

cma/resource
Recovery Systems

June 26, 1981

Mr. Joe Drakatos
B & D Natural Resources, Inc.
P.O. Box 111
Coos Bay, OR 97420

Subject: Recovery Analysis
Test No. T81107

Sample Mark: Pistol River -2
50 Lbs (sample received)
20 Lbs (sample tested)

The subject material was pluverized to approximately 150 (-) mesh size and leached for four (4) hours. Based on the test data developed the following projected recovery was achieved:

Gold (Au) @ 0.22 oz. per ton
Silver (Ag) @ 0.01 oz. per ton

Please remember the results achieved are based on the sample processed. The sample may or may not be representative of your material.

If you have questions, please contact me at your convenience.

Sincerely yours,



F. Bart Walsh

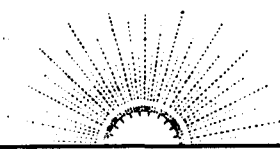
FBW:d

Western Office

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Central/BOULDER COLORADO

Eastern/THOMPSON GEORGIA



Sunshine Mining Company

P. O. BOX 1080 PHONE: Area Code 208 783-1211

Kellogg, Idaho

83837

January 31, 1984

Mr. Fritz Saust
806 Southeast Pine Street
Roseburg, Oregon 97470

Dear Fritz:

I am sorry it took so long to send this, but I had to remind Wayne to write up the test we made in his lab on December 7, 1983 so that we both could have a copy.

I am including my sample data along with assay results of samples collected by me.

All the data is very negative for gold and silver, therefore, we assume there is no precious metal values of economic importance on your property or surrounding properties.

Sincerely yours,

SUNSHINE MINING COMPANY

George W. Sintay
Senior Exploration Geologist

/g

Silver Valley Laboratories

P.O. BOX 926 — 308 NORTH TAYLOR
OSBURN, IDAHO 83849
Phone (208) 556-1593

January 25, 1984

George Sintay
Sunshine Mining Company
P.O. Box 1080
Kellogg, Idaho 83837

Re: Au Leach Tests (Fritz Saust)

Dear George,

The following is a brief summary of the Gold Ore Leach testing done at the Silver Valley Labs on December 7, 1983 for Sunshine Mining Co. and Mr. Fritz Saust from Roseburg, Oregon.

The equipment and "chemistry" was provided by Mr. Saust. The equipment consisted of a home made stirrer in a five gallon plastic bucket. It was satisfactory to do the job required. The "chemistry" consisted of a proprietary solution of Cyanide and Ammonia. The exact formula and components are unknown to us.

The "chemistry" was diluted 1:4 with Deionized water and 30% Hydrogen Peroxide was added at a rate of 1 ml for each 1000 ml of diluted solution. This was the instructions given by Mr. Saust.

Your samples numbered 11971 to 11975 inclusive were composited equally by weight. Also, your samples numbered 11979, 11991, 11992, 11993 were composited and tested as a Control.

A 5000g split and a 250g split of the first composite and a 250g split of the second composite were each mixed with the diluted "chemistry" one to one weight to volume. The large sample was agitated with their equipment and the small splits were agitated with magnetic lab stirrers. Samples were taken every 30 minutes for two hours and then one per hour for three hours.

After all tests were completed the samples were analyzed for gold and silver on an IL Video 22 AA using SH background correction. No gold or silver was detected in any of the sample solutions. Detection limits are <.1 ppm gold and silver in solutions.

The conclusion of all of this is that the "chemistry" is ineffective in extracting gold or silver from the ore provided. It is also noted that prior assaying of the samples used to make up the first composite failed to detect any gold in the ore. However, the samples used to make up the second composite had minor amounts of gold present.

Yours truly,


Wayne R. Sorensen

WRS/cb

MEMORANDUM

November 28, 1983

To: Gary L. Ojala
From: George W. Sintay
Re: Pistol River Claims

SUMMARY

The Pistol River claims are staked over the old mine called West's Mine, a gold mine worked on in the 1930's and 1940's. A small shaft was excavated in a silicified zone carrying low grade gold values. In 1980, the present owners trenched the area in the vicinity of the shaft with several trenches. These trenches were sampled and the samples analysed, indicating high gold values. Apparently, several chemists have attempted to extract gold from different samples with various degrees of success or failure.

In 1982, Gold Dome Natural resources, Inc. tried to go the limited partners route, but failed.

The author sampled the property, and after using four extraction methods through the Silver Valley Lab has failed to extract any meaningful gold values. There is no gold ore on the property.

SCOPE OF REPORT

- The reason for investigating the Pistol River claims was to determine the potential it had as a precious metals deposit for gold.
- The field portion of the investigation took only one day while the analytical portion took several days.
- The author has sole responsibility of the report.
- Maps will be a part of the report.

LOCATION AND ACCESS

The property lies on the crest of a long north-south trending ridge in the west half of the northwest quarter of Section 31, Township 37 South, Range 13 West, in Curry County, Oregon. To gain access from Gold Beach, Oregon, travel south 1 and 1/2 miles to the Hunter Creek turnoff, then east along Hunter Creek for 4 and 1/2 miles to the end of the pavement, turn south on the Little South Fork road and follow for 8 miles to the top of the ridge. The mine is located approximately 1 mile north on the ridge road. On the USGS, fifteen minute series, topographical map, this mine is noted as West's Mine.

The claims are on top of a long ridge that has very little relief in a north/south direction but has steeply incised valleys on the east and west slopes. Along the ridge, the Pacific Ocean is easily visible to the west seven miles airline from many points on the claims 2000 to 2300 foot elevation. Because of the claims proximity to the Pacific Ocean, the climatic conditions are moist and temperate with 60 to 80 inches annual rainfall.

PROPERTY

Four unpatented placer mining claims called Ocean View, Peg Leg, Gerard, and Gerard #2 were staked in 1980. In 1981, the same four claims were staked as unpatented lode mining claims. Each claim comprises twenty acres, more or less, all being adjacent comprise a block of eighty acres located on the west half of the northwest corner of Section 31, Township 37 South, Range 13 West. The land occupied by the claims is Bureau of Land Management administrated, United States Government property.

Each registered owner of the four claims is a different person and each owner owns both placer and lode mineral rights to his claim. They are as listed below:

Ocean View - Frosina G. Drakatos
Peg Leg - Edward R. Sherwood
Gerard - Joseph M. Drakatos
Gerard #2 - Anna Drakatos

The company, Gold Dome Natural Resources, Inc. controls the lode and placer mineral rights and is the beneficial owner of the four unpatented placer mining claims and four unpatented lode mining claims.

There are no facilities or equipment on the property. With the exception of one shallow inclined shaft and a few dozer trenches, the property is a raw prospect.

HISTORY AND PRODUCTION

Historically known as the West's Mine, and local heresay relates that in the 1930's and 1940's two individuals worked the mine at various times sinking a shaft some thirty feet or more. Work below this level is unknown because of flooded conditions. In later years, this property became part of the Red Flats property under the ownership of the Red flats Nickel Corporation. Dennis Winn, president of Red Flats Nickel Corporation, indicated to the author that a few years ago he let Edward R. Sherwood, co-owner of the Gold Dome Natural Resources, Inc., have the west half of th northwest corner of section 31. Red Flats Nickel Corporations owns unpatented mining claims north and east of the Pistol River claims.

In 1981, Gold Dome Natural Resources, Inc. dug several trenches in the vicinity of the old shaft with heavy equipment. In 1982, Gold Dome Natural Resources, Inc. hired Sawyer Consultants, Inc. to make a geological evaluation of the Pistol River property. Mr. Sawyer himself made the evaluation, sampling the trenches and other areas.

PRICE AND TERMS

Sunshine Mining Company is to submit an offer. Last year Gold Dome Natural resources tried to go the limited partnership route but failed.

GEOLOGIC SETTING

The Pistol river claims are at the southwest edge of a large area of nickeliferous laterite. These laterites rest on weathered ultrabasic bedrock, peridotite and serpentine. The ultrabasic rocks are part of the Josephine peridotite intrusive that makes up a large portion of the rock mass in Southern Oregon and northern California. The laterite is only present when peridotite and serpentine are directly below and in many cases such as on the Pistol River claims it occupies space over the peridotite and serpentine as a thin veneer of red soil.

The ultrabasic rocks have intruded up through the Colebrooke schist and other older rocks. Both the schist and ultrabasic rocks are now part of a thrust plate lying over the younger Dothan and Otter Point Formation. There are some questions in some instances, as to the sequence of events that took place to allow the older Colebrooke schist and ultrabasic rocks to be thrust over the younger Dothan and Otter Point Formation. Generally accepted, is that through a complex system of faulting, older rocks in overlying plates have been displaced in a west to northwesterly direction in relation to the younger underlying rocks in plates that have been displaced in a east to southeasterly direction.

LOCAL GEOLOGY

In the vicinity of the old shaft and dozer cuts, the rocks are serpentinites and are covered with a thin veneer of laterite soil about one foot deep. In and near the shaft, the serpentinites have been altered by silicification with the introduction of quartz stringers and blebs. The silicified rocks are much harder than the ordinary serpentinites. Iron red stain is present, caused from the oxidation of pyrite in the silicified rocks.

On the northern part of the claims, rocks visible in an old road cut that has been eroded by a stream of water are mostly serpentinites with the exception of a thin layer of tuff about three foot thick, lying in contact with the serpentine and just below a thin layer of soil.

SAMPLING AND ANALYSIS

Because of the various results of different chemist in the past analysis of samples from this property, the author selected five, 50 pound and three, 10 pound samples to be tested by four different analytical methods to make sure if there was any gold in the rocks, one of these methods would surely extract the gold. All samples from the property were given the standard fire assay and all were assayed by chemical extraction, then fired and results run through the atomic absorption process. All samples were amalgamated and two samples were given cyanide leach tests for gold extraction. None of the above methods were successful in extracting ore grade gold from the samples analyzed, in fact, very little gold was found to be present in the samples. (see assay data sheets)

EXPLORATION POSSIBILITIES

None.

RECOMMENDATIONS

No further work be done unless the following:

If they, Gold Dome Natural Resources, Inc., want Sunshine Mining Company to use their extraction system they must tell Sunshine what it is so that Sunshine's chemist can duplicate Gold Dome's results in recovering gold or duplicate Silver Valley Lab results and find no gold.

RECAPITULATION

Eight samples were cut on this property, five 50 pound samples and three 10 pound samples, for analysis. These samples were analysed using four different methods. All methods gave negative results.

MEMORANDUM



P. O. Box 1080 KELLOGG, IDAHO 83837
December 13, 1983

To: Gary L. Ojala
From: George Sintay
Re: Pistol River Claims C.M.A. Analytical Test

On December 7, 1983, Mr. Fritz Saust of Roseburg, Oregon met at the Silver Valley Lab with the owner, Wayne Sorenson, and the author. The discussion resulting from this meeting outlined a program to test the rock samples, collected by the author in a prior visit to the Pistol River claims, by the C.M.A. leach method.

The test procedure decided upon was simply to composite samples 11971-11975, grind the samples to minus 100 mesh and leach with the C.M.A. solutions provided by Mr. Saust. Two samples were prepared for testing, one to be run through apparatus provided by Mr. Saust and the other to be bench tested by Mr. Sorenson. Test results and comments by Mr. Sorenson are herein included.

The test substantiated previous analytical methods used, that there is no gold of economic significance on the Pistol River claims, and that special analytical methods are not necessary to test the gold content in the serpentinites and peridotites of the Pistol River claims or surrounding properties. One thing is not known and that is, does the C.M.A. leach extraction method work?

George W. Sintay

/g