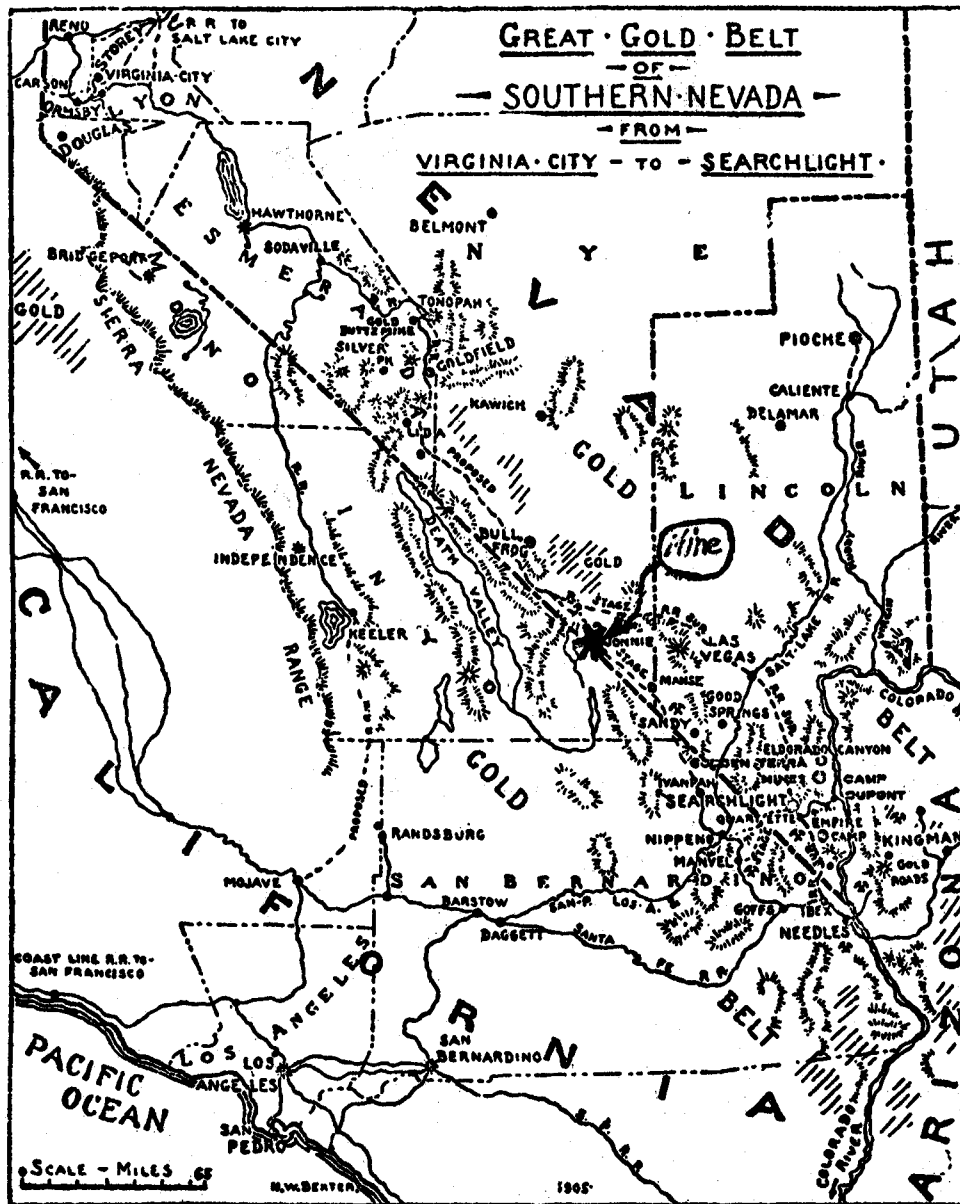


PROSPECTUS

COPPER GIANTS, INC.

LAS VEGAS, NEVADA



Copper Giants Country

PROSPECTUS

25,000,000 Shares

COPPER GIANTS, INC.

4034-L PARADISE ROAD, LAS VEGAS, NEVADA 89109

THE OFFERING

Copper Giants, Inc. is offering 25,000,000 shares of its 1¢ par value common voting stock to the public at a price of 10¢ per share. These securities are offered as a speculation on the following basis:

| | Offering Price | Underwriting Discounts & Commissions | Net Proceeds To Issuer |
|-----------|-------------------|--|---------------------------|
| Per Share | 10¢ | 1½¢ | 8½¢ |
| Aggregate | \$2,500,000 | \$375,000 | \$2,125,000 |

THESE SECURITIES ARE OFFERED IN NEVADA TO BONA-FIDE RESIDENTS OF NEVADA ONLY. NEITHER THE SECRETARY OF STATE, AS ADMINISTRATOR OF THE NEVADA SECURITIES ACT, NOR ANY OFFICER OF THE STATE OF NEVADA HAS PASSED UPON THE MERITS OF THESE SECURITIES OR UPON THE ACCURACY OR COMPLETENESS OF THIS PROSPECTUS.

There is no established market for the stock of Copper Giants, Inc., and the offering price of the stock was arbitrarily determined by the Board of Directors and bears no relationship to the assets of the Company.

This offering is being sold on a "best efforts" basis by authorized agents of the Company. No individual, firm or corporation has guaranteed the purchase of any of the securities described herein and offered hereby and no assurance can be given that all or any part of said securities will be sold.

THE DATE OF THIS PROSPECTUS IS JUNE 9, 1969.

INTRODUCTION

No individual, firm or corporation has guaranteed the purchase of any of the shares being offered by means of this Prospectus and no assurance can be given that all or any portion of the securities offered hereby will be sold. The offering price of the stock offered by this Prospectus has been arbitrarily determined and there is no active market or trading in the Company's stock. Since no person or firm has guaranteed the purchase of any of the securities offered hereby, the Company may not realize enough proceeds to enable it to carry out the programs it now projects.

These securities have not been registered with the Securities & Exchange Commission, nor has any filing with said Commission been made because the Company claims an exemption from the registration provisions of the Securities Act of 1933 by restricting this offering solely to bona-fide residents of the State of Nevada.

No dealer, salesman, agent or other person has been authorized to give any information or representation other than those contained in this Prospectus, and, if given or made, such information or representation must not be relied upon as having been authorized by the Company.

The delivery of this Prospectus at any time does not imply that the information contained herein is correct as of any time subsequent to its date. This Prospectus does not constitute an offer or solicitation to any person other than bona-fide residents of the State of Nevada.

COPPER GIANTS, INC. (hereinafter called the Company) is engaged in Copper Mining and other matters pertaining to the Mining Industry. The Company was incorporated April 22, 1969, under and by virtue of the laws of the State of Nevada. The Company's principal office is located at 4034-L Paradise

Road, Las Vegas, Nevada 89109. The total authorized capital stock of the Company is \$2,500,000 and consists of 250,000,000 shares of common voting stock, having a par value of 1¢ per share. Only one class of stock has been authorized.

OWNERSHIP

The Company ownership consists of 41 mining claims, located by 7-11 Copper Company and filed in Nye County on June 10, 1968, Book 108, Pages 252-256. A five-acre mill-site is also recorded on Page 251. The annual assessment work was done and recorded prior to September 1st, 1968.

These claims, the equity value of which has been established at a minimum of \$35,000. (refer to Consultants), have been deeded to the Company by 7-11 Copper Company, in consideration for shares of stock in the Company and assumption of accumulated accounts payable due Mr. and Mrs. Palmer in the amount of \$5,569 as shown on the balance sheet as due stockholders as loans. The shares of stock are shown under the stock issued to Mr. and Mrs. Palmer, Mr. Rose, Mr. Buttle, and 318,000 shares were issued to other minority owners of 7-11 Copper Company, according to their percentage investment therein.

The 7-11 Copper Company was a Limited Partnership, consisting of Mr. and Mrs. Palmer, Mr. Buttle, Mr. Rose, and others. When it was decided to incorporate, the group changed the name to Copper Giants, Inc. Mr. Rose and Mr. Buttle had each purchased a full 1% interest in 7-11 Copper Company and therefore each was issued 2,500,000 shares of stock (1%) in the Company. Mr. and Mrs. Palmer held a full controlling interest in 7-11 Copper Company, but relinquished a large portion of this interest to the Company, so that it could be used for public issue, and received their remaining interest in Company stock, as shown herein.

The attached map shows the claims and the area encompasses approximately 968 acres, plus the 5-acre mill-site, which lies about one mile to the west. The Southern claims are gently sloping to level. The Northern claims get into some steep areas, but road access is not too difficult. A field laboratory has been built on the North end of the Robert's Roost claim. This area has excellent geography, and lies directly below large beds of commercial ore. The claims are about 10 miles from Big Springs in Ash Meadows and about 20 miles from Pahrump Valley. An abundance of water should be available from either of these two areas. Roads have been built from the highway, a distance of 8½ miles, into the claims. These roads are now passable by automobile.

The mining claims contain commercial ore, mainly chrysocolla impregnating quartzitic rock, and there are few impurities. The copper surrounds particles of quartz like a shell, and it is easily liberated and removed. The ore beds are underlain by a shale which has "soaked-up" mineralizations, and they are capped by a soft shale, also mineralized. This top shale has been stripped off by erosion in many places leaving massive blankets of copper ore lying exposed. Some of these exposures are of poor grade, due to surface leaching, or due to a lack of adequate invasion by copper bearing solutions. Other exposures yield 1% copper assays, and more, and form a basis for valuations. Known ore bodies, visible on the surface, have been computed to contain many thousands of tons of readily mineable ore.

Today, we do not know, nor can we evaluate the tonnages that lie covered by overburden. We are impressed by the mineralization that has invaded unlimited tons of country rock which may someday reveal themselves as yielding commercial values other than copper. We have one spot assay of .40 oz. of silver from this material.

Assays from Crismon and Nichols, Salt Lake City, Utah:

| | | |
|----------------------------|--------|---------|
| Lucky Strike—7 | Copper | 2.65 % |
| Lucky Strike—11 | Copper | 1.98 % |
| Boxcars | Copper | 1.18 % |
| Tom's Thumb—Surface | Copper | .55 % |
| Tom's Thumb—Five Feet Deep | Copper | 2.34 % |
| Lucky Pass—1 | Copper | 3.60 % |
| Lucky Pass—2 | Copper | .87 % |
| "Spot" Sample Black Shale | Copper | .035% |
| "Spot" Sample Black Shale | Silver | .40 oz. |

Actual Recoveries by Mineral Estates, Inc., by wet assay:

| | | |
|------------------------|--------|---------|
| Sleeper—7 | Copper | 4.8 % |
| Lucky Pass—2 | Copper | 1.7 % |
| Tom's Thumb | Copper | 2.1 % |
| Low Grade | Copper | .25 % |
| Low Grade | Copper | .60 % |
| Black Shale—Fire Assay | Silver | 1.7 oz. |

The ore can be mined with ease. Some of the beds will need only to be stripped, as in coal mining, as they have little or no natural cover. Others are exposed as miniature cliffs and are easily removed. Pit mining is being studied as a means to remove the ore that is buried. The ore is leach ore (the copper is removed by using a weak solvent), not smelting ore, and it has proved to be easier, quicker and less costly to extract than normal, because of the following reasons:

- 1) The ore crushes easily into sand-like particles, exposing the copper minerals to direct contact with acid solutions.
- 2) As the acid solutions do not need to actually penetrate massive quartz, a very quick removal of values occurs. This means that large volumes of ore can be handled in a small space in a short time.
- 3) The ore is extremely clean, having few minerals or bothersome materials that contaminate the solution. This means that a copper sulphate solution can be drawn from the vats in a state of purity seldom attained.
- 4) Many tests have been done on this ore and the following program has been recommended:
 - a. Erect a production plant using a new concept in ore handling which will utilize a small space to treat a large volume of ore in a short time.
 - b. Crush and screen the ore to the size of ordinary beach sand.
 - c. Use modern plastics for vats, pipes, valves, and the like, instead of costly stainless steels.
 - d. Send the copper sulphate solutions to electrolytic cells and precipitate a micro-mesh chemically pure copper powder that is in extremely great demand by American Industry.
 - e. Send the resulting solution to a specially designated Ion Exchange system for purification and then to other electrolytic cells to make copper plate.
 - f. Market the waste, or tailings, as a soil conditioner for alkaline soils, as they will contain some acid that will neutralize alkalinity into a fertile, productive soil.

CONTRACT FOR ASSESSMENT WORK

A contract retaining the service of Mineral Estates, Inc. (wholly owned by Robert C. and Dorothy Palmer) by 7-11 Copper Company was assigned to Copper Giants, Inc. and ratified by both Copper Giants, Inc. and Mineral Estates, Inc. The terms of this contract applicable to Copper Giants, Inc. are as follows:

"THAT THE FIRST PARTY (Copper Giants, Inc.) contracts with the second party (Mineral Estates, Inc.) for him to do, or cause to be done, all the annual assessment work on these Mining Claims up to September 1st, 1970, and that the second party shall receive from the first party the minimum sum of \$150 per claim plus travel and per-diem expenses and plus the costs of extra-ordinary projects and services including causes to be done, labor, rentals, and supplies that may be authorized by the first party to be done;

"THAT THE FIRST PARTY appoints the second party to negotiate and general manage all contracts for the exploitation, processing, and protection of the 7-11 Copper deposit, including mining, engineering, construction, labor, core drilling, ore testing, milling, and the like, on which projects the first party shall pay to the second party all costs plus 10% and ordinary expenses;

"THAT TIME IS THE ESSENCE of this contract, and that all covenants herein are for the time period from this date to September 1, 1970, and options for the renewal hereof for successive two year periods is hereby granted to both parties."

MARKETING POTENTIALS

Every one knows the many uses for copper and its rising prices are closely watched. Recent publications have acquainted the public with our diminishing copper reserves. It has been projected that an acute shortage of copper can exist by 1980. Along with this, attempts to replace copper with other materials have failed, and there is no known substitute for it.

Naturally, we can produce and market copper in the same form as other profitable copper companies, but we intend to do more. As outlined above, we are blessed with an ore that can produce a copper in powder form that has many uses. One of these is its use in powder metallurgy where a fine powder is needed of uniform sizing. Heavy pressure is applied and the particles unite into a solid mass of tightly bonded, chemically pure copper that has less electrical resistance than regular copper. Another use is by major chemical industries who desire copper that has a high standard of copper purity. And finally, we all know the copper paint that is used to paint the hulls of boats to prevent decay. This paint has powder copper in suspension, but paint companies do not have an adequate supply to fulfill their needs. Generally, these special uses bring prices that are many times higher than the prices quoted daily in the newspapers. We expect a large bulk of our output to be sold for these uses.

The production and marketing of copper is expected to be the main source of our income, at least for the present. However, the Company expects to engage in any activity, as authorized by the Articles of Incorporation, that may accrue to the benefit of the stockholders.

MANAGEMENT

The management of the Company and the authority to conduct its business is vested in the Board of Directors, who in turn elect the Company's officers. The Articles of Incorporation and By-Laws provide the Directors shall be elected annually by the stockholders at the Annual Stockholder's Meeting. Officers and Directors are elected for terms of one year and any Officer or Director may be re-elected to the same office. The Board of Directors has the power to fill vacancies in the Board arising from any cause.

BUSINESS EXPERIENCE OF MANAGEMENT

The following persons constitute the present Board of Directors and Officers of the Company:

ROBERT C. PALMER—Director and President, has been in business in Las Vegas, Nevada, for six years, and together with his wife, Dorothy E. Palmer, owns the "Big-Horn" Western Store in Las Vegas, Nevada. His home address is 2216 Tona Circle, Las Vegas, Nevada. Mr. Palmer attended Polytechnic College of Engineering, Oakland, Calif., and his first assignment as a Mining Engineer in 1939 was to conduct a program of sampling and dredging a gold placer deposit in California for a major mining company. Since that time, he has engaged in his own mining activities as well as being called as a Consultant on many mining properties throughout the West. Since the revival of mining activity about two years ago, Mr. Palmer has been devoting nearly full time to mine examinations, mine layouts, ore testings, and consultations. He is past president of the Eden Chamber of Commerce of Alameda County, Calif., and is a past member of the San Francisco Bay Area Council. He has been a Consultant to the State of California on Natural Resources. He is a member of the Society of Exploration Geophysicists. Mr. Palmer, besides being the Director and President, has assumed the big responsibility of overall organization and operation of the Company.

MILTON BUTTLE—Director and Vice-President, 2937 Carroll St., North Las Vegas, Nevada, has been self-employed in Las Vegas, Nevada, for six years. He is a past active member of the Harvey Chamber of Commerce, Harvey, Ill., and is now Commander of Post 51 of the American Legion which has grown in membership under his leadership. He is also active in V.F.W., and the Catholic War Veterans. He has a fine record of keen thinking and public relations. His managerial and organizational abilities are valuable to the Company.

ROLAND ROSE—Director and Secretary, 3599 Tioga Way, Las Vegas, Nevada, is a Cashier at Caesars Palace, Las Vegas, Nevada. He holds an honorable discharge from the United States Air Force. Mr. Rose's prime attribute is his ability to organize and coordinate sales activities, and he has been assigned these duties.

DOROTHY E. PALMER—Director and Treasurer, 2216 Tona Circle, Las Vegas, Nevada, is not only a housewife, but devotes many hours as a business woman. Mrs. Palmer is a graduate of San Diego State College, has had post-graduate work at the University of Calif. at Berkeley, and is the holder of a High-School teaching credential. Mrs. Palmer is also past President in the Phoebe A. Hearst Council, P.T.A. with a Life Membership Award. In addition, she is active in the American Association of University Women where she has held many Committee Chairmanships. She is more than well qualified to guard the assets of this Company.

AMOUNT OF STOCK OWNED BY OFFICERS AND DIRECTORS

Each Officer and Director named above, has made initial investments in Copper Giants, Inc., consisting of both cash and services, as shown below. The following shares of 1¢ par common voting stock of the Company are owned by its Officers and Directors:

| NAME | TITLE | NUMBER OF SHARES |
|--------------------------------------|--------------------------------|------------------|
| Robert C. Palmer | Director and President | 62,500,000 |
| Milton Buttle | Director and Vice-President | 2,500,000 |
| Roland Rose | Director and Secretary | 2,500,000 |
| Dorothy E. Palmer | Director and Treasurer | 2,500,000 |
| Robert C. Palmer & Dorothy E. Palmer | As Joint Tenants | 37,500,000 |
| Other Stockholders of Record | Non-Officers and Non-Directors | 318,000 |

STOCK OPTION PLANS

The following option rights, exercisable by May 1, 1971, have been issued to the Officers and Directors at par value:

| | |
|-------------------------|------------------|
| Milton Buttle | 5,000,000 shares |
| Roland Rose | 5,000,000 shares |
| Dorothy E. Palmer | 5,000,000 shares |

DILUTION

Based upon the Company's balance sheet at June 9, 1969, the 107,818,000 shares of Common Stock presently outstanding had a book value of approximately \$.000043 per share. After giving effect to the sale of 25,000,000 shares offered hereby the book value will be approximately \$.0189 per share. If an additional 15,000,000 shares are sold to officers as noted under Stock Option Plan, the book value will be approximately \$.0181 per share, and the investors' interest will be immediately diluted an additional \$.008 per share approximately.

If all the shares offered hereby are sold, officers, directors and present stockholders of the Company will own approximately 81.18% of the outstanding stock of the Company and the public will own approximately 18.82% of the outstanding stock of the Company. If the additional 15,000,000 shares are sold, the public will own approximately 16.91% of the outstanding stock of the Company and present stockholders will own approximately 83.09% of the outstanding stock of the Company.

Upon completion of this offering, Mr. Robert C. Palmer, President of the Company, will own or control approximately 77.17% of the outstanding stock of the Company, and all officers and directors as a group will own approximately 80.93% (approximately 72.12% and 82.87%, respectively, assuming the sale to officers as noted under Stock Option Plan).

~~This would in effect give control of the Company to Mr. Palmer.~~

REMUNERATION OF OFFICERS AND DIRECTORS

No promoter, director or officer of the Company is receiving any salary or other remuneration for his services, except for reimbursement for his expenses at this time; however, provisions are made for future salaries of Officers and Directors in our application of proceeds.

APPLICATION OF PROCEEDS

The proceeds from this public stock offering will be used for the following purposes, not necessarily in the order shown, nor in the exact amounts shown. No capital investments of any consequence are contemplated until a minimum of \$50,000 is available for this purpose.

CAPITAL INVESTMENTS:

| | |
|--------------------------------|-------------|
| Production Mill | \$725,000 |
| Electrification | 300,000 |
| Water System | 350,000 |
| Research and Development | 100,000 |
| Mining Machinery | 150,000 |
| Mineral Exploration | 100,000 |
| | <hr/> |
| Total: | \$1,725,000 |

EXPENSES:

| | |
|------------------------------------|-------------------|
| Wages, Salaries, Fees | \$200,000 |
| Corporate Expenses | 75,000 |
| Underwriting and Commissions | 375,000 |
| Reserve for Sales Expenses | 125,000 |
| | <hr/> |
| Total: | 775,000 |
| TOTAL: | <hr/> \$2,500,000 |

The Company reserves the right to change any priority or amounts of the application of proceeds if deemed by management to be in the best interest of the Company and its stockholders.

MATERIAL TRANSACTIONS WITH MANAGEMENT

No Director, Officer, controlling person or promoter has any direct or material interest in the Company, except as otherwise stated in this Prospectus. The Company does not contemplate purchasing any investment from any Officer or Director, or entering into any agreement whereby a conflict of interest may exist. If, however, any transaction directly or indirectly involving any Officer or Director should be presented to the Company, the Officer or Director dealing with the Company will not participate in the vote on any transaction in which he has an interest.

THE OFFERING

Plan of Distribution—The Company can act as its own underwriter in the sale of the shares of stock offered. The securities will be offered through personal solicitation by Officers, Directors, and authorized agents of the Company.

Distribution and sale of these securities is on a best efforts basis. No individual, firm or corporation has guaranteed the purchase of any of the shares being offered by means of this Prospectus and no assurance can be given that all or any portion of the securities offered hereby will be sold. No provisions have been made for escrow or refund in the event that less than the entire number of shares being offered hereby is sold, but these shares may be used for payment of services or for trading purposes. The Officers, Directors and Agents of the Company, authorized to sell the securities hereby offered, shall receive a commission of 15%, plus no more than 5% for expenses, on all sales made by them. None of the persons authorized to sell these shares are receiving a salary from the Company for this service, nor is it contemplated that any such persons will receive such a salary during the period of this offering. The securities will be offered only in the State of Nevada

Checks in payment of stock are to be made payable only to Copper Giants, Inc. Checks made payable to other payee shall be at the risk of the subscriber. After checks, drafts and other negotiable instruments have cleared, stockholders will receive credit upon the books of the Company for the amount paid in.

SPECULATIVE FEATURES OF THE OFFERING

There is an element of risk involved in any investment and, in that respect, the Board of Directors of the Company acknowledges the following speculative features of the offering:

1. This offering is being sold by Officers, Directors and authorized agents of the Company on a "best efforts" basis. No individual, firm or corporation has guaranteed the purchase of any of the securities offered through this Prospectus and no assurance can be given that all or any part of said securities will be sold.

2. There is no established market for the stock of the Company, and the offering price of the stock has been arbitrarily determined by the Directors and bears no relationship to the assets of the Company.

3. No representation can be made that any investments or operations by the Company will prove profitable. This offering must be regarded as a solicitation of risk capital, and, if not enough stock is sold to continue operations, no provisions are made to make refunds for stock already sold.

4. There is no known water supply on or adjacent to the property. We plan, in time, to develop water on the mill-site which is one mile away. At present, we have found it practical to haul in our water, and it has proven wise to continue to do so, until such time as an adequate supply can be piped to the property. We already have established facilities for a 2,500 gallon supply at the plant site, which is a projected one-week usage. This supply costs the Company less than \$50.00, including hauling. Our application of Proceeds provides funding for future water development program. A water requirement of 10,000 gallons per day is projected for the future. One water tank truck will be able to deliver this supply.

5. There is at present no commercial power to the property. However, provisions is made in our Application of Proceeds to establish a 5-mile power line to tap the new R.E.A. line in Pahump Valley. Our present need is for a 50 K.V.A. Diesel Generator which is waiting for us for \$6,000 including installation costs. It will cost \$2.00 per day to operate and maintain. The microlytic plant will require two 300 AMP generators, which are available to us for \$600.00 each. Diesel fuel storage has already been established at the plant site. A power requirement of 200 K.V.A. is projected for the future, plus the requirement for microlysis.

Future needs for power and water will increase proportionately with increased production, but the unit cost should lessen as production is increased. Continued hauling of water at known and fixed cost may prove to be more profitable than pumping through and amortizing the cost of a pipe line. Future power needs will probably be better served by a commercial line.

COMPANY REPORTS

The Company intends to furnish to the holders of its capital stock annual reports containing financial statements. From time to time the Company intends to furnish stockholders such other information as it may deem appropriate relative to its business operation.

RIGHTS OF STOCK OWNERSHIP

DIVIDEND RIGHTS—Dividends may be declared by the Board of Directors of the Company at any time out of any funds legally available therefor. When the Directors shall so determine, dividends may be paid in stock.

VOTING RIGHTS—Each share of common voting stock (1¢ par) shall have one vote and every stockholder of record of the Company shall be entitled at each meeting of the stockholders to one vote per share of stock standing in his name on the books of the Company.

CONVERSION RIGHTS—There are no conversion rights granted by the Articles of Incorporation.

SINKING FUND—There is no sinking fund.

ASSESSMENTS—The capital stock is non-assessable and the private property of the stockholder is not subject to the payment of corporation debts.

MODIFICATION OF RIGHTS—The rights of the holders of any class of stock cannot be modified except by a majority vote of the holders of such stock.

RESTRICTIONS ON REPURCHASE OF REDEMPTION—There are no restrictions on the repurchase or redemption of shares by the Company, except that repurchase or redemption must by Statute be made from surplus.

EXPLOITATION PLANS

A summary of this Prospectus and an outline of the plan upon which business is proposed to be transacted from the proceeds of this offering is as follows:

Pay the current and future ordinary expenses necessary to conduct the affairs of the Company, including salaries, wages, fees, utilities, insurance, and the like.

Obtain additional bids for machinery, equipment, supplies, ore bins, water, diesel electrification, and other items necessary to start production, including contracts for mining.

Erect immediately a 10 to 20-ton pilot plant to confirm engineering and metallurgical projections. This plant will establish our sales markets and provide data necessary to engineer adequate production to meet these markets. The site for this plant has already been surveyed and the various land elevations have been leveled. The engineering has been detailed and a Field Laboratory has been built at the plant site, to which new and well graded access roads have been built.

Budget the necessary capital to generate the needed electricity, or to bring in commercial power from a nearby R.E.A. line. Also provide the funds needed to bring an adequate supply of water to the mine-site. We plan to haul our water for the time being, the feasibility and practicality of which has been given.

Based on the foregoing, install an acid-resistant, sanitary processing plant to produce the highly prized powder copper our ore can yield, starting with a presently proposed capacity of 200 tons per day.

Continue our mineral explorations and research into the massive covered ore bodies that exist so that we can intelligently program our production.

Our silver indications are highly significant, but little time has been devoted thereon. Our Field Laboratory is indispensable to these studies. Employee housing is available in Pahump or Ash Meadows, or trailers can be used at the mine-site. We plan to maintain our main office in Las Vegas, but an eventual Field Office may be beneficial.

A 200-ton plant is expected to yield 4,000 pounds of powder copper per day. At the minimum price offered of .90 cents per pound, the gross income would amount to \$3,600 per day, and our projected costs show about one-half this amount. We have received bids up to \$1.50 per pound for a refined product, and one major national Buyer has offered to take every pound we can produce. By using the purity methods we have developed, some of our product can sell for many times these figures, and it will be in great demand by American Industry.

CONSULTANTS

The financial statement of the Company as of June 9, 1969, has been examined by Elmer Fox & Company, independent Certified Public Accountants, as stated in their report and is included herein in reliance on the authority of said firm in accounting and auditing.

The Company has retained Madison B. Graves, Attorney at Law, 116 South 4th Street, Las Vegas, Nevada, as legal Counsel.

Robert R. Geer, Las Vegas, Nevada—Mining Consultant, 40 years Western field experience, member A.I.M.E., states a visible equity valuation of \$40,000 of commercial ore.

Norman G. Snoreen, Overton, Nevada—Mining Advisor, 30 years field experience in Nevada, also states a valuation of \$40,000 within the immediate area of our proposed plant site, plus many times this value in other areas.

ELMER FOX & COMPANY **CERTIFIED PUBLIC ACCOUNTANTS**

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors of
Copper Giants, Inc.
Las Vegas, Nevada

We have examined the balance sheet of Copper Giants, Inc. as of June 9, 1969. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet presents fairly the financial position of Copper Giants, Inc. at June 9, 1969, in conformity with generally accepted accounting principles.

ELMER FOX & COMPANY

June 20, 1969
Las Vegas, Nevada

COPPER GIANTS, INC.

BALANCE SHEET

June 9, 1969

ASSETS

Current assets:

| | |
|---|--------------|
| Cash in bank..... | \$ 2,028 |
| Due from subscribers for capital stock (No. 2)..... | <u>2,300</u> |
| Total current assets..... | 4,328 |

Other assets:

| | | |
|--|--------------|-----------------|
| Mining Claims (Note 1)..... | \$ 1 | |
| Unrecovered promotional, exploratory and development costs (Note 3)..... | 19,217 | |
| Organization expense..... | <u>1,490</u> | <u>20,708</u> |
| | | <u>\$25,036</u> |

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

| | | |
|--------------------------------------|--------------|--------------|
| Accounts payable..... | \$ 102 | |
| Due to Mineral Estates, Inc..... | 11,412 | |
| Due to stockholders: | | |
| For loans..... | \$5,569 | |
| For capital stock sales costs..... | <u>1,200</u> | <u>6,769</u> |
| Total liabilities (all current)..... | | \$18,283 |

Stockholders' equity:

| | | | |
|---|-------------|--------------|-----------------|
| Common stock, \$.01 par value, non-assessable | | | |
| Authorized—250,000,000 shares | shares | | |
| Issued and outstanding (Note 1)..... | 107,818,000 | \$ 4,653 | |
| Subscribed for (Note 2)..... | 33,000 | 330 | |
| Paid in surplus—amounts received on stock sales in excess of par value \$2,970 less \$1,200 sales costs.. | | <u>1,770</u> | <u>6,753</u> |
| | | | <u>\$25,036</u> |

The accompanying notes are an integral part of this statement.

COPPER GIANTS, INC.

NOTES TO THE FINANCIAL STATEMENT

June 9, 1969

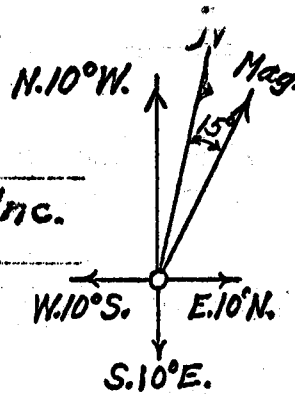
1. Copper Giants, Inc. issued 107,818,000 shares of common stock for the assets and liabilities of 7-11 Copper Company (a limited partnership). This included the deeding to Copper Giants, Inc. of 41 mining claims and a 5-acre mill site which is reflected at the nominal value of \$1.

2. Capital Stock subscribed 33,000 shares at \$.10 per share....\$3,300
Cash received on subscriptions 1,000
Balance receivable on capital stock subscribed and unissued
(due within one year)\$2,300

3. An agreement for the necessary assessment work to be done by Mineral Estates, Inc. is described in full under "Contract For Assessment Work" of this prospectus.

4. Stock options have been granted to certain officers and directors described under "Stock Option Plan" of this prospectus.

T.18 S.-R.52 E.-M.D.M.
 Deeded to Copper Giants, Inc.



CLAIMS
 PLAT
 C#

7-11

Copper Company
 JUNE 8-1968

P.

Scale:
 $\frac{1}{8}'' = 100'$
 ± 960 Acres
 Location Notice
 O-Manument
 - Nye County -
 Nevada

