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FAIRBURN LODGE **2006 REPORT**

Prolegomena:

The Fairburn Lode is part of a Gold mining project privately owned and operated. Located in a highly desirable area in Colorado, it has until recently, been overlooked and forgotten. The Fairburn's intersection with the Independence (a 30-40' vertical shaft with little historic documentation), the Annie Lode, another drift located near the project's southern border, and discovery of structure east of the historic Wide-Awake mines, have now all been included as part of the original project. The entirety is now being developed to take advantage of the current trends in Gold prices.

Historic Overview:

Otto Ruttkamp located the original Fairburn claim in 1921. It was 300 ft wide by 1500 ft in length. It was extended in 1924, 150 ft north and 150 ft south making the claim 600 ft wide by 1500 ft in length. In 1944 Otto filed to patent the claim, he received the patent certification but it was pending the field mineral examination. Through a series of events the examination was not completed until December 1957 and the patent was denied. The mineral samples were taken from a mined out location of the drift. Otto did not own the mine at the time the patent was rejected. He had "quit claimed" it to Laura Collins in 1951. Otto's wife Emma had died earlier, and Otto had only mined a few years after her death. At the time of the patent rejection in 1957, Laura Collins' son Jim had inherited the mine from his mother. Jim was not a miner, and did not appeal the rejection. The claim was closed and abandoned until 2001 when Allen Bonck opened it. The new Fairburn claim had the same corners as the original 1944 mineral survey. After realignment in 2004, [to accommodate the geological structure], and expansion to 10 claims covering 120+ acres, the claim had been expanded again, [to 13 claims in 2005]. It has become visually apparent that upon encountering the vertical shaft of the Independence, Otto may have ramped-up his mining strategy for the Fairburn. Additionally, (and prior to the Fairburn), Otto Ruttkamp and 3 partners located the Annie claim just north and west of the Fairburn. Original documents show an initial drift of 20', though visual verification is not possible, as much sloughing has transpired over the years. Promising 'Geomag-data' warrants further pursuit of this lode. This data confirms that this structure (vein), is large enough to connect with high mag-data on the west slope of the project, and most likely connects with the historic claims of Wide-Awake. As a result of this encouraging data, 25 additional claims were added. The project now encompasses 38 contiguous claims running from the east border at HWY 119, to the west edge at, (and in places, over), Missouri Gulch Rd.



Location:

Colorado is one the richest States for mineral deposits, such places as Cripple Creek, Silverton, Central City and Black Hawk attest to the incredible wealth found there. There is within Colorado a mineralized zone called the Colorado Mineral Belt (CMB). The CMB is relatively narrow but stretches hundreds of miles across Colorado from the San Juan Range in the southwest corner to Boulder in the north (see attached map no.1). Gilpin County lies in the northern portion of the CMB and the Fairburn Lode is in Upper Gilpin in the Hawkeye mining district. (see attached maps no.2&3) Gilpin County has produced approximately 4.2 million ounces of Gold ranking it second only to Cripple Creek in Colorado Gold production.

Geology:

The CMB was created by the Laramide Uplift (70-40 million years ago), and some subsequent reactivation episodes. The CMB has a group of associated Batholiths (see attached map no.4). A Batholith is a large body of intrusive magma coming up through the country rock (crust) from the Earth's mantle. This magma causes uplifting of the crust but does not reach the surface. With time the batholith can become exposed through erosion and other events. The contact zones between the batholith and the existing rock becomes altered by the heat and pressure, creating new rock such as schist and gneiss. These contact zones are also weak and can fracture; the fractures or faults can become conduits for mineral rich hydrothermal fluids. The hydrothermal activity brings the bulk of mineralization into the fault creating a mineralized vein. The Fairburn Lode is situated on just such a contact zone of the Boulder Creek Batholith. On the north side of the vein is Biotite Gneiss (Boulder granite) and on the south is Idaho Springs Schist (country rock). Harris W. Mallery, in a 1957 Federal Government Report describes this geology:

“Exposed on the claim is a biotite gneiss, evidently the result of granitination of a biotite schist, a facies characteristic of portions of the Idaho Springs formation, and some minor pegmatite masses, both of pre-Cambrian age. The Boulder Creek granite (quartz monsonite) outcrops in the general area as well. Actually, the claim straddles a transition and/or contact zone between these two lithologies.... In general, a strong fault zone trending N49W-35SW. This structure is moderately iron stained, tight and gougy, and varies in width from 6 to 36 inches.”

The width referred to by Mr. Mallery is the vein itself; the fault zone can be as wide as 12 feet.

The Hydrothermal activity, which is highly desirable for good mineralization, is evident on the Fairburn claim and probably comes from one of two sources, which feeds Fairburn Mountain. On the East side runs the Dory Hill Fault, which runs nearly due north from the



town of Black Hawk 6 miles to the south. The Dory Hill Fault passes within ½ mile of the Fairburn Lode, and is considered a conduit for mineralization from the Central City District. There are several documented veins and faults coming from the Dory Hill Fault to the Fairburn area, and are at the same bearing as the Fairburn Lode Fault. The Fairburn veins and faults may travel and feed through the mountain, to the productive mines in Missouri Gulch, (on the mountain's west side). The most noteworthy of these mines were; The Caledonia, The Stuart, The Portland, The Lindemann, The Procuiner, and The Tip Top. These mines also set on Boulder Creek Batholith contact zones (see attached map no.5)

The other source is the Black Hawk Fault. This emanates from the town of Black Hawk, where it is connected to the Dory Hill Fault, it trends northwest, runs about 1 mile west of the Fairburn Lode to the west side of Fairburn Mountain. The Black Hawk Fault may also have contributed to the mineralization of the productive Gold mines in the Missouri Gulch area.

Since the time of Otto Ruttkamp, and the 1957 report of Mr. Mallery, Geological exploration methods have progressed significantly. Geological structure can be mapped without the need for intrusion. This is done by geophysical surveys using magnetic and resistive instruments. A preliminary (phase 1) survey has been made of the Fairburn claim. The results confirm the known structure, and reveal several new lode possibilities. The magnetic data indicates that the Fairburn Lode is a desirable magnetic location when compared to other highly productive areas in the county. (see attached maps no.6 and 7).

Historic Workings and Production:

To date, no evidence or any recorded documentation has been found on the Independence Lode (intersecting the Fairburn. Documentation of the Annie Lode is sparse, but mentions a 20 ft. drift initiated by Otto and 3 other partners in 1906. A discordant partnership may have been the cause for the lack of exploration and development of this claim. On the other hand, the Fairburn Lode was owned by only Otto Ruttkamp, Laura Collins and her heirs, principally Jim Collins. While Otto was considered to be one of Colorado's best Geologists Jim Collins was a Schoolteacher not a miner. Only Otto and his hired help ever worked the Fairburn. Based on an interview with Jim Collins in 2001, Otto was extremely disappointed and angry with the Government because of their lack of cooperation, it took 9 years to accomplish the mineral examination. Otto was 94 and died before the final decision was made (he had long since given up). Evidently Otto had never reported his activities and production to the government; in fact some of his good friends did not know he was bringing out ore. Thus we have no direct production numbers only the evidence of the mine itself. According to Mr. Mallery there are moderate sized stopes at approximately 280 ft in the



main drift and *“the vein in that region is well mineralized and undoubtedly valuable metals were won from this area.”*

When Otto's drift intersected the vertical shaft of the Independence, he seemed to have intensified his strategy to follow the vein downward from the winze rearward, as was evident with his pursuit of the vertical shaft and hoist east of the Fairburn portal. Stopping is evident from the winze to the intersection with the Independence, Otto would not have stopped ore if the values were not high enough to realize a profit. Some adjacent mines had reported vein material running as high as 15 ounces per ton and disseminated gold at .5 ounces per ton. The economic conditions in the late 1940's would require good ore to justify mining. Most mines in Colorado were closed during this time, even some of the largest producers were shutdown.

At Otto's death there was one Adit of approximately 350 ft. with associated test pits. A second Adit of approximately 30ft length and vertical shaft of approximately 50' depth. The shaft had a hoist and head frame, and there is a cabin for the hired helper. For a one or two man operation these are good results, but in terms of development they are meager. It should be noted that Otto did this while holding other jobs; he was the Mayor of Black Hawk for ten years among other things. An extensive research document entitled; “What I know about Otto”; authored by Allen Bonck, is available upon request.

Current Plan of Operations:

Allen Bonck has an approved Plan of Operations filed with the National Forest Service for reopening the main adit and testing all existing workings, including test pits and tailing piles. This plan includes reclamation bonds for roads and adit. As the Forest Service preferred the use of temporary or portable storage and office, an RV was situated on site, in lieu of upgrading the existing cabin. The main adit had collapsed and has been reopened and drained of water. The Adit entry has been sloped back and gated, with some side-wall cribbing added for wall stability. Additionally, extraction of fallen material was undertaken, lighting strung, installation of regulation portal as well as additional draining of water. Further 'slough' removal, de-watering, shoring, and inspection has been undertaken. Documentation and mapping of the adit have been started. Required BLM project boundary markers have been located and staked. A memorandum of understanding has been obtained between the U.S. Forest Service and the State of Colorado establishing proper jurisdiction and governing policy compliance. Both phase 1, 2 & 3 geophysical surveys have been done; with 'modeling' and subsequent recommendations are still outstanding. A testing trommel has been re-tooled, improved, and has proved to be quite effective for informal testing. Initial test assays have been taken from the existing test pits above the drift, as well as within the drift. However, the initial rounds of samplings were improperly processed, and attempts



to subsequently secure a reliable assay lab were delayed. A secondary party offering certified assays was secured, and another series of samples have been submitted to that lab, (to which we have promising initial results). Assay samples from this year and last have indicated disseminated gold at approximately .07 ounces per ton, and silver as high as 35 ounces per ton. While this shows excellent promise in silver alone, further sampling of not only the Fairburn vein (through drift coring), but also the Annie for pay-streak gold is justified.

Future Plans:

1. **To continue to test and investigate all drifts extending beyond 340ft. including the 30ft. vertical shaft of the Independence, as well as the Annie drift:** Estimated cost: \$5-10k for re-timbering the extended drift and vertical shaft.
2. **Phase IV Geophysical study:** Make an S.P study of selected site areas, as extension of Phase III I.P. study. This study would map fault structure, and locate sulfides at depth to be used to develop core drill targets and to indicate the extents of mineralization. Estimated cost \$30k, depending on initial use of 'in-house' resources.
3. **Core drilling:** This is the most accurate method of determining the extent and value of the Fairburn and other lode deposits. Estimated cost \$175 – 500k. Cost range dependant on extent of drill campaign, (initial drilling to be target specific).
4. **Phase I - Project west side magnetic & S.P. study:** 15 lines of magnetics, (1 line/day) \$10-12K; 3 lines S.P. study, (1 line/day) \$5-7K; [\$15-19K]
5. **To develop a second company for the purpose of funding exploration & development:** The first company holding title to claims, the second, to accommodate investors. est \$30k
6. **To develop the assay, milling, Geotech, and corporate connections required to realize the mines potential:** Testing & on-site sampling equipment est \$10K
7. **To implement proper marketing resouces.** Further our existing marketing methods, (website), as well as other venues to properly convey project's potential. \$2.5K



Summary:

If the Fairburn has comparable resources to other adjacent mines in the Hawkeye mining district, there are significant values to be found. The question as to why they are still insitu after all these years lies in the control of the claim being in one man's hands until economics prevented their development. With the price of gold rising, the economics are becoming advantageous for mining. Otto's Gold may yet see the light of day. It will be important to be positioned to move quickly to develop the project to respond to market conditions and any future changes in Government policy.

Additional documentation and reports for statements made in this report can be obtained by request from Allen Bonck. Some documents will require confidentiality statements.