

Form 3060-1
(July 1984)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial Number
NMC 293456
N54-93-001N
N-71982

MINERAL REPORT

Surface Use Determination
and
Validity Determination
For The Becki M
Mill Site Claim

(Title)

LANDS INVOLVED

Clark County, Nevada
T. 23 S., R. 63 E., MDM
Section 14, Lot 3
Consisting of 5 Acres

Prepared by: Edward Seum

(Signature)

Minerals Specialist

(Title)

February 9, 2000

(Date)

Mark R. Chatterton

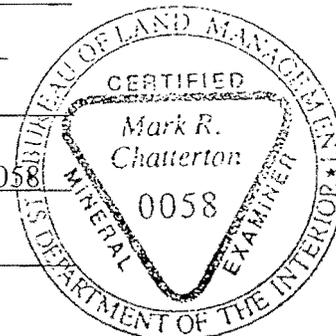
(Signature)

Certified Mineral Examiner #058

(Title)

Feb. 10, 2000

(Date)



Technical Approval:

Larry L. Steward
(Signature)

Lead CRME#013
(Title)

3/30/00
(Date)

Management Acknowledgment:

Mark T. Hesse
(Signature)

Las Vegas F.M.
(Title)

4-10-00
(Date)

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I. Summary

The Becki M mill site claim is a dependent mill site owned by Pilot Plant Inc. The mill site claim is 5 acres in size. Pilot Plant Inc., or related companies, currently own unpatented placer claims located adjacent to the mill site and also south of Searchlight, Nevada. The operations taking place on the Becki M mill site claim consists mainly of non-mining related occupancy and small scale testing. Trash, and items not incidental to mining are stored on the site. Equipment potentially related to mining and milling operations is either not functional, shows little sign of use or is not set up for operation. A watchman resides on the mill site claim, living in a mobile home.

The subject lands are located near the Alunite (Railroad Pass) mining district. During the field investigation, locatable minerals, or indications thereof, were not observed on the subject lands, nor are there any reported occurrences in the literature.

The subject lands are not known to be valuable for Mineral Leasing Act minerals.

The site is located in an area of sand and gravel that contains mainly volcanic detritus of Quaternary age. The potential for the production of saleable minerals is considered to be high. The subject lands were determined to be mineral in character for sand and gravel resources.

Lands encumbered by the Becki M mill site claim are segregated from the Mining Law. A segregation for land exchange, N-61855, was noted in Bureau of Land Management records on July 23, 1997.

II. Conclusions

Based on the inspection of January 10, 2000, the follow-up inspection of February 4, 2000, and inspections prior to that, it is our professional opinion that activities on this site do not meet the requirements of 43 CFR 3715.2, 3715.2-1 or 3715.5.

- 1) No milling or mining operations are taking place on the mill site that would require the level of occupancy which is taking place.
- 2) Activities on the site do not constitute substantially regular work.
- 3) Activities and equipment on the site can not be reasonably calculated to lead to the extraction and beneficiation of minerals.
- 4) Operations do not involve observable on-the-ground activities that BLM may verify under Sec. 3715.7.

- 5) The primary use of the mill site is not for mining or milling purposes. The equipment present that could be reasonably incident to a theoretical operation is inoperable or inappropriate for the purposes to which the mill site is actually put, and could not be adapted for actual mineral production or mining operations. There are no mining operations beyond small scale testing taking place on the site.
- 6) Since no valuable minerals are exposed, the present occupancy is beyond that needed to protect exposed, concentrated or otherwise accessible valuable minerals from theft or loss.
- 7) The occupancy is not needed to protect from theft or loss appropriate, operable equipment which is regularly used and cannot be protected by means other than occupancy. The equipment which is attached to foundations or the ground are secured within a fenced compound. All other items could be removed and stored off-site.
- 8) The occupancy is not needed to protect the public from appropriate, operable equipment which is regularly used, and if left unattended, creates a hazard to public safety.
- 9) The occupancy is not needed to protect the public from surface uses, workings, or improvements which, if left unattended, create a hazard to public safety. The occupancy and storage of inappropriate or inoperable equipment and non-mining related items or junk creates a hazard to the public. Removal of the occupancy, inappropriate or inoperable equipment and non-mining related items and junk would eliminate any perceived need for the occupancy.
- 10) The site is not located in an area so isolated or lacking in physical access as to require the mining claimant, operator or workers to remain on site in order to work a full shift of a usual and customary length. The site is within a short travel distance of the Las Vegas, Nevada metropolitan area and Boulder City, Nevada.
- 11) Having equipment, machinery and other personal property on site that is inoperable or inappropriate for the purposes to which the mill site is actually put, and could not be adapted for actual mineral production or mining operations causes unnecessary and undue degradation of the public lands and resources.
- 12) Lands encumbered by the claim are segregated from the Mining Law. A segregation for land exchange, N-61855, was noted in Bureau of Land Management records on July 23, 1997.

III. Recommendations

Based on the field examinations of January 10, 2000, and February 4, 2000 the Bureau of Land Management should issue a complaint to initiate a contest action on the Becki M mill site claim. The charge used in the contest complaint should state that:

"The Becki M mill site claim, NMC 293456, is not being occupied for uses that are reasonably incident to, or necessary for, prospecting, mining, or processing operations under the mining laws as provided for by 43 CFR 3712.1 and Section 4(a) of the Act of July 23, 1955." The land embraced by the Becki M mill site claim is determined to be mineral land.

IV. Introduction

On January 10, 2000 an examination of the Becki M mill site, NMC 293456, was made by Edward Seum, a geologist from the Las Vegas Field Office. K. Ian Matheson and Eugene Phebus, representing the claimant, were present during the inspection. Joel Mur, Natural Resource Specialist for the BLM, was also present. The claim is located on public land in Clark County, Nevada. The site is occupied by a watchman living in a mobile home.

The purpose of the examination was to determine the validity of the mill site, and to determine if the surface uses are reasonably incident to prospecting, mining, or processing operations within the meaning of 30 USC 612(a) and 43 CFR 3712.1 and 43 CFR 3715 (BLM Manuals 3891 and 3894, 1987).

The purpose of this report is as described above and should not be used for any purposes other than that for which it was prepared.

V. Lands Involved and Physiographic Data

The Becki M mill site claim, NMC 293456, is located southeast of Henderson, Nevada in the Eldorado Valley (see Maps 1 & 2). Physical and legal access is provided by utilizing the road and highway system of Clark County, and the State of Nevada.

To reach the site from Las Vegas, Nevada, take U.S. Highways 93/95 south. After traveling through Railroad Pass take U.S. 95 south toward Searchlight, Nevada. Go approximately a half mile south on U.S. 95 and turn west onto a paved road. Travel approximately seven tenths of a mile and turn south onto the old highway. Travel approximately four tenths of a mile and the mill site is on the west side of the road.

Both the surface and mineral estates are in Federal ownership (see MTP) and under the jurisdiction of the Bureau of Land Management. The following encumbrance is located on the claim:

A segregation for land exchange, N-61855

The segregation for land exchange, N-61855, was noted in Bureau of Land Management records on July 23, 1997. Lands covered by the segregation are removed from entry under the Mining Law. A prior segregation for land exchange, N-58331, covering the same lands expired June 6, 1999.

The legal description of the site is:

Meridian:	Mount Diablo
Township:	23 South
Range:	63 East
Sections:	14, Lot 3
Acres:	5.0

Lot 3 of sec. 14, T. 23 S., R. 63 E., is 20.06 acres in size. The claim is located on 5 acres in roughly the S½ of the S½ of the lot. A cadastral survey would be needed to define the exact location.

Claim History

The Becki M mill site, NMC 293456, was located December 14, 1983 as part of the West-We-Go claim group. The other claims, which are also mill sites, located as part of the West-We-Go group are the West-We-Go, NMC 293653, Miss T, NMC 293654, and Mr. L, NMC 293655 (see Map 2). The claims were located by Arby J. Vincent, Becki M. Vincent, Rick J. Vincent, Virginia Vincent, William F. Vincent, Luther O. Hendrickson, Thomas Abadie Jr. and Thelma I. McKinney in T. 23 S., R. 63 E., sec. 14. The claims have changed hands numerous times. Pilot Plant Inc. is currently the claimant of record for the Becki M mill site, and all required filings to keep the claim current are up to date. The mill site is dependent on unpatented placer claims owned by Pilot Plant Inc. and associated companies. The other three mill site claims are currently owned by Pass Minerals Inc.

On December 29, 1983 a Plan of Operation was submitted by Arby Vincent for the West-We-Go, Mr. L, Miss T and Becki M mill sites. This Plan was serialized as N56-84-06P, and called for the development of the claims as a group. Four mobile homes were to be located on the Becki M. An ore stockpile, machine shop and an equipment storage area were to be located on the Miss T. An ore stockpile was to be placed on the Mr. L. A large metal building, bag house and ore stockpile were to be located on the West-We-Go. In September of 1986 a letter was sent to Vincent inquiring whether he intended to conduct operations, or whether operations had begun as stated in the Plan. The letter came back undelivered and the case file was closed.

A field inspection in October of 1991 found that the Becki M was occupied. None of the proposed development for the other three mill sites had taken place. As a result of that inspection a Notice for operations on the Becki M was submitted by Mr. Vincent on September 30, 1992. Mr. Vincent was listed as the operator and claimant. The Notice was serialized as N54-93-001N. The most recent activities have been tracked under this Notice. Operations on the Becki M were to include a mill building containing a complete reduction and processing plant, a mobile home to serve as an office and living quarters for a watchman, well, septic system and electric service to the buildings. There is no evidence in the case file that a change of operator or claimant has been filed for the Notice.

VI. Environmental Considerations

The area is in the Alunite (Railroad Pass) Mining District (Longwell et. al., 1965). The Alunite District is centered around the northern reach of the McCullough Range in southeastern Clark County. No cultural features associated with past mining are known to be on the site. Reviews of the Notice by a BLM Archaeologist did not identify the potential for prehistoric and historic cultural resources to be near or on the property.

The site is located within desert tortoise habitat. The desert tortoise is listed as a threatened species by the U.S. Fish and Wildlife Service. The site was disturbed in the 1980's prior to listing of the tortoise. Within the area disturbed by this operation tortoise habitat no longer exists. The site is fenced, but not with tortoise proof fencing. No mitigation fees would be required for those lands already disturbed. The operator currently has no take of desert tortoise under the Endangered Species Act.

Operations on the site should not degrade either surface or ground waters of the State. Hazardous materials or substances found during the exam appear to be properly contained. Water is obtained from a well on site. Appropriate permits for the well are in place.

The site is not located in a non-attainment area. Currently no excavating or processing of materials is occurring. Reclamation of the site, by either the operator or claimant, is required by the 43 CFR 3809 Regulations. There are no other environmental considerations associated with this site.

VII. Inspection History

Inspections on this site have been performed by the BLM at various times. A table showing the dates of inspection, inspector and picture numbers (attached to this report) is shown below.

<u>Date Inspected</u>	<u>Inspector</u>	<u>Picture #</u>
10-23-91	Gary Beckman	1-5
10-29-91	Gary Beckman	
05-15-92	Joel Mur	6-17
09-17-92	Joel Mur	
10-14-92	Joel Mur	
11-01-93	Glen Miller	
05-09-94	Glen Miller	18-23
07-04-94	Glen Miller	
01-12-95	Glen Miller	
06-20-95	Glen Miller	24-28
09-07-95	Glen Miller	
06-27-97	Joel Mur	
10-22-97	Joel Mur	
10-30-97	Joel Mur	
12-09-97	Joel Mur	
06-25-98	Joel Mur	29-42
08-19-98	Joel Mur	
10-01-98	Joel Mur	43-46
12-16-98	Joel Mur	47-48
01-10-2000	Edward Seum	49-76
02-04-2000	Edward Seum/Mark Chatterton	

On October 23, 1991 an inspection was made of the above listed claim. Gary Beckman found a fenced mill site with a double house trailer, metal shed, several cars, miscellaneous equipment, numerous drums and other items. The site was reinspected by Beckman on October 29, 1991 at which time he met with Gene Phoebus who worked for Arby Vincent. As a result of these two inspections, a letter was sent to Vincent requiring a Notice to be submitted.

On May 15, 1992 an inspection by Joel Mur found a number of barrels, debris and other items not incidental to mining on the site. He noted that some clean-up had occurred but the site was still messy. An inspection completed by Mur in September of 1992 found numerous unlabeled barrels of concentrates and numerous open containers of chemicals on site. He also noted that a Notice had not yet been received. A October 14, 1992 inspection by Mur found that some clean-up had progressed a great deal. Waste water discharge on the site was noted to be in noncompliance with State requirements.

An inspection on November 1, 1993 by Glen Miller found that the site still required some clean-up and needed to be organized.

An inspection on May 9, 1994 found a backhoe to be parked in the same place as during the previous inspection. The report notes that the trailer met Clark County codes. The report also states that no milling has taken place for 2 years. A subsequent inspection on July 4, 1994 found that the backhoe was still in the same place and was not operable. Some hydrocarbon spills were also noted. No milling was observed.

Miller's inspection of January 12, 1995 found the backhoe still to be on blocks. No activity was noted on the site. The inspection of June 20, 1995 found trash, auto parts and other debris scattered around. A trailer with flat tires and the backhoe on blocks were also there. Miller's inspection of September 7, 1995 noted that there was possibly a new operator (Ian Matheson). Miller discussed the site with Matheson on September 11, 1995 (note to file). Matheson agreed to have the site cleaned up and stated that he was responsible for the site.

An inspection of the site on June 27, 1997 by Mur, Edward Seum and Mark Chatterton found small amounts of materials being processed. Furnaces were set up outside the buildings. There was some question as to whether water discharge was again a problem. As a result of the inspection a letter to Matheson was sent requiring documentation of permits for processing with chemicals. The letter also required that the old Notice be amended or a new one submitted.

Inspections of the site were completed by Mur and others on October 22 and 30, 1997. Inspectors from the State of Nevada, Division of Environmental Protection, told the operator that he was not permitted by the State for any processing beyond lab analysis. Chemicals on the site were stored in contained areas. The site was being used to repair vehicles not related to mining.

During an inspection on December 9, 1997, Joel Mur found that a small barrel, roll mill in the mill building was being operated. Some processed samples were viewed in the lab. A tower concentrator, that was not in use, was viewed in the mill building. Vehicles not related to mining were still under repair on the site.

Mur inspected the site, along with inspectors from the State of Nevada, Division of Environmental Protection, on June 25, 1998. An improper discharge of liquids through a drain out of the mill building was found. Vehicle repair and messiness of the site were also identified as problems. A follow-up inspection by Mur on August 19, 1998 found that the drain had been blocked off to prevent further discharges.

An inspection by Mur on October 1, 1998 did not find any processing being done on site. Another inspection was completed by Mur on December 16, 1998, at the request of the State of Nevada. No processing or other activities were observed during the inspection.

Other than limited testing no mining or milling operations ever occurred during any of the inspections listed above. No maintenance of mining or milling equipment was being done during any of the inspections.

VIII. Geologic Setting

Regional Geology

The site is within part of an enclosed basin known as Eldorado Valley. The Eldorado Valley trends north-south between the McCullough Range on the west and the Eldorado Mountains on the east. The valley is truncated on the northern end by the River Mountains and on the southern end by the Highland Spring Range.

The northern end of the McCullough Range consists chiefly of Tertiary volcanic rocks (see attached geologic map). The eastern edge is a steep escarpment ranging from 2,000 to 3,000 feet in height. The east-facing escarpment reflects a normal fault extending southwest from the vicinity of Railroad Pass for more than 15 miles. According to Hewitt (1956, p. 77), the area may be the western limb of an anticline.

Exposed Bedrock

The mid and southern portions of the McCullough Range is composed mainly of Precambrian gray gneissic granite. The mountain southwest of Railroad Pass is mainly quartz monzonite surrounded by undifferentiated Tertiary volcanics. Rocks in the immediate vicinity of Railroad Pass are mainly andesite and latite. These rocks have been alunitized and silicified.

Valley Fill

The Quaternary valley fill, within Eldorado Valley, is the result of deposition from erosion on the upland areas. The valley is typically underlain with coarse-grained, heterogeneous and fine grained deposits of mineral materials. Heterogeneous deposits are generally found in the central portion of the basin. Fine-grained deposits can be found where the dry lake beds occur. Coarse-grained deposits are typically closer to the source areas and usually in the form of pediment deposits.

Pediment Deposits

This consists of coalescing sequences of alluvial fans and pediments flanking the mountain ranges of the valley. The alluvium is typically angular and poorly sorted. The upland areas serve as sources with lithologies of the deposits similar to the upland areas.

IX. Site Geology

A field examination of the subject lands was conducted on January 10, 2000. The land surface has had areas disturbed by activities conducted by the operator. The rest of the area has a sparse cover of vegetation.

The site is composed of silt, sand and gravel that contains mainly volcanic detritus of Quaternary age. The northern end of the McCullough Range is the present source of the materials. There were no excavations or down cut areas to determine the depth and quality of the materials. However, since the site is on an alluvial fan that is more than a mile from the source it is likely that the materials have some depth to them. Adjacent washes and surrounding desert pavement show that the area is probably made up of mostly coarse grained materials. Mineral materials were also produced from the associated placer mining claim (Mijo #16) located adjacent to the subject lands.

Gornowich Sand and Gravel, Limited Partnership mines sand and gravel from Federal leases located approximately nine tenths of a mile southwest of the mill site (see Map 2). Mining has reached a depth of more than 40 feet at that site. Sand and gravel is also being mined on private lands located approximately six tenths of a mile to the north of the subject lands. The potential for sand and gravel is high.

The adjacent, associated placer claims, Mijo #16 and Mijo #17, were the subject of a validity exam completed November 5, 1999. That exam found that the claims were not valid. Based on the exam a contest was initiated. No samples for locatable minerals were taken. There are no reported occurrences of locatable minerals occurring on the alluvial fans in this area in the literature.

X. Mining History of the Vicinity

The lands occur in the Alunite Mining District which is also known as the Railroad Pass District (Longwell et. al., 1965). Minerals in the form of gold and alunite were first discovered in 1908. Production has occurred sporadically since that time. Mining of the alunite for potash production was tried but proved to be uneconomical. Production figures for the District in 1935 - 36, indicate that at least 1,832 pounds of lead, 937 ounces of gold, and 754 ounces of silver were produced. The value for these minerals, at the time of production, has been placed at \$33,035. All of the production has come from the Quo Vadis property. Recently there has been some minor exploration in the area, but no production is occurring. No known occurrences of locatable minerals have been reported within the valley fill.

The only other minerals produced in the Railroad Pass area have been sand and gravel. The subject lands are not known to be valuable for Mineral Leasing Act minerals.

XI. Mineral in Character Determination

The subject lands are located within the boundary of the Alunite mining district. During the field investigation, locatable minerals, or indications thereof, were not observed nor are there reported occurrences in the literature. Likewise, there is no reason to suspect their existence based on the geology of the area.

The Mineral Leasing Act resources classification maps, prepared by the Division of Mineral Resources, Nevada State Office, Bureau of Land Management, indicate the subject lands are not prospectively valuable for oil and gas and for compounds or brines of sodium and potassium. The lands are not known to be valuable for other Mineral Leasing Act minerals including geothermal steam and associated geothermal resources.

During the field investigation, surficial deposits of saleable minerals were observed on the subject lands. No pits or washes which would expose the subsurface depth of the deposits occur on the subject lands. According to Longwell the area is made up of sand and gravel that contains mainly volcanic detritus of Quaternary age. Adjacent washes and surrounding desert pavement show that the area is probably made up of mostly coarse grained materials. Gornowich Sand and Gravel, Limited Partnership mines sand and gravel from Federal leases located approximately nine tenths of a mile southwest of the mill site (see Map 2). Mining has reached a depth of more than 40 feet at that site. Sand and gravel is also being mined on private lands located approximately six tenths of a mile to the north of the subject lands. Mineral materials were also produced from the associated placer mining claim located adjacent to the subject lands. Based on the literature, this analysis and geologic inference the land is mineral in character for sand and gravel resources.

XII. Analysis of Surface Uses

Mill Site Development

On January 10, 2000 Edward Seum went to the Becki M mill site. Ian K. Matheson and Eugene Phoebus representing the claimant, Pilot Plant Inc., were present during the inspection. Joel Mur, Natural Resource Specialist for the BLM, was also present. The following items are located on the Becki M mill site. A double wide mobile home is used as a watchman's quarters and office (photos 1, 17, 29, 49). A lab building has been attached to the northwest corner of the mobile home (photos 24, 50, 51, 52). A large mill building (photos 1, 3, 10, 53 and others) is on the north side of the site. The mill building has electricity. Sewage is handled by septic tanks but it was not possible to verify this during the inspection. Water is obtained from a well located on the mill site. The interior of the mill building contained a number of bags and barrels of chemicals. The building also houses separator tanks (photo 57) that are fed by an outside hopper (photo 56). Neither the tanks or hopper are used. A small furnace (photo 60), shaker table (photo 58), tower concentrator (photos 59, 60) and various parts and other items (photos 57-61) are also stored in the building.

A cargo trailer is used as storage for tools and an impromptu machine shop (photos 62, 63). A mobile trailer which according to Matheson belongs to the company geologist, is on site (photo 66). An old cable dozer which has been partially stripped is sitting on the southwest corner of the site (photo 64). The dozer has set in the same spot since at least 1991 (photos 2, 14, 20, 27, 39). A number of empty tanks are stored on the site (photos 54, 65, 67, 73). At least some of the tanks were to hold water for processing. A portable screen that was used for bulk sampling on the placer claims is stored on the mill site (photo 68). Several furnaces are lined up but not hooked up for power (photo 69). A small ball mill was sitting on the south side of the mill building. A trommel and bag house which go together in a circuit are not set up (photos 70, 75). A number of other items and a stockpile of mineral materials are on the site (71, 72, 74, 76).

During the field visit, none of the equipment was in operation. The following summarizes Mr. Matheson's oral statements, made to examiner Seum about the site, during the inspection. In addition an affidavit signed by Matheson and received February 2, 2000 is attached to this report.

1. He has been involved with the site since 1990. He has the financial responsibility for maintaining the Becki M.
2. The Becki M is a dependent mill site. It is dependent on the adjacent Mijo #16 and Mijo #17 placer mining claims. It is also dependent on a number of placer claims located south of Searchlight, Nevada that are held by companies associated with Pilot Plant Inc.

3. Between 1990 and 1994 over a 1,000 samples had been processed at the mill site to develop concentration and extraction methods for the "Mijo ore body." A number of pieces of equipment had been fabricated on the mill site by Gene Phebus in order to process the "ore."
4. He has a problem using water from the well because iron in the water interferes with processing the "ore." Phebus had developed an electrolytic cell to take the iron out of the water.
5. He has recently made a deal with CSR to use a 5 acre site in Las Vegas, Nevada. He will be able to use CSR's water for processing.
6. He had spent years trying to figure out how to process the "ore" because of it's complexity. He feels that he now has a handle on how to recover the precious metals.

The following summarizes Gene Phebus's oral statements, made to examiner Seum about the site, after Matheson had left.

1. Phebus stated that testing had been finished by 1993. He still does some small samples for lab analysis. (Phebus showed a number of these samples to Seum and Mur).
2. He had built the tower concentrator sitting in the mill building. It would concentrate 1500 lbs. of ore per hour.
3. Some of the items stored on the site were junk and not needed.
4. There has been no processing beyond small samples on the site. No production has taken place.

Associated Mining Claims

Placer mining claims associated with these mill sites are under ownership by Pilot Plant inc, Pass Minerals Inc., Kiminco Inc, K. Ian Matheson or Arby J. Mining Corp. The claims are located in either Eldorado Valley, in the vicinity of the Becki M mill site, or in Piute Valley south of Searchlight, Nevada. A number of Notices and Plans of Operation have been submitted for these claims. The following table summarizes the current status of the submitted actions.

Serial #	Claimant	Operator	Claim Name	NMC Number	Legal	Date Received	Comments
N54-90-046N	Ian Matheson	Ian Matheson	Silver Mesa #86	566822	T23S,R63E Sec 14	950515	Accepted
N54-95-031P	Pass Minerals Inc	Pass Minerals Inc	Mijo #16	293590	T23S,R63E Sec 14	950814	Approved 960524
N54-96-001P	Kiminco Inc	Kiminco Inc	Mijo #17	293591	T23S,R63E Sec 14	951208	Approved 960528
N53-98-004P	Pass Minerals Inc	Pass Minerals Inc	Rio Raga #302, 303	600836 600837	T29S,R63E, Sec 12	980121	In processing
N53-98-014P	Pilot Plant Inc	Pass Minerals Inc	PV Pink #331	780651	T31S,R64E Sec 33	980401	In processing
N53-98-017P	Pilot Plant Inc	Pass Minerals Inc	Rio Raga #306	715676	T29S,R63E Sec 13	980429	In processing
N53-98-018P	Pilot Plant Yellow Rope	Pilot Plant Yellow Rope	Rio Raga #300	600834	T29S,R63E Sec 12	980721	In processing
N53-98-033P	Kiminco Inc	Ian Matheson	PV Red #13	791234	T29S,R63E Sec 1 SW ¼	980721	In processing
N53-98-035P	Pilot Plant Inc	Ian Matheson	PV Red #11	791232	T29S,R63E Sec 1, NW¼	980721	In processing
N53-98-037P	Pilot Plant Inc	Ian Matheson	PV Red #14	791235	T29S,R63E Sec 1 SE¼	980721	In processing
N53-98-039P	Pass Minerals Inc	Ian Matheson	PV Red #12	791233	T29S,R63E Sec 1 NE¼	980721	In processing
N53-98-040N	Pass Minerals Inc	Ian Matheson	PV Purple #174	791226	T23S,R62E Sec 17 SE¼	980716	In processing
N53-98-041P	Pass Minerals Inc	Ian Matheson	PV Purple #174	791226	T23S,R62E Sec 17 SE¼	980716	In processing
N53-98-044P	Pilot Plant Inc	Ian Matheson	Numerous claims in Piute Valley			980706	In processing
N53-99-029N	Pass Minerals Inc	Ian Matheson	Rio Raga 306	715676	T29S,R63E sec 13 SW ¼	990927	In processing
N53-00-005P	Arby J. Mining Corp	Ian Matheson	Pink 322	806822	T26S,R63E SEC 32	991117	In processing

Currently, the only claim with any development beyond minor sampling is the Mijo #16 placer claim. The Mijo #16 is located west of, and adjacent to, the Becki M mill site. Work that has taken place on the Mijo #16 consisted of excavating mineral material for crushing and blending to create Type 2 road base for sale. Hanson Aggregates was producing and using the Type 2 materials under an agreement with Matheson. Other mineral material was screened to about 1/4 inch and passed over a magnetic separator stored on the claim. The magnetic fraction which supposedly holds precious metal values was to be further processed at a mill in Phoenix, Arizona. The Mijo #16 and Mijo #17,

were the subject of a validity exam completed November 5, 1999. That exam found that the claims were not valid. Based on the exam a contest was initiated.

Surface Use Evaluation

Development of a dependent mill site to process ores for extraction of valuable minerals by a prudent operator will normally take place in conjunction with development of a mine. Prior to outlays for capital improvements to a mill site, the ore samples will undergo numerous physical and chemical tests. The tests will determine the types of equipment and chemicals which might be needed to extract the valuable minerals. Equipment is then brought in to set up in the proper circuits for processing ore. This will take extensive testing to make sure that proper sizing and treatment of the ores will occur. Other facilities such as ponds, leach pads and laboratories are put in place. Many times these facilities are fenced off to reduce hazards to the public. In remote areas, housing for miners and storage of equipment for developing the mine may also require mill site use. These improvements and facilities are likely to remain during temporary shutdowns under the care of a watchman or maintenance crew who reside on the site.

The operations taking place on the Becki M mill site consist of sporadic testing and occupancy by a watchman. Only minor amounts of testing have taken place from 1993, when Jack Carter took over the claim, through 1999. No processing or treatment of ore has taken place.

Materials from the Mijo #16 are not processed on the Becki M. Instead they are concentrated on the Mijo #16 using a magnetic separator and then shipped out of state for further processing. A small cascading tank system is the only processing system on the Becki M mill site. This system would need considerable work to be of any production benefit. None of the other mentioned mining claims, on which the Becki M mill site is dependent, is in production or would otherwise need the use of a mill site to support operations. The other items which might be reasonably incident to a potential operation are more in line with small scale testing. During the field visit no equipment was in operation. Were the mill site claim in a "shutdown" phase awaiting renewed production, all equipment attached to the ground is already stored within a fenced compound. All other items could be removed and stored off-site. No caretaker or watchman would be required to reside at the site. The remaining equipment and personal property is either inoperable or inappropriate and not reasonably incident to prospecting, mining or processing operations. The primary use of the claim is for occupancy. The storage of inoperable or inappropriate equipment and personal property along with the occupancy constitutes unnecessary and undue degradation of the public lands. This site does not meet the occupancy requirements of 43 CFR 3715.2, 3715.2-1, or 3715.5. In addition the site is not being used or occupied for mining, milling, processing or beneficiation within the meaning of 30 USC 612 (a) and 43 CFR 3712.1.

XIII. Bibliography

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Hewett, D.F.; Geology and Ore Deposits of the Goodsprings Quadrangle, Nevada; Professional Paper 162; 1931, Washington D.C.; United States Government Printing Office.

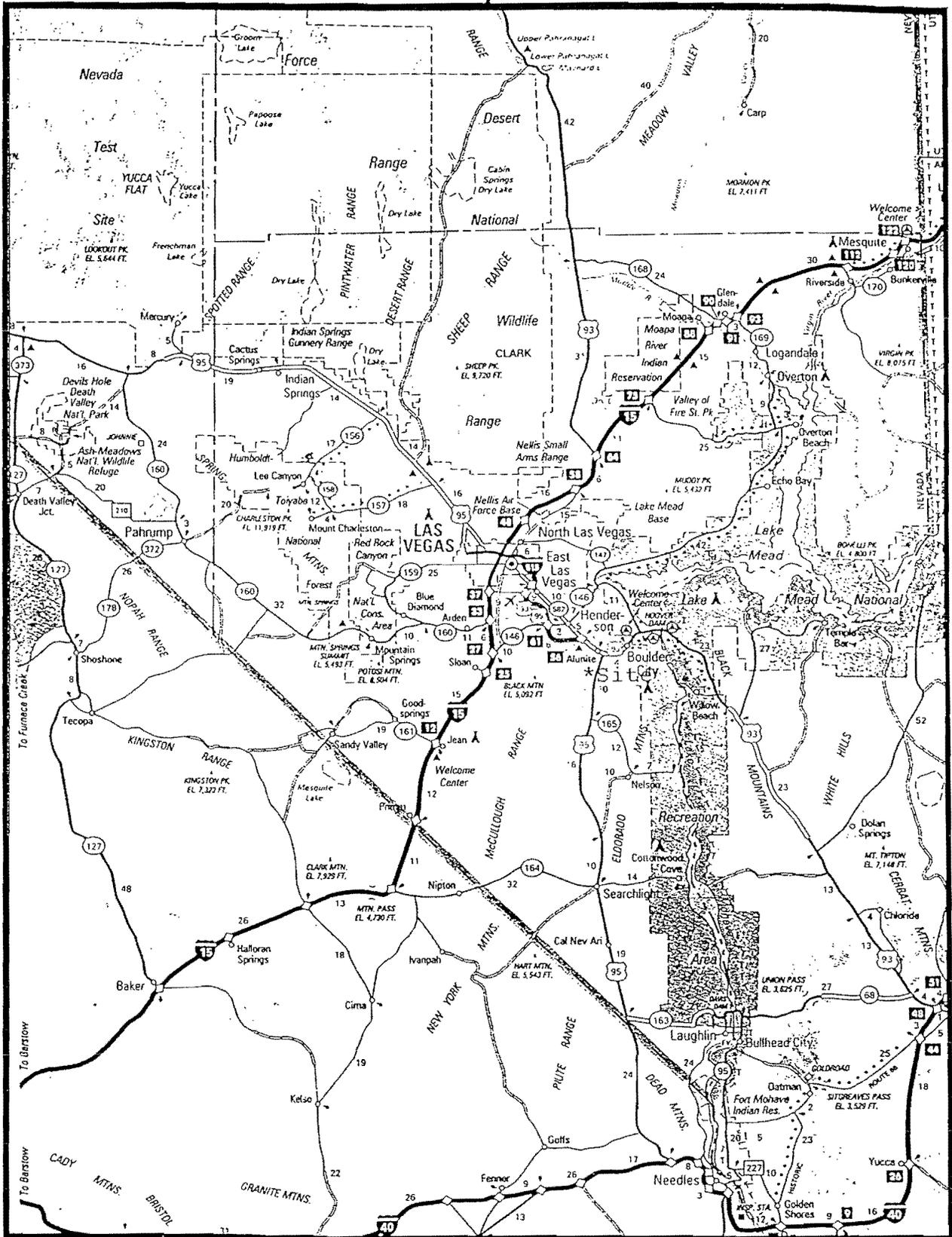
Johnson, Maureen G., Placer Gold Deposits of Nevada; Geological Survey Bulletin 1356; 1973, Washington D.C.; United States Government Printing Office.

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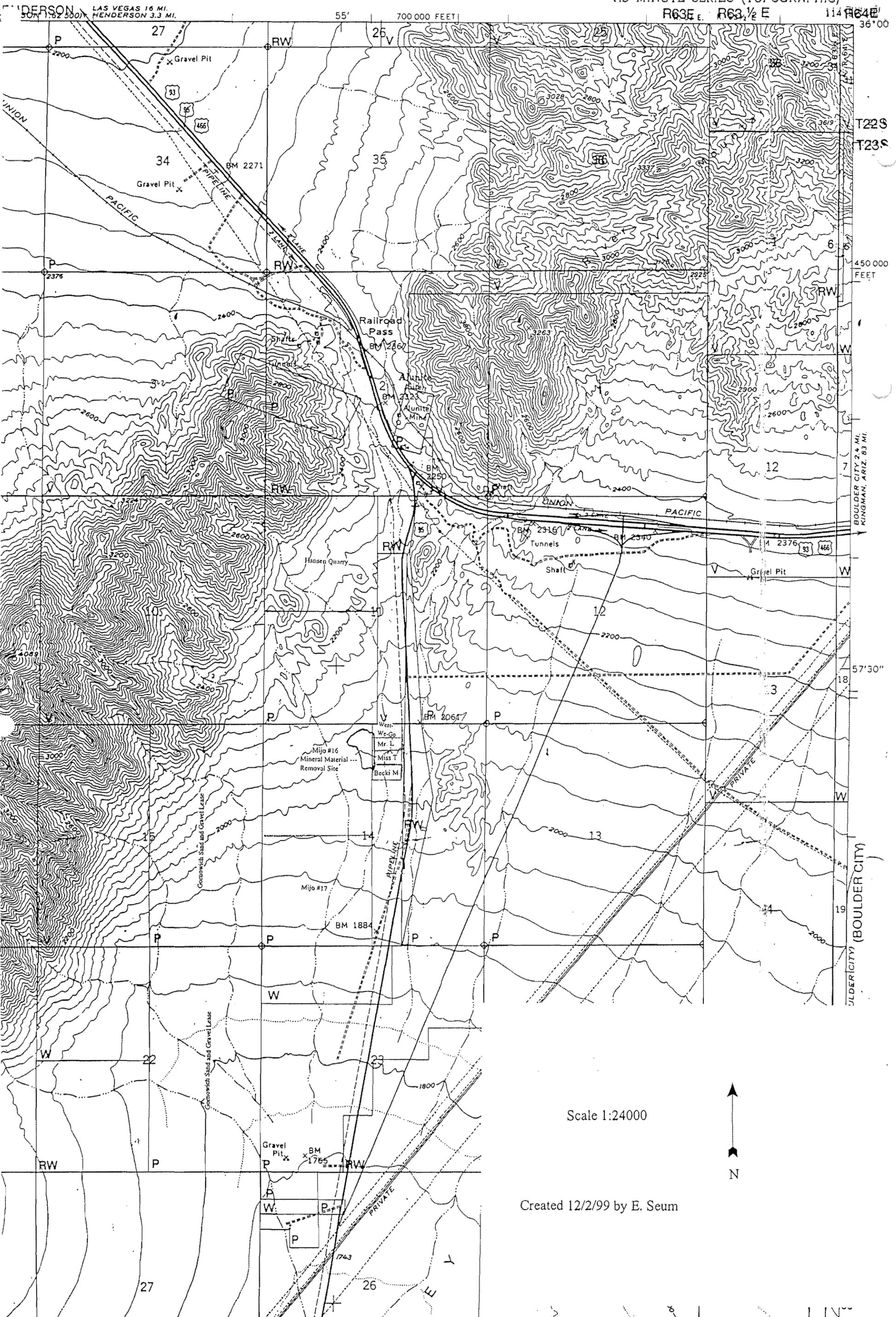
Map 1



11/99 E. Seum 1/2" = 10 miles

MAP 2

BOULDER CITY NW QUADRANGLE
NEVADA-CLARK CO.
7.5 MINUTE SERIES (TOPOGRAPHIC)



HENDERSON LAS VEGAS 16 MI.
HENDERSON 3.3 MI.

55' 700 000 FEET

R63E E. R63 1/2 E 114 064E' 36'00"

T22S
T23S

450 000 FEET

BOULDER CITY 2.4 MI.
KINGMAN, ARIZ. 83 MI.

57'30"

BOULDER CITY (BOULDER CITY)

Scale 1:24000



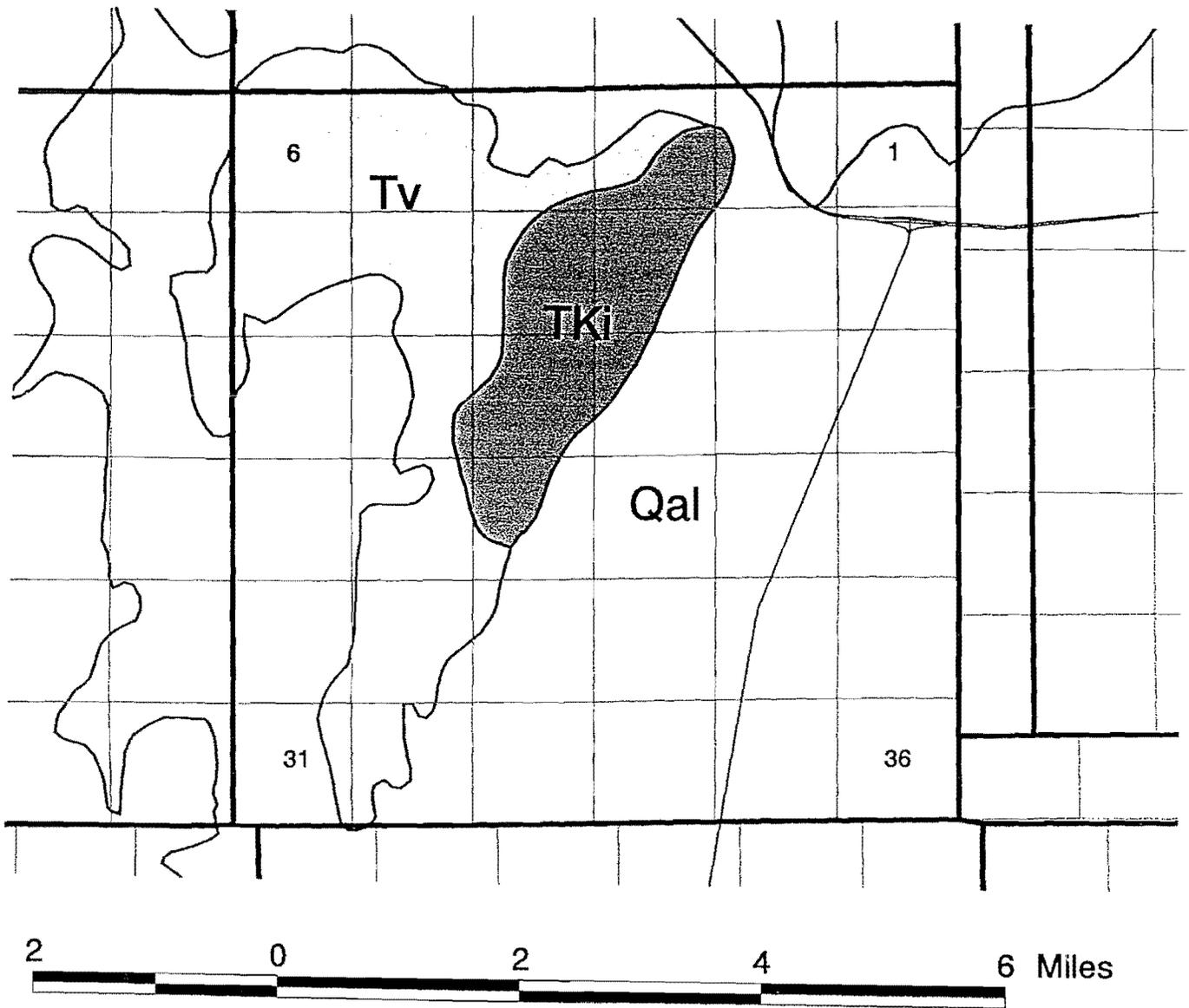
Created 12/2/99 by E. Seum

27

26

114

Railroad Pass Area Geology of T. 23 S., R. 63 E.



Description of Geologic Units

- Qal** Quaternary Alluvium
- Tv** Tertiary volcanic rocks
- TKi** Tertiary Cretaceous Porphyry



Modified from Longwell, C.R., Pampeyan E. H. and Ben Bowyer, 1965,
Geology and Mineral Deposits of Clark County: Nevada Bureau of Mines and Geology
Bulletin 62, Plate 1.

PASS MINERALS INC.

FAX/LETTER

2215 LUCERNE CIRCLE,
HENDERSON, NEVADA 89014
DATE FAXED: JANUARY 2000

Phone 702 451 4981
Fax 702 451 4939

January 09, 2000

TO: MR. BOB ABBEY,
STATE DIRECTOR,
BUREAU OF LAND MANAGEMENT,
RENO, NEVADA

✓ CC: LAS VEGAS DISTRICT OFFICE

ED SEMM

FROM: K. IAN MATHESON

RE: OUR MEETING RENO, NOVEMBER 22, 1999

Further to the above meeting when I showed you the photographs of the Becky M Mill Site with the equipment which has been developed on the site as well as the leaches and concentrating methods I have now put this together in an Affidavit form.

I herewith enclose a copy of the Affidavit.

I trust you will find this in order.

Yours very truly,



K. Ian Matheson,
President

RECEIVED
JAN 10 2000

AFFIDAVIT

BE IT ACKNOWLEDGED, that I, Kenneth Ian Matheson, of 2215 Lucerne Circle, Henderson, Nevada 89014 the undersigned, being of legal age, does hereby depose and say under oath as follows:

That in approximately 1990 I assumed the financial responsibility for maintaining the Becky M. Mill Site - NMC # 293456 at Railroad Pass in Clark County and the water well.

Over the years various corporations have used this facility for Research and Development of the ores of the Eldorado Valley. These corporations include: Micro Placers Inc., Pass Minerals Inc. KIMINCO Inc. and Pilot Plant Inc.

At the time I assumed the financial responsibility for this site an arrangement was made with Eugene Phebus whereby the above corporations would pay the taxes, permits, repairs and maintenance, maintenance of the water well and electricity for the site. Phebus would provide 24 hour Fire Watch and Security. If for any reason Phebus was to be off site he would supply a replacement at his cost to maintain the Fire Watch and Security on the site. Phebus also agreed to provide Research and Development for the Eldorado ore bodies for the corporations. Payment would be at market rates for services provided. Phebus also agreed to develop various equipment for processing Eldorado Valley Ore.

Over the years Phebus has built a testing laboratory on the site.

From the period July 1990 to 1994 Phebus developed a number of concentration and extractive methods for the Mio 16/17 ore. He did over 1,000 tests on the ore body. In 1990 samples of the concentrate developed at the Mill Site were delivered to Union Miniere in Belgium. The refinery found values in the Concentrate of Gold + 9 oz/ton, Palladium + 10 oz/ton and Platinum +4 oz/ton.

From the from 1994 to the present more than 1,000 tests have been conducted on the Mijo ore body.

The following equipment has been developed on the Becky M Mill Site.

1. Electrolytic system to clean the native water.
2. 500 Mesh Concentrating Bowels.
3. Screening Plant c/w Magnetic Separator.
4. Fusion Furnace to collect pyro Thermal vapors.
5. Furnace to convert pregnant solution to metal.
6. Wave tables.
7. Concentrating towers.

Concentrating Methods developed for the Mijo 16/17 ore at the Becky M Mill Site include:

1. Screening concentration
2. Grinding concentration
3. High pressure leach
4. Magnetic concentration
5. Pregnant solution concentration
6. Flotation concentration
7. Micron Tower concentration

Leaches tested on concentrates at the Becky M Mill Site include:

1. Sodium Cyanide
2. Thiorea
3. NNS
4. Aqua Regia
5. Mercury
6. Bromine
7. Chlorine
8. SO₂

Phebus has personally performed over 1,000 assays on leaches from the ore from the Miho 16 and Mijo 17 Mining Claims.



Photo #1 - Taken by G. Beckman 10/23/91. Looking west at the Becki M mill site from the access road.



Photo #2 - Taken by G. Beckman 10/23/91. Looking east at the Becki M mill site from outside the fence. Shows area behind the mobile home.



Photo #3 - Taken by G. Beckman 10/23/91. Looking north at the Becki M mill site from outside the fence. Shows mill building and tanks.

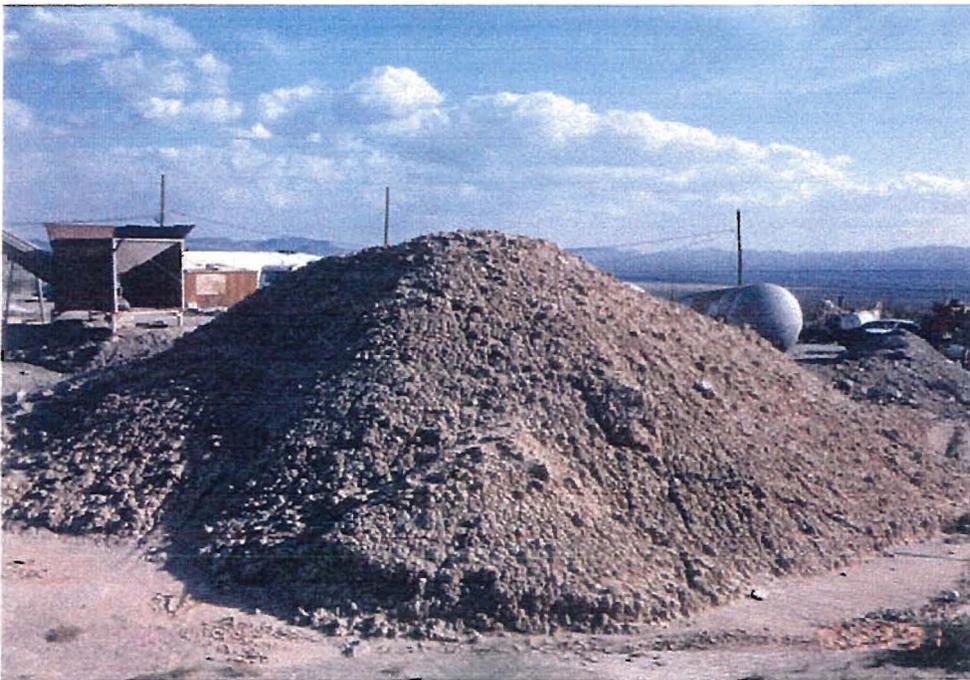


Photo #4 - Taken by G. Beckman 10/23/91. Shows stockpile of mineral material on the Becki M mill site.



Photo #5 - Taken by G. Beckman 10/23/91. Shows small pit with trash on the Becki M mill site.

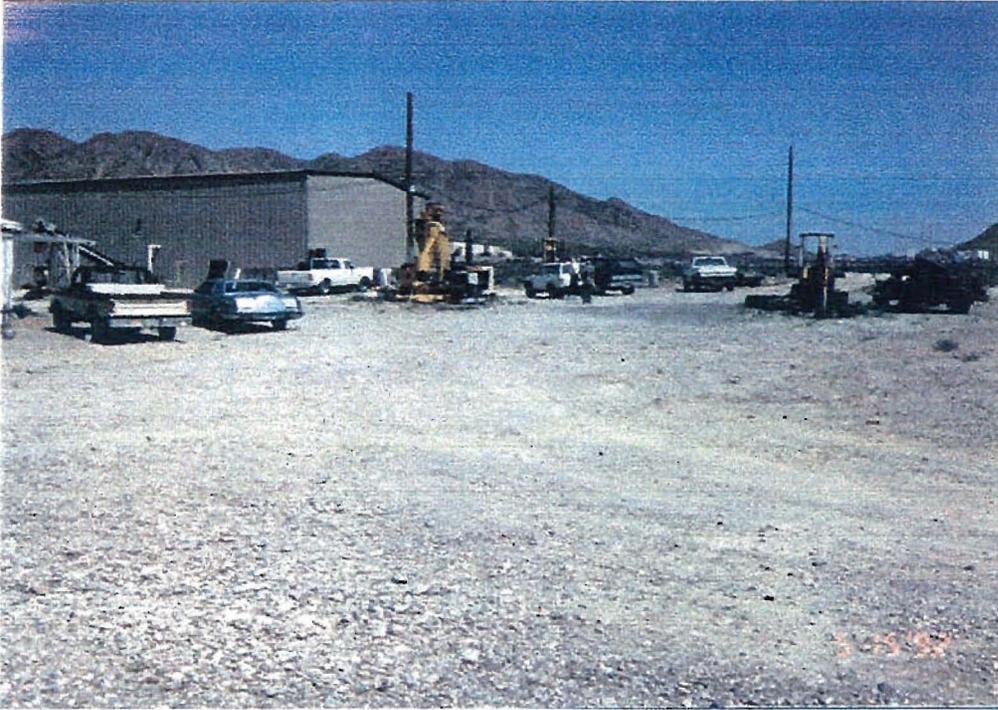


Photo #6 - Taken by J. Mur 5/15/92. Looking northwest at mill building on the Becki M mill site.



Photo #7 - Taken by J. Mur 5/15/92. Looking at chemicals stored on east side of the mill building on the Becki M mill site.



Photo #8 - Taken by J. Mur 5/15/92. Looking along north end of mill building on the Becki M mill site.

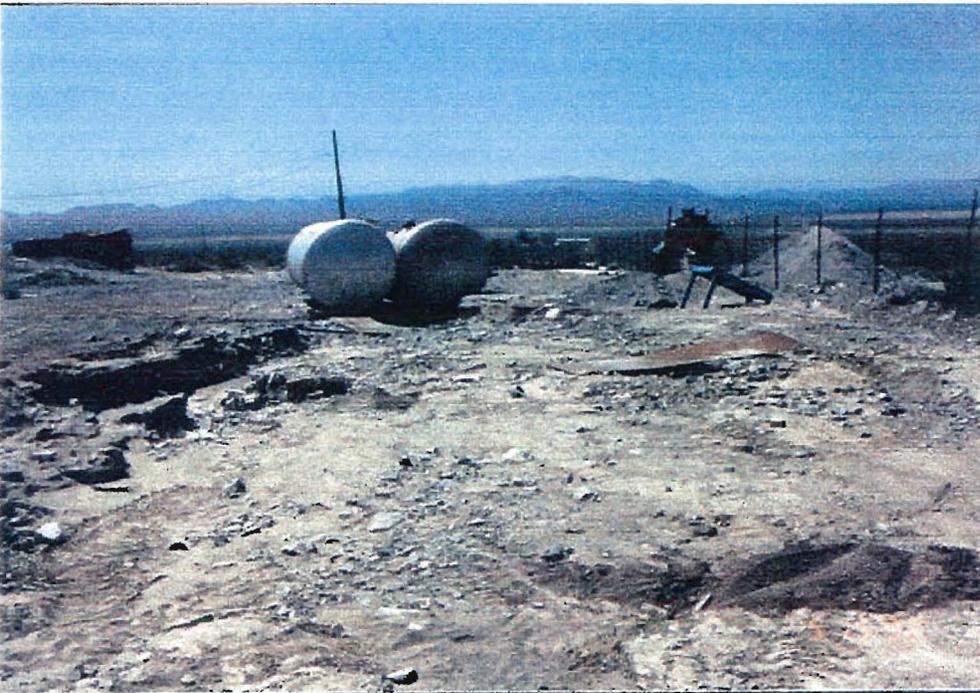


Photo #9 - Taken by J. Mur 5/15/92. Looking south at tanks on the Becki M mill site.



Photo #10 - Taken by J. Mur 5/15/92. Looking east at back of mill building on the Becki M mill site. Hopper/conveyor to right dumps into recovery circuit in building.



Photo #11- Taken by J. Mur 5/15/92. Looking southeast on the Becki M mill site.



Photo #12 - Taken by J. Mur 5/15/92. Looking at south end of mill building on the Becki M mill site. Shows small circuit set up.



Photo #13 - Taken by J. Mur 5/15/92. Looking at furnaces on the Becki M mill site.



Photo #14 - Taken by J. Mur 5/15/92. Looking at old cable dozer in foreground and back of mobile home on the Becki M mill site.

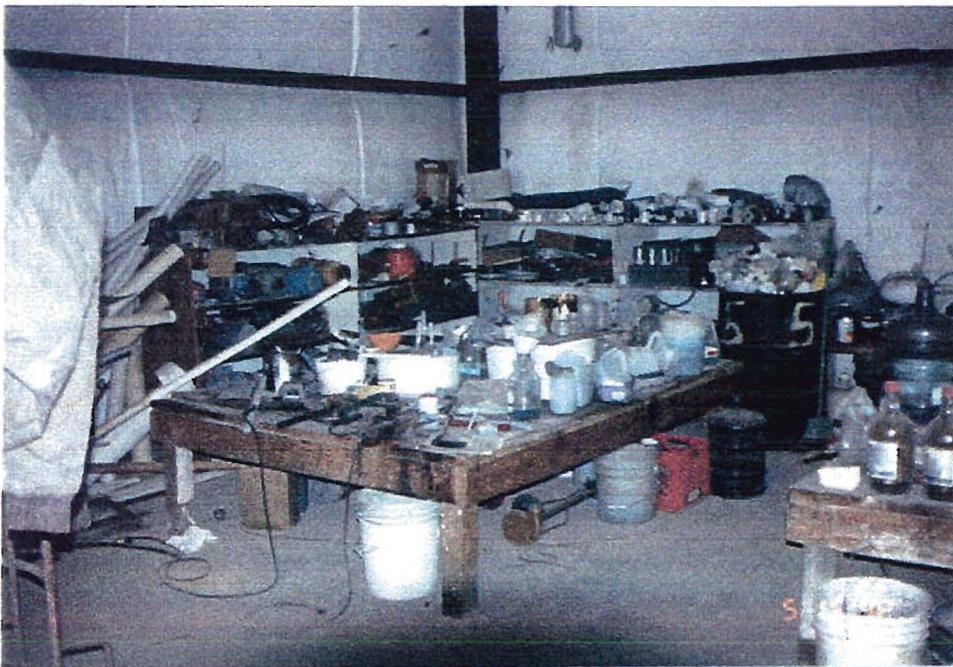


Photo #15 - Taken by J. Mur 5/15/92. Items inside of mill building on the Becki M mill site.

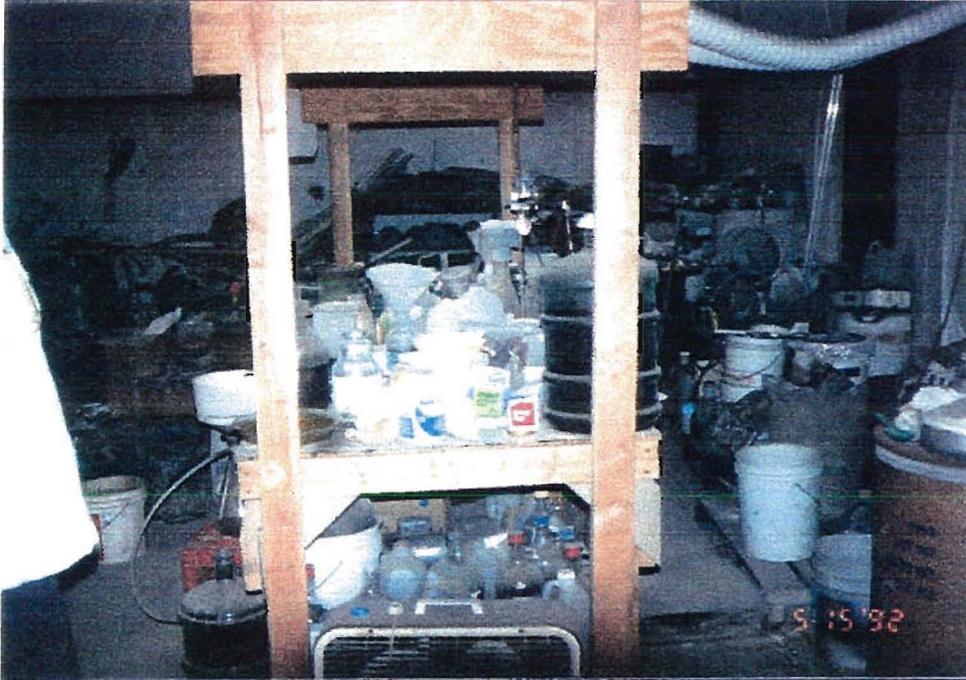


Photo #16 - Taken by J. Mur 5/15/92. Looking at chemicals inside the mill building on the Becki M mill site.

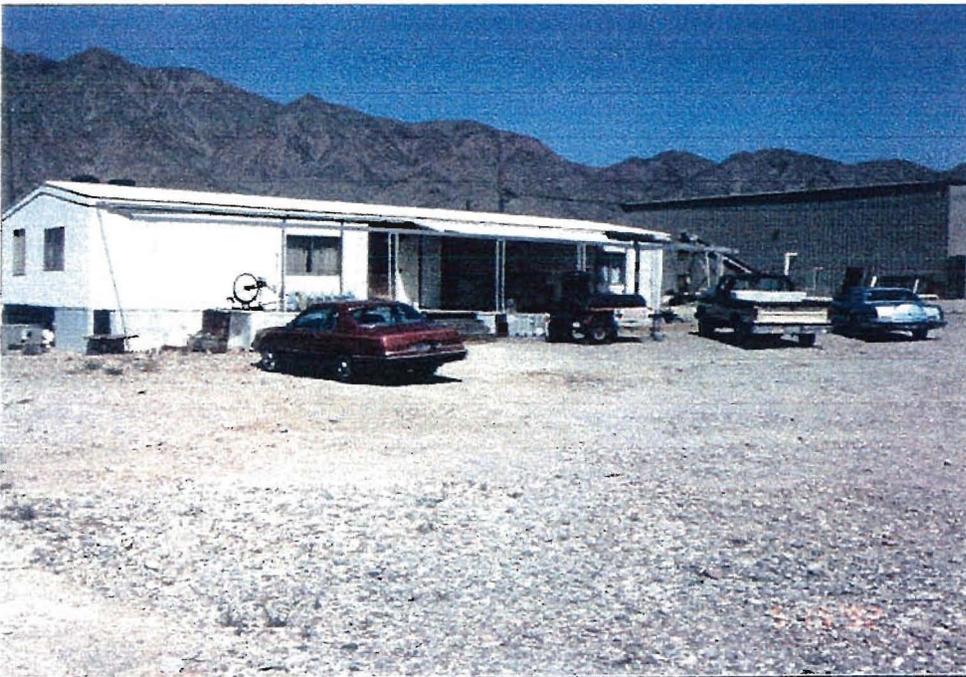


Photo #17 - Taken by J. Mur 5/15/92. Looking at mobile home used as watchman's residence on the Becki M mill site.

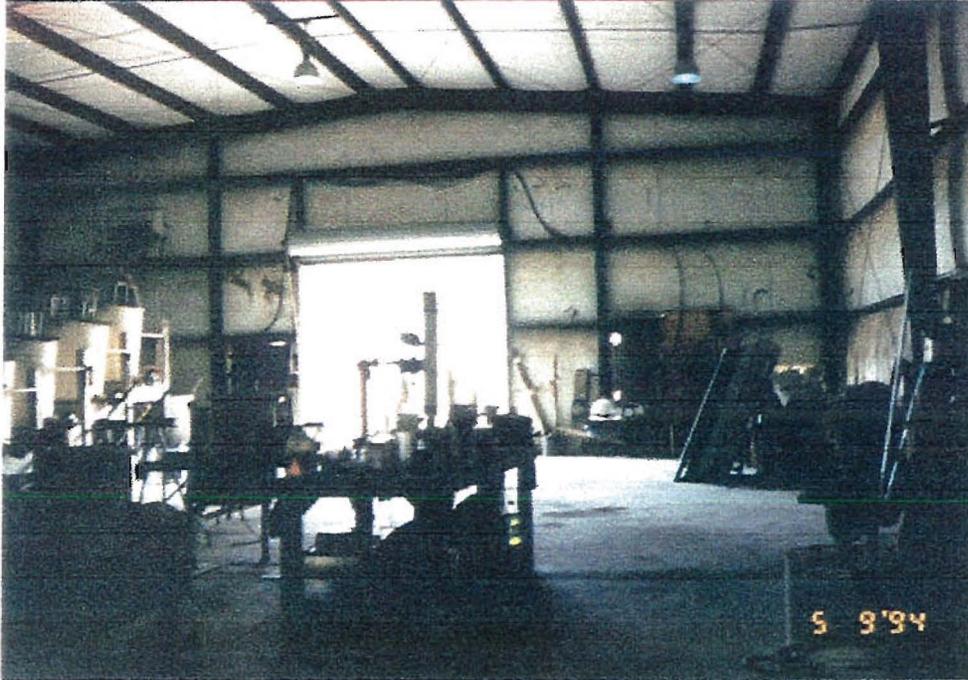


Photo #18 - Taken by G. Miller 5/9/94. Interior of mill building on the Becki M mill site.



Photo #19 - Taken by G. Miller 5/9/94. Backhoe/loader parked on east side of mill building on the Becki M mill site.



Photo #20 - Taken by G. Miller 5/9/94. Old cable dozer on southwest corner of the Becki M mill site.



Photo #21 - Taken by G. Miller 5/9/94. Separator hooked up to a generator on the Becki M mill site.



Photo #22 - Taken by G. Miller 5/9/94. Backhoe/loader parked on the Becki M mill site.



Photo #23 - Taken by G. Miller 5/9/94. Conveyor sitting on the Becki M mill site.



Photo #24 - Taken by G. Miller 6/20/95. Looking at north end of mobile home with attached lab on right, on the Becki M mill site.



Photo #25 - Taken by G. Miller 6/20/95. Loader/backhoe on the Becki M mill site.



Photo #26 - Taken by G. Miller 6/20/95. Shows part of car body, separator and loader/backhoe on the Becki M mill site.



Photo #27 - Taken by G. Miller 6/20/95. Looking at old cable dozer on southwest corner of the Becki M mill site.



Photo #28 - Taken by G. Miller 6/20/95. Trailer parked on the Becki M mill site.



Photo #29 - Taken by J. Mur 6/25/98. Looking northwest. Shows mobile home and mill building on the Becki M mill site.



Photo #30 - Taken by J. Mur 6/25/98. Looking west. Shows trailer and mill building on the Becki M mill site.



Photo #31 - Taken by J. Mur 6/25/98. Looking east. Shows area in back of mill building on the Becki M mill site.



Photo #32 - Taken by J. Mur 6/25/98. Mixing tanks located inside mill building on the Becki M mill site.



Photo #33 - Taken by J. Mur 6/25/98. Items stored inside the mill building on the Becki M mill site.

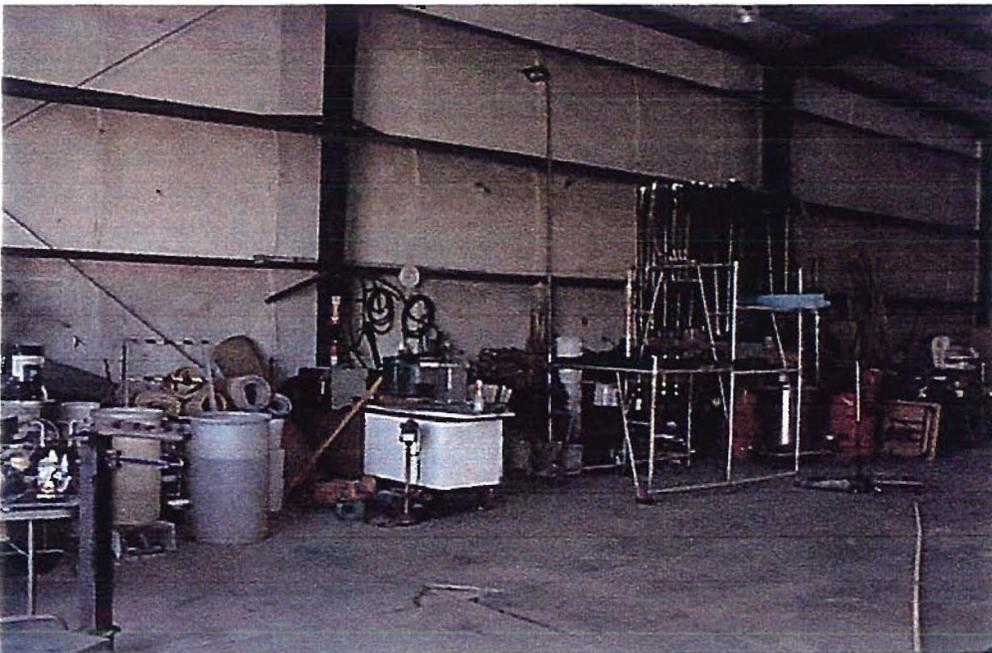


Photo #34 - Taken by J. Mur 6/25/98. Items inside the mill building on the Becki M mill site. Separating column on the right.



Photo #35 - Taken by J. Mur 6/25/98. Items inside the mill building on the Becki M mill site.



Photo #36 - Taken by J. Mur 6/25/98. Items inside the mill building on the Becki M mill site.

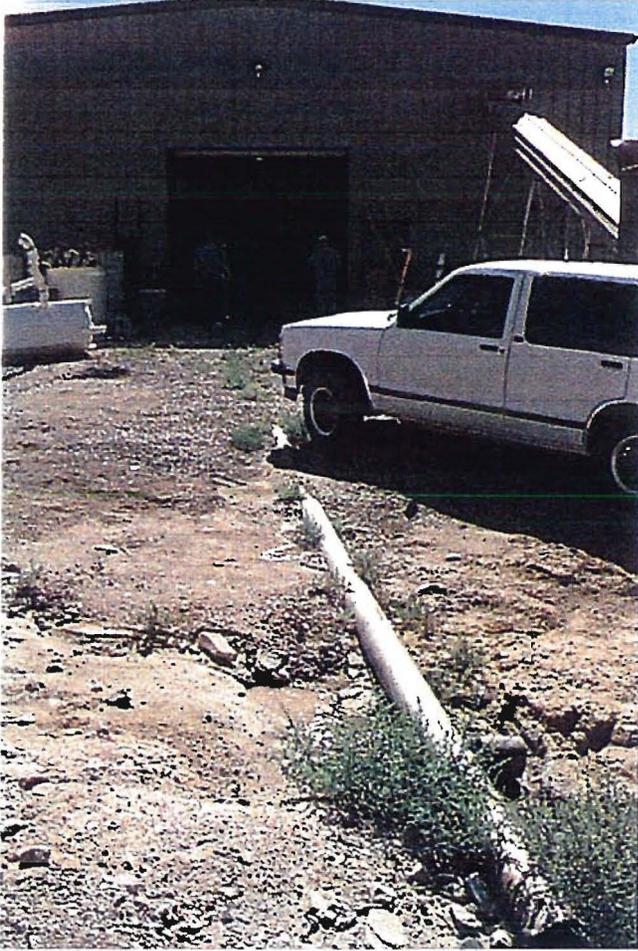


Photo #37 - Taken by J. Mur 6/25/98.
Looking east. Shows drain pipe coming out of
the mill building on the Becki M mill site.

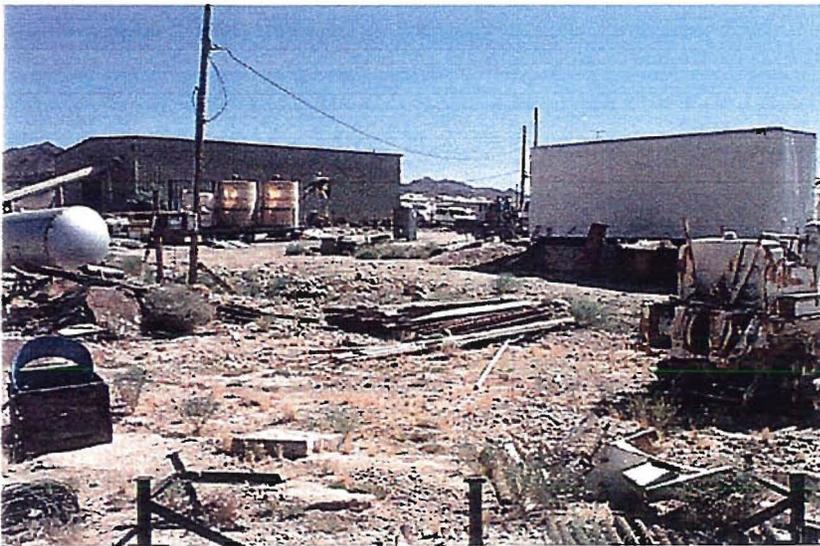


Photo #38 - Taken by J. Mur
6/25/98. Looking northeast.
Shows storage trailer on right
and empty tanks on the Becki
M mill site.



Photo #39 - Taken by J. Mur 6/25/98. Looking east. Shows old dozer on the Becki M mill site.

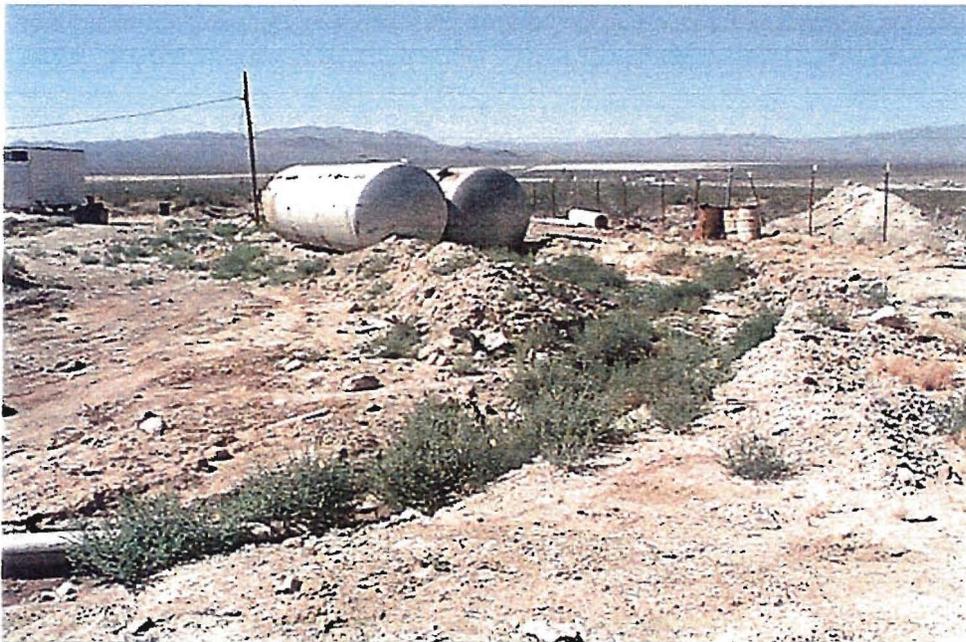


Photo #40 - Taken by J. Mur 6/25/98. Looking south. Shows tanks on west side of the Becki M mill site.

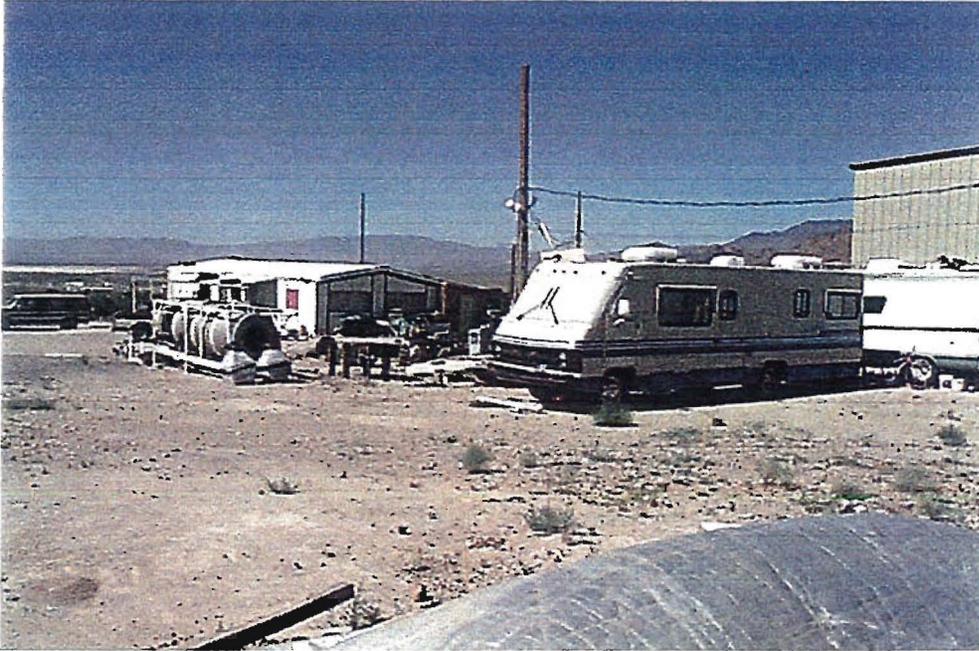


Photo #41 - Taken by J. Mur 6/25/98. Looking southwest. Shows equipment, trailer and mobile home on the Becki M mill site.

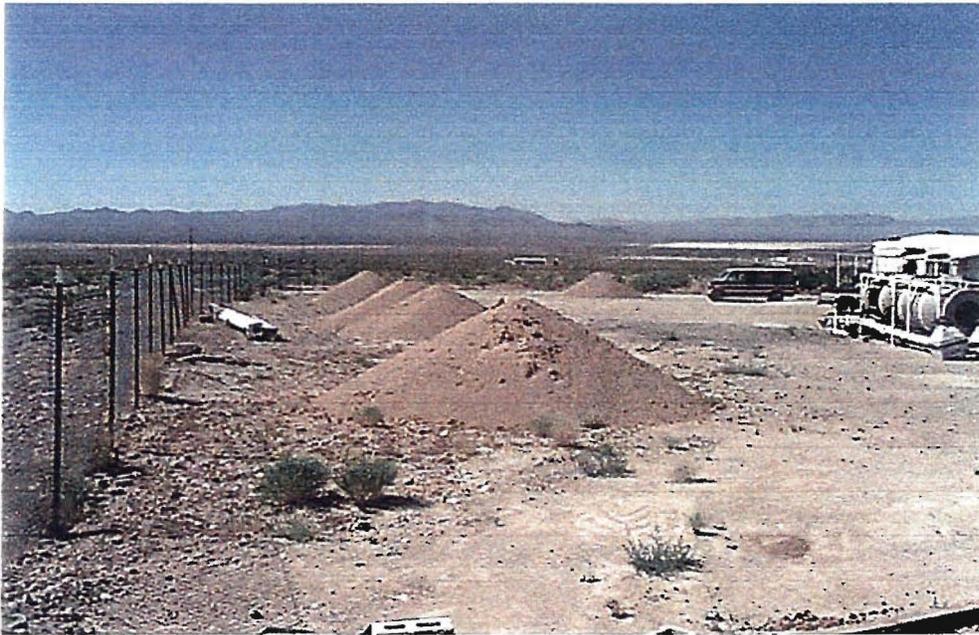


Photo #42 - Taken by J. Mur 6/25/98. Looking south. Shows mineral material stockpiles on the Becki M mill site.

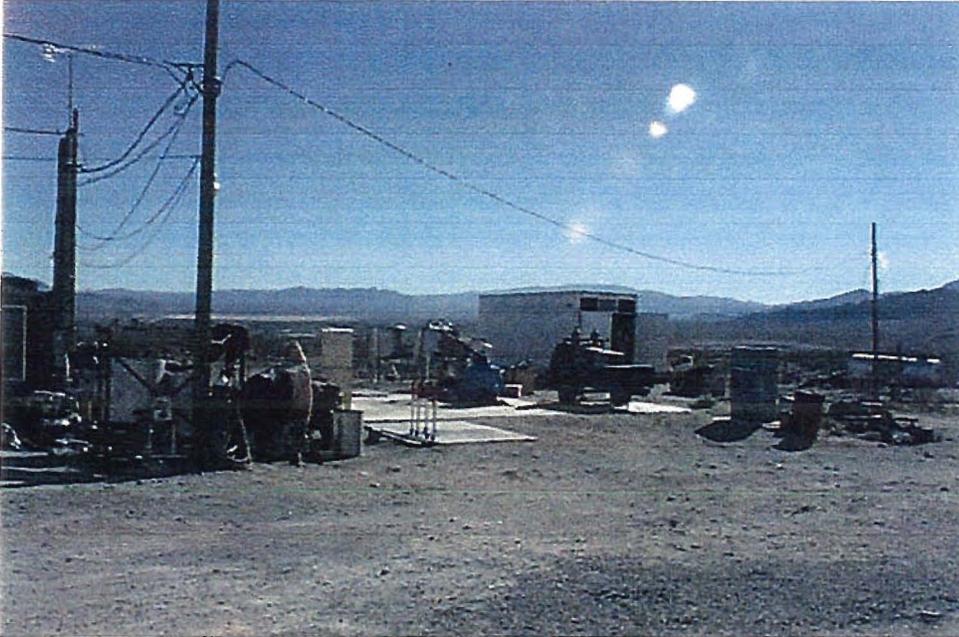


Photo #45 - Taken by J. Mur 10/01/98. Looking south. Shows equipment and storage trailer on the Becki M mill site.



Photo #46 - Taken by J. Mur 10/01/98. Looking west. Shows mining on the Mijo #16 placer claim adjacent to the Becki M mill site.

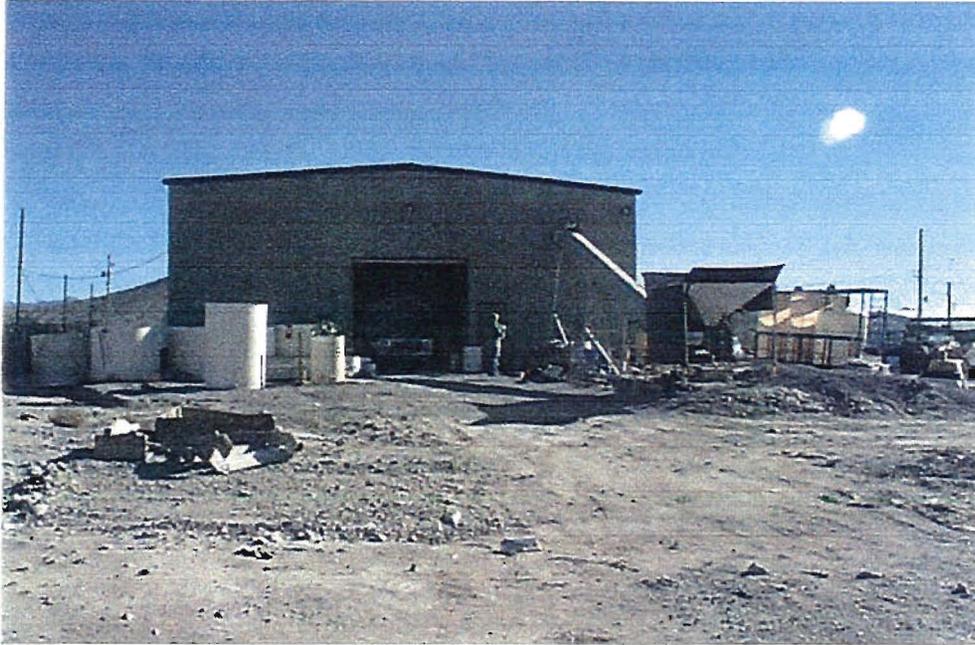


Photo #47 - Taken by J. Mur 12/16/98. Looking east. Shows rear of mill building and equipment on the Becki M mill site.

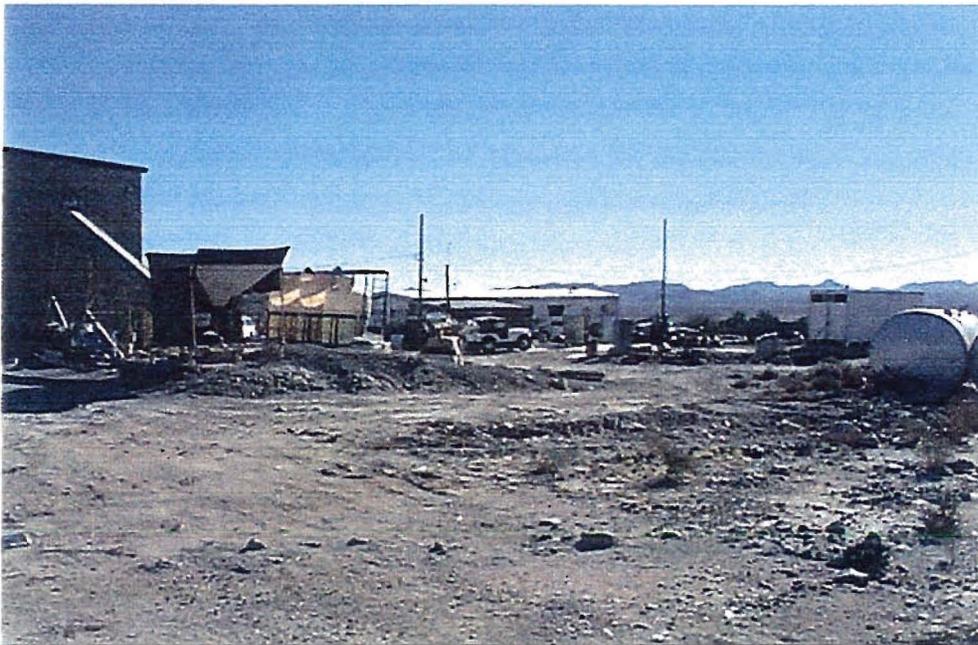


Photo #48 - Taken by J. Mur 12/16/98. Looking southeast. Shows equipment on the Becki M mill site.

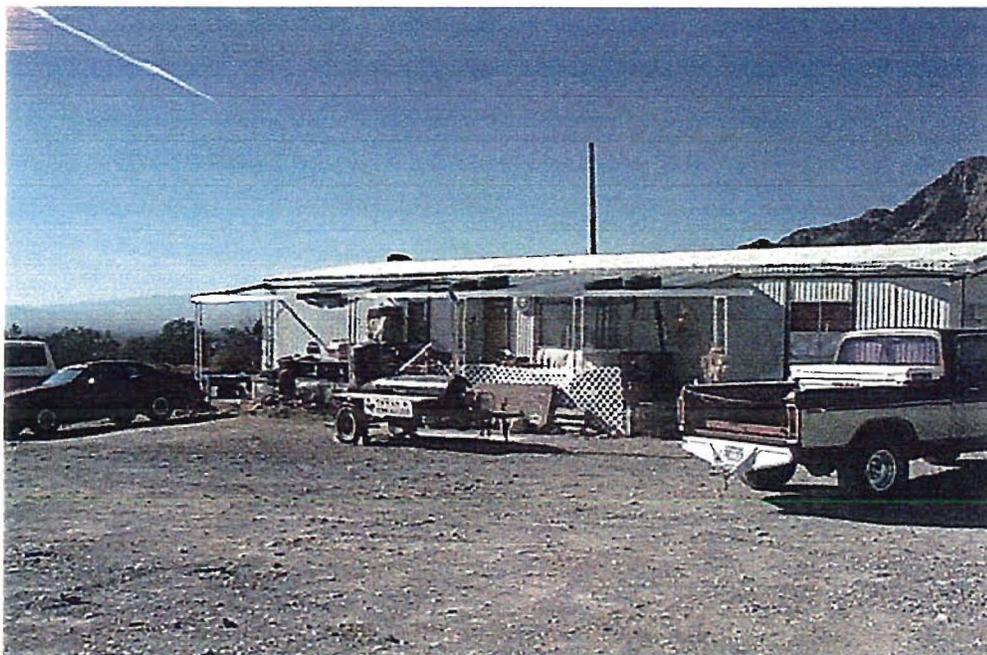


Photo #49 - Taken by E. Seum 1/10/2000. Looking east at the watchman's mobile home on the Becki M mill site. Compare to photos 17, 29.

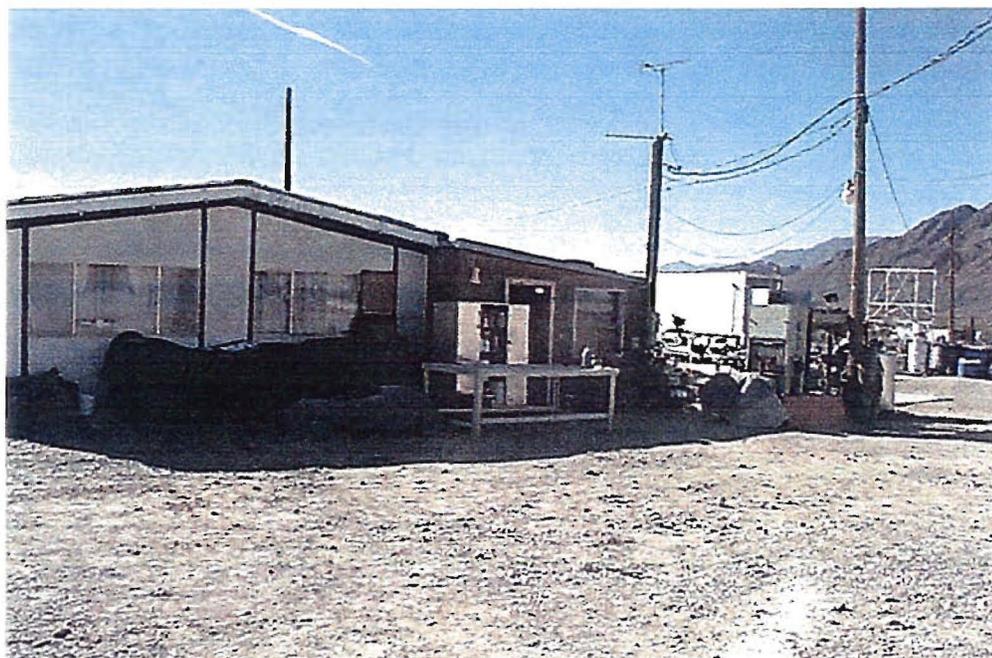


Photo #50 - Taken by E. Seum 1/10/2000. Looking at north end of mobile home. Lab in center with door open.

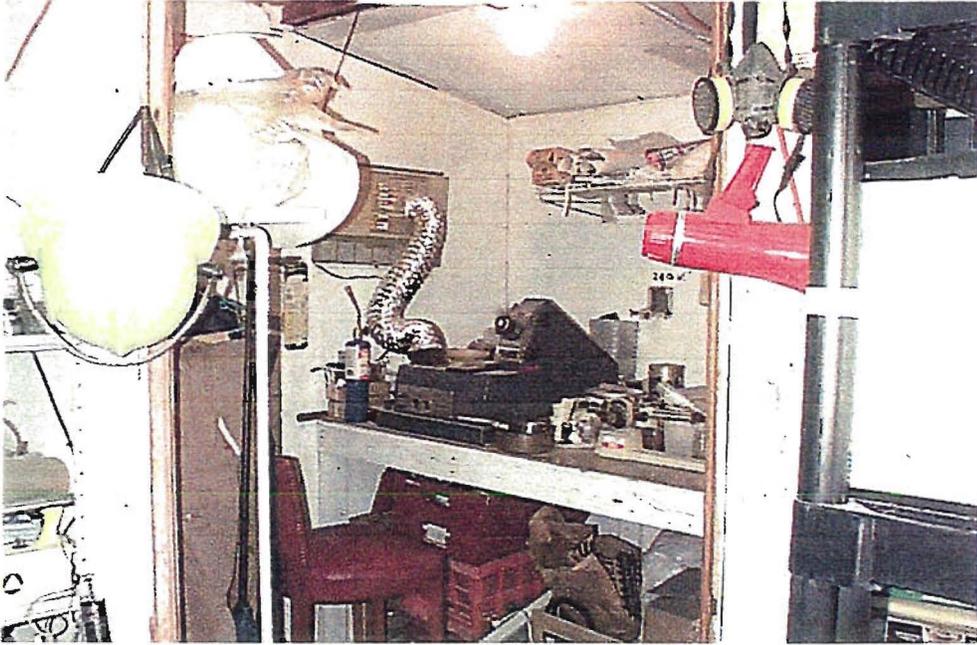


Photo #51 - Taken by E. Seum 1/10/2000. Equipment located in the lab on the Becki M mill site.

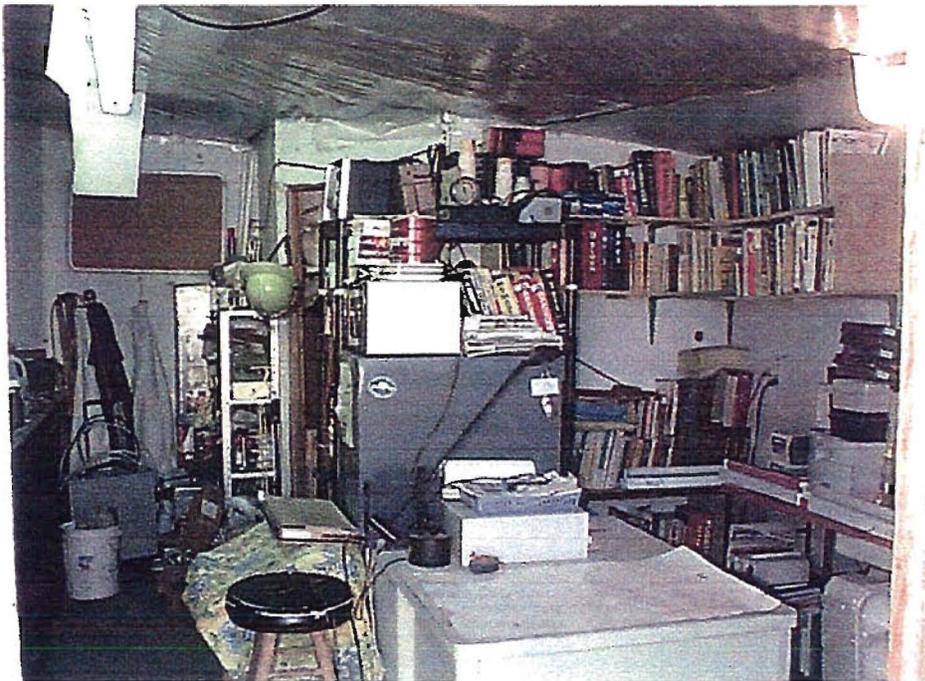


Photo #52 - Taken by E. Seum 1/10/2000. Items located in side lab.



Photo #53 - Taken by E. Seum 1/10/2000. Looking northwest at the mill building on the Becki M mill site.

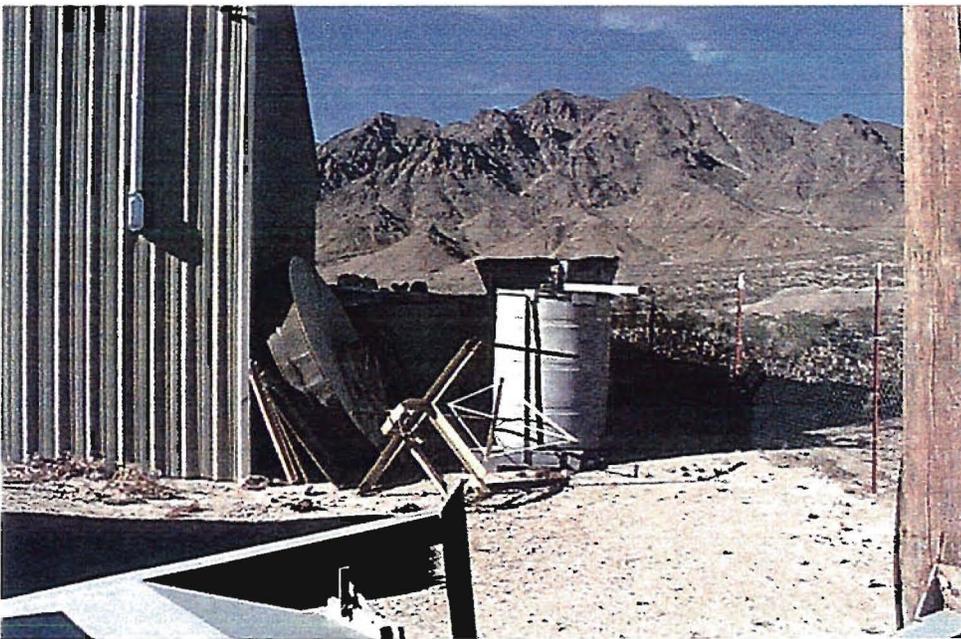


Photo #54 - Taken by E. Seum 1/10/2000. Looking along the north end of the mill building. Shows items accumulating, compare to photos 8, 30.



Photo #55 - Taken by E. Seum 1/10/2000. Looking along the south side of the mill building. Shows small ball mill, not in operation during the exam.

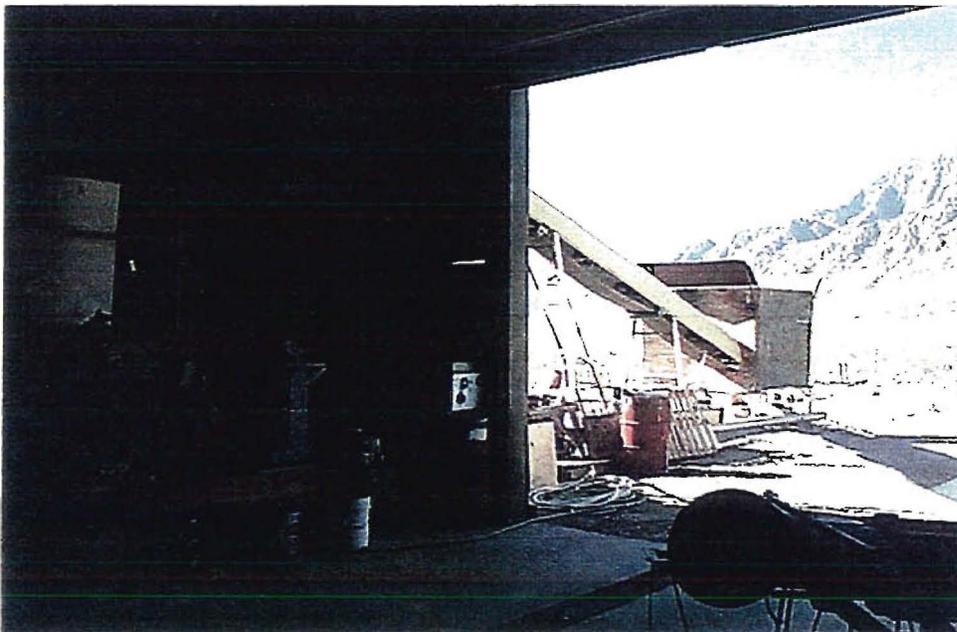


Photo #56 - Taken by E. Seum 1/10/2000. Shows hopper used to feed materials into mill building. Located on west side of building.



Photo #57 - Taken by E. Seum 1/10/2000. Mixing tanks inside mill building fed by hopper in above picture. Not currently used for processing.



Photo #58 - Taken by E. Seum 1/10/2000. Jig table stored inside mill building.

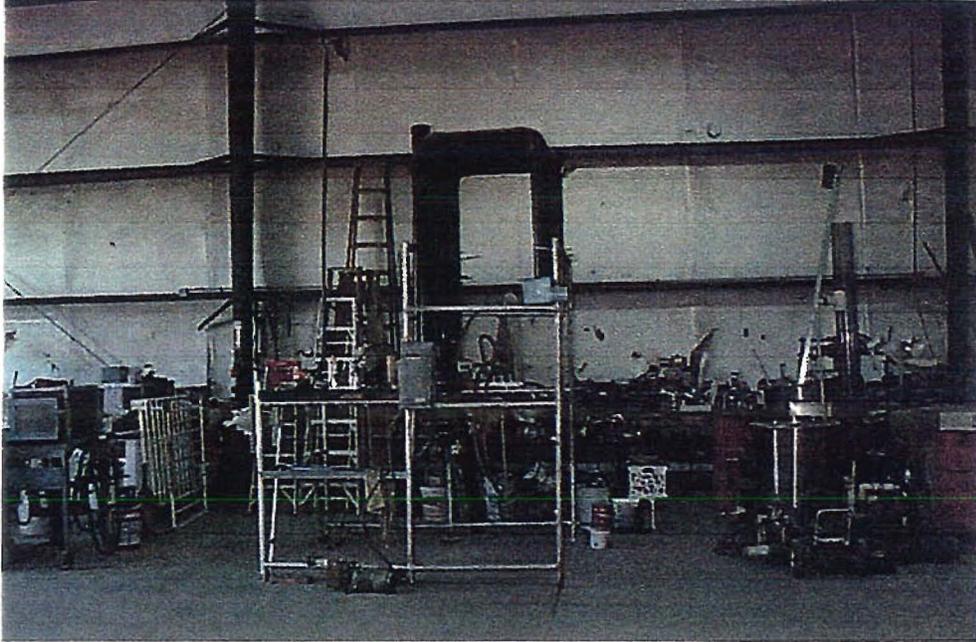


Photo #59 - Taken by E. Seum 1/10/2000. Tower concentrator stored in mill building. Not set up to run.

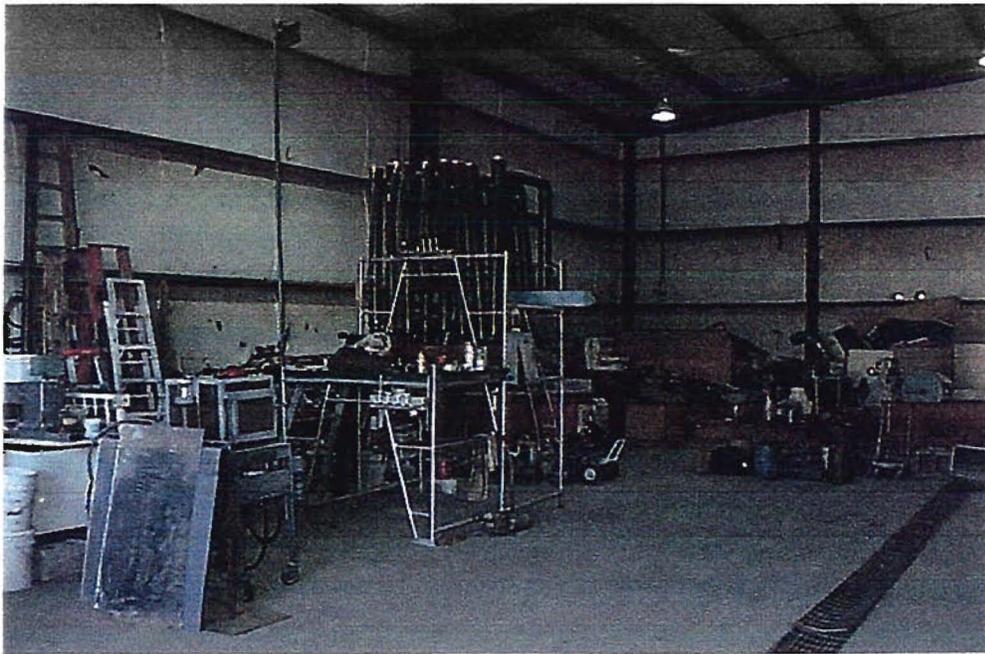


Photo #60 - Taken by E. Seum 1/10/2000. Tower concentrator in above picture from different angle.



Photo #63 - Taken by E. Seum 1/10/2000. Shows interior of trailer in above picture.



Photo #64 - Taken by E. Seum 1/10/2000. Broken down dozer on southwest corner of the Becki M mill site. Compare with photos 14, 20, 27, 39.

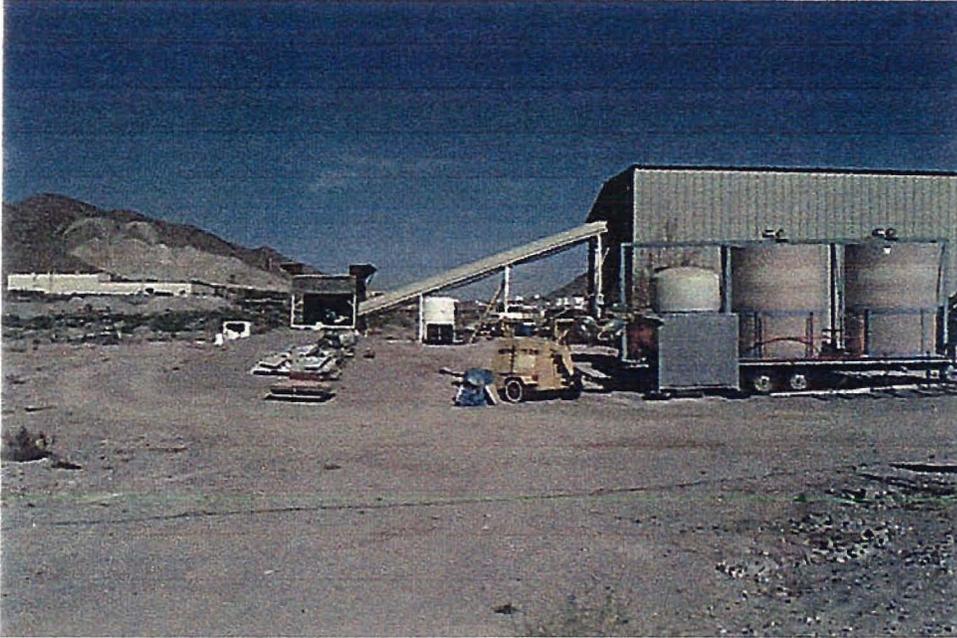


Photo #65 - Taken by E. Seum 1/10/2000. Looking north at rear of mill building. Tanks on right empty.



Photo #66 - Taken by E. Seum 1/10/2000. Trailer parked on east side of building that belongs to company geologist.



Photo #67 - Taken by E. Seum 1/10/2000. Tanks stored on west side of Becki M mill site. Not in use and on site since at least 1991. See photo 3.



Photo #68 - Taken by E. Seum 1/10/2000. Portable screen used on Mijo #16 project and stored on the Becki M mill site. Truck on left belongs to Gene Phebus.

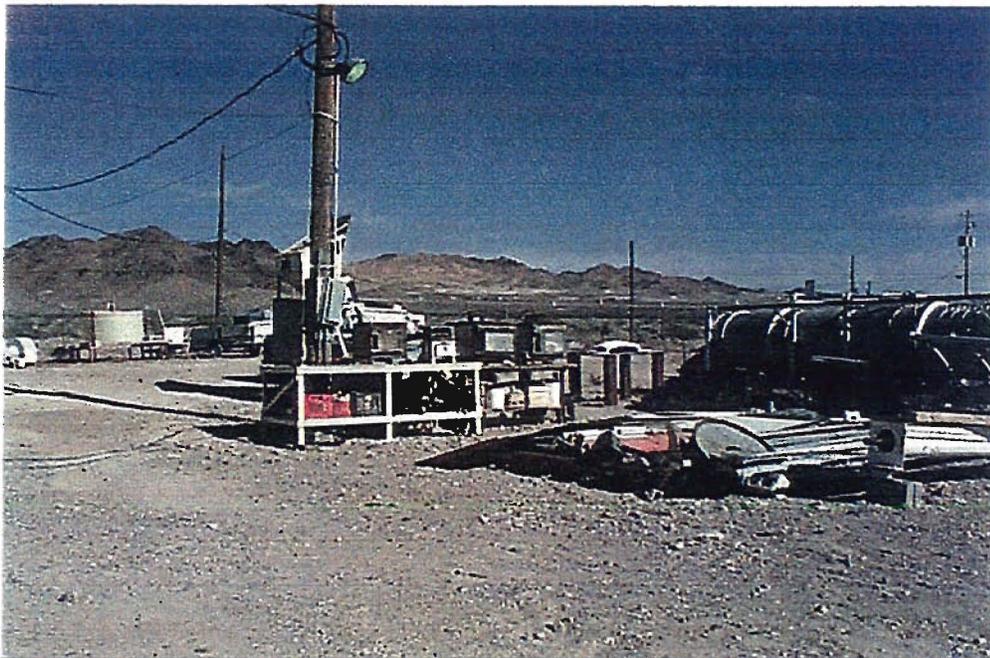


Photo #69 - Taken by E. Seum 1/10/2000. Row of furnaces on northeast side of the Becki M mill site. Not currently hooked up to power.



Photo #70 - Taken by E. Seum 1/10/2000. Trommel sitting on northeast side of the Becki M mill site.



Photo #71 - Taken by E. Seum 1/10/2000. Looking at back of mobile home. Tower concentrator to right of door.



Photo #72 - Taken by E. Seum 1/10/2000. Looking south at miscellaneous equipment on the Becki M mill site.



Photo #73 - Taken by E. Seum 1/10/2000. Looking south at stainless steel tanks, concrete forms and other items on the Becki M mill site.



Photo #74 - Taken by E. Seum 1/10/2000. Shows equipment sitting west of the mobile home. Item at center-left goes with the trommel in photo in photo 68.

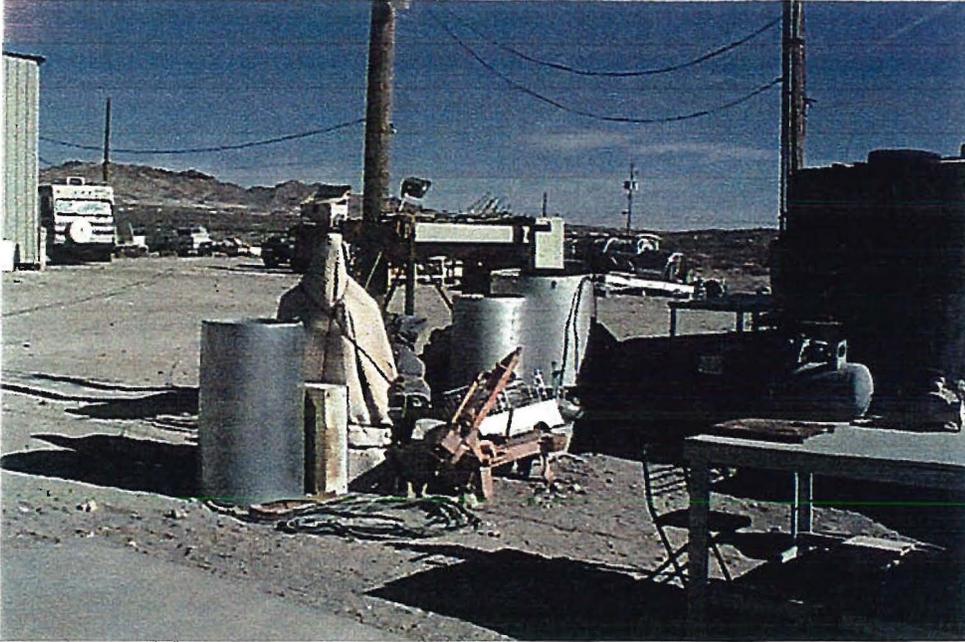


Photo #75 - Taken by E. Seum 1/10/2000. Shows bag house in center of photo. Also goes with trommel in photo 68.

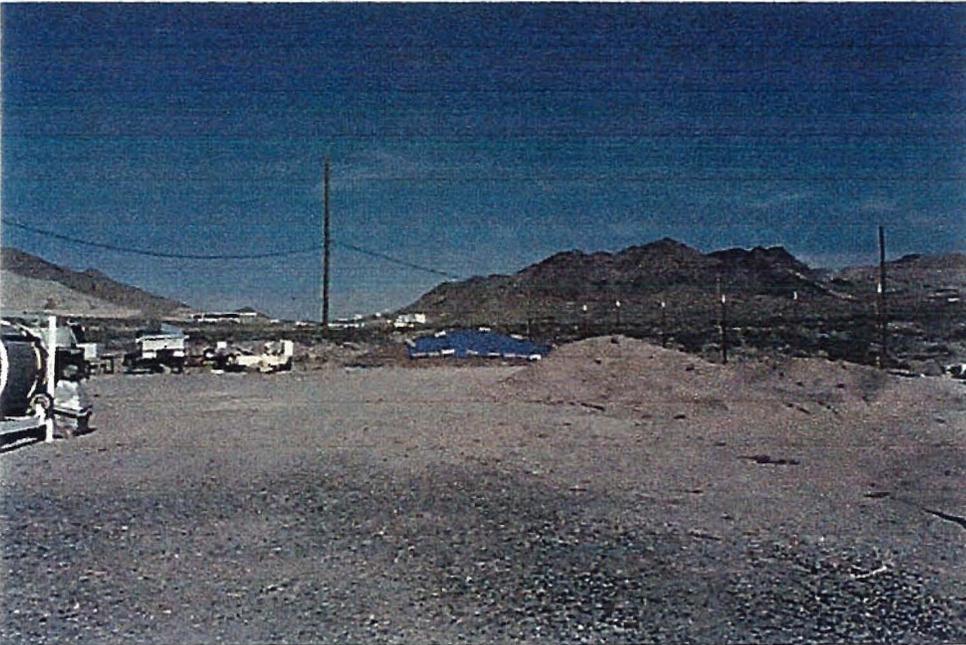


Photo #76 - Taken by E. Seum 1/10/2000. Shows stockpiles of mineral materials from the Mijo #16. Sits on the northeast corner of the Becki M mill site.