ph.D., Associate Dean of the College of Mines and Mineral Industries. Salt Lake City, Utah. "Interfacing Technologies in Solution Mining." Dec. 1977

HISTORY OF THE GIBSON COPPER MINE GILA COUNTY, ARIZONA

The following is a journey thru the history of this grand and colorful mining property. This is a look at one of the Globe - Miami first rich copper mines. Located in the center of one of the largest copper and silver ore bodies in the world, the Gibson is surrounded by ore bodies such as Pinto Valley and Castle Dome 4 miles north, Miami-Inspiration ore body 6 miles northeast, the Blue Bird and Oxhide 5 miles east, the Van Dyke and Miami East 7 miles east, ASARCO deposit 5 miles west, and the Ray Mine 10 miles south. The Gibson workings, which cover only approximately 10% of the present total property area, have a recorded production of more than 12,000,000 pounds of copper.

The Gibson Mine property is located in the Summit Mining District in Gila County, 9 miles west of Miami, Arizona. Access to the property from Phoenix is via Route 60 for approximately 90 miles and 3 miles of good gravel road (Forest Service Road 349) which leads directly to the Gibson Mine.

The property was originally part of a small group of claims, 16 of which were patented in the early 1900's. The property has over the recent years been expanded to a total of 157 claims covering about 4 square miles including 15 of the original patented claims.

1903

The Gibson claims were located by S. L. (Sam) Gibson and W. M. (Tip) Henderson. At least 7 veins run through the property. The strongest veins are the Pasquale and Summit running over 7,000 feet.

1906

The "Gibson Copper Company" was formed. Stock was sold and the company installed a "Vulcan" double steam hoist and compressor. A three compartment shaft was sunk on the Pasquale Vein. The town of Bellevue is founded.

1906 Sep. 24

The Summit, Daisy Lily, Little Mans, and McKinley claims are patented. Total acreage is 84.924.

1909

Gibson and Hendersons company has produced 6,500,000 pounds of copper to date from the underground workings. Due to the high cost of transportation and smelting charges, only 20% or better grade copper ore is being shipped by 10 horse team to the Dominion Smelter 18 miles away.

1910

W. A. Eaton and Associates form the Summit Copper Company and lease the Gibson property. Summit Copper sank a vertical shaft 576 feet on the Pasquale Vein. During the next year they yielded over 350,000 pounds of copper. The Summit Copper Company relinquished their lease/option in October 1911, partly on account of the large asking price of \$440,000.00.

1911 Jan. 11

The Hillside, Congress, and Little Jim claims are patented. Total acreage is 35.513.

1911 Nov. 28

The Annex, Hardscrabble, Sycamore, Apex, Cracker Jack, Oak Spring, and Westbrook Ajax claims are patented. Total acreage is 87.684.

1912

The Gibson Copper Company resumed operations of the mine until April 1913, when it closed because of financial difficulties.

1912 May.

Single claims are leased to individuals that pay 30% a royalty to the Gibson Copper Company.

1913 May.

Frank Dowell (a lessee) at the Gibson struck 18" vein at 38% copper.

1913 Jun.

Average grade of ore being shipped by lessee's is 26%.

1913 Jun.

Sultan and Wayne obtained the lease in June, 1913, but relinquished it in Aug. after unsuccessful attempts to concentrate the ore with jigs.

1914 Jan.

The Gibson Copper Company has its claims leased to 35 different lessees. A high grade chalcopryrite ore vein 2 feet in width and running 29% copper is located by Feagles brothers and associates. 300 tons of ore are shipped from the property from January 1914 to May 1914.

1914 May.

The Gibson Copper Company is sold. The new manager, O. B. Kemp, is mapping a more organized approach to mining the property. A 100 ton a day floatation plant is being planned. U.S. Circuit Court hands down opinion that the basic floatation process cannot be patented.

1915 May.

Lessees George Zapp and Lou Riddle ship 38.18% copper ore from the Gibson. Entire output of the Gibson has been approximately 200 tons this month.

1915 Jul.

81 men are leasing on the Gibson. 100 people live at Bellevue. 20 to 30 cars (350 to 400 tons) of 20% or better copper are being shipped per month to the Old Dominion smelter. Copper price is 20 cents per pound.

1915 Nov.

Frank F. Towle takes over the management of the Gibson property, which is now very famous for its high grade sulphide ore. 350 to 400 tons per month are shipped. Copper grade of 20 to 25%. Bellevue has 10 families in the camp and 85 men are eating at the boarding house.

1916 Jan.

Robertson brothers locate 15 tons of 46.69% copper, a grade never before equalled in this district or any other mine in Arizona.

1917 Jun.

Gibson mine sold to Harold Bierce and Col. A.F. Peake. The new name will be Gibson Consolidated Copper Company, a Delaware corporation, with \$1,000,000 of capitalization. Stock value @ \$1.00 per share. 300 ton per day floatation mill is planned.

1917 Nov.

The Gibson is shipping 1,000 tons of high grade per month. Production records show the mine has produced \$2,100,000.00 net smelter return to date.

1918 Aug.

Demand for copper for war industries keeps copper prices high. At least 7 veins running lengthwise of the property and only 3 have been partially developed to 600 feet.

1918 Dec.

The mine closes due to low copper prices. Plans for work on the floatation plant continue.

1919 Jan.

700,000 tons of positive ore and 300,000 tons of probable ore are identified in stopes and mine dump. Gibson has 26,000 feet of underground workings. A dam is built on Pinto Creek (150 feet long and 32 feet high) to impound 6,000,000 gallons of water for the concentrator plant.

1919 Jul.

The new floatation plant concentrator starts regular operations treating 125 to 160 tons of ore per day, producing 11 tons of concentrates per day.

1920 Aug.

Drifting on the 300 foot level continues and ore reserves are being steadily blocked out for future milling.

1919 Dec.

A vein on 400 foot level of the mine contains 24% copper and 92 ounce silver. Drilling is in process to the 1200 feet level to pick up extensions of known ore bodies.

1920 Sep.

Gibson Consolidated Copper Company temporarily closed and will not reopen until better copper market develops.

1923 Jul.

Gibson remains closed. Rain causes the top of a 480 foot shaft to cave.

1925 Aug.

Forclosure suit filed against Gibson Consolidated Copper for \$200,000 for delinquent loan with Old Dominion Commercial Company.

1926 Jul.

Holdings of the Gibson sold at sheriffs sale for \$200,000 to satisfy judgement in favor of Old Dominion Commercial Company.

1928 Sep.

Keyes and Miller have the Gibson leased. They are operating a 100 ton a day concentrator with 80% recovery and 22% concentrates. Operate until 1929.

1930

Copper prices drop to 12.9 cents per pound during 1930, 8.14 cents in 1931, and 5.5 cent in 1932.

1939 Sep.

Castle and Bush, speaking of the Gibson " I believe it is without doubt the best thing yet undeveloped in the Globe, Miami district." Copper is 10.9 cents per pound.

1942 Jan.

M.H. Yeager acquires 7 patented claims through a tax sale. Yeagers mine owners report plenty of good water available. The property needs prospecting. Copper is 11.7 cents per pound.

1942 Feb.

Yeager reports the southeastern portion of the Summit Vein was not mined at all. Little or no work was done below the 400 foot level in any of the mine. Leads widened out a depth. Ore handled at that time was called "Black Sulphied" (chalcocite) and chalcopyrite.

1942 Sep.

Ross Finley, an assayer, and Albert Stevens buy 8 of the patented claims. Copper is 11.7 cents per pound.

1942 Oct.

Fred H. Perkins, an engineer for the Arizona Department of Mines and Mineral Resources, wrote a report on the Gibson for Ross Finley. Numerous sites on the property would give commercial blocks of ore. With the proper financing the owners could have ore on its way to the smelter inside 30 days.

1943 Jun.

A. MacFarland, an engineer for the Arizona Department of Mines and Mineral Resources wrote a report on the Gibson dumps. Assays of the dumps average 2.08% copper. A screened 15.5 ton shipment of ore on November 28 1942 assayed 4.96% copper. Copper is 11.7 cents per pound.

1945 Jun.

G.M. Butler, Dean of the School of Mines in Tucson, Arizona wrote a report that is referred to in the letter to E. F. Walsh. The property requires deeper new mine development. We agree with Mr. Butler that the mine has much merit for a development proposition.

1950 Aug.

Gary Roberts has one of the Gibson claims leased. Roberts uncovered a ore vein 16 to 24 inches thick that is up to \$46.75 per ton at 22 cents per pound copper.

1950 Sep.

Ross Finley is trying to raise money for development.

1956 Nov.

Ross Finley passed away. Finley left his 50% interest in the 8 patented claims to his daughter Dorothy Striegel.

1958

The property is known as the Kuno Mine. Little known activity. Copper is 25.7 cents per pound.

1963 Mar.

Mrs. Ross Finley and Albert Stevens lease their 8 patented claims to Harlem Fountain, the chief chemist at Miami Copper, and Reed Nix. Fountain and Nix are leaching the Gibson dumps. After his death, Stevens left his 50% interest in the claims to the Franciscan Fathers of California.

1965

Two leach pads and 4 cement tanks were installed and operated just south of the present dump site by the owner Reed Nix. Copper is 35 cents per pound.

1966

Mr. Paul Kayser, (age 79) who was the founder of El Paso Natural Gas Company, buys the Gibson property from Nix. Kayser's company is called "Arizona Mining Properties Inc." Copper is 36.1 cents per pound.

1968

Six 8' X 16' cement tanks were built and pipe lines installed at the head of Mineral Creek for a pilot in-situ leaching operation on a portion of the 26,000 feet of underground workings. Ken Hammes and Lester Cox assisted on the project, and Robert Franks is the mine manager. Operations began in 1969. Copper is 41.8 cents per pound.

1969 Oct.

The Gibson is put on the active mine list. Two large asphalt pads were built near the Gibson shaft. The in-situ operation and the heap leach operation were placed in service as a pilot operation thru 1970. Copper is 47.5 cents per pound.

1971 Nov.

Nick Carouso, a mining engineer, and his family live on the property until 1978. Carouso's company, Geo-Processing Inc., is leasing the property from Kayser. Nick is doing work for Paul Kayser also and writes two reports, one in 1973 on the Gibson potential and in 1978 on the Arlene claim group. The property now has 16 patented claims and 53 unpatented claims. Copper is 50.6 cents per pound.

1972 Jul.

Nick Carouso et al ship 90% precip to Bagdad.

1974

Kayser is reported drilling to the 5,000 foot level near Sutton Summit on the Star claims.

1979 Nov.

Robert Franks is given the property by Mr. Paul Kayser. The property size has increased to a total of 153 claims. Copper is 92.3 cents per pound.

1980

Franks is injured, and leases the property to Lester Cox, who owns some drilling equipment. All metal prices are up. Gold hits \$850.00 per ounce. Copper price is high, \$1.01 per pound

1981 Apr.

Dick Beard from the Arizona Department of Mines and Mineral Resources visited the Gibson. Mr. Beard reports the property needs further detailed exploration and might prove to be a strata bound massive sulphide deposit. Mr. Edward Fluskey, project geologist for Granges Exploration, spoke with Mr. Beard about miners stories he had heard of 9% cutoff grade at the bottom 100 feet of the 600 foot shaft, being in 9% disseminated ore.

1981

Cox does not work the the property but sub leases to a list of different companys who attempt to promote the mine to one of the major copper companys over the next 4 years. Copper prices drop from 83 cents per pound in 1981 to 66 cents in 1985.

1985

Cox takes in a partner, Don Boaz. Some concentrates are produced however the amount is unknown.

1987 Nov.

Lester Cox passed away. Control of the property is returned to Robert Franks. Little is known about the property from 1980 till now because Cox kept little or no records. Copper is 65 cents per pound.

1987 Sep.

AQUAMET, Inc. has a 6 month lease to do research on the water.

1988 Mar.

Lodestar Minerals, Inc. is in control of the Gibson property. Research is begun to prove the ore reserves. The history, all reports and any supporting data on the mine are being collected. Sampling and assaying is started. Equipment is moved to the property and preparations for pilot operation are underway. Copper is \$1.02 per pound.

LODESTAR MINERALS INC.
P.O. BOX 1089 MESA, ARIZONA 85211

**SUMMARY OF
LODESTAR MINING AND EXPLORATION PARTNERSHIP**

THE PARTNERSHIP. A limited partnership, LODESTAR MINING AND EXPLORATION PARTNERSHIP will be formed with LODESTAR MINERALS INC., A Delaware corporation, as General Partner, and investors as Limited Partners.

LODESTAR is presently starting pilot operations on the in-situ leaching of a portion of the underground mine workings and is in the process of starting operations on two heap leach pads already loaded with ore. Testing and assaying are underway to identify high grade copper and silver ore. Preparations are underway to produce copper concentrates from the pilot operation.

PROPOSED ACTIVITIES. The Partnership's first objective will be to increase the recovery of copper, silver and gold from a portion of the 4 sections of land (157 claims) the Partnership will have under its control, to produce a cash flow.

The second objective is to conduct development and exploratory activities for purposes of evaluating the commercial recoverability of additional mineral reserves. The reserves are primarily, but not exclusively, copper, silver and gold ores. The specific sites on the Gibson Property identified for development will be selected based on the outcome of the "Preliminary Property Evaluation Report" by mining engineer James B. Fletcher et al, as amended. This phase of work includes:

- a. Data research
- b. Geological mapping.
- c. Geological report.
- d. Drill hole data.
- e. Photogrammetric aerial survey.
- f. Preparation of a mine model.

The third objective will be to expand the Gibson from a pilot operation to full production based on the conclusions and recommendations of the previous work. Preparations will be underway to secure the necessary additional financing to meet this goal. Substantial funds will be required to install equipment necessary for a modern mining operation. The securing of additional funds is not anticipated as a problem because the value of the property will have been greatly enhanced, once the second objective work has been completed.

USE OF PROCEEDS. The funds will be expended for the general purpose and in the estimated amounts shown below. The estimates furnished are only intended to indicate the proposed use of funds. Actual expenditures for particular items may vary substantially from those indicated.

P.O. BOX 1089

LODESTAR MINERALS INC.
MESA, ARIZONA 85211

JULY 25, 1988

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LODESTAR MINING AND EXPLORATION PARTNERSHIP**

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Pre-mining exploration and pilot leach concepts.	26%
Pre-mining geological, and mining engineering study.	25%
Secondary finance search (objective 3)	18%
General Partner management fee.	10%
General and Administrative.	8%
Property aquisition costs.	7%
Lease payments.	6%
Total.	100%

CONTRIBUTIONS AND OWNERSHIP. For its General Partner's interest, LODESTAR will contribute a lease with an option to buy on 142 mining claims plus 15 deeded patented claims jointly known as the "Gibson Copper Mine" property. In addition to the mining claims, the existing work completed to date and the existing mine improvements will be included. For its Limited Partner's interest, the Limited Partner will contribute \$386,000.00 cash. Ownership will be 75% to the General Partner and 25% to the Limited Partner.

PARTICIPATION IN PROFITS AND CASH DISTRIBUTIONS. Partnership profits will be allocated 50% to the General Partner and 50% to the Limited Partner until the Limited Partners initial contribution is returned thence 75% to the General Partner and 25% to the Limited Partner.

CONDUCT OF OPERATIONS. The General Partner will manage and control Partnership activities, and the Limited Partners will not be permitted to engage themselves in such management and control. LODESTAR will direct the conduct of Partnership activities using members of LODESTAR'S staff, outside consultants (such as geologists, mining engineers, metallurgists, assayers), and third party contractors for drilling and other operations, as in its absolute discretion it deems necessary or desirable. The services of third party consultants and contractors will be obtained by the General Partner on such terms as it considers justifiable in view of the purposes for which the services are being obtained, fees customary in the industry for similar services, and the nature and extent of the services performed. The General Partner will also review, and as necessary, supervise the preparation of business, and other records and reports.

RISK FACTORS. Exploration for minerals is highly speculative, even when conducted on properties known to contain significant quantities of copper, silver and gold mineralization. There can be no assurance that the property will be developed and operated even if it appears, based on the results of exploration, that a commercially minable deposit exists. It should be anticipated, that it will be necessary to raise a very substantial amount of capital to bring the Gibson Property into full production. There is no assurance that adequate development funding may be obtained by any given time or in the amounts sought. Government regulation and laws may change from time to time, in a manner that has a material adverse effect on the operations to be conducted by the Partnership. The market into which minerals are sold or traded have in recent times been very volatile. In view of this fact, market conditions existing at the time of the decision to develop and operate the Property, may no longer exist, when the Property is ultimately placed in production. In such case,

it could be necessary for the Partnership to sell or otherwise dispose of its interest in the Property upon the best terms and conditions available, as the General Partner may determine.

MANAGEMENT. Lodestar Minerals Inc., a Delaware Corporation, was incorporated on May 28, 1987 for the purpose of acquiring mineral prospects and exploring for, developing, and exploiting minerals and mineral derivatives.

Principals' Biographical Data

Donald R. Ross, age 61, a director and President of Lodestar, attended the Montana School of Mines in Butte. For 15 years Mr. Ross was Vice President of the Kenite Corporation in Quincy, Washington. He was responsible for and supervised the open pit mining, the minerals processing plant, production and quality control. In 1969 Mr. Ross joined Sil Flo Inc. (a producer of perlite filteraid) in Fort Worth, Texas, as Vice President of operations. Mr. Ross developed the "Burning Hearth Furnace", an energy efficient system for calcining, roasting, sintering, drying, and exfoliating materials. Mr. Ross holds 6 patents on the furnace. Since 1982, Mr. Ross has been a private consultant on projects with (a) TEX-VAN, processes for recovery gold and silver from vermiculite ore. (b) Northwest Scientific, field testing of a portable cyanide plant for recovering gold and silver. (c) Nord Resources, investigating processes to produce new perlite products.

Jerry A. Covey, age 41, a director and Vice President and Chief Financial Officer of Lodestar, has been with the Federal Aviation Administration, Air Traffic Division since 1970. During this time, his duties have been Air Traffic Control and Plans and Procedures. In Procedures, he was responsible for airspace matters and for planning and procedures between the FAA, and military, commercial and civilian aviation. Mr. Covey has organized numerous successful partnerships that have owned and operated residential apartment projects and other properties in Long Beach, California and Phoenix Arizona. Since he relocated to Arizona in 1980 with the FAA, he has been involved in mining property research and with real estate as an owner, builder, and developer. Mr. Covey brings to Lodestar his skills in management, organization, finance, and computers.

James R. Covey, age 46, a director of Lodestar and General Manager of Mining and Construction, has since 1980, owned and operated his own company that specialized in foam roofing, insulation, and specialty coatings. After he left the U.S. Navy in 1965 as Nuclear Weapons Technician he gained experience as a heavy duty pump mechanic, pipeline welder, well rig foreman, booster pumps, turbines, highlift and submersible pumps, electric controls, wiring, motors, maintenance of this and mechanical equipment, and is a heavy equipment operator. His management experience began in 1972 as Plant Manager for Metro Minerals in Gardena, Ca. He held positions of Foreman, Superintendent and General Manager at Foam Paint and Coatings in Phoenix, and assistant foreman for the Phoenix Water Department. He holds an "Operators Certificate, Grade 3", from the State of Arizona Department of Water Quality and Control.