

Dear Daphne. Here are the reports you requested. ~~47~~ 47
Thanks for calling. Rbt. Gregory. Item 15
Charleston District

1050 0015

Monarch Property Submittal
Elko County, Nevada

Introduction

The Monarch property is a disseminated gold property located six miles west southwest of Charleston in T43N, R56-7E; MDBM, in northern Elko County, Nevada. The property contains 167 unpatented lode claims owned by Golden Empire Mining Ventures (GEMV), a partnership between Robert E. Gregory, Gail Miller, and Robert E. Warren.

Rio Algom Exploration, Inc. leased the property from 1987 to 1989. During that time, Rio sampled the surface of the prospect, delineating several small gold-arsenic anomalies, and drilled 17 rotary holes. Rio Algom's drilling program outlined a zone of gold-bearing seams roughly a thousand feet in diameter. Rio's total expenditures were approximately \$200,000.

Geology

The Monarch property is located in a region dominated by a thick sequence of white to grey siltstones considered by the USGS to be triassic in age. Tertiary volcanics, mainly rhyolite, occur throughout the area. A number of small granodiorite intrusives occur on the property as sills, dikes, and small laccoliths. A major thrust fault crosses the property from west to east and dips northward about 20 degrees. The fault zone averages about 50 feet in thickness, and is made up of dense black micro-brecciated siltstone. In addition, lensoid breccia zones occur above and below the main thrust zone. The breccia fabric can be seen with a hand lens.

Hydrothermal Alteration

The siltstones at Monarch contain several large areas of hydrothermal alteration, mapped as the western, central and eastern alteration zones. In each zone, the alteration increases inward in intensity toward core zones of strongly altered rocks. The alteration consists of clay, fracture fillings (seams) of jarosite and barite, massive permeation by jarosite, barite veinlets, local pyritic zones, and scattered small pods of silicification.

The western alteration zone is about 4000 feet in length, averages about 1000 feet in width and is aligned in a generally northwesterly direction. The western alteration zone is not anomalous in trace elements at the surface and was not tested by drilling.

The central and eastern zones appear to be a single alteration system separated at the surface by a thin capping of weakly altered microbreccia. The eastern-central system is aligned in a northwest direction, with a strike length of about 8000 feet and a maximum width of about 4000 feet. The strongly altered core zone is about 5000 feet long and averages about 1500 feet in width. This core zone appears to include a south-eastern extension which crops out southeast of a wide zone of alluvium. If so, the core zone is about 7000 feet long. (maps available upon request).

Zone of Gold-bearing Seams

Gold mineralization was first noted from several iron oxide outcrops at the northwest end of the central alteration zone, where the stream valley has exposed the alteration most deeply. Rio Algom's drilling in that area has subsequently outlined an area of gold-bearing seams approximately 1000 feet in diameter. The seams contain gold values ranging up to .075 oz/ton from five foot sample intervals.

Disseminated Gold Target

The drilling by Rio has outlined a zone of gold-bearing seams at the northwest end of the eastern-central alteration system. The zone is open to the southeast and should be explored in that direction. The zone of gold-bearing seams outlined by Rio's drilling may be a peripheral halo to economic mineralization to the southeast located approximately under the cap rock.

Thank you for reviewing this submittal. You are invited to inspect the Rio Algom data as well as the property itself. For more information contact:

Robert E. Gregory
690 Holcomb Ave. #13
Reno, NV 89502
Tel. 702-329-4262

Terms for leasing the Monarch property are negotiable. We hope to hear from you soon.

Sincerely,
Robert E. Warren, geologist and GEMV partner