2008 COPPER SPRINGS EXPLORATION PROGRAM

INTRODUCTION

The Copper Springs project is located in Gila County, Arizona within the productive Miami-Globe mining district. The project was acquired because of a reported near-surface copper oxide/chalcocite resource of 20 million tons grading 0.40% copper. This type of deposit can generally be bulk mined, processed cheaply with dilute acid which is sprinkled on heaped ore. The project is located within a few miles of several producing mines. Historic drilling coupled with our recent mapping, IP survey and drilling programs have identified an area more than twice the size of the original resource area in the West Lobe. In addition, the East Lobe appears to have significant potential for additional tonnage of chalcocite ore. Assuming the property can be upgraded to 50 million tons or more of +0.4% material, it is believed that nearby producers would be interested in either buying the project or joint venturing the same (Figure 2 p10).

An initial land position was acquired around the margins of the known resource area (CS Resource) in mid-2006 and a lease was consummated with Russell and Brian Corn for the main portion of the west resource area in December, 2006. An initial IP survey consisting of two lines spaced approximately 400 meters apart was carried out in early 2007. The positive results led to permitting a 15 hole test of the northerly most IP line. Permitting, archeological and biological surveys were completed by December, 2007, six months from the start of the permitting process. Fourteen of the fifteen holes were completed by April 2008 for a total of 3905 feet. One hole failed to reach the target depth because of excess water and the undrilled hole was abandoned because of potential excessive ground water.

SUMMARY

The Copper Springs exploration program was intended to identify potential extensions of mineralization adjacent to CS Resource, prove up grade, and indicate potential for recovery of copper. Information was collected from the lessors and the Arizona Department of Mines and Minerals (ADMMR). The data was compiled for the entire property position. After the initial compilation, several items became clear.

1) The previous exploration programs utilized wide spaced drill patterns to identify the reported resource leaving potential for significantly upgrading ore zones.

2) Drilling by various groups indicated a significant difference in grade between older drilling and the most recent drilling conducted in 1972 by Humble. The grades and thickness varied significantly. Kerr-McGee identified a resource of 17.5 million tons grading 0.43% copper. Humble's additional drilling changed the resource to 40 million tons grading 0.28% copper. AJC's drilling confirmed Kerr McGee's drilling results.

3) Apparently, no metallurgy had been conducted on any of the historic drilling. Since most of the visible copper mineralization was either chalcocite or copper oxides (malachite and azurite) it was believed that leaching was not an issue. AJC's met tests also suggest this to be the case.

4) The compilation clearly defined two separate areas of mineralization. Although considerable drilling had taken place within the West Lobe Resource, there was no evidence that anyone had compiled the drilling for the surrounding area. AJC's compilation indicates similar near-surface enriched copper zones within the East Lobe. However, the drilling is wide spaced and many of the drill holes are composited over their entire length. Also, the bulk of the wide spaced holes were drilled by Humble with a churn drill. This method has been shown to decrease grades within the chalcocite zone by 15% or more in the West Lobe. Therefore, the eastern drilling is currently only indicative of possible blanket mineralization with a small resource (4 to 7 million tons grading 0.4%) in the area of the eastern adit.

American Copper, now American Consolidated Minerals, developed an exploration plan to test the grade, recovery and potential extensions of the West Lobe Resource. The plan utilized geologic mapping, geophysics and shallow core drilling to clarify items one through three above.

PHASE TWO - IP Survey

Frank Fritz with Fritz Geophysics was asked to interpret a circa 1969 IP survey over a portion of the eastern target and recommend a method to predict and possibly expand the CS Resource. Fritz selected IP stating that this method had identified several chalcocite ore bodies.

The old IP survey was comprised of six lines. Fritz interpreted that a cohesive anomaly in the 80+ rads range exists on the eastern target. This is in the range expected of disseminated sulfides relating to a porphyry copper system. The two IP lines carried out in 2007 tested a known area running directly over some of the best ore holes in the CS Resource and a second line south of the CS Resource. These lines had about half the value (47 rads) of the eastern target.

The initial interpretation of the new IP lines suggest a sharp contact or fault cuts off mineralization to the west, but the IP anomaly increases in size and intensity opening to the southwest. The only drill holes near the southern line contained 85 feet grading 0.34% copper, 65 feet @ 0.34% and 10 feet @ 0.28% in holes in CDH 304, KM 3 and CS 20 respectively. These holes lay on the western margin of the IP anomaly. The average depth to mineralization is 120 feet, but can reach as much as 360 feet in depth. Coincidentally, an additional isolated IP high is located directly adjacent to a breccia pipe on the western margin of the IP line (pp 8-9).

PHASE TWO - Geologic Mapping

Mapping of the western portion of the project area was undertaken immediately after the IP survey was completed. Mapping by David Eastwood identified rock type, alteration,

structure, copper oxides and live limonite content. No recent mapping has been completed on the eastern portion of the claim block. The geologic mapping identified additional potential on the south and west sides of the CS Resource based on live limonite content and spacing of fractures. The mapping indicates a “donut shape” of live limonite circling the hill with some of the best estimated values of +0.4% on the southern side of the hill. This area coincides in part with the southern IP line and historic wide spaced drilling. The potential for increasing the size of the West Lobe Resource is doubled by incorporating the mapping and IP. The limited drilling in this area confirms grade and thickness of mineralization. However the drilling is spaced 1500 to 2000 feet or more apart and includes shallow churn drilling completed by Humble for validation purposes. These holes are generally spaced for ease of access and not for defining mineralization.

The East Lobe was not mapped during this exercise due to a lack of time. However, a brief reconnaissance through the eastern part of the property identified copper oxides in pits, trenches and road cuts. Live limonite was identified in various road cuts and outcrops in areas of easy access within the East Lobe. The adit area contains a small resource in the 4 to 7 million ton range based on 10 holes. This information coupled with the sketchy drill data from the area indicates excellent potential for defining further reserves within the East Lobe target (p 11).

PHASE THREE - Core Drilling

An initial budget of $200,000 dollars was set to drill 15 shallow core holes along the eastern access of the CS Resource. The drilling was planned to infill, twin and expand the resource on the east and west ends. The twinning of two holes was planned to confirm the grades and thickness. Fourteen of the fifteen holes were completed for a total of 3,853.2 feet and averaged 275 feet deep. Drill spacing within this section of the CS Resource ranges from 300 to 400 feet apart.

The 2008 drill program provided adequate data to conclude normal recovery rates from both the oxide and chalcocite zones. The twinned holes indicated that Humble’s drilling methods depleted copper mineralization and smeared copper down hole by using churn drills rather than core drilling. Although this effectively increased the resource tonnage, it decreased the overall grade to sub-ore. AJC’s sampling on five foot intervals also improved the grade identifying several areas of +1% copper.

The 2008 drilling marginally increased the footprint of the West Lobe Resource extending it to the east and north. In addition, the continuity of mineralization is better defined bringing the average spacing from 800 feet to 400 feet within the core of the resource (p 12).

COMPILATION

While compiling the recent programs with the historic exploration, it became evident that two distinct targets exist. The western target has no well defined phyllic core like the eastern target. It is hypothesized the western target is a down faulted portion of a larger body which includes the eastern exhumed block. The West Lobe Resource represents about 40% of the western target. The eastern target is possibly 2.5 times larger than the

western target and contains a reported barren core elongated easterly near the west-center.

The western target has seen the majority of drilling. Roughly two thirds of the drilling or 54 holes were drilled in the western target. The target covers approximately one and one-half square kilometers. The most obvious reasons for the increased exploration on the west target are ready access via existing Forest Road 1, numerous prospect pits with obvious copper oxides, and significant widespread success in drilling. An apparent thickening of copper mineralization is noted within some wide syn to post-mineral structures which could add significantly to the tonnage.

The eastern target covers an area of nearly 3 square kilometers. This area has 26 holes with ten holes clustered closely around a northerly trending structure called the "Ellis Vein." This structure has been explored by a single adit. The rest of the holes are wide spaced from 1500 to greater than 2000 feet apart. The bulk of the holes focused on definition of a resource along the Ellis structure, a northerly trending fault zone. The drilling encountered significant grades and thickness along the western margin of the structure suggesting a westerly dip. These ten holes are estimated in several historic reports to define 4 to 7 million tons of ~0.4% copper.

Drill holes elsewhere within the eastern target intercepted longer intervals of lower grade material (100 to 450 feet grading 0.10 to 0.25% copper). Some of the thicker intervals contained +0.3% copper over 10 to 60 feet near surface suggesting similar enrichment to the West Lobe (p 11). However, many of the wide spread holes were conducted by Humble Oil for discovery. These shallow churn holes were placed more for access and ability to maximize validation of unpatented mining claims rather than best placement for testing of ore deposits. The IP anomalies defined by the 1969 survey have not been drilled.

CONCLUSIONS

Exploration completed to date has identified a large area of alteration and copper mineralization within a well defined mining district. The exploration has been carried out over a period of 60 years by at least 8 separate companies. This work has given validity to the existence of two small resources of copper oxide and chalcocite near surface with grades equivalent to nearby operating mines.

The West Lobe Resource contains upwards of 20 million tons grading 0.4% copper. The bulk of the drilling for the project has centered on and around the resource area. The resource resembles a blanket covering the hill on the west part of the project area. It appears to be in a minable configuration, has a relatively low strip and good continuity in grade and thickness. The northern portion daylights while the western portion appears to be faulted off. The southern portion has little drilling, and appears permissive from the IP survey and geologic mapping. Although the resource appears small at first glance, the overall strike extent defined by AJC's mapping and IP suggest potential for 50 million tons or more of similar grades.

The eastern target contains a small resource of 4 to 7 million tons grading +0.4% copper as chalcocite identified by drilling and underground sampling. The resource appears to

be limited to a high angle structure with a northerly strike. Although the resource appears limited in size, a 1969 IP survey identified additional anomalies within this area. Wide spaced soil and rock surveys over the eastern target identified several cohesive targets at surface, some that coincide with the IP survey and some that represent extensions of the Ellis structure. The eastern target is nearly double the size of the western target. Wide spaced drilling throughout the rest of the eastern target intersected thick intercepts of low grade copper (100 to 450 feet grading 0.1 to 0.25%). Thinner intervals of higher grades occur within these thicker envelopes. These higher grades are not well described, but likely represent secondary enrichment. Since the holes are wide spaced (1500 feet or more apart) and the logs are spotty, the historic drill holes do not presently represent a cohesive resource. However, it is plausible from the limited drilling and singular resource (Ellis) that additional near-surface oxide copper and chalcocite resources could be developed within the eastern block.

The author believes that based on the above facts the Copper Springs project has potential to contain 100 million tons or more of leachable copper material in several open pit configurations. Additionally, logging of some of the deeper core holes completed on the eastern target indicates increasing intensity of alteration at depth. This increase of alteration suggests the potential for a deep seated copper porphyry system at some depth. The following table lists all holes to date by target areas.

Western Target

Hole #	TD Feet	Interval	% Cu	Ore Type	Company	Grade/Thick
CDH 301	650	75	0.36		Con Cu	46.8
		55	0.36			
CDH 302	415	25	0.31		Con Cu	104.85
		85	0.34			
		310	0.22			
CDH 305	383	40	0.30	Mix	Con Cu	17.5
		10	0.55	Mix		
KM 1	692	9	0.33	Mix	KM	2.97
KM 2	430	20	0.34	Mix	KM	6.8
KM 3	360	65	0.35	Mix	KM	22.75
KM 4	260	80	0.40	Mix	KM	32
KM 5	175	41	0.45	Mix	KM	18.45
KM A6	230	78	0.35	Mix	KM	27.3
KM A7	187	56	0.24	Mix	KM	13.44
KM 9	215	75	0.27	Ox	KM	44.95
		65	0.38	Mix		
KM A12	549	281	0.26	Sul	KM	73.06
CS B	1488	60	0.07	Ox	Humble	9.66
		39	0.14	Mix		
CS 1	24		NSM	Ox	Humble	0
CS 1A	187	32	0.12	Mix	Humble	3.84
CS 2	146		NSM	Ox	Humble	0
CS 5	105		NSM	Ox	Humble	0
CS 6	159		NSM	Mix	Humble	0
CS 9	103		NSM	Ox	Humble	0
CS 10	110		NSM	Mix	Humble	0
CS 10A	35		NSM	Mix	Humble	0

CS 11	268	115	0.30	Mix	Humble	34.5
CS 12	249	38	0.29	Ox	Humble	11.02
CS 15	70		NSM	Mix	Humble	0
CS 15A	140		NSM	Mix	Humble	0
CS 16	146		NSM	ND	Humble	0
CS 17	148		NSM	Mix	Humble	0
CS 18	311	80	0.14	Ox	Humble	21.2
		43	0.16	Mix		
		13	0.24	Mix		
CS 20	334	9	0.28	Mix	Humble	2.52
CS 21	142	20	0.13	Mix	Humble	2.6
CS 22	286	30	0.17	Ox	Humble	30.06
		80.5	0.31	Mix		
CS 26	223	64	0.21	Mix	Humble	13.44
CS 27	225.6	18	0.17	Ox	Humble	34.18
		155.6	0.20	Sul		
CS 28	297	123	0.14	Mix	Humble	17.22
CS 30	155	10	0.10	Mix	Humble	1
CS 32	136.8	5	0.13	Mix	Humble	0.65
CS 36	296.7	50	0.20	Mix	Humble	10
CS 37	102.3		NSM	Mix	Humble	0
CS 39	219.5	10	0.13	Ox	Humble	1.3
CSC 1	1500	NA	NA	NA	PD	0
CS 0801	204	25	0.11	Ox	ACCO	11.2
		65	0.13	Mix		
CS 0802	303.7	20	0.5	Mix	ACCO	10
CS 0803	228.1	50	0.54	Mix	ACCO	27.87
		Incl. 20	0.87	Mix		
CS 0804	254	65	0.44	Mix	ACCO	28.6
CS 0805	274	35	0.21	Mix	ACCO	7.35
CS 0806	303.8	5	0.53	Mix	ACCO	2.65
CS 0807	404	60	0.33	Mix	ACCO	19.8
CS 0808	303.7	60	0.15	Ox	ACCO	37.8
		80	0.36	Mix		
CS 0809	303.6	25	0.12	Mix	ACCO	3
CS 0810	174	5	0.11	Sul	ACCO	0.55
CS 0811	251		NSM		ACCO	0
CS 0812	303.6	5	0.14	Mix	ACCO	0.7
CS 0813	298.7	30	0.17	Ox	ACCO	8.85
		25	0.15	Mix		
CS 0814	250	20	0.32	Mix	ACCO	6.4

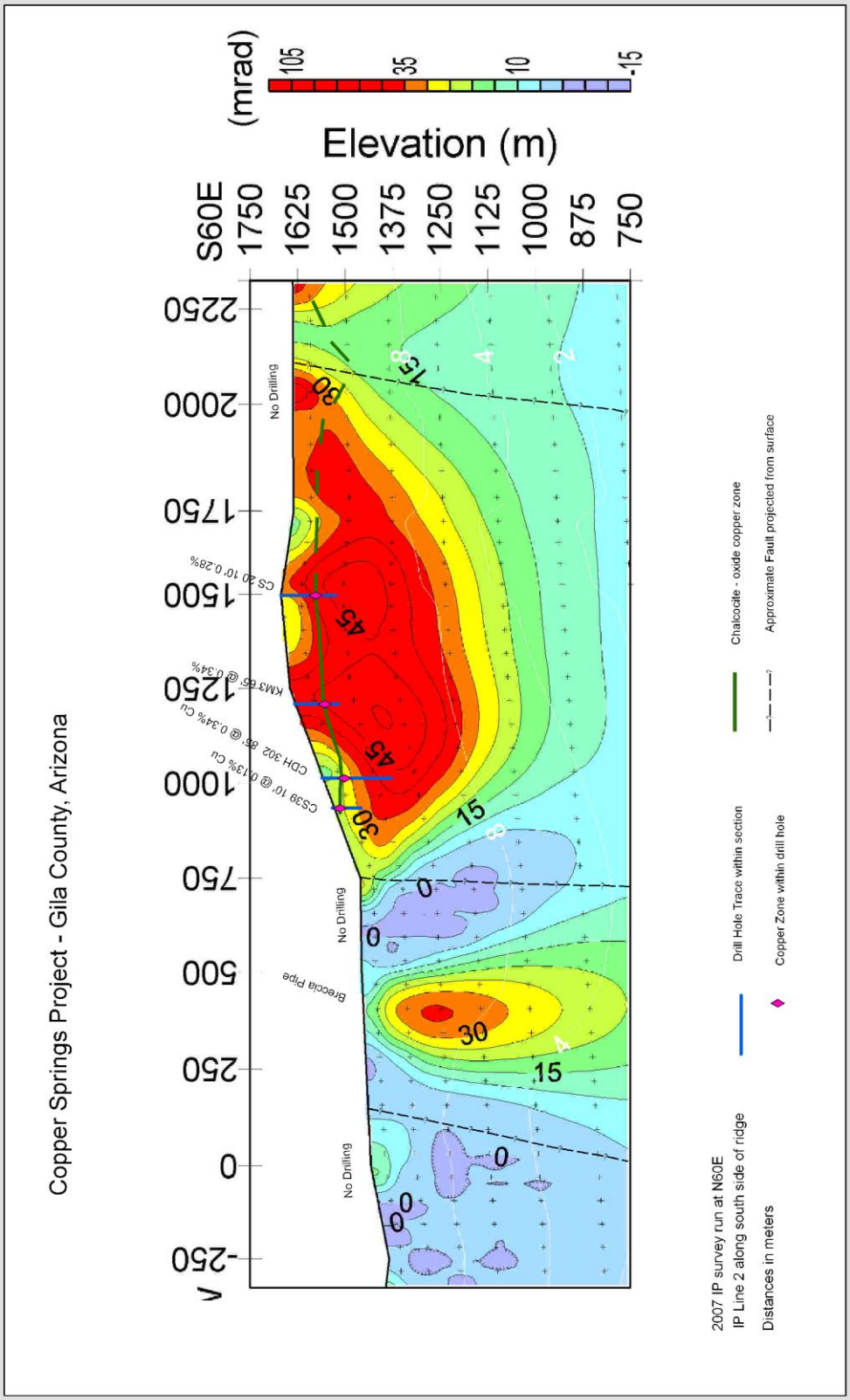
Western Target Total footage 24,785.4

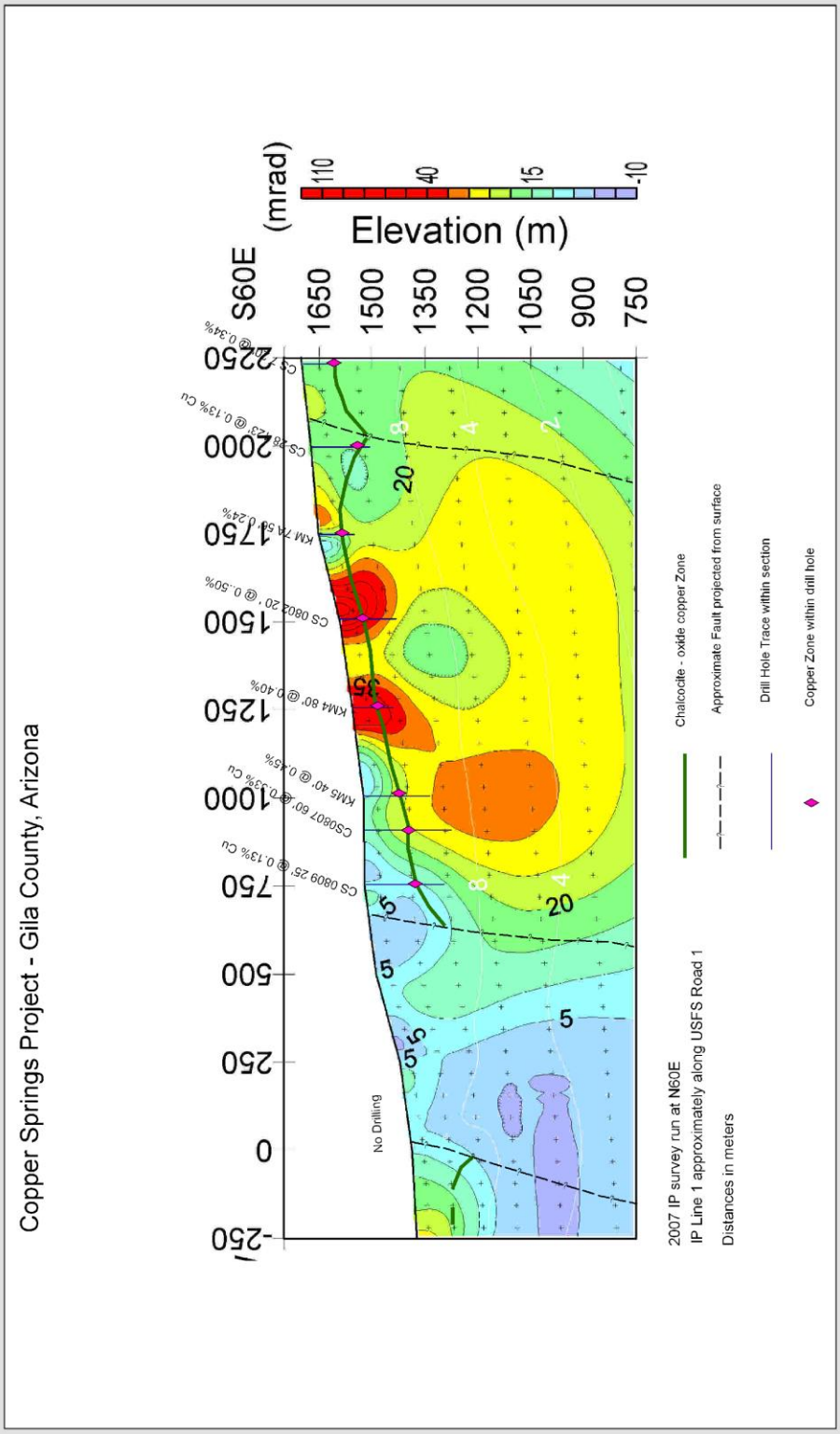
Eastern Target

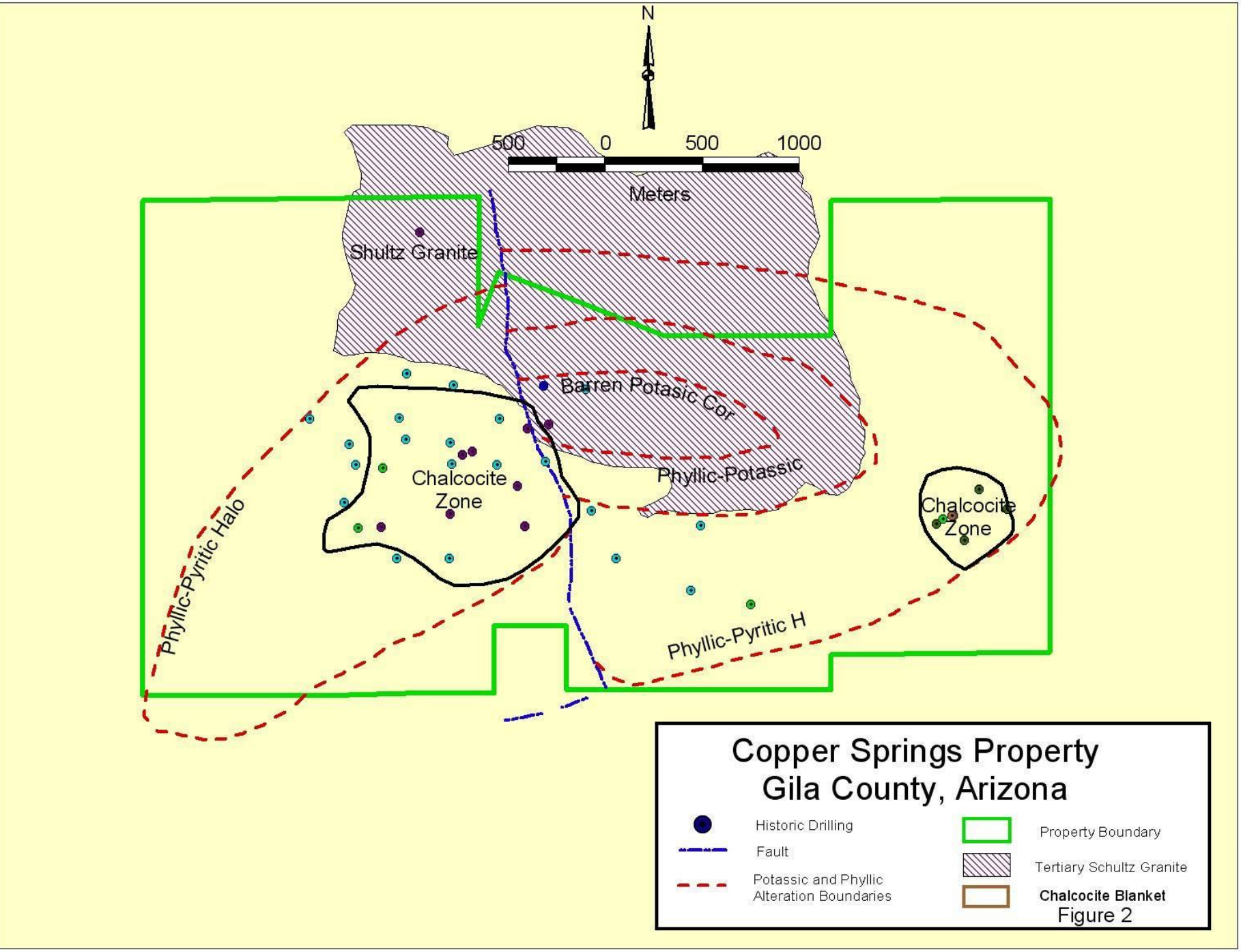
Hole #	TD Feet	thickness	% Cu	Ore Type	Company	Grade/Thick
CS A	2057	20	0.32	Mix	Humble	20
		35	0.16	Ox		
		20	0.34	Mix		

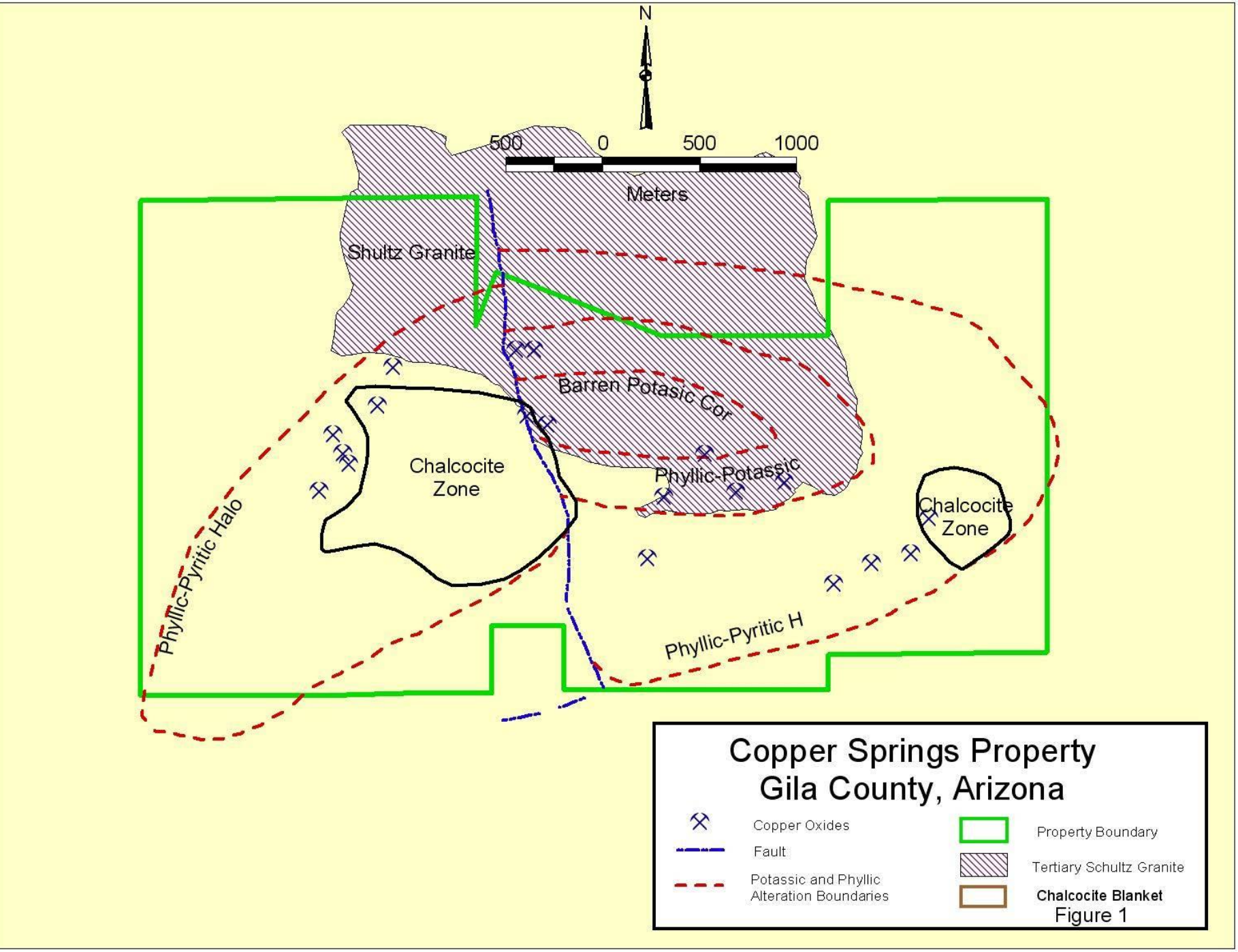
		20	0.18	Sul		
		20	0.20	Sul		
CS 3	205		NSM	Mix	Humble	0
CS 4	205	5	0.15	Mix	Humble	0.75
CS 7	210	20	0.22	Ox	Humble	7.8
		10	0.34	Mix		
CS 8	210	30	0.20	Ox	Humble	28.6
		65	0.20	Mix		
		40	0.24	Mix		
CS 13	280	280	0.12	Mix	Humble	37.17
		17	0.21	Mix		
CS 14	132	33	0.10	Ox	Humble	3.3
M-1	670	225	0.10	Ox	E&E	48.12
		85	0.14	Mix		
		49	0.28	Sul		
M-2	787	15	0.38	Sul	E&E	5.7
M-3	726	36	0.31	Ox	E&E	92.69
		23	0.29	Mix		
		468	0.16	Mix		
M-4	465	15	0.31	Mix	E&E	8.64
		7	0.57	Sul		
CUDH 1	300	220	0.29	Ox	CU	63.8
CUDH 2	301	255	0.37	Ox	CU	94.35
CUDH 3	195	195	0.27	Mix	CU	52.65
CDH 303	495	320	0.11	Ox	Con Cu	39.4
		20	0.21	Mix		
CDH 304	625	230	0.16	Ox	Con Cu	134.1
		85	0.34	Mix		
		105	0.18	Mix		
		60	0.31	Mix		
		145	0.22	Sul		
KM 8	300.3	10	0.10	Mix	KM	1.74
		5.3	0.14	Sul		
KM10	440	30	0.11	Ox	KM	11.35
		35	0.23	Mix		
		440	0.14	Mix		
KM11	173	24	0.30	Mix	KM	7.2

Eastern Target total footage 8,776.3


Copper Springs Project - Gila County, Arizona
(mrad)
105
35
10
-15
Elevation (m)
S60E
1750
1625
1500
1375
1250
1125
1000
875
750
2250
2000
1750
1500
1250
1000
750
500
250
0
-250
A
No Drilling
No Drilling
No Drilling
Breccia Pipe
CS 20 10' 0.28%
KM3 65' @ 0.34%
CDH 302 85' @ 0.34% Cu
CS39 10' @ 0.13% Cu
45
45
30
30
15
15
30
15
4
2
0
0
0
0
0
Chalcocite - oxide copper zone
Approximate Fault projected from surface
Drill Hole Trace within section
Copper Zone within drill hole
2007 IP survey run at N60E
IP Line 2 along south side of ridge
Distances in meters


Copper Springs Project - Gila County, Arizona
(mrad)
110
40
15
-10
Elevation (m)
S60E
1650
1500
1350
1200
1050
900
750
2250
2000
1750
1500
1250
1000
750
500
250
0
-250
No Drilling
Chalcocite - oxide copper Zone
Approximate Fault projected from surface
Drill Hole Trace within section
Copper Zone within drill hole
2007 IP survey run at N60E
IP Line 1 approximately along USFS Road 1
Distances in meters


N
500
0
500
1000
Meters
Shultz Granite
Barren Potasic Cor
Phyllic-Potassic
Chalcocite
Zone
Chalcocite
Zone
Phyllic-Pyritic Halo
Phyllic-Pyritic H
Copper Springs Property
Gila County, Arizona
Historic Drilling
Fault
Potassic and Phyllic
Alteration Boundaries
Property Boundary
Tertiary Schultz Granite
Chalcocite Blanket
Figure 2


N
500
0
500
1000
Meters
Shultz Granite
Barren Potasic Cor
Phyllic-Potassic
Chalcocite Zone
Chalcocite Zone
Phyllic-Pyritic Halo
Phyllic-Pyritic H
Copper Springs Property
Gila County, Arizona
Copper Oxides
Fault
Potassic and Phyllic Alteration Boundaries
Property Boundary
Tertiary Schultz Granite
Chalcocite Blanket
Figure 1

