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ITEM 41

**MINING DEVELOPMENT
SERVICES, INC.**

2080 HOLMAN WAY SPARKS, NEVADA 89431 (702) 358-6227

March 26, 1973

The Board of Directors
Pastime Enterprises, Inc.
Sparks, Nevada 89431

Re: Grantsville Mine

Dear Sirs,

The Grantsville Mine was discovered about 1863 and the ore was treated in a mill south of Ione until 1869, when activity subsided until about 1878.

Thompson and West report that in 1878 Grantsville had 42 business establishments, including a brewery, newspaper, etc. Production from the mine, known as the Alexander Mine and the Great American Rooster Mine, was nearly \$1, 250,000.00 before 1890, primarily in silver and gold.

During this period gold sold for not more than \$20.67 per ounce, silver probably sold for an average of less than \$0.60, lead sold for about \$0.02 in concentrates, and zinc was not marketable in concentrates containing lead. Since the current value of the Grantsville ore would be at least 5 times the prices received for this production, and since milling recovery was not particularly good, it is fair to assume that previous production before 1891 would have a current value in excess of \$6,000,000.00.

In 1881 the Alexander Mine part of the present property was sold for \$572,000.00, a very substantial price for those days, and since that time various owners have held the property.

Production since 1891 has not been particularly large, and records are incomplete, but it appears that a total of less than \$500,000.00 was produced during a few months in the 1920's, in 1939-1940 and during short periods between 1945 and 1947.

None of these later operations were properly organized mining ventures, and in fact much of the ore came from old dumps left from the original operations.

J. Stanley Hodgson
J. Stanley Hodgson, Mining Engineer

The underground workings, totalling more than 1 mile in length, consist of 5 adits, one wing (internal shaft) with 3 levels at 50 feet apart, and 2 surface shafts, one of which is located on a parallel ore structure across the canyon and is partly filled with tailings. No records are available concerning this shaft, known as the Brooklyn, except that it is old and was part of another mine whose production may or may not have been recorded.

The Grantsville ore is associated with a major northwest trending fault zone and has widths of up to 50 feet along a strike length of more than half a mile. At least two parallel ore zones have been mined above the water table before 1891, with limited work done thereafter.

Fluorspar ore, which had virtually no value until recent years, occurs in association with the other ore, and our examinations of the property, as well as the adjoining properties to the north and south, convinces us that slightly less than one million tons of fluorspar ore is contained on the 15 patented Grantsville Mine claims.

The old mine dumps, probably containing 100,000 tons, all carry silver, gold, lead, zinc and fluorspar, much of which could be recovered in a modern mill. The average value of these dumps is unknown, and in fact may not be economic to treat, but sections of them contain in excess of \$20.00 per ton in silver, gold and fluorspar.

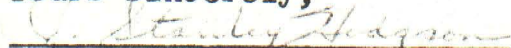
The old mine workings are in good shape and could be rehabilitated for future use at a reasonable cost.

Our investigations and examinations of these old workings indicate that more than 1,500,000 tons of ore containing silver, gold, lead and zinc remain to be mined from this property. The average ore grade presently is unknown, but based upon previous production of nearly \$1,250,000.00 from less than 40,000 tons of ore prior to 1891, the grade is obviously quite good.

There is no question that the Grantsville Mine is capable of substantial production at current prices. Unexplored sections of the mine must be developed to determine whether a production of 200-300 tons per day is appropriate or whether sufficient ore is available to justify a larger operation of up to 1000 tons per day.

I recommend that a public stock underwriting in a new company be secured to place the mine into production, with mill construction costs to be defrayed by another or subsequent underwriting possibly connected with other proven properties controlled by Pastime Enterprises, Inc.

Yours sincerely,


J. Stanley Hodgson, Mining Engineer

PASTIME ENTERPRISES, INC.

P.O. BOX 1119 INCLINE VILLAGE, NEVADA 89450

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FINANCIAL STATEMENT

March 15, 1973

ASSETS

Cash in Bank	\$	503.47
<u>Investments</u>		
J.B. Gold Placer		
3,000,000 cu. yds. gold placer @ \$0.20		600,000.00
Grantsville Mine (15 patented claims)		
900,000 tons fluorspar ore @ \$0.50		450,000.00
1,500,000 tons Ag-Au-Pb-Zn ore @ \$1.00		1,500,000.00
Cadiz Fluorspar (patented claim)		
750,000 tons fluorspar ore @ \$1.00		750,000.00
Chicago Fluorspar (patented claim)		
700,000 tons fluorspar ore @ \$0.50		<u>350,000.00</u>
TOTAL ASSETS	\$	3,650,503.47

LIABILITIES AND STOCKHOLDERS' EQUITY

<u>Liabilities</u>		
Mining Property Payments Owing	\$	250,000.00
Exploration Expenses Payable		62,000.00
Business Accounts Payable		<u>3,150.00</u>
TOTAL LIABILITIES	\$	315,150.00
<u>Stockholders' Equity</u>		
Capital Stock-Common Authorized		
100,000 shares @ \$10.00 par value		
Issued and Outstanding		
70,000 shares @ \$10.00 par value	\$	700,000.00
Surplus from revaluation of Assets		<u>2,635,353.47</u>
TOTAL STOCKHOLDERS' EQUITY	\$	3,335,353.47
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	3,650,503.47

Note 1. Values placed upon indicated ore are based upon sale of properties subject to production royalties rather than much greater profits that could be derived from production.

Note 2. Based upon 70,000 shares issued, per share equity is \$ 37.65.