REPORT ON THE GOLDEN AMETHYST PROPERTIES

LOCATION & DESCRIPTION

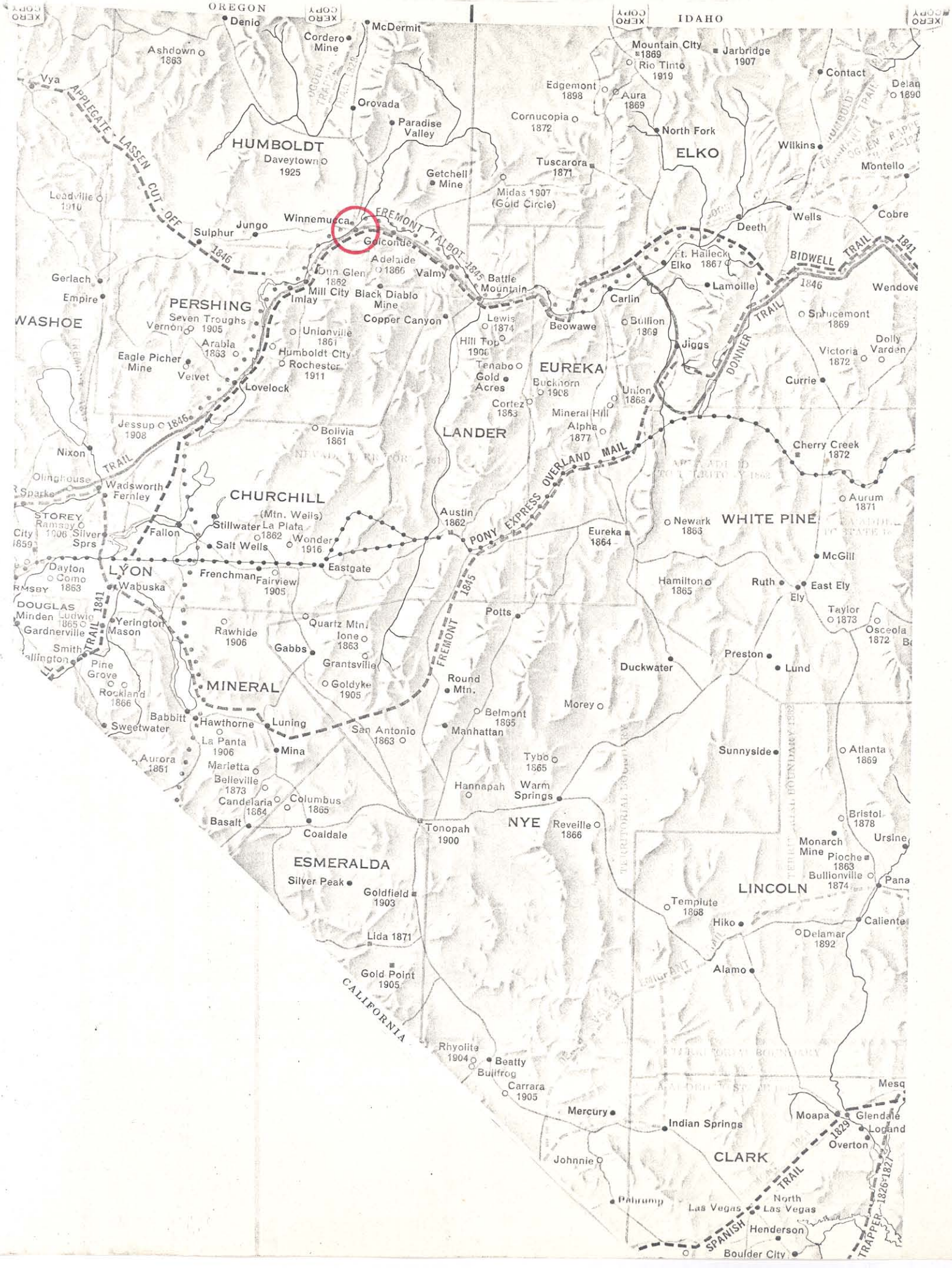
The Golden Amethyst Claims are located in the Ten Mile Mining District, in the Krum Hills, eleven miles west of Winnemucca, Nevada. Winnemucca is located in the north central part of Nevada, on Highway 40 (Interstate 80) between Reno (165 miles southwesterly) and Elko (127 miles easterly). The property is reached by going westward on the graveled State Road 94, the "Jungo" road. Greasewood and sage vegetation completely cover the gently rolling Krum Hills. The elevations range from 4,500 to 5,000 feet. The annual precipitation averages eight inches. Winter operations cause no undue difficulty, if minimal precautions are taken to withstand wind, cold, and occasional light snow.

This property consists of five unpatented claims located contiguously in the northern portion of Section 28, T.-36-N., R.-36-E. MDBM and adjoins other properties that have produced successfully in the past.

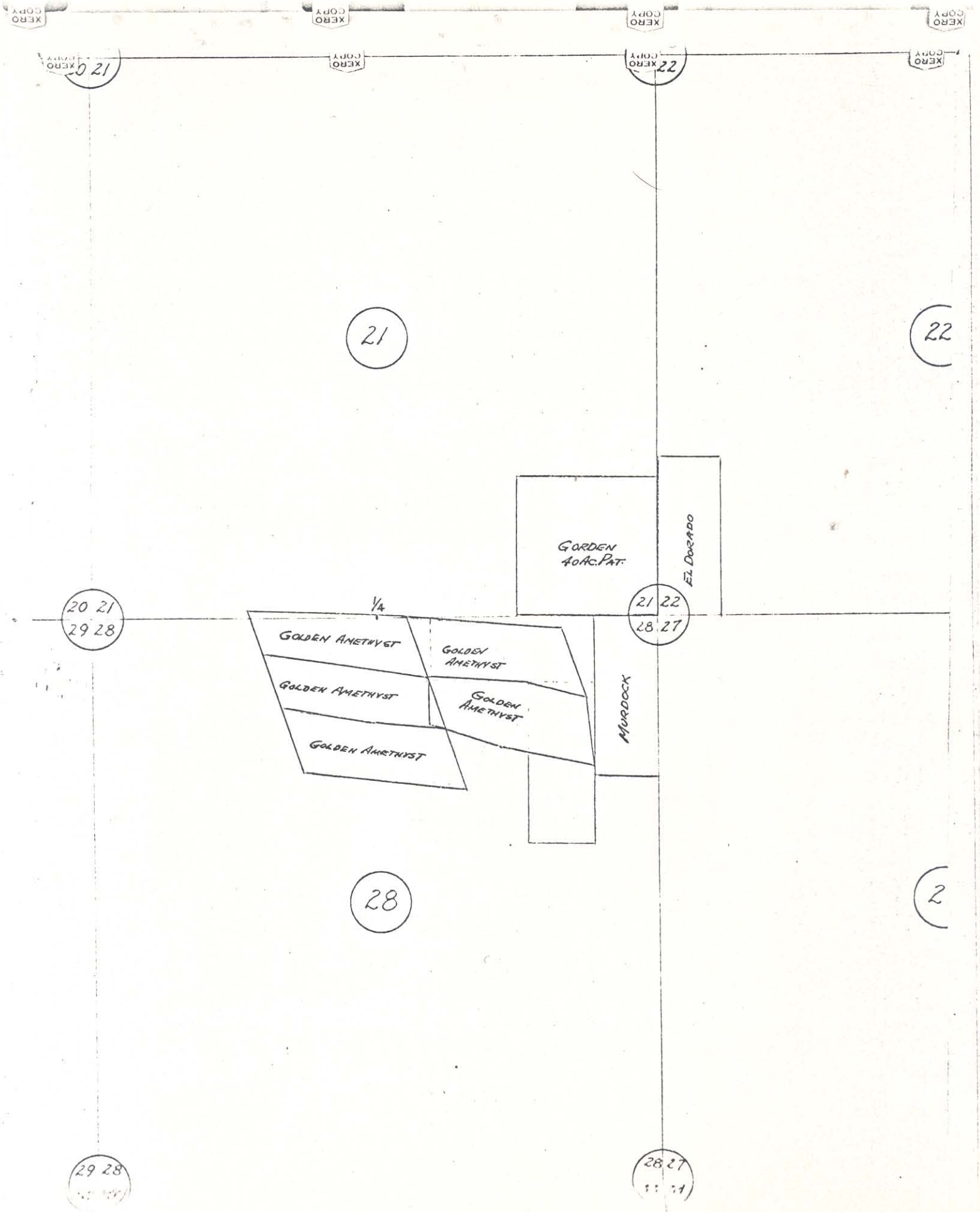
LARGE CONICAL PILES of B.S.

WILLIAM N. BOOTH — Geologist

William N. Booth


OREGON
IDAHO
Denio
McDermit
Cordero Mine
Ashdown 1863
Vya
APPLEGATE - LASSEN CUT - OFF 1846
Orovada
Paradise Valley
HUMBOLDT
Daveytown 1925
Leadville 1910
Winnemucca
FREMONT TALBOT 1845
Golconda
Sulphur
Jungo
Adelaide 1866
Dun Glen 1862
Valmy
Battle Mountain
Getchell Mine
Midas 1907 (Gold Circle)
Tuscarora 1871
Cornucopia 1872
Edgemont 1898
Aura 1869
Mountain City 1869
Rio Tinto 1919
Jarbridge 1907
Contact
North Fork
ELKO
Wilkins
Montello
Wells
Cobre
Deeth
Ft. Halleck
Elko 1867
BIDWELL TRAIL 1841 1846
Lamoille
Wendover
Carlin
Beowawe
Bullion 1869
Sprucemont 1869
Victoria 1872
Dolly Varden
Currie
DONNER TRAIL
Jiggs
Gerlach
Empire
Imlay
Mill City
Black Diablo Mine
PERSHING
WASHOE
Seven Troughs
Vernon 1905
Arabia 1863
Unionville 1861
Humboldt City
Rochester 1911
Eagle Picher Mine
Velvet
Lovelock
Copper Canyon
Lewis 1874
Hill Top 1906
Tenabo Gold Acres
EUREKA
Buckhorn 1908
Union 1868
Cortez 1863
Mineral Hill
Alpha 1877
Jessup 1846 1908
Bolivia 1861
LANDER
Nixon
TRAIL
Olinghouse
Sparks
Wadsworth
Fernley
CHURCHILL
(Mtn. Wells)
Stillwater
La Plata 1862
Wonder 1916
Salt Wells
Fallon
STOREY
Ramsey 1906
Silver Sprs
City 1859
Austin 1862
PONY EXPRESS
OVERLAND MAIL
Cherry Creek 1872
Aurum 1871
Newark 1863
WHITE PINE
Eureka 1864
McGill
Dayton
Como 1863
LYON
Wabuska
Frenchman
Fairview 1905
Eastgate
Hamilton 1865
Ruth
East Ely
Ely
Taylor 1873
Osceola 1872
DOUGLAS
Minden
Ludwig 1865
Gardnerville
Yerington
Mason
TRAIL 1841
Rawhide 1906
Quartz Mtn.
Ione 1863
Gabbs
Grantsville
Potts
FREMONT 1845
Preston
Lund
Duckwater
Smith
Pine Grove
Rockland 1866
MINERAL
Goldyke 1905
Round Mtn.
Morey
Belmont 1865
Manhattan
Babbitt
Sweetwater
Hawthorne
Luning
San Antonio 1863
La Panta 1906
Mina
Aurora 1861
Marietta
Belleville 1873
Candelaria 1864
Columbus 1865
Basalt
Coaldale
Tonopah 1900
Tybo 1865
Hannapah
Warm Springs
Sunnyside
Atlanta 1869
NYE
Reveille 1866
Bristol 1878
Monarch Mine
Pioche 1863
Bullionville 1874
Ursine
Pana
LINCOLN
Templute 1868
Hiko
Caliente
Delamar 1892
Alamo
Lida 1871
Gold Point 1905
ESMERALDA
Silver Peak
Goldfield 1903
CALIFORNIA
Rhyolite 1904
Beatty
Bullfrog
Carrara 1905
Mercury
Indian Springs
Moapa
Glendale
Logand
Overton
Mesq
1829
CLARK
Johnnie
Pahrump
Las Vegas
North Las Vegas
Henderson
Boulder City
SPANISH TRAIL
TRAPPER 1826-1827

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY


21
22
GORDEN
40 Ac. PAT.
EL DORADO
20 21
29 28
1/4
21 22
28 27
GOLDEN AMETHYST
GOLDEN AMETHYST
GOLDEN AMETHYST
GOLDEN AMETHYST
GOLDEN AMETHYST
MURDOCK
28
29 28
28 27

GENERAL HISTORY

The occurrence of free gold in this district has been known for at least forty years. The first discoveries having been made by placering the low, rolling terrain of Krum Hills. This activity directed little attention in the direction of hard-rock mining, becuase the heavily mineralized nature of the surrounding mountain ranges drew prospectors and miners to the more accessible and erosion bared formations found there. It was not until the depression period of the thirties that local residents turned to prospecting, and mining the Krum Hills for sustenance during these hard times. During the same period the Ten Mile Mine was discovered in the S. E. ¼ of Section 22, and subsequently explored, partially developed and produced to a depth of 250 feet. It was shut down in 1942 by Executive Order L-208. Mr. Jeff Rice, an old time resident of Winnemucca, was leasing and producing the Ten Mile Mine when the closing order became effective. He has furnished invaluable information as to values, depth, uniformity of grade, presence of sulphides, and type of deposition. The information pointed to a good potential of production in the Ten Mile Mine and to very similar surface characteristics in the properties for two miles west, where the Golden Amethyst is located. Mr. Jeff Rice resumed his operation after the war, but was forced to retire after an accident.

Because of the governments' attitude regarding mining, another period of quiescence marked the period from 1945 to 1963. Activity again resumed when Mr. Marion Gordon, of Winnemucca, discovered what is now known as the Golden Amethyst, in November of 1963. Unusual amounts of high grade gold and "picture rock" made activities in and about these claims front page news in the west. The Nevada Daily Bulletin, of Winnemucca, devoted much front page space to articles and pictures of operations at the Golden Amethyst, reporting extensively on them, as a few of the enclosed issues indicates. With this publicity came a rush of prospectors, speculators and miners looking for good claims. The extent and significance of the mineralization of the Krum Hills became rapidly apparent after so many years of little or no geologic study.

WILLIAM N. BOOTH — Geologist

William N. Booth

GEOLOGY

The country rock of the district is composed of Mesozoic Marine sediments, the general strike is southwest-northeast, with northwesterly dips ranging from 50 to 70 degrees. Most of the sediments in the southern portion of Krum Hills are buff to light brown bedded mudstones. There are smaller amounts of light brown phyllitic shale and occasional lenses of buff, fine-grained felspathic quartzite.

The thickness of the formation is estimated to be between 3,000 and 4,000 feet. No fossils have been found in this unnamed formation but it is assigned to the Upper Triassic, because of its stratigraphic position between two fossiliferous formations. The formation in the southern Krum Hills underlies the Raspberry Formation to the northwest.

An igneous rock, a diorite intrusive, is found as a plug shaped mass in the sediments at the Ten Mile Mine. Only minor amounts of the intrusive are found at the Golden Amethyst. A more acidic igneous rock, glassy to aphanitic, is also found in minor amounts along the southern fringe of the Krum Hills, introduced into the shear zones of both the shale and the first intrusive. All types of lithology have been highly altered, where mineralized. Strike-faulting, cross-faulting, and bedding-plane-faulting are all present.

The classification of the mineralization is Epithermal. There is a minor amount of replacement, but most of the mineralization is fissure-fill. The deposition was relatively shallow. Many open fissures are to be found. These fissures, or "water courses", are hydro thermal channels that afforded some of the richest mineralization. Fractured zones, rather than thick quartz veins, have given up the richest ore so far found. In many places the free gold has been found in the bedding planes, in the forms of wire, leaf, and platy hexagonal crystals. The general association at the Golden Amethyst is with either smoky or purple drusy quartz crystals. In all of the south Krum Hills properties, some of the gold is found within the quartz. A small amount of sulphide has been found on the 200 foot level of the Ten Mile Mine. Production at the Ten Mile, the Golden Amethyst and the intervening properties can be expected to persist for hundreds of feet below the present levels.

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ESTIMATE OF VALUE OF IMMEDIATE ORE

(Proven & Probable)

1. Dump (crushed and test assayed)

		Net
600 tons @ $25/ton =	15,000	
less min. & mill. cost @ $8/ton	4,800	
net	10,200	$ 10,200

2. South side cross-cut

$$\frac{200' \text{ long} \times 15' \text{ deep} \times 10' \text{ wide}}{11 \text{ cu. ft./ton}} = 2{,}727 \text{ tons}$$

@ $50/ton	136,350	
less min. & mill. costs @ $20/ton	54,540	
net	81,810	$ 81,810

3. East-west open-cut

$$\frac{600' \text{ long} \times 15' \text{ wide} \times 20' \text{ deep}}{11 \text{ cu. ft./ton}} = 16{,}363 \text{ tons}$$

@ $25/ton	409,075	
less min. & mill. costs @ $14/ton	229,082	
net	179,993	$179.993
Net Total		$261,800

Total tonnage, 19,690, at 300 days per year, at 50 tons per day = 1 year, 4 months at open-cut mining.

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OPEN PIT MINING
(Partial Benching)

Minimum Possible Ore Indicated

1. Main Vein Structure

$$\frac{\text{40 feet wide x 50 feet deep x 1,200 feet long}}{\text{12 ft}^3\text{/ton}} =$$

$$\frac{40 \times 50 \times 1{,}200}{12} = 200{,}000 \text{ tons}$$

at $17.00/ton, less $3.50/ton M & M = $13.50 Net/ton

200,000 x 13.50 = $2,700,000

2. Cross-fault Structure

$$\frac{\text{20 feet wide x 25 feet deep x 500 long}}{\text{12 ft}^3\text{/ton}} =$$

$$\frac{20 \times 25 \times 500}{12} = 20{,}800 \text{ tons}$$

at $15.00/ton, less $3.50/ton M & M = $11.50 Net/ton

20,800 x 11.50= $239,200

TOTAL $2,939,200

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OPEN PIT MINING
(Partial Benching)

Minimum Possible Ore Indicated

1. Main Vein Structure

$$\frac{\text{40 feet wide x 50 feet deep x 1,400 feet long}}{\text{12 ft.}^3\text{/ton}} =$$

$$\frac{40 \times 50 \times 1{,}400}{12} = 233{,}000 \text{ tons}$$

at $20.00/ton, less $3.50/ton, M & M = $16.50 net/ton

233,000 x 16.50 = $3,844,500

2. Cross-fault Structure

$$\frac{\text{20 feet wide x 25 feet deep x 600 feet long}}{\text{12 ft.}^3\text{/ton}} =$$

$$\frac{20 \times 25 \times 600}{12} = 25{,}000 \text{ tons}$$

at $18.00/ton, less $3.50/ton, M & M = $14.50 net/ton

25,000 x 14.50 = $362,500

TOTAL $4,206,000

M & M (Mining & Milling)

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MILLSITE

The property chosen for a millsite lies on the south side of Jungo Road (State Highway 49), three miles west of Winnemucca and eight miles east of the Golden Amethyst. There is a gentle downhill haul from mine to mill. The twenty-five acre piece is shown on the accompanying map. The portion north of the line through the shed is suitable for housing personnel. The strip adjoining Jungo can be subdivided for resale. At the same line at the shed the surface drops off rather abruptly to the south, affording gravity feed to the mill. The south portion of approximately 15 acres slopes gently to a high railroad right-of-way on the south. This area is excellent for the disposal of mill tailings from an indefinite production at the rate planned. There are two water wells available. Two phase power is on the property, with 3 phase quickly available. Gas is now being used in the house. Telephone service can be connected within 24 hours. The property is now under lease with a purchase option to buy the land for $12,000.00. Due to housing development in the area, this purchase price is very reasonable.

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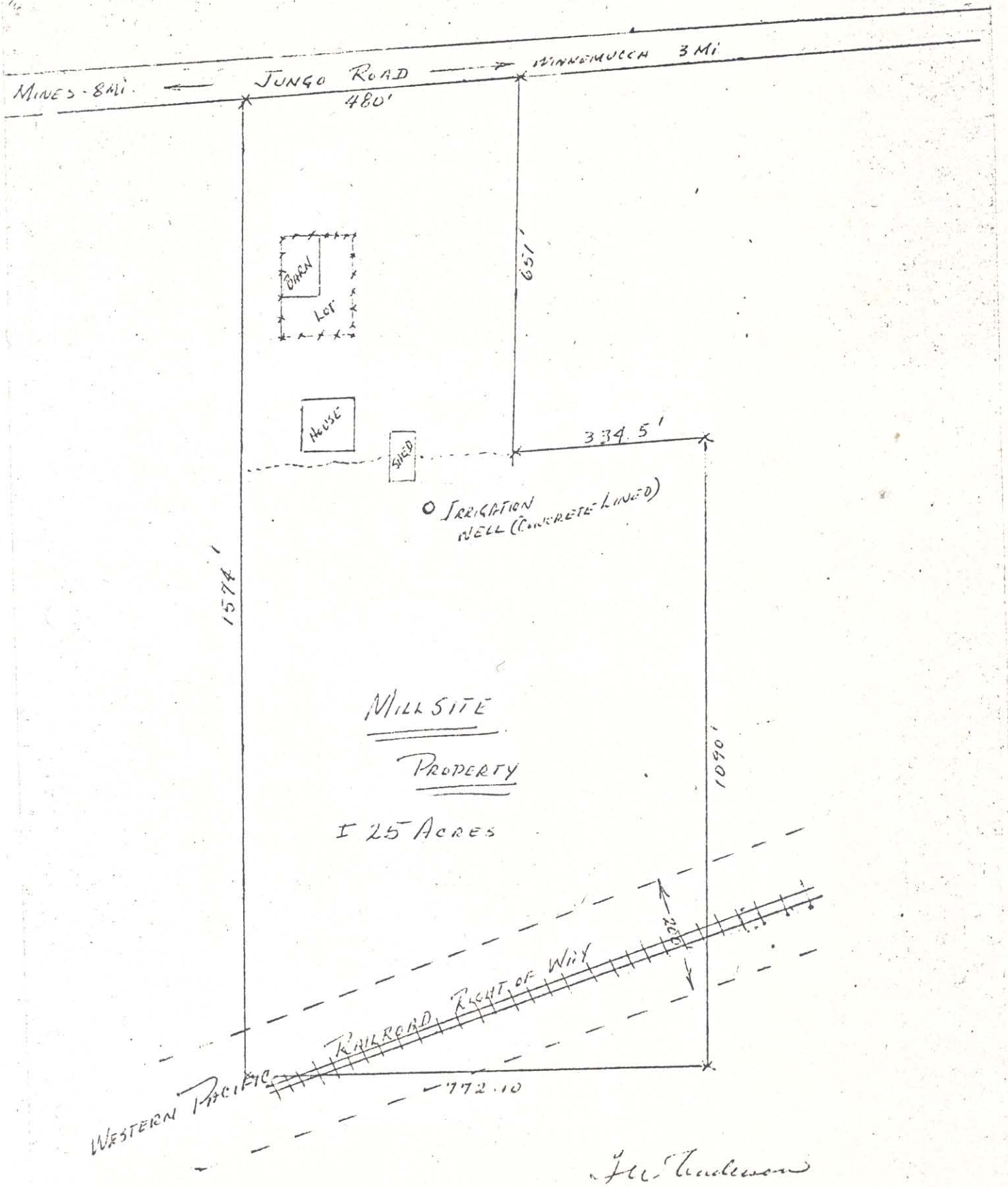
MINES - 8 Mi.
JUNGO ROAD
MINNEMUCCA 3 Mi
480'
651'
BARN
LOT
HOUSE
SHED
334.5'
IRRIGATION WELL (CONCRETE LINED)
1574'
MILL SITE
PROPERTY
1.25 ACRES
1050'
20'
RAILROAD RIGHT OF WAY
772.10
WESTERN PACIFIC

GOLDEN AMETHYST

CASH FLOW BEFORE TAXES

Gravity concentration plant - 30-50 T/D Mill to be finished in 60 days

Average daily production 35 tons/day of $50/ton ore:

Average value of ore per ton	$50
Maximum cost per ton - underground mining, haulage and milling	20
Net value per ton	$30

$30 x 35 T/D = $1,050 net per day or = $6,300 net/week
6 days per week
$6,300

26 days/month: net/month = $27,300 before taxes

Annual net income before taxes = $327,600

WILLIAM N. BOOTH — Geologist

William N. Booth

THE GOLDEN AMETHYST MINE

Estimated Cost of This Operation
Capitol Mines will agree to:

A. Construct a 30-50 ton per day gravity concentration plant including all machinery and equipment " Turn Key " ready to run

B. Set up mine operations and purchase all necessary equipment to produce from 40-50 tons of plus $50/ton ore per day; construct ore bins, prepare roads and open cuts, stock pile ore, completely survey, map and design open pits and underground workings: negotiate a contract for the ore haul from mine to mill site.

C. Purchase 100% ownership of the mine from the present owners.

D. Sell to an investor a 40% interest in the mine, mill and all equipment and agree to have the operation on a self sustaining basis within 120 days for the total sum of $80,000.00

E. Sell to an investor an additional 9% interest as in D. above for $20,000.00

F. Gaurantee to repay the investor's total outlay in D. or E. above from 100% of surplus profits, after deduction of all operating expenses, prior to any distribution of profits to Capitol Mines. As soon as the investor shall have recovered his total outlay in this manner, Capitol Mines shall then be paid an equal amount on the same basis. After these two payments have been made, surplus will be divided as the owners interests may appear. The owners shall enter into an agreement that after the two payments mentioned above have been made that by mutual agreement at least 25% of divisible surplus will be spent on exploration and development of this mine or other mining properties.

THE GOLDEN AMETHYST MINE

Alternate Investment Proceedure

Potential investor may choose the following on a graduated scale and schedule:

1.	Purchase 15% of the ownership for: (Initial payment)	$30,000
2.	Purchase additional 13% in 30 days for:	$30,000
3.	Purchase additional 10% in 60 days for:	$30,000
4.	Purchase additional 7% in 90 days for:	$30,000
5.	Purchase additional 5% in 120 days for:	$30,000

The value of the entire mine and mill operation increases rapidly with each additional purchase, thereby altering interest available. If a single investor desires a schedule such as this, it must be on the basis of a purchase contract subject to payments as due. Otherwise, the balance shall immediately become subject to open sale or listing should default in payments occur.

WILLIAM N. BOOTH — Geologist

William N. Booth

THE GOLDEN AMETHYST MINE

A. Mill Construction and Operation Costs:
(First 60 days)

1. Construction and Labor	
a. Concrete	$500.00
b. Lumber	300.00
c. Mill housing	1,500.00
d. Re-bar, sheet iron and Misc. metal	1,275.00
e. Labor and Gen'l Adm.	10,800.00
2. Insurance	550.00
3. Power, Light, Gas, etc.	1,300.00
	$16,225.00

B. Mine Plant Machinery and Operational Costs:
(First 60 days)

1. Machinery and Supplies	
a. Jackhammers	$1,500.00
b. Steel	350.00
c. Bits	125.00
d. Front End Loader	3,500.00
e. BobCat Loader	4,500.00
f. Shuttle Buggies (2)	7,500.00
g. Air hose and fittings	800.00
h. Air receiver tanks (2)	300.00
i. Air Compressors (2)	5,000.00
j. Powder, caps and fuse	2,400.00
k. Misc.	3,500.00
	$29,475.00
2. Operating Expense	
a. Hauling	6,580.00
b. Payroll and Gen'l Expense	14,920.00
c. Power, Light, Gas and Diesel	1,500.00
d. Insurance	1,300.00
	$24,300.00

TOTAL MILL AND MINE COSTS, $70,000.00

CONCLUSIONS & RECOMMENDATIONS

The volume and tenor of the ore in sight at the Golden Amethyst warrants development and milling facilities. High-grading shafts have gone only to 40 feet, but the areal extent of good ore recommends a modest milling expenditure. Open-cut mining can be started at once on the rich north south fracture zone.

Data furnished the writer by a promotional group that drilled several test holes, indicated a very good possibility for an operation on an open pit scale. The test pits from which the dump material came, are in such a position as to point out a tremendous potential for open pit mining. Unsampled and untested ore in outcrops beyond the test pits indicate the possibility of extension to even larger tonnages of low-grade open pit ore. All data available confirms that a lucrative small mine and milling operation can be successfully operated for many years, or until evaluation of the open pit possibilities is completed.

It is recommended that the necessary monies requested be granted present owners of mill and program as outlined be commenced as soon as possible.

WILLIAM N. BOOTH — Geologist

William N. Booth

WILLIAM N. BOOTH
GEOLOGIST

PHONE: AREA CODE 602
753-6408

2017 MOTOR AVE.
KINGMAN, ARIZONA 86401

INVENTORY

Mill for Golden Amethyst Mine, millsite located 3 miles west of Winnemucca, Nevada, on Jungo Road.

MAIN PLANT

50 Tons Per Day

1.	Ore bin, primary, with grizzly	$ 1,500.00
2.	Belt feeder, variable speed, with motor	350.00
3.	Crusher, jaw type, 10" x 14" Cedar Rapid, motor	750.00
4.	Crusher, gyratory, 30 H. P. Kue Ken #18 with motor	4,250.00
5.	Tank, mixer	35.00
6.	Mineral jig, 8 x 12 Denver Duplex	520.00
7.	Tornado impact crusher, 50 H. P. motor	4,500.00
8.	Screen and 3 deck shaker	200.00
9.	Ore bin, secondary	950.00
10.	Screen, shaker	150.00
11.	Concentrating tables, (2) Dunham, new, complete	3,000.00
12.	Pumps, water	400.00
13.	Motors, electric, (2) 10-25 H. P. and 15 H. P. 220-440	900.00
14.	Pipe lines, water and disposal	125.00
15.	Pipe, plastic 200', 1½"	54.00
16.	18" rolls	550.00
17.	Concrete foundations	792.67
18.	Lumber	274.30
19.	Building materials	305.02
		$19,605.99

William N. Booth

TRANSPORTATION

1.	Truck, International dump	$ 525.00
2.	Loader, front end	2,282.00
3.	Truck, Ford Pick-up (personal)	1,995.00
4.	Truck, G M C Pick-up (personal rental)	300.00
5.	Trailer, Spartan, house	700.00
6.	Pump, gasoline	65.00
7.	Trailer, Manorette, house	1,200.00
8.	Dump Truck, Chevrolet	600.00
9.	International (6 x 6) boom truck	1,000.00
		$8,667.00

MINE

1.	Drill steel	$ 350.00
2.	Drill bits	150.00
3.	Hammer, with air leg	650.00
4.	Hammers, jack (3)	1,350.00
5.	Air hose	45.00
6.	Slusher bucket 3/4 yard	100.00
7.	Double and single jacks	55.00
8.	Axes, picks and shovels	60.00
9.	Saws, timber	43.00
10.	Assorted mine tools	250.00
		$3,053.00

WILLIAM N. BOOTH — Geologist

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TEST PLANT

1.	Crusher, small jaw	$ 125.00
2.	Grinder, 6"	65.00
3.	Concentrating table, Dunham (used)	250.00
4.	Mineral jig, 12 x 12	300.00
6.	Braun Pulverizer, with 3 H. P. engine	265.00
7.	Sample splitter, 8 x 10	45.00
8.	Straub Mill, gearred. Wisc. Engine and steel frame mountings and stand	1,500.00
		$2,550.00

MATERIALS, SUPPLIES, MISC.

1.	Screens	$ 150.00
2.	Steel, structural and scrap	125.00
3.	Electrical supplies	287.00
4.	Plumbing, (fittings, valves, pipe, etc.)	500.00
5.	8 cases dynamite, 2 boxes caps and fuse	150.00
		$1,212.00

WILLIAM N. BOOTH — Geologist

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LABOR, SALARIES FOR CONSTRUCTION & HAULAGE

1.	Labor	$6,956.00
2.	Hauling and loading	1,550.00
3.	Millsite lease payments, 1 year at $100.00 per month	1,200.00
		$9,706.00

Total expenditures by Mill Owners $45,393.99

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