

# **MiningInvestment.com, a mining investors newsletter straight from the source of "True" wealth**

## **Back To The Basics**

[ To save time for all those asleep in the back of the classroom, or dislike reading long pages to learn something, the background crib notes on this white paper on where to make a valid investment in mining are:

a) Mining ventures of developing mineral prospects to a profitable fulfillment are capital intensive. The purpose “floating” a mining stock issue is to raise money to “put it into the ground,” instead of a “special interest groups” pocket.

b) Unfortunately Wall Street multinational manipulators, stock brokers, securities lawyers, and investment bankers have for years been controlling, through their “regulations,” investor funding, excluding off-off-Wall Street management of legitimate operations. Somehow, silk stocking “city” based industry analysts, think they know more than wool stocking mining engineers, prospectors, and geologists.

c) Thankfully the latest exposure of “complicated?” Ponzi schemes have shown that there is no protection from stock salesmen, no trust, in being an elite member of the country club “smart insider” set. Perhaps the former NASDAQ director guilty of outright fraud might actually do so jail time. Please! For years the Main Street investor has had the (controlled) financial press shoving investors about in herds, to be flocked. I looked up what the National Association of Securities Dealers Automated Quotations was all about and found it was a computerized system for trading in securities. Well, smart guy, know this that while the computer can promote, it also can expose.

d) From a actual (hopefully productive) miner’s point of view the above ground supply of silver—for both industrial and industrial purposes—is in a critically short supply. For us in control of “in-ground” silver deposits, the London based EFT’s, and the silver user association manipulation of silver futures in Chicago, is exactly that—manipulation. They have nothing realistic to do with the 20-plus year shortfall of supply at the mine portal, meeting demand.

e) Thanks to manipulation of environmental groups only benefitting foreign multinational corporations (look to “big oil” for the game plan) American owned mines that can’t be exported, have been in decline. Unfortunately the Canadian TSX “junior” mining companies that are actually in production in North America, will not be able to bridge the demand gap.

f) So, perhaps the best move for a small investor looking for an honest chance in hard money would be to by-pass the whole system of “flipping stock for a short term profit” completely, for ounces of silver, proven to actually exist, for a promise of actual delivery in a realistic amount of time, to mine same, backed by the mining claims themselves.]

### **This Is An Information Age site, Dealing With The Failure Of An Industrial Age Financial Industry**

And as newsletter published from Nowhere, Alaska, I need to point out, thanks to the excesses exhibited recently by a Wall Street multi-nationally controlled media, ridiculing all Alaskans for having elected a “stupid bitch,” whose only experience in office was an attempt to stand-up against Exxon-Mobile having enough PAC clout that a Federal Judge actually set aside the punitive damages for the Valdez “drunk driving” oil spill. Within a week of the oil monopoly announcing that largest quarterly profit for any corporation, ever, hundreds of small Alaska businessmen who had been hanging on with borrowed money, waiting for the settlement, went bankrupt.

Besides Reality TV News super star Couric “cat fights,” and blind-siding “Law & Order interviews” by ADA Charles Gibson, asking for an explanation of the Bush Doctrine, Governor Palin was sexually harassed by a Comedy Central news comedian, hiding behind 1st Amendment Rights of being yet another talking head political commentator, for being a, “F...ing C..t,” who wasn’t even a “Real American.”

Was that really a corporate programmed slap across the face for Alaskans brave enough to complain that a PAC supported Congress had allowed an English/German cruise ship/hotel monopoly walks away with 65¢ out of every Alaska tour dollar? (see my “free Internet” editorial at [www.AlaskaTravelMagazine.com](http://www.AlaskaTravelMagazine.com), for the rest of the “unreported” story, and a geography lesson for the academically challenged national press).

Sorry, I know I should have a thicker skin, but I, as an Alaskan prospector have been laughed at so often by Wall Street hogs who did not understand the importance of real wealth, to break loose with some of the paper stuff to fund a drill program that I have to laugh at the real comedy of the President of the NY Stock Exchange being paid a \$400 million dollar bonus to manage something that may be sold to the Germans to survive something of the unidentified calamity happening today. The corporate paid “talking heads,” has tried calling it a real estate bubble, or car manufacturing mismanagement, an insurance company failure, or a investment banking crises — but in truth the only network

news commentator I have any respect left for at all, Brian Wilson, has labeled as a “devaluation.”

Of course, you need to remember I am one of those Alaskans, who has trouble reading books, as perhaps written by Eric Maria Remark, who suggested Hitler came to power as it was cheaper to burn a wheelbarrow full of paper money for heat, instead of the coal that money would buy. By the way, Hitler publicly burned his books.

Thats right, I am so “golly gee” simple minded that I am supporting the signature drive to issue tags for an open season hunt of Comedy Central “news comedian” Jon Stewart. As for having an culture at all, well taking a pencil in hand, and a spiral bound tablet, and by gas lantern, I too can write for ‘the producers’, a tome on the excesses of greed, a treatise on monopoly money management. Her, for your entertainment, from the warped mind of a gabby old Alaskan prospector, let me present the “book” from my latest work — *Wall Street, the musical!*

Curtain up has the friendly white noise of money as programmed for background music for a Loss Vegas casino, segueing into the Barefoot MBA Millionaire Chorus singing a new “show stopper” standard adopted by Yale Business School Alum, of, “I got the bailout blues,” because they too no longer have, for the moment, use of their individual CEO jets.

The protagonist of this comedy is the Merrill Lynch Lynch advertising executive that actually brings—obviously he is a city boy— a bull into a middle age African-American couple’s living room to make a point about the safety of their retirement plan. It should be noted that the drama critic of the *Insider Elitist News*, loved the symbolic imaginary of a struggling black investor family actually owning a white rug.

The counterpoint is played by a transgendered Kendra Lay, formerly convicted felon, Ken Lay. The story-line is that he had not died in a Texas prison, but out on appeal visiting a remote ski resort in Colorado, in a county that only has one medical examiner. Poor Ken, after teaching Wall Street how to almost bankrupt the whole state of California by flipping deregulated electricity —that actually didn’t exist— could not even afford a proper funeral. He was disposed of by cremation inside of three days. The happy part being that as he wasn’t able to continue his appeal for justice, Mrs. Lay was bailed out of her dilemma by the return of \$40 million that otherwise would have gone to the bankruptcy court for dispersal to the retirement plans. After all, the fund managers were the ones too stupid to have insured a happy ending by AIG, should really be the ones to suffer, instead of the investing public.

Unfortunately I have hung up on the lyrics of a toe-tapping, finger pointing, number with a working title of, "Huh?" The problem is playing down the record of time. How is it that our PAC supported politicians did not have access to the educational materials distributed in 1955 to high school classrooms with recommended governmental guidelines of no more than a quarter of a workers income be spent on shelter, and that besides a sizable down payment, a family's dream house should not cost more than twice a couple's annual income, if she even worked outside the home.

I remember the example, when I married the first time—for a typical family earning \$5,000, of \$1,000 down, on a \$10,000 home. I know a number of people my age who sold that basic ranch house for half a million dollars. They, however did not benefit as expected, because the dollars required for property taxes escalated even faster.

I guess I can tell this truth with a happy whistle, as I have never actually owned a home, or been saddled with a mortgage. My humble abode is the log cabin I built with my own hands. And as a self employed prospector in the summer, and writer in the winter, I have been blessed for never meeting the requirements of owning a credit card. Actually that is not something I want to swear to in a court of law, as I did go bankrupt once, over a former Loss Vegas showgirl wife (number three) who died of cancer, that came to "Sugar Daddy," with all sorts of financial problems I didn't realize until after our marriage.

**Which leads me to the most difficult part to sing about. Banking. Supposedly we are in a "credit crisis!"**

Hello. As a small prospector/miner for many years, I have been told by commercial bank loan officers many times vis-à-vis on a bon-fide silver property I have been developing over forty years of my life, that has 396,000 ounces of silver proven length x width x depth, my only hope for funding a \$3 million dollar drill program to prove ten-times that was to go hat-in-hand to the same investment banks that have just gone under, for the underwriting of an IPO of \$6 million.

These were the same bankers that pushed for legislation to grow by offering the unrestricted ability to cross state lines, and expand nationally into insurance and the mortgage business. To build their credit card interests past what the Bible considers a sin, they pushed through a change in individual bankruptcy (not corporate) laws where I would not have escaped my debts as easily.

This is why I find it so ironic that the very same bankers have grown to the point of blackmailing a special interest controlled Congress with the logic that now,

“We are so big, you cannot allow us to fail!”

I really need help with the finale of *Wall Street, the musical*. I could add some sexual excitement with scantily clad dancers wearing paper dollar costumes, but the truth of the matter is that the grand finale would not be visible through the trillions of paper dollars fluttering down from Congress to help their PAC supporters out of a bit of difficulty.

Ouch! I just screwed up the scenario of the “haves,” by suggesting that Wall Street paper actually has a definable value. To explain this bizarre thought, with flapping lips telling the truth for once, have you ever heard the economic conclusion that, “True Wealth” is:

a) Manufactured. [In 1955, a full 55 percent of our US GNP was in manufacturing. Today only 15 percent of the US GNP is manufacturing.]

b) Grown. [Financially, the very abused ‘farmers’ in the, “breadbasket of America,” has kept us afloat after exporting all of our industry to the multinational nations.]

c) Mined. [This is one industry, beside mineral oil extraction—kept in check by “naturalists,” supporting exorbitant prices — that multinational funded environmentalists have not been able to export, as Oregon’s timber, done in by the fictitious habits of a spotted owl.]

Speaking of conservation, let us focus on the “manufacturing value” of silver. Specifically how Wall Street is dealing with more than 250 million ounces missing every year between the production of mines and what consumers use, much of which is not recyclable. Shame on all those computer users plugged into solar panel energy!

### **The Name of the Game Tomorrow Will Be silver**

The basics of silver as a financial investment are this: what would a silver dime have purchased during the Great Depression, though those who actually lived through it wonder why it is now being called “Great?” I am old enough to know from experience that silver, and gold, were the backbone of recovery from previous Wall Street boughts with greed.

In the middle of the Depression. at a content of .0723 silver, when the spot price was .44¢ per ounce, the government had a good thing going. In 1944, when silver was still priced at .44¢ per ounce, I would take half of my allowance paid in silver dimes to purchase the saving stamps that were pasted into a Buy War

Bonds booklet. Ten years later I cashed in the bond that had cost \$18.70, for \$25.00, which I used to buy a pair of state-of-the-art downhill racing skis.

If on my birthday in February 1944 I had collected enough dimes to buy a single share of ATT stock, I would have invested in America at, \$158.25, which was for many the equivalent of a whole month's pay. The privates actually fighting the war only earned \$50 per month. As this was back in the days when the stock market was actually used to generate the dollars needed for industrial/ technological growth (as dotcoms.coms) following the path through stock splits equal to 12 questionable shares, for that solid one, then today's price of ATT at \$20.90 per X 12, those shares would be valued at \$280.68.

If instead I had bought \$158.25 worth of silver, at .44¢ per ounce silver, or 359.65 ounces, then I would have a spot market, Kensington, value today (restrained to \$10 per ounce today by EFT and futures player manipulation) of \$35,965 in my pocket.

On June 24, 1968, Lyndon Johnson issued a proclamation that all Federal Reserve Silver Certificates were merely fiat legal tender and could not be redeemed in silver. Shortly after, as silver was a critical component of a newly developing computer age, the un-governmental supported spot price immediately shot up to \$2.60.

Along the upward path leading recently touching \$20 silver before the effect of forward selling stepped in to benefit silver end users, similar to what happened when Texan oil baron Hunt. Remember, the amount of silver above ground is a limited supply. Hunt had his greedy fingers stepped on when he tried to corner the silver market, running the spot price to over \$50, and Wall Street bankers got mad that some uppity country boy thought he could join the game on their un-level playing field.

The name of the silver control game today is EFT. The full name is Exchange Traded Funds. This is a stock market traded obligation, that can be bought on the margin, hosted by the British Barclays Global Investors EFT wizards. Here we have an English bank mucking about in our economy, who wants people used to holding paper credits that based upon paper and electronic M1, M2, M3, M4, and finally M5, the electronic credits of bailout money, to believe that a foreign bank actually has stockpiled enough silver to support what used to be the function of the U.S. Treasury — the backing of the value of a dollar, done away with by Nixon?

A search of silver investment blogs might not convince those trying to type spreadsheet profiles with fingers crossed; it will instead scare old fashioned

futures traders silly, in that it was reported a few years ago the CFTC has allowed the four largest COMEX traders to amass a 200 million ounces short position; and the total amount of identifiable above-ground silver stocks is 50 million ounces less than that —and there is a 150 million ounces per year production shortfall! This from a very vocal “silver expert” press who want to make money from investors on the spot price upswing.

From the miner’s viewpoint, looking at government figures, we want to know how is it is in that while the demand for silver has gone up, and the U.S. supply has gone down, the spot price cannot seem to be calculated in a spreadsheet that makes sense:

— In 2003 the spot price per ounce of AG was \$4.91, production was 1,240 tons, and consumption 6,440 tons — the 20th year of supply not meeting demand.

— In 2004 the spot price per ounce of AG was \$6.69, production was 1,250 tons, and consumption 6,700 tons — also the year all remaining U.S. silver was required to be in the National Defense Stockpile.

— In 2005 the spot price per ounce of AG was \$7.34, production was 1,230 tons, and consumption 7,560 tons.

— In 2006 the spot price per ounce of AG was \$11.61, production was 1,140 tons, and consumption 7,550 tons.

— In 2007 the spot price per ounce of AG was \$13.40, production was 1,220 tons, and consumption 7,980 tons.

— In 2008 American mining output grew at the alarming growth rate of 1-percent! Almost all of this shortfall is made up by imports from North and South American nations. But somehow USA mine exports during the time period listed had grown from 181, to 1,000 tons.

Given all of this data, how is it that the EFT spot price of “paper silver” today is floating around \$10 per ounce? However, if you want to buy silver, delivered for you to actually hold in your hand, well, that’s been pretty difficult lately as bullion suppliers have been out of 100 ounce silver bars for some time now. Apparently some dealers have located one-ounce silver rounds, or “U.S. eagle dollars (?),” that they’d be willing to sell to you —for four or five dollars over the spot price! Don’t believe this, then check it out.

What is the USGS saying about remaining silver reserves in America? Their 2005 summary estimates there are economically recoverable reserves of 25,000 tonnes and an overall resource base of 80,000 tonnes. These still represent about 9% and 14% of world reserves respectively. But since over two-thirds of that silver is tied up as a by-product of copper, zinc and lead deposits; future production is very much linked to future demand for these base metals —all in

demand in developing foreign economies.

Know that the old equation that, “When lead, copper, zinc, prices go up — more silver is produced, and the spot price of AG goes down.” Sorry, Barclays Bank. My above mentioned prospect had the zinc, and then the lead values of the proven ore, recently surpass the silver values, which has contributed overall to my decision to mine the proven ore, while proving up much more.

Lead, which used to be a penalty, is in big demand for solar power storage systems, escalating the average American consuming 911 pounds of lead in his lifetime. Zinc may well be the metal of the future when it comes to replacing gasoline in fuel cells to propel automobiles. The lifetime consumption is also raising from an old benchmark of 773 pounds for each and every person in the US. The consumption rate per capita in India, and China, is on track to pass that figure by.

Figuring consumption of silver is not as simple. The metal use is often hidden into the projected 68,000 pounds of high tech metals needed for hybrid cars, solar panels, or the new debased metallic coins that may soon be phased in by the government to replace the discredited paper dollar bill, and the uneconomic copper penny. Already on national network news I have heard the dreaded phrase, “dollar deflation devaluation,” from the lips of NBC news reader Brian Williams.

For more panicky ideas on what is happening, go take a look online at some of the conclusions on the Internet of a developing “silver scarcity,” as on [www.SilverStockReport.com](http://www.SilverStockReport.com), and others. I mention them for background reading, but don't agree with their conclusion of just buying junior mining stocks without assurances that what they are offering is real.

### **Here Is Another Stock Market Game Called Pump And Dump**

To understand this, lets go back to that professionally recommended \$3 million dollar drill program. Being that no Western banks would lend on something so silly these past fifty years of soft money , the miner would have to go back East, hat-in-hand to New York, and just about pledge his property and first born child, to participate (sometimes for real) with underwriting of a \$6 million dollar, plus, plus, public offering to fund the program and pay for all the swarms of security lawyers appearing from nowhere, and SEC approved —through Arthur Anderson Fellows trained— accountants.

Totally priced out of the big board game, prospectors have been forced to look for “juniors” who can legally sell stock of what might be a listed shell, recycled

and “reorganized” under a yet another name, to raise that \$3 million for a drill program.

I happen to be an expert witness on what can happen so easily as my spreadsheet 396,000 ounces of silver proven, length x width x depth, has been used three separate times to raise millions to pick up the option to earn-in control of the prospect. My logic was to gamble all to prove that the 300 feet diamond drill program would return as proven, ten times, the surface values. Fortunately I have always protected the measured surface values from high-grading by agreement, and the ownership of the property with the right to declare the contract dull and void for non-performance upon the ground.

The catch-22 with a public TSX listed company, whose name used to be Canafrican Metals & Mining Corp., still findable on the TSX site as CAF, where press releases were published that could be produced in court if needed. I also have screen dumps from Google Finance that over \$3 million dollars was raised that would have covered the drill program as outlined by a very esteemed Canadian consulting geologist, estimated at the time at \$2.5 million dollars. Upon completion, CAF, even with stock options to me upon signing, would have had majority control. Negotiating the up-front “good faith” payment of \$25,000 after I had just spent \$25,000 meeting my previous annual claim for the previous year and rental requirements for the following, I also went along with the good mining principal of not spending any money “above ground,” and was happy to base the only “payday” I would have until I could benefit from my stock options. This of course would be in the future as the market price upon signing was .05¢ and the option price was 10¢.

During negotiating with CAF I was talked into “hiding” the stock options by becoming a public relations business consultant, so that my partner in Mac& Murray Multimedia could build CAF a 26 page website to promote the joint venture drill project, and future of CAF, without fear of bending TSX Venture Exchange regulations.

The fun part started with British financier David Rolston Way, taking over the company from the hard working Canadian mining engineer I had signed with. When the stock price was approaching .40¢, I asked to exercise my option of just a few of my 500,000 shares, to keep claims elsewhere current. This event triggered a number of actions that somehow should have qualified some sort of response from my formal complaints to the British Columbia, and Alberta Securities Commissions.

The first reaction was that the missing part of the agreement concerning the stock was sent —with a dated cover letter — asking me to sign, or else, months

after the pre-dated document. I also learned, I would only be eligible for one third of the stock at this time. I went along anyway, having already delivered a very successful web campaign, and asked for what I had coming. For this, I was fired, as my eligibility dates had passed, and therefore I was not eligible.

It gets better. CEO David Way then waved his arms in a TSX press release that stated, "This is an exciting time for Canaf. With the restructuring of our company, we are now ready to focus on our diverse and valuable properties in Africa. The Alaska claims do not fit into our new mandate, and so we have decided not to pursue this option."

To protect the reputation of my property, and to try and answer complaining e-mail from the website, which we immediately took down, I, as a former CAF PR business consultant submitted numerous press releases to the TSX that explained what really had happened. These have never been published. Nor is there ever any explanation on how CAF has been continually restructuring to similar names, as the Canaf Group, that focused on South African coal, and then Congo diamonds, and finally back to gold where the latest quoted share price is less than .00¢.

Though the price of silver escalated dramatically during the period of our agreement (the increase actually covering the \$2.5 million drill program), and the U.S. Bureau of Land Management had published new finding, with new sample results, in the second intrusive associated with the property, confirming as an outside source, the potential of the "headwaters," and even knowing that five properties surrounding us were being drilled by very reputable juniors, no one from CAF ever stepped foot on the claims to do assessment work agreed upon by contract, in keeping with their obligation as "operators of the claims," under Alaska law. Compliance required an expenditure of \$16,700.

There was no clause in the Option agreement giving Mr. Way an escape from his company's consequential commitment to perform \$16,700 worth of assessment work, in return for a spreadsheet validity to attract \$3 million from ordinary investors.

This is where securities financiers go wrong. They listen to the advice of securities lawyers who feel the merest threat of a lawsuit is enough to settle petty matters — which is anything under \$5 million. Enter D. Richard Skeith, supposedly acting as a professional lawyer from MacLeod Dixon, LLP, of Vancouver, B.C., Canada, while he also happened to be Corporate Secretary of CAF. Perhaps he was even the one who wrote to contract with no escape clause, requiring me to be the one to declare default for non-compliance of consequential State of Alaska mining regulations.

My complaint for the return of the \$16,700 assessment work I had to spend inside of one month, upon the claims to save them for abandonment, filed with the British Columbia International Commercial Arbitration Centre — affectionally know by BC lawyers as the good old reliable answer to lawsuits they do not want made public— went unanswered for months, as CAF/ Skeith ducked out of responsibility with a, “Who? Us?”

The complaint is still pending two years later as lawyer Skeith has not given up pretending that the claims were left in good standing, though CAF was not able to simply produce a required an assessment work affidavit, filed and date stamped by the State of Alaska, as required by the contract. A hearing that took months to schedule to decide if something so simple as written, could somehow actual be decided to be true true, did not happen as CAF / Skeith (who had stipulated BC arbitration to settle said simple interpretations of what is black, and what is white) did not match the \$4,000 check sent on my part, to pay for an estimated 20 hours, at \$400 per, in advance, a total of \$8,000, to decided a simple yes, or no, in simple English understandable by a BCICAC arbitrator / lawyer, of this \$16,700 matter.

Sorry for my seemingly helpless, “poor me?” My lesson learned is if you are expecting anything but greed from stock promoters, leading to an yet another emotionally fueled crunch where you loose; or the truth on futures market opportunities, that may be leading to yet another paper money bailout; you also need to pay very close attention to who is saying what about financial opportunities in the mineral exploration business, especially from the smaller “affordable” stock exchanges. I have mentioned names, and actions for you to draw your own conclusions.

This is not slanderous, as the statements of the truth is quoted directly out of published documents, or public information. I did warn CAF that I would be appealing to the court of public opinion. This wasn't meant to be a blackmail, but professional journalistic courtesy. I also pointed out to CAF, as a PR advisor, to no avail, that potential investors today actually Google CEO names on the Internet when doing their due diligence homework. And that helpful press reviews for a project, today, can carry a price tag of negative publicity if it fails.

Going back to basics, especially when dealing with mining finance, wasn't a stock company something formed to finance the development of a business enterprise? When did it become a carnival shell game where you had to promise an immediate, flippable, profit, or suddenly the underlying economic wealth of the venture became worthless. How is it that buildings, machinery, workers expertise, and good will / market share, of the nearly century old association of

merged car builders, known as General Motors, have become a financial joke to the Wall Street financial wizards whose only expertise is trading pieces of paper for other pieces of paper?

You are aware that investors in stock do not have to go through stock brokers? I know from having been part of the CAF “system” that there is a lot of private placement non-brokered buys, as London financiers, or Merrill Lynch Canada, had done, for obvious re-sell, or other insider traders who buy into options that actually had a term of five years. If you decide to buy into the future of America, at least do yourself a favor and deal direct, for a long term gain. Flipping (churning) solid economic ventures for a day-profit only makes Wall Street sidewalk “find the pea” hucksters, rich.

So, finally, the point of this much too long newsletter, laid out for easy printing for a permanent record of what is promised, by a person who has listened to “financial experts” far too often, it really comes down to —

### **A Matter of trust!**

For simplicity sake I am going to make a mining finance biz plan proposal that doesn't need interpretation by securities lawyers, who always seem to be the ones dividing the pie even though they were not there for picking the apples, peeling or coring, cutting in iceboater to the crust mix before rolling, and baking all into a delicious conclusion — without burning.

Doing away with the out-of-sight fees of counter-productive professional advice, I don't need a “mouthpiece” to protect me from doing wrong, as I am at least one Alaskan who is at least able to recite, pointing out, letter by letter, accented by real life footnotes, that Robert Service was correct when he published the laws of the North that stated — “A promise made, is a debt unpaid.” And right, as in the laws of Creator, is right. Ask the “businessmen,” who tried to ride a camel through the eye of a needle into heaven, if his lawyer made any difference pleading before Chief Justice Saint Peter.

I have had a number of “handshake” gold prospecting partners since my Ophir, Alaska, days. We have passed a lot of money back and forth for various ventures, or been there when needed, no questions asked. The betrayals we experienced, collectively, all have had something to do with resource management manipulation by want-to-be MBA's.

Go ahead and Google — “Barry Murray.” In my Internet early [www.TheProspector.com](http://www.TheProspector.com), you can find a 1955 Moab, Utah, experience, of paycheck problems, caused by a Canadian junior uranium exploration company

president running off to Brazil with the corporate funds. You won't find anything negative about my character, other than perhaps my first wife hiding her indiscretions, behind my admitted infidelity. My biggest flaw, you might decipher from my published material, is that I am just a 70-year old kid at heart, looking to do something fun, that is an adventure.

So, here I stand in front of you, around the campfire with a cup of "extra special" brandy coffee, looking into the flames of, "going into big debt," the first time in my life —from a totally pay as you go existence— trying to work out a simplified way to make my silver "prospect" into a mine before I die.

Below, I will do some geologist name dropping. Elsewhere I have documentation to back up every statement made, but the simple financial formula is actually based on an approved U.S. Office of Minerals Exploration program to drive an exploration adit.

Don't ask why the OME is no longer with us, or why the Alaskamin Company — when I was only a 10% stockholder, and the spot price of silver was \$1.65 per ounce — turned down a U.S. Government loan of 75-percent of the cost of the "adit exploration" program. This was a non-consequence venture that did not have to be paid back if a failure, and if a success, was to be repaid out of a 5% royalty.

**The premise of this, "Way the hell off of Wall Street biz venture," is sound:**

1) I own the mineral rights of 6680 acres, outright, with proven surface values containing 397,000 ounces of silver, that has a value the first business day of the new year 2009, at \$10 something per ounce, of \$8,659,755 not counting \$10,832,685 in zinc, lead, and copper, values.

2) I have the equivalent of 167 40-acre State of Alaska claims in good standing. Again, courts have always held unpatented mining claims to be real estate. Divide a combined, proven length x width x depth value of 118,163 tons of galena ore, by 157, minus the silver values of the proven #1 ore deposit to be mined is valued at gives me a "unit" price for each claim of \$92,450. Understanding that the measured ore needs to be mined to return a profit, I have cut that amount in half, which returns a value of \$46,225 per LLC unit.

3) The economics today are that I, as an individual, borrow \$ 24,271, from an individual, backed by ownership of one of the mining claims. The amount to be lent is based, for now, on the January 2, 2009, spot price of silver, calculated as each claim having a pro-rated 2,345 ounces of silver inside of a #1 measured length x width x depth of 54,400 tons of galena ore, that also contains

substantial tonnage of zinc, lead, copper.

4) I am betting the title of all the claims I have spent 40-years of my life developing for the funding to repair the airstrip to bring in mining equipment, clean out and extend the 3-mile access road to the deposit, build a portal, and drive an adit —just as geologist James Orr and the Office of Minerals Exploration agreed (see documentation) — will supply enough silver in hand to deliver 2,345 ounce bars in return, sometime in the next seven years.

Think about it and you will see that is a prudent length of time for the financial safety of both of us, and a yet to be formed LLC which will hold titles in escrow until the loan lien has been satisfied. With the coming, dramatic raise in spot silver prices, there would be no advantage for the borrower in leaving the silver in place, covering additional mineral values. The sooner I deliver, the better.

5) As for the cost of shipping, milling, and refining, it is true that in the past the remoteness of the property and the ounces of silver being locked together in a galena ore consisting of 50 percent lead, and zinc, plus copper, was a deciding factor against hi-grading. However new uses have come along for the Bowser Creek “by-product” galena minerals in the US, for building solar and wind energy, and hybrid fuel efficient cars, sending base metal prices ever upward, almost bypassing, at times, the silver values.

Depressed US basic industrial factories, and mines, physically on US soil are not a real factor in the world marketplace anymore. Zinc has a huge demand in India, lead in China, and copper in Japan. Fortunately those in charge of our diminishing economy were not able to export mines. I am counting on the associated base minerals to pay the freight of continued exploration and mining of what is underneath the proven tonnage, perhaps to 300-feet or more.

As there is economy in scale in mining I already have two separate Chinese contacts, have figured out that barge transportation down the Kuskokwim River to Bethel, and then by polar route to what used to be called Nanking, is closer than Los Angeles —where Beverly Hills environmentalists wouldn't allow a smelter in their back-yard, anyhow.

6) I know from actual experience, my only defense being on a speakerphone facing roomfuls of big business lawyers, supported in turn by special interest big government lawyers, who make a very good living keeping the rabble of American investors interested in small business under control, is to steal a word from their double-talk play book, and actually deliver what is promised. The catch word in favor today is, transparency.

You lend me money needed to mine that silver out of the ground for delivery as promised to pay of the debt, then you must have a trust in me that I am not going to run off to Brazil. To answer this concern I suggest that a special Alaska National Bank check account (considered to be one of the most stable, conservative, banks in the nation) be set up for the development funds, where those participating in my dream can lookup, online, a check register to see exactly where the money is being spent. The “why” also will be accessible on a password protected, line item, web page.

7) The plan is to drive an adit into to the USGS “hot spot.” A tunnel is open to the air on both ends. In my youth I actually worked underground, and I can operate a Cat. So I know exactly what to look for from two very experienced turn-key contractors who have already visited the project. Even so, at 70-years of age I am so ticked I have to do it myself to make it happen — well just stand back, sonny.

Last summer I had a little trouble climbing the S1a cliff, so I guess my contribution will be supervision that the funds raised will honestly be spent on the ground. I promise that the check account will show no more than 10% of what is available on project management expenses as airfare, professional services, per diem reimbursements.

8) Going a step further of offering control to individual “investors” as suggested by the “Rich Man, Poor Man” guru on PBS, I have found a new vehicle in Nevada, a noted “investor protective” state. It is called a “Participant Limited Liability Corporation.” As I am tired of providing stock certificates to manipulators, to do everything but move a project further, as stated, this corporation’s value is to be based upon of the known mineral values of the claims. Not because some CEO thinks he is Mr. Wonderful, and the rest of us are rabble.

Proponents of participating suggest this method has tax advantages. I don’t know about that, as one has to actually make money, before taxes become a problem. My focus is to actually work the property. However, in my experience an honest, at risk, Schedule C write off of mineral exploration expenses, for many years, was all that kept me financially afloat.

So, given that I have pledged ownership of individual Win Alaska Mining Claims, that have a collective annual State of Alaska assessment, and rental requirement to meet, I will be transferring the escrowed title, with lien, as lawyers love to say, “said mining claims,” to a yet to be formed LLC, for group management, in return for a contract to mine the base metals associated with the silver belonging to the lender, thus helping to pay for the delivery of the

silver bars. And, of course, maintaining collective title through required Alaskan claim rental, royalty payments that need to be honestly reported, and assessment work requirements.

9) As I, a layman who feels Gene Autry was right in his song, *Back In the Saddle Again*, where you “slept out every night, and the only law is right,” my interpretation of individual states restrictive regulations that haven’t done any good protecting widows, and orphans, is that limiting non big-board investment opportunities to a select, financially qualified investors, with no advertising outside of word of mouth of country club good old boys needs to be rewritten. I am, in fact a legal “orphan” and a “widower.” It appears, however, with full disclosure, you can legally ask those that already have a legitimate relationship with a company to join in the effort of developing some of a long-term value.

**The truth is this (sort of my own “worst case scenario” red herring):**

A) A loan against mining claims, recognized by courts as real estate, is a simple agreement. The risk is that I might not be able to produce the ounces of silver needed inside of seven years to payback the lien holders, which worst case scenario could leave individuals in full ownership of 40-acres of mineral rights, requiring annual payments, in the Alaska wilderness. The silver note holder could, or course, pass along the right to receive the promised 2,345 ounces, but this in no way would be as simple to do as a recognized futures brokered market style transaction. It is also possible that in seven years the spot value price of silver could go below the loan value.

B) All I, as the sole owner of what has been validated in agreements with other mining companies has having had over \$3 million spent so far, would receive for my risk of entering into such a development loan would be a less than 10% of the project reimbursement for management expenses.

C) For my “payday” after 40-years of effort, I have set an overall value, to be divided among 167 claim LLC units, of one half the surface values of the initial mapped South, and North Zones, less silver spoken for, and the later discovered NW and Headwaters Areas. See TOTAL MEASURED ORE on the Excel spreadsheet, below.

For an understanding of, and complete supporting documentation, the stage two diamond drill program to 300 feet to prove up the indicated values, including gold, overlaying by the proven ore, go to [www.SilverMiningClaims.com](http://www.SilverMiningClaims.com), and [www.Property-Prospect-Showcase.com](http://www.Property-Prospect-Showcase.com). For me the real point of the loan funded bootstrap adit program (beside paying back silver bars) is to install infrastructure and eight diamond drill stations to prove/disprove that locally rich

measured surface deposits are much larger than the visible outcrops.

If the test hole results are positive, and the ore is mineable by an inexpensive open pit methods, this would turn the Win Group of Claims into a world-class mine. In this case of Indicated values an affordable commitment could actually return \$1 million, plus. That, of course is the gamble of mining, but at least the percentages would be on your side, not the casino, or stock underwriters side.

If, however, the scarn zones and veins pinch and swell requiring further underground workings, requiring more investment, then LLC members may have to rework the business/mining plan, perhaps with a second silver bar financing program based upon the surface silver of the harder to reach headwaters cliff faces.

D) One of the stumbling blocks of raising “small” mining money to actually fund a drill program by shared risk, is the number of participants allowed, and that advertising for investors in anything other than certain publications, and that the “small” people have no right to make group decisions about their investment without the leadership by registered security dealers and securities lawyers!

What I am suggesting instead is those who have a trust enough to lend me money, prepare a standard promissory note one can buy at any stationary store (add the conditions listed above) and deposit funds into a special account in my Alaska Bank, where you will be able to follow what is spent where, and that less than 10% will go for reimbursement of management expenses.

### **A Separate, Private Placement, LLC Scenario**

Once a “claim valued” unit has been set aside with a lien against it of 2,345 ounces of silver, I will be transferring title of that claim (complete with the escrowed repayment obligation) into a yet to be formed State of Nevada Participant Limited Liability Corporation, controlled at the moment by me —just to make sure my word on repayment in silver bars is not violated.

In keeping within SEC regulations concerning securities I cannot collectively offer participating silver-bar note holders —beyond that of a peek at the development mining and exploration bank account— anything more than an option to buy the underlying claim unit, that already has a lien for delivery of silver bars, and a contract with an LLC operating corporation to deliver same.

Once the airstrip has been repaired, the access road brought up to heavy equipment standards, an adit, and drill pads built — then the zinc, lead, and copper values, associated with the surface silver being mined will also be

economic, helping to make the repayment schedule happen. And that newly exposed non-weathered ore below the weathered surface, including additional silver, will have higher values.

This Participant LLC would be restricted from advertising to sell anything resembling stock direct to the public. However, those who already have an “at risk” involvement, through the silver bar program, can legally purchase a unit based upon the ownership of a single claim without meeting, “private placement net worth requirements,” that is some states that have the (unintended?) effect of excluding the “unsophisticated” small time investor.

The only participants considered to qualify to purchase a LLC claim based unit at this time to be part of the management of mining the pledged ounces of silver, and base metals, and additional silver, would be those “at risk” with the ownership of a silver promissory note. To keep control of the property inside the group, only individuals will be allowed, the LLC would have “first right” to purchase a unit back. The only exception to this is if a bon-fide major mining company making an offer approved by 75% of the LLC members.

Of course, some of the dollars spent buying a LLC unit will go the “Barry Murray’s retirement fund.” But, understand I have an incredibly strong drive to see the property of my lifetime succeed, if only to leave something to my grandchildren. In all fairness I have spoken for a “founder’s” unit for myself, and one each for “handshake” partners Roberta Dickerson, and Ron Anderson. As it is illegal to pay a “finder’s fee” for arranging a loan, the only circumstance a “broker” could participate is a unit where he was a lender, to exercise his LLC option rights. To keep this process from being corrupted, any such fees would also be in-kind participation.

As explained, the loan amount is based upon what seems to be this months average spot price of silver, per ounce. A more traditionally businesslike spread sheet, below, is used for a calculation of the LLC unit price, along with links to geologists reports and government documentation so you can do your due diligence with confidence.

Now, I also what to know who I would be “partnering” with in the years to come. I also am not going to commit to the “in-kind” program without verbal commitments that would at least cover contractor Steve Reeves flying a D-5 into to repair the airstrip, and start on cleaning out the grandfathered in access road.

So, without any more public disclosure, I suggest —if you are genuinely interested in the loan program— to phone me, Barry Murray, at 503-753-5868.

On this date, the the proven, indicated, inferred values of the Win Group of Claims, Bowser Creek, McGrath A2 Quadrangle, Alaska, documented on [www.SilverMiningClaims.com](http://www.SilverMiningClaims.com), citing sources as the U.S. Geological Survey, the State of Alaska, Homestake Mining (Canada), Canadian consulting geologists Wm. Sharp, James Orr, and exploration geologists of British Columbia junior mineral exploration companies, are based upon the following Excel spreadsheet.

**(See attached Win Calculations)**

### **Additional Properties That Might Work With A Claim Value Equity LLC Program**

Roberta and I , and Alaskan prospecting partner, Ron Anderson, have a marble property in Nevada that needs a million dollars funding to put into production. See a discussion on this at [www.DimensionaI-Stone.net](http://www.DimensionaI-Stone.net), and [www.Marble-Boutique.com](http://www.Marble-Boutique.com) concerning purchasing a Chinese wire saw

Strangely enough I have also had inquires from China concerning the finishing of slabs from Marble Canyon, and a no-brainer of countertops of the nepheline syenite from our claims at [www.Nepheline.com](http://www.Nepheline.com), which also is called, in the dimensional stone business as a rare, “Blue Pearl Granite.”

The best use for this large deposit would be green, space age, hurricane proof polymer housing blocks, with a high R-value, and perhaps nuclear waste containers. The way control is set up right now a LLC could be formed to compete with the European cartel that controls the material’s use in glass manufacturing. What is needed is R&D funding for advanced uses of the “waste” material after an easy to obtain permit to quarry is put into production.

It should be noted, also, as the three of us are getting on in years, and look ahead at the effort required to make it all happen, with a bit of reality that the retirement goal may take a bit more time. So, consider this — at this moment control of all three properties, working together (Alaska in the summer, Oregon, and Nevada, in the winter) could be purchased, outright, for a limited period of time, for a reasonable sum, even if devalued U.S. dollars.

Contact: Barry Murray  
Phone: 503-753-5868  
E-Mail: [macandmurray@mac.com](mailto:macandmurray@mac.com)



# Win Mining Claims Loan and LLC Proposal Calculations – 1/02/09

Date  
2-Jan-09

SILVER	LEAD	ZINC	COPPER
AG/troy oz	PB/lb	ZN/lb	CU/lb
\$10.35	\$0.50	\$0.56	\$1.44

## Claim Units

87 - 40 acre claims	3480 acres	Total Number of	
20 - 160 acre claims	3200 acres	40 acre units	<b>167</b>

## Measured Mineable Ore

### #1 Documented

Ore, in place, average 5 veins, measured length x width x depth by government and independent geologists

Weighted Totals, by tons	AG/value per ton	PB/by % per ton	ZN/by % per ton	CU/by % per ton	Outside Geologists Numbers
54,400	\$74.51	\$28.20	\$34.16	\$3.17	
Gross Market Value	\$4,053,325	\$1,534,080	\$1,858,304	\$172,339	<b>\$7,618,048</b>
<b>#1 Documented 2,345 ounces silver per unit at today's spot price</b>					<b>\$24,271</b>
<b>Total Loan Working Funds</b>					<b>\$4,053,215</b>
Mine, Mill, Shipping costs at a high end estimate of \$50 per ton, for 54,400 tons					\$2,720,000
Costs per unit to recover silver					<b>\$16,287</b>
Documented #1 mineable base metals target per unit					\$21,346
Profit per LLC unit after returning loaned silver					<b>\$5,058</b>
Profit per LLC unit if proven surface values continue to 300 feet in depth (indicated figured at 10 times proven)					\$213,359

### #2 Murray Mining

Additional ore, in place, measured 324' Long x 82' Wide x 1/2 of 60' Elevation on a 45 degree slope

Weighted Totals, by tons	AG/value per ton	PB/by % per ton	ZN/by % per ton	CU/by % per ton	Murray Mining Numbers
63,763	\$72.24	\$8.80	\$100.58	\$4.61	
Gross Market Value	\$4,606,430	\$561,114	\$6,413,027	\$293,820	<b>\$11,874,392</b>
<b>TOTAL MEASURED ORE</b>					<b>\$19,492,440</b>
Value of surface deposits less #1 Loan silver					<b>\$15,439,225</b>
Total sale price for property, right now, without continuing royalty					<b>\$7,719,613</b>
LLC unit price buy-in at 1/2 of surface values					<b>\$46,225</b>
Less estimated per unit surface mining, milling, and shipping costs					\$19,416
Profit per LLC unit					<b>\$73,034</b>
Profit LLC unit if proven surface values # 1 & 2 continue to 300 feet in depth (indicated figured at 10 times proven)					\$943,699

As an incentive to the individuals making a loan on 2,345 ounces of silver to be delivered within seven years of signing a simple promissory note (with conditions protecting the lender) I am also offering participants an option to purchase an LLC position, with a value based upon one half the total surface values shown today for the property. Obviously, as the mining of the spoken for silver, additional values will be uncovered, and as equally obvious is as the loan funded exploration drill program core drills to the geologists recommended first stage of 300 feet, the overall values will increase dramatically. For this reason the option date will expire one month after a cat has been landed at the airstrip, and the "grandfathered" access road to the deposit has been cleaned out, suitable for ore hauling. **OPTION PRICE EACH 167 LLC UNITS**

If you want to be first to help to actually make this happen, right now I am offering the **LOAN**, based on 1/2/09 spot silver and a special "founders" LLC unit position at **\$25,729**, for a **package price**, for the **first 20**, first come, first served, of **\$50,000.00**

All documentation backing up these calculations may be found at:

- [www.SilverMiningClaims.com](http://www.SilverMiningClaims.com)
- [www.Property-Prospect-Showcase.com](http://www.Property-Prospect-Showcase.com)
- [www.WesternMiner.com](http://www.WesternMiner.com)
- [www.AlaskaMining.com](http://www.AlaskaMining.com)