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April 30, 2003

To Whom It May Concern:

Some twenty-five years ago I met Paul Vaden in Portland, Oregon while going to graduate school at Portland State University and actually worked for him on a real estate venture in Eastern Oregon for a short while. I was somewhat naïve then but remembered Paul as a formidable businessman that demanded results and tolerated nothing that was not honestly represented and timely accomplished. My short-lived experience with Paul left an indelible memory of business on the front lines and was my first real business adventure. Then, after some twenty-five years, I walked into a client's office and there he was – Paul Vaden. Although I recognized him instantly, he remembers nothing of me – even though I was the guy that did all the work.

For all this time our separate business paths have been converging on one common interest – the fabulous Bonnanza Mine and the surrounding Cornucopia placer deposit in Eastern Oregon. Geologists consider this placer deposit an ore body with more than a hundred years of extensive testing, sampling and mining. In geological terms this deposit is the result of glacial erosion of auriferous veins with a predominance of galena (lead sulfide) associated with gold. It traveled not far resulting in nugget deposits mostly disseminated uniformly with a noticeable lack of clay. The bottom line is a huge predictable gold deposit easily mined in volume with visible nugget results. On a scale of 1 to 10 this is it – **number 10!** There is no other mine like this anywhere in the continental U.S.

I was first introduced to Bonnanza gold about fifteen years ago while marketing gold nuggets. My interest in gold dates back to early college days at the Colorado School of Mines. After three years at Mines I joined the service to feed my dwindling college fund with the GI bill, however when exiting the service via Viet Nam, geological engineers were not in demand. I decided to reeducate as an accountant and during that period I mined placer gold to supplement the GI bill and became interested in the marketing problems inherent in gold nuggets. The outcome was a side business (Gold Nuggets, Inc.) that developed primary markets for gold in Europe. It was always difficult finding a ready supply of nuggets until I was introduced to Mike Bonn (Tom Bonn's brother of the Bonnanza Mine). I was told that I could have all the nuggets I wanted and

subsequently took them up on their offer. I never visited the mine but was always sent any quantity and screen requested by mail or delivery service. On one specific occasion I needed several thousand dollars worth of nuggets the next day and talked with one of the McDougal brothers in Eugene (a partner in the Bonnanza Mine). He called me back a short time later and told me to meet him the next morning at a bank in Springfield, Oregon. I was there on time and he opened three safety deposit boxes that were loaded with screened gold nuggets - I specifically remember the difficulty he had in placing them on the reviewing table. He commented, as I was sorting and weighing my nuggets, that they were glad about my call, as they had forgotten about this gold. Needless to say, I was more than impressed. There was at least a million dollars in forgotten gold in this bank from the Bonnanza Mine.

Although there were more nuggets than I could possibly market from the Bonnanza Mine, I was also searching for more variety in nuggets to implement an innovative grading system that Gold Nuggets, Inc. had developed (a sample is attached). The search took me to Russia with a mining delegation from the Colorado School of Mines and shortly after Yeltsin gave his tank speech I was in Moscow on my way to northern Siberia and the Russian Far East. This is a long story but after several trips I formed a jewelry store joint venture chain in the Russian Far East and appropriately called it Russian Gold Nuggets. We had great difficulty in buying gold nuggets from the Russian government as they wanted most of the profit in spot percentage, so on one trip I took some Bonnanza gold with me to make jewelry and told them we would supply all the nugget gold from America to cut our costs. They promptly placed in import duty tax on gold nuggets – so much for diplomacy. To this day there is a duty tax on gold nuggets going into Russia thanks to Bonnanza gold.

Another interesting point I never disclosed about Bonnanza gold is that approximately 1% of the nuggets have a “ring” when hit with something hard. This may seem insignificant but gold is inert and therefore very difficult to locate until now. If this “ring” frequency can be isolated and broadcast into the ground, these nuggets will vibrate to this frequency by harmonic oscillations causing them to disclose their location. A little research would be required to test this theory but the results could be truly worth fortunes.

The gold business was most promising in the early 90’s; however, for no apparent reason the gold production from the Bonnanza mine suddenly stopped and my supply was seriously cut short. About the same time, one of my Russian partners was murdered and that ended the Russian side of the business. It was fun while it lasted but soon the gold business was too difficult to maintain and like many businesses it drifted off into the forgotten until I ran into Paul Vaden a few months ago. It was strange running into him after all these years and learning that he had been mining for most of those years. The most bizarre coincidence however was his involvement in the Bonnanza mine and the fact that he had options to buy all the worthwhile property associated with the Cornucopia placer deposit. I couldn’t believe what I was hearing. Years ago I was told that the property owners had evicted Tom Bonn and his group and were disenchanted with anyone mining the property after Bonn’s experience. I also heard that a mining

person had tried to buy the property for \$5 million but was turned down. Now, Paul has all the worthwhile property and is offering title to said property at a bargain price.

The only explanation is the property owners have trust in Paul for his age, handshake, and his Greek word - not mentioning the ten or more years of feeding them favors to keep the property available. Also I believe they feel that Paul's mining process is probably the most promising process that has ever been available for this property from the standpoint of efficiency, reclamation, and volume production. After all, everyone knows that death comes to mining by way of fixed costs usually only curable by volume production. So think about this, Tom Bonn usually mined about 50 yards per hour with almost 30 people on payroll. Paul's process can do as much in 15 minutes with less than half the payroll. The potential profits are staggering plus the fact that this can go on for years and years due to the size of the deposit.

Not being a mechanical engineer, I was very curious about Paul's representation about his process including the derocker. I asked an engineer friend and graduate of the Colorado School of Mines to talk to Paul about his process and the mine in general. He was very impressed about Paul's process particularly the derocker and actually even loaned funds to further secure the property and protect Paul's interest. Paul's derocker will handle up to four-foot boulders and will accept all material unlike Tom Bonn's process where they worked around boulders. This is the process that is made for this type of property. The process alone is worth the investment.

So, let's look at the property from a more realistic standpoint. This 560 acres of fee simple titled property and an additional 120 acres of claimed property has a surface value of probably \$1.8 million at roughly \$3,000 per acre. Timber on the property has a footage value of at least \$600,000 making the true value about \$2.4 million. The history and potential mining value adds another \$2.5 million putting the real value at roughly \$5.0 million. For about half that an investor can secure the property, process, equipment and enjoy a piece of the action with little if any risk to capital. Think of it as a first trust deed with high interest on a \$5.0 million piece of real estate.

Not enough? Paul was recently offered \$3.0 million to walk away after securing the property for another mining company. They were also going to assume all obligations to purchase the fee simple property and mine the property themselves. This of course is not what Paul had in mind and declined the offer. The word now is they will offer more but the money won't be available until late this summer. This proves the property has more value than the entire investment requested to start the mining operation with a security interest in the property and all ancillary processes and equipment. By the way, we have the offer in writing.

I am a CPA as well as a Customs Broker and Real Estate Broker. I am also a business entrepreneur and have seen first hand the profits generated by this mine with what I now consider an inefficient mining operation conducted by Tom Bonn and his group. I can vouch for Paul Vaden and his integrity and have given him some Bonanza gold left over from the old days to show you the real stuff. After all these years and

talking with him at length, I have concluded that his experience in process mining should be considered the best in the country for this type of operation despite his age. I have also developed several entity design options that secure an investor's interest and tax favorable exit strategies. I can honestly say that I have never seen the potential for a more profitable investment than the one you are now considering.

Please feel free to contact me if you have questions or need additional information.

With best regards,

Thomas J. Hice, CPA