

CONTACT INFORMATION
Mining Records Curator
Arizona Geological Survey
3550 N. Central Ave, 2nd floor
Phoenix, AZ, 85012
602-771-1601
http://www.azgs.az.gov
inquiries@azgs.az.gov

The following file is part of the Walter E. Heinrichs, Jr. Mining Collection

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Gulf Mineral Resources Co.

2045 North Forbes Blvd Suite 106 Tucson, AZ 85745

February 28, 1983

Walter E. Heinrichs, Jr., President Heinrichs GEOExploration Company P. O. Box 5964 Tucson, Arizona 85745

Re: Arizona State Prospecting Permit No. 83801 La Paz County, AZ (TAO 80-21)

Dear Mr. Heinrichs:

Gulf Mineral Resources accomplished the following annual labor and expenditures for the Arizona state prospecting permit number 83801 which is located in the eastern half of Section 36 of T4N R21W, La Paz County, AZ.

1.	Field expenses for 5 days field work .		\$ 250
	Salary and benefit charges for 5 days.		
3.	'Geochemical analyses of 10 samples	÷	300
4.	Air photo interpretation by Geoscience		
	Dept		200
5.	Drafting costs		50
	Total expenditures		\$1,900

Enclosed are assay sheets for the analyzed samples and the geologic data from the mapped area. This work was accomplished by Joe Wilkins, geologist from the Tucson office, and by P. V. Furgason of the Denver office. Please contact me if you need clarification of these items.

lorman 6

Sincerely.

Norman E. Lehman Area Geologist

NEL/jw





P.O. BOX 5964, TUCSON, ARIZONA 85703, 806 WEST GRANT ROAD, PHONE: (602) 623-0578

September 6, 1983

Amoco Minerals Company Post Office Box 3299 Englewood, CO 80155

Attention: Mr. M. T. Nesbitt

Re: La Paz, Arizona - Heinrichs -

Assignment of State Prospecting

Permit No. 83801

Gentlemen:

As requested in your letter of August 30, 1983, we have signed and are returning herewith the assignment form conveying Prospecting Permit No. 83801 to Amoco Minerals Company.

Thought we should point out that Mr. Bauer's has not been notarized.

Walter E. Heinrichs, Jr., Pres.

WEH:mt Enclosure

CC: WCH RJL V

JDL



M.T. Nesbitt Land Supervisor TUC

Amoco Minerals Company

7000 South Yosemite Street Post Office Box 3299 Englewood, Colorado 80155 Negotiations & Land Department 303-740-5283

August 30, 1983

Mr. Walter E. Heinrichs, Jr.
President
Heinrichs Geoexploration Company
P.O. Box 5964
Tucson, Arizona 85703

Dear Walt:

LA PAZ, ARIZONA - HEINRICHS - Assignment of State Prospecting Permit No. 83801

Please find enclosed for your signature, on behalf of Heinrichs Geoexploration Company, the assignment form conveying Prospecting Permit No. 83801 to Amoco Minerals Company. As Jerry Bensing and you discussed earlier, this assignment is for the convenience of not having to submit our entire agreement to the Arizona State Land Department for approval. This assignment does not modify or amend our Sublease and Mining Lease With Option to Purchase dated August 3, 1983. Subject to Amoco's option to purchase all of Heinrichs' right, title and interest in the defined Premises and upon the termination of the sublease and lease agreement, Amoco will assign the Prospecting Permit to Heinrichs.

You should sign and return the assignment form to Jerry Bensing. He will file it with the state. You will be copied on all correspondence. Call either Jerry (303-740-5279) or myself if you have any questions.

Best regards,

Mark Nesbitt

MTN: tms

J. J. Bensing

W. D. Burton

J. C. Hiatt

W. P. Taylor

Enc.

(SEAL)

Failure to comply with A.R.S. 33-401 (the so-called Blind Trust Law) may render this assignment void. Strict compliance with the instructions on the reverse hereof may assist you to avoid that result.

ARIZONA STATE LAND DEPARTMENT 1624 West Adoms Phoenix, Arizono 85007

APPLICATION TO ARIZONA STATE LAND DEPARTMENT (hereinafter called ASLD) TO ASSIGN AND FOR ASSUMPTION OF INTEREST, RIGHT OR PRIVILEGE IN STATE LANDS.

OR PRIVILEGE IN S	TATE LANDS.		100
The undersigned Heinrichs G	eoexploration Compa	any	667
hereinafter called Assignor) not being	in default of payments due A	SLD and of State, County and Mur	iiCipai Lazes
hereto related, do hereby apply for perm he Assignor in and to ASLD Prospect	ing Permit inst	rument No. 83801	Tilreseat Of
lated March 1/. 1982	, for the following descr		
Township 4N Range 21 We	St G&SRB&M, Aris	ona containing 320.00	
teres, more or less, to AMOCO MINE	rais Company		at the name
ddress, age, citizenship and marital st eld and presently holds title in said instr	atus of each of the beneficiari	es, principals or wards for whom t	he Assignor
NAME_	ADDRESS	CITIZEN-	MARTIAL
		N. T. C.	
Heinrichs Geoexploration	Tucson, Arizona 8	5703	
	iucson, Arrzona o.	7703	
and the assignor identifies the trust or oth			
N/A , or the pr		to book, page and document number the County in which the related last	
n which such matters shall appear is as f		and an extension of Ton	•
By and with the consent of the State L Collars (\$ 10.00) paid to the As		nor does hereby assign, transfer	and sell unto
Amoco Minerals Compa			
and Assignee's heirs, successors and as	signs, all right, title, interes	t and claim of the Assignor in and	to the above
lescribed interest, right or privilege and instrument as is necessary to effect said	in and to such part or all of s	aid ASLD <u>Prospecting Per</u>	nit No. 83
		S' 1 Am	izona
Subscribed to by the undersigned at	tember A.D. 1983	Tima, State of Ar	IZUIId_,
		Geoexploration Compan	v ()
COUNTY OF PIMA	Assigno	a Cocxproractor compan	×
	Du Mat	10 19/6/te I	D.
This instrument was acknowledged before he undersigned, this & The day of SE.	PT., Assignor Walt	er E. Heinrichs, Jr.,	Presiden
9.83 by		Box 5964	
valler = , seinrichs, g	Address -		
My commission expires: 11-16-8	4 Tucs	on, Arizona 85703	
		/	
	m	ary H. Jur	-101
(SEAL)	Notary Public	ary or. Our	nur
******	2.42		
APPLIC	ATION FOR THE ASSUMPTIO	NOF	
	R'S INTEREST DESCRIBED A	BOVE	
The undersigned, Amoco Miner	als Company		
hereinafter called Assignee) of ENGIC years of age, and a citizen of the United S	WOOD County of Arapan	OE State of CO Ord CO and bet	
above to Assingee, does hereby apply for			
interest of the Assignor as described abo			
erms of said instrument, and as an indu hat the name, address, age, citizenship			
he Assignee will hold title in said instrur	nent are:	CITIZEN	MARITAL
NAME	ADDRESS	AGE SHIP	STATUS
Amoco Minerals Company	7000 S. Yosemite	Street	
	and the second second second second		
	P.O. Box 3299		
	Englewood, Color	ado 80155	
and the Assignee identifies the trust or ot	her agreement under which th	e Assignee will hold title asN/	A
number of file to the instrument and an		iption by reference to book, page a	
number of file to the instrument, order, and is located in which such matters shall		/A	ii the related
The state of the s			datas the
In consideration of the approval Assignee agrees to all and singular the			
be kept, performed and observed by the A	ssignor, and to assume and	all the obligations therein assumed	by Assignor
sbove, and to that affect bind the hairs, s			
	(Sign here) By; H.L. Bauer	, Jr, Assignes Vice re	cident
	n.L. Bauer	, UI, Assignee VICE Pre	5 Ideiit
		- Ladania	
		Assignee	
	Add 7000 S. Y	osemite Street, P.O.	Box 3299
0.1	Englewood	, Colorado 80155	
STATE OF Colorado		with the same of t	
COUNTY OF Araphane			
	This instrument wa	s acknowledged before me, the und	ersigned this
d	ay of September	19_83 by H.L. Bau	CI . UI'.
My commission expires			
February 5, 1986			

Notary Public

GOLD FIELDS MINING CORPORATION

A Consolidated Gold Fields Group Company

Please reply to the address indicated

☑ P. O. Box 329

1201 West Ninth Street

Yuma, Arizona 85364

Telephone (602) 782-1695

☐ 200 Union Boulevard—Suite 500 Lakewood, Colorado 80228 Telephone (303) 988-0360/Telex 45-653

Telecopier (303) 989-6786

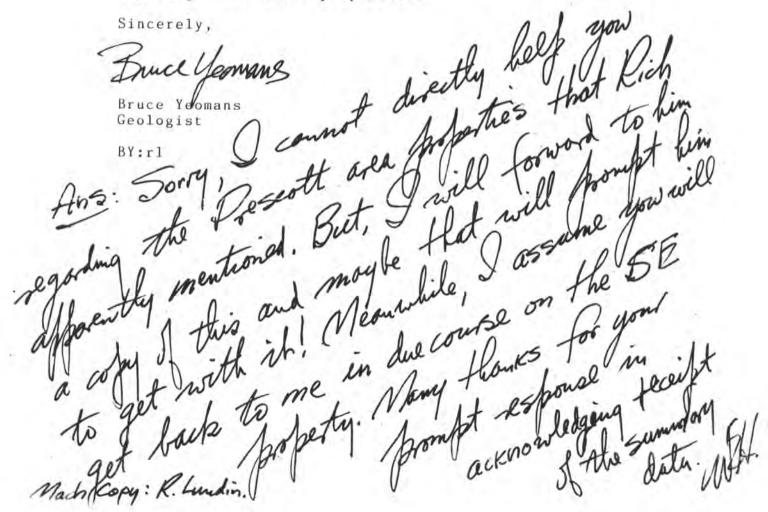
April 17, 1985

Walter Heinrichs, Jr. Heinrichs Geoexploration Co. P.O. Box 5964 Tucson, AZ 85703

Dear Mr. Heinrichs:

Thank you for sending us your <u>SE Property</u> summary sheet located in La Paz County, Arizona. I will review the data for any developments since the last time this property was submitted to Gold Fields.

Frankly, I thought Rich Lundin was going to submit several properties from the Prescott area. Do you know anything about those properties?





February 28, 1984

W. E. Heinrichs, Jr. Heinrichs Geoexploration Co. P. O. Box 5964 Tucson, Arizona 85703

SE Claims, La Paz Co., Arizona

A. G. Humphrey has requested that I send you copies of the results of work performed on your SE Claim group, while it was part of Amoco's La Paz project.

Enclosed are copies of a drill hole log (SE-1), surface geochem results, and a location map for the above work. My understanding is that the core from this project is still in our Parker, Arizona, core shack. I will be in Arizona shortly and will make arrangements to deliver the reference half of the core during March.

Sincerely,

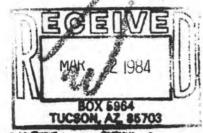
C. A. Rautman Project Geologist

CAR/ams

enclosures



U.S.A. Minerals Exploration 7200 South Alton Way P.O. Box 3986 Englewood, Colorado 80155 303-740-5638





February 21, 1984

Mr. W. E. Heinrichs, Jr. Heinrichs Geoexploration Company P. O. Box 5964 808 West Grant Road Tucson, Arizona 85703

Dear Walt:

Please find enclosed two copies each of geologic maps for the Arizona State Prospecting Section and the 25 SE claims situated in Section 31. As you are aware, we had intended to do considerably more exploration on your properties, but we suffered a significant budget cut that precluded any work on this project in 1984. We have also terminated our agreement with Dan Patch on the adjacent Goodman claims, and we never did enter into an agreement with Westworld.

The geologic mapping and the geochemical sampling represent the total amount (\$3,800) of allowable assessment-type work accomplished on your properties since the end of the 1982-1983 assessment year. You will remember that we completed the required 1982-1983 assessment work for the entire claim group through drilling during the summer of 1983.

Should you wish to make use of the geologic data gathered by Amoco for assessment purposes, I have prepared the information in a form so that it may be filed with the appropriate agencies. We will be pleased to provide additional copies of these materials if they are desired.

I am sorry that our work completed during the 1983-1984 assessment year was not sufficient to cover all of the expenditures required to maintain valid status of both the State Land and the mining claims. Perhaps the mapping and brief report will help defray at least some of the expenses of annual assessment work. We will be sending you some additional exploration data in the near future.

I am also sorry that we were not able to carry our planned evaluation of your properties on through to a more meaningful conclusion. Thank you for entering easily into an agreement with Amoco, and please convey my best to your partners.

Sincerely,

A. G. Humphrey

Manager, Minerals Exploration - U.S.A.

AGH/ams

enclosures

Amoco Minerals Company

U.S.A. Minerals Exploration 7200 South Alton Way P.O. Box 3986 Englewood, Colorado 80155 303-740-5638





P.O. BOX 5964, TUCSON, ARIZONA 86703. 806 WEST GRANT ROAD, PHONE: (602) 623-0576

February 9, 1982

SE Property Geological Synopsis

The SE property is in the Middle Camp - Oro Fino Mining District in Yuma County, Arizona. Past production from the district includes over 12,000 ounces of gold with 1500 ounces of contained silver from placer operations and minor production of lead, zinc, copper, gold and silver from several small lode mines.

The dominant rocks exposed within the district in the Dome Rock Mountains are Precambrian schist and granite. In the SE property area, these rocks have been intruded by a stock of probable Laramide age. Extrusion of a Tertiary quartz porphyry flow followed; outcrops of this rock are found capping Sugarloaf Peak and scattered north of I-10. Late Tertiary gravels and Quaternary alluvium lap up onto the mountains.

Porphyry copper-type alteration is well developed within the property; alteration types include propylitic, pyritic, phyllic, and potassic. The original geometric relations between the various alteration zones have been obscured by structural dislocations along faults.

Surface geochemical sampling has disclosed anomalous lead, zinc, molyb-denum, bismuth, and tin values.

Primary copper mineralization (disseminated chalcopyrite now partially oxidized to various copper oxide minerals) is found on the surface in the Hancock Wash area (Hancock Wash is the large wash in the south half of section 31 T4N R2OW). This mineralization is associated with a block of exposed potassic alteration.

A minimum of 18,500 feet of recorded rotary and core drilling has been carried out in the Sugarloaf Peak area by various companies; data from some of this drilling is available in addition to other reports and maps and is included in the larger body of text which is available on request. The reader's attention is drawn to DDH Q-1 through Q-6. These holes were drilled in the Hancock Wash area intercepting schist and quartz monzonite (a phase of the

Laramide (?) intrusive). DDH Q-1, which was drilled mostly in schist, had intercepts of 200 feet of about 0.6% copper from the surface to a depth of about 200 feet; the copper is in the form of brochantite, chrysocolla, and malachite, partly disseminated and partly on fractures, and also disseminated and veinlet chalcopyrite. There is a further 30 feet of approximately 0.6% copper (disseminated chalcopyrite - bornite) at 400 - 430 feet. The mineralization in Q-1 is associated with sericite and biotite alteration.

DDH Q-3 intercepted 203 feet of 0.43% copper mineralization, mostly in quartz monzonite, from about 190 feet to about 400 feet of depth. The mineralization is in the form of chalcopyrite associated with phyllic alteration (quartz-sericite-pyrite).

Significant amounts of molybdenum are associated with copper mineralization intercepted in DDH Q-1 and Q-3, and probably elsewhere as well.

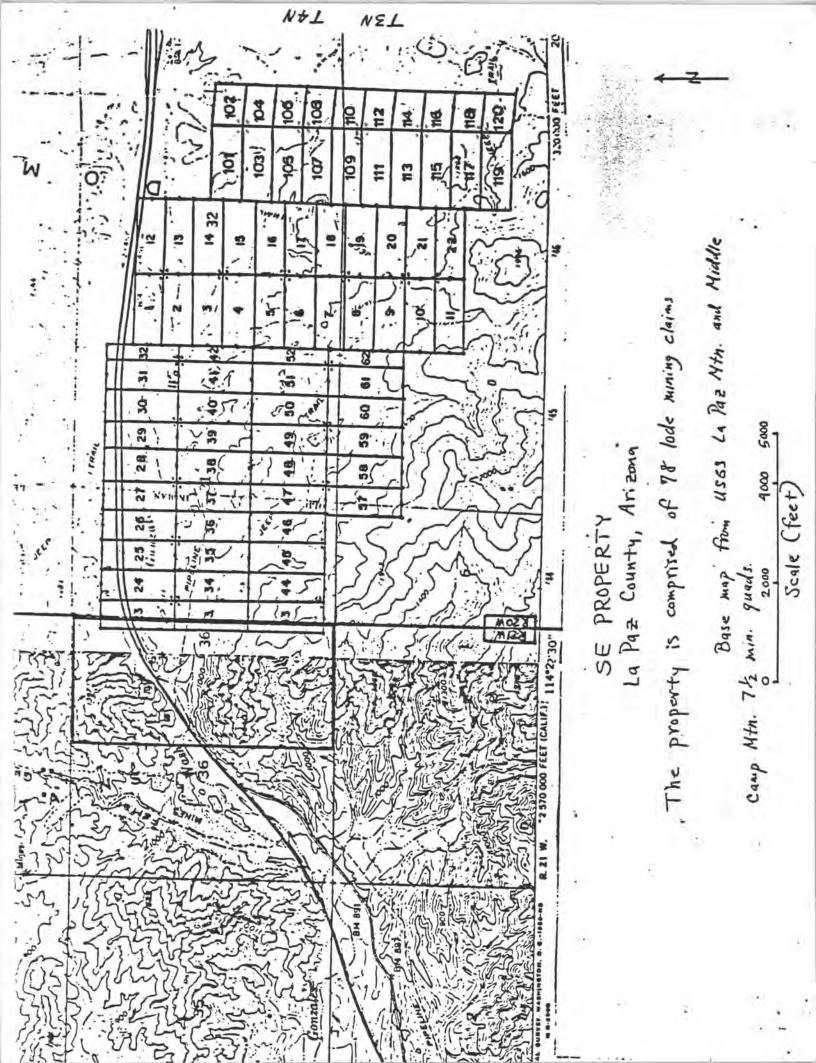
In DH Q-6 was found 50 feet of 0.2% copper in a faulted block of quartz monzonite. The mineralization is chalcopyrite associated with quartz-sericite-pyrite alteration and some tourmaline.

Tourmaline was noted in all of the Q holes, but most strongly in holes Q-2, Q-4, and Q-6, both disseminated and in veinlets.

Many of the earmarks of economic porphyry copper deposits found elsewhere in the Southwest are present in the Sugarloaf Peak area. These include the Pb-Zn-Mo geochemical anomalies, the well developed and widespread alteration zoning, presence of abundant alunite and tourmaline, and outcrops of disseminated copper mineralization in a potassic alteration zone. All these favorable geological characteristics indicate that more work is warranted to test for the presence of economic quantities of disseminated copper - molybdenum mineralization in the Sugarloaf Peak area.

Recent geochemical sampling and mapping (Jan:-Feb. 1982) have revealed the presence of anomalous gold values in host rocks favorable for lode gold mineralization. These results suggest the possibility of a stockwork gold deposit and/or Goldfield, Nevada - type mineralization which could have acted as a source for the placer gold mined in the early days of the district. More work is needed to define the areas of gold anomalism, favorable host rocks and to determine if potential economic targets for gold mineralization exist.

William C. Hirt Geological Engineer and Metallurgist



Lease-option Terms and Conditions

Purchase price: \$10,000,000 or \$5,000,000 plus perpetual NSR or equivalent royalty commencing on initial date of production in the amount of 4% on Federal lands.

All payments, including production royalties, apply towards the purchase price. Payments, toward the purchase price must be structured as capital gains, not advance royalties or rentals. If either of the above alternative purchase prices are acceptable to the optionees, the owners require no term to the agreement; if not acceptable and the optionees offer a reduced price, the owners insist on a 5 year term to the agreement.

Payment Schedule

(Minimum advance royalties)

Year	Amount
1	\$6,000 in advance for the first 6 months.
41	\$7,500 in advance for the second 6 months.
2	\$18,000 in advance.
3	\$21,000 in advance.
4 and beyond	\$24,000 in advance.

Annual labor must be performed by optionee if the claims are held beyond Feb. 1 of any year. Labor must be physical labor (dozing, drilling, mining, etc.) on the federal claims, and must be at least \$7,800 per year.

Sixty days notice is required before dropping the lease or option.

Area of interest: There will be an area of interest extending one mile from the exterior boundary of the claim/prospecting permit block. Any claims staked by either party or prospecting permits acquired shall be subject to the terms of the agreement.

Data:

All factual data acquired and developed by the optionees shall be released to the owners when and if the lease is dropped. Information or reports shall be made available to the owners periodically during the term of the lease. The owners will hold these data



March 1984



HEINRICHS GEOEXPLORATION COMPANY

P.O. BOX 5964. TUCSON, ARIZONA 85703. 806 WEST GRANT ROAD. PHONE: (602) 623-0578

SE Property Summary Sheet

The SE property is in the Middle Camp-Oro Fino Mining District in the Dome Rock Mountains in La Paz County, Arizona. The property is on Interstate 10, about eight miles west of Quartzsite, Arizona and about thirteen miles east of Blythe, California. The property consists of 78 lode claims, located in sections 31, 32 and 33, T. 4 N., R. 20 W., sections 5 and 6,T.4 N., R. 20 W, and section 36 T. 4 N., R. 21 W., totalling about 1,330 acres.

This area is shown on the Middle Camp Mountain USGS 7 1/2 minute topographic map. The claims bear US BLM Serial Numbers AMC105414 through AMC 105471 and AMC 186704 through 186723. They were staked in 1980 and 1982.

Ownership rests with four Arizona residents, each with a one quarter undivided interest. They are Walter E. Heinrichs, Jr., William C. Hirt, James D. Loghry of Tucson and Richard J. Lundin of Prescott, AZ.

The initial interest in the immediate claim area during recent times was for its porphyry copper-molybdenum potential. In this connection, during the period 1962 - 1975, mapping, sampling and rotary and diamond exploration drilling totalling approximately 18,500 feet was done by several concerns, one of them a major oil and mining company. More recently, the SE group has been re-evaluated in light of geochemical and geological data as a gold target, and the minerals division of a major oil company leased the property in 1983. This company drilled one hole required for annual labor purposes but, unfortunately, due to a sudden unexpected corporate-wide budget cut, they had to turn it back to the owners in January 1984. Results of some of the work done to date on the property are available to interested parties. We feel that the mineralization disclosed thus far warrants further investigation.

Further information may be obtained at the above address.

MINERAL ENGINEERING CONSULTANTS AND CONTRACTORS. GEOPHYSICAL, GEOLOGICAL AND ECONOMIC APPRAISAL

SE Property Data and Reports

(in approximate chronological order)

- . 1. McPhar Geophysics IP and Resistivity Survey Location Map (Fig.3). undated but probably between 1962 and 1971.
 - Congden and Carey report on "Geology of the Sugarloaf Prospect, Yuma County, Arizona" with Plates II, III and IV, March 1964.
 - 3. Report titled "Base Metal Distribution at Sugarloaf Peak, Quartzite Mining District, Yuma County, Arizona" dated August 1971, text 4 pp., with drill hole data including core logs, drill chip logs and metal ratio graphs for drill holes DDH S-1, DDH S-2, DDH S-3, DDH SL-4, DDH-SL-5, DDH SL-6, RH SL-7, RH S-8, RH S-10, RH SL-13 and DDH SL-15 (these are partly rotary and partly core holes), accompanied by map titled "Generalized Alteration Sugarloaf Peak Area", dated August 1971 (two copies, one with outline of claim block), and also by another map (undated) entitled "Dome Rock Mtns Quad" which shows the location of the S and SL holes.
- Assay logs for RH V-1 through RH V-15 (all rotary drill holes except for three feet of NX core on hole RH V-15), drilled in 1972.
- Report titled "Exploration Potential of the Sugarloaf Peak Area, Quartzsite Mining District, Yuma County, Arizona" dated May 25, 1973, 12 pp., with 3 pp. cover letter, accompanied by maps:
 - a. "Alteration Map-Sugarloaf Peak Prospect", May 25, 1973.
 - Molybdenum Geochemical Values, Lead Geochemical Values, and Mo/Pb Ratio Maps, all of the Sugarloaf Peak Prospect, dated May 1973.
 - c. Cross Section through Sugarloaf Peak, dated May 1973.
 - d. Magnetometer Survey Profiles, dated May 1973.
- Assay and Core Logs for DDH Q-1 through Q-6 (NX core holes drilled in 1974-75).
- Map titled "Quartzsite Geology and Alteration" dated February 1975 showing location of Q holes.
- Map titled "Quartzsite Project, Yuma County, Arizona" dated May 30, 1975 showing location of Q holes.
- 9. Undated Map showing drill hole locations and claim block outline.
- Geologic Map of the Central Dome Rock Mountains by W. J. Crowl, 1975 (University of Arizona thesis).
- 11. SE Property Map 1982.



P.O. BOX 5964, TUCSON, ARIZONA 85703, 806 WEST GRANT ROAD, PHONE: (602) 623-0578

March 14, 1984

W. C. Hirt

J. D. Loghry

R. L. Lundin

Re: Sale terms

S. E. Claims & Map.

Dear Partners:

Never did receive Rich's proposed revised terms in writing nor a reproducible sepia or vellum copy of 1" = 500' scale topo base with claims and geochem sample sites shown as open hexigons. Regarding the latter, I do not immediately recall ever seeing the presumed geochem results obtained from this sampling. What's the story on that?

Regarding sale terms, Bill and I reviewed matters in the light of Rich's recent suggestions and I come up with the following revision: I believe Bill and Jim more or less agree with the table part. If Rich has a particular candidate he thinks this is too easy on he can make appropriate revisions but, ideally, a written record should be kept and the other three partners so advised in writing so we don't get crosswise with each other:

Year	Amount			
1	\$6000 in	advance	for	first 6 months
	\$7500 "	10	II	second 6 months.
2	\$18,000 "	n	0	" year.
3	\$24,000 "	n	0	third "
4	\$31,500 "	11	it	fourth "
5	\$40,500 "	11	11	fifth "
6 &	beyond \$50,000 '	0	0.	sixth " and thereafter.

Purchase price: \$10,000,000 buy out at any time. Royalty, NSR or equivalent, at 4% from Federal land and 2% from State land reduced to 3% and 1% respectively after \$5,000,000 paid out. Term, 10 years - if not in production. If in production term automatically extended so long as production continues. If production after having commenced, ceases for over one year, optionees must renegotiate minimum royalty or give up lease. If above principal figures are reduced in any way, then term will reduce from ten years to five years.

Please edit and/or comment by return mail.

Partners

-2-

Enclosed AMOCO correspondence copies are for your records. Incidently, this includes a copy of recently revised terms prior to Rich's recent suggestions which I have been using since before Gulf and will continue to use until we jointly decide otherwise. It's main inconsistency is relative to the \$5,000,000 and perpetual royalty which is contradictory and/or meaningless as stated.

Cheers,

Walter E. Heinrichs, Jr.

WEH/jh

Enclosures: 3

2/28/84 Felh Called Pe: 5.E. Claimis \$ \$ 320 \$64000 Pete Domes James Blet.
Condor Min Majort & NorthA Ism Gallard 10 year ferm Meridian Billing 1 gr. inthat forod Der State 1500/mo Isty = 18,000 Flat. Cavanagh. Down. Down! 2500 no 2rd yr = 24,000 2500 , 3rd yr = 30,000 3000 " 4th gr. = 36,000 3500, 5th yr. = 42,000 4000 "6th yr. = 48,000 Copper Quan. 400 people mail list. 50% NSR. Persetual if #5MM \$55' a - Wenner # 1000 day.

THOMAS INTERNATIONAL



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(212) 695-0500 · Telex 12-6266

NEW ELECTRONIC PRODUCTS - JAPAN

FFB 2 6 1982 SPECIAL CHARTER OFFER BOX 5964 TUCSON, AZ. 85703

Dear International Advertiser,

The Thomas Publishing Company in association with INCOM Co., Ltd. of Tokyo has launched a major new publication, NEW ELECTRONIC PRODUCTS - JARAN, directed to design and development engineers and engineering management in Japan.

Japan's recent decision to open its markets to more foreign goods makes this a particularly opportune time to explore or expand your sales in the immensely profitable Japanese electronic-computer market. And if you act quickly, you can take advantage of NEP - JAPAN's special charter offer. Run an advertisement in the May issue at out low charter rates, and we will give you the same amount of space and color - FREE OF CHARGE - in June and July.

Please complete and return the coupon below and we will be happy to send a full media package and specimen pilot issue for your evaluation. I would also encourage you to send us a new product press release for the consideration of our editors in The deadline for editorial new product releases in the Japan.

Medissue of NEP is March 1st, 1982, for advertising March 17th. Joaquim N. Vieira Vice President 3 TO: J.N. Vieira, Thomas International Publishing Company, Inc., 1 Penn Plaza, New York, New York 10119 Please reserve space for us in your May issue.

- Please have a representative call me.
- Please send full details on NEW ELECTRONIC PRODUCTS-JAPAN.

NAME		TITLE				
COMPANY		ADDRESS				
CITY	STATE	ZIP	PHONE			

300, 5, % Russell (pers 300. 5 % Richard ahern. 6.000 1350

2/17/84 Junfogbry called: Dear Druglas Graham Kelsey Hardy Schmedt guit Tom O Neil Moon Mts. Qual. Coffee Stone project 2 Holes NNW on a Au Vein. La faz asea

d

- 5. October, 1968 to September, 1976: TETON EXPLORATION DRILLING COMPANY in Casper, Wyoming (1968-1975) and Albuquerque, New Mexico (1975-1976). Project Geologist duties included the exploration and development of uranium, coal and base metal properties; and mining geology.
- 6. April 1967 to October, 1968: DENISON MINES, LTD. at their uranium operations near Eliot Lake, Ontario, Canada. Mine Geologist duties included ore extraction control, production and ore reserve calculations, mine mapping, drafting, core logging and interpretation.
- 7. June, 1966 to April, 1967: KERR-MCGEE CORPORATION at their uranium operations near Grants, New Mexico. Grade Control Engineer duties included production and reserve calculations, mine mapping and ore extraction control.
- 8. September, 1965 to January, 1966: BEAR CREEK MINING COMPANY at their base metals exploration office in Reno, Nevada. Junior Geologist duties included claim staking and reconaissance for copper and molybdenum.

Publications

"Uranium Roll-Front Zonation in the Southern Powder River Basin, Wyoming", WGA Earth Science Bulletin, Dec. 1970.

Associate Editor, RMAG Guidebook, 1981 Associate Editor, RMAG Guidebook, 1982

WALLABY ENTERPRISES

Mining District Data Base Program

1. Mine or Property Name: SE Grp. 3a. Quadrangles or Map Names: (Stray Elephant) LaPaz Mtn. 71/2 (1955) Middle Camp Mtn. 7½ (1980) 3b. Location: T<u>3N R 20W S</u> 5,6,4 Mining District, County & State: Middle Camp-Oro Fino Dist., Yuma Co. AZ 4N 20W 31,32,33 21W 4N Any Former Names: Scott-Weaver Grp., Zales Grp., 3c. Lat. Long. Hancock Wash Cu Prospect, Weaver Mine, Apode Mine, McIntyre Mine, Begg Mine Owner: Heinrichs GEOEXploration Inc., J.D. Address (Owner): P.O. Box 5964 Loghry, W.C. Hirt, Wombat Mng. Co. Tucson, AZ 85703 Operator: same as above Address (Operator): same as above

9. Principal Metals: Cu, Au, Ag, No, U

10. Mining & Milling Operations: Kinds & Capacities

Present: currently inactive

Past: Mining and quarrying activity in the 1950's with shipments of Cu-Ag-Au ore that averaged approximately 1.10% Cu, .13 ozs. Ag and .002 ozs. Au per ton (approx. 100 tons of oxide ore shipped)

 Number of Claims, Title, etc. (Please include a sketch mas or plat showing location, T. R. & Sec., and the general outline of each group)
 unpatented lode mining claims held by location and performance of annual work; 320 acres of state land under prospecting permit #83801

12. Previous Published or Unpublished Reports: Kincannon, 1926 (private report); Lee, W.T., 1908; Bancroft, H., 1911; Darton, N.H., 1925; Lausen, C., 1927; Housholder, E.R., 1956; (private report). Above R. 1973; (private report).

- (private report), Ahern,R., 1972; (private report) Crowl,W., 1978; ADMR file data Names of Mining Companies or Governmental Agencies that have worked, or are now working on this property. Royal Investment Corp, Kerr-McGee Corp., McIntyre-Porcupine, Congdon & Carey, ADMR, Newmont Exploration Ltd., Gulf Minerals
- 14. Ore & Gangue Minerals: malachite, azurite, chrysocolla, tenorite, auriferous pyrite, galena, sphalerite, tetrahedrite, molybdenite, native gold and uraninite

15.	Geology: Mapping has defined the following rock sequence: (please include any Geologic Maps, Sketches or Cross Sections) Paleozoic sediments, Triassic-Cretaceous intrusive and extrusive igneous rocks of basaltic, dacitic and felsic composition(rhyolites or felsic quartz crystal tuffs) Cata-clastically deformed Cretaceous-Tertiary volcanics, volcaniclastics and sediments (conglomerate and arkose sequences) Miocene? dacitic flows and intrusives. Quaternary bench gravels and alluvium.
16.	Type of Mineralization-Metallurgical Considerations: (please check appropriate box or boxes) 1. Syngenetic Au-Ag mineralization assoc. with siliceous, pyritic volcanic and volcaniclastic units. Associated with areas of argillic-sericitic alteration and alunite mineralization. 2. Disseminated and veinlet controlled Cu-Ag-Mo-U X Placer Au mineralization assoc. with potassically altered volcanics, metasediments and a qmp intrusive X Sulfide py,ccpy,ga,sphal Sulfide py,ccpy,ga,sphal Other uraninite qtz-magnetite veins. 4. Placer Au deposits
17.	Ore Reserves: Dumps tons @ grade untested Au placer reserves Tailings tons @ grade
18.	3.6 X 10 ⁶ tons of oxide ore @ 1.57% Cu, (Housholder, 1956) 15.0 X 10 ⁶ tons of oxide and sulphide ore that would average 1.0% Cu, (Ahern, 1973)
19.	Road Conditions, Route: (see map) The property is adjacent to Interstate Highway 10 and is fully accessible by old roads and jeep trails
20.	Water & Power Supply: Limited water is probably available from Gonzales well or Quartzite. The Colorado River remains as a potential source of water for any mining or milling operation. Power available from Blythe or Quartzite, 500 KVA

 Extent of Development: (Please include any maps, plans, sketches, longitudinal or cross sections of underground or surface workings)

Numerous shallow pits, adits, shafts.

- 22. Brief History: Property originally located in 1906 by Miguel Apodoes, worked in the 1920's as the Weaver or Weaver-Scott Mine, developed in the 1950's by Royal Investment Corp. who shipped several carloads of oxide Cu-Ag ore. Operated in the 1960's by Hancock Oil Co., leased by Kerr-McGee in the 1970's who drilled four core holes (Q1-Q4) then abandoned the property. Located by the present ownership in 1980.
- 23. Previous Sampling, Drilling & Other Studies on Dumps or Tailings: Considerable surface sampling by Kerr-McGee, Gulf, Newmont, Royal Investment Corp., Congdon & Carey. Core drilling by Kerr-McGee and Royal Investment Corp.
- Environmental-Social-Political Conditions & Considerations: Property located in a 24. traditional area of past mining activity that has a large local small mine owner/ operator group that supports mining and mineral exploration activity. The area is not within or adjacent to any proposed withdrawl or restricted use area.
- 25. Sampling: (see figure 1) numerous surface samples taken by Gulf and Newmont during the Sample Nos:

Sample Types or Types: rock chip and channel samples

- 26. Assaying:
- 27. Financial Terms, Conditions & Considerations: Property is open to lease with option to purchase from owners.
- 28. Remarks: Property has the potential for bulk tonnage Au-Ag deposits associated with pyritic, volcanic sequences; disseminated and stockwork Cu-Ag-Mo-U bulk tonnage deposits associated with extremely altered volcanic, volcaniclastic and intrusive units and placer gold deposits. Geological and geochemical surveys during 1981 and 1982 delineated areas with anomalous gold and copper mineralization and favorable rock types for the deposits described above. The property is only partially explored but has existing, developed reserves of Cu-Ag mineralization that can be currently mined by open pit methods. The potential of the property is largely untested.

29. Date: October 11, 1982

time President of Wallaby Enterprises Inc.

Signature

Richard J./ Lundin Mr. Lundin is a Mineral Exploration Consultant with 10 years of experience in the evaluation of base and precious metal deposits in the U.S. and abroad. He holds a BA degree in Anthropology and Geology from Beloit College, Wisconsin and is

WALLABY ENTERPRISES

Mining District Data Base Program

1. Mine or Property Name: SE Grp.
(Stray Elephant)

2. Mining District, County & State:
Middle Camp-Oro Fino Dist., Yuma Co. AZ

4. Any Former Names: Scott-Weaver Grp., Zales Grp., 3c. Lat.

3a. Quadrangles or Map Names:
LaPaz Mtn. 7½ (1955)
Middle Camp Mtn. 7½ (1980)
3b. Location: T 3N R 20W S 5,6,4
4N 21W 36
Long.

4. Any Former Names: Scott-Weaver Grp., Zales Grp., 3c. Lat. Long. Long. Apodes Mine, McIntyre Mine, Begg Mine

 Owner: Heinrichs GEOEXploration Inc., J.D. Loghry, W.C. Hirt, Wombat Mng. Co.

- Address (Owner): P.O. Box 5964 Tucson, AZ 85703
- Address (Operator): same as above

- Operator: same as above
- 9. Principal Metals: Cu, Au, Ag, Mo, U
- 10. Mining & Milling Operations: Kinds & Capacities

Present: currently inactive

Past: Mining and quarrying activity in the 1950's with shipments of Cu-Ag-Au ore that averaged approximately 1.10% Cu, .13 ozs. Ag and .002 ozs. Au per ton (approx. 100 tons of oxide ore shipped)

 Number of Claims, Title, etc. (Please include a sketch map or plat showing location, T. R. & Sec., and the general outline of each group)
 unpatented lode mining claims held by location and performance of annual work;
 acres of state land under prospecting permit #83801

12. Previous Published or Unpublished Reports: Kincannon, 1926 (private report); Lee, W.T., 1908; Bancroft, H., 1911; Darton, N.H., 1925; Lausen, C., 1927; Housholder, E.R., 1956; (private report) Above P. 1972; (private report) Crowl H. 1979; APPL 5612, details of the control of the contro

(private report), Ahern,R., 1972; (private report) Crowl,W., 1978; ADMR file data Names of Mining Companies or Governmental Agencies that have worked, or are now working on this property. Royal Investment Corp, Kerr-McGee Corp., McIntyre-Porcupine, Congdon & Carey, ADMR, Newmont Exploration Ltd., Gulf Minerals

14. Ore & Gangue Minerals: malachite, azurite, chrysocolla, tenorite, auriferous pyrite, galena, sphalerite, tetrahedrite, molybdenite, native gold and uraninite

- Brief History: Property originally located in 1906 by Miguel Apodoes, worked in the 1920's as the Weaver or Weaver-Scott Mine, developed in the 1950's by Royal Investment Corp. who shipped several carloads of oxide Cu-Ag ore. Operated in the 1960's by Hancock Oil Co., leased by Kerr-McGee in the 1970's who drilled four core holes (Q1-Q4) then abandoned the property. Located by the present ownership in 1980.
- 23. Previous Sampling, Drilling & Other Studies on Dumps or Tailings: Considerable surface sampling by Kerr-McGee, Gulf, Newmont, Royal Investment Corp., Congdon & Carey. Core drilling by Kerr-McGee and Royal Investment Corp.
- Environmental-Social-Political Conditions & Considerations: Property located in a 24. traditional area of past mining activity that has a large local small mine owner/ operator group that supports mining and mineral exploration activity. The area is not within or adjacent to any proposed withdrawl or restricted use area.
- Sampling: (see figure 1) numerous surface samples taken by Gulf and Newmont during the 25. 1981-1982 period. Sample Nos:

Sample Types or Types: rock chip and channel samples

- 26. Assaying:
- Financial Terms, Conditions & Considerations: Property is open to lease with option 27. to purchase from owners.
- Remarks: Property has the potential for bulk tonnage Au-Ag deposits associated with 28. pyritic, volcanic sequences; disseminated and stockwork Cu-Ag-Mo-U bulk tonnage deposits associated with extremely altered volcanic, volcaniclastic and intrusive units and placer gold deposits. Geological and geochemical surveys during 1981 and 1982 delineated areas with anomalous gold and copper mineralization and favorable rock types for the deposits described above. The property is only partially explored but has existing, developed reserves of Cu-Ag mineralization that can be currently mined by open pit methods. The potential of the property is largely untested.

29. Date: October 11, 1982

time President of Wallaby Enterprises Inc.

Signature

Richard J./ Lundin Mr. Lundin is a Mineral Exploration Consultant with 10 years of experience in the evaluation of base and precious metal deposits in the U.S. and abroad. He holds a BA degree in Anthropology and Geology from Beloit College, Wisconsin and is

SE Claims, State P.P., Yuma County, Arizona

Meeting with Norm Lehman Gulf Mineral Resources Company Jim Loghry and Walt Heinrichs

June 8, 1982

Purchase Price: \$10,000,000 or \$5,000,000 plus perpetual NSR or equivalent royalty 4% Federal, 2% State. All payments, including production royalties are applicable to Purchase Price. If above Purchase Price, either alternative, is acceptable to optionees, owners require no term to Agreement; if not acceptable and optionees offer a reduced price, owners insist on a 5 year term to the agreement. Payments toward purchase price; structured as capital gains, not advance royalties or rentals:

1) \$1,000 per month, first 6 months (\$6,000 minimum)
1,250 per month, second 6 months (\$7,500 minimum)
2) 1,500 per month, (\$18,000 minimum)
3) 1,750 per month (\$21,000 minimum)
4) 2,000 per month (\$24,000 minimum)
5) and beyond \$2,000 per month (\$24,000 minimum)

(Although it was not discussed, we should offer to accept payments on six months or yearly lump sum basis - not necessarily monthly)

30 day notice required prior to dropping claims
Annual labor must be performed if claims are held beyond February 1 of any
one year; must be physical labor, i.e. drilling. 1981-82 labor may be nonphysical, i.e. geologic mapping, geochem sampling - \$5,800 worth on SE claims.
State Prospect Permit 320 acres - \$3,200

Assessment must be completed, filed pre March 16, 1983.

1984 - 87 rental is \$320 per year. \$3,200 assessment work must be done before March 16, 1984 and \$6,400 done in ecah of 3 succeeding years through March

16, 1987.

One mile perimeter protection. All factual data released to owners when option Periodic information to be made available by Gulf. is dropped.



P.O. BOX 5964. TUCSON, ARIZONA 85703, 806 WEST GRANT ROAD, PHONE: (602) 623-0578

October 20, 1982

SE Claims and State Prospecting Permit No. 83801

Lease-option Terms and Conditions

Purchase price: \$10,000,000 or \$5,000,000 plus perpetual NSR or equivalent royalty in the amount of 4% on Federal lands and 2% on state lands. All payments, including production royalties, apply towards the purchase price. Payments toward the purchase price must be structured as capital gains. not advance royalties or rentals. If either of the above alternative purchase prices are acceptable to the optionees, the owners require no term to the agreement; if not acceptable and the optionees offer a reduced price, the owners insist on a 5 year term to the agreement.

Payment Schedule	Miniman	ad more	-unlike
	0.00		The state of the state of

Yea	ar	Amount					
1		\$6,000	in	advance	for	the	first 6 months.
		\$7,500	in	advance	for	the	second 6 months.
2		\$18,000	in	advance			
3		\$21,000	in	advance			
4	and beyond	\$24,000	in	advance			

Annual labor must be performed by optionee if the claims are held beyond Feb. 1 of any Labor must be physical labor (dozing, drilling, mining, etc.) on the federal claims, and must be at least \$7800 per year except for the 1982-1983 assessment year when the amount shall be at least \$5800.

For the state prospecting permit, annual assessment labor is \$3200 per year for the period ending March 16, 1984 and \$6400 per year for the period ending March 16, 1987. The annual rental for the period March 16, 1984 - March 16, 1987 is \$320. If option is held beyond 15 September in any given year, these obligations must be assumed by optionees.

Sixty days notice is required before dropping the lease or option.

Area of interest: There will be an area of interest extending one mile from the exterior boundary of the claim/prospecting permit block. Any claims staked by either party or prospecting permits acquired shall be subject to the terms of the agreement.

Data:

All factual data acquired and developed by the optionees shall be released to the owners when and if the lease is dropped. Information or reports shall be made available to the owners periodically during the term of the lease. The owners will hold these data confidential.



P.O. BOX 5964, TUCSON, ARIZONA 85703, BO6 WEST GRANT ROAD, PHONE; (602) 623-0578

February 9, 1982

SE Property Geological Synopsis

The SE property is in the Middle Camp - Oro Fino Mining District in Yuma County, Arizona. Past production from the district includes over 12,000 ounces of gold with 1500 ounces of contained silver from placer operations and minor production of lead, zinc, copper, gold and silver from several small lode mines.

The dominant rocks exposed within the district in the Dome Rock Mountains are Precambrian schist and granite. In the SE property area, these rocks have been intruded by a stock of probable Laramide age. Extrusion of a Tertiary quartz porphyry flow followed; outcrops of this rock are found capping Sugarloaf Peak and scattered north of I-10. Late Tertiary gravels and Quaternary alluvium lap up onto the mountains.

Porphyry copper-type alteration is well developed within the property; alteration types include propylitic, pyritic, phyllic, and potassic. The original geometric relations between the various alteration zones have been obscured by structural dislocations along faults.

Surface geochemical sampling has disclosed anomalous lead, zinc, molybdenum, bismuth, and tin values.

Primary copper mineralization (disseminated chalcopyrite now partially oxidized to various copper oxide minerals) is found on the surface in the Hancock Wash area (Hancock Wash is the large wash in the south half of section 31 T4N R2OW). This mineralization is associated with a block of exposed potassic alteration.

A minimum of 18,500 feet of recorded rotary and core drilling has been carried out in the Sugarloaf Peak area by various companies; data from some of this drilling is available in addition to other reports and maps and is included in the larger body of text which is available on request. The reader's attention is drawn to DDH Q-1 through Q-6. These holes were drilled in the Hancock Wash area intercepting schist and quartz monzonite (a phase of the



P.O. BOX 5964, TUCSON, ARIZONA 85703, 806 WEST GRANT ROAD, PHONE: (602) 623-0578

January 1982

SE Property Summary Sheet

The SE property is in the Middle Camp-Oro Fino mining district in the Dome Rock Mountains in Yuma County, Arizona. The property is on Interstate 10, about eight miles west of Quartzsite, Arizona and about thirteen miles east of Blythe, California. The property consists of 58 lode claims, located in sections 31 and 32 T4N R2OW, sections 5 and 6 T3N R2OW, and section 36 T4N R21W, totalling about 1120 acres and a state prospecting permit on the east half of section 36 T4N R21W. This area is shown on the Middle Camp Mountain and La Paz Mountain USGS 7 1/2 minute topographic maps. The claims bear US BLM Serial Numbers AMC 105414 through AMC 105471. They were staked in 1980.

Ownership rests with four Arizona residents, each with a one quarter undivided interest. They are Walter E. Heinrichs, Jr., William C. Hirt, James D. Loghry, and Richard J. Lundin, all of Tucson, Arizona.

Exploration targets include porphyry copper-molybdenum and/or gold deposits. During the period 1962-1975, mapping, sampling and rotary diamond exploration drilling totalling approximately 18,500 feet was done by several concerns, one of them a major oil and mining company. Results of some of this work are available to interested parties. We feel that the mineralization disclosed thus far warrants further investigation.

Further information may be obtained by contacting any of the four owners at the above address.

SE Property Data and Reports (in approximate chronological order)

- McPhar Geophysics IP and Resistivity Survey Location Map (Fig. 3), undated but probably between 1962 and 1971.
 - 2. Report titled "Base Metal Distribution at Sugarloaf Peak, Quartzsite Mining District, Yuma County, Arizona" dated August 1971, text 4 pp., with drill hole data including core logs, drill chip logs, and metal ratio graphs for drill holes DDH S-1, DDH S-2, DDH S-3, DDH SL-4, DDH SL-5, DDH SL-6, RH SL-7 RH S-8, RH S-10, RH SL-13, and DDH SL-15 (these are partly rotary and partly core holes), accompanied by map titled "Generalized Alteration Sugarloaf Peak Area", dated August 1971 (two copies, one with outline of claim block), and also by another map (undated) entitled "Dome Rock Mtns Quad" which shows the location of the S and SL holes.
 - 3. Assay logs for RH V-1 through RH V-15 (all rotary drill holes except for three feet of NX core on hole RH V-15), drilled in 1972.
 - 4. Report titled "Exploration Potential of the Sugarloaf Peak Area, Quartzsite Mining District, Yuma County, Arizona" dated May 25, 1973, 12 pp., with 3 pp. cover letter, accompanied by maps:
 - a. "Alteration Map Sugarloaf Peak Prospect", May 25,1973.
 - Molybdenum Geochemical Values, Lead Geochemical Values, and Mo/Pb Ratio Maps, all of the Sugarloaf Peak Prospect, dated May 1973.
 - c. Cross Section through Sugarloaf Peak, dated May 1973.
 - d. Magnetometer Survey Profiles, dated May 1973.
 - Assay and Core Logs for DDH Q-1 through Q-6 (NX core holes drilled in 1974-1975).
 - Map titled "Quartzsite Geology and Alteration" dated February 1975 showing location of Q holes.
 - Map titled "Quartzsite Project, Yuma County, Arizona", dated May 30, 1975 showing location of Q holes.
 - 8. Undated Map showing drill hole locations and claim block outline.
 - 9. Geologic Map of the Central Dome Rock Mountains by W. J. Crowl, 1975 (University of Arizona thesis).
- 10. SE Property Map 1982



P.O. BOX 5964. TUCSON, ARIZONA 85703, 806 WEST GRANT ROAD. PHONE: (602) 623-0578

SE CLAIMS MAPS, REPORTS, AND DATA

- 1. SE Claim Group Map, 1980
- 2. Claim map (8 1/2" x 14") with location of Q series DDH, dated May 30, 1975
- 3. Quartzsite Geology and Alteration Map, dated February 1975
- Report titled "Exploration Potential of the Sugarloaf Peak Area, Quartzsite Mining District, Yuma County, Arizona " dated May 25, 1973, 12 pp., with cover letter, 3 pp.
- 5. Alteration Map Sugarloaf Peak Prospect dated May 25, 1973
- 6. Report titled "Base Metal Distribution at Sugarloaf Peak, Quartzsite Mining District, Yuma County, Arizona", dated August 1971, text 4 pp., with drill hole data including an assortment of core logs, drill chip logs, metal ratio graphs, and drill hole summaries for drill holes DDH S-1, DDH S-2, DDH S-3, DDH SL-4, DDH SL-5, DDH SL-6, RH SL-7, RH S-8, RH S-10, RH SL-13, DDH SL-15 (these are partly rotary and partly core holes), rotary holes V-1 through V-15, and DDH Q-1 through Q-6, totalling 182 pp.
- 7. Map showing drill hole locations and outline of a former claim block (8 1/2" x 14"), undated.
- 8. Topographic base map entitled "Dome Rock Mountains Quad" (8 1/2" x 11"), undated (shows location of S and SL holes)

Rolled Maps

- 1. Geologic Map of the Central Dome Rock Mountains by W. J. Crowl, 1975.
- Mo/Pb Ratio, Mo Geochemical Values, Pb Geochemical Values Maps, all of the Sugarloaf Peak Prospect, dated May 1973 (two copies of each map, one large and one small)
- Cross section through Sugarloaf Peak, dated May 1973
- 4. Alteration Map Sugarloaf Peak Prospect, dated May 1973

SE CLAIM MAPS, REPORTS, AND DATA

Rolled Maps (cont.)

- 5. Magnetometer Survey Profiles, dated May 1973
- Generalized Alteration Sugarloaf Peak Area, dated August 1971 (two copies, one with former claims outlined on it)
- 7. McPhar Geophysics IP and Resistivity Survey Location Map, (Fig. 3), undated
- Note: Data from the Hancock holes is extant, but not on hand as of this date. We expect to receive this data sometime in the fairly near future, but it will probably not add substantially to the amount of information now available.

Points to be highlighted in € new summary - JDL 2/24/84

- 1. He anomalies over alluvium <100' deep (?) over oxidized Au

 an low & faults minlan. susceptible to leaching

 amenable
- 3. An anomalies
- 4, althornapping of K-M, coupling this wo py &
 ge anomalies

Plates II, III

Mar. 1964

and IV,

SE Property Data and Reports (in approximate chronological order)

McPhar Geophysics IP and Resistivity Survey Location Map (Fig.3),

2. > Congden & Carey report on "Geology of the Sugarter Prospect, Yung Gunty, Arizona, with 2. Report titled "Base Metal Distribution at Sugarloaf Peak, Quartzsite Mining District, Yuma County, Arizona" dated August 1971, text 4 pp., with drill hole data including core logs, drill chip logs, and metal ratio graphs for drill holes DDH S-1, DDH S-2, DDH S-3, DDH SL-4, DDH SL-5, DDH SL-6, RH SL-7 RH S-8, RH S-10, RH SL-13, and DDH SL-15 (these are partly rotary and partly core holes), accompanied by map titled "Generalized Alteration Sugarloaf Peak Area", dated August 1971 (two copies one with outline of claim block), and also by another map (undated) entitled "Dome Rock Mtns

Assay logs for RH V-1 through RH V-15 (all rotary drill holes except for three feet of NX core on hole RH V-15), drilled in 1972.

Quad" which shows the location of the S and SL holes.

- Report titled "Exploration Potential of the Sugarloaf Peak Area, Quartzsite Mining District, Yuma County, Arizona" dated May 25, 1973, 12 pp., with 3 pp. cover letter, accompanied by maps:
 - "Afteration Map Sugarloaf Peak Prospect", May 25,1973.
 - Molybdenum Geochemical Values, Lead Geochemical Values, and Mo/Pb Ratio Maps, all of the Sugarloaf Peak Prospect, dated May 1973.
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 - Magnetometer Survey Profiles, dated May 1973.
- Assay and Core Logs for DDH Q-1 through Q-6 (NX core holes drilled in 1974-1975).
- Map titled "Quartzsite Geology and Alteration" dated February 1975 showing location of Q holes.
- Map titled "Quartzsite Project, Yuma County, Arizona", dated May 30, 1975 showing location of Q holes.
- Undated Map showing drill hole locations and claim block outline.
- Geologic Map of the Central Dome Rock Mountains by W. J. Crowl, 1975 (University of Arizona thesis).
- 11 70. SE Property Map 1982

More recently, the see has been re-evaluated in light of geockeweral data roger and geological data as a gold target, and the minerale devision of a major oil company often leased and the property in 1983. excelled one a fulled one (Cut) they fout, then fortunately, a suddent unexpected corporate-wide to ready the company? they had to turn it due to kindget palsingment at the company? back to the owners in 1984 January 1984. Results of some of the work done to date on the projecty are available to interested parties. We feel that the mineralization 1500 × 20 and × 200 disclosed thus for warrents further investigation. 800×400 Jutter information may be obtained at the above address. mapping sampling, and rotary and diamond exploration... Corporate-Wide budget cut, They



HEINRICHS GEOEXPLORATION COMPANY

P. O. BOX 5964. TUCSON. ARIZONA 85703. 806 WEST GRANT ROAD. PHONE: (602) 623-0578

March 1984 January 1982

SE Property Summary Sheet

The SE property is in the Middle Camp-Oro Fino mining district in the Dome Rock Mountains in Yuma County, Arizona. The property is on Interstate 10, about eight miles west of Quartzsite, Arizona and about thirteen miles east of Blythe, California. The property consists of 58 lode claims, located in sections 31 and 32 TAN R2OW, sections 5 and 6 T3N R2OW, and section 36 T4N R2OW, totalling about 1120 acres, and a state prospecting permit on the east half of section 36 T4N R2OW. This area is shown on the Middle Camp Mountain

half of section 36 T4N R21W. This area is shown on the Middle Camp Mountain

and La Paz Mountain USGS 7 1/2 minute topographic maps. The claims bear US

and AMC 186704 through 186723.

BLM Serial Numbers AMC 105414 through AMC 105471 They were staked in 1980 and 1982

Ownership rests with four Arizona residents, each with a one quarter undivided interest. They are Walter E. Heinrichs, Jr., William C. Hirt, James D. Loghry, and Richard J. Lundin, all of Tucson, Arizona.

The initial interest and the immediate claim area during recent times Exploration targets include porphyry copper-molybdenum and/or gold defer its perphyry apper-molybdenum potential. In this connection, posits. Euring the period 1962-1975, mapping, sampling and rotary diamond exploration drilling totalling approximately 18,500 feet was done by several concerns, one of them a major oil and mining company. Results of some of this work are available to interested parties. We feel that the mineralization disclosed thus far warrants further investigation.

Further information may be obtained by contacting any of the four owners at the above address.

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HEINRICHS GEOEXPLORATION COMPANY

P.O. BOX 5964. TUCSON, ARIZONA 85703. 806 WEST GRANT ROAD. PHONE: (602) 623-0578

October 20, 1982

SE Claims and State Prospecting Permit No. 83801

Lease-option Terms and Conditions

Purchase price: \$10,000,000 or \$5,000,000 plus perpetual NSR or equivalent royalty in the amount of 4% on Federal lands and 2% on state lands. All payments, including production royalties, apply towards the purchase price. Payments toward the purchase price must be structured as capital gains, not advance royalties or rentals. If either of the above alternative purchase prices are acceptable to the optionees, the owners require no term to the agreement; if not acceptable and the optionees offer a reduced price, the owners insist on a 5 year term to the agreement.

Payment Schedule

Year	Amount					
1	\$6,000	in	advance	for	the	first 6 months.
	\$7,500	in	advance	for	the	second 6 months.
2	\$18,000	in	advance			
3	\$21,000	in	advance			
4 and Beyond	\$24,000	in	advance			

Annual labor must be performed by optionee if the claims are held beyond Feb. 1 of any year. abor must be physical labor (dozing, drilling, mining, etc.) on the federal claims, and must be at least \$7800 per year except for the 1982-1983 assessment year when the amount shall be at least \$5800.

> For the state prospecting permit, annual assessment labor is \$3200 per year for the period ending March 16, 1984 and \$6400 per year for the period ending March 16, 1987. The annual rental for the period March 16, 1984 - March 16, 1987 is \$320. If option is held beyond 15 September in any given year, these obligations must be assumed by optionees.

Sixty days notice is required before dropping the lease or option.

MINERAL ENGINEERING CONSULTANTS AND CONTRACTORS. GEOPHYSICAL, GEOLOGICAL AND ECONOMIC APPRAISALS

Area of interest: There will be an area of interest extending one mile from the exterior boundary of the claim/prospecting permit block. Any claims staked by either party or prospecting permits acquired shall be subject to the terms of the agreement.

Data:

All factual data acquired and developed by the optionees shall be released to the owners when and if the lease is dropped. Information or reports shall be made available to the owners periodically during the term of the lease. The owners will hold these data confidential.

Laramide (?) intrusive). DDH Q-1, which was drilled mostly in schist, had intercepts of 200 feet of about 0.6% copper from the surface to a depth of about 200 feet; the copper is in the form of brochantite, chrysocolla, and malachite, partly disseminated and partly on fractures, and also disseminated and veinlet chalcopyrite. There is a further 30 feet of approximately 0.6% copper (disseminated chalcopyrite - bornite) at 400 - 430 feet. The mineralization in Q-1 is associated with sericite and biotite alteration.

DDH Q-3 intercepted 203 feet of 0.43% copper mineralization, mostly in quartz monzonite, from about 190 feet to about 400 feet of depth. The mineralization is in the form of chalcopyrite associated with phyllic alteration (quartz-sericite-pyrite).

Significant amounts of molybdenum are associated with copper mineralization intercepted in DDH Q-1 and Q-3, and probably elsewhere as well.

In DH Q-6 was found 50 feet of 0.2% copper in a faulted block of quartz monzonite. The mineralization is chalcopyrite associated with quartz-sericite-pyrite alteration and some tourmaline.

Tourmaline was noted in all of the Q holes, but most strongly in holes Q-2, Q-4, and Q-6, both disseminated and in veinlets.

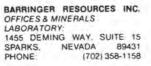
Many of the earmarks of economic porphyry copper deposits found elsewhere in the Southwest are present in the Sugarloaf Peak area. These include the Pb-Zn-Mo geochemical anomalies, the well developed and widespread alteration zoning, presence of abundant alunite and tourmaline, and outcrops of disseminated copper mineralization in a potassic alteration zone. All these favorable geological characteristics indicate that more work is warranted to test for the presence of economic quantities of disseminated copper - molybdenum mineralization in the Sugarloaf Peak area.

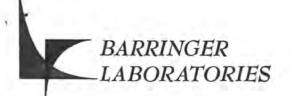
Recent geochemical sampling and mapping (Jan.-Feb. 1982) have revealed the presence of anomalous gold values in host rocks favorable for lode gold mineralization. These results suggest the possibility of a stockwork gold deposit and/or Goldfield, Nevada - type mineralization which could have acted as a source for the placer gold mined in the early days of the district. More work is needed to define the areas of gold anomalism, favorable host rocks and to determine if potential economic targets for gold mineralization exist.

William C. Hirt Geological Engineer and Metallurgist

SE Property Data and Reports (in approximate chronological order)

- McPhar Geophysics IP and Resistivity Survey Location Map (Fig. 3), undated but probably between 1962 and 1971.
- 2. Report titled "Base Metal Distribution at Sugarloaf Peak, Quartzsite Mining District, Yuma County, Arizona" dated August 1971, text 4 pp., with drill hole data including core logs, drill chip logs, and metal ratio graphs for drill holes DDH S-1, DDH S-2, DDH S-3, DDH SL-4, DDH SL-5, DDH SL-6, RH SL-7 RH S-8, RH S-10, RH SL-13, and DDH SL-15 (these are partly rotary and partly core holes), accompanied by map titled "Generalized Alteration Sugarloaf Peak Area", dated August 1971 (two copies, one with outline of claim block), and also by another map (undated) entitled "Dome Rock Mtns Quad" which shows the location of the S and SL holes.
- Assay logs for RH V-1 through RH V-15 (all rotary drill holes except for three feet of NX core on hole RH V-15), drilled in 1972.
- 4. Report titled "Exploration Potential of the Sugarloaf Peak Area, Quartzsite Mining District, Yuma County, Arizona" dated May 25, 1973, 12 pp., with 3 pp. cover letter, accompanied by maps:
 - a. "Alteration Map Sugarloaf Peak Prospect", May 25,1973.
 - Molybdenum Geochemical Values, Lead Geochemical Values, and Mo/Pb Ratio Maps, all of the Sugarloaf Peak Prospect, dated May 1973.
 - c. Cross Section through Sugarloaf Peak, dated May 1973.
 - d. Magnetometer Survey Profiles, dated May 1973.
- Assay and Core Logs for DDH Q-1 through Q-6 (NX core holes drilled in 1974-1975).
- Map titled "Quartzsite Geology and Alteration" dated February 1975 showing location of Q holes.
- Map titled "Quartzsite Project, Yuma County, Arizona", dated May 30, 1975 showing location of Q holes.
- 8. Undated Map showing drill hole locations and claim block outline.
- 9. Geologic Map of the Central Dome Rock Mountains by W. J. Crowl, 1975 (University of Arizona thesis).
- 10. SE Property Map 1982





REC'D MAR 25 1986

AUTHORITY: RON LONG

21-maR-86 PAGE: 1 OF 2 COPY: 1 OF 2

LUNGLAC MINERALS

1475 GREG ST. SPARKS, NEVADA 89431

ATTN: RON LONG

PROJECT: AZ. RECON

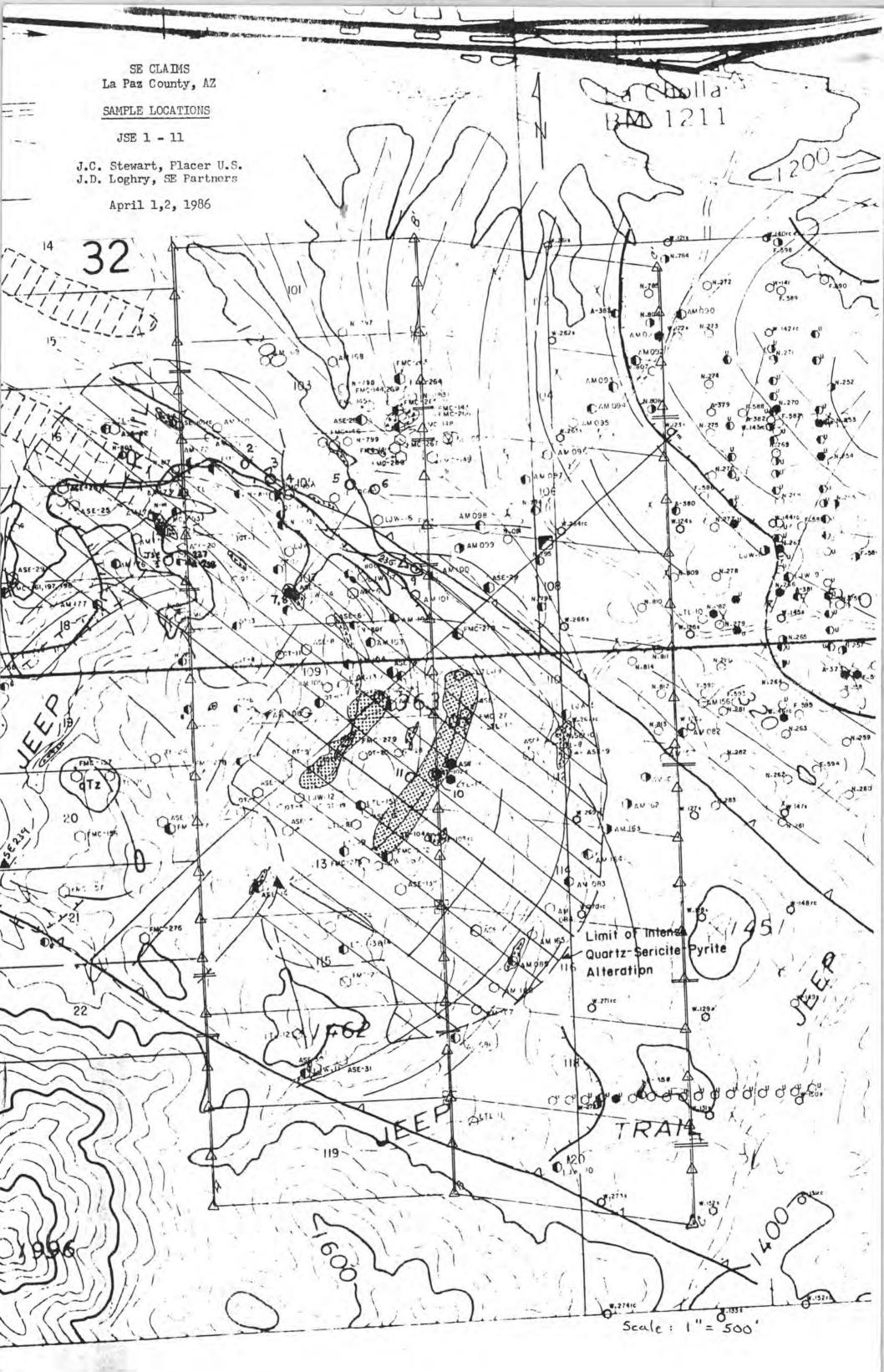
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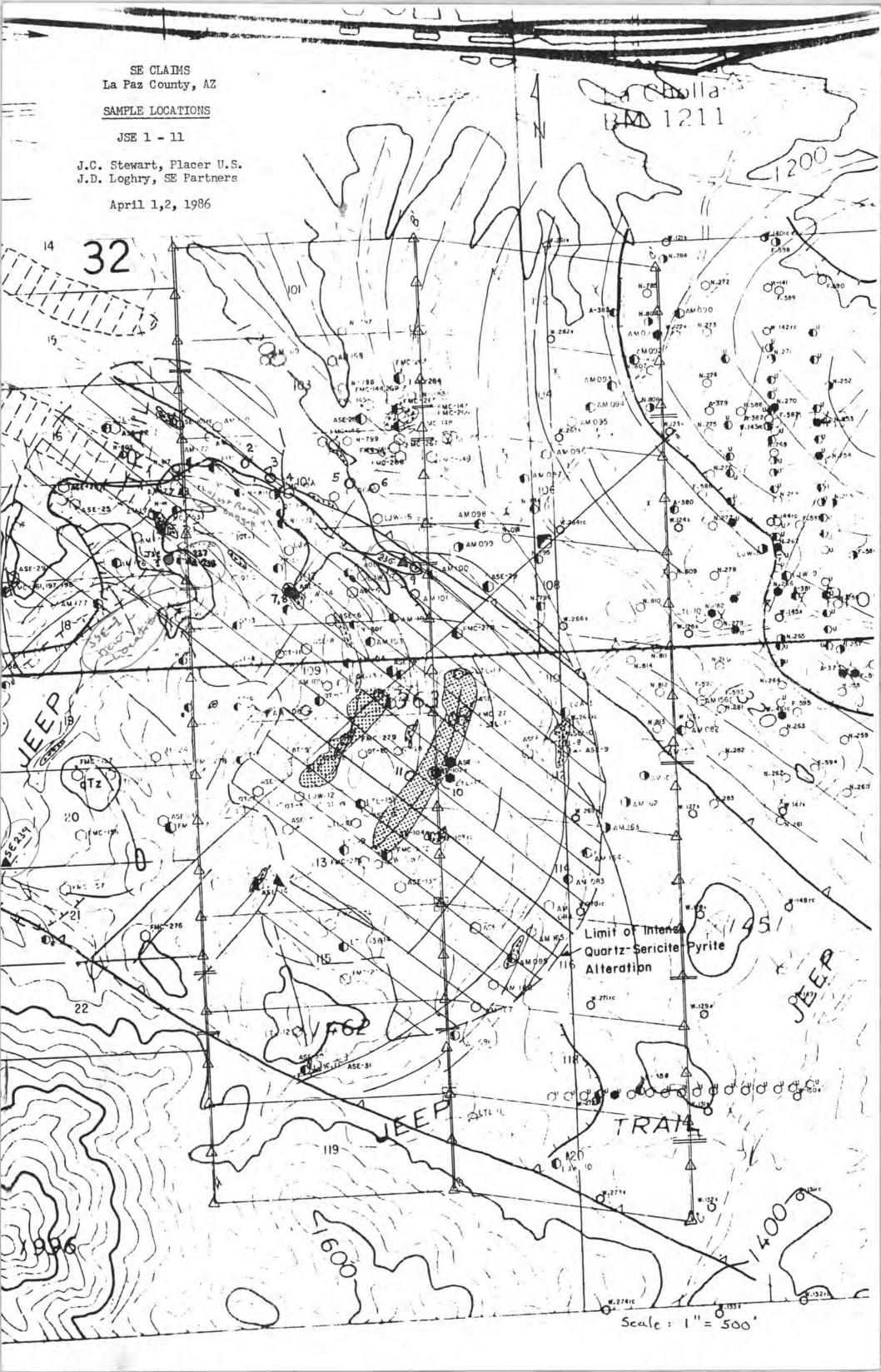
WORK ORDER: 4469R-86

*** FINAL REPORT ***

GEOCHEMICAL LABORATORY REPORT

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I.C. Stewart, Placer 4.5 Sumple List

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STRAY ELEPHANT II APRIL, 12+ 13" SE \$235 - 259 - SHEFACE ROCK CHIP

SE #

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ROCK CHIP

7 SAMPLES

DRILL

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209-c (on ridycwe+, w+)

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J.J. Bensing Supervisor, Property Records

March 23, 1984

Mr. Walter E. Heinrichs, Jr. President Heinrichs Geoexploration Company P.O. Box 5964 810 W. Grant Road Tucson, Arizona 85703

Dear Mr. Heinrichs:

State of Arizona Prospecting Permit No. 08-83801 LaPaz County, Arizona

Amoco Minerals Company 7000 South Yosemite Street

Post Office Box 3299 Englewood, Colorado 80155

Negotiations & Land Department 303-740-5279



Please find enclosed for your further handling a Decision and Order from the State of Arizona, State Land Department, stating Prospecting Permit No. 08-83801 is cancelled. Since the Decision and Order was addressed to Amoco Minerals Company as Permittee, the Assignment we provided you January 30, 1984, was evidently not filed with the State Land Department, or reinstatement of your restoration and damage bond with Aetna Life and Surety Company was not completed. Please note, at the top of the Decision and Order, reference is made to Prospecting Permit No. 08-83801 while in the decision, Prospecting Permit No. 08-84353 is ordered cancelled.

Should you want to obtain a State Prospecting Permit on the property covered by 08-83801, you will need to reapply to the State Land Department.

Sincerely,

J. Bensing

JJB/ms

C. A. Gardiner

A. G. Humphrey

M. T. Nesbitt

3/27/84 CC: R.B.L. Read.

STATE LAND DEPARTMENT OF THE STATE OF ARIZONA BEFORE THE STATE LAND COMMISSIONER

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IN THE MATTER OF STATE MINERAL PROSPECTING PERMIT NO. 08-83801 FOR THE STATE LAND DESCRIBED THEREIN.

DECISION AND ORDER

PERMITTEE: AMOCO MINERALS COMPANY

The files of the Arizona State Land Department (the Department) reflect that:

- 1. On February 7, 1984, a letter from Aetna Life and Surety Company was received, notifying the Department of their intention to cancel the restoration and damage bond covering State Mineral Prospecting Permit No. 08-83801 for the State land described therein.
- 2. On February 16, 1984, a letter was sent certified mail to the above-named permittee, notifying them of cancellation of the restoration and damage bond and requesting that replacement bond be submitted to the Department within thirty (30) days of date of letter.
- 3. As of this date, no replacement bond or correspondence has been received.

The Department, therefore, finds for failure by permittee to provide a replacement restoration and damage bond, it is not in the best interest of the State Trust to continue State Prospecting Permit No. 08-83831.

IT IS ORDERED that State Prospecting Permit No. 08-84353 be, and the same hereby is cancelled.

This Order is effective immediately.

GIVEN under my hand and the official seal of the Arizona State Land Department this 21st day of March

> STATE LAND DEPARTMENT SEAL

Certified No. 387490 Amoco Minerals Company ATTN: H. L. Bauer, Jr.

P. O. Box 3299

Englewood, Colorado 80155

Russell A. Kolsrud, Attorney General's Office

LJF / 137

Copy to:

1280 TERMINAL WAY RENO, NEVADA 89502 TELEPHONE (702) 786-6428

April 6, 1984

Mr. James D. Loghry 2121 E. Monte Vista Drive Tucson, Arizona 85716

RE: SE Claims

La Paz County, Arizona

Dear Jim:

I am enclosing herewith the following data relative to the SE claims:

1. Your original sample map.

Sample location map showing Labradex samples.

3. Chemex Labs, Ltd., assay report.

4. Sample descriptions for Labradex samples.

We collected fifty-one (51) rock samples on the SE claims and adjacent lands to the east. Sample sites are marked with aluminum tags. As you can see from our results, most samples contained detectable gold. Our reconnaissance examination suggested that silicification on the SE property is very localized and gold mineralization is quite spotty and confined. At this time we do not see a reasonable target where we could confine our efforts.

I discussed the West World Oil and Gas property with Art Humphrey of Amoco Minerals. Art said that he was allowed to see the assay results for the ten or so holes West World drilled last summer and that West World effectively killed their property. They had no decent gold assays. I know nothing about their drill program or assay technique. Our sample 84-JW-09 of West World drill cuttings did show 150 ppb gold.

Thank you for allowing us to examine this property and to utilize the enlarged topographic base map.

Related to another matter, I expect to be in Tucson on April 16 and 17 and would be able to show you our property data (Fit Claims, Pershing County, Nevada, and Mary Claims, Eureka County Nevada) if you are available. Our reports and map packages are

April 6, 1984 Mr. James D. Loghry quite extensive and I have not been able to compile short summaries yet. Hope to see you in April. Sincerely, LABRADEX CORPORATION Jon P. Broderick JPB: RMM Encl.

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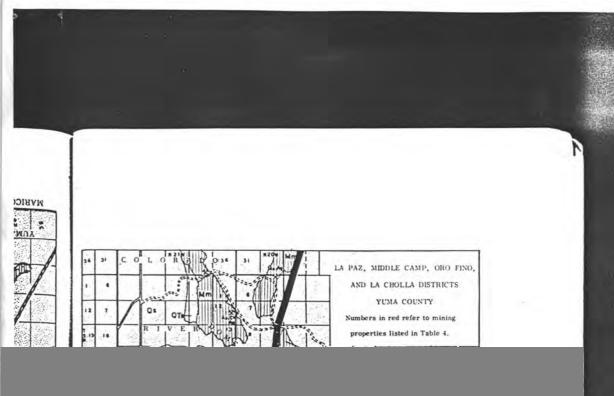
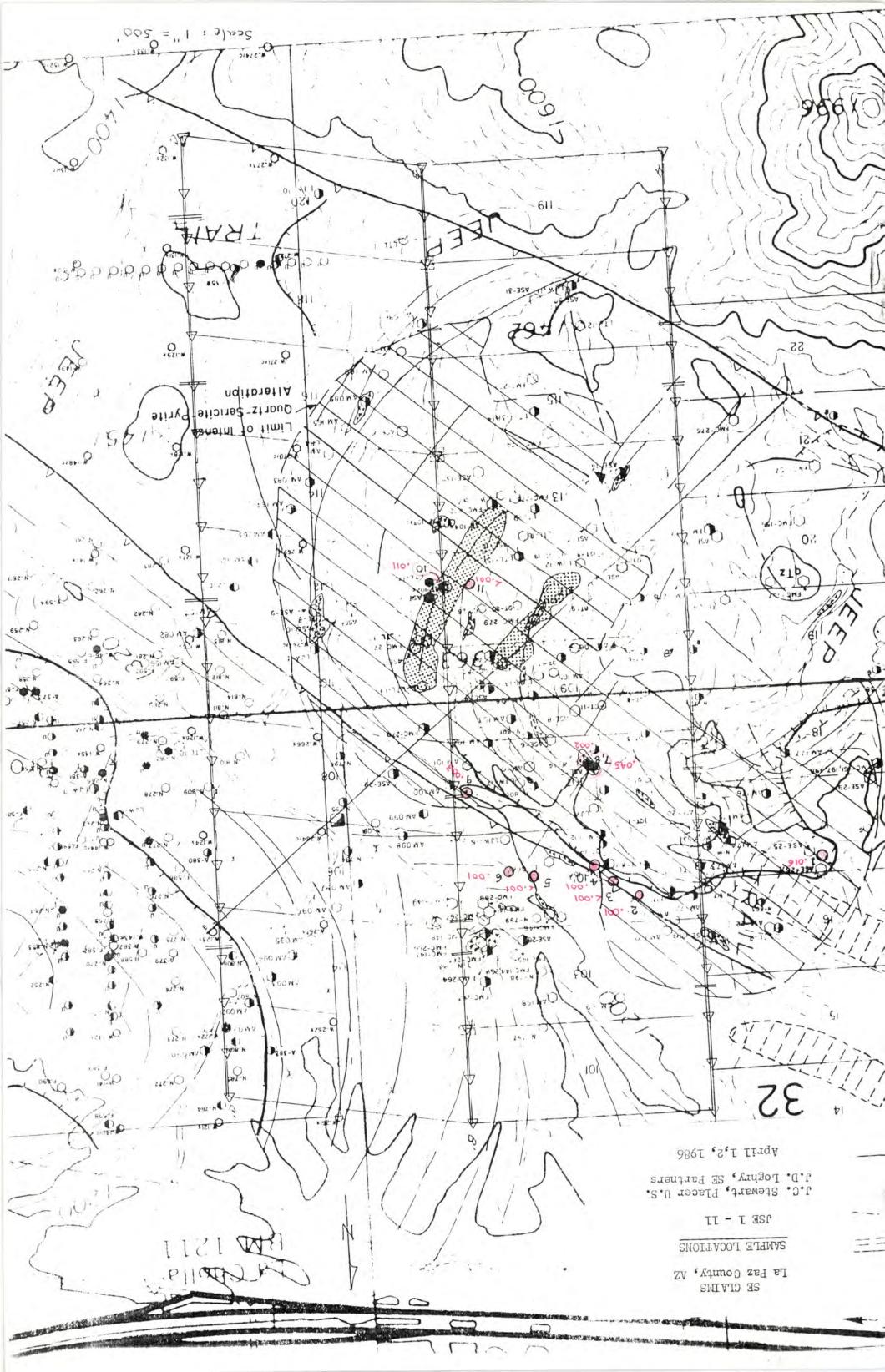


Figure 10. La Paz, Middle Camp-Oro Fino, and La Cholla districts

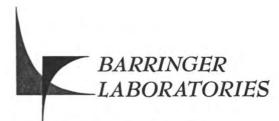


PAID TO ENTRIES addix 3/23/4 3/23/11 3/20/63 320,00 MELVIN L. FIELDS 11/6/5/11/1/65/11/6/27 AMAVISEA LAND & CATTEE INC 7.1986 9-2886 9-27-96 1482 1/62 FANDER 640,00 MELLIN L. FIELDS 9/963 1/1/13 11/16 12/18/6/1/1/6/ 1/6/43 Expires 110 JAY 17 APPR'D BEGINS o 118/3 1/1/ TRACT 330.00 amarusagand Cattle 200 1684 300/1 ans 320,00 FRANK C. AMADISCA doret your Co Hwy B 640.00 Edward. C. C. Ison m 640.00 Earl Midgett 640.00 Bill Burns 640.00 W. I. Durant 640.00 JAMES Pickett 640.00 V.H. Vockert NAME 32000 4.00 ACRES Att 17 3263 BTANU SZ5252 SUBDIVISION ALL 7 1926-B 11/2 928/60 A 1642.B ALL 1463-15 ALL A143-15 ALL 114 36261 4 1724-8 911 9/7/61 A 1750-B All 83740 B NZ 22 83740 B 83740-B 1926-B 19x6B 923/60 A 1637-B 9/6/60 A 1591-B LEASE No. SO TYPE of LEASE 8-15-63 LT H 19-67-01 11/4/67 1-7-86 9-24.63 12/5/83 3-14-63 12/23/81 Range DATE

5-1

Township.

Section



AUTHORITY: RON LONG

LONGLAC MINERALS

1475 GREG ST.

SUITE 6

SPARKS, NEVADA

39431

ATTN: RON LONG

BARRINGER RESOURCES INC.
OFFICES & MINERALS
LABORATORY:
1455 DEMING WAY, SUITE 15
SPARKS, NEVADA 89431
PHONE: (702) 358-1158

O5-MAR-86 PAGE: 2 DF 3

COPY: 1 OF 3

PROJECT: AZ RECON

SE/SACLHIMS, LAPAZ CTY, AZ

WORK ORDER: 4342R-86
*** FINAL REPORT ***

GEOCHEMICAL LABORATORY REPORT

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October 24, 1989

James D. Loghry Consulting Geologist 2121 E. Monte Vista Dr. Tucson, AZ 85719 (602) 323-2945 Walter E. Heinrichs Heinrichs GEOXploration P.O. Box 5964 Tucson, Arizona 85703-0964 (602) 623-0578

Stray Elephant Copper Deposit La Paz County, AZ

Location and Ownership

The Stray Elephant copper deposit lies within the west block of the SE Claim group, the SE 23-52, and SE 57-62 claims, AMC Nos. 105436 - 105471, a block of 36 contiguous claims largely in Section 31, T4N, R20W, and Section 6, T3N, R20W (see enclosed maps), part of a group of 78 contiguous SE Claims. The east block of 42 claims covers an area with potential for large, low grade gold deposits, access roads that would support the copper operations, areas suitable for leach pads and SX-EW plant and a possible water supply. The claims are in the Middle Camp - Oro Fino mining district in the south Dome Rock Mountains, La Paz County, Arizona, along and south of Interstate 10, 7 - 8 miles west of Quartzsite, Arizona and about 13 miles east of Blythe, California (USGS Middle Camp Mountain 7.5' Quadrangle).

The property offers easy access, nearby electric power and natural gas. Water supply would come from wells to be drilled on the property or from a well to be drilled or leased in the Colorado River valley about 5 miles westerly. There appears to be a light power line 0.7 miles north of Outcrop Hill along I-10 but the closest heavy duty power is about 3 miles west and a big water well is at the Beacon service station and Ryder factory at Tom Wells Road 4.6 miles away, west of the property.

The claim owners, each owning an equal undivided 25% interest in the SE Claims are:

- 1) Heinrichs GEOEXploration Company, an Arizona Corporation, Walter E. Heinrichs, President, located at 810 West Grant Rd., Tucson, Arizona 85705; mailing address P.O. Box 5964, Tucson, Arizona 85703-0964, which addresses shall serve as the claimowners' address;
- William C. Hirt, a single man, residing at 639 South 500 East,
 Salt Lake City, Utah 84102;
- 3) James D. Loghry and Margaret R. Loghry, husband and wife, residing at 2121 East Monte Vista Dr., Tucson, Arizona 85719;
- 4) Richard J. Lundin and Vicki J. Lundin, husband and wife, residing at 372 Hackberry Circle, Prescott, Arizona 86303.

Property History

The property was originally located in 1906 by Miguel Apodoes (spell?), later by Beggs and McIntyre who did shallow surface exploration and drove an adit and winze in the 1920's when the property was known as the Weaver mine. After the death of Beggs, Ben Scott located the property and it came to be called the Scott-Weaver mine.

Royal Investment Company - 1956

Royal Investment Corporation optioned the property from Scott and explored it in 1956 under the direction of E. Ross Householder, a well-known Kingman mining engineer. Royal dug and sampled numerous trenches, sampled ore grade material in the adit and winze, made at least two carload smelter shipments of oxide copper ore and drilled 4 vertical diamond drill holes. Householder (9/29/56, 12/19/56) reported: 21 bulk samples taken from trenches, underground workings and outcrops that averaged 1.85% Cu; two car loads, 104 tons, that averaged 1.1% and 2.1% Cu; DDH No. 1, 0-101 feet, 24 feet lost, 77 feet average 1.02% Cu; DDH No. 2, 0-130 feet average 1.15% Cu; DDH No. 3, drilled a short distance north of the copper deposit was assayed to 102 feet, has three composite sample assays ranging from trace to 0.2% Cu; DDH No. 4, 0-156 feet average 1.4% Cu, bottomed in 3.7% When assayed, gold and silver values in the deposit were found ranging from 0.002 - 0.02 OPT Au and 0.1 - 1.2 OPT Aq. The highest grade surface sample taken from the #1 (drill hole?) access road assayed 3.41% Cu, 0.02 opt Au and 1.2 opt Aq. Householder reported that the copper deposit is over 3900 feet long. From the above sampling program Householder assumed an average grade of 1.58% Cu for the entire deposit and 375,000 tons of positive and probable ore, 720,000 tons of possible ore plus 2,500,000 tons of expectant ore, totalling 3,595,000 tons. He recommended more core drilling which he believed would double those reserves. The recommended drilling was never accomplished.

Kerr McGee/Hancock Oil - 1960 - 1975

The property was further explored and developed by Hancock Oil Company in the 1960's. Burton Hancock apparently purchased the property from Ben Scott, continued surface exploration work and drilled one rotary hole S-1 in the wash beyond the east outcrop of the copper deposit, results unknown. He surveyed 9, perhaps 13 claims for patent, but died before completing the patent process. Kerr McGee staked most of the district and leased the Hancock property in 1973-75, as part of a large porphyry copper exploration project, drilling 6 diamond drill holes, Q-1 - Q-6. Q-1 is a vertical hole within the deposit which cut 190 feet of ore grade copper, the upper 110 feet being oxide copper ore. Q-3 is a vertical hole on the north boundary of the deposit which found chalcopyrite ore. The others are outside of the Stray Elephant copper deposit, Q-6 being an angle hole directed under

the deposit. Near the Q-6 collar, Q-2 is a vertical hole north of the deposit. Q-4 is an angle hole drilled on the presumed buried east extension of the deposit that missed the deposit. Q-5 is an angle hole that never reached the deposit. Kerr McGee personnel felt that the potential of the Stray Elephant copper deposit as known at the time was 15,000,000 to 20,000,000 tons of ore-grade copper mineralization at or near the surface in Hancock Wash. They thought that the deposit might be part of a much larger concealed porphyry copper ore body, so most of their holes were drilled outside and beneath the deposit, in an effort to expand it or discover its possible buried extensions. Vertical DDH Q-1 was drilled on a pad within an open cut in the deposit on the north side of Outcrop Hill, cut 0-110 feet of 0.52% Cu as the copper oxides chrysocolla and lesser malachite and brochantite and 110-190 feet of 0.82% Cu as chalcopyrite, a combined 190 feet of 0.65% Cu; also at 410-440 feet, 30 feet of 0.86% Cu as chalcopyrite. Vertical DDH Q-3, immediately north of the oxide copper deposit, found about 203 feet of quartz monzonite containing 0.43% Cu as chalcopyrite at 190-400 feet. Adjacent holes DDH H-2 and Cyprus RDH SE-3 were in oxide copper ore.

The property came open after Burton Hancock's death and the present owners staked the SE Claims in 1980 and 1982.

Amoco Minerals - 1983

In 1983, Amoco Minerals optioned the SE Claims, did a limited amount of geologic mapping and geochemical sampling and on August 22, 1983, drilled one 150 foot diamond drill hole (SE-1) in the silicified zone a short distance north of the alluvium-buried contact of the Stray Elephant copper deposit solely to fulfill assessment work requirements. They seemed to have selected a convenient site that required no cat work and made no attempt to drill the copper ore on Outcrop Hill. From 10 - 150 feet, the hole averaged 47 ppm Cu, 0.2 ppm Au and 1 ppm Ag. Because of its location, this hole has no bearing on the ore potential of the SE copper deposit. In November, 1983, Fuller, under the direction of F. Mack of Amoco collected 18 rock chip samples (F 2633 - F 2650), 11 of them (F 2637 - F 2647, range 485 - >10,000 ppm Cu, average >3663 ppm Cu) from leached outcrops in the copper deposit of Outcrop Hill (see 1" = 200' topographic map). Using a cutoff of 0.2% Cu, which extudes four samples, seven samples ranged from 2800 to >10,000 ppm Cu, averaging 5343 ppm or 0.53% Cu. Amoco dropped the lease abruptly in January, 1984 when budget cuts demolished their hardrock exploration program and dismembered their minerals exploration department.

Cyprus Metals Company - 1988

In November, 1987, Dr. William Rehrig, President of Applied Geologic Studies, Inc. (AGS), a Denver consulting firm, examined the Stray Elephant copper deposit for client Cyprus Metals Company. At that time, Cyprus was looking for copper oxide deposits with a potential greater than 5,000,000 tons 2 0.5% Cu,

or 50,000,000 pounds of copper. Cyprus felt that they could make a substantial fast profit from heap leaching and using portable SX-EW plants on such deposits. At that time Cyprus management agreed with Dr. Rehrig that the Stray Elephant met their requirements and optioned the property February 23, 1988. The prospect was assigned to the engineers of Cyprus Metals Development, Green Valley, Arizona, who were engaged in examining mines and buying ore reserves and plants. They were not interested in exploring the Stray Elephant or any pre-development property no matter how appealing and tried to skuttle the project. James Compton, President of Cyprus Metals insisted that they follow through with a drilling program and in May, 1988, they reluctantly ordered AGS to start work on the property with no advance preparation, limited time and a very small budget.

Dr. Rehrig assigned consulting geologist Dr. David Wahl to the project. Wahl did a fine job in spite of the limitations forced by Cyprus Metals Development. He examined the property for the first time with me and Rehrig on a hot May 4th. Within two weeks he collected surface samples and prepared a map of the west half of the copper zone, did the necessary BLM permitting, hired contractor Hollis Ramsey of Parker to rebuild old trails and construct new trails and drill sites he had selected for a mobile reverse circulation drill rio AGS had contracted for. It turned out that the driller was not licensed to operate in Arizona and Cyprus Development would not allow AGS the time to find another reverse circulation rig, but insisted that a large truck mounted rotary drill of Ventures Drilling Company be employed immediately, even though it had limited angle hole capability and was too large to get on the critical sites on Outcrop Hill, where the largest tonnage potential appeared to be.

Wahl's 16 surface samples in the copper deposit range 0.08-1.76% total Cu, averaging 0.55% total Cu. Using a 0.2% Cu cutoff, 11 samples average 0.74% Cu. Eleven samples with acid soluble copper assays range 0.08-1.58% A.S. Cu. With a 0.2% Cu cutoff, 9 samples range 0.37-1.58 A.S. Cu and average 0.70% A.S. Cu.

From June 3 thru June 11, 1988, 8 rotary holes, SE-1 - 8, ranging from 155 to 350 feet for a total footage of 1910 feet, were drilled by the Ventures Drilling Company of Tucson under Wahl's supervision. Five were vertical holes; three were angle holes directed S80W or S120W at -57-630. They are scattered along 2600 feet of the copper deposit, 300 to 1,130 feet apart. All but two of them cut ore grade copper oxide and sulfide mineralization. Drill hole SE-5 does not show the ore body because it passes below the ore intercepts of Kerr McGee DDH Q-1 and DDH H-1. Drill hole SE-7 is a vertical hole that cut 155 feet of well-altered and mineralized granite (quartz monzonite) and schist with anomalous copper values. I suspect that the ore will be found by drilling a short distance south of RDH SE-7. Geology, mineralization, total copper and acid soluble copper assays are summarized in Table 1.

A cursory inspection of Wahl's cross sections drawn on the ore holes suggest the presence of a copper zone 50 to 100 feet wide, controlled by and spreading out from two well-mineralized vein-faults dipping northerly at 60-700. The widths are actually much greater. On Outcrop Hill, the partly exposed deposit is about 200 feet to 400 feet wide. In the east target area, outcrops on both sides of the wash suggest possible widths of 600 to 900 feet. The Cyprus angle holes appear to have penetrated a zone of cupiferous veins and veinlets 50-100 feet wide, but did not test the broader surface and near-surface copper oxide deposit that promises substantial open pit tonnage.

At the conclusion of the preliminary program, AGS personnel reported to Cyprus that the deposit has a resource of about 5,000,000 tons of material greater than 0.5% Cu, and recommended more drilling to prove up ore reserves. Cyprus Development personnel replied that they had doubled their original tonnage and grade requirements and were not interested in any further testing of the Stray Elephant deposit. We were advised that Cyprus would be dropping the option in a letter of July 14, 1988 and the contract expired August 15, 1988.

Geology and Ore Potential

The Stray Elephant copper deposit occurs in a steep north dipping N60-700W reverse fault zone along the contact of a strongly altered quartz monzonite porphyry stock and Jurassic metavolcanic schists and metasediments. The higher grade copper mineralization occurs in the schists, although there is ore grade mineralization in the quartz monzonite as well. Much of the deposit is concealed under the shallow alluvium of Hancock Wash, but outcrops of strong oxide copper mineralization and associated silicification and argillization can be observed over a length of more than 4200 feet. Refer to B. Leedy's 1" = 1000' geologic map for an independent survey.

The prospect area to be explored is over a mile long. Only a small amount of copper mineralization has been found west of the Stray Elephant property on the State-owned east half of Section 36 and we believe it has little potential for ore deposits. A middle block of prospective ground 1,100 feet long, completely covered by the sand and gravel of Hancock Wash has been prospected by only two drill holes, DDH Q-4 and RDH SE-7. I am certain that there is a substantial tonnage of oxide copper ore concealed in the middle block. To the east the copper zone is largely covered by the shallow alluvium of Hancock Wash and a covered extension is assured by RDH SE-6, copper oxides in outcrops and large areas of leached capping. My impression is that all of the alluvium in the wash is underlain by leached capping, suggesting a large amount of copper oxide mineralization below. The Eastern Target area that needs to be explored by drilling is at least 2,000 feet long and 600 to 900 feet wide. The largest ore potential on the property is obviously here, but

there is only one drill hole. The best Known section of the property is the ore grade copper deposit on and west of Outcrop Hill. It appears to be 1500 feet long and 200-400 feet wide.

Possible Ore Reserves - Outcrop Hill

Since this report was originally written in January, 1989, I have had time to study the Cyprus data (D. Wahl, 1988) and draw some conclusions as to possible ore reserves and potential of the Stray Elephant copper deposit. On Wahl's 1"=200' Drill Hole Location Map, I have drawn the approximate limits of significant copper oxide mineralization and plotted areas of probable oxide copper ore on Wahl's cross sections. During a recent trip to the property, I concluded that those limits are larger. In these calculations, the Outcrop Hill deposit is considered to be 1480 feet long and 200 to 400 feet wide, with 7 blocks of possible ore.

The RDH SE 2 possible ore cross section has at least 20,000 sq ft; SE 1, 36,000 sq ft; SE 5, 36,000 sq ft; SE 3, 54,000 sq ft; SE 8, 36,000 sq ft; SE 4, 27,000 sq ft.

From West to East (12.5 cu ft/ton divisor):

	m west to Last	(12.5 Cd 76/ton divis		% Cu	%ASCu
1)	0 - RDH SE 2	350′ X 20,000 sq ft	560,000 tons	.42	.36
2)	SE 2 - SE 1	350′ X 45,000 sq ft	784,000 tons	.70	.33
3)	SE 1 - SE 5	180 X 36,000 sq ft	518,400 tons	.43	.36
4)	SE 5 - SE 3	$200' \times 45,000 \text{ sq ft}$	720,000 tons	.70	.38
5)	SE 3 - SE 8	160′ X 45,000 sq ft	576,000 tons	.74	.40
6)	SE 8 - SE 4	170′ X 31,500 sq ft	428,400 tons	.56	.36
7)	SE 4 - 1480W	70′ X 27,000 sq ft	151,200 tons	.49	.36
	Total Possible	Reserves	3,738,000 tons	.60	.36

It is recognized that there are not enough samples, nor are they widely and well enough distributed in each block to propose a reliable weighted average grade. None-the-less, it's a start. It is also proposed that the acid soluble or cold copper assays are considerably lower than the amounts of copper we can expect to recover. Bottle roll tests by Metcon Research (September 8, 1989) support this view. Arithmetic averages of surface and drill holes are discussed below.

Average grade of oxide copper reserves is expected to exceed 0.5% Cu. This conclusion is based on a compilation of 220 surface and

drill hole assays from Outcrop Hill and RDH SE-6 (the only hole in the East Target) which range from 0.03% thru 3.70% Cu and average 0.64% Cu. Average assay of 122 of those samples assayed for Acid Soluble Cu is 0.43% A.S. Cu (range 0.01 - 2.95% A.S. Cu). With a 0.2% Cu cutoff, 175 of the 220 samples average 0.77% Cu, and 87 samples average 0.56% A.S. Cu. With a 0.1% Cu cutoff, judged to be reasonable at >85 cents/lb. copper, 202 of the 220 samples average 0.69% Cu, and 104 samples average 0.50% A.S. Cu.

Most of the samples taken to date are from Outcrop Hill. Until more data are available, they represent the possible grade of the 3,738,000 tons of possible reserves in blocks 1 thru 7 referred to above. In the reserve area, 194 samples range from 0.03 thru 3.70% Cu and average 0.64% Cu. 104 samples range from 0.01 - 1.73% A.S. Cu, averaging 0.38% Cu. With a 0.2% Cu cutoff, 175 samples average 0.77% Cu, and 87 samples average 0.56% A.S. Cu. With a 0.1% Cu cutoff, 184 samples average 0.67% Cu, and 86 samples average 0.45% A.S. Cu.

The 3.7 million tons proposed occupy only 1/3 of the length of the copper zone, so one could consider a total potential reserve of 11 million tons, triple the possible reserves of Outcrop Hill. However, drill holes Q-4 and SE-7 found no ore, although it is probably present in their vicinity, so a very conservative estimate of the potential is at least 7.5 million tons, double the possible reserves of Outcrop Hill.

The east target area has one drill hole, SE-6, which cut 0.81% Cu at 55-115 feet and 0.7% Cu at 160-180 feet, with limonitic leached capping above and between the oxide ore zones. The 80 foot thick ore section of this hole and the >500 foot width suggested by mineralized exposures on both sides of the wash over a 2,000 foot length suggest an exploration potential of over 6,000,000 tons in the east target. On this basis, the Stray Elephant property has a potential of over 10,000,000 tons of oxide copper ore.

January 3, 1990

Re: Proposed Deal, 78 SE Claims Stray Elephant Copper Deposit Stray Elephant Gold Prospects Sections 31, 32, 33, T4N, R20W Sections 4, 5, 6, T3N, R20W La Paz County, Arizona

Mining Lease

\$50,000 down

\$3,000 per month advance royalty OR

4% NSR production royalty, whichever is greater

\$50,000 minimum annual work expenditure, to include drilling

Environmental and reclamation guarantees

Condemnation drilling of pads, facilities in the gold target areas

2 mile area of interest (excluding other existing claims)

30 day notice of lease relinquishment

Payments to be made to: Stray Elephant Claim Owners
Account No. 642-12128
First Interstate Bank of Arizona
Campbell Plaza Office
P.O. Box 40700
Tucson, AZ 85717

	87-6287
STATE OF A2 COUNTY OF LA Pa 2 Witness my hand and Official Seal. Indexed Paged Blotted	PECONDED IN OFFICIAL RECORDS OF LA PAZ COUNTY, ARIZONA DEC 17 4 17 PM 87 pm Lois X. Hesse, COUNTY RECORDER TOWN
When recorded, mail to: Walter E. Heinrichs, P.O. Bo	ox 5964, Tucson AZ 85703-0964
	MANCE OF ANNUAL WORK ing Claim) AMC # 105414-105471; 186704-186723
Walter E. Heinrichs	NAME
810 West Grant Rd.	NAME
	DDRESS
Tucson, Arizona 85705	STATE
District, La Paz Of the County Recorder of said County in Book in Section 31 & 32 Township and Section 4, 5 & 6, T3N, R20 W, Gila That between the dates of September 1, 1986 at least Seven Thousand Eight Hundred Dollars dollars worth of work and improvements were done and performed u That the work and improvements were made by and at the expense of James D. Loghry and Richard J. Lundin purpose of complying with the laws of the United States pertaining to That the following individuals were employed to perform the work and William C. Hirt, James D. Loghry, Richar and experience to perform the work.	, Page(s) 643-758 & 729-770 . Notice of location is posted , Range 20 W & Salt River Base and Meridian; and September 1, 1987 (\$ 7,800.00) pon this claim not including location work; of Walter E. Heinrichs, William C. Hirt, owner(s) of the mine for the
SUBSCRIBED AND SWORN TO before me, a Notary Public, this 19 8 7, by 10 10 10 10 10 10 10 10 10 10 10 10 10	day of December, NOTARY PUBLIC

ANNUAL LABOR REPORT of GEOLOGICAL, GEOPHYSICAL AND GEOCHEMICAL WORK SE CLAIM GROUP LA PAZ COUNTY, ARIZONA AUGUST 1987

Introduction

This detailed report represents the basic findings of geological, geophysical and geochemical work which was conducted on the SE Calim Group to fulfill annual labor requirements for the period September 1986 thru August 1987. The work was carried out by Walter E. Heinrichs, Jr., a graduate geological engineer - geophysicist with 45 years experience who is a registered in Arizona by the State Board of Technical Registration #2447. Mr. Heinrichs was assisted by James D. Loghry, William C. Hirt and Richard J. Lundin, all graduates in geology and/or metallurgy and headquartered at 810 West Grant Road, Tucson, Arizona 85705.

Geochemistry

Rock samples, either outcrop, soil or dump, were taken. Samples weighed about five pounds and were taken on a representative grab basis or from random rock chips of outcropping bedrock.

Samples were analyzed for Au, Ag, Cu, Pb, Zn, and, in some cases for As, Hg, Sb, and Mo. Objective was to learn more about the nature of the obviously visible surface mineralization present.

In addition it was desired to observe if any particular metalliferous mineral correlation could be made with electrical geophysical work done on the claims.

Geology

Geology was also observed and mapped in relation to the geophysical and geochem sample sites and efforts were made to be able to roughly correlate surface exposures to sample results, and any geophysical anomalism.

Geophysics

One east west line of combination variable frequency induced polarization resistivity and self potential geophysics was run as shown on the accompanying map. Dipole spacing was 200 feet and frequencies were 3.0 Hz and 0.3 Hz. Equipment was GEOEX general purpose, multiple frequency Mark 5-7 Sender, GEOEX Mark 7 Briggs - GE power unit and GEOEX Mark 4-C IP, resistivity and SP receiver. The colinear dipole-dipole array was used with foil and copper clad current electrodes.

Conclusions

Results indicate some correlation between surface geology and geochemical data. However, definite correlation with the geophysical results was not established.

Nevertheless, it is suggested that mineralization is strong enough and exposures extensive enough to warrant detailed surface mapping at a scale of something ranging from 100 ft. per inch to 500 ft. per inch. Geochemcial results are also anomalous enough to suggest that more systematic and detailed

geochemical sampling coverage, designed to completely cover the whole claim group, may be in order. This could be accomplished effectively in concurrent conjunction with geologic mapping and, if results are sufficiently favorable will form an adequate basis for preliminary targeting of subsequent drilling and/or backhoe sampling etc.

Further investigation of the rock type and structural associations with precious metal mineralization is definitely in order as there is some suggestion in the results that such mineralization is present and may be localized in economic fashion within the claim group.

Accompanying Data

Attached illustration shows geochemical sample sites and geophysical line with claim boundaries and discovery points of each claim.

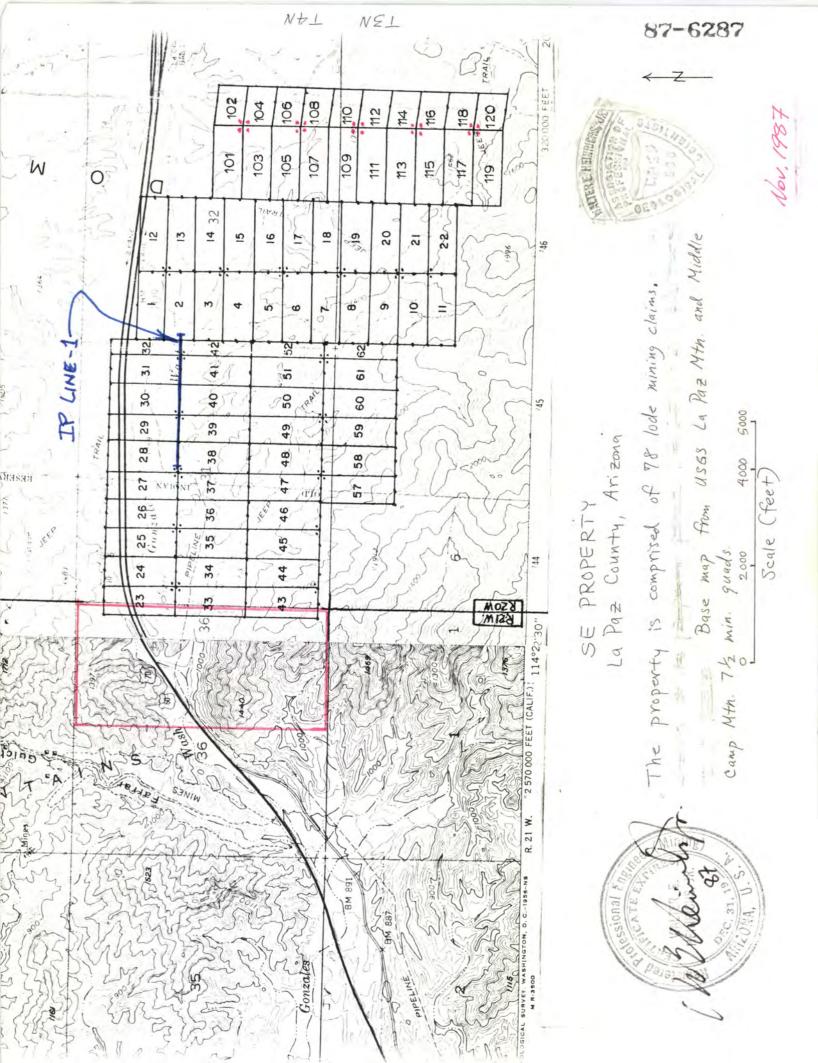
Attached plot, together with this report, represent the basic findings of the geological, geophysical and geochemical survey.

Walter E. Heinrichs, Jr.

Geological Engineer - Geophysicist

P.E. & G.P.G.S

P. 0. Box 5964 Tucson, AZ 85703 (602)623-0578 15 December 1987



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La Paz County Courthouse Parker, AZ 85344	Type of Service: Registered Insured Certified COD Express Mail
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P. O. Box 5964

Tucson, AZ 85703

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In an effort to expedite the advisor procedure, we have time-stamped and photocopied what was submitted to this office. This DOES NOT mean it has been reviewed or processed, only that it was received.

As a reminder, if you have elected to file a notice of intention to hold, do not forget to record such notices of intention to hold for lode and placer claims (not mill or tunnel sites) and all affidavits of labor, amendments and transfers of ownership with the proper county recorder.

In the future, always include the A MC serial numbers assigned to each of your claims when filing affidavits and other documents. For large groups of mining claims, it would help us a great deal to process them into the computer terminal if you would list them in serial number order consecutively. Also, please keep us advised as to your current mailing address.

Bureau of Land Management Arizona State Office Mining Claims Section Siete Square 3707 North 7th St. Phoenix, Arizona 85014 Phone: (602) 241-5550



Mailing Address: Mining Claims Section P.O. Box 16563 Phoenix, Arizona 85011

STATE OF SS.	I hereby certify that the within instrume filed for record in	county.
Witness my hand and Official Seal.	State of	Book Page
Index a Paged Blotted	County Buserday	Date:Request of
	County Recorder	
	By	Fee:
When recorded mail to: Walter E. He	einrichs, P.O. Box 5964, Tu	ucson AZ 85703-0964
AFFIDAVI	T OF PERFORMANCE O	F ANNUAL WORK
	(Mining Claim)	
State of ARTZONA	AMC # 1	05414-105471; 186704-186723
county of PIMA	- 1	RECEIVED B.L.M. AZ STATE OFFICE
/alter E. Heinrichs	NAME	DEC 17 1987
P10 West Grant Rd.		7.45
	ADDRESS	PHOENIX, ARIZONA
Tucson, Arizona 85705		THE CHA
CITY	-	TATE ZIP tes, more than eighteen years of age, and that all of the facts set
furth in this affidavit are true and correct acco	ording to the best of my knowledge, information	ation and belief:
1 That I am personally acquainted with the 100471, 186704-186723	mining claim named SE Nos. 1-52,	57-62, 101-120, AMC Nos. 105/11/- situated in the Middle Camp-Oro Fino Mining
District La Paz	County, Arizona	. the location of which is recorded in the office
of the County Recorder of said County in Section 31 & 32 , Towns	Book 1168 & 1303 , Page(s) 643-758 & 729-770 . Notice of location is posted
- Mi Section 4, 5 & 6, 1	T3N, R2O W, Gila & Salt Riv	- Hande
That between the dates of September		and September 1, 1987
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	vere done and performed upon this claim no	ot including location work; E. Heinrichs, William C. Hirt,
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purpose of complying with the laws of the	United States pertaining to assessments or	annual work:
Ant experience to perfor	. Logary, Richard J. Lund:	alleged herein: Walter E. Heinrichs, Jr., In and others qualified by education
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th the attached report		
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Dated 2/8/8/	Ullac	& Oklary
, ,	115	SIGNATURE
SUBSCRIBED AND SWORN TO before me, a	Notary Public, this 12 day of) ecember
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MY COMMISSION EXPIRES My Commission	Expires May 31, 1991	NOTARY PUBLIC
ALPHA ENTERPRISES . P.O. Box 26326 . Tucson	Arizona 85798	
TALLITERUMISES * P.O. BOX 20320 * Tucson	Control do ce	
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ANNUAL LABOR REPORT

of

GEOLOGICAL, GEOPHYSICAL AND GEOCHEMICAL WORK SE CLAIM GROUP LA PAZ COUNTY, ARIZONA

AUGUST 1987

RECEIVED

B.L.M. AZ STATE OFFICE

DEC 17 1987

7:45 A.M. PHOENIX, ARIZONA

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Accompanying Data

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Attached plot, together with this report, represent the basic findings of the geological, geophysical and geochemical survey.

Walter E. Heinrichs, Jr.

Geological Engineer - Geophysicist

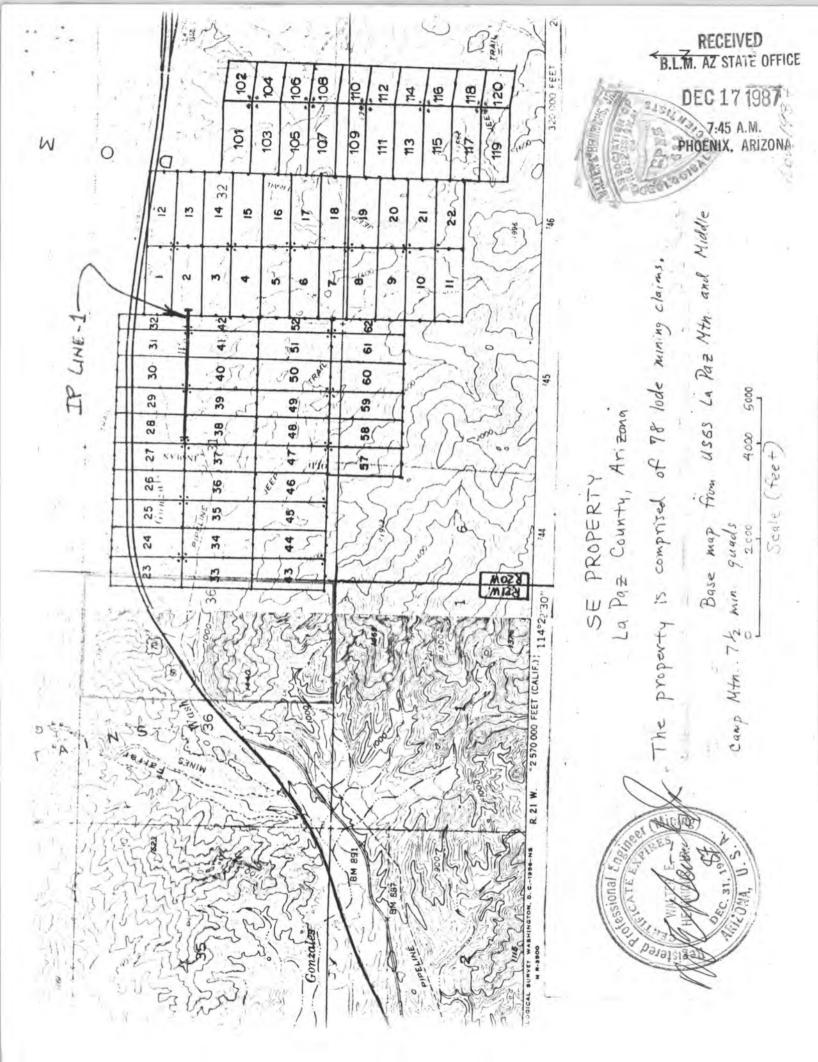
P.E. & C.P.G.S.

P. O. Box 5964 Tucson, AZ 85703 (602)623-0578 15 December 1987

RECEIVED B.L.M. AZ STATE OFFICE

DEC 17 1987

7:45 A.M. PHOENIX, ARIZONA



10	Arizona Office Bureau of Land Management Mining Claims Section	Heinrichs GEOEXploration Co. P. O. Box 5964 Tucson, AZ 85703-0964
Phoenix	P. O. Box 16563 MMMMMM, AZ 85011	
SUBJECT	AMC #105414-105471; 186704-186723	DATE 12 / 15 / 87
MESSA	The federal Land Policy and Management machine copy of recorded affidavit conducated in Middle Camp-Oro Fino Mining In order for us to be assured that requirements of the current Federal revidence of the assissment work done, receipt or exceptions to same are respeatove address. Enclosure as listed. SIGNED M. Jean	act of 1976, enclosed is a cerning SE-1-52,57-62, 101-120 g District, La Paz County, Arizona. t these documents fulfill the gulations and law, as prima face your written acknowledgement ectfully requested to the
REPLY	Your 1987 assessment in	rack has been az state office
	processed.	DEC 17 1987
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	12/29/87	PHOENIX, ARIZONA
	Courtney	Davidson
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	SIGNED	DATE / /
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P-567 578 504 RECEIPT FOR CERTIFIED MAIL

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December 15, 1987

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ТО	Arizona Office	F Heinrichs GEOEXploration Co.
	Bureau of Land Management Mining Claims Section	P. O. Box 5964 Tucson, AZ 85703-0964
	P. O. Box 16563	O 10CSON, AZ 65703-0304
hoenix	MBMSMM, AZ 85017	
SUBJECT	AMC #105414-105471; 186704-186723	DATE 12 / 15 / 8
MESSA	AGE As required evidence of assessment	work done and pursuant to
	The federal Land Policy and Management machine copy of recorded affidavit cond	act of 1976, enclosed is a erning SE-1-52,57-62, 101-120
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	SIGNED M. Jean	Heinrichs
REPLY		
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	SIGNED	DATE / /
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SEOPHYSICAL ENGINEERS TUOSON, ARIZONA

1000

HEINRICHS G EXPLORATION COMPANY

NION BANK LUCSON, ARIZONA

11825 No

808 WEST GRANT ROAD PH. 623-0578 MAILING ADDRESS: P.O. BOX 5964 TUCSON, ARIZONA 85703 CABLE: GEOEX, TUCSON

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December	15	

_19_87 14.00 DOLLARS \$

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> ta Paz County Recorder Parker, AZ 85344

HEINRICHS GEOEXPLORATION COMPANY

NON - NEGOTIABLE

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HEINRICHS GEOEXPLORATION COMPANY

DATE	INVOICE NO.	DESCRIPTION	AMOUNT	DISC. OR DEDUC.	NET AMOUNT
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10	La Paz County Recorder La Paz County Courthouse Parker, AZ 85344	F Heinrichs GEOEXploration Co. RP. 0. Box 5964 OTucson, AZ 85703
SUBJECT	Affidavit of Labor - Record & Return	DATE 12 / 15 / 87
MESS	AGE Enclosed find our cleeck in the man performed on SE Claim Group Nos. 1-52- Camp-Oro Fino Mining District, La Paz	• 57-62, 101-120 located in Middle
	Our self addressed envelopeiis enclos	ed.
	Dr.	Sem Heinrich
	SIGNED M. J	lean Heinrichs
REPLY		
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DETACH AND FILE FOR FOLLOW-UP

LOUNTY OF SS	I hereby certify that the within instrumer filed for record in Co	ounty
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	(Mining Claim)	
ARIZONA		05414-105471; 186704-186723
County of PIMA) SS.	
Inland D Hainminha		
Valter E. Heinrichs	NAME	
810 West Grant Rd.		
	ADDRESS	1
Tueson, Arizona 85709	5	
CITY		ATE ZIP
That I am personally acquainted with the 1001,71, 187704-186723	e mining claim named SE Nos. 1-52,	57-62, 101-120, AMC Nos. 105/11/1- situated in the Middle Camp-Oro Fino Mining
of the County Recorder of said County in	County,	, the location of which is recorded in the office 613-758 & 729-770 Notice of location is posted
in Section 31 & 32 , Tow	nship 4 N	Range 20 W
	T3N, R2O W, Gila & Salt Riv	Contain 7 7007
That between the dates of <u>Septem</u> at least Seven Thousand Eight		September 1, 1987 (\$ 7,800.00
willians worth of work and improvements	s were done and performed upon this claim no	t including location work;
James D. Loghry and Ri		. Heinrichs, William C. Hirt,
purposes of complying with the lowe of the	ha I laited Ctatus made into the account	annual work; , owner(s) of the mine for the
William C. Hirt, James and experience to perfo	D. Loghry, Richard J. Lundi orm the work.	annual work; Alleged herein; Walter E. Heinrichs, Jr., n and others qualified by education
5 The work and improvements performed	were Geological, Geochemical	and geophysical surveys as described
in the attached report	10	1
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Dated 12/18/87	Mac	al Kleiny
, , ,	157	SIGNATURE
DHSCHIBED AND SWORN TO before me	e, a Notary Public, this day of	ecember
by Cochie	methalian,	1/1/1/1
W 0	The state of the s	1 1/1/1/200
MY COMMISSION EXPIRES My Commission	in Expires May 31, 1991	NOTARY PUBLIC
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ANNUAL LABOR REPORT

of

GEOLOGICAL, GEOPHYSICAL AND GEOCHEMICAL WORK SE CLAIM GROUP LA PAZ COUNTY, ARIZONA

AUGUST 1987

Introduction

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One east west line of combination variable frequency induced polarization resistivity and self potential geophysics was run as shown on the accompanying map. Dipole spacing was 200 feet and frequencies were 3.0 Hz and 0.3 Hz. Equipment was GEOEX general purpose, multiple frequency Mark 5-7 Sender, GEOEX Mark 7 Briggs - GE power unit and GEOEX Mark 4-C IP, resistivity and SP receiver. The colinear dipole-dipole array was used with foil and copper clad current electrodes.

Conclusions

Results indicate some correlation between surface geology and geochemical data. However, definite correlation with the geophysical results was not established.

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Further investigation of the rock type and structural associations with precious metal mineralization is definitely in order as there is some suggestion in the results that such mineralization is present and may be localized in economic fashion within the claim group.

Accompanying Data

Attached illustration shows geochemical sample sites and geophysical line with claim boundaries and discovery points of each claim.

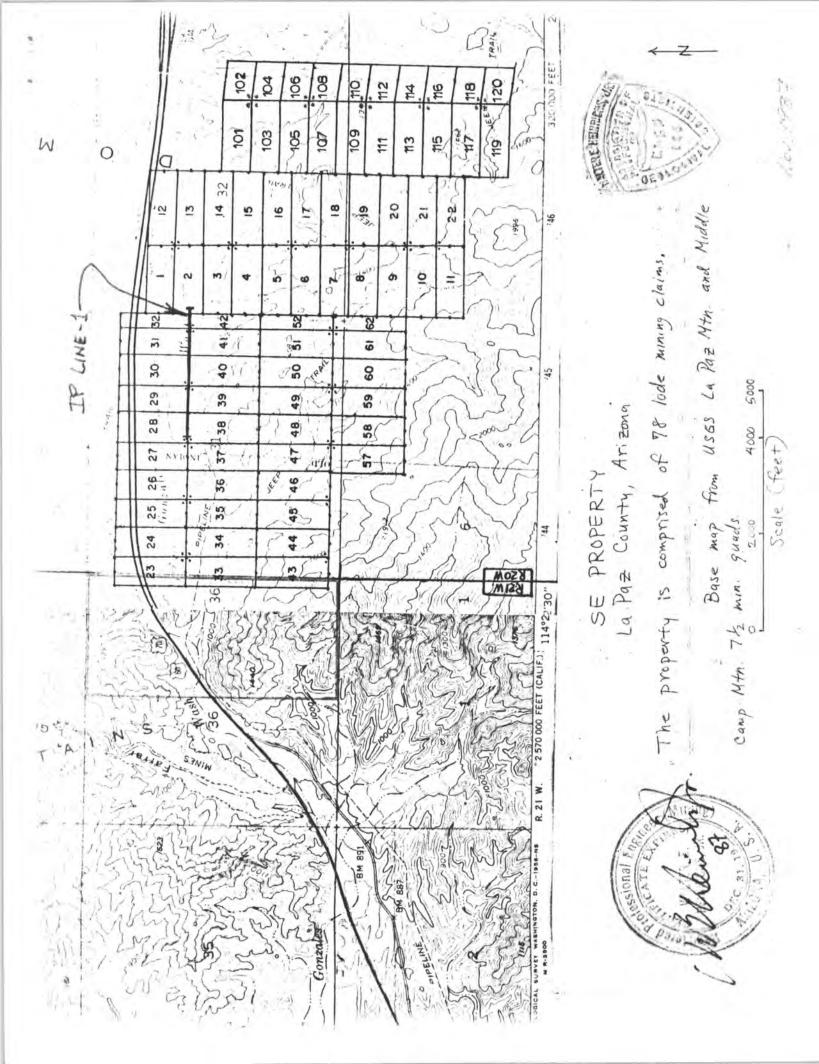
Attached plot, together with this report, represent the basic findings of the geological, geophysical and geochemical survey.

Walter E. Heinrichs, Jr.

P.E. & C.P.G.S

Geological Engineer - Geophysicist

P. O. Box 5964 Tucson, AZ 85703 (602)623-0578 15 December 1987



STATE OF SS.	I hereby certify that the		No:	
COUNTY OF Witness my hand and Official Seal.	filed for record in State of	County,	Book	Page
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When recorded, mail to: Walter E. He	inrichs. P.O. Bo	x 596). Tucson	A7. 85703_006).	
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AFFIDAVI	T OF PERFORM	ng Claim)	NNUAL WORK	
State ofARIZONA	-)	AMC # 105414	-105471; 186704-1	.86723
County ofPIMA) SS. -)			
Walter E. Heinrichs				
		NAME		
810 West Grant Rd.				
m	AC	DDRESS		
Tucson, Arizona 85705		STATE		ZIP
forth in this affidavit are true and correct account of the second secon	nining claim named <u>SE 1</u>	Nos. 1-52, 57-		Nos. 105414- -Oro Fino Mining
Diotrioti	County, Arizon	na 61.2		is recorded in the office
of the County Recorder of said County in I in Section 31 & 32 Towns			<u>-758 %729-770</u> . No Range <u>20 W</u>	otice of location is posted
and Section 4, 5 % 6, T 2. That between the dates of <u>September</u>			eptember 1, 1987	Base and Meridian;
at least Seven Thousand Eight	Hundred Dollars		rs 7,8	00.00
dollars worth of work and improvements was. That the work and improvements were may James D. Loghry and Rich	de by and at the expense of	oon this claim not include Walter E. He	inrichs, William	
purpose of complying with the laws of the	United States pertaining to		work;	ner(s) of the mine for the
4. That the following individuals were employ William C. Hirt, James D	. Loghry, Richar	d improvements alleged d J. Lundin an	herein: Walter E. H d others qualifie	einrichs, Jr., d by education
and experience to perfor The work and improvements performed we		nonhowing and	La L	
in the attached report	ere deological, tr	eochemical and	geophysical surv	eys as describe
7				
Dated				
		-	SIGNATURE	
SUBSCRIBED AND SWORN TO before me, a	a Notary Public, this	day of		
MY COMMISSION EXPIRES				

STATE OF COUNTY OF	I hereby certify that the within instrument was filed for record in County,	No. Book Page
Witness my hand and Official Seal.	State of	Date
Indexed Paged Blotted	County Recorder	Request of
	5.00	
	By	Fee:
When recorded, mail to: Walter E. He	inrichs, P.O. Box 5964, Tucson	AZ 85703-0964
AFFIDAVI	T OF PERFORMANCE OF AN	NNUAL WORK
State of ARIZONA	AMC # 305131	705 71 706701 706700
State of) ss. AMC # 105411	4-105471; 186704-186723
County of PIMA	= j	
Walter E. Heinrichs		
	NAME	
810 West Grant Rd.		
	ADDRESS	1
Tucson, Arizona 85705		
CITY	STATE	ZIP
forth in this affidavit are true and correct acco	ording to the best of my knowledge, information an mining claim named <u>SE Nos. 1–52, 57</u> —	62, 101-120, AMC Nos. 105414-
District, La Paz	County, Arizona , situat	ed in the Middle Camp-Oro Fino Mining
of the County Recorder of said County in in Section 31 & 32 , Towns	Book 1168 & 1303 , Page(s) 61/3	, the location of which is recorded in the office 1–758 & 729–770 . Notice of location is posted Range 20 W
	T3N, R2O W, Gila & Salt River	Base and Meridian;
 That between the dates of <u>September</u> at least <u>Seven Thousand Eight</u> 		September 1, 1987 (\$ 7,800.00
	vere done and performed upon this claim not inclu-	ding location work:
3. That the work and improvements were ma	de by and at the expense of Walter E. He	
James D. Loghry and Rich	nard J. Lundin United States pertaining to assessments or annual	, owner(s) of the mine for the
4. That the following individuals were employ	ved to perform the work and improvements alleged	Herein; Walter E. Heinrichs, Jr., id others cualified by education
and experience to perfor	m the work.	
5. The work and improvements performed we in the attached report		geophysical surveys as describe
-		
Dated		
		SIGNATURE
	a Notary Public, this day of	
19, by		
MY COMMISSION EXPIRES		NOTARY PUBLIC

STATE OF ss.	I hereby certify that the within instrument was	No.
COUNTY OF }	filed for record in County,	Book Page
Witness my hand and Official Seal.	State of	Date
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	Deputy	Fee
When recorded mail to: Walter E. H	leinrichs, P.O. Box 5964, Tucson	AZ 85703-0964
	IT OF PERFORMANCE OF AN	NNUAL WORK
State ofARIZONA) AMC # 105411	-105471; 186704-186723
County ofPIMA) SS.)	
Walter E. Heinrichs		
	NAME	
810 West Grant Rd.		
2.00	ADDRESS	
Tucson, Arizona 85705	STATE	
1. That I am personally acquainted with the 105471, 186704–186723	cording to the best of my knowledge, information an emining claim named <u>SE Nos. 1-52, 57-4</u>	e than eighteen years of age, and that all of the facts set d belief: 52, 101-120, AMC Nos. 105/41/4- ed in the Middle Camp-Oro Fino Mining
District, La Paz	County, Arizona	, the location of which is recorded in the office
of the County Recorder of said County in Section 31 & 32	nship 4 N	=758 %729=770 Notice of location is posted
	T3N, R20 W, Gila & Salt River	Base and Meridian;
2. That between the dates of <u>Septem</u> at least <u>Seven Thousand Eight</u>		eptember 1, 1987 (\$ 7,800.00
	were done and performed upon this claim not include	ding location work;
3. That the work and improvements were n	nade by and at the expense of Walter E. He	
James D. Loghry and Ri	chard J. Lundin ne United States pertaining to assessments or annual	, owner(s) of the mine for the
4. That the following individuals were emp William C. Hirt, James	loyed to perform the work and improvements alleged D. Loghry, Richard J. Lundin an	herein: Walter E. Heinrichs, Jr., d others cualified by education
and experience to perio	orm the work.	
5. The work and improvements performed in the attached report	were <u>Geological</u> , <u>Geochemical</u> and	geophysical surveys as described
-		
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Dated		SIGNATURE
SUBSCRIBED AND SWORN TO before me	e, a Notary Public, this day of	
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MY COMMISSION EXPIRES		
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HATE OF	ss.		ne within instrument was	No.	
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State of HIZON	A,)) 55.	AMC / 105414	-105471; 186	704-186723
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dalter E.	Heinrichs				
810 West 0	rant Rd.		NAME		
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That between the date at least Seven Tho dollars worth of work at least Seven Tho dollars worth of work at least Seven Tho dollars worth of work and impurpose of complying purpose of complying that the following industrial experier the work and improve	r of said County in E Townsh 14, 5 & 6, T s of Septembe ousand Eight and improvements were mad rhry and Rich with the laws of the I viduals were employ lirt, James D nce to perfor ements performed we	3N, R20 W, Gilar 1, 1986 Hundred Dollars are done and performed be by and at the expense ard J. Lundin United States pertaining and to perform the work are Loghry, Richard the work.	Page(s) 643 Page(s) 643 Re Salt River and Second with the second seco	the location of the second of	7,800.00
n the attac	ned report				•
SUBSCRIBED AND SWO	ORN TO before me, a	Notary Public, this	hal or	Klinisignatu	
MY COMMISSION EXPIR	RES My Commission L	хриеs Мау 31, 1991	the	NOTARY PU	Bulg

COUNTY OF	s. I hereby certify that filed for record in	t the within instrument was County,	No.
Witness my hand and Official Seal.	State of	County,	Book Page
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When recorded, mail to: Walter F.	Heinrichs, P.O.	Box 5964, Tucson	AZ 85703-0964
AFFIDA		RMANCE OF AN	INUAL WORK
State of ARTZONA)	AMC # 105414	-105471; 186704-186723
County of PIMA) ss.)		
Walter E. Heinrichs			
Otto II al march DA		NAME	
W10 West Grant Rd.		ADDRESS	
Tueson, Arizona 8570	2	ADDRESS	
city	,	STATE	ZIP
Inat between the dates of Septem at least Seven Thousand Eigh dollars worth of work and improvement That the work and improvements were James D. Loghry and Ripurpose of complying with the laws of the That the following individuals were emplification C. Hirt, James and experience to perf	in Book 1168 & 130 which 14 N T3N, R20 W, Gi. aber 1, 1986 at Hundred Dollar is were done and performe made by and at the expendence of J. Lunding the United States pertaining to be Loghry, Rich orm the work.	Page(s) 613. Page(s) 613. Page(s) 613. Rad Salt River and Series and upon this claim not include se of Walter E. He: ag to assessments or annual and and improvements alleged hard J. Lundin and	inrichs, William C. Hirt,
in the attached report	were deological	, Geochemical and	geophysical surveys as described
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		- 1 - 1	
United 12/15/67		Malle	(Kleiny) SIGNATURE
LINSCRIBED AND SWORN TO before m	e, a Notary Public, this	15 day of Dec	ember
MY COMMISSION EXPIRES My Commissi	on Expires May 31, 1991	- Andrew	NOTARY PUBLIC

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Witness my hand and Official Seal.	State of	Book	Page
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Mu Capanian	or Evapor May 21 1001	1.11/1/	fr manal
MY COMMISSION EXPIRES My Commissi	ALL EVALUES MAY 21, 1241	NOTARY	PUBLIC

ANNUAL LABOR REPORT of

GEOLOGICAL, GEOPHYSICAL AND GEOCHEMICAL WORK SE CLAIM GROUP LA PAZ COUNTY, ARIZONA

AUGUST 1987

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Geophysics

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Conclusions

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GEOLOGICAL, GEOPHYSICAL AND GEOCHEMICAL WORK IN TOTAL AND CAUPET SE CLAIM GROUP LA PAZ COUNTY, ARIZONA

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AUGUST 1987

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ANNUAL LABOR REPORT

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Accompanying Data

Attached illustration shows geochemical sample sites and geophysical line with claim boundaries and discovery points of each claim.

Attached plot, together with this report, represent the basic findings of the geological, geophysical and geochemical survey.

Walter E. Heinrichs, Jr. Geological Engineer - Geophysicist P.E. & C.P.G.S.

P. 0. Box 5964 Tucson, AZ 85703 (602)623-0578 15 December 1987 geochemical sampling coverage, designed to completely cover the whole claim group, may be in order. This could be accomplished effectively in concurrent conjunction with geologic mapping and, if results are sufficiently favorable will form an adequate basis for preliminary targeting of subsequent drilling and/or backhoe sampling etc.

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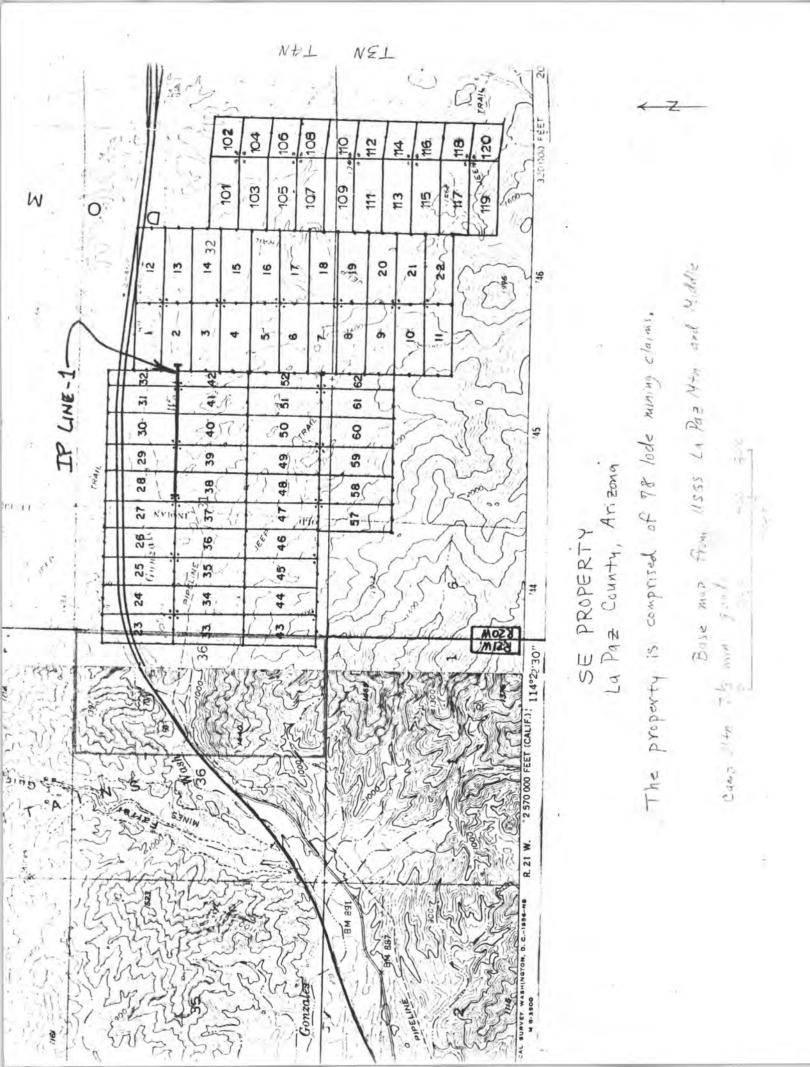
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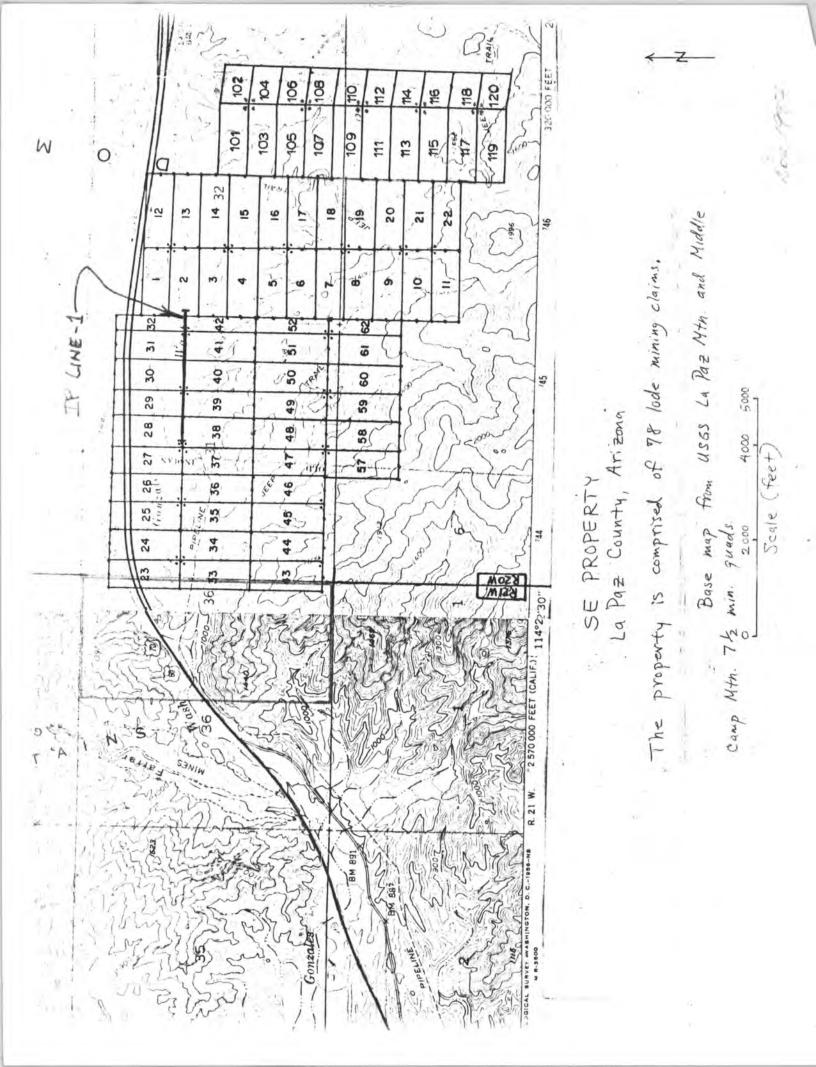
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Walter E. Heinrichs, Jr. Geological Engineer - Geophysicist P.E. & C.P.G.S.

P. 0. Box 5964 Tucson, AZ 85703 (602)623-0578 15 December 1987





AFFIDAVIT OF ANNUAL ASSESSMENT LABOR

(Geological, Geochemical and Geophysical work on a group of lode mining claims)

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who, being first duly sworth of geological, geoch	appeared WILLIAM C. H. est Grant Road, Tucson, AZ 89 n, stated at least \$_5800 \ z emical, and/or geophysical w following described contiguo	5705 Soo.oo ork was done upon or for	years o age
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SE 101-120	1303/729-770	11 186704-186723	
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Middle	_amp- Mining District of _	Yuma County,	claims
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ANNUAL LABOR REPORT Geographysical of GEOLOGICAL AND GEOCHEMICAL WORK SE E CLAIM GROUP MOHAVE COUNTY, ARIZONA AUGUST 1985

Introduction

This detailed report presents the basic findings of a preliminary geological and geochemical suffey which was conducted on the SE claim group to fulfill annual labor requirements for the period September 1986 thru August 1987. The work was carried out by Walter E. Heinrichs Jr., a graduate geological engineer - geophysicist with 45 years experience who is registered in Arizona by the State Board of Technical Registration #2447. Mr. Heinrichs was assisted by Waller Deinschaft Weinrichs

office is located at 810 West Grant Road, Tucson, Arizona 85705

Geochemistry

for metallurgy and he Rock samples, either outcrop, or dump, were taken, as available, and purposely in a somewhat random pattern. Samples weighed about five pounds and were taken on a representative grab basis or from random rock chips of outcropping bedrock.

simples were analyzed for Au, Ag, Cu, Pb, Zn, and, in some cases for As, Hg, Sb, and Mo. Objective was to learn more about the nature of the obviously visible surface and damp mineralization present, as to whether the mineralization was exclusively vein type or, whether possibilities also existed for significant disseminated mineralization and perhaps massive colfide type mineralization as well.

In addition it was desired to observe if any particular metalliferous mineral correlation could be made with telectrical geophysical anomalism work previously established on the claims.

Geology

goophysical and Geology was also observed and mapped in relation to the geochem sample sites and efforts were made to roughly correlate surface exposures to sample results, and the geophysical anomalism.

Conclusions

Results indicate some correlation between surface geology and geophys particularly on the northern margin of the geophysical anomaly. However, definite correlation on the southern margin and with the geoghetical results was not established.

Nevertheless, it is indicated that mineralization is strong enough and exposures extensive enough to warrant deprinted surface mapping at a scale of something ranging from 100 ft. per inch to 500 ft. per inch. Geochemical results are also anomalous enough to suggest that more systematic and detailed geochemical sampling coverage, designed to completely cover the whole claim group, may be in order. This control on be accomplished effectively in concurrent conjunction with geologic mapping and, if results are sufficiently favorable will form an adequate basis for preliminary targeting of Idrilling

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and/or backhoe sampling etc.

Further investigation of the rock type and structural associations with precious metal mineralization is definitely in order as there is some suggestion in the results that such mineralization may not be exclusively or voin related. In addition, any economic significance of the lack of correlation between surface exposures and the southern portion of the I.P. and any process of the lack of the southern portion of the I.P. and process to be further evaluated. The claim group.

Accompanying Data

Semple and geophysical line

Attached seven illustrations show geochemical sites in conjunction with claim boundaries and discovery points of each claim for Au, Ag, Cu, Nb, AZ, Hg, and As. Mo and Sb were not plotted because results at this point were not particularly definitive. Should further geochem work be done, these data should and would also be plotted.

Attached plot, together with this report, represent the basic findings of the geochemical survey.

godogical geophy sical &

Walter E. Heinrichs, Jr.

Geological Engineer - Geophysicist

P.E. & C.P.G.S.

P. 0. Box 5964 Tucson, AZ 85703 (602) 623-0578 November 198

November 198

Miller Builds.

Geophysics

One east west line of combination induced blangation, sistivity & self potential geophysics was run as shown or,

the accompanying map. Theolo Spacino was 200 feet and frequencies were 3.0

unit and Alak 4. E. eceiver. The colinear dipole-dipole array was used with

foil and copper clad current electrods.

60 D82 14.452

January 15, 1989; Revised September 12, 1989

James D. Loghry Consulting Geologist 2121 E. Monte Vista Dr. Tucson, AZ 85719 (602) 323-2945

Walter E. Heinrichs
Heinrichs GEOXploration
P.O. Box 5964
Tucson, Arizona 85703-0964
(602) 623-0578

Stray Elephant Copper Deposit La Paz County, AZ

Location and Ownership

The Stray Elephant copper deposit lies within the west block of the SE Claim group, the SE 23-52, and SE 57-62 claims, AMC Nos. 105436 - 105471, a block of 36 contiguous claims largely in Section 31, T4N, R20W, and Section 6, T3N, R20W (see enclosed maps). The claims are in the Middle Camp - Oro Fino mining district in the south Dome Rock Mountains, La Paz County, Arizona, along and south of Interstate 10, 7 - 8 miles west of Quartzsite, Arizona and about 13 miles east of Blythe, California (USGS Middle Camp Mountain 7.5' Quadrangle).

The property offers easy access, nearby electric power and natural gas. Water supply would come from wells to be drilled on the property or from a well to be drilled or leased in the Colorado River valley about 5 miles westerly. There appears to be a light power line 0.7 miles north of Outcrop Hill along I-10 but the closest heavy duty power is about 3 miles west and a big water well is at the Beacon service station and Ryder factory at Tom Wells Road 4.6 miles away, west of the property.

The claim owners, each owning an equal undivided 25% interest in the SE Claims are:

- 1) Heinrichs GEOEXploration Company, an Arizona Corporation, Walter E. Heinrichs, President, located at 810 West Grant Rd., Tucson, Arizona 85705; mailing address P.O. Box 5964, Tucson, Arizona 85703-0964, which addresses shall serve as the claimowners' address;
- William C. Hirt, a single man, residing at 639 South 500 East, Salt Lake City, Utah 84102;
- 3) James D. Loghry and Margaret R. Loghry, husband and wife, residing at 2121 East Monte Vista Dr., Tucson, Arizona 85719;
- 4) Richard J. Lundin and Vicki J. Lundin, husband and wife, residing at 372 Hackberry Circle, Prescott, Arizona 86303.

Property History

The property was originally located in 1906 by Miguel Apodoes (spell?), later by Beggs and McIntyre who did shallow surface exploration and drove an adit and winze in the 1920's when the property was known as the Weaver mine. After the death of Beggs, Ben Scott located the property and it came to be called the Scott-Weaver mine.

Royal Investment Company - 1956

Royal Investment Corporation optioned the property from Scott and explored it in 1956 under the direction of E. Ross Householder. a well-known Kingman mining engineer. Royal dug and sampled numerous trenches, sampled ore grade material in the adit and winze, made at least two carload smelter shipments of oxide copper ore and drilled 4 vertical diamond drill holes. Householder (9/29/56, 12/19/56) reported: 21 bulk samples taken from trenches, underground workings and outcrops that averaged 1.85% Cu; two car loads, 104 tons, that averaged 1.1% and 2.1% Cu; DDH No. 1, 0-101 feet, 24 feet lost, 77 feet average 1.02% Cu; DDH No. 2, 0-130 feet average 1.15% Cu; DDH No. 3, drilled a short distance north of the copper deposit was assayed to 102 feet, has three composite sample assays ranging from trace to 0.2% Cu; DDH No. 4, 0-156 feet average 1.4% Cu, bottomed in 3.7% Cu. When assayed, gold and silver values in the deposit were found ranging from 0.002 - 0.02 OPT Au and 0.1 - 1.2 OPT Ag. The highest grade surface sample taken from the #1 (drill hole?) access road assayed 3.41% Cu. 0.02 opt Au and 1.2 opt Au. Householder reported that the copper deposit is over 3900 feet long. From the above sampling program Householder assumed an average grade of 1.58% Cu for the entire deposit and 375,000 tons of positive and probable ore, 720,000 tons of possible ore plus 2,500,000 tons of expectant ore, totalling 3,595,000 tons. He recommended more core drilling which he believed would double those reserves. The recommended drilling was never accomplished.

Kerr McGee/Hancock Oil - 1960 - 1975

The property was further explored and developed by Hancock Oil Company in the 1960's. Burton Hancock apparently purchased the property from Ben Scott, continued surface exploration work and drilled one rotary hole S-1 in the wash beyond the east outcrop of the copper deposit, results unknown. He surveyed 9, perhaps 13 claims for patent, but died before completing the patent process. Kerr McGee staked most of the district and leased the Hancock property in 1973-75, as part of a large porphyry copper exploration project, drilling 6 diamond drill holes, Q-1 - Q-6. Q-1 is a vertical hole within the deposit which cut 190 feet of ore grade copper, the upper 110 feet being oxide copper ore. Q-3 is a vertical hole on the north boundary of the deposit which found chalcopyrite ore. The others are outside of the Stray Elephant copper deposit, Q-6 being an angle hole directed under

the deposit. Near the Q-6 collar, Q-2 is a vertical hole north of the deposit. Q-4 is an angle hole drilled on the presumed buried east extension of the deposit that missed the deposit. Q-5 is an angle hole that never reached the deposit. Kerr McGee personnel felt that the potential of the Stray Elephant copper deposit as known at the time was 15,000,000 to 20,000,000 tons of ore-grade copper mineralization at or near the surface in Hancock Wash. They thought that the deposit might be part of a much larger concealed porphyry copper ore body, so most of their holes were drilled outside and beneath the deposit, in an effort to expand it or discover its possible buried extensions. Vertical DDH Q-1 was drilled on a pad within an open cut in the deposit on the north side of Outcrop Hill, cut 0-110 feet of 0.52% Cu as the copper oxides chrysocolla and lesser malachite and brochantite and 110-190 feet of 0.82% Cu as chalcopyrite, a combined 190 feet of 0.65% Cu; also at 410-440 feet, 30 feet of 0.86% Cu as chalcopyrite. Vertical DDH Q-3, immediately north of the oxide copper deposit, found about 203 feet of quartz monzonite containing 0.43% Cu as chalcopyrite at 190-400 feet. Adjacent holes DDH H-2 and Cyprus RDH SE-3 were in oxide copper ore.

The property came open after Burton Hancock's death and the present owners staked the SE Claims in 1980 and 1982.

Amoco Minerals - 1983

In 1983, Amoco Minerals optioned the SE Claims, did a limited amount of geologic mapping and geochemical sampling and on August 22, 1983, drilled one 150 foot diamond drill hole (SE-1) in the silicified zone a short distance north of the alluvium-buried contact of the Stray Elephant copper deposit solely to fulfill assessment work requirements. They seemed to have selected a convenient site that required no cat work and made no attempt to drill the copper ore on Outcrop Hill. From 10 - 150 feet, the hole averaged 47 ppm Cu, 0.2 ppm Au and 1 ppm Ag. Because of its location, this hole has no bearing on the ore potential of the SE copper deposit. In November, 1983, Fuller, under the direction of F. Mack of Amoco collected 18 rock chip samples (F 2633 - F 2650), 11 of them (F 2637 - F 2647, range 485 - >10,000 ppm Cu. average >3663 ppm Cu) from leached outcrops in the copper deposit of Dutcrop Hill (see 1" = 200' topographic map). Using a cutoff of 0.2% Cu, which extudes four samples, seven samples ranged from 2800 to >10,000 ppm Cu, averaging 5343 ppm or 0.53% Cu. Amoco dropped the lease abruptly in January, 1984 when budget cuts demolished their hardrock exploration program and dismembered their minerals 'exploration department.

Cyprus Metals Company - 1988

In November, 1987, Dr. William Rehrig, President of Applied Geologic Studies, Inc. (AGS), a Denver consulting firm, examined the Stray Elephant copper deposit for client Cyprus Metals Company. At that time, Cyprus was looking for copper oxide deposits with a potential greater than 5,000,000 tons 2 0.5% Cu,

or 50,000,000 pounds of copper. Cyprus felt that they could make a substantial fast profit from heap leaching and using portable SX-EW plants on such deposits. At that time Cyprus management agreed with Dr. Rehrig that the Stray Elephant met their requirements and optioned the property February 23, 1988. The prospect was assigned to the engineers of Cyprus Metals Development, Green Valley, Arizona, who were engaged in examining mines and buying ore reserves and plants. They were not interested in exploring the Stray Elephant or any pre-development property no matter how appealing and tried to skuttle the project. James Compton, President of Cyprus Metals insisted that they follow through with a drilling program and in May, 1988, they reluctantly ordered AGS to start work on the property with no advance preparation, limited time and a very small budget.

Dr. Rehrig assigned consulting geologist Dr. David Wahl to the project. Wahl did a fine job in spite of the limitations forced by Cyprus Metals Development. He examined the property for the first time with congand Rehrig on a hot May 4th. Within two weeks he collected surface samples and prepared a map of the west half of the copper zone, did the necessary BLM permitting, hired contractor Hollis Ramsey of Parker to rebuild old trails and construct new trails and drill sites he had selected for a mobile reverse circulation drill rig AGS had contracted for. It turned out that the driller was not licensed to operate in Arizona and Cyprus Development would not allow AGS the time to find another reverse circulation rig, but insisted that a large truck mounted rotary drill of Ventures Drilling Company be employed immediately, even though it had limited angle hole capability and was too large to get on the critical sites on Outcrop Hill, where the largest tonnage potential appeared to be.

Wahl's 16 surface samples in the copper deposit range 0.08-1.76% total Cu, averaging 0.55% total Cu. Using a 0.2% Cu cutoff, 11 samples average 0.74% Cu. Eleven samples with acid soluble copper assays range 0.08-1.58% A.S. Cu. With a 0.2% Cu cutoff, 9 samples range 0.37-1.58 A.S. Cu and average 0.70% A.S. Cu.

From June 3 thru June 11, 1988, 8 rotary holes, SE-1 - 8, ranging from 155 to 350 feet for a total footage of 1910 feet, were drilled by the Ventures Drilling Company of Tucson under Wahl's supervision. Five were vertical holes; three were angle holes directed S80W or S120W at -57-630. They are scattered along 2600 feet of the copper deposit, 300 to 1,130 feet apart. All but two of them cut ore grade copper oxide and sulfide mineralization. Drill hole SE-5 does not show the ore body because it passes below the ore intercepts of Kerr McGee DDH Q-1 and DDH H-1. Drill hole SE-7 is a vertical hole that cut 155 feet of well-altered and mineralized granite (quartz monzonite) and schist with anomalous copper values. We suspect that the ore will be found by drilling a short distance north of RDH SE-7. Geology, mineralization, total copper and acid soluble copper assays are summarized in Table 1.

A cursory inspection of Wahl's cross sections drawn on the ore holes suggest the presence of a copper zone 50 to 100 feet wide, controlled by and spreading out from two well-mineralized vein-faults dipping northerly at 60-700. The widths are actually much greater. On Outcrop Hill, the partly exposed deposit is about 200 feet to 400 feet wide. In the east target area, outcrops on both sides of the wash suggest possible widths of 600 to 900 feet. The Cyprus angle holes appear to have penetrated a zone of cupiferous veins and veinlets 50-100 feet wide, but did not test the broader surface and near-surface copper oxide deposit that promises substantial open pit tonnage.

At the conclusion of the preliminary program, AGS personnel reported to Cyprus that the deposit has a resource of at least 5,000,000 tons of material greater than 0.5% Cu, and recommended more drilling to prove up ore reserves. Cyprus Development personnel replied that they had doubled their original tonnage and grade requirements and were not interested in any further testing of the Stray Elephant deposit. We were advised that Cyprus would be dropping the option in a letter of July 14, 1988 and the contract expired August 15, 1988.

Geology and Ore Potential

The Stray Elephant copper deposit occurs in a steep north dipping N60-700W reverse fault zone along the contact of a strongly altered quartz monzonite porphyry stock and Jurassic metavolcanic schists and metasediments. The higher grade copper mineralization occurs in the schists, although there is one grade mineralization in the quartz monzonite as well. Much of the deposit is concealed under the shallow alluvium of Hancock Wash, but outcrops of strong oxide copper mineralization and associated silicification and argillization can be observed over a length of more than 4200 feet. Refer to B. Leedy's 1" = 1000' geologic map for an independent survey.

The prospect area to be explored is over a mile long. Only a small amount of copper mineralization has been found west of the Stray Elephant property on the State-owned east half of Section 36 and we believe it has little potential for ore deposits. A middle block of prospective ground 1,100 feet long, completely covered by the sand and gravel of Hancock Wash has been prospected by only two drill holes, DDH Q-4 and RDH SE-7. certain that there is a substantial tonnage of oxide copper ore concealed in the middle block. To the east the copper zone is largely covered by the shallow alluvium of Hancock Wash and a covered extension is assured by RDH SE-6, copper oxides in outcrops and large areas of leached capping. My impression is that all of the alluvium in the wash is underlain by leached capping. The Eastern Target area that needs to be explored by drilling is at least 2,000 feet long and 600 to 900 feet wide. The largest ore potential on the property is obviously here, but there is only one drill hole. The best known section of the

property is the ore grade copper deposit on and west of Outcrop Hill. It appears to be 1500 feet long and 200-400 feet wide.

Possible Ore Reserves - Outcrop Hill

Since this report was originally written in January, 1989, I have had time to study the Cyprus data (D. Wahl, 1988) and draw some conclusions as to possible ore reserves and potential of the Stray Elephant copper deposit. On Wahl's 1"=200" Drill Hole Location Map, I have drawn the approximate limits of significant copper oxide mineralization and plotted areas of probable oxide copper ore on Wahl's cross sections. During a recent trip to the property, I concluded that those limits are larger. In these calculations, the Outcrop Hill deposit is considered to be 1480 feet long and 200 to 400 feet wide, with 7 blocks of possible ore.

The RDH SE 2 possible ore cross section has at least 20,000 sq ft; SE 1, 36,000 sq ft; SE 5, 36,000 sq ft; SE 3, 54,000 sq ft; SE 8, 36,000 sq ft; SE 4, 27,000 sq ft.

From West to East (12.5 cu ft/ton divisor):

N.		1210 24 10 101 41713	01 73	% Cu	%ASCu
1)	0 - RDH SE 2	350′ × 20,000 sq ft	560,000 tons	.42	.36
2)	SE 2 - SE 1	350′ X 45,000 sq ft	784,000 tons	.70	.33
3)	SE 1 - SE 5	180 × 36,000 sq ft	518,400 tons	.43	.36
4)	SE 5 - SE 3	200′ X 45,000 sq ft	720,000 tons	.70	.38
5)	SE 3 - SE 8	160′ X 45,000 sq ft	576,000 tons	,74	.40
6)	SE 8 - SE 4	170′ X 31,500 sq ft	428,400 tons	.56	.36
7)	SE 4 - 1480W	70′ X 27,000 sq ft	151,200 tons	.49	.36
	Total Possible	Reserves	3,738,000 tons	.60	.36

It is recognized that there are not enough samples, nor are they well-distributed, in each block to propose a reliable weighted average grade. None-the-less, it's a start. It is also proposed that the acid soluble or cold copper assays are considerably lower than the amounts of copper we can expect to recover. Arithmetic averages are discussed below.

Average grade of oxide copper reserves is expected to exceed 0.5% Cu. This conclusion is based on a compilation of 220 surface and drill hole assays from Outcrop Hill and RDH SE-6 (the only hole in the East Target) which range from 0.03% thru 3.70% Cu and average 0.64% Cu. Average assay of 122 of those samples assayed

for Acid Soluble Cu is 0.43% A.S. Cu (range 0.01 - 2.95% A.S. Cu). With a 0.2% Cu cutoff, 175 of the 220 samples average 0.77% Cu, and 87 samples average 0.56% A.S. Cu. With a 0.1% Cu cutoff, judged to be reasonable at >85 cents/lb. copper, 202 of the 220 samples average 0.69% Cu, and 104 samples average 0.50% A.S. Cu.

Most of the samples taken to date are from Outcrop Hill. Until more data are available, they represent the possible grade of the 3,738,000 tons of possible reserves in blocks 1 thru 7 referred to above. In the reserve area, 194 samples range from 0.03 thru 3.70% Cu and average 0.64% Cu. 104 samples range from 0.01 - 1.73% A.S. Cu, averaging 0.38% Cu. With a 0.2% Cu cutoff, 175 samples average 0.77% Cu, and 87 samples average 0.56% A.S. Cu. With a 0.1% Cu cutoff, 184 samples average 0.67% Cu, and 86 samples average 0.45% A.S. Cu.

The 3.7 million tons proposed occupy only 1/3 of the length of the copper zone, so one could consider a total potential reserve of 11 million tons, triple the possible reserves of Outcrop Hill. However, drill holes Q-4 and SE-7 found no ore, although it is probably present in their vicinity, so a very conservative estimate of the potential is at least 7.5 million tons, double the possible reserves of Outcrop Hill.

The east target area has one drill hole, SE-6, which cut 0.81% Cu at 55-115 feet and 0.7% Cu at 160-180 feet, with limonitic leached capping above and between the oxide ore zones. The 80 foot thick ore section of this hole and the >500 foot width suggested by mineralized exposures on both sides of the wash over a 2,000 foot length suggest an exploration potential of over 6,000,000 tons in the east target. On this basis, the Stray Elephant property has a potential of over 10,000,000 tons of oxide copper ore.

James D. Loghr

	G. 25	Control Control		20.00	2.33							
	BLOCK	SAMPLE NO.	TOTAL CU.	A.S.CU%	AVG C	AVG D	SHORT TONS	CU %	TONS X CUX A.S.	. CU %	TONS X A.S.	
	1	S13	.12									
	1	S14	.38	.37								
	1	SE2 0-5	.19	.11								
	1	SE2 5-10	.11	.06								
	1	SE2 10-15	.15	.07								
	1	SE2 15-20	.41	.19								
	1	SE2 20-25	.38	.15								
	1	SE2 25-30	.77	.74								
	1	SE2 30-35	1.20	1.11								
	1	SE2 35-40	.48	.42								
	BLOCK 1				.42	.36	560000.00	.42	235200.00	.36	201600.00	
	2 2	S12	.70	.60								
	2	522	.60	.56								
	2	S23	.61	.49								
	2	S24	.08									
	2	F2638	.58									
	2	F2639										
		F 2007	.55									
	2	SE1 0-5	.25	.19								
	2	SE1 5-10	.53	.47								
	2	SE1 10-15	,29	.24								
	2	SE1 15-20	.32	.28								
	2											
		SE1 20-25	.17	.16								
	2	SE1 25-30	.10	.09								
	2	SE1 30-35	.35	.30								
	2	SE1 35-40	.09	.08								
	2	SE1 40-45	.20	.16								
	2	SE1 45-50	.05	.04								
	2	SE1 50-55	.03	.02								
	2	SE1 55-60	.13	.11								
	2	SE1 60-65	.12									
				.11								
	2	SE1 65-70	.18	.14								
	2	SE1 70-75	.23	.21								
	2	SE1 75-80	.21	.18								
	2	SE1 80-85	.29	.25								
	2	SE1 85-90	.11	.03								
	2	SE1 90-95	.13	.03								
	2	SE1 95-100	.28	.15								
	2	SE1 100-105		.37								
	2	SE1 105-110		.65								
	2	SE1 110-115		1.73								
	2	SE1 115-120		1.21								
	2	SE1 120-125		-54								
	2	SE1 125-130		.37								
	2	SE1 130-135	.59	.35								
	2	SE1 135-140		.09								
	2	SE1 0-140			.39	.31						
	2	SE1 0-100			.20	,16						
	4											
		SE1 100-140			.84	.66						
	2	H4 0-9.5										
	2	H4 9.5-19	.70									
	2	H4 19-33.	5 .40									
	2	H4 33.5-40	1,40									
	2	H4 40-45	2.30									
	2	H4 55-63	2,90									
	2	H4 63-76	2.10									
	2	H4 76-86	.90									
	2	H4 70-00										
_		MG MA=1111	MII									r

	111 00 100	700									_
2	H4 100-111	1.20									
2	H4 111-126	1.30									
2	H4 126-141	1.60									
File:		1.00									
riles	SE ORE 1										
2	H4 141-156	3.70									
BLOCK 2				.70	.33	784000.00	.70	548800.00	.33	258720.00	
3	SE1 SEE ABOVE	C21-C48									
3	F2640	.28									
3	S11	.94	.84								
3	\$19	1.76	1.58								
			1.30								
3	S20	.14	1.0								
3	S21	.21	.14								
3	SE5 BELOW ORE										
3	H3 N. OF ORE										
BLOCK 3				.43	.36	518400.00	.43	222912.00	.36	186624.00	
4	F2641	.10									
4	F2642	1.00									
4	F2643	.45									
4	F2646 PORTAL	.39									
4	F2647	.06									
4	S5 ADIT	.81	.72								
4	Sé ADIT	1.39	.68								
4	S7 ADIT	.53	.44								
4	S8 ADIT	.17									
4	S9 ADIT	.21	.08								
4	S10 ADIT	.09									
4	WINZE SULFIDE	1.58	LABEL								
			LABEL								
4	PORTAL	1.45									
4	PORTAL	2.45									
4											
4	Q-1 0-5	.54									
4	Q-1 5-10	.38									
4	Q-1 10-15	.37									
4	Q-1 15-20	.29									
4	Q-1 20-25	.48									
4	0-1 25-30	.26									
4	Q-1 30-35	.44									
4	Q-1 35-40	.18									
4	Q-1 40-45	.41									
4	Q-1 45-50	.36									
4	Q-1 50-55	.41									
4	Q-1 55-60	.23									
4	Q-1 60-65	.59									
4	0-1 65-70	.70									
4	Q-1 70-75	1.21									
4	Q-1 75-80	1.47									
4											
		.72									
4	Q-1 85-90	.55									
4	Q-1 90-95	.50									
4	Q-1 95-100	.42									
4	Q-1 100-105	.32									
4	Q-1 105-110	.55									
4 Q-1 C	PY ORE 110-190	82% Cu									
4	Q-1 0-110 C			.52							
4	SE3 0-5	.45	.33								
4	SE3 5-10	.37	.26								
9											
4	SE3 10-15	.06	.03								
4	SE3 15-20	.10	.05								
4	SE3 20-25	.91	.70								
4	SE3 25-30	1.01	.88								
4	SE3 30-35	.54	.39								
	CC2 25_40	20	20								

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```
SE3 40-45
                             .33
                                      .24
         SE3 45-50
                             .40
                                      .21
4
         SE3 0-50 OXIDE
                            .46
                                      .34 LABEL
File:
        SE ORE 1
         SE3 50-100 SULFIDE.29
                                      .05 LABEL
4
         H1
              0-25 LOST CORE
         H1 25-30
         H1 30-36.5
                            .95
         H1 36.5-46
                             .85
         H1 46-51
                            .50
         H1 51-56.5
                            .60
         H1 56.5-59.5
                           2.40
         H1 59.5-64
                            .40
         H1 64-65.5
                           3.40
         H1 65.5-69.5
                          .60
         H1 69.5-73.5
                            .50
         H1 73.5-81
                           1.80
         H1 81-85
                           1.00
         H1 85-91
                            .90
         H1 91-101
                            .50
         H1 25-101
                                              1.14
BLOCK 4
                            .70
                                                              720000.00
                                      .38
                                                                             .70
                                                                                   504000.00
                                                                                                         273600.00
                                                                                                   .38
5
         SE3 SEE ABOVE C.D 113-122
5
         H1 SEE C127-143
5
         SEE C77, 79-87
5
                            .30
         SE8 0-5
                                      .28
5
                            .31
                                      .27
         SE8
             5-10
5
         SE8 10-15
                             .31
                                      .17
5
             15-20
                             .48
         SE8
                                      .40
5
         SE8 20-25
                             .80
                                      .77
5
         SE8 25-30
                             .52
                                      .47
5
         SE8 30-35
                             .41
                                      .31
5
              35-40
         SE8
                             .41
                                      .31
5
         SE8 40-45
                                      .52
                             .62
5
         SE8
             45-50
                             .48
                                      .41
5
              50-55
                                      .77
         SE8
                             .83
5
         SE8 55-60
                             .67
                                      .60
5
         SE8 60-65
                             .73
                                      .67
5
         SE8
              65-70
                             .37
                                      .30
5
         SE8 70-75
                             .27
                                      .18
5
         SE8 75-80
                             .15
5
         SE8 80-85
                             .11
                                      .66
5
         SE8 85-90
                             .74
5
         SE8 90-95
                                      .32
                             .38
                                               .47
5
         SE8 0-95
                                                        .44
5
5
         F2646
                             .39
5
                           1.10
                                 CAR 49.5 TONS AS&R
         #2 TRENCH
5
         #2 TRENCH
                                 CAR 54.74 TONS MAGMA
                           2.10
                                                                           .74 426240.00
BLOCK 5
                                               .74
                                                        .40
                                                              576000.00
                                                                                                   .40
                                                                                                         230400.00
         F2544
                             .05
         F2545
                             .49
6
6
         H2 0-6
                             .30
         H2 6-11
                             .50
         H2 11-15.5
6
                            1.10
         H2 15.5-20
                             .90
6
6
         H2 20-29.5
                             .70
         H2 29.5-33
                             .60
6
```

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6	H2 H2	33-49.5 49.5-55	.10										
6		55-64.5	2.10										
File:	SE 0	RE 1											
6	H2	64.5-67	1.00										
6		67-72	1.70										
6		72-77	.20										
6		77-86.5	.10										
6		86,5-95,5	.20										
6		95,5-105,5	.20										
6	H2	105.5-114	+80										
6		114-125	.20										
6	H2	125-130.5	1.70										
6		0-130.5			.71								
6													
6	SE4	0-5	.03	.01									
6	SE4		.05	.02									
6	SE4		.18	.12									
6	SE4		.10	.05									
6	SE4		.11	.04									
6		25-30	.11	.03									
6		30-35	.12	.08									
6		35-40	.14	.11									
6	SE4		.60	.68									
6		45-50	.47	.41									
6	SE4		.36	.33									
6		55-60	.57	.49									
6	SE4		.59	.51					1				
6	SE4		.44	.39									
6	SE4		.23	.21									
6	SE4		.41	.38									
6	SE4		.54	.47									
6	SE4		.18	.16									
6	SE4		.32	.28									
6		95-100	.35	.26									
6		100-105	.45	.42									
6		105-110	.86	.54									
6		110-115	.34	.30									
6		115-120	1.08	.44									
6		120-125	1.25	1.18									
6		125-130	1.57	.59									
6		130-135	.97	.60									
6		135-140	.96	.83									
6		140-145	.81	.64									
6	SE4	0-145			.49	.36							
6													
6	83	190-400 .43	SULFIDE										
BLOCK &	178	-229			.56	.36	428400.00	.56	239904.00	.36	154224.00		
BLOCK 7	SE4	0-145			.49	.36	151200.00	.49	74088.00	.36	54432.00		
DI DOVO	1-7 4	HE CDARE	24	20	ADITUMET	TC AIC YO	ITTCOOD UILL					TOTAL &	
BLUCKS	1-/ H	NG GRADE	.64	.38	HKITHIE	IC HVB AU	UTCROP HILL					IUIAL &	
NUMBER	OF SA	MPLES	194.00	104.00									
RANGE N			.03	.01									
RANGE N	MIXA	M	3.70	1.73									
0.2% Cu			.77	.56									
NUMBER	SAMPL	ES	175.00	87.00									
			2.00										

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NUMBER SAMPLI	ES	184.00	86.00						
BLOCKS 1-7 W File: SE O		.60	.36			3738000.00	2251144.00	.60	1359600.0
MIDDLE BLOCK	NO DATA								
EAST BLOCK									
SE6	55-60	1.28	1.08						
SE6	60-65	3.04	2.95						
SE6	65-70	1.70	1.58						
SE6	70-75	1.22	1.12						
SE6	75-80	1.08	.96						
SE6	80-85	.47	.39						
SE6	85-90	.24	.13						
SE6	90-100	.26	.14						
SE6	100-105	.28	.23						
SE6 SE6	105-110	.55	.50						
SE6	110-115 115-120	.61	.58	.92	.82				
SE6	120-125	.08	.20	172	.02				
SE6	125-130	.09							
SE6	130-135	.06							
SE6	135-140	.06							
SE6	140-145	.07							
SE6	145-150	.08							
SE6	150-155	.05							
SE6	155-160	.06		.07					
SE6	160-165	.27	.24						
SE6	165-170	.78	.67						
SE6	170-175	.92	.80						
SE6	175-180	1.38	1.10						
SE6	180-185	.20	.12						
SE6	185-190	,35	.13	.65	.51				
SE6	55-180			.62	.79				
SE6	55-190			.59	.72				
BLOCKS 1-7+SE	6 (EAST)	.64	.43						
NUMBER OF SAM	IPLES	220.00	122.00						
RANGE MINIMU		.03	.01						
RANGE MAXIMUN		3.70	2.95						
0.2% Cu CUTOR	F	.77	.56						
NUMBER SAMPLE	S	175.00	87.00						
0.1% Cu CUTOR		.69	.50						
NUMBER SAMPLE	S	202.00	104.00						

Page 5 9/13/89 October 24, 1989; Revised January 25, 1990

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Stray Elephant Copper Deposit La Paz County, AZ

Location and Ownership

The Stray Elephant copper deposit lies within the west block of the SE Claim group, the SE 23-52, and SE 57-62 claims, AMC Nos. 105436 - 105471, a block of 36 contiguous claims largely in Section 31, T4N, R20W, and Section 6, T3N, R20W (see enclosed maps), part of a group of 78 contiguous SE Claims. The east block of 42 claims covers an area with potential for large, low grade gold deposits, access roads that would support the copper operations, areas suitable for leach pads and SX-EW plant and a possible water supply. The claims are in the Middle Camp - Oro Fino mining district in the south Dome Rock Mountains, La Paz County, Arizona, along and south of Interstate 10, 7 - 8 miles west of Quartzsite, Arizona and about 13 miles east of Blythe, California (USGS Middle Camp Mountain 7.5' Quadrangle).

The property offers easy access, nearby electric power and natural gas. Water supply would come from wells to be drilled on the property or from a well to be drilled or leased in the Colorado River valley about 5 miles westerly. There appears to be a light power line 0.7 miles north of Outcrop Hill along I-10 but the closest heavy duty power is about 3 miles west and a big water well is at the Beacon service station and Ryder factory at Tom Wells Road 4.6 miles away, west of the property.

The claim owners, each owning an equal undivided 25% interest in the SE Claims are:

- 1) Heinrichs GEOEXploration Company, an Arazona Corporation, Walter E. Heinrichs, President, located at 810 West Grant Rd., Tucson, Arizona 85705; mailing address P.O. Box 5964, Tucson, Arizona 85703-0964, which addresses shall serve as the claimowners' address;
- William C. Hirt, a single man, residing at 639 South 500 East, Salt Lake City, Utah 84102;
- 3) James D. Loghry and Margaret R. Loghry, husband and wife, residing at 2121 East Monte Vista Dr., Tucson, Arizona 85719;
- 4) Richard J. Lundin and Vicki J. Lundin, husband and wife, residing at 372 Hackberry Circle, Prescott, Arizona 86303.

Property History

The property was originally located in 1906 by Miguel Apodoes (spell?), later by Beggs and McIntyre who did shallow surface exploration and drove an adit and winze in the 1920's when the property was known as the Weaver mine. After the death of Beggs, Ben Scott located the property and it came to be called the Scott-Weaver mine.

Royal Investment Company - 1956

Royal Investment Corporation optioned the property from Scott and explored it in 1956 under the direction of E. Ross Householder, a well-known Kingman mining engineer. Royal dug and sampled numerous trenches, sampled ore grade material in the adit and winze, made at least two carload smelter shipments of oxide copper ore and drilled 4 vertical diamond drill holes. Householder (9/29/56, 12/19/56) reported: 21 bulk samples taken from trenches, underground workings and outcrops that averaged 1.85% Cu; two car loads, 104 tons, that averaged 1.1% and 2.1% Cu; DDH No. 1, 0-101 feet, 24 feet lost, 77 feet average 1.02% Cu; DDH No. 2, 0-130 feet average 1.15% Cu; DDH No. 3, drilled a short distance north of the copper deposit was assayed to 102 feet, has three composite sample assays ranging from trace to 0.2% Cu; DDH No. 4, 0-156 feet average 1.4% Cu, bottomed in 3.7% Cu. When assayed, gold and silver values in the deposit were found ranging from 0.002 - 0.02 OPT Au and 0.1 - 1.2 OPT Ag. The highest grade surface sample taken from the #1 (near H-1 drill hole?) access road assayed 3.41% Cu, 0.02 opt Au and 1.2 opt Ag. Householder reported that the copper deposit is over 3900 feet long. From the above sampling program Householder assumed an average grade of 1.58% Cu for the entire deposit and 375,000 tons of positive and probable ore, 720,000 tons of possible ore plus 2,500,000 tons of expectant ore, totalling 3,595,000 tons. He recommended more core drilling which he believed would double those reserves. The recommended drilling was never accomplished.

Kerr McGee/Hancock Oil - 1960 - 1975

The property was further explored and developed by Hancock Oil Company in the 1960's. Burton Hancock apparently purchased the property from Ben Scott, continued surface exploration work and drilled one rotary hole S-1 in the wash beyond the east outcrop of the copper deposit, results unknown. He surveyed 9, perhaps 13 claims for patent, but died before completing the patent process. Kerr McGee staked most of the district and leased the Hancock property in 1973-75, as part of a large porphyry copper exploration project, drilling 6 diamond drill holes, Q-1 - Q-6. Q-1 is a vertical hole within the deposit which cut 190 feet of ore grade copper, the upper 110 feet being oxide copper ore. Q-3 is a vertical hole on the north boundary of the deposit which found chalcopyrite ore. The others are outside of the Stray Elephant copper deposit, Q-6 being an angle hole directed under the deposit. Near the Q-6 collar, Q-2 is a vertical hole north

of the deposit. Q-4 is an angle hole drilled on the presumed buried east extension of the deposit that missed the deposit. Q-5 is an angle hole that never reached the deposit. Kerr McGee personnel felt that the potential of the Stray Elephant copper deposit as known at the time was 15,000,000 to 20,000,000 tons of ore-grade copper mineralization at or near the surface in Hancock Wash. They thought that the deposit might be part of a much larger concealed porphyry copper ore body, so most of their holes were drilled outside and beneath the deposit, in an effort to expand it or discover its possible buried extensions. Vertical DDH Q-1 was drilled on a pad within an open cut in the deposit on the north side of Outcrop Hill, cut 0-110 feet of 0.52% Cu as the copper oxides chrysocolla and lesser malachite and brochantite and 110-190 feet of 0.82% Cu as chalcopyrite, a combined 190 feet of 0.65% Cu; also at 410-440 feet, 30 feet of 0.86% Cu as chalcopyrite. Vertical DDH Q-3, immediately north of the oxide copper deposit, found about 203 feet of quartz monzonite containing 0.43% Cu as chalcopyrite at 190-400 feet. Adjacent holes DDH H-2 and Cyprus RDH SE-3 were in oxide copper ore.

The property came open after Burton Hancock's death and the present owners staked the SE Claims in 1980 and 1982.

Amoco Minerals - 1983

In 1983, Amoco Minerals optioned the SE Claims, did a limited amount of geologic mapping and geochemical sampling and on August 22, 1983, drilled one 150 foot diamond drill hole (SE-1) in the silicified zone a short distance north of the alluvium-buried contact of the Stray Elephant copper deposit solely to fulfill assessment work requirements. They seemed to have selected a convenient site that required no cat work and made no attempt to drill the copper ore on Outcrop Hill. From 10 - 150 feet, the hole averaged 47 ppm Cu, 0.2 ppm Au and 1 ppm Ag. Because of its location, this hole has no bearing on the ore potential of the SE copper deposit. In November, 1983, Fuller, under the direction of F. Mack of Amoco collected 18 rock chip samples (F 2633 - F 2650), 11 of them (F 2637 - F 2647, range 485 - >10,000 ppm Cu, average >3663 ppm Cu) from leached outcrops in the copper deposit of Outcrop Hill (see 1" = 200' topographic map). Using a cutoff of 0.2% Cu, which exludes four samples, seven samples ranged from 2800 to >10,000 ppm Cu, averaging 5343 ppm or 0.53% Cu. Amoco dropped the lease abruptly in January, 1984 when budget cuts demolished their hardrock exploration program and dismembered their minerals exploration department.

Cyprus Metals Company - 1988

In November, 1987, Dr. William Rehrig, President of Applied Geologic Studies, Inc. (AGS), a Denver consulting firm, examined the Stray Elephant copper deposit for client Cyprus Metals Company. At that time, Cyprus was looking for copper oxide deposits with a potential greater than 5,000,000 tons @ 0.5% Cu, or 50,000,000 pounds of copper. Cyprus felt that they could make

a substantial fast profit from heap leaching and using portable SX-EW plants on such deposits. At that time Cyprus management agreed with Dr. Rehrig that the Stray Elephant met their requirements and optioned the property February 23, 1988. The prospect was assigned to the engineers of Cyprus Metals Development, Green Valley, Arizona, who were engaged in examining mines and buying ore reserves and plants. They were not interested in exploring the Stray Elephant or any pre-development property no matter how appealing and tried to skuttle the project. James Compton, President of Cyprus Metals insisted that they follow through with a drilling program and in May, 1988, they reluctantly ordered AGS to start work on the property with no advance preparation, limited time and a very small budget.

Dr. Rehrig assigned consulting geologist Dr. David Wahl to the project. Wahl did a fine job in spite of the limitations forced by Cyprus Metals Development. He examined the property for the first time with me and Rehrig on a hot May 4th. Within two weeks he collected surface samples and prepared a map of the west half of the copper zone, did the necessary BLM permitting, hired contractor Hollis Ramsey of Parker to rebuild old trails and construct new trails and drill sites he had selected for a mobile reverse circulation drill rig AGS had contracted for. It turned out that the driller was not licensed to operate in Arizona and Cyprus Development would not allow AGS the time to find another reverse circulation rig, but insisted that a large truck mounted rotary drill of Ventures Drilling Company be employed immediately, even though it had limited angle hole capability and was too large to get on the critical sites on Outcrop Hill, where the largest tonnage potential appeared to be.

Wahl's 16 surface samples in the copper deposit range 0.08-1.76% total Cu, averaging 0.55% total Cu. Using a 0.2% Cu cutoff, 11 samples average 0.74% Cu. Eleven samples with acid soluble copper assays range 0.08-1.58% A.S. Cu. With a 0.2% Cu cutoff, 9 samples range 0.37-1.58 A.S. Cu and average 0.70% A.S. Cu.

From June 3 thru June 11, 1988; 8 rotary percussion drill holes, SE-1 - 8, ranging from 155 to 350 feet for a total footage of 1910 feet, were drilled by the Ventures Drilling Company of Tucson under Wahl's supervision. Five were vertical holes; three were angle holes directed S80W or S120W at -57-630. They are scattered along 2600 feet of the copper deposit, 300 to 1,130 feet apart. Six of the 8 holes cut ore grade copper oxide and sulfide mineralization. Drill hole SE-5 does not show the ore body because it passes below the ore intercepts of Kerr McGee DDH Q-1 and DDH H-1. Drill hole SE-7 is a vertical hole that cut 155 feet of well-altered and mineralized granite (quartz monzonite) and schist with anomalous copper values. I suspect that the ore will be found by drilling a short distance south of RDH SE-7. Geology, mineralization, total copper and acid soluble copper assays are summarized in Table 1.

Table 1. Cyprus 1988 Rotary Drill Holes - SE Copper Claims

RDH No.	Feet	% Cu	% A.S.	Geology-Minerals
SE-1	0-140 0-100	.39	.31	Schist, Granite 0-125;
-90 300/	100-140 140-155 155-200 200-300	.20 .81 .14 .032 NO ASSAY	.66	Schist, 125-300; FeOx,chrys 0-130; Do+Py, Cc,Cp 130-165; Py,Cc,Cp,local FeOx 165-245;Py,Cp,Cc 245-300 Water Table 135'
SE-2 -90 200'	0-40 15-30 40-115 115-200	.42 .65 .037 .011	.36 .52 .015	Schist 0-200; FeOx, Chrys 0-40; FeOx, Cc 40-100; FeOx 100-125; Py, CuOx min'ls 125-200 Water Table 175'
SE-3 -57 180'	0-50 50-100 100-110 110-180	.40 .29 .08 NO ASSAY	.34 .05	Oxide Ore Gran,Sch 0-25; Sulfide Sch 25-180; FeOx,Chrys 0-80; Py,Cp,local FeOx 80-140;Py,rare Cp 140-180 Water Table 160'
SE-4 -90 225/	0-145 40-145 145-175 175-200 200-225	.49 .64 .10 .03 NO ASSAY	.36 .48	Granite 0-80; Schist, local granite 80-225; FeOx 0-225; Chrys 0-160; Py, local Cp 120-195; Water Table 100'
SE-5 -59 350′	0-125 125-220 220-300 270-280 300-350	NO ASSAY .014 .15 .30 NO ASSAY		Gran 0-215; Gran,Sch,Qtz, 215-280; Gran 280-330;Gran,Qtz Sch 280-350;FeOx 0-160; FeOx, Py 160-225;Do + Cp 225-285; Py,Cp,Cc,local FeOX 285-350; Water Table 95'
SE-6 -90 250'	0-55 55-190 55-120 120-160 160-190 190-250	.033 .59 .92 .07 .65	.82	Leached Capping, Granite,FeOx Granite, Schist? 90-100'; Granite, 100-185' Leached Capping, 120-160'; Cc, 140-160',Water Table 155' Schist, 185-250' Py, FeO, 185-205'
SE-7 -90 155'	0-125 125-155	.042		Gran 0-60; Gran, sch 60-70; Gran 70-85; Sch, Gran 85-100; FeOx 0-85; FeOx, Py 85-140; Sch 100-115; Sch, Gran 115-155; Py, Cp, FeOx 125-140; Py, Cp, Cc 140-155; Water Table 155'.
SE-8 -63 250	0-95 95-115 115-130 130-145 145-175 175-205 205-250	.47 .153 .047 .233 .075 .037	.44	Gran 0-65; Sch 65-250; FeOx,chrys 0-115; Py,Cp 110- 250; Water Table 105'.

A cursory inspection of Wahl's cross sections drawn on the ore holes suggest the presence of a copper zone 50 to 100 feet wide, controlled by and spreading out from two well-mineralized vein-faults dipping northerly at 60-700. The widths of the deposit are actually much greater. On Outcrop Hill, the partly exposed deposit is about 200 feet to 400 feet wide. In the east target area, outcrops on both sides of the wash suggest possible widths of 600 to 900 feet. The Cyprus angle holes appear to have penetrated a zone of cupiferous veins and veinlets 50-100 feet wide, but the hole angles were too steep to demonstrate the true widths of the deposit. They did not test the broader surface and near-surface copper oxide deposit that promises substantial open pit tonnage.

At the conclusion of the preliminary program, AGS personnel reported to Cyprus that the deposit has a resource of about 5,000,000 tons of material greater than 0.5% Cu, and recommended more drilling to prove up ore reserves. Cyprus Development personnel replied that they had doubled their original tonnage and grade requirements and were not interested in any further testing of the Stray Elephant deposit. We were advised that Cyprus would be dropping the option in a letter of July 14, 1988 and the contract expired August 15, 1988.

Geology and Ore Potential

The Stray Elephant copper deposit occurs in a steep north dipping N60-700W reverse fault zone along the contact of a strongly altered quartz monzonite porphyry stock and Jurassic metavolcanic schists and metasediments. The higher grade copper mineralization occurs in the schists, although there is ore grade mineralization in the quartz monzonite as well. Much of the deposit is concealed under the shallow alluvium of Hancock Wash, but outcrops of strong oxide copper mineralization and associated silicification and argillization can be observed over a length of more than 4200 feet. Refer to B. Leedy's 1" = 1000' geologic map for an independent survey.

The prospect area to be explored is over a mile long. Only a small amount of surface copper mineralization has been found west of the Stray Elephant property on the State-owned east half of Section 36. We believe it has little potential for ore deposits, but it should be re-examined by any party leasing the SE Claims. The west or northwest zone of ore grade copper oxide mineralization is about 1500 feet long, located on Outcrop Hill and lower ground west of the hill. A middle block of prospective ground 1,100 feet long, completely covered by the sand and gravel of Hancock Wash has been prospected by only two drill holes, DDH Q-4 and RDH SE-7. I am certain that there is a substantial tonnage of oxide copper ore concealed in the middle block. To the east the copper zone is largely covered by the shallow alluvium of Hancock Wash and a covered extension is assured by RDH SE-6, copper oxides in outcrops and large areas of leached

capping. My impression is that all of the alluvium in the wash is underlain by leached capping, suggesting a large amount of copper oxide mineralization below. The Eastern Target area that needs to be explored by drilling is at least 2,000 feet long and 600 to 900 feet wide. The largest ore potential on the property is obviously here, but SE-6 is the only drill hole. The best known section of the property is the ore grade copper deposit on and west of Outcrop Hill. It appears to be 1500 feet long and 200-400 feet wide.

Possible Ore Reserves - Outcrop Hill

Since this report was originally written in January, 1989, I have had time to study the Cyprus data (D. Wahl, 1988) and draw some conclusions as to possible ore reserves and potential of the Stray Elephant copper deposit. On Wahl's 1"=200' Drill Hole Location Map, I have drawn the approximate limits of significant copper oxide mineralization and plotted areas of probable oxide copper ore on Wahl's cross sections. During a recent trip to the property, I concluded that those limits are larger. In these calculations, the Outcrop Hill deposit (west or northwest zone) is considered to be 1480 feet long and 200 to 400 feet wide, with 7 blocks of possible ore defined by Wahl's drill hole cross sections.

The RDH SE 2 possible ore cross section has at least 20,000 sq ft; SE 1, 36,000 sq ft; SE 5, 36,000 sq ft; SE 3, 54,000 sq ft; SE 8, 36,000 sq ft; SE 4, 27,000 sq ft.

From West to East (12.5 cu ft/ton factor):

FIG	JIII West to cast	14.0 CU ft/ton facto	10.7:		
				% Cu	%ASCu
1)	0 - RDH SE 2	350′ X 20,000 sq ft	560,000 tons	.42	.36
2)	SE 2 - SE 1	350′ X 45,000 sq ft	784,000 tons	.70	.33
3)	SE 1 - SE 5	180 X 36,000 sq ft	518,400 tons	.43	.36
4)	SE 5 - SE 3	200' X 45,000 sq ft	720,000 tons	.70	.38
5)	SE 3 - SE 8	160' X 45,000 sq ft	576,000 tons	.74	.40
6)	SE 8 - SE 4	170′ X 31,500 sq ft	428,400 tons	56	.36
7)	SE 4 - 1480W	70' X 27,000 sq ft	151,200 tons	.49	.36
	Total Possible	Reserves	3,738,000 tons	.60	.36

It is recognized that there are not enough samples, nor are they widely and well enough distributed in each block to propose a reliable weighted average grade. However, the 0.60% Cu weighted average is supported by the 0.64% Cu arithmetic mean of 220

reported and located surface and drill hole samples. Arithmetic averages of surface and drill hole samples are discussed below.

Average grade of oxide copper reserves is expected to exceed 0.5% Cu. This conclusion is based on a compilation of 220 surface and drill hole assays from Outcrop Hill and RDH SE-6 (the only hole in the East Target) which range from 0.03% thru 3.70% Cu and average 0.64% Cu. Average assay of 122 of those samples assayed for "Acid Soluble" Cu is 0.43% A.S. Cu (range 0.01 - 2.95% A.S. Cu). With a 0.2% Cu cutoff, 175 of the 220 samples average 0.77% Cu, and 87 samples average 0.56% A.S. Cu. With a 0.1% Cu cutoff, judged to be reasonable at >85 cents/lb. copper, 202 of the 220 samples average 0.69% Cu, and 104 samples average 0.50% A.S. Cu.

Most of the samples taken to date are from Outcrop Hill and vicinity, the west end of the deposit. Until more data are available, they represent the possible grade of the 3,738,000 tons of possible reserves in blocks 1 thru 7 referred to above. In the reserve area, 194 samples range from 0.03 thru 3.70% Cu and average 0.64% Cu. 104 samples range from 0.01 - 1.73% A.S. Cu, averaging 0.38% Cu. With a 0.2% Cu cutoff, 175 samples average 0.77% Cu, and 87 samples average 0.56% A.S. Cu. With a 0.1% Cu cutoff, 184 samples average 0.67% Cu, and 86 samples average 0.45% A.S. Cu.

It should be mentioned that the "acid soluble" or "cold copper" assays are considerably lower than the amounts of copper we can expect to recover by leaching and solvent extraction. Bottle roll tests of Cyprus SE drill hole cuttings by Metcon Research (September 8, 1989) support this view. Recoveries from three low grade (0.09 - 0.16% Cu) samples ranged from 60% to 88% and recoveries from the four higher grade (0.36 - 0.54% Cu) samples ranged from 86% - 96%, and recoveries from the 7 samples averaged 82%. Total recoveries after repeated rinse cycles of heaped, crushed ore are expected to be higher, possibly as much as 90%.

The 3.7 million tons proposed occupy only 1/3 of the known length of the copper zone, so one could consider a total potential reserve of 11 million tons, triple the possible reserves of Outcrop Hill. However, drill holes Q-4 and SE-7 found no ore, although it is probably present in their vicinity, so a very conservative estimate of the potential is at least 7.5 million tons, double the possible reserves of Outcrop Hill.

The east or southeast target area has one drill hole, SE-6, which cut 0.81% Cu at 55-115 feet and 0.7% Cu at 160-180 feet, with limonitic leached capping above and between the oxide ore zones. The 80 foot thick combined ore section of this hole and the more than 600 foot width suggested by mineralized exposures on both sides of the wash over a 2,000 foot length suggest an exploration potential of over 6,000,000 tons in the east target. On this basis, the Stray Elephant property has a potential of over 10,000,000 tons of oxide copper ore.

James D. Logher

Laramide (?) intrusive). DDH Q-1, which was drilled mostly in schist, had intercepts of 200 feet of about 0.6% copper from the surface to a depth of about 200 feet; the copper is in the form of brochantite, chrysocolla, and malachite, partly disseminated and partly on fractures, and also disseminated and veinlet chalcopyrite. There is a further 30 feet of approximately 0.6% copper (disseminated chalcopyrite - bornite) at 400 - 430 feet. The mineralization in Q-1 is associated with sericite and biotite alteration.

DDH Q-3 intercepted 203 feet of 0.43% copper mineralization, mostly in quartz monzonite, from about 190 feet to about 400 feet of depth. The mineralization is in the form of chalcopyrite associated with phyllic alteration (quartz-sericite-pyrite).

Significant amounts of molybdenum are associated with copper mineralization intercepted in DDH Q-1 and Q-3, and probably elsewhere as well.

In DH Q-6 was found 50 feet of 0.2% copper in a faulted block of quartz monzonite. The mineralization is chalcopyrite associated with quartz-sericite-pyrite alteration and some tourmaline.

Tourmaline was noted in all of the Q holes, but most strongly in holes Q-2, Q-4, and Q-6, both disseminated and in veinlets.

Many of the earmarks of economic porphyry copper deposits found elsewhere in the Southwest are present in the Sugarloaf Peak area. These include the Pb-Zn-Mo geochemical anomalies, the well developed and widespread alteration zoning, presence of abundant alunite and tourmaline, and outcrops of disseminated copper mineralization in a potassic alteration zone. All these favorable geological characteristics indicate that more work is warranted to test for the presence of economic quantities of disseminated copper - molybdenum mineralization in the Sugarloaf Peak area.

Recent geochemical sampling and mapping (Jan:-Feb. 1982) have revealed the presence of anomalous gold values in host rocks favorable for lode gold mineralization. These results suggest the possibility of a stockwork gold deposit and/or Goldfield, Nevada - type mineralization which could have acted as a source for the placer gold mined in the early days of the district. More work is needed to define the areas of gold anomalism, favorable host rocks and to determine if potential economic targets for gold mineralization exist.

William C. Hirt Geological Engineer and Metallurgist



HEINRICHS GEOEXPLORATION COMPANY

P.O. BOX 5964. TUCSON, ARIZONA 85703. BO6 WEST GRANT ROAD. PHONE: [602] 623-0576

SE Property Summary Sheet

The SE property is in the Middle Camp-Oro Fino Mining District in the Dome Rock Mountains in La Paz County, Arizona. The property is on Interstate 10, about eight miles west of Quartzsite, Arizona and about thirteen miles east of Blythe, California. The property consists of 78 lode claims, located in sections 31, 32 and 33, T. 4 N., R. 20 W., sections 5 and 6,T.4 N., R. 20 W, and section 36 T. 4 N., R. 21 W., totalling about 1,330 acres.

This area is shown on the Middle Camp Mountain USGS 7 1/2 minute topographic map. The claims bear US BLM Serial Numbers AMC105414 through AMC 105471 and AMC 186704 through 186723. They were staked in 1980 and 1982.

Ownership rests with four Arizona residents, each with a one quarter undivided interest. They are Walter E. Heinrichs, Jr., William C. Hirt, James D. Loghry of Tucson and Richard J. Lundin of Prescott, AZ.

The initial interest in the immediate claim area during recent times was for its porphyry copper-molybdenum potential. In this connection, during the period 1962 - 1975, mapping, sampling and rotary and diamond exploration drilling totalling approximately 18,500 feet was done by several concerns, one of them a major oil and mining company. More recently, the SE group has been re-evaluated in light of geochemical and geological data as a gold target, and the minerals division of a major oil company leased the property in 1983. This company drilled one hole required for annual labor purposes but, unfortunately, due to a sudden unexpected corporate-wide budget cut, they had to turn it back to the owners in January 1984. Results of some of the work done to date on the property are available to interested parties. We feel that the mineralization disclosed thus far warrants further investigation.

Further information may be obtained at the above address.

78 SE Claims

Lease-option Terms and Conditions

Purchase price: \$10,000,000 or \$5,000,000 plus perpetual NSR or equivalent royalty commencing on initial date of production in the amount of 4% on Federal lands.

All payments, including production royalties, apply towards the purchase price. Payments, toward the purchase price must be structured as capital gains, not advance royalties or rentals. If either of the above alternative purchase prices are acceptable to the optionees, the owners require no term to the agreement; if not acceptable and the optionees offer a reduced price, the owners insist on a 5 year term to the agreement.

Payment Schedule

(Minimum advance royalties)

Year	Amount
1	\$6,000 in advance for the first 6 months.
	\$7,500 in advance for the second 6 months.
2	\$18,000 in advance.
3	\$21,000 in advance.
4 and beyond	\$24,000 in advance.

Annual labor must be performed by optionee if the claims are held beyond Feb. 1 of any year. Labor must be physical labor (dozing, drilling, mining, etc.) on the federal claims, and must be at least \$7,800 per year.

Sixty days notice is required before dropping the lease or option.

Area of interest: There will be an area of interest extending one mile from the exterior boundary of the claim/prospecting permit block. Any claims staked by either party or prospecting permits acquired shall be subject to the terms of the agreement.

Data:

All factual data acquired and developed by the optionees shall be released to the owners when and if the lease is dropped. Information or reports shall be made available to the owners periodically during the term of the lease. The owners will hold these data confidential.

Billeton - (Georgia)

Bave Brown, Farcasto, CAL

Siever Moore

326-2700

Clark ARNOLD

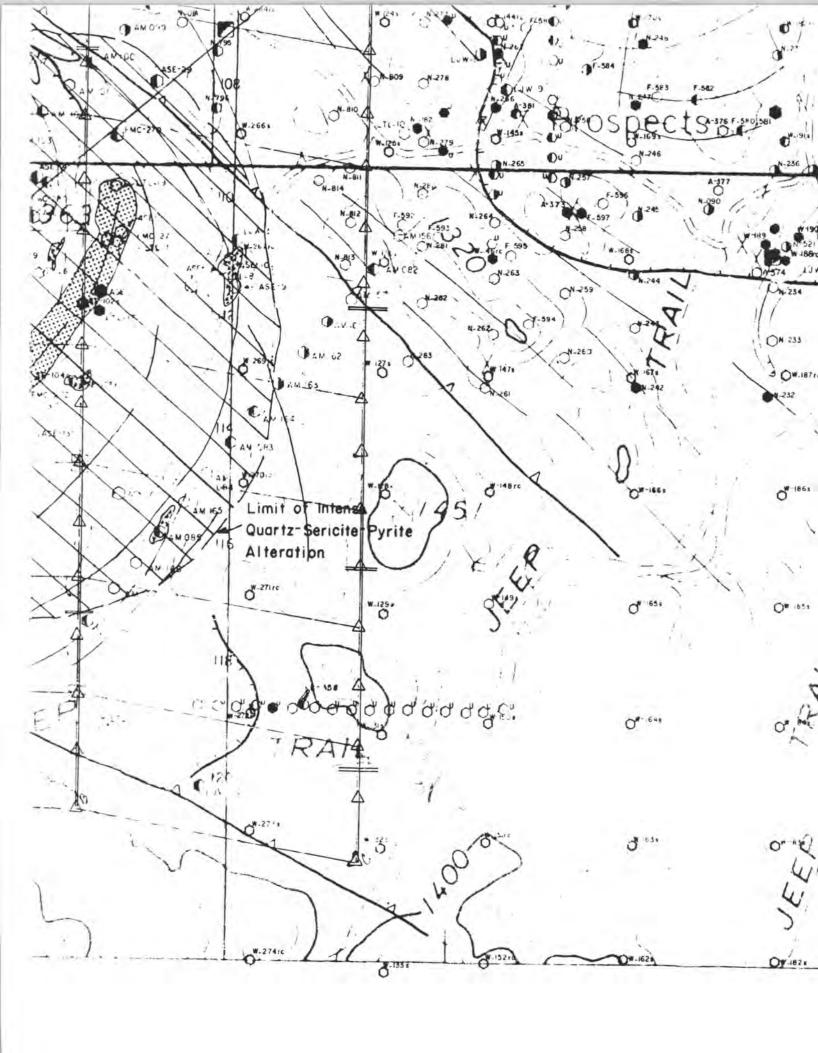
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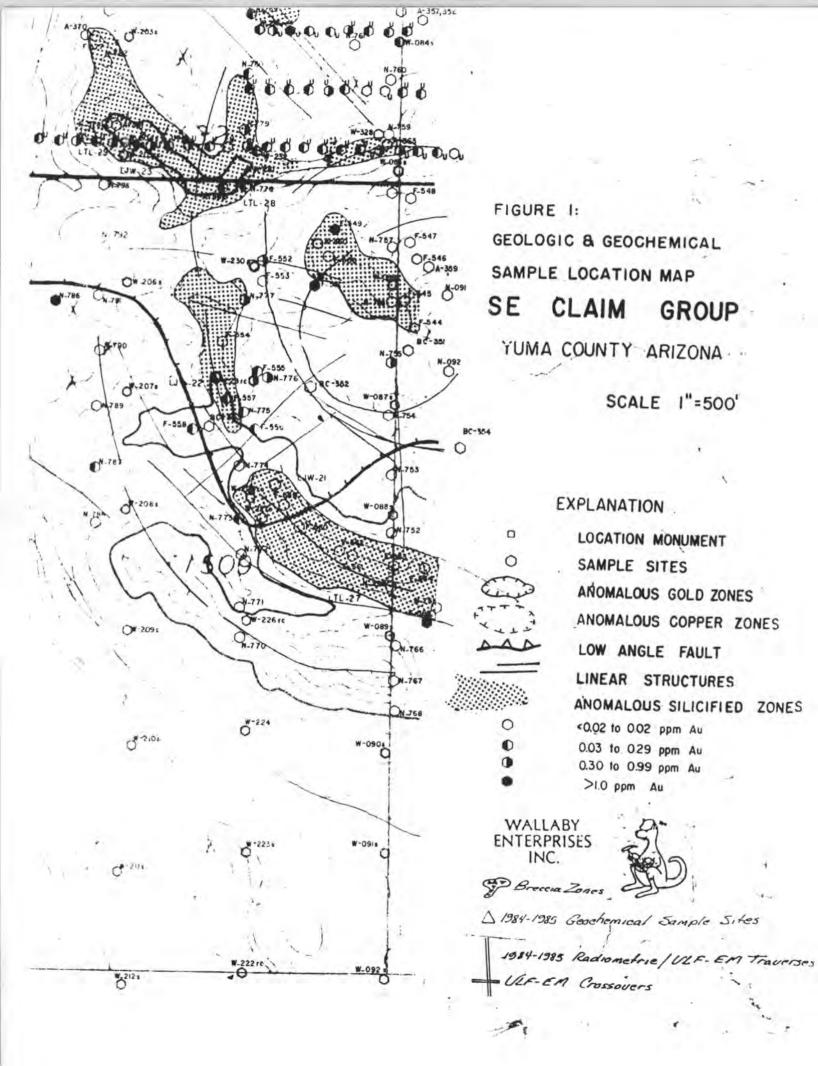
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F.O. BOX 5964, TUCSON, ARIZONA 85703-0964, 810 WEST GRANT ROAD TELEPHONE 602-623-0578 TELEX NO. 364412 INTR ID 894

TELEPHONE 602-623-0578

TELEY NO. 364412 INTR ID 894





9/19/89 Dear Walt -Q got you note a suple days ago (Monday 9/18). Hoven't Rad time to digest the report yet, but I will, and will send along my comments. My mother is here for a one-month visit, and between trying to Intertain her and working overtime at the Bureau, it may be a few weeks before I send my romonunts, In the montine, here is my check for the filing fees. I lope Jim is successful with his group, DEGEORED Best regards to SEP 2 5 1989 Bile

STRAY ELEPHANT COPPER PROJECT

The Stray Elephant Copper property is located 7 - 8 miles west of Quartsite, Arizona and approximately 1/4 mile south of Interstate 10. The deposit has been drilled in the northern section of the claim groups in the area known as "outcrop hill". Outcrop hill will be the first area to be mined as it has the most drilling information, low stripping ratio, and high grade ore that is immediately accessible. The reserves are estimated to be 3.7 millon tons at 0.6% copper in this northern zone. The southern zone has only one drill hole of significance and will need extensive drilling to further define the ore reserves.

The proposed mining rate is 3000 tons per day of ore, five days per week, with an average copper content of 0.60% copper. The ore is to be crushed with a primary crusher to produce a final product that will be 100% minus four inches. The crushed material will be transported to the plastic lined leaching area. One week of mining, i.e., 15,000 tons or ore, will constitute an individual leach pad. Each leach pad will nominally be 120' long, 120' wide, and 19' high. The ore will be leveled and then crossripped with a Kelly ripper prior to any solution

application.

Cure leaching will be employed on the Stray Elephant ore to minimize acid consumption and maximize copper extraction from the ore. The cure solution will be applied in two applications with a rest period between applications. The rinse cycle will commence on the 15th day using the raffinate or barren solution from the solvent extraction facility. The rinse cycle will be between 90 and 120 days depending on the rate of mining and rate of copper extraction from the pads. Solution flowrate for both the cure and rinse solutions will be 0.0025 gallons per minute per square foot of leach area. Copper extractions are projected to be 80% on the first rinse cycle and approximately 90% with subsequent rinse cycles. The ore is overlaid in successive lifts as the mining progresses which enables the rinse solution to pass through the lower pads and leach additional copper.

The lined leach pad area will nominally be 500' wide by 600' long to allow a leaching grid of 4 pads in width by 5 pads in depth. With a 13 week rinse cycle there will be 13 pads under active rinse at any given time. One week is needed to construct a pad, one week is allowed to level and apply piping, and two weeks are needed to apply cure solution, therefore, four more pads are under some phase of development prior to rinsing. The pads need a minimum of one week for drying to remove the piping before they can be overlaid with new ore. This accounts for 18 pads and a twenty grid pad allows two pads for any upset in the production schedule. This is the minimum surface area needed if

a 13 week (91 day) rinse cycle is used.



With a rinse flowrate of 0.0025 gpm/square foot of leach surface a flow of 36 gpm is needed for each pad. At steadystate conditions, i.e., 13 pads under rinse, a flowrate of 468 gallons per minute will report to the pregnant leach solution (PLS) surge pond at the base of the lined leach area. The PLS will contain 3.66 g/l copper at steadystate and will continue to increase as the height of the leach area increases and the overall extraction in the pads exceeds 80%.

The pregnant leach solution is pumped from the PLS surge pond to the solvent extraction facility. The purpose of the solvent extraction is to selectively extract the copper from the PLS with an organic extractant (LIX 984) and then to re-extract or strip the copper from the organic with a strong solution of sulfuric acid. The final product of the solvent extraction facility is a rich or strong extract which contains about 50 g/l copper in solution as copper sulfate. The PLS after solvent extraction which is now barren in copper is called raffinate and this solution is recycled back to the leach to be used as rinse solution. The raffinate is more acidic than the PLS as there is an exchange of hydrogen for copper in the extraction phase of solvent extraction. The raffinate is normally acidic enough to be used as rinse solution without additional acid being added.

The solvent extraction facility will consist of two stages of extraction and one stage of stripping. The extraction stages will be designed to handle 600 gpm of PLS which will allow the rinse cycle to be increased to 17 weeks in the future. This will permit the PLS to drop to 2.78 g/l copper and still maintain a daily production of 20,000 pounds of copper. At steadystate conditions with 13 pads under rinse the average daily production of copper will nominally be 20,000 pounds.

The organic will consist of 13 v/v % Lix 984 in a high flash point kerosene diluent. The organic flow will be equal to the PLS flow at all times in the extraction stages and strip stage. The strip aqueous flow will vary depending on the desired copper content in the strip extract. Aqueous recycles will be used to maintain organic to aqueous ratios in the mixers at 1/1.

The strip extract with approximately 50 g/l copper in solution will be pumped to the crystallization area. Sulfuric acid at 93 - 97% purity will be added to this solution to change the solubility of the copper sulfate. Copper sulfate pentahydrate crystals will form and be removed with a liquid-solid separation system such as a Sweco vibrating screen or a centrifuge. The crystals are washed with water to remove excess acid and dried prior to shipment. The spent solution that is lower in copper but higher in acid content is returned to the strip stage of solvent extraction to produce strip extract. The wash water is also added to the spent solution to provide the necessary water in the crystals.

The copper sulfate pentahydrate production will be 78,740 pounds per day with contained copper of 25.4%. These crystals can be sold as copper sulfate, sold to a smelter, or sold to an existing SX-EW facility that has plating capacity.

The maximum return for the copper sulfate pentahydrate is to sell into the copper sulfate market. The existing market in the United States is on the order of 80 millon pounds per year. This will require some time to penetrate and an E.P.A. number will be required for us to sell into the retail market. Crystal size is one of the main parameters to sell into this market in addition to product purity. We are considering making a large crystal to begin with and then later put in a recrystallization facility to make the fine size crystals. The product sold in this form is a value added product and its price is somewhat independent of the Comex price of copper. Selling to the smelters or SX-EW will result in a discount from the Comex price of copper of between 20 - 30 cents per pound of contained copper.

J.M. SIERAKOSKI

STRAY EL	EPHANT CYPRUS	S SAMPLES -	METCON	FERRIC	ACID	LEACH	
M No.	SAMPLE (CALC %Cu RE	COV %Cu				
1	SE2 40-45	.089	60.330				
2	SE2 10-15	.160	59.100				
3	SE1 30-35	.098	88.100				
4	SE8 65-70	.362	91.380				
5	SE8 15-20	.469	86.000				
6 7	SE2 35-40	.488	92.040				
7	SE1 5-10	.537	95.990				
AVERAGE	M1 - M7	.315	81.849				
AVERAGE	M2, M4 - M7	.403	84.902				
AVERAGE	M4 - M7	.464	91.352				

Metcon Research Inc. 844 W. Grant Road, Suite #106 Tucson, AZ 85745 (602) 623-1327

DATE: 1

SAMPLE NO J. L./E.I.

1

solution) pulverized sample (-100 mesh) acid leach (95.6 gram per liter Ferric-Acid leach M. Sierakoski OBJECTIVE FEED

20.49 20,49 20.49 CONSUMP 1b/1b IAdded (g) ICUMUL 00.0 2.00 Ferric CUMULATIVE CONSUMP 107.65 (1b/1b) ((1b/Ton) 100.72 ACID gpl Ferric S S 6.0 ! pHi/pHf NO E+ %SOLIDS 33.33 32.80 a N O U K 10:00 A TIME 10:00 -hr PULVERIZATION ACID LEACH -0 LEACH LEACH LEACH LEACH LEACH LEACH LEACH OPERATION ACID ACID ACID ACID ACID ACID ACID

PRODUCTS grams mls %Cu		-	VOLUME		ASSAYS		E+ 	OTA	L C	NO	E	E	I TOTAL CONTENT! DISTRIBUTION %	RIBU	UTI	ON
1670 0.016 60.33 60.33 488 10.089 442.9 100.00 1 100.00 1 100.00 1 100.00 1 100.00 1 10.080 1 1	PRODUCTS	igrams i	mls	%Cu	l n	1 96			n.s.	Cu	(mg)	E E	%Cu	%n.s.(ng.	1 96
1670 0.016	JLP /SOLTN	10001				1						1				
488 0.036 175.7	PREG +WASH			0.016				267.2				7	60.33			
1 0.089 1 442.9	EACH TAILS			0.036				175.7					39.67			
1 0.080	ALC HEAD	200		0.089				442.9					100.00			
	SAD ASSAY			0.080												

1844 W. Grant Road, Suite #106 Tucson, AZ 85745 (602) 623-1327 Metcon Research Inc.

Ferric-Acid leach (95.6 gram per liter acid leach solution) pulverized sample (-100 mesh) 08-Sep-89 M. Sierakoski N CRIECTIVE TEST No. DATE: FEED

1 1 2	SE-2 (10-15)	J. L./E.I.	
PROJECT	CAMPLE		BY

	-	÷.	CONDITIO	I Q	LIONS		IACID	IACID .	Chilena	Ferric	1b/1b	44	
OPERATION -	-hr	- TIME	1 %SOLIDS	!	pHi/pHf Ferric	Ferric	(1b/	(1b/1b) (1b/Ton)	b/Ton)		ICONSUMP	7	
I D	20		100.00	000	0	1 48				5.00	1 20.79		
ACID LEACH -2	מ כ	00:01	_			146.0		-			_	_	
LEACH	4	-	-	-		_	_	-		00.00	1 20.79		
1		- 1	_	-			_	-					
LEACH -	00		-	=			_	-					
LEACH -	16	_	-	= 7				-					
	-20	-	_	-			_	-		-	1	_	
ACID LEACH -2	-24	1 10:00 A	1 32.48	48 -	6.0		1 49	49.10	92.85		1 20.79		
	uo Tan	- ann ton magran		0	2 2 2 2 2 2	-	T 4 F O		E 2	11 -	% N O I & D & I & E & I &	1 1	8
	WELGE	T I VOLORIE			1	.		٠,		<u> i</u>			
PRODUCTS	grams	s mls	%Cu	%n.	%n.s.Cu %	%Fe Cu (mg)		n.s.Cu	(mg) Fe	Fel %Cu	%n.s.Cu		%Fe

40.90

59,10

472.7

0.029

1630

990.0

481

LEACH TAILS

PREG +WASH

327.1

100.00

8.664

0.160

200

HEAD

CALC

0.132

ASSAY

HEAD

Metcon Research Inc. 1844 W. Grant Road, Suite #106 Tucson, AZ 85745 (602) 623-1327

(30 - 32)J. L./E.I. M - 1 SE-1 SAMPLE NO PROJECT BY pulverized sample (-100 mesh) 08-Sep-89 M. Sierakoski 3 TEST No. DATE: FEED

OPERATION -hr TIME %SOLIDS phi/phf Ferric (1b/1b) (1b/Ton) CONSUMP Added (g) CUMUL CONSUMP ACID LEACH -4					CONDITIO	SNOIF		IACID			Ferric	1	1b/1b	
ERIZATION LEACH -0 LEACH -2 LEACH -4 LEACH -4 LEACH -6 LEACH -8 LEACH -8 LEACH -8 LEACH -8 LEACH -8 LEACH -9 LEACH -16 LEACH -20 LEACH -20 LEACH -24 OPERATION	-hr	TIME	50	%SOLIDS	1	Ferric	- ICUMI	JEATIVE	CONSUMP 1b/Ton)		g) ICUM	UL I		
LEACH -0 10:00 A 33.33 0.8 5 gpl 1 5.00 LEACH -2	PULVERIZATI	NO			100.00			<u> </u>	-				-	
LEACH -4		200	10:00	4	33.33	8.0	5 gp1				5.0		20.37	
LEACH -6	100	4-	_		_			_	=		0.0	_	20.37	
LEACH -8		9	ā					_	-		_	_	-	
LEACH -16	ACID LEACH .	8-			_	_			2		_	_	I	
LEACH -20	ACID LEACH -	-16	_					-	-		_	_		
LEACH -24 10:00 A 32.93 0.8 50.20 86.85		-20	1			-		_	-		_		-	
		-24	10:00	A	32.93	0.8		-	10.20	86.85	2	7	20.37	
		WEIGH	HTIVOLUM	臣」	A S	SAYS	E .	OTA		NTEN		STR	IBUT	NOI
GHT I VOLUME! A S S A Y	PRODUCTS	grams	s mls					(mā)	n.s.Cu		Fe 1 %Cu	*	sn.s.Cu	%Fe
WEIGHT VOLUME ASSAYS TOTAL CONTENT 		-		1			1					The second second	THE PERSON NAMED IN	

88.01

11.99

58.9

432.5

0.025

1730

1000

IPULP /SOLTN

IPREG +WASH

0.012

491

ILEACH TAILS

491.4

860.0

200

HEAD

CALC

980.0

ASSAY

HEAD

100.00

Metcon Research Inc. 1844 W. Grant Road, Suite #106 Tucson, AZ 85745 (602) 623-1327

M - 1	SE-8 (65-70),	J. L./E.I.	
		pulverized sample (-100 mesh)	(95.6 gram per liter acid leach solution)
08-Sep-89	4	M. Sierakoski	Ferric-Acid leach

	-		U	CONDI	TIONS	10	IACID	4	Perric	1b/1b	
OPERATION	-hr	TIME		%SOLIDS	pHi/pHf	Ferric	((1b/1b)	(1b/1b) (1b/Ton)	Added (g) ICOMOL	CONSUMP	
RIZATI	N		-	100.001				-			
LEACH	0	10:00	_ A	33.33	0.0	1 5 gp1	÷		1 00.5	20.49	
	.5		-	7			_		4	-	
ID LEACH	4	_	-	2			4	_	1 00.00	20.49	
LEACH	9-	٠	=			4	-	_	2		
LEACH	8-	_	-	7		_	_	_	7	-	
LEACH	.16		-			_	_	-	7	-	
ACID LEACH -	20		-				_		_	-	
ACID LEACH -	-24	10:00 A	-	32.80	0.8		1 17.12	1 113.37	-	20.49	
	WEIGH	WEIGHTIVOLUME		A S	SAYS	D E	TOTAL C	CONTENT	IDIST	RIBUTION%	1 0 N %
PRODUCTS	grams	l mls	%Cu		%n.s.cu %	%Fe Cu ((mg) n.s.Cu	(mg)	Fe! %Cu	%n.s.Cu	% 1 8 1 8 1 8 1 8 1 8 1 8 1 8 1 8 1 8 1
PULP /SOLTN	1000										
PREG +WASH		1 1860	0	680.0		165	1655.4		91.38		
LEACH TAILS	1 488		0	0.032		15	156.2		1 8.62		
מגמט מינטט				Cyc			7 1181				
CALC READ	000		5	205			0		00.00		
HEAD ASSAY	_		0	0.284		_					

Metcon Research Inc. 1844 W. Grant Road, Suite #106 Tucson, AZ 85745 (602) '623-1327

SE-8 (15-20) J. L./E.I. M - 1 SAMPLE No PROJECT BY (95.6 gram per liter acid leach solution) pulverized sample (-100 mesh) 08-Sep-89 Ferric-Acid leach M. Sierakoski S OBJECTIVE TEST No. DATE: FEED

			υ	CONDITIO	TIONS		IACID			Ferric	1b/1b	
OPERATION	-hr	TIME	98	*SOLIDS	pHi/pHf	Ferric	- ICUMULA (1b/1	(1b/1b) ((1b/Ton)		Added (g) CUMUL	CONSUMP	
PULVERIZATION	NC		<u> </u>	100.001				-	-			
ACID LEACH -	0	1 10:00 A	- A	33,33 1	0.8	1 5 gp1	=	2	-	5.00	20.41	-
ACID LEACH -	-2	1.8	_				_	2	-		- T	
IACID LEACH -	4-	_	÷				_	-	_	00.0	20.41	
IACID LEACH -	9-		-			_	_	_				
IACID LEACH -	-8	_	_	_		_	_	4	L	-		
IACID LEACH -	-16	_	_	-			-	-	-	_		
IACID LEACH -	-20		_			_	_	-	_			
ACID LEACH -	-24	1 10:00 A	-	32.89	0.8	_	6	9.37	75.52	-	20.41	
	WEIGH	WEIGHTIVOLUME		N N	ASSAYS) I I	TAL	CON	TOTAL CONTENT	į d	RIBU	DISTRIBUTIONS
PRODUCTS	grams	l mls	%Cu	%n.	%n.s.Cu %E	%Fe Cu (mg)		n.s.Cu	(mg) Fe	*Cu	%n.s.Cu	%Fe
NT.TOS/ G.TITGI	1000					-				-		

	H	HE	ASSAYS	S	TOT	L C O	HENH	DIST	TOTAL CONTENT! DISTRIBUTIONS	1 0 N % I
	grams		%n.s.Cu	% Fe	Cu (mg)	n.s.cu	(mg) Fel	%Cu	%n.s.Cu	%Fe
PULP /SOLTN	1000 1									
IPREG +WASH	1160	1600 0.126			2016.0			86.00		
LEACH TAILS	1 490 1	1 0.067			328.3			14.00		
CALC HEAD	200	1 0.469			2344.3			100.00		
HEAD ASSAY		0.410								

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(95.6 gram per liter acid leach solution) pulverized sample (-100 mesh) 08-Sep-89 Ferric-Acid leach M. Sierakoski 9 OBJECTIVE TEST No. DATE: FEED

PROJECT SE-2 (35-40)
SAMPLE NO J. L./E.I.
BY

M - 1

			ONO	ITIONS		ACIMITATIVE CONSTRE	TE CONCILAD	LAGAGE (A) CHMIT	TIMIT
OPERATION	-br	TIME	H	pHi/pHf Ferric	Ferric	(1b/1b)	(1b/1b) I(1b/Ton)		CONSUMP
PULVERIZATION	NO		100.00				-		
ACID LEACH	0	10:00 A	1 33.33	1.00	0.7 5 gpl	_	-	1 2.00 1	20.58
ACID LEACH	-2	_				_	_	_	
ACID LEACH	4-	_	_			=	-	00.00	20.58
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ACID LEACH	-20	_						_	
LEACH	-24	1 10:00 A	1 32.71	1 8.0		1 9.94	98.36	_	20.58

	WEIGHT VOLUME	VOLUME		ASSAY	S	TOTA	L CON	TENT	DIST	TOTAL CONTENT! DISTRIBUTION %!	NO I
PRODUCTS	grams	mls	%Cu	%n.s.Cu	%Fe	Cu (mg)	n.s.cu	(mg) Fe	%Cn	%n.s.Cu	% Fe
PULP /SOLTN	1000										
PREG +WASH		1640	1640 0.137			2246.8			92.04		
LEACH TAILS	486		0.040			194.4			7.96		1
CALC HEAD	200		0.488			2441.2			100.00		
HEAD ASSAY			0.463			_					

Metcon Research Inc. 1844 W. Grant Road, Suite #106 Tucson, AZ 85745 (602) 623-1327

J. L./E.I. SE-1 (5-10) M - 1 SAMPLE No PROJECT BY (95.6 gram per liter acid leach solution) pulverized sample (-100 mesh) 08-Sep-89 Ferric-Acid leach M. Sierakoski OBJECTIVE TEST No. DATE: FEED

	1	1	CONDI	TIONS		ACID	Controller .	Ferric	1b/1b
OPERATION	-br	I TIME	%SOLIDS	pHi/pHf	Ferric	(1b/1b) (1b/Ton)	(1b/Ton)	Added (g) ICURUL	CONSUMP
PULVERIZATION	NC		100.00						
ACID LEACH -	0	1 10:00 A	1 33,33	- 8.0	5 gp1	_		1 5.00 1	20.45
ACID LEACH -	5					_			
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ACID LEACH -	9					_		9	
ACID LEACH -	8					-		_	
ACID LEACH -	-16	-		_		-		-	
ACID LEACH -	-20								
ACID LEACH -	-24	1 10:00 A	32.84	0.8		1 13.97	143.95		20.45

	WEIGHT	WEIGHTIVOLUMEI		ASSAYS		-	L CON	TENT	DIST	TOTAL CONTENT! DISTRIBUTION &	NOI
PRODUCTS	lgrams	grams mls %Cu	%Cu	%n.s.Cu	%Fe	Cu (mg)	n.s.cu	(mg) Fe	. %Cu	%n.s.Cu	%Fe
PULP /SOLTN	1000										
PREG +WASH		1580	1580 0.163			1 2575.4	j		95.99		
LEACH TAILS	1 489		0.022			107.6	Train in		4.01		
CALC HEAD	1 500	45.	1 0.537	n		2683.0			100.00		
HEAD ASSAY		- 2	1 0.480								

JAMES D. LOGHRY

CONSULTING GEOLOGIST 2121 EAST MONTE VISTA DRIVE TUCSON ARIZONA 85719

(602) 323-2945

December 27, 1989

Mr. Dana Durgin Alta Gold Company P.O. Box 324 East Ely, Nevada 89315



Dear Dana:

It was good to talk with you several weeks ago. I have been buried under a project which I just completed; haven't had time to do anything else.

Enclosed is my report concerning our Stray Elephant oxide copper deposit, the basis for Bluestone Resources' business plan and proposals sent to you by Dave Hackman following your telephone conversation with him. I am enthusiastic about Bluestone's participation in a Stray Elephant project because they are the only people we have talked to who understand the immediate production potential of the property, and have the will, expertise and contacts to do the job. They are the only people I know who could go to production in the year's time it will probably take to complete the permitting.

You may decide you'd rather go it alone since you have the mining expertise. I encourage an alliance with Bluestone because it appears to be a quick and painless way to get into the leach copper mining business, and would probably lead to other projects with them.

I am pleased to hear you are considering exploration in this part of the world and will help you in any way I can.

Sincerely yours,

James D. Loghry

Red: Tueson, AZ 1/17/89

January 17,1989

To: Ramon Shannon

From: Jim Loghry

Re: Proposed Deal, 36 SE Copper Claims La Paz County, Arizona

Mining Lease with Option to Purchase

5 year term

\$4,000,000 buyout

\$24,000 down

\$2,000 per month advance royalty OR

4% NSR production royalty, whichever is greater

\$50,000 minimum annual work expenditure, to include drilling

2 mile area of interest

30 day notice of lease relinquisment

Payments to be made to: Stray Elephant Claim Owners
Account No. 642-12128
First Interstate Bank of Arizona
Campbell Plaza Office
P.O. Box 40700
Tucson, AZ 85717

De Studies, Inc.

December 9, 1987

William A. Rehrig Applied Geologic Studies, Inc. 3375 South Bannock-Suite 210 Englewood, Colorado 80110

Dear Bill,

It was good to be in the field with you again although it was too short a time.

Please return that target and claim map ASAP as I don't seem to have another copy. When you've copied Householder's report, please return it to me.

I'm sending under separate cover the Kerr McGee Q-1 - 7 diamond drill hole logs. They felt that the prospect had 15,000,000 - 20,000,000 tons of 0.50-0.60% Cu copper oxide and sulfide ore and were seeking to expand that potential with their drilling, so only spent one hole, Q-1, in the oxide deposit outcrop. That hole cut 0-110' (110') 0.52% Cu as chrysocolla with lesser malachite and brochantite; and 110-190' (80') 0.82% Cu as disseminated and veinlet chalcopyrite, to total 0-190' 0.65% Cu; also 30' (410-440') 0.86% Cu as chalcopyrite.

It's obvious that the Scott-Hancock copper deposit is associated with a high angle north dipping reverse fault zone in a Laramide stock or a late stage portion of the Jurassic Middle Camp pluton and metamorposed Jurassic volcanics, tuffs and metasediments. Length of the copper-bearing alteration zone is at least 4,000 feet, much of it concealed under the alluvium of Hancock Wash.

The property was examined and sampled in 1956 for Royal Investment Co. by E. Ross Householder, a well-known and respected mining engineer of Kingman, Arizona. You have a copy of his 9/29/56 report and his supplementary letter-report of 12/19/87. Householder (12/19/56,p. 1, 13) reports that the copper deposit is over 3900 feet long. He reports 375,000 tons of positive and probable ore, and 720,000 tons of possible ore plus 2,500,000 tons of expectant ore, totaling 3,595,000 tons and proposes the possibility of doubling those reserves with more core drilling. The average grade of samples collected by various means was 1.575% Cu.

Royal drilled 4 diamond drill holes dubbed H-1 - 4 by Kerr McGee. Since Householder uses them in his ore reserve calculations, they were probably all ore grade holes. Our copy of the report shows assays for three of the holes but those for H-3 are not present. Possibly another examination of the ADMMR

files might turn up these assays. Since H-3 is described by Householder as being 200' NW of the adit portal, I assume it was an ore hole like the others. H-1 was at the portal mouth; assayed 24-101' TD (77')@ 1.02% Cu; the first 24' were lost; bottomed in .5% Cu. This hole apparently went deeper, because Householder reports that sulphide ores were encountered at 172' in this hole. Samples cut on either side of the portal assayed 1.45% and 2.15% Cu.

H-2 was 200' SE of the portal, a vertical hole; I've seen the casing. Assays were 130.5' @ 1.15% Cu, according to Householder, who averaged in a 1.7% Cu composite assay of the whole hole with the individual core assays which averaged .6% Cu. The hole bottomed in 1.7% Cu.

H-3 was 200' NW of the portal. Assays and depth unknown.

H-4 was on the west side of outcrop hill, 800' NW of H-2. It was 156' deep, averaged 1.4% Cu, bottomed in 3.7% Cu.

The information available suggests that the Scott-Hancock copper deposit meets Cyprus' specifications of 5 million tons of .5% Cu. If it proves to be somewhat smaller, the grade will probably make up for it. Now we need a lot of drilling to prove up an economic deposit.

Kerry McDonald called last night to initiate discussions. His limited proposal for the copper area is OK so far. A problem I am trying to resolve is that a competitor has made a similar offer with a higher NSR and doesn't want to release the copper area of the claim group. Kerry called again tonight and made a proposal we can accept. If the letter of intent confirms it, I'll advise my partners to go with it.

Regards,

James D. Loghry

1161.08 - Cheeking # 183 8.92 55/ Bus Corn - Q.D. Partnership. How to make Check. I.D. 86-0358467 Coin + ahern 8425 Desert Stepps DV. Tueson 85710

4 Voint fenants - (S.E. Claims Not tenents in common. Compensate Rus Com + Dick alum I them a total of 10% of ineque received by frink fenents. In other words each joint Senent contributes effectively of his income which effectively amount to 5% of the whole to Russ Corn t Dick ahern respectively. A State



Cyprus Metals Company
An Affiliate of Cyprus Minerals Company

Post Office Box 1126 Green Valley, Arizona 85622-1126 Telephone (602) 628-4000

July 14, 1988

Received: 7/16/20 A D. Loghry

Mr. James D. Loghry 2121 East Monte Vista Drive Tucson, Arizona 85719

Reference: Mining Lease and Option to Purchase Agreement,

Dated February 23, 1988 (Stray Elephant)

Subject:

Termination of Agreement

Dear Mr. Loghry:

In accordance with Clause 3.2 of the above referenced Agreement, Cyprus Metals Company, hereby gives you thirty (30) day written notice that we are terminating this Agreement.

We are in the process of preparing our Quitclaim Document and the Affidavit of Assessment work, which we will forward to you under separate cover letter.

Please, advise us of a shipping address where you would like for us to ship all drill hole cores and other documents in accordance with Clause 3.2 Paragraph (ii).

Sincerely,

C. W. Reno

Executive Vice President Cyprus Metals Development

CWR/mb

cc: J. C. Compton, M/C 200A

P. Brady, M/C 267-A

M. Clarke

D. Tritthart

File: 14-14

CWR.001



2121 E. Monte Vista Dr. Tucson, Arizona 85719 (602)323-2945 July 18, 1988

Mr. Charles W. Reno, Executive Vice President Cyprus Metals Development Cyprus Metals Company P.O. Box 1126 Green Valley, Arizona 85622-1126

Re: Stray Elephant Cyprus Agreement (2/23/88) Termination

Dear Mr. Reno:

Your thirty day Notice of Termination, sent by Registered Mail, was received here July 16, 1988 and our Agreement terminates August 15, 1988. The partners thank Cyprus personnel and consultants for their efforts in exploring our Stray Elephant copper prospect, La Paz County, Arizona.

We shall expect to receive the Quitclaim Document and the Affidavit of Assessment Work in the near future.

In accord with Section 3.2 (ii) of the Agreement, please deliver factual geological, geochemical and assay data and maps, drill hole logs, reference cuttings or sample boards and sample pulps to:

Walter E. Heinrichs Heinrichs GEOEXploration Company P.O. Box 5964 Tucson, Arizona 85703-0964

(602) 623-0578

810 W. Grant Rd. Tucson, AZ 85705

It won't be necessary to save the sample rejects.

Yours truly,

James D. Loghry



ARIZONA DEPARTMENT OF WATER RESOURCES

99 E. Virginia Avenue, Phoenix, Arizona 85004

HEINRICHS GEOEXP. CO. 806 W. Grant Road Tucson, Az. 85703 JUNE 8, 1988
Registration No.

File No.

55-521336 B(4-20)31

Dear Well Owner:

Enclosed for your records is an annotated copy of the Notice of Intention to Drill an exploration well which was recently filed with this Department. This is returned to you as evidence of compliance with A.R.S. §45-596. Your designated driller has been mailed separately a Well Drilling Card which he is required to have in his possession before commencing to drill the well.

Since this well is being drilled as a monitor well, or for cathodic protection, grounding, geotechnical or piezometer purposes, our standard driller report form is also being furnished to the driller which he is required to complete and return to the Department within 30 days after the completion of drilling. A Completion Report form is being furnished for monitor wells where pump equipment is authorized to be installed as part of this packet so that you may submit the report within 30 days after the installation of pumping equipment on a monitor well as required by A.R.S. §45-600.

This well is authorized to be drilled for mineral exploration purposes. Because of this, no pump equipment may be installed. A Project Completion Report is being furnished your designated driller for each hole to be drilled. Your driller is required to submit this Project Completion Report within 30 days after completion of drilling. You should insist that this is done.

For monitor, geotechnical, cathodic protection, grounding and piezometer wells, you should obtain the written permission of the Department of Water Resources before proceeding with the drilling in the event that you determine it necessary to change the location of the proposed well. A properly signed amended Drilling Card must be in the possession of the driller before drilling commences at a different location than originally authorized.

For your <u>future</u> use, a Change of Well Information form is enclosed should it become needed. Per A.R.S. §45-593, the person to whom a well is registered shall notify this Department of a change of ownership of the well and/or information pertaining to the physical characteristics of the well, including abandonment, in order to keep the well registration file current and accurate.

RAG: Enclosures DWR-55-8-8/84 Sincerely,

PALLESONE

R. A. Gessner

Chief, Operations Division

IPY45

DWR 55-40-8/86 (Revised)

DEPARTMENT OF WATER RESOURCES (DWR) NOTICE OF INTENTION TO DRILL

1	/		/
EXPLORE	MATEN	UFA	1 (5)
#77777E	124011	11141	11 (2)

FILING FEE \$10.00 EXPLORATION WELL(S) Section 45-596, Arizona Revised Statutes and Rule R12-15-817 provide: Prior or more exploration wells, the well owner, lessee or exploration firm shall Intention to Drill on a form provided by the Department. WELL/LAND LOCATION 1. Township N/S 11. Drilling (See Condition 3 on reverse) Range 五/W Section 8. Owner of land: In the case of a single well. HEINRICHS GEOEXP. CO. list 10-acre subdivision 806 W. GRANT ROAD 2. County /A PAZ 3. Applicant: CYPAUS METALS CO. 9. DESCRIPTION OF WELL: Diameter 12. Period well will remain Address in use
months. Depth Type of casing NONE Proposed method of (If none, so state) abandonment of well(s) 10. Construction will start: after project is Phone (602) 946-0559 completed: Month 5. Owner of well: LUG SET 4 EINRICHS DO NOT WRITE IN THIS SPACE Name OFFICE RECORD 806 File No. 13 Address Filed 5 4 CSON By SV Input 6. Purpose of well(s) drilled Duplicate pursuant to this Notice: Mailed L Registration 5 Mineral Exploration Geotechnical AMA/INA Cathodic Protection Grounding W/S 14. Is the proposed wellsite within 100 feet of a septic tank system, sewage disposal area. landfill, hazardous waste facility or storage area of hazardous materials? No If yes, a request for a variance must accompany this application pursuant up R12-15-820. 1. Fill out this form in duplicate and mail to Department of Water Resources, Spitwello, 99
East Virginia, Phoenix, Arizona 85004. 2. Proper filing fee of \$10.00 must accompany Notice. I state that this Notice is filed in compliance with Rule R12-15-809 and is complete and correct to the best of my knowledge and belief and that I understand the conditions set forth on the reverse side of this form,

Signature of Applicant

CONDITIONS

- 1. Construction and abandonment standards for all wells shall be in accordance with DWR Rules R12-15-811 and R12-15-816.
- 2. Drilling of the well(s) shall be completed within one (1) year after the date of Notice.
- 3. Mineral exploration, geotechnical, cathodic protection or grounding holes of 100 feet of depth or less do not apply to these provisions and do not require filing. However, if water is encountered during the drilling of these wells, then the well(s) must be properly abandoned in accordance with Condition 1 above.
- 4. More than one well may be drilled under a single notice for mineral exploration, geotechnical, cathodic protection and grounding purposes, so long as they are located within a single section.
- 5. A Project Completion Report, DWR-55-42-10/83, for each hole is required within 30 days of completion of the project.
- 6. Pump equipment may not be installed on wells drilled for mineral exploration, geo-technical, cathodic protection or grounding purposes.

7.	Special	construction	standards	required	pursuant	to	R12-15-821:	
_								



DEPARTMENT -OF WATER RESOURCES 99 East Virginia Avenue Suite 100

Phoenix, Arizona 85004

CHANGE OF WELL INFORMA

55-521336

			Registra	at B(4-	20)31	
I request the	following in	nformation be o	hanged in W	e		
Date		, 19				
		STATEMENT OF C				
Ι,				, state that	: I am (no	longer) the
(new) owner o	f the well de	scribed below:				
Township	Range	Section	,	1/41/4	<u></u>	
Registration :	#55- <u> </u>		File No			
Previous Owner			New Owner	r		
Address			Address			
City	State	Zip	City	-	State	Zip

NOTE: ARS \$45-593 requires that the Department be notified of change of well ownership and that the well owner is required to keep the Department's Well Registration records current and accurate. Well data and ownership changes must be submitted within 30 days after changes take place.

> NOTE: SAVE THIS FORM TO REPORT FUTURE CHANGES IN OWNERSHIP OR WELL DATA SUCH AS PUMP CAPACITY, ETC.

Cypois Sud, Minerals Torry McDonald, Sim Logbry le: S.E. 12/4/87 Claires. Bill Kraling, 6 Jeoflo #18 Emals St Fe

Loghry Called Re: 11/18/87

512, Claims # 1425 Farmout interstors

Also Bill Rehreig. Daver.

Tom Roofich Stife #3 land man. Denny Cale, Dale Toubay made definite offer: 10 year lease, mo fuy out, 2000 lown \$2000/yn escalation. 4% net smelter. Cyprus Metals: #12,000 down 42000/morental. Cal Isles, ex Duval Coffer portion only. tel letter.



Cii House, 31 Theobalds Road, London WC1, England. Tel: 01-242 3771 Telex: 299656 (Cii G)

URGENT

October 1987

THE NEW 1988 BUYERS' GUIDE

Dear Sir,

Preparations for the new 1988 edition of the **International Mining** Equipment Buyers' Guide are now well-advanced. A great deal of time has been spent by the staff of **International Mining** to try to ensure that the guide will be comprehensive, and yet at the same time, easy to use.

International Mining, by its very nature, is an international publication. The new guide is designed to be a standard reference for equipment buyers in the international market, so if your company is only involved in selling its products on a national or domestic basis, and does not participate in the export market, please let us know at once.

I enclose details of the records that we have on file for your company. Please may I ask you, as a matter of urgency, to check these listings, which you will find on the half-size sheets, against the main list of products category headings which is also enclosed with this letter.

If you find that any of the information contained in our records is not correct, please mark the necessary corrections next to the relevant entry. If, as well, you find that there are product categories for your company that have not been included in our records, please mark these categories on the main reference list.

Please also check your company details that we have included; please make any amendments necessary to the address, and include your telephone and telex numbers so that these can be included in our records.

Finally, please return all the details about your company and your products to us, using the enclosed pre-addressed envelope. Please do this now......the 1988 **International Mining** Equipment Buyers' Guide is due for publication in the December issue of the magazine, so there is no time to lose.

Thank you for your help. Yours sincerely

Simon Walker

Technical Editor, International Mining



Lease-option Terms and Conditions

Purchase price: \$10,000,000 or \$5,000,000 plus perpetual NSR or equivalent royalty commencing on initial date of production in the amount of 4% on Federal lands and 2% on State lands. All payments, including production royalties, apply towards the purchase price. Payments, toward the purchase price must be structured as capital gains, not advance royalties or rentals. If either of the above alternative purchase prices are acceptable to the optionees, the owners require no term to the agreement; if not acceptable and the optionees offer a reduced price, the owners insist on a 5 year term to the agreement.

Payment Schedule

(Minimum advance royalties)

Year	Amount
1	\$6,000 in advance for the first 6 months.
	\$7,500 in advance for the second 6 months.
2	\$18,000 in advance.
3	\$21,000 in advance.
4 and beyond	\$24,000 in advance.

Annual labor must be performed by optionee if the claims are held beyond Feb. 1 of any year. Labor must be physical labor (dozing, drilling, mining, etc.) on the federal claims, and must be at least \$7,800 per year.

Sixty days notice is required before dropping the lease or option.

Area of interest: There will be an area of interest extending one mile from the exterior boundary of the claim/prospecting permit block. Any claims staked by either party or prospecting permits acquired shall be subject to the terms of the agreement.

Data:

All factual data acquired and developed by the optionees shall be released to the owners when and if the lease is dropped. Information or reports shall be made available to the owners periodically during the term of the lease. The owners will hold these data confidential.

10/23/87 Loghy: 323-2945 SE Claims Willis Rhea ex Simplet etc (Dan Patch pather on Coffer stone) Falone, AZ 927-6304 Says I bian, going after old reservation land. also George Idan of 5/4. 4th)25 3rd faties. Rea believes he has (may have?)
overstubed SE's at least in pat. 14.

CHEMICAL COMPANY, INC.

15324 So. Broadway • Gardena, California 90248

Dear Sir:

and money by reducing expensive clean up operations after, and during, the spill. literature are preventative maintenance kinds of materials that can save you time apilla...fast, as they occur". The Conwed® Sorbent products described in the The brochure I've enclosed with this letter gives the message 'soak up leaks and

their weight in oil and chemicals. semit 8S of qu gardreds and seed yield immediately begin absorbing up to 26 times Sorbent materials from Conwed® also allow you to respond effectively to emergency

greater control over those situations than almost any other material. chemical and oil spills spread to walkways and driveways. Conwed® Sorbents offer You may also have experieinced the slippery, hazardous conditions that develop as

can help you with a Conwed® Sorbent solution. In short, no matter what kind of apill or leak you have potential problems with, I

performance proven sorbents can do for you. Please take a moment to look over the literature for a better idea of what these

additional information, check the box on the reply card. Or, don't hesitate to call. ordering information on our business response card for your convenience. For To solve the problems you face, and do it in a cost-effective manner, I've enclosed

I look forward to serving you,

Sincerely,

Enclosures

48 SE Claims and State Prospecting Permit No. 83801

Lease-option Terms and Conditions

Purchase price: \$10,000,000 or \$5,000,000 plus perpetual NSR or equivalent royalty commencing on initial date of production in the amount of 4% on Federal lands and 2% on State lands. All payments, including production royalties, apply towards the purchase price. Payments, toward the purchase price must be structured as capital gains, not advance royalties or rentals. If either of the above alternative purchase prices are acceptable to the optionees, the owners require no term to the agreement; if not acceptable and the optionees offer a reduced price, the owners insist on a 5 year term to the agreement.

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2	\$18,000 in advance.
3	\$21,000 in advance.
4 and beyond	\$24,000 in advance.

Annual labor must be performed by optionee if the claims are held beyond Feb. 1 of any year. Labor must be physical labor (dozing, drilling, mining, etc.) on the federal claims, and must be at least \$7,800 per year.

For the state prospecting permit, annual assessment labor is \$3,200 per year for the period ending March 16, 1984 and \$6,400 per year for the period ending March 16, 1987. The annual rental for the period March 16, 1984 - March 16, 1987 is \$320. If option is held beyond 15 September in any given year, these obligations must be assumed by optionees.

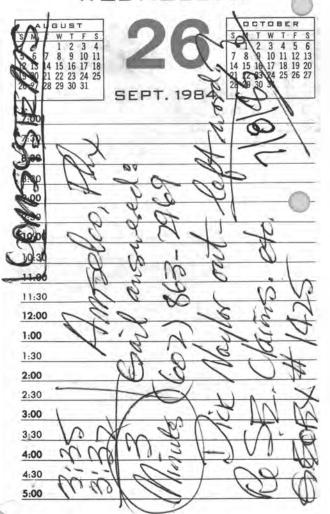
Sixty days notice is required before dropping the lease or option.

Area of interest: There will be an area of interest extending one mile from the exterior boundary of the claim/prospecting permit block. Any claims staked by either party or prospecting permits acquired shall be subject to the terms of the agreement.

Data:

All factual data acquired and developed by the optionees shall be released to the owners when and if the lease is dropped. Information or reports shall be made available to the owners periodically during the term of the lease. The owners will hold these data confidential.

WEDNESDAY



TUESDAY



25 SEPT. 1984

DAY OF THE YEAR

TUESDAY, SEPT. 25

DAYS REMAINING

July 1985 F. J. Kary Sr. Prof. Ged. Barry E.B. Rayment Expl. Mgr. AMSELCO.



17602 North Black Canyon Highway, Suite 105 90 West Grove Street, Suite 100 Phoenix, Arizona 85023 Telephone: (602) 863-2969

EXPLORATION HEAD OFFICE: Reno, Nevada 89509 Telephone: (702) 827-2270

TUCSON, AZ. 65703

July 24, 1985

Mr. Walter E. Heinrichs, Jr. Heinrichs Exploration Co. P. O. Box 5964 Tucson, AZ 85703

RE: S E Claims, La Paz County, Arizona

Dear Mr. Heinrichs:

I did receive your December 14th letter, and I apologize for not getting back to you sooner.

I regret to inform you that Amselco has no further interest in the S E Claims.

Thank you for the chance to examine your property.

Yours truly

Richard G. Navlor Project Geologist

RGN/jcm

cc: S.J. Kay

T.H. Young

D.W. Blenkarn



HEINRICHS GEOEXPLORATION COMPANY

P.O. BOX 5964, TUCSON ARIZONA 85703, 806 WEST GRANT ROAD, PHONE (602) 623 U576

July 12, 1985

Amselco Exploration Inc. 17602 North Black Canyon Highway Suite 105 Phoenix, AZ 85023

Attn: Mr. Richard Naylor

Project Geologist

Re: SE Claims La Paz County, AZ

GEOEX #1425

Dear Mr. Naylor:

Never received response to my letter of 14 December 1984 which was our counter proposal to your proposal letter of 12 December 1984. Now, after recent discussions between Rich Lundin and Jim Loghry, I gather the possibility exists that you may not have ever received my 14 December letter. Accordingly, I am enclosing a duplicate copy herewith. Also, it was suggested that maybe a copy should be sent to Tom Young in Yuma which I am doing since I gather you are often away from your Phoenix office which is confirmed by my few attempts to call you, the latest being earlier this week.

I trust we may expect to hear from someone regarding the status of your interest in our claims in the reasonably near future.

Sincerely,

HEINRICHS, HIRT, LOGHRY, WOMBAT PARTNERSHIP

Walter E. Heinrichs, Jrf, Partner

WEH: Jh

Encl: Letter dated 14 December 1984

cc: Tom Young, Amselco, P.O. Box 427, Yuma, AZ 85364 W/encl.

The same of the sa

Bill Hirt w/o encl. Jim Loghry w/o encl.

Rich Lundin, Wombat w/o encl.



HEINRICHS GEOEXPLORATION COMPANY

P.O. BOX 5964. TUCSON, ARIZONA 85703. 806 WEST GRANT ROAD. PHONE: (602) 623-0578

December 14, 1984

Amselco Exploration Inc. 17602 North Black Canyon Highway Suite 105 Phoenix, AZ 85023

Re: SE Claims La Paz County, AZ

GEOEX #1425

Attn: Mr. Richard G. Naylor

Project Geologist

Dear Mr. Naylor:

Thank you for your proposal letter of 12 December 1984 and for sending a copy to Rich Lundin.

I tried to reach you by phone last Wednesday, 5 December, but you were not available and I have been away from my office much of the time the past several days since then.

Because your proposal terms are considerably less than those we originally asked for, we needed time to formulate a definitive response acceptable to us. That has now been accomplished, and follows below. You will note that we have met you more than half way over all.

 $\frac{\text{Term}}{\text{Six}}$ (6) years or as long as property is in production.

Payments
Minimum advance payments toward ultimate purchase price and deductible royalties:

Year 1

Upon signing: \$10,000 or \$5,000 (for first 6 months)

(for full year) Then \$6,000 (for second

6 months in advance)

Year 2 \$15,000 in advance

Year 3 and Beyond \$20,000 in advance(for each year)

Production Royalty

4% NSR toward purchase price or minimum advance payments,
which ever is greater.

MINERAL ENGINEERING CONSULTANTS AND CONTRACTORS. GEOPHYSICAL SECLOSICAL AND ECONOMIC APPRILISES

Amselco Exploration Inc. December 14, 1984 Page 2

Purchase price

\$7,000,000, including all advance payments, royalties and minimum work requirements expenditures made prior to exercise of purchase option.

Minimum Annual Work

A minimum expenditure of \$10,000 in direct costs of exploration drilling will be done on the SE claims each year that Amselco is still in posession on I February of any year.

Termination

Upon 30 days written notice to owners by Amselco and subject to delivery by Amselco of all factual data acquired by them on the SE Claims while in their possession including, but not limited to such things as drilling logs, core, sample assays, geologic plan maps, land surveys, geophysical work, geochemical work, etc.

Receipt of the Recon. Geochemical results already acquired and which accompanied your letter of December 12, 1984 is acknowledged with our thanks.

Sincerely,

Heinrichs, Hirt, Loghry, Wombat Partnership

Walter E. Heinrichs, Jr., Partner

WEH: jh

cc: W. C. Hirt

J. D. Loghry

R. J. Lundin



17602 North Black Canyon Highway, Suite 105 90 West Grove Street, Suite 100 Phoenix, Arizona 85023 Telephone: (602) 863-2969

EXPLORATION HEAD OFFICE: Reno, Nevada 89509 Telephone: (702) 827-2270

December 12, 1984

Mr. Walter E. Heinrichs, Jr. Heinrichs Geoexploration Co. P.O. Box 5964 Tucson, Arizona 85703

Re: The SE Claims, La Paz Co., AZ

Dear Mr. Heinrichs:



Amselco is pleased to present the following proposal for the main terms of a Lease/Option Agreement on the SE Claim Group comprising 78 lode claims totaling about 1,330 acres, located in Sections 31, 32, and 33, Township 4N, Range 20W; Sections 5 and 6, Township 4N, Range 20W; and Section 36, Township 4N, Range 21W, about 8 miles west of Quartzsite, Arizona. These terms are subject to confirmation by the owners of the Claim Group and by Senior Management of Amselco Exploration Inc.:

Term

The term of the Agreement shall be for 7 years, and as long thereafter as the property is in production.

Payments

The following payments shall be Minimum Advance Royalties, the total of which shall be deductible from Production Royalties:

Date	Amount	
Year 1		
upon signing	\$3,000	
6 month anniversary of signing	\$5,000	
Year 2		
	\$10,000 payable advance	
Year 3 and Beyond	\$15,000 per yea payable advance	in



Mr. Walter E. Heinrichs, Jr. Page 2. 12/12/84

Production Royalty

Production Royalty shall be 4% NSR, payable after recapture of total Advance Royalties. Total Advance Royalties and Production Royalties are deductible from the purchase price (below).

Purchase Price

The Purchase Price for all rights to the SE Claims shall be \$4,000,000, less total Advance Royalties and Production Royalties paid to date of purchase.

Other

Annual labor will be performed by Amselco if the claims are held beyond February 1st of any year.

The Agreement may be terminated by Amselco upon 30 days notice.

All non-interpretive data resulting from Amselco's work on the property will be released to the owners when and if Amselco terminates the Agreement.

Attached are sample results from the Reconnaissance work which Amselco carried out on the SE Claims; we appreciate the opportunity to take a look at your property. I await your response to this proposal.

Sincerely yours,

Richard G. Navlor Project Geologist

RGN/qk

cc: Richard J. Lundin, President
Wallaby Enterprises, Inc. (w/encl.)

B.D. Rayment (w/encl.)

S.J. Kay (w/encl.)

D.W. Blenkarn (w/encl.)

12/13/84 Copies " to J.D.L. & W.G.H.

12/14/84 J.D.L. = WEN. Amselco option period # 10,000 \$ 5,000 Owsigning 12t 6mo, 2nd 6mo. Your 2 \$ 15,000 and yr. Year 3 to Thereafter 20,000 3rd greater 6 year term \$ 105,000 \$ 106,000 \$ 7,000,000 end price Minimum annual rook requirements of the, on in direct costs of exploration drilling will be performed by Auselco on the 3t claims, which work will apply to annual labor.

EXPLORATION INC. 17602 North Black Canyon Highway Suite 105. Phoenix, Arizona 85023 AMSELCO

84207-Amselco 842010-SKyline ROCK GEOCHEM. やしょ 09550

OFFICE PHOGNIX

PROJECT NAME STUPM

No. R- 8513

PROPERTY JE CLAIMS RECON GEOLOGIST R. KNOWLING

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AMSELCO EXPLORATION INC. 17602 North Black Canyon Highway Suite 105 Phoenix, Arizona 85023

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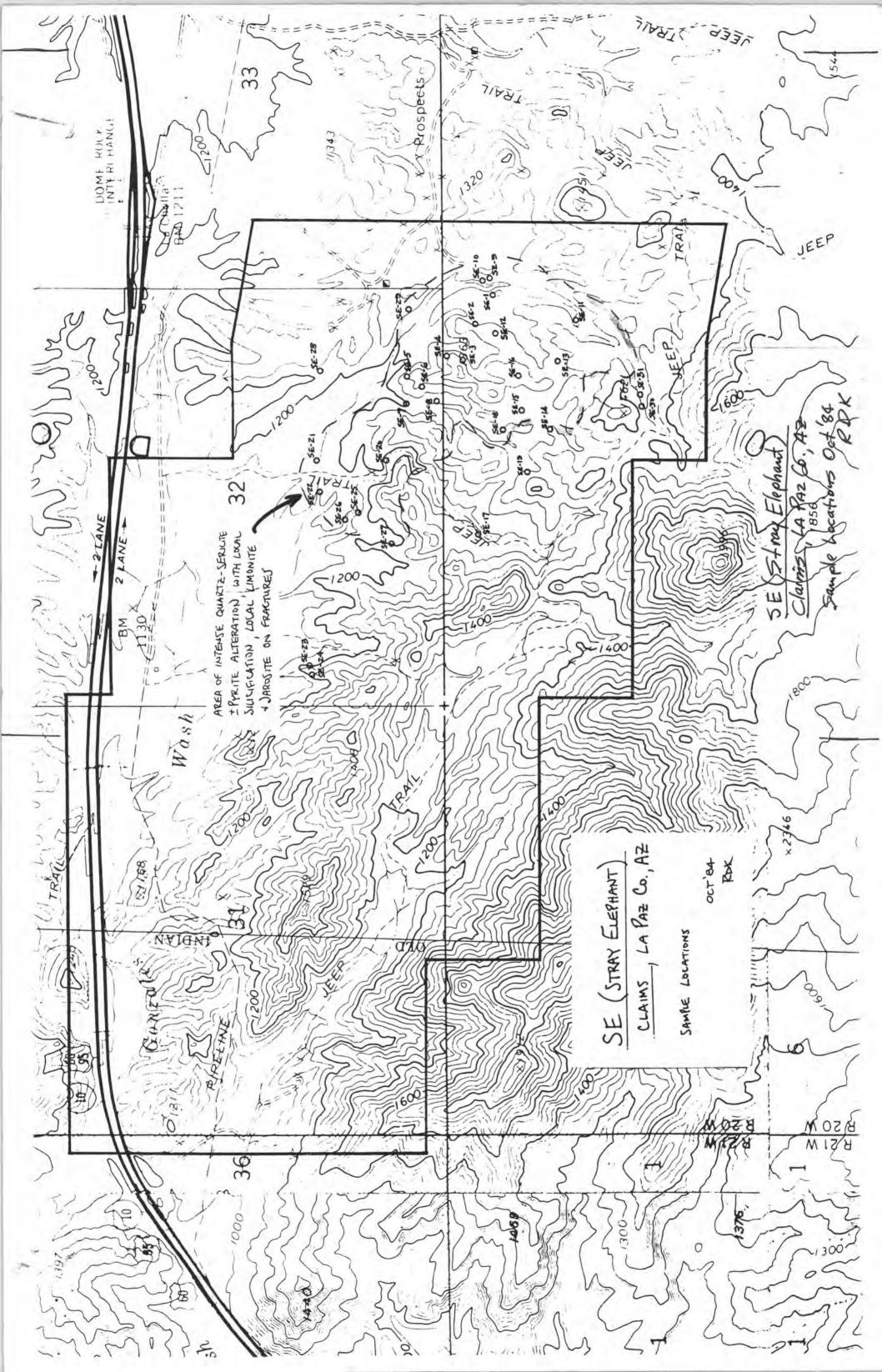
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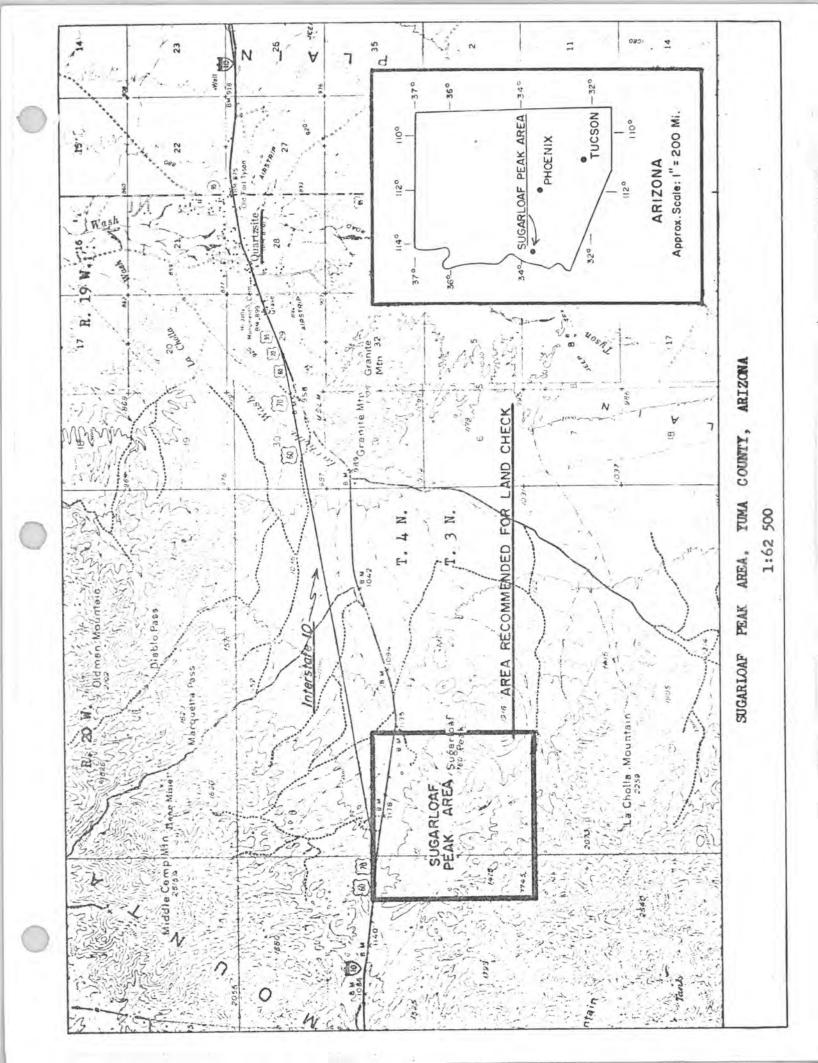
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UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

PRELIMINARY GEOLOGIC MAP OF THE OLAF KNOLLS QUADRANGLE, MOHAVE COUNTY, ARIZONA

Ву

I. Lucchitta and S. Beard

Open-File Report 81-1322

This report is preliminary and has not been edited or reviewed for conformity with U.S. Geological Survey standards and nomenclature.

GEOLOGIC SETTING

This map is part of a regional study of the Grand Wash Fault. Geologic mapping was carried out by Lucchitta in 1973, and by Lucchitta and Beard in 1981.

The Grand Wash fault forms the boundary between the Colorado Plateau and the Basin and Range Province to the west. The fault is a high-angle normal fault that trends approximately north and is down to the west. Along most of its trace, the fault is buried by the Tertiary Muddy Creek Formation and other upper Cenozoic deposits. In this quadrangle, however, the fault is composed of a complex system of subparallel breaks, many of which are excellently exposed along the Grand Wash Cliffs. Typically, these breaks are of small displacement and up to the west. Where the fault system is widest and best developed, the up-to-the-west faults are associated with westerly tilts of 15-30° in the Paleozoic beds. The faulting and tilting combine to maintain structural elevation as one goes west. Substantial net down-to-the-west displacement is attained only at the main breaks. The first of these is composed of en-echeleon segments located at or near the base of the Grand Wash Cliffs, and typically drops the uppermost Paleozoic units (Kaibab, Toroweap and Hermit Formations, and possibly part of the Esplanade Sandstone) against Mississippian rocsk. One or more additional breaks are located west of the Grand Wash Cliffs and are buried by basin fill and other upper Cenozoic deposits. Most of the displacement that formed the basin occurred along these buried faults.

The map area is in a region where stratigraphic units change and thicken rapidly westward form the platform sequence of the Grand Canyon to the shelf sequence of the eastern Great Basin. The changes in stratigraphy, which are matched by changes in nomenclature, are not yet studied adequately. To avoid potential conflicts and to facilitate structural mapping, which is the main purpose of this study, we have simplified parts of the stratigraphic column into map units with distinctive lithologic and outcrop characteristics.

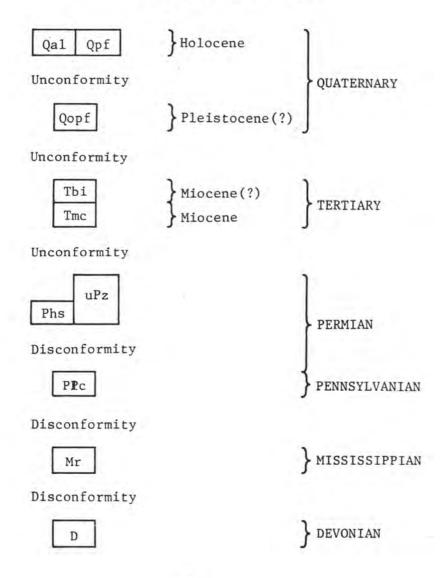
In the classic Grand Canyon section, a thick sequence of redbeds occupies the interval between the Redwall Limestone and the Coconino Sandstone. The redbeds are subdivided into the Supai Group of McKee (1975) and the overlying Hermit Shale. Both are composed of hematitic sandstone, siltstone and shale in various proportions. To the west, the Supai Group becomes increasingly calcareous. At the Grand Wash Cliffs, in rocks equivalent to the Supai Group of McKee, 1975 are composed of well bedded limestone with interbedded reddish cross-bedded sandstone and red shale. Only the upper part of the uppermost unit of the Supai, the Esplanade Sandstone remains carbonate-free. McNair (1951) referred to the underlying calcareous units as the Pennsylvanian Callville Limestone and the Permian Pakoon Limestone. Although disconformities separate many of these units, the main break in lithology and weathering characteristics occurs between the cliff-forming limestones and the overlying slope-forming redbeds of the upper Esplanade and Hermit. We therefore have mapped the former at the Permian and Pennsylvanian Pakoon and Callville Limestones undivided and the latter as the Permian Hermit and Esplanade Formations undivided. The Callville as mapped thus includes rocks equivalent to all the Supai Group of the Grand Canyon except the upper part of the Esplanade Sandstone. A more extensive discussion of the nomenclature and correlations of these rocks is given by G. H. Billingsley (1978).

The Devonian as mapped includes the interval between the unclassified dolomites of McKee and Resser (1945), also called undifferentiated dolomites by Billingsley (1978), and the Redwall Limestone. These rocks are equivalent to the Middle Devonian Temple Butte Formation of the Grand Canyon and the Muddy Peak Formation of the Lake Mead area.

The Muddy Creek Formation is a term applied by Longwell (1936) and Lucchitta (1966) to Miocene interior-basin deposits filling the Grand Wash Trough, even though these rocks are not physically continuous with beds in the type locality (Muddy Valley of Nevada) which were called "Muddy Creek beds" by Stock (1921).

Several inactive copper prospects and mines occur within the quadrangle. In the surface workings, mineralization occurs in cross bedded sandstone beds of the Callville Limestone (sensu latu). Structural control of mineralization appears likely. The presence of basaltic dikes in the vicinity also suggests the possibility of hydrothermal mineralization.

CORRELATION OF MAP UNITS



DESCRIPTION OF MAP UNITS

[Areas marked with queried unit symbols have not been field checked]

- Qal ALLUVIUM (HOLOCENE) -- Silt, sand, gravel, cobbles and boulders in active washes. Consists of angular to subangular, poorly sorted, unconsolidated material of local derivation. Thickness unknown; probably less than 2 m. Grade into, and locally includes pediment gravels
 - PIEDMONT-SLOPE DEPOSITS (HOLOCENE AND PLEISTOCENE)
- Opf Pediment and fan gravels (Holocene)--Silt, sand, gravel, cobbles and boulders on active pediments and fans. Consists of angular, poorly sorted, unconsolidated material of local derivation. Thickness unknown; probably less than a few meters. Pediment and fan gravels grade laterally into each others. Both grade laterally into, and locally include recent alluvium
- Qopf Older pediment and fan gravels (Pleistocene?)--Silt, sand, gravel, cobbles and boulders on gently sloping surfaces that are at various elevations above modern washes, by which they are being dissected. Consists of angular, poorly sorted, unconsolidated material of local derivation. Thickness generally less than 10 m. Pediment and fan gravels grade laterally into each other
- Thi BASALTIC DIKES (MIOCENE)--Porphyritic basaltic dikes, less than 1 m wide. Typically very altered and weathered. The matrix is relatively fresh in a few samples, and is finely crystalline with visible plagioclase and iddingsitized olivine groundmass crystals. The phenocrysts are altered, comprise 5-30 percent of the total rocks, range in size from less than 1 mm to 5 mm, and are composed of iddingsitized olivine, clinopyroxene(?), and probable plagioclase
- Tmc MUDDY CREEK FORMATION (MIOCENE) -- Claystone, siltstone, sandstone, pebble to boulder fanglomerate, freshwater limestone, dolomite and gypsum, deposited under conditions of interior drainage in the Grand Wash basin, which was formed by basin-range faulting. The various facies grade into each other both laterally and vertically. In quadrangle, unit consists chiefly of well- to poorly bedded, moderately consolidated sandstone and fanglomerate containing subangular to subrounded pebbles to boulders of Paleozoic rocks derived from the east. The fanglomerate locally fills steep and narrow canyons and cuts into the Grand Wash Cliffs. Unit is at least 600 m, and probably several thousand meters thick
- uPz (PERMIAN) ROCKS, UNDIVIDED--Includes all or part of the Kaibab Limestone, Toroweap Formation, Coconino Sandstone, Hermit Shale, and Esplanade Sandstone. Present as intricately broken downfaulted wedges

- Phs HERMIT SHALE AND UPPER PART OF ESPLANADE SANDSTONE OF SUPAI GROUP UNDIVIDED (PERMIAN)—Redbed sequence that includes the Hermit Shale and that part of the Esplanade Sandstone of White (1922) that overlies the highest carbonate beds. The Hermit comprises moderately to poorly indurated deep-red siltstone and light-red thin-bedded sandstone. Upper part of the Esplanade includes moderately indurated, brick-red to white, fine-grained, cross stratified, cliff-forming sandstone as well as poorly indurated deep-red gypsiferous shale
- PAKOON LIMESTONE OF MCNAIR, 1951 (PERMIAN) AND CALLVILLE LIMESTONE (PENNSYLVANIAN) UNDIFFERENTIATED—Predominantly light-gray, fossiliferous, locally cherty, well-bedded limestone that forms ledges and ledgy slopes, with interbeds of purplish-red cliff-forming cross bedded sandstone and red slope-forming shale. Thickness about 300 m
- Mr REDWALL LIMESTONE (MISSISSIPPIAN)--Light-gray, aphanitic to crystalline, fossiliferous, mostly thick bedded limestone, cherty in lower part. Forms massive, conspicuous cliff. Thickness 180-200 m
- DEVONIAN ROCKS-Medium- to dark-gray, medium-grained, medium- to thick-bedded, typically fetid dolomite, limestone, and dolomitic sandstone. Upper part forms alternating ledge and slope; lower part forms color banded cliff. Thickness 140-200 m

REFERENCES

- Billingsley, G. H., 1978, A synoposis of stratigraphy in the western Grand Canyoyn: Museum of Northern Arizona Research Paper 16, 27 p.
- Longwell, C. R., 1936 Geology of the Boulder Reservoir flow, Arizona-Nevada: Geological Society of America Bulletin, v. 47, p. 1393-1476.
- Lucchitta, Ivo, 1936, Cenozoiz geology of the Upper Lake Mead area adjacent to the Grand Wash Cliffs, Arizona: Unpublished Ph. D thesis, The Pennsylvanian State University, 218 p.
- McKee, E. D., 1975, The Supai Group-Subdivision and nomenclature: U.S. Geological Survey Bulletin 1395-J, 11 p.
- McKee, E. D., and Resser, C. E., 1945, Cambrian history of the Grand Canyon region: Carnegie Institute of Washington Publication 563, pt. II, p. 171-232.
- McNair, A. H., 1951, Paleozoic stratigraphy of northwestern Arizona: American Association of Petroleum Geologists Bulletin v. 35, no. 3, March.
- Stock, Chester, 1921, Later Cenozoic mammalian remains from the Meadow Valley region, southeastern Nevada: American Journal of Science, 5th Series, v. 2, p. 250-264.

White, D., 1929, Flora of the Hermit Shale, Grand Canyon, Arizona: Carnegie Institute of Washington Publication 405, 219 p.

EXPLANATION OF MAP SYMBOLS

? FAULT-Showing dip, direction and plunge of slickensides, or rake of slickensides. Bar and ball on downthrown side. Dashed where approximately located or probable, queried where doubtful, dotted where concealed.

STRIKE AND DIP OF BEDS

Inclined

Horizontal

MARKER BED



August 29, 1986



Mining Claim SE#23 #AMC 192059

Heinrichs Geoexploration Co. Box 5964 Tucson, AZ 85703

RE: US Sprint Fiber Optic Cable

Dear Sir:

US Sprint plans to construct a fiber optic telecommunication system extending from El Paso, Texas to Los Angeles, California. I have enclosed a brochure to better explain the scope of the project.

On August 7, 1986 the United States Department of Interior, through the Bureau of Land Management, issued a Right-of-Way Grant through Public Lands to US Sprint for the purpose of constructing this fiber optic system. In accordance with BLM instructions, it is the responsibility of US Sprint to identify all mining claims that lie within the limits of the Right-of-Way Grant, and to notify the claimants of our fiber optic cable location.

Enclosed please find a sketch showing the outline of your claim and the approximate location of our fiber optic cable. We will take the necessary precautions to avoid any mining operations and equipment and no material will be removed from the premises.

If you have any questions or need any additional information, please feel free to contact me at our Kansas City office at 913-676-3158.

Sincerely,

James H. Lindhome

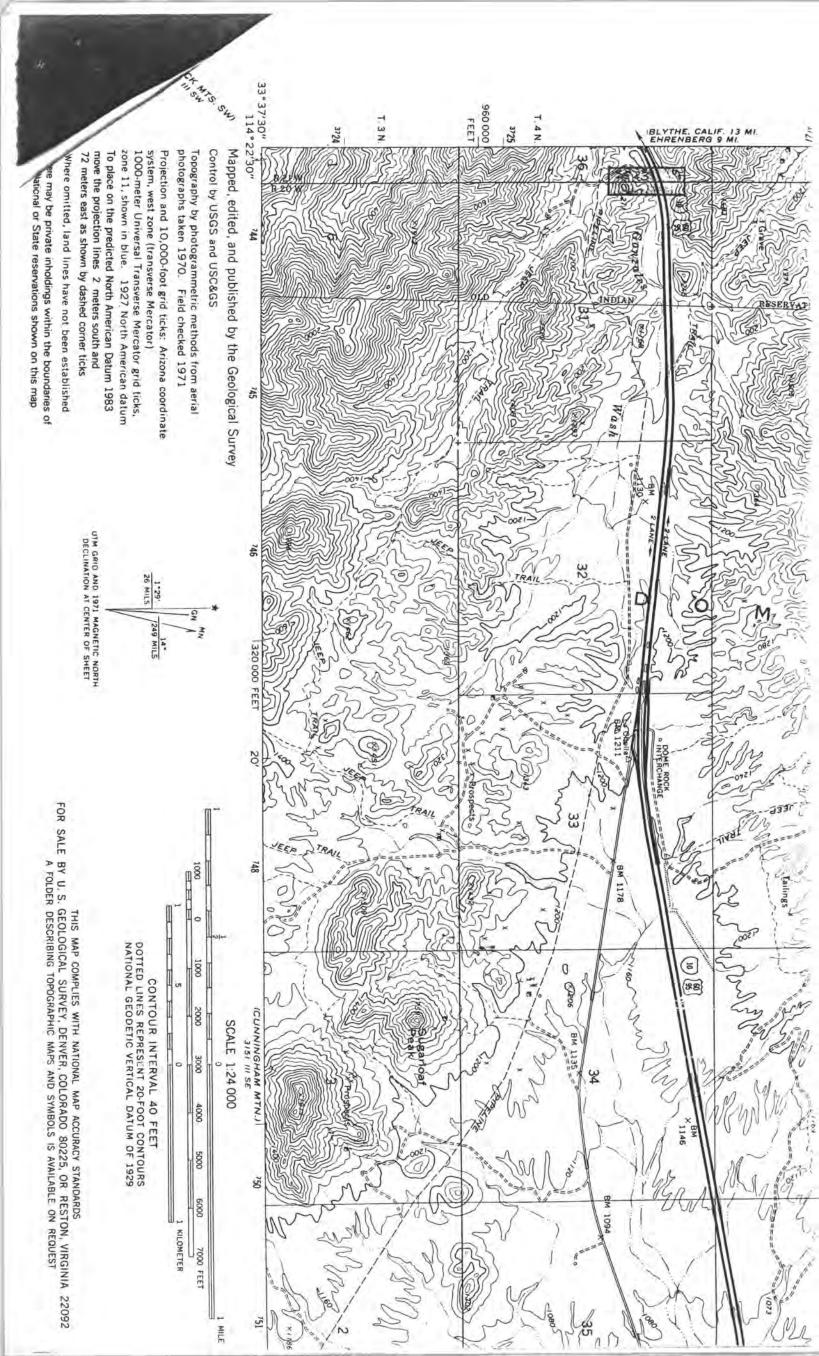
Network Route Development

JHL:bl

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ROSS V. CURLL & ASSOCIATES 14614 FALLING CREEK DRIVE, SUITE 124 HOUSTON, TEXAS 77068 (713) 440-1104



MICROFILMED

ss. I hereby certify that	the within instrument was filed and recorded Fee No.:
11.60	687-689 at the request of 14
Heinrichs Der	epplorating Co.
Then recorded mail to:	Witness my hand and official seal.

HEINRICHS

GEOEXPLORATION CO.

Box 5964 Tucson, Arizona 85703

Phone: (602) 623-0578

Cable: GEOEX

GLENYS E. SCHMITT

14759

Deputy Rootder

MAP OF MINING CLAIM LOCA

1.	Location -	☐ Amenda	nent	Relocation	
2.	Placer	X Lode		☐ Millsite	☐ Tunnelsite
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4.	G&SRB&M,M	Eddle Camp M	ining District, _	Yuma	, Range20W County, Arizona.
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					ocket, Page County, Arizona.
Da	ite 4/5/	86		Millan C. Hir	

ARIZONA STATE OFFICE BU. LAND MANAGEMENT

AP

JUN 3 0 1980 -

7:45 A.M. PHOENIX, ARIZONA

North Arrow



One inch = One thousand feet

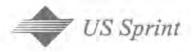
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-		ONE MILE	
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Section	3/	Range .	20W	Township	4N	, G&SRB&M
Section	-	realige .				

Date 4/3/80

William C. Hit



August 29, 1986

Mining Claims SE#1 #AMC 105414 SE#12 #AMC 105425 SE#32 #AMC 105445

Heinrichs Geoexploration Co. Box 5964 Tucson, AZ 85703

RE: US Sprint Fiber Optic Cable

Dear Sir:

US Sprint plans to construct a fiber optic telecommunication system extending from El Paso, Texas to Los Angeles, California. I have enclosed a brochure to better explain the scope of the project.

On August 7, 1986 the United States Department of Interior, through the Bureau of Land Management, issued a Right-of-Way Grant through Public Lands to US Sprint for the purpose of constructing this fiber optic system. In accordance with BLM instructions, it is the responsibility of US Sprint to identify all mining claims that lie within the limits of the Right-of-Way Grant, and to notify the claimants of our fiber optic cable location.

Enclosed please find a sketch showing the outline of your claim and the approximate location of our fiber optic cable. We will take the necessary precautions to avoid any mining operations and equipment and no material will be removed from the premises.

If you have any questions or need any additional information, please feel free to contact me at our Kansas City office at 913-676-3158.

Sincerely,

James H. Lindhome

Network Route Development

JHL:bl



Mining Claims SE#23 #AMC 105436 SE#24 #AMC 105437 SE#25 #AMC 105438 SE#26 #AMC 105439 SE#27 #AMC 105440 SE#28 #AMC 105441 SE#29 #AMC 105442 SE#30 #AMC 105443 SE#31 #AMC 105444

August 29, 1986

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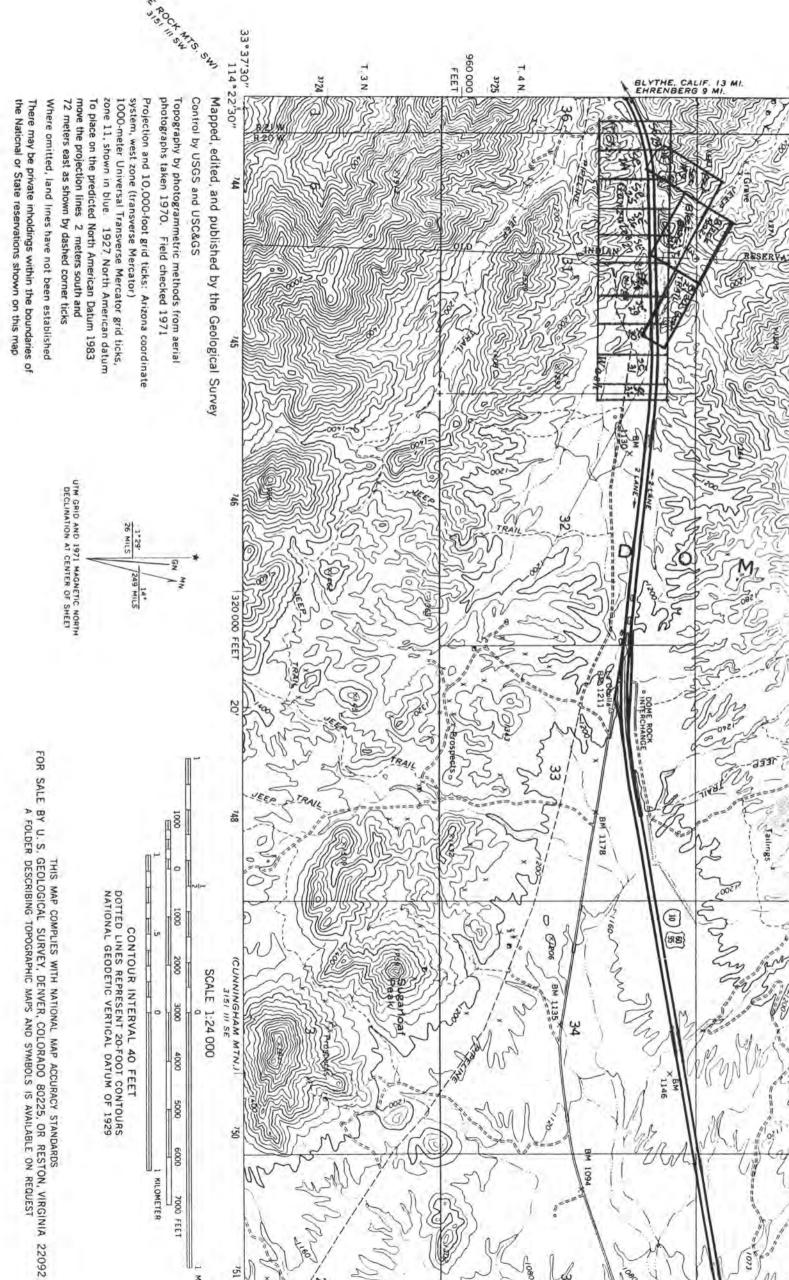
James H. Lindhome

Network Route Development

JHL:b1

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ARIZONA STATE OFFICE BU. LAND MANAGEMENT

JUN 3 0 1980

7:45 A.M. PHOENIX, ARIZONA

North Arrow



One inch = One thousand feet

-		ONE MILE	
ONE MILE	SE # 23		640 ACRES

Section	3/	Range	20W	_ Township	4N	, G&SRB&M

Million C.

6. The bearing and distance between the corners of the claim are beginning at the corner of the claim, _____ feet in a _____ direction to the _____ corner, then 600 feet in a easterly direction to the NE feet in a southerly direction to the SE corner, then 600 feet in a __westerly ___ direction to the point of beginning.

7. If amending, relocating or previously recorded, this claim was recorded in Docket ______, Page

_____ Mining District, _____ County, Arizona.

William C. Hut

Willaim C. Hirt, agent

ARIZONA STATE OFFICE BU. LAND MANAGEMENT

JUN 3 0 1980

MAP

7:45 A.M. PHOENIX, ARIZONA

One inch = One thousand feet

North Arrow

Section .	31	Range _	20W	_ Township _	4N	_, G&SRB&M
Date	4/	1/5/80		_		

Million C. Phit
Signature

nen re	HEINRICHS GEOEXPLOR Box 596	ATION CO. 4 Tucson, Arizona 85703 (602) 623-0578	By Charlene &	MICKE
	MAF	OF MINING	CLAIM LOCA	
1.	☐ Location	☐ Amendment	☐ Relocation) 10 to 2000
2.	Placer	X Lode	Millsite	Tunnelsite
3.	The name of the cla	im isSE # 25		
	The name of the lo	cator is Heinrie	chs GEOFXploration Co.	
4.	The location of the	claim is in Section 31	, Township _L\N	Range 20W
			District, Yuma	
			aim is 4900 feet in a SE	
	SE comer of	section 31		
5.		on monument is	2%2 wooden stakes	
5.	The type of Locati	on monument is and end monuments are	2X2 wooden stakes 2X2 wooden stakes	
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7.	The type of Locati The type of corner The bearing and dicorner of the claim, then 1500 feet in a feet in a souther If amending, relocations, reloc	and end monuments are stance between the corne 600 feet in a west tin a northerly easterly direction to the ting or previously recorded	ers of the claim are beginning terly direction to the direction to theNo ction to theNE the point of beginning. ed, this claim was recorded in	corner, then corner, then corner, then then Docket, Page
7.	The type of Location The type of corner The bearing and discorner of the claim, then 1500 feet in a feet in a souther	and end monuments are stance between the corne 600 feet in a west tin a northerly easterly direction to the ting or previously recorded	ers of the claim are beginning terly direction to the direction to the tion to the the point of beginning. ed, this claim was recorded in any District,	corner, then corner, then corner, then then Corner, then County, Arizona.
7.	The type of Locati The type of corner The bearing and dicorner of the claim, then 1500 feet in a feet in a souther If amending, relocations, reloc	and end monuments are stance between the corne 600 feet in a west tin a northerly easterly direction to the ting or previously recorded	ers of the claim are beginning terly direction to the direction to the NE ction to the NE he point of beginning. ed, this claim was recorded in the District, Distric	corner, then corner, then corner, then then, Page

MAP

ARIZONA STATE OFFICE BU. LAND MANAGEMENT

JUN 3 0 1980

7:45 A.M. FHOENIX, ARIZONA

North Arrow



One inch = One thousand feet

Section	31	Range	20W	_ Township	4N	, G&SRB&M
Sale Land						

Date______4/5/80

Offillesin C. Offit

One inch = One thousand feet

ARIZONA STATE OFFICE BU. LAND MANAGEMENT

MAP

JUN 3 0 1980

7:45 A.M. FHOENIX, ARIZONA

North Arrow



640 ACRES

Section .	3/	Range	20 W	_ Township _	4N	, G&SRB&M
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Date		6/80		_		

Millian C, Hit

unty o	of esumo	1900 001, 10	PM 2 279 at M. 95-696 at the request of	14763
H	corded mail to: EINRICHS EOEXPLORA Box 5964	TION CO. Tucson, Arizona 85703 2) 623-0578	Witness my hand and official seal. GLENYS E. SCHMITT County Recorder By Clarlens & Delley Deputy Becorder	Fee: \$
	MA	P OF MINING	G CLAIM LOCATION	
1.	X Location	☐ Amendment	☐ Relocation	
2.	Placer	\ Lode	☐ Millsite	☐ Tunnelsite
3.	The name of the cl	aim is SE #27		
	The name of the l	ocator is Heinric	chs GEOEXploration Co.	
	G&SRB&M, TheSE to a survey monu.	Middle Camp Mining corner of the c		unty, Arizona.
5.		tion monument is	2X2 wooden stake 2X2 Wood n st	akes
6.	then 1500 feet in a	et in a Northerly	terly direction to the direction to the corner, the point of beginning.	corner, then
7. Da		ating or previously record	ded, this claim was recorded in Docket ing District, Co	ounty, Arizona.
			William C. Hirt, as	
			Signature	~

ARIZONA STATE OFFICE BU. LAND MANAGEMENT

MAP

JUN 3 0 1980

7:45 A.M. FHOENIX, ARIZONA

One inch = One thousand feet

North Arrow



ONE MILE

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Section 31 Range 20W Township 4N, G&SRB&M

Date____4/5/80

William 6, Hit

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n re	corded mail to:		Vitness my hand and official s	eal.
	HEINRICHS	TION CO -	GIENVO E DO	
	Box 5964	Tucson, Arizona 85703	GLENYS E. SCI	Fee: \$
(Cable: GE	02) 623-0578 OEX B	y Clerlene al	Delling 30
•	SPORTAL LATERS			Deputy Recorder
	AAAI	D OF MININIO	CLAIM LOC	ATION
	MAIM	P OF MINING	CLAIM LOC	AHON
			7.1	"Ara : 1/
1,	X Location	☐ Amendment	☐ Relocation	
	-			11111
2.	Placer	Lode	☐ Millsite	☐ Tunnelsite
3.	The name of the cl	aim is <u>SE # 28</u>		
	The name of the lo	ocator is Heinric	hs GEOEXploration Co	
	200 2500 000000	72070	and an internal contract of	
4.	The location of the	claim is in Section _31	, Township _LN	, Range _201/
	G&SRB&M, _FIG	Mining D	istrict,iuma	County, Arizona.
	TheSW	corner of the cla	im is 4100 feet in a	SE direction
	to a survey monut	ment or permanent natural	object described as	
		ment or permanent natural	object described as	
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			object described as	
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5.	SE corner The type of Loca	of section 31	2X2 wooden stake	2 wooden stakes
5.	SE corner The type of Loca	of section 31	2X2 wooden stake	
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6.	The type of Loca The type of come The bearing and corner of the claim then600 feet in a feet in awest.	tion monument is r and end monuments are distance between the corne n,1500 feet in a ret in aeasterly ret in a direction to the corne a direction to the corne cating or previously recorder	2X2 wooden stake 2X 2X rs of the claim are beginn to the direction to the tion to the SE ne point of beginning. d, this claim was recorded.	2 wooden stakes ling at the SW the corner, comer, then corner, then corner, then 600
6.	The type of Loca The type of come The bearing and of corner of the claim then	tion monument is r and end monuments are distance between the corne n,1500 feet in a nort tet in aeasterly asoutherly direct erly direction to the tating or previously recorde Mining	2X2 wooden stake 2X 2X rs of the claim are beginn to the direction to the tion to the SE ne point of beginning. d, this claim was recorded.	2 wooden stakes ling at the SW the corner, comer, then corner, then corner, then 600
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MAP

ARIZONA STATE OFFICE BU. LAND MANAGEMENT

JUN 3 0 1980

7:45 A.M. PHOENIX, ARIZONA

North Arrow



One inch = One thousand feet

ONE MILE	
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Section	3/	Range 20 W	Township 4N	, G&SRB&M
OCCULON				

Date _____4/5/80

William C. Hut

County	of ARIZONA, ss. of yeuro St. Meinric	1980 001 15	within instrument was filed PM 2, 27, at 9 - 700, at	the request of
H	ECORDE MAIL TO: EXINATCHS BEOEXPLORATION Box 5964 Tuc Phone: (602) Cable: GEOEX	ON CO. cson, Arizona 85703 623-0578	Cherline I.S.	
	MAP	OF MINING	CLAIM LOCA	ATION
1,	I Location	☐ Amendment	Relocation	
2.	Placer		Millsite	☐ Tunnelsit
3.	COLUMN COLUMN COLUMN		s GEOEXploration Co.	
	The SE to a survey monumen		rict, <u>Yuma</u> n is <u>3500</u> feet in a <u>S</u> object described as	
	SE corner o			
5.	The type of Location	monument is 2X2 week	oden stake 2X2 wooden	stakes
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One inch = One thousand feet

ARIZONA STATE OFFICE BU. LAND MANAGEMENT

MAP

JUN 3 0 1980

7:45 A.M. PHOENIX, ARIZONA

North Arrow



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William C. Hirt, Agent

One inch = One thousand feet

ARIZONA STATE OFFICE BU. LAND MANAGEMENT

MAP

JUN 3 0 1980

7:45 A.M. FHOENIX, ARIZONA

North Arrow



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Section	51	Range 20W	Township 4N	, G&SRB&M

Date 4/5/80

William Ce. Offit

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	Hees	richs Sively		MCROL
	GEOEXPLORA Box 5964 Phone: (6 Cable: G	TION CO.	Cherlene a	MAITT -
	MA	P OF MINING		
1.	X Location	Amendment	☐ Relocation	ALBOU
2.	Placer	A Lode	☐ Millsite	☐ Tunnelsite
3.	The name of the cl	aim is SE # 32		
	The name of the l	ocator is Heinrich	s GEOEXploration Co	
4.		e claim is in Section 31 Middle Camp Mining Dis		7
	The SW to a survey monu-	corner of the claim ment or permanent natural of section 31		southerly direction
5.	TheSN	ment or permanent natural of section 31	Object described as	
5.	TheSN	ment or permanent natural of section 31	Object described as	
5.	TheSN_ to a survey monutous SE corner The type of Local The type of corner The bearing and of the bearing and of the survey monutous series are survey monutous.	ment or permanent natural of section 31	object described as 2X2 wooden stake 2X2 of the claim are beginni	wooden stakes ng at the
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6.	TheSN	tion monument is and end monuments are distance between the corners a,	of the claim are beginning direction to the SE point of beginning.	wooden stakes Ing at the corner, then corner, then corner, then corner,

One inch = One thousand feet

ARIZONA STATE OFFICE BU. LAND MANAGEMENT

MAP

JUN 3 0 1980

7:45 A.M. FHOENIX, ARIZONA

North Arrow



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Section	3/	_ Range _ 20 W	Township 4N	, G&SRB&M
Date		4/5/8		

Millian C. Hut

3R Computer 6/3/86 cog

DEL TIERRA ENGINEERING & MINING CORP.

HARVEY W. SMITH, E.M. PRESIDENT

Registered Mining Engineer U.S. Mineral Surveyor
U.S. Approved Title Abstracter

Member Board of Governors of the Arizona Dept. of Mines & Mineral Resources

4310 North Brown Avenue / Suite 3 Scottsdale, Arizona 85251 Tel. 602 / 946-3996

May 13, 1986

Bureau of Land Management Department of the Interior P. O. Box 16563 Phoenix, AZ 85011 102348 78667 97158 78667 Richard Add Phina Richa

Gentlemen:

Enclosed are 19 amended lode claim location notices with 1 map attached for the following claims which have been recorded with the La Paz County Recorder:

Pack Sack #s 1-9, Black Boar Ext.,
Black Boar #s 2-4, Blue Bird #s 2-6 and
Millsite Blue Bird #1
lodes

While these are amended notices, we are enclosing a check as the for \$95.00 for the filing fee inasmuch as the original notices and the property of the filing has been completed.

Sincerely,

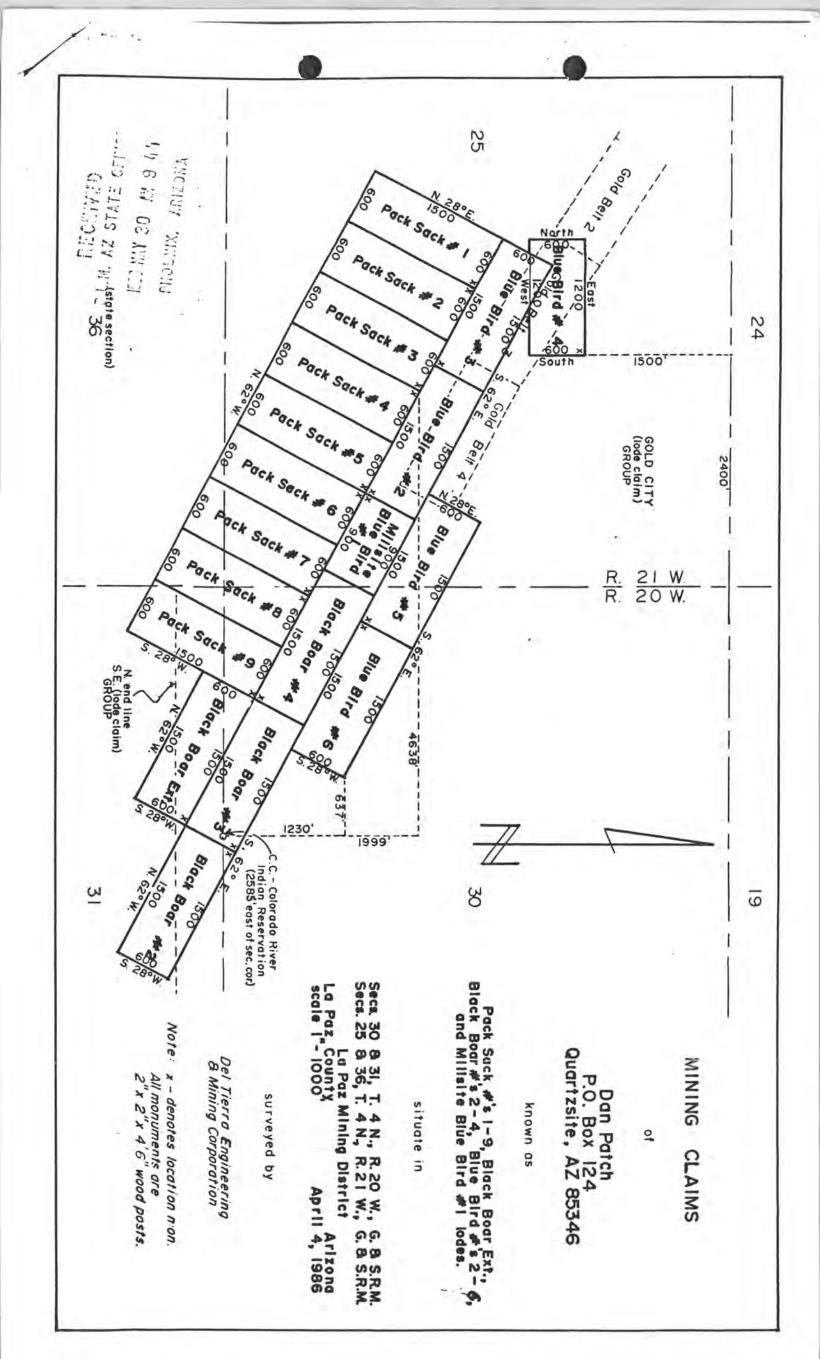
Harvey W. Smith, E.M.

President

HWS/hm

6/2/1986

Enclosures - hand carried



- E	si.	6	86- 0400/6
SU- 0100		INDEXED -	MICROFIL MED
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County of La Par St.		instrument was filed and r	scorded Fee No.:
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In-Deales No. 100 at the		hth	
The second secon		and the same of th	Indexed:
When recorded mail to: CACC	Mary :	hand and official seal.	Compared:
1 3cuc	14 1	Lois K. House	
Dan Patch			Photostated:
1/1 32 -P.O. Box 124	THE OF ANITON	County Rec	Fee: &
	BHIA		
85346		Deputy nec	F. PGS.
The second secon	M 111	773	
	Quit-Clain	n-meed	
-For the consideration of Ten Dollars, ar	nd other valuable consis	derations, I or we. Downi	a Danka
		P.O.	Box 1005
reby quit-claim to Dan Patch			zsite, AZ
P.O. Box 124			346
Quartzsite, AZ	85346		
right, title, or interest in the following re	eal property situated in	La Paz	
			County, Arizona:
Nineteen lode mining cl	aims as describe	ed below and record	ed at Yuma, AZ
Claim Name	Docket	Pages	BIM Federal Serial No.
Black Boar #2	1126	. 105	NO 102240
Black Boar #3	1126		AMC-102348 AMC-102349
Black Boar #4	1126		AMC-102350
Black Boar Ext.	1274		AMC-163429 -
-da 5			103123
Millsite Blue Bird #1	1139	255	AMC-97158
Blue Bird #2	1139		AMC-97159
Blue Bird #3	1139		MC-97160
Blue Bird #4	1139	250	MC-97161
Blue Bird #5	1139		MC-97162
Blue Bird #6	1139	798	MC-97163
Pack Sack #1	1150	992-993-994	
Pack Sack #2	1150		MC-98667
Pack Sack #3	1150		MC-98668
Pack Sack #4	1150		MC-98669
Pack Sack #5	1151 .: !		MC-98670
Pack Sack #6	1151		MC-98671
Pack Sack #7	1151		MC-98672 MC-98673
Pack Sack #8	1151	120 000	MC-98674
Pack Sack #9	1151		MC-98675
		30.30	
The mining claims herein	described are	located in Sections	25, 30, 31,
Township 4 North Range 2 be free and clear of any	t and all liese	.S.R.B.M. and are w	arranted to
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ye .			B.L.M. AZ STATE OFFICE
			FEB 1 2 1986
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NOTICE IS HEREBY GIVEN THAT Dan Patch, a citizen of the United States, hereby claims the land hereinafter described as a Lode Mining Claim, under and pursuant to the laws of the United States of America and the State of Arizona, having discovered a lode, vein or deposit of valuable minerals within the limits of this claim as hereinafter established.

LODE CLAIM

THAT Black Boar Ext. lode mining claim was located by Dorris Parker on March 15, 1982, the Location Notice of which is recorded in Docket 1274, pages 744.745 Yuma County Records. B.L.M. Serial # A MC 163429.

Black Boar Ext. lode, and the THE NAME of the claim is claim so located, is 1,500 feet in length and 600 feet along the surface in width, claiming 300 feet on each side of the centerline; the "location monument," at which a copy of this notice is posted, is adjacent to the corner of this claim on a separate 2" x 2" post. A copy of this notice is also posted on the centerline, 10 ft. from the east end center. The general course of this claim is Northwest to Southeast.

THE UNDERSIGNED has distinctly marked the said location on the ground, so that its surface boundaries may be readily traced, by six substantial posts at lease 2" x 2" x 4'6", one at each corner and one at each end center, each so marked or inscribed as to indicate the intended location.

SAID CLAIM is situated in the La Paz Mining District, La Paz County, State of Arizona, and is more particularly described as follows:

BEGINNING at the Northeast corner monument, which is located Massack/South 391 ft. and Basek/West 141 ft. from the Closing Corner of Sections 30 & 31, Tp. 4 North, R.20 West, Gila & Salt River Meridian; thence,

300 feet 3.28°W. to the East end center; thence to the S.E. corner; thence 1,500 feet N.28°E. to the West end center; thence to the West end center; thence to the West end center; thence to the N.W. corner; thence to the point and place of beginning.

Said claim is located in the:

 SW
 1/4 of Sec.
 30 , Twp. 4 N., Range 20 W.

 NW
 1/4 of Sec.
 31 , Twp. 4 N., Range 20 W.

 1/4 of Sec.
 , Twp. 4 N., Range W.

 1/4 of Sec.
 , Twp. 4 N., Range W.

 Gila and Salt River Meridian.

THE PURPOSE of this amended notice is to more definitely describe the locality and boundaries of the claim and to correct any irregularities, errors or defects which may have existed or may exist in the original location of the record thereof, and is made without waiving any rights acquired under and by virtue of the original location. If the original location is, at the time of this amendment, ineffective for any reason, it is the intent of the owner that this amended notice be an original Notice of Location.

Dated and posted on the ground this 27 day of March, 1986.

LOCATOR:

DAN PATCH P. O. Box 124 Quartzsite, AZ 85346

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By:

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ATTACHMENT A

Name of Claim	BLM Serial Number	La Paz C	County
Name of Class	AMC No.	Book	Page
SE #1-52	105414-105465	1168	643-746
SE #57-62	105466-105471	1168	747-758
SE #101-120	186704-186723	1303	729-770

RECEIVED
B.L.M. AZ STATE OFFICE
DEC 3 1 1985
OV. 45 A.M.
PHOENIX: ARIZONA
"Postmarked timely" AM

AFFIDAVIT OF PERFORMANCE OF ANNUAL WORK

State of Arizona) ss. County of La Paz I, Richard J. Lundin of 372 Hackberry Circle Prescott, Arizona 86301 being duly sworn according to law deposes and says that he is a citizen of the United States more than eighteen years of age and that all of the facts set forth in this affidavit are true and correct according to the best of his knowledge, information and belief.

That he is personally acquainted with the mining claims named in Attachment A that are situate in the Middle Camp Mining District, La Paz County, Arizona, the location of which are recorded in the office of the County Recorder of that County in various Books and Pages. (see Attachment A) Notices of Location are posted located in Sections 6,7,18, Township 12N, Range 2E, G&SRB&M.

That between the dates of September 1, 1984 and August 31, 1985 at least Eight Thousand Three Hundred (\$8,300,00) dollars worth of work and improvements were made and performed upon this claim not including location work.

The work and improvements were made by and at the expense of Walter E. Heinrichs, James D. Loghry, William C. Hirt and Richard J. Lundin, owners of the property for the purpose of complying with the laws of the United States pertaining to assessments or annual work.

Richard J. Lundin, James D. Loghry, Michael Russ, William Fiern, and Chris Herald were the names of the persons employed by the owners who labored to do the work and improvements. All of the above mentioned individuals are senior Geologists or Mining Engineers with many years experience in all phases of mineral exploration.

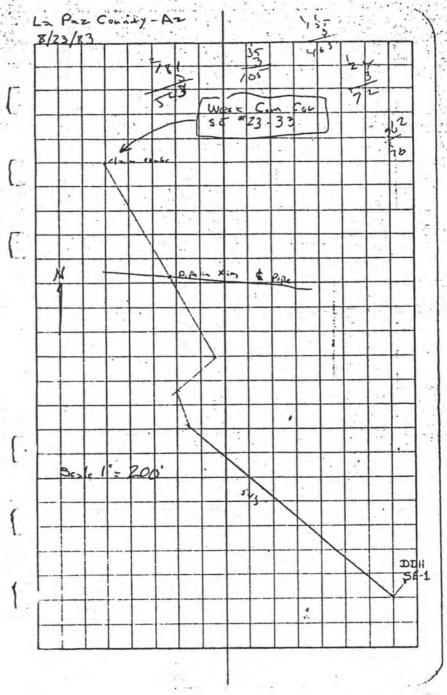
The work and improvements done consisted of: sufface geochemical
surveys, and the preparation of a Summary Report describing the
results of an integrated program of detailed geologic mapping and
geophysical studies. (See Attachment B)
Dated 11/27/85 June Trelas June
Cimatum

BLM. AZ STATE OFFICE Subscribed to and sworn before me, a Notary Rublic, this fore me, a Notary Rublic, this 27th, 1985, by Richard J. Lundin of the Ruble of the day of November

My Commission expires

"Postmarked timely" At OTAL AM.

Notary Public



Surveyed Location Drill Hole SE-1 F.W. Mack 8/83

(C)

CHEMEX LABS LTD.

212 BROOKSBANK AVE NORTH VANCOUVER, B.C CANADA V7J 2C1

TELEPHONE: (604) 984-0221

TELEX:

043-52597

ANALYTICAL CHEMISTS

· GEOCHEMISTS

REGISTERED ASSAYERS

CERTIFICATE OF ANALYSIS

1 : AMOCO MINERALS COMPANY

U.S.A. MINERALS EXPLORATION DIVISION

P.O. BOX 3986

7200 SOUTH ALTON WAY

ENGLEWOOD, COLORADO

CERT. # : A8316681-001-A

INVOICE # : 18316681

DATE : 7-DEC-83

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ATTN: FRANK MACK CC: AMOCO MINERALS

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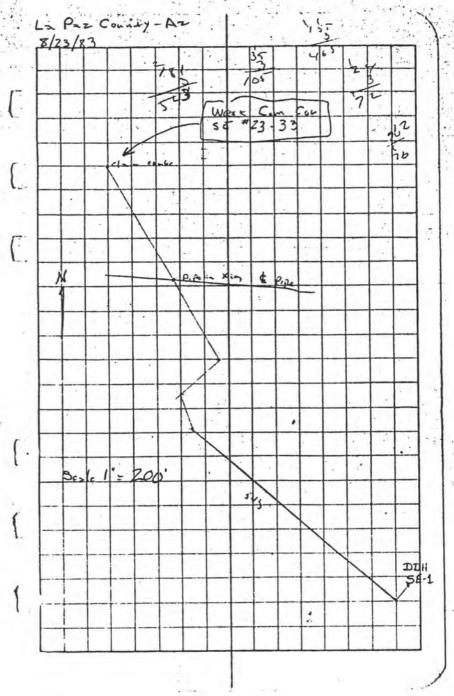
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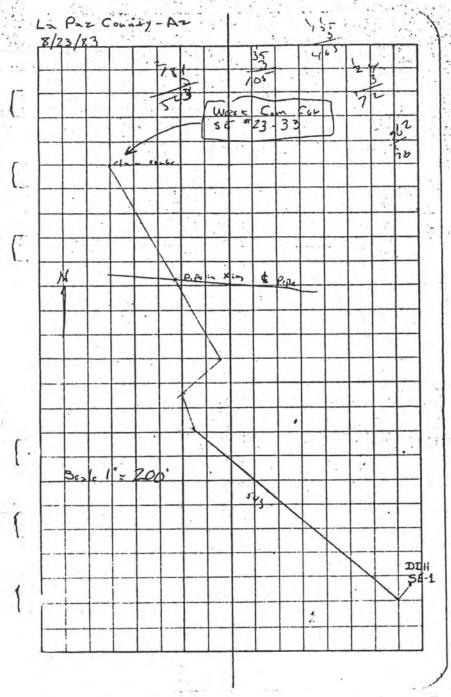
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Surveyed Location Drill Hole SE-1 F.W. Mack 8/83

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WOMBAT MINING COMPANY 3425 W. Bardot St. Tucson, Arizona 85747

October 13, 1985

Mr. R. W. McPherson, Vice President-Finance Haber Inc. 470 Main Rd., Towaco NJ 07082

Dear Mr. McPherson:

As per our conversations of yesterday, please find enclosed copies of information on the SE holdings in the La Paz-Middle Camp Mining District, La Paz County, AZ. As you know, Jim Loghry, Walt Heinrichs, Bill Hirt and I hold the SE claim group and I was responsible for the discovery of the adjacent Westworld-AMSELCO deposit(see figure 1 enclosed). Recently, Haber Chemical Co. has issued a series of announcements that it has a major, "worldclass" gold system associated with an extensive vein system that outcrops at the Goodman mine and continues on to the southeast and disappears under alluvial cover. The system appears to cross the Parker Holdings and has been found to extend through our holdings onto the holdings of Westworld-AMSELCO. Recent work on our ground by Gulf Minerals delineated a series of Mercury geochemical anomalies along the buried trace of this system and three, large and extensively fractured areas with surface gold values up to 25 ppm Au/T. (.729 ozs. Au/T.). Recent drilling (reportedly up to 50 shallow holes) in two of these areas on the Westworld-AMSELCO claims has delineated up to 100,000,000 tons of material that would contain 1.5 million ounces of gold and 25 million ounces of silver (Dausinger, N.E., (1981)). There has been no drilling in the adjacent area of alteration and anomalous gold values on the SE claims but sampling efforts of Labradorex and Echo Bay have turned up gold values up to 5.0 ppm Au/T. (.146 ozs. Au/T.) This area of intense alteration and anomalous gold values is found in the hanging wall of another low-angle shear system that is parallel to the Goodman vein-shear system. Past drilling along this system to the northwest by Royal Investment Corp. and Kerr-McGee Corp. delineated a 3-10 million ton coppergold system that outcrops along the Interstate. This system may dip into the Goodman vein-shear system at depth according to some Anschutz seismic data that I saw in 1969.

After discussing the situation with my partners, it was decided that we would be willing to deal with Haber, Inc. on a lease/option or sale basis. I was appointed agent for the partnership and asked to follow up this letter with a meeting with your technical people on the ground. Towards this end and in light of our conversations, I have enclosed some summary



WOMBAT MINING COMPANY

3425 W. Bardot St.

Tueson, Anizano 85741

information on the SE group. Some of it is quite old and reflects our thoughts prior to my work on the Westworld SP property. It and our recently compiled and published Property Submittal Sheet should give you some basic data on the property. Also enclosed is a rough copy of our Geological and Geochemical Sample Location Map with the various company sample locations and values plotted. We have the original company data and are currently working on a more detailed surface map of the gold-rich area in sections 32 and 5. The various company samples are indicated thus:

N=Newmont
ASE=American Selco
G=Gulf Minerals
FMC=FMC Corp.
AM=AMOCO
QT=Texas Gulf
SE=Wallaby Enterprises
A=AMAX
LTL & LJW=Labradorex
BC=Bear Creek
W=Wallaby Enterprises for Westworld Oil & Gas
U=Utah International
F=Felmont

Currently, both Gold Fields and Echo Bay are looking at the property and have both expressed an interest in a lease/option agreement.

The deal that we have specifically in mind is outlined below and is similar to the agreements that we had with AMOCO and Gulf Minerals.

Purchase Price: \$12,000,000 or \$6,000,000 + a PERPETUAL NSR OR EQUIVALENT ROYALTY OF 4% ON FEDERAL LAND AND 2% ON STATE LAND. ALL PAYMENTS, INCLUDING PRODUCTION ROYALTIES ARE APPLICABLE TO THE PURCHASE PRICE.

Payments toward Purchase Price:

lst Year: \$12,000.00 2nd Year: \$18,000.00 3rd Year: \$24,000.00 4th Year: \$30,000.00 5th Year: \$36,000.00

ALL PAYMENTS, EXCEPTING PRODUCTION ROYALTIES, STRUCTURED AS CAPITAL GAINS. 5 YEAR TERM TO THE AGREEMENT.



WOMBAT MINING COMPANY

3425 W. Badot St.

Tucson, Arizona 85,747

Notice: 90 DAY NOTICE REQUIRED PRIOR TO DROPPING THE CLAIMS. ANNUAL LABOR MUST BE PERFORMED IF CLAIMS HELD BEYOND FEBRUARY 1 OF ANY YEAR.

Work Requirement: \$7,800.00 WORTH OF DRILLING DURING THE 1985-1986 ASSESSMENT WORK PERIOD.

Payment Schedule: ALL PAYMENTS MUST BE PAID AT THE BEGINNING OF EACH LEASE PERIOD.

I hope that this letter will answer most of your questions and provide a starting point for a mutually beneficial business relationship. I have also included some general information on other properties that I have an ownership interest through Wombat Mining Company am listing through our Mining Property Brokerage, IREN/Western Property Specialists Inc. and am managing through our geologic consulting company, Wallaby Enterprises Inc. In addition, I have included some general information on these other organizations and the services that they offer.

Richard J. Lundin, Owner

Wombat Mining Co. & President,



WOMBAT MINING COMPANY 3425 W. Bordon St. Tucson, Arizona 85741

April 1981

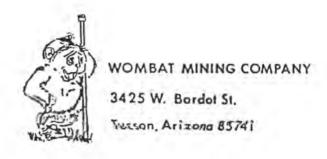
SE Claims Summary Sheet

The SE claims are in the Middle Camp-Oro Fino mining district in the Dome Rock Mountains in Yuma County, Arizona. The claims are immediately south of Interstate 10, about eight miles west of Quartzsite, Arizona and about thirteen miles east of Blythe, California. The claim group consists of \$8000 lode claims, located in sections 31 and 32 T4N R2OW, sections 5 and 6 T3N R2OW, and section 36 T4N R2IW, totalling about 1120 acres. This area is shown on the Middle Camp Mountain USGS 7 1/2 minute topographic map. The claims bear US BLM Serial Numbers AMC 105414 through AMC 105471. They were staked in 1980.

Ownership of the claims rests with four Arizona residents, each with a one quarter undivided interest. These people are Walter E. Heinrichs, Jr., William C. Hirt, James D. Loghry, and Richard J. Lundin, all of Tucson, Arizona.

The exploration target is a porphyry copper-molybdenum deposit. During the period 1962-1975, mapping, sampling and rotary and diamond exploration drilling totalling approximately 18,500 feet was done by several concerns, one of them a major oil and mining company. Results of some of this work are available and are included as a part of this submittal. We feel that the mineralization disclosed thus far warrants further investigation.

Further information may be obtained by writing to any of the four owners at the above address or by telephoning 602-623-0578.



June 12, 1981

SE Claims Geological Synopsis

The SE claims are in the Middle Camp - Oro Fino Mining District in Yuma County, Arizona. Past production from the district includes over 12,000 ounces of gold with 1500 ounces of contained silver from placer operations and minor production of lead, zinc, copper, gold and silver from several small lode mines.

The dominant rocks exposed within the district in the Dome Rock Mountains are Precambrian schist and granite. In the SE claim area, these rocks have been intruded by a stock of probable Laramide age. Extrusion of a Tertiary quartz porphyry flow followed; outcrops of this rock are found capping Sugarloaf Peak and scattered north of I-10. Late Tertiary gravels and Quaternary alluvium lap up onto the mountains.

Porphyry copper-type alteration is well developed within the claim area; alteration types include propylitic, pyritic, phyllic, and potassic. The original geometric relations between the various alteration zones have been obscured by structural dislocations along faults.

Surface geochemical sampling has disclosed anomalous lead, zinc, molybdenum, bismuth, and tin values.

Primary copper mineralization (disseminated chalcopyrite now partially oxidized to various copper oxide minerals) is found on the surface in the Hancock Wash area (Hancock Wash is the large wash in the south half of section 31 T4N R2OW). This mineralization is associated with a block of exposed potassic alteration.

A minimum of 18,500 feet of recorded rotary and core drilling has been carried out in the Sugarloaf Peak area by various companies; data from some of this drilling is available in addition to other reports and maps and is included in the larger body of text which is available on request. The reader's attention is drawn to DDH Q-1 through Q-6. These holes were drilled in the Hancock Wash area intercepting schist and quartz monzonite (a phase of the



WOMBAT MINING COMPANY
344785Wk. Bordot St.

Tucson, Ariz noo 85747

Laramide (?) intrusive). DDH Q-1, which was drilled mostly in schist, had intercepts of 200 feet of about 0.6% copper from the surface to a depth of about 200 feet; the copper is in the form of brochantite, chrysocolla, and malachite, partly disseminated and partly on fractures, and also disseminated and veinlet chalcopyrite. There is a further 30 feet of approximately 0.6% copper (disseminated chalcopyrite + bornite) at 400 - 430 feet. The mineralization in Q-1 is associated with sericite and biotite alteration.

DDH Q-3 intercepted 203 feet of 0.43% copper mineralization, mostly in quartz monzonite, from about 190 feet to about 400 feet of depth. The mineralization is in the form of chalcopyrite associated with phyllic alteration (quartz-sericite-pyrite).

Increased amounts of molybdenum are associated with the copper mineralization intercepted in DDH Q-1 and Q-3, and probably elsewhere as well.

In DDH Q-6 was found 50 feet of 0.2% copper in a faulted block of quartz monzonite. The mineralization is chalcopyrite associated with quartz-sericite-pyrite alteration and some tourmaline.

Tourmaline was noted in all of the Q holes, but most strongly in holes Q-2, Q-4, and Q-6, both disseminated and in veinlets.

Many of the earmarks of economic perphyry cupper deposits found elsewhere in the Southwest are present in the Sugarloaf Peak area. These include the Pb-Zn-Mo geochemical anomalies, the well developed and widespread alteration zoning, presence of abundant alunite and tourmaline, and outcrops of disseminated copper mineralization in a potassic alteration zone. All these favorable geological characteristics taken with the data gathered thus far, indicate that more work is warranted to test for the presence of economic quantities of disseminated copper - molybdenum mineralization in the Sugarloaf Peak area.

William C. Hirt Geological Engineer and Metallurgist

c. Cross Section through Sugarloaf Peak, dated May 1973.

d. Magnetometer Survey Profiles, dated May 1973.

Assay and Core Logs for DDR Q-1 through Q-6 (NX core holes drilled in

Map titled "Quartzsite Geology and Alteration" dated February 1975

Undated Map showing drill hole locations and claim block outline.

Map titled "Quartzsite Project, Yuma County, Arizona", dated May 30,

Geologic Map of the Central Dome Rock Mountains by W. J. Crowl, 1975

1974-1975).

10. SE Claim Group Map, 1980.

showing location of Q holes.

1975 showing location of Q holes.

(University of Arizona thesis).

PROPERTY SUBMITTAL

1. Mineral Commodity(ies): Cu, Au, Aq, Mo

2. Location: Sections: 31,32,5,6,36 Twp.: 3N,4N Range: 20W & 21W

County: La Paz State: AZ

Property Name: SE (Stray Elephant) Group

Property I.D. Number: WOM05

3. Land Controlled

- a) Mining Claims: 78 unpatented lode claims
- b) Fee Leases: N/A
- c) Federal Leases: N/A
- d) State Leases: 320 acres under State of Arizona Prospecting Permit
- e) Indian Leases: N/A
- 4. Information available
 - a) Geologic Report: Numerous unpublished company reports by Royal Investment Corp., Kerr-McGee Corp., Gulf Minerals Corp. Wallaby Enterprises Inc., AMOCO Minerals Inc.-all available
 - b) Drill Hole Data: 12 core or rotary holes have been drilled on the property by Royal Investment Corp., Kerr-McGee Corp. & AMOCO Minerals Inc.- partially available
 - c) Assay Data: Royal Investment Corp., Kerr-McGee, Newmont, Gulf Minerals, AMSELCO, Texasgulf Western, Labradorex, AMAX, First Mississippi Corp., Felmont Oil Co., FMC, Echo Bay, Meridian Minerals and Wallaby Enterprises Inc.-all available
 - d) Feasibility Study: N/A
 - e) Other:
- Production History (if any): minor, high grade Cu-Au-Ag production.
- 6. Offering Conditions
 - a) Are there any limitations on access to information or to the site? There are no restrictions on the data. Anyone visiting the property should be accompanyed by the owner's representative.

b. Size range of the deposit: According to a Royal Investment Corp. Report on the property, the drill indicated reserves of the copper-rich portion of the property are reported at 3,600,000 tons of mixed oxide and sulphide copper bearing ore that would probably average 1.575% Cu/T., .002 ozs. Au/T. On the basis of later work, Kerr-McGee personnel estimated that the reserve potential might be in the order of 10,000,000 tons of material that would average 1% Cu.

The potential tonnage of the gold-rich portion of the system is unknown at this time. On the adjacent SP property of Westworld Oil & Gas, a recently completed, shallow, drilling program delineated a potential of up to 100,000,000 tons of material that would contain 1.5 million ounces of gold and 25 million ounces of silver (Dausinger, N.E. (1983) It is felt that a major portion of this system extends on to the SE claim group.

c) Is the primary interest to sell the property or to obtain a joint venture partner? The owners are primarily interested in a lease/option arrangement.

- d) May the property be shown on an exclusive basis? The property may be shown on a cooperative listing basis with IREN/WPS Inc.
- 7. Owner or Person to contact

Name: Richard J. Lundin, owner

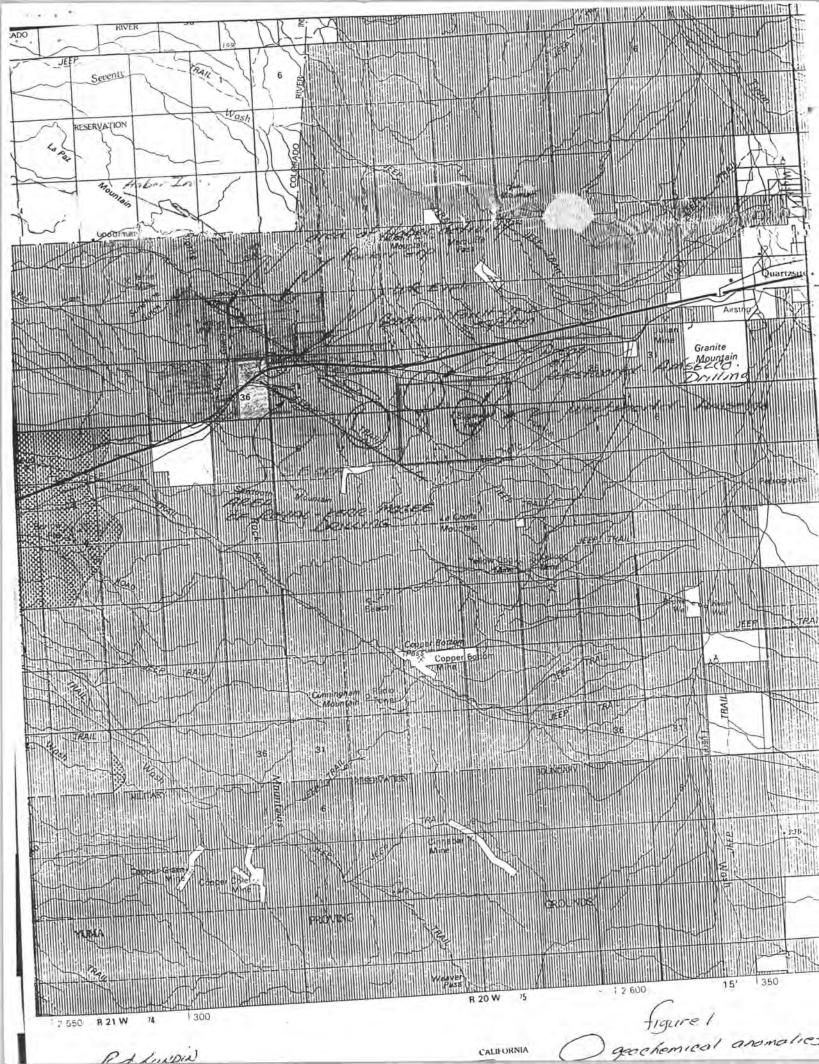
Wombat Mining Co. (25% owner & agent)

Address: 1555 Iron Springs Rd. #39, Prescott AZ 86301

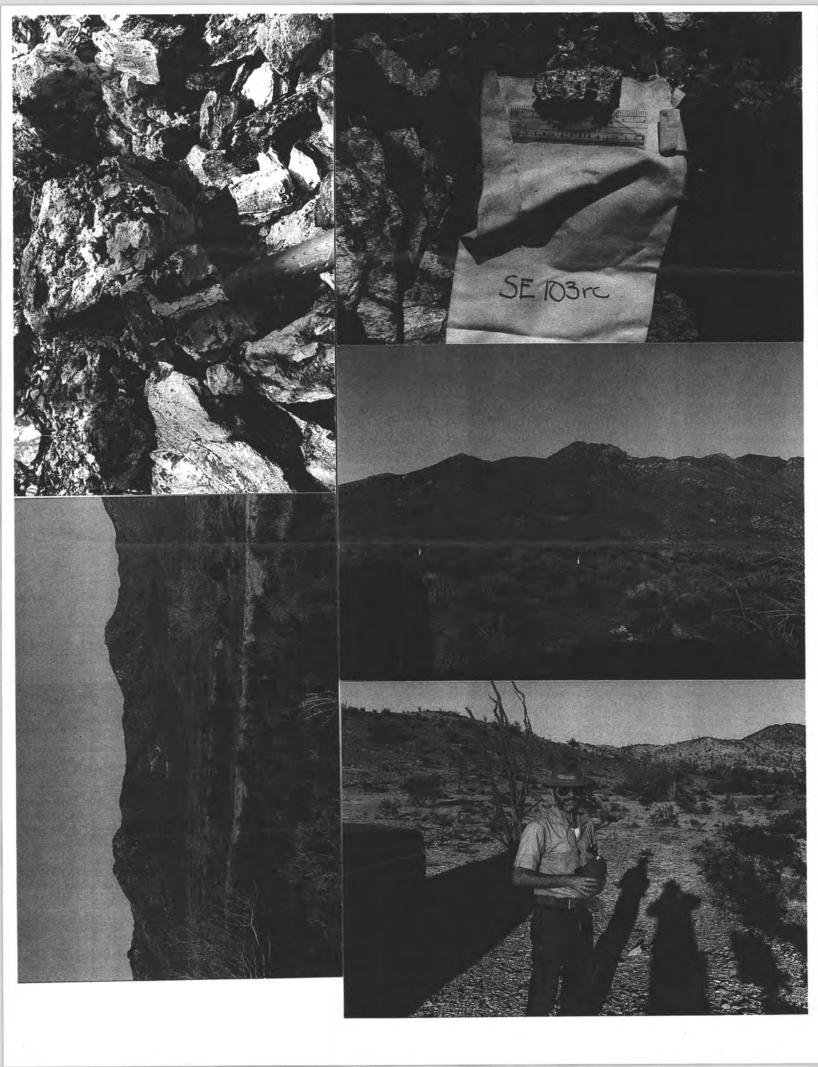
Phone: (602) 445-9354 (office)

8. General Comments(optional): The property is an old Copper-Gold-Silver producer. Past drilling efforts by several major mining companies delineated a near-surface Cu-Au system. Recent work has delineated extensive areas of intense low-angle shearing and alunite-sericite alteration and silicification with associated gold and molybdenum mineralization. In the gold-rich portion of the property are bodies of strongly fluidized breccia that have anomalous gold contents (up to 5.00 ppm Au/T.)

From the data at hand, it appears that there is the potential for a 5,000,000-10,000,000 ton copper-silver-gold deposit in the copper-rich portion of the property and several other large gold-silver-molybdenum deposits in the gold-rich portion. The gold-rich portion of the property has not been tested by drilling. Ore-grade drillholes on the adjacent SP group are within 500' of the eastern boundary of the common SE claim boundary.



Western Property Specialists, Inc. 1555 Iron Springs Road, Suite 39 Prescott, Arizona 86301 P. O. Box 1036 1617 Showrod Dure Present AR



STATEMENT OF COSTS OF WORK SE #23 THROUGH SE #30, SE #33 THROUGH SE #40, AND SE #43 THROUGH SE #51 MINING CLAIMS LA PAZ COUNTY, ARIZONA

October, 1983

1.	Sa	laries	and	Benefits:	
		The state of the s			

	A. G. Humphrey (1 day)	\$	365.24
	F. W. Mack (3 days)	7.	728.58
	M. L. Fuller (7 days)		739.72
2.	Room and Board Expenses:		
	A.G. Humphrey (1 day)		52.00
	F. W. Mack (3 days)		104.00
	M. L. Fuller (7 days)		364.00
3.	Geochemical Sample Analyses:		169.00
	Total:	\$ 2	522 54

A. G. Humphrey
Manager, Minerals Exploration - U.S.A.
Amoco Minerals Company
Engloyed Colombany

Englewood, Colorado

February 2, 1984

Date

STATEMENT OF QUALIFICATIONS

I, A. G. Humphrey, residing at 5798 South Galena Street, Englewood, Colorado:

- Possess a B. A. Degree in Geology from DePauw University, Greencastle, Indiana, 1950.
- Possess an M. S. Degree in Geology from the University of Colorado, Boulder, Colorado, 1955.
- Have continuously practiced the profession of mining geology since 1955.
- Am Manager, Minerals Exploration U.S.A. for Amoco Minerals Company, Englewood, Colorado, in charge of all exploration activities for that Company in the United States.
- Am a Registered Professional Geologist (No. 156) in the State of Idaho.

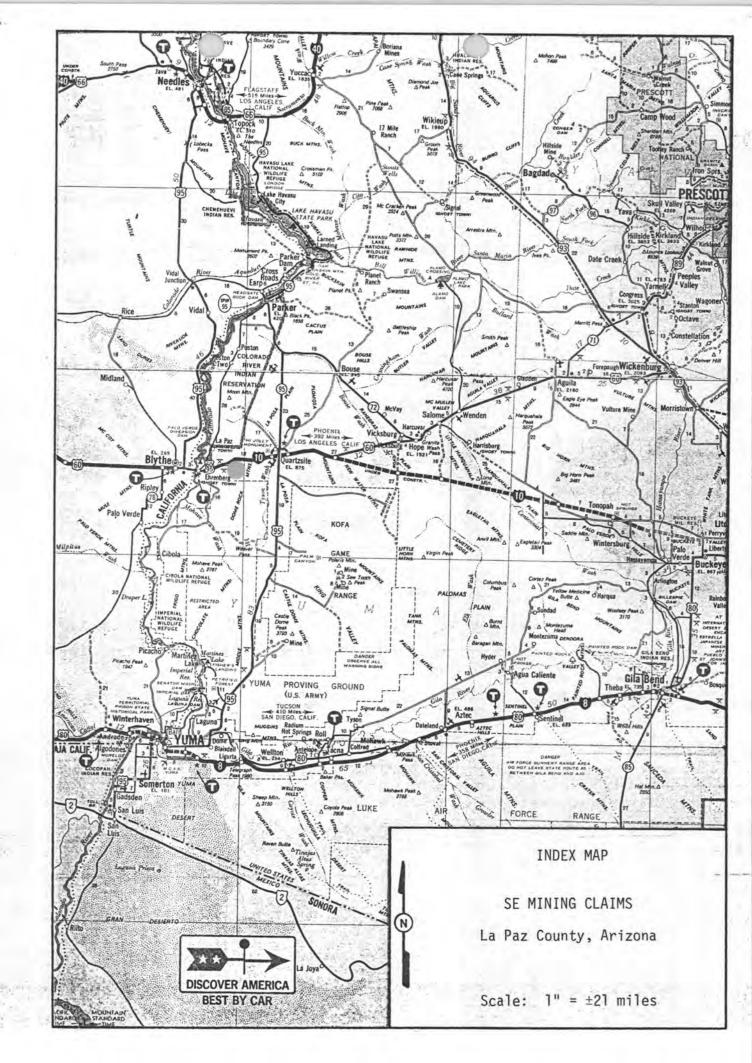
A. G. Humphrey

Manager, Minerals Exploration - U.S.A.

Amoco Minerals Company

Englewood, Colorado

Feb. 2 1984 Date



Geologic Report on the SE #23 Through SE #30, SE #33 Through SE #40 and SE #43 Through SE #51 Mining Claims, La Paz County, Arizona

During the latter portion of October, 1983 geologic mapping on a scale of one inch to 500 feet and geochemical sampling was accomplished over the SE #23 through SE #30, SE #33 through SE #40 and SE #43 through SE #51 mining claims in southwestern La Paz County, Arizona. The location of these claims is shown on the accompanying Index Map.

The geology of the mapped area consists of schists and felsic to intermediate volcanics. The volcanic rocks and, to a lesser extent, the schists have been moderately to strongly silicified and display considerable iron staining. The volcanic rocks have been invaded by a felsic intrusive in the vicinity of the SE #46 and SE #47 claims.

Weak to moderate copper-oxide mineralization is evident over local areas in the western part of the claim group. Moderate to quite intense copper-oxide mineralization may be observed in the vicinity of the SE #34, SE #35, SE #44 and SE #45 claims. This mineralization, occurring both in schist and the volcanic rocks is accompanied by moderate to strong iron staining and manganese oxides. A copy of the geologic map constructed during the examination of the mining claims is included with this report.

A. G. Humphrey

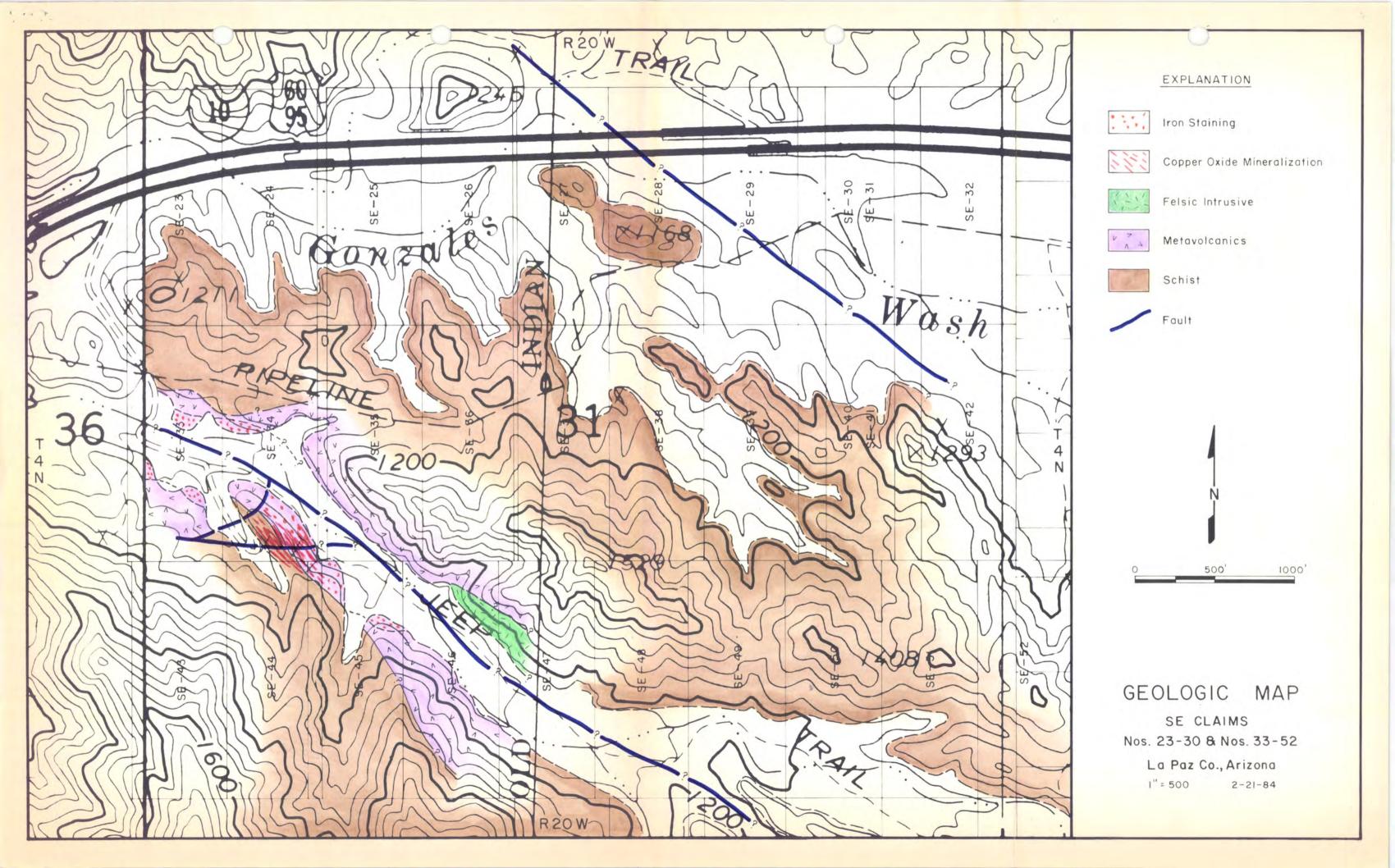
Manager, Minerals Exploration - U.S.A.

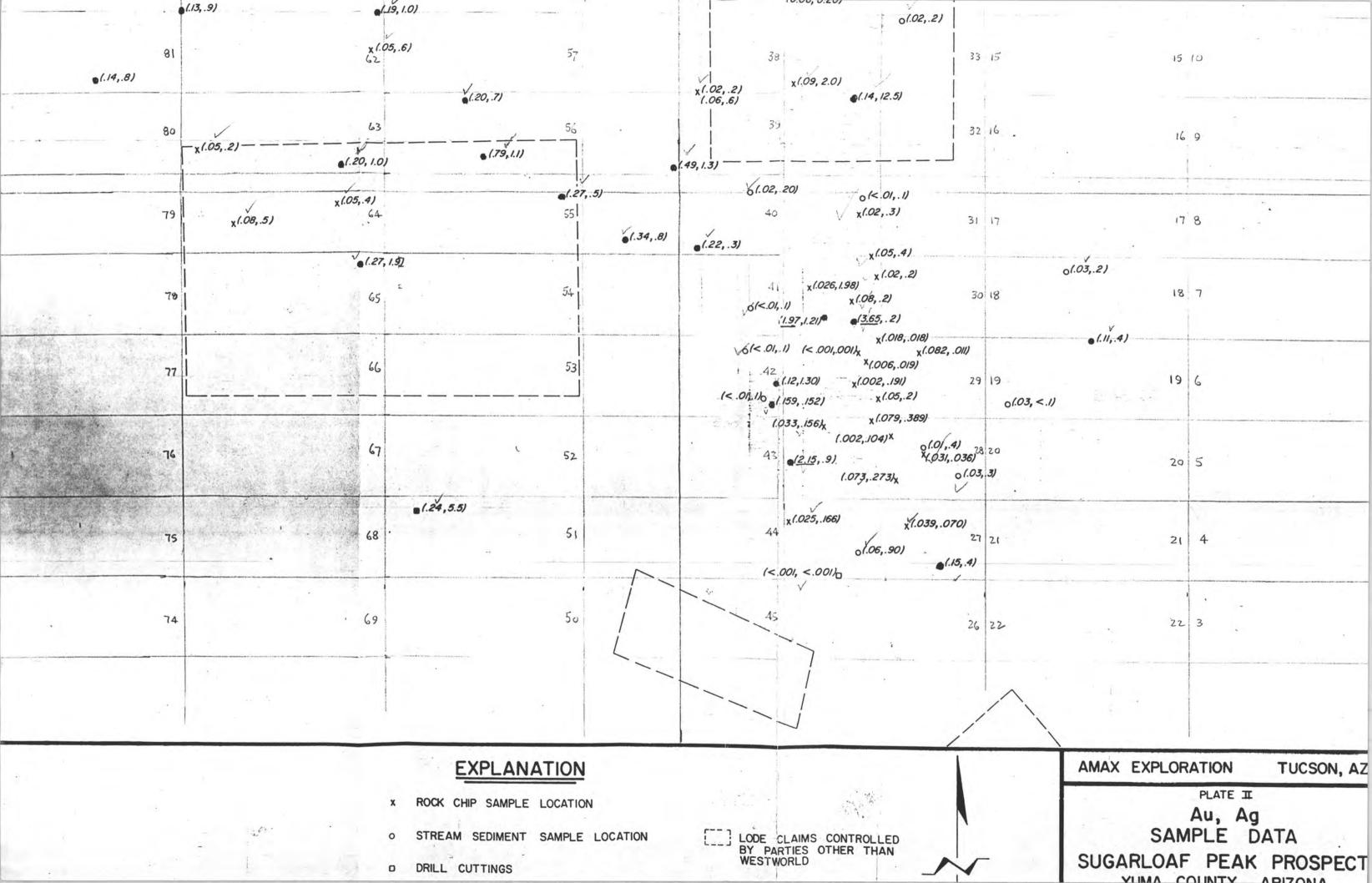
Amoco Minerals Company

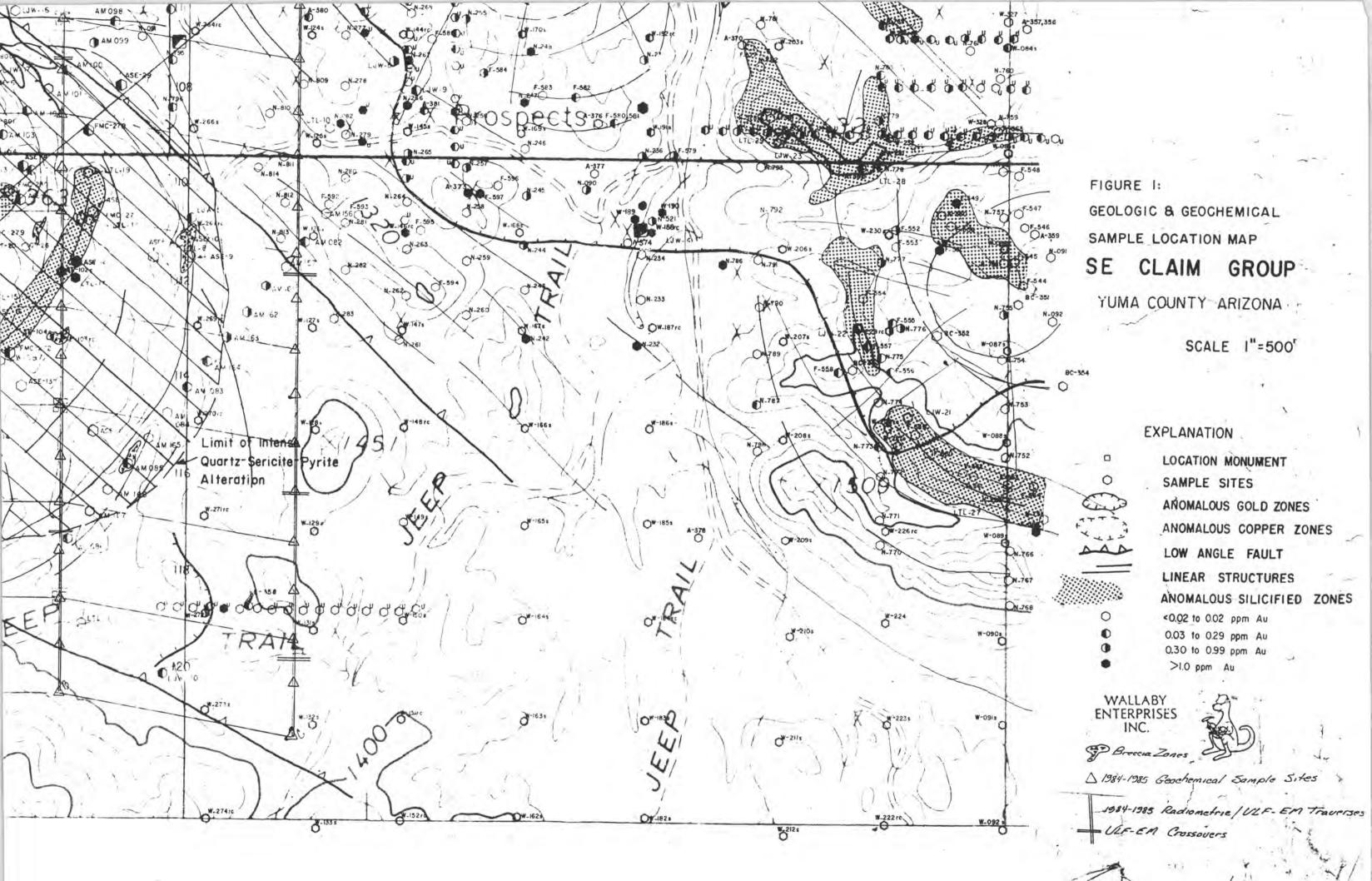
Englewood, Colorado

February 2, 1984

Date







EXPLANATION

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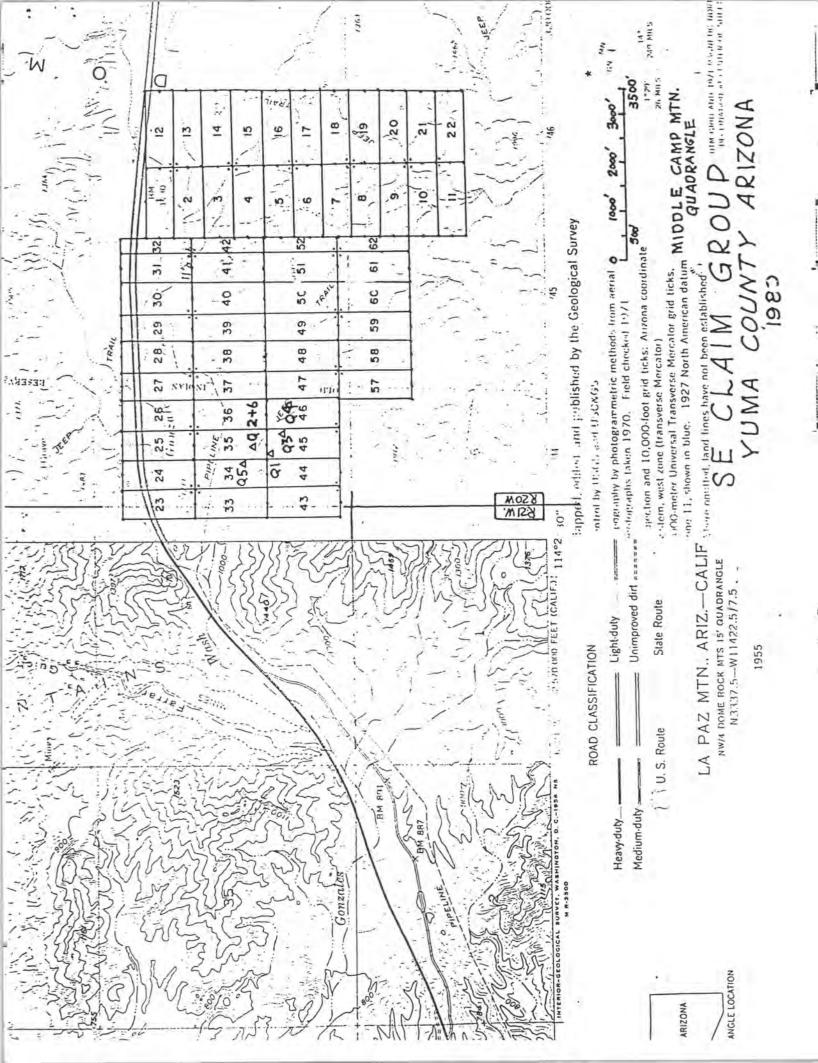
0.03-0.29 ppm Au

○ 0.3 -0.99 ppm Au

>1.0 ppm Au

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HEINRICHS GEOEXPLORATION COMPANY

P.O. BOX 5964, TUCSON, ARIZONA 85703. BO6 WEST GRANT ROAD. PHONE: (602) 623,0578

January 1982

SE Property Summary Sheet

The SE property is in the Middle Camp-Oro Fino mining district in the Dome Rock Mountains in Yuma County, Arizona. The property is on Interstate 10, about eight miles west of Quartzsite, Arizona and about thirteen miles east of Blythe, California. The property consists of 58 lode claims, located in sections 31 and 32 T4N R2OW, sections 5 and 6 T3N R2OW, and section 36 T4N R2IW, totalling about 1120 acres and a state prospecting permit on the east half of section 36 T4N R2IW. This area is shown on the Middle Camp Mountain and La Paz Mountain USGS 7 1/2 minute topographic maps. The claims bear US BLM Serial Numbers AMC 105414 through AMC 105471. They were staked in 1980.

Ownership rests with four Arizona residents, each with a one quarter undivided interest. They are Walter E. Heinrichs, Jr., William C. Hirt, James D. Loghry, and Richard J. Lundin, all of Tucson, Arizona.

Exploration targets include porphyry copper-molybdenum and/or gold deposits. During the period 1962-1975, mapping, sampling and rotary diamond exploration drilling totalling approximately 18,500 feet was done by several concerns, one of them a major oil and mining company. Results of some of this work are available to interested parties. We feel that the mineralization disclosed thus far warrants further investigation.

Further information may be obtained by contacting any of the four owners at the above address.

SE Property Data and Reports (in approximate chronological order)

- McPhar Geophysics IP and Resistivity Survey Location Map (Fig. 3), undated but probably between 1962 and 1971.
- Report titled "Base Metal Distribution at Sugarloaf Peak, Quartzsite Mining District, Yuma County, Arizona" dated August 1971, text 4 pp., with drill hole data including core logs, drill chip logs, and metal ratio graphs for drill holes DDH S-1, DDH S-2, DDH S-3, DDH SL-4, DDH SL-5, DDH SL-6, RH SL-7 RH S-8, RH S-10, RH SL-13, and DDH SL-15 (these are partly rotary and partly core holes), accompanied by map titled "Generalized Alteration Sugarloaf Peak Area", dated August 1971 (two copies, one with outline of claim block), and also by another map (undated) entitled "Dome Rock Mtns Quad" which shows the location of the S and SL holes.
- Assay logs for RH V-1 through RH V-15 (all rotary drill holes except for three feet of NX core on hole RH V-15), drilled in 1972.
- 4. Report titled "Exploration Potential of the Sugarloaf Peak Area, Quartzsite Mining District, Yuma County, Arizona" dated May 25, 1973, 12 pp., with 3 pp. cover letter, accompanied by maps:
 - a. "Alteration Map Sugarloaf Peak Prospect", May 25,1973.
 - Molybdenum Geochemical Values, Lead Geochemical Values, and Mo/Pb Ratio Maps, all of the Sugarloaf Peak Prospect, dated May 1973.
 - c. Cross Section through Sugarloaf Peak, dated May 1973.
 - d. Magnetometer Survey Profiles, dated May 1973.
- Assay and Core Logs for DDH Q-1 through Q-6 (NX core holes drilled in 1974-1975).
- Map titled "Quartzsite Geology and Alteration" dated February 1975 showing location of Q holes.
- 7. Map titled "Quartzsite Project, Yuma County, Arizona", dated May 30, 1975 showing location of Q holes.
- 8. Undated Map showing drill hole locations and claim block outline.
- Geologic Map of the Central Dome Rock Mountains by W. J. Crowl, 1975 (University of Arizona thesis).
- 10. SE Property Map 1982

the effective date that we became ethically tied up by Amoco, that \$3,200.00 worth of State work needed to be done to maintain the State Prospecting Permit. If it was your intent to tie the Federal work obligation anniversary of 1 April also to the State ground as well, then you were definitely NOT protecting our interests as lessors.*

Effectively, we were in the sole possession of the State Permit (that is, without any Amoco involvements) for less than three months whereas Amoco was in actual posession, by agreement for six months and, we held it exclusively for Amoco's benefit for an additional two months (the time it took you to draft the agreement) which makes a total Amoco benefit of eight months.

We had verbal promises from both Messers Humphrey and Nesbitt that we would be kept reasonably informed regarding Amoco progress and thus, obviously having no inkling whatsoever to the contrary, were not concerned about having to cover the State permit obligations for Amoco. Then to be suddenly faced with having to assume the obligation and get it done in only six weeks puts us in a very untenable position to say the least.

Before we consider seeking legal advice regarding any legal rights we may have regarding the matter, we wish to appeal first to Amoco's principles of fair business practice and will await your prompt response.

Sincerely,

Heinrichs GEOEXploration Co.

Walter E. Heinrichs, Jr.

WEH/jh

CC: A. Humphrey

M. Nesbitt

W. Hirt

J. Loghry

R. Lundiny

File

*and the result is at best, evasive, insensible and ambiguous if not intentionally deceptive.



HEINRICHS GEOEXPLORATION COMPANY

P.O. BOX 5964. TUCSON, ARIZONA 85703. 806 WEST GRANT ROAD, PHONE: (602) 623-0578

February 22; 1984

Re: AMC #L-100183, Ariz. State

LaPaz County, Arizona

Prospecting Permit No. 83801

Amoco Minerals Company P. O. Box 3299 Englewood, CO 80155

Attn: Mr. James C. Hiatt

Sr. Land Representative

Dear Mr. Hiatt:

Receipt of your letter of 16 February 1984 is acknowledged.

We will look forward to receiving the information from Art Humphrey concerning work done on the Arizona State Prospecting Permit ground. You did not indicate when we can expect to receive that information. You also did not indicate when we should expect to receive the factual information due regarding ALL the work that Amoco did on the Federal ground as well.

You indicate work done on the State ground was less than the minimum \$3,200.00 required during the period ending 16 March 1984. The timing question as to when rights change to obligations, was discussed at considerable length in negotiation discussions with Mr. Humphrey and Nesbitt at this office in Tucson on 8 June 1983. At that time we agreed to yield on the matter of the Federal annual labor obligation date from February to April 1 as is correctly reflected in the written agreement. However, none of us recalls any discussions regarding changing our original written proposal to you that if the State ground were under the control of the Lessor beyond September of any given year that then the said holding costs would become the lessor's obligation. What we do remember are discussions to the effect that your forthcoming efforts during the rest of 1983 and 1984 would easily take care of that burden at least initially. Curiously, although the written agreement is quite specific regarding the Federal ground, it is totally silent on the matter with regard to the State ground. That is an obvious strange omission that I did not catch here and of course now raises the question of intent or ommission or what on your part? Certainly it was clear to everyone that as of 8 June 1983.



WALLABY ENTERPRISES INCORPORATED

TUCSON OFFICES: 810 WEST GRANT ROAD - P.O. BOX 5964 - TUCSON, ARIZONA 85703 - (602) 623-0579 3425 WEST BARDOT STREET - TUCSON, ARIZONA 85741 - (602) 744-2700

PRESCOTT OFFICE: 122 EAST GURLEY - SUITE 203 - PRESCOTT, ARIZONA 86301 - (602) 445-8498

March 4, 1983

Mr. Tom Patten 7725 E. Manor Pl. Tucson AZ 85715

Dear Tom:

I quickly put together some of the most basic information on the SE claim grp. and will try to get together with you next week. The map that I have enclosed does not include any of the AMAX, Utah, Bear Creek or Texas Gulf data. We have that information and will be plotting it this weekend. It generally confirms and enlarges the area of anomalous gold values. The key to the samples are below:

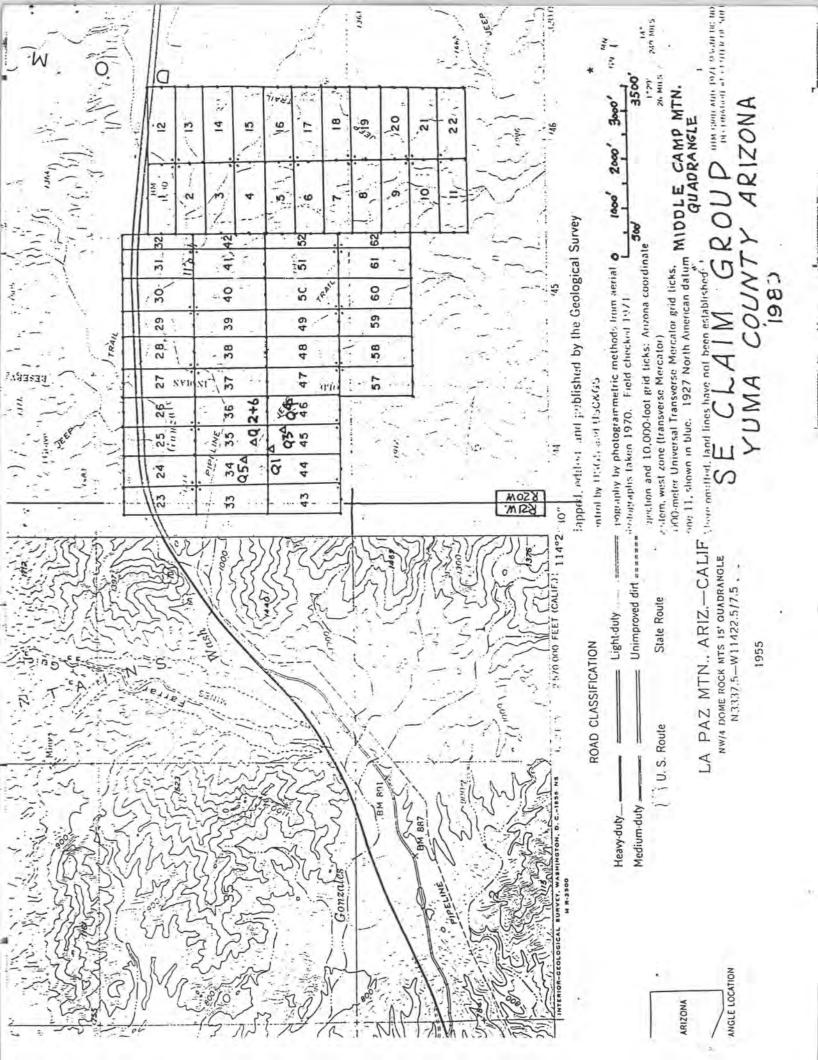
N=Newmont F=Felmont W=Wallaby for Westworld Oil & Gas SE=Wallaby for Heinrichs GEOEX <u>et al</u>

I hope that the attached information will suffice until next week. If you need additional information before then, give me a call at our Bardot St. office number

Richard J. Lundin, President Wallaby Enterprises Inc.

incere

P.S. Paul mentioned that you might be interested in our Michigan program. Give me a call so that I can fill you in .



INTERNAL CORRESPONDENCE

R.A. 108pages

TO FROM

DATE May 25, 1973

SUBJECT Sugarloaf Peak Area, Quartzsite Mining District, Yuma County, Arizona

The geologic relationships, alteration, mineralization, and exploration potential of the Quartzsite prospect are thoroughly covered in seport, and in my opinion, he has done an excellent job in deciphering the complex structural relationships of the prospect. I would like to add a few comments emphasizing certain general features of the porphyry copper alteration system at Quartzsite and its indicated favorable exploration potential.

The alterat (N) stem at Quartzsite contains an impressive amount of disseminated base-metal mineralization. The area of quartz-sericite-alumite-pyrite alteration near Sugarloaf Peak in the eastern part, and originally higher part, of the alteration system contains large volumes of mineralized rock; exhibiting lead and zinc values in excess 37.15 to .20 percent each, combined with molybdenum values that vary

100 to 1000 parts per million. These relatively high lead-zinc and molybdenum values are similar to, and higher than, metal values encountered in a similar alteration environment at Red Mountain, Arizona, where they appear to be a direct reflection of the ore-grade primary copper mineralization, occurring at greater depth in the alteration system.

Both alunite and tourmaline are abundant minerals in the Quartzsite alteration system. The occurrence of both of these minerals is relieved to indicate that major amounts of the volatile elements, sulfur,



fluorine, and boron were introduced into the alteration system during the period of hydrothermal alteration and metallization. The widespread and abundant alunite, associated with relatively high lead-zinc and molybdenum values, is believed to reflect a center of potassic alteration that should contain abundant anhydrite associated with copper and molybdenum mineralization at greater depth in the alteration system. Surface exposures of quartz-sericite-alunite-pyrite alteration are known to reflect deeper potassic alteration with associated anhydrite and ore-grade primary copper mineralization at El Salvador, Chile, Cananea, Mexico, and Red Mountain. Arizona. Although drilling has not been carried to sufficient depth at Red Mountain, Colorado to define ore-grade copper mineralization, the quartz-sericite-alunite-pyrite alteration exposed at the surface has been shown to be a direct reflection of abundant anhydrite and increasing copper values at depth. Intense quartz-sericite-alunite-pyrite alteration, similar to that at Quartzsite, is considered to be a direct indication of centers of potassic alteration and ore-grade copper mineralization that occur at depth at Cananea, Mexico. Interestingly, tourmaline is also a widespread constituent of the alteration system at Cananea.

The occurrence of disseminated copper mineralization on the Hancock claims in the western part of the altered area is of considerable interest, not just because this represents several million tons of potential ore-grade copper mineralization, but primarily because it represents the copper mineralization expected to be associated with potassic alteration in a position originally at greater depth in the alteration system.

Although the copper mineralization is obscurred by faulting, oxidation, and alluvial cover, detailed examination of exposures near the Hancock workings

indicates that both the intrusive and metamorphic rocks formerly contained disseminated primary chalcopyrite mineralization of ore-grade or near ore-grade values. The indicated disseminated primary chalcopyrite mineralization on the Hancock property is believed to be part of, and a reflection of, primary chalcopyrite mineralization that is associated with potassic alteration toward the center of the alteration system in the western part of the Quartzsite prospect.

In summary, the combination of the features described above, widespread intense quartz-sericite-alunite-pyrite alteration associated with substantial disseminated lead, zinc, and molybdenum values, within what appears to have originally been the upper part of the alteration system, together with the indicated primary copper mineralization, associated with potassic alteration at a position originally at greater depth in the alteration system, is believed indicative of a very favorable exploration potential for ore-grade primary copper mineralization within the Quartzsite porphyry copper alteration system.

RMC/ps



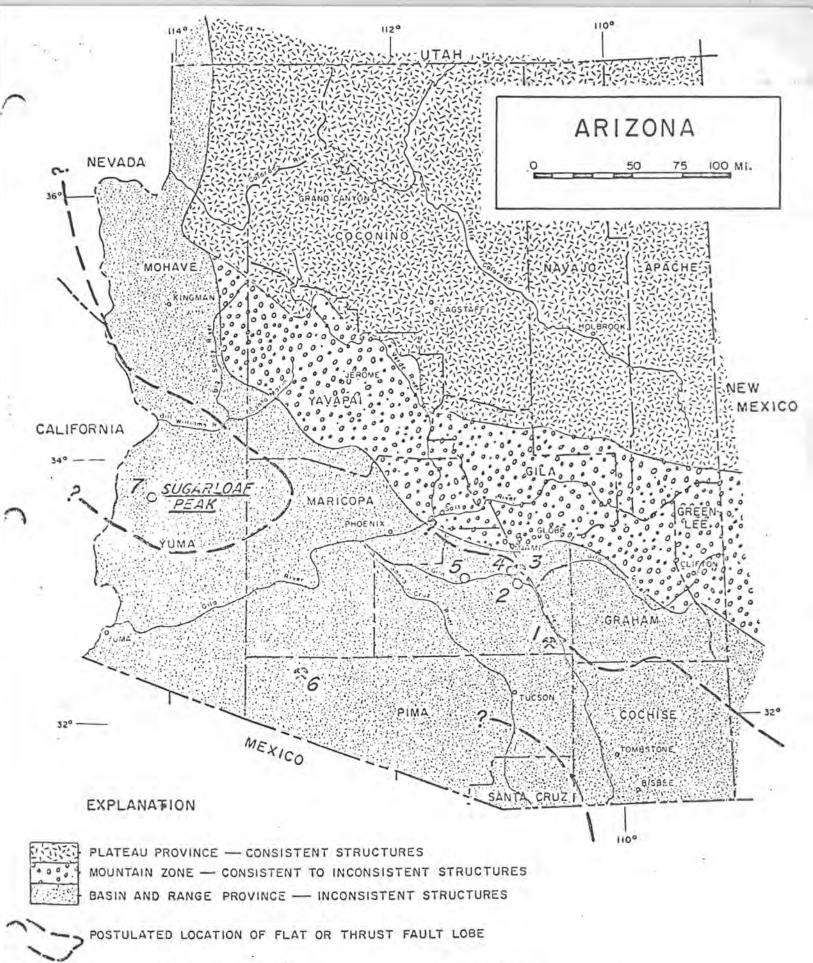
SUMMARY

The Sugarloaf Peak prospect is an area of porphyry copper type alteration and mineralization located in west-central Yuma County, Arizona. The area has a history of placer gold production, but only minor base metal values. Consequently the district has not received much attention from major mining companies.

Detailed mapping of the alteration system together with extensive geochemical sampling indicates that Sugarloaf Peak was originally a vertical alteration-mineralization system similar to that associated with other porphyry copper deposits. The system has been structurally rotated 90° to the east and offset by major faults, with strike and/or dip movement.

The most favorable target for ore-grade copper mineralization is at, or near, the surface in the zone of exposed potassic alteration near the west end of the Kerr-McGee claims. Results of surface sampling and reported values from shallow drill holes indicate the presence of a triangular shaped area of ore-grade copper mineralization at or near the surface which could contain 10,000,000 tons of ore-grade copper mineralization for each hundred feet of depth. Projection of this zone beneath the adjacent zone of potassic alteration would yield substantially greater tonnage with a prospect target of 48,000,000 tons per hundred feet of thickness.

To test this prospect, a 1000 to 1500 foot diamond drill hole is recommended, to be collared near the center of exposed copper mineral-ization in Hancock Wash. This would yield the most useful geologic information, as well as give a third dimension to our estimate of the potential copper mineralization.



PROSPECTS O AND MINES " WITH POST MINERAL STRUCTURAL ROTATION

- I. San Manuel Kalamazoo (Newmont)
- 2. Kelvin (Kerr-McGee)
- 3. Ray (Kennecott)

- 4. Granite Mountain (Kerr-McGee)
- 5. Florence (Continental Oil)
- 6. Ajo (Phelps Dodge)
- 7. Sugarloaf Peak (Karr-McGee)

FIGURE I

GENERAL

The Sugarloaf Peak prospect is an area of porphyry copper type alteration and mineralization located in the Quartzsite Mining District of west central Yuma County, Arizona. The area of interest lies south of U.S. Highway 60 & 70, now I-10, and east of Quartzsite Pass, where I-10 cuts through the Dome Rock Mountains.

The district is credited with over 10,000 ounces of placer gold production, however there has been no significant base metal production from this part of Arizona. Burton Hancock is reported to have shipped two carloads of material from the Surprise Claims, running 49 tons of 1.1 percent copper and 54 tons of 2.1 percent copper. Lehre Eardman reports shipping a truckload of lead-silver ore from the Leadville Mine. Exposed mineralization and sampling by us indicates that these figures are at least reasonable.

This report is based on extensive field work in the district, including geologic mapping and geochemical sampling of the area covered by Kerr-McGee's claims, some ground magnetic work and evaluation of results from shallow validation drill holes, as well as on data obtained from other sources, such as Congdon and Carrey. They controlled the area by location and options from 1962 thru 1971 and did more than 14,500 feet of rotary and diamond drilling, as well as conducting extensive Induced Polarization and aeromagnetic surveys.

GEOLOGY

The Sugarloaf Peak area is underlain by Precambrian schist and granite, which has been intruded by a complex stock of probable Laramide age and overlain by a Tertiary quartz porphyry flow. These units are partially covered by Late Tertiary and Quaternary gravels.

The main mass of the Dome Rock Mountains south of U.S. Highway I-10 is schist, with a few outcrops of schist north of the highway. The schist is representative of the greenschist facies of regionally metamorphosed intermediate volcanics and interbedded sedimentary units. Previous workers in the district from the Arizona Bureau of Mines have considered the schist to be of Cretaceous age, however there is little or no evidence for this. The rock is very similar to nearby outcrops in California and northern Yuma County that are of Precambrian age, and correlated with the Yavapai schist of central Arizona. There are no other schists of Cretaceous age in the region, however the metamorphosed volcanics were equated with unmetamorphosed Cretaceous-Tertiary andesites exposed in central and southern Yuma County. The lithologic similarity to Precambrian schists, the large extent of outcrop, and the lack of any real evidence correlating the metamorphosed volcanics with the unmetamorphosed Tertiary volcanics all suggest that the schist is better correlated with the Precambrian Yavapai schist.

The Precambrian granite is exposed in the mountains north of the highway except for a few exposures to the south where I-10 cuts through the mountains at Quartzsite Pass near the western edge of the map. The granite is generally coarse with less than five percent mafic minerals, mostly biotite and chlorite.

The Cretaceous intrusive stock varies in composition from aplite to biotite-diorite porphyry, but most exposures are monzonite porphyry. The biotite-diorite phase appears to be confined to the contact with the Precambrian granite. Aplite occurs as occasional dikes and possibly as a breccia zone in the NW 1/4, SE 1/4 Section 31. Township 4 North, Range 20 West.

A quartz porphyry or rhyolite porphyry caps Sugarloaf Peak.

Large outcrops of porphyry occur along the flanks of Brown Mountain to the east, and capping a small hill just north of Brown Mountain. Scattered outcrops found north of the Dome Rock exit ramp appear to be remnants of a major flow. A very small block of rhyolite is exposed south of Brown Mountain, however this occurrence appears to be intrusive whereas those on Brown Mountain are flows. The outcrop at Sugarloaf Peak could be a cap or it could represent a neck or plug. It is at an elevation considerably above the other occurrences, and the contact is covered with talus. Adits along the flanks of Sugarloaf Peak do not penetrate to the core. A caliche cemented conglomerate surrounds the small hill of quartz porphyry near the southeast corner of Section 34, Township 4 North, Range 20 West. Late Tertiary gravels and Quaternary alluvium fill deep valleys along both the east and west flanks of the mountain range and lap up onto the pediments at Sugarloaf Peak, partially obscuring outcrops.

STRUCTURE

The Sugarloaf Peak prospect lies within a province of structural rotation and low-angle faulting. These structural elements are related to crustal distension and are similar to those observed along the west side of the San Pedro River, such as have been described at the San Manuel-Kalamazoo Mine and at Kerr-McGee's Kelvin and Granite Mountain prospects.

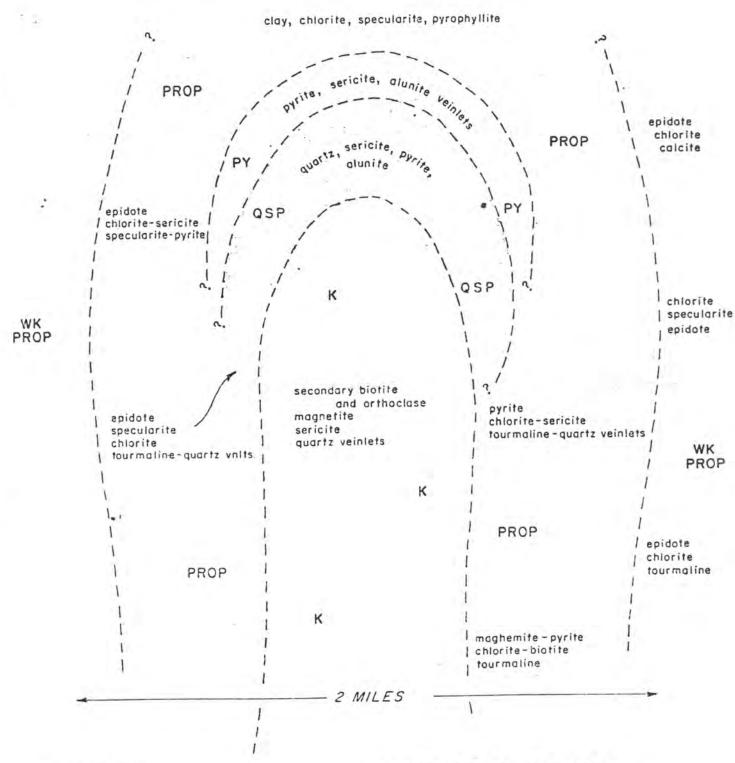
There are no marker horizons in the schist, however structural rotation to the east has been interpreted from detailed mapping of the alteration pattern and from the metal zoning relationships. Fault offsets are evidenced by abrupt discontinuities in the alteration pattern and are generally coroborated by corresponding changes in the geochemical pattern.

The horizontal position of the alteration pattern has been determined from review of drill hole information evidencing a decrease in alteration grade with depth in the area of drilling just west of Sugarloaf Peak.

Northeast striking faults, dipping steeply westward to nearly flat lying, are related to gravity sliding during structural rotation and/or post rotation block faulting. Their displacements are generally of only a few hundred feet. In addition to these faults, major northwest trending, right lateral strike slip faults have been mapped. This structural trend can be projected into the Sugarloaf Peak area from the Plomosa Mountains to the east and appears to extend across the Dome Rock Mountains into the area of alluvial cover to the west. Displacement, as indicated by offset segments of the alteration system, may be 500 to 1000 feet along any one slip plane, however there are numerous slip planes within the area mapped and the total offset may be on the order of 5000 feet within that area.

ALTERATION

The observed alteration and metal dispersion patterns are shown on the accompanying maps of the Sugarloaf Peak area. Figure 2 is a diagrammatic presentation of the original alteration pattern. The alteration types and their associated metals are described in order of their probable occurrence, extending downward from the ore time surface above the central core of a typical porphyry copper alteration system. At Quartzsite this is equivalent to starting about one-half mile east of Sugarloaf Peak and moving westward over the surface along a horizontal axis.



ALTERATION

К	POTASSIC
QSP	PHYLLIC
PY	PYRITIC
PROP	PROPYLITIC
WK PROP	WEAK PROPYLITIC

HYPOTHETICAL SYSTEM OF PORPHYRY COPPER ALTERATION

WITH RESTRICTED ENVELOPE OF QUARTZ-SERICITE - PYRITE MODELED AFTER RED MOUNTAIN, SANTA CRUZ CO., ARIZONA

SUGARLOAF PEAK
QUARTZSITE DISTRICT YUMA COUNTY ARIZONA

Propylitic alteration is both the exterior and the uppermost facies of alteration and is generally characterized by epidote, chlorite, carbonate, and an absence of sulfides or quartz veinlets. This type of alteration is gradational into unaltered rock at a distance from the center of the alteration system. The change is particularly difficult to recognize in greenschist, however, because the metamorphic mineral assemblage is nearly the same as that of propylitic alteration.

Exposures of hydrothermal propylitic alteration immediately west of Sugarloaf Peak are typical of the upper high level of alteration occurring near the core of the alteration system. Chlorite and epidote are accompanied by specularite with lenses and zones of sericite and pyrophyllite.

Occasional major quartz specularite vein zones and some calcite veinlets are also present. Exposures north of highway I-10 exhibit chlorite, epidote and specularite with quartz tourmaline veinlets. This is characteristic of deeper propylitic alteration than that discussed above, and probably reflects a position near the propylitic-phyllic interface, with the quartz veinlets extending out beyond the zone of pyritic alteration. The area of propylitic alteration along the southern edge of Kerr-McGee's claims is generally weaker than the two areas just described. Chlorite, epidote, and specularite are associated with calcite veins to the southeast, and with minor calcite and moderate tourmaline to the west.

Pyritic alteration at Sugarloaf Peak is characterized by disseminated pyrite controlled by planes of schistosity, generally without quartz veinlets. Abundant alunite veinlets occur along the north slope of Sugarloaf Peak, with intense sericite and clay on the south edge. The pyrite zone occurs at Sugarloaf Peak as a cap which separated the

propylitic and phyllic zones when in their original upright position. This zone does not generally extend to any great depth along the flanks of the system.

Phyllic alteration consisting of quartz, sericite, and pyrite is exposed over an area one mile long and from 3000 to 5000 feet wide just west of Sugarloaf Peak. This facies is generally characterized by intense sericitization with abundant disseminated pyrite and closely spaced quartz pyrite veinlets. Within the Sugarloaf Peak alteration system the phyllic alteration zone appears to grade downward or westward into altered rock characterized by variably spaced quartz pyrite veinlets and sericite envelopes within a phase of alteration reflecting the transition from weak potassic to propylitic alteration. This type of alteration is exposed adjacent to the potassic hill in the center of Section 31. The gradation from near potassic to propylitic appears to take place over a width of from 300 to 500 feet.

A block of potassic alteration measuring 2000 by 3000 feet is exposed in the center of Section 31, Township 4 North, Range 20 West. The block is bounded on the north, south and west sides by major faults. The east side is the gradational change from potassic to phyllic, to the deep propylitic type of alteration discussed above. The potassic alteration is characterized by secondary orthoclase, minor magnetite and quartz-chalcopyrite veinlets with disseminated sulfides. Capping indicates a fairly high chalcopyrite to pyrite ratio in the Hancock Wash area with slightly decreasing chalcopyrite to the east.

It should be emphasized that changes in alteration are gradational, sometimes taking place over considerable distances, even though they are shown as distinct contacts on a map. It should also be pointed out that a single alteration facies may be represented by different sets of mineral assemblages at different levels within the system. For example, the propylitic alteration near the top of the system may be characterized by epidote, calcite and pyrophyllite, while the propylitic zone at great depth would be identified by an association of chlorite, sericite, and magnetite. In addition to this, a single mineral species may be associated with more than one facies of alteration. For example, chlorite is pervasive in the propylitic zone, a minor constituent of the pyritic or argillic zone, and absent in the phyllic zone. It reappears replacing biotite in the near or weak potassic zone and gives way to biotite in the zone of potassic alteration, however it is present in the deep barren core of some deposits. METAL ZONING

The dispersion pattern of both lead and molybdenum reflect the exposed alteration pattern and corroborate the structural rotation inferred from the overall alteration pattern. Lead values ranging from 100ppm to greater than 1000ppm are reported from the pyritic altered area adjacent to Sugarloaf Peak. The area of intense phyllic alteration west of Sugarloaf Peak is characterized by only moderate lead values accompanied by highly anomalous molybdenum with values ranging from 5ppm to greater than 100ppm in an angular pattern concentric with the observed alteration pattern.

Drill hole information from both the high lead and the high molybdenum areas define a zone averaging over 1000ppm zinc from the surface to a depth of 500 feet. Testing of selected surface samples shows that the

area contains anomalous bismuth and time along with gold and silver values typical of porphyry copper environments elsewhere. Copper values of from 100ppm to 600ppm are reported from drilling in this zone of extremely high metal values. Minor chalcocite was noted in DDH S-5 and in validation drill hole, V-2, along the western margins of the phyllic alteration and turquoise coats a few fractures in a prospect pit along the southern edge of Kerr-McGee's claims.

MINERALIZATION

Primary copper mineralization occurs in the Hancock Wash area, associated with the favorable potassic alteration exposed there. Copper oxides fill fractures with copper pitch after disseminated chalcopyrite exposed in several prospect pits. A grab sample of unoxidized rock containing disseminated chalcopyrite taken from an adit assayed .38 percent copper and grabs of oxidized material ran between .04 and 1.14 percent copper. Hancock's drill holes in the bottom of the wash reportedly intersected values greater than 1.0 percent copper.

This zone of strong copper mineralization exposed at the surface covers a triangular shaped area 3000 feet long, reaching a maximum of 800 feet in width and enclosing 1,200,000 square feet. An area this size would contain 10,000,000 tons of rock for each 100 feet of depth. Although the actual copper values reported by Hancock may be in error, they do indicate the presence of a zone of intense disseminated copper mineralization down to a depth of at least 150 feet, which would indicate 15,000,000 tons of ore-grade copper mineralization exposed at the surface and amenable to open pit mining methods. This zone, together with the presence of scattered copper prospects in the adjacent potassic block of alteration,

strongly suggest the presence of a much larger zone of primary copper mineralization within shallow to moderate drilling depths. The potassic block measures 2000 by 3000 feet in plan, giving a target of 48,000,000 tons per hundred feet of thickness. The potassic block is bounded on three sides by faults, so additional targets exist along the direction of fault offset and their presence may be inferred from surface alteration features.

GEOPHYSICS

Congdon and Carrey had McPhar conduct an extensive Induced Polarization survey over their claims and, while McIntyre held an option on the prospect, they extended the survey somewhat and positioned two drill holes on the basis of that work. The opinion of a Kerr-McGee geophysist who reviewed this work concurred with the McPhar people, who felt that the major anomaly near Sugarloaf Peak is the reflection of a broad near-surface feature with decreasing sulfides below. The presence of the broad pyritic area could have been mapped by visual inspection and the shallow nature inferred from the six drill holes completed prior to doing the I. P. survey. McIntyre's work repeated the process but did not lead to any significant new ideas. Of interest however, are the weak anomalies in the Hancock Wash area at the west end of the map (Lines "H" and "H"12E) which indicate moderate sulfide content in an area of visible chalcopyrite.

Minex conducted a ground magnetometer survey which showed that their claims in Section 34, Township 4 North, Range 20 West generally overlie a magnetic low reflecting a very structurally complex area, possibly the regional schist-granite contact. Congdon and Carrey contracted an aeromagnetic survey, which showed the pyritic area of alteration as a pronounced trough flanked by magnetic highs on both the north and south. These magnetics also show a regional gradient to the east of Kerr-McGee's claims under alluvial cover which has been interpreted to be the magnetic reflection of a regional contact between granite and schist.

A ground magnetometer survey was conducted by Company personnel over the ZALES Claims area in an attempt to locate faults and to get some information on the downdropped potassic zone covered by part of this claim group, however the results are generally inconclusive.

CONCLUSIONS AND RECOMMENDATIONS

The Sugarloaf Peak prospect is an area of porphyry copper type alteration and mineralization which exhibits favorable potential for a large tonnage of ore-grade copper mineralization, at least part of which would be amenable to open-pit mining methods. The most favorable target is the block of potassic alteration near the west end of Kerr-McGee's claims, on ground presently controlled by Burton Hancock of San Jose, California.

Results of surface sampling and values reported from shallow drilling on Hancock's claims indicate the presence of at least 15,000,000 tons of ore-grade copper mineralization at or near the surface in Hancock Wash. Projection of this zone beneath the adjacent potassic block gives a target potential of 48,000,000 tons per 100 feet of thickness.

A drill hole collared in Hancock Wash near the center of stronger copper mineralization would yield the most useful geologic information with regard to structure and alteration, as well as giving a third dimension to our estimate of potential copper mineralization. A 1000 to 1500 foot drill

hole is recommended to test this prospect, however, since the hole would be located on the Hancock Claim group, it will be necessary to obtain control of these claims prior to doing the work. The estimated cost of this drilling project is \$20,000, which would be more than enough to cover our annual work requirements for the 1973-74 assessment year.



HEINRICHS GEOEXPLORATION COMPANY

P.O. BOX 5964, TUCSON, ARIZONA 85703, 806 WEST GRANT ROAD, PHONE: (602) 623-0578

February 2, 1983

Mr. Norman E. Lehman AreaGeologist Gulf Mineral Resources Company 2045 North Forbes Blvd., Suite 106 Tucson, Arizona 85745

Dear Mr. Lehman:

In reply to your letter of January 31, 1983 (ref. TAO 80-21), we (Heinrichs Geoexploration Company, Inc., Hirt, Loghry and Wombat Mining Company) accept the terms of your recommended proposal for the exploration, development and production of our SE claims and Arizona State prospecting permit in La Paz County, AZ subject to the following:

- Item 5 Annual Tabor for the state prospecting permit. GMRC shall perform the annual labor for the State Prospecting permit in the amount of \$6400 per year for the period March 16, 1984 to March 16, 1987.
- 2. Item 6 The claim map (Fig. 1) corrected as per attached copy relative to area of interest and area covered by claims. Refer to Wallaby Enterprises' one inch to 500 feet map as the standard as to the area covered by our claims; the east boundary of the area of interest shall be the north-south line bounding the SE and SP claim groups and its extension.
- Item 7 Data. All factual data acquired and developed by GMRC shall be released to the owners at the time when and if the lease is dropped.
- 4. GMRC shall mitigate, reclaim, and repair all surface disturbance and environmental damage created by GMRC exploration, development, and mining activities so as to comply with applicable state and federal environmental laws and regulations.
- GMRC agrees to pay all taxes, assessments, and other governmental charges imposed upon the property while this agreement is in effect.

Mr. Norman E. Lehman February 2, 1983 Page Two

- GMRC shall pay all expenses incurred by it in its operations on the property and shall allow no liens or liabilities arising from any act of GMRC to remain upon the property.
- GMRC shall indemnify us against and hold us harmless from any suit, claim, judgement, or demand whatsoever arising out of actions or negligence of GMRC in the exercise of any of its rights pursuant to this agreement.
- GMRC will complete the remaining assessment work due on the state prospecting permit before March 16, 1983; GMRC has already completed a substantial part of this work.

Sincerely yours,

William C. Hut

William C. Hirt General Partner

For:

Heinrichs GEOEXploration Company, Inc. General Partner James D. Loghry, General Partner Wombat Mining Company, General Partner William C. Hirt, General Partner P.O. Box 5964 Tucson, AZ 85703

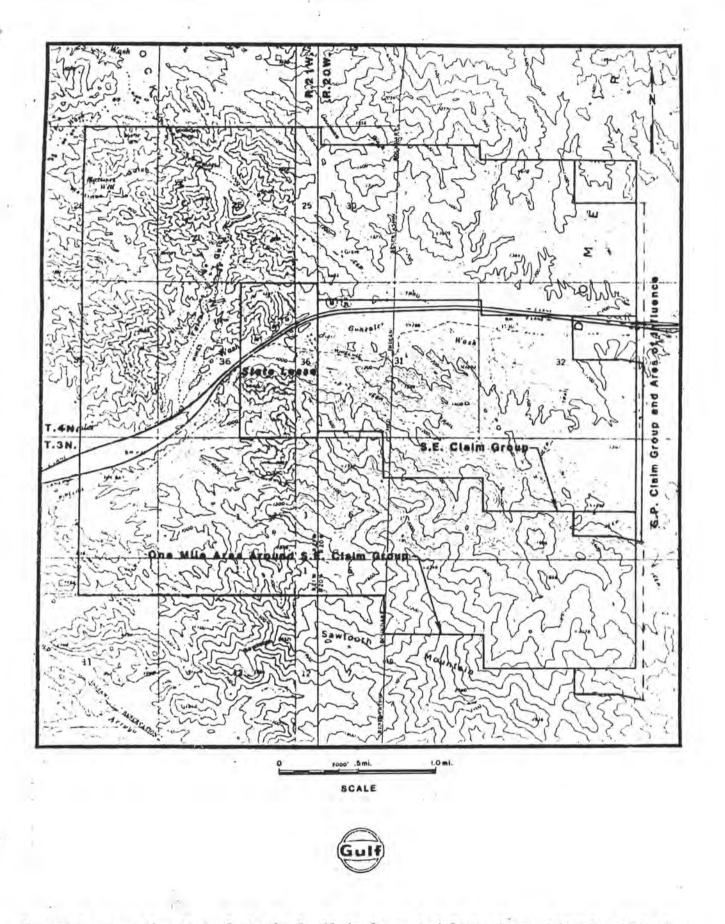


Figure 1. Location Map of the S. E. Claim Group and State Lease With One Mile Area of Influence Surrounding These Lands; La Paz County, AZ

MEMORANDUM

TO:

G. N. Hall

FROM:

R. A. Newell

SUBJECT: SE Claim Expenditures; Cholla Prospect

Yuma Co., Arizona

File No. 3128-E

DATE:

August 17, 1982

NEL initiated active investigation of the SE Claims, Dome Rock Mtns., Yuma Co., Arizona on Mardh 18, 1982. Ninety-three rock geochemical samples have been collected during the course of our activities, and expenditures total \$1,698.33.

The two samplers, Mr. E. Owens and Steve van Kouteren, are graduate geologists with about 1 year of professional experience each. Mr. Owens earned a B.Sc. geology degree from University of California, Riverside, 1981, and Mr. van Kouteren obtained his B.Sc. in geology from Penn. State University, 1981. Both individuals, employed by NEL for about one year, were directed by J. O. Guthrie, Senior Newmont Geologist, with 13 years' experience and B.Sc. from University of California, Santa Barbara, and M.Sc. University of Mass., Amherst, Mass. Our expenditures are summarized in the following table:

SE CLAIM EXPENDITURES (Year to Date)

Assaying Charges	93 samples	\$	653.80
Labor Charges	8 man days		780.35
Travel & Living Expenses	1	-	264.18
N	W 11	\$1	1,698.33
' /1.11	Revell		

RAN:re

2045 North Forbes Blvd. Suite 106 Tucson, AZ 85745

Gulf Mineral Resources Co.

January 31, 1983

Mr. Walter Heinrichs Heinrichs Geoexploration Co. P. O. Box 5964 Tucson, Arizona 85703

LES.

Re: S.E. Claims and Prospecting Permit No. 83801 La Paz County, AZ (TAO 80-21)

Dear Mr. Heinrichs:

Please consider the following recommended proposal for the exploration, development and production of the above-captioned mining prospect as related to the lease-option terms and conditions that your group outlined in a letter dated October 20, 1982.

- 1. Purchase price: If GMRC elects to purchase this property, it will pay a total of \$5 million to the owners plus perpetual NSR or equivalent royalty in the amount of 4% on Federal lands and 2% on State lands. All payments, including production royalties, apply toward the purchase price. Payments toward the purchase price will be structured as capital gains if you desire.
- 2. Term of lease: The lease will remain in effect as long as GMRC elects to make the yearly payments described below. GMRC may drop interest in all, or any portion, of the Federal and/or State lands but GMRC must give the claim owners a 30 day notice prior to such a release.
- 3. Payment schedule: GMRC will pay the claim owners \$15,000 upon signing the final contract and, if we elect to continue the term of the lease, GMRC will pay the owners \$18,000 on the first year anniversary of the contract, \$21,000 on the second anniversary and \$24,000 per year for each subsequent anniversary that the contract is in force.
- 4. Annual labor for Federal claim maintenance: GMRC will perform the annual assessment work for the claims if the contract between GMRC and the claim owners is in force prior to May 1 of any year. If this contract is not in force after May 1, the claim owners are responsible for performing the annual assessment work. GMRC will perform physical labor



Heinrichs Geoexploration Co. January 31, 1983 Page 2

(dozing, drilling, mining, etc.) to fulfill the requirements of the annual assessment work and GMRC will spend at least \$5,800 for the 1982-83 assessment year and \$7,800 per year after the 1982-83 assessment year, on the Federal claims.

- 5. Annual labor for the State prospecting permit: As long as our lease-option contract is in force, GMRC will perform the annual assessment work for the prospect permit in the amount of \$3,200 per year for the period ending March 16, 1987, and GMRC will pay the annual rental fee of \$320 for the period March 16, 1984 to March 16, 1987. If our lease-option contract is in force after November 15 of any given year, GMRC will be responsible for these obligations.
- 6. Area of interest: There will be an area of interest extending one mile from the northern, western and southern exterior boundaries of the claim and prospecting permit blocks as shown in Figure 1. Any claims staked by either party or prospecting permits acquired, shall be subject to the terms of the agreement.
- 7. Data: All factual data acquired and developed by GMRC shall be released to the owners when and if the lease is dropped. Information of reports shall be made available to the owners periodically during the term of the lease. The owners will hold these data confidential.

If the terms of my recommended proposal are acceptable to your group, I will send these terms to the GMRC senior management in Denver so that a contract can be drafted for your final approval. We appreciate the opportunity to explore your property and I look forward to your positive response to my recommended proposal.

Sincerely,

Norman E. Lehman Area Geologist

NEL/jw

cc: James D. Loghry

T. Heidrick

J. Wilkins

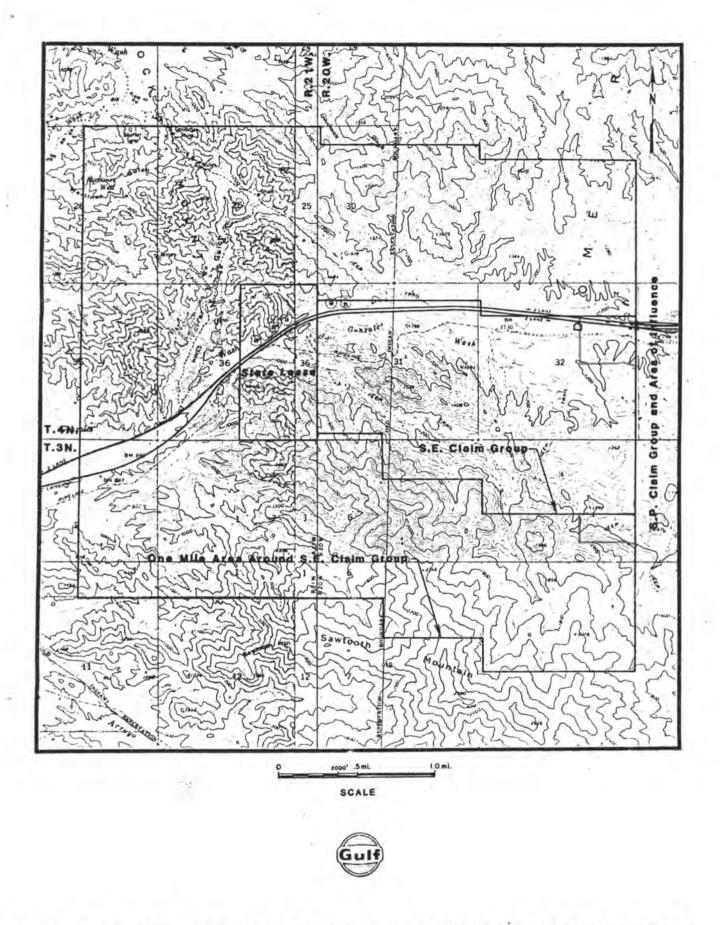


Figure 1. Location Map of the S. E. Claim Group and State Lease With One Mile Area of Influence Surrounding These Lands; La Paz County, AZ

4. 8nd 5

PLAT OF	THE		(×) LODE CLAIM () PLACER CLAIM
	Range	- 20W	() MILLSITE
,		,	
			SCALE 1" = 2000' (USGS 7.5 Minute Series
Township 31/		SEH119 i	topographic maps may be available and can be superimposed on grid.)
	ŧ		
*		42	
at the	correction notice is presented to a Zyz	posted, thence	monument the SE
distance of	monument the	SW ne place of beg	feet to a 2x2 wooden post Somer; thence North a inning. The NE 2057 1500 1 to 14. tance of 700 feet

 A description by legal subdivision may be substituted for the boundary description and the tie to a monument of the public survey where a placer claim or millsite is located by legal subdivisions of the public survey.

G&SRM.4

2. The type of monument must be described.

from the (Quarter) Section corner common to Sections

_, Range Jow

3. Provide direction.

Township 3N

4. If land has not been surveyed, the map must show the protracted public survey grid and the course and distance from one corner of the claim to some prominent natural object or other permanent monument (topographic, hydrographic, or man-made feature) shown or described on the map.



WALLABY ENTERPRISES INCORPORATED

TUCSON OFFICES: 810 WEST GRANT ROAD - P.O. BOX 5964 - TUCSON, ARIZONA 85703 - (602) 623-0579 3425 WEST BARDOT STREET - TUCSON, ARIZONA 85741 - (602) 744-2700

PRESCOTT OFFICE: 122 EAST GURLEY - SUITE 203 - PRESCOTT, ARIZONA 86301 - (602) 445-8498

October 14, 1982

Mr. James Quinlan Sr. Staff Geologist Kerr-McGee Corp. P.O. Box 25861 Oklahoma City, OK

Dear Mr. Quinlan:

As per our recent discussions, I am hereby proposing an exchange of information which I feel will be of mutual benefit to Wallaby and Kerr-McGee. Wallaby, through it's mining subsidiary, Wombat Mining Co. has control of certain old Kerr-McGee properties in Pinal and Yuma Cos. Arizona. Specifically, we are seeking any information that Kerr-McGee might have in it's files on the Kelvin-Ripsey Wash property in Pinal Co. and the Sugarloaf Peak-Gonzales Wash property west of Quartzite in Yuma Co.

Of most critical interest to us is the Gulf data on the Kelvin-Ripsey Wash area and access to the core and cuttings material from the drilling efforts in the Sugarloaf Peak-Gonzales Wash area. Mr. Russell Corn has assurred us that the pulps and some of the core from the Yuma County property do exist and might be found in storage in Tucson. It is our intention to reassay these materials for their gold content and would furnish Kerr-McGee the results of any reanalysis.

As per our conversations, I am proposing that Wallaby furnish information that may be useful to Kerr-McGee in exchange for the information and access that we are requesting. We propose to furnish a copy of Wallaby's information data base on the Upper Peninsula of Michigan. This information is proprietary to Wallaby and has been sold to a number of major mining companies who have productively used it in their search for base and precious metal Precambrian exhalite deposits. We would be willing to exchange a complete copy of this data base which includes: three maps of the area identifying all base, precious and energy occurrences and deposits, and detailed descriptions of the various deposits in a questonaire format. (For a further description see attached information)

We feel that this data base would be very useful in any search for Precambrian metal environments and that Kerr-McGee would be getting good value for it's efforts. We are anxious to consumate the exchange as the winter field season is an ideal time to work on both of these properties. If you have and further questions feel free to call me at our Tucson, Bardot St. office.

Sincerely

Richard J. Lundin

President, Wallaby Enterprises Inc.



Wallaby Enterprises Inc. Mineral Industry Consultants

TUCSON OFFICE: 810 West Grant Rd. Tucson, Arizona 85705 (602) 623-0578

PRESCOTT OFFICE: 1555 Iron Springs Rd., Suite 39 Prescott, Arizona 86301 (602) 445-9354

October 1, 1984

Mr. Richard Naylor Project Geologist AMSELCO Exploration Inc. 17602 North Black Canyon Highway Suite 105 Phoenix, AZ 85023

Dear Mr. Naylor:

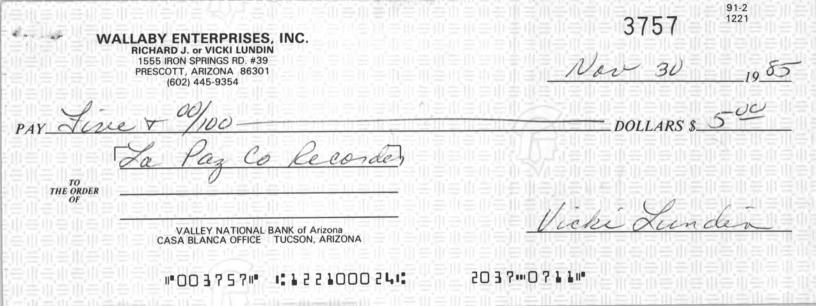
As per a recent request from Tom Young, I am sending along a copy of the most recent information that has been made available to us on the SE claim group in La Paz County Arizona. I have enclosed a copy of the information that was supplied to us by Labradorex and an updated geochemical sample map showing the Labradorex sample sites.

We are very anxious to make a deal with a responsible mining company and are actively talking with several other parties. It would be to our mutual advantage if a lease could be consummated with AMSELCO and we hope that this is still a possibility. From our past conversations and earlier discussions with Tom Young, I was under the impression that the property was under active consideration and so informed my partners. After quite a while of not hearing from AMSELCO, we decided to offer the property to other parties and have received a positive response from two major companies and serious inquiries from several others.

If AMSELCO is still interested, I would suggest that you send to us a sample contract for our review. The best contact point for this sort of exchange would be Mr. Walter Heinrichs, the senior partner of the venture.

I hope that we can get together on this matter and that you can make some of our Central Arizona Geological Society functions later this winter-spring.

Richard J. Lundin, President Wallaby Enterprises Inc.



AFFIDAVIT OF PERFORMANCE OF ANNUAL WORK

State of Arizona)) ss.
County of La Paz)

I, Richard J. Lundin of 372 Hackberry Circle Prescott, Arizona 86301

being duly sworn according to law deposes and says that he is a citizen of the United States more than eighteen years of age and that all of the facts set forth in this affidavit are true and correct according to the best of his knowledge, information and belief.

That he is personally acquainted with the mining claims named in Attachment A that are situate in the Middle Camp Mining District, La Paz County, Arizona, the location of which are recorded in the office of the County Recorder of that County in various Books and Pages. (see Attachment A) Notices of Location are posted located in Sections 31, 32, 5, 6, & 36 Townships 3N & 4N Range 20W & 21W G&SRB&M.

That between the dates of September 1, 1984 and August 31, 1985 at least Eight Thousand Three Hundred (\$8,300,00) dollars worth of work and improvements were made and performed upon this claim not including location work.

The work and improvements were made by and at the expense of Walter E. Heinrichs, James D. Loghry, William C. Hirt and Richard J. Lundin, owners of the property for the purpose of complying with the laws of the United States pertaining to assessments or annual work.

Richard J. Lundin, James D. Loghry, Michael Russ, William Fiern, and Chris Herald were the names of the persons employed by the owners who labored to do the work and improvements. All of the above mentioned individuals are senior Geologists or Mining Engineers with many years experience in all phases of mineral exploration.

The work and improvements done consisted of: surface geochemical surveys, and the preparation of a Summary Report describing the results of an integrated program of detailed geologic mapping and geophysical studies. (See Attachment B)

Dated // 30/85

My Commission expires July 25, 1986

Notary Public

ATTACHMENT A

Name of Claim	BLM Serial Number	La Paz C	County
	AMC No.	Book	Page
SE #1-52	105414-105465	1168	643-746
SE #57-62	105466-105471	1168	747-758
SE #101-120	186704-186723	1303	729-770

ATTACHMENT B

SUMMARY REPORT SE CLAIM GROUP

by Richard J. Lundin, Mineral Exploration Consultant

1. Mine or Property Name: SE Claim Group

- 2. Mining District, County & State: Middle Camp-Oro Fino Mining District, La Paz County, Arizona
- 3. Quadrangles or Map Names: Middle Camp Mountain AZ (1:24,000)
- 4. Location: T. 3N & 4N, R. 20W & 21W, Sections 31,32,5,6 & 36
- 5. Any Former Names: Scott Copper, Royal Investment Corp. Property, Scott-Weaver Copper Mine, Weaver Mine, Sugarloaf Peak Project (Kerr-McGee Corp.)
- 6. Owners: Walter E. Heinrichs, James D. Loghry, Wombat Mining Co. (Richard J. Lundin, owner) & William C. Hirt
- 7. Address of Owners: C/O Heinrich's GEOEXploration Inc., 810 W. Grant Rd., Tucson AZ 85705; Telephone: (602) 623-0578
- 8. Operator: same as above
- 9, Address of Operators: same as above
- 10. Principal Metals: Cu, Au, Ag, U
- 11. Number of Claims, Title etc.: 78 unpatented lode claims, 12. Previous Published or Unpublished Reports: Bancroft, H., (1911), Heikes, V.C., and Yale, C.G. (1913); Jones, E.L., Jr. (1916b); Kincannon, R.B. (1926); Gardner, E.D. and Johnson, (1934); Householder, E.Ross (1956a & 1956b); Wilson, E. (1961) Kerr-McGee Private Reports (1971, 1973a & 1973b); Johnson, M.G. (1972) numerous other private company reports, maps and file data, Arizona Department of Mines and Mineral Resources File Data, Crowl, W.J. (1975); Keith, S.B. (1978); Lundin, R. (1982a & 1982b) Dausinger, N.E. (1983)
- 13. Names of Mining Companies or Governmental Agencies that have worked or are now working on this property: Royal Investment Corp., Congdon & Carey, McIntyre-Porcupine, Kerr-McGee, Newmont, Gulf Minerals, Texasgulf Western, Bear Creek, Echo Bay, Felmont, Gold Fields, AMSELCO, AMAX, FMC, Labradorex, AMOCO and Meridian Minerals.
- 14. Ore & Gangue Minerals: Auriferous and argentiferous pyrite and chalcopyrite, malachite, azurite, chrysocolla, tenorite, molybdenite, alanite, iron and manganese oxides associated with extensive areas of sericite-chlorite-alunite-pyrophyllite alteration and extensive silicification, areas of extensive talc-serpentine and toumaline veining, placer gold
- 15. Geology: Triassic felsic intrusives and metavolcanics that are overlain by a highly sheared and deformed sequence of Cretaceous volcanics, volcaniclastics, sediments, and cataclastics. These units were then strongly fractured and extremely altered to a alunite-pyrophyllite-quartz-sericite-chlorite-clay assemblage and intruded by a series of intermediate-felsic Laramide-Tertiary volcanic plugs and associated silicious, base and precious metal vein systems. Quaternary gravels and alluvium.

- 16. Type of Mineralization-Metallurgical Considerations:
- 1. "Porphyry" Cu-Mo-Ag-Au-U mineralization associated with areas of potassic, phyllic and argilic in the general vicinity of the "Open Pit" area in Hancock Wash. Adjacent to this area are extensive areas of quartz-tourmaline veining associated with a quartz-chlorite-epidote-potassium feldspar alteration assemblage in metavolcanics and felsic intrusives. From the existing Kerr-Mc Gee drilling information, it appears that the mineralization is of a sulphide character and should be amenable to standard floatation treatment.
- 2. Disseminated pyritic Au-Mo-Pb-Zn mineralization associated with extensive areas of alunite-pyrophyllite-quartz-sericite-clay alteration in silicified metavolcanics, volcaniclastics, cataclastics and sediments. Mineralization is associated with zones of silicification adjacet to or within radial, concentricand low-angle fracture systems.
- 3. "Stockwork" Au-Mo-Pb-Zn bearing quartz vein systems that contain masses of free-milling gold. These systems are quite extensive and outcrop in the northeast portion of the property.

 17. Ore Reserves: According to a Royal Investment Corp. report on the property, the drill indicated reserves of the copper-rich portion of the property are reported at 3,600,000 tons of mixed oxide and sulphide copper bearing ore that would probably average 1.575% Cu/T., .002 ozs. Au/T. (Householder, E. Ross (1956b)) On the basis of later work, Kerr McGee personnel estimated that the reserve potential of this area might be in the order of 10,000,000 tons of material that would average 1% Cu.

The potential tonnage of the gold-rich portion of the system is unknown at this time. On the adjacent SP property of Westworld Oil and Gas, a recently completed, shallow, drilling program delineated a potential of up to 100,000,000 tons of material that would contain 1.5 million ounces of gold and 25 million ounces of silver (Dausinger, N.E. (1983)) It is felt that a major portion of this system extends on to the SE claim group.

- 18. Mine, Mill Equipment & Flow Sheet: none
- 19. Road Conditions: The property is readily accessable by system of roads and jeep trails. Interstate (figure 1)
- 20. Water & Power Supply: Water is available for mining amd milling activities from the Colorado River by application. An El Paso Natural Gas pipeline runs through the property. Three phase electical power is locally available.
- 21. Extent of Developement: Considerable, shallow, open cut workings and stripped areas in and along Hancock Wash

22. Brief History and Past Production: District originally located in the 1890's and worked for high-grade, placer gold deposits. During this period there was only small production from high grade pockets on top of strongly veined bedrock outcrops in the eastern portion of the property. The property was originally located by Miguel Apodoca, and worked in the 1920's as the Weaver or Weaver-Scott Mine. The mine was further developed in the 1950's by Royal Investment Corp. who shipped initiated a drilling program, developed some reserves and shipped several carloads of oxide Cu-Ag-Au ore. It was again operated in the the 1960's by Hancock Oil Co., who then leased to Kerr-McGee. Kerr-McGee drilled six core holes (Q1-Q6) in the Hancock Wash area of the property (Q1-Q6). Located by the present ownership in 1980 and leased to AMOCO in 1983. AMOCO drilled one, shallow, hole in the Hancock Wash area and returned the property to the present ownership. Intensive surface sampling, geological-geophysical studies of areas in the gold-rich portion of the property by several major mining companies (1984-1985)

23. Previous Sampling, Drilling & Other Studies on Dumps or Tailings: Considerable surface sampling by several major mining companies (see figure 1 for results) Core drilling by Royal

Investment Corp., Kerr-McGee Corp and AMOCO.

24. Environmental-Social-Political Conditions & Considerations: The area is one of past, extensive and recent mining and prospecting activity and is not within any area considered for Wilderness or Restricted Use Status.

25. Sampling: Sampling by various major companies and Wallaby personnel of the surface exposures. (see figure 1 for results)

26. Financial Terms, Conditions & Considerations: The property is currently available for lease or purchase.

Remarks: The property is an old Copper-Gold-Silver producer with drill indicated reserves. Past drilling efforts by several major mining companies have delineated a major, near-surface Cu-Au-Ag-U system. Recent work has delineated extensive areas of intense low-angle shearing, and alunite-sericite alteration silicification with associated gold and molybdenum mineralization. In the gold-rich portion of the the property are bodies of strongly fluidized breccia that have anomalous gold contents (up to 5.00 ppm Au/T.) Low-angle fracture-vein systems that are known to have anomalous to ore grade gold values on adjacent properties (i.e. the Goodman Mine Vein System) are thought to cross the SE property under alluvial cover. (see figure 1) Detailed geological mapping and geophysical studies carried out during the 1984-1985 Assessment Work Year, delineated numerous small bodies of highly fluidized breccia that may cotain anomalous gold values. Structural mapping studies confirmed the radial and concentric pattern to fracturing in the gold-rich portion of the property.

From the data at hand, it appears that there is athe potential for a 5,000,000-10,000,000 ton copper-silver-gold deposit in the Hancock Wash, copper-rich, portion of the property and the potential for several other gold-silver-molybdenum deposits in the gold-rich portion. The gold-rich portion of the property has not been tested by drilling. Ore-grade drillholes on the adjacent S.P. group are within 500' of the eastern boundary of the common SE claim boundary.

Date: October 28, 1985

Signature_

Richard J. Lundin

Richard J. Lundin, Mineral Exploration Consultant and President of Wallaby Enterprises Inc. has a BA degree in Anthropology and Geology from Beloit College, Wisconsin and 10 years experience in the evaluation of base and precious metal deposits in the United States and abroad. In addition, he is a Licensed Real Estate Professional in the State of Arizona and a Specialist in Mining Properties and Mineral Industry Investments.

that all of the facts set forth in this affidavit are true and

county, Arizona, the location of which are recorded in the office of the County Recorder of that County in various Books and Pages. (see Attachment A) Notices of Location are posted located in Sections 31, 32, 5, 6, & 36 Townships 3N & 4N Range 20W & 21W G&SRB&M.

That between the dates of September 1. 165

**Every townships of the county in various Books and Pages are posted located in Sections 31, 32, 5, 6, & 36 Townships 3N & 4N Range 20W & 21W G&SRB&M.

not including location work.

The work and improvements were made by and at the expense of

Richard J. Lundin, James D. Loghry, Michael Russ, William Fiern, and Chris Herald were the names of the persons employed by the owners who labored to do the work and improvements. All of the above mentioned individuals are senior Geologiste Engineers with many years experience in exploration.

The work and improvements done consisted of: surface geochemical surveys, and the preparation of a Summary Report describing the results of an integrated program of detailed geologic mapping and geophysical studies. (See Attachment B) Dated

Subscribed to and sworn before me, a Notary Public, this 30 1985, by KALLE XI- MOWN day of Thousand

My Commission expires Mula A. Brown

Notary Public

HK WOO KUSTE FILE PLEASE READ THE MEND ENCLOSED MEND FOR MAT ON AN EXHIBIT,"A". WE COULD HAVE A LOT MORE ACCURATE FILE IF YOU woold.



La Paz County Recorder

1121 ARIZONA AVENUE MAILING ADDRESS - P.O. BOX 940 PARKER, ARIZONA 85344

> SUSANNA OLGUIN CHIEF DEPUTY RECORDER (602) 669-6136

BETTY J. CULP VOTER REGISTRATION DEPUTY (602) 669-6137

MEMO

We keep a geographical card file on all mining activity in our county filed by Section, Township & Range. Normally, only new claims get listed in this file, but so many of our clients claims were filed before we became a county we do not have these on our cards. Consequently, we have added a new dimension to our file out of necessity.

New claims are listed on colored 3X5 index cards, anything else such as Labor, Quit Claim Deeds, Notice of Intent to Hold etc. etc are listed on white 3X5 cards so that whoever looks at the file is able to discern any activity in a given area.

WE FIRMLY SUGGEST THE FOLLOWING FORMAT, for everyones benefit!!!!!!!!!!!

Example:

Claim Name	Ditt Pg or Recor	ding #'s	BLM #'s	<u>s</u>	T	<u>R</u>
SAMPLE 1	1307/692	AMC	89023	36	4N	20W
SAMPLE 2	84-924 The numbers in the sre supposed to be of your original beautiful and the state of the sta	is circle e the #'s	90678	35,36		20W /Labor

If there is not room on the actual document you wish to file you could add this information on another piece of paper, attach it to whatever you are filing and title it "Exhibit A". In the space calling for this info on a Labor Affidavit you could just print in "see Ex A".

Thanking you in advance for your consideration in this matter.

Sincerely,

DEADL/NES

Complete ACTUAL WORK on mines by September 1 (noon)

File Affidavit of Labor with County Recorder DECEMBER 30

Copy of Aff/Labor to be received by BLM by DECEMBER 30

The above deadlines were verified by telephone by me, with Marsha Luke, Supervisor, Public Services 8/30/85, who represents BLM.

IMPORTANT NOTICE!!!!

TYPE OR LEGIBLY PRINT REQUESTED INFORMATION IN BLACK INK.

Name of Claim(s)(IN FULL AND LISTED INDIVIDUALLY)	Dkt/Pg or Recording # of ORIGINAL LOCATION NOTICE!	BLM #	Sec(s)	Twp	Rng
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P.S. If more than one claim was originally filed at the same time, have consecutive BLM #'s and are in the same STR they may be listed as follows:

County .

Lois K. Hesse

County Recorder
1121 ARIZONA AVENUE
POST OFFICE BOX 940
PARKER, ARIZONA 85344

LUNDIN

PHONE 669-6136 AREA CODE 602

12-5-85

WE RETURN HEREWITH THE FOLLOWING:

Insufficient fee enclosed. Fecording fee is 6.00 PLUS /.0 postage and handling of a self-addressed prepaid envelope for each recorded document.
☐ Insufficient fee enclosed. Total amount due is ☐ Recording fee is if Affidavit of Value required. ☐ Recording fee is if Affidavit of Value not required. ☐ Postage and handling fee is
□ Please make check payable for correct amount and/or U.S. Currency.
☐ Please make check payable to LA PAZ COUNTY RECORDER.
Arizona law requires caption stating the nature of the document.
☐ Death certificate/instrument not certified copy. MIST be certified by issuing agency.
□ Document not sufficiently legible to make certified copies therefrom.
☐ Photostatic copies not recordable. Document MUST have original signatures.
☐ Recording data of instrument being assigned/released/modified not given. (Need book, page, and recording date written on face of instrument.)
☐ Notary Public's acknowledgement not completed/attached.
□ Document not dated/signed.
Document should be recorded inCounty.
Document should be recorded with the Secretary of States office; State Capitol Building; West Wing; Phoenix, AZ 85007.
Affidavit of Value should be appended to each Deed or Contract for the sale of real estate which is presented for recording—unless exempt under ARS 42-1614. IF EXEMPT-EXEMPTION MIST BE STATED ON THE FACE OF DEED. Other. WE DO NOT RECORD PAPER MAPS LARGER. Than 83x14. Enclosed Acceptance Clause should be signed by the Grantees (buyers), notarized and attached to the deed.
We believe you would wish to complete the above items before recording of the

We believe you would wish to complete the above items before recording of the instrument(s) is accomplished.

L. FAZ County Face

SUMMARY REPORT SE CLAIM GROUP

by Richard J. Lundin, Mineral Exploration Consultant

3. Quadrangles or Map Names: Middle Camp Mountain AZ (1:24,000) 4 N/NG This
4. Location: T. 3N & 4N, R. 20W & 21W, Sections 31,32,5.6 & 36

5. Any Former Names: Scott Corporations of the Scott Corporation of the Scott Cor

Property, Scott-Weaver Copper Mine, Weaver Mine, Sugarloaf Peak Project (Kerr-McGee Corp.)

6. Owners: Walter E. Heinrichs, James D. Loghry, Wombat Mining Co. (Richard J. Lundin, owner) & William C. Hirt

7. Address of Owners: C/O Heinrich's GEOEXploration Inc., 810 W. Grant Rd., Tucson AZ 85705; Telephone: (602) 623-0578

8. Operator: same as above

9. Address of Operators: same as above

10. Principal Metals: Cu, Au, Ag, U

11. Number of Claims, Title etc.: 78 unpatented lode claims, 12. Previous Published or Unpublished Reports: Bancroft, H., Heikes, V.C., and Yale, C.G. (1913); Jones, E.L., Jr. (1916b); Kincannon, R.B. (1926); Gardner, E.D. and Johnson, (1934); Householder, E.Ross (1956a & 1956b); Wilson, E. (1961) Kerr-McGee Private Reports (1971,1973a & 1973b); Johnson, M.G. (1972) numerous other private company reports, maps and file data, Arizona Department of Mines and Mineral Resources File Data, Crowl, W.J. (1975); Keith, S.B. (1978); Lundin, R. (1982a & 1982b) Dausinger, N.E. (1983)

13. Names of Mining Companies or Governmental Agencies that have worked or are now working on this property: Royal Investment Corp., Congdon & Carey, McIntyre-Porcupine, Kerr-McGee, Newmont, Gulf Minerals, Texasgulf Western, Bear Creek, Echo Bay, Felmont, Gold Fields, AMSELCO, AMAX, FMC, Labradorex, AMOCO and Meridian Minerals.

14. Ore & Ganque Minerals: Auriferous and argentiferous pyrite and chalcopyrite, malachite, azurite, chrysocolla, tenorite, molybdenite, alanite, iron and manganese oxides associated with sericite-chlorite-alunite-pyrophyllite areas of alteration and extensive silicification, areas of extensive talcserpentine and toumaline veining, placer gold

15. Geology: Triassic felsic intrusives and metavolcanics that are overlain by a highly sheared and deformed sequence of sediments, volcaniclastics, volcanics, cataclastics. These units were then strongly fractured and extremely altered to a alunite-pyrophyllite-quartz-sericitechlorite-clay assemblage and intruded by a series intermediate-felsic Laramide-Tertiary volcanic plugs and associated silicious, base and precious metal vein systems. Quaternary gravels and alluvium.

MAUNER DOES NOT HELP US KEEP AN ACCURATE STR FILE. PLEASE KEAD MEMO !!

EXHIBIT "A"

IMPORTANT NOTICE!!!!!

TYPE OR LEGIBLY PRINT REQUESTED INFORMATION IN BLACK INK.

Name of Claim(s)(IN FULL AND LISTED INDIVIDUALLY)	Dkt/Pg or Recording # of ORIGINAL LOCATION NOTICE!	BLM #	Sec(s)	Twp	Rng
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P.S. If more than one claim was originally filed at the same time, have consecutive BLM #'s and are in the same STR they may be listed as follows:

CLIENT: AMOCO MINERALS
GEOLOGIST: M. BROCH

AGEOLOGIST ,

REPORT NUMBER: BV123-0487 PROJECT: NONE GIVEN

NUMBER OF SAMPLES: 168

PRIORITY: 0

DATE: 15-APR-83

SEE APPENDIX FOR EXPLANATION OF DIGESTION, ANALYSIS, SAMPLE TYPE, AND SIEVE SIZE CODES.

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CHEMEX LABS LTD.

212 BROOKSBANK AVE NORTH VANCOUVER, B.C. CANADA V7J 2C1

TELEPHONE: (604) 984-0221 TELEX: 043-52597

ANALYTICAL CHEMISTS

GEOCHEMISTS

REGISTERED ASSAYERS

CERTIFICATE OF ANALYSIS

: AMOCO MINERALS COMPANY

U.S.A. MINERALS EXPLORATION DIVISION

205

205

P.O. BOX 3986

7200 SOUTH ALTON WAY

ENGLEWOOD, COLORADO

110

165

A8316681-001-A

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7-DEC-83

P. O. # : NONE

E-82-109-B

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SE Claims / Ariz State Permit
FW Mack Mapping + Sampling



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F 2650

Certified by .

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HEINRICHS GEOEXPLORATION COMPANY

P.O. BOX 5964, TUCSON, ARIZONA 85703, 806 WEST GRANT ROAD, PHONE: (602) 623-0578

February 24, 1984

Amoco Minerals Company P. O. Box 3299 Englewood, CO 80155

Re: AMC #L-100183, Ariz. State Prospecting Permit No. 83801, La Paz County, AZ

Attn: Mr. James C. Hiatt

Sr. Land Representative.

Dear Mr. Hiatt:

Furthering my letter to you of 22 February 1984 this will acknowledge receipt today of Art Humphery's letter and attachments of 21 February 1984 which document Amoco work on the State Prospecting Permit ground during 1983 in the amount of \$1,259.44. We appreciate receiving this detail from him. We still need the one 1982-1983 assessment drill hole log and the drill site location to complete the factual record of all work done by Amoco although, we thought there was also some geochem sampling done and if so we should get those results **Elecations**.

Regarding the State Land dilemma, now that we have Art Humphyr's detail, we would propose to call matters square if we receive the difference in cash from Amoco, i.e., \$3,200.00 required to be spent, less \$1,259.44 actually spent, equals \$1,940.56 difference in cash to be received from Amoco. In that context, a statement in that amount is herewith enclosed.

Sincerely,

Heinrichs GEOEXploration Co.

Walter E. Heinrichs, Jr. Fresident

WEH:jh

cc: A. Humphrey

M. Nesbit

W. Hirt

J. Loghry

R. Lundin

File



HEINRICHS GEOEXPLORATION COMPANY

P.O. BOX 5964, TUCSON, ARIZONA 85703. 806 WEST GRANT ROAD, PHONE: (602) 623-0578

STATEMENT

February 24, 1984

Amoco Minerals Company P. O. Box 3299 Englewood, CO 80155

Re: AMC #L-100183, Ariz. State Prospecting Permit No. 83801, La Paz County, AZ

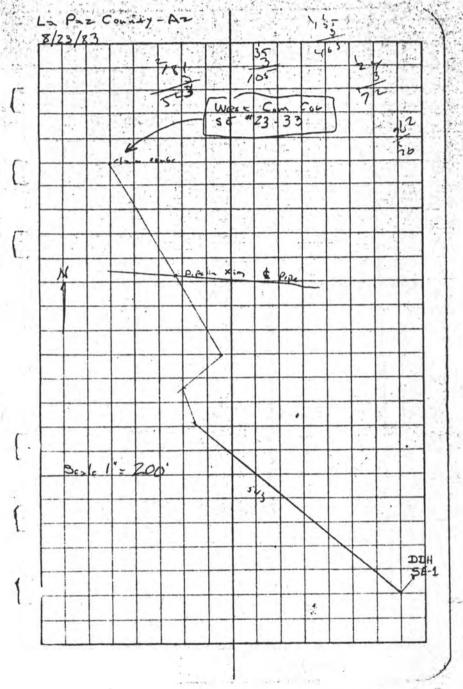
Amount agreed to spend-----\$3,200.00

Amount spent----- 1,259.44

BALANCE DUE: ----\$1,940.56

ports x f		AMOCO MINERALS COMPANY 333 W: Hampden Avs., Suite 508 Englawood, Colorado, 80HO (303) 761-5921		AMOCO MINERALS COMPANY 333 W. Hompden Ava., Suite 508 Englewood, Colorado, 80110 (303) 761-5921		AMOCO MINERALS COMPANY 333 W. Hompden Ave., Suite 508 Englewood, Colorado, 80110 (303) 761-5921
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Surveyed Location Drill Hole SE-1 F.W. Mack 8/83



CHEMEX LABS LTD.

212 BROOKSBANK AVE NORTH VANCOUVER, B.C. V7J 2C1 CANADA

TELEPHONE: (604) 984-0221

ANALYTICAL CHEMISTS

GEOCHEMISTS

REGISTERED ASSAYERS

TELEX:

043-52597

CERTIFICATE OF ANALYSIS

AMOCO MINERALS COMPANY

U.S.A. MINERALS EXPLORATION DIVISION

P.O. BOX 3986

7200 SOUTH ALTON WAY

ENGLEWDOD. COLORADO

: A8316681-001-A CERT. #

INVOICE # : 18316681 DATE 7-DEC-83

P. O. # : NONE

E-82-109-B

ATTN: FRANK MACK CC: AMOCO MINERALS

Sample	Prep	Cu	AU-AA					
description	code	ppm	ppb					
2633	205	32	10					
2634	205	35	<10					
2635	205	57	<10					
2636	205	138	<10					
2637	205	1080	<10					
2638	205	5800	<10					-
2639	205	5500	<10					
2640	205	2800	<10					
2641	205	965	<10					
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SE Claims / Ariz State Permit FW Mack Mapping + Sampling 1983





CHEMEX LABS LTD.

212 BROOKSBANK AVE. NORTH VANCOUVER, B.C. CANADA V7J 2C1

TELEPHONE: (604) 984-0221

TELEX:

043-52597

· ANALYTICAL CHEMISTS

GEOCHEMISTS

REGISTERED ASSAYERS

CERTIFICATE OF ANALYSIS

: AMOCO MINERALS COMPANY

U.S.A. MINERALS EXPLORATION DIVISION

P.O. BOX 3986

7200 SOUTH ALTON WAY

ENGLEWOOD, COLORADO 80155

CERT. # : A8316681-001-A

INVOICE # : 18316681

DATE : 7-DEC-83

P.O. # : NONE

E-82-109-B

ATTN: FRANK MACK CC: AMOCO MINERALS

Sample	Prep	Cu	AU-AA			
description	code	ppm	ppb			
F 2633	205	32	10	 		
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F 2635	205	57	<10	 		
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F 2638	205	5600	<10	 		 **)
F 2639	205	5500	<10	 		
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F 2646		3900	10	 		
F 2647	205	560	<10	 		
F 2648	205	195	<10	 		
F . 2649	205	110	<10	 		
F 2650	205	165	<10	 		
			1000			

SE Claims / Ariz State Permit
FW Mack Mapping + Sampling
1983



Certified by HartBichler

133 y, Horo Jan Aer, Suite 508 F 2633	333 W. Hompden Ave., Swife 508 Englewood, Colorado, 80110 (303) 761-5921 AMOCCO MINERALS COMPANY 333 W. Hompden Ave. Englewood, Colorado, 80110 (303) 761-5921	'Suite 508 - 1 2625
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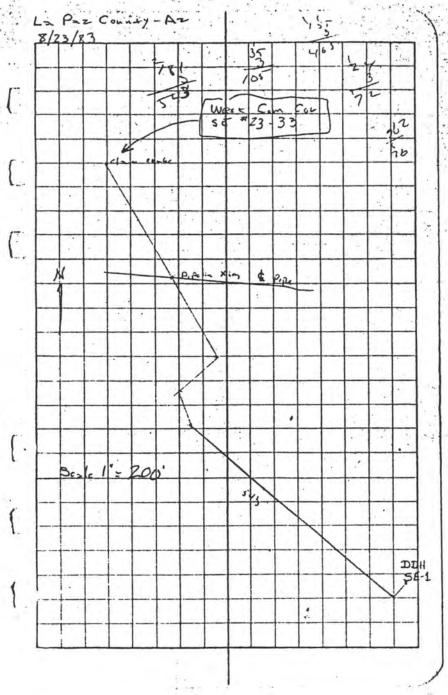
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A STATE OF	(303) 761-5921	AMOCO MINERALS COMPANY 333 W: Hampden Ava.; Surle 508 Englewood, Colorado, 80110 (303) 761-5921	AMOCD MINERALS COMPANY 333 W. Hompden Ave., Suite 508 Englewood, Colorado, 80110 (303) 761-592
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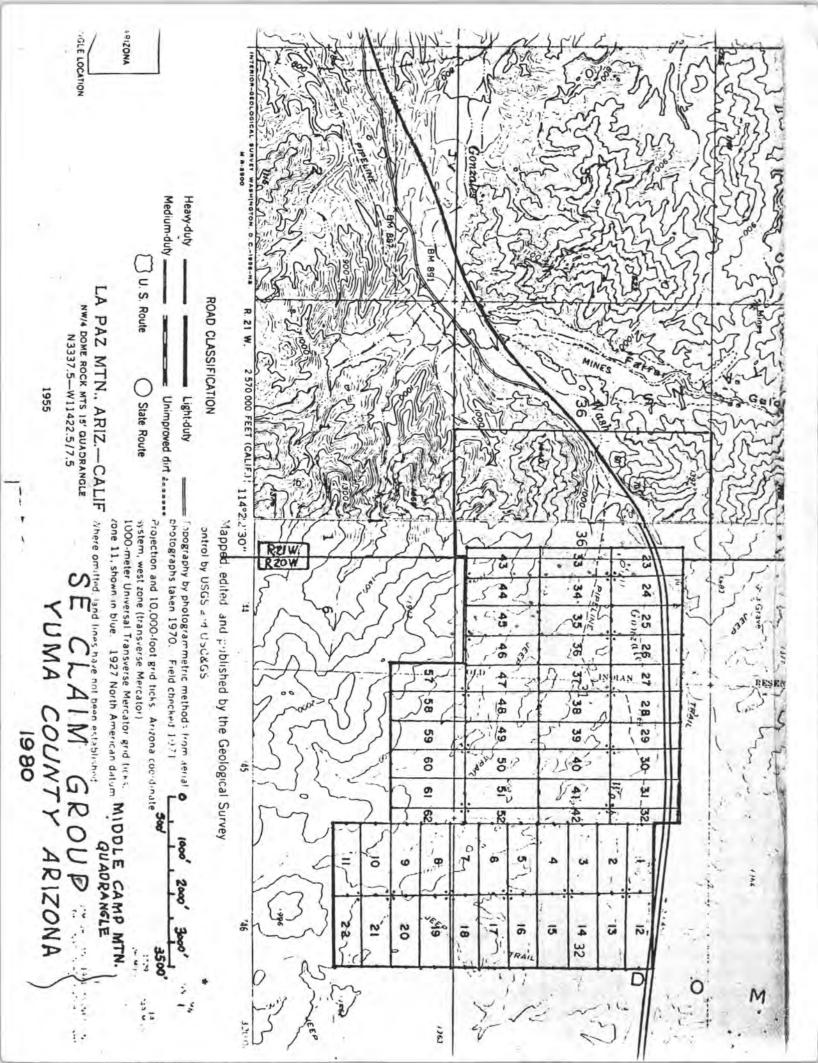
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Surveyed Location Drill Hole SE-1 F.W. Mack 8/83



DISCLOSURE* * ALL INFORMATION APPEAR ON THE LOCATION NOTICE	23 ES	SE NA	N. C.	YNWWWWWWWWWWW	CENTRUTE PE	THNSHP RANGE SEC SUBDY CTY DIS	GILA-SALT R.
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MEMORANDUM

TO:

G. N. Hall

FROM:

R. A. Newell

SUBJECT:

SE Claim Expenditures; Cholla Prospect

Yuma Co., Arizona File No. 3128-E

DATE:

August 17, 1982

NEL initiated active investigation of the SE Claims, Dome Rock Mtns., Yuma Co., Arizona on Mardh 18, 1982. Ninety-three rock geochemical samples have been collected during the course of our activities, and expenditures total \$1,698.33.

The two samplers, Mr. E. Owens and Steve van Kouteren, are graduate geologists with about 1 year of professional experience each.

Mr. Owens earned a B.Sc. geology degree from University of California,
Riverside, 1981, and Mr. van Kouteren obtained his B.Sc. in geology from

Penn. State University, 1981. Both individuals, employed by NEL for about one year, were directed by J. O. Guthrie, Senior Newmont Geologist, with

13 years' experience and B.Sc. from University of California, Santa Barbara, and M.Sc. University of Mass., Amherst, Mass. Our expenditures are summarized in the following table:

SE CLAIM EXPENDITURES (Year to Date)

 Assaying Charges
 93 samples
 \$ 653.80

 Labor Charges
 8 man days
 780.35

 Travel & Living Expenses
 264.18

 \$1,698.33

R. A. Newell

RAN: re

SE Claims and State Prospect Permit, Yuma County, AZ.

Purchase Price: 10,000,000 or \$5,000,000 plus perpetual
NSR or equivalent royalty 4% Federal Lands, 2% state
hands. All payments, including production royalties,
are applicable to purchase price.

Payments toward purchase price: Year 1), first 6 months \$6,000 second 6 months \$7,500

- 2) \$ 18,000
- 3) # 21,000
- 4) \$ 24,000
- 5) and beyond \$ 24,000

All payments, excepting production royalties, structured as capital gains. If above terms are acceptable, owners require no term to agreement. If a reduced price is offered and accepted, owners insist on a 5 year term.

Annual labor must be performed if claims are held beyond February I of any one year; must be physical labor, i.e. drilling. 1981-82 labor may be non-physical, i.e. geologic mapping, acochemical sempling - \$5800 on SE Claims; state P.P. 320 acres, \$3200, before March 16, 1983 1984-87 P.P. rental is \$320, per year, \$3200 assessment work must be accomplished before March 16, 1983. and the same before March 16, 1984 and \$6400 accomplished in each of 3 succeeding years. through March 16, 1987.

One mile perimeter protection.

All factual dates released to owners when option is dropped.

Periodic information to be made available; confidentiality observed.



WOMBAT MINING COMPANY 3425 W. Bardot St. Tucson, Arizona 85741

April 1981

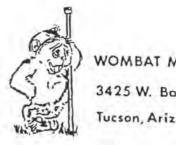
SE Claims Summary Sheet

The SE claims are in the Middle Camp-Oro Fino mining district in the Dome Rock Mountains in Yuma County, Arizona. The claims are immediately south of Interstate 10, about eight miles west of Quartzsite, Arizona and about thirteen miles east of Blythe, California. The claim group consists of 58 lode claims, located in sections 31 and 32 T4N R2OW, sections 5 and 6 T3N R2OW, and section 36 T4N R2IW, totalling about 1120 acres. This area is shown on the Middle Camp Mountain USGS 7 1/2 minute topographic map. The claims bear US BLM Serial Numbers AMC 105414 through AMC 105471. They were staked in 1980.

Ownership of the claims rests with four Arizona residents, each with a one quarter undivided interest. These people are Walter E. Heinrichs, Jr., William C. Hirt, James J. Loghry, and Richard J. Lundin, all of Tucson, Arizona.

The exploration target is a porphyry copper-molybdenum deposit. During the period 1962-1975, mapping, sampling and rotary and diamond exploration drilling totalling approximately 18,500 feet was done by several concerns, one of them a major oil and mining company. Results of some of this work are available and are included as a part of this submittal. We feel that the mineralization disclosed thus far warrants further investigation.

Further information may be obtained by writing to any of the four owners at the above address or by telephoning 602-623-0578.



WOMBAT MINING COMPANY 3425 W. Bardot St. Tucson, Arizona 85741

June 12, 1981

SE Claims Geological Synopsis

The SE claims are in the Middle Camp - Oro Fino Mining District in Yuma County, Arizona. Past production from the district includes over 12,000 ounces of gold with 1500 ounces of contained silver from placer operations and minor production of lead, zinc, copper,gold and silver from several small lode mines.

The dominant rocks exposed within the district in the Dome Rock Mountains are Precambrian schist and granite. In the SE claim area, these rocks have been intruded by a stock of probable Laramide age. Extrusion of a Tertiary quartz porphyry flow followed; outcrops of this rock are found capping Sugarloaf Peak and scattered north of I-10. Late Tertiary gravels and Quaternary alluvium lap up onto the mountains.

Porphyry copper-type alteration is well developed within the claim area; alteration types include propylitic, pyritic, phyllic, and potassic. The original geometric relations between the various alteration zones have been obscured by structural dislocations along faults.

Surface geochemical sampling has disclosed anomalous lead, zinc, molybdenum, bismuth, and tin values.

Primary copper mineralization (disseminated chalcopyrite now partially oxidized to various copper oxide minerals) is found on the surface in the Hancock Wash area (Hancock Wash is the large wash in the south half of section 31 TAN R2001). This mineralization is associated with a block of exposed potassic alteration.

A minimum of 18,500 feet of recorded rotary and core drilling has been carried out in the Sugarloaf Peak area by various companies; data from some of this drilling is available in addition to other reports and maps and is included in the larger body of text which is available on request. The reader's attention is drawn to DDH Q-1 through Q-6. These holes were drilled in the Hancock Wash area intercepting schist and quartz monzonite (a phase of the



WOMBAT MINING COMPANY 3425 W. Bardot St.

Laramide (?) intrusive). DDH Q-1, which was drilled mostly in schist, had intercepts of 200 feet of about 0.6% copper from the surface to a depth of about 200 feet; the copper is in the form of brochantite, chrysocolla, and malachite, partly disseminated and partly on fractures, and also disseminated and veinlet chalcopyrite. There is a further 30 feet of approximately 0.6% copper (disseminated chalcopyrite - bornite) at 400 - 430 feet. The mineralization in Q-1 is associated with sericite and biotite alteration.

DDH Q-3 intercepted 203 feet of 0.43% copper mineralization, mostly in quartz monzonite, from about 190 feet to about 400 feet of depth. The mineralization is in the form of chalcopyrite associated with phyllic alteration (quartz-sericite-pyrite).

Increased amounts of molybdenum are associated with the copper mineralization intercepted in DDH Q-1 and Q-3, and probably elsewhere as well.

In DDH Q-6 was found 50 feet of 0.2% copper in a faulted block of quartz monzonite. The mineralization is chalcopyrite associated with quartz-sericitepyrite alteration and some tourmaline.

Tourmaline was noted in all of the Q holes, but most strongly in holes Q-2, Q-4, and Q-6, both disseminated and in veinlets.

Many of the earmarks of economic porphyry copper deposits found elsewhere in the Southwest are present in the Sugarloaf Peak area. These include the Pb-Zn-Mo geochemical anomalies, the well developed and widespread alteration zoning, presence of abundant alunite and tourmaline, and outcrops of disseminated copper mineralization in a potassic alteration zone. All these favorable geological characteristics taken with the data gathered thus far, indicate that more work is warranted to test for the presence of economic quantities of disseminated copper - molybdenum mineralization in the Sugarloaf Peak area.

> William C. Hirt Geological Engineer and Metallurgist

SE Claims Data and Reports

(in approximate chronological order)

- McPhar Geophysics IP and Resistivity Survey Location Map (Fig. 3), undated but probably between 1962 and 1971.
- Report titled "Base Metal Distribution at Sugarloaf Peak, Quartzsite Mining District, Yuma County, Arizona" dated August 1971, text 4 pp., with drill hole data including core logs, drill chip logs, and metal ratio graphs for drill holes DDH S-1, DDH S-2, DDH S-3, DDH SL-4, DDH SL-5, DDH SL-6, RH SL-7 RH S-8, RH S-10, RH SL-13, and DDH SL-15 (these are partly rotary and partly core holes), accompanied by map titled "Generalized Alteration Sugarloaf Peak Area", dated August 1971 (two copies, one with outline of claim block), and also by another map (undated) entitled "Dome Rock Mtns Quad" which shows the location of the S and SL holes.
- Assay logs for RH V-1 through RH V-15 (all rotary drill holes except for three feet of NX core on hole RH V-15), drilled in 1972.
- 4. Report titled "Exploration Potential of the Sugarloaf Peak Area, Quartzsite Mining District, Yuma County, Arizona" dated May 25, 1973, 12 pp., with 3 pp. cover letter, accompanied by maps:
 - a. "Alteration Map Sugarloaf Peak Prospect", May 25,1973.
 - b. Molybdenum Geochemical Values, Lead Geochemical Values, and Mo/Pb Ratio Maps, all of the Sugarloaf Peak Prospect, dated May 1973.
 - c. Cross Section through Sugarloaf Peak, dated May 1973.
 - d. Magnetometer Survey Profiles, dated May 1973.
- -5. Assay and Core Logs for DDH Q-1 through Q-6 (NX core holes drilled in 1974-1975).
 - Map titled "Quartzsite Geology and Alteration" dated February 1975 showing location of Q holes.
 - Map titled "Quartzsite Project, Yuma County, Arizona", dated May 30, 1975 showing location of Q holes.
 - 8. Undated Map showing drill hole locations and claim block outline.
 - Geologic Map of the Central Dome Rock Mountains by W. J. Crowl, 1975 (University of Arizona thesis).
- 10. SE Claim Group Map, 1980.



October 24, 1989

To: Vicki & Rich Lundin

From: Jim Loghry

Re; Stray Elephant Partner Responsibilities

Walt Heinrichs sent you a request for payment of \$102.50 for SE assessment fees payable to Stray Elephant Claimowners one month ago; it doesn't matter when ; you have failed to respond.

You can:

- 1) Send check for \$102.50 to me payable to Stray Elephant Claimowners now; letter will be postmarked no later than 10/30/89;
- 2) Accept partners' offer to buy you out for \$2000.00. OR.
- 3) I will advertise you out of the partnership.

It's time you stopped stiffing your friends and partners. I recommend course #1!

VERY SINCERELY,

James D. Loghry

cc: Walt Heinrichs Bill Hirt



HEINRICHS GEOEXPLORATION COMPANY

P.O. BOX 8964, TUCSON, ARIZONA 86703, 806 WEST GRANT ROAD, PHONE: (602) 623-0578

February 9, 1982

SE Property Geological Synopsis

The SE property is in the Middle Camp - Oro Fino Mining District in Yuma County, Arizona. Past production from the district includes over 12,000 ounces of gold with 1500 ounces of contained silver from placer operations and minor production of lead, zinc, copper, gold and silver from several small lode mines.

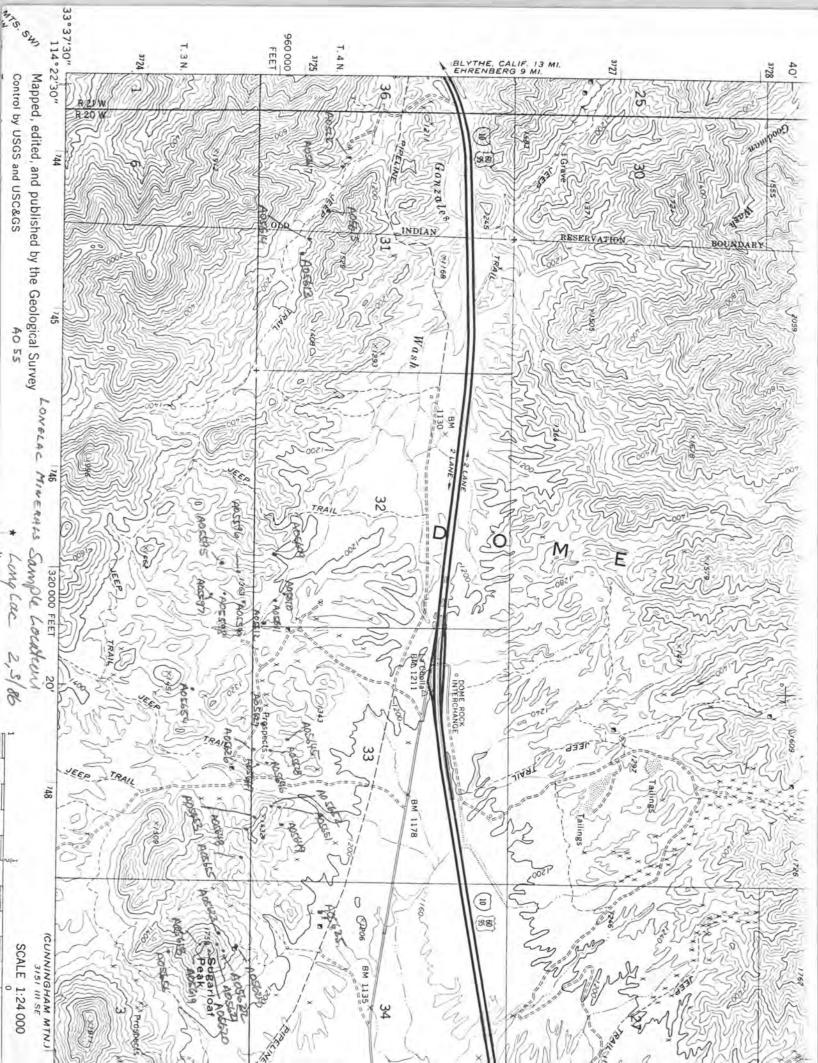
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WALLABY ENTERPRISES INCORPORATED

TUCSON OFFICES: 810 WEST GRANT ROAD - P.O. BOX 5964 - TUCSON, ARIZONA 85703 - (602) 623-0579 3425 WEST BARDOT STREET - TUCSON, ARIZONA 85741 - (602) 744-2700

122 FAST GURLEY - SUITE 203 - PRESCOTT, ARIZONA 86301 - (602) 445-8498

November 9, 1982

Mr. C. Arnold Sr. Staff Geologist Phelps Dodge Corp. Western Exploration Office Drawer 1217 Douglas, AZ 85607

Dear Chuck:

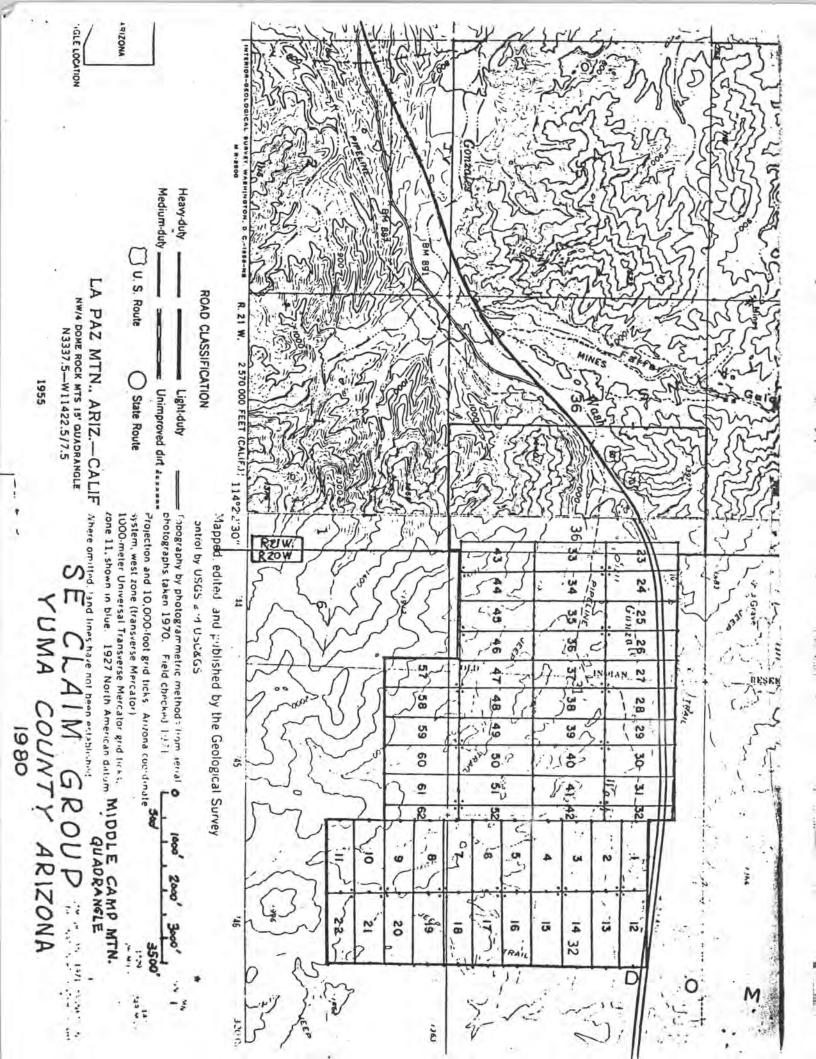
Please find enclosed the latest information on the SE group at Quartzite. The numbers are quite good and indicative of a large pyritic gold system. The letter prefices refer to the company that gathered the samples. (e.g. Newmont=N, Felmont=F, Gulf=G, Wallaby=W or SE) The red colored areas are zones of silicified quartz crystal tuff that arestrongly pyritic (1-10% py).

The situation is that Westworld Oil & Gas have the adjacent SP group and have ans for me to finish up the mapping at a 1"=200' scale in anticipation of initiating a drilling program around the first of the year. I feel that the altered area on the SE group has similar promise but needs more work to better define the geochemical anomaly. We are looking for an outfit to finish up this geochemical work and take a look at the remobilized Au-magnetite mineralization on the State Prospecting Permit

We originally submitted this to Phelps Dodge over a year ago and have heard nothing since. Could you get DuHamel off the dime? I would like to gave P.D. some sort of opportunity to deal with us prior to signing up with Newmont, Gulf, Westworld or one of the others. If you are not interested please give me a call.

> Richard J. Lundin, President Wallaby Enterprises & Managing

Partner, Wembat Mng. Co.



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17 8		2	6(.27,.3) 40 55 40	x(.08,.5) x(.05,.4)	79
16 9			39	6.20,1.0)	80 -x(.05,.2)
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14 11		37 1(5.92, 4.90) 37 1(0.06, 0.20) 0(.02, 2)	(15,20		82 ×(.07,.9)
13 12		6]35 6(3.48,70)	5) 36	60 ×1.06, 3)	(16, A) 83

ATTACHMENT B

SUMMARY REPORT SE CLAIM GROUP

by Richard J. Lundin, Mineral Exploration Consultant

- 1. Mine or Property Name: SE Claim Group
- 2. Mining District, County & State: Middle Camp-Oro Fino Mining District, La Paz County, Arizona
- 3. Quadrangles or Map Names: Middle Camp Mountain AZ (1:24,000)
- 4. Location: T. 3N & 4N, R. 20W & 21W, Sections 31,32,5,6 & 36 Any Former Names: Scott Copper, Royal Investment Corp. Property, Scott-Weaver Copper Mine, Weaver Mine, Sugarloaf Peak Project (Kerr-McGee Corp.)
- 6. Owners: Walter E. Heinrichs, James D. Loghry, Wombat Mining Co. (Richard J. Lundin, owner) & William C. Hirt
- 7. Address of Owners: C/O Heinrich's GEOEXploration Inc., 810 W. Grant Rd., Tucson AZ 85705; Telephone: (602) 623-0578
- 8. Operator: same as above
- 9. Address of Operators: same as above
- 10. Principal Metals: Cu, Au, Ag, U
- Number of Claims, Title etc.: 78 unpatented lode claims, Previous Published or Unpublished Reports: Bancroft, H., Heikes, V.C., and Yale, C.G. (1913); Jones, E.L., Jr. (1916b); Kincannon, R.B. (1926); Gardner, E.D. and Johnson, (1934); Householder, E. Ross (1956a & 1956b); Wilson, E. (1961) Kerr-McGee Private Reports (1971,1973a & 1973b); Johnson, M.G. (1972) numerous other private company reports, maps and file data, Arizona Department of Mines and Mineral Resources File Data, Crowl, W.J. (1975); Keith, S.B. (1978); Lundin, R. (1982a & 1982b) Dausinger, N.E. (1983)
- 13. Names of Mining Companies or Governmental Agencies that have worked or are now working on this property; Royal Investment Corp., Congdon & Carey, McIntyre-Porcupine, Kerr-McGee, Newmont, Gulf Minerals, Texasgulf Western, Bear Creek, Echo Bay, Felmont, Gold Fields, AMSELCO, AMAX, FMC, Labradorex, AMOCO and Meridian Minerals.
- 14. Ore & Gangue Minerals: Auriferous and argentiferous pyrite and chalcopyrite, malachite, azurite, chrysocolla, tenorite, molybdenite, alanite, iron and manganese oxides associated with extensive sericite-chlorite-alunite-pyrophyllite areas of alteration and extensive silicification, areas of extensive talcserpentine and toumaline veining, placer gold
- 15. Geology: Triassic felsic intrusives and metavolcanics that are overlain by a highly sheared and deformed sequence of Cretaceous volcanics, volcaniclastics, sediments, and cataclastics. These units were then strongly fractured and STATE OFFICE extremely altered to a alunite-pyrophyllite-quarte and state of the chlorite-class. chlorite-clay assemblage and intruded by a series intermediate-felsic Laramide-Tertiary volcanic plugs associated silicious, base and precious metal vein systems. "Postmarked timely" A# PHOENIX, ARTZONA Quaternary gravels and alluvium.

16. Type of Mineralization-Metallurgical Considerations:

l. "Porphyry" Cu-Mo-Ag-Au-U mineralization associated with areas of potassic, phyllic and argilic in the general vicinity of the "Open Pit" area in Hancock Wash. Adjacent to this area are extensive areas of quartz-tourmaline veining associated with a quartz-chlorite-epidote-potassium feldspar alteration assemblage in metavolcanics and felsic intrusives. From the existing Kerr-Mc Gee drilling information, it appears that the mineralization is of a sulphide character and should be amenable to standard floatation treatment.

2. Disseminated pyritic Au-Mo-Pb-Zn mineralization associated with extensive areas of alunite-pyrophyllite-quartz-sericite-clay alteration in silicified metavolcanics, volcaniclastics, cataclastics and sediments. Mineralization is associated with zones of silicification adjacet to or within radial, concentricand low-angle fracture systems.

3. "Stockwork" Au-Mo-Pb-Zn bearing quartz vein systems that contain masses of free-milling gold. These systems are quite extensive and outcrop in the northeast portion of the property.

17. Ore Reserves: According to a Royal Investment Corp. report on the property, the drill indicated reserves of the copper-rich portion of the property are reported at 3,600,000 tons of mixed oxide and sulphide copper bearing ore that would probably average 1.575% Cu/T., .002 ozs. Au/T. (Householder, E. Ross (1956b)) On the basis of later work, Kerr McGee personnel estimated that the reserve potential of this area might be in the order of 10,000,000 tons of material that would average 1% Cu.

The potential tonnage of the gold-rich portion of the system is unknown at this time. On the adjacent SP property of Westworld Oil and Gas, a recently completed, shallow, drilling program delineated a potential of up to 100,000,000 tons of material that would contain 1.5 million ounces of gold and 25 million ounces of silver (Dausinger, N.E. (1983)) It is felt that a major portion of this system extends on to the SE claim group.

18. Mine, Mill Equipment & Flow Sheet: none

19. Road Conditions: The property is readily accessable by system of roads and jeep trails. Interstate (figures 1 & 2)

20. Water & Power Supply: Water is available for mining amd milling activities from the Colorado River by application. An El Paso Natural Gas pipeline runs through the property. Three phase electical power is locally available.

21. Extent of Developement: Considerable, shallow, open cut workings and stripped areas in and along Hancock Wash

B.L.M. AZ STATE OFFICE DEC 3 1 1985

"Postmarked timely" AH

22. Brief History and Past Production: District originally located in the 1890's and worked for high-grade, placer gold deposits. During this period there was only small production from high grade pockets on top of strongly veined bedrock outcrops in the eastern portion of the property. The property was originally located by Miguel Apodoca, and worked in the 1920's as the Weaver or Weaver-Scott Mine. The mine was further developed in the 1950's by Royal Investment Corp. who shipped initiated a drilling program, developed some reserves and shipped several carloads of oxide Cu-Ag-Au ore. It was again operated in the the 1960's by Hancock Oil Co., who then leased to Kerr-McGee. Kerr-McGee drilled six core holes (Q1-Q6) in the Hancock Wash area of the property (Q1-Q6). Located by the present ownership in 1980 and leased to AMOCO in 1983. AMOCO drilled one, shallow, hole in the Hancock Wash area and returned the property to the present ownership. Intensive surface sampling, geological-geophysical studies of areas in the gold-rich portion of the property by several major mining companies (1984-1985)

23. Previous Sampling, Drilling & Other Studies on Dumps or Tailings: Considerable surface sampling by several major mining companies (see figure 1 for results) Core drilling by Royal

Investment Corp., Kerr-McGee Corp and AMOCO.

portion of the property.

24. Environmental-Social-Political Conditions & Considerations: The area is one of past, extensive and recent mining and prospecting activity and is not within any area considered for Wilderness or Restricted Use Status.

25. Sampling: Sampling by various major companies and Wallaby personnel of the surface exposures. (see figure 1 for results)

26. Financial Terms, Conditions & Considerations: The property is currently available for lease or purchase.

Remarks: The property is an old Copper-Gold-Silver producer with drill indicated reserves. Past drilling efforts by several major mining companies have delineated a major, near-surface Cu-Au-Ag-U system. Recent work has delineated extensive areas of intense low-angle shearing, and alunite-sericite alteration silicification with associated gold and molybdenum mineralization. In the gold-rich portion of the the property are bodies of strongly fluidized breccia that have anomalous gold contents (up to 5.00 ppm Au/T.) Low-angle fracture-vein systems that are known to have anomalous to ore grade gold values on adjacent properties (i.e. the Goodman Mine Vein System) are thought to cross the SE property under alluvial cover. (see figure 1) Detailed geological mapping and geophysical studies carried CEVED out during the 1984-1985 Assessment Work Year, delineated CEVED numerous small bodies of highly fluidized breccia that may cotain STATE OFFICE anomalous gold values. Structural mapping studies confirmed the radial and concentric pattern to fracturing in ; the gold-pick 3 1 1985

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From the data at hand, it appears that there is athe potential for a 5,000,000-10,000,000 ton copper-silver-gold deposit in the Hancock Wash, copper-rich, portion of the property and the potential for several other gold-silver-molybdenum deposits in the gold-rich portion. The gold-rich portion of the property has not been tested by drilling. Ore-grade drillholes on the adjacent S.P. group are within 500' of the eastern boundary of the common SE claim boundary.

Date: October 28, 1985

Signature

ichard J. Lundin

Richard J. Lundin, Mineral Exploration Consultant and President of Wallaby Enterprises Inc. has a BA degree in Anthropology and Geology from Beloit College, Wisconsin and 10 years experience in the evaluation of base and precious metal deposits in the United States and abroad. In addition, he is a Licensed Real Estate Professional in the State of Arizona and a Specialist in Mining Properties and Mineral Industry Investments.

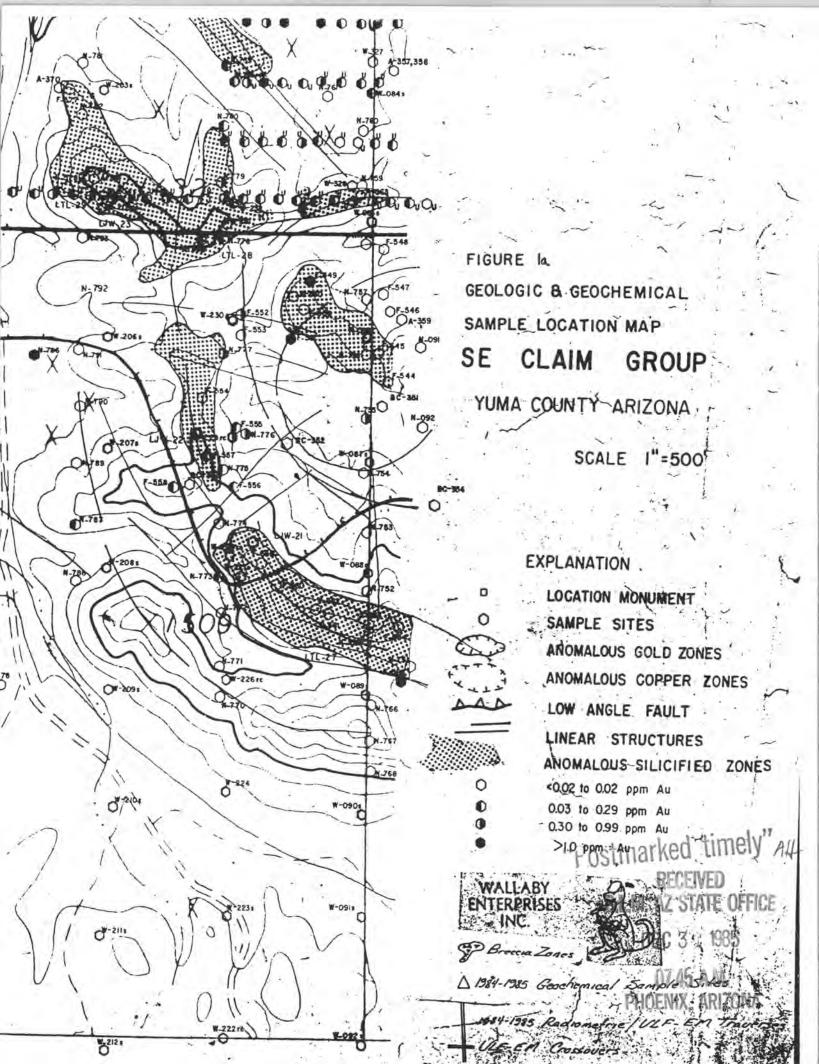
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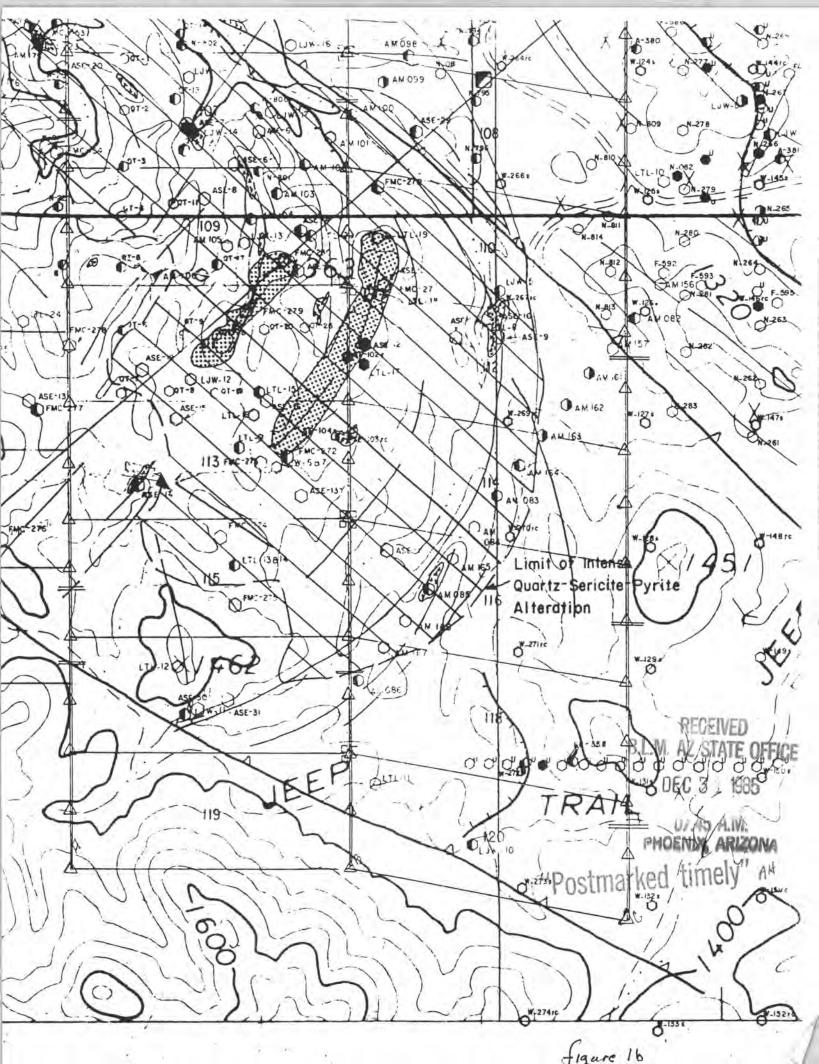
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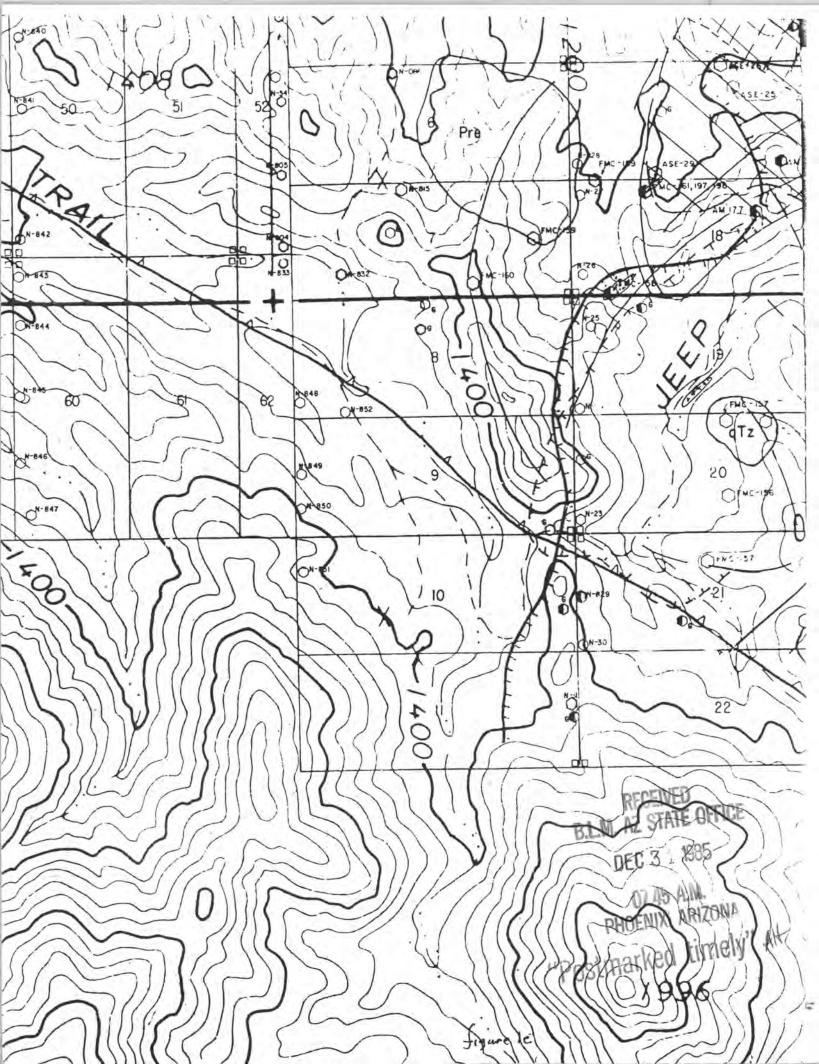
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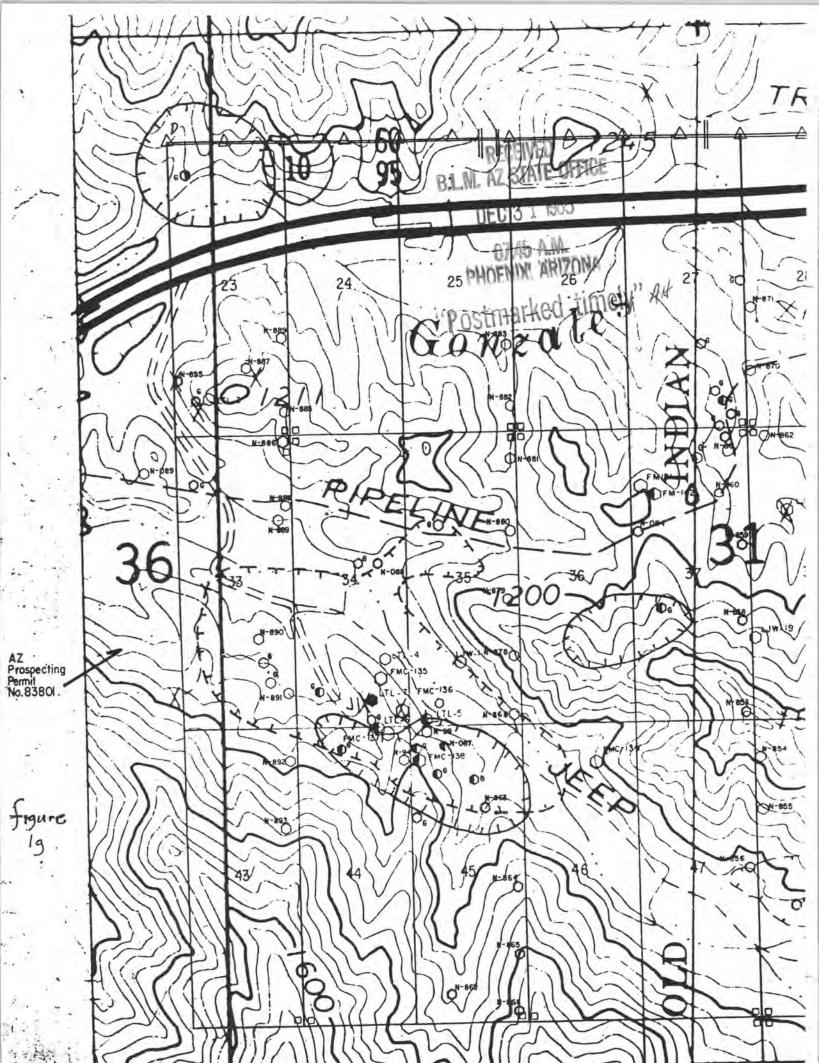
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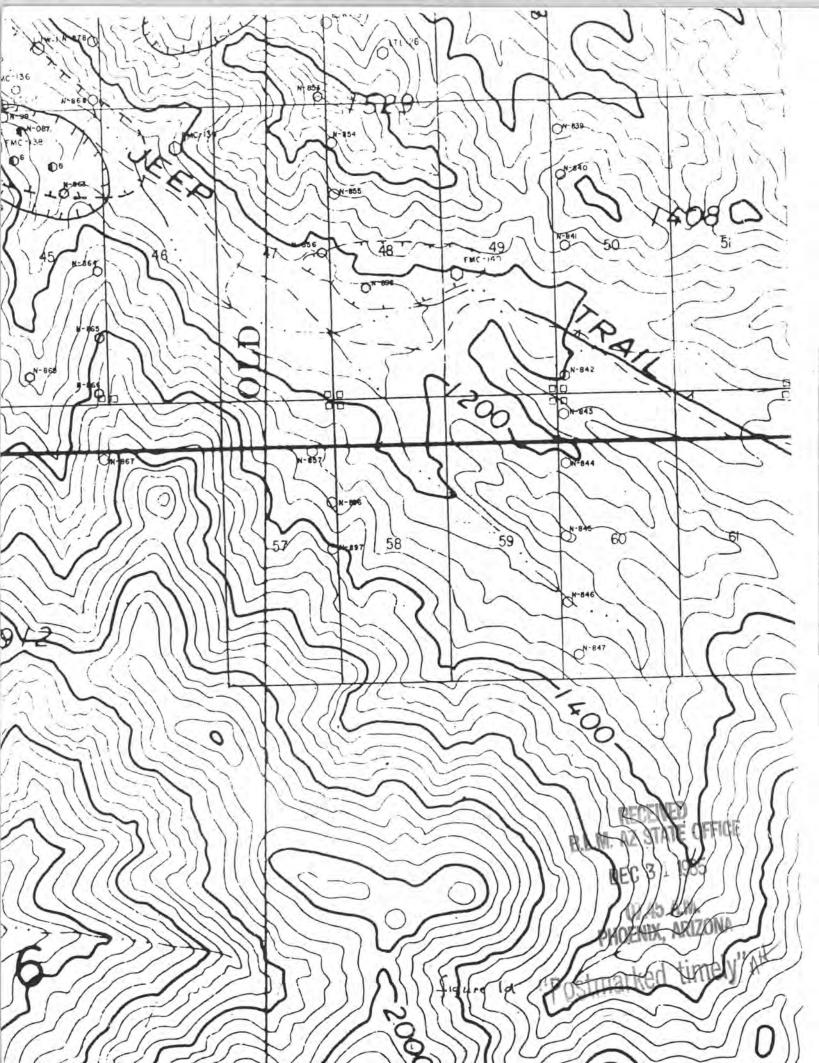
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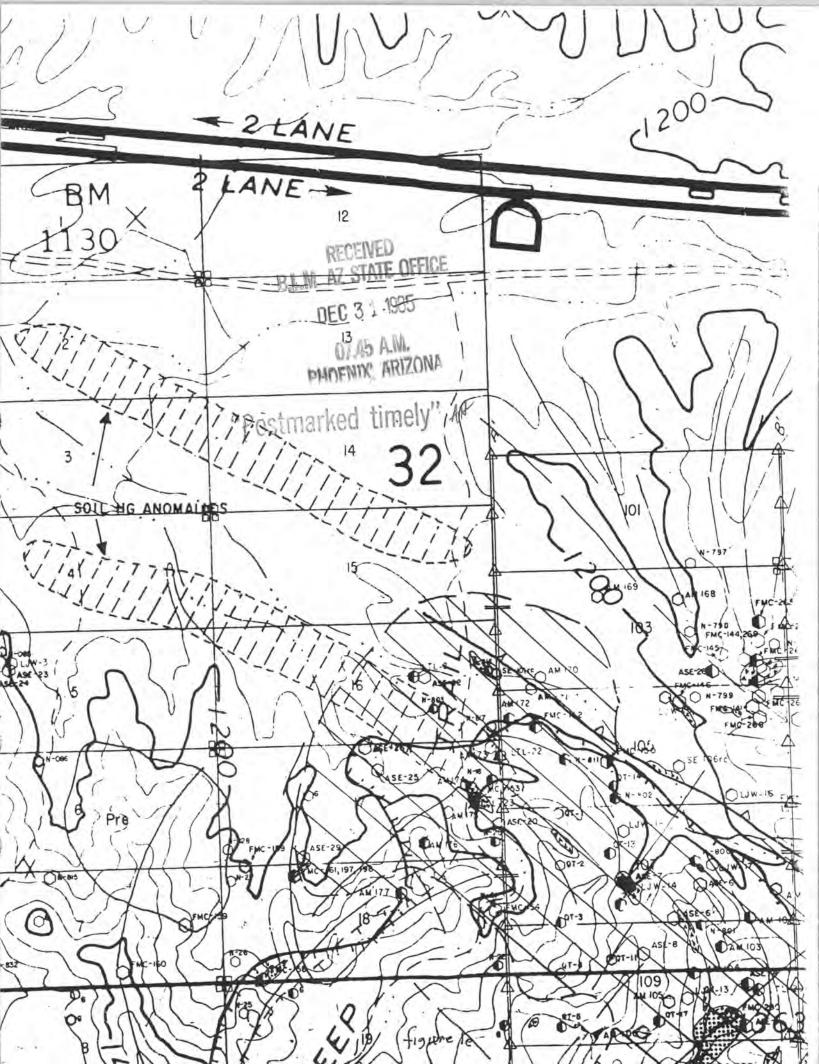


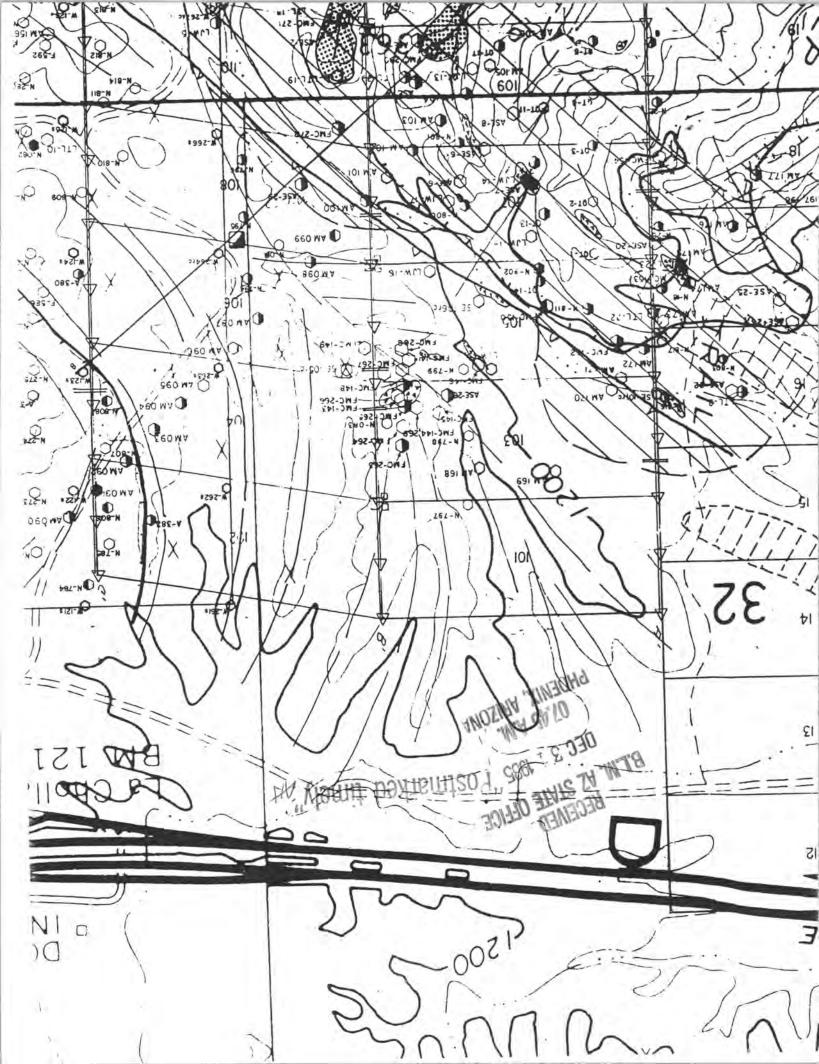


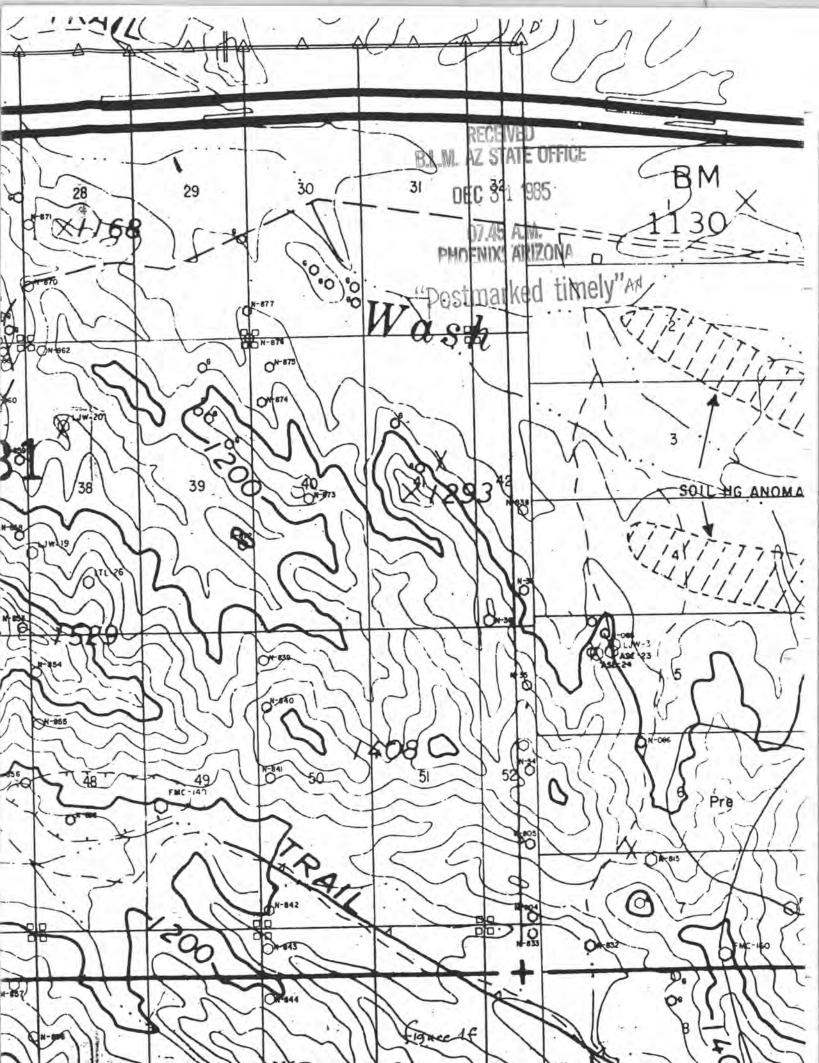








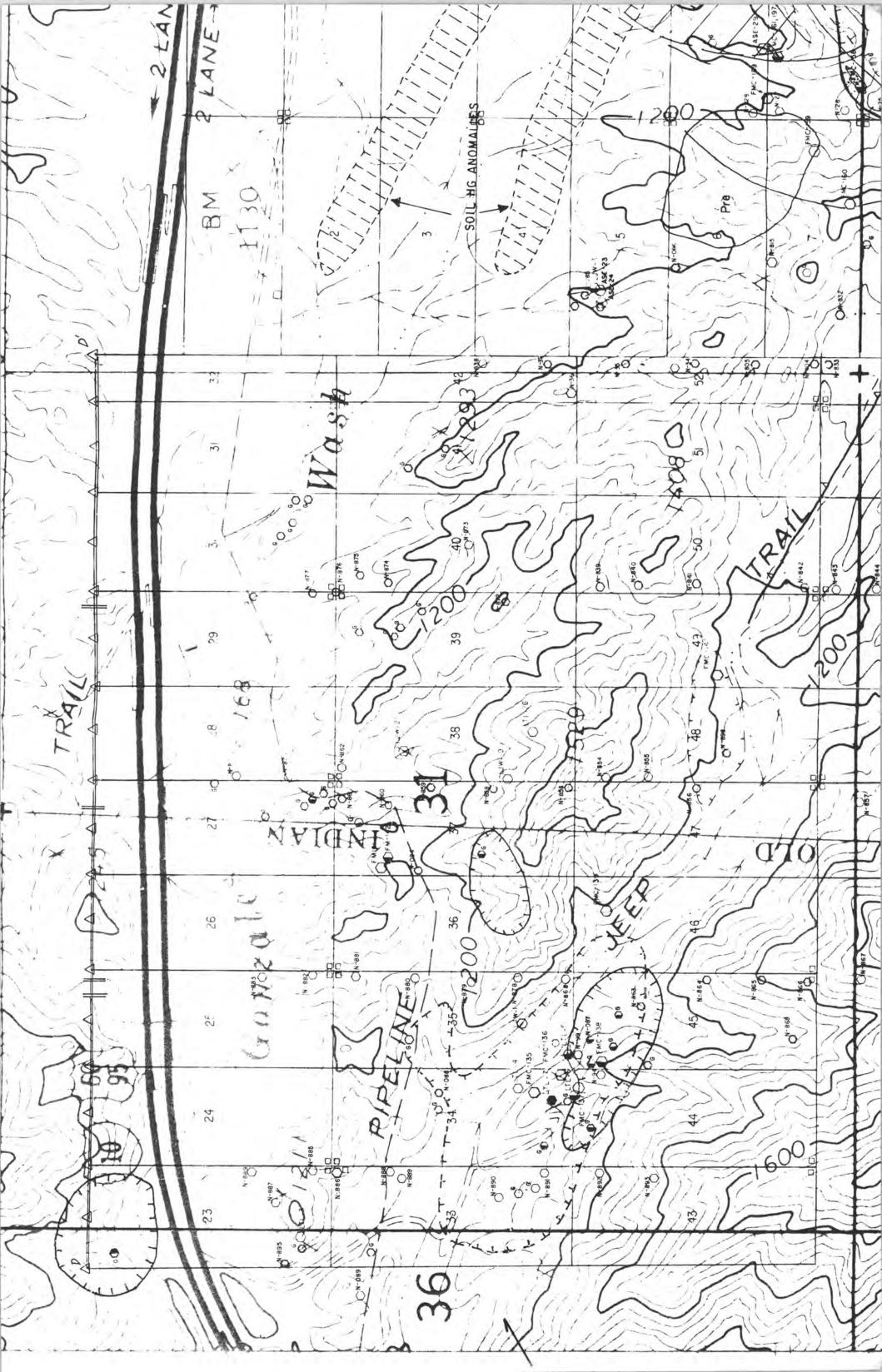




ATTACHMENT A

Name of Claim	BLM Serial Number AMC No.	Yavar Book	oai County Page
Azure Blue	28667	182	457
Copper Ridge	28671	182	458
Lucky Three	28672	183	117
Treasure	28668	183	118
Bonanza	28669	203	243
Copper Moon	28674	204	407
Jump Off	28666	204	408
Payoff	28675	204	409
Red Copper	28673	204	410
Surprise	28670	204	411
D. & D.	28676	208	142
Winner	28677	209	16
Hillside	68587	517	590
Rover Nos. 1-10	68588-68597	449	359-368

BOD-1776 PAGE 68



SP Clurry R. Cars

SAMPLE LOG

COUNTY Ia Paz PROSPECT Sugar Loaf, Middle Camp or Quartzite District

STATE Arizona

14741	4740-C	4740-В	4740-A	4740	4739-В	4739-A	4739	4738-C	4738-В	4738-A	4738	4737		NUMBER
Twn R2CW				NW/NE Sec. 4			NE/NW Sec. 4		T3N. R20W	NW/SE Sec. 4	T3N, R20W		LEGAL	го
Recent Drill	Drill Hole		2	leadville Mine Area.	Drill Hole SL-4.	West end Hill.	Drill Hole WW-4.	Cut on vein.	Drill Hole.	Val. Drill Hole cent Claim 51.	W end of lead Hi E end Claim 52		GEOGRAPHIC	LOCATION
Cuttings - Granite gneiss epidote & dissem pyrite.	Select sample of 2-3 foot qtz-limonite vein on N side.	lead-bismuth ore on Dump.	"adit.	Pyritic schist on Dump.	Cuttings of intensely pyritized schistose rhyolite.	Silicified pyritic rhyolite. between holes SI 6 & SI 7.	Cuttings of pyritic schistose, rhyolite.	Quartz-limonite vein material in cut.	Cuttings from Drill Hole CH #1.	Cuttings from validation Drill Hole.	HillSilicified schistose rhyolite.	Standard Alaskite.	LITHOLOGY AND MINERALIZATION	DESCRIPTION
													U308 eU eTh	RADIOACTIVE ELEMENTS
Ď			30 .	E	E	18	11		6	12	N	10	W AcidSol Total Ba % F	PATHFINDER ELEMENTS
08 180			.12 33	.10 16	.10 81	. 55 75	.14 45		. 29 21	.27 4	.11 5	.10 1	, Cu	
o l			3 199	6 27	1 27	5 45	5 19	+	1 10	477 22	55 <5	19 <5	Mo Mo	BASE
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VALUES IN PPM EXCEPT "TOTAL BARIUM" WHICH IS IN %.
COPPER STATE ANALYTICAL, TUCSON
US BORAX RESEARCH CENTER, ANAHEIM.

CORN B AHERN
CONSULTING GEOLOGISTS
TUCSON, ARIZONA



HEINRICHS GEOEXPLORATION COMPANY

P.O. BOX 5964, TUCSON, ARIZONA 85703, 806 WEST GRANT ROAD. PHONE: (602) 623-0578

March 14, 1984

W. C. Hirt

J. D. Loghry

R. L. Lundin

Re: Sale terms

S. E. Claims & Map.

Dear Partners:

Never did receive Rich's proposed revised terms in writing nor a reproducible sepia or vellum copy of l" = 500' scale topo base with claims and geochem sample sites shown as open hexigons. Regarding the latter, I do not immediately recall ever seeing the presumed geochem results obtained from this sampling. What's the story on that?

Regarding sale terms, Bill and I reviewed matters in the light of Rich's recent suggestions and I come up with the following revision: I believe Bill and Jim more or less agree with the table part. If Rich has a particular candidate he thinks this is too easy on he can make appropriate revisions but, ideally, a written record should be kept and the other three partners so advised in writing so we don't get crosswise with each other:

Year	Amount			
1	\$6000 in	advance	for	first 6 months
	\$7500 "	n n	11	second 6 months.
2	\$18,000 "	И 2	н	" 'year.
3	\$24,000 "	'n	11	third "
4	\$31,500 "	-11	11	fourth "
5	\$40,500 "	16	. 11	fifth "
6 &	beyond \$50,000 '	1 11	11	sixth " and thereafter.

Purchase price: \$10,000,000 buy out at any time. Royalty, NSR or equivalent, at 4% from Federal land and 2% from State land reduced to 3% and 1% respectively after \$5,000,000 paid out. Term, 10 years - if not in production. If in production term automatically extended so long as production continues. If production after having commenced, ceases for over one year, optionees must renegotiate minimum royalty or give up lease. If above principal figures are reduced in any way, then term will reduce from ten years to five years.

Please edit and/or comment by return mail.

Enclosed AMOCO correspondence copies are for your records. Incidently, this includes a copy of recently revised terms prior to Rich's recent suggestions which I have been using since before Gulf and will continue to use until we jointly decide otherwise. It's main inconsistency is relative to the \$5,000,000 and perpetual royalty which is contradictory and/or meaningless as stated.

Cheers,

Walter E. Heinrichs, Jr.

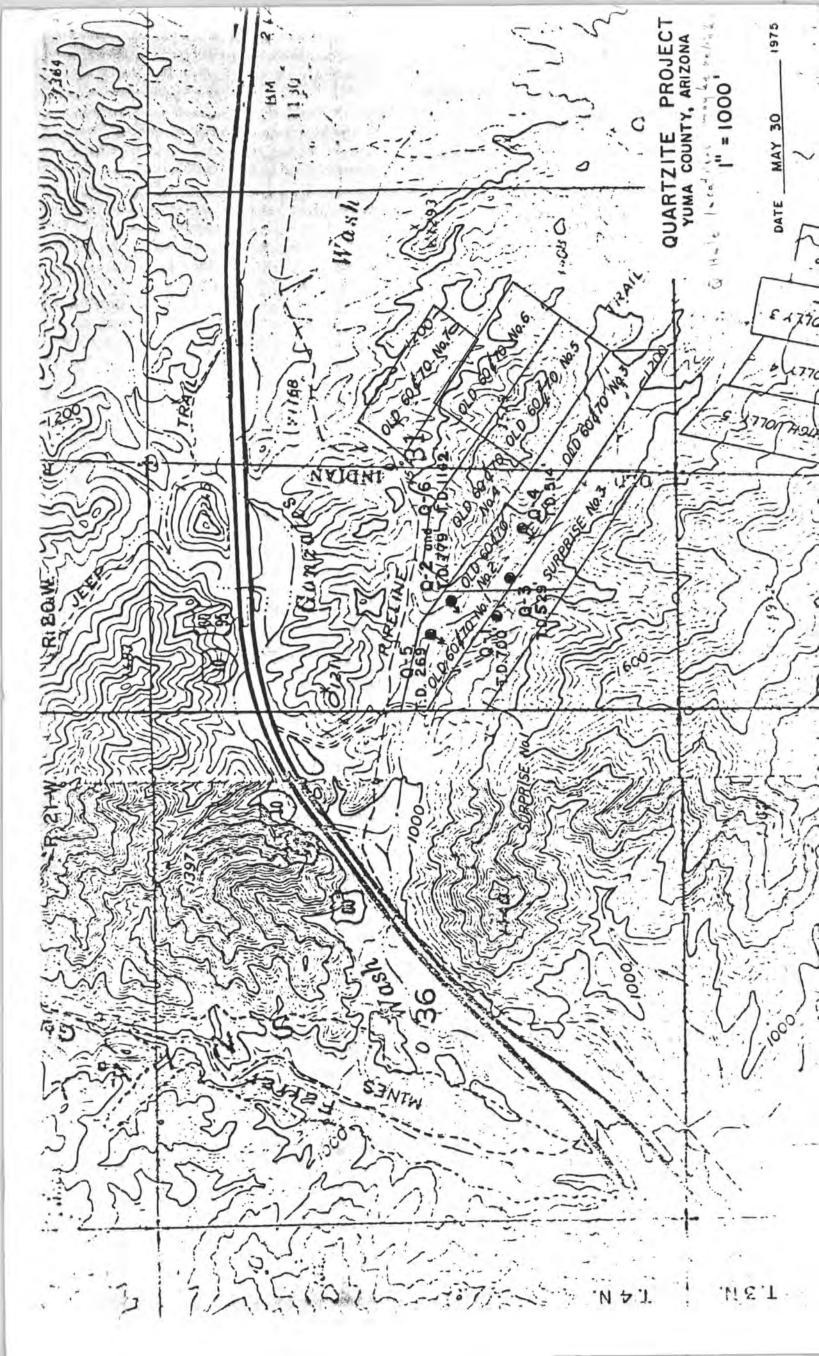
WEH/jh

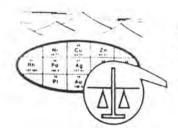
Enclosures: 3

ATTACHMENT A

Nar	ne of Claim	BLM Serial Number	La Paz	County
		AMC No.	Book	Page
SE	#1-52	105414-105465	1168	643-746
SE	#57-62	105466-105471	1168	747-758
SE	#101-120	186704-186723	1303	729-770







SKYLINE LABS, INC.

1775 W. Sahuaro Dr. • P.O. Box 50106 Tucson, Arizona 85703 (602) 622-4836

REPORT OF ANALYSIS

JOB NO. TRQ 009A

March 4, 1986

PROJ.NO. NEW DYNASTY SAMPLES
PAGE 1 OF 1

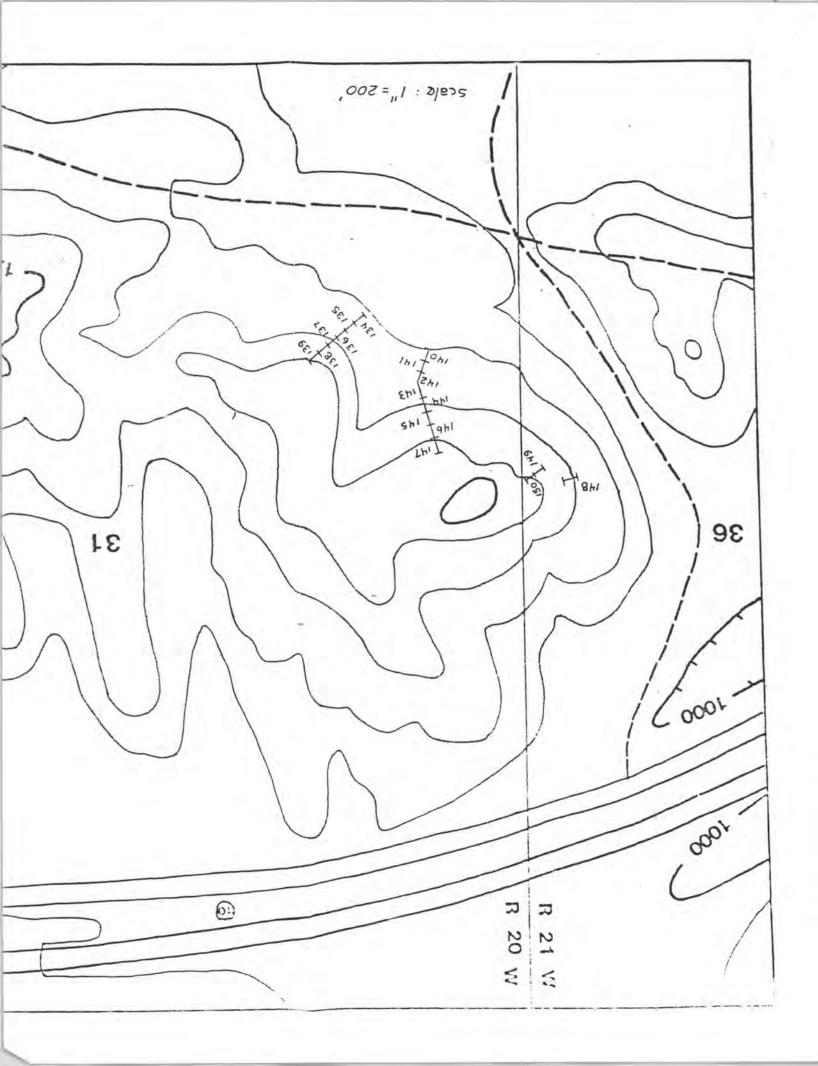
MR. JAMES D. LOGHRY Attn: Mr. James D. Loghry 2121 East Monte Vista Drive Tucson, Arizona 85719

Analysis of 3 Pulp Samples

		FIRE ASSAY	
		Au	
ITEM	SAMPLE NO.	(oz/t)	
 	an make that looks had find that they have been from head about being see		
1	H-009	1.110	
2	H-010	.030	
16	SE-1	.050	

cc: NORTHERN DYNASTY EXPLORATION LTD.
Attn: Mr. David Jennings
844 W. Hastings St.
Vancouver, B.C. V6C1C8
CANADA

9425 WILLIAMY-LEHMBOCK



AFFIDAVIT OF PERFORMANCE OF ANNUAL WORK

Subscribed to and sworn before me, a Notary Public, day of <u>Necember</u> , 1984, by <u>Richard</u>	
I, Richard J. Lundin of 1919 Thumb Butte Rd. Prescott, Arizona 86301 being duly sworn according to law deposes and says the citizen of the United States more than eighteen years that all of the facts set forth in this affidavit are correct according to the best of his knowledge, info belief. That he is personally acquainted with the mining claim Attachment A that are situate in the Middle Camp Mini La Paz County, Arizona, the location of which are recoffice of the County Recorder of that County in vario Pages. (see Attachment A) Notices of Location are poin Sections 6,7,18, Township 12N, Range 2E, G&SRB&M. That between the dates of September 1, 1983 and Augustat least Eight Thousand Three Hundred (\$8,300,00) do of work and improvements were made and performed upon not including location work. The work and improvements were made by and at the Walter E. Heinrichs, James D. Loghry, William C. Hirt J. Lundin, owners of the property for the purpose with the laws of the United States pertaining to assannual work. Richard J. Lundin, James D. Loghry, A. Humphreys, Rick Knowling, John Pierson, Brad Margeson, David Sp. Broderick were the names of the persons employed by who labored to do the work and improvements. All of mentioned individuals are senior Geologists or Minim with many years experience in all phases of mineral entities of the persons and person of mineral entity of the purpose with many years experience in all phases of mineral entity of the person of the person of mineral entity of the person of the person of the person of the surveys to complement work previously done by Surveys to complement w	BLM RES
being duly sworn according to law deposes and says the citizen of the United States more than eighteen years that all of the facts set forth in this affidavit are correct according to the best of his knowledge, infobelief. That he is personally acquainted with the mining claim Attachment A that are situate in the Middle Camp Minita Paz County, Arizona, the location of which are recoffice of the County Recorder of that County in vario Pages. (see Attachment A) Notices of Location are point Sections 6,7,18, Township 12N, Range 2E, G&SRB&M. That between the dates of September 1, 1983 and Auguat least Eight Thousand Three Hundred (\$8,300,00) do of work and improvements were made and performed upon not including location work. The work and improvements were made by and at the Walter E. Heinrichs, James D. Loghry, William C. Hirt J. Lundin, owners of the property for the purpose with the laws of the United States pertaining to assannual work. Richard J. Lundin, James D. Loghry, A. Humphreys, Rick Knowling, John Pierson, Brad Margeson, David St. Broderick were the names of the persons employed by who labored to do the work and improvements. All of mentioned individuals are senior Geologists or Minit with many years experience in all phases of mineral entitled individuals are senior Geologists or Minit with many years experience in all phases of mineral entitled individuals are senior Geologists or Minit with many years experience in all phases of mineral entitled individuals are senior Geologists or Minit with many years experience in all phases of mineral entitled individuals are senior Geologists or Minit with many years experience in all phases of mineral entitled individuals are senior Geologists or Minit with many years experience in all phases of mineral entitled individuals are senior Geologists or Minit with many years experience in all phases of mineral entitled in the minited individuals are senior Geologists or Minit with many years experience in all phases of mineral entitled in the minited individuals	
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Subscribed to and sworn before me, a Notary Public, day of <u>Necember</u> , 1984, by <u>Richard</u>	III PILICIALS,
/ My Commission Expires Dec. 17 1986	this do

My Commission expires My Commission Expires Dec. 17 1986

Talricia H. Sherman

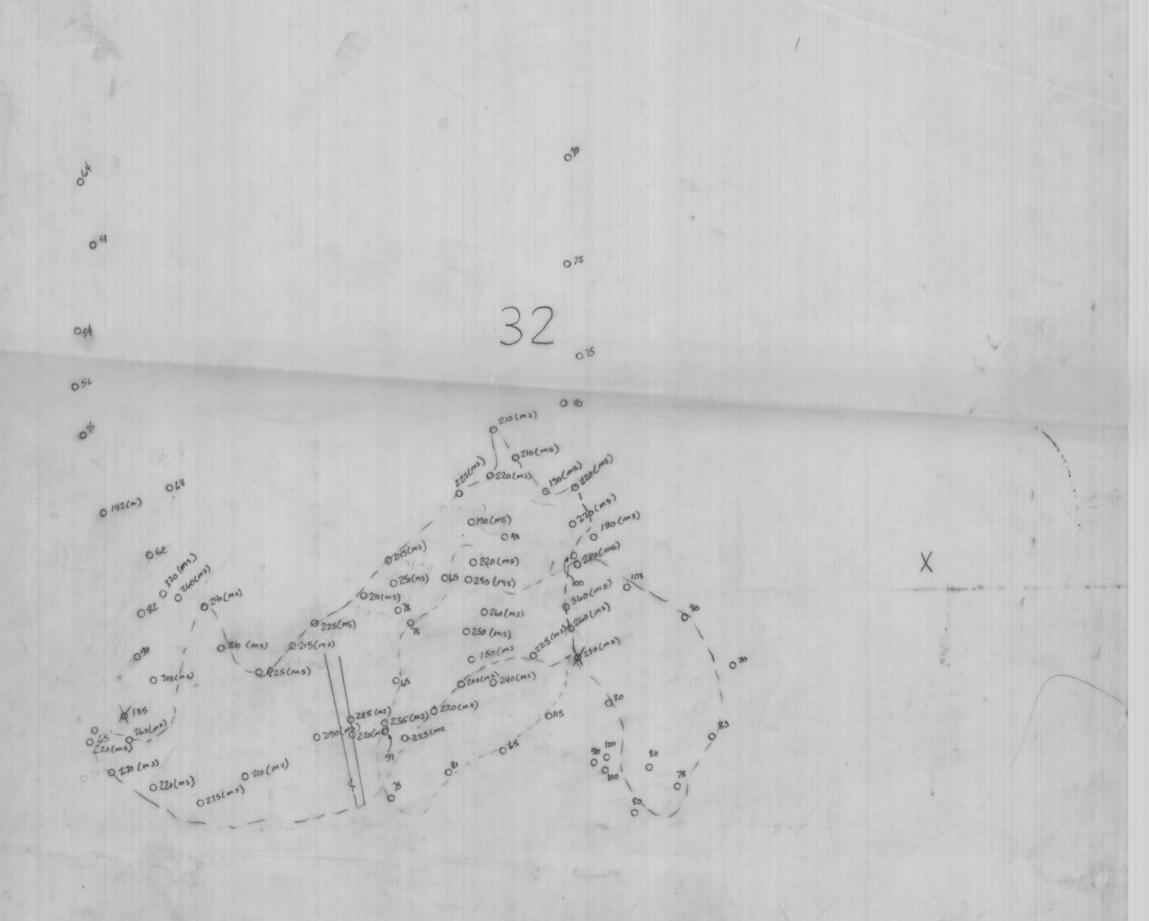
Notary Public



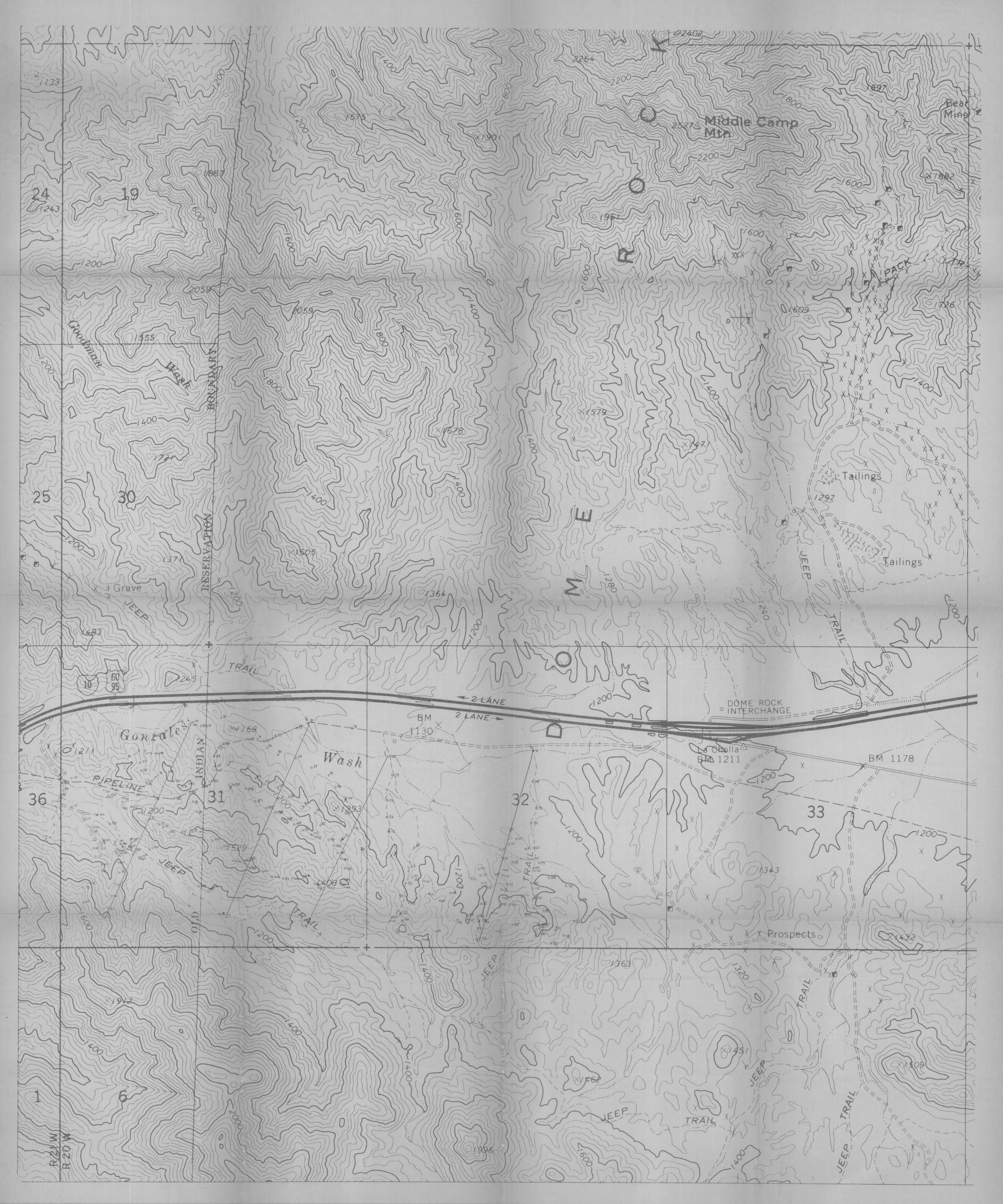
- Less than 0.002 ppm Cu
 - 0.042 ppm Cu
- Mineralization

Cu GEOCHEMICAL DISPERS QUARTZITE-SUGARLOAF PRO YUMA COUNTY, ARIZONA

June 1982 Scale I" = 1000" Joe Wilkins









TELEX: 364412 INTR ID 894

FAX: 602/326-4019

HEINRICHS GEOEXPLORATION COMPANY

PO. BOX 5964, TUCSON, ARIZONA 85703. 806 WEST GRANT ROAD, PHONE: (602) 623-0578

April 9, 1990

Kiewit Mining Group, Inc. 3100 Mill Street, Suite 108 Reno, NV 89502

Attn: Michael Easdon, Consultant

Re: Amy Creek, Alaska and Mineral Hill, Idaho

Dear Mike:

This is in response to your letter of 9 March 1990.

We hold a minority interest in each of these two properties but not control. Ownership of Amy Creek is held by Jeff Knaebel of Fairbanks, Alaska and it is managed by Carl Hannaman, whose address is P. O. Box 81467, Fairbanks, Alaska 99708. Same is true of Mineral Hill except in that case, control is held by Frontino Corporation, c/o George Scholey, President, 1280 Fanorama Drive, Tucson, AZ 85704, phone (602)575-8435.

We are 25% interest co-owners with three others of a copper, gold, silver property, 82 unpatented SE claims, 7 miles west of Quartzite, La Paz County, Arizona, bordering on 1-10 on the south. There is considerable drill data and estimated reserves of 5 - 10 million tons 0.6% acid soluble surface minable, copper, leachable and LIX recoverable.

A thoroughly capable and experienced consulting and contracting group have done a proprietary pre-feasibility study which appears favorable and they seek J/V means to bring the property into production. Participation with this group is not manditory however, as far as we are concerned. If this is of any interest, let me know and we will send you summary data.

Thanks for contacting us and please keep us appraised of your interests.

Sincerely,

Heinrichs GEOEXploration Co.

Walter E. Heinrichs, Jr., Pres. Geological Engineer - Geophysicist P.E. & C.P.G.

WEH/jh

cc: Carl Hannaman

George Scholey



TELEX: 364412 INTR ID 894

FAX: 602/326-4019

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Sincerely,

Heinrichs) GEOEXploration Co.

Walter E. Heinrichs, Jr., Pres.

Geological Engineer - Geophysicist

P.E. & C.P.G.

WEH/jh

cc: Carl Hannaman George Scholey

RAL ENGINE THE CONTRACTORS. GEOPHYSICAL, GEOLOGICAL AND ECONOMIC APPRAISALS

Kiewit Mining Group, Inc.

3100 MILL STREET, SUITE 108 • RENO, NV 89502 Phone: 702-348-6600 — Telefax 348-6602

March 9, 1990

Mr. W.E. Heinrichs Jr., President Heinrichs Geoexploration & Associates PO Box 5964 Tucson, AZ 85703

Dear Mr. Heinrichs:

Kiewit Mining Group (KMG) is aggressively scouting for advanced properties in which their mining and construction expertise can be utilized. They are the mining subsidiary of Peter Kiewit & Sons, a major US construction company. KMG has currently completed the construction of the Rawhide Mine, NV in which Kiewit has a 25% interest. This project was completed on time and well within budget.

In reviewing the trade literature, I note that you control the Amy Creek Gold Prospect, Alaska, and the Mineral Hill Mine property in Idaho. KMG are desirous of acquiring properties on which a minimum potential (their share) of 100,000 ounces of open pittable gold can be envisioned. If you believe that either of these properties may have this kind of potential, I would appreciate receiving additional information.

KMG would also be interested in reviewing data on any other project which Heinrichs Exploration is working on, and on which consideration is being given to a joint venture.

Should you have any questions with regard to this query, please contact me at the above address, or directly at 702-826-8500.

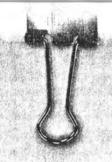
Sincerely yours,

Michael Easdon

Consultant to Kiewit Mining Group

cc Mr. Ralph Bennett, Manager Kiewit Mining Group





TELEX: 364412 INTR ID 894 FAX: 602/3264019

HEINRICHS GEOEXPLORATION COMPANY

P.O. BOX 5964. TUCSON: ARIZONA 85703. 806 WEST GRANT ROAD. PHONE. (602) 623-0578

December 24, 1989

Carole A. O'Brien
A. F. Budge (Mining) Ltd.,
4301 North 75th St., Suite 101
Scottsdale, AZ 85251-3504

Dear Carole:

Just a thank you note for the material accompanying yours of 5 December 1989. The photos were a most pleasant surprise. It was very kind and thoughtful of you to send them. Thank you very much.

Hope you had a great Christmas and all the best for 1990.

me in that.

Sincerely,

Walter E. Heinrichs, Jr.



TELEX: 364412 INTR ID 894 FAX: 602/3264019

HEINRICHS GEOEXPLORATION COMPANY

P.O. BOX 5964. TUCSON. ARIZONA 85703. 806 WEST GRANT ROAD. PHONE: (602) 623-0578

December 24, 1989

Carole A. O'Brien
A. F. Budge (Mining) Ltd.,
4301 North 75th St., Suite 101
Scottsdale, AZ 85251-3504

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me in that.

Sincerely,

Walter E. Heinrichs, Jr.



A.F. Budge (Mining) Limited

December 5, 1989

4301 North 75th Street Suite 101 Scottsdale, AZ 85251-3504

(602) 945-4630

Walter E. Heinrichs, Jr. FAX (602) 949-1737 Heinrichs Geoexploration Company P.O. Box 5964

Tucson, AZ 85703

Dear Walt:

So nice to see yourself and Jean. I must try to get down to Tucson more often, especially for AIME Conference. I enjoyed it albeit I wasn't there for it.

Enclosed, as promised, is the original proposal from Bluestone as well as their executive summary. And am also enclosing a set of photos I took when we visited the property back in October. (2nd set I had done; cheap).

Best of the holiday season to you and Jean.

Sincerely,

Carole A. O'Brien

encls.



TELEX: 364412 INTR ID 894

FAX: 602/326-4019

HEINRICHS GEOEXPLORATION COMPANY

P.O. BOX 5964, TUCSON, ARIZONA 85703, 806 WEST GRANT ROAD, PHONE (602) 623-0578

November 28, 1989

Carole A. O'Brien A.F. Budge Mining Limited 4301 North 75th St., Suite 101 Scottsdale, AZ 85251

Dear Carole:

I hope things are continuing well at the Korn Cob.

While at Gold '89 in Reno, you may remember our discussing the Blue Stone Group relative to the development of our S/E Claim Group in La Paz County, near Quartzite. At the time, I asked you if it would be appropriate for me to see a copy of your counter proposal to them and, you said, you would send me a copy. So far, I have not received anything and wonder if you forgot or if you simply decided not to send it instead? If not the latter, and you are planning to attend the Arizona Conference in Tucson next week-end and Monday, perhaps you could bring it along and give it to me sometime during the meeting. Otherwise, mail would be fine.

Best wishes to Budge, et al for the Season and to yourself personally.

Kindest regards,

Walter E. Heinrichs, Jr.

WEH: jh

BLUESTONE RESOURCES, Inc.

4228 E. Grant Road, No. 3 Tucson, AZ 85712 (602) 795-8380 FAX (602) 795-8389



2 November 1989

Mr. Ronald R. Short, General Manager A.F. Budge (Mining) Limited 4301 North 75th Street, Suite 101 Scottsdale, AZ 85251-17307

Dear Mr. Short:

Thank you for your FAX of November 1. outlining your counterproposal for joint venture operation of the Stray Elephant property.

After carefully reviewing your proposal, it would appear that your ideas and ours of an equitable arrangement are so different that the labor of preparing another formal counter-proposal is not justified.

However, the offer isn't closed; if you care to submit another proposal more along the lines of our proposal of October we will be glad to review it.

Thanks for your consideration.

Yours very truly, Bluestone Resources, Inc.

David B. Hackman, President

& B. Hack

November 1, 1989

David B. Hackman President Bluestone Resources, Inc. 4228 East Grant Road, #3 Tucson, AZ 85712



Re: Stray Elephant Project near Quartzsite, Arizona

Dear Mr. Hackman:

Thank you for your proposal concerning the referenced project. After reviewing all the available information which your group has provided, we would like to make the following counter-proposal:

Budge would enter into a joint venture agreement with Bluestone Resources for production of copper from the Stray Elephant project, subject to the following:

- 1. Budge would manage and fund the initial exploration of the Stray Elephant project; after expenditures of \$250,000 Budge would receive a 51% interest in the venture and the property.
- 2. Following the completion of Phase I, venture partners would contribute to the development of the property, based on their respective interest levels, i.e. 51-49. If one partner is unable or unwilling to fund its share of the development costs, that partner's interest would be reduced proportionately, and according to a generally accepted dilution formula designed for such venture agreements. If a venture partner has been reduced to a funding level of 15%, that interest shall be immediately converted to 10% net profits interest and no further participation will be expected from that partner.
- 3. Development plans would be developed jointly by both venture partners and acted upon by management committee comprised of representatives from both parties. Final decisions would be made by the partner having the majority interest.
- 4. The majority partner would recover its initial investment from 100% of the cash flow; during this time, the minority interest party would receive a negotiable, fixed sum annually; after payback, partners would receive their proportionate share, based on contribution level, of the net profits generated from the operation.

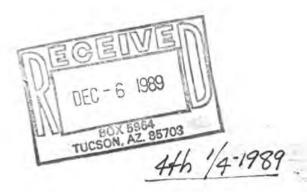
D. Hackman November 1, 1989 Page 2

We feel this would be a more equitable arrangment, based on the investment Budge would be making for the possible development of this property.

If these terms are agreeable to Bluestone Resources, please advise, and we will instruct our legal council to prepare a formal agreement for execution.

Very truly yours,

Ronald R. Short General Manager BLUESTONE RESOURCES, Inc. 4228 East Grant Road, #3 Tucson, AZ 85712 Tel 602 795-8380 Fax 602 795-8389



Ms. Carol O'Brien A.F. Budge (Mining) Limited 4301 N. 75th Street Scottsdale, AZ 85251

Dear Carol:

Enclosed is our summary report for the Stray Elephant Project near Quartzsite, AZ.

It is our understanding that should Budge Mining choose to enter into a joint venture agreement with Bluestone Resources for the production of copper from the Stray Elephant Project: (1) policy decisions regarding the operation would be made jointly, (2) Bluestone Resources would operate the property, (3) Budge Mining would recover its investment and interest from 75% of the cash flow, and (4) the remainder of the cash flow would be divided equally between the parties.

If you have any questions or comments please feel free to call.

Yours very truly, BLUESTONE RESOURCES, Inc.

David B. Hackman, President

STRAY ELEPHANT PROJECT

Executive Summary



The Stray Elephant copper property is located 7-8 miles west of Quartzsite, Arizona and approximately 1/4 mile south of Interstate 10 (Figure 1). There are 78 claims largely in sections 31 and 32, T4N, R2OW, and section 4, 5 and 6, T3N, R2OW. The claims are in the Middle Camp - Oro Fino mining district in the south Dome Rock Mountains, La Paz County, Arizona (Figure 2).

The property has easy access from Interstate 10 at the Dome Rock Interchange for both east and west travel. There is an additional entrance for east access to Interstate 10 approximately 1/4 mile north of the mineralized area known as "outcrop hill". Electricity is available from a light power line on the northern side of Interstate 10. The closest heavy duty power line is three miles to the west of the property. A water supply will have to be obtained from wells that will be drilled on the eastern portion of the property. There is water available at the Beacon service station and Ryder factory at Tom Wells Road, 4.6 miles to the west of the property.

The property was originally located in 1906 and has had only minor amounts of ore mined for direct shipment to various smelters. An adit and winze were driven in the 1920's into the base of outcrop hill. Outcrop hill is in the northern portion of the claim group and has the most drilling information. The reserves in the outcrop hill zone are estimated to be 3.7 million tons of 0.60% copper (Loghry,1989). The southern zone has only one drill hole of significance and will need extensive drilling to further define the ore reserves which have the potential to be in the range of 5-6 million tons.

The Stray Elephant copper mineralization is localized in shear zones within a Mesozoic schist intruded by a quartz monzonite pluton. The northwest portion of the 4200 foot long zone of copper mineralization is exposed on outcrop hill. Most of the copper is contained in chrysocola with minor amounts of cuprite, chalcocite, and chalcopyrite. The southeast portion of the deposit outcrops locally but most of the potential in this area is below leached outcrops or under alluvium.

The exploration program will consist of making a new topographic map at a scale of 1:1200, geologic mapping of the surface, and diamond core drilling. Core drilling will define the copper distribution and structural characteristics of the ore better than rotary drilling. The core will be used for bottle roll and column leach tests.

Bluestone Resources (Table 1) currently has an option from the property owners to explore and develop the Stray Elephant Copper Property. The plan of operations at this time is to finish the drilling program in the outcrop hill area, to develop a mining plan and finalize ore reserves in this area. Outcrop hill has the least amount of preproduction stripping and has several high grade copper oxide zones. Approximately four months of drilling will be necessary to complete the analysis of the northwestern part of the ore body. Permitting will proceed at the same time as the drilling program, as the permitting process is expected to take six to eight months for final approval. Basic engineering will start at the same time as the drilling program and continue directly into the detailed engineering—construction phase.

The production of copper sulfate pentahydrate crystals is currently planned at Stray Elephant. The ore is to be mined at 3000 tons per day, five days per week, using contract mining. The ore is to be leached using strong acid technology followed by solvent extraction-crystallization (Figure 3).

The ore reserves at this time are approximately 3.7 million tons in the northwest portion of the deposit, however, there is an additional potential for 5-6 million more tons undetermined grade in the southeast portion of the deposit. At the fixed mining rate of 15,000 tons of ore per week the known reserves will take 4.74 years to mine. The recoveries from the leaching area are shown in table 2 with an assumed final recovery of 89 to 90% of the total contained copper. This final recovery is after 6-7 rinse cycles of 91 days per rinse cycle (546-637 days) for each 15,000 ton pad. The layout for heap levels one and two are illustrated in Figures 4a and 4b.

The leach area will be actively rinsed 365 days per year and the solvent extraction circuit is designed to operate under the same schedule. Crystallization can be stopped for holidays or other necessary down-time as the system will be designed for batch processing.

The total for land, exploration, and capital cost should not exceed \$2,000,000 (Table 3). All of these funds are expected to be expended in a one-year period, which is anticipated to be required for exploration, permitting and development of the mine and metallurgical plant.

The operating costs are listed in Table 4. These costs are believed to be conservative and it is expected that leaching acid can be obtained without cost. Therefore, total operating costs are expected to be no more than \$0.4517 per pound of contained copper.

Tables 5a and 5b illustrate the cash flow anticipated for the Stray Elephant project. Don Nickerson, one ,of our associates, can market five tons of copper sulfate (1.25 tons of contained copper) per day at a minimum price of \$1.20 per pound of contained copper, F.O.B. plant site. He believes he can achieve substantial additional market penetration with time. In the meantime the remaining copper sulfate can be sold to the Cyprus Miami smelter for the COMEX price minus \$0.20.

The difference between the two cases illustrated in Tables 5a and 5b is the difference in the COMEX copper price, \$0.85/lb-Cu in Table 5a and \$1.30/lb-Cu in Table 5b. Even at a copper price of \$0.85/lb.-Cu the project has a satisfactory rate of return without further penetration of the copper sulfate market.

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PHOTOS -STRAY ELEPHANT

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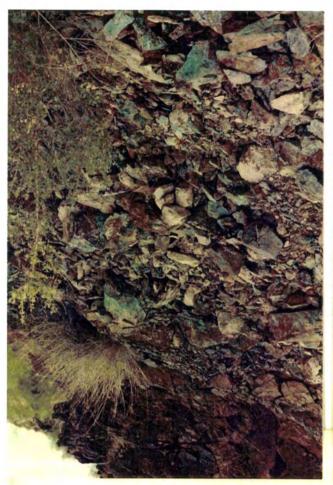
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