



CONTACT INFORMATION
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Arizona Geological Survey
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Tucson, Arizona 85701
602-771-1601
<http://www.azgs.az.gov>
inquiries@azgs.az.gov

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Vol.9, Bk.8

TOMBSTONE

Mining District

Cochise Co.

Arizona

Correspondence

1985

1985

Tombstone Development Company

P. O. BOX 1445

TELEPHONE 308/382-7480

GRAND ISLAND, NEBRASKA 68801

January 24, 1985

James Briscoe
James Briscoe & Associates, Inc.
5701 East Glenn Street, Suite 120
Tuscon, Arizona 85712

Dear Jim:

Just a follow up note verifying T.D.C. desire to do assessment work on current states leases under the Case 3 proposal. (\$12,859.00). We feel by hiring Escapule's new air track drill we will have a much more broader coverage then we got with the trenches.


Also, Jim, as this has been a lot different program then we originally started out (sale program) the board feels that we **need** to get an agreement worked out with you and get it in **w**riting to forgo some misunderstanding, **co-operation** and trust. Some on the board feel that maybe we should not **be** the only side putting in money.

Send me your thoughts and we will get together and maybe work out agreement both will like.

It appears as though we will have another year before metal prices do much on the upside, so maybe we can locate some reserves in meantime.

Sincerely,

W. B. Hight, President



LaVerne Baxter,
Secretary, Treasurer

P.S. Let us know when you will be drilling.

SLB/LB

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

February 5, 1985

Mr. Michael Rice
Natural Resource Planner
Minerals & Energy Section
Arizona State Land Department
1624 West Adams
Phoenix, AZ 85007

RE: Plan of Operations for Prospecting Permits #08-87063,
#08-84100, #08-83922, #08-83770, #08-83771

Dear Mr. Rice:

Please find enclosed copies of a Plan of Operations for each of the listed parcels. All of the parcels are located in Cochise County, Tombstone Mining District, Township 20S., Range 22E. The parcels are plotted on a composite USGS topographic map, taken from the Tombstone and Fairbank 7 1/2 minute quad. On this map, I have plotted the parcels along with proposed drill sites and access to the sites.

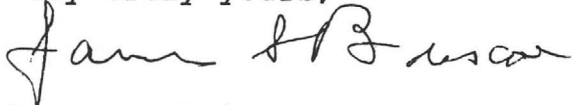
We propose to accomplish airtrack drilling on each parcel as part of a continuous program. The airtrack will drill a four inch diameter hole to a depth of approximately 120 feet, depending on rock conditions. We do not anticipate intersecting the water table at this depth. However, if we should, since the drill cannot collect an adequate sample beneath the water table, we will cease drilling and simply drill a second shallower hole in the immediate vicinity. We will be using an Atlas Copco ROC-604 airtrack drill with dust collector, powered by an Atlas Copco 700 cubic feet per minute compressor, belonging to the State of Maine Mining Company. This equipment is relatively light, and causes no lasting surface disturbance. We plan on using existing roads or dry washes for access, so the only surface disturbance should be approximately four square feet, right around the drill hole.

We would hope to begin this program on February 19. We expect to be able to drill one to possibly two holes per day, and the entire program should be completed by March 6.

Arizona State Land Department
February 5, 1985
Page 2 of 2

Should there be any questions, please call me at my office in Tucson.

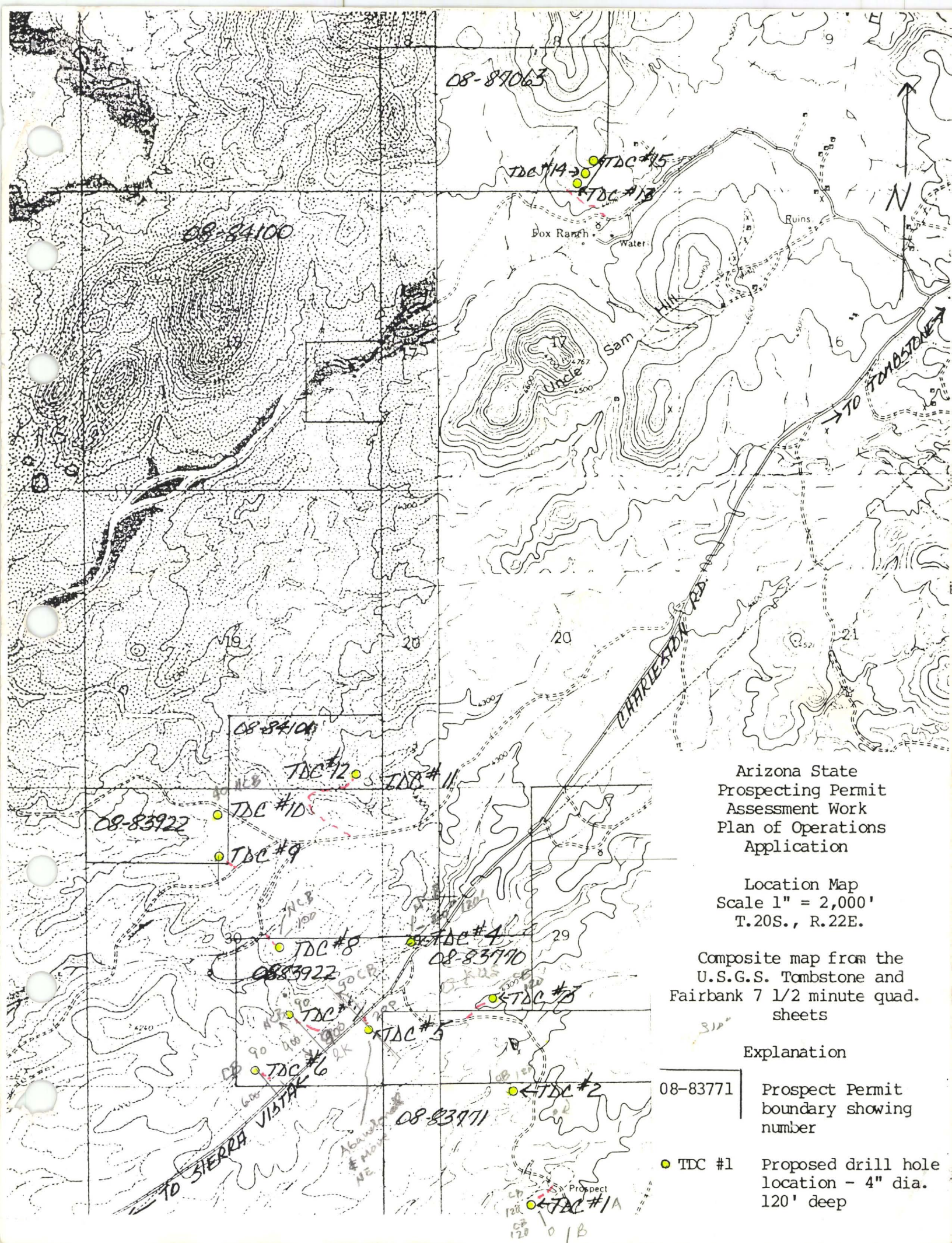
Very truly yours,



James A. Briscoe

JAB/ms

Enclosures



08-89063

08-84100

TDC #14
TDC #15
TDC #13

Box Ranch
Water

Ruins

Sam Hill

Uncle

TO TOMBSTONE

CHARLESTON RD.

08-84108

TDC #12
TDC #11

08-83922
TDC #10

TDC #9

TDC #8
08-83922

TDC #4
08-83710

TDC #7

TDC #5

TDC #6

TDC #2

08-83711

TO SIERRA VISTA

Arizona State
Prospecting Permit
Assessment Work
Plan of Operations
Application

Location Map
Scale 1" = 2,000'
T.20S., R.22E.

Composite map from the
U.S.G.S. Tombstone and
Fairbank 7 1/2 minute quad.
sheets

Explanation

08-83771 Prospect Permit
boundary showing
number

● TDC #1 Proposed drill hole
location - 4" dia.
120' deep

Prospect
TDC #1A
01B

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

February 6, 1985

Bill Hight & Lavern Baxter
Tombstone Development Company
P. O. Box 1445
Grand Island, NE 68801

RE: Assessment work on Arizona State leases

Dear Bill & Lavern:

We will be doing \$11,990.00 worth of drilling work according to my proposed Case 3. Along with the required fees and rent, the total will come to \$12,859.00. The actual drilling part of the work will commence on February 19, and probably finish up on approximately March 4. Of course unforeseen weather problems, mechanical breakdowns, or other such circumstances might drag that schedule out somewhat. I am enclosing with this letter a computerized scheduling sheet which illustrates the various operations and their timing involved in the program. As you can see, a final report (barring unforeseen problems) should be completed and in the mail to you on approximately March 9.

I am also enclosing copies of the State Plan of Operations application. The first map after my correspondence with Mr. Michael Rice, shows green colored dots where the proposed 120 foot deep drill holes will go.

I will write a response to the other subjects covered in your letter of January 24, hopefully within the next 10 days or less.

Best personal regards,



James A. Briscoe

JAB/ms

Enclosures

cc: Cover letter to: Frank Gallup
Jerry Neidfelt

I.D.C. STATE ASSESSMENT WORK, Revision 6, 1/17/85, File AS/TDC.DATA
 Prepared by JAMES A. BRISCOE

Job Description	Jan							Feb														Mar																		
	16	17	18	21	22	23	24	25	28	29	30	31	1	4	5	6	7	8	11	12	13	14	15	18	19	20	21	22	25	26	27	28	4	5	6	7				
1 APPLY FOR PERMIT	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	
2 WAIT FOR PERMIT APPROVAL																																								
3 BUY SAMPLE BOXES(24)																																								
4 BUY CORE BOARDS																																								
5 LOCATE PROP. DRILL HOLES																																								
6 MOBE & DEMORE																																								
7 DRILL 15 HOLES 120 FT. DEEP																																								
8 CORE BOARD CONSTRUCTION																																								
9 ASSAY SAMPLES(100)																																								
10 PROJECT REPORT, CONCLU., & REC.																																								
11 TYPE & PREP & BIND REPORT																																								
GEOL. J.A.B./ FIELD=0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	1	1	1	0	0	0	0	0	0	0			
GEOL. J.A.B./ OFFICE=0	0	0	1	0	.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	.1		
COMPUTER OPER.M.A.S.=0	0	0	0	0	.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1		
Total manpower level=0	0	0	1	0	.1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	1	1	1	0	0	0	0	0	0	1	1.1			
Manpower cost=0	0	0	250	25	373	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	373	373	373	373	373	373	0	0	0	0	0	0	0	250	175			
Direct cost=0	0	0	0	25	373	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	373	373	373	373	373	373	0	0	0	0	0	0	0	250	15			
Total cost=0	0	0	0	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100	1K	0	0	0	0	0	0	0	0	0	0	0	15	190			
	0	0	0	250	373	373	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7.6K	373	373	373	373	373	0	0	0	0	0	0	0	265				

SORTING ORDER IS AS ENTERED
 FROM THE FIRST JOB TO THE LAST JOB
 JOBS USING ALL SKILLS

- Symbol-Explanation
- >--> Duration of a normal job
- >...> Slack time for a normal job
- >==> Duration of a critical path job
- >|> Duration of a completed job
- ! Job with zero duration
- Job deadline
- 0--> Job with no prerequisites
- >--X Job with no successors
- ! Time break due to holiday or week-off

FILE

Charleston Mine Area,
James Stewart Co.
Tombstone M.D.
Cochise Co. AZ

JAMES STEWART COMPANY

REAL ESTATE INVESTMENTS AND DEVELOPMENT

707 MAYER CENTRAL BUILDING

3033 NORTH CENTRAL AVENUE • PHOENIX, ARIZONA 85012

602-264-2181

February 11, 1985


Mr. James A. Briscoe
James A. Briscoe & Associates, Inc.
5701 East Glenn Street - Suite 120
Tucson, Arizona 85712

Dear Jim:

Per our conversation today, there is enclosed a copy of the letter to us from Ken Brook of Desert Ventures, Inc. Please send a letter of summary regarding the Charleston Mine to him, with a copy to us.

Thank you.

Cordially,



Steven M. Halbert
Asst. to M. S. Horne

SMH:ef
Encl.

Rev. 2/12/85
JHB

Steve - 4



RECEIVED DESERT VENTURES INC.
Mineral Exploration Services

FEB 8 1985

3865 CHELSEA SQ.
RENO, NEVADA 89509
702-826-2068

JAMES STEWART CO.

6 Feb., 1985

Mr. M. Seth Horne, President
James Stewart Co.
3033 N. Central, #707
Phoenix, Arizona 85012

Dear Mr. Horne:

I am inquiring as to the status of the Charleston mine. Several clients of mine are seeking small mines to put into operation, and the Charleston seems to have enough potential to be of interest. I would appreciate receiving whatever summary data package that might be available on the property. I will look forward to your reply.

Yours truly,
Ken Brook
Ken Brook
President

KB/ms

*2/11/85 Asked Jim
Priscoe to write
summary letter
of our mining
interests.
Rev. 2/12/85*



BRUCE BABBITT
GOVERNOR

Arizona
State Land Department

1624 WEST ADAMS
PHOENIX, ARIZONA 85007



OFFICE OF
STATE LAND COMMISSIONER

February 21, 1985

James A. Briscoe & Associates, Inc.
5701 East Glen Street
Suite 120
Tucson, Arizona 85712

Re: Plan of Operation
08-83770 thru 08-83771
08-87063 & 08-84101

Dear Mr. Briscoe:

Please regard this letter as written confirmation of the above referenced plan approval. As noted in my phone conversation with your office on February 15th, 1984, your operations are approved conditioned upon the following:

- 1) A Notice of Intent is filed with the Department of Water Resources in accordance with their rules and regulations.
- 2) Hole abandonment is to be completed as per applicable Department of Water Resources regulations.

The detail and thoroughness of your Plan of Operation is sincerely appreciated.

Sincerely,

Michael Rice
Natural Resource Planner

MR:ma

Proj. File

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

March 14, 1985

Bill Hight, President
Tombstone Development Company
P. O. Box 1445
Grand Island, NE 68801

RE: Tombstone Development Company state assessment work
drilling - progress report and transmittal of Tombstone
Silver Mines, Inc. (Escapule State of Maine) bill for
drilling services

Dear Bill:

Please find enclosed with this letter, a copy of the Tombstone Silver Mines, Inc. bill for \$7,120.00. This includes drilling 1,780' of down-the-hole hammer drill hole to a maximum depth of 130', or to the water table, whichever might have come earlier. This drilling was accomplished with an Atlas Copco Airtrack rig powered by an Atlas Copco compressor. The rig was equipped with a vacuum cyclone sample collector so that approximately 100% of each sample was collected. The sample interval in each hole was 5', and the drillers helper collected and labeled each sample after the driller had blown that 5' interval in the hole clear of cuttings. The entire sample was split through a Jones-type riffle splitter, and a one quart sample packed in a plastic one quart ice cream container was labeled and boxed. Tombstone Silver Mines, Inc. supplied the sampling labor, the one quart container, and a large sample sack in which the remainder of the sample for each interval was packed and left at the drill site.

I have constructed coreboards for approximately 1/2 of the holes. Unfortunately, numerous problems due to weather, getting stuck in the hole twice, two mechanical breakdowns, and overheating problems in the compressor resulted in delays in coreboard construction. I estimate several more days of work to construct coreboards. Then Mr. Dan Adams of Western Exploration Services will come to the area with the UNC Silver Metal Analyses Probe (Silver MAP), and we will analyze all of the drill holes and cuttings using this methodology for silver. In addition, I hope that we will be able to probe some old holes

Bill Hight
March 14, 1985
Page 2 of 2

that exist on our property on which there is no available data, as well as running scans of the trenches. If all goes well, I would hope to get approximately 600 assays in the two days that Dan Adams will be on site. This would be equivalent to about \$6,000+ in fire assay costs, not including collecting the samples.

I have filed the currently due state assessment work, and everything is up to date at this point. As soon as the assays are completed, I will write a report on the work to date and submit it along with my bill to you.

If you could send payment for the drilling immediately to Tombstone Silver Mines, Inc., I know that Charlie Escapule would appreciate it.

Best personal regards,



James A. Briscoe

JAB/ms

cc: Lavern Baxter
Jerry Neidfelt
Frank Gallup

TOMBSTONE SILVER MINES 7814
 P.O. Box 715
 TOMBSTONE AZ, 85638

CUSTOMER'S ORDER NO.	DEPT.	DATE MAY 13, 1985
NAME TOMBSTONE DEVELOPMENT Co. ^{PO} JIM BRISCOE		
ADDRESS 5701 E. GLENN, TUCSON AZ, 85712		

SOLD BY	CASH	C.O.D.	CHARGE	ON ACCT.	MOSE, RETD.	PAID OUT
---------	------	--------	--------	----------	-------------	----------

QUAN.	DESCRIPTION	PRICE	AMOUNT
1780 FT 1	DRILLING w/ CREW	4.00 FT	7120.00
2	TOTAL BAL.		7120.00
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			

REC'D BY
Russ Esquivel

REDIFORM®
 5H 320

KEEP THIS SLIP
 FOR REFERENCE

4/1/85 JLB

- 17 -

Assess Proportion

There were 17 holes drilled - but 3 were outside the state area of ass. work. The total

cost of drilling was \$7,120 distributed among

14 holes w/ a total footage of 1,780 - 360

$$1420' \text{ or } 7,120 \div 1,420 = 5.02/\text{foot}$$

$$\text{Total Cost was } 17,304.22 \div 1,205 = \$14.360$$

Thus Pro rating assessment based on feet drilled per lease we have the following

① Ribbers Roust pp# 08-83922

Hole TDC	TD in Feet	Inc.
----------	------------	------

5 - 90 vert

6 90 |

7 90 |

8 100 |

9 40 |

10	40	
<hr/>		
450'	X	\$14.360 = 6,462

N. Mustang UN - PP# 08-84101 5 1/2 SE 1/4 19
30 acres

Hole TDC Inc.

11 95 vert

12 95)

13 95)

14 95)

15 120 -70

500 x 14³⁶

/foot = \$7,180

N Fox Ranch - Santa Ana Area PP# 08-87063 239 ac

Hole TDC Inc.

16 125 vert

17 130

255 x 14³⁶ = 3,661.80

Total Exp. = 17,303.80

$$\text{JAB @ } 62.50 \times 97.65 = 6,103.13$$

$$\text{TZW @ } 50 \times 0 = 0$$

$$\text{MAS @ } 20 \times 4 = \frac{80.0}{6,183.13}$$

Vehicle charges 505.00

Equip Rental - Gen. 225.00

Office Exp. 721.76

Misc. Exp. 512.57

6,359.08

20 capsule Drilling 7,120.00

MAP Assaying 1,517.01

\$ 21,179.22

\$ 21,179.22 - 3,875 on Sect 29

= 17,304.22 on 479 acres = 36.13 / acre

April 7, 1985

WESTERN EXPLORATION, INC.
SERVICES AGREEMENT

THIS SERVICES AGREEMENT (the "Agreement") made between WESTERN EXPLORATION, INC., a Washington corporation ("Contractor"), and _____
Jim Briscoe & Assoc. Inc ("Customer"),

W I T N E S S E T H :

1. DEFINITIONS. As used in this Agreement, unless the context otherwise requires, the following terms shall have the meanings set forth herein for all purposes, and such meanings shall be equally applicable to both the singular and the plural forms of the terms herein defined:

"MAP Data" means all information and data generated by the Services hereunder using the Metals Analysis Probe.

"MAP Equipment" means all of the MAP Units which are subject to this Agreement and shall consist of the number of MAP Units specified on Schedule A hereto.

"Services" means any one or all of the following services:

A. Operation of MAP Equipment at the Site to perform analyses of the content of such materials as Customer shall specify and in such locations at the Site as shall be designated by Customer and suitable for operation of the MAP Equipment.

B. Maintenance and handling of MAP Equipment at the Site.

C. Packing and unpacking MAP Equipment for transporting from one location to another at the Site and to the Site prior to commencement of Services hereunder and from the Site upon termination of this Agreement.

D. Transporting MAP Equipment to the Site prior to commencement of Services hereunder and from the Site upon termination of this Agreement, but excluding all transportation necessary to move MAP Equipment from one location to another at the Site.

E. Preparation of a report of the Services rendered, including assay logs and other geologic data.

"Staff" means the Contractor's personnel who shall be designated by Contractor to perform the MAP Services hereunder.

"Map Unit" means the metal analysis probe or face scanner owned by the Contractor which may be used in the process of analyzing the mineral and metal content of materials, together with all related instruments, equipment and materials.

"Site" means the location set forth on Schedule A hereto at which the MAP Services are to be performed.

2. SCOPE. Upon and subject to the terms and conditions of this Agreement, Contractor hereby agrees to furnish the MAP Equipment and to perform MAP Services for the sole and exclusive benefit of Customer. The MAP Services shall be performed by the MAP Staff in the manner herein set forth. Such services shall be performed in a good and workmanlike manner.

3. FEES. In consideration for Contractor's performance hereunder, Customer agrees to pay Contractor the fees and other amounts set forth on Schedule A hereto under "Payment Schedule." Customer agrees that Contractor will be compensated in accordance with the terms of Schedule A as long as the MAP Equipment and Staff are at the Site and prepared to perform Services notwithstanding the inability of Contractor to perform such services on account of reasons beyond its control.

4. REIMBURSABLE EXPENSES. Except as otherwise provided in Schedule A, in addition to the fees and other amounts payable to Contractor under Section 3 hereof, Customer agrees to reimburse Contractor for the following expenses:

A. Food, lodging, transportation and other expenses of the Staff as set forth in Schedule A hereto.

B. Fees paid for the Services rendered.

C. Costs of all materials, supplies and utilities necessary to use and operate the MAP Equipment at the Site.

5. PAYMENT. All payments hereunder (including reimbursements under Section 4 hereof) shall be in good funds and shall be paid to Contractor at the address set forth opposite Contractor's signature below or where Contractor shall otherwise require. Customer shall make all payments to Contractor hereunder within ten (10) days following delivery to Customer of Contractor's invoice therefor. To the extent permitted by law, if Customer fails to pay any sum due hereunder to Contractor within ten (10) days after the due day, Customer shall pay Contractor interest on such sum at the rate of Fifteen Percent (15%) per annum, unless such rate is in excess of the maximum rate permitted by law, then at such maximum rate, computed from the due date of said sum, until payment thereof. Contractor may also require a retainer prior to commencing work at the Site.

6. TERM. The term of this Agreement shall commence on the effective date hereof and shall terminate on the Estimated Completion Date set forth in Schedule A hereto unless earlier terminated in accordance with the terms hereof or unless the parties shall agree in writing to change the Estimated Completion Date; provided, however, that no termination of this Agreement shall relieve Customer of any obligation to pay Contractor which accrued on or before the date of such termination.

7. PERMITS AND LICENSES.

A. Contractor agrees, at its sole expense, to procure and maintain in effect during the term of this Agreement all licenses, certificates, permits and other approvals and consents required by Federal laws and regulations in connection with the operation of the MAP Equipment to perform the Services hereunder.

B. Customer shall obtain all permits and authorizations necessary for the MAP Staff to enter the Site.

8. LIABILITY FOR LOSSES OR DAMAGE. Customer will be responsible for, and shall indemnify and hold harmless Contractor, its agents, officers, employees, and assigns, and the MAP Staff from any and all claims, actions, suits, proceedings, losses, judgments, damages and liabilities (including court costs and attorneys' fees and all other costs and expenses in connection therewith or incident thereto) caused by or in any way connected with or resulting from damage to or loss of property or for injury to or death of any person or persons at the Site or in the course of Contractor's performance of MAP Services hereunder except to the extent caused by the gross negligence or willful misconduct of Contractor or the MAP Staff. The indemnities contained in this section shall remain in full force and effect notwithstanding the expiration or other termination of this Agreement.

9. DISCLAIMER OF WARRANTIES; LIMITATION OF LIABILITY.

A. Contractor hereby disclaims (i) any warranty, express or implied, with respect to the MAP Services or any MAP Data or the operation of the MAP Equipment hereunder, including but not limited to the implied warranties of merchantability and fitness for a particular purpose and any warranties as to the accuracy or precision of the MAP Data, and (ii) all obligations or liabilities for indirect, incidental, consequential or special damages arising out of or in connection with this Agreement. Notwithstanding any information or materials which Contractor may have furnished Customer in connection with Services or MAP Data, Contractor does not warrant any degree of accuracy or precision in the operation of the MAP Equipment or in the MAP Data, and Customer acknowledges that the accuracy and precision of the MAP Data are affected by the conditions under which the MAP Equipment is used and the conditions and concentration of surrounding minerals and materials at the time of use. Contractor does not warrant that the operation of the MAP Equipment or that the MAP Data will be error free or uninterrupted, nor does Contractor warrant that the MAP Data will meet Customer's requirements.

B. Contractor's liability for damages to Customer for any cause whatsoever, and regardless of the form of action, whether in contract or in tort, including negligence, shall be limited to an amount equal to the total of all payments made to Contractor under this Agreement. In no event will Contractor be liable for Customer's failure to perform its responsibilities hereunder or for any lost profits or other consequential damages, even if Contractor has been advised of the possibility of such damages, or for any claim against Customer by any other party.

SCHEDULE A

This Schedule A is attached to the Services Agreement dated the 7th
day of April, 1985, between WESTERN EXPLORATION, INC. ("Con-
tractor") and Jim Briscoe + Assoc. Inc ("Customer").

TYPE OF SERVICE: MAP Sampling w/ face scanner

SITE: Tombstone, Arizona

PAYMENT SCHEDULE: Payment in full w/in 10 days
of receiving bill

COMMENCEMENT DATE: 4/4/85

ESTIMATED COMPLETION DATE: 4/7/85

ADDITIONAL OR ALTERNATIVE PROVISIONS
REGARDING REIMBURSABLE EXPENSES:

Expenses include transportation of equipment
from Washington St. to Albuquerque to Washington
State.

X Jim Briscoe

Customer Signature

1/85 ?

Suite 451
Jefferson 400 Building
Spokane, Washington 99204
(509) 624-1336

Dear Customer:

Western Exploration is pleased to offer continuing field services with UNC's METALS ANALYSIS PROBE for silver. We have been very successful in implementing this technology for a variety of clients throughout the western United States these past several months.

The MAP is fast and accurate - over 300 assays in a field shift is possible, and it makes for much faster and cheaper exploration and development.

Western Exploration is prepared to provide services with either the face scanner or drill hole probe. We are geared for up to 250" holes, either underground or from the surface. We have operators trained in the use of the MAP, and we are trained and licensed, in the United States and Canada, in the handling of sealed radioactive sources.

Some of the ways you might use our services include: face scanning of trenches or bulldozer cuts, probing of drill holes, old mine dumps or tailings, underground channel sampling, sampling cuttings from rotary or percussion holes, grading of ore stockpiles, scanning of mill head feed, and a variety of other applications.

BASE RATE SCHEDULE - MAP AND TRAINED OPERATOR

One Day Service	\$ 650.00 plus expenses	
Daily Service	575.00 plus expenses	(2-4 days @ \$575.00/day)
Weekly Service	2,650.00 plus expenses	(5 days @ 530.00/day)
Monthly Service	9,500.00 plus expenses	(22 days @ 431.82/day)
Travel Time	125.00 per day + \$.25/mile	
Stand-by Time	250.00 per day	

(Expenses include transportation, subsistence and freight charges for transporting the equipment to and from the job site.)

If you have any questions about this service, feel free to call on us.

Gary N. Fields
President


Western Exploration, Inc.

Suite 451
Jefferson 400 Building
Spokane, Washington 99204
(509) 624-1336

REFERENCE LIST :

UNC NUCLEAR INDUSTRIES Map Developers
2900 George Washington Way
Richland, Washington 99352
Mr. W. C. Boyce (Bill)
509/375-3535

SANTA FE MINING, INC. Service Work
4775 Indian School Rd. NE
Suite 100
PO Box 3588
Albuquerque, New Mexico 87190
Mr. Fred J. Jenkins, Manager-Non Fuel Minerals
505/262-2211

HECLA MINING COMPANY Service Work
PO Box 320
Wallace, Idaho 83873
Mr. David C. Fitch
208/752-1251

MOUNTAIN STATES RESEARCH & DEVELOPMENT Service Work
PO Box 17960
Tucson, Arizona 85731
Mr. Richard Boehme
602/792-2800

ROGERS TRACTOR AND EQUIPMENT Service Work
PO Box 1058
Silver City, New Mexico 88062
Mr. Carl Rogers

PETER KIEWIT & SONS Service Work
PO Box 3049
Sheridan, Wyoming 82801
Mr. LaRon Taylor
307/672-3401

Others provided upon request

4/7/85

Billing

Fee :	3.5 days @	575.00/day	=	2012.50
Travel :	1 day @	125.00/day	=	125.00
Expenses:	Gas + oil	~ 80.00	=	80.00
Food + Lodging:		∅	=	∅
Equipment transportation:		? ~ \$350.00 ?	=	350
		~ Bill Total	=	\$2567.50
		TDC portion		<u>1517.01</u>
		Horne Portion	\$	1,050.49

For information only, final bill
will be sent thru Western
Explorations office

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

April 10, 1985

Mr. Wes Poley
P. O. Box 5998
Bisbee, Arizona 85603

RE: Transmittal of keys for chain across Charleston Lead Mine Road

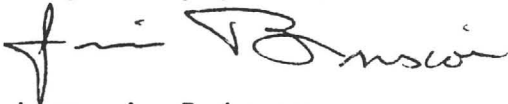
Dear Mr. Poley:

Thank you for your cooperation regarding the chaining off of the Charleston Lead Mine Road. I am enclosing one (1) brass key for our lock #3594, and one (1) Master sawtooth key for the lock on the east side of the chain. These two keys will unlock the chain from its moorings.

In our conversation, you noted that you first began to see the Butler Building on the James Stewart Company property disappear about the first of January. I thought of advertising in the Sierra Vista, Bisbee, and Tombstone newspapers offering a reward for information as to who has removed the roof, windows and door of the building, or offering amnesty to them if they would simply bring it back. Do you have any comments about this, or any other ideas as to how we might recover the property.

Again, thank you for your cooperation.

Very truly yours,



James A. Briscoe

JAB/ms

Enclosures

Escapule - Tombstone Silver 1 of 18*
Inc. Proposal

Scope: The purpose of this report is to evaluate and hopefully show the long range potential of the State of Maine and surrounding properties controlled by Tombstone Silver Mines Inc.

This report is to be submitted to the Vancouver Stock exchange as part of the documentation necessary for an additional underwriting for T.S. Inc.

There are no other specifications other than this. I have discussed w/ both Ches & Louis Escapule my interest in overview of consultation for continued work on a retainer of a few days per month over the next few years.

* Only the note sheets that aren't covered in the final proposal are kept for future reference

CARBONATE ROCKS

albite	JTTIC
bl mbztion	METASOMATIC
trem-act	
wollast	
diopside	
garnet	
Tot. Suls.	SULFIDE ZONE MINERALS
pyrite	
chalcopy	
bornite	
chalcocite	
moly	
galena	
sphalerite	
magnetite	
hematite	
Mn mins	OXIDE ZONE MIN
lim a py	
a cc / cpy	
grn Cu0x	
black Cu0x	
ferrimoly	OTHER
W mins	
fluorite	
barite	

STRUCTURE
FRACS VEINS

Fees

$$40 \times 4.33 - 100 \text{ hrs}$$

$$200 \text{ hrs} + 4 \text{ days/mo for 5 years}$$

$$= 200 + 32 \text{ hrs} \times 12 \text{ months} \times 5 \text{ years} = 544$$

$$= 200 \text{ hrs} + 1,920 \text{ hrs} = 2,120 \text{ hrs} \text{ @ } 25/\text{day}$$

$$265 \text{ days} \div 22 \text{ days/mo} = 12 \text{ months}$$

would qualify for \$31²⁵ \$25 for TEW.

+ increase by the C.P.I. each year.

for example if Inflation is 4%

$$\text{then 1986 would be } 31^{25} + 4\% = 32.50$$

$$1987 \text{ would be } 32.50 + 4\% \text{ (annual)} = 33.80$$

etc,

The total contract in 5 years would be
 $2,120 \text{ hrs} \times 31^{25} = \$66,250$

vs short time rate of

$$62.50 \times 2,120 = \$132,500$$

Analysis - Fees 4 days is about 20% of my time based on a 20 day month. If I were to get the same rate for 100% of my time I'd make $31^{25} \times 8 \times 20 \times 12 = \$60,000$. If overhead is 1/2 then my take home would be \$30k - Prob. about right.

FTL & Eqm chargesTypical Field trips to Tomb

1. Assume 1 round trip every 30 days
+ mileage around area
250m & 4 days
 $250 @ 50¢ \& 40 = 125 + 40 = \165

2. Lodging.

Space in Tucson is
 $19/mo \times 12 = \$228/year$
In 1 year will spend
 $12 \times 4 = 48 \text{ days} \times \$25/day = 1,200$
 $-\$228 = \$972 \div 12 \text{ months}$
 $= \$81/mo$ storage costs to
park there, would cost
 $\$9.00/day$ at a lowest rates
in town or $270/mo$
poss. even 150 at Roundup
Park. Thus, won't charge
there for trailer if I can
continue to Park it there.

3. Food - charge $\$15/day$

4. Thus a 4 day monthly trip to T.S.

would be: Travel - $\$165$ $\frac{1}{4} = 0$
Food $4 \times 15 = 60$ $= \$225 \div 4 \text{ days}$
 $= \$56.25/day$ or yearly $\$225 \times 12 = \$2,700$

Summary of Proposed Changes 4 of 4

I Fees

JAB - 31 25

TEW - 25 00

MAS. - 15 00

II Travel, Food & Lodging

Travel - std 50¢/mi & 10/day to be split w/ others where possible.

Food - \$ 15/man/day

Lodging - 0 in exchange for a permit. trailers split w/ permit & H₂O & sewer.

III Equipment

Generator \$25/day

Geophysical - std hrs 10%

CARBONATE ROCKS

GEOLOGIC

LITIC	METASOMATIC	SULFIDE ZONE MINERALS	OXIDE ZONE MIN	OTHER
albite				
	bl mbztion			
	trem-act			
	wollast			
	diopside			
	garnet			
		Tot. Suls.		
		pyrite		
		chalcopy		
		bornite		
		chalcocite		
		moly		
		galena		
		sphalerite		
		magnetite		
		hematite		
		Mn mins		
			lim a py	
			a cc / cpy	
			grn CuOx	
			black CuOx	
			ferrimoly	
			W mins	
			fluorite	
			barite	

STRUCTURE
FRACS VEINS

Current State of Exploration VS Potential 7 of 18

$$\frac{4,200'}{20,000} \text{ approx lat} \text{ Expl} = 21\%$$

down to 50'

$$4,200 \times 50' = 210,000 \text{ sq' of VN}$$

But O.P. potential goes down to 100'

Thus

$$20,000 \times 100' = 2,000,000 \text{ sq'}$$

or % wise

$$\frac{210,000}{2,000,000} \approx 11\%$$

But potential goes down to say at least as deep as the depth of the old dist.

But for conservatism - let's say 1,000'

Then 20,000' of exposed vein \times 1,000' of depth
(ignoring the fact they're not vert.)

$$= 20,000,000 \text{ sq' VS explored so far } 210,000$$

or % explored so far.

$$= \frac{210,000}{20,000,000} = 0.011\%$$

If they have 1 year reserves now - there may be geologically indicated reserves of about 100 times that or 100 years at the present rate.

Of course increasing production
to reduce unit costs would indicate

they would have 25 years at 4x current
prod.

Ore would be relatively narrow
along VN structures & require highly selective
mining practice. Content of Pb, Zn & Cu

would increase with depth. A replacement
type Cu Pb Zn - Por. Cu type deposit
could exist at depth - say + 1,000'

Prod. at Tomb. could be a model
for the SOM area if it overbore a
Por Cu system

101-1

Suite 451
Jefferson 400 Building
Spokane, Washington 99204
(509) 624-1336

April 16, 1985

Jim Briscoe & Associates, Inc.
5701 E. Glenn #120
Tucson, Arizona 85712

TERMS: Net 10 days

STATEMENT

Regarding: Western Exploration Consultant, Dan Adams

For: Time and expenses incurred during service work provided
from 4/4/85 - 4/7/85.

Service Work Time:

3.5 days @ 575.00 per day	\$ 2,012.50
1 day travel time @ 125.00 per day	125.00
	<hr/>
	\$ 2,137.50

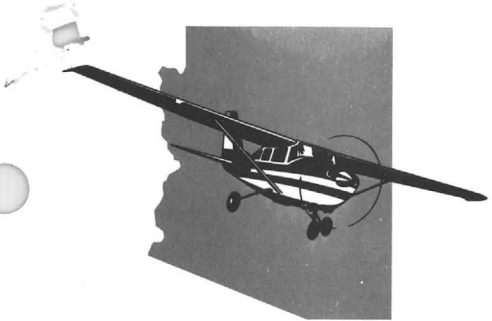
Expenses:

Living expenses (includes hotel, meals, and equipment transportation expenses)	\$ 514.00
	<hr/>

Total	\$ 2,651.50
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Western Exploration, Inc.

114-1



Cooper Aerial Survey Co.

1692 W. GRANT ROAD
TUCSON, ARIZONA 85745
TELEPHONE (602) 884-7580

April 18, 1985

Mr. Jim Briscoe
Jim Briscoe Consultants
5701 E. Glenn, #120
Tucson, AZ 85712

Dear Jim:

Please find below a quotation for each of two possible mapping projects. As stated to you earlier today, these prices may be a little high and would be adjusted upon completion of the project if they turned out to be so.

Option A: Fly and furnish a 1"=200', 5' contour interval update of CAS Job #730478 and furnish a new 1"=50', 2' contour interval topographic map of an area approximately 2000'x2000'. The second area would be photographically enlarged from 1"=100' to 1"=50' before final drafting.

a. Aircraft Mobilization	\$150.00
b. Photography	361.00
c. Materials	196.00
1. contact prints	
2. diapositives	
3. sribecoat	
d. Manuscript Layout	84.00
e. Topographical Mapping	936.00
f. Drafting	1133.00
g. Analytics	<u>440.00</u>
TOTAL:	\$3300.00

Option B: Same as Option A with additional topo extending one mile east of existing topo. Additional mapping to be done at 1"=200' with a 5' contour interval.

a. Aircraft Mobilization	\$150.00
b. Photography	405.00
c. Materials	350.00
1. contact prints	
2. diapositives	
3. sribecoat	

Mr. Jim Briscoe
April 18, 1985
page 2

d. Manuscript Layout	168.00
e. Topographical Mapping	1512.00
f. Drafting	1400.00
g. Analytics	<u>715.00</u>

TOTAL: \$4700.00

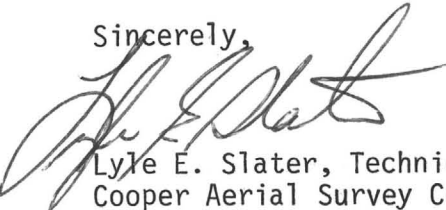
Option C: In addition to either of the above options:

a. Ten shots color photography	450.00
b. One set color contact prints	n/c

If your client wishes to go forward with this project, I would like to meet with you, and with the contact prints and old maps, plan the flights and panel layouts together. We may be able to cut the price further if we work and plan the job so as to make the most use of each photograph.

Once again, thanks for calling and I hope to be able to work with you in the near future. If you have any questions Jim, please feel free to call on me anytime.

Sincerely,



Lyle E. Slater, Technical Advisor
Cooper Aerial Survey Company

LS/ir

114-1

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

April 18, 1985

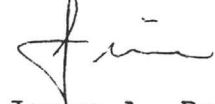
Louis Escapule
Charlie Escapule
Tombstone Silver Mines, Inc.
P. O. Box 1016
Tombstone, Arizona 85638

RE: Transmittal of Report Proposal

Dear Louis & Charlie:

Enclosed is the proposal that we talked about last week. I hope this is what you had in mind. If not, let me know.

Best personal regards,



James A. Briscoe

JAB/ms

Enclosure

114-1

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

April 18, 1985

Messrs. Louis & Charles Escapule
Tombstone Silver Mines, Inc.
P. O. Box 1016
Tombstone, AZ 85638

RE: Proposal for: Evaluation of current drilled reserves and long term, ultimate, economic mineral potential of the Tombstone Silver Mines, Inc. properties, State Of Maine Mine area, Tombstone Mining District, Cochise County, Arizona; For presentation to the Vancouver Stock Exchange

Dear Sirs:

As per your request, I have prepared a proposal, including costs, for the above report.

For background information, I am a Registered Professional Geologist in the states of Arizona and California, with a Masters Degree in Economic Geology from the University of Arizona at Tucson. I have enclosed my resume for further details, as Attachment 1. I have been studying the geology of the Tombstone Mining District since 1972, for a variety of clients in both a regional and detailed manner. As an adjunct to these studies, I have accumulated almost all historical technical data and literature concerning the District up to the present time. In addition, I have in my collection color and black and white aerial photography at various scales, including a 1" = 200' topographic map base over the State of Maine Mine area. This topo map includes accurate positioning of the public survey and private property boundaries, as well as geologic details. The estimated 1985 replacement value of this data on the State of Maine area exceeds \$35,000. My following observations and cost estimates are based on this technical background, and the availability of the above mentioned technical data.

The Tombstone Mining District and its geologic environs is part of a Laramide caldera system, which has been dated at 72 my. to 63 my. before the present, by atomic age dating methods. Mineralization in the main part of the District near the Tombstone townsite, as well as other areas including the State

Louis Escapule
Charles Escapule
April 18, 1985
Page 2 of 4

of Maine area, are probably related to deep seated porphyry copper systems. Precious metals which have been exploited in the District are probably occurring as veins and replacements as part of the precious metal and lead-zinc halo around these porphyry copper systems. The Tombstone Silver Mines, Inc. properties overly part of the inner portion of the caldera which is for the most part covered by a thin, welded, ash-flow sheet - the Uncle Sam porphyry (tuff), which hosts the known exposed silver veins. Below this thin layer of tuff will be found the same rock types as are present in the main part of the District, and which hosted most of the District's production. Because the three dimensional geology in the State of Maine area appears to be the same as that in the main part of the District, except for the thin layer of Uncle Sam tuff, it may be reasonable to expect a similar amount of economically mineable metals. This suggests a potential for production of 32,468,647 ounces silver, 257,785 ounces gold, 65,105,938 pounds lead, 2,516,031 pounds of copper, and 1,058,234 pounds of zinc. However, the main part of the District is far from mined out, so ultimate production may be much greater.

In the past year, Tombstone Silver Mines, Inc. has been drilling shallow holes to a maximum depth of 80', but averaging more like 50' in depth. I understand that approximately one year of reserves at a mining rate of 100 tons per day has so far been indicated. I have compared the approximate area of this shallow drilling with the total length of known exposed veins. It is probable that all veins with potential economic reserves are not exposed. However, these, of course, cannot be measured. Considering exposed veins mapped but as yet untested, only 20% of the near surface potential appears to be tested to date. In the main part of the District mineralization was mined down to a depth of 1,000', thus we can make the assumption that economic mineralization in the State of Maine area might extend to a depth of 1,000'. This may be conservative since there is some evidence that larger ore bodies may lie below 1,000'. However, making the assumption that known veins have potential to 1,000', then only 1% of the total potential on the Tombstone Silver Mines, Inc. ground has been tested to date. We might conclude, therefore, that if the current economically mineable discovery rate can be projected to depth, then 100 times the current ore reserves remain to be discovered. Put another way, without sorting out the details of mining, milling, metallurgy, and financing future operations, we might conclude that there is potential for 100 years of reserves at the current mining rate. From a more practical standpoint, if production were increased fourfold (to lower unit costs), then there would still be reserves for 25 years of mine life.

Louis Escapule
Charles Escapule
April 18, 1985
Page 3 of 4

The above "reserves" would have to be characterized as "speculative" or "hypothetical" since they are based only on geologic work and geologic inference.

From my studies of the District, I believe that the State of Maine area may be situated over the top of a porphyry copper system. If true, this means there is a large source for precious metal veins, and the known veins may be just the tip of the iceberg. These veins may grade into a porphyry copper system at depth, that in future years might have orders of magnitude larger potential for economic metal production than currently known precious metal exposures.

Unfortunately, work to date is insufficiently detailed and documented for formal presentation, particularly if used for stock underwriting purposes. However, with the relatively large existing data base in the State of Maine area, and a relatively moderate amount of compilation work to put the existing data into a useful form, I believe that the above suggested "Inferred, Hypothetical and Speculative" reserves can be convincingly documented. Further, a carefully planned sequential exploration program can be designed so that if followed, reserves can be tested and moved into the categories of "Measured, Indicated, and Inferred", in future years as exploration funds become available.

The report for the Vancouver Exchange should be an updated study of the State of Maine area. I would contribute all of my data and knowledge of the area currently in hand ('85 value +\$35,000). We would update the 1972 vintage topographic map and tie it to current ground control. We would also fly new photography and construct 50 scale (1" = 50') contour maps of the immediate area of mining and exploration so that current drilling and mining activity can be plotted and integrated into an overall picture. I would then, on a consulting basis, incorporate all new data, study, remap or otherwise augment geology within the area. Geologic cross sections would be constructed, geologic ore reserves calculated, an exploration program designed, an economic evaluation re-made, and recommendations on all of the above detailed.

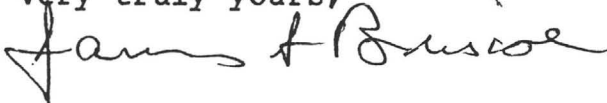
This would require approximately \$4,100 in ground target placement, photography, and mapping from Cooper Aerial Survey, about \$9,325 in time and effort from James A. Briscoe & Assoc., Inc., about \$1,000 in camera work and blueprinting, and about \$300 in report reproduction costs for a total estimated cost of \$14,725, to get to a definitive report that would stand the scrutiny of the Vancouver Stock Exchange regulators.

Louis Escapule
Charles Escapule
April 18, 1985
Page 4 of 4

My time is calculated at a very substantial discount of \$31.25 per hour. This estimate is based on a long term five year commitment, on an overview consulting contract from Tombstone Silver Mines, Inc. I would propose to put in 4 days per month over the next 5 years on the project. The purpose would be to provide direction, long term planning, specific geologic suggestions, and to supervise students who might work on graduate degrees on various aspects of geology on the property. I would envision that I would report to Management on a monthly and quarterly basis, and make specific recommendations and suggestions. Management could accept or reject any recommendations or suggestions I might make. James A. Briscoe & Associates, Inc. discounts its fees based on size and longevity of a contract. My normal fees are \$62.50 per hour, but if this five year proposal were accepted, they would drop to \$31.25 per hour to be adjusted quarterly for the cost of living using the Consumer Price Index (CPI). The cost of this consulting contract, including travel, food, and lodging, and secretarial, computing, and drafting expenses would amount to approximately \$1,365 per month.

If the above suggestions are suitable, I would be ready to start on the project about May 1, and would estimate it could be completed by mid-June.

Very truly yours,



James A. Briscoe

JAB/ms

DATA ON HAND

I. Aerial Photography

- A. Color over approximately 300 square miles at 1" = 2,000'
- B. Color over State of Maine property at 1" = 200'
- C. Black and white photos over State of Maine at 1" = 200'
(B & C have claim corners, section, and quarter sections marked with flagging)
Estimated 1985 cost \$7,000

II. Topography

- A. Base triangulation network tied to the Public Survey via a tie to the Bench Mark in front of the Public Library (the Old Rail Road Station)
Estimated 1985 cost \$3,000
- B. Topographic base at 1" = 200' with 5' contour interval showing as of 1972:
 - 1. Triangulation net
 - 2. Section corners and quarter corners
 - 3. Patent corners
 - 4. Claim monuments
 - 5. Mining claims
 - 6. Mine openings
 - 7. Roads, fences, and culture as of 1972

- C. The control is probably sufficient to draw maps at 1" = 50' with 2' contours in areas of specific interest

Estimated 1985 cost of \$10,000

III. Geologic and alteration map over the State of Maine at 1" = 200'
Estimated cost of \$10,000

IV. Proposed drilling map at 1" = 200'
Estimated cost of \$5,000

Attachment 2 Cont...

TOTAL ESTIMATED VALUE

I.	\$ 7,000
II.	3,000
	10,000
III.	10,000
IV.	5,000
	<u> </u>
	\$35,000

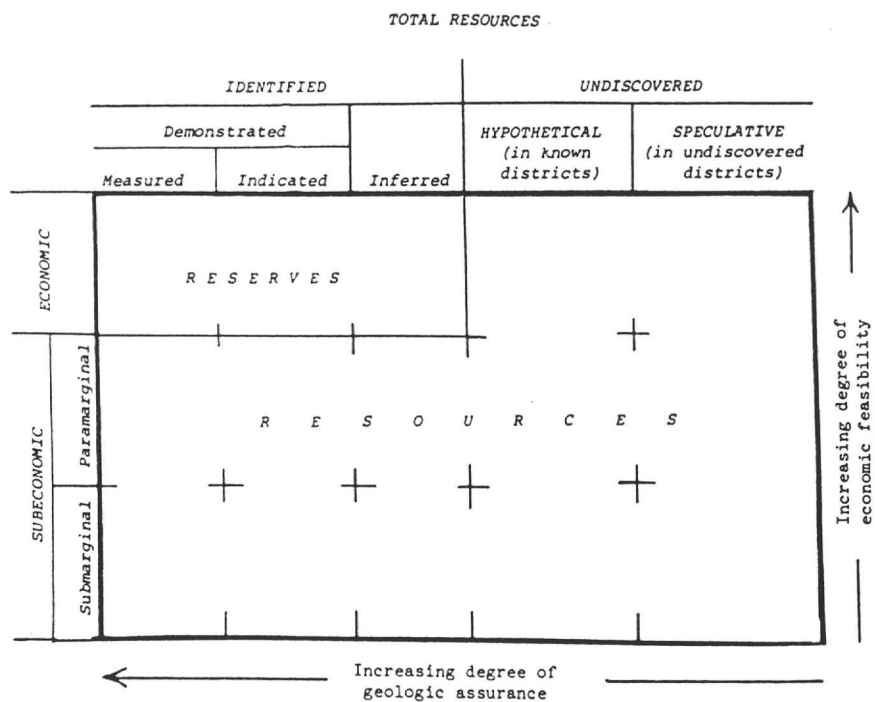


FIGURE 4.—Classification of Mineral Resources. From U.S. Bureau of Mines and U.S. Geological Survey (1967a, p. A2).

The following definitions for "measured," "indicated," and "inferred" are applicable to both identified economic resources (that is, reserves) and identified-subeconomic resources.

Measured: Material whose quality and quantity have been estimated, within a margin of error of less than 20 percent, from analyses and measurements from closely spaced and geologically well-known sample sites.

Indicated: Material whose quality and quantity have been estimated partly from sample analyses and measurements and partly from reasonable geologic projections.

Demonstrated: A collective term for the sum of materials in both measured and indicated resources.

Inferred: Material in unexplored but identified deposits whose quality and size have been estimated on the basis of geologic evidence and projection.

Identified-subeconomic resources: Known deposits not now economically minable.

Paramarginal: The portion of subeconomic resources that (a) is almost economically producible or (b) is not commercially available solely because of legal or political circumstances.

Submarginal: The portion of subeconomic resources which would require a substantially higher price (more than 1.5 times the price at the time of determination) or a major cost-reducing advance in technology to become economic.

Hypothetical resources: Undiscovered materials that may reasonably be expected to exist in a known mining district under known geologic conditions. Explora-

tion that confirms their existence and reveals quantity and quality will permit their reclassification as a reserve or identified-subeconomic resource.

Speculative resources: Undiscovered materials that may occur either in known types of deposits in a favorable geologic setting where no discoveries have been made or in as-yet-unknown types of deposits that remain to be recognized. Exploration that confirms their existence and reveals quantity and quality will permit their reclassification as reserves or identified-subeconomic resources.

The terms "proved," "probable," and "possible" (used by industry for economic evaluations of ore in specific deposits or districts) commonly have been used loosely and interchangeably with the terms "measured," "indicated," or "inferred" (used by the Department of the Interior mainly for regional or national estimates). "Proved" and "measured" are essentially synonymous. "Probable" and "possible," however, are not synonymous with "indicated" and "inferred." "Probable" and "possible" describe estimates of partly sampled deposits. In some definitions, for example, "probable" is used to describe deposits sampled on two or three sides and "possible" for deposits sampled only on one side; in the Bureau of Mines/Geological Survey definitions, both types of deposits would be described by the term "indicated."

Except in rare instances, the author's estimates of reserves and resources for a district or area should be presented in such a way as to conceal the figures for individual properties. Quotation of published estimates, however, is permissible so long as they are properly ascribed.

REFERENCES

- Brobst, D. A., and Pratt, W. P., eds., 1973, United States mineral resources: U.S. Geological Survey Professional Paper 820, 722 p.
- McKelvey, V. E., 1972 Mineral resource estimates and public policy: *American Scientist*, v. 60, no. 1, p. 32-40; reprinted in Brobst and Pratt, 1973, p. 9-19.
- U.S. Bureau of Mines and U.S. Geological Survey, 1976a, Principles of the mineral resource classification system of the U.S. Bureau of Mines and U.S. Geological Survey: U.S. Geological Survey Bulletin 1450-A, p. A1-A5.
- 1976b, Coal resources classification of the U.S. Bureau of Mines and U.S. Geological Survey: U.S. Geological Survey Bulletin 1450-B, p. B1-B7.

WORK OUTLINE FOR THE REPORT

- I. Update current base mapping in the area
 - A. Target old (put in by Briscoe '73) and new (put in by State of Maine, '84) control and tie together. Both are tied to the Public Survey
 1. Find control points
 2. Target with paper
 - B. Re-fly
 1. At original scale to update culture in State of Maine area since 1973, at 1" = 200'
 2. Larger scale to prepare 50 scale (1" = 50') with 2' contour intervals in State of Maine area
 - C. Draw maps
 1. 1" = 200' base maps of entire area. All data will be summarized on this map
 2. 1" = 50' maps for active mining and exploration areas. Current and future 20 scale maps will be compiled on this base scale
 - D. Prepare a 1" = 500' USGS base map for a summary map for all data
- II. Update mineral data base
 - A. Plot all drill holes in area
 1. Austral Oil
 2. Sierra Mineral Management - '71 Minerals
 3. Occidental Minerals
 4. Santa Fe Mining, Inc.
 5. Tombstone Silver Mines, Inc.
 6. Other
 - B. Get copies of available logs

Attachment 4 Cont.....

- C. Log or re-log holes with a standard geologic nomenclature format
 - D. Do surface geology, alteration and structure map in area of activity at 1" = 50' scale
 - 1. Compare and make additions from the 1" = 200' map
 - 2. Outcrop map (including open pit areas) of:
 - a. Geology
 - b. Structure
 - c. Alteration and mineralization
 - 3. Compile detailed maps of open pit areas at 1" = 20'. Reduce photographically to 1" = 50' and re-plot
 - 4. Plot drill holes at the 1" = 50' scale
 - 5. Make 50 scale cross sections to fall on those at 200 scale
 - E. Update 1" = 200' geologic map including:
 - 1. Reduce and re-plot the 1" = 50' map to 200 scale
 - 2. Visit key outcrops
 - 3. Update and/or make new cross sections
 - F. Tie State of Maine and Brother Jonathan workings to surface and show surface projections of underground workings
- III. Review current reserves shown by recent drilling, compiled at 1" = 50'
- A. After compilation of maps as in II. D. above:
 - 1. Review for accuracy
 - 2. Determine what type represented
 - a. Measured
 - b. Indicated

Attachment 4, Cont.....

- c. Inferred
 - d. Hypothetical
 - e. Speculative
 - B. Propose further work
- IV. Interpret 200 scale geology
 - A. Surface projections
 - B. Cross sections
 - C. Project vein intersections and identify hidden and inferred targets
 - D. Compile projected reserves
 - 1. Inferred
 - 2. Hypothetical
 - 3. Speculative
- V. Design long range exploration plan including further:
 - A. Mapping of:
 - 1. Geology
 - 2. Structure
 - 3. Alteration and mineralization
 - a. Microscope work
 - b. Microprobe
 - 4. Age dating
 - B. Geophysics
 - C. Geochemistry
 - E. Drilling
 - 1. Near surface 0 - 130' air track

Attachment 4, Cont.....

2. Deep reverse circulation rotary 0 - 2,000'
3. Diamond drilling for information:
 - a. Geologic
 - b. Structural
 - c. Alteration and mineralization

VI. Economic Analysis

A. Mineral reserves vs. economic exploitation

1. Depth
2. Size - dimensions
3. Mineralogy
 - a. Possible metallurgy required for recovery
 1. Cyanide
 2. Flotation
 3. Gravity (Richard Cones)
 4. Combinations
 5. Other
4. Possible mining methods

B. Cost of exploration

VII. Recommendations

A. Proceed/not proceed

1. Positive factors vs. hazards
2. Negative factors vs. benefits

COSTING

I.	Map base update	
	A. Targeting existing control - old and new to be done by Tombstone Silver Mines personnel	\$ 800
	B. Cooper Aerial includes	
	1. Re-flying area	
	2. Update of 1" = 200' maps	
	3. 50 scale map over 2,000' by 2,000' area where current work in progress	3,300

		\$ 4,100
II.	James A. Briscoe & Associates, Inc. charges	
	A. JAB geologic consulting	
	1. 200 hours X \$31.25	\$ 6,250
	B. Food	
	1. 10 days in Tombstone @ \$15/day	150
	C. Travel	
	1. 5 round trips to Tombstone @ \$165/trip	825
	D. Lodging	
	1. 10 days @ \$-0- for JAB trailer (10 days @ local motel @ \$30/day = \$300)	-0-
	E. Support	
	1. Typing & computer 40 hours x \$15/hour	600
	2. Drafting 100 hours X \$15/hour	1,500

		\$ 9,325
III.	Blueprinting and camera work (Reproduction, Inc. or Tucson Blueprint, Inc.)	
	A. Camera work	\$ 500

Attachment 5 Cont.....

B. Blueprinting	500

	\$ 1,000
IV. Report reproduction (Alpha Graphics)	
Assume \$30/copy x 10	\$ 300

	\$ 300
	=====
	\$14,725
	4,100

	10,725
	1,000

	11,725

Spread sheet work

SUMMARY OF PROPOSED RETAINER AND FEE DISCOUNT

I. James A. Briscoe & Associates, Inc. preparation
of baseline report \$ 9,325

II. 4 days per month overview consulting

4 days x 8 hrs/day x \$31.25 \$1,000

Travel round trip & local travel 165

Food \$15/day x 4 days 60

Lodging if trailer at SOM* 0

Secretarial/computing/drafting
8 hours x \$15/hour 120

Est. postage, xeroxing, blue
prints and misc. 20

\$1,365

Yearly = \$1,362 X 12 = \$16,380

Total for 5 year contract

\$16,380 X 5 = \$81,900**

* If JAB, Inc. trailer is not at the State of Maine, food and lodging from local motels and restaurants, at cost, would be charged.

** The contract fees would be in 1985 dollars. Starting after the 12 month anniversary, and every quarter thereafter, the fees and expenses would be adjusted downward or upward by the Consumer Price Index (CPI).

If the baseline report can be done in less time, the time saved will be added on to the end of the 5 year contract. If more time is required for the report, it will be subtracted from the end of the 5 year contract.

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

May 31, 1985

Charlie Escapule
Tombstone Silver Mines, Inc.
P. O. Box 1016
Tombstone, AZ 85638

RE: Recommendation for air photo targeting, photography, and mapping, with cost estimates from Cooper Aerial Survey

Dear Charlie:

Enclosed are 5 separate alternative estimates on ways to fly the air photos and do the mapping. There are subsets to many of the estimates, so there are in total at least 11 alternatives. Some of these include photo work for Tombstone Development Company and Seth Horne. If they did work in conjunction with Tombstone Silver Mines, it would lower your costs. Unfortunately, with the current legal problems on the Tombstone Development Company ground and your timing requirement, I don't think such a cooperation is possible.

I therefore recommend proposal 1B. This will include re-fly and update the 1973 map. Fly lower level photos to draw 1" = 100' topography with 2' contours. This will be enlarged photographically to 1" = 50', and a scribe coat mylar master made. Only the NW 1/4 of Section 16 will be drawn for now, but in the future, anything within the photo control area can be drawn at a cost of about \$4 per acre. The cost will be \$5,184.00, not including the cost of panneling and ground control.

Because of the cost effectiveness of photogrammetric surveying (measurement of vertical and horizontal control from air photos), we should pannel with white butcher paper anything that might conceivably be necessary to know the precise position of in the future.

Recommendation Summary

1. Fly and update only area of 1973 1" = 200' mapping. When more cash is available, the full 9 square mile area can be targeted, photographed, and mapped. Include new photography so that any area within the bounds of the 200 scale map can have a 1" = 50', 2' contour map made. Draw 1" = 50' map of the NW1/4 Section 16. Cost will be approximately \$5,200.00 plus \$3 per point for each drill hole or other non-surveyed control point.
2. Mark all property boundaries that weren't marked in 1973. Many claim monuments were marked in 1973. Thus, mostly the unpatented claims changed since then, or other property boundaries should be marked. Example: The new corridor of 3rd party land bisecting the Chance claim.
3. All drill holes should be marked. This should include.
 1. All Austral Oil holes.
 2. All '71 Mineral holes.
 3. All Occidental Mineral holes.
 4. All Santa Fe Minerals holes.
 5. All Charlou holes.
 6. All Tombstone Silver Mines holes.
 7. All other known drill holes or wells.

Where the holes are in a line, they should be marked with an inverted "T" at the end of each line of holes, and each hole should be marked with a 2' X 2' paper target.

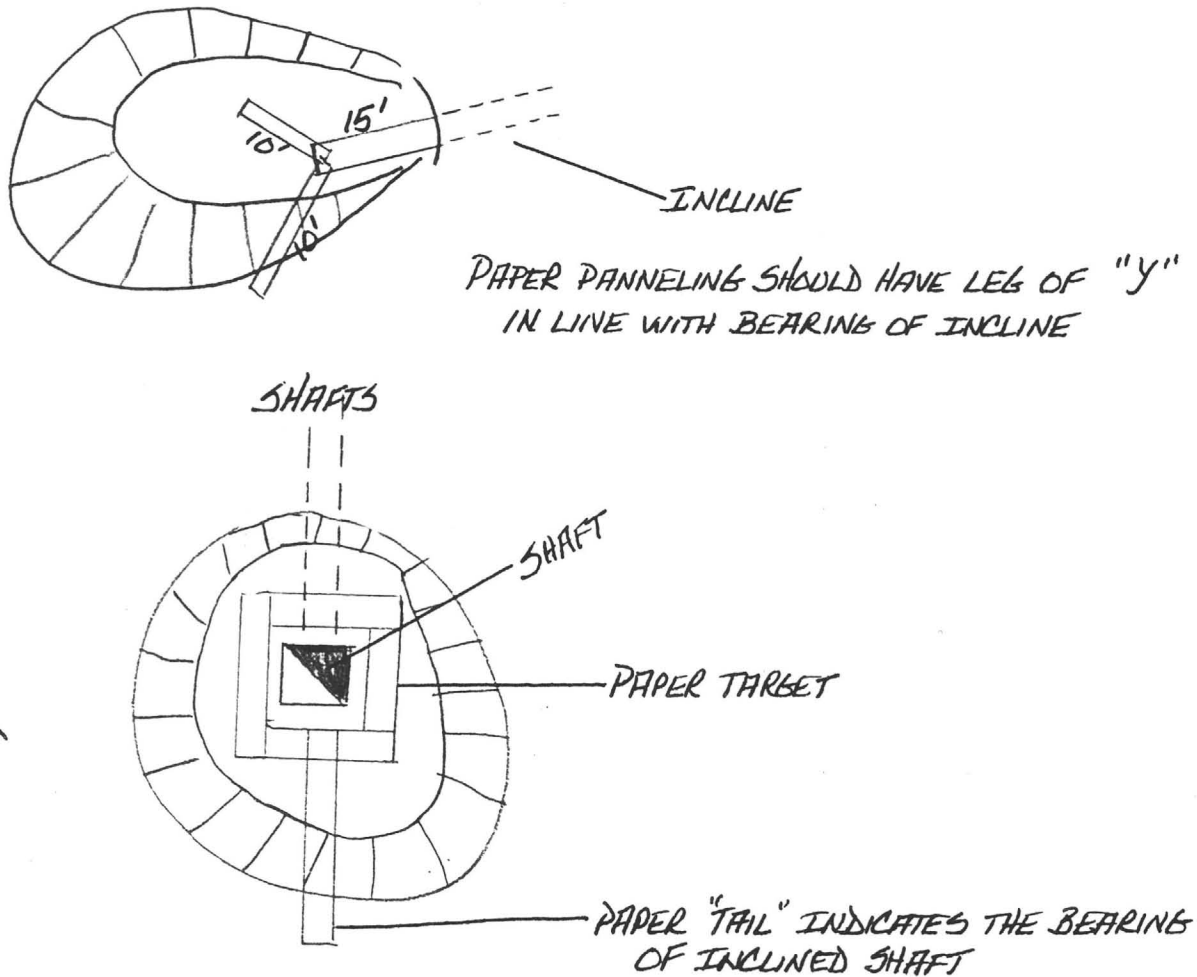
Example:

ARMS OF THE "T" SHOULD BE 15' EACH



FOR SINGLE HOLES, JUST USE THE "T" TARGET

4. All adits and inclines should be marked and where possible vertical shafts should be marked:



Prospects, shafts, and inclines are difficult and sometimes impossible for the photogrammetrist to see. If they are not marked, then someone must walk to each working and plot its position and shape.

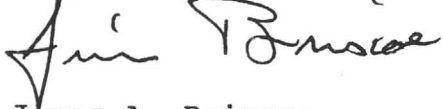
The State of Maine shaft collar should be painted white.

5. Control points should be marked with a cross with 15' arms. The arms should be at right angles except where boundary lines or fences are at a different angle. The arms should then be aligned along the bearing of the boundary or fence.

Charlie Escapule
May 31, 1985
Page 4 of 4

Attention to targeting everything of possible interest will save time and money in the future. Targeted property boundaries, particularly unpatented claim corners, can prevent costly arguments or litigation.

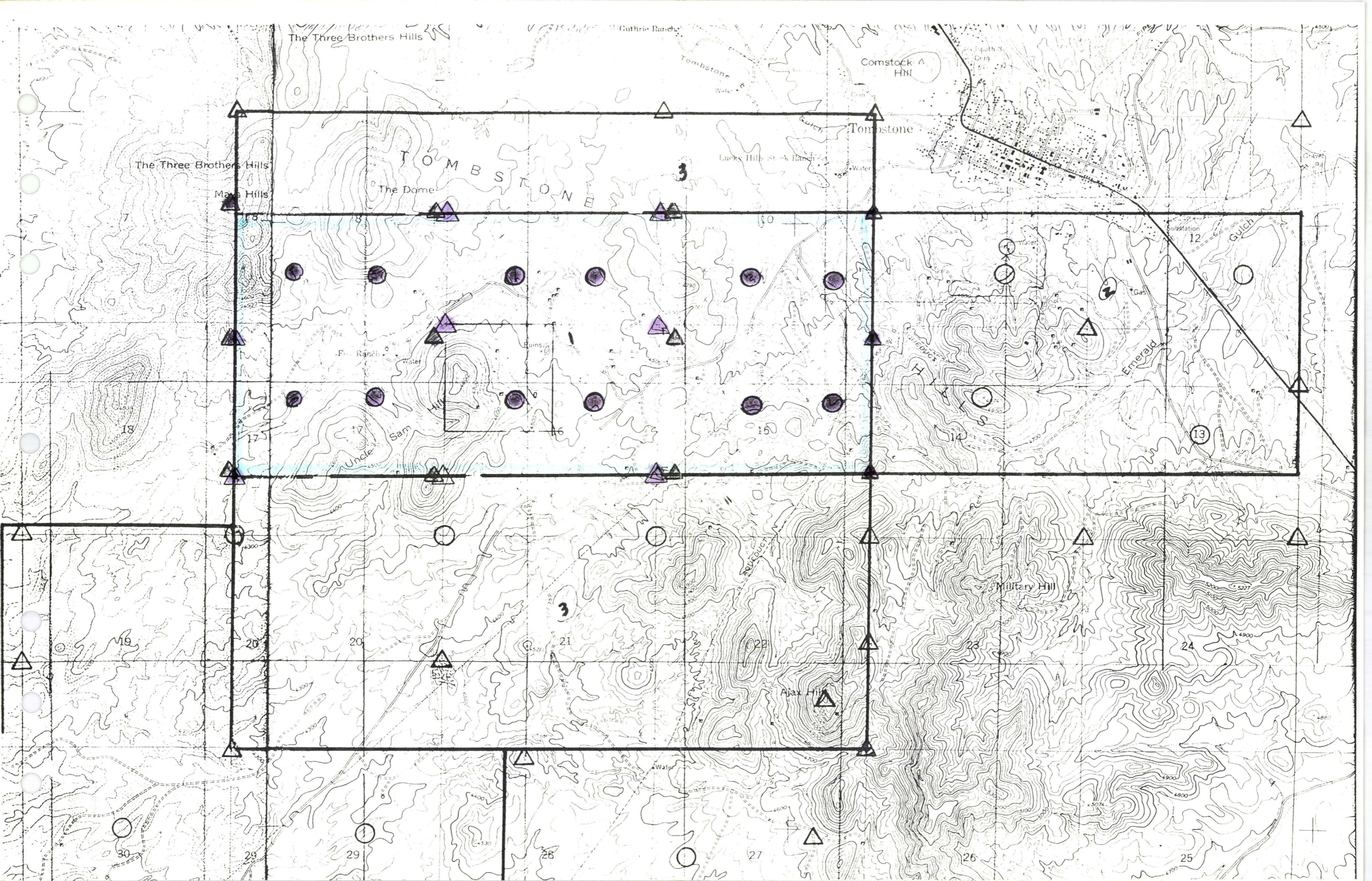
Very truly yours,



James A. Briscoe

JAB/ms

Enclosures: Cooper Aerial Surveys job proposal 1-5



1A

COOPER AERIAL SURVEYS - JOB PROPOSAL

NAME JIM BRISCOE AND ASSOCIATES

TYPE OF JOB TOPOGRAPHICAL UPDATE

Photogrammetry-prints-enlargements-etc.

LEGAL DESCRIPTION SECTIONS 8, 9, 10, 15, 16, & 17 T 20S R 22E

PORTIONS OF ABOVE SECTIONS. 1"=200' 5' CI UPDATE OF
CAS # 730478

APPROXIMATE SIZE IN ACRES 2400

SCALE OF PHOTO OR MAP 1"=200'

CONTOUR INTERVAL 5'

EXTRA ITEMS 3.00 PER EXTRA POINT TO SUPPLY COORD-
INATES AND TO PLOT ON FINAL MAP.

1.50 PER POINT TO PLOT ONLY WITH
SUPPLIED COORDINATES.

COST ESTIMATE 2550.00 DOLLARS

BY [Signature] APPROVED _____
For Cooper Aerial Survey

Date 5-29-85 Date _____

* THE COST PER POINT (EXTRAS) REMAINS THE SAME FOR ALL PROPOSALS.

1B

COOPER AERIAL SURVEYS - JOB PROPOSAL

NAME Jim Briscoe & Associates

TYPE OF JOB TOPOGRAPHICAL UPDATE AND NEW TOPO NW 1/4 Sec 16
Photogrammetry-prints-enlargements-etc.

LEGAL DESCRIPTION PORTIONS OF SECTIONS 8, 9, 10, 15, 16, 17 T20S R22E.

APPROXIMATE SIZE IN ACRES 2400

SCALE OF PHOTO OR MAP 1"=200' & 1"=50' (ENLARGED FROM 100 SCALE)

CONTOUR INTERVAL 5' (200) & 2' (50')

EXTRA ITEMS Fly ENTIRE AREA FROM 730478 AT 100 SCALE FOR FUTURE MAPPING. TOPO NW 1/4 Sec 16 AT 100 SCALE & ENLARGE TO 50 SCALE FOR DRAFTING.

COST ESTIMATE 5184.00 ^{error} (3.90 PER ACRE FUTURE 50 SCALE) DOLLARS
_{12 00 " " " " " "}

BY [Signature] APPROVED _____

For Cooper Aerial Survey

Date 5-29-85 Date _____

2a

COOPER AERIAL SURVEYS - JOB PROPOSAL

NAME Jim Briscoe & Assoc.

TYPE OF JOB TOPOGRAPHIC MAPPING & VOLUME COMPUTATIONS.
Photogrammetry-prints-enlargements-etc.

LEGAL DESCRIPTION PORTIONS OF SECS. 8, 9, 10, 11, 12, 13, 14, 15
16 & 17 T20S R22E. (FLYING TOTAL)

APPROXIMATE SIZE IN ACRES 4000 (2400 & 1600)

SCALE OF PHOTO OR MAP 1"=200' & 1"=50' (ENLARGED FROM 100 SCALE)

CONTOUR INTERVAL 5' (200) & 2' (50)

EXTRA ITEMS FLY ENTIRE AREA FROM T30478 AT 100 SCALE FOR
FUTURE MAPPING. TOPO NW 1/4 SEC 16 AT 100 SCALE AND
ENLARGE TO 50 SCALE FOR DRAFTING.

FLOWN WITH EASTERN 2 mile EXTENSION!!

COST ESTIMATE 4814.00 ²⁰⁰⁰ (3.9% PER ACRE, FUTURE ⁵⁰ 100 SCALE) DOLLARS

BY [Signature] APPROVED _____

For Cooper Aerial Survey

Date 5-29-85 Date _____

2a 2 mile EAST EXT.
VOLUMES ONLY

COOPER AERIAL SURVEYS - JOB PROPOSAL

NAME Jim BRISCOE & Assoc

TYPE OF JOB VOLUME COMPUTATIONS
Photogrammetry-prints-enlargements-etc.

LEGAL DESCRIPTION PORTIONS OF SECS 11,12,13,14 T20S R22E.

APPROXIMATE SIZE IN ACRES 1600

SCALE OF PHOTO OR MAP 1"=200'

CONTOUR INTERVAL NONE

EXTRA ITEMS CREATE BASE FILE FROM 1973 PHOTOGRAPHY
AND CALCULATE VOLUMES FROM NEW PHOTOS.
FLOWN WITH AREA 1.

COST ESTIMATE 2834.00 DOLLARS

BY [Signature] APPROVED _____
For Cooper Aerial Survey

Date 5-29-85 Date _____

COOPER AERIAL SURVEY CO. - JOB PROPOSAL

NAME Jim Briscoe & Assoc.

TYPE OF JOB TOPOGRAPHIC MAPPING & VOLUME CALCULATIONS
Photogrammetry, prints, enlargements, etc.

LEGAL DESCRIPTION PORTIONS OF SECS 8, 9, 10, 11, 12, 13, 14, 15,
16 & 17 T20S R22E. (FLYING TOTAL)

APPROXIMATE SIZE IN ACRES 4000 (2400 & 1600)

SCALE OF PHOTO OR MAP 1"=200' & 1"=50' (ENLARGED FROM 100 SCALE)

CONTOUR INTERVAL 5' (200) & 2' (50)

EXTRA ITEMS FLY ENTIRE AREA FROM 730478 AT 100 SCALE FOR
FUTURE MAPPING. TOPO NW 1/4 SEC 16 AT 100 SCALE AND ENLARGE
TO 50 SCALE FOR DRAFTING.

FLOWN WITH EASTERN 2 MILE EXTENSION

COST ESTIMATE 4814.00 (²⁵⁰⁰3.90 PER ACRE, ⁵⁰FUTURE 100 SCALE) DOLLARS
12⁰⁰ PER ACRE " " "

BY [Signature] APPROVED _____
For Cooper Aerial Survey Co. For _____

DATE 5-29-85 DATE _____

25
VOLUMES & TOPO 2
miles EAST EXT.

COOPER AERIAL SURVEY CO. - JOB PROPOSAL

NAME Jim BRISCOE & Assoc

TYPE OF JOB TOPOGRAPHICAL MAPPING & VOLUME COMPUTATIONS
Photogrammetry, prints, enlargements, etc.

LEGAL DESCRIPTION PORTIONS OF SECS 11, 12, 13, & 14 T20S R22E.

APPROXIMATE SIZE IN ACRES 1600

SCALE OF PHOTO OR MAP 1"=200'

CONTOUR INTERVAL 5' & VOLUMES

EXTRA ITEMS CREATE BASE FILE FROM EARLIER PHOTOS AND
CALCULATE VOLUMES FROM NEW FLIGHTS. ALSO TOPO THIS
AREA. FLOWN WITH AREA 2.

COST ESTIMATE 5116.00 DOLLARS

BY [Signature] APPROVED _____
For Cooper Aerial Survey Co. For _____

DATE 5-29-85 DATE _____

3

COOPER AERIAL SURVEYS - JOB PROPOSAL

NAME Jim Briscoe & Assoc.

TYPE OF JOB TOPOGRAPHICAL UPDATE AND PHOTOGRAPHY OF 9 1/4 MILES.
Photogrammetry-prints-enlargements-etc.

LEGAL DESCRIPTION SECS. 8, 9, 10, 15, 16, 17, 20, 21 & 22 T20S R 22E.

APPROXIMATE SIZE IN ACRES 5760

SCALE OF PHOTO OR MAP 1"=200'

CONTOUR INTERVAL 5'

EXTRA ITEMS FLY ENTIRE 9 1/4 FOR FUTURE MAPPING.

UPDATE 730478 AND TOPO NW 1/4 Sec 16 AT 100 SCALE.

ENLARGE TO 50 SCALE FOR DRAFTING.

COST ESTIMATE 407.00 FOR EXTRA FLYING. DOLLARS

BY [Signature] APPROVED _____

For Cooper Aerial Survey

Date 5-29-85 Date _____

* \$1200.00 PER SQUARE MILE FOR FUTURE 200 SCALE MAPPING.

2 OPTIONS 5784.00 (16)
407.00
\$ 5591.00

4814.00 IN ADDITION TO
407.00 2 MILE EAST
\$ 5221.00 EXTENSION

(24)

COOPER AERIAL SURVEY CO. - JOB PROPOSAL

NAME Jim BRISCOE & Assoc

TYPE OF JOB Fly AREA #4 FOR FUTURE MAPPING.
Photogrammetry, prints, enlargements, etc.

LEGAL DESCRIPTION SECS 19, 29, 30, 31 & 32 PORTIONS OF
SECS 20, 28, 33 T20S R22E SECS 25 & 36 T20S R21E

APPROXIMATE SIZE IN ACRES 5184

SCALE OF PHOTO OR MAP 1"=200' & 1"=20' or 1"=50'

CONTOUR INTERVAL 5' & 1'

EXTRA ITEMS PIT AREA

COST ESTIMATE 565.00 TO FLY WITH OTHER PROPOSALS DOLLARS

BY [Signature] APPROVED _____
For Cooper Aerial Survey Co. For _____

DATE 5-29-05 DATE _____

* ~~1200.00 PER ACRE - 200 SCALE FUTURE MAPPING.~~
\$ 32.50 PER ACRE - 20 SCALE FUTURE MAPPING } PIT AREA.
\$ 26.00 PER ACRE - 50 SCALE FUTURE MAPPING }
NEED PAID LAYOUT AFTER DECIDING ON PIT AREA!!

5

COOPER AERIAL SURVEYS - JOB PROPOSAL

NAME Jim BRISCOE & Assoc

TYPE OF JOB TOPOGRAPHICAL MAPPING
Photogrammetry-prints-enlargements-etc.

LEGAL DESCRIPTION AREA OUTLINED IN TOTAL.

APPROXIMATE SIZE IN ACRES 12544

SCALE OF PHOTO OR MAP 1" = 400'

CONTOUR INTERVAL 10'

EXTRA ITEMS TOPO FROM OLD PHOTOGRAPHY

COST ESTIMATE 425,00 PER SQUARE MILE DOLLARS

BY [Signature] APPROVED _____

For Cooper Aerial Survey

Date 5-29-85 Date _____

114-1

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

June 7, 1985

Charles Escapule
Tombstone Silver Mines, Inc.
P. O. Box 1016
Tombstone. AZ 85638

RE: Air photo targeting campaign, State of Maine Mine area -
over 1973 base triangulation survey.

Dear Charlie:

I met this morning with Lyle of Cooper Aerial Photography. We went over the 1" = 200' 1973 map point by point. On this map I have annotated section lines and quarter section lines as well as colored all section corners, quarter corners and section center points. Previously, Joe had colored and numbered the 1973 vintage triangulation grid. I have also marked in purple those elevation only markers which Cooper requires. Those markers I located in areas where we already had a claim post which had an elevation annotated on the map. Lyle feels that with this kind of control we have to do no further surveying. This I passed on to you during our telephone conversation of about noon.

This afternoon, Joe informed me that the original survey was put in with wooden hubs rather than rebar with or without caps. I had thought they had put in more substantial markers, and of course they should have. Even so, it seems like there should be stakes left even though it has been 12 years. Considering the cost of re-surveying these points, I think we should make a diligent effort to find the old stakes and place rebar and caps in place of the wooden pegs. If the original pegs cannot be found, then I think that we should try and locate from the map, their position, drive a rebar with a cap on it, and panel that cap (which should be marked appropriately). These locations can then be surveyed in later if we need to draw additional 1" = 100' (photographically enlarged to 1" = 50') maps over the area. The 1973 survey was positioned appropriately for the aerial photo work.

Charlie Escapule
June 7, 1985
Page 2 of 3

We should pay particular attention to paneling all of the section corners, quarter corners and section center points, which are located on the 200 scale map in red. Again, this should be done with crosses with 15' arms, according to Bill Cooper.

Bailey should annotate all of the current existing mining claims onto the same work sheet that I have been using. Most, if not all of the corners, were marked in 1973, and are annotated on the map with an elevation with a circle and a little pin prick to mark their precise location. I believe it is important to remark the corners of the current claims and probably the discoveries if they can be located also. However, in 1973, all claim monuments whether current or not were paneled, and there is no point in re-paneling every point, just those that are current claims. In this manner we can assure that they will appear on both sets of our new photography, as well as be accurately located on the 1" = 50' maps.

I also believe that we should panel all of the Fox and Solstice, and Missy claim corners, as well as those belonging to Henderson and others that fall within the confines of the 1973 200 scale map. It is already apparent from some of the plots of the Solstice corners that the claims as they appear are not accurate rectangles. Therefore, it is probable that some fractions will be created. This is not unusual in mining claims of this type - it is nothing to worry about as long as we find out their true position, identify any fractions, and cover those where necessary. Where the problem will occur is if an adverse party should identify the fractions and file conflicting claims. This might really hinder progress.

Again, we should panel all adits and shafts as per my previous letter to you and our discussion of last week. If the field crews can determine from the 200 scale map that these are plotted correctly, perhaps we can ignore those that are plotted correctly. Unfortunately, they are difficult if not impossible to see during the photogrammetric plotting procedure.

If we can panel the control points as I have described above, even if the originals are not there, I think that we can get away with no further surveying, or at least minor surveying to draw the northwest corner of section 16. As long as there are pins and hubs planted and targeted, then if we need more detailed mapping, we can do the surveying at that time. In this way, I think that we can minimize our current expenditures.

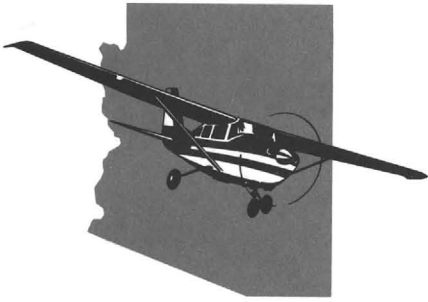
Charlie Escapule
June 7, 1985
Page 3 of 3

If you need any further details or advice, please don't hesitate to give me a call.

Best personal regards,

James A. Briscoe

JAB/ms



Cooper Aerial Survey Co.

1692 W. GRANT ROAD
TUCSON, ARIZONA 85745
TELEPHONE (602) 884-7580

June 17, 1985

James A. Briscoe & Associates
5701 E. Glenn St., Suite 120
Tucson, AZ 85712

Dear Jim,

Please find below the adjusted price for flying and doing a topographical update of the State of Maine area near Tombstone.

There will be an additional charge of \$ 600.00 for flying the entire job in color. There will also be an additional \$ 300.00 for bridging and plotting, approximately two hundred drill holes.

This brings the total adjusted price to \$ 6,084.00. If there are any questions Jim, Please feel free to call me anytime.

Sincerely,

Lyle Slater, Technical Advisor
Cooper Aerial Survey Company

LS/fgo

MEMO

TO: JAB
FROM: MAS
DATE: June 19, 1985

RE: Tombstone Development Company (TDCS Trust) Project 101-1

Jim:

The following is an assessment of our contribution to the Tombstone Development Company project, which I arrived at by going through our billings from January of 1984 through the billing of last week, June 14, 1984.

In 1983, we did not bill TDC for an entire year, and I have not gone back through our time sheets for that year, however, I would assume that our contribution would be substantial.

1984 Jab time of 607.75 hours @ \$62.50/hour =	\$37,984.38
1984 Tew time of 483.51 hours @ \$50.00/hour =	24,175.50
1984 Mas time of 220.94 hours @ \$25.00/hour =	5,523.50

Total	\$67,683.38
TDC was billed	30,629.97

Our contribution \$37,053.41

1985 Jab time of 312.85 hours @ \$62.50/hour =	\$19,553.13
1985 Tew time of 36.00 hours @ \$50.00/hour =	1,800.00
1985 Mas time of 53.21 hours @ \$25.00/hour =	1,330.25

Total	\$22,683.38
TDC was billed	6,009.35

Our contribution \$16,674.03

TOTAL CONTRIBUTION \$53,727.44

Essentially, we have been able to absorb the costs of filing fees, prospecting permits, etc. by reducing our fees by more than half.

day

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

June 19, 1985

LaVerne Baxter, President
Tombstone Development Company
P. O. Box 1445
Grand Island, NE 68801

RE: Your letter of January 24, 1985

Dear LaVerne:

First let me apologize for taking so long in getting back to you in its regard.

You have expressed an interest in reaffirming our Agreement on the "sale program", and also indicated that you (the board) felt that maybe you should not be the only side putting in money.

Our original Agreement, as I understand it, essentially gives James A. Briscoe & Associates, Inc. a 10% sales commission on the sale, lease, or joint venture of the TDC property, less the amount of money advanced to James A. Briscoe & Associates, Inc. in their effort to secure such a sale, lease, or joint venture, i.e., the amount of money advanced by TDC would be recovered before payment of our 10% commission.

The TDC investment in 1981 and 1982 totaled \$125,307.15, which went to acquisition of additional state leases and federal mining claims, and our getting a presentation package together, including costs for:

1. Our professional fees (discounted)
2. Contract labor for (at cost)
 - a. Claim staking
 - b. Drafting
3. Office expenses (at cost)
 - a. Long distance telephone
 - b. Reproduction/typesetting
 - c. Postage & shipping
 - d. Binding and report preparation
 - e. Drafting supplies

LaVerne Baxter
June 19, 1985
Page 2 of 3

4. Engineering & field supplies (at cost)
5. Vehicle rental (at cost)
6. Maps and technical publications (at cost)
7. Assay (at cost)
8. Prospecting permits (at cost)
9. Damage and restoration bonds (at cost)

In 1983, the TDC investment was \$5,943.54, which did not afford JABA, Inc. any fees, but went to:

1. Contract labor (at cost)
2. Reproduction and typesetting (at cost)
3. Office expenses (at cost)
4. Prospecting permits (at cost)

In 1984, the TDC investment was \$52,288.18, costs all stemming from assessment work requirements, and are detailed on the December 31, 1984 journals of our operating account for this project, TDCS Trust.

This brings the total investment to date to \$183,538.87. These amounts do not include your direct payments in 1984 and 1985, for the trenching and drilling, etc. performed, which our records indicate amount to the following:

Tombstone Silver Mines - drilling	\$ 7,120.00
State of Maine - fencing trenches	960.00
State of Maine - trenching	5,379.28
Eberle - drilling	564.33
Alanco - drill rental	1,600.00

	\$15,623.61

This brings the TDC total investment to \$199,162.48

We have reviewed our billings to you for 1984 and 1985, and the following is a breakdown of the hours we have spent, followed by our normal billing rates, the amount you were actually billed, and the total amount of our contribution to the project by discounting our rates to essentially below our cost:

1984 JAB time of 607.75 hours @ \$62.50/hour =	\$37,984.38
1984 TEW time of 483.51 hours @ \$50.00/hour =	24,175.50
1984 MAS time of 220.94 hours @ \$25.00/hour =	5,523.50

Total	\$67,683.38
1984 amount billed to TDC	30,629.97
	=====
1984 our contribution	\$37,053.41

LaVerne Baxter
June 19, 1985
Page 3 of 3

1985 JAB time of 312.85 hours @ \$62.50/hour =	\$19,553.13
1985 TEW time of 36.00 hours @ \$50.00/hour =	1,800.00
1985 MAS time of 53.21 hours @ \$25.00/hour =	1,330.25

Total	\$22,683.38
1985 amount billed to TDC	6,009.35

1985 our contribution	\$16,674.03
	=====
1984-85 JABA total contribution in time	\$53,727.44
1985 JABA total contribution in expenses	3,193.88
	=====
JABA TOTAL CONTRIBUTION TO PROJECT	\$56,921.32

As mentioned in my last letter and billing, we have expended \$7,241.58 in time (at discounted rates) and expenses for which we have not billed T.D.C., as per our agreement for the state assessment for 1985.

Assuming you agree with the above figures, then our contribution ratios are:

$$\$199,162.48 + \$56,921.32 = 256,083.80$$

$$\begin{array}{r} \text{Contribution of TDC} = \\ \$199,162.48 \\ \hline \end{array} \times 100 = 77.77\% \\ \$256,083.80$$

$$\begin{array}{r} \text{Contribution of JABA, INC.} = \\ \$ 56,921.32 \\ \hline \end{array} \times 100 = 22.23\% \\ \$256,083.80 \qquad \qquad \qquad \hline \\ 100.00\%$$

My understanding is that when any deals are consumated, TDC would recover \$199,162.48, or expenditure to the then current date, and thereafter, revenues would be shared 90% TDC, 10% JABA, Inc.

Very truly yours,


James A. Briscoe

JAB/ms

cc: Bill Hight

James A. Briscoe & Associates, Inc.
Tucson, Arizona

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

June 20, 1985

Bill Hight, Secretary/Treasurer
Tombstone Development Company
P. O. Box 1445
Grand Island, NE 68801

RE: Recommendation for color aerial photography over the TDC patented claims at Tombstone after marking claim corners for photogrammetric surveying

Dear Bill:

As I discussed with you last week, I think now is a good opportunity to photograph the area of the T.E.I. operation. By using the photogrammetric surveying method (aerial photo surveying), we can determine at low cost:

1. The exact position of all claims in the area, and determine whether or not there are fractions and if so were they are.
2. The exact position and condition of all roads, pits, shafts, identifiable drill holes, etc., as they exist now at the end of mining operations by T.E.I. This may be very important considering the future developments, either engineering or legal, which you might want to base on the current condition of the property.
3. A precise topographic map can be created in order to tie the underground workings with the present surface.

When I was working with Dick Hewlett in 1972, I had the entire district (approximately 300 square miles) flown in color aerial photography. I had an east-west strip over the State of Maine mine up to the west boundary of the TDC patented claims flown in detail, and a 1" = 200' topographic map prepared. Because at that time no deal had been made with the Tombstone Development Company, the TDC ground was not mapped. I am enclosing a copy of the State of Maine map as an example of what the mapping over the TDC ground would look like.

Bill Hight
June 20, 1985
Page 2 of 6

Fortunately, because I did have the entire district flown in 1972, if we have new photography flown, then Cooper Aerial Photography could use both sets, comparing the old with the new, and by their very precise instrumentation, can tell us very accurately how much material was taken from the open pit, how deep the dumps are, and how much tonnage is in them - in short, any kind of volume measurements we might wish to make on any earth movement that has taken place since 1973. As you might imagine, this could become critical in any legal, engineering, or environmental studies that might be necessary in the future. On this basis alone, I would recommend the mapping.

As you know, I strongly believe in trying to design all assessment work so that we first have a firm foundation and can then build our information base incrementally year by year so that it accumulates in a logical and useful manner, hopefully to prove mining reserves and enhance the value of the property. Money can easily be spent in a haphazard way, and has been done so on the assessment work for the Tombstone Extension claims since I left Dick Hewlett in the fall of 1973. An accurate topographic map and land survey is the basis for all succeeding work. That is why that was the first thing that I had done in 1972, on the State of Maine property. It is like a subdivision plat map, followed by an architectural design for a house. If you don't take those first steps, you run into problems that get more serious as time progresses. On any further work that might be done in Tombstone in future years, we will be able to use and benefit from this basic topographic survey. This would include geologic mapping, underground exploration, drilling, geophysical surveys, mining, etc., etc.

The survey would be flown at two different scales so that maps of specific areas could be drawn at 1" = 50' in the future if necessary. But initially, we would simply draw a 1" = 200' topographic map with 5' contour intervals, showing all survey markers, claim corners, mine openings, drill holes, etc.

To make precise measurements off of the photography, Cooper Aerial must first have a base triangulation survey with points of known position and elevation at specific areas on their photos. Because of Tom Pitcher's work, I believe that there may be enough control in so that little, if any, additional surveying will be required. However, until we check, we won't know that for sure. Each patent corner and mining claim corner will be targeted or paneled with "X's" made of 18" to 24" wide white butcher paper, each leg of the cross being 15' long. We will also mark mine shafts, adits, control survey points, identifiable drill holes, and any other points of importance with the same targets. I estimate very roughly that this might

James A. Briscoe & Associates, Inc.
Tucson, Arizona

cost \$3,000 to \$5,000 in labor and material. If you would like to go ahead with the survey, I can try and count and estimate more precisely the number of points to target. However, being very precise about this is extremely difficult, since we don't know how hard the points will be to find in the field. Charlie Escapule tells me that they are pretty well marked, and I think that Tom Pitcher would be of very great help in this regard. The estimated cost for the total mapping project, assuming that all survey control is in and adequate, and assuming a \$3,000 to \$5,000 cost for placement of targets is noted below:

A. Place target panels on drill holes, all claim corners and survey control points, mine openings, etc.	\$ 3,000 (to \$ 5,000)
B. Cost to fly color aerial photography suitable for topo mapping at 1" = 200' with 5' contours and 1" = 50' with 2' contours	1,609
C. Draw contour map at 1" = 200' with 5' contours for the E1/2 of area	\$ 3,197
D. Draw contour map at 1" = 200' with 5' contours over main part of district	3,197
E. Calculate volumes for T.E.I. pit operation	\$ 1,760
F. Draw 1" = 50' maps with 2' contours of the Contention-West Side area - 400 acres X \$12	4,800
	=====
Total	\$17,563 (to \$19,563)

These expenses could be spread over several assessment years for the 31 TDC claims in the following way:

A. Place target panels on drill holes all claim corners and survey control points	\$ 3,000 to \$ 5,000
---	----------------------

- B. Cost to fly color aerial photography suitable for topo mapping at 1" = 200' with 5' contours & 1" = 50' with 2' contours \$ 1,609

- To be completed by Sept. 1, 1985 \$ 4,609 to \$ 6,609
- C. Draw contour map at 1" = 200' with 5' contours for the E1/2 of area \$ 3,197
- To be completed by October, 1985
- D. Draw contour map at 1" = 200' with 5' contours over main part of district \$ 3,197
- To be completed by October, 1986
- E. Calculate volumes for T.E.I. pit operation \$ 1,760
- F. Draw 1" = 50' maps with 2' contours of the Contention-West Side area - 400 acres X \$12 = \$ 4,800
- To be completed by October, 1987

However, there are an additional 113 TS & TSA claims, that are contiguous with the 31 TDC claims, that I would recommend retaining. You may recall it was this composite claim block that Newmont was interested in, and I believe still is (see attached map). TS 127 to 179 surround the E and NE sides of Tombstone and lie on the east and northeast projections of the productive veins. The TSA group lies south and southeast of the TDC group along Prompter Ridge and toward the airport. The aerial photography and mapping would apply to these claims also. Thus, we would have the following:

TDC -	31 claims
TS 127-179 -	53 claims
TSA 1-60 -	60 claims

	144 claims X \$100 ea. = \$14,400 in assessment

I do recommend that we drop the TS 80-118 claims, NE of the TS 127-129 block, north of Walnut Gulch (see attachment map). Then the aerial photography would be broken down as follows:

A. Place target panels on drill holes all claim corners and survey control points	\$ 3,000 (\$5,000)
B. Cost to fly color aerial photography suitable for topo mapping at 1" = 200' with 5' contours and 1" = 50' with 2' contours	1,609
C. Draw contour map at 1" = 200' with 5' contours for the E1/2 of area	3,197
D. Draw contour map at 1"=200' with 5' contours over main part of district	3,197
E. Calculate volumes for T.E.I. pit operation	1,760

Must be completed by September 1, 1985	\$12,763 (\$14,763)
F. Draw 1" = 50' maps with 2' contours of the Contention-West Side area 400 acres X \$12	\$ 4,800
G. Tie underground maps to surface maps	
H. Combine surface geology & mineral maps with new surface topography and property	
I. Determine potential for near surface ore and design exploration program (G., H., & I. rough estimate)	\$10,000

To be completed by December 31, 1985	\$14,800

Bill Hight
June 20, 1985
Page 6 of 6

All of this expense would be applicable for assessment work for the 31 claims in question, as well as for the TS and TSA claims.

Very truly yours,

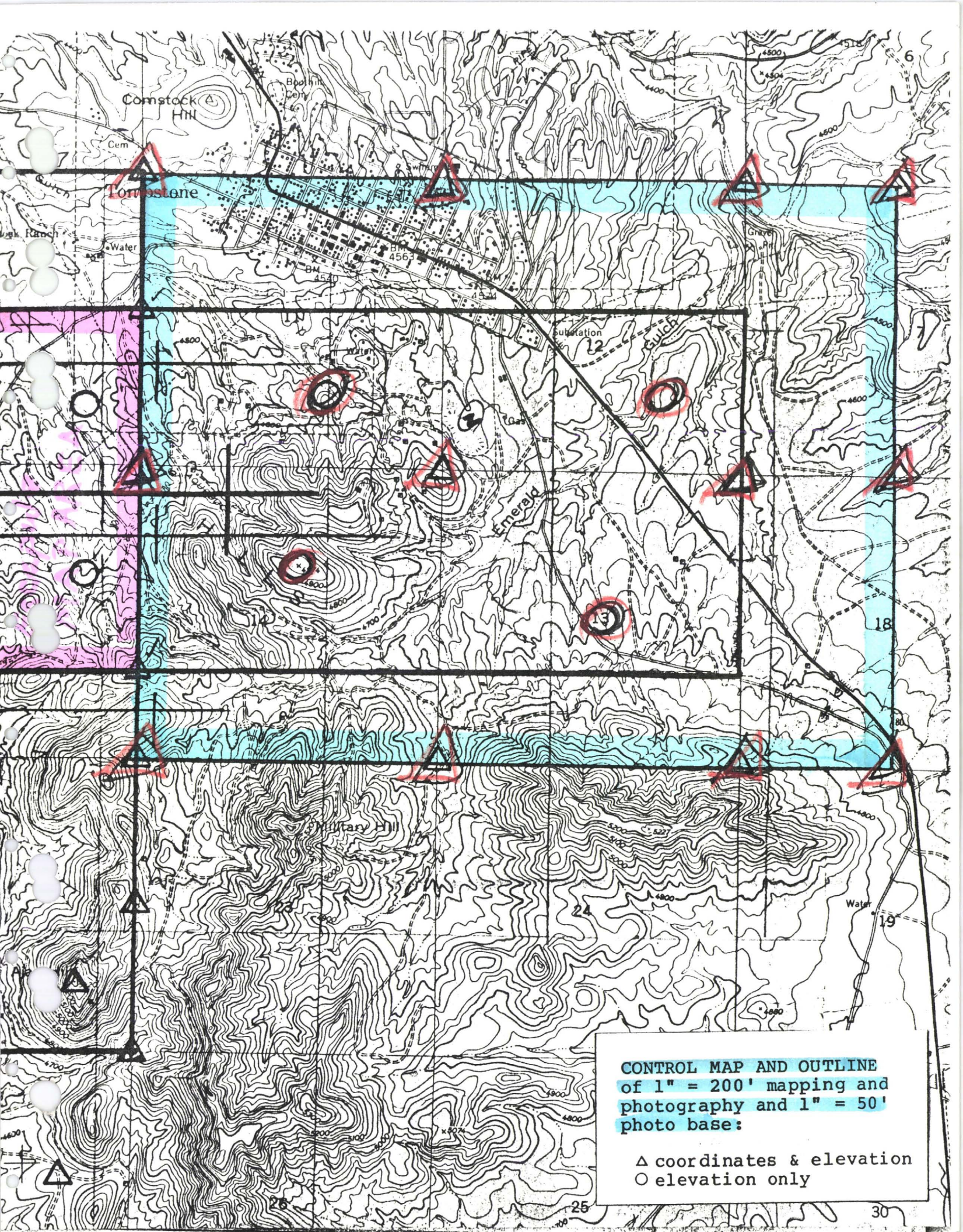


James A. Briscoe

JAB/ms

Enclosure

cc: LaVerne Baxter



**CONTROL MAP AND OUTLINE
of 1" = 200' mapping and
photography and 1" = 50'
photo base:**

△ coordinates & elevation
○ elevation only

OPTION 1

COOPER AERIAL SURVEYS - JOB PROPOSAL

NAME Jim Beiscoe & Assoc.

TYPE OF JOB TOPOGRAPHICAL MAPPING
Photogrammetry-prints-enlargements-etc.

LEGAL DESCRIPTION _____

APPROXIMATE SIZE IN ACRES 3200

SCALE OF PHOTO OR MAP 1"=200'

CONTOUR INTERVAL 5'

EXTRA ITEMS FINAL DRAW 30" x 36"

COST ESTIMATE A 7226.00 COLOR (2.26 PER ACRE)

COST ESTIMATE 6934.00 B/W (2.17 PER ACRE) DOLLARS

BY [Signature] APPROVED _____

For Cooper Aerial Survey

Date 6-20-85 Date _____

Flying COST'S COLOR A 832.00
B/W 540.00

COOPER AERIAL SURVEYS - JOB PROPOSAL

NAME Tim BRISCOE & Assoc.

TYPE OF JOB TOPOGRAPHICAL MAPPING & VOLUMES
Photogrammetry-prints-enlargements-etc.

LEGAL DESCRIPTION _____

APPROXIMATE SIZE IN ACRES 3200

SCALE OF PHOTO OR MAP 1"=200'

CONTOUR INTERVAL 5'

EXTRA ITEMS VOLUME CALCULATIONS, FINAL DRAFT 30" X 36"
CREATE CASE FILE FROM OLD PHOTOGRAPHY.

COST ESTIMATE \$8986.00 COLOR

COST ESTIMATE 8694.00 B/W DOLLARS

BY [Signature] APPROVED _____

For Cooper Aerial Survey

Date 6-20-85 Date _____

\$1700.00 FOR VOLUMES.

FLYING BREAKDOWN AND ACREAGE BREAKDOWN IS THE SAME AS OPTION 1.

COOPER AERIAL SURVEYS - JOB PROPOSAL

NAME Jim Briscoe & Assoc

TYPE OF JOB TOPOGRAPHICAL MAPPING
Photogrammetry-prints-enlargements-etc.

LEGAL DESCRIPTION _____

APPROXIMATE SIZE IN ACRES 3200

SCALE OF PHOTO OR MAP 1"=200' & 1"=100'

CONTOUR INTERVAL 5' & 2"

EXTRA ITEMS FINAL DRAFT ALL 1"=100' TO BE ENLARGED TO 50 SCALE FOR DRAFTING.

COST ESTIMATE \$53055.00 COLOR (16.58 per acre)

COST ESTIMATE \$52195.00 B/W (16.31 per acre) DOLLARS

BY [Signature] APPROVED _____

For Cooper Aerial Survey

Date 6-20-85 Date _____

ADD \$1760 FOR VOLUMES.

Flying COSTS COLOR \$1609.00
B/W 749.00

\$12.00 PER ACRE FUTURE MAPPING AT 100 SCALE, ENLARGED TO 50 SCALE.

OPTION 4

COOPER AERIAL SURVEYS • JOB PROPOSAL

NAME Jim Baiscoe & Assoc.

TYPE OF JOB TOPOGRAPHICAL MAPPING

Photogrammetry-prints-enlargements-etc.

LEGAL DESCRIPTION _____

APPROXIMATE SIZE IN ACRES 3200

SCALE OF PHOTO OR MAP 1"=100'

CONTOUR INTERVAL 2'

EXTRA ITEMS FINAL DRAFT AT 1"=50'

COST ESTIMATE \$47628.00 Color (14.88 per acre)

COST ESTIMATE \$46950.00 B/W (14.67 per acre)

DOLLARS

BY [Signature] APPROVED _____

For Cooper Aerial Survey

Date 6-20-85 Date _____

12.00 per acre future mapping

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

June 28, 1985

LaVerne Baxter, President
Tombstone Development Company
P. O. Box 1445
Grand Island, NE 68801

RE: Interest of Newmont Mining Co. in the TDC patented claims, TDC and TSM unpatented claims to the east and north of the Contention area

Dear LaVerne:

Since our last discussions with Newmont, I have been occasionally touching base with them to determine their continued interest in the Tombstone district. As recently as four months ago, they indicated an interest - without Tom Schloss.

Now that it appears that TDC will have the property free and clear again, Don Hammer of Newmont has expressed an interest in re-opening negotiations. Their proposed deal would be along the same lines as we left it at our last meeting. Their area of interest is primarily the central part of the district, and the area to the north and east where the projection of the most prolific veins lie. Newmont would like to have a low cost option for the first year, during which they would do detailed geology, geochemistry, and deep probing geophysics to test ideas I had proposed to them. After this foundation work, and if it were encouraging, they would then design a drill program to test thoroughly the mineral potential.

As were my recommendations before, I think a thorough evaluation that Newmont could give the property would be highly worthwhile. If results are positive, they certainly have the wherewithall to put in a major mining operation. If results were negative or if they delimited ore bodies that were too small for Newmont, this information would still be valuable to the Tombstone Development Company.

LaVerne Baxter
June 28, 1985
Page 2 of 2

Again, because the TSM claims lying north of the 31 TDC claims in the Tombstone Extension area form part of Newmont's target, I would highly recommend retaining those claims via the aerial photography, topographic mapping proposal, which I sent to you and Bill recently.

Very truly yours,



James A. Briscoe

JAB/ms

cc: Bill Hight

RALPH W. BILBY
T. K. SHOENHAIR
HAROLD C. WARNOCK
W. E. DOLPH
DAVID W. RICHTER
CLAGUE A. VAN SLYKE
EUGENE C. GIESELER
JOHN E. LINDBERG
WILLIAM H. TINNEY
JAMES F. McNULTY, JR.
JOHN A. ROBERTSON
DAVID A. PAIGE
ROGER S. LEVITAN
STEPHEN A. THOMAS
MARY E. MANGOTICH
MARC G. SIMON
ANDREW M. FEDERHAR
MICHAEL J. RUSING
THORNTON E. ROBISON
JAMES D. WEBB
DANIEL E. REED
JOHN P. ARNOLD
MARJORIE R. PERRY
THOMAS E. BURKE
MARY JEAN WARDELL
TERRENCE A. JACKSON
SANDRA S. FROMAN

LAW OFFICES
BILBY & SHOENHAIR, P. C.

NINTH FLOOR VALLEY NATIONAL BUILDING
CONGRESS AT STONE
TUCSON, ARIZONA
TELEPHONE [602] 792-4800

PLEASE DIRECT MAIL TO:
POST OFFICE BOX 871
TUCSON, ARIZONA 85702

KNAPP, BOYLE, BILBY & THOMPSON
1946-1954
BOYLE, BILBY, THOMPSON & SHOENHAIR
1954-1968
BILBY, THOMPSON, SHOENHAIR & WARNOCK, P. C.
1968-1975
BILBY, SHOENHAIR, WARNOCK & DOLPH, P. C.
1975-1984

July 10, 1985

OUR FILE NO.

91-145-001

CERTIFIED MAIL

James A. Briscoe
Briscoe & Associates
5701 East Glenn, Suite 120
Tucson, Arizona 85712

Re: Lease dated February 7, 1979 between Tombstone
Development Company (Lessor) and Tombstone
Exploration, Inc. and the Austin Exploration
and Mining Corporation (Lessee)

Dear Mr. Briscoe:

This firm represents Tombstone Development Company, which is the lessor under the above-described lease. We are writing to notify you that the lease is in default and will be terminated effective thirty days after your receipt (as defined in paragraph 16 of the lease) of this letter, unless the defaults have been cured within that time. The lease is in default as follows:

1. Minimum monthly royalty payments are due and unpaid for the months of March, April, May, June and July of 1985, with a total due and owing as of this date in the amount of \$37,500.00.
2. The lessee has failed to pay the second one-half of the 1984 real property taxes assessed against the leased property, in the amount of \$10,166.29.
3. The lessee has failed to perform the assessment work required pursuant to paragraph 17 of the lease on the 31 unpatented mining claims described in the lease and 12 additional unpatented mining claims which are the subject of a subsequent oral agreement, for a total of \$4,300.00.
4. The lessee has failed to procure liability insurance as required by paragraph 15 of the lease. The lessor has obtained such insurance at a cost of \$2,655.00, and is entitled to reimbursement therefor.

James A. Briscoe
July 10, 1985
Page Two

5. The lessee has failed to furnish the mechanic's lien bond required by paragraph 12 of the lease.

6. The lessee has failed to keep the open pits on the property fenced, as required by Arizona law and paragraph 11 of the lease.

7. The lessee has caused certain contamination of groundwater through its mining operations, and enforcement action is being taken by the State of Arizona, Department of Health Services. This contamination violates paragraphs 4 and 11 of the lease, as well as applicable Arizona statutes.

8. The lessee has failed to continuously operate the mine as required in paragraph 4 of the lease.

9. The lessee has failed to furnish to the lessor the reports described in paragraph 5 of the lease.

In addition, the lessee has failed to pay the rent due pursuant to an oral month-to-month rental agreement pertaining to the lease of a building used in connection with the mining operations being conducted on the property. The monthly rental of \$175.00 is due for the months of March, April, May, June and July of 1985, for a total of \$875.00 due as of this date.

Pursuant to paragraph 14 of the lease, if the defaults have not been cured within thirty days, the lease will be terminated without further notice or demand by the lessor.

Very truly yours,

BILBY & SHOENHAIR, P.C.

By

May E. Margottil

MEM:bh

xc: William B. Hight
Laverne Baxter



United States Department of the Interior

GEOLOGICAL SURVEY
BOX 25046 M.S. _____
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

IN REPLY
REFER TO:

Mr. James A. Briscoe
5701 E. Glenn Street, Suite 120
Tucson, Arizona 85712

Dear Jim:

Here's the word on the "late phase" of the stock at Tombstone we collected 2 years ago.

K/Ar (hornblende) 62.6 ± 2.8 m.y.

Your field observation is nicely supported by this age. The next question is whether this young phase is a fully separate magmatic event, for the main stock is 76 m.y. old. Also, which body is related to the ore deposits?

Cheers,

Harald Drewes
Branch of Central Mineral Resources

Rev. July 20, 1985 JAB

114-1

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

July 29, 1985

Charlie Esacpule
Tombstone Silver Mines, Inc.
P. O. Box 1016
Tombstone, AZ 85638

RE: Proposal to evaluate income and expenses for Tombstone Silver Mines, Inc. for purposes of future estimating of operating expenses in conjunction with mine operation profitability

Dear Charlie:

Following our meeting last Thursday and review of your operating expense sheets, I feel that the best starting point would be to spend a day in your offices. I would like to accomplish the following:

1. Review the bookkeeping software designed for your computer system.
2. Get a detailed breakdown of all operating expenses from January 1 through July 30.
 - a. Have check stubs categorically broken down
 - b. Have deposits to operating account itemized
 - c. Books as prepared by your accountant
 - 1.) Chart of accounts?
3. List of employees
 - a. Wages and/or salary
 - b. Job descriptions
4. List of equipment owned
 - a. Insurances
5. List of equipment leased

Once I have these items, I feel that we can accomplish the following operating programs:

Charlie Escapule
Tombstone Silver Mines, Inc.
July 29, 1985
Page 2 of 2

1. A set of journals that can be updated daily, weekly or monthly itemizing accounts receivable and accounts payable
2. Set up a spread sheet of actual income and expenses updated with figures from #1 above.
3. Project a spread sheet of income and expenses
4. Itemized costs for each job description as well as equipment classifications.

I feel that the end result will enable you to streamline cost efficiency for both equipment and personnel. A history of records is our best resource for planning a future. Additionally, Jim feels that this is an integral part of the information that he will need to report on the economics of the operation.

Should you have additional ideas of what you would like to see in "hardcopy", please keep notes of such as I think that once we have the basics, any variation will become easily possible.

Sincerely,



Mardee A. Stewart

/ms

cc: David A. Thomas
David M. Howard
Ned Allen, Esq.

114-1

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

July 30, 1985

Charlie Escapule
Tombstone Silver Mines, Inc.
P. O. Box 1016
Tombstone, AZ

RE: Information and prices on UNC Silver Metal Analysis Probe (Silver MAP), Pentax Total Station EDM Theodolite, and Dietgen used plane table and alidade

Dear Charlie:

Enclosed is the most recent information available on the above mentioned equipment. Of particular interest in visualizing the value of the MAP tool is the UNC brochure (I have placed this on top) on the cost effectiveness of grade control and pay back time for the cost of the MAP, as well as MAP and rotary drilling vs. reverse circulation drilling and standard fire assay. These cost comparisons bear directly on the Tombstone Silver Mines operation.

A complete Silver MAP system that would perform all required jobs at TSM, Inc. would consist of the basic MAP system, which includes a probe, plus the MAP face analyzer, battery charger, in-mine winch with 250' of cable, 250' of aluminum push rod, a console carry pack, and battery pack. This equipment is itemized on the next page of the enclosure, and totals \$74,336. In addition, we would need a license because of the radioactive source in the MAP, which in Arizona is approximately \$150. Further, we would need to send one man to Washington for a one day training course in handling of the radioactive source and the MAP unit itself. I might add that the radioactive source is very low grade and is essentially non-dangerous, but bureaucracies such as they are require the stringent controls of licensing and training. The MAP can be leased from Heritage Leasing Corp., Bellevue, Washington on a 60 month lease in which the investment tax credit goes to the lessor. They also offer a depot-surface maintenance contract of \$265 per month, which might not be a bad idea.

The Pentax Total Station Theodolite has all of the features required for our survey needs of drill holes etc., including a rapid stake-out mode for restaking grade control stakes after blasting, as well as a long range mode for long shots. The

Charlie Escapule
Tombstone Silver Mines, Inc.
July 30, 1985
Page 2 of 2

maximum instrument range is approximately one mile. With this instrument, positioning of drill holes and relocation of assay stakes will be very rapid and efficient. The instrument is available in Tucson for \$6,626, which includes tripod, transit, reflectors, reflector range pole, reflector range pole tripod, and level.

Also available from the same dealer is a used Dietzgen alidade and plane table for a total cost of \$1,500. I have xeroxed for illustrative purposes only, a page out of one of my catalogs for a Wild alidade and plane table and tripod, totaling approximately \$4,800. The Dietzgen instrument is not quite so sophisticated, but is completely adequate for our purposes, which would include geologic mapping in the open pits and surrounding areas.

The total cost of all of this equipment is \$82,462, on a 60 month lease, the monthly cost would be \$1,962.60, and the initial payment would be \$3,925.20, and purchase after the lease period for 10% of the original cost is possible.

Since investment tax credit is available for this equipment, it might be attractive to one or more of the investors in Tombstone Silver Mines, Inc. who are in higher income tax brackets, to lease the equipment and take advantage of the tax credit, and rent the equipment back to the company. Of course another route would be to go through an SBM loan as you are proposing to do for the bull dozer.

I think this equipment, particularly the Silver MAP, when combined with the computer assisted drafting (CAD) program Bailey is operating, will substantially increase the ability to maintain ore grade in the mining operation, and decrease engineering labor costs.

Very truly yours,



James A. Briscoe

JAB/ms

Enclosures

cc: David A. Thomas
David M. Howard
Ned Allen, Esq.

114-1

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

August 1, 1985

Ned Allen, Esq.
P. O. Box 32672
Phoenix, AZ 85064

RE: Tombstone Silver Mines, Inc.

Dear Ned:

As a result of our telephone conversation today, I thought it best to confirm my understanding of our thoughts on the proceedings at this juncture, and to reiterate my plan of attack to establish a spread sheet of projected income and expenses, as required by Jim to prepare his report for TSM, Inc.

Originally, I intended to obtain TSM's breakdown of expenses and plug the data into the Visicalc program on our Apple II Plus computer. However, after spending 2 1/2 hours with Charlie Escapule at his office in Tombstone yesterday reviewing their cash disbursements since the date of inception of Tombstone Silver Mines, Inc., their breakdown on expenses was limited to essentially 10 account categories, which left a large gap in trying to prepare an accurate spread sheet. I determined that by creating a Chart of Accounts and entering income and expenditures to date into our BPI Accounting software, I could construct a concise spread sheet from the Profit and Loss Statement. I gave Charlie an example of a Chart of Accounts with itemized breakdowns, and my impression was that he was very enthused about approaching it this way. I might also add that I did briefly look at their computer accounting system and felt in the interest of time and expense, using my system would be most economic. I came back to Tucson with all of their cash disbursement records to make a list for Charlie of those expenditures that needed itemization.

At this point I have rough drafted a Chart of Accounts with approximately 125 expense categories which will itemize expenditures thoroughly. These categories will be grouped to probably 20 to 30 accounts on a spread sheet, but will be accurate.

Ned Allen, Esq.
August 1, 1985
Page 2 of 2

Hence, our accomplishments will be two fold. There will be a complete month-by-month print out of journals (a total accounting of capital), which will require no more than key punch to maintain, and Jim will have an accurate history as well as projected future to work with in the financial end of his report.

As you know, Jim Varga (TSM's accountant) called me from Sierra Vista prior to my telephone conversation with you. He indicated an interest in detailing the chart of accounts to include those "items" as required for tax purposes into the journals and said that he would meet me in Tombstone on Tuesday to review these numbers and give me the figures for debit and credit purposes in my initial entry and set up of the BPI System. Since you felt that this would be in best interest, I will go forward with sending the chart of accounts to Charlie, as well as a list of those checks that I need a breakdown of, and will have all the necessary figures to start entry on Wednesday morning.

At this juncture, I anticipate having a set of TSM journals from inception to July 31 by Thursday afternoon. On Friday, I will construct a spread sheet of past expenditure, and on Monday and Tuesday of the following week, Jim and I will prepare the projected spread sheet.

If you have any questions or suggestions, please do not hesitate to call me.

Sincerely,

Mardee A. Stewart

/ms

*cc: David Thomas
David Howard
Charles Escobar*

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

August 6, 1985

Bailey Escapule
Tombstone Silver Mines, Inc.
P. O. Box 1016
Tombstone, AZ

Dear Bailey:

I am transmitting with this note, a preliminary copy of the northwest quarter Section 16 topographic map at 1" = 50'. There are a variety of targets identified on these sheets that Cooper could not determine whether they were drill holes, adits, claim corners, etc. These targets need to be identified in pencil (preferably colored pencil) on the map.

I have made a brief examination on the map and find that other things are missing. These include the Brother Jonathan adit, the Triple X adit, cattle guards, gates, the office water well, trenches (though the topographic lines do show trenches - the edge or some other representation should be added), and possible other details that I have not noticed.

In the case of adits, they have identified the intersection of the "V" target that was placed on the ground. We should drive a rebar and cap these positions so that they will not be lost, as I described in our telephone conversation. Also, you should check all the shafts to determine that they are shafts and just not prospect pits. Further, if the shafts are not vertical, then an inclination symbol along with the degree of inclination should be placed on them. The draftsmen tell me that the shaft symbol is aligned so that the orientation of the square shaft is correct. It might be worth checking that orientation.

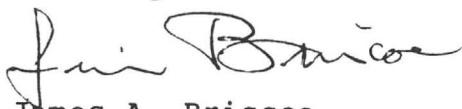
I also note that some fence lines are missing. At any rate, anything of a cultural nature should be identified now so that we can go ahead and draft it in.

Bailey Escapule
August 6, 1985
Page 2 of 2

We also want to annotate the claim lines on these maps. They were supposed to furnish me with a blow up of your property map, but that has not been done to date. If you can identify the targeted claim corners, that would be helpful. When I get back your additions to these maps, I will overlay them on top of the enlarged claim map on our large light table, and try and draft in the claim lines myself.

If you have any other thoughts, give me a call.

Best regards,



James A. Briscoe

JAB/ms

Attachment

cc: *Ned Allen, Esq.*
David Thomas
David Howard

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist Landman

August 7, 1985

James R. Varga, CPA
120 South 2nd Street
Sierra Vista, AZ 85635

RE: Chart of Accounts, Tombstone Silver Mines, Inc.

Dear Jim:

Enclosed please find the Chart of Accounts for Tombstone Silver Mines, Inc.

At your earliest convenience, please send me the opening entries required, expressing each entry as a debit and credit by account number, along with an explanation for the general journal entry.

If you have any questions, suggestions, or comments, please call me.

Sincerely,

Mardee A. Stewart

/ms

Enclosure

P. S. Depending on the amount of entries and details of explanations, it might be easier to do by telephone. I will leave it to your discretion.

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

August 7, 1985

Ned Allen, Esq.
P. O. Box 32672
Phoenix, AZ 85064

RE: Chart of Accounts for Tombstone Silver Mines, Inc.

Dear Ned:

Enclosed please find copies of the following BPI print outs for Tombstone Silver Mines:

Balance Sheet
Trial Balance
Profit & Loss Consolidated Statement
Profit & Loss Sub Statement #0 - Administrative
Profit & Loss Sub Statement #1 - Engineering
Profit & Loss Sub Statement #2 - Mining
Profit & Loss Sub Statement #3 - Crushing
Profit & Loss Sub Statement #4 - Processing
Profit & Loss Sub Statement #5 - Refining
Payroll Quarter & Year-To-Date
Payroll Monthly Payroll Register
Accounts Receivable Ledger
Accounts Payable Ledger
General Ledger

Since there are no journal entries yet, it is rather difficult to grasp the whole concept of the way that we have set the system up. Basically, we have five divisions. All of the coded accounts ending in "0" are administrative,
"1" are engineering,
"2" are mining,
"3" are crushing,
"4" are processing, and
"5" are refining.

Each one of the categories, i.e., assets, liabilities, income, and expenses, have related items to those divisions of the mining operation, and will appear broken down on the Profit and Loss Sub Statements at the end of each month, and all together on the Consolidated Statement.

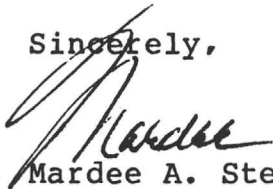
Ned Allen, Esq
August 7, 1985
Page 2 of 2

I am sending a copy of the trial balance for purposes of identifying code numbers to Jim Varga today, and he will in turn send me the opening journal entries. Charlie and Arley Escapule will also receive a copy, and are going to code all of the checks that have been written to date to the proper category and return them to me for entry.

Hence our "ETA" for a set of printed books through July 31, is next Wednesday, provided Jim Varga gets the opening entries to me, and Charlie and Arley provide me with the breakdowns necessary on the expenditures thus far.

As you know, these books can be edited at any time, however, the best interest would be to have them in toto before entries are started. If you have any questions or suggestions, please don't hesitate to call me!

Sincerely,



Mardee A. Stewart

/ms

Enclosure

cc: David Howard
David Thomas

EDMUND T. ALLEN, III

ATTORNEY AT LAW

12217 NORTH 64TH STREET
SCOTTSDALE, ARIZONA 85254

TEL. 483-0451

TSM stat

August 7, 1985

James A. Briscoe & Associates, Inc.
5701 E. Glenn Street, Suite 120
Tucson, Arizona 85712

Dear Jim:

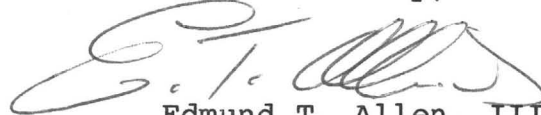
Pursuant to our conversation of August 5, 1985, I am reconfirming our financial commitment to you on behalf of Tombstone Silver Mines, Inc.

Pursuant to your letter and proposal of April 18, 1985, Tombstone Silver Mines, Inc. agrees to pay to you for services rendered from July 26, 1985 until the completion of the report up to \$13,500.00. In addition to this sum, Tombstone Silver Mines, Inc. also agrees to pay to Mardee A. Stewart the sum not to exceed \$1,500.00 for the necessary financial statements and analysis to be used in conjunction with your report.

In addition, we agree in principal to your proposed retainer and future fee agreement. However, as we have discussed, this fee agreement would have to be conditioned on our being a viable entity. As we have discussed, we would be willing to increase the proposed fee agreement based upon the amount of our gross sales. After Mardee has prepared the financial reports and you have had an opportunity to review them, we can then work out an appropriate fee arrangement.

We are all anxiously awaiting your report.

Most sincerely,



Edmund T. Allen, III

ETA/jh

cc: David A. Thomas
David M. Howard

Aug. 8, 1985

done same area

- #1. PROTECT JOE'S SECTIONS TO SURFACE
- #2. LOCATE PAT. & UNPAT. CLAIMS ON 200 SCALE
- #3. DIGITIZE '73 GEOLOGY MAP ~~1A~~ ^{Rogers Map} done
- #4. " ST. OF MAINE WORKING TO SURFACE
- #5. " BROTHER JONATHAN " "
- #6. X-SECTIONS FROM 200 SCALE
 - A- 254,000 N
 - B- 255,000 N
 - C- 253,000 N
 - D- 518,000 E
 - E- 519,000 E

→ 76

Exploration & Development Associates

JABA Inc

Geology, Land, P.I., Land, Computer work
Mining Accounting Systems, Ore Reserves
Equip
H₂ Soil gas analysers, ground mag
E

Charlow

PPT Plants, Dore Survacon.
Heap Leach pool design, Pilot testing
contract installation of all facilities

SDUL

Air track drilling, exploration, mobil assay MAP work
CAD systems, Surveying
Small mine design, Equipment organization &
purchasing
Equip. CAD, mobil office Trailer, Air Track

Reg: MAP, Transport for Air Track, DME, AA

EXXON MINERALS COMPANY

POST OFFICE BOX 4508 • HOUSTON, TEXAS 77210

August 9, 1985

Acreage Submittal
Conchise County, Arizona
Project No. 6640


James A. Briscoe and Associates
5701 East Glenn Street
Suite 120
Tucson, Arizona 85712

Gentlemen:

The evaluation of your property in the captioned county and state has been completed. I regretfully advise that it does not fit within the current priorities of our exploration program.

Thank you for allowing Exxon the opportunity of considering this property, and please allow us the privilege of examining other lands which you may acquire in the future.

Cordially,



M. C. Bigelow

MCB:n1

c: Reno Office



Cooper Aerial Survey Co.

1692 W. GRANT ROAD
TUCSON, ARIZONA 85745
TELEPHONE (602) 884-7580

August 13, 1985

James A. Briscoe & Associates
Mr. Jim Briscoe
5701 E. Glenn St., Suite 120
Tucson, AZ 85712

Dear Jim,

As we discussed on Monday, August 12, 1985, please find below an estimate for creating 1"=200' drafted overlays for the State of Maine project currently being worked on.

The total cost's would be \$880.00, most of which is the time involved in removing the spot elevations already drafted in the 200 scale preliminary sheets.

If there are any questions Jim, please don't hesitate to call me anytime.

Sincerely,

Lyle Slater, Technical Advisor
Cooper Aerial Survey Co.

LS/fgo

JAMES STEWART COMPANY

REAL ESTATE INVESTMENTS AND DEVELOPMENT

707 MAYER CENTRAL BUILDING

3033 NORTH CENTRAL AVENUE • PHOENIX, ARIZONA 85012

602-264-2181

August 19, 1985

Mr. James A. Briscoe
James A. Briscoe & Associates, Inc.
5701 East Glenn Street, Suite 120
Tucson, Arizona 85712

Dear Jim:

Enclosed please find the BLM Mining Claim Annual Assessment
Reminder for the Stewart, Horne, Apache, et al claims. Please
fill out and file.

If there is any information which I may provide, please let me
know.

Cordially,



Steven M. Halbert
Ass't. to the President

SMH:vmb
Enclosure

VICTOR F. HOLLISTER
HOLLISTER GEOLOGICAL CONSULTANTS LTD.

8069 PHILBERT ST.
MISSION, B.C.
V2V 3W9
[604] 820-1233

August 19, 1985

Mr. James Briscoe
5701 East Glen
Suite 120
Tucson, Arizona 85712

Re: Tombstone District, Cochise Co., Arizona

Dear Jim,

Ray Saadien has asked me to write you concerning Tombstone. Your work there is very well done, and Tombstone does have an excellent potential. The problem, however, is simply that silver prices are too low at this time to justify entry into Tombstone.

Many thanks for considering Canarim in this matter.

Sincerely,


V.F. Hollister

VFH:hh

CHANDLER, TULLAR, UDALL & REDHAIR

ATTORNEYS AT LAW

1700 ARIZONA BANK PLAZA

33 NORTH STONE AVENUE

TUCSON, ARIZONA 85701

THOMAS CHANDLER
ROBERT S. TULLAR
D. B. UDALL
JACK REDHAIR
WILLIAM J. AUGUSTINE
RICHARD DAVIS
DAN CAVETT
JOHN W. McDONALD
JOE F. TARVER
STEVEN WEATHERSPOON
S. JON TRACHTA
EDWIN M. GAINES, JR.
JOHN E. OSBORNE
KEITH W. KROESE
LESLIE K. LYNCH

TELEPHONE
AREA CODE 602
623-4353

August 19, 1985

Mr. James A. Briscoe
James A. Briscoe & Associates, Inc.
5701 East Glenn St., Suite 120
Tucson, AZ 85712

Re: Cancellation of Tombstone Lease

Dear Jim:

This is in response to your letter of August 14, 1985 and follows up on our telephone conversation.

With respect to the lease itself, I do not think there is anything you can do about the default under the lease unless you have some money to pay off TDC. Hopefully, they do not intend to pursue you regarding any default under the lease or any payments which are owed them by the lessee. It would be to your greatest benefit if you could get them to sign some kind of written release or waiver of any claims they have against you, however, I do not think I would push that too far. If they do not have the thought now, I do not think you want to plant any seeds in their minds.

With respect to the lawsuit, I think we are not in a position to make any decisions on whether to proceed on that or not until such time as the TEI bankruptcy is terminated. Even then the case may not be worth any time and effort since Schloss's defense will obviously be that his company went bankrupt, and, therefore, it is a little difficult to determine why he should owe Briscoe any money. On the other hand, your assertion would be that the company would not have gone bankrupt and would have made some money if it had been managed by people with a modicum of sense.

At any rate, I recommend that we wait until the TEI bankruptcy is completed and then sit down and determine what course,

CHANDLER, TULLAR, UDALL & REDHAIR

James A. Briwcoe
Letter 8/19/35
Re: Tombstone Lease
Page 2

if any, you would like to take from that point.

If you have any questions, please contact me.

Sincerely,

CHANDLER, TULLAR, UDALL & REDHAIR



Steven Weatherspoon

SW:mlj

MEETING AGENDA

Date Scheduled 8/20/85 Time 1:30

Title _____

Purpose _____

Results Desired _____

Location 5701 E. Glenn # 120

SCHEDULED			ACTUAL			MEETING COST		
Start	Stop	Total Hrs.	Start	Stop	Total Hrs.	Value Per Hr.	Total	
1:30								
Persons Attending						✓	Total	
1	Mr. David Thomas							
2	Mr. Charlie Saunders							
3	" Neal Allen						90	
4	" Chas Escapula						10	
5	" Bailey "						10	
6	" J. A. Briscoe						31	
7	Ms Mardee Stewart						15	
8								
9								
10								
Items To Be Discussed							(Sequence)→	✓
1	Expenditures to date compiled by MAS							
2	Description of spread sheet construction from P&L rewrite							
3	Ore Reserves at Present - Bailey Escap.							
4	Prop. for Report and verification of Ore & Geologic Proj.							
5	Base maps & photos							
6	Integration of Geol., Ore reserves, & equip.							
7	Proposed Silver sales activities							
8	Proposal for consolidation of the T.S. Dist.							
9	Creation of A Team Concept							
10	Pursuit of other opportunities - An emphasis - concentrate out from T.S.							
Material Needed (Number each item) & IN Nev. - JAB existing targets							Person Responsible	
1								

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

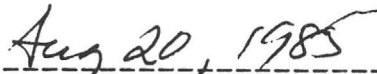
James A. Briscoe & Associates, Inc. sells to Charlou Corporation one Houston Instruments Corporation computer plotter - DMP 42 - for \$3,274.93, plus \$163.75 in tax. Payments shall be as follows:

\$1,208.25	on delivery
\$1,208.25	30 days from delivery
\$1,022.18	60 days from delivery

\$3,438.68	



James A. Briscoe

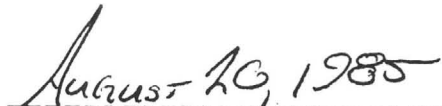


August 20, 1985

Received by:



C. Bailey Escapule



August 20, 1985

Received Ck#3373 \$1,208.25



James A. Briscoe

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

August 24, 1985

David A. Thomas
Apartment 905
1120 Beach Drive
Victoria, BC, Canada V8S2N1

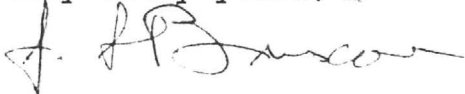
RE: Transmittal of first draft spread sheet and rough estimate
for exploration program

Dear Mr. Thomas:

Enclosed please find a xerox copy of our first draft of the spread sheet showing distribution of costs for the preceeding twelve months at Tombstone Silver Mines, Inc. This is taken directly from the newly compiled books, a copy of which you received in Tucson. On our next draft we will distribute the labor category, which is currently lumped under Administration, into various divisions of Engineering, Mining, Crushing, Processing and Refining. Then, as we determine ore reserves, and probable mining methodology and equipment, we will project proforma budgets into the future, depending on our requirements, etc.

Charlie tells me that he is making progress in solidifying Joe and Ernie Escapule's land, and I believe that with other developments in the district, it will be possible to consolidate the remaining productive areas within the district if sufficient capital is available. To assure adequate reserves for maintaining a mining rate of 400 to 500 tons per day, as Charlie projects in the budgets he is sending with this letter, I would estimate that an exploration of \$250,000 to \$500,000 for shallow, available ore throughout the district would be required. We will refine this figure as work progresses.

Very truly yours,



James A. Briscoe

JAB/ms

Enclosure

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

August 26, 1985

Lavern Baxter, President
Tombstone Development Co., Inc.
P. O. Box 1445
Grand Island, NE 68801

RE: Recommended placement for assessment drill holes, TDC
unpatented claims, Tombstone Extension area, Tombstone
Mining District, Cochise County, Arizona

Dear Lavern & Bill:

As you requested in our last telephone conversation, I am enclosing a map showing my recommendations for placement of assessment drill holes for the TDC area claims. My first proposed hole is just 200' northwest of the northwest side of the old bridge on the old highway, on TDC claim #26. I have enclosed a xerox copy of the geologic map showing the position of this hole, as well as the claims, etc. Caution must be used to avoid getting the hole on the patented Plum claim owned by the Valley National Bank. On my map, I have annotated a blue line, which represents the trace of the axis of the Empire anticline. The Empire anticline - the major fold in the sediments at Tombstone - located the major portion of the ore in the old days. Many of the stopes are aligned along this structure, but it has not been explored to the southeast of the Tranquility mine and Tranquility fault. However, an anticlinal feature does show up under the old bridge on the old highway. I would suggest drilling at this point except that the patented Plum claim covers that area. Therefore, I would suggest drilling along the blue line and my proposed hole #1 would penetrate less Gila conglomerate cover than in any other.

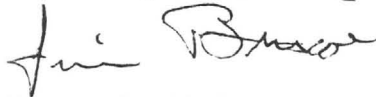
If you were to contract with the Escapules, you could get 130' of high quality rotary drilling completed very quickly. Samples should be taken every 5' for geologic logging and assay. Charlie knows how to accomplish this, and has necessary containers, etc. A series of holes could be drilled along strike, as I have shown by the red open circles, until a sufficient amount has been done for assessment.

Lavern Baxter
August 26, 1985
Page 2 of 2

Depending on the depth to the best host horizon, that being the six foot, twelve foot, or Blue limestones in the Bisbee sediments, I think that there is a reasonable chance for the interception of relatively high grade ore. There is some slight possibility that you might intersect some high grade mineralization. At any rate, for shallow drilling, this area has the best possibility, and I think that holes could be continued southeasterly across the projection of this axis, and would probably penetrate the Gila conglomerate and possibly yield significant information.

I would be happy to help you out in any such work.

Best regards,



James A. Briscoe

JAB/ms

Enclosure

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

August 28, 1985

Lavern Baxter, President
Tombstone Development Co, Inc.
P. O. Box 1445
Grand Island, NE 68801

RE: Winding up of business, transfer of mining claims and termination of mutual obligations, and termination of all past agreements and future obligations or claims

Dear Lavern:

As per our recent telephone discussion, I understand that Tombstone Development Co., Inc. no longer wishes to perform the work requirement on the state and federal land outside of the central patented claim block, the 31 TDC group claims, and the 12 T.S.A. claims covering interior fractions. Also, Tombstone Development Co., Inc. no longer wishes to continue the mutual effort with James A. Briscoe & Assoc., Inc. to develop the Tombstone Mining District that has taken place over the last several years.

In recognition of these wishes, James A. Briscoe & Assoc., Inc. agrees to discharge and release, and hereby does discharge and release, all current obligations of any sort, and claims owing by Tombstone Development Company to James A. Briscoe & Associates, Inc. This discharge and release specifically includes all present and future claims of James A. Briscoe & Assoc., Inc. related to participation, royalty or fee interest or any other interest in the Tombstone Development Co., Inc. patented claims, the 31 TDC unpatented claims or the 12 unpatented T.S.A. claims covering interior fractions in the TDC patented claims, all of these specifically identified in Exhibit 1 attached hereto.

In consideration for the aforementioned discharge and release of all current and future claims or obligations by James A. Briscoe & Assoc., Inc., Tombstone Development Company hereby agrees to quit claim to James A. Briscoe & Assoc., Inc. all of the unpatented T.S. and T.S.A. claims, and state prospecting permits, lying outside the patented and unpatented claims listed in Exhibit 1. The claims to which this quit claim relates are specifically set forth on Exhibit 2.

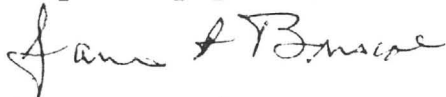
Lavern Baxter, President
Tombstone Development Co., Inc.
August 28, 1985
Page 2 of 4

Tombstone Development Company shall execute and deliver a quit claim deed in the form attached as Exhibit 3, and shall execute and deliver to James A. Briscoe & Assoc., Inc. all appropriate documents necessary to be filed with the U.S. Bureau of Land Management and the Arizona State Land Department to transfer ownership of the claims, leases and prospecting permits set forth in Exhibit 2, from Tombstone Development Co., Inc. to James A. Briscoe & Assoc., Inc.

This agreement shall terminate all previous agreements and obligations between Tombstone Development Co., Inc. and James A. Briscoe & Assoc., Inc., be they written or verbal.

Our signatures below indicate our binding agreement to the above.

Very truly yours,



James A. Briscoe

JAB/ms

Attachments

File

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

*12/2/85
Tom; Please review &
update the claim portion of this. in III, IV V VI VII.
I had originally supposed
Austin would do it at \$700/acre.
Now it's up to us.
Jim*

August 29, 1985

Seth Horne
James Stewart Company
3033 N. Central
Phoenix, AZ 85012

RE: Cost estimate for initial exploration program, Charleston Lead Mine area, Tombstone Mining District, Cochise County, Arizona, to test near surface potential for precious metal mineralization and industrial sericite

Dear Mr. Horne:

As per your request during our meeting of last Friday, I am describing in this letter and giving a generalized cost estimate for a program to evaluate your claims at Tombstone for near-surface precious metal potential, as well as potential for the production of sericite for the paint industry or other industrial uses. Because of the nature of the work, and the fact that results during its progress may dictate changes as the work progresses, this should be considered a generalized estimate. The cost of the photogrammetric surveying of the claim block is probably the most precise aspect. After this cost analysis, I find the program should run approximately \$59,343. There is no contingency in this figure, and it is assumed that my management flexibility would allow adjustments in the scope of a program so that there would be no cost over runs.

The program is designed to accomplish the following: We would re-erect and mark all claim posts and discovery posts with permanent metal claim tags (marking of each post is required by law). Each claim post and drill hole would be targeted, and the whole area would be flown using color aerial photography. The claims would then be precisely located using air photo (photogrammetric) survey techniques and a precise map at a scale of 1" = 400' with ten foot contour intervals constructed. In the pit area an even more precise map at a scale of 1" = 50' with two foot contour intervals would be made. We believe this survey will be useful for the application for patent, which you are interested in. Furthermore, since the Governor wants to

Seth Horne
JAMES STEWART COMPANY
August 29, 1985
Page 2 of 2

establish a game refuge by acquiring all of the Tenneco land along the San Pedro River, which your property abutts against (see enclosed newspaper article copy), we believe there will be adverse pressure against mining near this refuge, specifically directed at your property. We believe it is absolutely critical that there be no question as to the location and proper marking and follow up mineral evaluation of your mining claims.

In addition, we will complete 1,000 feet of 18' deep, 4' wide trenches across veins outside of the pit area. Fresh exposures will be made in the pit, and new samples taken for fire assay for gold and silver, as well as sericite. A photo geologic and ground geologic surface map and detailed plane table, geologic map around the Charleston pit will be completed. Ten 100' deep drill holes with geologic logs and drill cutting boards to test the grade and continuity of veins will be sunk. From the preceding work, a preliminary ore reserve estimate from trenches and drill holes will be made. Finally, a report detailing information resulting from the above work and hopefully significant projected ore reserves will be prepared. The geologic map, cross sections and ore reserves will be prepared using a new Computer Assisted Drafting program (CAD), thus increasing the precision and lowering the cost.

Sufficient drilling to detail ore reserves for mining purposes will most likely not be accomplished. However, there should be enough completed with this program so that if significant grades are encountered, additional drilling to detail indicated reserves will be justified, and interest others in further financing.

We will be ready to start this program by mid-September, and it should be completed early in 1986.

Very truly yours,



James A. Briscoe

JAB/ms

JAMES STEWART COMPANY

ESTIMATE FOR ASSESSMENT WORK 1985/86 YEAR,
and evaluation of near-surface precious metal mineralization and
industrial sericite in the immediate area of the Charleston Lead
Mine open pit

I. Trenching and scalping new exposures in
pit.

A. Rehabilitate road into bottom of pit Front end loader 1 day @ \$280/day	\$ 280
B. Dig sump in pit to consolidate water in bottom of pit Excavator 1 day @ \$600	600
C. Scale old face off of pit bottom to get fresh conventional assay samples 1 day excavator @ \$280 1 day front end loader @ \$600	880
D. Drill and blast for trenches 100 25' 45 degree holes = 2500' @\$1.70/foot Mobe and demobe	4,250 800
E. Excavator trenches. 100 tons/hour is rate for excavator 100' of 4' x 18' trench has 554 tons, therefore, 5.54 hours to dig X \$85/hour = \$476/100' x 10 = 1,000' of trench	4,760
Subtotal	----- \$11,570

II. Base triangulation survey on state
coordinate system for photo control
12 horizontal/vertical points
8 vertical only

(est.)	\$ 3,000
Subtotal	----- \$ 3,000

III. Re-errect and mark all posts

A. Labor, transport, food, travel & lodging, assume \$7/post X 620	4,340
B. Metal tags @ \$1.25 ea. X 620	775
C. New discovery posts and replacement posts (painted) @ \$7/ea. X 200 (est.)	1,400
Subtotal	----- \$ 6,515

IV. Paper all claim posts, drill holes
and survey markers.

- A. 620 posts
50 other marks

670 X \$1.91/60' of 24" paper
per point \$ 1,279

- B. Labor to place paper targets
(including food, travel, lodging,
Mule & Suzuki quad runner)
Est. \$7/ea. X 670

4,690

Sub total \$ 5,969

V. Aerial photography and photogrammetry

- A. Fly photography suitable for eventual
use in drawing 200 scale 5' contour
interval maps

\$ 700

- B. Draw topo at 1" = 400' with 10'
contour intervals @ \$500/ square mile
x 7 square miles

3,500

- C. Plot claim posts, control and drill
holes @ \$3.50 ea. X 670 points

2,345

- D. Draw detail in pit area at 1" = 50'
and 2' contours, 2000' x 2000' area =
92 acres @ \$12/acre

1,104

Sub total \$ 7,649

VI. Legal advice

- A. Placement of new discovery posts

- B. Ammendment of claims

- C. Gallagher-Bradshaw conflict

- D. Water (dam site) withdrawal

- E. Patenting procedures

\$ 1,000

Sub total \$ 1,000

VII. Ammend claims

A. Filling out and typing up ammendments est. \$15/claim x 152 claims	\$ 2,280	
B. Filing fees \$5 ea. x 152 claims	760	

Sub total		\$ 3,040

VIII. Assays - 100 Au & Ag fire assasy @ \$10/ea.	\$ 1,000	

Sub total		\$ 1,000

IX. Photo geology, ground geologic mapping, plane table geology mapping, supervision, management, drill logging, core board construction.	\$ 6,000	

Sub total		\$ 6,000

X. Drilling

A. 10 100' holes at \$4/foot	\$ 4,000	
B. Assays 200 Au & Ag fire or MAP rental	2,000	

Sub total		\$ 6,000

XI. Re-log old drill holes, CAD (Computer
Assisted Drafting), ore reserve
calculation, report compliation and
reproduction.

A. 1 man month - J. A. Briscoe	\$ 7,000	
B. Reproduction	600	

Sub total		\$ 7,600
		=====
TOTAL		\$59,343

In addition to James A. Briscoe & Associates, Inc., this estimate anticipates the use of the following sub-contractors:

1. Charlie Escapule, DBA Tombstone Silver Mines, Inc. for excavator, front end loader and air track drill.

Estimate of Assessment Work
August 29, 1985
Page 4 of 4

2. Moria Surveying, Kent Wickware, Registered Surveyor.
3. Cooper Aerial Survey Co.
4. John C. Lacey, Esq., Mining Lawyer, DeConcini, McDonald, Brammer, Yetwin & Lacy, P.C.
5. Thomas Chandler, Esq., Chandler, Tullar, Udall & Redhair, P.C., water site withdrawal.
6. Copper State Analytical Labs, Inc., Registered Assayers.
7. David D. Rabb, Registered Professional Mining Engineer, Metallurgist (Arizona State Metallurgist, Retired) sericite recovery

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

September 4, 1985

David A. Thomas
1120 Beach Drive
Apartment 905
Victoria, BC, Canada V8S2N1

RE: A brief assessment of the cost of, potential market for,
and profitability of the MET (Mobile Exploration Team)
concept

Dear Mr. Thomas:

I am writing to briefly summarize the MET (Mobile Exploration Team) concept, which we discussed briefly at our meeting.

I have checked with Mr. Mike Greeley, head of the Tucson office of the Arizona Department of Mineral Resources, concerning the number of active mining claims and state leases in Arizona. Mike tells me that there were 169,000 federal mining claims and 400,000 acres of state prospecting permits in 1984. The legally required assessment work on each mining claim is \$100 per year per claim. On the state prospecting permits, it varies between \$10 and \$20 per acre, depending on the age of the permit. Using the conservative \$10 per acre figure, we come up with \$4 million of work required each year on state prospecting permits, or a total for both the state and federal of \$21 million each year. The adjacent states of California, New Mexico, Nevada and Utah, all within striking range of the proposed mobile team, would average a similar legally required amount of work. Thus, for the five states, including Arizona, \$105 million worth of annual assessment work is required by law every year. If we were able to acquire just 1% of this business, the potential gross (for each percent) is \$1.05 million. If our margin were 25%, this would yield \$262,500 per year. I think that the greatest potential in this concept would be the ability to examine in detail, many mining properties every year, at a profit to ourselves. However, the opportunity exists to identify those properties with particular potential and joint venture, purchase or otherwise participate in their eventual development. This opportunity would cost nothing.

David A. Thomas
September 4, 1985
Page 2 of 2

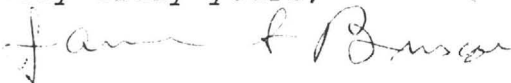
I am not aware of anyone in the business currently operating a similar service, as I perceive it. Particularly considering the potential of on site heap leaching evaluation using the Escapule plants, I believe our competitive edge would be very great.

The cost to equip such a team would be relatively modest. James A. Briscoe & Associates, Inc. has approximately \$800,000 of equipment and data, including 2 four wheel drive trucks, and 2 four wheel drive station wagons, 2 large travel trailers, and over 10,000 maps and documents covering the states of interest, as well as geophysical, geochemical and ancillary equipment. Including the Silver MAP unit, total station transit and plane table, additional equipment would approximate \$170,000. Operating capital, including salaries, fuel, food and lodging, would approximate \$263,000 for the first year, after which it should be self supporting. The total capital requirements including a 10% contingency would be \$475,000. All of this might not be required since business should pick up early in 1986, as budgets are allocated. From now until the first of the year, there is generally a work hiatus while the larger companies are going through their budgeting procedure. On the other hand, private individuals may be interested in doing work before the end of the year for tax purposes.

The margin should be in the 25% area, and pay back should be approximately 2 years, if marketing is pursued aggressively. Since the same equipment would be used at Tombstone, outside work would have to be balanced between its use at Tombstone. However, if market penetration was good, perhaps additional equipment would be justified.

If this opportunity is of interest to you, we can refine these figures and operational strategy after the Tombstone report is completed.

Very truly yours,



James A. Briscoe

JAB/ms

cc: Charlie Escapule
Edward T. Allen, Esq.
David M. Howard

111-1

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

September 4, 1985

Seth Horne
James Stewart Company
3033 N. Central Ave.
Phoenix, AZ 85012

RE: Re-estimate of proposal of August 29, 1985, for the Charleston Lead Mine area, Tombstone Mining District, Cochise County, Arizona, so that the proposal can be split into two assessment years

Dear Mr. Horne:

As Steve requested during my telephone conversation with him today, I am updating my August 29 proposal to you to reflect a split of assessment work in the Charleston area so as to cover more than one assessment year.

We have found through inquiry, that overages on state assessment work can be carried forward into succeeding years, if approved by the state. You have 451.77 acres of state prospecting permit on which approximately \$20 per year is required, for a total of \$9,035.40. I would suggest doing three years of assessment work now for a total of \$27,106.20, plus the \$16,300 of assessment work required for the unpatented federal claims, for a total of \$43,406.20 of applicable assessment work this year. We could, thus, accomplish items I through IX, as described in my August 29 letter, for a total of \$45,743. We would postpone X and XI until September of 1986, and then perform the required \$16,300 worth of federal assessment work in drilling and drill evaluation. In this way, we would loose little impedous in the claim maintenance work, and still be able to progress on to meaningful drilling to develop ore, and meet all state and federal requirements.

As I currently have some available personnel to start the claim post maintenance, I would like to proceed on this at your earliest convenience.

Very truly yours,



James A. Briscoe

JAB/ms

cc: Steve Halbert, Esq.

5701 East Glenn Street, Suite 120/Tucson, Arizona 85712/602-721-1375

EXPLORATION PROPOSAL

Phase I

I. General

A. Geologic, structural and alteration mapping

1. 1" = 50' on color aerial photography matched to topography NE1/4, Section 16

a. Photo enlargements of 200 scale topo map	\$	200
b. Color photo enlargements		300
c. 10 days geologic mapping and sampling @ \$250/day, + \$15 FTL, + \$10 vehicle, + \$20 ATV, x 10, + \$135 mobe and demobe = \$295/day x 10 + \$135 =		3,085

TIME: JAB 10 days

\$ 3,585

2. 1" = 200' on color photo base matched to the 1" = 200' Topography base map on remainder of lease area (map area) including all of Section 16, Horne lease ground, etc.

a. U.S.G.S. topo enlargement for areas not covered by 200 scale map	\$	200
b. Color photo mosaics to cover area and 200 scale topo matched to color air photos		1,000
c. Geologic mapping and sampling:		
1). 30 days @ \$295/day (incl. FTL)		8,850
2). 6 trips mobe & demobe to Tucson x \$135		810

TIME: JAB 30 days

\$ 10,860

3. Sampling for above - R. C. geochem for Cu, Pb, Zn, Mo, Ag, Au, & Hg

a. Sampler - \$7/hour or \$56/day x 40 days	\$	2,240
b. Electric sampling hammer & equipment		1,700
c. Assays - assume 40/day x 40 days or 1,600 samples, assaying for Cu, Pb, Zn, Mo, Au, & Ag, assume in-house cost of \$10/ea.		

run by Gary Lindroos	16,000	
d. Hg soil vapor analysis by Jerome Instrument Co. Gold Film Mercury Detector @ \$325/sample	5,200	\$ 25,140

4. CAD reduction and plotting of data, cross section, etc. 40 days by Bailey Escapule @ \$15/hour + \$5/hour for computer = \$160/day x 40 days	\$ 6,400	
TIME: Bailey Escapule 40 days		\$ 6,400
	-----	-----
TOTAL A		\$ 45,985
B. Accumulation, organization and computerized data base design and entry of all existing information. This should include all previous assay information and its map location, reports, correspondence, drill holes and corresponding logs, property information, etc. Further, the computer data base will be designed for data retrieval of all information acquired in the Tombstone Mining District in the future.		
1. Accumulation and organization by Bailey Escapule - 10 days x 8 hours x \$15/hour	\$ 1,200	\$ 1,200
TIME: Bailey Escapule 10 days	-----	
2. Design of computer data base and entry of all data - 30 days x 8 hours x \$15/hour	\$ 3,600	\$ 3,600
TIME: M.A. Stewart 30 days	-----	
3. Two copies of all data, estimated 5,000 pages x 2 x \$.15/copy	\$ 1,500	\$ 1,500
	-----	-----
TOTAL B		\$ 6,300
C. Core board construction		
1. Existing holes - for coarse fractions, fine fractions and panned fractions only where ore values occur. Estimated 4 hours/100' hole x \$7/hour = \$28 + \$10/board = \$38 x 170 holes	\$ 6,460	\$ 6,460
TIME: Sampler 85 days or 17 weeks	-----	-----
TOTAL C		\$ 6,460

D. Re-log and computer print log of all available drill holes.

1. Oxy Min holes
2. Santa Fe holes
3. Austral Oil holes
4. Joe Graves supervised TSM holes

Sampler - estimate 14 days @ \$7/hour x 8 hours to move core and cuttings to State of Maine core building and rebox and organize core

\$ 784

JAB - estimated 15 days @ \$275/day (incl. FTL) + \$270 move and demobe = \$4,125 + \$270

4,395

Computer and software @ \$5/hour

500 \$ 5,695

TIME: Sampler 14 days
JAB 15 days

TOTAL D \$ 5,695

E. JAB time to analyze, interpret, reduce and prepare report on above - all office time @ \$250/day x 40 days.

This will include some geologic supervision of drill holes in II and interpretation of results. The logging will have to be additional work.

10,000 \$ 10,000

TIME: JAB time 40 days

TOTAL E \$ 10,000

Summary

TOTAL "A"	\$45,985
TOTAL "B"	\$ 6,300
TOTAL "C"	\$ 6,460
TOTAL "D"	\$ 5,695
TOTAL "E"	\$10,000
	=====
TOTAL I	\$74,440

Phase II

Drilling program to test for ore grade mineralization along strike length of the Clipper vein

- A. Clipper Vein - length exposed approximately 2,000', approximate average width of 75'. Objective to drill out 2 million tons of mixed high and low grade material, open pitable to a depth of 180'.

I believe the average grade that might be expected in the veins would be equivalent to the Phelps Dodge assays, of State of Maine levels 1 and 2, in 1915, showing an average grade of 1.98 oz. Ag and 0.017 oz. Au. If 10% of total tonnage will average 5 oz. which can be selectively mined, then there will be 1,800,000 tons averaging 1.644 oz. Ag/ton and 0.017 oz. Au/ton.

1. The Clipper will be drilled at 200 foot intervals initially, using the 5 hole pattern depicted in Plate ---. If the 200' station spacing shows encouraging results, drilling will continue with intermediate station spacing so that a 100' station spacing will result. This pattern will require 710 feet of air track drilling per station. It is designed to test continuity of ore and to:

- a. Show leaching and/or enrichment patterns with depth.
- b. Determine with some accuracy the dip of the vein to a depth of 45' for the hanging wall and 120' to 180' for the foot wall.
- c. Test sediments below the Uncle Sam Tuff, if the tuff is penetrated.
- d. Test for presence of an enriched silver sulfide blanket within open pitable depths.

Drilling cost - \$2/foot x 710' = \$1,420/
station x 20 stations = \$ 28,400

Time 2 days per station and one day moving and unexpected delay. Therefore, 2.5 days per station x 20 stations = 50 days divided by 5 days/week = 10 weeks

\$ 28,400

2. Samples should be taken at 5' intervals from which core boards should be constructed. Also samples should be assayed for Au, Ag, Pb, Zn,

Cu and Mo, at least initially. The purpose of these assays is to:

- a. To conduct trace element studies that will help us understand the development (paragenesis) of the vein and predict where higher grade ore might be found.
 - 1). Lead, zinc, copper - a guide to where silver might have been before oxidation and leaching.
 2. Since these elements occurred with silver before it was leached, increasing trace element content with depth might indicate approaching better silver grades.
- b. To determine whether cyanicides (copper, zinc, lead) will cause a significant metallurgical reagent consumption with depth.

Cost will be \$10/sample interval x 710'/5'
sample intervals = 142 x \$10 = \$1,420 x 20
drill stations

\$ 28,400 \$ 28,400

TIME: Same as drilling program (10 weeks)

3. Core board construction - core boards (cutting boards) should be constructed of all holes. Scale will be 1" = 10', coarse and unpanned material will be posted for all intervals. Panned material will be posted for ore intervals.

Assume 4 samples/hour @ \$7/hour x 142 samples/
station x 20 dill stations = 2,840 samples
divided by 4/hour = 710 hours x \$7/hour

\$ 4,970

TIME: Sampler - 89 man days - thus we need 2
samplers for 45 days or 9 weeks

\$ 4,970

4. Geologic logging and correlation of drill holes - estimated 2 hours/board and 140'/board (28 samples) - 100 boards x 2 hours @ \$34.38 (incl. FTL) (assumes logs plotted with computer program)

\$ 6,876

Computer @ \$5/hour x 200

1,000

JAB time = 200 hours/40 hours/week = 5 weeks			\$ 7,876

5. Ore calculation report and recommendations			
a. Computer reduction and calculation (by cross-section method) 1/2 day/ station (4 hours) x \$20/hour x 20 drill stations		\$ 1,600	
TIME: Geologist & CAD station 80 hours or two weeks			
b. Senior geologist interpretation 4 hours/station x 20 stations x \$34.28 (incl. FTL)		2,750	
JAB time = 80 hours/40 hours per week = 2 weeks			
c. Report and recommendations - 5 days @ \$250/day		\$ 1,250	\$ 5,600

6. General supervision of drilling, sampling, ore reserve calculation, etc. by senior geologist			
JAB 80 hours x \$36.88/hour (incl. FTL)		\$ 2,950	\$ 2,950
TIME: JAB - 2 weeks			
		-----	-----
		TOTAL A	\$ 78,196

SUMMARY

Total drill footage = 14,200'

Average cost per foot for entire program = $\frac{\$78,196}{14,200} = \$5.51/\text{foot}$

Cost of Phase I \$ 45,985
Cost of Phase II \$ 78,196

Phase III

III. Phase III will consist of detailed drilling along the Clipper vein at 20 foot intervals. There are two ways this can be done: A. will be the same way Phase II was

done, at a cost of \$5.51/foot. B. will be done by using the UNC Silver MAP to probe the holes. No samples will be taken, and thus, no geologic logging, coreboards, etc. will be done, and the cost will be \$2.10 per foot

A. Secondary drilling along the Clipper vein, drilling holes ----- (see Plate --). Total drilling per station is 675 feet. Samples taken as in Phase II, at an average cost of \$4.51 per foot drilled.

1. First round - holes spaced 40 feet from the holes with the most erratic values drilled in Phase II.

20 stations x 675'/station = 13,500 feet x \$5.51/foot = \$ 74,385

TIME: 2.5 days per station = 50 days or 10 weeks

2. Second round of holes spaced 20 feet from the most erratic holes from round 1

20 stations x 675'/station x \$5.51/foot \$ 74,385

3. Third round holes will be placed 20' from the most erratic holes in the 2nd round

\$ 74,385

TIME: 10 weeks

4. Fourth round holes will be centered in the remaining 40' intervals left after Round 3. This final round will complete a 20' drill station spacing along the 2,000' foot length of the Clipper vein.

\$ 74,385

TIME: 10 weeks or

TOTAL TIME: 9.24 months

\$297,540

TOTAL A \$297,540

Summary of III. A.

Total footage drilled is 54,000' over 80 stations with 5 holes each for a total of 400 holes and 10,800 five foot assay intervals.

TIME: 40 weeks or 9.24 months

NOTE: If values are found to be very uniform, the station spacing can be increased lowering the total cost to drill out the mineral zone.

B. Secondary drilling along the Clipper vein, drilling holes ----- from the typical drill station described

in Plate 1. Total drilling per station is 675 feet. However, no drill cuttings will be collected, thus increasing drill penetration rate, ~~no~~ No core boards and no geologic logging. When completed, each hole will be probed with the UNC Silver MAP. Re-calculating the average cost per foot from Phase II if the above procedure is used, follows:

II. A. ~~X~~

1. Drilling - no slowing for samples and no need for an assistant - assume cost of \$1/foot \$ 14,200
 2. Assays for silver only with UNC Silver MAP, using UNC Silver MAP promotional data, at a daily cost of \$287/day or \$1,500 divided by 2,500'/day = \$0.60/foot surveyed x 14,200 feet = 8,520
 3. Core board construction - none
 4. Geologic logging - none
 5. Ore calculation report and recommendations 5,600
 6. General supervision 1/2 of IAB 1,500
- \$ 29,820

7. Cost per foot = \$29,220 divided by 14,200' = \$2.10/foot

1. First round drilling as in III. A. 1. 20 stations x 675' x ~~\$1.50/foot~~ = 13,500 x ^{2.10} \$1.20 \$ 28,350

TIME: 1.5 days/station x 20 = 30 days
divided by 5 days/week = 6 weeks

2. Second round of drilling as in III. A. 2. 28,350

TIME: 6 weeks

3. Third round of drilling as in III. A. 3. 28,350

TIME: 6 weeks

4. Fourth round of drilling as in III. A. 4. 28,350

TIME: 6 weeks

\$113,400

TOTAL TIME = 24 weeks or 5.5 months

Note: If values are found to be very uniform, the station spacing can be increased, lowering the total cost to drill out the mineralized zone.

C. Recommendations for Phase III

1. Sufficient detail on:
 - a. Geology
 - b. Alteration
 - c. Trace elements
 - d. Dip of the vein
 - e. Metallurgical character

Will have been acquired by the end of Phase II so that further sampling as in III. A. will be overkill

2. I recommend III. B. using the Silver MAP to save money and time

D. Metallurgical testing

1. Bottle roll tests on drill cuttings
 - a. Determine solubility of ^{precious metals} ~~p.m.~~
 - b. Cyanide consumption related to oxide Cu, Zn & Pb
 - c. Lime consumption \$ 5,000
2. Test pitting (trenches) and metallurgical testing
 - a. Screen tests
 - b. Agglomeration tests
 - c. Bucket tests 10,000
3. Small pilot test? 5,000 \$ 20,000

IV. Phase IV drilling exploration of other veins on the Tombstone Silver Mines, Inc. property. As measured by geologic mapping to date, there are 29,000 feet of unexplored or partially explored silver bearing veins on the Tombstone Silver Mines, Inc. property, or that under negotiation for acquisition. It should be noted that with three days of geologic mapping on a new color air photo base at 1" = 50', I was able to identify approximately 3,000' of previously unrecognized vein structures. Thus, additional detailed mapping proposed in Phase I may identify additional vein length.

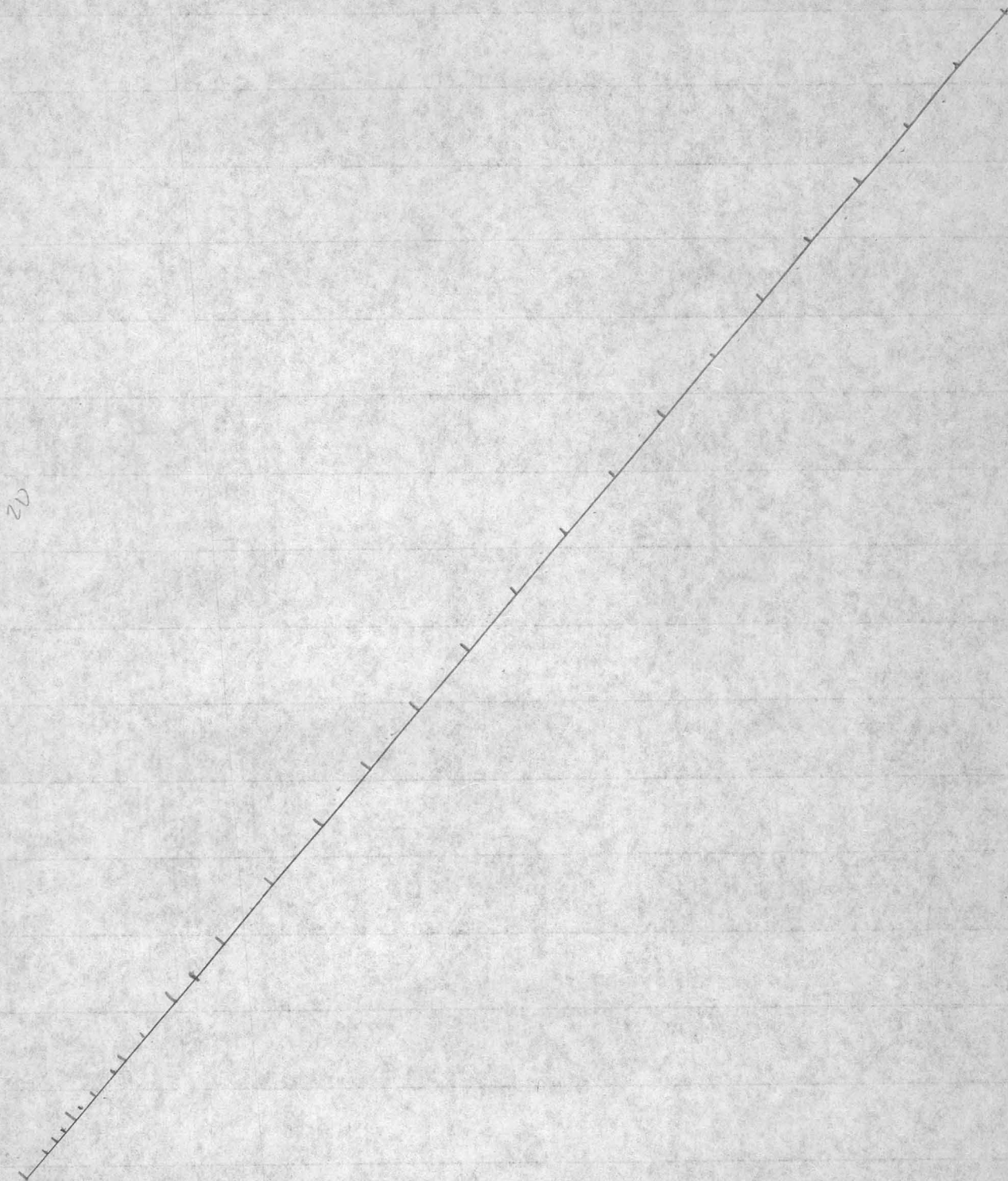
11. Chance vein	4,000' x 10' =	40,000
12. Franklin	1,500' x 15' =	22,500
	<u>29,000'</u>	<u>796,500</u>

796,500' divided by 29,000' = 27.466' or 28'

Assume on the average vein ore grade may equal the average P.D. assays for the first and second levels of the State of Maine, i.e. 1.98 Ag and 0.017 Au. Also that a high grade portion averaging 5 oz. Ag comprises 10% of the vein tonnage, then:

For each 100 foot of average vein to a depth of 105' (see pit cross section), 22,271 tons are generated:

High grade:	2,227 tons @	5 oz. Ag x 80% =	8,908 oz x \$ 6 =	\$53,448
	2,227 tons @	0.017 oz. Au x 90% =	34.073 oz x \$300 =	10,222
				<u>\$63,670</u>



22

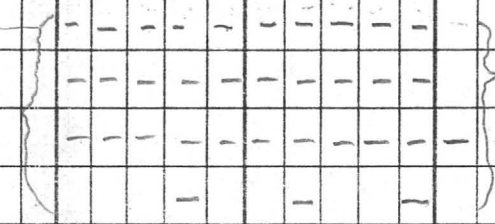
1985

1 2 3 4 5 6 7 8 9 10 11 12

Phase 1 1/2 completed in 4 months then 1 mo delay. More planning + more test. start winning in 6th month

No.		JANUARY				FEBRUARY				MARCH					APRIL				MAY				JUNE				JULY				AUGUST				SEPTEMBER				OCTOBER				NOVEMBER				DECEMBER				
		6	13	20	27	3	10	17	24	3	10	17	24	31	7	14	21	28	5	12	19	26	2	9	16	23	30	7	14	21	28	4	11	18	25	1	8	15	22	29	6	13	20	27	3	10	17	24	1	8	15
1	IA-3 Geol. AH. & Shad. Mapping ^{JAS}	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	IA 4 CAD Red. Bailey Esc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
3	IA 5 JAB analyze, interp, Report	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
4	IB 1 Bailey E.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
5	IB 2 MAS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
6	IC 1 Post drill Hole Core Board Const	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
7	ID JAB Re: log drill holes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
8	Total Cost 68,660 or 17,165/mo or 3,964/wk																																																		
9	II Drill PROGRAM CLIPPER																																																		
10	A 1 Drill Clipper @ 200' spacing																																																		
11	3 Core Board Const.																																																		
12	4,576 JAB Gen. Super. logging & interp.																																																		
13	Metallogical Tests - buffer roll																																																		
14	Total \$ 92,095																																																		
15	Total I & II = 160,755																																																		
16	+ 20% Contingency = 31,151																																																		
17	192,906																																																		

Let T&E Super. Drilling & logging



JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4 5	1 2	1 2	1 2 3 4 5 6	1 2 3 4	1	1 2 3 4 5 6	1 2 3	1 2 3 4 5 6 7	1 2 3 4 5	1 2	1 2 3 4 5 6 7
6 7 8 9 10 11 12	3 4 5 6 7 8 9	3 4 5 6 7 8 9	7 8 9 10 11 12 13	5 6 7 8 9 10 11	2 3 4 5 6 7 8	7 8 9 10 11 12 13	4 5 6 7 8 9 10	8 9 10 11 12 13 14	6 7 8 9 10 11 12	3 4 5 6 7 8 9	8 9 10 11 12 13 14
13 14 15 16 17 18 19	10 11 12 13 14 15 16	10 11 12 13 14 15 16	14 15 16 17 18 19 20	12 13 14 15 16 17 18	9 10 11 12 13 14 15	14 15 16 17 18 19 20	11 12 13 14 15 16 17	15 16 17 18 19 20 21	13 14 15 16 17 18 19	10 11 12 13 14 15 16	15 16 17 18 19 20 21
20 21 22 23 24 25 26	17 18 19 20 21 22 23	17 18 19 20 21 22 23	21 22 23 24 25 26 27	19 20 21 22 23 24 25	16 17 18 19 20 21 22	21 22 23 24 25 26 27	18 19 20 21 22 23 24	22 23 24 25 26 27 28	20 21 22 23 24 25 26	17 18 19 20 21 22 23	22 23 24 25 26 27 28
27 28 29 30 31	24 25 26 27 28	24 25 26 27 28 29 30	28 29 30	26 27 28 29 30 31	23 24 25 26 27 28 29	28 29 30 31	25 26 27 28 29 30 31	29 30	27 28 29 30 31	24 25 26 27 28 29 30	29 30 31

Assume on the average vein that ore grade is equal to the Avg P.D. assays
 For the 1st & 2nd levels of S.O.M.
 ie 1.98 Ag & 0.017 Au. Also that
 a high grade portion averaging 502g
 comprises 10% of the vein tonnage.

Then: For avg. vein to depth of 105' (see pit x section)
 22,271 TONS are generated.

High grade: 2,227 TONS @ 502g x 80% = 8,908oz x 600 = 53,448
 2,227 TONS @ 0.017 Au x 90% = 34,673 x 300 = 10,222
 \$ 63,670

or per ton 502 x 80% = 4 x \$6 = 24.00
 0.017 x 90% = 0.0153 x 300 = 4.59

Mining: 300/1 = 300
 485

Crush & Processing @ 20¢/oz = 20 x 4.0153 = 0.803
 Refining @ 20¢/oz = 20 x 4.0153 = 0.803

28.59
 8.65
 \$ 19.94 margin

Low Grade is

20,044 TONS of 1.645 oz Ag & 0.017 Au

Recovered oz/ton is

1.645 x 40% = 0.658 x 600 = 3.95
 0.017 x 50% = 0.0085 x 300 = 2.55
 6.50
 4.87

Cost/ton

mining @ 78¢/T = 78

stripping @ 2 x 78¢/T = 156

leaching @ 2.40

Refining @ 20¢/oz

0.6665 x 20¢ = .133

4.87

\$ 1.63/ton margin

TOMBSTONE MINING DISTRICT, COCHISE COUNTY, ARIZONA
 ASSAY RESULTS USING UNC, INC. SILVER MAP ASSAY UNIT
 PERFORMED BY: JAMES A. BRISCOE, JABA, INC.
 DAN ADAMS, WESTERN EXPLORATION

APRIL 6, 1985
 PROPERTY OWNER: TOMBSTONE DEVELOPMENT COMPANY

AREA OF DRILL HOLE: SE1/4,SE1/4,SE1/4, SECT. 19, T.20S., R.22E.

DRILL HOLE #TDC-11 (MAP ID #1110)
 COLLAR ELEV.: FINAL DEPTH: 90'
 COORD.N.: COORD.E.:
 INCLINATION: VERT. LOGGED BY: JAB
 DATE START: 3/5/85 DATE FINISH: 3/6/85

	SAMPLE FOOTAGE	ASSAY OZ/TON SILVER	SAMPLE LENGTH X IN FEET	=	SUM	
0	TO	7	1.50	7	10.50	
7	TO	10	1.50	3	4.50	
10	TO	15	1.20	5	6.00	25' @ 1.5 OZ/TON AG
15	TO	20	1.20	5	6.00	
20	TO	25	2.10	5	10.50	50' @ 1.28 OZ/TON AG
25	TO	30	0.90	5	4.50	
30	TO	35	1.10	5	5.50	
35	TO	40	0.50	5	2.50	
40	TO	45	0.90	5	4.50	
45	TO	50	1.90	5	9.50	
50	TO	55	0.80	5	4.00	
55	TO	60	0.00	5	0.00	
60	TO	65	0.00	5	0.00	
65	TO	70	0.00	5	0.00	
70	TO	75	1.00	5	5.00	
75	TO	80	0.20	5	1.00	
80	TO	85	0.00	5	0.00	
85	TO	90	0.00	5	0.00	
				90	74.00	90' @ 0.82 OZ/TON AG

Assume Tongue/100' of vein

To 30'

Ore = $\frac{25.5 \times 33}{28 \times 32} \times 100 \div 13 = 6,473.3$ Tons

Fill back line cut below pit bottom

$420 \div 2 = 210$
 $210^2 = 44,100 \div 13 = 3,392.3$

9,271 Tons

Waste = $\frac{1}{2} \times 43.5 \times 30 \times 100 \div 13 = 5,019$ Tons

Waste - Ore = 0.54:1

To 60' $6,473 \times 2 + 2,798 = 15,744$

Ore: $9,271 \text{ Tons} \times 2 = 18,542$

Waste: $\frac{1}{2} \times 87.5 \times 60 \times 100 \div 13 = 20,192$

Waste:Ore = 1.28:1

To 90' $6,473 \times 3 + 2,798 = 22,271$

Ore: $9,271 \text{ Tons} \times 3 = 27,813$

Waste: $\frac{1}{2} (128 \times 90) \times 100 \div 13 = 44,307$

W:Ore = 1.99:1 say 2:1

Notes Ore mined 15' deeper than last band

by underhand mining w/ back hoe. This reduces the stripping ratio

$A = \frac{1}{2} \times 87.5 \times 60 = 2,625$

$A = \frac{1}{2} \times 128 \times 90 = 5,760$

$A = \frac{1}{2} \times 43.5 \times 30 = 652.5$

$A_{red} = 33 \times 25.5 = 841.5$

$A_{ren} = 28 \times 15 = 420$
 $56.25 = 363$

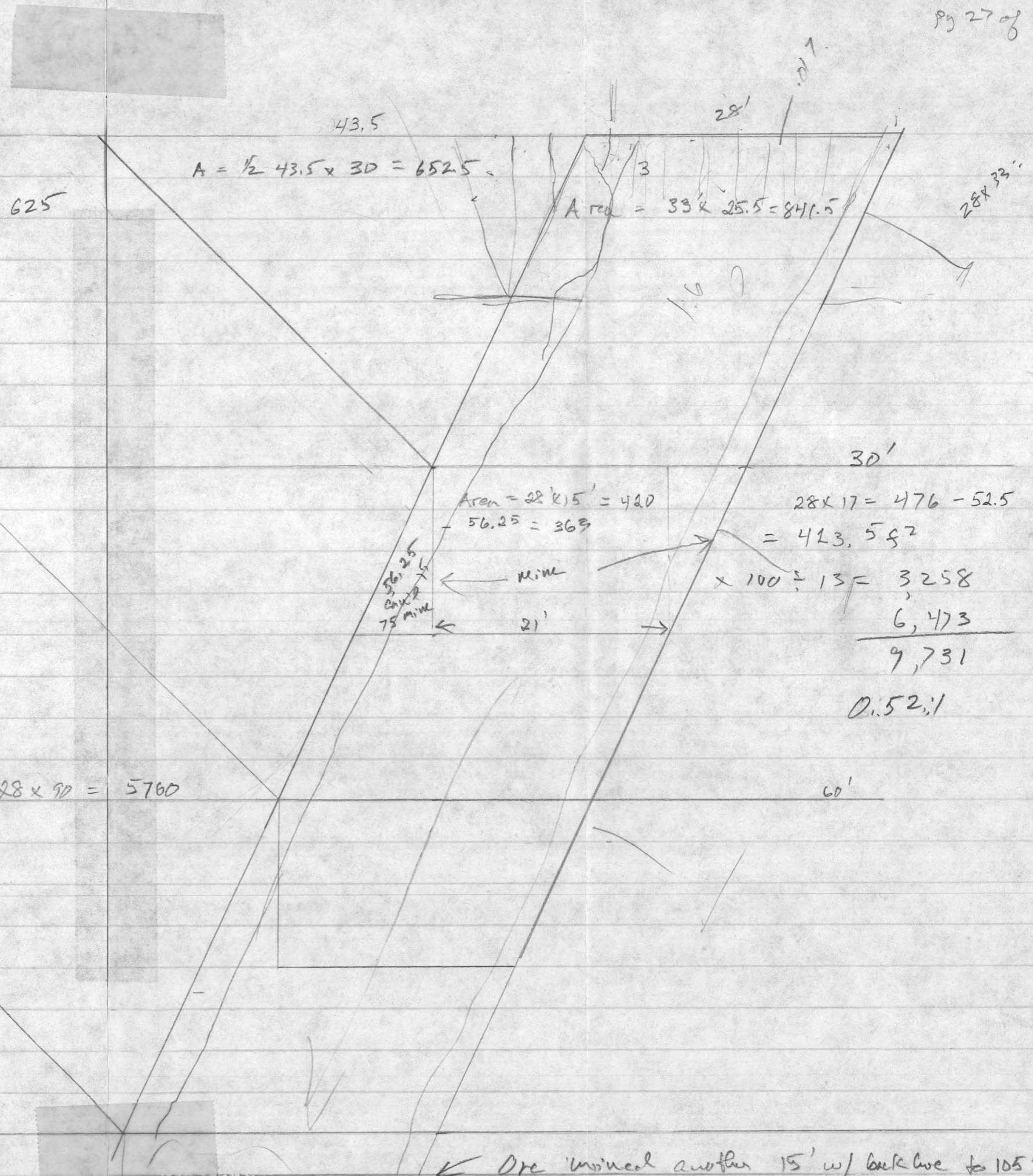
$28 \times 17 = 476 - 52.5 = 423.5$

$\times 100 \div 13 = 3,258$

6,473

9,731

0.52:1



Ore mined another 15' w/ backhoe to 105'

Potential Ore along untested veins
 using the calculated average vein width of 23 feet,
 - 65° inclination, & mining depth of 90' [105' using
 back hoe under haul]. Average grade is that
 of P.D. 3 in upper levels of S.O.M. i.e. 1.98 oz Ag
 & 0.017 Au. Also that 10% is concentrated
 in 5 oz avg. leaving the remainder of vein
 averaging 1.645 oz Ag & 0.017 Au.

We have calculated that for each 100' of vein
 mined as described above. the following will
 be generated.

- ① 2,227 Tons 50z Ag & 0.017 oz Au
- ② 20,044 Tons 1.645 Ag & 0.017 oz Au
- ③ 44,307 Tons waste

For the total measured vein length of 29,000
 feet we have 290 - 100' sections. Thus

①	2,227 TONS	X	290	=	645,830 TONS	- to be selectively mined
②	20,044 TONS	X	290	=	5,812,760 TONS	} 18,661,790
③	44,307 "	X	290	=	12,849,030 TONS	

Total Potential Profit (not including taxes)

1. $645,830 \times \$19.94 = 12,877,850$

2. $5,812,1760 \times 1.63 = 9,474,798$

22,352,648

from Clipper

6,346,000

28,698,648

- Not incl. Taxes, Expl., interest on capital.

Grand total Tons to be mined

High grade Clipper

Low grade " waste

Low grade waste Avg. Vn.

$200,000 + 645,830 = 845,830$

1,800,000

3,572,307

5,372,307

18,661,790

24,034,097

Mine Rate based on 800 TPD using backhoe & trucks
250 days/year

$845,830 \div 800 \text{ TPD} = 1,057 \text{ days} \div 250/\text{year} = 4.23 \text{ years}$

$24,034,097 \div 1057 \text{ days} = 22,738 \text{ TPD for } 4.23 \text{ years}$

CLIENT AMOCO METALS CO.

PROJECT NONE LISTED

SPECIAL VALUES

IS INSUFFICIENT SAMPLE

-9 NO VALUE RECORDED

VALUES ABOVE THE UPPER LIMIT ARE SHOWN AS > UPLIMIT

VALUES BELOW THE LOWER LIMIT ARE SHOWN AS < LOLMT (IE NOT DETECTED)

DETERMINATIONS

ELNAME	SIZEFRAC	METHO	ECO	UNI	#SAM	LOLMT	UPLIMIT	COMMENTS
01	CU	-100	AA	E04 PPM	0108	1	20000	RESULTS REPORTED
02	AG	-100	AA	E04 PPM	0108	.2	50.0	RESULTS REPORTED
03	AU	-100	FA-AA	E01 PPB	0108	5	10000	RESULTS REPORTED
04	WT/AU				0108	.1	1000.0	CANCELLED

SAMPLE PREPS

20	SAMPLE TYPE=R	ROCKS
21	P05=0108	CRUSH,PULVERIZE -100
22	P65=1194	OVERWEIGHT SAMPLE PR

FORMAT (A8,21X, 4(1X,F7.0))

BEGIN	CU	AG	AU	WT/AU
12350001	RA BC-5-30-40	11	0.2	10 -9
12350002	RA BC-5-40-50	5	0.4	95 -9
12350003	RA BC-5-50-60	6	0.4	110 -9
12350004	RA BC-5-60-70	8 <	0.2	10 -9
12350005	RA BC-5-70-80	11	0.3	15 -9
12350006	RA BC-5-80-90	11 <	0.2	15 -9
12350007	RA BC-5-90-100	10 <	0.2	10 -9
12350008	RA BC-5-100-110	6 <	0.2 <	5 -9
12350009	RA BC-5-110-120	13 <	0.2 <	5 -9
12350010	RA BC-5-120-130	13 <	0.2 <	5 -9
12350011	RA BC-5-130-140	36	0.2 <	5 -9
12350012	RA BC-5-140-150	13 <	0.2	5 -9
12350013	RA BC-5-150-160	6 <	0.2	5 -9
12350014	RA BC-5-160-170	3 <	0.2 <	5 -9
12350015	RA BC-5-170-180	3 <	0.2 <	5 -9
12350016	RA BC-5-180-190	4 <	0.2 <	5 -9
12350017	RA BC-5-190-200	3 <	0.2	10 -9
12350018	RA BC-8-10-20	12 <	0.2 <	5 -9
12350019	RA BC-8-20-30	39	0.3	10 -9
12350020	RA BC-8-30-40	47 <	0.2 <	5 -9
12350021	RA BC-8-40-50	46	0.2 <	5 -9
12350022	RA BC-8-50-60	59 <	0.2 <	5 -9
12350023	RA BC-8-60-70	8	0.3 <	5 -9
12350024	RA BC-8-70-80	4 <	0.2 <	5 -9
12350025	RA BC-8-80-90	3 <	0.2 <	5 -9
12350026	RA BC-8-90-100	3	0.3	20 -9
12350027	RA BC-8-100-110	2 <	0.2	5 -9
12350028	RA BC-8-110-120	2 <	0.2 <	5 -9
12350029	RA BC-8-120-130	3 <	0.2 <	5 -9
12350030	RA BC-8-130-140	2 <	0.2 <	5 -9

Cipper - low grade is some upper level

Profitability

$$\text{Hi-grade } 20.21/\text{Ton} \times 200,000 = 4,042,000$$

$$\text{Low grade } 1.28/\text{Ton} \times 1,800,000 = 2,304,000$$

$$6,346,000$$

114-1

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

September 6, 1985

David A. Thomas
1120 Beach Drive
Apartment #905
Victoria, BC, Canada V8S2N1

RE: Progress report, Tombstone Silver Mines, Inc., geology report

Dear Mr. Thomas:

Today we will take delivery of the last item, that being a color photo enlargement matched to the 1" = 50' map over the northwest quarter, Section 16, covering the State of Maine area, from Cooper Aerial Survey.

Bailey has digitized as of yesterday, most of the necessary pre-existing maps to be used in compiling the data base for my report. His next task will be to construct east-west cross sections so that we may get a better understanding of the three dimensional geology in the State of Maine area. =

I will start field mapping today, using the new 1" = 50' and 1" = 200' contour maps, as well as the color air photo to be delivered this afternoon. I have already completed photo interpretation over the T.S.M., Inc. property, with the exception of the alteration overlays. As this mapping is completed, Bailey will digitize it so that it can be plotted for final CAD plotting.

Bailey has plotted all digitized maps in rough draft, and I will review these today. The plotter appears to be working well, and I foresee no problems in that regard.

Mardee has a few more questions yet to be answered before closing the August books. When these are answered and the August books are closed, she will update the spread sheets, add production data to them, after which she, Charlie and myself will work on the next years projection scenarios.

David A. Thomas
September 6, 1985
Page 2 of 2

Now that all information is essentially in hand, we will work as rapidly as possible towards completion of the report. I think realistically, we are looking at the 20th of September, but will work towards its completion as soon as possible.

Very truly yours,



James A. Briscoe

JAB/ms

cc: Edward T. Allen, III, Esq.
David A. Howard
Charles B. Escapule

114-1

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

September 6, 1985

Bailey Escapule
Tombstone Silver Mines, Inc.
P. O. Box 1016
Tombstone, AZ 85638

RE: Transmittal of maps

Dear Bailey:

With this letter I am hand transmitting to you the following:

1. One set of 1" = 200' topo maps - two blackline vacuum frame prints
2. One set of 1" = 50' topo maps - four blackline vacuum frame prints
3. One print of 1" = 50' composit topo - two blackline vacuum frame prints taped together
4. One rough print out of J.A.B. 1972 geology from CAD system

In addition, I am transmitting to you, various mylars containing valuable information. These are:

- A. J.A.B. 1972 assay overlay for 200 scale topo sheet
- B. Austral Oil property map, 1968
- C. Austral Oil perspective drawing - unfinished
- D. Blow up of the State of Maine underground workings from the Butler Wilson volume

Very truly yours,



James A. Briscoe

JAB/ms

5701 East Glenn Street, Suite 120/Tucson, Arizona 85712/602-721-1375

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

September 11, 1985

David A. Thomas
1120 Beach Drive, #905
Victoria, BC, Canada V8S2N1

RE: Progress report as of Wednesday, September 11, 1985

Dear Mr. Thomas:

Progress to date includes the following:

The 1" = 50' color photo enlargements over the northwest quarter of Section 16 matched to our topographic map will be received complete with transparent topographic overlays today, Wednesday, September 11. This will speed mapping at the 50 scale, and enable me to get a better perspective on alteration within the area.

Bailey is working with me to re-design the open pits and re-figure current reserves and stripping ratios. By using the excavator to mine, as it was designed for, in the backhoe or under handed mode as it was designed for, we can mine ore more selectively, at a lower stripping ratio. Once the ore has been selectively mined with the backhoe (with minimal dilution), we can then remove waste for the next bench level (using a 15' high bench), using larger, more efficient equipment. Perhaps contracting for a high capacity scraper with push dozer, could be possible. We are still thinking this through with our pit design.

Several important facets concerning the surrounding property have come up. These are, in approximate order of importance:

1. The State of Maine #2 pit lies up against the northeast end of the State of Maine claim - the Interstrat state ground boundary. There isn't room to move equipment in and out because of this boundary, thus effecting pit design and stripping ratio adversely.

David A. Thomas
September 11, 1985
Page 2 of

2. The Interstrat prospecting permit runs its five year course and will expire on November 11, 1985. If TSM were to apply for the prospecting permit the day after its expiration, and were to obtain the permit, it would solve numerous problems.
3. Charlie has talked with Joe Escapule and Ernie Escapule regarding their claims to the north and west of the current TSM holdings. He feels that they will be willing to sign some type of a letter agreement optioning them to TSM. I hope that we can get an agreement along the lines of my proposed general agreement, Attachment A.

With this additional land position, plus the Interstrat state prospecting permit in hand, boundary problems will be solved for the most part, and additional reserves along the same structures exposed in the core property will be available.

If we can accomplish this property consolidation (or at least be encouraged that it can be done), before the final draft of my report, I will be able to avoid mentioning or at least softening my review of the boundary problems. Otherwise, by the Vancouver Stock Exchange rules, the boundary situation, and how it effects ore reserves in mining must be pointed out.

4. Dusty Escapule has submitted a property he owns in the Dagoon Mountains 20 miles north of Tombstone. It has approximately 300,000 tons of mixed oxide and sulfide silver ore drilled out by Congdon and Carry in the early 1960's. Perhaps 1/3 to 1/2 of this would be heap leachable, though the rest would probably require a floatation circuit. Custom milling of this may be possible via the Alanco mill at Tombstone.
5. I know that you have talked with Ned regarding the proposed deal on the Commonwealth mine.

I have reviewed the geology verbally with Tom Patton, who has compiled all previous data on the mine. Tom is an excellent geologist and he is high on the potential of the Commonwealth. He feels that there are 300,000 to 400,000 tons of 3 to 4 ounce open pitable silver-gold ore that was drilled out in the mid-1970's. There is also potential for additional open pitable ore, as well as high grade underground material. I will get a copy of his summary report today.

James A. Briscoe & Associates, Inc.
Tucson, Arizona

David A. Thomas
September 11, 1985
Page 3 of

The draw back on the deal is the 10% NSR royalty in perpetuity, the owner wants. This makes the risk very high. Again, we need to negotiate this down, hopefully into a net profits deal along the lines of my letter proposal, Attachment A.

The Commonwealth has been a profitable past producer - I believe the second largest gold producer in Arizona, and has very good potential if a reasonable deal can be made.

6. If TSM were to get a reasonable deal on the Commonwealth, and could strike a deal with Tombstone Development Company and consolidate the rest of the Tombstone Mining District, TSM would control the two largest precious metal producers in southern Arizona (and possibly the state). With Dusty Escapule's Dragoon property, TSM would have a large nucleus for the centralized mining management concept I proposed earlier. Further, I can think of seven other immediate targets within a 75 mile radius of Tombstone that might have small reserves of heap leachable material, which could be economic under the concept.

If TSM were to proceed on this, the Mobil Exploration Team (MET) would be a basic necessity. Also, retention of the crusher and air track drill currently owned by TSM is a necessity.

I was contacted yesterday by a representative of a new South African based exploration company looking for drilled out gold reserves in the U.S.A. They are a substantial group connected with Harry Oppenheimer, hoping to spread their risks outside South Africa. They and possibly others like them would be potential joint venture partners, buyers, etc. for any reserves identified by the Mobile Exploration Team.

I need advice on how you wish to proceed on this work, as the scope is considerably larger than it was initially. Until further advised, I will concentrate in getting a report for the

David A. Thomas
September 11, 1985
Page 4 of 4

Tombstone State of Maine area completed. The other items can be attacked after that report is finished. Please advise me if you wish otherwise.

Very truly yours,


James A. Briscoe

JAB/ms

Enclosures

cc: David Howard
Edward T. Allen, Esq.
Charlie Escapule

114-1

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

September 28, 1985

Mr. David Thomas
Tombstone Silver Mines, Inc.
1120 Beach Drive, #905
Victoria, BC, Canada V8S2N1

RE: Summary of results from report preparation, and
recommendations

Dear Mr. Thomas:

At the current state of progress of the report, I have developed basic data which suggests much more geologically indicated ore than I had even optimistically assumed we might develop. As a result, more lengthy exploration and development planning has taken more time than anticipated.

Without going into the geologic details, I believe that many, if not most, veins on the Tombstone Silver Mines, Inc. property to a depth of 100' to 200', may be like the State of Maine vein on levels 1 and 2. There may be an average grade equivalent to the 1915 Phelps Dodge assay average for Level 1 and 2, with a hanging wall and foot wall zone of enrichment. Thus, the average vein in the Tombstone Silver Mines property may average 1.98 ounces per ton silver and 0.017 ounces per ton gold. The hanging wall and foot wall enrichment zones may average 5 ounces silver and 0.017 ounces gold, and comprise 10% of the tonnage. The central leached low grade portion of the vein may average 1.64 ounces per ton silver and 0.017 ounces gold, and comprise 80% of the tonnage.

If this turns out to be a correct geologic estimate, then we can make the following estimates concerning the Clipper and other veins.

THE CLIPPER VEIN

The Clipper vein is approximately 75 feet wide and exposed for about 2,000 feet. It may generate, to a depth of 180 feet, 200,000 tons of 5 ounce silver and 0.017 gold, which will be crushed and agglomerated - and 1,800,000 tons of 1.64 ounces silver and 0.017 ounces gold, which will either be leached as mine run or coarsely crushed and screened with the undersize agglomerated and the over size put on the dumps without pre-treatment. The stripping ratio would be about 1.7:1 (waste to ore), and 3.6 million tons of waste would be moved.

David A. Thomas
September 28, 1985
Page 2 of 5

The open pit mining would take place in a long pit, a maximum of about 400 feet wide and 2,000 feet long. Tombstone Silver Mine, Inc. crews would mine the high grade and provide engineering and ore control. The high grade would be mined at a rate of eight hundred tons per day on one shift, using a four yard back hoe, with the current backhoe for backup, and five 10 ton trucks (current size). Exploration drilling as well as blast hole drilling assayed with the UNC Silver MAP would provide ore control. High grade would be crushed and agglomerated on a 24 hour per day, five day per week basis. 15 yd

A contractor, using heavy scrapers and bulldozers, would move the low grade ore and waste, after the high grade had been removed out of harms way. In this way, 7,200 tons of low grade and 14,289 tons of waste would be mined each day.

The Clipper reserves to a vertical depth of 180 feet would be mined out in one year. At current prices (with our preliminary figures), I estimate that, not including taxes and royalties, and assuming \$2 million in exploration and capital costs, \$4.9 million in profits might be generated. Phase I, II, and III exploration to confirm the geologically estimated reserves would cost \$261,000.

OTHER VEINS ON THE TOMBSTONE SILVER MINES, INC. PROPERTY

In addition to the Clipper vein, there are 29,000 feet of unexplored or partially explored veins within the present property (assuming Interstrat and other agreements are finalized). These veins are variable in width, but I have calculated the average will be 28 feet wide and dipping 65 degrees to the west. Using the same technique described for the Clipper, this average vein can be mined to a depth of 105 feet. If all the 29,000 feet of unexplored vein met the estimated average grade (1.98 ounces silver and 0.017 ounces gold), but concentrated in a high and low grade fraction - see Clipper description - then there are four and one half years of reserves at the same mining rate as for the Clipper. The tonnages are:

645,830 tons of 5 ounce silver and 0.017 ounce gold

5,812,760 tons of 1.64 ounce silver and 0.017 ounce gold

12,850,000 tons of waste

Potential profit margin not including royalties, taxes, or exploration would be about \$22 million for this tonnage. Exploration would require about \$1 million so \$21 million would remain, not including taxes or royalties.

David A. Thomas
September 28, 1985
Page 3 of 5

SUMMARY OF POTENTIAL PROFIT FROM GEOLOGICALLY INDICATED OPEN PITABLE RESERVES ON THE CURRENT TOMBSTONE SILVER MINES, INC. PROPERTY

The geologically indicated reserves on the current Tombstone Silver Mines, Inc. property suggest that at the present price of \$6 per ounce silver and \$300 per ounce gold, the following profits might be generated:

The Clipper vein -	\$ 6.9 million
All other veins -	\$22.0 million

	Total \$28.9 million
Less exploration	- 1.2 million
Less engineering & capital equipment, operating expenses and contingencies not deducted in operating expenses	- 1.0 million

	Total \$26.7 million (not including royalties and taxes)

RECOMMENDATIONS

From the apparent potential profitability of geologically indicated ores, the further substantial exploration costs to explore the Clipper vein are warranted. However, I must emphasize that if further work shows the grades are lower, the ore more spotty, or not amenable to the proposed mining and metallurgical processes suggested, the profitability could be adversely affected, making the project not viable.

On the positive side, there appears to be good geologic criteria to expect enrichment zones at depth along the veins, probably mineable only by underground methods. Additionally, good horizons for bonanza grade replacement deposits at the base of the Bisbee Formation, lie probably within 500 feet or less of the present surface, and other similar horizons in the Naco limestone and the Escabrosa and Martin limestones at much greater depth are also present. If exploration continues for these deeper zones using some of the profits from the near surface ores, the potential for many years of profitable production within the current Tombstone Silver Mines, Inc. properties, exists.

Tombstone Silver Mines, Inc. should also look beyond the current State of Maine area of properties. Because of the recent bankruptcy of Tombstone Exploration, Inc., coupled with the

James A. Briscoe & Associates, Inc.
Tucson, Arizona

David A. Thomas
September 28, 1985
Page 4 of 5

current low market price for precious metals, there is some chance that the Tombstone Development Company property covering the central portion of the district can be consolidated. The potential for reserves is better there than at the State of Maine mine area. T.E.I.'s problems resulted from poor management rather than lack of mineral potential. Also, other areas of the Tombstone District have potential for substantial reserves.

T.S.M., Inc. has been approached with an offer to lease the Commonwealth Mine at Pearce, Arizona. Mr. Tom Patton, a reliable geologist, suggests there are +300,000 tons of drill indicated reserves with potential for 1 to 2 million tons of additional reserves. I recommend that negotiation for this property under reasonable terms be undertaken.

With a viable operation at Tombstone and a streamlined management team and the Mobile Exploration Team (MET) concept I have previously described to you, I think bringing on the Commonwealth as well as other smaller surrounding properties (within a 75 to 100 mile radius) with low overhead and resultant profitability is an attractive potential.

REQUIRED FINANCING

All exploration work in the State of Maine mine area is estimated to cost \$1.2 million. Since the Tombstone Silver Mines, Inc. mining operation would only involve a capacity of 800 tons per day open pit, the capital requirement would be relatively small, but this hasn't been estimated yet. With leases, etc. most of it might be bankable. Most of the tonnage would be moved by a contractor paid on a periodic basis. However, engineering, construction and working capital would add at least another \$1 million to this for a total of about \$2.2 million plus?.

I would recommend raising as much of this total as is possible. If initial drilling at the State of Maine area is not encouraging, then drill and develop the Commonwealth or the TDC property or other targets within the Tombstone District. Also institute the Mobile Exploration Team, and get exposure to even more possibilities and generate a profit while so doing.

If drilling is successful on the Clipper vein, an expenditure of \$261,000 - or better, \$313,000 with a 20% contingency, may result in a profitable ore body. The exploration will be completed in about five months from the start assuming no unforeseen difficulties. If we can fast track pad construction and crusher and precipitation plant installation, and since some of the required equipment and personnel is already in place, I

David A. Thomas
September 28, 1985
Page 5 of 5

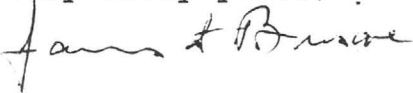
would hope that we could be in operation two to three months after the end of exploration.

Bailey has been working on re-calculating reserves from last years drilling supervised by Joe Graves. He tells me there appears to be about 20,572 tons (averaging 1.42 ounces at a 2.6:1 stripping ratio) drilled out. In at least two areas, the ore zones are open ended, one across a current property line with Interstrat. We have not included reserves around the State of Maine shaft, as mining the reserves would probably destroy the underground access.

Currently, Charlie Escapule has verified that crushed material from the State of Maine waste rocks meets state and county specifications, and has a verbal commitment for a contract for about \$190,000 in fill, chips and other rock products. This should keep the crusher payments current for the next few months. Indications are that demand from nearby construction will generate a profitable crushed rock business from mine waste and help pay for stripping for the indefinite future. Interestingly, Charlie has tested the fines from the crushed rock screen test and they run about 1 ounce silver in highly leachable form. Thus, potential for further cash flow and profit.

Included with this letter is an air photo of the State of Maine area, which will be used as a frontice piece in the report. We are continuing to work toward completion of the formal report as rapidly as possible. This letter contains the important elements.

Very truly yours,



James A. Briscoe

JAB/ms

Enclosures: S.O.M. 8 1/2 x 11 photo
Bailey Escapule ore reserve
T.S.M., Inc. journals to August 31, 1985

cc: Edmund T. Allen, III
David M. Howard
Charlie Escapule

FILE MEMO

FROM: T. E. Waldrip, Jr.
DATE: October 1, 1985

RE: State prospecting permits, rules, regulations and work
in conjunction with acquiring a prospecting permit in the
State of Maine area

This memo is being written in order to remit to file several
telephone calls to Fred Rothermel and Ed Spalding of the Arizona
State Land Department in regards to:

1. Assessment work on state prospecting permits;
2. Means of getting state land for leach pad areas;
3. Stance of the state in regard to lode claim owners
extra lateral rights over state lands; and
4. Means of possibly acquiring either a lease to or
prospecting permit on state lands located in the NW1/4
of Section 16, Township 20 South, Range 22 East,
bordering G.&S.R.B.M., in regard to the Tombstone
Silver Mines operations there.

In general, many of the following statements and conclusions are
not found in any current literature supplied by the state.
Therefore, in regard to both our future reference and to
Tombstone Silver Mine's, it is important to keep these items in
mind when proceeding with the planning of, or future work on
state lands in Arizona. Each of the enumerated items will be
presented and followed by an explanation, if necessary.

- I. Yearly work commitments, area of coverage, and carry over
provisions on prospecting permits:
 - A. A work commitment of \$10 per acre for the first two
years, \$20 per acre for the last three years for the
amount of acreage present at the beginning of the
current assessment period on prospecting permits.
 - B. Acreage may be dropped at any time, however, in all
cases the current yearly assessment dollar amount must
be performed or you forfeit your permit at the end of
the then current year (as of the renewal-date).
 - C. Acreage may be dropped at the time of filing assessment
work and renewal, but a sufficient amount of work

should be declared to cover all grounds contained in the permit during the year prior to the current renewal period.

- D. Work must be done on state ground held under permit and be for the benefit of the state ground so held.
- E. Work may be performed (used for the benefit of any number of permits) on any one or more parcels of state ground held under permit within a nine square mile area (a rectangular area not to exceed three miles on a side).
- F. Work may be used for one permit, or with sufficient dollar amounts, any number of permits within the nine square mile area (not to exceed three miles on a side). Permits need not be contiguous.
- G. Work in excess of the required yearly dollar work commitment may be applied to subsequent yearly work commitments, up to the maximum term(s) of the permit(s). This means you may do all necessary work for a five year period during the first yearly assessment year, for one or more permits within a nine square mile area. Prior to applying such dollar work coverage to subsequent assessment periods, the permittee shall file with the Land Department's Commissioner, a request to use such overages in subsequent assessment periods. This request shall state the type of work, results, the dollar amount of such work with proper accounting, what permits shall be covered, and for what time period(s). Only upon acceptance by the Commissioner will such dollar overages be allowed to be offset against dollar work requirements in subsequent assessment periods.
- H. Acceptance of (G.) above does not relieve the permit operator of any other responsibility in conjunction with the permit(s), i.e., maintenance of a surety bond, filing or following of plans of operation, or payment of rentals.
- I. Permits DO NOT allow the operator to mine, produce, extract or sell metals or other commodities in, on, or among the permit area.

II. State lands vs. Apex rule:

In general, this is a problem area, and statements made here are generalized due to the fact that in all likelihood, civil proceeding would need to be initiated to determine the out come of any questionable items. The state generally would act in regard to its best interest in any civil proceedings, meaning the mineral permit or lease

holder would probably be responsible to show cause to protect his or her rights under question.

- A. The state generally does not recognize extra lateral apex rights issuing onto their lands from patented or unpatented lode mining claims located interior to exterior boundaries of state lands, even though the claims grant such with their location. This, in effect, means the state follows a vertical side-line rule. If it can be clearly shown (?) (?) that a vein does apex on a lode claim and in the case of a patent, conveys such rights under the apex rule, the state may waive their rights, in rare cases, where there is no interceding state prospecting permit or lease holder, or should the patented claim holder also retain a prospecting permit or lease covering the same state lands in question.
- B. By their stance, the state effectively precludes any vertical or sub-vertical exploration from their lands unless exploration is done by or in agreement of a prospecting permit holder. Note that a plan of operation shall be in effect before any such work is undertaken.
- C. By their stance, the state effectively precludes any active mining past vertical side lines of patented claims until judgement is passed in civil proceedings.
- D. Taking (C.) above even further, it is apparent that unless the lode claim holder is also a lease holder to adjacent state ground, he is effectively blocked from excavating material, to create safe pit walls, or to gain access to the minerals located on or near his lode claim boundary unless prior favorable judgement is received in civil proceedings.
- E. The state, so they say, will not block a valid lode claim holder from gathering evidence to prove under the apex rule the continuity of an apexing vein on his lode claim, continuing under state lands, whether leased or under permit, so long as the prospector does not remove (mine) vein materials underlying state lands as determined by the vertical side line rule. This means, I believe, that drilling, development work, and sampling may be performed off the lode lands, onto the state lands, if the lode claim vein owner is trying to prove continuity under the apex rule. All drilling and development work access shall be from the interior boundaries of the lode claim. Exploration conducted to prove extra lateral rights under the apex rule shall be confined to areas laterally outward from the side line in question, and interior to parallel extensions of the lode claim end lines. Should the adjacent state lands

be leased or under permit, there is a strong likelihood that a lode claim owners exploration will be stopped by court injunction brought by the lessee or permittee should the lode claimant persist in his efforts to prove continuity under the extra lateral apex rule off of his claim.

- F. The state generally does not contend that they have rights to apexing vein(s) on state lands, that may continue on or under private or public domain lands using the apex rule. This, however, does not mean the state gives a blank check in these regards. Each case is taken on a case by case basis, with the state generally conceding to its best interest in each case. I think this means they proceed on the most cost effective method. (Author's note: It must be pointed out that the only time the state would probably be inclined to proceed in trying to prove its right to the apex rule in regard to the above scenario would be in the case where a Type "A" lode claim was located on state grounds by a prospector and subsequently turned into a state lease. This is due to the fact that a Type "A" claim carries apex rights to the "principal vein of location". Otherwise, all other state leases operate under a vertical side line rule, to the best of my knowledge).

III. Leach pad areas - state lands

- A. The state does allow for construction of leaching areas on state grounds and for the disposal of waste resulting from normal mining activities after application for and receiving a commercial mill or millsite lease of a size to economically cover necessary operations. Biological and archeological surveys have to be completed, prior to land disturbance.
- B. Commercial leases will generally not be issued if in conflict with mineral permits or leases, nor vice versa.
- C. A prospecting permit holder may apply for a commercial lease on areas he holds under prospecting permit and at the discretion of the Commissioner be granted a commercial millsite lease. Acreage in the prospecting permit will be lowered accordingly, to reflect the removal of the area covered by the lease. Depending on the Commissioner's discretion, it seems that the state will respect the wishes of the prospecting permit holder and yield to his discretion as to the mineral or non-mineral nature of various prospecting permit tracts, which he may wish to bring under commercial lease.

- D. Should state lands be open in areas of interest, the prospector may apply for commercial leases directly and be granted the lease at the discretion of the Commissioner.

IV. Current mineral leases - renewals

- A. All mineral leases currently or in the near future up for renewal are being looked at closely in regard to past mineral production. Each lease is taken on an individualized basis, and reviewed from the standpoint that the lease holder has a valid mineral discovery, and if the lease is renewed for an additional 20 years, that the state's best interest will be served. The state seems to be keenly aware that many of the current outstanding mineral leases are idle, due to the fact that there probably wasn't a sufficient mineral discovery in the past to justify mining at any metal price. On the other hand, because of fluctuating metal prices, the state also realize that many outstanding leases are valid discoveries, and that the lessees are awaiting future upturn of metal prices or other economic considerations. It was stressed, however, that past production is an important consideration for successful renewal with the state. Without recent production, drilled out reserves are indeed helpful in negotiating a subsequent renewal. If these conditions are not fulfilled, it was stated that after review on a case by case basis, the Commissioner generally recommends the lease be terminated and the area be reopened to prospecting.

V. Consolidation of state lands NW1/4 of Section 16, Township 20 South, Range 22 East, S. & G.R.B.M.:

As of the end of September, 1985, approximately 101.20 acres of state ground were held under prospecting permit by Interstrat, Inc., surrounding the State of Maine patented mining claims. The outstanding prospecting permit, No. 80356, is due to expire on the closing of the working day, Wednesday, November 13, 1985, unless leases are applied for prior to this date. Currently, no leasing requests have been received by the state office in Phoenix. The following is a discussion on appropriate measures to undertake to consolidate the parcel(s) in question, all assuming that Interstrat or its agents do not apply for a lease on subject grounds prior to termination. I feel three key ingredients are necessary to accomplish a satisfactory outcome in our work here. Namely, pre-planning, coordination, and timing. Due to the nature of how things generally function, I believe it will be necessary to keep all the following in the strictest of confidence in order to carry off my plans, both to peoples relationship to Tombstone Silver Mines and work proceeding the actual expiration date of Interstrate

prospecting permits. My suggested approach is as follows:

- A. Determine the best orientation and placement of lode type mining claims (1,500' x 800' - state described Type "A" mining claims) that will cover any "known" and "provable" vein mineralization. These emphasized words are important because within 30 days, the locator has to show to the Commissioner's satisfaction that there is reasonable evidence of mineralization to justify awarding the locator the right to continue with his attempts to prove-up and apply for a mineral lease. I would also suggest during our investigations of orientating claims that we place lath in the field demarcating acreage positions of where location posts should be erected on the day of staking. I would even suggest discovery posts be staked a day or so ahead of time, but left unpapered until the morning of November 14th.
- B. All paper work to cover various aspects of acquiring the NW1/4 of Section 16, whether by mining claim or prospecting permit, should be formulated and distributed to various parties prior to the end of October, 1985.
- C. During the first week of November, 1985, the State Land Department will be contacted to make sure Interstrat has not filed for a lease on any of their permitted area. Assuming they have not, then:
- D. On the evening of November 13, at 5:01 p.m., or slightly thereafter, one to three prospecting permit applications should be filed by interested parties for Tombstone Silver Mines, but by individual parties. My suggestions are W. W. Grace, Charles B. Escapule and James A. Briscoe. Care must be taken not to tip off other individuals or the Commissioner to our "M.O.", as the Commissioner feels this is a highly irregular practice, and if it can be shown that all parties have a common interest, i.e. agents of Tombstone Silver Mines, he may be inclined to toss out the applications, especially if other simultaneous filings are offered, as I expect there will be. The effect of more than one prospecting permit application by agents for Tombstone Silver Mines is obviously weighing odds toward us during a simultaneous drawing, should one or more other prospecting permit applications be received. The simultaneous filing time period, by the way, is taken from 5:01 p.m. Wednesday, November 13, to 8:59 a.m. the following morning, the opening time of the Public Room, a period of nearly 16 hours.
- E. Prior to 8:00 a.m., but not before 12:00 a.m. on the morning of Thursday, November 14, 1985, Type "A" lode

mining claims should be located to cover as much of the state ground in the NW1/4 of Section 16 as is possible. Only location notices need initially be papered and posted, preferably on a vein or vein system. It is important to remember that Type "A" lode claims carry extralateral apex rights on the "discovery vein" only. Therefore, an attempt should be made to identify the major vein if possible orienting it down the center line of the claim and then place the discovery monument somewhere there upon, where mineralization is known to be present. The extralateral apex provision is unique to the Type "A" lode location and, thus, assuming a lease is granted by the state, the lease holder has acquired this valuable additional feature, not possible in other types of mineral leases.

The casual observer would say that a duplication of efforts is apparent, being that lode claims and prospecting permits are being forwarded for the same area. This is a valid observation, however, I believe that we are doing this for important reasons, as follows:

1. It is hoped through correct timing to have valid lode claims in the area. This allows us some possible advantages, namely:
 - a. We have first right to obtain a lease to important mineralized areas through our lode claims.
 - b. We have the ability to explore on the lands via drilling up to 90 days without having a bond in effect with a valid claim, and up to 90 days should the Commissioner accept our demonstration of valid mineralization in the claim area.
 - c. We have the ability of going directly from a claim to a lease to establish firmer control of the mineralized claim area.
 - d. Extralateral apex rights gained.
 - e. Although it is not well understood by state officials, a validly located mining claim on state ground seems to be prima-faces evidence of a first right to lease state ground if a valid mineral location is shown by the claim locator. The only problem here is timing of the location of the claim in a juxtaposition with application via the prospecting permit route. The author argues and I feel validly

that any Type "A" or "B" claim located during the same day as a prospecting permit, in effect, takes precedence over a prospecting permit. There is no doubt that this is the case if the claim can be shown to have been located prior to 8:00 a.m. and possibly up to 9:00 a.m. on the same day as a prospecting permit is received by the state office. Strong evidence also suggests that claims located throughout the same day also take precedence, although this is unclear and Ed Spalding didn't remember any precedence being established in regard to this point. Therefore, my reasoning to locate claims prior to 8:00 a.m. on Thursday, the 14th of November in order to make sure we have a prior right to mineral lease.

- f. By locating claims and filing up to three prospecting permits, odds are strongly in our favor to acquire most, if not all, the area either through lease or prospecting permit.
2. Should it become apparent that our Type "A" lode claims will not hold up, our prospecting permits should (by odds) become our ace-in-the-hole to allow Tombstone Silver Mines, Inc. to control the remaining state land not covered by Type "A" claims or subsequent leases.
- F. Immediately upon opening of the Cochise County Recorder's office on the morning of November 14th (a person should be there ahead of time), with two copies of the location notices being presented for recording. One copy can be left with the Recorder and the second copy returned to the person filing them. These duplicated recorded copies should be immediately taken to the Bisbee Post Office and placed in Express Mail to be sent to the State Land Department. By using Express Mail, the time of sending is placed on the envelope tying down further the actual times, should this become important.
 - G. Immediately on the day of mining claim location, attempts should be made to prove up discovery near each discovery point on each claim by drilling a hole costing at least \$100.00. Cuttings should be collected to assay and cyanide bottle test run, if ore material is found.
 - H. Within 30 days, all data, geology, drilling, assaying, etc. should be presented to the Commissioner to verify a valuable discovery by the locator(s). Additionally, at this time, we should request that we would

appreciate, due to the contiguous nature of the claims and nature of mineralization, to have the claims consolidated into one parcel, for administrative purposes at the time of lease application, provided, however, we will at the time of lease applications, file separate paperwork for each claimed parcel. I feel if conditions of adequate mineralization are found as demonstrated by geologic mapping and drilling, lease applications should be filed immediately, but first adequate drilling should be performed (\$100.00/claim) along with a claim boundary survey to show the claim(s) tied into the known U. S. Public Survey. Claim monumentation will also have to be performed.

- I. Actual discovery by drilling, monumentation of claims, performing an accurate survey and applying for a lease on each claim need not be performed for up to 90 days after location, however, it may be best to have this done rapidly to allow additional time to perform additional work, should the Commissioner decide a valid discovery has not been made to justify awarding a mineral lease.
- J. By this point in time, it is hoped that all of the open ground will be acquired, or at a minimum, the important grounds. Any remaining grounds hopefully will then fall under a successfully drawn prospecting permit application of ours. Should we not be successful, though, our independent actions taken by locating Type "A" claims should allow us at the very least to acquire all veins (vein systems) with the remaining grounds being of lesser importance.



United States Department of the Interior

IN REPLY REFER TO:
(943)
A MC 109868 thru
A MC 109894

BUREAU OF LAND MANAGEMENT
ARIZONA STATE OFFICE
3707 N. 7th Street
Phoenix, Arizona 85014

October 7, 1985

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

James Stewart Company
3033 N. Central Avenue
Phoenix, Arizona 85012

RECEIVED
OCT 8 1985

JAMES STEWART CO.

DECISION
MINING CLAIMS DECLARED ABANDONED

The Federal Land Policy and Management Act (FLPMA) of 1976, 43 U.S.C. 1744, and the implementing regulations in 43 CFR 3833.2, require an annual filing for all mining claims recorded with the Bureau of Land Management. The Act provides that failure to file evidence of annual assessment work or a notice of intention to hold by December 30 each year shall be deemed conclusively to constitute an abandonment of the claim and it is void by operation of law. The constitutionality of Section 314 of FLPMA was upheld on April 1, 1985 by the United States Supreme Court in U.S. et al v. Locke et al, No. 83-1394.

The Bureau of Land Management records do not show receipt of either an affidavit of annual assessment work performed or a notice of intention to hold for the claims listed on the attached sheet during the year(s) cited.

If you did timely file an affidavit or notice of intention to hold with the Bureau of Land Management during the stated year(s), notify this office. Please furnish one of the following for each missing year: (1) a letter of acknowledgement from this office; (2) a postcard of acknowledgement (BLM Form 3830-1); (3) a copy of the affidavit showing the Bureau of Land Management date and time stamp; or (4) other evidence of receipt by our office.

Your proof must show the required documents were timely filed with the Bureau of Land Management for the year(s) shown as missing, otherwise, they will not be accepted. The evidence must be received in this office no later than 30 days from receipt of this decision. If the proof is not furnished during this 30 day period, the claim(s) listed will be removed from our records as abandoned and void.

John T. Mezes

John T. Mezes
Chief, Branch of Lands &
Minerals Operations

An annual filing was not received for the following:

<u>Serial No.</u>	<u>Claim Name</u>	<u>Year</u>
A MC 109868 thru A MC 109894	Jared #1 thru #27	1982 and 1983 <i>J.A.B.A filed 84 & 85 per our agreements. Toke relocated EARLY 1986</i>

Tombs Proj N.B.

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

October 8, 1985

Arizona State Land Department
1624 West Adams
Phoenix, AZ 85007

RE: Relinquished Mineral Prospecting Permits, Tombstone
Development Company, P.P.#08-84101 and P.P.#08-83771,
corresponding to Aetna C & S Bond No.'s 67S67045023BCA and
67S67045015BCA

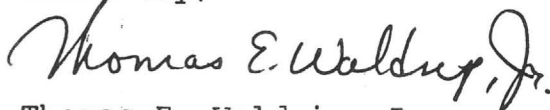
Dear State Official:

Tombstone Development Company has relinquished the above
referenced Prospecting Permits at their renewal dates of 5/12/85
and 3/18/85 respectively. To date we have not received
notification from the State of their cancellation. We continue
to pay on our Restoration and Damage Bonds, as our bonding agent
will not cancel our bonds until official release by the State is
received.

Official notice of release by the State should be forwarded to
the address found on this letterhead. We shall then notify our
bond underwriter.

Your timely attention to this matter would be appreciated.

Sincerely,



Thomas E. Waldrip, Jr.

TEW/ms

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

October 9, 1985

Shirley Reblin
Amos Lovitt Downey & Touche
Bond Department
P. O. Box 12628
Tucson, AZ 85732-2628

RE: Tombstone Development Company's Restoration and Damage Bonds, Permit No. 08-87063 and No. 08-84101, Aetna C & S Bond No.'s 67S67047763BCA and 67S67045023BCA - payment statement 9/30/85

Dear Shirley:

Please find enclosed payment and late charges for Aetna C & S Bond No. 67S67047763BCA, which is an active permit number. Our permit covered under No. 67S67045023BCA has been terminated as of the renewal date. I will attempt to get a verification of this cancellation from the State Land Department and forward it shortly. Likewise, the permit covered under Bond No. 67S67045015BCA has been terminated at the time of renewal, with verification of such forthcoming from the State, hopefully.

In summary, pursuant to my call of this date, the following represents the status of our bonds/permits:

Permit #	Bond	Status of Permit
08-91639	67S100144518BCA	Valid
08-87063	67S67047763BCA	Valid (invoiced amount enclosed)
08-84101	67S67045023BCA	Dropped
08-83770	67S67045016BCA	Valid
08-83922	67S67045014BCA	Valid
08-83771	67S67045015BCA	Dropped

Thank you for your time and attention.

Sincerely,


Thomas E. Waldrip, Jr.

TEW/ms 5701 East Glenn Street, Suite 120/Tucson, Arizona 85712/602-721-1375

Enclosure

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

October 9, 1985

David A. Thomas
1120 Beach Drive #905
Victoria, BC, Canada V8S2N1

RE: Norman Haber - Tombstone, Arizona

Dear Mr. Thomas:

Thought you might be interested in this recent news article on Norman Haber and his Haber Process and activities in the Tombstone Mining District. I was quite surprised to see that Pincock, Allen & Holt, Inc. has "recommended proceeding toward construction of a commercial mill using the process...". I would want to see the report personally, since Haber tends to distort the facts. However, this is something of a different development. Regardless of the process, I believe that he has no significant reserves at Tombstone, and any operation on the scale that he is talking about would be doomed to failure.

Best regards,



James A. Briscoe

JAB/ms

Enclosure

cc: Charlie Escapule
David M. Howard
Edmund T. Allen, III, Esq.

Stocks/2D
Classified/5D

Business

D

Thursday, October 3, 1985 •

Tucson Citizen

BUSINESS EDITOR, JUDY LEFTON, 573-4607



Tombstone

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

CERTIFIED #P362 667 856

October 15, 1985

Cochise County Recorder's Office
P. O. Box 184
Bisbee, AZ 85603

RE: Filing and Request for Recording 1985 Annual Assessment documentation for the T.S., T.S.A., Apache, Horne, Jared, Stewart, and Suiter lode mining claim groups, Tombstone Mining District, and the S.H.M. lode mining claim group, Swisshelm Mining District, Cochise County, Arizona

Dear County Official:

Please find enclosed the following document to be recorded in your county:

1. Proof of Annual Labor document for the T.S. group of lode mining claims, owned by James A. Briscoe & Associates, Inc., consisting of 15 pages.
2. Proof of Annual Labor document for the T.S.A. group of lode mining claims owned by James A. Briscoe & Associates, Inc., consisting of 4 pages.
3. Proof of Annual Labor document for the combined Apache, Horne, Jared, Stewart and Suiter lode mining claim groups, owned by James Stewart Company, consisting of 8 pages (please note the Suiter Group consists of individually named claims).
4. Proof of Annual Labor document for the Horne #'s 110-117 group of lode mining claims, under lease to Tombstone Silver Mines, Inc., and owned by James Stewart Company, consisting of 4 pages.
5. Proof of Annual Labor document for the S.H.M. group of lode mining claims, owned by James A. Briscoe & Associates, Inc., consisting of 4 pages.

Cochise County Recorder
October 15, 1985
Page 2 of 2

A James A. Briscoe & Associates, Inc. check in the amount of \$37.00 has been included to cover recording fees. After recording, please return the document in the stamped and self addressed envelope provided.

Thank you.

Sincerely,

Thomas E. Waldrip, Jr.

Thomas E. Waldrip, Jr.

TEW/ms

Enclosures: T.S. Proof
T.S.A. Proof
Apache, Horne, Jared, Stewart & Suiter Proof
Horne #'s 110-117 Proof
S.H.M. Proof
JABA Check
S.A.S.E.

114-1

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

October 21, 1985

David Thomas
#284 Scottsdale House
4800 N. 68th Street
Scottsdale, AZ 85251

RE: Transmittal of T. E. Waldrip, Jr. File Memo of October 1, 1985, regarding state land regulations and recommendations on acquisition of state lands - northwest quarter of Section 16, Township 20 South, Range 22 East, surrounding TSM, Inc. patented claims, Tombstone Mining District, Cochise County, Arizona

Dear Mr. Thomas:

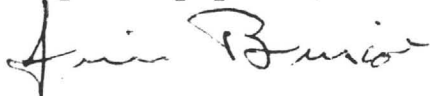
Enclosed with this letter is the above referenced File Memo from Tom Waldrip. Starting on Page 6, and going through Page 10, are his detailed recommendations regarding how to acquire the state ground surrounding the TSM, Inc. patented mining claims.

If you would like us to execute Tom's recommendations in an attempt to acquire this ground, please let us know as soon as possible.

It is probably best that the above be kept confidential so that the potential opportunity is not lost.

I will look forward to hearing from you.

Very truly yours,



James A. Briscoe

JAB/ms

Enclosure

cc: Charlie Escapule
Ned Allen
David Howard

5701 East Glenn Street, Suite 120/Tucson, Arizona 85712/602-721-1375

FILE MEMO

FROM: T. E. Waldrip, Jr.

DATE: October 1, 1985

RE: State prospecting permits, rules, regulations and work in conjunction with acquiring a prospecting permit in the State of Maine area

This memo is being written in order to remit to file several telephone calls to Fred Rothermel and Ed Spalding of the Arizona State Land Department in regards to:

1. Assessment work on state prospecting permits;
2. Means of getting state land for leach pad areas;
3. Stance of the state in regard to lode claim owners extra lateral rights over state lands; and
4. Means of possibly acquiring either a lease to or prospecting permit on state lands located in the NW1/4 of Section 16, Township 20 South, Range 22 East, G.&S.R.B.M. bordering the Tombstone Silver Mines operations there.

In general, many of the following statements and conclusions are not found in any current literature supplied by the state. Therefore, in regard to both our future reference and to Tombstone Silver Mine's, it is important to keep these items in mind when proceeding with the planning of, or future work on state lands in Arizona. Each of the enumerated items will be presented and followed by an explanation, if necessary.

I. Yearly work commitments, area of coverage, and carry over provisions on prospecting permits:

- A. A work commitment of \$10 per acre for the first two years, \$20 per acre for the last three years for the amount of acreage present at the beginning of the current assessment period on prospecting permits.
- B. Acreage may be dropped at any time, however, in all cases the current yearly assessment dollar amount must be performed or you forfeit your permit at the end of the then current year (as of the renewal date).

- C. Acreage may be dropped at the time of filing assessment work and renewal, but a sufficient amount of work should be declared to cover all grounds contained in the permit during the year prior to the current renewal period.
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- F. Work may be used for one permit, or with sufficient dollar amounts, any number of permits within the nine square mile area (not to exceed three miles on a side). Permits need not be contiguous.
- G. Work in excess of the required yearly dollar work commitment may be applied to subsequent yearly work commitments, up to the maximum term(s) of the permit(s). This means you may do all necessary work for a five year period during the first yearly assessment year, for one or more permits within a nine square mile area. Prior to applying such dollar work overage to subsequent assessment periods, the permittee shall file with the Land Department's Commissioner, a request to use such overages in subsequent assessment periods. This request shall state the type of work, results, the dollar amount of such work with proper accounting, what permits shall be covered, and for what time period(s). Only upon acceptance by the Commissioner will such dollar overages be allowed to be offset against dollar work requirements in subsequent assessment periods.
- H. Acceptance of (G.) above does not relieve the permit operator of any other responsibility in conjunction with the permit(s), i.e., maintenance of a surety bond, filing or following of plans of operation, or payment of rentals.
- I. Permits DO NOT allow the operator to mine, produce, extract or sell metals or other commodities in, on, or among the permit area.

II. State lands vs. Apex rule:

In general, this is a problem area, and statements made here are generalized due to the fact that in all likelihood, civil proceeding would need to be initiated to determine the out come of any questionable items. The state generally would act in regard to its best interest in any civil proceedings, meaning the mineral permit or lease holder would probably be responsible to show cause to protect his or the states rights under question.

- A. The state generally does not recognize extra lateral apex rights issuing onto their lands from patented or unpatented lode mining claims located interior to exterior boundaries of state lands, even though the claims grant such with their location. This, in effect, means the state follows a vertical side-line rule. If it can be clearly shown (?) (?) that a vein does apex on a lode claim and in the case of a patent, conveys such rights under the apex rule, the state may wave their rights, in rare cases, where there is no interceeding state prospecting permit or lease holder, or should the lode claim holder also retain a prospecting permit or lease covering the same state lands in question.
- B. By their stance, the state effectively precludes any vertical or sub-vertical exploration from their lands unless exploration is done by or in agreement with a prospecting permit holder. Note that a plan of operation shall be in effect before any such work is undertaken.
- C. By their stance, the state effectively precludes any active mining past vertical side lines of patented claims until judgement is passed in civil proceedings.
- D. Taking (C.) above even further, it is apparent that unless the lode claim holder is also a lease holder to adjacent state ground, he is effectively blocked from excavating material, to create safe pit walls, or to gain access to the minerals located on or near his lode claim boundary unless prior favorable judgement is received in civil proceedings.
- E. The state, so they say, will not block a valid lode claim holder from gathering evidence to prove under the apex rule the continuity of an apexing vein on his lode claim, continuing under state lands, whether leased or under permit, so long as the prospector does not remove (mine) vein materials underlying state lands as

determined by the vertical side line rule. This means, I believe, that drilling, development work, and sampling may be performed off the lode claim, onto the state lands, if the lode claim vein owner is trying to prove continuity under the apex rule. All drilling and development work access shall be from the interior boundaries of the lode claim. Exploration conducted to prove extra lateral rights under the apex rule shall be confined to areas laterally outward from the side line in question, and interior to parallel extensions of the lode claim end lines. Should the adjacent state lands be leased or under permit, there is a strong likelihood that a lode claim owners exploration will be stopped by court injunction brought by the lessee or permittee should the lode claimant persist in his efforts to prove continuity under the extra lateral apex rule off of his claim.

- F. The state generally does not contend that they have rights to apexing vein(s) on state lands, that may continue on or under private or public domain lands using the apex rule. This, however, does not mean the state gives a blank check in these regards. Each case is taken on a case by case basis, with the state generally conceding to its best interest in each case. I think this means they proceed on the most cost effective method. (Author's note: It must be pointed out that the only time the state would probably be inclined to proceed in trying to prove its right to the apex rule in regard to the above scenario would be in the case where a Type "A" lode claim was located on state grounds by a prospector and subsequently turned into a state lease. This is due to the fact that a Type "A" claim carries apex rights to the "principal vein of location". Otherwise, all other state leases operate under a vertical side line rule, to the best of my knowledge).

III. Leach pad areas - state lands

- A. The state does allow for construction of leaching areas on state grounds and for the disposal of waste resulting from normal mining activities after application for and receiving a commercial mill or millsite lease of a size to economically cover necessary operations. Biological and archeological surveys have to be completed, prior to land disturbance.

- B. Commercial leases will generally not be issued if in conflict with mineral permits or leases, nor vice versa.
- C. A prospecting permit holder may apply for a commercial lease on areas he holds under prospecting permit and at the discretion of the Commissioner be granted a commercial millsite lease. Acreage in the prospecting permit will be lowered accordingly, to reflect the removal of the area covered by the lease. Depending on the Commissioner's discretion, it seems that the state will respect the wishes of the prospecting permit holder and yield to his discretion as to the mineral or non-mineral nature of various prospecting permit tracts, which he may wish to bring under commercial lease.
- D. Should state lands be open in areas of interest, the prospector may apply for commercial leases directly and be granted the lease at the discretion of the Commissioner.

IV. Current mineral leases - renewals.

- A. All mineral leases currently or in the near future up for renewal are being looked at closely in regard to past mineral production. Each lease is taken on an individualized basis, and reviewed from the standpoint that the lease holder has a valid mineral discovery, and if the lease is renewed for an additional 20 years, that the state's best interest will be served. The state seems to be keenly aware that many of the current outstanding mineral leases are idle, due to the fact that there probably wasn't a sufficient mineral discovery in the past to justify mining at any metal price. On the other hand, because of fluctuating metal prices, the state also realizes that many outstanding leases are valid discoveries, and that the lessees are awaiting future upturn of metal prices or other economic considerations. It was stressed, however, that past production is an important consideration for successful renewal with the state. Without recent production, drilled out reserves are indeed helpful in negotiating a subsequent renewal. If these conditions are not fulfilled, it was stated that after review on a case by case basis, the Commissioner generally recommends the lease be terminated and the area be reopened to prospecting.

V. Consolidation of state lands NW1/4 of Section 16, Township 20 South, Range 22 East, S. & G.R.B.M.:

As of the end of September, 1985, approximately 101.20 acres of state ground were held under prospecting permit by Interstrat, Inc., surrounding the State of Maine patented mining claims. The outstanding prospecting permit, No. 80356, is due to expire on the closing of the working day, Wednesday, November 13, 1985, unless leases are applied for prior to this date. Currently, no leasing requests have been received by the state office in Phoenix. The following is a discussion on appropriate measures to undertake to consolidate the parcel(s) in question, all assuming that Interstrat or its agents do not apply for a lease on subject grounds prior to termination. I feel three key ingredients are necessary to accomplish a satisfactory outcome in our work here. Namely, pre-planning, coordination, and timing. Due to the nature of how things generally function, I believe it will be necessary to keep all the following in the strictest of confidence in order to carry out my recommendations both to peoples relationship to Tombstone Silver Mines and work proceeding the actual expiration date of Interstrats prospecting permits. My suggested approach is as follows:

- A. Determine the best orientation and placement of lode type mining claims (1,500' x 600' - state described Type "A" mining claims) that will cover any "known" and "provable" vein mineralization. These emphasized words are important because within 30 days, the locator has to show to the Commissioner's satisfaction that there is reasonable evidence of mineralization to justify awarding the locator the right to continue with his attempts to prove-up and apply for a mineral lease. I would also suggest during our investigations of orienting claims that we place lath in the field demarcating positions of where location posts should be erected on the day of staking. I would even suggest discovery posts be staked a day or so ahead of time, but left unpapered until the morning of November 14th.
- B. All paper work to cover various aspects of acquiring the NW1/4 of Section 16, whether by mining claim or prospecting permit, should be formulated and distributed to various parties prior to the end of October, 1985.
- C. During the first week of November, 1985, the State Land Department will be contacted to make sure Interstrat has not filed for a lease on any of their permitted area. Assuming they have not, then:

- D. On the evening of November 13, at 5:01 p.m., or slightly thereafter, one to three prospecting permit applications should be filed by interested parties for Tombstone Silver Mines, but by individual parties. My suggestions are W. W. Grace, Charles B. Escapule and James A. Briscoe. Care must be taken not to tip off other individuals or the Commissioner to our "M.O.", as the Commissioner feels this is a highly irregular practice, and if it can be shown that all parties have a common interest, i.e. agents of Tombstone Silver Mines, he may be inclined to toss out the applications, especially if other simultaneous filings are offered, as I expect there will be. The effect of more than one prospecting permit application by agents for Tombstone Silver Mines is obviously weighing odds toward us during a simultaneous drawing, should one or more other prospecting permit applications be received. The simultaneous filing time period, by the way, is taken from 5:01 p.m. Wednesday, November 13, to 8:59 a.m. the following morning, the opening time of the Public Room, a period of nearly 16 hours.
- E. Prior to 8:00 a.m., but not before 12:00 a.m. on the morning of Thursday, November 14, 1985, Type "A" lode mining claims should be located to cover as much of the state ground in the NW1/4 of Section 16 as is possible. Only location notices need initially be papered and posted, preferably on a vein or vein system. It is important to remember that Type "A" lode claims carry extralateral apex rights on the "discovery vein" only. Therefore, an attempt should be made to identify the major vein if possible orienting it down the center line of the claim and then place the discovery monument somewhere there upon, where mineralization is known to be present. The extralateral apex provision is unique to the Type "A" lode location and, thus, assuming a lease is granted by the state, the lease holder has acquired this valuable additional feature, not possible in other types of mineral leases.

The casual observer would say that a duplication of effort is apparent, being that lode claims and prospecting permits are being forwarded for the same area. This is a valid observation, however, I believe that we are doing this for important reasons, as follows:

1. It is hoped through correct timing to have valid lode claims in the area. This allows us some possible advantages, namely:

- a. We have first right to obtain a lease to important mineralized areas through our lode claims.
- b. We have the ability to explore on the lands via drilling up to 30 days without having a bond in effect with a valid claim, and up to 90 days should the Commissioner accept our demonstration of valid mineralization in the claim area.
- c. We have the ability of going directly from a claim to a lease to establish firmer control of the mineralized claim area.
- d. Extralateral apex rights gained.
- e. Although it is not well understood by state officials, a validly located mining claim on state ground seems to be prima-facie evidence of a first right to lease state ground if a valid mineral location is shown by the claim locator. The only problem here is timing of the location of the claim in juxtaposition with application via the prospecting permit route. The author argues (and I feel validly) that any Type "A" or "B" claim located during the same day as a prospecting permit, in effect, takes precedence over a prospecting permit. There is no doubt that this is the case if the claim can be shown to have been located prior to 8:00 a.m. and possibly up to 9:00 a.m. on the same day as a prospecting permit is received by the state office. Strong evidence also suggests that claims located throughout the same day also take precedence, although this is unclear and Ed Spalding didn't remember any precedence being established in regard to this point. Therefore, my reasoning to locate claims prior to 8:00 a.m. on Thursday, the 14th of November in order to make sure we have a prior right to a mineral lease.
- f. By locating claims and filing up to three prospecting permits, odds are strongly in our favor to acquire most, if not all, the area either through lease or prospecting permit.

2. Should it become apparent that our Type "A" lode claims will not hold up, our prospecting permits should (by odds) become our ace-in-the-hole to allow Tombstone Silver Mines, Inc. to control the remaining state land not covered by Type "A" claims or subsequent leases.
- F. Immediately upon opening of the Cochise County Recorder's office on the morning of November 14th (a person should be there ahead of time), with two copies of the location notices being presented for recording. One copy can be left with the Recorder and the second copy returned to the person filing them. These duplicate recorded copies should be immediately taken to the Bisbee Post Office and placed in Express Mail to be sent to the State Land Department. By using Express Mail, the time of sending is placed on the envelope tying down further the actual times, should this become important.
- G. Immediately on the day of mining claim location, attempts should be made to prove up discovery near each discovery point on each claim by drilling a hole costing at least \$100.00. Cuttings should be collected to assay and cyanide bottle test run, if ore material is found.
- H. Within 30 days, all data, geology, drilling, assaying, etc. should be presented to the Commissioner to verify a valuable discovery by the locator(s). Additionally, at this time, we should request that we would appreciate, due to the contiguous nature of the claims and nature of mineralization, to have the claims consolidated into one parcel, for administrative purposes at the time of lease application, provided, however, we will at the time of lease applications, file separate paperwork for each claimed parcel. I feel if conditions of adequate mineralization are found as demonstrated by geologic mapping and drilling, lease applications should be filed immediately, but first adequate drilling should be performed (\$100.00/claim) along with a claim boundary survey to show the claim(s) tied into the known U. S. Public Survey. Claim monumentation will also have to be performed.

- I. Actual discovery by drilling, monumentation of claims, performing an accurate survey and applying for a lease on each claim need not be performed for up to 90 days after location, however, it may be best to have this done rapidly to allow additional time to perform additional work, should the Commissioner decide a valid discovery has not been made to justify awarding a mineral lease.
- J. By this point in time, it is hoped that all of the open ground will be acquired, or at a minimum, the important grounds. Any remaining grounds hopefully will then fall under a successfully drawn prospecting permit application of ours. Should we not be successful, though, our independent actions taken by locating Type "A" claims should allow us at the very least to acquire all veins (vein systems) with the remaining grounds being of lesser importance.

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

CERTIFIED # *P498 523 891*

November 5, 1985

U. S. Department of the Interior
Bureau of Land Management, Records Section
Arizona State Office
Mining Claims Section
P. O. Box 16563
Phoenix, AZ 85014

RE: Filing of evidence of yearly assessment work for mining claims in Arizona for the 1985 calendar year

Dear B.L.M. Official:

Please find enclosed county recorded evidence of yearly assessment work for the calendar year of 1985, for the following claim groups:

CLAIM GROUP NAME	TYPE OF DOCUMENT	CLAIM GROUP OWNER
=====	=====	=====
1. T.S. Lode Claim Group	Proof of Labor	James A. Briscoe & Assoc., Inc.
2. T.S.A. Lode Claim Group	Proof of Labor	James A. Briscoe & Assoc., Inc.
3. S.H.M. Lode Claim Group	Proof of Labor	James A. Briscoe & Assoc., Inc.
4. M.M. Lode Claim Group	Proof of Labor	James A. Briscoe & Assoc., Inc.
5. B.H.A. Lode Claim Group	Proof of Labor	James A. Briscoe & Assoc., Inc.
6. Apache, Horne, Jared, Stewart & Suiter* Lode Claim Groups	Proof of Labor (contiguous claims combined as one document)	James Stewart Company
7. Horne 110-117	Proof of Labor (leased to Tombstone Silver Mines, Inc.)	James Stewart Company

Arizona B.L.M.
November 5, 1985
Page 2 of 2

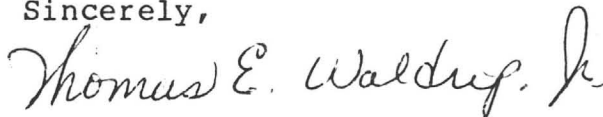
*NOTE: The Suiter Group is comprised of 12 individually named mining claims.

We request that these documents be placed in their appropriate mining claim serial files. As will be noted, each separate document contains a "master claim list" containing pertinent county recording information and B.L.M. serial numbers assigned by your office to each individual mining claim. Should your mining claim computer records not have the recording information pertaining to the original Notice of Location, these lists may be used to update them.

Each Proof is accompanied with your office's form 3830-2 (Mining Claim Annual Assessment Reminder) if received. Please note that the in question form was not received for the T.S. & T.S.A. lode claim groups. This may be come about because the owner of record failed to notify your office of an ownership change. Please let this be your notice that the above claim groups are now owned by James A. Briscoe & Associates, Inc., 5701 E. Glenn St., #120, Tucson, Arizona 85712. Please make necessary changes to reflect this in your records and unpatented claim indices.

Thank you.

Sincerely,



Thomas E. Waldrip, Jr.

TEW/ms

Enclosures: T.S. Proof
T.S.A. Proof
S.H.M. Proof
M.M. Proof
B.H.A. Proof
Apache, Horne, Jared, Stewart, Suiter Proof
Horne 110-117 Proof
Various B.L.M. Forms

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

MEMO

TO: Arizona State Office, Bureau of Land Management
FROM: James A. Briscoe & Associates, Inc.
DATE: November 5, 1985

RE: T.S.A. Lode Claim Group, Tombstone Mining District,
Cochise County, Arizona

Sirs,

Please be notified that the ownership of the T.S.A. 1 through 50 lode claims have been transferred from Tombstone Development Company to James A. Briscoe & Associates, Inc., with offices at 5701 E. Glenn St., #120, Tucson, Arizona 85712. Necessary changes to your records should be made to reflect the new ownership and address. For reference purposes, refer to Attachment 1 of the 1985 Annual Assessment document to get appropriate corresponding B.L.M. Serial Numbers of claims enumerated. Also, B.L.M. "Annual Assessment Reminder Sheets" were not received this year for this group. If there is a problem in this regard with the claim group, please contact Tom Waldrip at (602) 326-7237.

Thank you.

Sincerely,



Thomas E. Waldrip, Jr.

TEW/ms

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

MEMO

TO: Arizona State Office, Bureau of Land Management
FROM: James A. Briscoe & Associates, Inc.
DATE: November 5, 1985

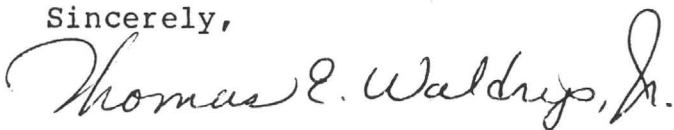
RE: T.S. Lode Claim Group, Tombstone Mining District, Cochise
County, Arizona

Sirs,

Please be notified that the ownership of the T.S. 1 through 529 and 63-A lode claims have been transferred from Tombstone Development Company to James A. Briscoe & Associates, Inc., with offices at 5701 E. Glenn St., #120, Tucson, Arizona 85712. Necessary changes to your records should be made to reflect the new ownership and address. For reference purposes, refer to Attachment 1 of the 1985 Annual Assessment document to get appropriate corresponding B.L.M. Serial Numbers of claims enumerated. Also, B.L.M. "Annual Assessment Reminder Sheets" were not received this year for this group. If there is a problem in this regard with the claim group, please contact Tom Waldrip at (602) 326-7237.

Thank you.

Sincerely,



Thomas E. Waldrip, Jr.

TEW/ms

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

CERTIFIED # *P498 523 895*

November 5, 1985

Steven M. Halbert
James Stewart Company
707 Mayer Central Building
3033 N. Central Avenue
Phoenix, AZ 85012

RE: Forwarding the original 1985 county recorded assessment documentation for the Apache, Horne, Jared, Stewart and Suiter lode claim groups, owned by James Stewart Company, Tombstone/Charleston Project, Cochise County, Arizona

Dear Steve:

Please find enclosed for your company's records, the originally recorded assessment document for the 1985 calendar year for the following James Stewart Company claim groups:

1. Apache, Horne, Jared, Stewart & Suiter claim groups, Proof of Labor (combined as one document), Tombstone/Charleston, Cochise County, Arizona
2. Horne 110-117, Proof of Labor (Tombstone Silver Mines, Inc.), Tombstone/Charleston, Cochise County, Arizona

These documents have been filed and recorded in the records of the appropriate county recorder's office, and are concurrently with this correspondence, being forwarded to the assigned office of the Bureau of Land Management. To my knowledge, this completes all filing requirements for the 1985 calendar year on claims held by the James Stewart Company in the Tombstone Mining District.

Sincerely,

Thomas E. Waldrip Jr.

Thomas E. Waldrip, Jr.

TEW/ms

Enclosures: Apache, Horne, Jared, Stewart, Suiter Proof
Horne 110-117 Proof

cc: Charles B. Escapule

5701 East Glenn Street, Suite 120/Tucson, Arizona 85712/602-721-1375

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

CERTIFIED # *P498 523 900*

November 5, 1985

Charles B. Escapule
Tombstone Silver Mines, Inc.
P. O. Box 1016
Tombstone, AZ 85638

RE: Forwarding copies of the 1985 county recorded assessment documentation for the Horne 110-117 lode claim group, owned by the James Stewart Company

Dear Charlie:

Please find enclosed for your records, one reduced copy of the originally recorded assessment documents for the 1985 calendar year for the Horne 110-117 claim group.

This document has been filed and recorded in the records of the appropriate county recorder's office, and is concurrently with this correspondence, being forwarded to the assigned office of the Bureau of Land Management. To my knowledge, this completes all filing requirements for the 1985 calendar year on claims held by Tombstone Silver Mines, Inc. under lease from James Stewart Company. The original recorded document has been forwarded to Steven M. Halbert, Assistant to the President, James Stewart Company.

Sincerely,

Thomas E. Waldrip, Jr.

Thomas E. Waldrip, Jr.

TEW/ms

Enclosure: Horne #110-117 Proof

cc: James A. Briscoe
Steven M. Halbert

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

Express Mail #

November 12, 1985

W. W. Grace
8238 East Indian School Road
Scottsdale, AZ 85251

RE: Prospecting permit applications - request for filing -
Tombstone Silver Mines, Inc, Arizona State Lands, Section
16, T.20S., R.22E., Tombstone Mining District, Cochise
County, Arizona

Dear Bill:

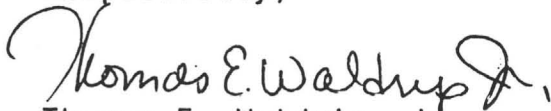
Please find enclosed three (3) separate State Prospecting Permit Applications for the area in the N1/2 of Section 16, ready to be filed with the State office.

Pursuant to our meeting here in Tucson on Wednesday, November 6, 1985, you indicated to me that you would take these applications down to the State Land office on the evening of Wednesday, November 13, 1985, after 5:00 p.m. I will therefore forward them to your care and actions on that date.

Should you be unable to deliver the applications on the evening of November 13, please make sure they are in the office mail shoot prior to 9:00 a.m. on Thursday, November 14, 1985.

Thank you for your care and attention to these matters.

Respectfully,


Thomas E. Waldrip, Jr.

TEW/ms

Enclosures

TO: Tombstone Land Notebook (Tombstone Silver Mines, Inc.)
 FROM: T. E. Waldrip, Jr.
 DATE: November 18, 1985

RE: Prospecting Permit Applications, staking Type A & B claims on State grounds, subsequent learning of filing of Lease Applications - future work, expenses to complete claims, recommendations, Section 16 work, Tombstone Mining District, Cochise County, Arizona

Pursuant to work during the week of November 11 through 15, 1985, on acquiring State lands originally covered by Prospecting Permit #80356, which was to expire on November 13, the following was learned and/or accomplished:

1. November 12, 1985, (p.m.) Toll call to Arizona State Land Department - no lease applications filed by Interstrat - according to public room personnel.
2. November 13, 1985 - all posts for 12 claims located in field.
3. November 14, 1985 (6:00 - 7:30 a.m.) - Waldrip papered and marked discovery posts.
4. November 14, 1985 - (8:20 a.m.) - Waldrip records 12 location notices with Cochise County
5. November 14, 1985 (8:45 a.m.) - Waldrip Express mails location papers to State Land Department from Bisbee, Arizona
6. November 15, 1985 (a.m.) - According to toll call to Coralee McDonald, Arizona State Land Department, ~~4~~ 4 prospecting permit applications filed with them, namely Rice, Stewart and Waldrip's and additional one by C. & B. Escapule??? Rice and C. Bailey Escapule's and C & B Escapule's applications may be tossed out since same parties applying (against rules as I had pointed out). Interstrat filed 5 or 6 lease applications. Information not available. I was to call back in P.M.
7. November 15, 1985 (p.m.) according to toll call to Coralee McDonald, Interstrat filed 6 "claims" actually lease applications on/in the area of P.P. #80356 (NW1/4 & W1/2NE1/4, Section 16) as follows:

Fox 1	N1/2NW1/4NW1/4
Fox 2	S1/2NW1/4NW1/4
Fox 3	Lot 3
Fox 4	W1/2NW1/4NE1/4
Fox 5	E1/2SE1/4NW1/4
Fox 6	W1/2SE1/4NW1/4

(See Attachment 1)

These lease applications effectively closed the area to application precluding our prospecting permit applications for the areas. The State has therefore rejected in toto, our applications, to be returned, checks uncashed. Should we wish, a separate application can be filed covering specific areas not covered by lease applications of Interstrat, however, this will not be necessary as our mining claims cover the areas open (see red areas on Attachment 1). All other mineral claims are invalid as lease applications closed area to location.

Work schedule estimated costs:

1. Due to the fact that State Geologists may visit the area within the near future, the author suggests that a concerted effort be made to finish cornering claims which are still valid (T.S.M #'s 3-A & 4-A and T.S.M. #'s B-4 & B-6), the latter two being done post haste as they were to be completely posted on the day of location (no posts available). This should require 2 to 3 more days of on-site labor at unknown costs.
2. Briscoe & Associates will prepare report within thirty days of location to file with the State Land Department. Such report shall detail geology, assays and what ever else may be necessary to acquire claims via lease. Assumed trip to Phoenix expected. Estimated best efforts basis 7 man days of labor, report writing, typing, travel, meetings and office misc.- estimated cost of \$2,000.00
3. *NO LONGER REQUIRED SEE MEMO DATED 11/26/85*
Escapule's minimum of 2 drill holes will have to be drilled within 90 days of location on the T.S.M. 3-A and 4-A discovery points. Each hole will by statute be \$100.00 or more in cost. The author estimates a total per hole cost plus assaying not to exceed \$350.00.
4. Briscoe & Associates - Escapules - within 90 days an accurate survey of the claims will be needed and a map drafted to scale showing routes of ingress and egress. An estimated one man day of work will be necessary. Estimated cost \$300.00.
5. Briscoe & Associates - final reporting, lease applications, meetings, application fees, typing, office expenses and travel

A. Labor - 5 man days	\$1,400
B. Application fees	200
C. Misc. travel, office, reproduction, misc. expenses	250

~~7~~ 4300.00

\$1,850

(LESS LOCATION WORK SEE 3 ABOVE - CANCELLED)

Estimated total expense to get mining claims to lease stage - approximately ~~\$5,000.00~~. (The author must point out that this cost would have been approximately the same for filing 12 claims as economics of scale would have come into play here).

Recommendations:

The author strongly recommends that approximately ~~\$5,000~~ ^{4300.00} be expended to acquire leases on the 4 remaining claims. Additionally, he believes that a careful examination of the Tombstone Silver Mines, Inc.'s goals should be forthcoming to determine what they wish to do regarding Interstrat's renewed land acquisition activities in the area. The author is well aware of T.S.M.'s interest in attracting financing from Interstrat, but whose interest is being served here. I would suggest immediate actions be taken to consolidate efforts in the area. My reasons are several. Namely, State officials have indicated that up to one year may be required to finally issue leases upon Interstrat's application, assuming they even receive leases at all (they have marginal grounds at best). This fact may effectively preclude any further work by T.S.M. at this time, as even though Interstrat's grounds are marginal, they are extremely critical to T.S.M.'s mining and exploration activities. Secondly, T.S.M. could use their extensive geological knowledge of the area to help influence the State to grant Interstrat leases to the areas under application, or on the other hand, to possibly dissuade the State from issuing leases should T.S.M. wish (extra-lateral rights issue on Maine vein, etc.).

The author believes the time is ripe to approach Interstrat with our terms to a joint venture. I feel we should request they provide exploration funds, and allow T.S.M. to be operators. Interstrat in turn would receive an (interest?) in T.S.M. My reasons are:

1. Interstrat has no current property position of consequence;
2. T.S.M. effectively controls access to most of Interstrat's leasable areas.
3. T.S.M. should, by all rights, control extra-lateral rights to Maine vein, which effectively could remove any right to Interstrat to lease those lands from the State.
4. Most, if not all, Interstrat's minerals lands are marginal, at best.
5. All State lands under lease application may not be issued.

6. All State lease lands carry a 5% N.S.R. royalty (under marginal times and conditions this can be a very high royalty).
7. T.S.M. has extensive operational and professional expertise.
8. Interstrat has failed to professionally acquire all open lands within the area (exhibited by T.S.M.'s location of State mineral claims).
9. T.S.M. has a majority of the past productive areas owned or under control.
10. T.S.M.'s property position is essentially free of any royalties.
11. T.S.M.'s property position is primarily patented, mineral grounds upon which restrictions are somewhat less restricted than State of Public Domain grounds.
12. By Interstrat's tardy actions to file leases, they have created a situation wherein T.S.M. may have to wait up to a year prior to doing further work.

Conclusions: *13. T.S.M. essentially controls MOST OF THE MINERALIZATION IN THE AREA BY EXTRA-LATERAL RIGHTS - EVEN UNDER STATE LANDS*

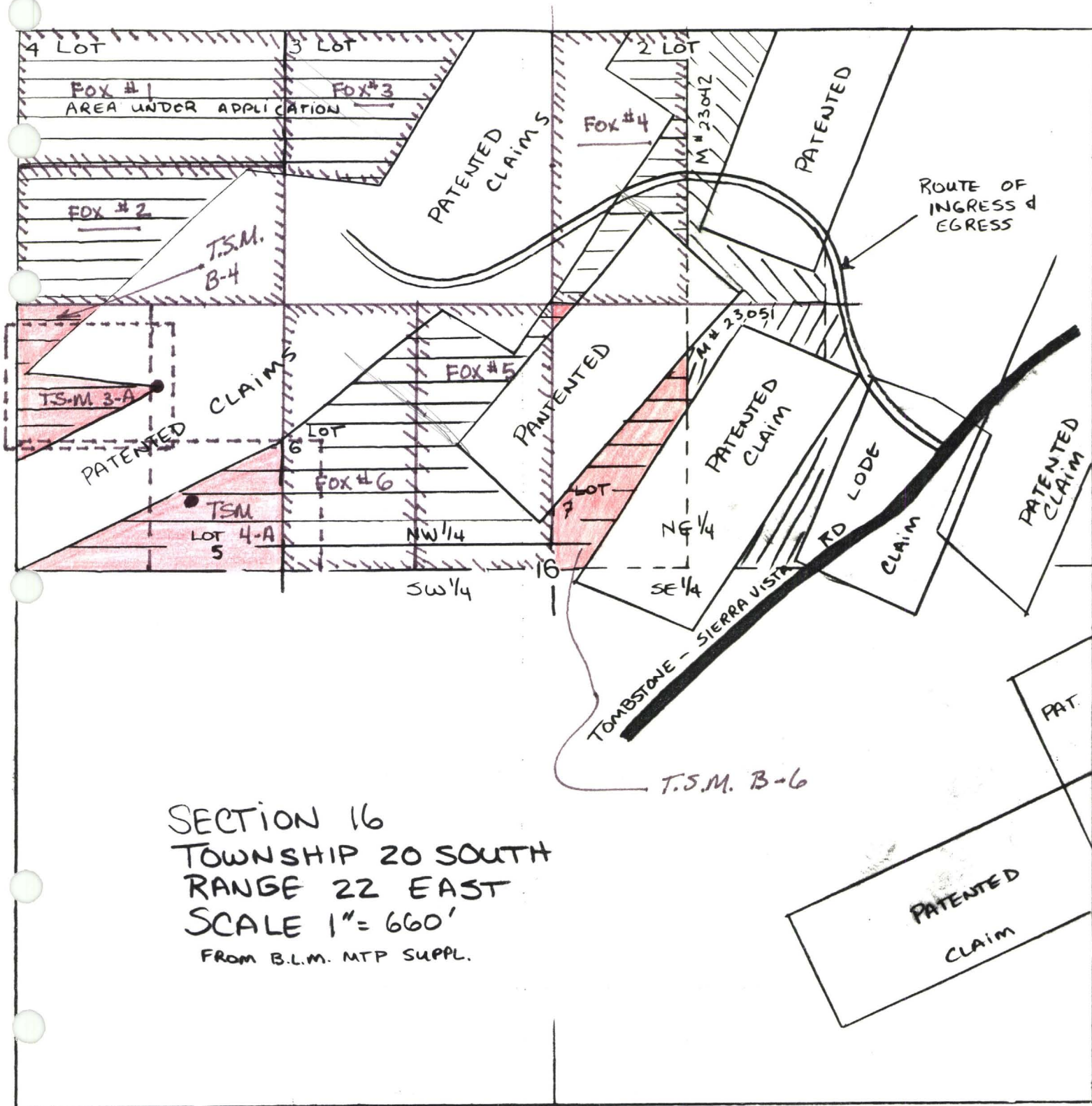
The author believes ^{an} immediate joint venture should be formed between T.S.M. & Interstrat with T.S.M. in operating control. Interstrat would provide funding. Should this arrangement be unsatisfactory, immediate actions should be taken to inform the State that T.S.M. wished to show continuation of extra-lateral rights on the Maine vein. Hopefully, T.S.M. would then be allowed to preclude Interstrat from leasing those areas. The author feels that T.S.M. is currently in the negotiator's drivers seat and T.S.M. should take immediate action to join forces with Interstrat. This window of vulnerability will expire when or if Interstrat receives lease to areas (claims) under application.

The author also wishes to determine T.S.M.'s interest in continuing toward the lease stages on its state mining (mineral) claims. Work must be ^{done} immediately, by December 6, 1985, with necessary operating funds being in place. Failure to act will result in the loss of claims and resultant termination to lease those areas allowing them to come open to any interested parties. Please notify me in writing as to T.S.M.'s desires.

Tom

Thomas E. Waldrip, Jr.

ATTACHMENT 1



SECTION 16
TOWNSHIP 20 SOUTH
RANGE 22 EAST
SCALE 1" = 660'
FROM B.L.M. MTP SUPPL.

MEMO

TO: Tombstone Land Notebook
 FROM: T. E. Waldrip, Jr.
 DATE: November 18, 1985

RE: Research, Cochise County, November 14, 1985, Patented Mining Claims, Section 16, Township 20 South, Range 22 East, State Lands, Tombstone Mining District, Cochise County, Arizona - Extra Lateral Rights Issue

A check of the following patented claims was performed to see if they all carried extra-lateral rights with their patent. The claims were:

Claim Name	Patent Issue to	Recording Date	Deeds of Mines Book Page	
-----	-----	-----	-----	-----
Brother Jonathan	C. W. Leach	01/12/1885	8	530
Maine	C. W. Leach	01/12/1885	8	540
Triple X	C. W. Leach	01/12/1885	8	536
Merrimac	Merrimac Silver Min. Co.	06/16/1882	9	413
Clipper	Merrimac Silver Min. Co.	09/30/1882	9	429
Red Top	Merrimac Silver Min. Co.	02/21/1882	7	75
May	Arizona May Mining Co.	04/30/1883	7	694
Chance	Grand Central Mining Co.	06/18/1894	11	550

All the above claims carry extra-lateral rights to all dips, spur, angles and variations developed from the (mother) vein(s) cropping within the boundaries of the claims. Rights to those portions of vein extending beyond the vertical ~~side~~ side lines shall be that portion lying between the claims vertical end lines, drawn vertically downward and horizontally projected outwards, parallel thereto, provided, however, nothing granted shall authorize the grantee to enter upon the surface of a claim owned or possessed by another (in so many words, you cannot enter upon the surface of another claim to gain access to your extra-lateral rights). To further confuse the issue, only so much in excess of the vein can be mined as to remove the vein matter in a safe and economically feasible manner.

MEMO Tombstone Land Notebook
November 18, 1985
Page 2 of 2

The above facts are important in that extra-lateral rights of Tombstone Silver Mines, Inc. should and do extend in several instances beyond the sides of claims, onto and under State lands. This fact is clearly illustrated on the State of Maine mine on the Maine claims, where actual mining has continued down dip on the Maine vein beyond the west vertical side lines of the claim. This fact being known should be pointed out to the State at the earliest time in order to preserve whatever future rights might be gained. Interested readers should refer to memo by the author, regarding State Land Acquisition Activities, of this same date in regard to further issues raised by this point.



Thomas E. Waldrip, Jr.

TEW/ms

MEMO

TO: Bailey Escapule
FROM: T. E. Waldrip, Jr.
DATE: November 18, 1985

RE: Boundary survey data, Section 16, Township 20 South,
Range 22 East, G. & S.R.B.M., State of Maine Mine,
Tombstone Mining District, Cochise County, Arizona

Bailey:

Pursuant to a telephone call to the Survey Division of the B.L.M. in Phoenix on the afternoon of November 12, the following boundary survey data was obtained for Section 16:

1. North end line - North 89 degrees 49 minutes west 80.28 chains (5,298.48 feet).
2. East end line - North 0 degrees 2 minutes west 80 chains (5,280 feet).
3. South end line - North 89 degrees 43 minutes west 80.2 chains (5,293.2 feet).
4. West end line - North 0 degrees 2 minutes west 80 chains (5,280 feet).

This should mean that extra acreages created by the odd section should be taken up by lots on the east and north sides of the section. Therefore, lots 1 through 4, 8, 9 and 14 should be somewhat greater than 1,320 feet in distance on the N/S end lines. In all cases, the E/W end lines should be 1,320 feet each. All other lots or legal subdivisions should be 1,320 feet X 1,320 feet or a maximum of 40 acres. I am uncertain of the exact N/S end line distances, and therefore I would suggest the survey notes of the section be ordered to accurately determine correct distances and acreages. I have no reason now to presume that the 1" = 200' topographic map is inaccurate, as originally thought. I would feel better though if you had the notes to check the map distances against.



Thomas E. Waldrip, Jr.

TEW/ms

MEMO

TO: Tombstone Land Notebook (JABA, Inc. ONLY)
 FROM: T. E. Waldrip, Jr.
 DATE: November 18, 1985

RE: Franklin or Little Mint - unpatented mining claims or State lands, Section 16, T.20S., R.22E., Tombstone Mining District, Cochise County, Arizona

While in the Cochise County Recorder's office during the morning of November 14th, I took the opportunity to review data on the Franklin (original location) Little Mint (new location) to see the particulars of location. The following was learned:

1. The Franklin lode mining claim was located originally in the Tombstone area on November 20, 1881, as recorded in Book 3, Page 59, of Cochise County, Arizona Territories, by A. Quirk, George Knox and Jas B. Masen. The claim was 1,500 feet X 600 feet, and about three miles west southwest of Tombstone in unsurveyed area. Sometime in the late 1880's, the claim was mineral surveyed, but not patented.
2. Assessment work unresearched.
3. Upon Statehood, Section 16 given to State upon survey, without mineral rights.
4. By Congressional Act (date and act unknown), Circa 1929, State granted mineral rights but with provisions of pre-existing mineral rights respected.
5. Definitely no work filed during 1975 to 1980 period (under claim names Franklin or Little Mint).
6. Little Mint located January 16, 1980 by Robert E. Cattany, with offices at 500 E. Allen St., Tombstone, Arizona. Claim is 934.2 feet long X 587.5 feet wide, and is described as; beginning at south end center; thence 267.5 feet northwest to southwest corner; thence 934.2 feet northeast to northwest corner; thence 300 feet southeast to north end-center; thence change in direction 287.5 feet south-southeast to northeast corner; thence 878.4 feet southwest to southeast corner; and thence 299.0 feet northwest to P.O.B.
7. Resource of America - Proof of Labor Book 1534-447 filed September 3, 1981.
8. Robert E. Cattany - Proof of Labor Book 1558-451 filed December 29, 1981.
- 8A. *Little Mint according to B.L.M. Relocated 5/14/82 Book 1610 PAGE 392 by Robert Cattany (See B.L.M. Geo. Index DATED 1/15/85)*

FILE MEMO

November 18, 1985

Page 2 of 2

9. Robert E. Cattany - Proof of Labor Book 1723-416 filed December 12, 1983.
10. Robert E. Cattany - Proof of Labor Book 1819-358 filed December 20, 1984.
11. Claim appears valid in B.L.M. records - however not checked carefully.

Conclusions:

I believe the area belongs to the State and is probably open to lease - await outcome of negotiations with Tombstone Silver Mines and Interstrat. Stake and paper Type A claims with State. Apply for Mineral Lease.



Thomas E. Waldrip, Jr.

TEW/ms

MEMO

TO: James Stewart Company land notebook
 FROM: Thomas E. Waldrip, Jr.
 DATE: November 19, 1985

RE: Courthouse reserach, November 14, 1985, Alanco and Abbl
 lode claims, Charleston area, Tombstone Mining District,
 Cochise County, Arizona

On the morning of November 14th, while in the Cochise County Recorder's office, I had the opportunity to review records for annual assessment work on certain claims in the are of Stewart Mines claim position in the Charleston area. The claims and owners were:

Ray Claim Group	Alanco Ltd.
Cab Claim Group	Alanco Ltd.
Star Claim Group	Alanco Ltd.
Mustang	Dennis V. Abbl, et al.

All claims had 1983-1984 assessment work performed and filed. The Mustang group has had 1984-1985 assessment work performed and filed. The following is a list of recording information from the Recorder's records:

Claim Name	Filing Date	Recorded For	Book	Page
Mustang	01/10/85	Dennis V. Abbl	1824	442
Ray Group	09/04/84	Alanco, Ltd.	1793	27
Ray Group	11/21/84	Silver Tech.	1812	604-618
Cab Group	09/04/84	Alanco, Ltd.	1793	25
Cab & Cub Groups	11/21/84	Silver Tech.	1812	604-618
Cub 1-30	11/14/84	Wayne Winters et al.	1811	233
STC & Star Groups	09/04/84	Alanco, Ltd.	1793	23-32
Star Group	11/21/84	Silver Tech	1812	604-618

File Memo (111-1)
November 19, 1985
Page 2 of 2

It would appear that at least a portion of the above claim groups are tied in with the Haber people through Silver Tech or Silver T. Corporation as Wayne Winters claims I have been led to believe are under lease by them (Haber).

I believe that everything is valid to date, but suggest that attention be paid to the 1984-85 filings by the end of December, 1985.

Tom

Thomas E. Waldrip, Jr.

TEW/ms

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

November 20, 1985

Charles B. Escapule
Tombstone Silver Mines, Inc.
P. O. Box 1016
Tombstone, AZ 85638

RE: Arizona State Mineral Leases #11-23055 through #11-23058,
Renewals, Assessment Work, Tombstone Mining District,
Cochise County, Arizona

Dear Charlie:

Pursuant to your request, I am attempting to file the above referenced State Mineral Leases.

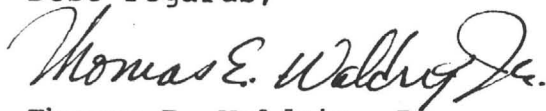
In order to be in compliance with the State, I need to get some information related to work performed on the leases. Could you please take a few minutes to answer the following "Assessment Evaluation and Data Sheet", and return it to me, as soon as possible. Additionally, could you show on the included map the position of the discovery points on each claim, as they are to be pointed out in summary reports, in reference to any work performed.

I will work up all necessary work sheets and reports (to be authored by Jim), and forward the entire package to you, as agent for Tombstone Silver Mines, for signature and notarization, some time prior to December 6. At that time, you can issue a Tombstone Silver Mines, Inc. voucher to pay necessary rental fees.

Your timely attention to my request will be appreciated.

Thank you!

Best regards,


Thomas E. Waldrip, Jr.

TEW/ms

Enclosures

TOMB NB

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

November 21, 1985

Bailey Escapule
P. O. Box 1016
Tombstone, AZ 85638

RE: Forwarding copy of Recorded State Claims, N1/2 Section 16,
Township 20S., Range 22E., for Tombstone Silver Mines, Inc.

Dear Bailey:

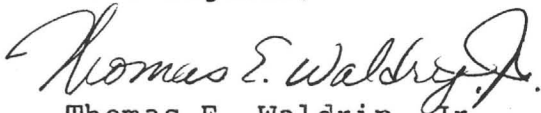
Please find enclosed reduced, recorded copies of the 12 claims located on the morning of the 14th for Tombstone Silver Mines, Inc. for your files and use.

As it now stands, it appears that only 4 claims remain valid in the area, due to the last day (minute) filings of Lease Applications by Interstrat Resources on all areas of the Prospecting Permit.

The valid claims are shown in red on the map 3rd page from the top, consisting of 3-A, a portion of 4-A, and all of B-4 and B-6.

Thanks again for your help and monumentation of the claims.

Best regards,


Thomas E. Waldrip, Jr.

TEW/ms

Certified #

4426 E. Patricia
Tucson, Arizona 85712
(602) 326-7237

November 21, 1985

Arizona State Land Department
1624 West Adams
Phoenix, AZ 85007

ATTENTION: Coralee McDonald

RE: Filing with the Commissioner, Evidence of Claim Location

Dear Ms. McDonald:

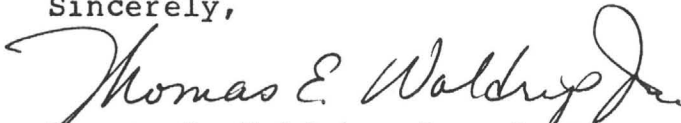
Pursuant to Arizona Revised Statutes Title 27, Section 232, please find enclosed, twelve (12) location notices, located on State lands, Section 16, Township 20 South, Range 22 East, G. & S.R.B.M. in the Tombstone Mining District, Cochise County, Arizona.

These claims were located early on the morning of November 14, by myself, on behalf of Tombstone Silver Mines, Inc., and recorded at 8:00 a.m. on the same date.

On or about the afternoon of November 15, your office should have received an Express Mail parcel via the U. S. Mail with an exact county conformed copy of these claims. However, I have yet to receive confirmation of said delivery via return receipt, nor have I been able to confirm delivery with your office. Therefore, to avoid untimely delays, I have decided to forward a copy of our returned, recorded documents received back from the Cochise County Clerk's office, just yesterday.

Any problems in regard to my filings should be addressed directly to myself at the above address, or I may be reached during regular business hours at the above telephone number.

Sincerely,



Thomas E. Waldrip, Jr., Agent
Tombstone Silver Mines, Inc.

TEW/ms

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

CERTIFIED # *P498 523 905*

November 25, 1985

Cochise County Recorder's Office
P. O. Box 184
Bisbee, Arizona 85603

RE: Filing and request for Recording 1985 Annual Assessment documentation for the Ernest Edward and Las Vegas lode claim groups, Tombstone Mining District, Cochise County, Arizona

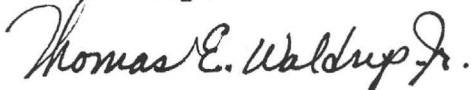
Dear County Official:

Please find enclosed the following documents to be recorded in your county:

1. Proof of Annual Labor document for the Ernest Edward Group of lode mining claims, owned by T. S. Henderson, et al., consisting of 4 pages.
2. Proof of Annual Labor document for the Las Vegas Group of lode mining claims, owned by T. S. Henderson, et al., consisting of 4 pages.

A James A. Briscoe & Associates, Inc. check in the amount of \$10.00 has been included to cover recording fees. After recording, please return all documents in the stamped, self addressed envelope provided.

Sincerely,



Thomas E. Waldrip, Jr.

TEW/ms

Enclosures: Ernest Edward Proof
Las Vegas Proof
S.A.S.E

MEMO

Tombstone Silver Mines, Inc.

TO: James A. Briscoe
FROM: T. E. Waldrip, Jr.
DATE: November 26, 1985

RE: Performance of location work (drilling) State Type "A" claims - N1/2 of Sect. 16, Twp. 20 South, Rgn. 22 East, Tombstone Silver Mines, Inc., Tombstone Mining District, Cochise County, Arizona

Jim,

Pursuant to a toll call to Ed Spalding, Arizona State Land Office, on the afternoon of November 21, 1985, it was learned that location work which was (past tense) required to be performed on Type "A" State mineral claims (lode type) is no longer required by the State. This provision was changed in 1978, by newly enacted legislation which cancelled the location work provision on Federal mining claims. Although there is some ambiguity, I've been told, in the laws (Title 27, Arizona Revised Statutes), it appears in theory that State Type "A" mineral claims are the same as a Federal lode claim, and as such, it must be interpreted that the enacted legislation also was intended to cover these claims under its umbrella.

Ed Spalding suggested the only apparent distinction between Federal and State lode claims was the difference in posting (State requires a location at point of discovery) and the State claims have different filing dates, due primarily to the fact that other means of applying for State land via the prospecting permits route requires the State to turn the prospecting permits around within 30 days. Therefore, the requirement of 30 day filing period for located claims.

Again it seems that information is being gained only by doing a substantial amount of research. I am now convinced that it is worth our time to invest in an up-to-date edition of Arizona Revised Statutes to help answer some of our questions. It is becoming very frustrating to review out-of-date publications which are those generally available to the public, and try to make valid opinions or comments based thereon, only to later change these after other information surfaces.

Tom

TEW/ms

MEMO

Tombstone Silver Mines, Inc.

TO: James A. Briscoe
FROM: T. E. Waldrip, Jr.
DATE: November 26, 1985

RE: Question involved with T. S. Henderson's Las Vegas and Ernest Edward claim groups - SE1/4 Section 17, Township 20 South, Range 22 East, Tombstone Mining District, Cochise County, Arizona

Jim,

Recent work related to the above referenced mining claims suggest there are some ambiguity as to their ownership, exact proper name, and recording information as listed below:

1. According to the B.L.M. records (Geographical Index, January 15, 1985), the Las Vegas Group is owned by Kenneth D. Mixer and Donald H. Sommerville. There is no indication that T. S. Henderson et al. are the owners. Either the Henderson's do not own the claims or they have failed to notify the Arizona offices of the B.L.M. of a change in ownership.
2. According to Anthony Lane's 1984 assessment filings, the Ernest Edward Group (as per B.L.M. records) is listed in his documents as the Ernest Edwards (s) Group.
3. According to Anthony Lane's 1984 assessment filing, the Cochise County Recorder's Book and Page number for the original Location Notice recordings for the Ernest Edward Group do not match those of the B.L.M. records (Geographical Index, January 15, 1985) as follows:

	Lane's	B.L.M.'s
Ernest Edward #1	536-276	507-150
Ernest Edward #2	536-277	507-151
Ernest Edward #3	536-278	507-152

Jim, obviously there is some confusion here that needs to be resolved post haste. I have not been able to research the exact problems beyond my initial observations, as included herein. I would strongly suggest a complete title search be performed on the claim groups prior to proceeding further. This may be as simple as requesting a complete copy of all the location

TEW MEMO

November 26, 1985

Page 2 of 2

notices, assessment documents and deeds available from the Henderson's in regard to the claims, backed up with a short trip to the Recorder's office in Bisbee to make sure all records are complete.

I estimate approximately \$300 being required to perform this work, should it be done in conjunction with other work in the area, assuming the Henderson's have most requested documents. Fees could increase up to \$500 according to amount of documentation provided by the Henderson's.

I believe the Escapules should request the information from the Henderson's in regard to the location notices, assessment documents, and deeds, and forward them to us. Also, it would be nice to have a copy of the Agreement reached between T.S.M. & the Henderson's in the lease of the in-question claims to keep a complete chain of title available for public or private inspection should this become a possibility in the future.

Tom

TEW/ms

COMPUTER CALCULATIONS OF VEIN AREAS

Central portion of the N.W. 1/4 Section 16

State of Maine area

- see measured veins Fig 29

VEIN	AREA (SQ FT)	LENGTH (FT)	AREA / LENGTH AVE WIDTH (FT)
MAY	76,821	842	91
CLIPPER	107,284	1205	89
CRANE W.	2,619	130	20
CRANE E.	10,166	325	31
CLIPPER W.	10,636	215	50
CONNECT CLIP w/CLIP W.	9,270	178	52
CLIPPER BLOB	8,764	162	54
TRAILER W.	9,382	493	19
TRAILER MID	10,816	579	19
TRAILER E.	<u>25,237</u>	<u>636</u>	<u>40</u>
TOTALS	270,995 SQ FT	4765 FT	57 FT

Not including Clipper vein,

Indicated tonnage, based on rock density of 13 cubic feet/TON.

For each 13' feet of depth 1 Ton of rock for each square foot of area will be generated.

$$\text{Thus } 270,995 \text{ sq ft} \times \frac{(13^3 \times 10)}{13^3} = 163,711 \text{ sq ft} \times 10 = 1,637,711 \text{ TONS}$$

Assume an average mining depth of 20

$$\text{Then } 163,711 \times 20 = 3,274,220$$

951-3566 MAC

MEETING AGENDA

Date Scheduled 11/29/85 Time 10:00

Title TSM Inc Review of Tom's report.

Purpose (1) Critique on Tom's report & discuss what needed for Vancouver Exchange, JAB Prop.

Results Desired _____

Location 4800 N. 68th St., Scottsdale Az Scottsdale House - Dave Thomas Condo Complex

SCHEDULED			ACTUAL			MEETING COST
Start	Stop	Total Hrs.	Start	Stop	Total Hrs.	
10:00	open					

Persons Attending						Value Per Hr.	Total
1	David Thomas						
2	Edmund Allen						
3	James A TRISLER					31.75	
4							
5							
6							
7							
8							
9							
10							

Items To Be Discussed						(Sequence)→	✓
1	Report - summary form for USE						
2	T&W Memos						
3	Proposal for Expl. Co. 500k commit in Cash / JAB Cont. 303K in Prop						
4	JABA. Bill 400K - exp						
5							
6							
7							
8							
9							
10							

Material Needed (Number each item)						Person Responsible
1						

① DT. enthused re: Expl. Idea - feels good

② Report - Basics -

Continuation on to Home & other general

Handover Property -

} point out that there is potential for confusion onto other general

③ Ned's 1st imp. - Confusion asks whether the state of mind was a claim or specific area.

④ pg 116 & 117 Very Important.

CERTIFIED MAIL #

December 5, 1985

Robert K. Lane, Commissioner
Arizona State Land Department
1624 W. Adams
Phoenix, AZ 85007

RE: Evidence of Mineral Location - Reporting to the
Commissioner - Tombstone Silver Mines, Inc., State Mineral
Claims

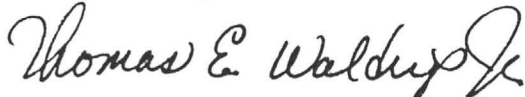
Dear Mr. Lane:

Pursuant to requirements for Proof of Mineral Location upon State lands, please find enclosed a detailed geological report for certain mineral claims (Attachment 1) located on State land in Section 16, Township 20 South, Range 22 East, G. & S.R.B.M., Tombstone Mining District, Cochise County, Arizona, as claimed by Tombstone Silver Mines, Inc.

All claims were located on November 14, 1985, and recorded in the official records of Cochise County on the same date. Recorded copies of the Location Notices have been forwarded to your office, via the U. S. Mail's Certified Return Receipt, with acknowledgement of receipt having been received by myself after delivery..

As provided for in the "Official Compilation of Administrative Rules and Regulations", Title 12 (State Land Department), Tombstone Silver Mines, Inc. would request that you might act favorably on consolidating all located claims into one lease, as all claims are contiguous and will be unitized into one common mining plan. This requested consolidation should benefit both parties, and remove unnecessary administrative duplication. Your approval and notification of such will be appreciated.

Respectfully submitted,



Thomas E. Waldrip, Jr., Agent
Tombstone Silver Mines, Inc.

TEW/ms

Enclosure

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

CERTIFIED # 498 523 904

December 5, 1985

T. S. Henderson, et al.
P. O. Box 1015
Tombstone, AZ 85638

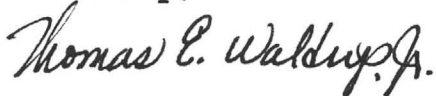
RE: Forwarding copies of the 1985 county recorded assessment documentation for the Ernest Edward and Las Vegas lode claim groups, Tombstone Mining District Cochise County, Arizona

Dear Mr. Henderson:

Please find enclosed for your records, a legal and one reduced sized copy of each of the originally recorded assessment documents for the 1985 calendar year for the Ernest Edward and Las Vegas claim groups.

These documents have been filed and recorded in the records of the appropriate county recorder's office, and are, concurrently with this correspondence, being forwarded to the assigned office of the Bureau of Land Management. To my knowledge, this completes all filing requirements for the 1985 calendar year on your claims held under lease by Tombstone Silver Mines, Inc.

Sincerely,



Thomas E. Waldrip, Jr.

TEW/ms

Enclosures: Ernest Edward Proof
Las Vegas Proof

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

CERTIFIED #P498 523 903

December 5, 1985

Charles B. Escapule, Vice President
Tombstone Silver Mines, Inc.
P. O. Box 1016
Tombstone, AZ 85638

RE: Forwarding the original 1985 county recorded assessment documentation for the Ernest Edward and Las Vegas lode claim groups, owned by T. S. Henderson, et al., Tombstone Project, Cochise County, Arizona

Dear Charlie:

Please find enclosed for your company's records, the originally recorded assessment document for the 1985 calendar year for the following Henderson claim groups:

1. Recorded Proof of Annual Labor document for the Ernest Edward lode mining claims.
2. Recorded Proof of Annual Labor document for the Las Vegas lode mining claims.

These documents have been filed and recorded in the records of the appropriate county recorder's office, and are, concurrently with this correspondence, being forwarded to the assigned office of the Bureau of Land Management. To my knowledge, this completes all filing requirements for the 1985 calendar year on claims owned by the Hendersons, under lease to Tombstone Silver Mines, Inc., in the Tombstone Mining District.

Sincerely,

Thomas E. Waldrip, Jr.

Thomas E. Waldrip, Jr.

TEW/ms

Enclosures: Ernest Edward Proof
Las Vegas Proof

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

CERTIFIED # *P498 523 901*

December 5, 1985

U. S. Department of the Interior
Bureau of Land Management
Arizona State Office
Mining Claims Section
P. O. Box 16563
Phoenix, Arizona 85011

RE: Filing of evidence of yearly assessment work for mining claims in Arizona for the 1985 calendar year

Dear B.L.M. Official:

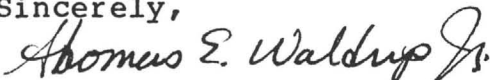
Please find enclosed county recorded evidence of yearly assessment work for the calendar year of 1985, for the following claim groups:

1. Proof of Annual Labor document for the Ernest Edward lode mining claims, owned by T. S. Henderson, et al.
2. Proof of Annual Labor document for the Las Vegas lode mining claims, owned by T. S. Henderson, et al.

We request that these documents be placed in their appropriate mining claim serial files. As will be noted, each separate document contains a "master claim list" containing pertinent county recording information and B.L.M. serial numbers assigned by your office to each individual mining claim. Should your mining claim computer records not have the recording information pertaining to the original Notice of Location, these lists may be used to update them.

Please note that your office's form 3830.2 "Mining Claim Annual Assessment Reminder", was not received for all of the claims covered by this correspondence. If there are any problems with these filings, please bring them to my attention, during regular business hours, at the address or telephone number found on this letterhead.

Sincerely,



Thomas E. Waldrip, Jr.

TEW/ms

Enclosures: Ernest Edward Proof
Las Vegas Proof
~~S... ..~~



BRUCE BABBITT
GOVERNOR

Arizona
State Land Department

1624 WEST ADAMS
PHOENIX, ARIZONA 85007



OFFICE OF
STATE LAND COMMISSIONER

December 23, 1985

Mr. Thomas E. Waldrip, Jr.
Agent for Tombstone Silver Mines, Inc.
4426 East Patricia St.
Tucson, AZ 85712

Re: State Mineral Claims of Tombstone Silver Mines, Inc.
in Section 16, T.20S., R.22E.

Dear Mr. Waldrip:

The Department acknowledges receipt of location notices for 12 mineral claims staked November 14, 1985, and a report with covering letter dated December 5, 1985, constituting Tombstone Silver Mines, Inc.'s proof of discovery of a valuable mineral deposit on each of the 12 claims, all of which are located in the above referenced Section 16.

Several of the claims staked by Tombstone Silver Mines, Inc., overlap those filed with the Department on November 13, 1985, by Interstrat Resources, Inc. The Department is in the process of determining which claims are valid, the legal descriptions and acreages of same, whether or not consolidation of claims under one lease is possible, and the legal aspects of extralateral rights extending from a patented claim into state subsurface. As soon as these problems are resolved, the Department will advise you of the status of the 12 subject claims.

Sincerely,

E.C. Spalding

E.C. Spalding, Geologist
Nonrenewable Resources
and Minerals
255-4628

ECS/plp

cc to TEW

James A. Briscoe & Associates, Inc.

T&W

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

December 30, 1985

Seth Horne, President
James Stewart Company
3033 N. Central Avenue
Phoenix, AZ 85012

RE: San Pedro Land Grant seminars set

Dear Seth:

Enclosed is a December 25, Tucson Citizen article concerning the exchanging of public lands west of Phoenix for privately owned property, specifically, the Tenneco Land Grants, along the San Pedro River, which your mining claims abutt against. Please note in paragraph two that the workshops are intended to get public reaction to the Bureau's management of about 44,000 acres in and adjacent to the land grants on the San Pedro River south of Benson.

This is the land exchange that Tom and I first got word of six months or so ago, and have cautioned you about. It is the reason that we have proposed to update and clarify and be sure everything is in apple pie order on the Charleston Lead Mine area mining claims. In order that we keep abreast of what is happening, related to the B.L.M.'s development of these lands, I propose that Tom and I, and perhaps you and Steve Halbert, should attend the meetings that are to be held in Tucson and Phoenix. In fact, the repercussions of this might be so important to the surrounding mining lands, that it might be worthwhile trying to get a consortium of property owners in the Tombstone Mining District to band together and pay for an effort to insure fair treatment of the mining lands by the B.L.M. In my work for the Tombstone Development Company, I have determined that the entire area is part of a 63 to 72 million year old Laramide caldera system, which encompasses most of the Tombstone Hills and all of the proposed recreation area. Thus, its mineral potential can be specifically addressed. I believe that I could get the cooperation of Harald Drewes of the U.S. Geological Survey, and possibly Dr. John Sumner and Dr. John Guilbert - respectively, Professor of Geophysics and Professor of Geochemistry at the University of Arizona - both of whom are familiar with the area, to give us a hand.

Seth Horne
December 30, 1985
Page 2 of 2

We are progressing with work on your claims, and will be able to give you a generalized progress report with recommendations in a couple of weeks or so. In the interim, I thought you would be interested in this newspaper article and the continuing progress of the land exchange - because it may have specific influence on the Charleston area mining lands.

Very truly yours,



James A. Briscoe

JAB/ms

Enclosures

cc: Tom Waldrip
Steve Halbert, Esq.



114-1

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

December 30, 1985

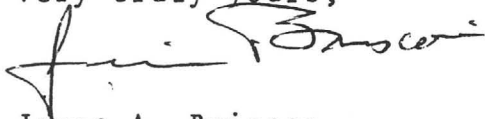
David A. Thomas
#284 Scottsdale House
4800 N. 68th Street
Scottsdale, AZ 85251

RE: San Pedro Land Grant seminar set

Dear Dave:

Enclosed is a December 25 news article on Public Hearings concerning the transfer of surface rights from west of Phoenix in trade for surface rights on Spanish Land Grants in the Tombstone area. Specifically, these Land Grants are currently owned by Tenneco, and occupy the bottom of the San Pedro valley, west of Tombstone. The transfer of the surface rights on these lands to the B.L.M. may have an effect on surrounding mineral activity, including those in the State of Maine Mine area and Tombstone in general. I would suggest that it might be important for you and/or Ned Allen to attend the public meeting to be held in Phoenix on January 16. Also, a letter to the Bureau of Land Management might be appropriate.

Very truly yours,



James A. Briscoe

JAB/ms

Enclosure

cc: Ned Allen
Charlie Escapule