HAMILTON RESOURCES CORPORATION

P.O. BOX 3224 HIMAR STATION BOULDER, COLORADO 80303 (303) 499-3330

June 23, 1977

Mr. J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
Denver Federal Center
Denver, CO 80225

Re: OME 6885 (Silver-Gold)
Charles H. and Anne Z. Turner
d/b/a Hamilton Resources Corp.
San Juan Mine
San Miguel County, Colorado

Dear Mr. Hasler:

We enclose three copies of the Final Report pertaining to OME Contract 2313, pursuant to ARTICLE 5 (c) of said Contract.

Each copy includes a narrative account, geologic map, assay map, and ore reserve map.

Very truly yours,

HAMILTON RESOURCES CORP.

Charles H. Turner

Charles H. Turner
President

encls.

FINAL REPORT

OME-6885 (Silver-Gold)
Charles H. Turner and Anne Z. Turner
d/b/a Hamilton Resources Corporation
San Juan Mine
San Miguel County, Colorado
Contract 2313

The following table covers work completed under the above Contract, together with costs of the various items:

Item	Units	Cost
Drifting	163 Ft.	14 181.00
Supervision	3 months	4 500.00
Outside Consultant	1 trip	125.00
Transportation/ "	210 mi.	25.20
Office & accounting	3 months	150.00
Payroll taxes, FICA	5 months	1 561.44
Bulldozing	30 hours	825.00
Assaying	26 samples	305.50
		21 673.14

In addition to the work completed under the Contract, it became necessary to carry out several rehabilitation and maintenance projects, due to causes beyond our control. These are listed below:

1. During September, October and November, 1974, it was necessary to completely re-timber the main portal, and to complete approximately six weeks of rehabilitation in the main level. This work was required due to the fact that the supporting timbers at the mine entrance, and for some distance inside the mine, had been stolen and part of the workings had been allowed to cave. Estimated cost of this extra work, including labor, timber, other supplies, amounted to $8,500.00.

2. New Colorado Bureau of Mines regulations necessitated building an improved powder magazine, at a cost of approximately $1,500.00.

3. During the Spring of 1975 the run-off from melting snow completely washed out the access road to the mine; also, a large dump directly above A-Level portal was dislodged, resulting in a massive slide which completely buried the main portal. Approximately five months were spent repairing the access road, opening the portal and repairing the damage, including timbers, pipelines, etc., before work could be resumed. Estimated cost of this work, including labor, supplies, etc., was $9,520.00.

4. In October, 1975, electric power was finally made available, at a cost of $1,200.00, one year after the application has been filed. In the meantime, the Company's electric compressor had been undergoing a complete overhaul in preparation for its installation at the mine. Replacement parts were ordered, but some were never received. After many months of waiting, the manufacturer advised, on March 1, 1977, that the missing parts were no longer available, and that they would have to be shop fabricated. Since specially treated steel was required, we were unable to find a machine shop which was prepared to produce the needed parts. Estimated cost of this project was $6,720.00.

5. In addition to the foregoing, the work program was seriously handicapped by shortage of experienced labor, lack of sources of supply for equipment replacement parts, and many lost time shifts due to record snow falls during the winter of 1974-75. The cost of snow removal, alone, is estimated at $7,500.00 during this period.

Total estimated cost of extra work, not covered by the Contract, amounted to $34,940.00.

GEOLOGY. (Map 1)

The San Juan vein was exposed for a length of 144 feet, under the Contract. In addition, an off-shoot stringer was investigated for a distance of 19 feet, for a total advance of 163 feet.

The stringer pinched, and work was resumed on the main structure.

The main vein continued strong and well defined throughout its exposed length, over widths from 14" to 36", for an average width of 22.7 inches. However, values were low for a length of 30 feet, from 25 feet to 55 feet east of the start of the OME program.

The vein is generally quartz with some barite, pyrite, chalcopyrite and tetrahedrite. Assay values are in gold, silver, copper and lead.

The 30-foot section of vein which contained low values was split into two narrow stringers, separated by country rock, and fractured by faulting. Sparse mineralization was noted in this section.

The vein is a water course, and the flow of water fluctuates according to the time of year.

Samples and assays are tabulated in the following table: (see Map 2).

ASSAYS

No.	Au/oz	Ag/oz	Cu/%	Pb/%	Inches
1	.005	3.23	.50	.30	20
2	.035	8.54	.90	.40	24
3	.010	3.86	.60	.30	26
4	.005	0.25	.03	.04	24 (H.Wall)
5	.020	12.13	.90	.30	30
6	.040	.55	.10	.20	22
7	.075	3.25	.48	.17	20
8	.045	2.51	.65	.12	26
9	.020	1.00	.43	.04	27
10	.035	3.33	.92	.12	30
11	.001	.16	.22	.02	18 (F.Wall)
12	.001	5.27	.50	.08	18
13	.005	15.71	2.00	.20	20
14	.020	0.84	.04	.30	8 (X-cut)
15	.020	23.12	1.45	.35	18
16	.010	11.29	1.80	.50	20
OME	.015	20.70	1.72	.56	18
17	.103	29.20	1.17	.02	14
18	.103	3.34	1.35	.04	22
19	.134	13.12	.68	.27	24
20	.157	8.40	.66	.12	21
21	.040	6.56	.60	1.24	36
22	.020	4.78	.30	.25	36
23	.020	3.42	.75	.20	34
24	.040	2.94	1.40	.10	18
25	.020	6.36	1.10	.10	28
26	.001	8.22	1.70	.30	22
27	.010	6.20	1.40	.40	22
28	.020	5.90	1.10	.60	20
29	.040	5.75	1.20	.55	21
30	.065	14.20	1.25	.50	20
31	.050	5.50	1.15	.45	16
32	.040	4.20	.90	.40	12
Brodie	.080	5.34	.34	.38	36
Wtd.Av.	.038	6.93	.86	.30	22.7"

NOTE - Eliminating Samples #4 (hanging-wall of vein), #6 thru #12 (low values in fault zone), and #14 (x-cut), the values calculate as follows:

.040	9.22	1.00	.34	23.9"

Four additional samples were taken from the vein and muck pile as follows:

.50	8.77	1.10	.24	Sta.E + 20'.	Vein
.022	2.68	.285	.088	E + 40'	Muck
.01	.57	.29	.07	E + 58A	"
.01	2.26	.80	.26	E + 58B	"

ORE RESERVES.

A total of 144 feet of mineralized vein was opened under the Contract. Assuming that comparable mineralization extends above A-Level, 78 feet to B-Level, at a consistent width of 2 feet, tonnage in the block amounts to 2246 tons, less an estimated 100 tons of low grade material, resulting in a total of 2146 tons. Extending the block below A-Level for 25 feet, the additional tonnage amounts to 720 tons, for a total of 2866 tons above and below A-Level.

In addition to the above, ore blocks indicated by development work previously completed are shown on Map 3, Ore Reserves, attached hereto. These blocks indicate a tonnage of 2820 tons.

The above tonnages are not blocked on four sides.

Since the method of mining this type of orebody would probably be narrow shrinkage or scraper-slot stoping, it is felt that dilution with waste should not exceed 10% maximum, and the average should amount to considerably less.

Due to rapidly changing metal prices, it is impossible to place a value on the ore. However, according to the best estimates available in the district, the cut-off point would be within a range of $48.00 to $54.00 per ton, depending on the prices of the metals contained.

June 15, 1977.

Reported:

Charles H. Turner

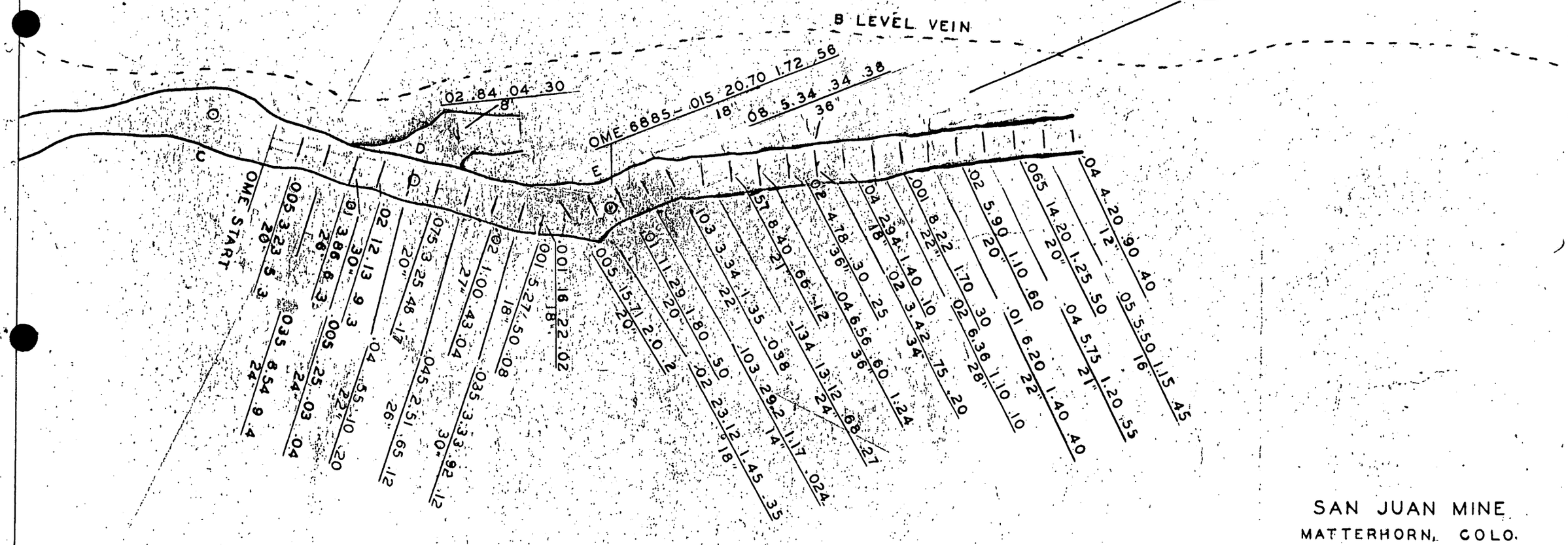
Charles H. Turner

MAP 2

ASSAY MAP

VALUES SHOWN - AU AG CU PB / INCHES

OME GRABS		AU	AG	CU	PB
E PLUS	20	.50	8.77	1.10	.24
"	40	.022	2.68	.28	.088
"	58A	.01	.57	.29	.07
"	58B	.011	2.26	.80	.26



SAN JUAN MINE
MATTERHORN, COLO.
1" = 20'

C.H.T. 6-15-77

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20% loss

35.00
.20
7.0000

65
20
13.00

35
7
42

7

20%

65.00

35
13
48

OME Tonnage

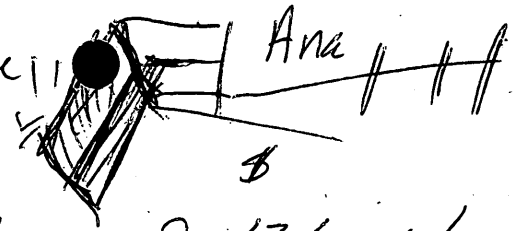
78' above 2 146 Tons
25 below 720 Tons

2 866 Tons

10 = Tonnage factor

Tal

Chalcer



Ana

411

2800 Tons

.043

.[illegible] g Au – @ 136.00/oz 57,00

9.22 g Ag – 4.47 650

1.00 % Cu – .68

0.34 % Pb – .31 $5,700

65.00

28500.00

34200

$370,500.00

65

5

325

$15.00

5700

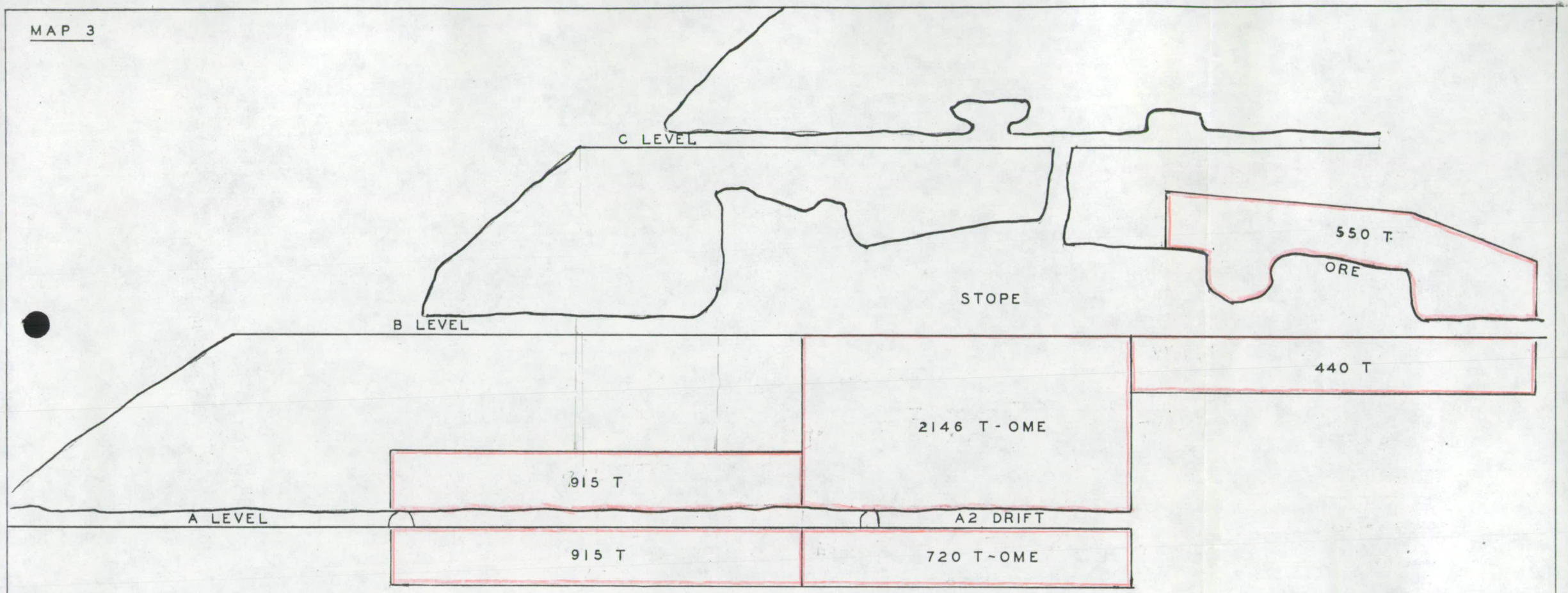
15.00

28500.00

57

85,500.00

MAP 3

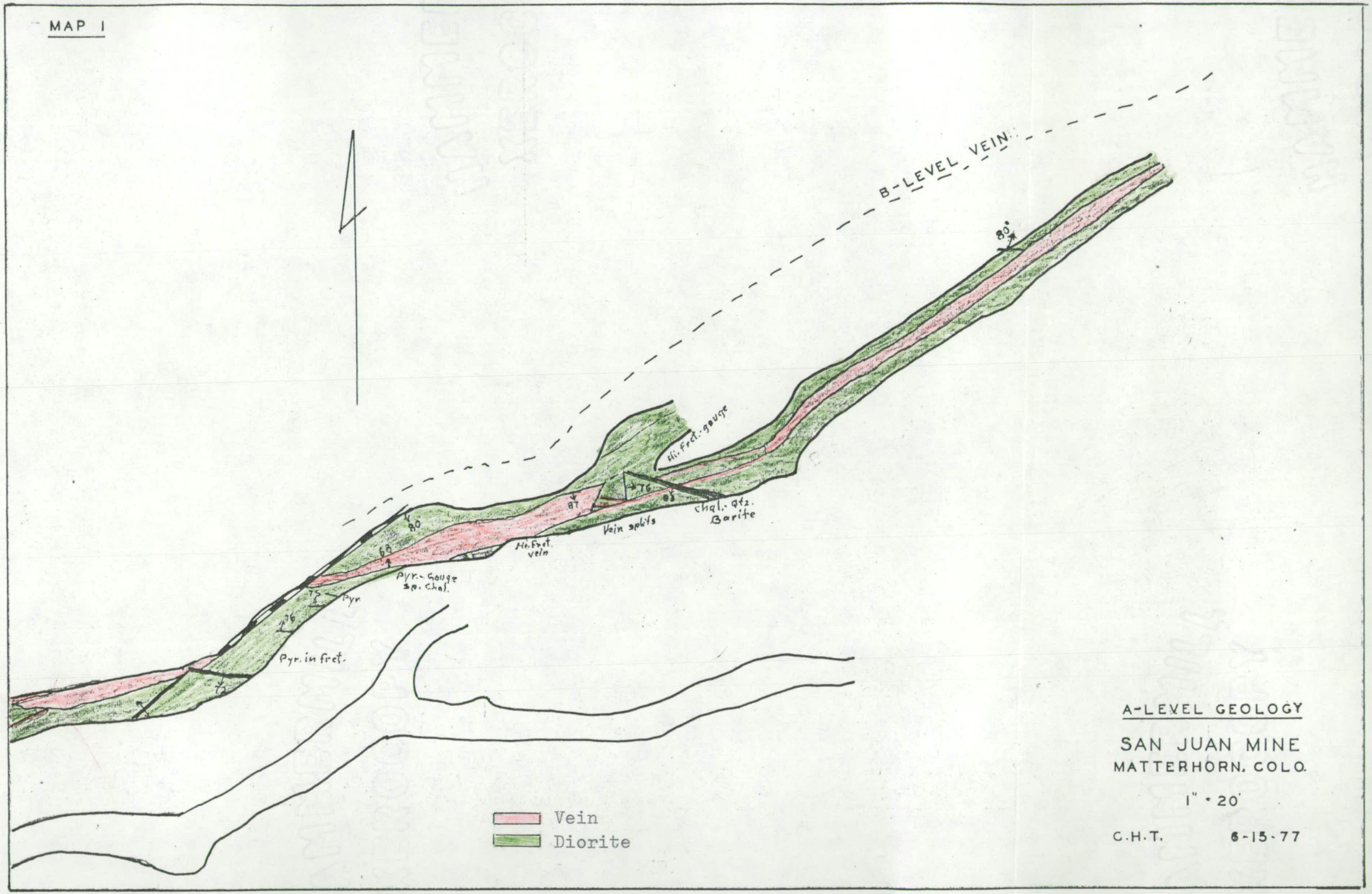


ORE RESERVES

OME	2866 T
CO.	2820
TOT.	5686

SAN JUAN MINE
MATTERHORN COLO.
1 IN.=50 FT.
C.H.T. 6-15-77

MAP 1



A-LEVEL GEOLOGY

SAN JUAN MINE
MATTERHORN, COLO.

1" = 20'

C.H.T. 6-15-77