)A BUREAU OF MINES AND GEOLOGY/178
ITY OF NEVADA, RENO
EVADA 89557-0088 U.S.A.

RED MOUNTAIN MINE
AREA

LANDER COUNTY
GENERAL

ITEM 53

0090 0027

DAVID LECOUNT EVANS, CONSULTING GEOLOGIST

RED MOUNTAIN MINE

Turquoise

Lander County, Nevada

AN ANALYSIS

INTRODUCTION:

At the request of and accompanied by Mr. W. A. Turner the captioned property was examined on July 22, 1986. Five hours were spent in actual surface surveying AND geological study of the open-pit area..

Surveying of the Red Mountain Mine area was by Brunton compass and tape for the main pit and Brunton and pacing for those areas marginal to the pit.

History of the area, including the production of turquoise and values, has been provided by Nevada Bureau of Mines Bulletin 88 and Report 17. The latter, "Turquoise Deposits of Nevada", provides detail to 1968.

CONCLUSIONS:

One: Assuming that the reported production of $250,000 for the Red Mountain mine is correct, the property ranks third in a group of about 20 small to medium sized mines, from the area's Bullion group to Red Mountain.

Two: The mineralized structural zone with about fifteen feet of thickness offers development possibilities between the main open pit and another outlying mineralized area, the X15 once-mined property.

Three: The twenty properties in the Bullion-Cortez-Red Mountain cluster share probable down-grading from surface oxidation.

Lombardo's Shoshone Turquoise program (1972 to present), however, encountered greatly improved mineralization at depth and beneath the zone of oxidation.

Four: Property descriptions for the Bullion district show little, if any, exploration or development below the customary open pit operations.

Location:

With reference to attached Figures 2 and 3, the Red Mountain property is located in Lander County, Nevada, covering parts of sections 2 and 11, Township 25 North and Range 45 East. It lies about 20 miles southwest of the Bullion District and 12 miles southwest of the Fox mine (Cortez), both turquoise areas. The property is serviced by good roads, mostly desert-type, from Battle Mountain and Austin, with final access shown on Figure 2.

Legal Title:

Production area and possible other areas for future discoveries are covered by six standard mining claims, held by annual assessment work. Reference is made to attached Figure 3. Mr. W. A. Turner of Phoenix, Arizona, is the block owner.

History of Property Ownership and Area:

Listed as a "prospect" (X-15) in 1965, the property was owned by J. W. Edgar and J. D. Edgar, and work consisted of two bulldozer cuts. The Edgars sold the property to M. C. Winfield in 1971. In 1974 Don Potts acquired the property from Winfield. He and a series of lessees then worked the property through 1985, producing , according to reports, approximately, $250,000 in turquoise. With reference to Figure 2, the Bullion district's initial discovery was made in 1938. Except for the Blue Eagle, estimated at $1,000,000, reported production has been minimal, Ie: less than $5,000 to as much as $100,000, with most of the work performed in the early 1940s.

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The Cortez district's Fox mine dates from 1915, and total production has been reported at "not less than 500,000 pounds,"or 250 tons.

Geology - Regional:

Figure 1, showing the distribution of major petrological units for the far-western United States and the structures which have effected such units, provides the position of the Red Mountain unit (as well as the Bullion and New Pass districts) in areas of Paleozoic meta-sediments which have been thrust atop the Antler Orogenic High by regional and subsidiary thrust faulting. Major thrusts which bound the Antler are the Roberts Mountains and the Golconda.

The Paleozoic units have much to do with the positioning of the large but low grade gold deposits, such as Jerrett Canyon on the north, southwest through the Carlin major areas and Cortez to the south; as well as the less abundant occurrences of non-metallics, such as Barite, Fluorspar and Turquoise.

Admitting that the area of immediate concern is from Red Mountain north through the Bullion district, nevertheless, it must be noted that the Lombardo Shoshone mine, in the New Pass district (see Figure 1), lies about 45 miles further south in Paleozoic meta-sediments of the Antler highland.

Considering Figure 2 and, as summarized from the Nevada Bureau's Report 17, for the 19 turquoise units (Bullion and Cortez):

(1) four are described as producing from veinlets in shale and thin structure;

(2) three refer to dark shales with turquoise in nodules and nuggets;

(3) five report turquoise associated with shales, white tuff and black breccia;

(4) and seven suggest cherty beds, intruded by sills and dykes, with locally heavy limonite and turquoise occurring

DAVID LeCOUNT EVANS, CONSULTING GEOLOGIST

in silicified limonitic veinlets that follow the bedding.

The two major producers, the Blue Eagle and Fox fall in the fourth category.

Geology - - Red Mountain Project:

Figure 3, providing the position of the six-claim block and, especially, Red Mountain claims 1 and 2, was described in early publications, but without reference to geological background. Report 17 did refer to two bulldozer cuts. Bulletin 88 in a table listing production of "other properties through 1969" reported X-15 production at "less than $5000".

Figure 3 does show the two cuts, the Red Mountain pit in Red Mountain #1 and the X-15 in Red Mountain #2. The first was examined in detail. The second was not mapped.

Figure 4 is the product of five hours of Brunton Compass--tape and pacing survey. Figures 5 and 6 provide sectional interpretation of a unit exposed locally in good outcrops, tied together by some projection.

Long Section X-X', following pit length, suggests about 80 feet of increasing depth for pit sill, from north to south.

Turquoise occurs in this unit, characterized by a sharp footwall, beneath two feet of jet-black breccia and about twelve feet of shattered, erratic, silicified Valmy (Ordovician) meta sediments, ie: thinly bedded shales, silts, fine sandstone and quartzite. Where well-exposed in unmined areas, heavy iron and manganese oxides lace shattered material.

The unit, a probable fault zone, has been mined for about 350 feet on strike and 15 feet of width. Faulting is proposed because of the abrupt change in attitudes on footwall and hanging wall sides, and locally compressed beds on the

underside of the structure. Dip of structure is 45 degrees to the west.

Structure and pit terminate at the north end because of the sharp break in slope and the aforementioned increasing datum of pit sill from south to north. Reference is made to Figure 8 and Section F-F', showing the projected position of structure, prior to erosion. With reference to the south end of pit, note the possibility that structure and mineralization may continue south beneath dump and Valmy cover.

Estimated is a total pit volume of about 26,000 tons with 14,700 tons representing broken material with scattered turquoise, On the basis of $250,000 of estimated production, such would indicate a value of $17 per ton for rough pre-sorted turquoise-bearing material.

Development:

Except for the major pit and some additonal tranching on its east flank, no other development is evident. Section C-C' does indicate some sinking of pit to about 6 feet below pit level. This exception has not been followed by any apparent, shorthole vertical drilling. Efforts have been made to follow some thin streaks of turquoise, following beds on the pit's west wall.

With reference to Figure 7 (Sections D-D' and A-A'), the existence of possibilities of similar relationships, 800 feet southwest of the Red Mountain open-pit, in the X-15 area, invites future development and/or exploration.
Without having mapped the X-15 prospect area, nevertheless, a consideration of Red Mountain pit studies, the application of topographic detail to sections and the approximate location of the X-15 area suggests the three approaches indicated by sections A-A', D-D' and F-F' on figures 7 and 8.

Because of the property's position in an overall area of thrust faulting, favored is the thrust-faulting proposed by Interpretation # 1. But such

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is not to deny Alternatives 1 and #2; the first employing a direct projection between the Red Mountain pit AND X-15 and the second to suggest that brecciation and values follow down the 45 degree dip of fault and black breccia in the Red Mountain pit, as well as in the X-15 area.

Samples:

The nature of a turquoise deposit, with value based on physical characteristics and beauty, rather than percentages, eliminates the sampleing 'tool' as a method for evaluating this mineral deposit.

Materials remaining in the pit area consist of fragments and an occasional thin veinlet or bed replacement of green, greenish blue to blue turquoise.

Ore Reserves:

The property is without positive ore reserves. The above reference to 14,700 tons of mineralized structure does not infer that the original development has provided 14,700 tons of "ore". Ore represents that tonnage which can be mined, treated and sold at a profit. A much smaller tonnage which was selected by sorting and hand-cobbing from the $17/ton mass, probably, provided some profit.

Probable or possible reserves may remain at both ends of pit, for surface mining. Reference is made to section X-X' and the interval between sections D-D' and E-E' on the north end; as well as the interval from section A-A' to about 200 feet south beneath dump. Tonnages, prior to sorting would amount to 900 and 4500 tons, respectively, for north and south ends, with both areas inviting dozer-mining. All sections, by interpretation, suggest that the pit might be deepened another ten feet.

Mining and Treatment Methods:

The nineteen turquoise operations for the Bullion to Red Mountain trend represent

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open-pit operations with dozer cutting and possibly some assistance from minor, but carefully controlled blasting. The same can be said for the Red Mountain mine.

None of the operations provides the costs of mining and sorting, as well as, estimates of final profit or loss per operation.

On the other hand, 45 miles south, on the same broad trend, Lombardo Turquoise's Shoshone mine provides food for thought.

According to a Lombardo Company report, in early 1972 exploratory drilling to 150 feet of depth, not only, extended the original 'shows' 170 feet, but also, indicated an improvement in the quality of turquoise with increasing depth.

Bench mining was started at a point 170 feet from the original prospect and the pit advanced ninety feet into the mountain to an eventual depth of 70 feet; circular width of pit was 105 feet. In 1975 it was decided to convert to underground mining and a tunnel was collared below the pit. Tunnel was started in 1977 and by 1982, as it was slowly mined, had reached an estimated 80 to 90 feet.

Reported in terms of cubic yards, a conversion to short tons indicates that 9977 tons of sorted ore was mined at a cost of $5.15 per ton (from pit) and 145 sorted tons were taken from tunnel at a cost of $197 per ton, which did not include the cost of a trestle, erected for waste disposal purposes. Selective blasting per face, on an hole by hole (16 holes) basis may account for the very high cost per ton from tunnel. Higher worth for turquoise at greater depth may have justified the higher cost per ton.

Equipment Costs, Mineral Prices, et Cetera:

Except for the suggestion that some available tonnage may still remain, perhaps at both extremities and to some ten feet of further depth, future tonnages, their

distribution and requirements for mining must remain conjecture, until after the additional studies recommended below.

RECOMMENDATIONS:

The following steps are recommended:

One: further mapping of the main Red Mountain pit and close-in area; and sampling for possible, heretofore unrecognized gold bi-values;

Two: immediate geologic mapping of the area between the main pit and X-15 efforts; the attitudes of Valmy bedding should verify or deny the thrust-fault control of Interpretatin #1, or support Alternative #1;

Three: if results support Alternative #1, drill short vertical holes for verification;

Four: cover the entire six claim block for any suggestions of structure, intrusive occurrences, mineralization or alteration; should results be negative, reduce the size of block by deleting uneeded claims, while retaining pit areas and bordering possibilities;

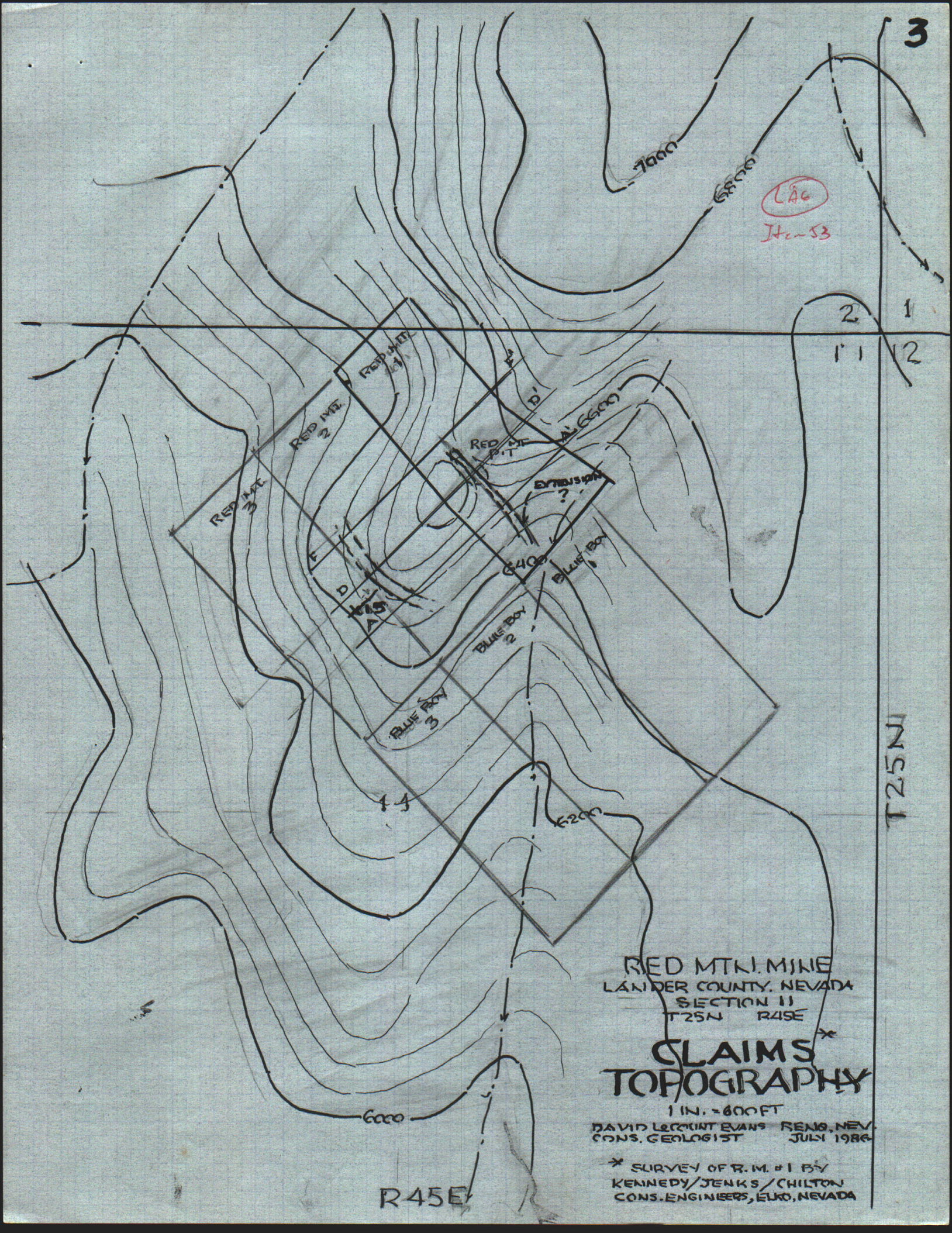
Five: if mapping and drilling indicate no possibilities, complete mining tonnages remaining and seek turquoise elsewhere.

Respectfully submitted,

David LeCount Evans
Consulting Geologist
Reno, Nevada

September 9, 1986.

DAVID LECOUNT EVANS, CONSULTING GEOLOGIST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RED MT. 1
RED MT. 2
RED MT. 3
RED PIT
EXTENSION
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A'
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BLUE BOY 2
BLUE BOY 3
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T25N
R45E
RED MTN. MINE
LANDER COUNTY, NEVADA
SECTION 11
T25N R45E
CLAIMS *
TOPOGRAPHY
1 IN. = 600 FT
DAVID LEMONT EVANS RENO, NEV.
CONS. GEOLOGIST JULY 1986
* SURVEY OF R.M. #1 BY
KENNEDY/JENKS/CHILTON
CONS. ENGINEERS, ELKO, NEVADA

L46

Item 53

RED MTN. MINE

LANDER COUNTY, NEVADA

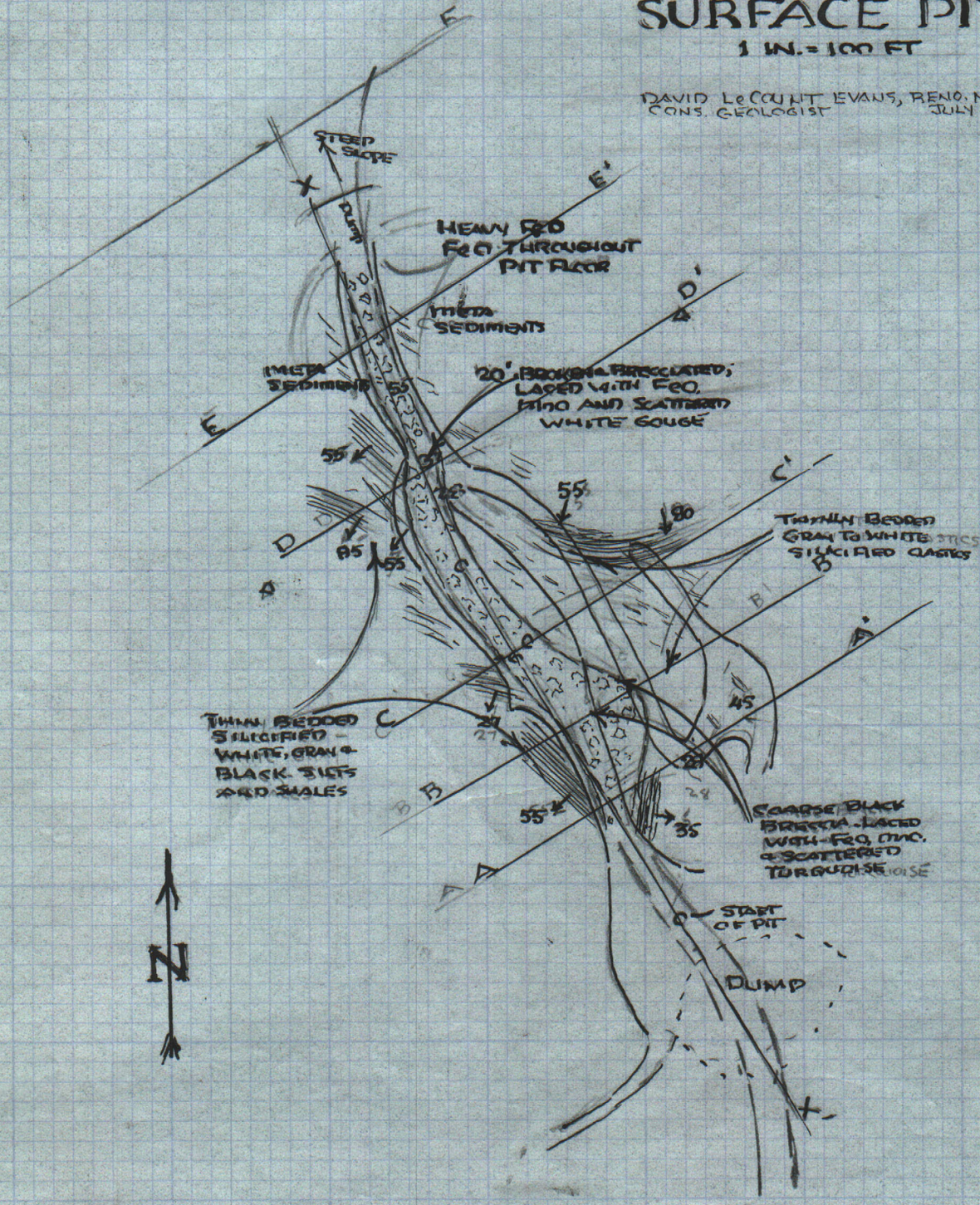
TURQUOISE

SURFACE PIT

1 IN. = 100 FT

DAVID LeCOUNT EVANS, RENO, NEV.
CONS. GEOLOGIST

JULY 1986



P 453 700 456

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

W. A. Turner & Sons

Sent to Austin Turner	
Street and No. 1502 W. Windrose Dr.	
P.O., State and ZIP Code Phoe. Az 85029	
Postage	$1.75
Certified Fee	.75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.70
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	$3.20
Postmark or Date	

SEP 12 1988

PS Form 3800, June 1985 ★ U.S.G.P.O. 1985-480-794

Austin Turner
1502 West Windrose
Phoenix, AZ 85029

9-23-86

Dear Taffy –

Received your report (2 copies) on the Red Mountain Turquois Mine and realized it's time to recognize your efforts and skill with some cash. When I get caught up here I will get my part of the job done and have mine do some fresh typing for you and I to consider.

LAG

Item 53

Summer is finally over in Phoenix with the evening temperature dropping to below 70° but the days are still 80-90.

Dianne goes up to Seattle next week & all is well & Scotty is on schedule. "Thumper" is heads up instead of heads down so it may mean a C-section. Hope not.

Best regards

Austin -

RECOMMENDATIONS:

The following steps are recommended:

One: further mapping of the pit and close-in area; and sampling for possible unrecognized gold b i-values;

Two: topographic mapping of that area, immediat- west of pit an d for the 300 feet of length;

Three: a regional study of up-slope areas northwest

DAVID LE COUNT EVANS
CONSULTING GEOLOGIST
1700 ROYAL DRIVE
TELEPHONE (702) 747-4101
RENO, NEVADA 89503

LAG

Item 53

September 12, 1986

Mr. Austin Turner,
W.A. Turner and Sons,
Red Mountain Turquois,
1502 West Windrose Drive,
Phoenix, Arizona 85029.

Dear Austin:

Enclosed, please find a second analysis of the Red Mountain Mine area which is to replace the preliminary report, submitted on August 10, 1986.

Note that Figure 3 replaces the claim map of August 10 which was found to be in error; also, Figures 7 and 8 have been added to support the use of the X-15 Prospect area in rounding out the regional picture.

Changes in text will be noted throughout, but none effects the original adjustments which we discussed.

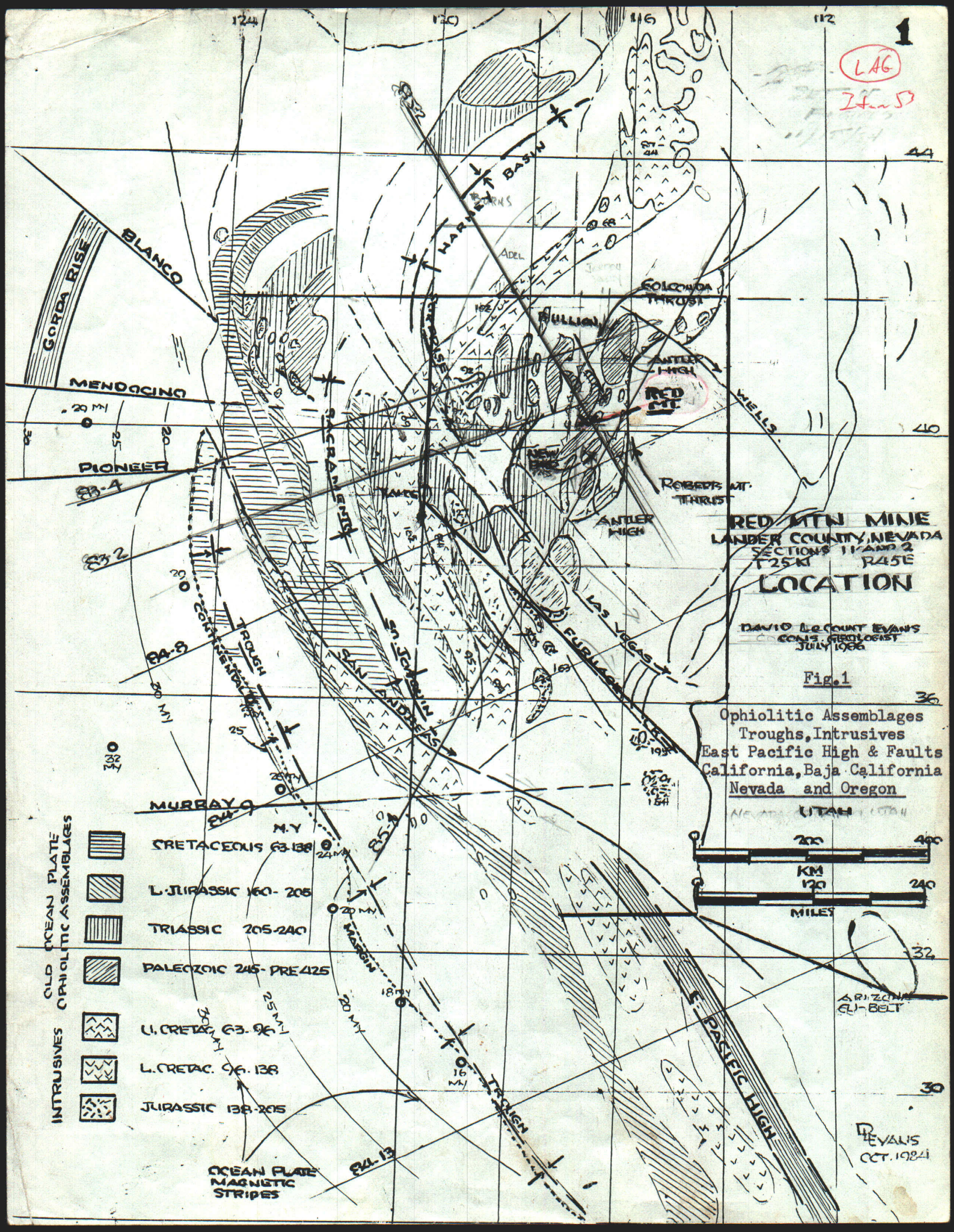
However, they do jeopardize the beautifully prepared copy, provided by your secretary; for which I am sorry.

We are now back on Evans typeing, but several reviews conince me that it is legible and provides the writer's conclusions.

The opportunity to be of service has been appreciated. I emerge with the feeling that there is a regional pattern to Nevada's turquoise which might be worked out.

Sincerely,

David LeCount Evans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LAG
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120
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GORDA RISE
BLANCO
MENDOCINO
PIONEER
SAN ANDREAS FLT.
HARNEY BASIN
BURNS
ADEL
JORDAN
SOLOMON THRUST
BULLION
ANTLER HIGH
RED MT.
WELLS
NEW
ROBERTS MT. THRUST
ANTLER HIGH
LAS VEGAS
CONTINENTAL TROUGH
SAN JACINTO FLT.
SAN ANDREAS FLT.
MURRAY FZ
MARGIN
TROUGH
E. PACIFIC HIGH
ARIZONA ELI-BELT
UTAH
RED MTN MINE
LANDER COUNTY, NEVADA
SECTIONS 11 AND 2
T25N R45E
LOCATION
DAVID LeCOUNT EVANS
CONS. GEOLOGIST
JULY 1986
Fig. 1
Ophiolitic Assemblages
Troughs, Intrusives
East Pacific High & Faults
California, Baja California
Nevada and Oregon
KM
MILES
M.Y
CRETACEOUS 63-138
L. JURASSIC 160-205
TRIASSIC 205-240
PALEOZOIC 245-PRE425
U. CRETAC. 63-96
L. CRETAC. 96-138
JURASSIC 138-205
OLD OCEAN PLATE OPHIOLITIC ASSEMBLAGES
INTRUSIVES
OCEAN PLATE MAGNETIC STRIPES
DE EVANS
OCT. 1984

RED MTN. MINE
LANDER COUNTY, NEVADA
IMMEDIATE AREA
TURQUOISE
PROJECTION
1IN = 4MI.

LAG
Item 53

BATTLE MT. DIST.

R45E RAGE RATE

DAVID LaCOUNT EVANS
CONS. GEOLOGIST
JULY 1986

*N.B.M.G BULL 88

T30N

LEWIS DIST.

HILLTOP DIST

BULLION DIST

BLUE EAGLE

T29N

X TURQUOIS

△ SILVER

▽ GOLD

T28N

GOLD ACRES

T27N

CORTEZ MINE

RANCH a

CORTEZ DIST

FOX

> 500,000 Lbs

a CORTEZ

T26N

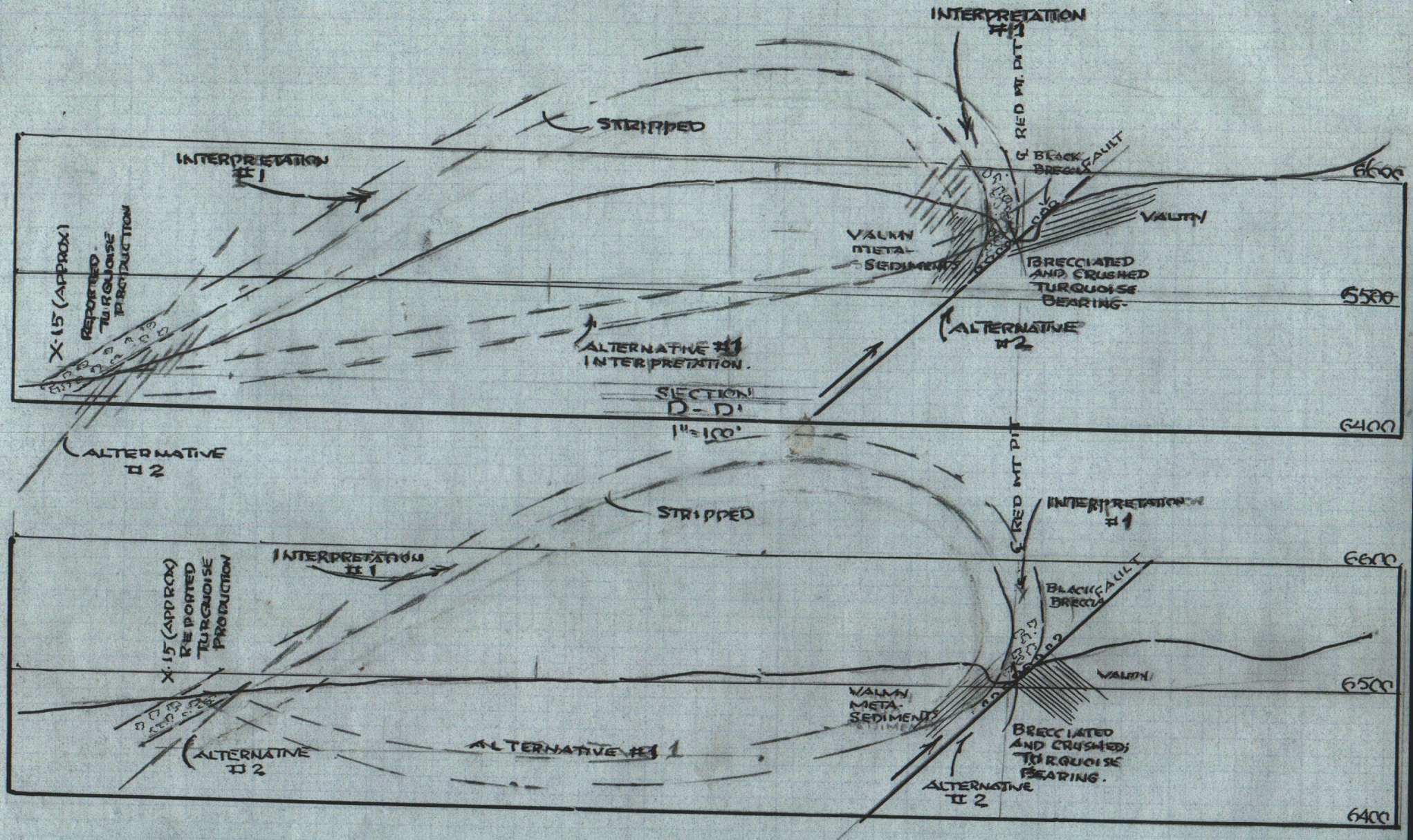
PINTO

AREA OF STUDY

RED MTN. (X-15)

$ 250,000

T25N



DAVID Le COUNT EVANS
CONS. GEOLOGIST
RENO, NEVADA; JULY 1986.

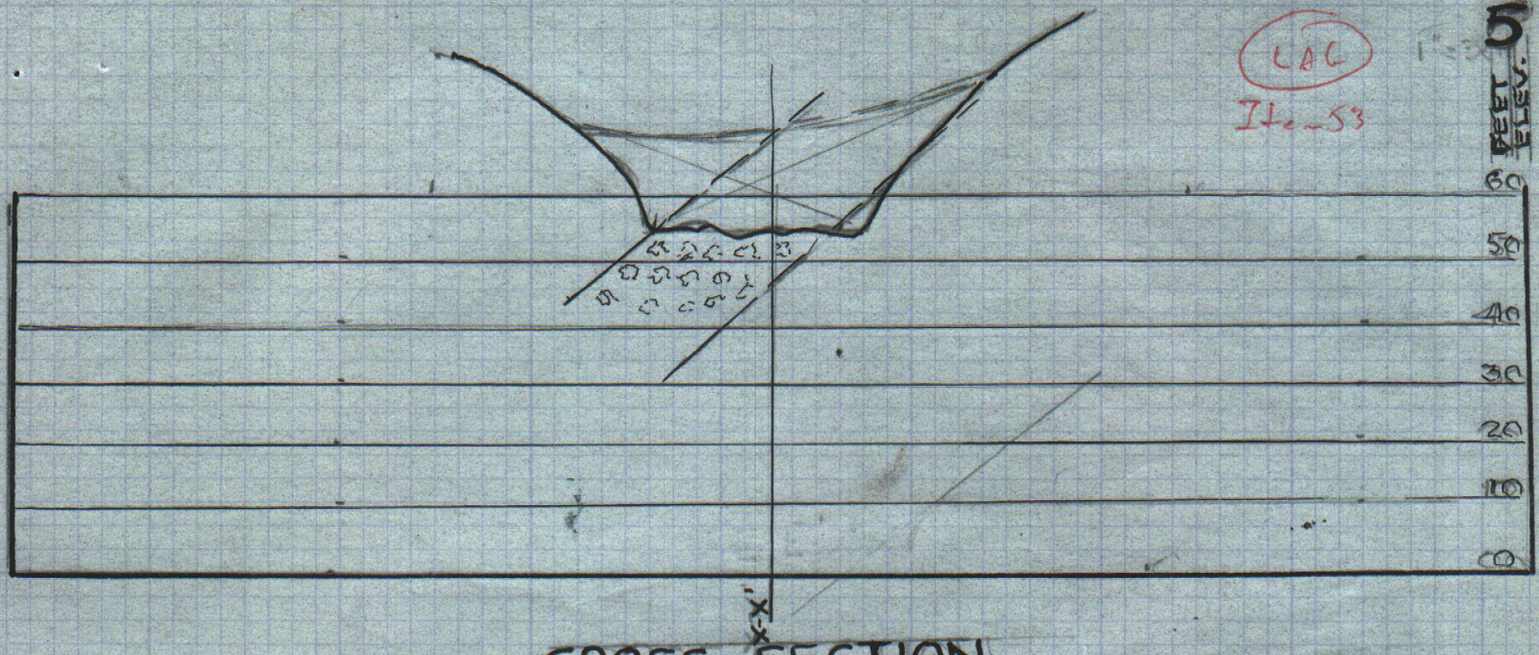
SECTION
A-A'
1"=100'

RED MTN. MINE
LANDER COUNTY, NEVADA
TURQUOISE
SECTIONS
PIT TO X-15 AREA

L&C
TT-53

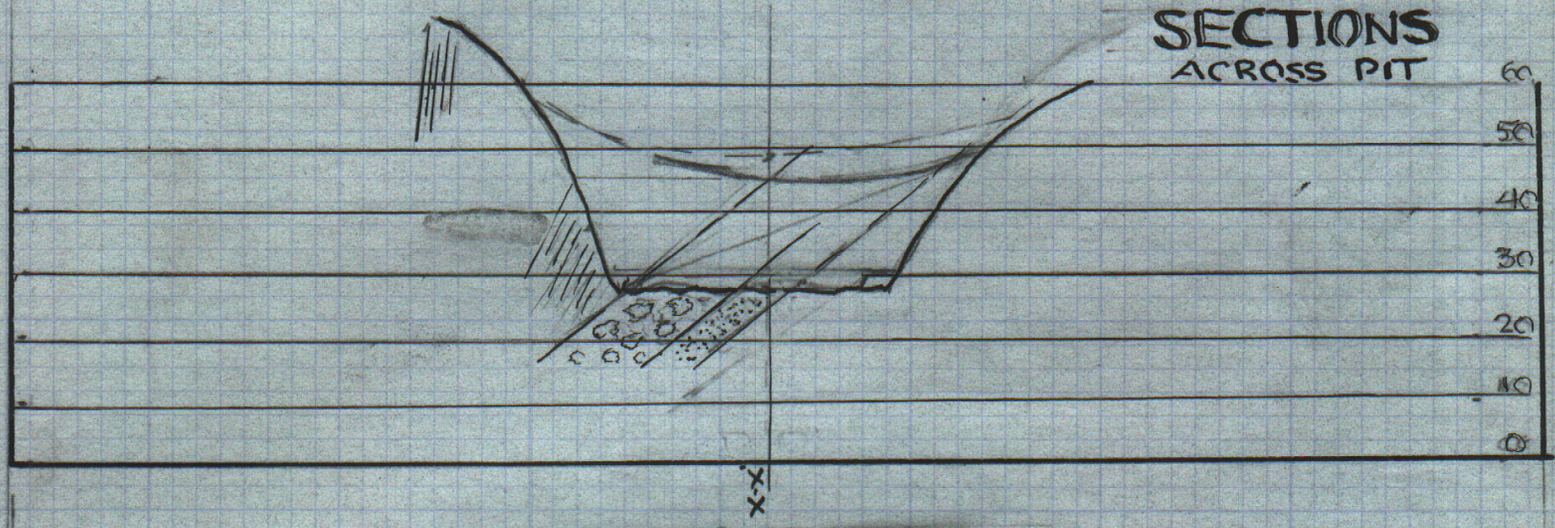
7

LAC
It-53



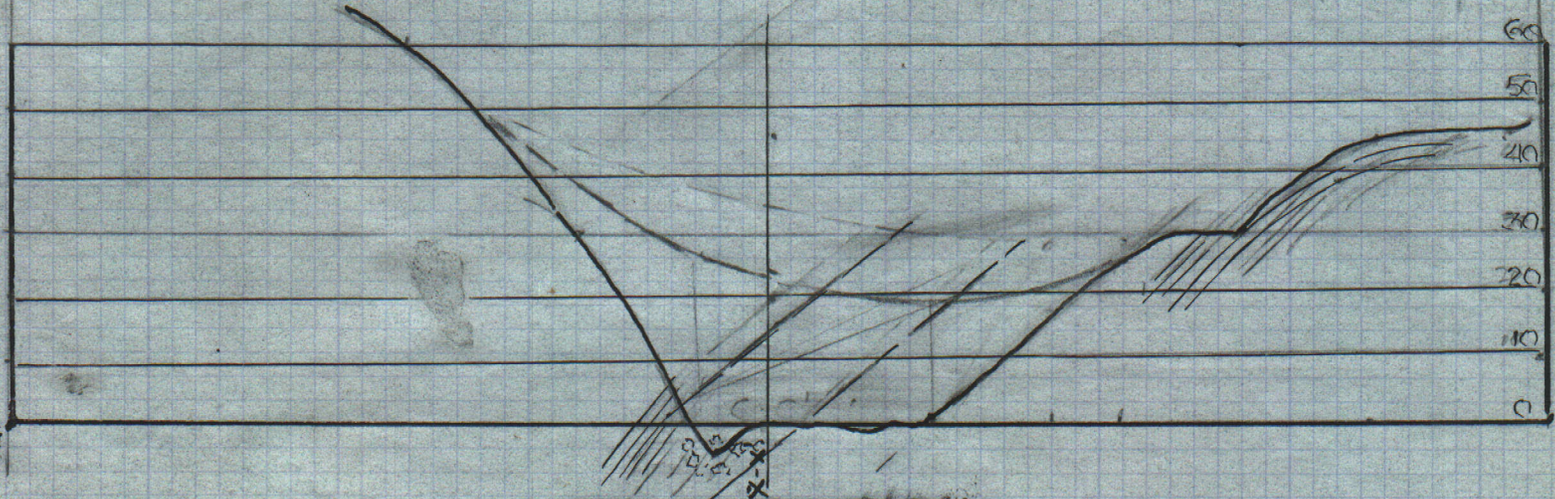
CROSS SECTION
E-E'
1 IN = 30 FT

RED MTN. MINE
LANDER COUNTY, NEVADA
TURQUOISE
SECTIONS
ACROSS PIT

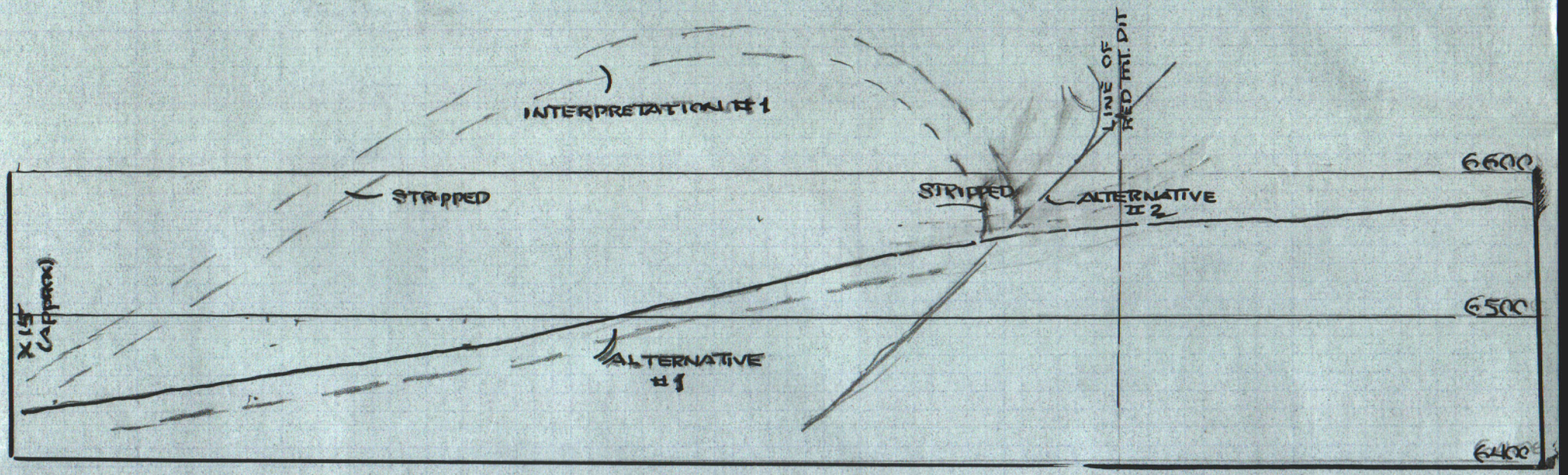


CROSS SECTION
D-D'
1 IN = 30 FT.

DAVID LeCOUNT EVANS
CONS. GEOLOGIST
RENO, NEVADA
JULY 1986



CROSS SECTION
C-C'

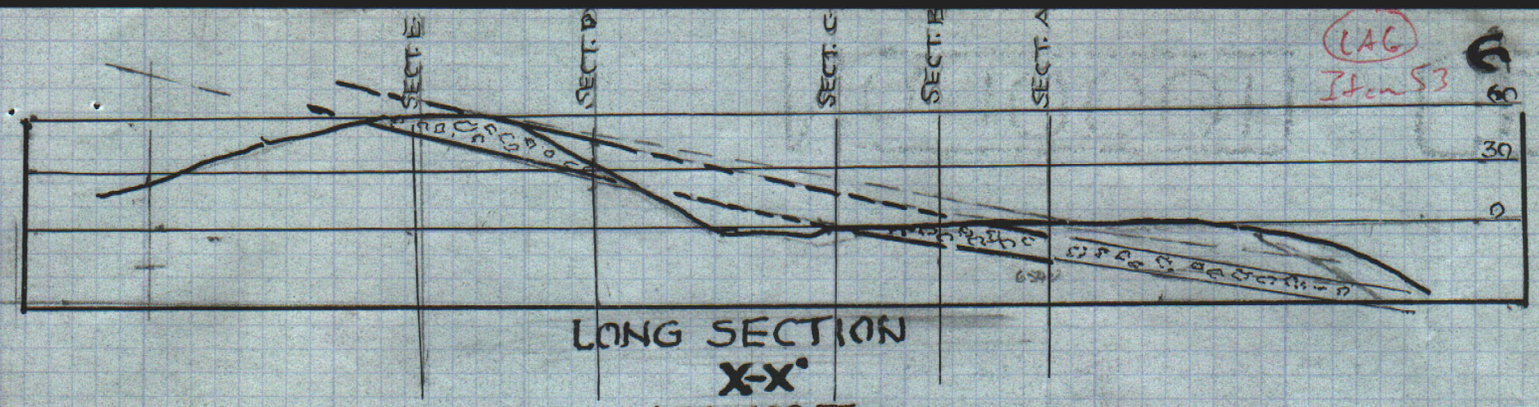


SECTION
F - F'
1" = 100'

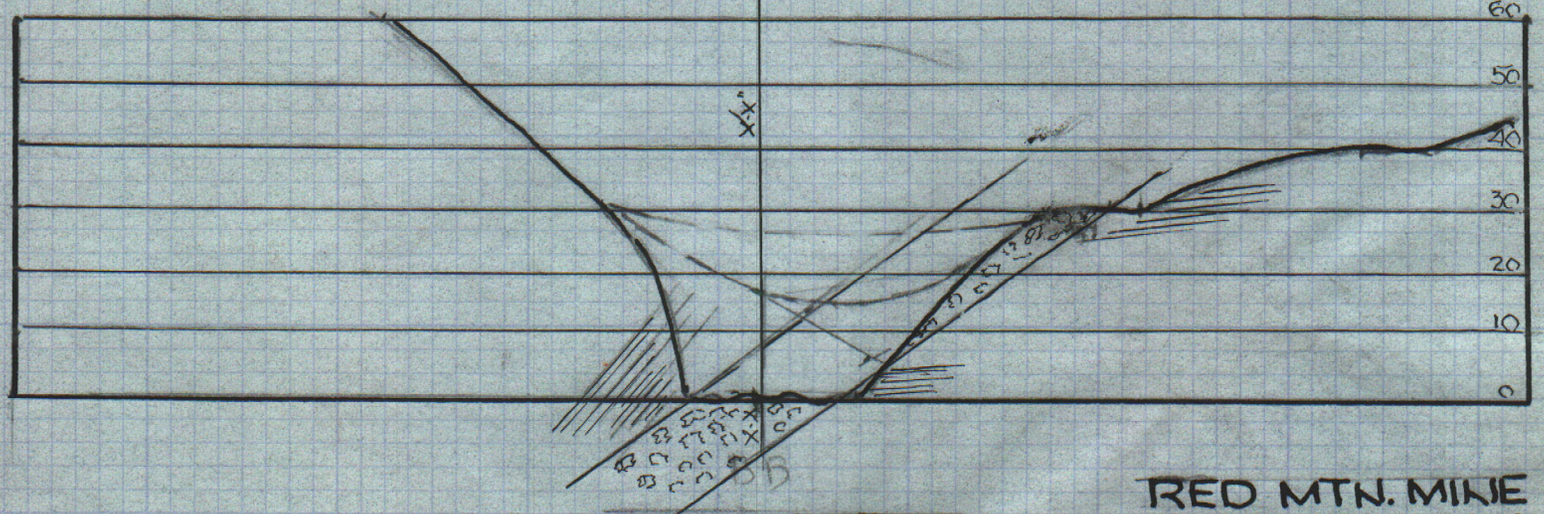
DAVID LeCOLINT EVANS
CONS. GEOLOGIST
RENO, NEVADA JULY 1986

RED MTN. MINE
LANDER COUNTY, NEVADA
TURQUOISE
SECTION
NW. OF PIT AREA

LAC
Jtc-53

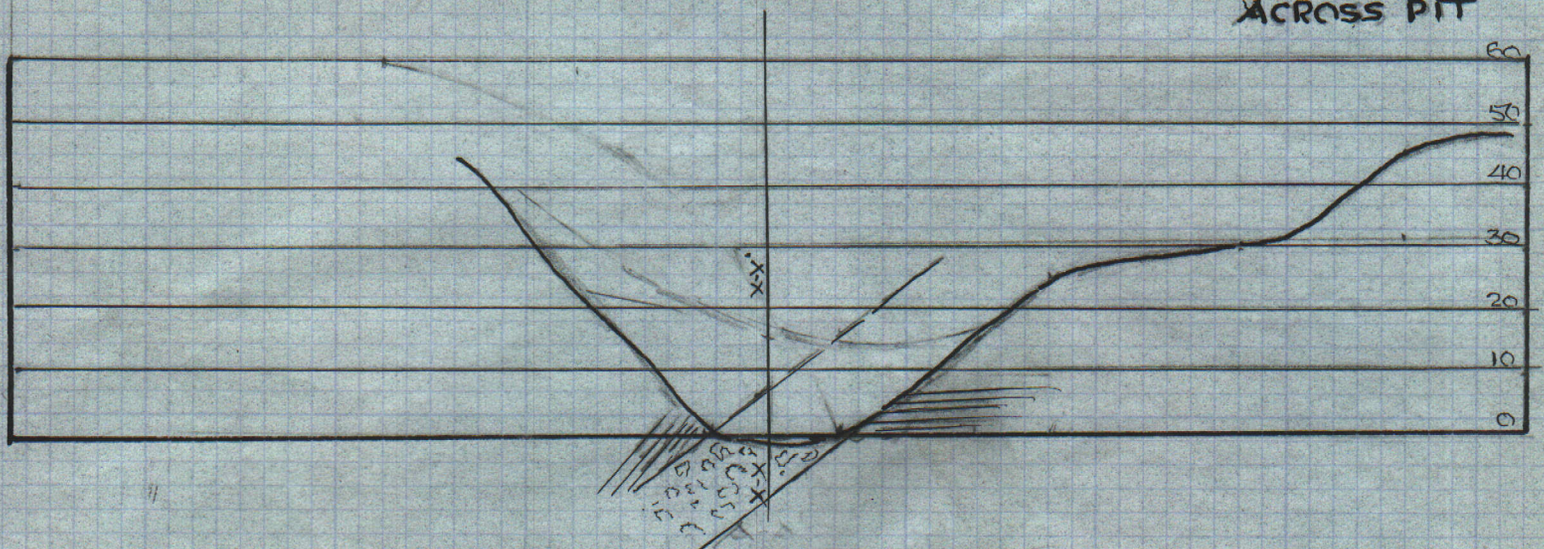


LONG SECTION
X-X'
1 IN. = 100 FT.



CROSS SECTION
B-B'
1 IN. = 30 FT.

RED MTN. MINE
LANDER COUNTY, NEVADA
TURQUOISE
SECTIONS
ACROSS PIT



CROSS SECTION
A-A'
1 IN. = 30 FT.

DAVID Le COUNT EVANS
CONS. GEOLOGIST
RENO, NEVADA
JULY, 1986

LAG
Item 53

RED MOUNTAIN MINE
Turquoise
Lander County, Nevada

AN ANALYSIS

INTRODUCTION:

At the request of and accompanied by Mr. W.A. Austin Turner, the captioned property was examined on July 22, 1986. Five hours were spent in actual surface surveying and geological study of ~~this once-active~~ openpit - area.

Surveying of the Red Mountain Mine area was by Brunton compass and tape for the main pit and Brunton and pacing for those areas AT ON ITS EAST FLANK marginal to the pit.

History of the area, including the production of turquoise and values has been provided by Nevada Bureau of Mines Bulletin 88 and Report 17. The latter, "Turquoise Deposits of Nevada" provides detail to 1968. The marked resurgence of turquoise production, starting in 1972, with figures through 1982 (at the Shoshone mine,) is backed by a report acquired from the Lombardo Turquoise Company, Inc.

CONCLUSIONS:

One: Assuming ~~that the~~ reported ~~production~~ of $250,000 for ~~the Red Mountain mine is correct~~, the property ranks third in a group of about 20 small to medium mines, from the area's Bullion group to Red Mountain.

Two: No tonnage ~~of consequence~~ remains in the Red Mountain mine pit. Immediate extensions on trend have been eliminated by erosion.

Three: The mineralized structural zone with 15 feet or less of thickness, dipping west beneath Valmy meta-sediments, offers ~~the~~ only new and immediate development possibility.

Four: The twenty properties in the Bullion-Cortez-Red Mountain cluster share probable down-grading from surface oxidation.

Lombardo's Shoshone Turquoise program (1972 to present), however, encountered greatly improved mineralization at depth and beneath the zone of oxidation.

Five: Property descriptions for the Bullion area show little, if any, exploration or development below the customary open-pit operations.

Six: Considering all of the above, exploration down dip at the Red Mountain mine merits serious consideration.

Location:

With reference to attached Figures 2 and 3, the Red Mountain property is located in Lander County, Nevada, covering parts of sections 1, 2, 11 and 12, Township 25 North and Range 45 East. It lies about 20 miles southwest of

the Bullion District and 12 miles southwest of the Fox mine (Cortez), both turquoise areas. The property is serviced by good roads, mostly desert-type, from Battle Mountain and Austin, with final access shown on Figure 2.

ADD - PRECISE LOCATION of CLAIM R.M. #1 (AND 2 ?) - ON BASIS of INCOMPLETE SURVEY

Legal Title : SIX

Production area and possible other areas for future discoveries are covered by ~~sixteen~~ standard mining claims, held by annual assessment work. Mr. ~~Austin~~ Turner of Phoenix, Arizona, is the block owner.

W.A.

History of Property and Area:

Listed as a "prospect" (X-15) in 1965 the property was owned by J.W.-Edgar and J. D. Edgar and work consisted of two bull-dozer cuts. A series of lessees then worked the property, producing, according to reports, approximately $250,000 in turquoise. Recent efforts appear to have been limited to working over the dumps.

CHANGE! EXPAND!

ADD TO!

With reference to Figure 2, the Bullion district's initial discovery was made in 1938. Except for the Blue Eagle, estimated at $1,000,000, production per mine has been minimal, ie: less than $5,000 to as much as $100,000.

EXPAND

The Cortez district's Fox mine dates from 1915 and total production has been rumored at "not less than 500,000 pounds", ie: 250 tons.

REFERENCE

Geology: Regional

Figure 1, showing the distribution of major ~~petrological~~ units for the far-western United States and the structures which effected such units, provides the position of the Red Mountain unit, in areas of Early Paleozoic meta-sediments (carbonates) which have been thrust atop the Antler Orogenic High by regional and subsidiary thrust faulting. Major thrusts which bound the Antler are the Roberts Mountains and the Golconda.

The Early Paleozoic units have much to do with the positioning of the large but low-grade gold deposits, such as Jerrett Canyon on the north, southwest through the Carlin major area and Cortez to the south; as well as the less abundant occurrences of non-metallics, such as Barite, Fluorspar and Turquois.

MANGANESE

Admitting that the area of immediate concern is from Red Mountain north through the Bullion district, nevertheless, it must be noted that the Lombardo-Shoshone mine lies about 45 miles further southwest in Paleozoic meta sedimen ts of the Antler highland.

THE SAME

Considering Figure 2 and as summarized from the Nevada Bureau's Report 17, for the 19 turquoise units:

(1) four are described as producing from veinlets in shale and thin structure;

(2) three refer to dark shales with turquoise in scattered nodules and nuggets;

(3) five report turquoise associated with shales, white tuff and black breccia;

(4) and seven suggest cherty beds, intruded by sills and dykes, with locally heavy limonite and turquoise occurring in silicified limonitic veinlets that follow the bedding.

The two major producers, ie: Blue Eagle and Fox, fall in the last category.

For the nineteen occurrences development appears to have been limited to surface cuts. No exploration by shafts or drilling is referred to.

Geology - Red Mountain Project

Figure 4 is the product of a five hour Brunton compass-tape and pacing survey.

Figures 5 and 6 provide sectional interpretation for a unit exposed locally in good outcrops and filled in by some projection.

Long Section X-X' indicates a completely mined-out area, following the strike at the "0" pit level and up to the plus 30 foot level at Section D; and then up to the plus 55 foot level, with bottom of pit still in red iron oxides.

Turquoise occurs in a "zone", characterized by a sharp footwall beneath two feet of jet-black breccia and some twelve feet of shattered, erratic, silicified Valmy sediments, ie: thinly bedded shales, silts, fine sandstone and quartzite. Where well exposed in unmined areas, heavy iron and manganese oxides lace brecciated material.

The "zone" a probable fault has been mined for 300 feet on strike and 15 feet of width. A fault control for the zone is suggested by the attitudes of Valmy meta-sediment beds on pit sides and locally compressed beds on the underside of the structure.

Structure and surface pit terminate at a sharp down break in slope. A 45 degree dip of structure and irregularities in slope to the north west suggests possible continuation; similar reasoning can be applied to the southeast end of workings.

Sections also suggest the possibility of structural continuity down-dip to the west, but beneath Valmy cover, exceeding a thickness of 60 feet.

Estimated is a total pit volume of about 26,000 tons, with 14,700 representing mineralized structure. On the basis of $250,000 of production, such would indicate a value of $17 per ton.

Development:

Except for the major pit and some additional trenching, east and south of pit, no other development is evident. Section C does indicate some sinking of pit to six feet below pit level. This exception has not been followed by any short-hole, vertical drilling.

Samples:

The nature of a turquoise deposit where value is based on physical characteristics and beauty and not percentages of an per ton, eliminates the sample "tool", so critical in evaluating an ore deposit.

Occasional fragments found in the mined area, indicated a green to greenish blue variety of turquoise.

and northeast of pit limits, for indications of structural and mineral extensions;

Four: Drilling short exploratory holes, with rock bit, if the topography so permits; OR - ADVANCE up-DIP ARCH X-15 - FOLLOWING THE PROJECTIONS of FIGURE 7

Five: Cover the entire ~~12~~ 6 claim block for any suggestions of structure, intrusive rocks, mineralization or alteration. Should the results be negative, reduce the size of block by deleting unneeded claims, b ut retaining pit area and bordering possibilities;

- R. DO - CAUSE SIGNIFICANCE OF +/- 15 - OPERATION

Six: if drilling indicatesno possibilities down dip, and if three, four and five are negative, seek turquoise elsewhere.

Respectfully submitted,

David LeCount Evans
Consulting Geologgist,
Reno, Nevada.

August 10, 1986.

E/10/86

LAG
Item 53

RED MOUNTAIN MINE
Turquoise
Lander County, Nevada

AN ANALYSIS

INTRODUCTION:

At the request of and accompanied by Mr. Austin Turner, the captioned property was examined on July 22, 1986. Five hours were spent in actual surface surveying and geological study of this once-active openpit area.

Surveying of the Red Mountain Mine area was by Brunton compass and tape for the main pit and Brunton and pacing for those areas marginal to the pit.

History of the area, including the production of turquoise and values has been provided by Nevada Bureau of Mines Bulletin 88 and Report 17. The latter, "Turquoise Deposits of Nevada" provides detail to 1968. The marked resurgence of turquoise production, starting in 1972, with figures through 1982 (at the Shoshone mine,) is backed by a report acquired from the Lombardo Turquoise Company, Inc.

CONCLUSIONS:

One: Assuming that the reported production of $250,000 for the Red Mountain mine is correct, the property ranks third in a group of about 20 small to medium mines, from the area's Bullion group to Red Mountain.

Two: No tonnage of consequence remains in the Red Mountain mine pit. Immediate extensions on trend have been eliminated by erosion.

Three: The mineralized structural zone with 15 feet or less of thickness, dipping west beneath Valmy meta-sediments, offers the only new and immediate development possibility.

Four: The twenty properties in the Bullion-Cortez-Red Mountain cluster share probable down-gradeing from surface oxidation.

Lombardo's Shoshone Turquoise program (1972 to present), however, encountered greatly improved mineralization at depth andbeneath the zone of oxidation.

Five: Property descriptions for the Bullion area show little, if any, exploration or development below the customary open-pit operatuons.

Six: Considering all of the above, exploration down dip at the Red Mountain mine merits serious consideration.

Location:

With reference to attached Figures 2 and 3, the Red Mountain property is located in Lander County, Nevada, covering parts of sections 1, 2, 11 and 12, Township 25 North and Range 45 East. It lies about 20 miles southwest of

the Bullion District and 12 miles southwest of the Fox mine (Cortez), both turquoise areas. The property is serviced by good roads, mostly desert-type, from Battle Mountain and Austin, with final access shown on Figure 2.

Legal Title :

Production area and possible other areas for future discoveries are covered by sixteen standard mining claims, held by annual assessment work. Mr. Austin Turner of Phoenix, Arizona, is the block owner.

History of Property and Area:

Listed as a "prospect" (X-15) in 1965 the property was owned by J.W.-Edgar and J. D. Edgar and work consisted of two bull-dozer cuts. A series of lessees then worked the property, producing, according to reports, approximately $250,000 in turquoise. Recent efforts appear to have been limited to working over the dumps.

With reference to Figure 2, the Bullion district's initial discovery was made in 1938. Except for the Blue Eagle, estimated at $1,000,000, production per mine has been minimal, ie: less than $5,000 to as much as $100,000.

The Cortez district's Fox mine dates from 1915 and total production has been rumored at "not less than 500,000 pounds", ie: 250 tons.

Geology: Regional

Figure 1, showing the distribution of major petrological units for the far-western United States and the structures which effected such units, provides the position of the Red Mountain unit, in areas of Paleozoic meta-sediments which have been thrust atop the Antler Orogenic High by regional and subsidiary thrust faulting. Major thrusts which bound the Antler are the Roberts Mountains and the Golconda.

The Paleozoic units have much to do with the positioning of the large but low-grade gold deposits, such as Jerrett Canyon on the north, southwest through the Carlin major area and Cortez to the south; as well as the less abundant occurrences of non-metallics, such as Barite, Fluorspar and Turquoise.

Admitting that the area of immediate concern is from Red Mountain north through the Bullion district, nevertheless, it must be noted that the Lombardo Shoshone mine lies about 45 miles further southwest in Paleozoic meta sediments of the Antler highland.

Considering Figure 2 and as summarized from the Nevada Bureau's Report 17, for the 19 turquoise units:

(1) four are described as producing from veinlets in shale and thin structure;

(2) three refer to dark shales with turquoise in scattered nodules and nuggets;

(3) five report turquoise associated with shales, white tuff and black bressia;

(4) and seven suggest cherty beds, intruded by sills and dykes, with locally heavy limonite and turquoise occurring in silicified limonitic veinlets that follow the bedding.

The two major producers, ie: Blue Eagle and Fox, fall in the last category.

For the nineteen occurrences development appears to have been limited to surface cuts. No exploration by shafts or drilling is referred to.

Geology - Red Mountain Project

Figure 4 is the product of a five hour Brunton compass-tape and pacing survey.

Figures 5 and 6 provide sectional interpretation for a unit exposed locally in good outcrops and filled in by some projection.

Long Section X-X' indicates a completely mined-out area, following the strike at the "0" pit level and up to the plus 30 foot level at Section D; and then up to the plus 55 foot level, with bottom of pit still in red iron oxides.

This
Turquoise occurs in a "zone", characterized by a sharp footwall beneath two feet of jet-black breccia and some twelve feet of of shattered, erratic, silicified Valmy, sediments, ie: thinly bedded shales, silts, fine sandstone and quartzite. Where well exposed in unmined areas, heavy iron and manganese oxides lace brecciated material.

The "zone" a probable fault has been mined for 300 feet on strike and 15 feet of width. A fault control for the zone is suggested by the attitudes of Valmy meta-sediment beds on pit sides and locally compresed beds on the underside of the structure.

Structure and surface pit terminate at a sharp down break in slope. A 45 degree dip of structure and irregularities in slope to the north west suggests possible continuation; similar reasoning can be applied to the southeast end of workings.

Sections also suggest the possibility of structural continuity down-dip to the west, but beneath Valmy cover, exceeding a thickness of 60 feet.

Estimated is a total pit volume of about 26,000 tons, with 14,700 representing mineralized structure. On the basis of $250,000 of production, such would indicate a value of $17 per ton.

Development:

Except for the major pit and some additional trenching, east and south of pit, no other development is evident. Section C does indicate some sinking of pit to six feet below pit level. This exception has not been followed by any short-hole, vertical drilling.

Samples:

The nature of a turquoise deposit where value is based on physical characteristics and beauty and not percentages of an per ton, eliminates the sample "tool", so critical in evaluating an ore deposit.

Occasional fragments found in the mined area, indicated a green to greenish blue variety of turquoise.

Ore Reserves:

The property is without ore reserves. The reference above to 14,700 tons of mineralized structure does not infer that the original development had assured 14,700 tons of "ore". Ore is that tonnage that can be mined, treated and sold at a profit. The much smaller tonnage which was selected, by sorting, from the $17/ton mass, probably provided some profiit.

Mining and Treatment Methods:

The nineteen turquoise operations for the Bullion to Red Mountain TREND represents open pit operation with dozer cutting and possibly some assistance from minor and carefully controlled blasting. The same might be said for the Red Mountain mine.

None of the operations provides the true costs of mining and sorting, as well as estimates of final profit or loss per operation.

On the other hand, 45 miles southwest on the same broad trend, Lombardo Turquoise's Shoshonemine provides food for thought.

According to the Lombardo Company report, in early 1972, exploratory drilling to 150 feet, not only extended the original 'shows' 170 feet, but also indicated an improvement in the quality of the turquoise with increasing depth.

Bench mining was started at a point 170 feet from the original prospect, and the pit advanced ninety feet into the mountain to an eventual depth of 70 feet, the circular width of pit was 105 feet. In 1975 it was decided to convert to underground mining and an undergound tunnel was collared at a point well below the pit. Tunnelwas started in 1977 and by 1982 as it was slowly mined, had reached some 80 to 90feet.

Reported in terms of cubic yards, a conversion to short tons indicates that 9977 tons of sorted ore was mined at a cost of $5.15 per ton (from pit) and 145 sorted tons were taken from the tunnel at a cost of $197 per ton. (this does not include the cost of a trestle erected for waste-disposal purposes). Selective blasting per face, on an hole by hole basis for 16 holes accounts for the very high cost per ton from tunel. Higher values for the turquoise at greater depth appeared to justify the higher cost per ton.

Equipment,costs, Mineral Prices, etc:

All are omitted. The property has returned to "prospect" status and any future action depends on successful continuation down dip, or regional extension.

RECOMMENDATIONS:

The following steps are recommended:

One: further mapping of the pit and close-in area; and sampling for possible unrecognized gold bi-values;

Two: topographic mapping of that area, immediat- west of pit and for the 300 feet of length;

Three: a regional study of up-slope areas northwest

and northeast of pit limits, for indications of structural and mineral extensions;

Four: Drilling short exploratory holes, with rock bit, if the topography so permits;

Five: Cover the entire 18 claim block for any suggestions of structure, intrusive rocks, mineralization or alteration. Should the results be negative, reduce the size of block by deleting unneeded claims, but retaining pit area and bordering possibilities;

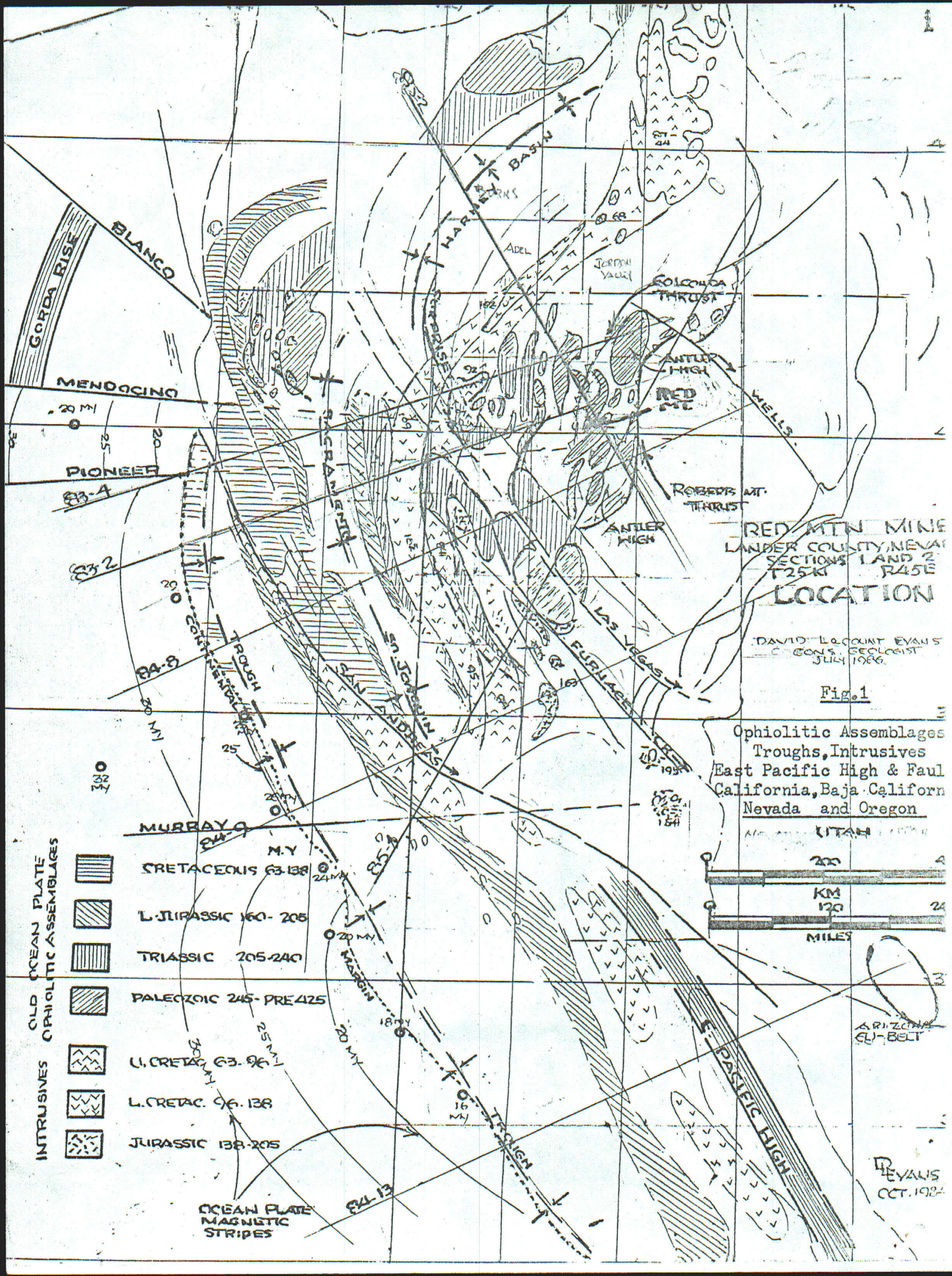
Six: if drilling indicatesno possibilities down dip, and if three, four and five are negative, seek turquoise elsewhere.

Respectfully submitted,

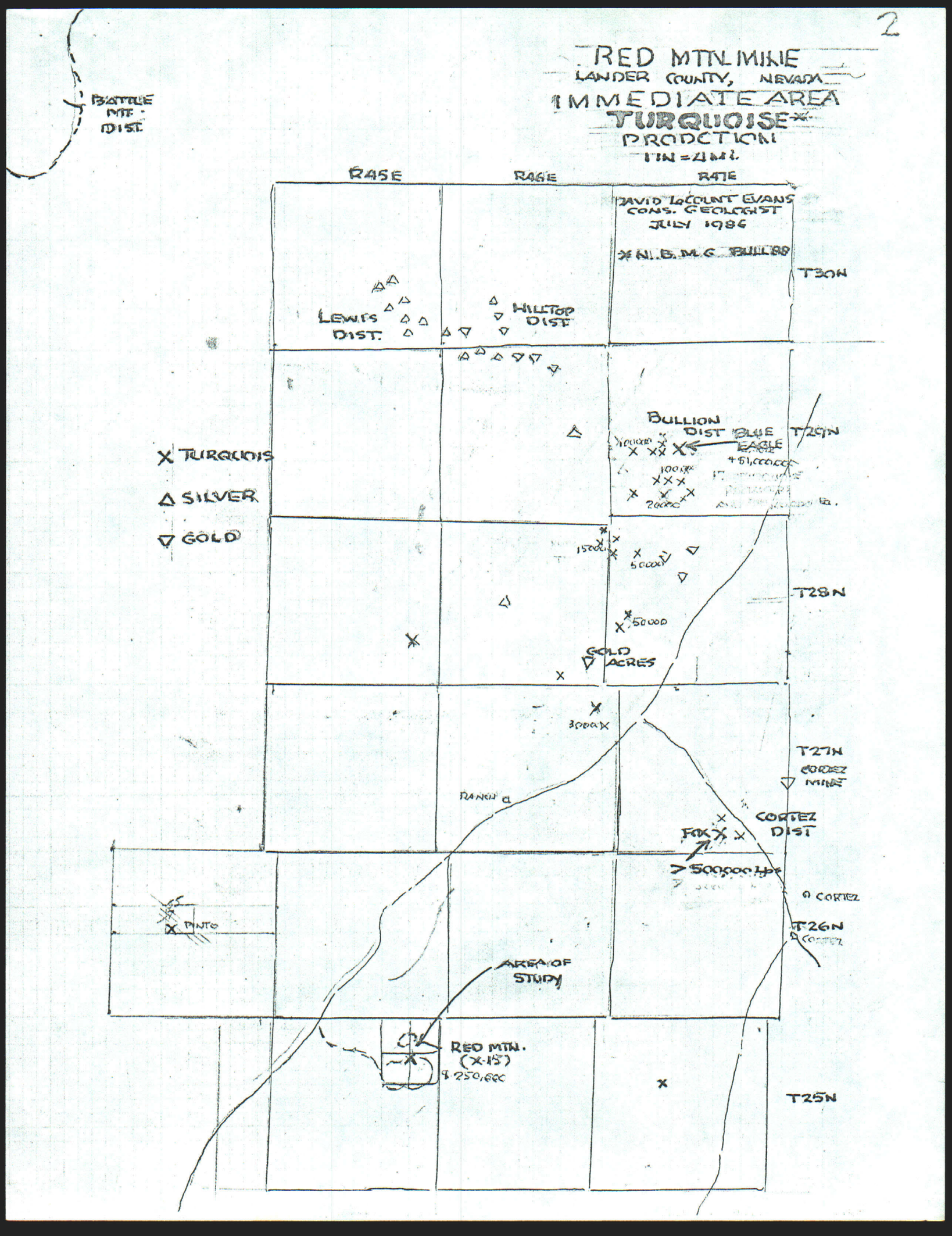
D. L. Evans

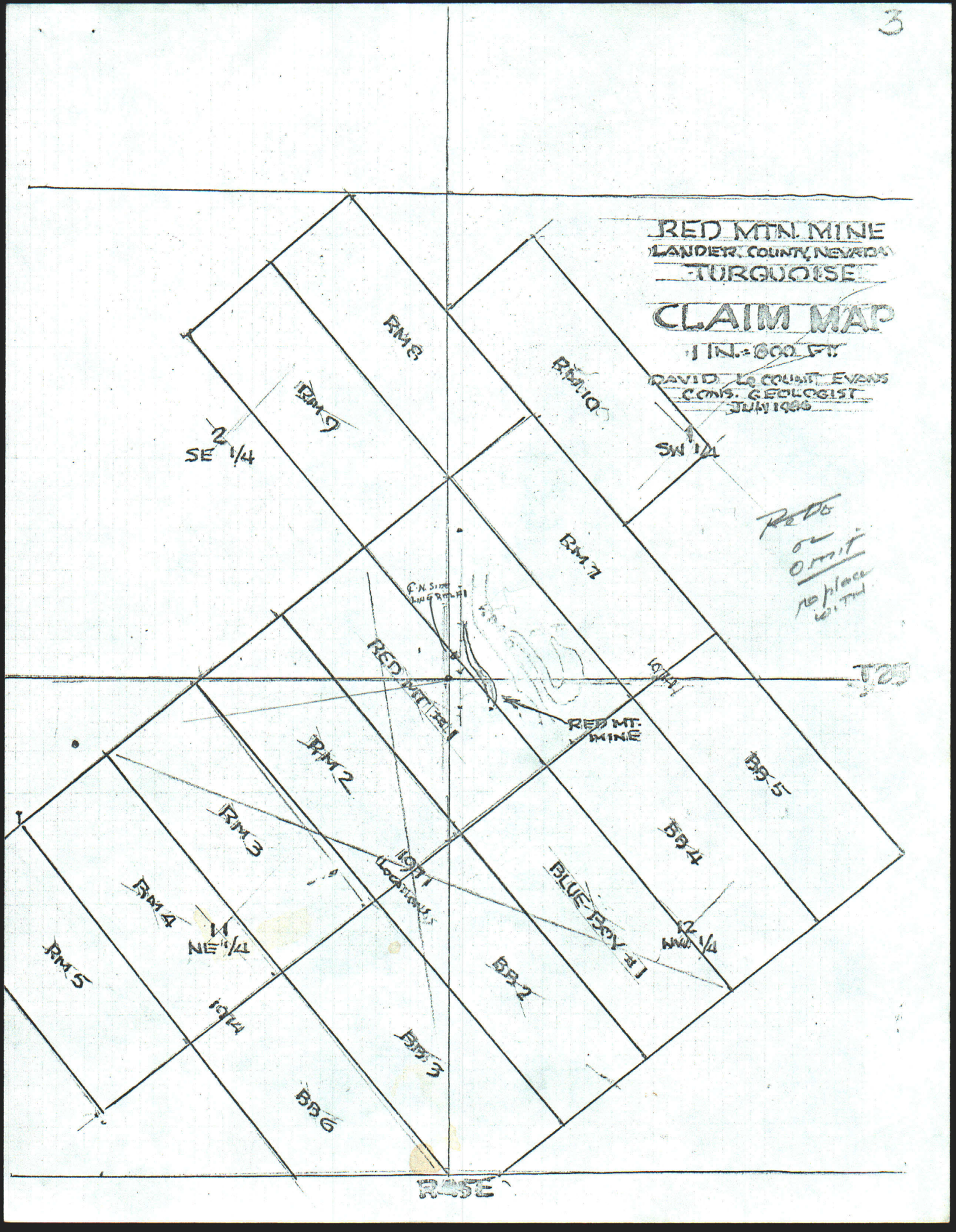
David LeCount Evans
Consulting Geologist,
Reno, Nevada.

August 10, 1986.


GORDA RISE
BLANCO
MENDOCINO
PIONEER
MURRAY FZ
BASIN
HARRIS
ADEL
JORDAN VALLEY
COLCONDA THRUST
ANTLER HIGH
RED MT.
WELLS
ROBERTS MT. THRUST
ANTLER HIGH
RED MTN MINE
LANDER COUNTY, NEVADA
SECTIONS 1 AND 2
T25N R45E
LOCATION
DAVID L. COUNT EVANS
GEOLOGIST
JULY 1969
Fig. 1
Ophiolitic Assemblages
Troughs, Intrusives
East Pacific High & Faul
California, Baja Californ
Nevada and Oregon
UTAH
KM
MILES
ARIZONA
EU-BELT
SAN ANDREAS
SAN JACINTO
LAS VEGAS
FURNACE CR.
TROUGH
MARGIN
TRENCH
PACIFIC HIGH
OCEAN PLATE MAGNETIC STRIPES
OLD OCEAN PLATE OPHIOLITIC ASSEMBLAGES
INTRUSIVES
M.Y
CRETACEOUS 63-138
L. JURASSIC 160-205
TRIASSIC 205-240
PALEOZOIC 245-PRE425
U. CRETAC. 63-96
L. CRETAC. 96-138
JURASSIC 138-205
D EVANS
OCT. 1984

RED MTN. MINE
LANDER COUNTY, NEVADA
IMMEDIATE AREA
TURQUOISE PRODUCTION
1 IN = 4 MI.

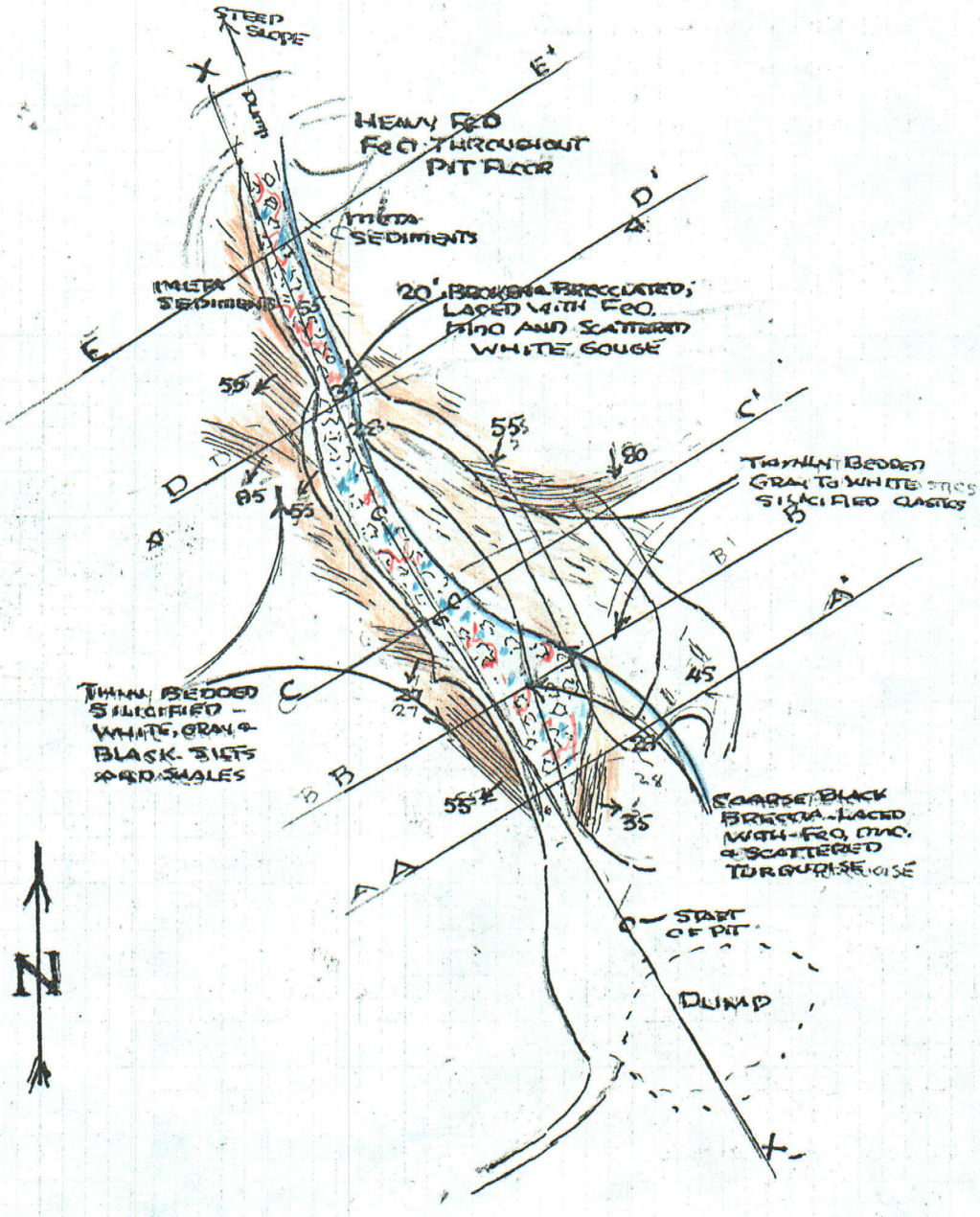


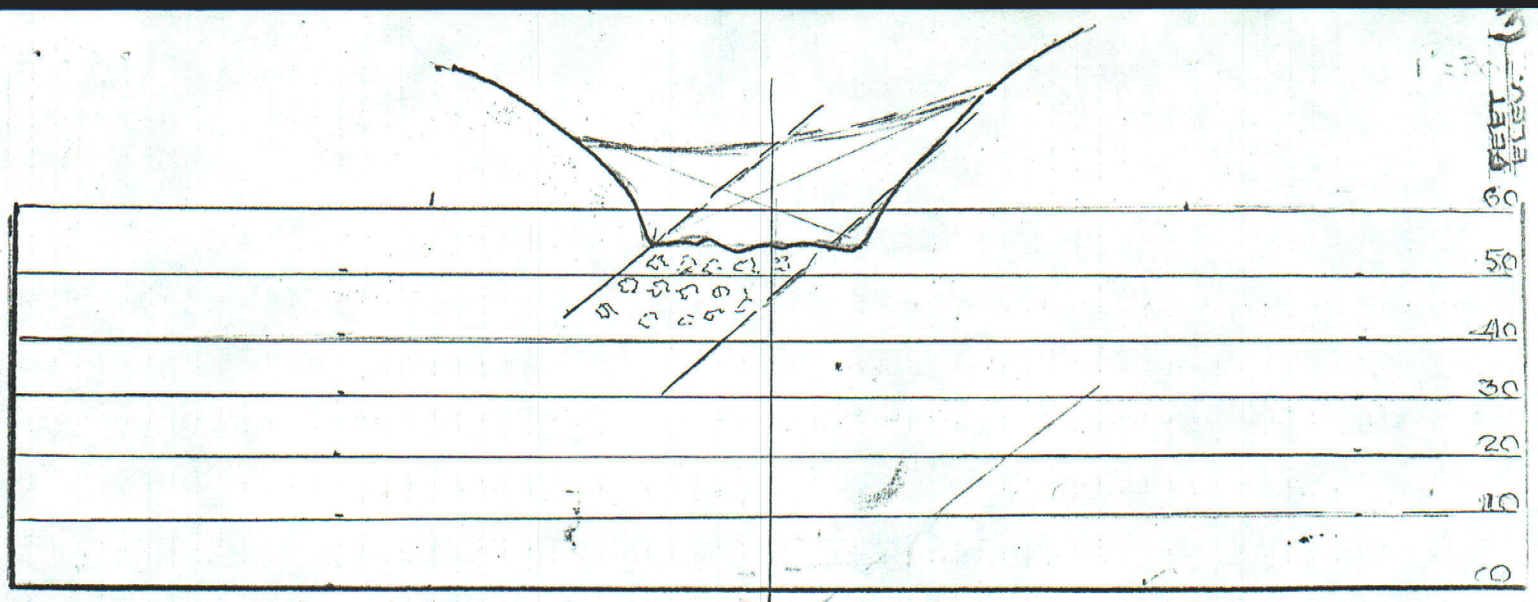

RED MTN. MINE
LANDER COUNTY, NEVADA
TURQUOISE
CLAIM MAP
1 IN. = 600 FT.
DAVID LA COUNT EVANS
CONS. GEOLOGIST
JUNE 1986
RM 9
RM 8
RM 10
RM 7
RM 2
RM 3
RM 4
RM 5
BB 5
BB 4
BB 2
BB 3
BB 6
SE 1/4
SW 1/4
NE 1/4
NW 1/4
RED MT. HILL
RED MT. MINE
BLUE BOY #1
T25
R45E

RED MTN. MINE
LANDER COUNTY, NEVADA
TURQUOIS

SURFACE PIT
1 IN. = 100 FT

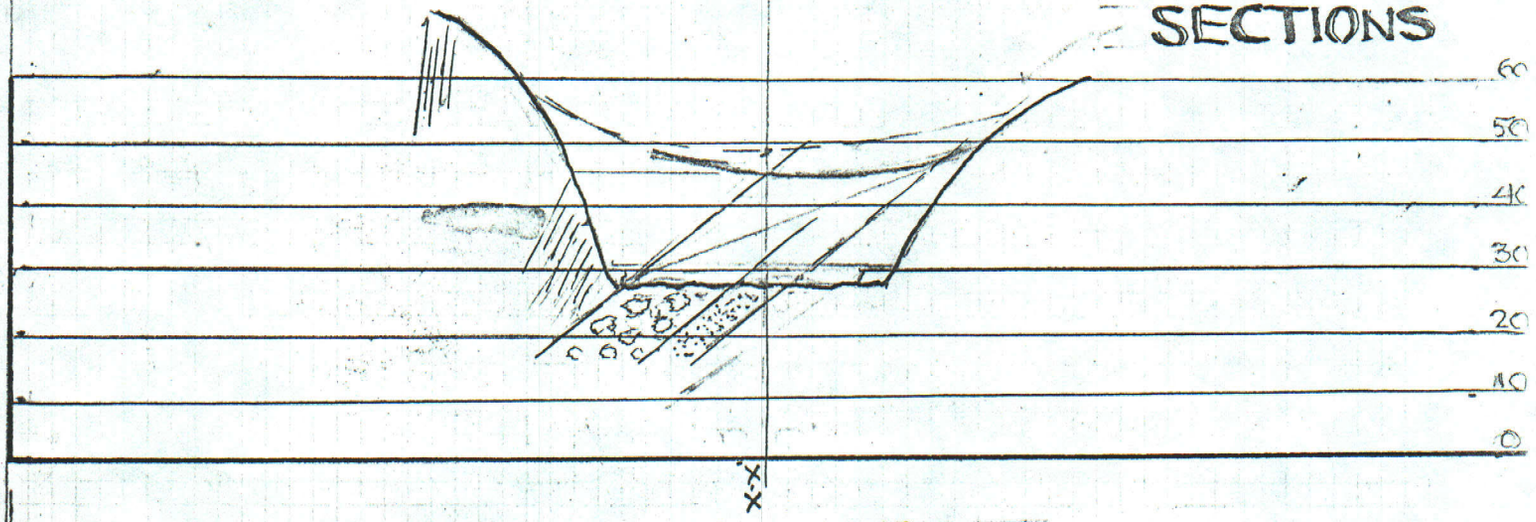
DAVID LeCOULIT EVANS, RENO, NEV.
CONS. GEOLOGIST
JULY 1986





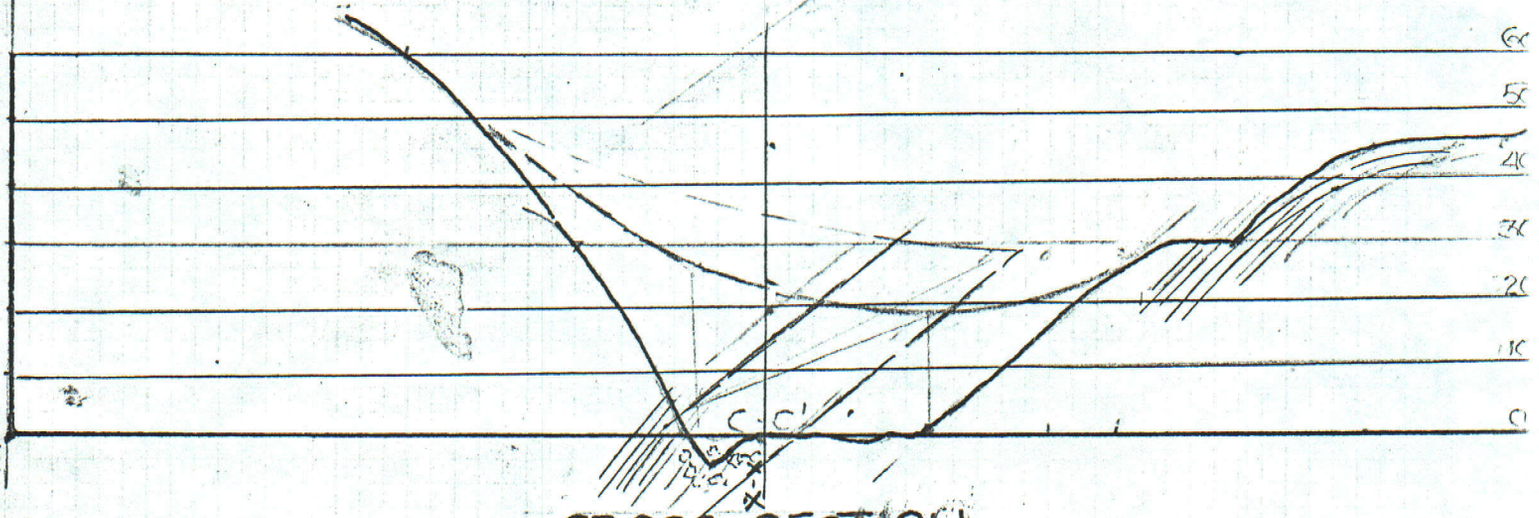
CROSS SECTION
E-E'
1 IN = 30 FT.

RED MTN. MINE
LANDER COUNTY, NEVADA
TURQUOIS
SECTIONS

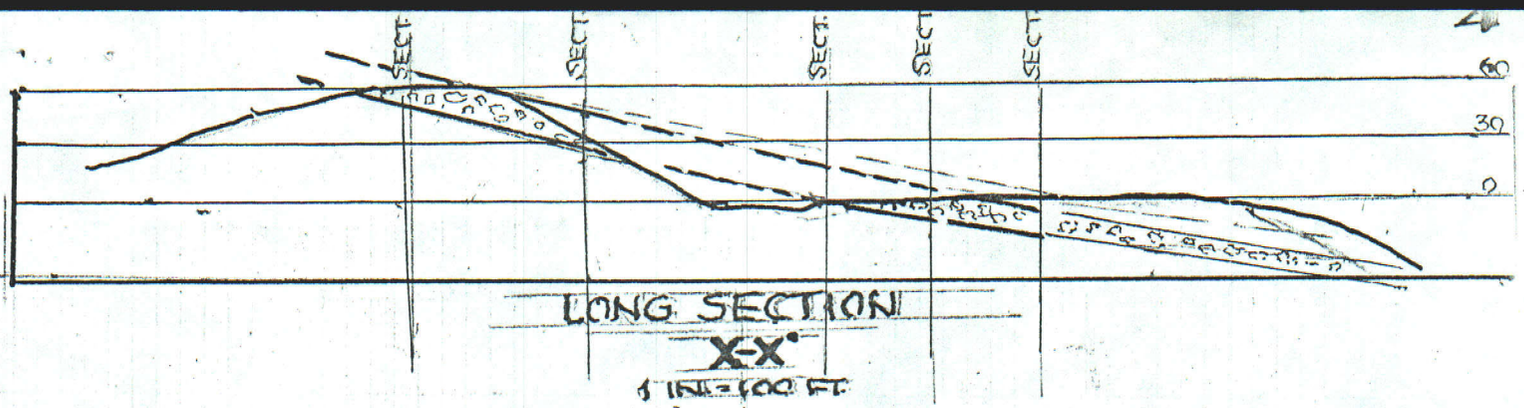


CROSS SECTION
D-D'
1 IN = 30 FT.

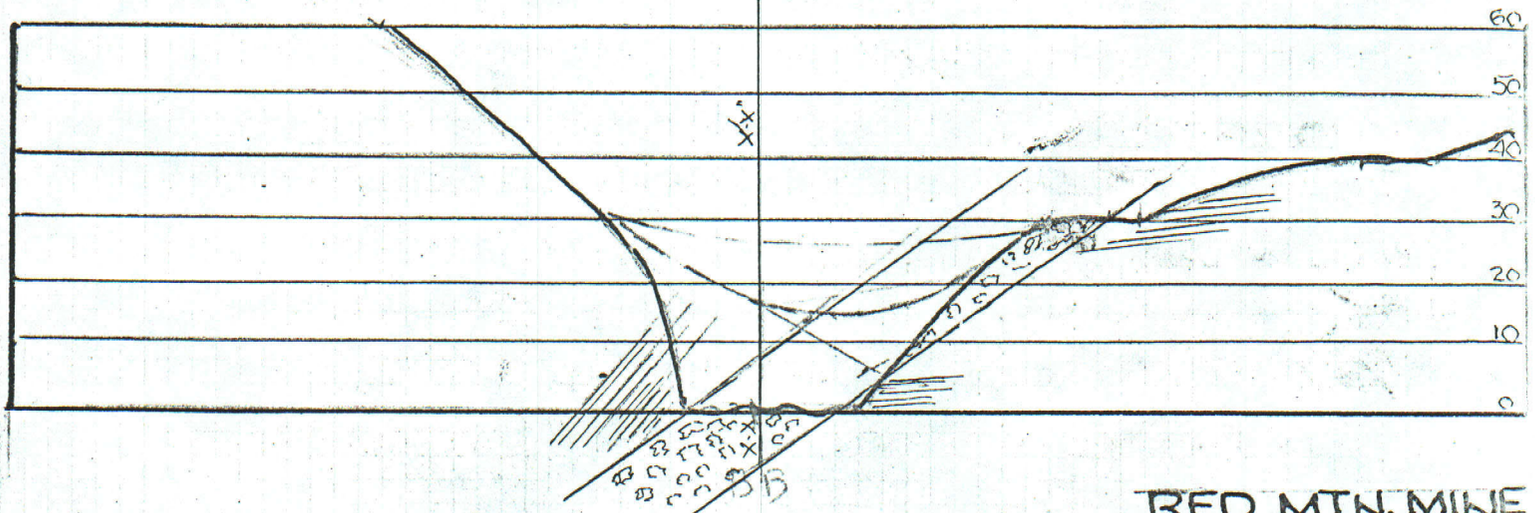
DAVID LeCOUNT EVANS
CONS. GEOLOGIST
RENO. NEVADA
JULY 1980



CROSS SECTION
C-C'

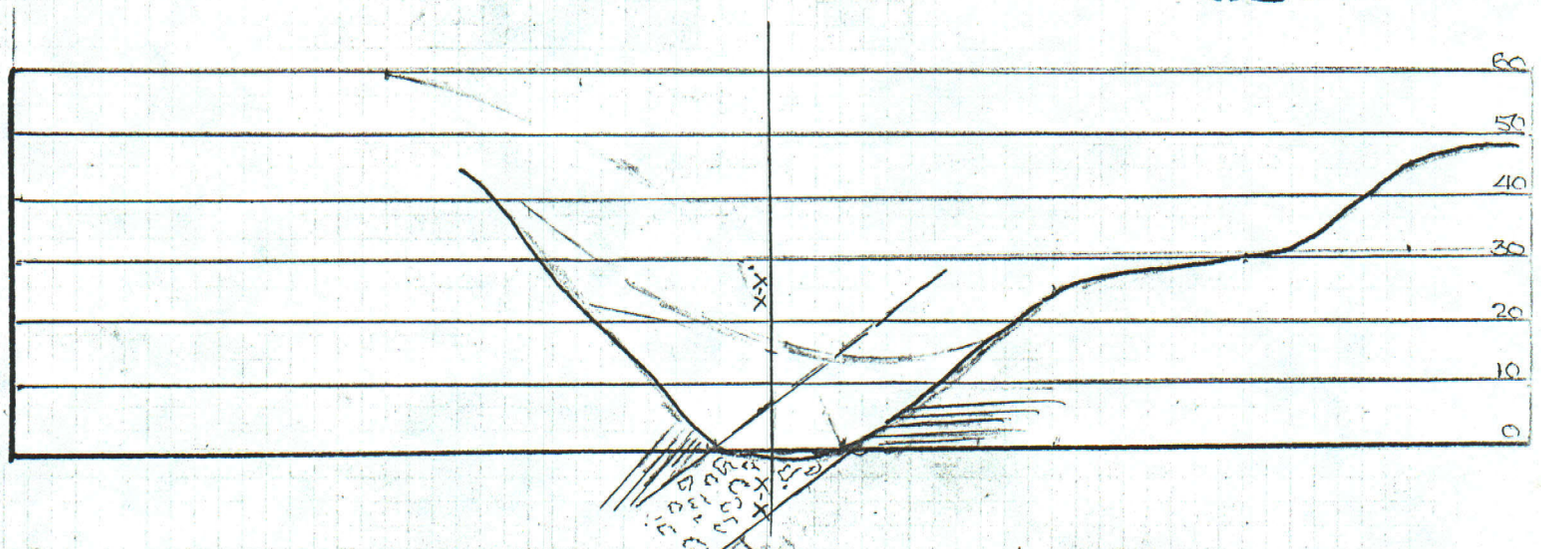


LONG SECTION
X-X'
1 IN.=100 FT.



CROSS SECTION
B-B'
1 IN.=30 FT.

RED MTN. MINE
LANDER COUNTY, NEVADA
TURQUOIS
SECTIONS



CROSS SECTION
A-A'
1 IN.=30 FT.

DAVID Le COUNT EVANS
CONS. GEOLOGIST
RENO, NEVADA
JULY, 1986

L46
Item 53

— ~~AS~~ OF. AUG. 27 —

.A. AUSTIN - RESENTS. OUR INITIAL APPROACH - TO - EVALUATION OF RED MOUNTAIN BLOCK — STATEING

" HE WANTED. ONLY A GEOLOGICAL DESCRIPTION AND NOT AN OPINION!"

TO THIS WE COUNTERED THAT SUCH WAS - THE PATTERN - FOLLOWED BY DLE - SINCE 1938 — AS. RECOMMENDED BY T. HOOVER — & HIS WAS THE FIRST COMPLAINT.

NOTE: I DID TONE IT DOWN BUT REMAINED FACTUAL.

.B. RESENTED WAS THE FACT THAT MY COVER LETTER - WARNED THAT THERE WERE NO NEW ACTUAL ORE RESERVES - AND THAT - CHANCES FOR PATENTING WERE SLIM!

TO THIS HE DISAGREED & SAID HE WOULD HANDLE PATENTING BY HIMSELF

.C. CONCERNING - SURVEYING. OF BLOCK - HIS "ENGINEERS" — LOCATED #1 CLAIM - USING MAGNETIC SURVEY (CONTN. NO 17½° CORRECTION) ON - A TRUE NORTH SHEET.

THEY GAVE HIM SOME SORT OF EXCUSE.

IF SUCH IS REPEATED DLE WILL STILL APPLY SUCH A CORRECTION.

IF AUSTIN COMPLAINS - DLE WILL REQUEST RETURN OF INITIAL REPORT — AND BE ASKED TO FIND ANOTHER GEOLOGIST!

& FORGET - INVOICE!

P.S. AUSTIN FINALLY DELIVERED THE GOODS - LATE AUG. 27 BUT NO "HISTORY & PROPERTY" RE-STRUCTURED IS - ORIGINAL REPORT — WHICH IS OK BUT TURNER WOULD BE "ADVISED TO" — BY DLE

DAVID LE COUNT EVANS
CONSULTING GEOLOGIST
1700 ROYAL DRIVE
TELEPHONE (702) 747-4101
RENO, NEVADA 89503

August 10, 1986.

Mr. Austin Turner,
1502 West Windrose,
Phoenix, Arizona 85029.

Dear Austin:

Inasmuch as I am not too sure regarding the timeing of your planned August return to Fallen Leaf, I enclose a copy of my analysis of your Red Mountain mine deposit.

This may pass you in the mail but, if not, you will have my reactions before leaving Phoenix, and other copies of the same when you get here.

I believe th at all of the facts and my reactions are clear, not only as to the next steps to be considered, but also, as to where you stand with respect to your planned application to the Bureau of Land Management for a patent.

Whereas I do feel that a drilling program would be in order, such is based on indications and not a proved discovery and measureable ore reserve. As the BLM puts it:

> There must "be within the boundaries of each claim a discovery of a valuable mineral deposit which can be mined and marketed at a profit."

This, as yet, w e do not have.

The above and enclosed analysis leaves one door open and that is carefully planned exploration and development.

The annual burden of protecting your ownership in a ~~sixteen~~ SIX claim block could be reduced by dropping claims where possible.

Sincerely,

David LeCount Evans

DAVID LE COUNT EVANS
CONSULTING GEOLOGIST
1700 ROYAL DRIVE
TELEPHONE (702) 747-4101
RENO, NEVADA 89503

August 10, 1986

In account with:

Mr. Austin Turner,
1502 West Winrose,
Phoenix, Arizona 85029.

Re: Professiona l services in connection an analysis of theRed Mountain turquoise mine, Bullion District, Lander county, Nev ada.

July 21 to August 10, 1986.

Field period	2 days	$350.00
Office period	80 hours	437.00
	Total	772.00

David LeCount Ebans

Does not include effort post Aug. 10

August 12, 1986

Austin: In reviewing the enclosed, all I can say is

that the typeing is attoc_ious.

I always arrive up here with a balky portable which specializes in jumpin a space or so, or leaves an occasional lett_r below the line.

Appologies are offered. Be my guest! Have the analysis typed by a professional and send me b_ill.

Taffy.

LAG
Item 53

October 14, 1986.

Dear Austin:

Many thanks for your letter of the 23rd. I am happy to know that the final report arrived and delighted that Marie will turn my efforts into a professionally typed copy. Also your check for $350 has been very much appreciated.

In the meantime I have been proceeding with two publishing efforts; the first (being considered by the American Institute of Mining Engineers), has passed a second revision and will now be awaiting its "turn" I hope. At least it has not been turned down and that is an healthy sign. It reviews the Geology of the Comstock and proposes many changes to the structural beliefs that have been in vogue since the 1860s. If true, it should open the door to some more intelligent and worthwhile prospecting.

The second, in the hands of McGraw Hill's "Engineering and Mining Journal" deals with the Plate Tectonic interpretations for the West Coast, which have been sacrosanct for the last 20 years and which now merit some changes. Both so far seem to be well received; but we shall see.

Kitty and I do hope that Scotty surmounted the possible problems without difficulties. Please give her our love. Too, we are glad to know that Phoenix has become liveable, now that Winter is on its way.

Kitty joins me in the very best to you and Daune.

Taffy.

Mr. Austin Turner
1502 West Windrose,
Phoenix, Arizona 85029.

DAVID LE COUNT EVANS, CONSULTING GEOLOGIST

DAVID LE COUNT EVANS
CONSULTING GEOLOGIST
1700 ROYAL DRIVE
TELEPHONE (702) 747-4101
RENO, NEVADA 89503

LAG
Item 53

September 12, 1986

Mr. Austin Turner,
W.A. Turner and Sons,
Red Mountain Turquois,
1502 West Windrose Drive,
Phoenix, Arizona 85029.

Dear Austin:

Enclosed, please find a second analysis of the Red Mountain Mine area which is to replace the preliminary report, submitted on August 10, 1986.

Note that Figure 3 replaces the claim map of August 10 which was found to be in error; also, Figures 7 and 8 have been added to support the use of the X-15 Prospect area in rounding out the regional picture.

Changes in text will be noted throughout, but none effects the original adjustments which we discussed.

However, they do jeopardize the beautifully prepared copy, provided by your secretary; for which I am sorry.

We are now back on Evans typeing, but several reviews conince me that it is legible and provides the writer's conclusions.

The opportunity to be of service has been appreciated. I emerge with the feeling that there is a regional pattern to Nevada's turquoise which might be worked out.

Sincerely,

David LeCount Evans

DAVID LECOUNT EVANS, CONSULTING GEOLOGIST

RED MOUNTAIN MINE

Turquoise

Lander County, Nevada

AN ANALYSIS

INTRODUCTION:

At the request of and accompanied by Mr. W. A. Turner the captioned property was examined on July 22, 1986. Five hours were spent in actual surface surveying AND geological study of the open-pit area..

Surveying of the Red Mountain Mine area was by Brunton compass and tape for the main pit and Brunton and pacing for those areas marginal to the pit.

History of the area, including the production of turquoise and values, has been provided by Nevada Bureau of Mines Bulletin 88 and Report 17. The latter, "Turquoise Deposits of Nevada", provides detail to 1968.

CONCLUSIONS:

One: Assuming that the reported production of $250,000 for the Red Mountain mine is correct, the property ranks third in a group of about 20 small to medium sized mines, from the area's Bullion group to Red Mountain.

Two: The mineralized structural zone with about fifteen feet of thickness offers development possibilities between the main open pit and another outlying mineralized area, the X15 once-mined property.

Three: The twenty properties in the Bullion-Cortez-Red Mountain cluster share probable down-grading from surface oxidation.

Lombardo's Shoshone Turquoise program (1972 to present), however, encountered greatly improved mineralization at depth and beneath the zone of oxidation.

Four: Property descriptions for the Bullion district show little, if any, exploration or development below the customary open pit operations.

Location:

With reference to attached Figures 2 and 3, the Red Mountain property is located in Lander County, Nevada, covering parts of sections 2 and 11, Township 25 North and Range 45 East. It lies about 20 miles southwest of the Bullion District and 12 miles southwest of the Fox mine (Cortez), both turquoise areas. The property is serviced by good roads, mostly desert-type, from Battle Mountain and Austin, with final access shown on Figure 2.

Legal Title:

Production area and possible other areas for future discoveries are covered by six standard mining claims, held by annual assessment work. Reference is made to attached Figure 3. Mr. W. A. Turner of Phoenix, Arizona, is the block owner.

History of Property Ownership and Area:

Listed as a "prospect" (X-15) in 1965, the property was owned by J. W. Edgar and J. D. Edgar, and work consisted of two bulldozer cuts. The Edgars sold the property to M. C. Winfield in 1971. In 1974 Don Potts acquired the property from Winfield. He and a series of lessees then worked the property through 1985, producing , according to reports, approximately, $250,000 in turquoise. With reference to Figure 2, the Bullion district's initial discovery was made in 1938. Except for the Blue Eagle, estimated at $1,000,000, reported production has been minimal, Ie: less than $5,000 to as much as $100,000, with most of the work performed in the early 1940s.

DAVID LECOUNT EVANS, CONSULTING GEOLOGIST

The Cortez district's Fox mine dates from 1915, and total production has been reported at "not less than 500,000 pounds,"or 250 tons.

Geology - Regional:

Figure 1, showing the distribution of major petrological units for the far-western United States and the structures which have effected such units, provides the position of the Red Mountain unit (as well as the Bullion and New Pass districts) in areas of Paleozoic meta-sediments which have been thrust atop the Antler Orogenic High by regional and subsidiary thrust faulting. Major thrusts which bound the Antler are the Roberts Mountains and the Golconda.

The Paleozoic units have much to do with the positioning of the large but low grade gold deposits, such as Jerrett Canyon on the north, southwest through the Carlin major areas and Cortez to the south; as well as the less abundant occurrences of non-metallics, such as Barite, Fluorspar and Turquoise.

Admitting that the area of immediate concern is from Red Mountain north through the Bullion district, nevertheless, it must be noted that the Lombardo Shoshone mine, in the New Pass district (see Figure 1), lies about 45 miles further south in Paleozoic meta-sediments of the Antler highland.

Considering Figure 2 and, as summarized from the Nevada Bureau's Report 17, for the 19 turquoise units (Bullion and Cortez):

(1) four are described as producing from veinlets in shale and thin structure;

(2) three refer to dark shales with turquoise in nodules and nuggets;

(3) five report turquoise associated with shales, white tuff and black breccia;

(4) and seven suggest cherty beds, intruded by sills and dykes, with locally heavy limonite and turquoise occurring

in silicified limonitic veinlets that follow the bedding.

The two major producers, the Blue Eagle and Fox fall in the fourth category.

Geology - - Red Mountain Project:

Figure 3, providing the position of the six-claim block and, especially, Red Mountain claims 1 and 2, was described in early publications, but without reference to geological background. Report 17 did refer to two bulldozer cuts. Bulletin 88 in a table listing production of "other properties through 1969" reported X-15 production at "less than $5000".

Figure 3 does show the two cuts, the Red Mountain pit in Red Mountain #1 and the X-15 in Red Mountain #2. The first was examined in detail. The second was not mapped.

Figure 4 is the product of five hours of Brunton Compass--tape and pacing survey. Figures 5 and 6 provide sectional interpretation of a unit exposed locally in good outcrops, tied together by some projection.

Long Section X-X', following pit length, suggests about 80 feet of increasing depth for pit sill, from north to south.

Turquoise occurs in this unit, characterized by a sharp footwall, beneath two feet of jet-black breccia and about twelve feet of shattered, erratic, silicified Valmy (Ordovician) meta sediments, ie: thinly bedded shales, silts, fine sandstone and quartzite. Where well-exposed in unmined areas, heavy iron and manganese oxides lace shattered material.

The unit, a probable fault zone, has been mined for about 350 feet on strike and 15 feet of width. Faulting is proposed because of the abrupt change in attitudes on footwall and hanging wall sides, and locally compressed beds on the

underside of the structure. Dip of structure is 45 degrees to the west.

Structure and pit terminate at the north end because of the sharp break in slope and the aforementioned increasing datum of pit sill from south to north. Reference is made to Figure 8 and Section F-F', showing the projected position of structure, prior to erosion. With reference to the south end of pit, note the possibility that structure and mineralization may continue south beneath dump and Valmy cover.

Estimated is a total pit volume of about 26,000 tons with 14,700 tons representing broken material with scattered turquoise, On the basis of $250,000 of estimated production, such would indicate a value of $17 per ton for rough pre-sorted turquoise-bearing material.

Development:

Except for the major pit and some additonal trenching on its east flank, no other development is evident. Section C-C' does indicate some sinking of pit to about 6 feet below pit level. This exception has not been followed by any apparent, shorthole vertical drilling. Efforts have been made to follow some thin streaks of turquoise, following beds on the pit's west wall.

With reference to Figure 7 (Sections D-D' and A-A'), the existence of possibilities of similar relationships, 800 feet southwest of the Red Mountain open-pit, in the X-15 area, invites future development and/or exploration.
Without having mapped the X-15 prospect area, nevertheless, a consideration of Red Mountain pit studies, the application of topographic detail to sections and the approximate location of the X-15 area suggests the three approaches indicated by sections A-A', D-D' and F-F' on figures 7 and 8.

Because of the property's position in an overall area of thrust faulting, favored is the thrust-faulting proposed by Interpretation # 1. But such

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is not to deny Alternatives 1 and #2; the first employing a direct projection between the Red Mountain pit AND X-15 and the second to suggest that brecciation and values follow down the 45 degree dip of fault and black breccia in the Red Mountain pit, as well as in the X-15 area.

Samples:

The nature of a turquoise deposit, with value based on physical characteristics and beauty, rather than percentages, eliminates the sampleing 'tool' as a method for evaluating this mineral deposit.

Materials remaining in the pit area consist of fragments and an occasional thin veinlet or bed replacement of green, greenish blue to blue turquoise.

Ore Reserves:

The property is without positive ore reserves. The above reference to 14,700 tons of mineralized structure does not infer that the original development has provided 14,700 tons of "ore". Ore represents that tonnage which can be mined, treated and sold at a profit. A much smaller tonnage which was selected by sorting and hand-cobbing from the $17/ton mass, probably, provided some profit.

Probable or possible reserves may remain at both ends of pit, for surface mining. Reference is made to section X-X' and the interval between sections D-D' and E-E' on the north end; as well as the interval from section A-A' to about 200 feet south beneath dump. Tonnages, prior to sorting would amount to 900 and 4500 tons, respectively, for north and south ends, with both areas inviting dozer-mining. All sections, by interpretation, suggest that the pit might be deepened another ten feet.

Mining and Treatment Methods:

The nineteen turquoise operations for the Bullion to Red Mountain trend represent

DAVID LECOUNT EVANS, CONSULTING GEOLOGIST

open-pit operations with dozer cutting and possibly some assistance from minor, but carefully controlled blasting. The same can be said for the Red Mountain mine.

None of the operations provides the costs of mining and sorting, as well as, estimates of final profit or loss per operation.

On the other hand, 45 miles south, on the same broad trend, Lombardo Turquoise's Shoshone mine provides food for thought.

According to a Lombardo Company report, in early 1972 exploratory drilling to 150 feet of depth, not only, extended the original 'shows' 170 feet, but also, indicated an improvement in the quality of turquoise with increasing depth.

Bench mining was started at a point 170 feet from the original prospect and the pit advanced ninety feet into the mountain to an eventual depth of 70 feet; circular width of pit was 105 feet. In 1975 it was decided to convert to underground mining and a tunnel was collared below the pit. Tunnel was started in 1977 and by 1982, as it was slowly mined, had reached an estimated 80 to 90 feet.

Reported in terms of cubic yards, a conversion to short tons indicates that 9977 tons of sorted ore was mined at a cost of $5.15 per ton (from pit) and 145 sorted tons were taken from tunnel at a cost of $197 per ton, which did not include the cost of a trestle, erected for waste disposal purposes. Selective blasting per face, on an hole by hole (16 holes) basis may account for the very high cost per ton from tunnel. Higher worth for turquoise at greater depth may have justified the higher cost per ton.

Equipment Costs, Mineral Prices, et Cetera:

Except for the suggestion that some available tonnage may still remain, perhaps at both extremities and to some ten feet of further depth, future tonnages, their

distribution and requirements for mining must remain conjecture, until after the additional studies recommended below.

RECOMMENDATIONS:

The following steps are recommended:

One: further mapping of the main Red Mountain pit and close-in area; and sampling for possible, heretofore unrecognized gold bi-values;

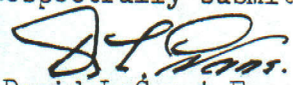
Two: immediate geologic mapping of the area between the main pit and X-15 efforts; the attitudes of Valmy bedding should verify or deny the thrust-fault control of Interpretatin #1, or support Alternative #1;

Three: if results support Alternative #1, drill short vertical holes for verification;

Four: cover the entire six claim block for any suggestions of structure, intrusive occurrences, mineralization or alteration; should results be negative, reduce the size of block by deleting uneeded claims, while retaining pit areas and bordering possibilities;

Five: if mapping and drilling indicate no possibilities, complete mining tonnages remaining and seek turquoise elsewhere.

Respectfully submitted,



David LeCount Evans
Consulting Geologist
Reno, Nevada

September 9, 1986.

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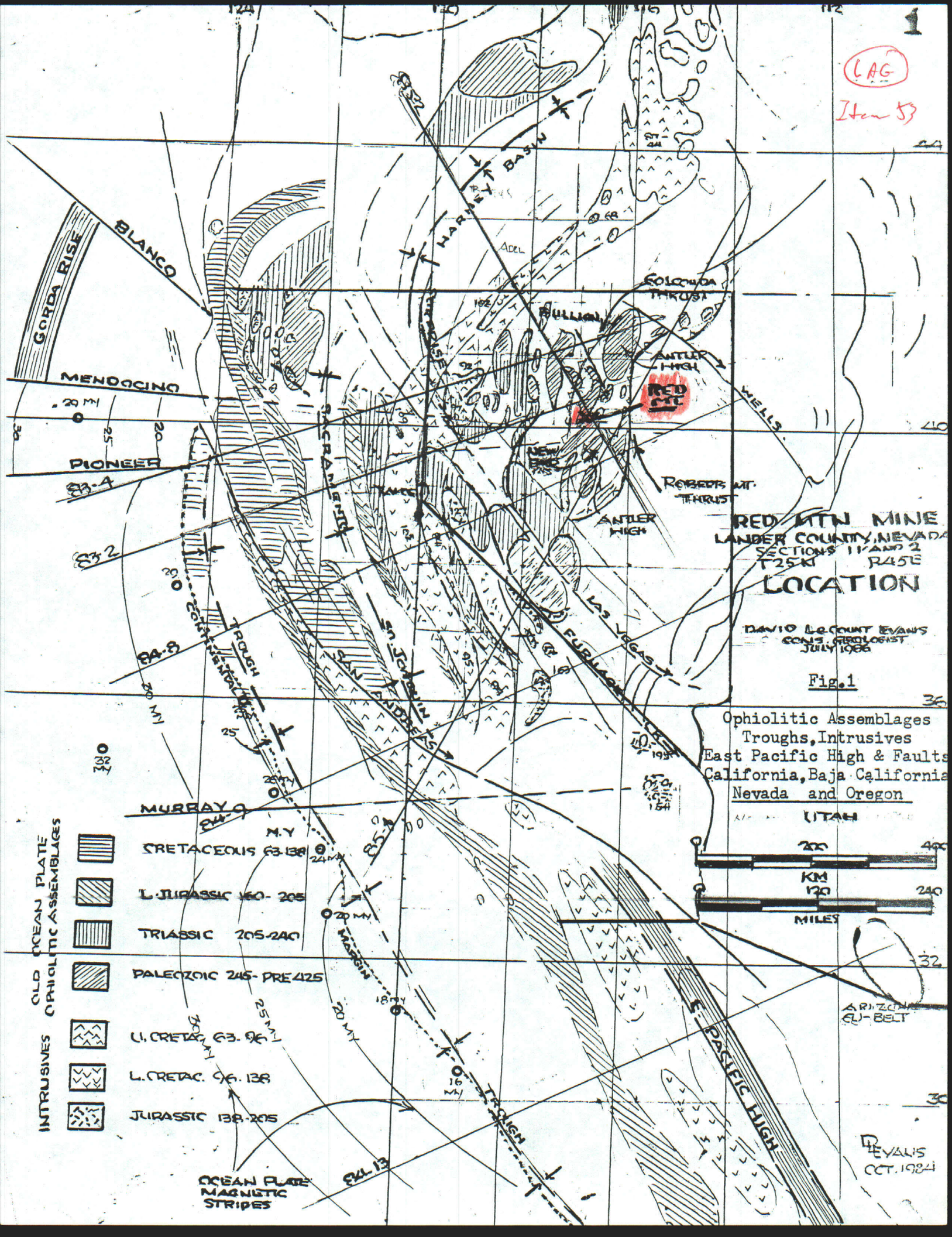
Item 53


GORDA RISE
BLANCO
MENDOCINO
PIONEER
HARNEY BASIN
GOLCONDA THRUST
BULLION
ANTLER HIGH
RED MTN
WELLS
ROBERTS MT. THRUST
ANTLER HIGH
SACRAMENTO
SAN ANDREAS
LAS VEGAS
MURRAY
MASPIN
TROUGH
PACIFIC HIGH
ARIZONA EU-BELT
RED MTN MINE
LANDER COUNTY, NEVADA
SECTIONS 11 AND 2
T25N R45E
LOCATION
DAVID LeCOUNT EVANS
CONS. GEOLOGIST
JULY 1986
Fig. 1
Ophiolitic Assemblages
Troughs, Intrusives
East Pacific High & Faults
California, Baja California
Nevada and Oregon
UTAH
KM
MILES
OLD OCEAN PLATE OPHIOLITIC ASSEMBLAGES
INTRUSIVES
CRETACEOUS 63-138
L. JURASSIC 160-205
TRIASSIC 205-240
PALEOZOIC 245-PRE425
U. CRETAC. 63-96
L. CRETAC. 96-138
JURASSIC 138-205
OCEAN PLATE MAGNETIC STRIPES
M.Y.
D. EVANS
OCT. 1984

RED MTN. MINE
LANDER COUNTY, NEVADA
IMMEDIATE AREA
TURQUOISE PRODUCTION
T 1N = 4 MI.

LAG

Item 53

RAGE RAGE RAGE

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JULY 1986

N. B. M. G BULLION

BATTLE MT. DIST

LEWIS DIST.

HILLTOP DIST

BULLION DIST

BLUE EAGLE

T30N

T29N

T28N

T27N

T26N

T25N

X TURQUOIS

△ SILVER

▽ GOLD

+61,000

100

2000

15000

5000

50000

GOLD ACRES

3000

RANCH a

CORTEZ MINE

CORTEZ DIST

FOX

SCHROCKS

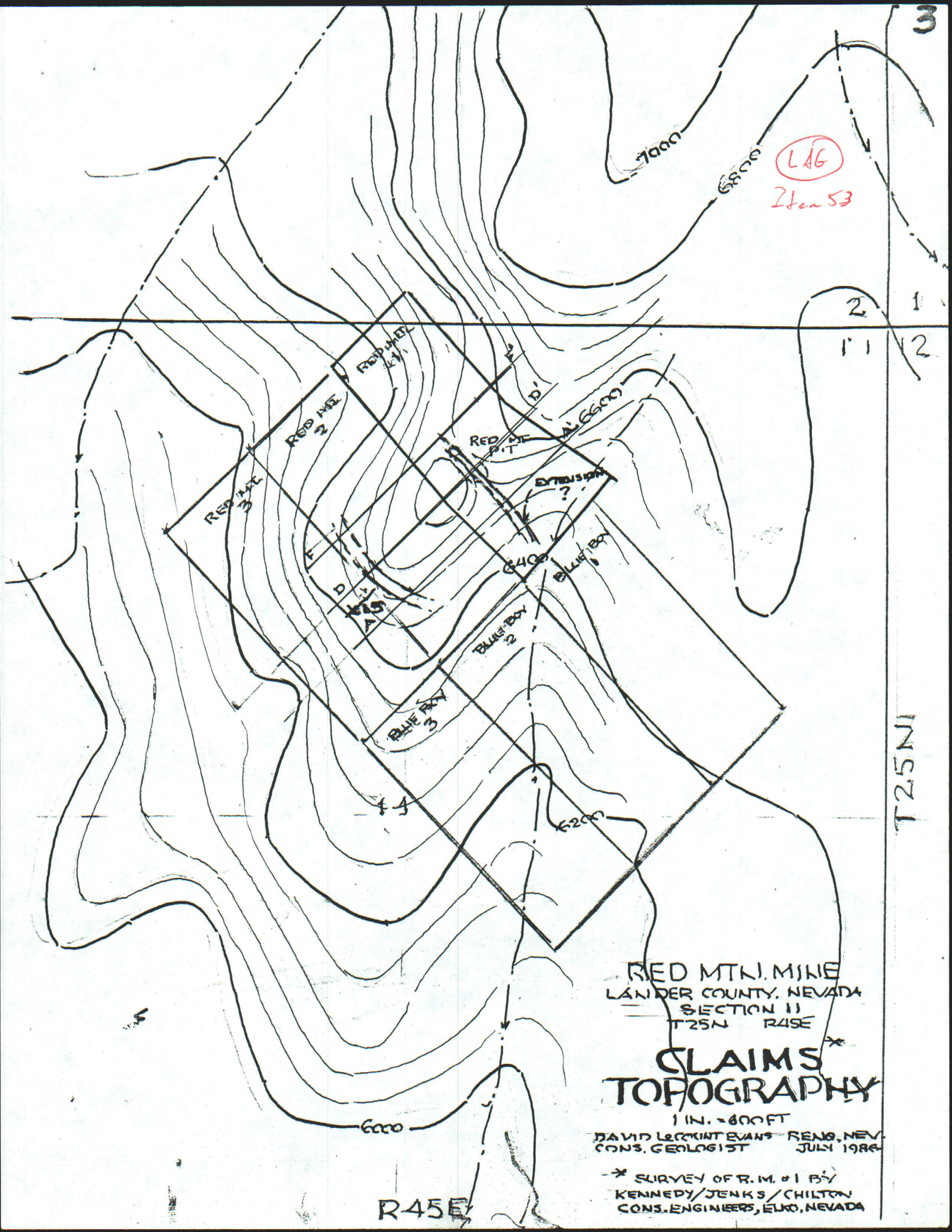
a CORTEZ

PINTO

AREA OF STUDY

RED MTN. (X-15)

$ 250,000


3
7000
6800
LAG
Item 53
2
1
11
12
RED MTN. #1
RED MTN. #2
RED MTN. #3
RED PIT
D
D'
EXTENSION
?
BLUE BOY
BLUE BOY 2
BLUE BOY 3
6400
6200
6000
T25N
R45E
RED MTN. MINE
LANDER COUNTY, NEVADA
SECTION 11
T25N R45E
CLAIMS
TOPOGRAPHY
1 IN. = 600 FT
DAVID LEE KENT EVANS
CONS. GEOLOGIST
RENO, NEV.
JULY 1986
SURVEY OF R.M. #1 BY
KENNEDY/JENKS/CHILTON
CONS. ENGINEERS, ELKO, NEVADA

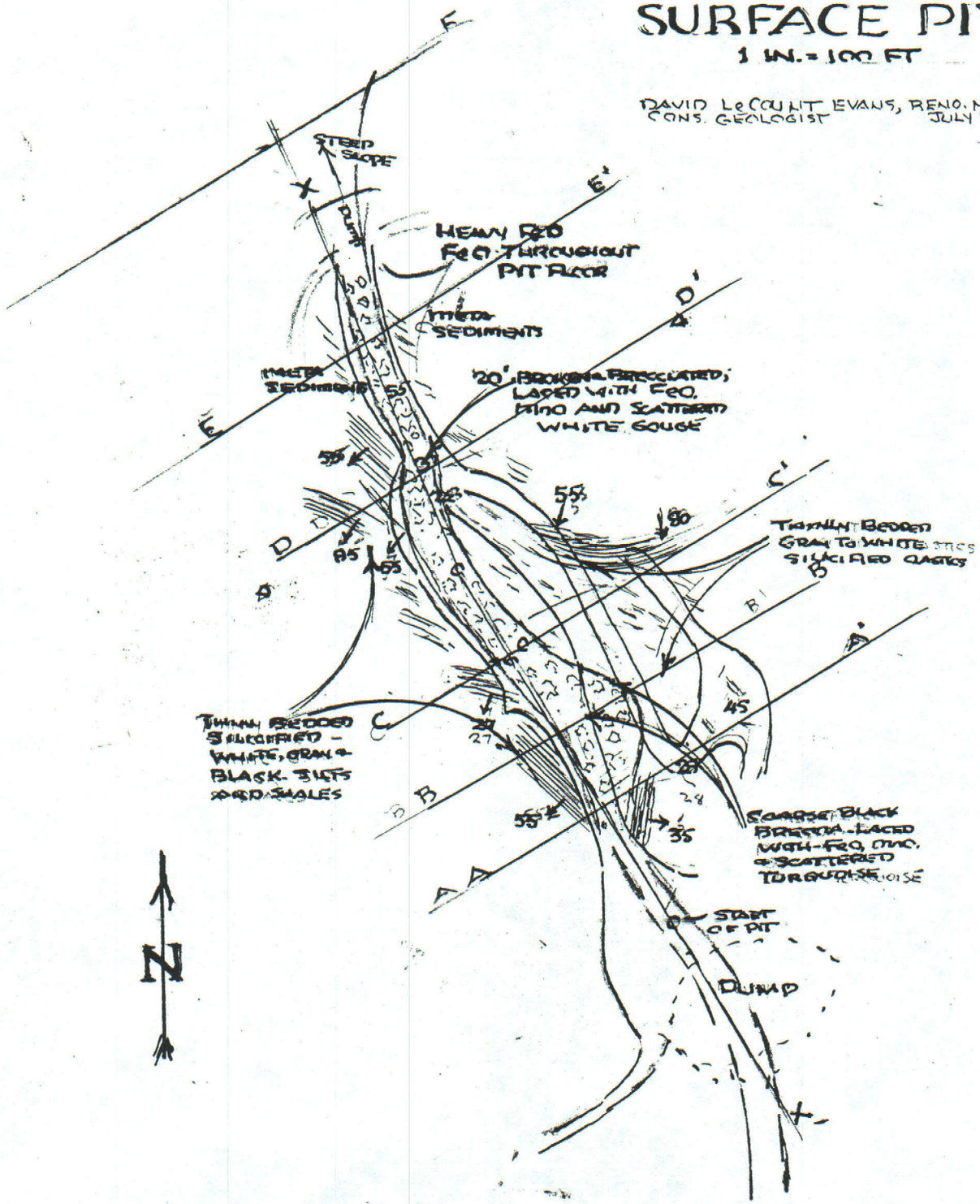
LAG

Item 53

RED MTN. MINE
LANDER COUNTY, NEVADA
TURQUOISE

SURFACE PIT
1 IN. = 100 FT

DAVID LeCOULTRE EVANS, RENO, NEV.
CONS. GEOLOGIST
JULY 1986



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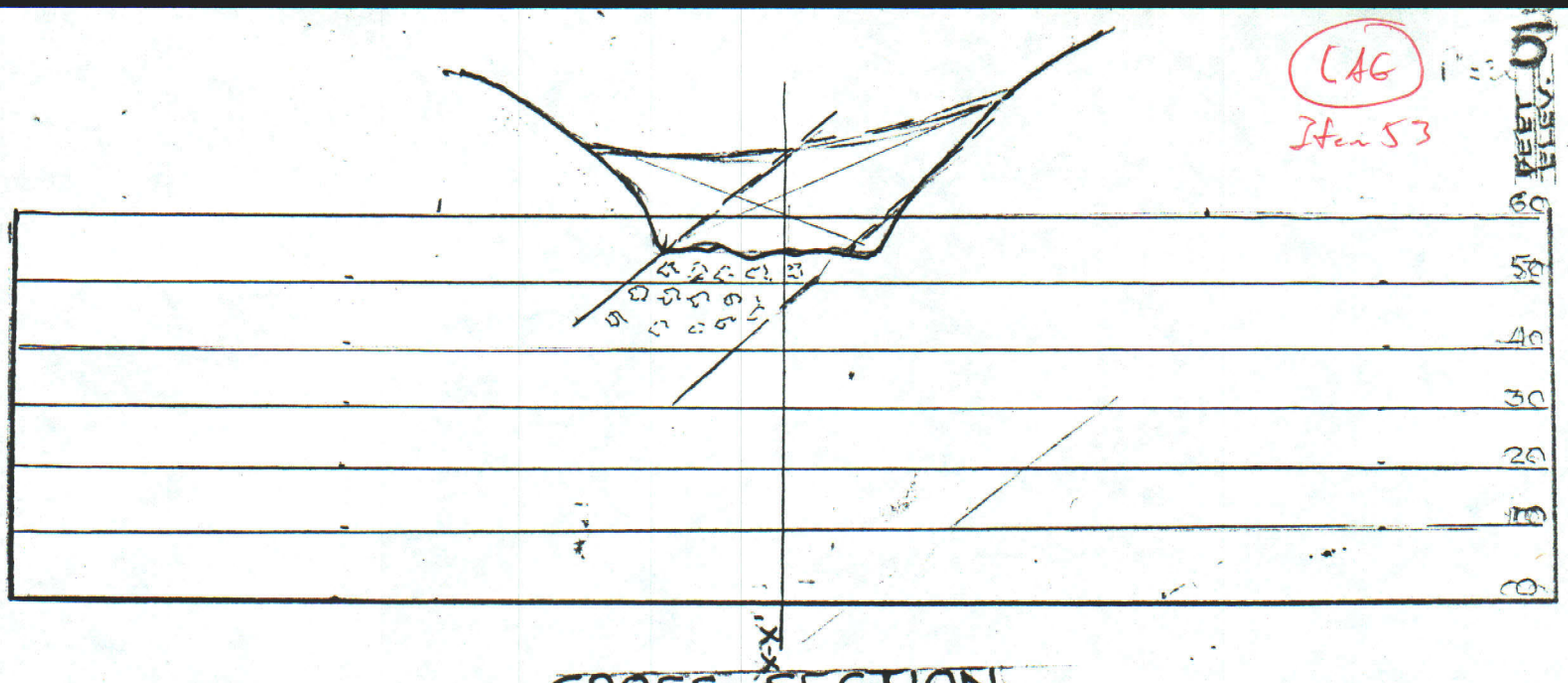
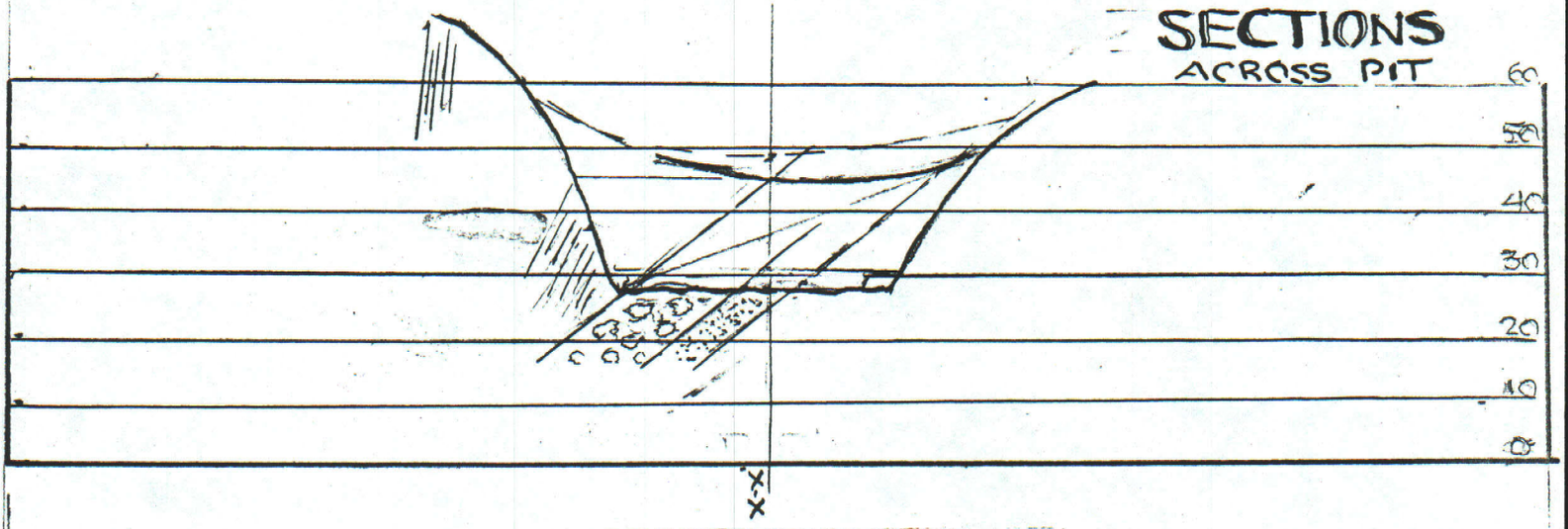
Item 53



CROSS SECTION
E-E'
1 IN = 30 FT

RED MTN. MINE
LANDER COUNTY, NEVADA

TURQUOISE
SECTIONS
ACROSS PIT



CROSS SECTION
D-D'
1 IN = 30 FT.

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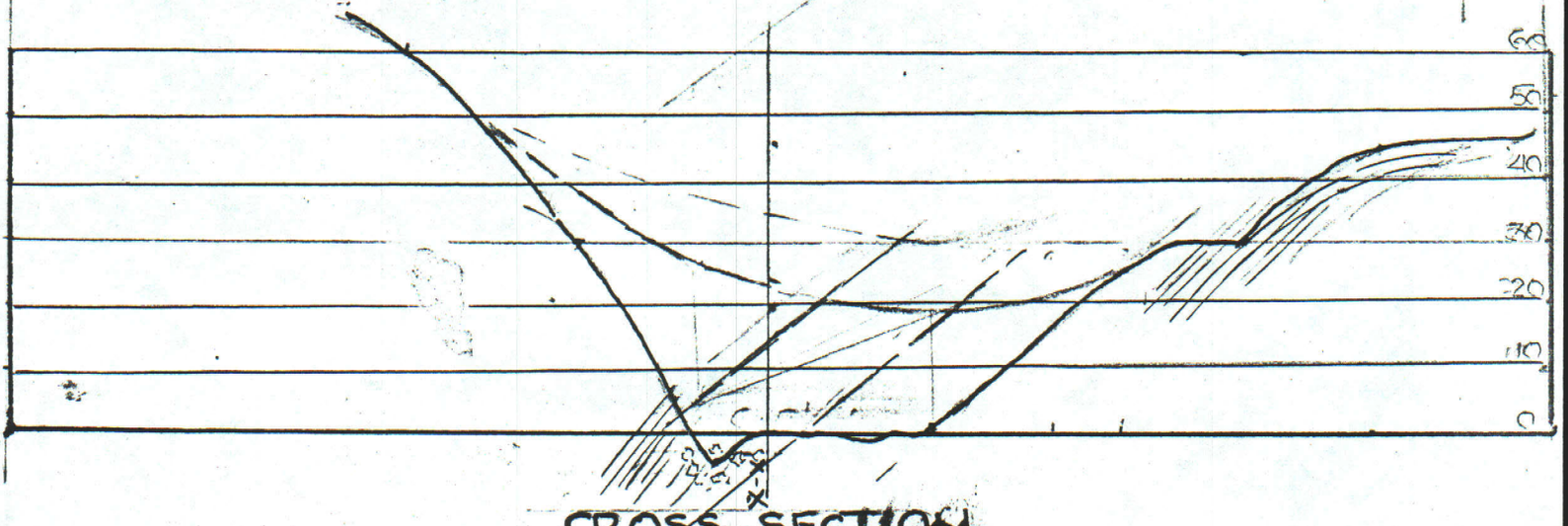
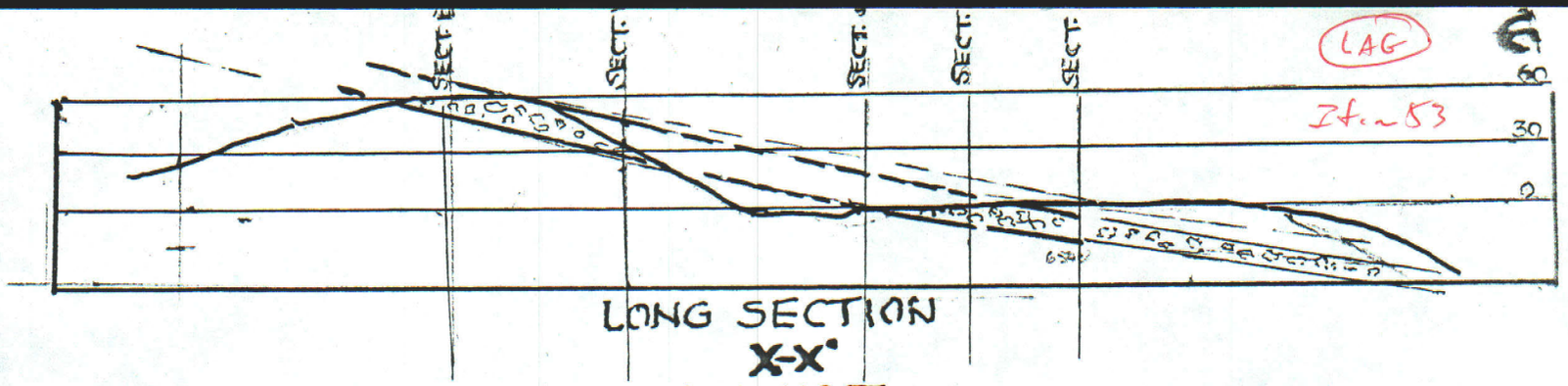
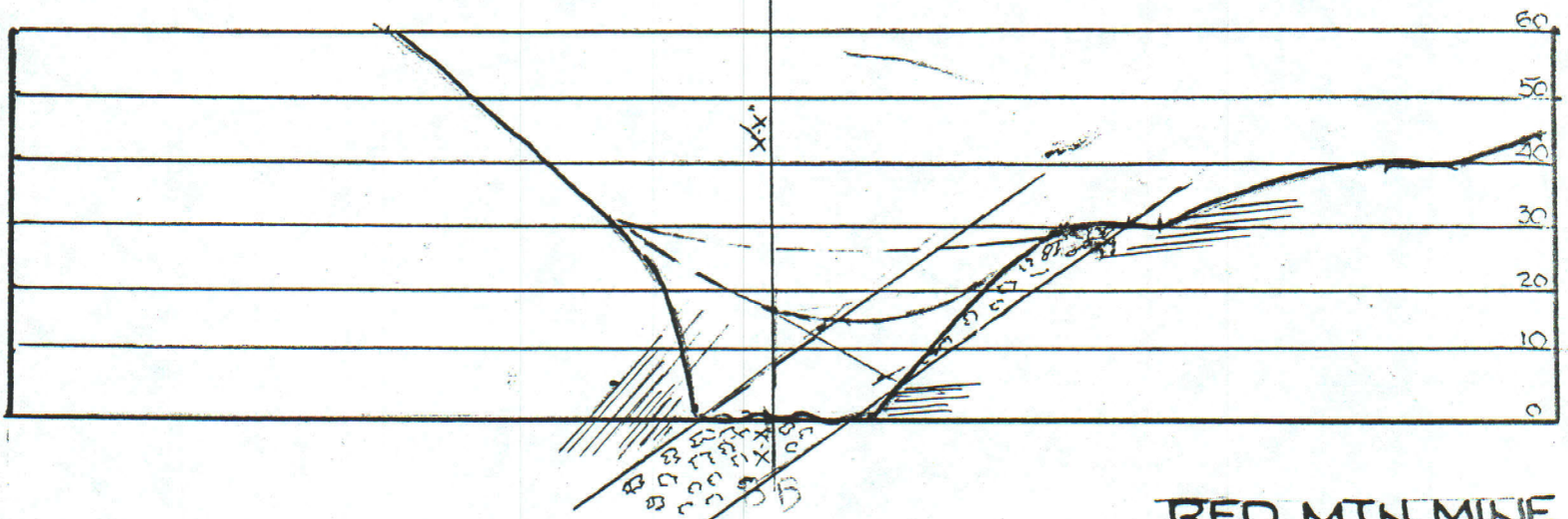
JULY 1980



CROSS SECTION
C-C'

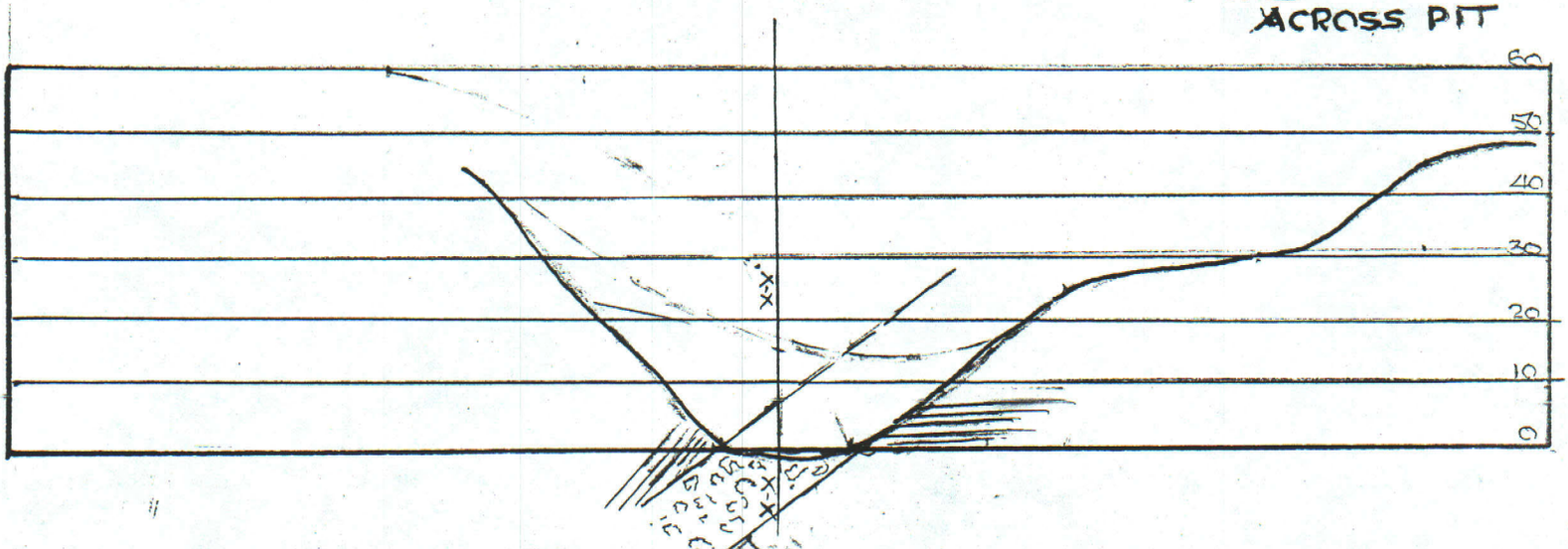


LONG SECTION
X-X'
1 IN. = 100 FT.



CROSS SECTION
B-B'
1 IN. = 30 FT

RED MTN. MINE
LANDER COUNTY, NEVADA
TURQUOISE
SECTIONS
ACROSS PIT



CROSS SECTION
A-A'
1 IN = 30 FT.

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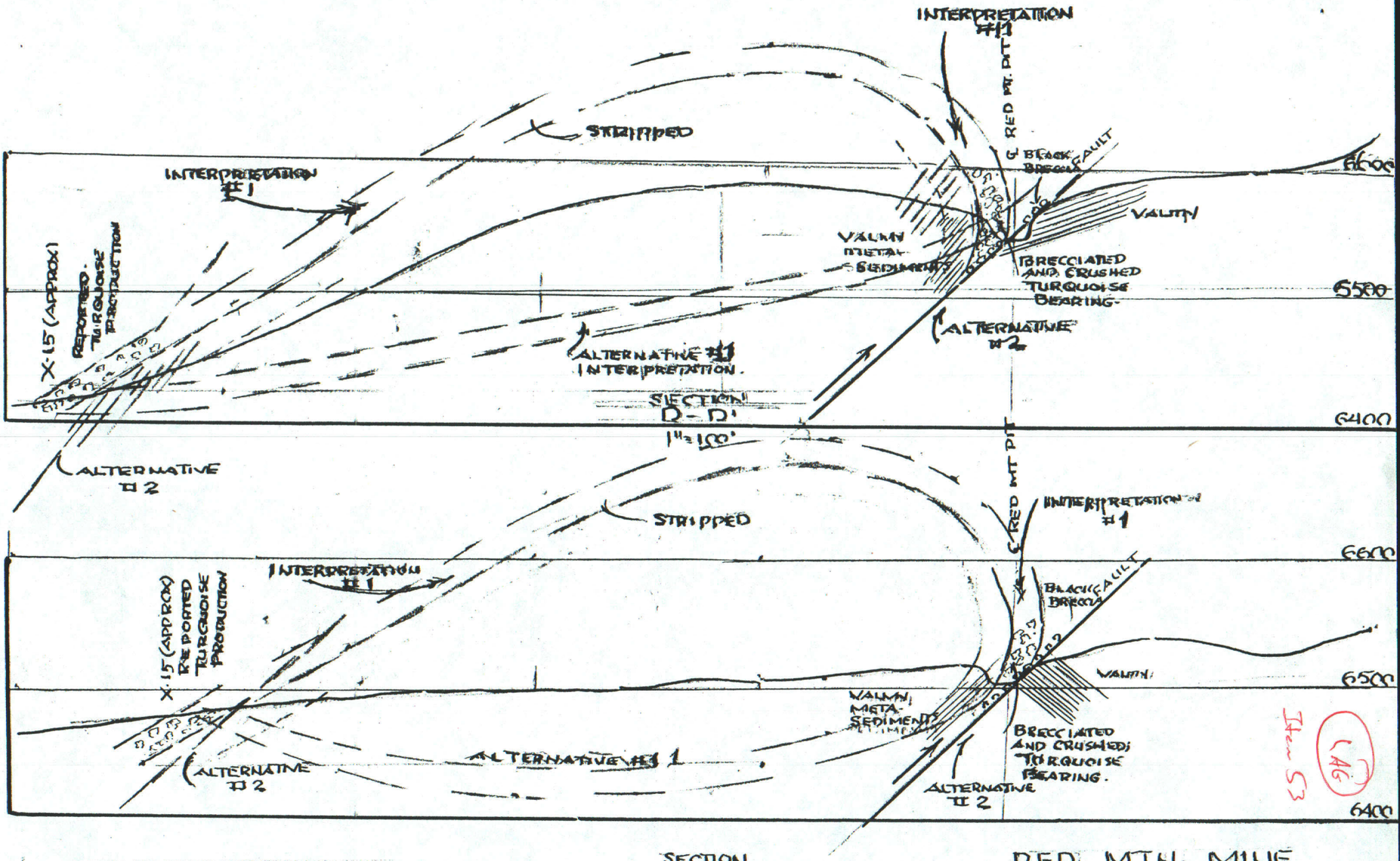
CONS. GEOLOGIST
RENO, NEVADA
JULY, 1986



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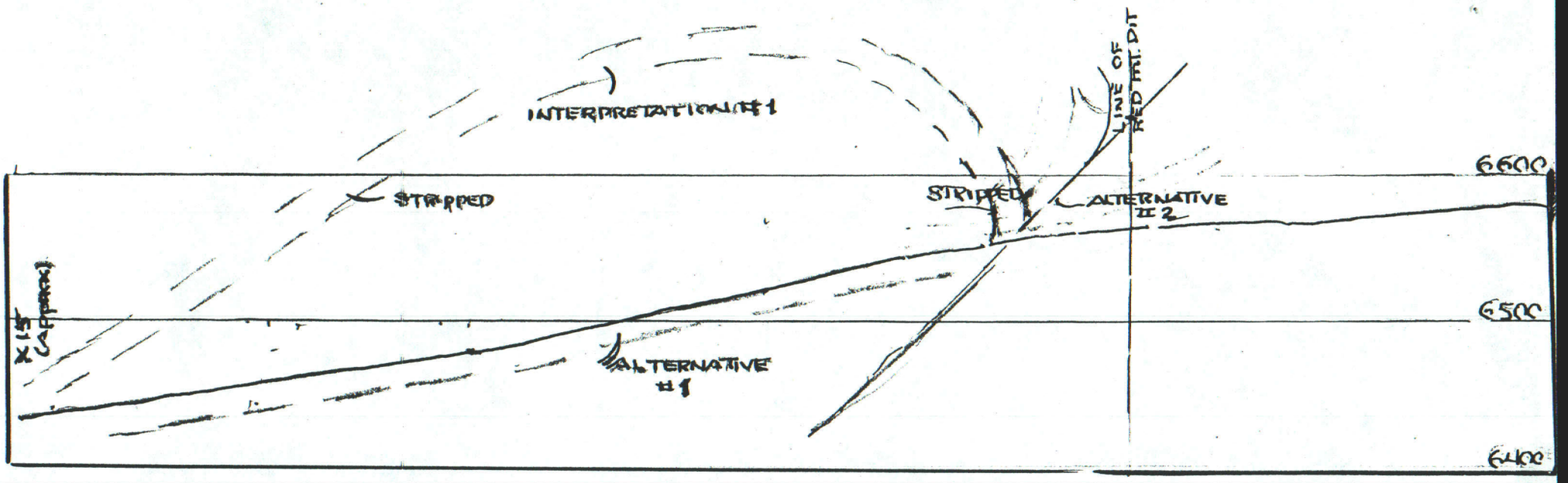
CONS. GEOLOGIST
RENO, NEVADA; JULY 1986

SECTION
A - A'
1"=100'

RED MTN. MINE
LANDER COUNTY, NEVADA
TURQUOISE
SECTIONS
PIT TO X-15 AREA

Item 53 (AG)

7



SECTION
F - F'
1" = 100'

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CONS. GEOLOGIST
RENO, NEVADA JULY 1986

RED MTN. MINE
LANDER COUNTY, NEVADA
TURQUOISE
SECTION
NW. OF PIT AREA

LAG
Items