TABLE of CONTENTS

	Page
INTRODUCTION	1
PROPERTY, LOCATION and ACCESSIBILITY	1
FACILITIES	2
HISTORY, DEVELOPMENT and PRODUCTION	2
DISTRICT MINING-DEVELOPMENT ACTIVITY	2
GENERAL GEOLOGY	3
LOCAL GEOLOGY	3
MINERALIZATION	4
ORE RESERVES - PROPERTY POTENTIAL	4
EXPLORATION REQUIREMENTS - COSTS	5

INCLUDED MAPS

Map No. 1 - INDEX MAP of SOUTH CENTRAL, ARIZONA
Map No. 2 - CLAIM MAP, Morgan Copper Property
Map No. 3 - SURFACE MAP - Drill Hole Sites - Geology
Map No. 4 - SUPERIMPOSED GEOPHYSICAL ANOMALIES
Map No. 5 - ASSAY AND GEOLOGIC MAP - Upper Adit.
Map No. 6 - ASSAY AND GEOLOGIC MAP - Upper Adit - Mineralized Blocks
Map No. 7 - PROJECTION MAP - Exploration Drill Holes.
COMPOSITE DIAMOND DRILL LOG M-1
COMPOSITE DIAMOND DRILL LOG M-2
COMPOSITE DIAMOND DRILL LOG M-3

INTRODUCTION:

The following exploration report on the Morgan group of claims, Globe-Miami area, Gila County, Arizona has been prepared by the writer for Matador Development Ltd., Vancouver, B. C., Canada. The property was visited and re-examined on June 20, 1974.

The basis and preparation of this report includes the writers personal supervision of limited exploration of the property in early 1957 - then known as the Madera property, - on a re-examination and assessment of exploration completed by E + E Management Corp. in mid year 1970, as well as a review of all factual date in the writers files and those of E + E Management and on the writers general and detailed geologic knowledge of the Globe-Miami mining area.

PROPERTY, LOCATION & ACCESSIBILITY:

The Morgan property, formerly known as the Madera property, now consists of 61 full or partial standard lode mining claims held by right of location. (See Map No. 2). These include the following:

Claim Names	Recorded Locations Docket	Page
Morgan #1	258	520
Morgan #2 Amended	268	70
Morgan #3 Amended	268	71
Morgan #4 Amended	268	72
Morgan #5 through #15	268	73 - 83
Morgan #16 through #27	273	226 - 237
Morgan #28 through #30	273	276 - 278
Morgan #31 through #37	273	430 - 436
Morgan #38 and #39	274	277 - 278
Morgan #41 through #62	274	279 - 300

The claims are in unsurveyed territory but by projection would be in T. 1 S., R. 14½ E., G. & S. R., B. & M., Gila County, Arizona, covering both Madera and Morgan Peaks in the Pinal Mountains in the National Forest and approximately 5 airline miles south-southwest of Miami, Arizona, a town on U. S. Highway 60, approximately 95 miles east of Phoenix, Arizona.

Present access to the property is from Miami. Using the popular Copper Hills Motel-Coffee shop on U. S. Highway 60 in the town of Miami as the starting point, complete the following travel, total 16.7 miles.

1 - Eastward towards Globe 0.4 miles on U. S. Highway 60 to traffic light or signal, - turn right.
2 - Travel southward 6.5 miles (1.7 miles of pavement and then 4.8 miles gravel road) to "Y". (Junction of Forest Roads 55 and 651). Four tenths of a miles south of the traffic light a "Y" [illegible]ohburs in the city streets -- take the right arm leading up the canyon to the south.

3 - At junction of Forest Roads 55 and 651 - turn right onto No. 651 (Pinal Peak road) and travel 5.5 miles to a second junction being that of Forest Roads 651 and 580.

4 - Turn right onto No. 580 (Madera Peak road) and travel northward for 4.3 miles. At this point the mine access road - junctions from the left. This junction is located near the northeast corner of Morgan #18 claim. (See Map No. 2).

Travel to the above junction (Forest Road 580 - Mine access road) is possible using an automobile. Non-use of the mine roads the past two years or so prevents automobile travel but would not prevent travel by 4-wheel drive vehicles. Repair of the roads would render same usable to automobile tral over most of these roads.

FACILITIES:

No gas, electricity or water are available at or near the property. It would be necessary to haul water for drilling. Water may be available in Pinto Creek - perhaps a 3 to 4 mile haul, or, in Russel Canyon south of Miami - perhaps a 12 to 14 mile haul.

HISTORY, DEVELOPMENT and PRODUCTION:

Prior to year 1957, development of the property consisted of the lower Adit (±20 feet in length), the upper Adit (520 feet long) with two winzes, 30 and 48 feet deep, some short cross-cuts and a surface churn drill hole by Miami Copper Co., Miami, Arizona. No doubt, several old timers advanced the upper Adit in stages at various time.

The owners in 1957 were Mr. and Mrs. Ellis and perhaps after the death of Mr. Ellis, Mrs. Ellis allowed the claims to lapse. In early 1969 the claims were re-staked and named the Morgan property. Shortly thereafter, E + E Management Corp., San Francisco, California acquired the property, staked additional claims, surveyed same, built roads, completed geological work, geophysical surveys (Magnetic and I. P.), geochemical surveys (copper and molybdenum) and diamond drilled four surface vertical holes. (See Map Nos 3, 4 and 7)

In year 1957, Consolidated Uranium Co. diamond drilled three underground holes (M-1, M-2 and M-3) in the upper Adit. (See Map Nos. 3, 4, 5, 6 and 7 and Composite Diamond Drill Logs M-1, M-2 and M-3)

E + E Management Corp. provided the writer with the Adit sample results but could not identify who was responsible for that work.

DISTRICT MINING-DEVELOPMENT ACTIVITY:

The Globe-Miami area is considered the oldest, most highly copper mineralized, greatest most widespread but concentrated group of copper deposits in Arizona. A mere glance at the topography Maps of the area indicates many mines within a circle of 25 miles in diamete with Miami as the center. The included Index Map (No. 1) indicates a few of these

deposits. The following is a list of the companies and some of their deposits.

Carlota	Sonesta and Fortune Channel
Castle Dome, Pinto Creek, Cactus	Miami Copper Co.
BlueBird, Oxhide	Ranchers Exploration
Inspiration	Inspiration Consolidated
Sleeping Beauty	Copper Cities

Many deposits are old but being expanded by drilling. Others have just been developed (Pinto Creek and Occidental Oil Co. deposit in town of Miami) and some are being developed by drilling. Example, Carlota deposit by Sonesta and Fortune Channel of Canada.

The entire area is well mineralized and the writer feels additional deposits will be developed in the future, by the present operating companies in the area or by new or outside companies.

GENERAL GEOLOGY:

The general geology of the Globe-Miami area is that of Pre-Cambrian granite and schist intruded by a much later coarse grained Tertiary granite and late Cretaceous (?) quartz diorite sills and dikes. Sedimentary rocks include those of Pre-Cambrian, Cambrian, Devonian and Carboniferous which include quartzites, shales and limestones.

The area is abundantly endowed with structures which are conducive to mineralization and prone to large orebodies of low grade mineralization. The Cactus orebody and the Carlota orebody are controlled by the Kelly fault and others in the immediate area. Other orebodies in the area are controlled by their respective structures. Many of the rocks in the area are mineralized - sediments, igneous and schists. Thus, structures are of more importance than the rock type.

LOCAL GEOLOGY:

The Morgan property has within its boundary a highly silicified Pre-Cambrian schist which strikes N. 10°-20° W. and dips 50°-60° W. The trend of the schist is about N. 45° E. (See Ma No. 3). The schist is in contact on its southeast boundary with a Cretaceous (?) relatively fresh quartz diorite which could well be a sill of large dimensions. To the northwest the schist is in contact with the Larimide intrusive granite and related crystalline rocks. Where the granitoid is exposed near its contact with the schist -- the character of the rock appears to favor a monzonite classification.

The obvious developed structure is that on which the upper Adit is driven. Surface-wise, this structure is accompanied by a zone of strong erosion resistant silicification. Geologic mapping along the present mine road system would perhaps indicate other major structures. A severe

fracture pattern is very noticeable in the schist zone and the major trend parallels the N. 20° W. structure in the Adit. The accompanying complimentary cross fractures are also present.

A similar fracture pattern, although not so pronounced, is present in the diorite southeast of the schist.

MINERALIZATION:

Quartz, pyrite, chalcopyrite, malachite and limonite derivatives make up the mineralization spectrum associated with the N. 20° W. structure and the surrounding area within the schist zone, being strongest within the structure.

Sparse pyrite and calcite, along with occasional small blebs of chalcopyrite and/or bornite favor the hairline or paper thin fractures of the diorite sill. A sample taken by the writer in 1957 assayed 0.01% copper. Disseminated mineralization in the diroite is non-existant - at least non-existant under the glass.

Mineralization in the outcropping monzonite (?) on the surface approximately 300 feet northwest of the Adit face consists of moderate to strong, brown to red to black, limonite derivatives occuring as veinlets and disseminations which provide a "pink to tan" cast to the rock. Lack of visible sulphide or oxide minerals of copper indicate a moderate "leaching" effect of the rock with possible secondary inrichment of copper at some depth. The limonite derivatives are primary sulphide iron and copper mineral residuum. However, to what extent and depth secondary enrichment has occurred is difficult to forecast.

ORE RESERVES - PROPERTY POTENTIAL:

The 1957 underground diamond drilling, supervised by the writer, coupled with the Adit sample results indicates some 3,100,000 tons of 0.35% Cu., with probably 0.02% Mo., exists as a mineralized reserve in Block "A". (See Map Nos. 3, 6 and 7). Block "B" is calculated to contain 1,500,000 tons of 0.36% Cu. as an "inferred" mineralized reserve.

The total calculated mineralized reserve as of year 1957 and as of this writing is 4,600,000 tons of 0.352% Cu. The later drilling concentrated on some of the geophysical anomalous areas which added nothing to the mineralization surrounding the Adit, but in effect, did limit the mineralization in the schist to the southeast and southwest.

The property potential is dependent on the targets available and here at the Morgan property the target is area "A", (See Map Nos. 3 and 4) which includes the suspected mineralized schist northwest of the Adit face and drill holes M-1 and M-2 to the schist-monzonite contact - and beyond into the area of the monzonite. The known observable geologic conditions are good and surface area-wise it is several times larger than that reflected by the present calculated tonnage. The writer suspects grade improvement along with greater tonnage improvements.

The mineralized reserve calculation details are on file at the writers Office and open to inspection, as are the geologic and assay logs of diamond drill holes 1, 2, 3 and 4, as completed by E + E Management Corp. during their exploration program after acquiring the property.

EXPLORATION REQUIREMENTS - COSTS:

The property potential of immediate interest (target "A" on Map No. 4) covers a surface area of approximately 900 feet by 1100 feet which would initially require it be diamond drilled with -60° angle, N. 60°-70° E. directed holes to depths of 400 to 500 feet and at a 200 to 400 foot spaced grid pattern.

Three to four such holes are suggested to initially test the target area as a first phase program. Mine road rehabilitation and new mine road construction and drill site preparation are also necessary. Limited surface detailed geological mapping in the target area is also a requirement.

With this program in mind, the following cost of the initial Phase is estimated to be:

PHASE I:

Mine road and drill site rehabilitation and construction.	$ 3,000.-
Detailed surface geological mapping, including expenses for consultant.	$ 1,500.-
1500 feet diamond drilling, including sampling, assaying, personnel travel, expenses @ $20.-/ft.	$ 30,000.-
Project Supervision, Consultant, including travel and expenses, Core logging, etc.	$ 4,000.-
Total Phase I	$ 38,500.-

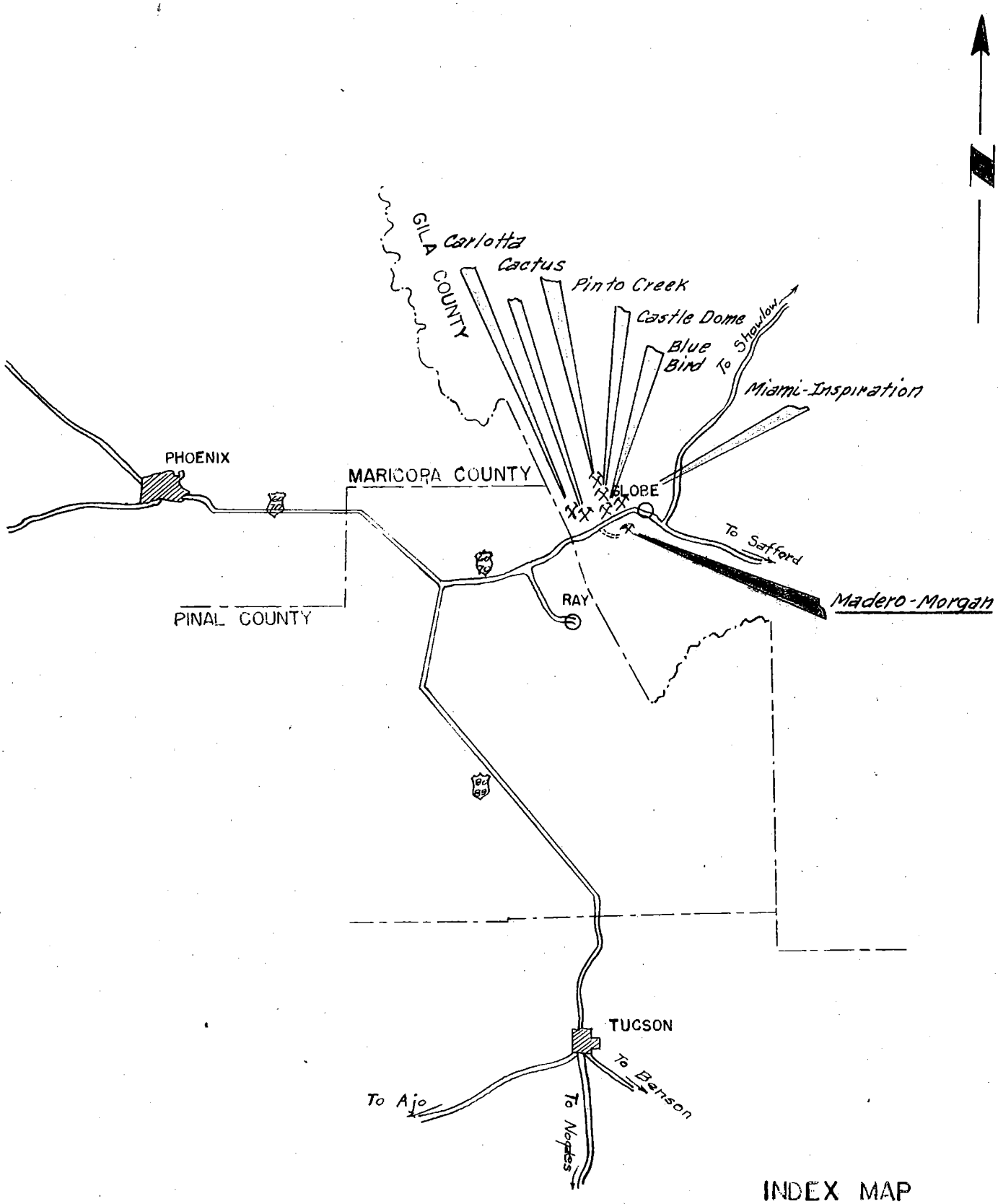
If a Phase II program of exploration is justified by the results of Phase I, the writer envisions exploration expenditures in excess of $200,000.- for further diamond drilling and rotary drilling for blocking out purposes.

Respectfully submitted,

R. E. Mieritz,
Mining Consultant
Phoenix, Arizona.

June 22, 1974

Retyped 8-20-74



INDEX MAP OF SOUTH CENTRAL ARIZ.

NOTE:

Federal Highways

Graveled County Roads

SCALE: 1" = 21 MILES

0 10 20 30 40

MAY 1957

R. E. M.

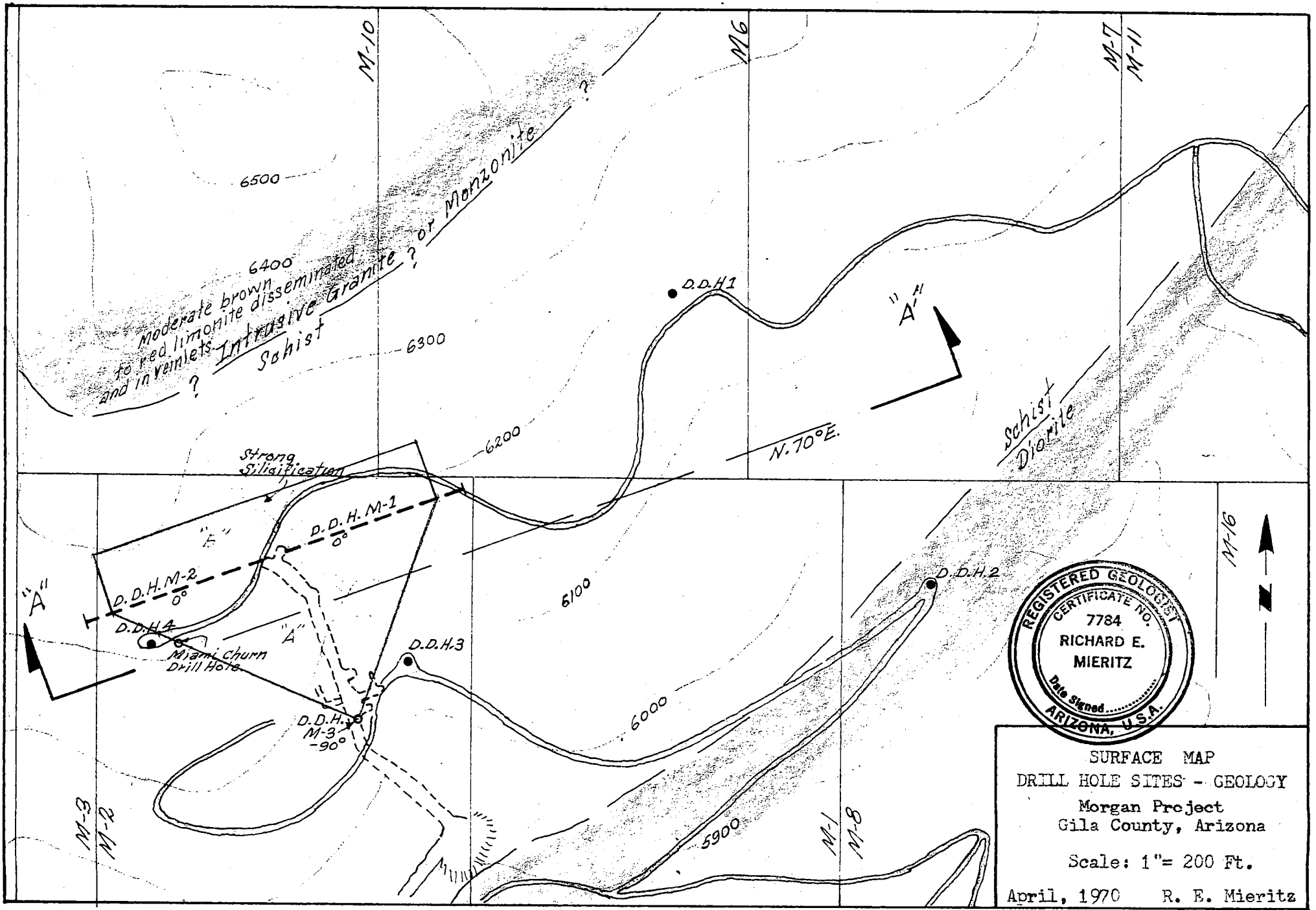
PLATE I

A-16

NOTE: Claims are in unsurveyed Territory, by projection in T. 1 S., R. 14½ E., G. & S. R. B.. & M., Gila County, Arizona

CLAIM MAP
MORGAN COPPER PROPERTY
Globe - Miami Area
Pinal Mt. Mining District
SCALE: 1" = 1000 Ft.
June, 1974 R.E. Mieritz

MAP No. 2

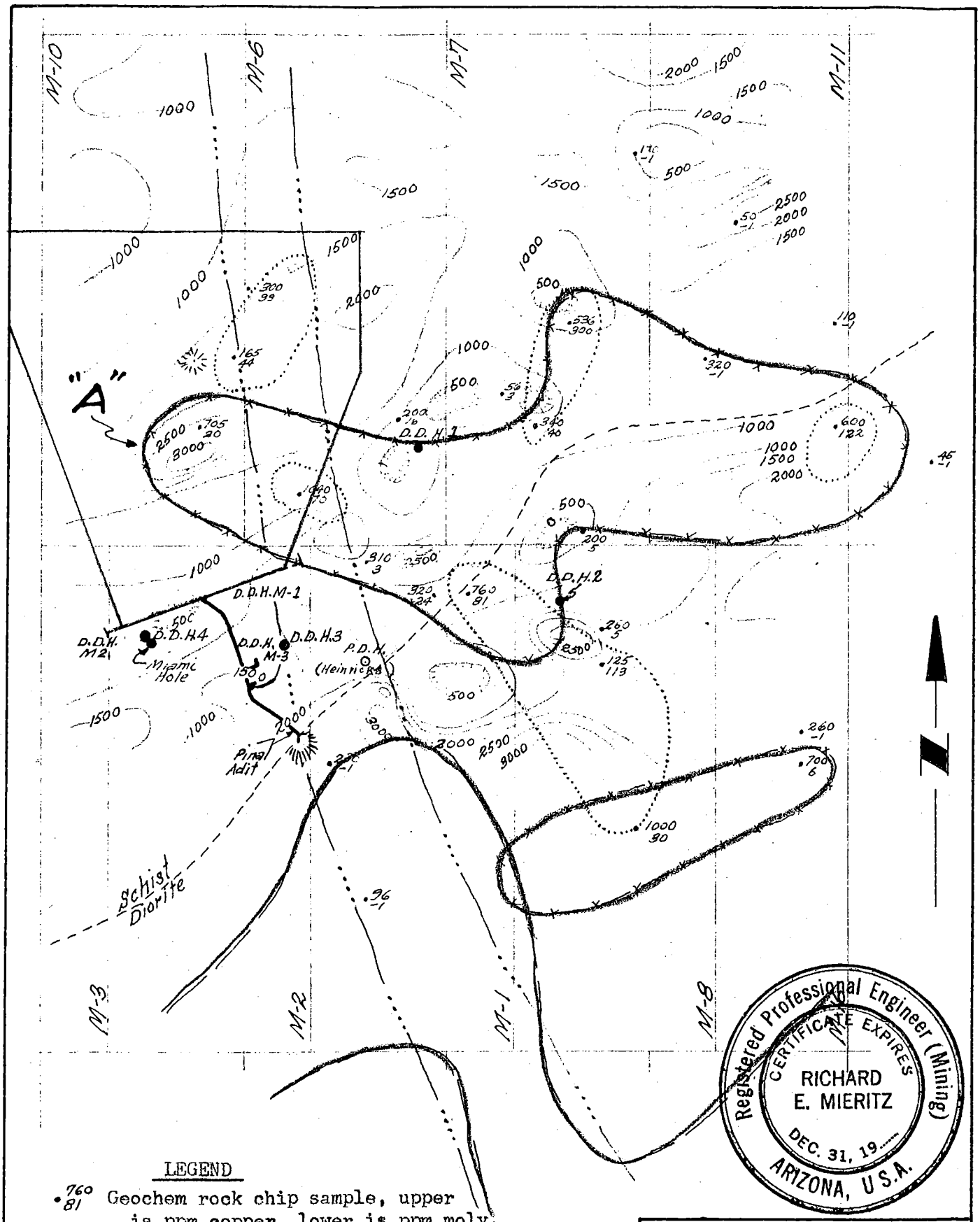


SURFACE MAP
DRILL HOLE SITES - GEOLOGY
Morgan Project
Gila County, Arizona

Scale: 1"= 200 Ft.

April, 1970 R. E. Mieritz

Map. 3



Registered Professional Engineer (Mining)
CERTIFICATE EXPIRES
RICHARD E. MIERITZ
DEC. 31, 19....
ARIZONA, U.S.A.

LEGEND

- 760 / 81 Geochem rock chip sample, upper is ppm copper, lower is ppm moly.
- Copper Geochem Anomaly, 300 ppm +
- Moly Geochem Anomaly, 30 ppm +
- 500 Magnetic Anomaly, 500 gamma Interval.
- I. P. Anomaly, Zone "A" and "B".
- I. P. Anomaly, Zone "C"
- D.D.H.3 E. + E. Surface Drill Holes
- D.D.H.M1 Early Underground Drill Holes.

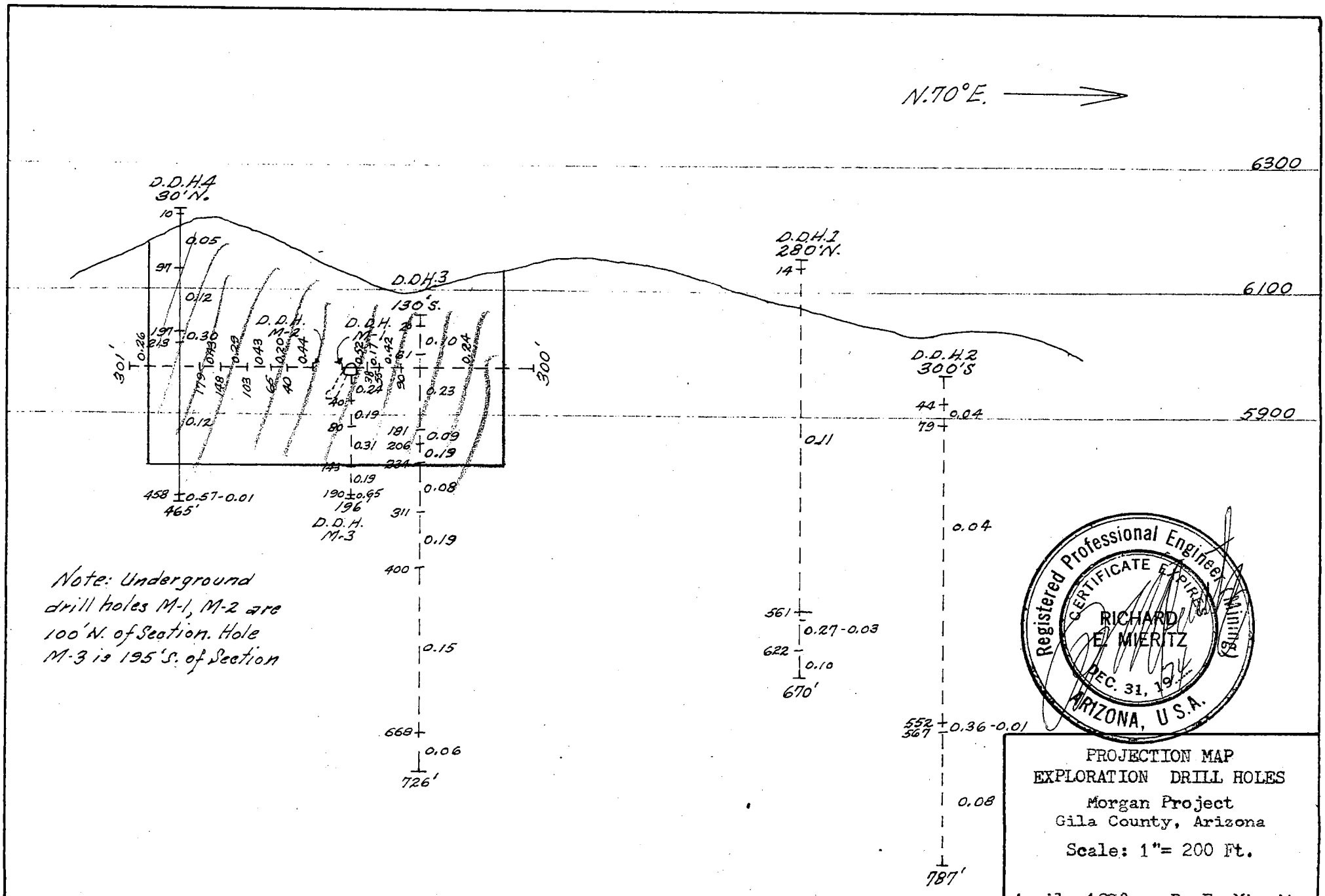
SUPERIMPOSED GEOPHYSICAL ANOMALIES

Morgar Project
Gila County, Arizona

Scale: 1"= 400 Ft.

April, 1970 R. E. Mieritz

Map. 4


N.70°E.
6300
6100
5900
D.D.H.4
30'N.
D.D.H.3
130'S.
D.D.H.1
280'N.
D.D.H.2
300'S
D.D.H.
M-1
D.D.H.
M-2
D.D.H.
M-3
301'
300'
458 ±0.57-0.01
465'
190±0.95
196
311
400
668+
726'
561
622
670'
552
567
0.36-0.01
787'
Note: Underground drill holes M-1, M-2 are 100'N. of Section. Hole M-3 is 195'S. of Section
Registered Professional Engineer Mining
CERTIFICATE EXPIRES
RICHARD E. MIERITZ
DEC. 31, 19
ARIZONA, U.S.A.
PROJECTION MAP
EXPLORATION DRILL HOLES
Morgan Project
Gila County, Arizona
Scale: 1"= 200 Ft.
April, 1970 R. E. Mieritz

M-30 7

COMPOSITE DIAMOND DRILL LOG

HOLE Nº M-3

COMPANY: CONSOLIDATED URANIUM COMPANY MINE: MADERO CLAIM: MADERO NO. 1 DISTRICT:

COUNTY: GILA STATE: ARIZONA TWS: 1S RGE: 14 E SEC: N.S. E.W.

BEARING: VERTICAL ANGLE: 90° ELEVATION: FT. T.D.: 196 FT. DATE STARTED: 4-23-57 DATE COMP: 4-30-57

DEPTH	ELEV.	ROCK TYPE	GEOLOGIC DESCRIPTION & REMARKS
5–300			HIGHLY SILICIFIED, LIGHT GRAY SCHIST WITH INTERMITTENT DARK TO MEDIUM GRAY BANDS FROM 3' TO 10' THICK QUARTZ IS THE PREDOMINANT MINERAL, 80 TO 90%, BUT DECREASES IN PERCENTAGE WHERE SCHIST BECOMES DARK WITH BANDS OF BIOTITE, HORNBLEND, & AUGITE (?). COPPER & IRON MINERALIZATION IS PRIMARILY CONFINED TO VERY SMALL QUARTZ STRINGERS (1/4" OR LESS) CONTAINING PYRITE, CHALCOPYRITE, MALACHITE, & IRON OXIDES.

HOLE: —— CASING: – –

CORE: SIZE BX; AX

RUNS: 20, 40, 60, 80, 100, 120, 140, 160, 180, 200, 220, 240, 260, 280, 300

REC%: 20%, 60%, 100%

MINERALIZATION: $CuFeS_2$, FeS_2, CuO_x, QUARTZ

ASSAYS % CU.

5–10	0.30
10–15	0.20
15–20	0.15
20–25	0.20
25–30	0.35
30–35	0.15
35–40	0.20
40–45	0.15
45–50	0.20
50–55	0.25
55–60	0.40
60–65	0.20
65–70	0.30
70–75	0.45
75–80	0.35
80–85	0.30
85–90	0.10
90–95	0.35
95–100	0.30
100–105	0.35
105–110	0.15
110–115	0.20
115–120	0.25
120–125	0.15
125–130	0.30
130–135	0.10
135–140	0.20
140–145	0.65

B-9

COMPOSITE DIAMOND DRILL LOG

HOLE Nº M-2

COMPANY: CONSOLIDATE URANIUM COMPANY MINE: MADERO CLAIM: MADERO NO. 1 DISTRICT:

COUNTY: GILA STATE: ARIZONA TWS: 1 S RGE: 14 E SEC: N.S. E.W.

BEARING: S 70° W ANGLE: -4° ELEVATION: FT. T.D.: 301 FT. DATE STARTED: 4-5-57 DATE COMP: 4-17-57

DEPTH	ELEV.	ROCK TYPE	GEOLOGIC DESCRIPTION & REMARKS	HOLE: —— CASING: — —	CORE SIZE	CORE RUNS	CORE REC.%	MINERALIZATION	ASSAYS % CU.
5			HIGHLY SILICIFIED, LIGHT GRAY SCHIST WITH INTERMITTENT DARK TO MEDIUM GRAY BANDS FROM 3' TO 10' THICK. QUARTZ IS THE PREDOMINANT MINERAL, 80 TO 90%, BUT DECREASES IN PERCENTAGE WHERE SCHIST BECOMES DARK WITH BANDS OF BIOTITE, HORNBLEND & AUGITE (?). COPPER & IRON MINERALIZATION IS PRIMARILY CONFINED TO VERY SMALL QUARTZ STRINGERS (1/4" OR LESS) CONTAINING PYRITE, CHALCOPYRITE, MALACHITE, & IRON OXIDES.		BX				0.25
10									0.95
15									
20						20			0.12
25									0.35
30									0.50
35									0.30
40						40			0.55
45									
50									0.15
55									0.15
60						60			0.30
65									0.20
70									0.40
75									
80						80			0.40
85									0.45
90									0.30
95									0.40
100						100			0.65
105									
110									0.25
115									0.30
120						120			0.32
125									0.45
130									
135									0.25
140					AX	140			0.20
145									0.20
150									0.20
155									0.55
160						160			0.65
165									0.30
170									0.25
175									
180						180			0.40
185									0.30
190									0.25
195									
200						200			0.35
205									0.50
210									0.15
215									0.25
220						220			0.15
225									0.25
230									0.35
235									
240						240			0.40
245									0.40
250									0.20
255									0.25
260						260			0.40
265									0.20
270									0.15
275									0.20
280						280			0.25
285									0.20
290									
295									0.15
300						300			0.15
301									0.10

20 % 60 % 100 %
$CuFeS_2$ CuO FeS_2 QUARTZ

B-8

COMPOSITE DIAMOND DRILL LOG

HOLE Nº M-1

COMPANY: CONSOLIDATED URANIUM COMPANY MINE: MADERO CLAIM: MADERO NO. 1 DISTRICT:

COUNTY: GILA STATE: ARIZONA TWS: 1 S RGE: 14E SEC: N.S. E.W.

BEARING: N70°E ANGLE: -4° ELEVATION: FT. T.D.: 300 FT. DATE STARTED: 3-19-57 DATE COMP: 4-4-57

DEPTH	ELEV.	ROCK TYPE	GEOLOGIC DESCRIPTION & REMARKS	HOLE: / CASING: — —	CORE SIZE	CORE RUNS	CORE REC.%	MINERALIZATION	ASSAYS % CU.
5					BX				0.18
10									0.40
15									0.20
20						20			1.76
25									0.22
30									0.36
35									0.40
40						40			0.62
45									0.22
50									0.12
55									0.16
60						60			0.46
65									0.60
70									0.08
75									0.54
80						80			0.44
85									0.44
90									0.40
95									0.30
100			HIGHLY SILICIFIED, LIGHT GRAY SCHIST WITH INTERMITTENT DARK TO MEDIUM GRAY BANDS FROM 3' TO 10' THICK. QUARTZ IS THE PREDOMINANT MINERAL, 80 TO 90%; BUT DECREASES IN PERCENTAGE WHERE SCHIST BECOMES DARK WITH BANDS OF BIOTITE, HORNBLEND, & AUGITE (?).			100			0.26
105									0.29
110									0.20
115									0.44
120						120			0.18
125									0.10
130									0.16
135			COPPER & IRON MINERALIZATION IS PRIMARILY CONFINED TO VERY SMALL QUARTZ STRINGERS (1/4" OR LESS) CONTAINING PYRITE, CHALCOPRITE, MALACHITE, & IRON OXIDES.						0.08
140						140			0.16
145					AX				0.30
150									0.24
155									0.26
160						160			0.30
165									0.32
170									0.25
175									0.15
180						180			0.30
185									0.80
190									0.40
195									0.25
200						200			0.40
205									0.27
210									0.25
215									0.20
220						220			0.12
225									0.15
230									0.10
235									0.30
240						240			0.18
245									0.12
250									0.30
255									0.15
260						260			0.10
265									0.15
270									0.15
275									0.12
280						280			0.25
285									0.20
290									0.20
295									
300						300			

20 % 60 % 100 % $CUFeS_2$ CUO_x FeS_2 QUARTZ

B-1