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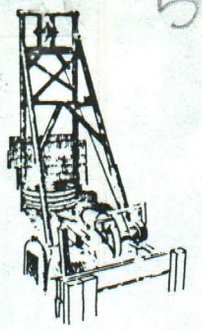

Western Consolidated Resources Inc.

REPORT

ON

WEST COAST MINE

HUMBOLDT COUNTY, NEVADA

September 1, 1975

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INTRODUCTION:

The minerals of economic importance in this mine are silver, gold, lead, zinc and copper.

The West Coast Mine is located in Humboldt County, Nevada and is easily accessible by 12 miles of graded secondary road from Winnemucca, Nevada. The topography in the area is moderate with elevation ranging from 4600 to 5200 feet.

Adequate water is located in a well about two miles from the property. Water is also more immediately available in the West Coast Mine shaft just below the 810 foot level. The nearest commercial power line is located approximately 4 miles away.

The West Coast Mine property consists of 20 unpatented mining claims in Section 6, T36N, R35E and 560 aces of fee land in the adjoining Section 1, T36N, R36E.

The lease from West Coast Mines, Inc. requires minimum royalty payments of $500.00 monthly or a production royalty of 10% of net smelter returns, less freight and shipment charges. There has been no end price set on the lease, which has 30 years remaining.

HISTORY AND PRODUCTION:

The early history of the mine is rather obscure and little is known of initial developments. Prior to 1937, Nevada Consolidated Mining Co. sank a shaft approximately 1000 feet to the south to a depth of 260 feet. The vein was reportedly 4 feet wide at the bottom. Apparently, there was only minor production from this shaft, as the drifting on the 80, 140 and 200 foot levels totaled less than 1000 feet. An old report by Edward C. Uren, mining engineer, dated July 23, 1937, indicates a production from the 1910 shaft in gold and silver, which, at todays prices, would amount to approximately $200,000.00.

At the time of Uren's report, the shaft on the West Coast Mine (Swede Shaft) had been sunk to a depth of 185 feet. At some time during that same year (1937), West Coast Mines, Inc. of Sacramento, California, took control of the property and began an extensive development program centered around the Swede Shaft. The shaft was deepened to the 960 foot level and more than a mile of lateral workings was driven on five levels below the 250-foot level. Since that time, the mine has produced approximately 8000 ounces of gold, 700,000 ounces of silver, 110,000 pounds of copper and 2,000,000 pounds of lead. The mine was closed by executive order during World War II, because it was deemed not vital to the war effort.

In the fall of 1970, the mine was acquired by B. M. Clem by lease from West Coast Mines, Inc. Since that time, the head frame, shaft and drifts have been reopened; tracks, air and water lines installed; and the shaft reopened and refurbished. Total expenditures on these improvements have been in the neighborhood of $150,000.00.

GEOLOGY AND MINERALIZATION:

The West Coast property lies in the northern end of a north-east trending section of unnamed quartzite and mudstone. This northwest dipping formation is late Triassic in age. The thickness is estimated at between 3000 and 4000 feet. The formation consists mainly of light brown, thin-to-thick bedded, fine-grained, feldspathic quartzite and light brown mudstone with some limestone and phyllitic shale.

Preliminary mapping in the Swede shaft indicates the presence of a broad overturned anticline with a horizontal axis centered near the 250-foot level. Below this level, the beds are dipping 60° to 70° westerly. On the lower levels of the mine there are several exposures of altered porphyritic tuff. The relationship between the tuff and the quartzite is not well defined.

There are at least five veins on the property. The Swede vein is the most extensively developed. The X-vein is exposed on the 810 foot level by a 150 foot crosscut from the Swede shaft. Some drifting and stoping has been done along the X-vein, which appears to average about 12 inches in width.

The Swede vein ranges in width from five inches to three feet. While the vein is remarkably persistent in length and depth, it is not a simple vein and often consists of two or three separate veins within a zone of strong silicification. The country rock is generally altered and, where well fractured, mineralization has invaded the hanging wall sediments up to 10 feet away from the vein.

The primary minerals present in the Swede vein include argentite, arsenopyrite, sphalerite, stibnite, covellite and proustite, with lesser amounts of jamesonite and jarosite. Gold occurs free and associated with the arsenopyrite. The principle gangue is quartz. The old workings display spectacular formations of secondary minerals, including copper sulfates and silicates, and various iron-bearing minerals, such as melanterite, goethite and possible turgite. The oxide zone extends to a depth of approximately 250 feet in the Swede shaft.

CONDITION OF THE MINE:

Surface structures include a hoist house and wooden head frame, which are in adequate condition. The head frame also includes two ore bins, with chutes and doors and having a capacity of approximately 50 tons.

The shaft is inclined 65° to the East and is timbered to 5 feet by 10 feet inside dimensions. Compressed air, water and ventilation lines are operational in the shaft and on the 710 foot and 810 foot levels. The shaft has main haulageway tracks and a ladder the entire depth to 810 feet. The 710 foot and 810 foot levels have track installed and in good condition. Most of the stopes and chutes are in usable condition.

ORE RESERVES:

An independent mining consulting firm, Petro-Mineral Projects of New Jersey, estimated underground reserves to be 97,000 tons of ore valued at $82.00 per ton, or approximately $8 million.

The waste ore dump at the mine consists of approximately 60,000 tons of ore with an average value in gold and silver of approximately $20.00 per ton. Leach tests on the waste ore indicates a recovery of 50% of the gold and 63% of the silver in a 144 hour test. Chemical costs of $4.00 per ton were determined in the test, which indicates that a projet of $300,000. plus could be obtained from leaching the waste dump.

THE TOTAL RESERVES OF THE MINE ARE NOT KNOWN AT THIS TIME.

PURCHASE-JOINT VENTURE OPTIONS:

The West Coast Mine is for sale for $2 million or our 30 year lease is for sale for $500,000. with 10% down and the remainder over 5 years. If you prefer, we can negotiate a joint venture and share the profits.

Exploitation of the mine may be accomplished in a number of ways-drilling to prove greater ore reserves; leaching of the waste ore or mining and processing the underground reserves. Proving greater reserves can cost between $25,000. and $150,000. Leaching of the waste ore would require a capital investment of $100,000. and return $700,000. with a $300,000. profit in 18 months. Underground mining and processing would require a capital investment of $300,000. to $375,000. and return $8 million with a $3.5 million profit.

ATTACHMENTS:

Articles and pertinent information are attached to provide additional information on the mine; these consist of the following:

- Assay sheet of mine waste dump
- One of many smelter settlement sheets (Note date and prices)
- A page from the Nevada Bureau of Mines showing production up to 1941
- A magazine article, dated January, 1942
- Location map of Nevada
- Copy of photos showing head frame and vein
- Underground workings map showing stoped areas
