MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE Contract No. _____ Docket No. 6599

Application
- [x] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [x] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [ ] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. _____: Reports
- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with Transmittal, Narrative and Maps

Folders No. _____: Maps (Use pocket folder or envelope)

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

72195-65

MINEX CORPORATION

1019 West Prince Road
Suite 201
Tucson, Arizona 85705
Phone (602) 624-0695

OFFICIAL COPY
O. M. E.
RECEIVED
APR 3 1967
INITIALS | CODE
120 M
JJ 110
120 S

March 31, 1967

Mr. Frank E. Johnson
United States Department of the Interior
Office of Minerals Exploration
Washington, 25, D.C.

Subject: OME-6599 (Silver-Copper)

Dear Mr. Johnson:

I am sorry to be so late in answering your letter of March 10. Dr. Willard C. Lacy, the geologist who made up our initial report to you, is in Australia and will not be back for several months so we had to find another geologist to help us.

Mr. David Lowell has gone over the material and the ground. You will find his letter enclosed with the additional information you requested.

Thank you,

Sincerely yours,

Russell A. Todd

Russell A. Todd
President
Minex Corporation

RT/et

J. DAVID LOWELL
CONSULTING GEOLOGIST

5215 N. ORACLE TUCSON, ARIZONA 85704 PHONE 887-5341

March 30, 1967

Mr. Russell A. Todd, President
Minex Corporation
Suite 201, 1019 W. Prince Road
Tucson, Arizona 85705

Re: OME-6599 (Silver-Copper)
Minex Corp.
Paymaster Mine Group
Pima County, Arizona

Dear Mr. Todd:

I have reviewed Mr. Frank E. Johnson's letter of March 10, 1967 in regard to the above OME loan application and will supply the following additional information requested in the letter:

The question was raised as to whether the project qualifies for the OME silver program since more than half of the value of the ore may be in metals other than silver. Attached is a letter dated March 28, 1967 from Reed F. Welch, manager of the S.W. Ore Purchasing Dept., American Smelting & Refining Co. which tabulates smelter shipment records from the subject property. It is my opinion that the average silver content of the shipments listed indicate that similar ore, if found in the proposed project, could be mined for its silver content regardless of other values.

Item 2: The property map, figure 3-11, has been revised to correct the discrepancies listed by Mr. Johnson, and the outer boundary of definite Minex ground is shown in a solid red line. Other "Trust" claims on the west side of the property to which Minex might be able to establish title are shown with a dashed red line.

Item 5: On the attached figure 3-11 the locations of the proposed exploration projects are also shown.

Stage I A(I): The question was raised as to whether the proposed exploration drift to be driven 350 feet northeast from the No. 6 shaft might in fact be below the granite contact at the elevation proposed. It is my feeling that this exploration drift would be driven at the granite contact if this contact were found actually to be less than 40 feet below the No. 4 shaft. It does not appear economic to sink the No. 4 shaft to the granite and

drift southwest from this point because the No. 4 shaft is at present in poor condition and was not originally sunk with a uniform inclination. The expected width, depth, near vertical inclination, and configuration of the projected ore shoots do not make for favorable drilling targets, and it is felt that they could be more effectively explored by underground workings.

A(II): The reference to figure 5-3 should read 5-2. Another error has been found in figure 5-2 in which "looking south" should have read "looking north." A corrected copy of this figure is attached.

B: A copy of a map showing the proposed layout of geophysical grid lines is attached. This survey is considered to be aimed at the discovery of a specific vein-type silver-lead orebody because this is the only variety of valuable mineral deposit known in the survey area, and rock outcrops in the area are not suggestive of other type occurrences. In order to calibrate results in the area of prime interest, survey lines must be extended some distance out into the surrounding areas. But all within A's ground.

c: To the best of my knowledge no S-P survey was conducted in the areas already tested by Holes 1, 2, 3, and 4, and the two proposed holes would represt the first test of this geophysical method.

7. Geophysical and drilling bids requested by Mr. Johnson are attached.

Yours very truly,

J.D.L.

J. David Lowell

JDL:h

REGISTERED GEOLOGIST
CERTIFICATE NO. 4482
J. DAVID LOWELL
Date Signed 3/3/67
ARIZONA, U.S.A.

AMERICAN SMELTING AND REFINING COMPANY
SOUTHWESTERN ORE PURCHASING DEPARTMENT
P. O. BOX 5795, TUCSON, ARIZONA 85703

March 28, 1967

REED F. WELCH
MANAGER

1150 NORTH 7TH AVENUE
TELEPHONE 602-792-3110

Mr. J. David Lowell
5215 N. Oracle
Tucson, Arizona 85704

Dear Sir:

This confirms our record of ores and concentrates received from the Paymaster Mine, San Xavier, Pima County, Arizona, from 1907-1940. Inasmuch as Mr. Todd would be interested in this production, I am sending a copy to him.

Year	Dry Tons	Gold	Silver	Lead	Copper	Zinc	Silica	Iron	Sulphur
Paymaster Cons. Mining Co.									
1907	176	-	75.0	44.5	2.0	14.8	15.0	2.5	18.0
Arizona Paymaster Mining Co.									
1916									
March	5	.02	71.3	18.5	2.1	28.5	17.0	3.6	20.5
Paymaster Silver-Lead Co.									
1919									
Jan.	20	-	36.04	42.5	1.37				
"	4	.05	43.5	-	3.65				
May	10	-	34.1	31.8	1.13				
"	8	.05	33.1	-	2.50				
1920									
April	31	.04	47.9	22.5	2.4	11.8	26.8	9.7	21.4
June	8	.01	51.0	24.0	.6	3.1	39.4	5.7	5.2
1923									
April	13	.03	44.1	14.7	3.75	7.5	25.2	16.6	25.1
June	11	.05	33.4	18.0	2.18	7.1	27.8	14.4	22.5
Henry Meyer, Jr.									
1939	One car	Assays not available							
	40 — assumed								
Frank Ahlburg--Jig Concentrates produced from Dump Ore									
1940	17	.05	31.9	13.8	1.12	7.8	28.0	15.4	20.6
	3	.06	42.1	1.6	6.8	?	18.9	17.8	28.3
	346								

Yours very truly,

Reed F. Welch

REED F. WELCH

cc: Mr. R. A. Todd

METLER BROS. DRILLING CO.
4001 E. ILLINOIS
TUCSON, ARIZONA 85714

23 November, 1966

Minex Corporation
Space 8
3120 N. Romero Road
Tucson, Arizona

Attention: Mr. Russell A. Todd

As requested, we are forwarding the following proposal for doing your proposed drilling on the New Opportunity claims known as the Paymaster Claim Group located in the Twin Buttes Area, Pima County, Arizona.

1. Drilling:
   Overburden, 0 to 250' @ $3.50 ft.
   Overburden, 250 to 500' @ $4.00 ft.

Core Drilling (wireline)	(NX)	(BX)
ledge to 500'	$5.95/ft.	$5.65/ft.
500 to 1000'	6.25 "	5.95 "

2. Cementing and drilling cement @ $12.50 per hour plus the cost of cement.
3. Drilling Mud delivered to jobsite and mixed @ $2.50 per 50-lb. bag. Mud additives used will be billed at cost.
4. Reaming, if necessary @ $2.75 ft.
5. Casing ordered in place or lost due to ground conditions will be charged at contractor's cost.
6. Water Haul -We will furnish a water truck and haul the water for drilling free of charge if water can be obtained within a three road miles haul of the drilling operations. Should the haul exceed 3 miles the charge will be $10.00 per shift plus ten cents per mile.

Access roads and drill sites are to be prepared by your company in advance.

Core boxes are to be furnished by your company, however, we will furnish them at $1.00 per box if requested.

Thank you for giving us the opportunity to quote prices on this project.

Very truly yours,

METLER BROS.DRILLING CO.

E. R. Metler

BRM/dr

P R O P O S A L

TO: Minex Corporation
1019 West Prince Road
Room 201
Tucson, Arizona

FROM: Canadian Aero Mineral Surveys Limited
2400 East Grant Road
Tucson, Arizona

The following terms and conditions are those under which Canadian Aero Mineral Surveys Limited (CAMS) proposes to perform an Induced Polarization, Resistivity, and Self Potential survey on your company's property.

The project area is in the Pima Mining District in parts of sections 15, 16, 21, and 22 within T 17 S, R 12 E, Pima County, Arizona. The property boundaries are as outlined on the accompanying sketch copied from your company's map of the Paymaster Claim Group.

As understood in discussions with Mr. R. A. Todd, of your company, the following coverage is requested:

> Profiles are to be run at 500' intervals on bearings N 35° E and N 55° W making a right angle grid system of lines as shown on the sketch. The origin for location purposes is the SE section corner of Section 16, T 17 S, R 12 E.
>
> This coverage results in approximately 75,200' of profile. A 500' electrode separation was requested and readings will be taken every 500'.

COPY

COPY

COSTS

The rates under which CAMS will perform this work are:

IP, Resistivity and Self Potential coverage as outlined:

Total cost, not including line survey	$4,100.00
Line surveying including Brunton and tape grid survey (flagging electrode stations)	500.00
	4,600.00

The above costs include three copies of the final report with contour plan maps of IP, Resistivity and Self Potential data and an interpretation of the results.

TERMS OF PAYMENT

Should the above bid be acceptable to your company we would request payment in the following manner:

$2,000.00 payable upon signing of a contract to do work as outlined in this proposal.

$1,500.00 payable upon completion of the field survey.

$600.00 payable upon receipt of final maps and report.

$500.00 to cover line survey costs payable five (5) days after start of survey.

GENERAL PROVISIONS

The Contractor will perform and execute all work and services required pursuant to this survey in a proper

careful and workmanlike manner, and it will idemnify and forever save harmless the Contractee from all claims and demands whatsoever and whether to person or property or otherwise arising out of the action of its officers, employees, servants or agents or any of them while engaged in the work in connection with this survey.

The Contractor will not be liable for delays caused by Acts of God, weather, necessary equipment repairs, or other Acts beyond the control of the Contractor.

We appreciate the privilege of serving you and wish to assure you of our intention to provide you with the best possible service.

Yours very truly,

W. Gordon Wieduwilt

W. Gordon Wieduwilt

WGW/bh

CC: Ottawa Office

COPY

$ 4,600 / 75000 = 0.06/ft.

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros.
DRILLING COMPANY
CONTRACTORS-ENGINEERS-GEOLOGISTS

10801 North 21st Avenue
PHOENIX, ARIZONA 85020
Phones: Office 944-1731
Home 948-2009

General Offices and Plant
1624 Pioneer Road P. O. Box 58
SALT LAKE CITY, UTAH 84110
Phone 487-7595

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
SANTIAGO, CHILE
LIMA, PERU

December 22, 1966

Mr. R. A. Todd
Minex Corporation
1019 West Prince Road
Tucson, Arizona

Dear Mr. Todd:

For your contemplated drilling of two 300 ft. vertical holes at the Paymaster Mine, we submit the following prices.

1. Mobilization — $ 300.00

2.

Drilling	BXWL	NXWL	NC or Collar pipe
0 to 500 ft.	6.40	6.90	7.40

3. Cementing, if necassary, $ 15.00 per hour plus cost of cement or cement substitutes including drilling mud and chemicals.

4. Water truck rental of $ 190.00 per month plus .12 cents a mile. Water to be hauled from your source of supply.

5. Casing lost or left in place at your request to be charged for at list price F.O.B. jobsite.

6. Core boxes can be furnished at $ 1.00 per box.

Thanks for asking for our prices.

Sincerely yours,

J. E. Roberts

J. E. Roberts
District Manager

JER/tk

HEINRICHS GEOEXPLORATION COMPANY

506 WEST GRANT ROAD, TUCSON, ARIZONA, 85703. P.O. BOX 5671. PHONE: (AREA CODE 602) 623-0578

December 13, 1966

Minex Corporation
1019 West Prince
Tucson, Arizona

ATTENTION: Mr. R. E. Todd

Pima Mining District, Pima Co., Ariz.

Re: Proposed Induced Polarization self potential and resistivity survey unpatented mining claims New Opportunity 1-12, Suzie 1-4, and etc.

Gentlemen:

Per your request, and to firm up various past discussions in our office and over the phone, we are pleased to submit the following proposal:

Heinrichs Geoexploration Company agrees to furnish all the equipment and personnel to conduct an Induced Polarization (I.P.) Survey per specifications as outlined in "An Application for Financial Assistance in Minerals Exploration", part 5, paragraph B, prepared by Dr. Willard C. Lacy for Mr. R. Todd of the Minex Corporation. The I.P. lines will be oriented N35°E and S35°W and N55°W and S55°E and on a 500 foot center grid and 500' dipole spacing and line totals approximately 70,000 feet. Self potential and resistivity will be included as part of the I.P. survey and a report which includes a geological-geophysical interpretation of the results will follow completion of the field work.

A total of $5,500 will be charged for the survey and it will take approximately one month to complete the field work and submit a report and interpretation.

$\frac{5500}{70,000} = 0.08/ft.$

Respectfully submitted,

HEINRICHS GEOEXPLORATION COMPANY

E. Grover Heinrichs
Vice President

EGH: jc

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration

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O. M. E.
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FEB 27 1967
INITIALS | CODE

February 21, 1967

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: Transmittal of application for financial assistance in Minerals Exploration by the: Minex Corporation
Suite 201 109 West Prince Road
Tucson, Arizona 85705

Transmitted herewith is one copy of an application for assistance in minerals exploration to explore for silver on the Paymaster claim group, Pima County, Arizona by the Minex Corporation of Tucson, Arizona. The program proposed is in two stages totaling $122,513.65.

Stage I includes costs to explore by geophysical methods, drifting, and long hole drilling as well as diamond drilling with accompanying assaying and the usual personal services, labor, operating and supplies, etc.

Stage II is dependent upon favorable results that may be obtained as a result of Stage I exploration. Stage II consists of underground exploration drifts, crosscuts, raises and some long hole drilling.

The proposed exploration program within the Paymaster claim group is aimed to detect three types of deposits, namely: 1) silver 2) lead-zinc-copper veins, silver-lead-zinc-copper replacement of limestone sliver along the thrust or glideplate and breccia, and/or shatter pipes in the basement of the thrust or glide plate with copper, and silver values.

The applicant's basis for optimism are listed on the application as being No. 1: The area lies within or on the fringe of one of the world's major copper districts; No. 2: Appreciable production of silver has come from the immediate claim group; No. 3: Extension of underground workings has revealed continuity of high-grade silver values beyond the old workings to the north; No. 4: Self-potential surveys have indicated an extension of vein-type mineralization well beyond explored structures to the south; No. 5: New finds in economic mineralization in the CWT mine have no surface indications; they are localized in wedges or slivers of limestone along the sole of the thrust or glideplate found along the west side of

fault block steps; No. 6: Drill Holes numbered 1 and 2 on the Paymaster Claim Group extending into the basement granite show low values in both copper and silver. (0.1 percent copper, and 0.1 ounce/T silver), sufficient to suggest the possibility of a shattered area or breccia pipe in the basement that might constitute bulk low grade copper-silver deposits hidden beneath the thrust or glide sheets.

A cursory study of the applicant's proposed exploration program and information supplied with the application shows silver-copper-lead-zinc values totaling $46.21 per ton. However, combined silver and copper values which are eligible for OME assistance totals somewhat less than fifty percent of the amount or $20.79 per ton.

In Stage I, the applicant proposes to drive a drift northeastward along the Reliable-Water vein structure; however, the bearing should be south-southeast to shaft No. 4, as shaft No. 4 does not lie north-northeast of the No. 6 shaft as shown in figure 5-1. (North arrow on Fig. 5-1 points west)

Item No. 2 under Stage I, proposes a south-southwest drift along the Reliable vein and this should be north-northwest according to figure 5-1. same

Under Item B, geophysical work from the surface, the applicant shows no grid pattern pertaining to his IP grid lines, the SP lines N. 35° E. would be essentially normal to the veins to explore. However, the N. 55° W. veins are only slight angles some 17° - 20° off the strike of the vein system. These lines should be shown on maps.

Under Item C. the diamond drilling from the surface the holes 200 feet east of No. 12 shaft and 650 east of the No. 12 shaft should be shown in cross section on a more detailed map. The geophysical work from the surface, I believe, should be conducted at the same time as the underground work is being accomplished from the No. 6 shaft or even perhaps prior to this. It seems to me that the geophysical work is primarily prospecting in this instance rather than outright exploration. I shall forward the Region III copy of the application to John Cooper who is presently mapping in the Pima Mining District and ask him if he will give it a review and his suggestions as well. see p. 5-2

MINEX CORPORATION
Suite 201 - 1019 West Prince Road
Tucson, Arizona
Phone: 624-0695

January 26, 1967

OME Region III
RECEIVED
JAN 27 1967
Denver, Colorado

Office of Minerals Exploration
United States Department of the Interior
Federal Center
Denver, Colorado 80225

Attention: Mr. J. William Hasler

Gentlemen:

Enclosed are two copies of an Application for Financial Assistance in Minerals Exploration submitted on behalf of Minex Corporation and pertaining to property which it owns in the Pima Mining District, Pima County, Arizona, and which it wishes to explore for silver under the OME Program.

As will be noted, the tentative total amount of the entire exploration program is $122,513.65. It is anticipated that the exploration program will consist of two stages and that the exact work to be performed in the second stage will depend upon the results of the first stage, the cost of which stage is estimated as $52,018.65.

If you have any questions concerning the Application or any additional information is necessary, please do not hesitate to contact Minex Corporation. The phone number is 624-0695, Area Code 602; or our attorney Leo N. Smith, Verity & Smith - 902 Transamerica Building - Tucson, Arizona - phone number 622-7446, Area Code 602.

Very truly yours,

MINEX CORPORATION

By Russell A. Todd
Russell A. Todd, President

c.c. Verity & Smith

MME Form 40
Jan. 65

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICIAL COPY O. M. E. RECEIVED FEB 27 1967 INITIALS CODE

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85–701 (72 Stat. 700; 30 U.S.C. 641)

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*

MINEX CORPORATION
Suite 201, 1019 West Prince Road
Tucson, Arizona 85705

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6599

DATE RECEIVED 2/27/67

REGION III

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [ ]
- PARTNERSHIP [X]
- OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Russell A. Todd	3120 N. Romero Rd. Tucson, Arizona	President
Charles R. Todd	7312 E. Manana Grande Pl. Tucson, Arizona	Oper. V-Pres.
Pauline H. Todd	7312 E. Manana Grande Pl. Tucson, Arizona	Secretary
Virginia J. Mock	4133 N. Iroquois Tucson, Arizona	Treasurer

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE silver

ESTIMATED COST OF PROJECT $ Stage 1-$52,018.65; Stage 2 - $70,495.00

PROPERTY NAME: Paymaster Claim Group

LOCATION COUNTY: Pima STATE: Arizona

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior,* ~~Washington 25, D.C., or with the nearest OME Field Office.~~ Washington, D. C., 20242, or with the nearest OME Field Office.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

January 26, 1967
DATED

MINEX CORPORATION
Russell A. Todd
BY *(Signature)*

President
TITLE

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. Physical Description:

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves, giving quantities and grades and sampling methods used. Support your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *land boundaries* or to the closest identifiable corner.

(b) If an access road must be built, show the proposed location on the property map and state the length, type and construction methods proposed.

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. (*Note*—If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant which will be used in the exploration work.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration work, stating specifications and cost including labor, materials, and supervision.

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(e). Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories. [*Note*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

INT.-DUP. SEC., WASH., D.C

APPLICATION FOR ASSISTANCE IN MINERALS EXPLORATION

PART 1 - Financial Eligibility

(a) Evidence of Credit Application

See true copies of correspondence to Southern Arizona Bank & Trust Company and Valley National Bank of Arizona, attached as Schedules A and B to this Part 1.

(b) Affiliated, Parent or Controlling Companies or Organizations

None

(c) Applicant's Share of Cost

Applicant proposes to furnish its share of cost of the exploration work from cash presently on deposit with the Southern Arizona Bank & Trust Company, Main Office, 150 North Stone Avenue, Tucson, Arizona.

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 27 1967
INITIALS | CODE

MINEX CORPORATION
Suite 201, 1019 W. Prince Road
Tucson, Arizona 85705

MINEX CORPORATION
Suite 201, 1019 West Prince Road
Tucson, Arizona 85705

TRUE COPY

January 13, 1967

Valley National Bank
Governors Corner Branch
Transamerica Building
Tucson, Arizona

Attn: Mr. Mike Goldberg

Gentlemen:

Enclosed is a statement of the financial condition for Minex Corporation which we are submitting to you with our request that you advise us of the possibility of whether or not your institution will lend Minex Corporation money to be used in conducting exploration work by the Company on its unpatented mining claim group in the Pima Mining District, Pima County, Arizona, a description of which claims are set forth on Schedule A attached hereto.

It is the desire of Minex Corporation to conduct an exploration program on the property and the program has been broken down into two stages. The total cost of the initial stage is estimated as follows:

Stage 1

Item	Amount
Contract geophysical work	$ 4,600.00
Contract diamond drilling (600 ft.)	4,200.00
Personal services and labor	15,144.00
Operating materials and supplies	10,205.85
Operating equipment	9,264.00
Building fixtures and installations	2,380.00
Assaying cost	1,955.00
Miscellaneous	4,269.80
Total	$52,018.65

The above cost includes the cost and materials to perform 500 ft. of drifting, 900 ft. of long-hole drilling and sampling for assay purposes, in addition to the survey geophysical and drilling mentioned above.

Although completely accurate estimates of the Stage 2 cost cannot be established until the completion of Stage 1, it is contemplated that if the Stage 1 results are encouraging, Stage 2 would consist of the following:

SCHEDULE A

Item	Amount
Underground exploration excavation:	
Drifts and crosscutting - 500 ft.	
Long-hole drilling - 450 ft.	
Raising - 40 ft.	$40,500.00
Diamond drilling (4,000 ft.)	28,000.00
Assaying cost	1,995.00
Total	$70,495.00

Minex desires to borrow $39,000 to perform Stage 1 of the exploration project with some assurance that if the results were favorable that it could borrow up to approximately $53,000 to conduct Stage 2 of the exploration program. Minex intends to provide the additional cost to finance the exploration program from funds presently on deposit.

Please advise us as to whether or not you would consider loaning the above amounts to Minex Corporation, and if so, at what interest rate such a loan could be obtained. If your institution would not consider the granting of such a loan to Minex Corporation we would appreciate a brief summary of the reasons why the loan cannot be granted.

If you have any additional questions, please contact the undersigned.

Very truly yours,

MINEX CORPORATION

By s/ Russell A. Todd
Russell A. Todd, President

RAT:md

cc: Verity & Smith

MINEX CORPORATION
Suite 201, 1019 W. Prince Road
Tucson, Arizona 85705

SCHEDULE A

1. The following-described unpatented lode mining claims situated in the Pima Mining District, Pima County, Arizona, the location notices of which are of record in the office of the Recorder of Pima County, as follows:

Name of Claim	Docket	Page	Name of Claim	Docket	Page
New Opportunity 1	499	293	Susie #3	1904	487
New Opportunity 2	499	294	Susie #4	1904	488
New Opportunity 3	499	295	Mark	2468	527
New Opportunity 4	499	296	Pet # 1	2468	525
New Opportunity 5	499	297	Pet # 2	2468	526
New Opportunity 6	499	298	Best	2335	217
New Opportunity 7	499	299	Chip	2576	93
New Opportunity 8	965	288	Ore	2339	336
New Opportunity 9	965	289	Paula	2422	123
New Opportunity 10	965	290	Border # 1	2576	92
New Opportunity 11	965	291	Border # 2	2576	93
New Opportunity 12	965	292	TRUST #1	2663	240
Criss Cross	371	555	TRUST #2	2663	241
Turkey Trot	1475	521	TRUST #3	2663	242
Susie #1	1857	136	TRUST #4	2633	243
Susie #1 Amended	2468	524	TRUST #5	2663	244
Susie #2	1904	486	TRUST #6	2664	209

FORM C-6 REV. 1951 FEDERAL RESERVE BANK OF DALLAS

Individual
Partnership
Corporation

FINANCIAL STATEMENT—COMMERCIAL

Name: Minex Corporation

Address: 1010 West Prince Road

BUSINESS: Mining Exploration

To: Valley National Bank Bank

Location: Governor's Corner, Tucson, Arizona

For the purpose of procuring credit from time to time, the undersigned hereby submits the following statement of condition as of January 19, 19 67. The undersigned hereby maintains and guarantees that said statement is in all respects true and correct; and you may consider the same as continuing to be true and correct until written notice of a change is given to you by the undersigned.

ASSETS				LIABILITIES			
Cash (on hand and in bank)	$ 30	163	14	Notes Payable to Banks	$		
Accounts Receivable—for Mdse. sold				Notes Payable to Others			
Accounts Receivable—Other				Accounts Payable	1	223	58
Notes Receivable—(collectible)				Past Due Taxes, Rents and Interest			
Merchandise (indicate if cost or replacement value)				Instalment Payments Due Within One Year			
U. S. Government Securities				Other Current Liabilities (describe fully)			
Life Insurance, Cash Value—less borrowings							
Other Current Assets (describe fully)							
Pre-Operating Expenses	1	497	64				
Total Current Assets	40	650	78	Total Current Liabilities	1	223	58
Due from Controlled or Subsidiary Concerns				Due to Members of Firm			
Due from Members of Firm				Due to Relatives, Friends, Individuals			
Stocks and Bonds (see schedule)				Bonded Debt, Mortgages and Liens			
Real Estate (Cost $)				Other Liabilities (describe fully)			
Machinery and Fixtures (Cost $ 1,310.75)	1	310	75				
Prepaid Expenses		20	00	Total Liabilities			
Other Assets (describe fully) Deposits		175	00	Net Worth (if individual or partnership)			
*Mining Claims	600	000	00	Total			
*Royalty Agreement-Anaconda	210	000	00	Capital Stock*	852	000	00
Organization Expense	1	217	55	Surplus and Profits* (*Fill out these lines if Corporation)		159	50
Total Assets	$ 853	383	08	Total	$ 853	383	08

Amount of assets listed above which are exempt by law N/A $

Specify any of the above assets pledged as collateral N/A $

Specify any of the above liabilities secured by collateral N/A $

CONTINGENT LIABILITY: Upon accommodation notes $ N/A As endorser $ As guarantor $

Judgments or suits pending against the undersigned at this time N/A $

INSURANCE: On Merchandise $ N/A Buildings $ Machinery $

LIFE INSURANCE: Amount $ N/A Encumbered for $ To whom payable?

The undersigned declares and certifies that the above statement and schedules on reverse side are a true and correct account of the condition of my/our business on the day above stated.

WITNESS:

MINEX CORPORATION

By s/ Virginia J. Mock

(Signature)

Treasurer

* At value set by the Board of Directors

We certify this to be a correct copy of statement held in our files.

(Name of Bank)

By

(Title)

MINEX CORPORATION
Suite 201, 1010 W. Prince Road
Tucson, Arizona 85705

(FILL BLANKS ON OTHER SIDE)

TRUE COPY

STOCKS AND BONDS OWNED

Description—Name of Corporation	Location	Par Value	Actual Value	Rate	Date Last Dividend or Interest	Nature of Business

REAL ESTATE SCHEDULE

Description—Location—Dimensions	Nature of Improvements	VALUATION		LIENS		Title in Whose Name
		Assessed	Actual	When Due	Amount	
See Schedule A attached	Mine shaft and	-0-	?	None		Minex Corporation
to transmittal letter for	workings					
legal description of						
unpatented mining claims						

PROFIT AND LOSS STATEMENT, for Year Ended * N/A **19**_____

Net Sales—less returns	$
Gross Profit on Sales for the Year	
Less—Operating Expenses $	
Rent	
Salaries	
Taxes, Insurance, etc.	
Depreciation, Bad Debts	
Total Deductions $	
Net Operating Profit	
Other Income, Investments, etc.	
TOTAL INCOME	$

RECONCILEMENT OF SURPLUS OR NET WORTH

Surplus or Net Worth Previous Period	$
Net Income for the Present Period	
Other additions to Surplus or Net Worth:	
Deductions: Dividends paid $	
Withdrawals $	
Other $	
Total Deductions $	
Present Surplus or Net Worth	$

If a PARTNERSHIP, fill out the following Schedule:

Names of General Partners	Address	Interest in Business	Amount Due to Firm	Time Devoted to This Business	Estimated Net Worth Outside This Business
		$	$		$

Date and amount of last dividend paid—(Date) N/A (Amount) $ N/A

Average terms on sales N/A Average terms on purchases

Time of year when notes and accounts receivable are generally maximum, date Amount $

Minimum, date Amount $ N/A

Time of year when stock of merchandise is generally maximum, date Amount $

Minimum, date Amount $ N/A

Time of year when liabilities are generally maximum, date Amount $

Minimum, date Amount $ N/A

Is statement based on actual inventory?—If so, date No If not, how?

Have books been audited by a public accountant?_____, date _____ By whom N/A

If you have ever failed in business, attach a complete explanation and state basis of settlement with creditors.

OTHER DATA:

Statements submitted to Federal Reserve Bank must be either signed originals or certified copies. It is the practice of the Federal Reserve Bank to retain in its files all financial statements submitted with notes; [illegible] shall [illegible] retain a copy for its own files.

(OVER)

VALLEY NATIONAL BANK

GOVERNOR'S CORNER OFFICE 85 WEST ALAMEDA STREET TUCSON, ARIZONA

January 25, 1967

Minex Corporation
Suite 201
1019 West Prince Road
Tucson, Arizona 85705

Attention: Russell A. Todd, President

Gentlemen:

Thank you for your letter of January 13, 1967 requesting an initial loan of $39,000.00 and a potential second loan of $53,000.00.

After further discussion with your attorney, Mr. Leo Smith of Verity and Smith, we are now in a position to answer on your request. The answer must necessarily be that we cannot make the loan at this time.

Our reasons for taking this position are as follows:

1. The loan is of a speculative nature thereby normally necessitating personal guarantee of the principals involved. (We understand the principals would not sign a note.)

2. Repayment on the loan was to start after production was initiated, whereas we normally require that the payments start immediately.

3. A ten year repayment plan would be required, whereas we normally limit term loans to five years.

4. You would require the step 2 money before step 1 loan was repaid, whereas we normally require that the first position be paid before we go into the second loan.

Yours very truly,

M. Goldberg

Manager

A-5

M. Goldberg

MINEX CORPORATION er
Suite 201, 1019 W. Prince Road
Tucson, Arizona 85705

TRUE COPY

PROTECT YOUR FAMILY — APPOINT THE VALLEY BANK AS YOUR EXECUTOR AND TRUSTEE

MINEX CORPORATION
Suite 201, 1019 West Prince Road
Tucson, Arizona 85705

TRUE COPY

January 13, 1967

Southern Arizona Bank & Trust Company
Main Office
150 North Stone Avenue
Tucson, Arizona

Attn: Mr. J. Russell Spann

Gentlemen:

Enclosed is a statement of the financial condition for Minex Corporation which we are submitting to you with our request that you advise us of the possibility of whether or not your institution will lend Minex Corporation money to be used in conducting exploration work by the Company on its unpatented mining claim group in the Pima Mining District, Pima County, Arizona, a description of which claims are set forth on Schedule A attached hereto.

It is the desire of Minex Corporation to conduct an exploration program on the property and the program has been broken down into two stages. The total cost of the initial stage is estimated as follows:

Stage 1

Item	Amount
Contract geophysical work	$ 4,600.00
Contract diamond drilling (600 ft.)	4,200.00
Personal services and labor	15,144.00
Operating materials and supplies	10,205.85
Operating equipment	9,264.00
Building fixtures and installations	2,380.00
Assaying cost	1,955.00
Miscellaneous	4,269.80
Total	$52,018.65

The above cost includes the cost and materials to perform 500 ft. of drifting, 900 ft. of long-hole drilling and sampling for assay purposes, in addition to the survey geophysical and drilling mentioned above.

Although completely accurate estimates of the Stage 2 cost cannot be established until the completion of Stage 1, it is contemplated that if the Stage 1 results are encouraging, Stage 2 would consist of the following:

SCHEDULE B

Item	Amount
Underground exploration excavation:	
Drifts and crosscutting - 500 ft.	
Long-hole drilling - 450 ft.	
Raising - 40 ft.	$40,500.00
Diamond drilling (4,000 ft.)	28,000.00
Assaying cost	1,995.00
Total	$70,495.00

Minex desires to borrow $39,000.00 to perform Stage 1 of the exploration project with some assurance that if the results were favorable that it could borrow up to approximately $53,000.00 to conduct Stage 2 of the exploration program. Minex intends to provide the additional cost to finance the exploration program from funds presently on deposit.

Please advise us as to whether or not you would consider loaning the above amounts to Minex Corporation, and if so, at what interest rate such a loan could be obtained. If your institution would not consider the granting of such a loan to Minex Corporation we would appreciate a brief summary of the reasons why the loan cannot be granted.

If you have any additional questions, please contact the undersigned.

Very truly yours,

MINEX CORPORATION

By s/ Russell A. Todd
Russell A. Todd, President

RT:md

cc: Verity & Smith

MINEX CORPORATION
Suite 201, 1019 W. Prince Road
Tucson, Arizona 85705

SCHEDULE A

1. The following-described unpatented lode mining claims situated in the Pima Mining District, Pima County, Arizona, the location notices of which are of record in the office of the Recorder of Pima County, as follows:

Name of Claim	Docket	Page	Name of Claim	Docket	Page
New Opportunity 1	499	293	Susie #3	1904	487
New Opportunity 2	499	294	Susie #4	1904	488
New Opportunity 3	499	295	Mark	2468	527
New Opportunity 4	499	296	Pet # 1	2468	525
New Opportunity 5	499	297	Pet # 2	2468	526
New Opportunity 6	499	298	Best	2335	217
New Opportunity 7	499	299	Chip	2576	93
New Opportunity 8	965	288	Ore	2339	336
New Opportunity 9	965	289	Paula	2422	123
New Opportunity 10	965	290	Border # 1	2576	92
New Opportunity 11	965	291	Border # 2	2576	93
New Opportunity 12	965	292	TRUST #1	2663	240
Criss Cross	371	555	TRUST #2	2663	241
Turkey Trot	1475	521	TRUST #3	2663	242
Susie #1	1857	136	TRUST #4	2633	243
Susie #1 Amended	2468	524	TRUST #5	2663	244
Susie #2	1904	486	TRUST #6	2664	209

MINEX CORPORATION
Suite 201, 1019 W. Prince Road
Tucson, Arizona 85705

FORM C-6 REV. 1951 FEDERAL RESERVE BANK OF DALLAS

FINANCIAL STATEMENT—COMMERCIAL

Individual
Partnership
Corporation

Name Minex Corporation

Address 1019 West Prince Road

BUSINESS Mining Exploration

To Southern Arizona Bank & Trust Co. Bank

Location Main Office, Tucson, Arizona

For the purpose of procuring credit from time to time, the undersigned hereby submits the following statement of condition as of January 19 19 67. The undersigned hereby maintains and guarantees that said statement is in all respects true and correct; and you may consider the same as continuing to be true and correct until written notice of a change is given to you by the undersigned.

ASSETS				LIABILITIES			
Cash (on hand and in bank)	$ 39	153	14	Notes Payable to Banks	$		
Accounts Receivable—for Mdse. sold				Notes Payable to Others			
Accounts Receivable—Other				Accounts Payable	1	223	58
Notes Receivable—(collectible)				Past Due Taxes, Rents and Interest			
Merchandise (indicate if cost or replacement value)				Instalment Payments Due Within One Year			
U. S. Government Securities				Other Current Liabilities (describe fully)			
Life Insurance, Cash Value—less borrowings							
Other Current Assets (describe fully)							
Pre-Operating Expenses	1	497	64				
Total Current Assets	40	650	78	Total Current Liabilities	1	223	58
Due from Controlled or Subsidiary Concerns				Due to Members of Firm			
Due from Members of Firm				Due to Relatives, Friends, Individuals			
Stocks and Bonds (see schedule)				Bonded Debt, Mortgages and Liens			
Real Estate (Cost $)				Other Liabilities (describe fully)			
Machinery and Fixtures (Cost $ 1,310.75)	1	310	75				
Prepaid Expenses		29	00	Total Liabilities			
Other Assets (describe fully) Deposits		175	00	Net Worth (if individual or partnership)	—		
*Mining Claims	600	000	00	Total			
*Royalty Agreement-Anaconda	210	000	00	Capital Stock*	852	000	00
Organization Expense	1	217	55	Surplus and Profits* (*Fill out these lines if Corporation)		159	50
Total Assets	$ 853	383	08	Total	$ 853	383	08

Amount of assets listed above which are exempt by law N/A $

Specify any of the above assets pledged as collateral N/A $

Specify any of the above liabilities secured by collateral N/A $

CONTINGENT LIABILITY: Upon accommodation notes $ N/A As endorser $ As guarantor $

Judgments or suits pending against the undersigned at this time N/A $

INSURANCE: On Merchandise $ N/A Buildings $ Machinery $

LIFE INSURANCE: Amount $ N/A Encumbered for $ To whom payable?

The undersigned declares and certifies that the above statement and schedules on reverse side are a true and correct account of the condition of my/our business on the day above stated.

WITNESS:

MINEX CORPORATION

(Signature) By s/ Russell A. Todd
President

At value set by the
Board of Directors

We certify this to be a correct copy of statement held in our files.

(Name of Bank)

By

(Title)

MINEX CORPORATION
Suite 201, 1019 W. Prince Road
Tucson, Arizona 85705

(FILL BLANKS ON OTHER SIDE)

TRUE COPY

STOCKS AND BONDS OWNED

Description—Name of Corporation	Location	Par Value	Actual Value	Rate	Date Last Dividend or Interest	Nature of Business
None						

REAL ESTATE SCHEDULE

Description—Location—Dimensions	Nature of Improvements	VALUATION		LIENS		Title in Whose Name
		Assessed	Actual	When Due	Amount	
See Schedule A attached	Mine shaft and	-0-	?	None		Linex Corporation
to transmittal letter for	workings					
legal description of						
unpatented mining claims						

PROFIT AND LOSS STATEMENT, for Year Ended * N/A **19**_____

Net Sales—less returns	$
Gross Profit on Sales for the Year	
Less—Operating Expenses $	
Rent	
Salaries	
Taxes, Insurance, etc.	
Depreciation, Bad Debts	
Total Deductions $	
Net Operating Profit	
Other Income, Investments, etc.	
TOTAL INCOME	$

RECONCILEMENT OF SURPLUS OR NET WORTH

Surplus or Net Worth Previous Period	$
Net Income for the Present Period	
Other additions to Surplus or Net Worth:	
Deductions: Dividends paid $	
Withdrawals $	
Other $	
Total Deductions $	
Present Surplus or Net Worth	$

If a PARTNERSHIP, fill out the following Schedule:

Names of General Partners	Address	Interest in Business	Amount Due to Firm	Time Devoted to This Business	Estimated Net Worth Outside This Business
		$	$		$

Date and amount of last dividend paid—(Date) N/A (Amount) $ N/A

Average terms on sales N/A Average terms on purchases N/A

Time of year when notes and accounts receivable are generally maximum, date N/A Amount $

Minimum, date N/A Amount $ N/A

Time of year when stock of merchandise is generally maximum, date N/A Amount $

Minimum, date N/A Amount $ N/A

Time of year when liabilities are generally maximum, date N/A Amount $

Minimum, date N/A Amount $ N/A

Is statement based on actual inventory?—If so, date No If not, how?

Have books been audited by a public accountant?_____, date_____ By whom N/A

If you have ever failed in business, attach a complete explanation and state basis of settlement with creditors.

OTHER DATA:

Statements submitted to Federal Reserve Bank must be either signed originals or certified copies. It is the practice of the Federal Reserve Bank to retain in its files all financial statements submitted with notes; therefore, when a member bank submits an original it is expected to retain a copy for its own files.

* Incorporated November 20, 1968

(OVER)

SOUTHERN ARIZONA BANK
and Trust Company

Established 1903

HOME OFFICE
150 N. STONE AVE.
TUCSON, ARIZONA

January 24, 1967

Minex Corporation
Suite 201, 1019 W. Prince Road
Tucson, Arizona 85705

Attention: Mr. Russell A. Todd, President

Gentlemen:

Reference is made to your letter of January 13 and application for loans of $39,000 and $53,000.

This is to advise the application has been declined because of the ten year maturity and the fact that payment would come from production, which is indefinite. We also understand that payments from the Royalty Agreement with Anaconda will not be forthcoming for several years as production has not started.

We regret very much that we are not able to assist you in your exploration program.

Very truly yours,

J. Russell Spann
Vice President

JRS:cer

cc: Verity and Smith

B-5

MINEX CORPORATION
Suite 201, 1019 W. Prince Road
Tucson, Arizona 85706

TRUE COPY

The Symbol of Quality Service . . .

SOUTHERN ARIZONA BANK

APPLICATION FOR ASSISTANCE IN MINERALS EXPLORATION

PART 2 - Applicant's Rights In land

(a) Applicant's Interest

Applicant is the legal owner of the property to be explored. There are no liens, mortgages or other encumbrances on the property.

(b) Legal Description

(i) The property consists of unpatented lode mining claims situated in the Pinal Mining District, in Sections 15, 16, 21 and 22, T. 17 S., R. 12 E., G&SRM, Pima County, Arizona, a map of which claims are attached as Figure 3-11 to Part 3 of this Application. The claim names and dockets and pages of recording of the location notices thereof in the office of the Recorder of Pima County, Arizona, are as follows:

Name of Claim	Docket	Page	Name of Claim	Docket	Page
New Opportunity 1	499	293	Susie #3	1904	487
New Opportunity 2	499	294	Susie #4	1904	488
New Opportunity 3	499	295	Mark	2468	527
New Opportunity 4	499	296	Pet # 1	2468	525
New Opportunity 5	499	297	Pet # 2	2468	526
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New Opportunity 7	499	299	Chip	2485	242
New Opportunity 8	965	288	Ore	2339	336
New Opportunity 9	965	289	Paula	2422	123
New Opportunity 10	965	290	Border # 1	2576	92
New Opportunity 11	965	291	Border # 2	2576	93
New Opportunity 12	965	292	TRUST #1	2663	240
Criss Cross	371	555	TRUST #2	2663	241
Turkey Trot	1475	521	TRUST #3	2663	242
Susie #1	1857	136	TRUST #4	2663	243
Amended	2468	524	TRUST #5	2663	244
Susie #2	1904	486	TRUST #6	2664	209

(ii) Applicant does not own or control any land adjacent to the property included in this application.

(iii) The property is also known as the Paymaster Mine and as the Todd claims.

(c) Subordination Agreements

Not applicable.

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Part 3 - Physical Description

(a) Past Mining and Exploration:

i. The period of greatest mining activity in the Paymaster claim group was between 1887 and 1908 (Ransome, 1922). Two parallel veins, the Lead Vein and the Iron Vein, striking northeast and steeply dipping, were mined in the vicinity of shafts #7, 8, 9, 10 and 11 (see figure 3-1) 3-6 It is reported that at a depth of 250 feet the veins and workings dip flatly to the east and follow the andesite breccia-granite contact. These workings are now inaccessible. Approximately 25,000 tons of material on the dumps adjacent to these shafts gives evidence as to the extent of these workings.

Fig. 3-1 pC gr.? or Ter. gr.? SX. thrust fault?

ii. In 1959 and 1960 the Sunrise Mining Company opened and extended workings in shafts #4, 5 and 6. These workings are shown in figures 3-2, 3-3, and 3-4 as mapped by T. S. Nye (1961). Four vein structures were encountered--Reliable 3-3, China 3-3, Hidden 3-3 and Water veins 3-3. All dipping steeply to the east. During this period a self potential survey was run to determine possible southern extensions of the two major veins = ? (see figure 3-5) and shaft #12 was sunk to a depth of 40 feet to explore one of the anomolous areas. No luck?

iii. Since 1960 four diamond drill holes have been drilled in the claims. Their locations and condensed logs are shown in figures 3-6 and 3-7. No ore

iv. In 1965 three random self potential ? induced polarization lines were run by Heinrichs Geoexploration Co.; the results of this survey are shown in figures 3-8 and 3-9, and the location of the lines is shown on figure 3-11. weak anomalies near shafts

v. There are no surface installations on the claims except for a small adobe shack adjacent to shaft #9 and a concrete block building adjacent to shaft #13. These buildings can be reconditioned for occupancy. There is electric power at the prospect.

(b) Work Done by Applicant:

Shaft #13 was sunk to a depth of approximately 135 feet and a 400 foot cross cut was driven at this level by the applicant, Russell Todd, and #8 shaft was deepened during the period 1953 to 1955. The block building adjacent to the shaft was constructed by the applicant at that time. The An induced polarization and self potential survey and a diamond drill hole #4 were financed by the applicant at a cost in excess of $3,500.

Registered Geologist CERTIFICATE EXPIRES WILLARD C. LEE DEC. 31, 1966 ARIZONA, U. S. A.

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(c) Production:

Ransome (1922) reports that the Paymaster produced about $220,000 in silver and lead during the period between 1887 to 1908. During the development done by the Sunrise Mining Company in 1959 and 1960 some high-grade pockets of mineralization were encountered but no shipments were made.

(d) Ore Reserves:

No reserves of "assured" or "probable" ore can be blocked. 17 Samples cut, as channel samples, from the 128 level of shaft #6 by the Sunrise Mining Company are listed in Table I and their location shown on figure 3-12. China vein-best assays

(e) Geological Environment:

The geological environment of the Paymaster claim group has been described by Cooper (1960), Lacy (1959, 1962), Waller (1960), Nye (1961) and Weaver (1965). Though there is a certain degree of disagreement regarding theoretical relations, there is general agreement regarding principal geological features. viz?

The Paymaster group of claims are located on the western edge of the upper plate of a sheet, (either a thrust sheet or a gravity glide sheet) on the eastern flank of a domal structure that forms the Sierrita Mountain Range. The central portion of this range is constituted of an igneous complex of Precambrian and Laramide age which has been cut by a series of late dikes and pegmatites. (See figure 3-13, 3-6, and 3-11).

The sole of the sheet dips flatly to the east at 10° to 15° with undulations that expose windows of the underlying basement rocks. The sheet is cut by an abundance of steeply dipping fractures striking generally from north-northeast to east-northeast. The mine workings expose flat-lying structures, off-setting the steeper fractures, that roughly parallel the sole of the sheet. Both the steep and the flat lying structures are mineralized (Nye, 1961), with thickening of veins on the steep portions indicating gravity type movements or relaxation during mineralization.

Rocks composing the thrust or glide sheet in the vicinity of the Paymaster claims are comprised of Cretaceous (?) andesite (volcanics and intrusives), andesite breccia, and arkosic clastic sediments. Drill holes through the sheet have encountered only coarse grained granite, similar to the granite in the area interpreted as being Precambrian in age.

all 5 in upper plate?

Ore deposits in the district are of five general types: (1) bulk-low-grade deposits in limestone and related sediments generally closely related to intrusive contacts (Pima, Mission, Twin Buttes, Palo Verde); (2) bulk-low-grade deposits in volcanics and intrusives (Esperanza, W. Sierrita, Lofton Peak); (3) replaced limestone wedges along the sole of the thrust or glide sheet (CWT Mine); (4) replacement pipes adjacent to fault intersections in limestone (San Xavier, and Mineral Hill); and (5) vein structures in andesite and clastics (Paymaster). These deposits have been described in considerable detail by Lacy (1959, 1962), by Titley (1966), and Weaver (1965). Continued on p. 3-3

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TABLE I

Assays of Samples from 128' Level, No. 6 Shaft, Paymaster Mine.

Sample	Width	% Cu	% Pb	% Zn	Oz Ag	
1	1.4'	.04	.4	2.4	0.8	Hidden vein
2	2.4'	-	1.0	1.0	0.6	
3	2.1'	.63	2.9	4.7	5.8	
4	3.0'	2.7	0.2	3.8	20.4	
5	1.1'	.07	0.3	2.0	1.0	
6	2.3'	.02	0.4	1.2	1.7	
7	1.0'	.23	0.3	1.1	2.7	China vein
8	1.1'	.51	2.61	2.8	6.0	
9	1.2'	.11	0.3	1.0	0.7	
10	1.3'	.03	0.1	0.2	0.4	
11	0.9'	1.34	26.7	5.0	39.6	
12	1.2'	.70	0.4	1.2	7.2	
13	0.8'	3.16	9.6	13.1	43.0	
14	1.7'	2.32	19.1	20.5	12.8	
15	1.6'	1.60	3.9	10.8	10.4	
16	2.8'	.09	0.2	4.0	1.2	
17	3.0'	1.78	4.2	4.3	25.6	Reliable vein?

Samples cut by T.S. Nye for Sunrise Mining Company in 1959.

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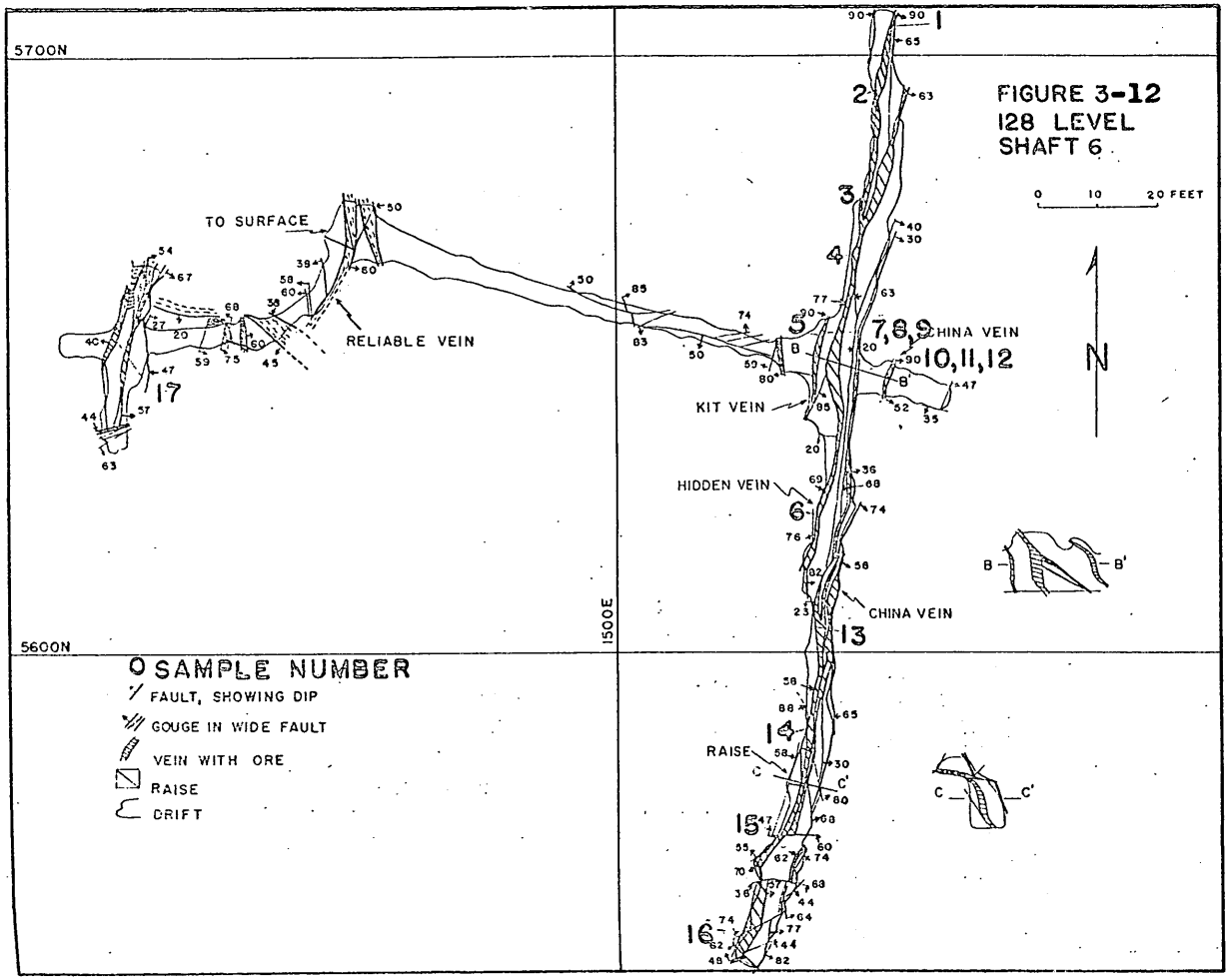

FIGURE 3-12
128 LEVEL
SHAFT 6

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ARIZONA, U.S.

3-12

sec 3-3

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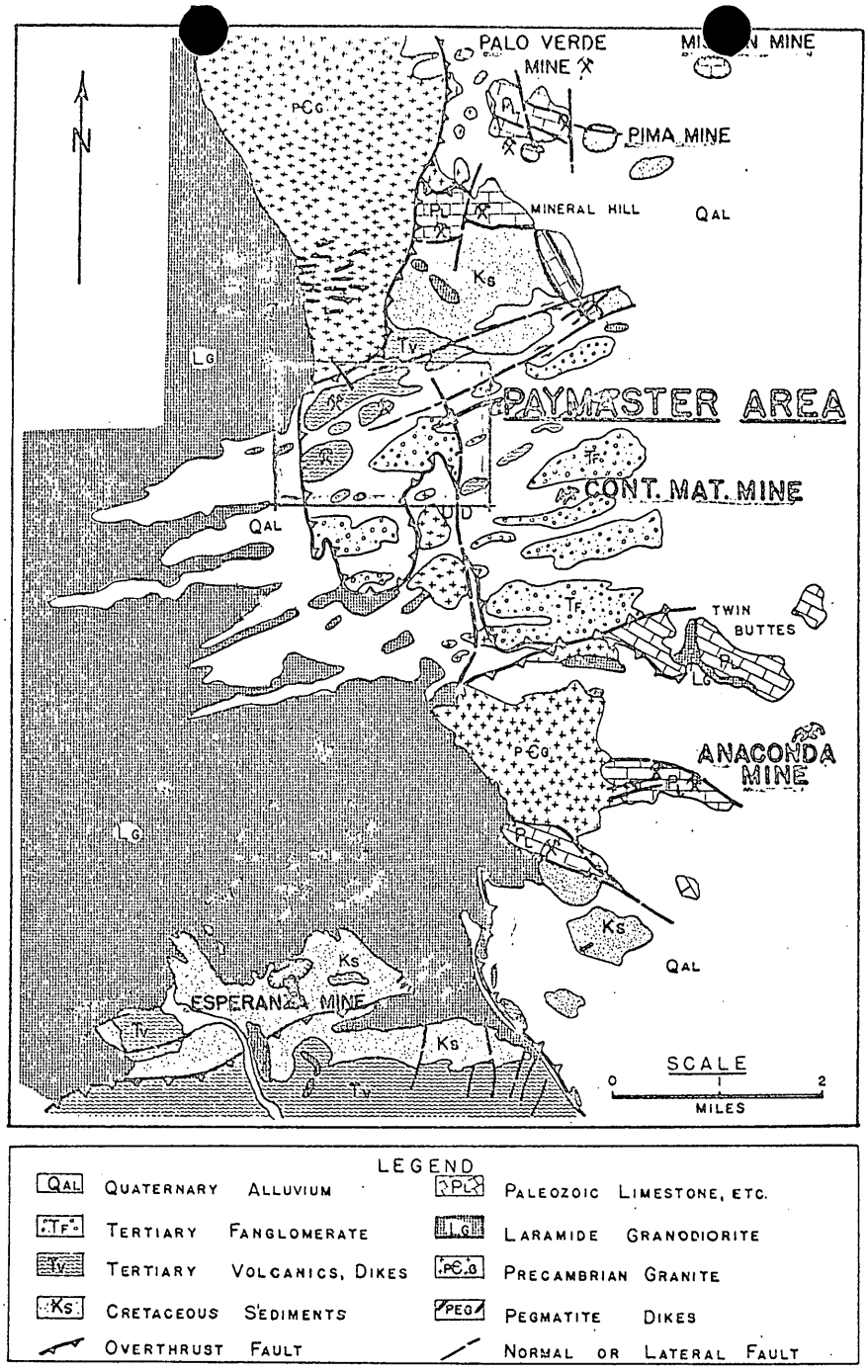

. Generalized geological map of Twin Buttes—Pima mining district. In general the Twin Buttes district occurs within a stack of thrust sheets that fringe the eastern edge of a large Laramide granodiorite batholitic complex which forms the core of the Sierrita Mountains

FIGURE 3-13

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LADY
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Within the Paymaster claim group exploration should be aimed to detect three types of deposits: silver-lead-zinc-copper veins, silver-lead-zinc-copper replacement of limestone silvers along the thrust or glide plate, and breccia and/or shatter pipes in the basement of the thrust or glide plate with copper and silver values. lower plate

See Appendix A for details

(f) Basis for Optimism:

The basis for optimism with regard to an exploration program in the area are:

i. The area lies within, or on the fringe, of one of the world's major copper districts.

ii. Appreciable production of silver has come from the immediate claim group.

iii. Extension of underground workings has revealed continuity of high-grade silver values beyond the old workings to the north.

iv. Self potential surveys have indicated extension of vein-type mineralization well beyond explored structures to the south. Weak anomalies

v. New finds of economic mineralization in the CWT Mine have no surface indication; they are localized in wedges or slivers of limestone along the sole of the thrust or glide plate found along the west side of fault block steps (Weaver, 1966).

vi. Drill holes #1 and #3 in the Paymaster claim group, extending into the basement granite, showed low values in both copper and silver (0.1% Cu, and 0.1 oz/T Ag), sufficient to suggest the possibility of shattered area or breccia pipes in the basement that might constitute bulk-low-grade copper-silver deposits hidden beneath the thrust or glide sheet. See Table II.

A possible "Type 6"

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Weaver, R. R., 1965, "Structural interpretation of the Ruby Star Ranch Area, Pima mining district, Pima county, Arizona, Univ. of Ariz. M.S. thesis.

(g) Other Data:

Applicant has no additional geologic or engineering reports, assay maps, or technical information, other than has been submitted with this application. Copies submitted with this application need not be returned.

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DEC. 31, 19 66
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TABLE II

HAWLEY & HAWLEY

ASSAYERS AND CHEMISTS, INC.

Registered Assayers

Shippers' Representatives — Umpires — Weighers — Samplers

1800 WEST GRANT ROAD
P. O. BOX 5024
TUCSON, ARIZONA
882-4880

Representatives at Buyer's Plants: Phelps Dodge Corp., Douglas, Arizona and El Paso, Texas; ASARCO, El Paso, Texas and Hayden, Ariz.

IDENTIFICATION	Gold OZS	Silver OZS	Lead %	Copper %	Ox Copper %	Zinc %			
FM-2 294-298	nil	0.10		0.04					
FM-2 298-303	nil	0.20		0.05					
FM-2 303-350	nil	0.10		0.02					

HAWLEY & HAWLEY
ASSAYERS AND CHEMISTS, INC.
1800 W. GRANT RD. AT AZTEC • BOX 5024, ARMORY STATION • MAin 2-4880
TUCSON, ARIZONA

BRANCHES: DOUGLAS, ARIZONA; HAYDEN, ARIZONA; EL PASO, TEXAS; AMARILLO, TEXAS

IDENTIFICATION	GOLD OZS	SILVER OZS	LEAD %	COPPER %	ZINC %	INSOL. %	IRON %		
FM-3 120-145	Trace	Trace		0.14					
FM-3 145-147	Trace	0.10		0.12					
FM-3 147-200	Trace	0.05		0.10					

HAWLEY & HAWLEY
ASSAYERS AND CHEMISTS, INC.
1800 W. GRANT RD. AT AZTEC • BOX 5024, ARMORY STATION • MAin 2-4880
TUCSON, ARIZONA

BRANCHES: DOUGLAS, ARIZONA; HAYDEN, ARIZONA; EL PASO, TEXAS; AMARILLO, TEXAS

IDENTIFICATION	GOLD OZS	SILVER OZS	LEAD %	COPPER %	ZINC %	INSOL. %	IRON %		
FM-1, 208-239	Trace	1.40		0.13					
FM-1, 245-291	None	None		0.05					

CC:
ADD:
CITY:
ADD:

REMARKS:

Crushed

ANALYSIS CERT. BY [illegible]

1.50 Preparation
5.00 Analysis

Mr. LACY
MINEX CORPORATION
Suite 201, 1019 W. Prince Road
Tucson, Arizona 85705

DATE SPL. RECEIVED [illegible] DATE COMPL. 7/30/62 $ 20.50

CITY

Analysis $

ACC:

Date Spl. Received

Date Compl.

$

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Part 4 - Accessibility of Property

(a) Directions to Claims:

The Paymaster claim group can be reached by following south from Tucson on the San Xavier Mission - Twin Buttes Road a distance of 12.6 miles from Valencia Road, on the south edge of Tucson. This is a black top road. Turn west on the Dogtown Road, an ungraded but all-weather road, for a distance of 3 miles. See figure 4-1.

Assistance in locating the claims can be obtained from:

Russell A. Todd
3120 N. Romero Road
Tucson, Arizona
(Telephone: (602) 623-3038)

Shafts #4, #5 and #6 are accessible, except for minor water in the lower levels during the rainy periods of the year. Care should be exercised with regard to putting much faith in the old ladders.

(b) Shipping and Supplies:

A spur line of the Southern Pacific Railway extends to ASARCO's Mission Mine, a distance of 6 miles from the Paymaster claim group. Mining supplies and a source of labor are available in Tucson, 20 miles to the north.

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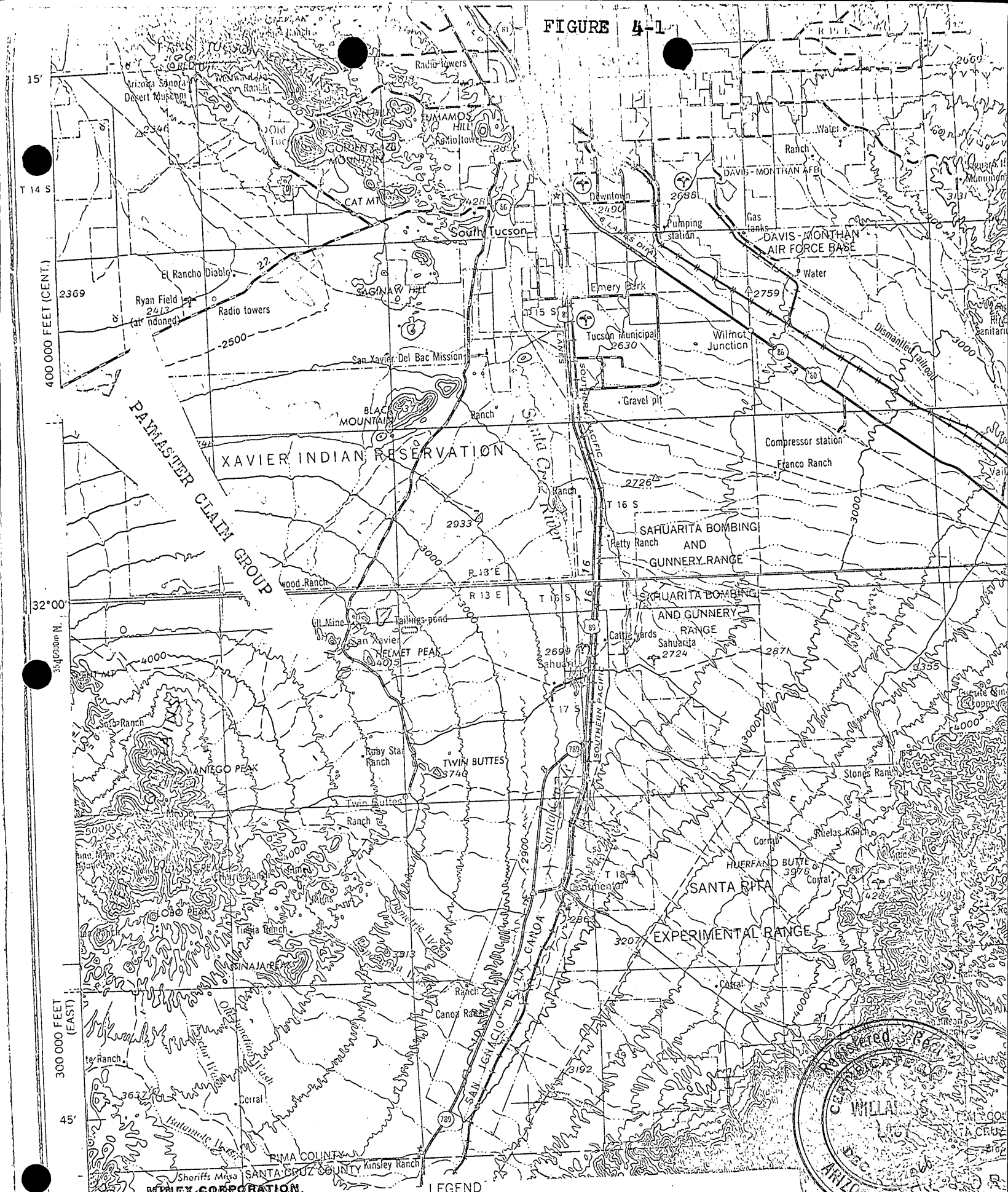
FIGURE 4-1



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LEGEND
ROAD DATA 1956
Figures in red denote approximate distances in miles between stars

POPULATED PLACES
Over 500,000 — LOS ANGELES
100,000 to 500,000 — OMAHA
25,000 to 100,000 — GALVESTON
5,000 to 25,000 — Laramie
1,000 to 5,000 — Grand Coulee

ROADS
Hard surface, heavy duty — 3 LANES | 4 LANES
More than two lanes wide
Two lanes wide; Federal route marker — 151
Hard surface, medium duty — 3 LANES | 4 LANES
More than two lanes wide
Two lanes wide; State route marker — 10
Improved light duty
Unimproved dirt

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Part 5 - Exploration Work

(a) Proposed Exploration Work:

Exploration work is divided into two stages, the second dependent upon the results obtained from the first stage.

i. STAGE I:

A. From #6 Shaft, 128 Level:

I. Drive north-northeast along the Reliable - Water Vein structures a distance of 350 feet to bring it 40 feet under the workings from the #4 Shaft. This drift (4' x 6') is designed to explore the intersection of the Reliable Vein with the China, Hidden and Water Veins close to their junction with the sole of the thrust or glide sheet. (See figures 5-1, 5-2.) sole is only 30'(?) below #4

II. Drive south-southwest along the Reliable Vein a distance of 150 feet to explore for the downward extension of a mineralized shoot at, or slightly above, the level of the sole of the thrust or glide plate. (See figures 5-1, 5-~~3~~2 and 3-11 for relation to claims).

III. At 50 foot intervals explore both hanging and footwalls with long-hole penetrations to a distance 25 feet normal to the vein. Approximately 900 feet of long-hole drilling. Samples to be carefully collected at 5-foot intervals and assayed.

IV. Drifts are to be sampled by channel cuts at ten foot intervals.

B. Geophysical Work on the Surface:

I. Induced Polarization (IP) lines should be run on a 500 foot center grid--approximately 40,000 feet of line. Self Potential readings should be taken from each station. Lines of grid to be run approximately N35°E, and N55°W. where?

C. Diamond Frilling from Surface:

why is this area more favorable than that tested by holes 1, 2, 3, 4? What did SP survey show in area of 1, 2, 3, 4? Is the granite expected to be mineralized?

I. Vertical drill holes should be located 200 feet east of Shaft #12 and 650' east of Shaft #12 to explore for southern extensions of the vein structures indicated by self potential anomalies. Each hole should be drilled into the basement granite to an approximate total depth of 300'. (See figures 3-5 and 3-11. ?

D. Summary:

STAGE I would consist of the following work:

Drifting (4' x6').....500 feet
Long-hole drilling;.....900 feet
Channel sampling..... 50 channels
Induced Polarization and Self Potential
Geophysical lines in 500 foot grid...40,000 feet
Diamond drilling from surface (300' holes)600 feet
Assays for copper, silver, lead, zinc.. 300 samples

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Stage II - see p. 5-2

Registered Geologist CERTIFICATE WILLIAM DEC. 31, 19 ARIZONA, U.S.A.

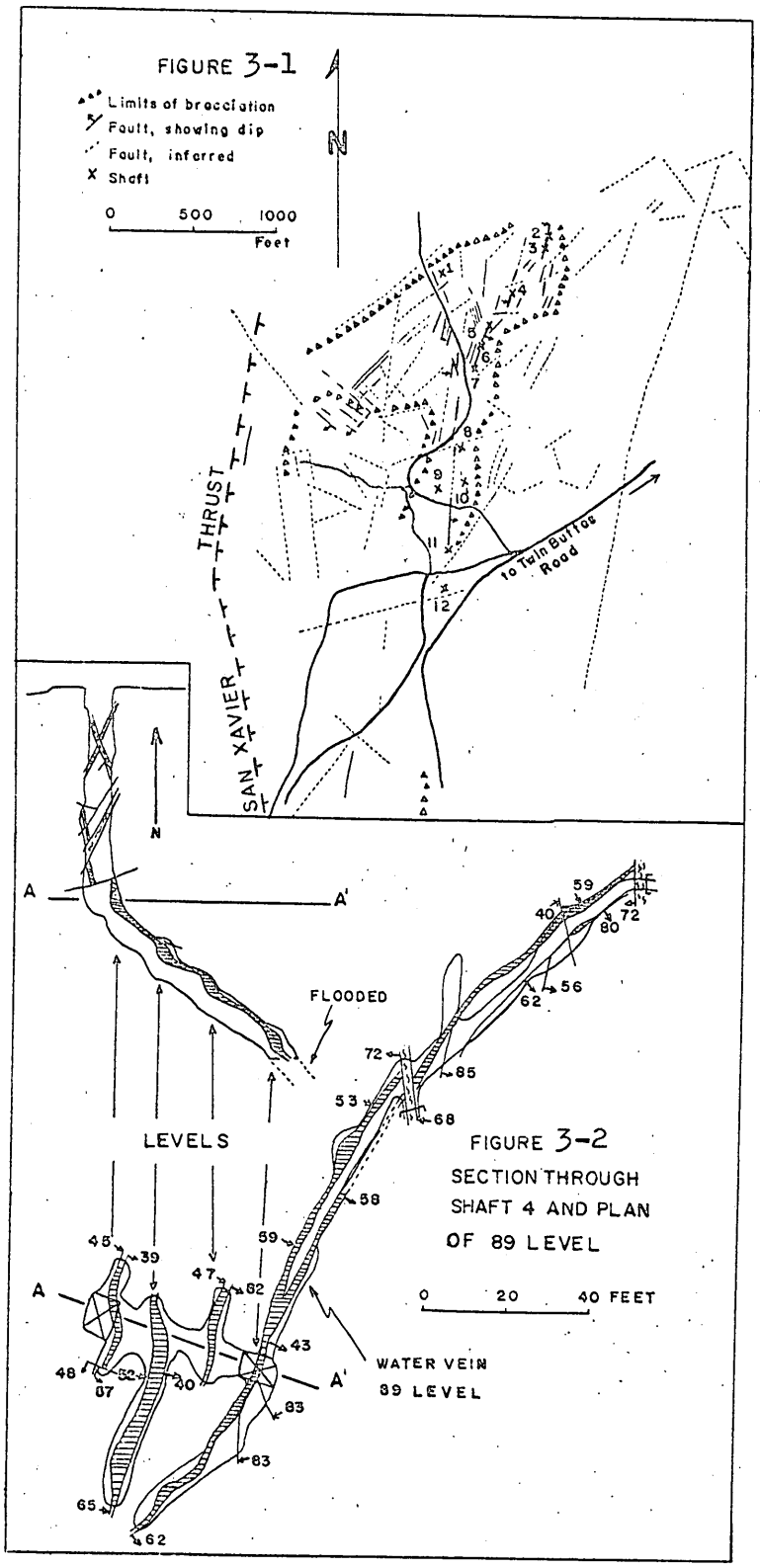

FIGURE 3-2
SECTION THROUGH
SHAFT 4 AND PLAN
OF 89 LEVEL

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LACY
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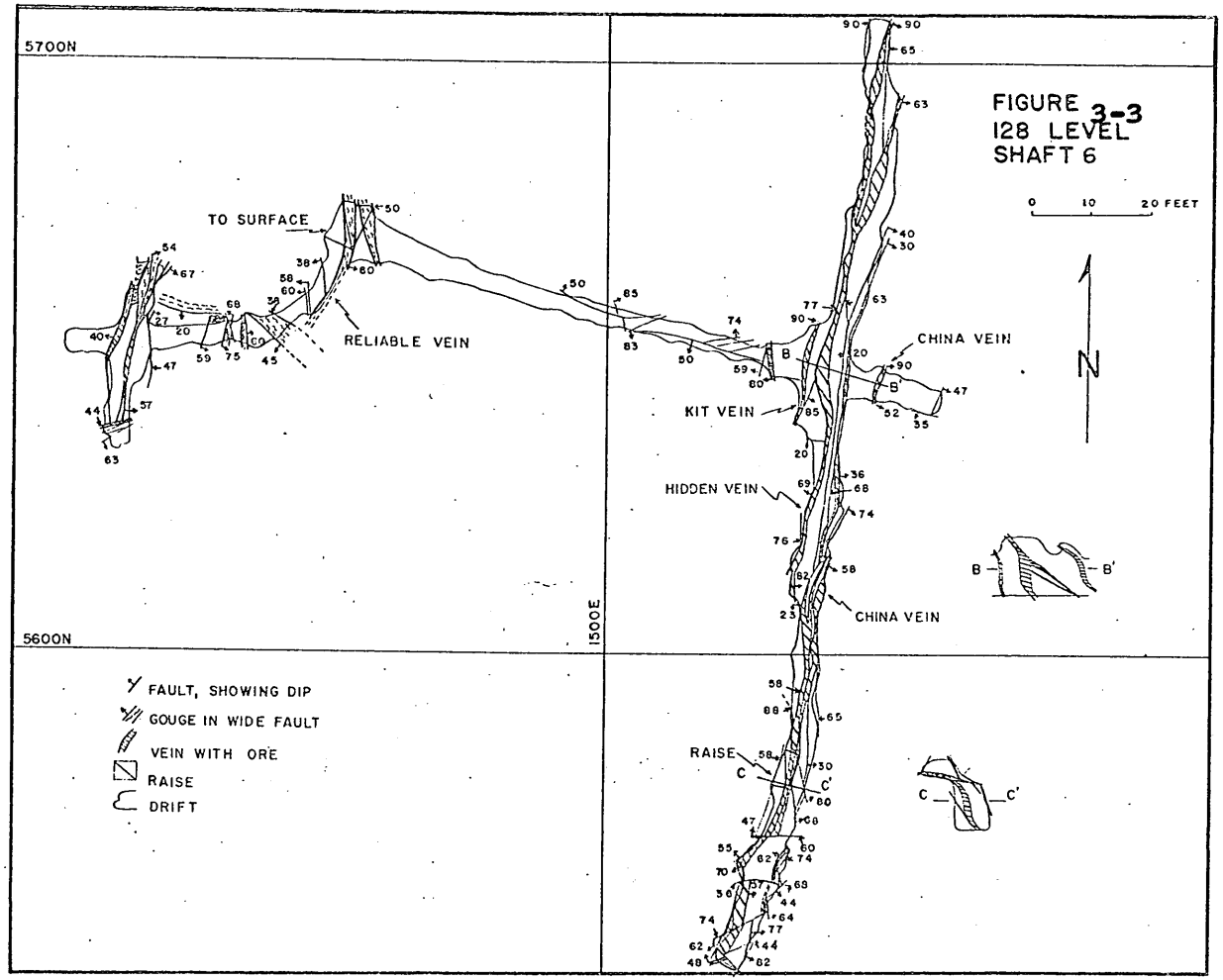

FIGURE 3-3
128 LEVEL
SHAFT 6

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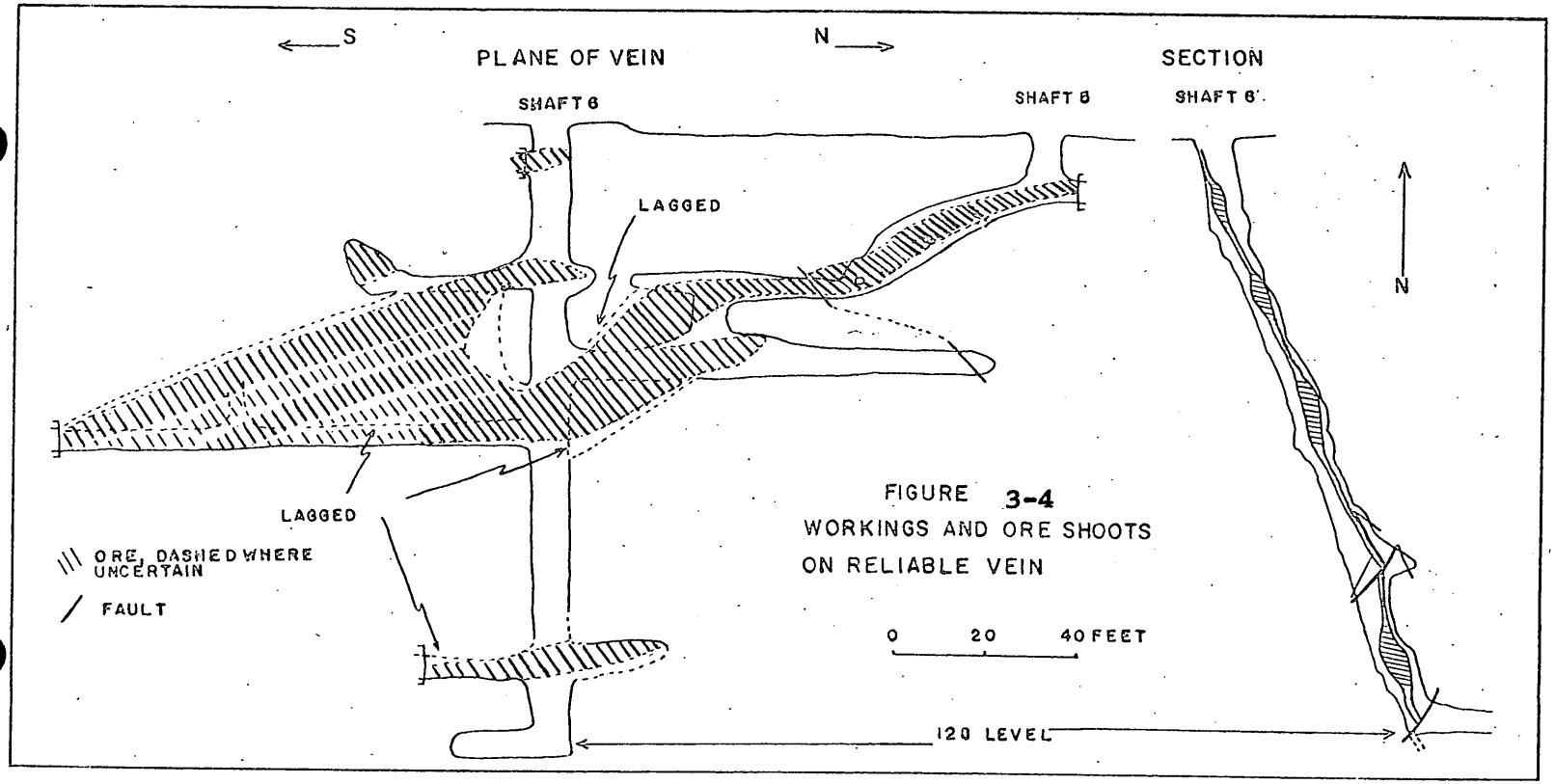

FIGURE 3-4
WORKINGS AND ORE SHOOTS
ON RELIABLE VEIN

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FIGURE 3-5

PLATE VI

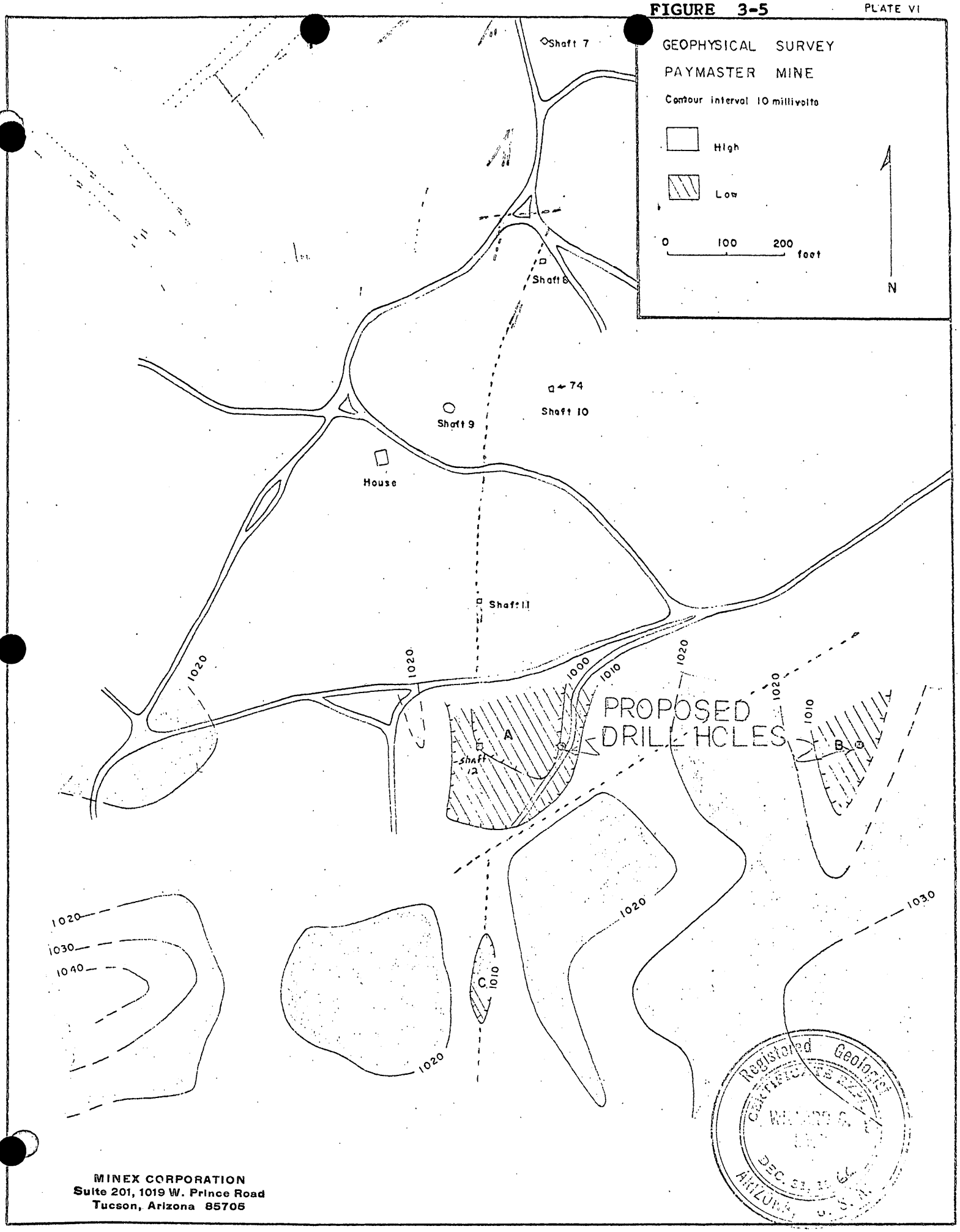

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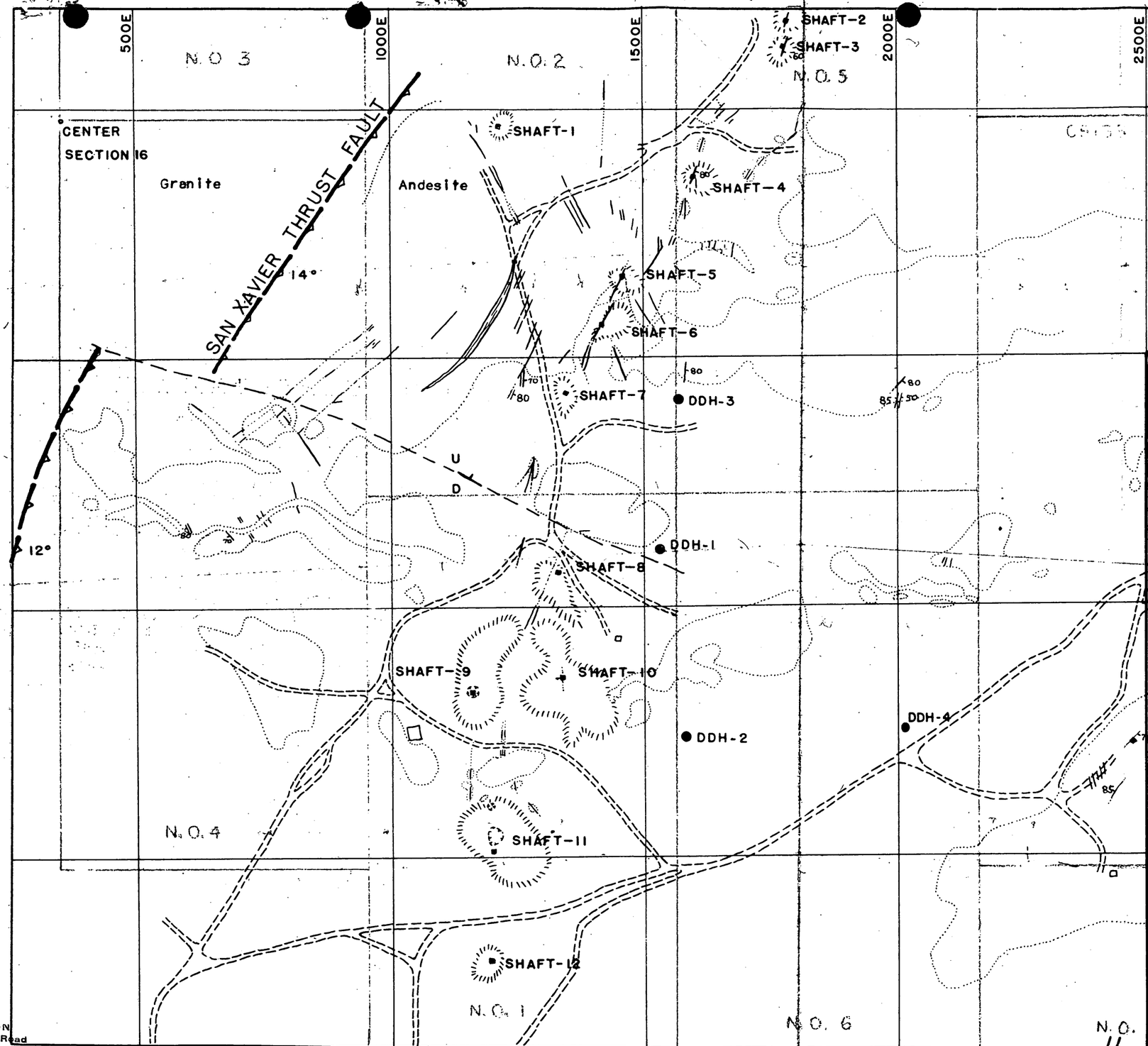
FIGURE 3-6

PAYMASTER CLAIM GROUP

PIMA MINING DISTRICT — PIMA COUNTY, ARIZONA.

W.C. LACY



CONDENSATION OF GEOLOGIC LOGS

DDH #1 (5110N, 1540E)

0 - 53'	Overburden
53-132	Andesite; altered, oxidized, dissem. limonite.
132-239	Andesite porphyry; altered, oxidized, pyrite & limonite
239-245	Gouge, no mineralization.
245-291	Granite, altered, oxidized, dissem. limonite.

DDH #2 (4740N, 1590E)

0 - 21	Overburden
21 - 298	Andesite breccia, altered, dissem. pyrite below 249'.
298-303	Gouge, with dissem. pyrite.
303-350	Granite, altered, dissem. limonite.

DDH #3 (5415N, 1570E)

0 - 20	Overburden
20 - 119	Andesite porphyry, altered, oxidized, dissem. limonite
119-144	Andesite breccia, altered, oxidized, dissem. limonite.
144-145	Gouge, with pyrite.
145-200	Granite, altered, dissem. limonite.

Hole	Depth	%Cu	oz.Ag	oz.Au	
1	205-239	.13	1.4	tr	34'
	245-291	.09	0.0	nil	46'
2	249-298	.04	1.0	nil	49'
	298-303	.05	.2	nil	5'
	303-350	.04	.1	nil	47'
3	119-144	.14	0.0	tr	25'
	144-145	.12	.1	tr	1'
	145-200	.10	.05	tr	55'

4 Pto. assays

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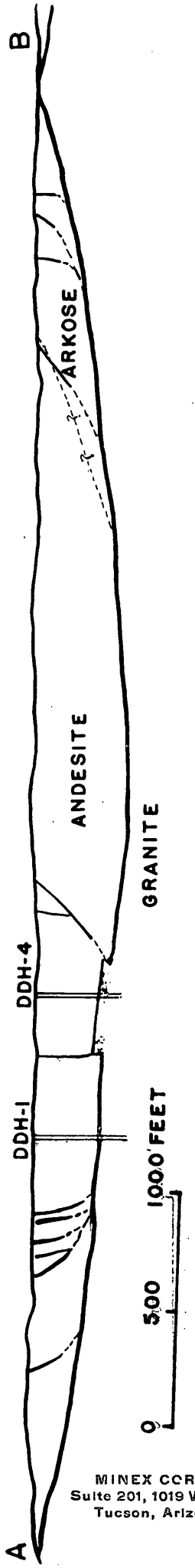

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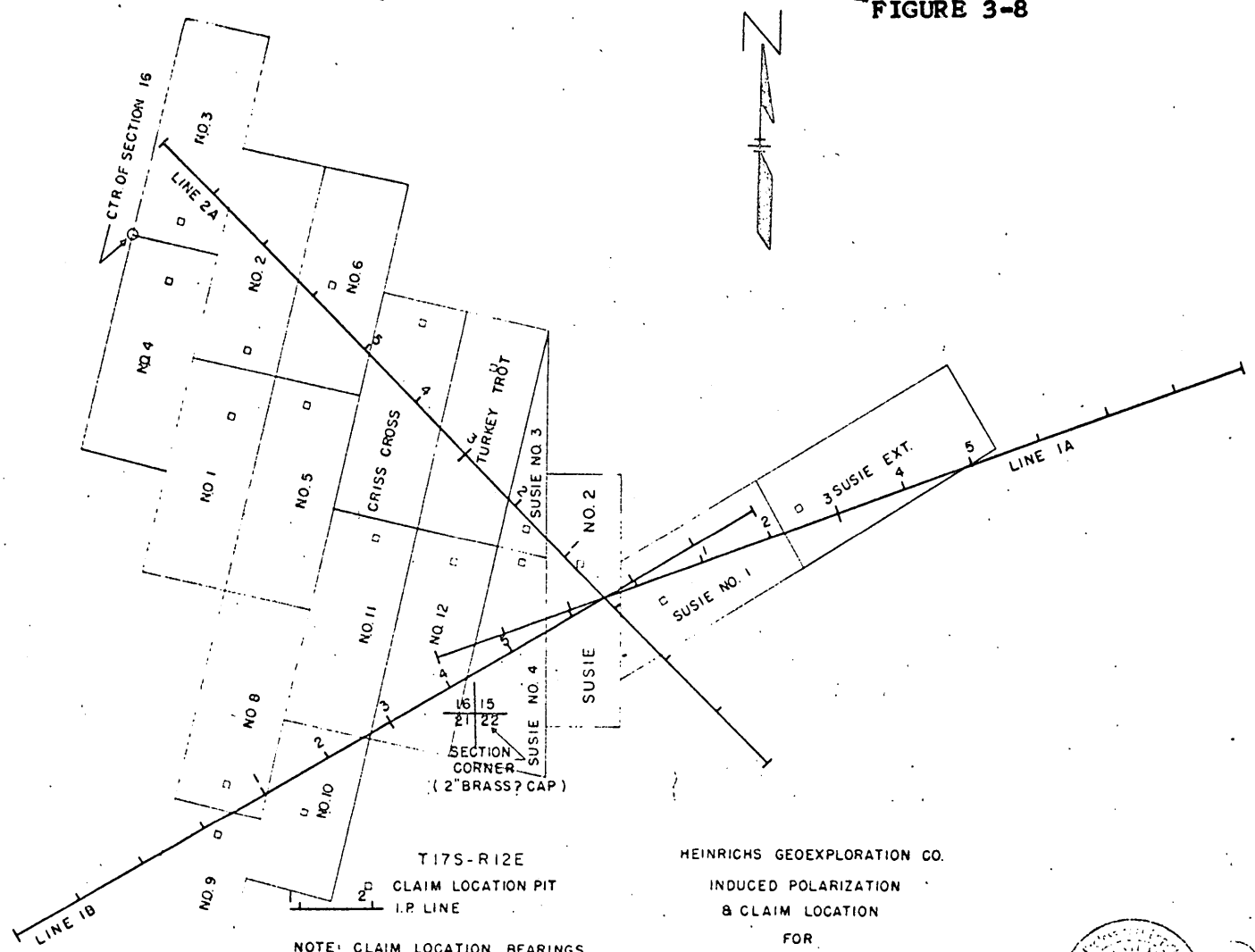
CONDENSATION OF GEOLOGIC LOGS (cont.)

DDH # 4 (4750N, 2025E)

0 - 38'	Overburden (Alluvium)
38 - 130	Andesite breccia (volcanics), altered and hematite stained.
130 - 150	Andesite porphyry, shattered, weakly altered and hematite stained.
150 - 200	Andesite breccia, shattered and weakly altered with hematite stain.
200 - 210	Andesite porphyry, massive, chloritized.
210 - 243	Granite, brecciated and gougey, hematite stain and disseminations.
243 - 279	Granite, shattered, weakly altered, hematite stain and disseminations.

FIGURE 3-8



T17S-R12E

CLAIM LOCATION PIT

I.P. LINE

NOTE: CLAIM LOCATION BEARINGS & DISTANCES FURNISHED BY R. TODD - LOCATION I.P LINE BY BRUNTON & CHAIN & TIED TO SEC COR. BY GEOEX

HEINRICHS GEOEXPLORATION CO.

INDUCED POLARIZATION & CLAIM LOCATION

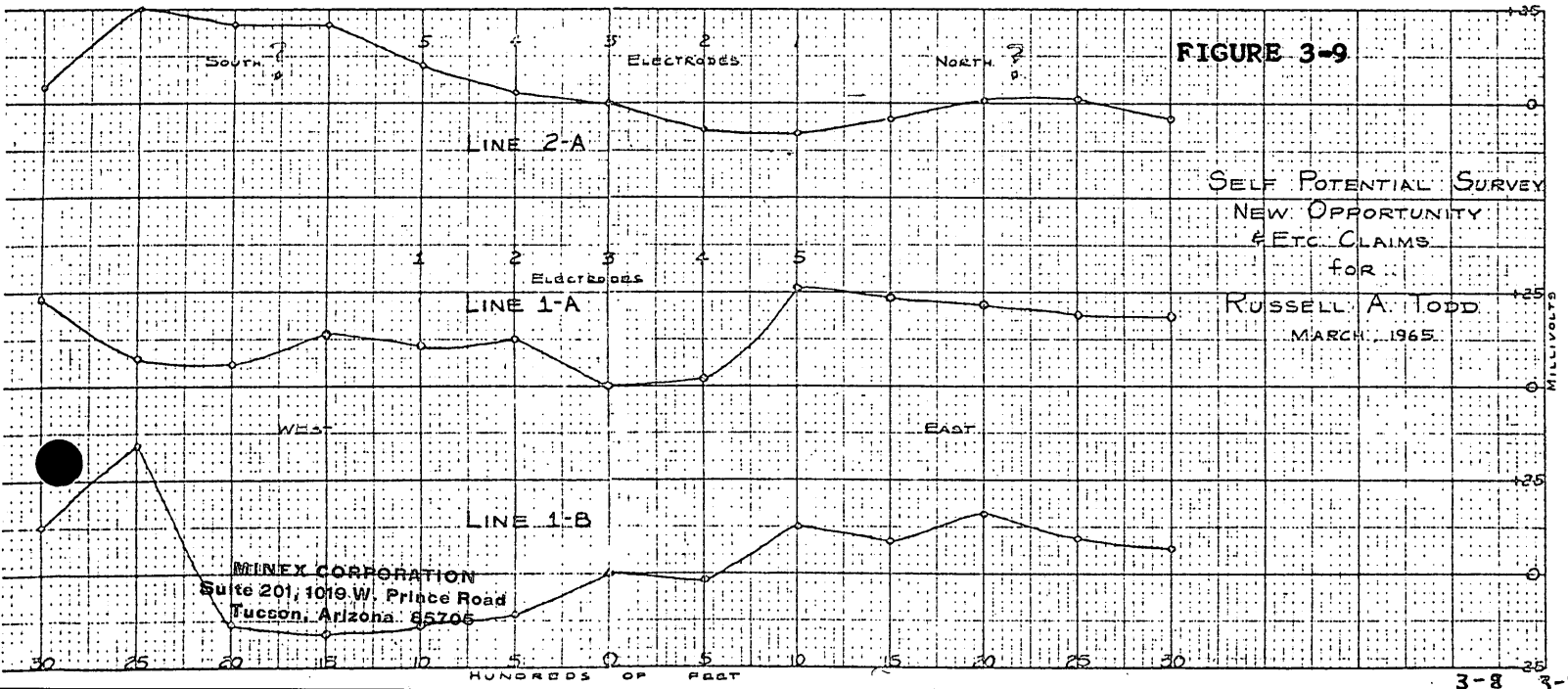
FOR

RUSSELL TODD

SCALE 1" = 600' MARCH 1965

N.O. = NEW OPPORTUNITY

FIGURE 3-9



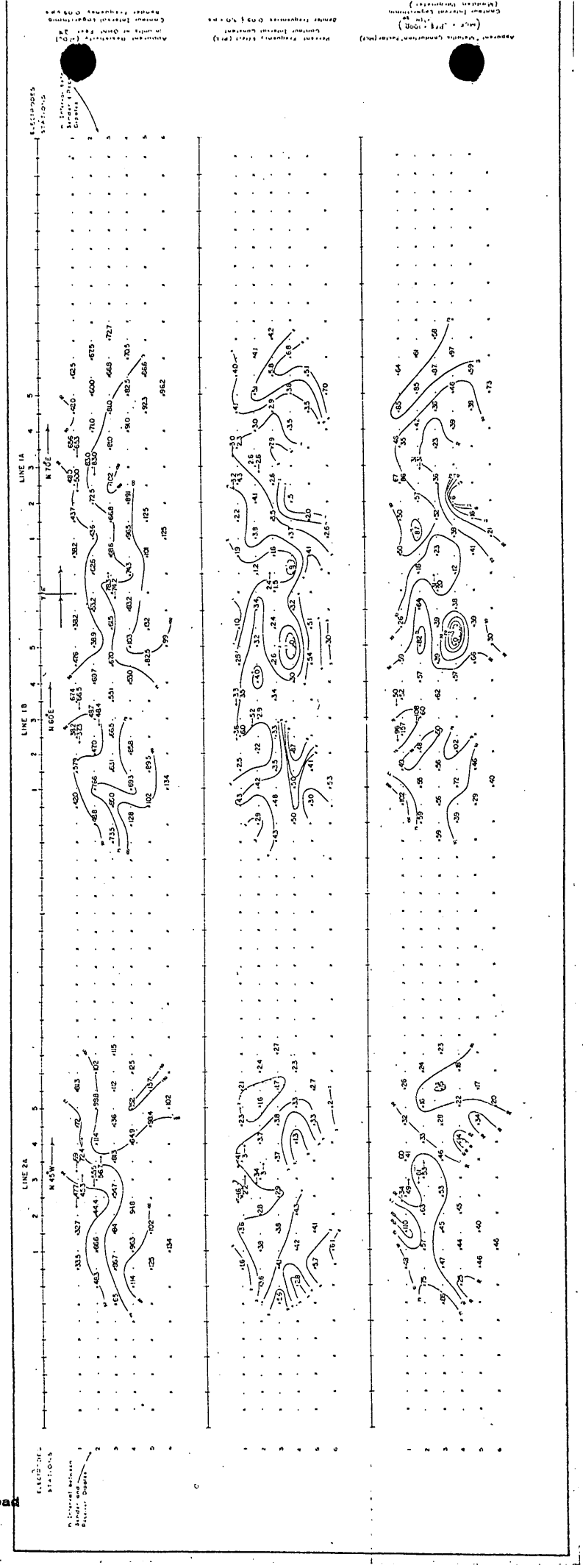


FIGURE 3-10

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FIGURE 5-1

PROPOSED EXPLORATION
PAYMASTER MINE WORKINGS

PLAN

1" = 40'

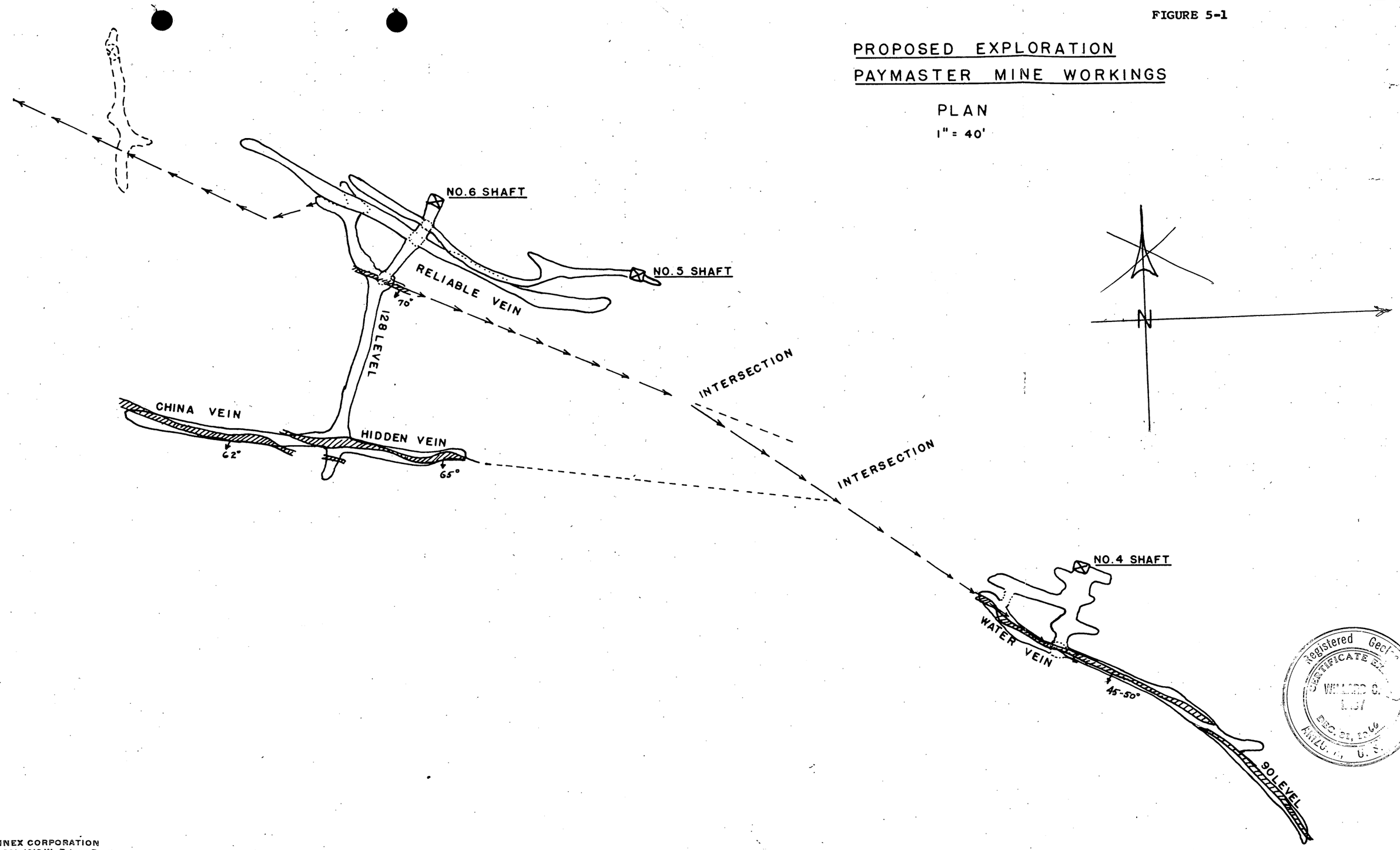

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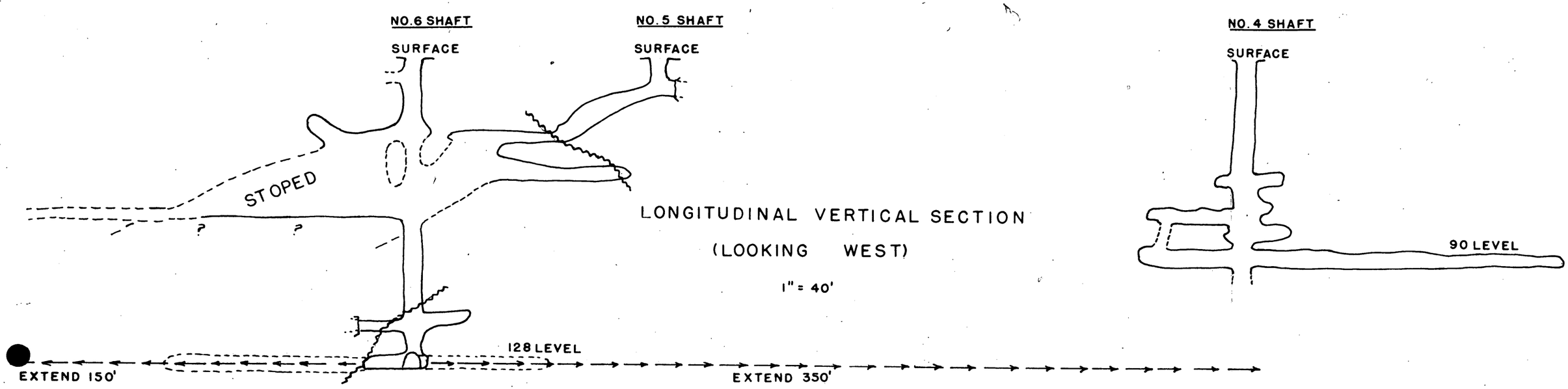
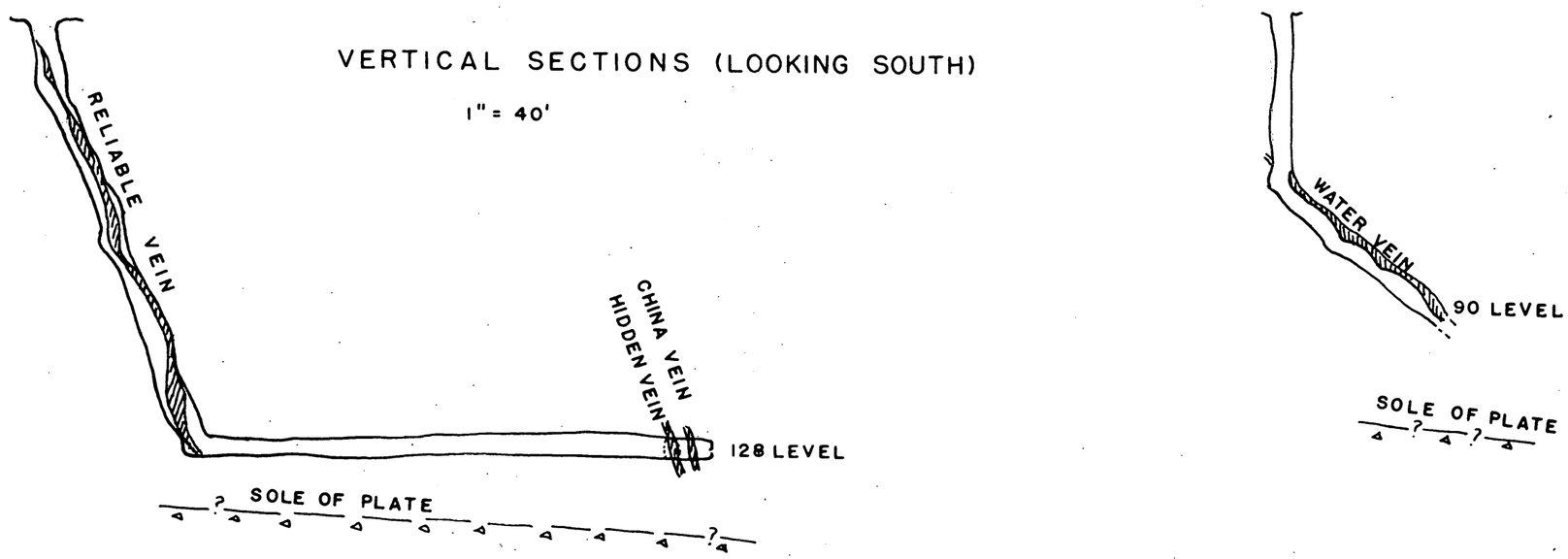
FIGURE 5-2



LONGITUDINAL VERTICAL SECTION

(LOOKING WEST)

1" = 40'



VERTICAL SECTIONS (LOOKING SOUTH)

1" = 40'

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CERTIFICATE

ii. STAGE II:

A. From #6 Shaft, 128 Level:

I. Cross-cuts would be driven from drifts north and south from #6 Shaft where long-hole drilling indicated appreciable values.

II. Drifts might be extended to north or south, with long-hole exploration.

III. A raise would be connected through to #4 Shaft for ventilation. (40 feet of raise.)

B. Diamond Drilling from the Surface:

I. Both induced polarization and self potential anomalies would be drilled to establish the cause of anomalies, (perhaps 10 holes to an average depth of 400 feet).

C. Summary:

STAGE II cannot be established until the completion of stage I, but in the event that stage I was encouraging it might include:

Drifting and cross cutting (4' x 6')...	500 feet
Long-hole drilling.....	450 feet
Channel sampling.....	50 channels
Raising.....	40 feet
Diamond drilling from surface--10 holes to an average depth of 400 feet.....	4000 feet
Assays for copper, silver, lead & zinc.	300 samples

(b) Road Construction:

No road construction will be required to carry out the exploration program.

(c) Time Schedule:

STAGE I:

Drifting: commence 1 month after approval.....	1 mo.
rate of advance - 150 feet per month..	3 1/2 mo.
Rehabilitation of shaft - 2 weeks.....	1/2 mo.
Long-hole drilling - coincident with drifting	
Sampling and assaying " " "	
Compilation and evaluation of data 1 month.....	1 mo.

Diamond drilling and geophysical work would be run coincident with the drifting program.

STAGE I .....Total time requirement ..... 6 months

STAGE II:

To be determined on basis of evaluation of Stage I.

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APPENDIX A

Geological Developments in the Twin Buttes District

By W. C. LACY
Professor of Geology
and
S. R. TITLEY
Assistant Professor of Geology
University of Arizona

Geophysical discovery of the Pima ore body a decade ago* set off a rash of activity in the Twin Buttes mining district that resulted in discovery of the Esperanza, Mission, and Palo Verde ore bodies

THE Twin Buttes mining district, located approximately 20 miles south of Tucson, Ariz., along the eastern pediment slope of the Sierrita Mountains, had at the time of the Pima discovery produced about $20,000,000 in value from lead, zinc, copper, silver, gold and molybdenum. Production was from veins or from relatively small, erratic limestone, replacement bodies that cropped out at the surface on remnant hills that stood above a covered pediment surface.

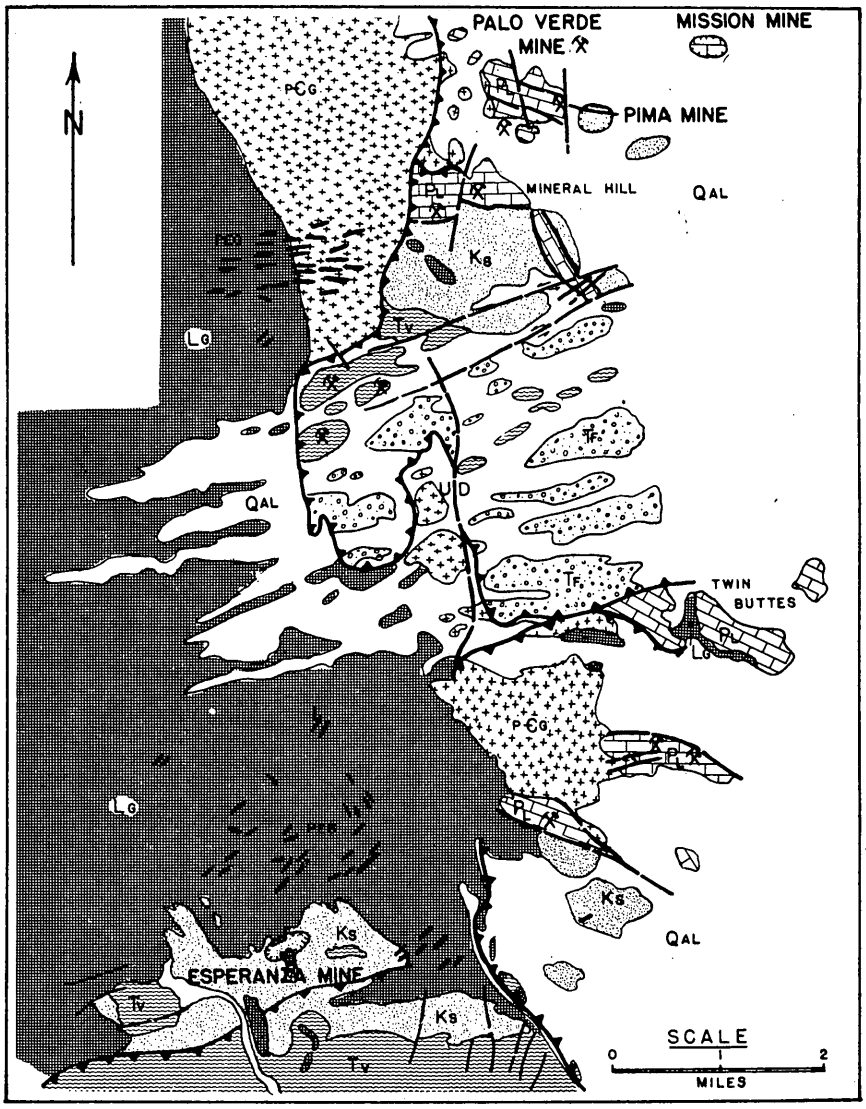
Application of improved techniques —geological, geophysical and geochemical—have continued to reveal major discoveries as "blind" ore bodies under the pediment cover and beneath leached capping. The area now takes its place among the great mining districts of the Southwest with a developed potential value in excess of a billion dollars. Its development has had a strong impact upon both exploration philosophy and mining legislation.

Complex Geological Picture

The area has received careful study by many geologists, with nearly as many interpretations as geologists, and continuing exploration to test the various theories of localizing controls yields encouragement that additional important metal deposits will be found.

In spite of the considerable geological and geophysical effort expended in the Twin Buttes district[2, 3], the lack of continuous outcrops and the complexity of faulting, volcanic and intrusive activity have led to varied interpretations of geological relationships and history.

In general, however, the Twin Buttes mining district occurs within a stack of thrust sheets that fringe the eastern edge of a large Laramide



LEGEND

QAL	Quaternary Alluvium	PL	Paleozoic Limestone, etc.
Tf	Tertiary Fanglomerate	Lg	Laramide Granodiorite
Tv	Tertiary Volcanics, Dikes	PCG	Precambrian Granite
Ks	Cretaceous Sediments	PEG	Pegmatite Dikes
	Overthrust Fault		Normal or Lateral Fault

Fig. 1. Generalized geological map of Twin Buttes—Pima mining district. In general the Twin Buttes district occurs within a stack of thrust sheets that fringe the eastern edge of a large Laramide granodiorite batholitic complex which forms the core of the Sierrita Mountains

* *Thurmond and Heinrichs.*

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granodiorite batholithic complex which forms the core of the Sierrita Mountains (see figure 1). Clusters of pegmatite dikes occur in the granodiorite complex and appear to be most abundant near the mineralized areas. The thrusting involved rocks ranging from Precambrian to Tertiary in age, and has produced imbricate structures that appear to have formed pene-contemporaneously with, and later than, the period of granodiorite intrusive activity. These thrust sheets have been cut by intrusive bodies and by lateral faults, were mineralized, and have suffered post-mineralization block subsidence. The graben areas were then filled with fanglomerate and volcanic materials.

The mineral deposits are located adjacent to the batholith complex within the fringe of thrust sheets, particularly where lateral breaks cut the intrusive body and the faulted fringe. Late differentiates of the batholith are frequently emplaced at these loci.

The faulted fringe surrounding the intrusive core of the Sierrita Mountains has been a zone of structural weakness along which continued crustal readjustments have tended to concentrate.

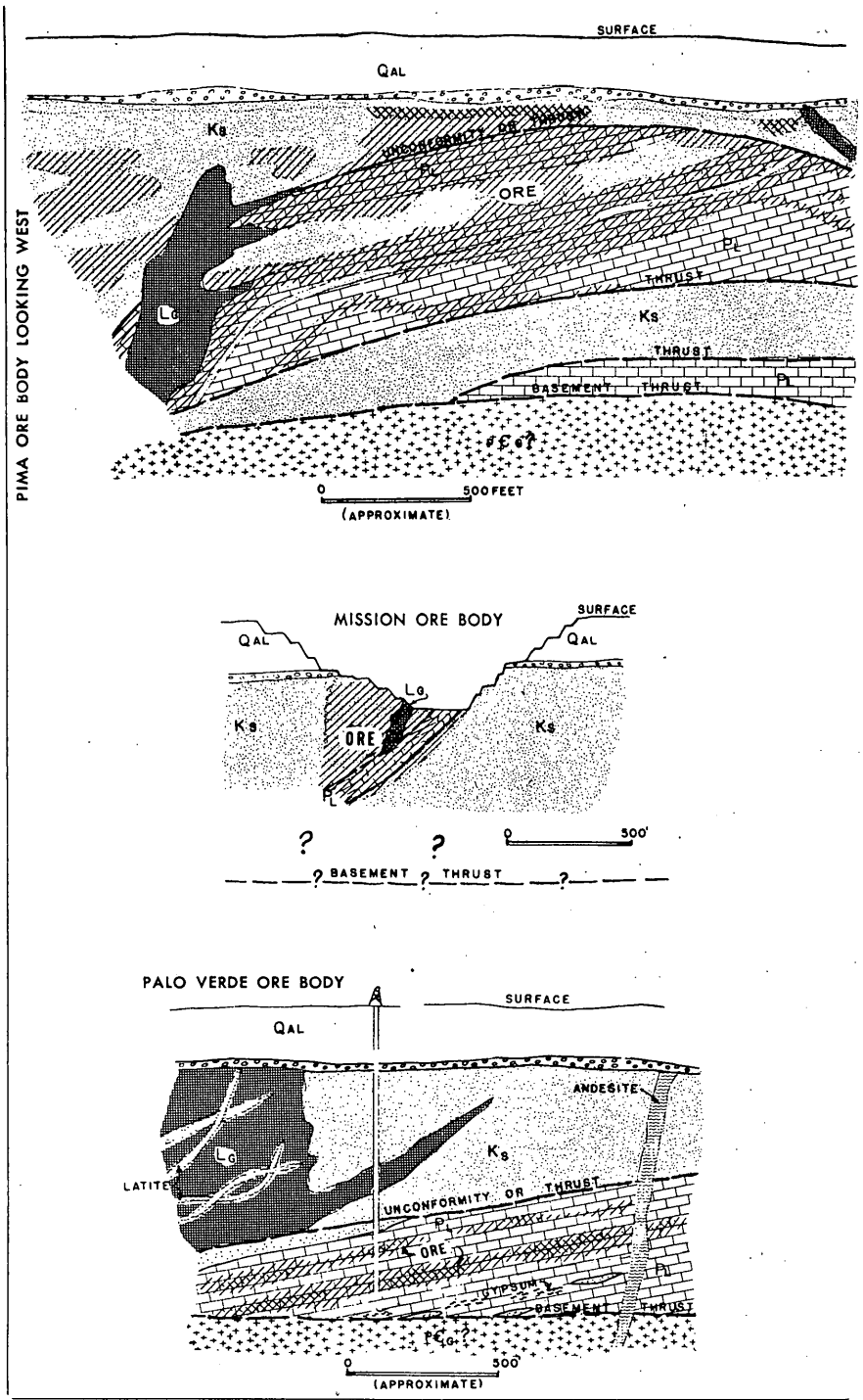


Fig. 2. The Pima, Mission, and Palo Verde ore bodies are all closely related in space and are probably interconnected

Three Ore Deposit Types

The nature of deposits in the Twin Buttes district is influenced principally by the reactivity of the host rock, and the nature and intensity of fracturing. The deposits might be categorized as:

Deposits in reactive host. Massive replacement bodies and disseminations of sulphide minerals in silicated limestone—with the typical characteristics of the "pyrometasomatic" deposit.

Deposits in nonreactive host. Disseminated sulphides in shattered and altered sediments and volcanics or in permeable clastic sediments—with many of the characteristics of the "porphyry copper" deposits.

Fissure veins. As small pockets of complex ores that favor the volcanics as a host.

Individual deposits may encompass all three varieties; however, one will be dominant. All of the new major developments have been of the first two types.

Deposits in Reactive Host

The Pima, Mission and Palo Verde ore bodies[4, 5, 6] all occur within areas of Paleozoic limestone, and a large proportion of the ore mineralization is contained within silicated limestone (tactite), though disseminated values in quartzite and arkosic quartzite are important. Secondary enrichment is of minor importance in the tactite host. These three deposits are all closely related in space and are probably interconnected. Geological relationships are, for the most part, clearly shown in vertical sections, figure 2. The influence of the thrusts, and favorable beds on the localization of ore mineralization are indicated. In all three instances ore values are bottomed against Precambrian(?) granite by the Basement thrust, or perhaps a Laramide sill.

Mineralization in these three developments is similar. Chalcopyrite and lesser amounts of bornite constitute the principal ore minerals, while sparing amounts of sphalerite, galena and pyrite make up the remainder of the mineral assemblage. Molybdenite is present within all three developments. Pyritization is largely confined to the area of ore mineralization.

In the Palo Verde deposit an interesting zoning of sulphide minerals

Primary ore mineralization at Duval Sulphur's Esperanza mine (here looking toward the San Cayetano Mountains) is essentially chalcopyrite and molybdenite with associated pyrite. A broad zone of pyritization surrounds the ore body

that is related to the intrusive body was noted[6] (see figure 2). Pyrite and molybdenite were largely confined to the Laramide intrusive, while zones characterized by chalcopyrite, bornite-chalcopyrite, tetrahedrite, and sphalerite occur in sequence out from the contact. Relationships of the intrusives to the period of thrusting, and the extent of post-ore thrusting are still questions whose answers will need to wait a better view of the ore bodies.

Esperanza in Nonreactive Host

The Esperanza deposit[7] occurs within intensely fractured and altered clastic sediments and volcanics, and intrusive andesite and quartz monzonite. The andesite, possibly an early phase of the Laramide granodiorite, is markedly controlled in its form by a pattern of steeply northward dipping faults. Better primary ore values tend to favor the andesite or the sediments immediately adjacent to it (figure 3).

Evidence for thrusting in the Esperanza mine area is a little more obscure, but flat faults are commonly observed in the pit, and a strong 30° southward-dipping pre-ore fault zone is a controlling factor in ore localization. Post-ore movement has brecciated the ore, leaving some of it as loose rubble. This brecciation has facilitated the secondary enrichment processes which have played an important role in the development of ore values.

Primary ore mineralization is essentially chalcopyrite and molybdenite with associated pyrite. A broad zone of pyritization surrounds the ore body.

Targets for Exploration

Vein structures which contained copper, lead, zinc, silver and gold values are abundant in the thrust sheets west of the Pima mine area. These were responsible for much of the early production from the area. In many instances these appear to represent leakage structures from more extensive mineralization along the base of the thrust in depth[8].

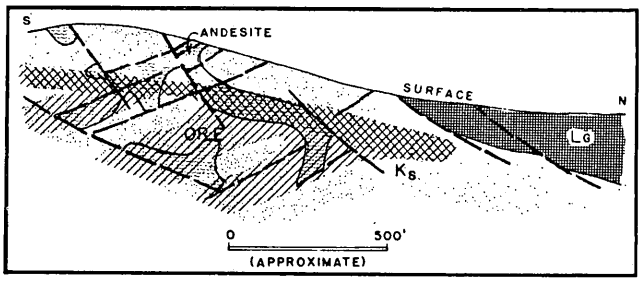
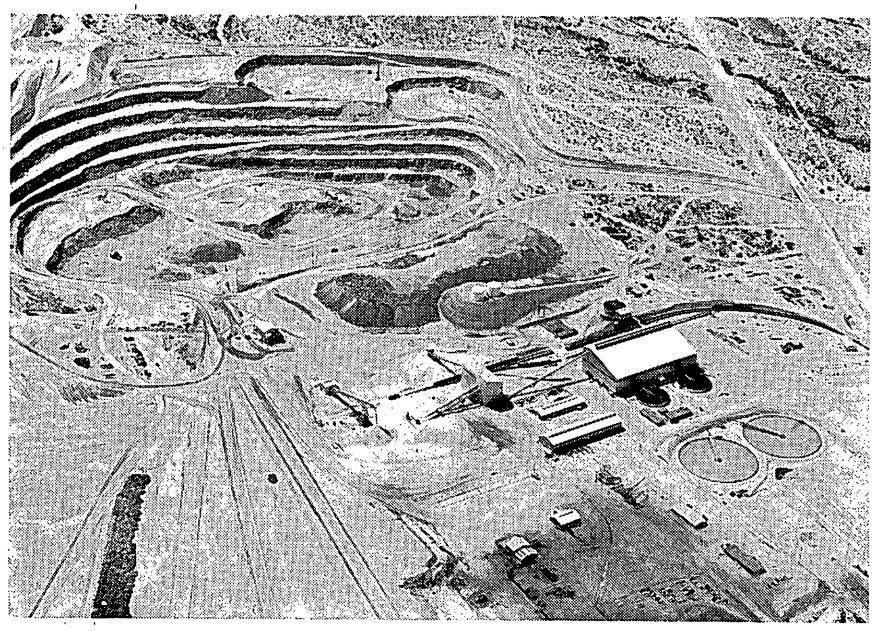


Fig. 3. The Esperanza deposit occurs within intensely fractured and altered clastic sediments and volcanics, and intrusive andesite and quartz monzonite

J. R. Cooper[2] made some interesting observations which have spurred exploration efforts in the area south of Twin Buttes. He noted the striking coincidence of rock pattern and structure between the Pima area at Mineral Hill and the Twin Buttes area (figure 1), and suggested the hypothesis that: (1) Thrusting was post-mineralization and had separated the Pima, Mission and Palo Verde ore bodies from their roots, (2) similarities in the geology of the northern plate and the block to the south suggest that it moved 6½ miles to the north-northwest. Considerable efforts are presently being expended in the search for the roots of these beheaded ore bodies.

The proposed post-mineralization timing of this thrusting and the mechanics by which such a thin sheet could be displaced such a distance



Ore in the Mission mine is exposed in the bottom of the pit beneath 200 ft of gravel

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without total destruction is questioned. An alternative hypothesis, more acceptable to the writers, is as follows:

(1) The major period of thrusting was pene-contemporaneous with the intrusion of the Sierrita batholith, and these thrust sheets which fringe the intrusive represent rock shed from the roof of the batholith, domed up during intrusion. Thus, the movement of the sheets was aided by gravity, the shouldering action of the intrusions, and partial rafting by the liquid magma. Thrusting on the west side of the Sierrita range outside the area of figure 1 follows a similar pattern.

(2) Late differentiates from the batholith tended to be localized at or near the contact of the batholith, particularly where it had been broken by lateral faults. Concentrations of pegmatites mark these zones of lateral movement.

(3) Mineralization was essentially post-thrusting and was partially controlled by the thrust faults, by the location of the later intrusive differentiates, and by the lateral breaks.

(4) Post-mineralization faulting has been confined to block subsidence and to minor readjustments which have concentrated in the fringe surrounding the intrusive complex which would have stood as a solid buttress.

With such a change in perspective, areas of interest may be modified and extended. Favorable zones for ore discovery would: (1) tend to follow the margins of the Sierrita batholith; (2) tend to be concentrated at localities where the batholith had been offset during late magmatic stages—as reflected by the pegmatite concentrations; (3) be distributed along the flat-lying thrusts, and thus might be blind except for minor leakage along minor faults and fissures; and (4) tend to be localized within chemically favorable beds, particularly within Paleozoic limestones.

Such an interpretation focuses attention on the area south of Twin Buttes as well, but also extends possibilities south and west of Esperanza, and along the less well explored west and north contacts of the intrusive complex.

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AMERICAN MINING CONGRESS
Ring Bldg., Washington, D.C.

APPLICATION FOR ASSISTANCE IN MINERALS EXPLORATION

PART 6 - Experience

Minex Corporation was incorporated on November 30, 1966, and has not conducted previous exploration work.

Russell A. Todd, the President of Minex Corporation, has owned an interest in the property for approximately fifteen years and has supervised and participated in the conduct of exploration and assessment work during the entire period. Exploration work so conducted includes the sinking of exploratory shafts and the running of exploratory drifts and cross-cuts and the conduct of drilling and geophysical work on the property.

Charles R. Todd, who will be the corporate officer in charge of the exploration operations, participated in the exploration and assessment work described in the immediately preceding paragraph. Mr. Todd has been employed by ASARCO at its Mission Unit in Pima County, Arizona, for approximately the last three years, most recently holding the position of First Class Mechanic. In addition, the applicant intends to employ a consulting geologist and a consulting mining engineer, as needed, to advise and assist in the exploration operations.

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Part 7 - ESTIMATE OF COSTS

(a) Independent Contracts

The proposed work to be done by independent contracts consists of two parts:

(1) Geophysical work on the Surface (See Part 5 (a) - Stage I - Subsection B).

(2) Diamond Drilling from Surface - two vertical diamond drill holes, each approximately 300' deep. (See Part 5 (a) - Stage I - Subsection C).

The following bids have been received for the above work:

(B) Geophysical Work on the Surface.

(1) Heinrichs Geoexploration Co., $5,500.00 (See letter encl.) omitted
(2) Canadian Aero Mineral Survey, $4,600.00 (See letter encl.) "

NOTE: No other geophysical company is active in the area.

(C) Diamond Drilling from the Surface - NX Core.

(1) Metler Brothers Drilling Co., $5.95 per foot plus extras (see letter encl.) "
(2) Boyles Brothers Drilling Co., $6.90 per foot + extras (see letter encl.) "

NOTE: Estimates were requested from two additional companies (Joy Drilling Co. and Whatley Drilling Co.) but these companies failed to submit an estimate.

We, accordingly, are submitting the following estimates for this work:

(B) Geophysical Work on the Surface - $4,600.00

(C) Diamond Drilling from the Surface - NX Core

600' of drilling @ $5.95 per ft.,	$3,570.00
Extras	630.00
	$4,200.00

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(b) Personal Services.

(1) Mining Engineer - to supervise the shaft repairs, the driving of the drift, the long hole drilling and the necessary sampling according to the plans submitted herewith. This will include the surveying required to keep the drift on line and grade.

4 months - part time as required -	$1,200.00
Transportation, 2160 miles @ 10¢	216.00

(2) Geologist - to make periodic visits from time to time to ascertain the success of the exploration, to suggest any changes that may be advisable, and to sketch and map the geological structures.

4 months - part time as required -	$1,200.00
Miscellaneous sampling and analytical work	228.00
Transportation, 2040 miles @ 10¢	204.00

(3) Mine Superintendent -

5 months @ $800 per month	4,000.00

(4) Working Foreman -

4 months (88 shifts) @ $25 per shift	2,200.00

(5) Miner -

4 months (88 shifts) @ $23 per shift	2,024.00

(6) Miner's Helper -

4 months (88 shifts) @ $21 per shift	1,848.00

(7) Hoistman -

4 months (88 shifts) @ $23 per shift	2,024.00
TOTAL - Personal Services (of the above, $14,496.00 are wages)	$15,144.00

All these services are available.

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(c) Operating Materials and Supplies (Units of equipment and tools costing less than $50 each)

(1) Mine Track.

Salv.

1,000' - 20# Rail @ $196 per ton	$1,960.00	
(NOTE: 20# Rail is proposed, as a quantity of same is offered for sale at less than the 16#)		
75 pairs Fish Plates @ $1 per pr.	75.00	
200 lb. Track Spikes (½"x3½") @ $22.65/cwt.	45.30	
200 lb. Nuts and Bolts (½"x2") @ $35.50/cwt.	71.00	
TOTAL (1)		$2,151.30

(2) Rock Bolting (for rock bolting 225' of drift).

50 Rock Bolts - 3/4" x 5' long @ 60¢ each	30.00	
50 Rock Bolts - 3/4" x 4' long @ 54¢ each	27.00	
100 Shells for above @ 35¢ each	35.00	
100 Washers for above @ 32¢ each	32.00	
100 Roof Bolt Mats - 16 gauge steel, 9' long x 13" wide @ $3.50 ea.	350.00	
TOTAL (2)		474.00

(3) Drill Steel for Drifting - H Thread, 7/8" dia.

6 Drill Rods, starters, 2' long, @ $7.65	45.90	
24 Drill Rods, regulars, 6' long, @ $12.60	302.40	
Tungsten Carbide Bits (for drifting).		
6 starters, 1-7/8" @ $15.55	93.30	
18 Regulars, 1-3/4" @ 15.05	270.90	
TOTAL (3)		712.50

(4) Drill Steel for Long Hole Drilling, 1" dia.

10 Drill Rods, 5' long, @$18.60 ea.	186.00	
10 Couplings @ $5.25 ea.	52.50	
2 Striking Bars, 1' long, @ $18.65 (7/8" to 1")	37.30	
Tungsten Carbide Bits (for long hole drilling)		
1 Starter, 1-7/8@ x 21.85	21.85	
4 Regular, 1-3/4" x 20.80	83.20	
TOTAL (4)		380.85

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(c) Operating Materials and Supplies (cont.)

(5) Hoisting Cable - 9/16" - 6x25 1WRC

300 ft. @ .289 per ft.	$ 86.70		depr.
TOTAL (5)		$ 86.70	

(6) Ventilation Pipe

12" Plastic Neoprene, 600' @ 1.25 ft.	750.00		sal.?
12" Couplings, 16 @ $3.30 ea.	52.80		
TOTAL (6)		802.80	

(7) Air and Water Pipes and Hoses

Water Pipe, 1" Plastic, 640' @ 15¢ ft.	96.00		
Water Pipe, 2" Plastic, 150' @ 56¢ ft.	84.00		
Air Pipe, 2" Galv., 640' @ 75¢ ft.	480.00		sal.
2 Water Hoses, 50' long ea. @ $30.50 ea.	61.00		
3 Air Hoses, 50' long ea. @ $49.50 ea.	148.50		
TOTAL (7)		869.50	

(8) Timbers for Shaft Repairs

128 ft. shaft ladders @ $1 per lin. ft.	128.00	
256 ft. of 6"x8" shaft runners @ $167.50 per M	171.52	
384 ft. of 2"x6" plank @ $125 per M	48.00	
Blocking and wedges	50.00	
TOTAL (8)		397.52

(9) Timbers for Drifting (for timbering 250' of drift)

Random lengths, f.o.b. Tucson - to be cut to required lengths at mine.		
100 posts, 8"x8"x7' @ $90 per M	335.97	
50 caps, 8"x8"x6' @ $90 per M	144.00	
100 girts, 4"x6"x4'-6" @ $90 per M	81.00	
50 spreaders, 2"x8"x4'-8" @ $125 per M	38.88	
300 pcs. Lagging, 2"x12"x5' @ $90 per M	270.00	
100 pcs. Lagging, 2"x6"x5'-8" @125. "	70.88	
Blocking and Wedges and Miscellaneous	100.00	
Delivery charge - 3 loads @$14 per load (This includes delivery of timbers for shaft repair and ties for mine track)	42.00	
TOTAL (9)		1,082.73

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(c) Operating Materials and Supplies (cont.)

(10) Ties for Mine Track (#2 Lumber)

Ties at 2'-6" centers 200 Ties, 4"x6"x2'-6" @ $90 per M	$ 90.00	
TOTAL (10)		$ 90.00

(11) Lighting.

650' of Electric Wiring, #6RR Aluminum @ $11.84 per 100 ft.	76.96	salv.
6 Miners' Wheat Lamps @ $33.60 ea.	201.60	salv.
Charger for above	25.63	
TOTAL (11)		304.19

(12) Powder - Caps - Fuse.

(a) Powder required - 1 box, 50 lbs. per round - 100 rounds x 50 lb. = 5,000 lbs. @ $26.75 per 100 #	1,337.50	
(b) Caps required - 20 per round - 100 rounds x 20 = 2,000 20 boxes of 100 ea. @ $38 per 10 boxes	76.00	
(c) Fuse required - 150 ft. per round. 100 rounds x 150' = 15,000'. 15,000' of Fuse @ $60 per 3,000'	300.00	
TOTAL (12)		1,713.50

(13) Power Cost - Electric Lights - Ventilation Fan.

90 KW hr. per shift @ 5¢ per KW hr. 90 x 88 x .05	396.00	
TOTAL (13)		396.00

(14) Fuel Cost -

(a) Diesel Fuel (for compressor), 20 gal. per shift x 77 shifts x 16.4¢ gal.	252.56	
(b) Gasoline for Front End Loader, 5 gal. per shift x 77 shifts x 29/8¢ gal.	114.73	
(c) Gasoline for Hoist, 5 gal. per shift x 77 shifts x 29.8¢ gal.	114.73	
(d) Gasoline for 3/4 Ton Pickup, 10 gal. per shift x 88 shifts x 29/8¢ gal.	262.24	
TOTAL (14)		744.26
TOTAL - (c) Operating Materials and Supplies		$10,205.85

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(d) Operating Equipment

Value

(1)	Gasoline Hoist - 50 HP - Single Drum	
	4 months rental @ $211.00 per mo.	$ 844.00
(2)	Front End Loader - Michigan - Gas Driven	
	4 months rental @ $600 per mo.	2,400.00
(3)	Compressor - 365 c.f.m. - Diesel	
	4 months rental @ $550 per mo.	2,200.00
(4)	Pickup Truck - 3/4 Ton	
	4 months rental @ $225 per mo.	900.00
(5)	Two Air Leg Jackhammers	
	4 months rental @ $100 per mo. each	800.00
(6)	Three Mine Cars	
	4 months rental @ $25 per mo. each	300.00
(7)	Sump Pump - Air Driven	
	4 months rental @ $80 per month	320.00
(8)	Mucking Machine - Eimco	
	4 months rental @ $275 per mo.	1,100.00
(9)	Ventilation Fan	
	4 months rental @ $50 per mo.	200.00
(10)	Saw - Chain or Circular for cutting timber	
	Buy @	200.00 depr.
	TOTAL	$9,264.00

(e) Initial Rehabilitation and Repairs

None. 000 00

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(f) New Buildings, Fixtures and Installations

Includes labor, materials and supervision.

(1)	Building - for Hoist, Shop and Storage, 12'x35' - Frame construction @ $4.00 per sq. ft. of Floor Area - 420 sq. ft. x $4.00	$ 1,680.00	salv
(2)	Powder House and Outhouse	300.00	salv
(3)	Water Tank (used)	150.00	salv
(4)	Air Receiver (used)	250.00	salv
	TOTAL	$ 2,380.00	

(g) Miscellaneous

(1)	Old Age and Survivors Insurance (OASI), 4.4% x $14,496.00	637.82
(2)	Industrial Accident Insurance -	
	a) Industrial accident, 11.96% x $14,496.00	1,733.72
	b) Occupational Disease, 0.20% x $14,496.00	28.99
(3)	Unemployment Compensation	
	a) State - 2.7% x $14,496.00	391.39
	b) Federal - 0.4% x $14,496.00	57.98
(4)	Sales Tax - 4% x $10,000.00	400.00
(5)	Freight on Rock Bolting Materials and miscellaneous	93.50
(6)	Repairs and Maintenance of operating equipment - 10% of rental paid = 10% x $9,264.00	926.40
(7)	Assaying (copper, silver, lead, zinc)	
	a) 50 Channel Samples @ $8.50	425.00
	b) 180 Long Hole Samples @ $8.50	1,530.00
	TOTAL	$6,224.80

S U M M A R Y

(a)	Independent Contracts	$ 8,800.00
(b)	Personal Services	15,144.00
(c)	Operating Materials and Supplies	10,205.85
(d)	Operating Equipment	9,264.00
(e)	Initial Rehabilitation and Repairs	000 00
(f)	New Buildings, Fixtures, Installations	2,380.00
(g)	Miscellaneous	6,224.80
	TOTAL	$52,018.65

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STAGE II

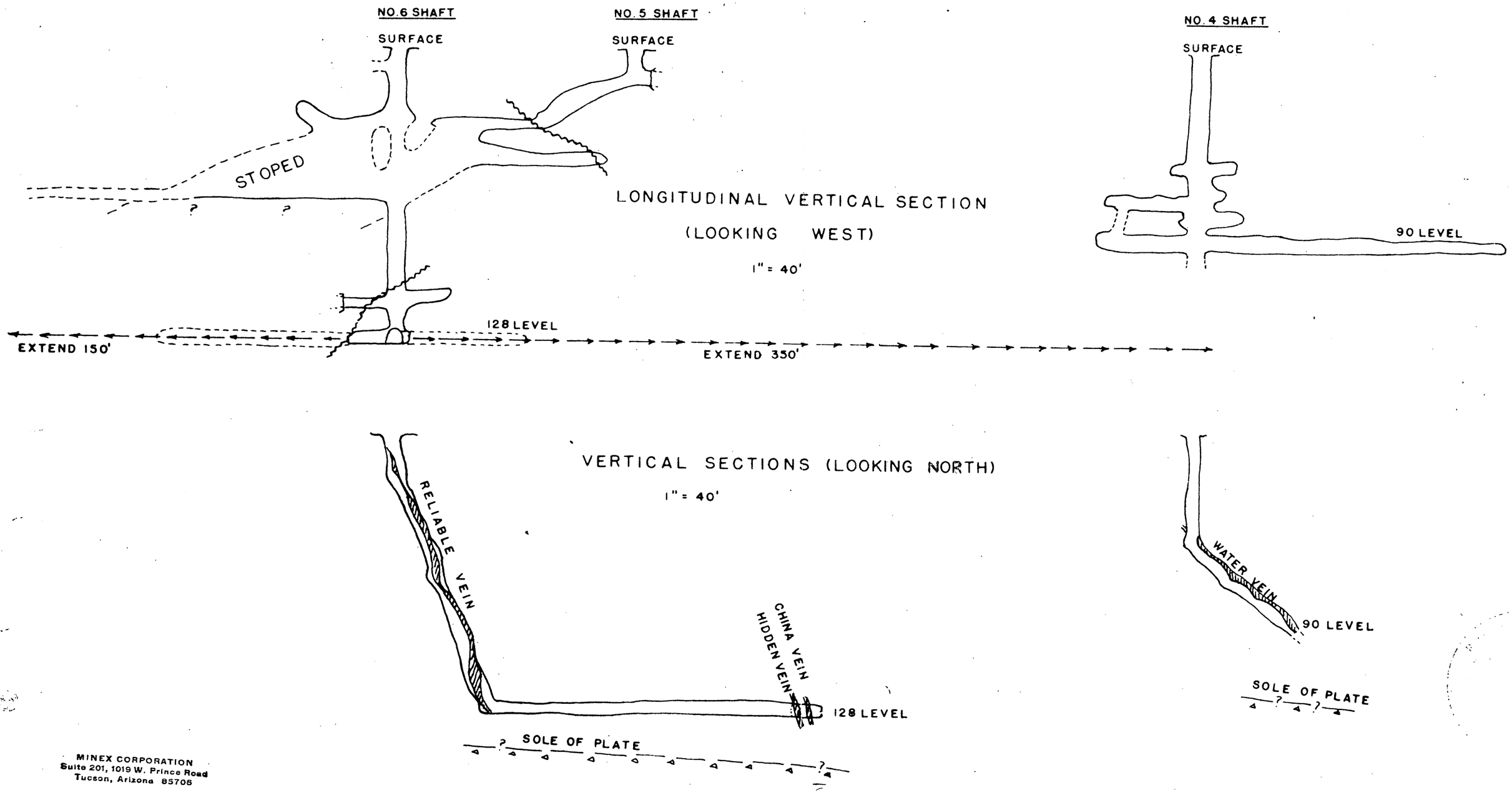
As mentioned in Part 5(a) of this Application (see page 5-2) a completely accurate estimate of the costs of Stage II cannot be established until the completion of Stage I, but in the event Stage I is encouraging, the costs of Stage II, based upon the outline of work set forth on page 5-2 above and based upon the costs heretofore set forth in Part 7 for like work are as follows:

Item	Amount
Underground exploration excavation:	
Drifts and crosscutting - 500 ft.	
Long-hole drilling - 450 ft.	
Raising - 40 ft.	$ 40,500.00
Diamond drilling (4,000 ft.)	28,000.00
Assaying cost	1,995.00
Total:	$ 70,495.00

MINEX CORPORATION
Suite 201, 1019 W. Prince Road
Tucson, Arizona 85705

OME-6599

FIGURE 5-2



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(2/63)

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Date	Surname	Code
8/15	RM Smith	120
8/15/67	Kirkham	120
"	Johnson	110
8/17	Todd	220
		110
		220

Mr. Russell A. Todd
President
Minex Corporation
Suite 201, 1019 Prince Road
Tucson, Arizona 85705

Re: OME-6599 (Silver-Copper)
Minex Corporation
Paymaster Mine Group
Pima County, Arizona

Dear Mr. Todd:

Careful study of your application for financial assistance in exploring the referenced property and of other information available to us indicates that the probability of disclosing significant silver-copper ore reserves is not sufficiently promising to justify Government participation in the proposed exploration. Accordingly, we regret to inform you that your application is denied.

We wish to thank you for your interest in the minerals exploration program and for your cooperation in supplying additional information.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc:
DRF
Div.
Econ. Geol. Rdg. File
OME Docket
OME Reading File
Mr. Smith
130
Region III
RMSmith/gpw 8/14/67

23263

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration

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AUG 21 1967

INITIALS	CODE
	130
	110
RMS	120 S
	220

August 18, 1967

denied 8/18/67

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: OME-6599 (Silver)
Minex Corporation
Paymaster Mine Group
Pima County, Arizona

Transmitted herewith is an original of a report of examination on the subject property recommending denial without prejudice for the exploration work herein outlined.

J. William Hasler
J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

UNITED STATES

DEPARTMENT OF THE INTERIOR

STEWART L. UDALL, SECRETARY

U. S. GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION III

OME-6599 (Silver)

MINEX CORPORATION

PAYMASTER MINE GROUP

PIMA COUNTY, ARIZONA

By

J. WILLIAM HASLER

AUGUST 1967

ON-SITE
EXAM.RPT.

CONTENTS

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Introduction and summary	1
The Property	2
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Geology	4
Production	6
Proposed Exploration	7
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Introduction and Summary

The Minex Corporation, Tucson, Arizona applied to the Office of Minerals Exploration on January 26, 1967 to explore for silver on the Paymaster Group of Claims in Pima County, Arizona for an estimated cost of $122,513.65. The application was referred to the field and an examination was made on April 19, 1967 by J. W. Hasler with company officials.

The property lies in the Pima Mining district in Sections 15, 16, 21 and 22, T. 17 S., R. 12 E., G & SRM, Pima County, Arizona, and is located on the western edge of a thrust sheet known as the San Xavier thrust on the eastern flank of a domal structure that forms the Sierrita Mountain Range. The San Xavier thrust, which forms the lower limit of all known ore in this part of the Pima district crops out in the target area and underlies the rest at a shallow depth. Mine workings and drill holes in and near the principal vein zone indicate that depth to the thrust is 300 feet or less. As much of this vein zone has already been explored or mined, the potentially mineralized block of ground remaining is small. It is reasonable to expect that any new ore shoots would be small and narrow. Ore shipments from the Paymaster group span a period from 1907 to 1940 and consist of a total of 286 tons, made from 10 small shipments ranging from 4 to as much as 176 tons yielded an average of quite high assays, undoubtedly material in the shipments were handsorted and consequently show high grade material. The dumps examined contain only low grade material left from the high-grade

operations.

The applicant's proposed program as outlined would not discover ore reserve of any significant amount due to the shallow nature of the San Xavier thrust on the Paymaster group of claims thus restricting the target areas in depth. The likelihood of finding ore of high enough grade to maintain a profitable mining operation under present pay scales is not likely. It is therefore recommended that the application be denied.

The Property

The property consists of unpatented lode mining claims situated in the Pinal Mining District, in Sections 15, 16, 21 and 22, T. 17 S., R. 12 E., G & SRM, Pima County, Arizona.

The Paymaster claim group can be reached by following south from Tucson on the San Xavier Mission-Twin Buttes Road a distance of 12.6 miles from Valencia Road, on the south edge of Tucson. This is a black top road. Turn west on the Dogtown Road, an ungraded but all-weather road, for a distance of 3 miles.

Assistance in locating the claims can be obtained from:

Russell A. Todd
3120 N. Romero Road
Tucson, Arizona
Telephone: 602-623-3038

Shafts No. 4, 5 and 6 are accessible, except for minor water in the lower levels during the rainy periods of the year. Care should be exercised with regard to putting much faith in the old ladders.

The claim names and dockets and pages of recording of the location notices thereof in the office of the Recorder of Pima County, Arizona, are as follows:

NAME OF CLAIM	DOCKET	PAGE	NAME OF CLAIM	DOCKET	PAGE
New Opportunity 1	499	293	Susie #3	1904	487
New Opportunity 2	499	294	Susie #4	1904	488
New Opportunity 3	499	295	Mark	2468	527
New Opportunity 4	499	296	Pet #1	2468	525
New Opportunity 5	499	297	Pet #2	2468	526
New Opportunity 6	499	298	Best	2335	217
New Opportunity 7	499	299	Chip	2485	242
New Opportunity 8	965	288	Ore	2339	336
New Opportunity 9	965	289	Paula	2422	123
New Opportunity 10	965	290	Border #1	2576	92
New Opportunity 11	965	291	Border #2	2576	93
New Opportunity 12	965	292	Trust #1	2663	240
Criss Cross	371	555	Trust #2	2663	241
Turkey Trot	1475	521	Trust #3	2663	242
Susie #1	1857	136	Trust #4	2663	243
Amended	2468	524	Trust #5	2663	244
Susie #2	1904	486	Trust #6	2664	209

Property Rights

Applicant is the legal owner of the property to be explored. There are no liens, mortgages or other encumbrances on the property.

Geology[1/]

An undulating low-angle fault, called the San Xavier thrust by Lacy (1959, p. 189), passes beneath the mineralized ground in the northeastern part of the district. The thrust plate included Precambrian granite, Paleozoic and Cretaceous(?) rocks, intrusive granodiorite and quartz monzonite porphyry, and the Helmet fanglomerate. The overridden rocks are predominantly granite and granodiorite.

The San Xavier thrust is exposed at about 10 places between the high hill just northwest of San Xavier and the Ruby Fault near the east side of sec. 22, T. 17 S., R. 12 E. These exposures are characterized by a few inches to a few feet of gouge and intensely sheared or mylonitized rock, generally bordered by hundreds of feet of brecciated , sheared, or shattered rock.

The observed dips of the fault zone range from 28° to horizontal and are variable in direction. The general dip is to the east from the latitude of San Xavier southward for about 3 miles into the SW 1/4 SE 1/4 sec. 21, T. 17 S., R. 12 E. Between this point and the Ruby fault there are north-plunging undulations in the fault zone, resulting in a general northly dip of the zone. If the interpretation of the geology east of the Ruby fault is correct, the segment of the thrust east of that fault must dip to the northwest. Apparently the thrust plane has the form of a broad trough that plunges to the north-northeast.

Available subsurface information supports the existence of a thrust with a troughlike form inferred above. Ransome (1922, p. 424) reports that the main shaft of the Paymaster mine passed

from Cretaceous (?) andesite breccia into rather coarse-grained granite at a depth of 300 feet. Colorado-Utah drill hole No. 1, in the SW 1/4 sec.22, T. 17 S., R. 12 E., collared in steeply dipping Helmet fanglomerate, and after passing through a large shear zone, entered sheared and argillized granodiorite at a depth of 201 feet. Drilling near the San Xavier mine has indicated a shear zone which separates Paleozoic and Cretaceous (?) rocks above from granite below and which increases in depth toward the east to a maximum of about 1,200 feet a third of a mile east of the mine shaft. Deep exploration northeast of the San Xavier mine, on properties of the Banner Mining Co. and the American Smelting and Refining Co., has also revealed indications of a low-angle fault, called the Basement fault by Richard and Courtright (1959, fig. 43), that increases in depth toward the east and separates ore-bearing rocks above from barren granite below. This fault, here interpreted as the San Xavier thrust, is cut by all drill holes deep enough to reach it. No holes have reached it along the axis of the inferred trough, but a hole on the southeast flank of the trough, in the southern part of sec. 9, T. 17 S., R. 13 E., cut it at a depth of less than 1,000 feet.

1/ John R. Cooper, Some geologic features of the Pima Mining district, Pima County, Arizona, U.S.G.S. Geol. Sur. Bull. 1112-C.

Ore deposits in the district are of five general types: (1) bulk-low-grade deposits in limestone and related sediments generally closely related to intrusive contacts (Pima, Mission, Twin Buttes, Palo Verde); (2) bulk-low-grade deposits in volcanics and intrusives (Esperanza, W. Serrita, Lofton Peak); (3) replaced limestone wedges along the sole of the thrust or glide sheet (CWT mine); (4) replacement pipes adjacent to fault intersections in limestone (San Xavier, and Mineral Hill): and (5) vein structures in andesite and clastics (Paymaster). These deposits have been described in considerable detail by Lacy (1959, 1962), by Titley (1966), and Weaver (1965).

Within the Paymaster claim group according to the applicant exploration should be aimed to detect three types of deposits: silver-lead-zinc-copper veins, silver-lead-zinc- copper replacement of limestone slivers along the thrust or glide plate, and breccia and/or shatter pipes in the basement of the thrust or glide plate with copper and silver values.

PRODUCTION

The applicant reports that Ransome (1922) reports that the Paymaster produced about $220,000 in silver and lead during the period between 1887 and 1908. During the development done by the Sunrise Mining Company in 1959 and 1960 some high-grade pockets of mineralization were encountered but no shipments were made. However, Cooper (memo March 30, 1967) states that this reported production was from Elsing and Heineman (1936, Arizona Bur. Mines Bull.140,p. 97) and that it may be in error. Mr. Cooper is also

is also of the opinion that much of the ore mined during the early day production was hand sorted, and that the nature of the veins would still require considerable selective mining.

PROPOSED EXPLORATION

Exploration work as proposed by the applicant is divided into two stages, the second dependent upon the results obtained from the first stage, as follows:

i. STAGE I:

A. From No. 6 shaft, 128 level:

I. Drive north-northeast along the Reliable-Water Vein structures a distance of 350 feet to bring it under the workings from the No. 4 shaft. This drift (4' x 6') is designed to explore the intersection of the Reliable Vein with the China, Hidden and Water Veins close to their junction with the sole of the thrust or glide sheet.

II. Drive south-southwest along the Reliable Vein a distance of 150 feet to explore for the downward extension of a mineralized shoot at, or slightly above, the level of the sole of the thrust or glide plate.

III. At 50-foot intervals explore both hanging and footwalls with long-hole penetrations to a distance 25 feet normal to the vein. Approximately 900 feet of long-hole drilling. Samples to be carefully collected at 5-foot intervals and assayed.

IV. Drifts are to be sampled by channel cuts at ten foot intervals.

B. Geophysical Work on the Surface:

I. Induced Polarization (IP) lines should be run on a 500-foot center grid--approximately 40,000 feet of line. Self Potential readings should be taken from each station. Lines or grid to be run approximately N. 35° E., and N. 55° W.

C. Diamond Drilling from Surface:

I. Vertical drill holes should be located 200 feet east of Shaft No. 12 and 650' east of Shaft No. 12 to explore for southern extensions of the vein structures indicated by self potential anomalies. Each hole should be drilled into the basement granite to an approximate total depth of 300'.

D. Summary:

Stage I would consist of the following work:

Drifting (4' x 6')----------500 feet

Long-hole-drilling----------900 feet

Channel sampling---------- 50 channels

Induced Polarization and Self Potential

Geophysical lines in 50 foot grid----------40,000 feet

Diamond drilling from surface (300' holes)------- 600 feet

Assays for copper, silver, lead, zinc---------- 300 samples

Conclusions

It is concluded that the chances of finding a significant reserve of gold, silver, copper, lead and zinc are not good because the San Xavier thrust, which forms the lower limit of all known ore in this part of the Pima district crops out in the target area and underlies the rest at shallow depth. Mine workings and drill holes in and near the principal vein zone indicate that depth to the thrust is 300 feet or less. As much of the vein system has already been explored or mined, the potentially mineralized block of ground remaining is small. Past production consisted of periodic production by several small operators that were apparently only able to ship small tonnages of hand-cobbed ore. It is recommended that the application be denied in view of these more or less unfavorable criteria.

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(2/63)

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Date	Surname	Code
8/15/67	RM Smith	120
8/15/67	Keeborno	120
"	Jhuson	110
		220

August 15, 1967

Memorandum

To: The File

From: R. M. Smith, Office of Minerals Exploration

Subject: OME-6599 (Silver-Copper)
Minex Corporation
Paymaster Mine Group
Pima County, Arizona

Justification for Denial of Application

The Applicant proposed a two-stage project as follows:

Stage I	
Drifting, 500 feet	500 feet
Long-hole drilling, 25-ft. holes	900 feet
Channel sampling	50 channels
IP and SP survey, 500-foot grid	40,000 feet
Diamond drilling, 2 holes	600 feet
Assays for copper, silver, lead, zinc	300 samples
Stage II (tentative)	
Drifting and crosscutting	500 feet
Long-hole drilling	450 feet
Channel sampling	50 channels
Raising (ventilation)	40 feet
Diamond drilling 10 holes	4,000 feet
Assays for copper, silver, lead, zinc	300 samples
Total Cost	$122,513.65

The purpose of the project is to explore for zinc-lead-silver-copper ore bodies in three types of deposits:

1. Quartz veins in the upper plate of the San Xavier thrust. Ore is inferred near the intersections of the Reliable vein with the China, Hidden, and Water veins, and also in unnamed veins indicated or to be indicated by SP and IP anomalies.

23263

2. Replacement bodies in limestone in the upper plate near the veins and close to the thrust plane.

3. Disseminated ore in breccia pipes or shatter zones in the lower plate of the thrust.

Precambrian granite of the lower plate of the post-mineral San Xavier thrust crops out in the target area and underlies the rest of the property at depths of 300 feet or less. There are no known ore bodies in the granite of the lower plate on this property, but assays of 0.1% Cu and 0.1 oz./T Ag from drill holes 1 and 3, suggest the possibility of large low-grade breccia pipes or shatter zones. Displacement along the thrust may be as much as 20 miles which would preclude faulted continuations of ore bodies known to occur in the upper plate. Cretaceous andesite breccia and clastic sedimentary rocks of the upper plate contain slivers of limestone randomly distributed closely above the thrust plane. The upper plate is cut by quartz veins that pinch and swell to as much as 5 feet in width, extend 500 feet or more along the strike, and have been mined to depths of 300 feet where they terminate at the thrust plane. The ore bodies are small high-grade pockets in the veins or small replacement deposits in limestone near the veins. The largest known stope was mined for 130 feet along the strike and 40 feet along the dip.

Total production from the property is not known, but early production may have been as much as $220,000 in silver and lead between 1887 and 1908. Production recorded by the USBM from 1938 through 1950 is 337 tons that averaged 0.01 oz./T gold, 8.9 oz./T silver, 0.37% copper, 3.92% lead, and 8.4% zinc. The zinc was not recovered except for 5,532 lbs. from 33 tons mined in 1950. At present prices (Au $35.00, Ag $1.81, Cu $0.38, Pb $0.14, Zn $0.14) the total value would be $18,017, or $53.46 per ton of which the eligible metals gold-silver-copper would total $6,391, or $18,96 per ton, or 35 percent.

These grades are not confirmed by AS&R records for 1907-1940 which total 346 tons of ore and concentrates (which are indistinguishable by assay) averaging 0.01 oz./T Au, 65 oz./T Ag, 2.4% Cu, 34.7% Pb, and 13.1% Zn. On this basis, the present total value would be $93,445, or $270 per ton, of which gold-silver-copper would total $47,139, or $136 per ton, or 50 percent.

It is evident from the AS&R records that the ore was carefully hand sorted since the grade of the ore shipped is higher than the grade of the jig concentrates. The grade of ore-in-place is not known, but the small total tonnage and the fairly extensive workings suggest that more money went into the ground than came out.

Mr. John R. Cooper, U. S. Geological Survey, author of USGS Bull. 1112~~B~~C, reviewed the application and concluded that it has little merit.

The Field Officer, Region III, examined the property and recommended denial because of the restricted thickness of the host rocks, the narrow veins, the small size of the ore bodies, the small production, and the high zinc-lead content as compared with the silver-copper content of the ores. Ore might be discovered by accident in the lower plate, but as there are no specific targets any testing would be prospecting rather than exploration.

I concur in the recommendation to deny the application.

R. M. Smith

R. M. Smith

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Smith

RMSmith/gla 8-15-67

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(2/63)

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Date	Surname	Code
4/13/67	RMSmith	120
4/13/67	Williams	120
		110
4/13	cc	220
		120M

APR 13 1967

AIRMAIL

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6599 (Silver-Copper)
Minex Corporation
Paymaster Mine Group
Pima County, Arizona

Enclosed are prints of the maps revised by the Applicant and referred to in our memorandum of April 5, 1967.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Smith
130

RMSmith/gla 4-13-67

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(2/63)

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Date	Surname	Code
4/4/67	RM Smith	120
4/4/67	Kirkemo	120
		110
		220
		120M

AIRMAIL

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6599 (Silver-Copper)
Minex Corporation
Paymaster Mine Group
Pima County, Arizona

The application is referred to Region III for review, a field examination if you consider it necessary, and recommendations.

The Applicant has furnished the information requested in our letter of March 10, 1967. Copies of bids and letters are enclosed. Maps will be forwarded as soon as duplicated. The additional information appears to be satisfactory although we still question whether the proposed geophysical work is exploration or reconnaissance prospecting. Evidently the Applicant did not understand our request (5.B.) to identify specific targets.

In your memorandum of February 21 you noted that in Stage I the Applicant proposes to drive a drift northeastward. This is correct--the north arrow on Fig. 5-1 points west.

As usual, our main question is the probability of a significant discovery. The Applicant mentions five structural types of deposits (p. 3-2) in the upper plate and a possible sixth type in the lower plate (p. 3-3). The proposed Stage I drill holes (p. 5-1) are to be drilled into granite of the lower plate, but it is not clear how far the granite is to be penetrated. How much of this work would be wildcatting?

The estimated costs are too high for some items. We question the need for both a superintendent and a supervising mining engineer. Many of the cost items would have salvage value and only depreciation would be allowed on operating equipment. We note that the cost of raising (Stage II) is excessive.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File

Enclosures
130
Mr. Smith

RMSmith/gla 4-4-67

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MME Form 7
(2/63)

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Date	Surname	Code
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4/4/67	Kerbemo	120
		110
		220
		120M

APR 5

AIRMAIL

Mr. Russell A. Todd
President
Minex Corporation
Suite 201, 1019 Prince Road
Tucson, Arizona 85705

Re: OME-6599 (Silver-Copper)
Minex Corporation
Paymaster Mine Group
Pima County, Arizona

Dear Mr. Todd:

Thank you for your letter of March 31, 1967, transmitting additional information and revised maps that we requested on March 10.

The application has now been referred to Mr. J. W. Hasler, Field Officer, Region III, Office of Minerals Exploration, U. S. Geological Survey, Room 2284 - Building 25, Denver Federal Center, Denver, Colorado 80225.

The regional office will notify you if additional information is needed.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
OME Region III
Mr. Smith

RMSmith/gla 4-4-67

23263

This copy to Wash
3-31-67

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

OFFICIAL COPY
O. M. E.
RECEIVED
APR 4 1967
INITIALS | CODE
JRC | 110
RMG | 120

Memorandum March 30, 1967

To: J. William Hasler, Field Officer, Region III, OME

From: John R. Cooper

Subject: OME-6599 (Silver-Copper)
Minex Corp.
Paymaster Mine Group
Pima County, Arizona

I have examined the subject application, as requested, and believe it has little merit.

The San Xavier thrust, which forms the lower limit of all known ore in this part of the Pima district, crops out in the target area and underlies the rest at shallow depth. Mine workings and drill holes in and near the principal vein zone indicate that depth to the thrust is 300 feet or less. As much of this vein zone has already been explored or mined, the potentially mineralized block of ground remaining is small.

Discoveries it is reasonable to expect would be like those made in the past, which have consisted of small ore shoots in narrow veins. The presence of high-grade ore pockets in the veins has led to extensive past exploration in the target area and to the northeast. Resulting production has been negligible except for a few old reports it is now impossible to confirm. Apparently a great deal more money has been spent on these veins than has come out of them from ore shipped.

The applicant implies that the Paymaster property contains mineralized limestone slivers along the San Xavier thrust and mineralized breccia or shatter pipes in the granite below the thrust. Such possibilities seem to me remote in view of evidence submitted by the applicant or found during my mapping.

The applicant's statement regarding past production is incorrect. Ransome (1922) does not report that "the Paymaster produced about $220,000 in silver and lead during the period between 1887 and 1908". Elsing and Heineman (1936, Arizona Bur. Mines Bull. 140, p. 97) are responsible for this estimate, which may or may not be near the truth. Ransome (1922, p. 424 got to see some of the old Paymaster workings and does not seem to have been favorably impressed. His statement regarding the character of veins is in accord with my own limited observations.

I suspect that a lot of hand sorting went into the old production, a practice which is rarely feasible under present wage scales. Records in U. S. Bureau of Mines files show the following later production from the Paymaster, by 5 different operators:

Year	Tons ore	Gold ozs.	Silver ozs.	Copper lbs.	Lead lbs.	Zinc lbs.
1938	11	-	240 20.8	244	1,507	-
1939	84	2	1,368 16.3	1,093	14,434	-
1940	200	1	828 4.1	512	5,422	-
1941	9	-	254 28.2	-	2,413	-
1950	33	-	266 8.1	615	2,650	5,532 0.38%
	337 = 674,000 lb		2956 8.8	2464 0.37	25,426 3.92	

Ag. 16 oz/ton

The discrepancy in proposed drift directions pointed out in your transmittal memo of February 21 to Chief, OME, is due I think to ~~our~~ error in the indicated north direction shown on figure 5-11. This north direction is incompatible with other maps in the application, which are at least approximately correct. Some other errors and inconsistencies in the application were noted.

John R. Cooper

John R. Cooper
Branch of Base and Ferrous Metals

MINEX CORPORATION

1019 West Prince Road
Suite 201
Tucson, Arizona 85705
Phone (602) 624-0695

March 24, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 28 1967

United States Department of the Interior
Office of Minerals Exploration
Washington, 25 D. C.
Mr. Frank E. Johnson

Subject: OME-6599

Dear Mr. Johnson:

This is to acknowledge your letter of March 10.

We are preparing the additional information you requested and will have it in the mail as soon as possible.

Thanking you.

Sincerely yours;

Russell A. Todd

Russell A. Todd
President
Minex Corporation

RT/et

If rec'd by Apr. 14, phone Hasler to examine at same time as 6578

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/10/67	RM Smith	120
	On leave	120
		110
3/10	cae	220
		120M

AIRMAIL

MAR 10 1967

Mr. Russell A. Todd
President
Minex Corporation
Suite 201, 1019 West Prince Road
Tucson, Arizona 85705

Re: OME-6599 (Silver-Copper)
Minex Corporation
Paymaster Mine Group
Pima County, Arizona

Dear Mr. Todd:

Preliminary review of your application for financial assistance in exploring the referenced group of claims indicates that the proposed project may not qualify under the OME regulations for eligible minerals. It appears that more than half the value of the ore is in lead and zinc which are not currently on the OME list of eligible minerals. It will be necessary, therefore, to furnish additional evidence that the project meets at least one of the following criteria:

1. The principal dollar value of the ore is in silver, copper, and any other by-product commodities on the current list. No

2. The ore could be mined for these metals regardless of the other values. see settlement sheets 3/28/67

3. An exceptionally large quantity of eligible minerals is expected to be found by the proposed work. No

Unless one of these criteria can be met, we would have no choice but to deny the application.

If the project qualifies for eligible minerals, then the following additional information is needed on items 2, 5, and 7 as listed on the back of the application form:

2. Applicant's Rights in Land:
(b) The Mark and Trust 6 claims in the list of claims on page 2 are not shown on the property map--figure 3-11. Property maps 3-8 and 3-11 are not in accord on the size of the N.O. 6 claim or the direction of the Susie 1 claim. Figure 3-11 shows a "Colorado group" which implies conflicting interests. Please clarify these discrepancies. A revised copy of figure 3-11 would be most helpful.

Rec'd Apr. 3, 1967

23263

5. Exploration Work:

If you submit a new figure 3-11, please show the locations of each item of proposed work in relation to the property boundaries. ✓

Stage I

A(I) Drifting from the No. 6 shaft 128 level northeast 350 feet toward the No. 4 shaft along the Reliable vein to its intersections with the Water vein, Hidden vein, and possibly the China vein will gain 40 feet of depth below the No. 4 shaft. Since the granite may be only 30 feet below the No. 4 shaft, and since the veins flatten along the contact, we question whether the veins persist into the granite and could be followed on the 128 level. Is it feasible to sink the No. 4 shaft to the granite and then drift southwest 200 feet to the intersections or, alternatively, to explore these areas by surface drilling? No — see A's. ltr. 3/30/67 No

A(II) Reference is made in the application to figure 5-3. This figure was omitted from our copy of the application. should be 5-2. Revised copy of 5-2 rec'd.

B. Geophysical work. Please illustrate the locations of the proposed grid lines, and explain why this survey is considered to be exploration of a specific target rather than reconnaissance prospecting. ±

C. Drilling two holes from the surface. Each hole is located in an area found to be anomalous by S-P survey. These two areas are along the same structural trend as the areas formerly drilled by holes 1, 2, 3, and 4. Please submit the S-P map, if any, for the areas already drilled, and explain why proposed holes A and B are more likely to be successful than the existing holes. none 1st test of SP here

7. Estimate of Costs:

(a) Bids for geophysical work and for drilling are mentioned but are omitted from our copy of the application. Rec'd with ltr. of 3/30/67

This request for additional information should not be construed as a commitment by the Government to grant an exploration contract. We shall hold the further processing of your application until the requested data are received.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Region III
OME Reading File
Mr. Smith

RMSmith/gla 3-10-67

February 27, 1967

Mr. Russell A. Todd President
Minex Corporation
Suite 201
1019 West Prince Road
Tucson, Arizona 85705

Subject: OME-6599

Dear Mr. Todd:

Your application for exploration assistance, dated January 26, 1967, submitted to our office at Denver, Colorado, has been assigned Docket No. OME-6599.

Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region III

FIGURE 3-11

PAYMASTER CLAIM GROUP

PIMA MINING DISTRICT

PIMA COUNTY, ARIZONA.

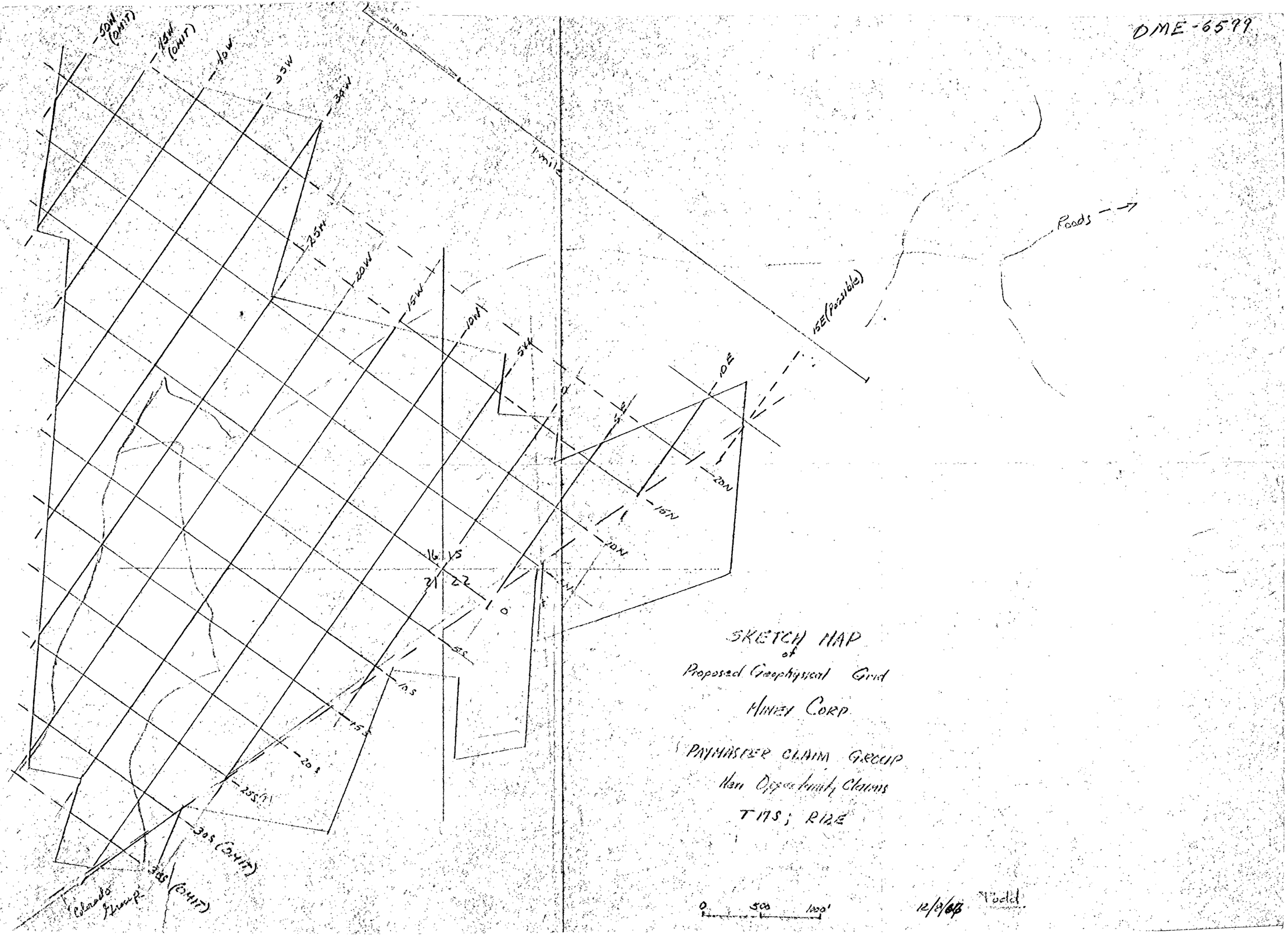
0 500 1000'

W. C. LACY 7-1-66

MINEX CORPORATION
Suite 201, 1019 W. Prince Road
Tucson, Arizona 85705

Registered Geologist
CERTIFICATE EXPIRES
WILLARD C. LACY
DEC. 31, 1966
ARIZONA U.S.A.

OME-6579

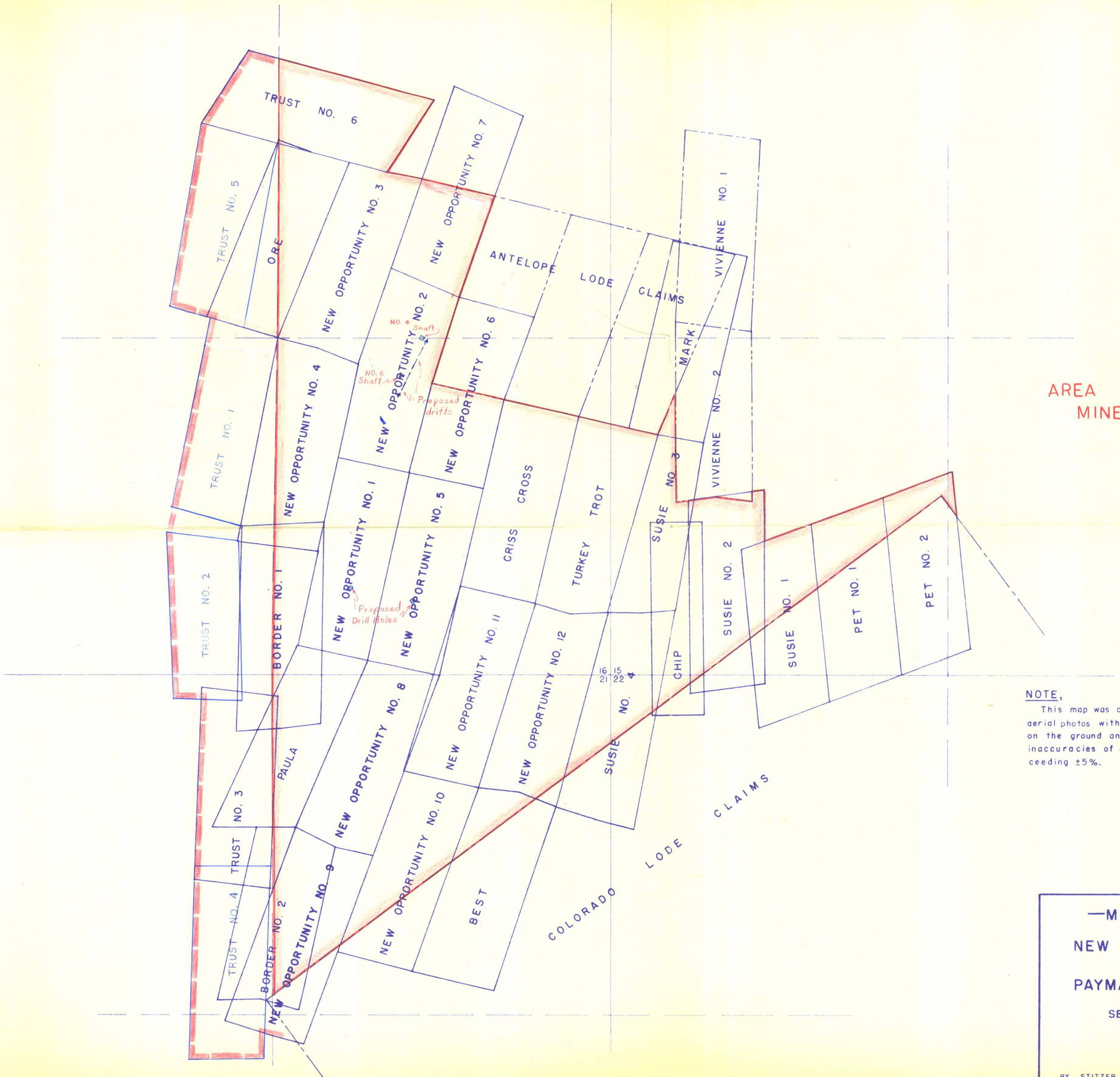


SKETCH MAP
of
Proposed Geophysical Grid
MINEX CORP
PAYMASTER CLAIM GROUP
Ken Opportunity Claims
T17S; R12E

0 500 1000'

12/8/68 Todd

OME-6599



AREA WITHIN RED IS MINEX PROPERTY

Revised copy of 3-11

NOTE,
This map was compiled from scale controlled aerial photos with claim corners spotted as found on the ground and is subject to the inherent inaccuracies of aerial photos, probably not exceeding ±5%.

—MINEX CORPORATION—

NEW OPPORTUNITY CLAIMS
AND
PAYMASTER MINE GROUPS

SECTIONS 15, 16, 21, & 22 T17S—R12E
PIMA MINING DISTRICT

BY STITZER, PAFFORD & ASSOCIATES SCALE: 1" = 500' MAR. 1967