

DAVID
BROWN &
Associates, Inc.
Consultants in the Earth Sciences

August 7, 2003

Mr. Paul Vaden
Bonanza Mine, Inc.
11545 S.W. Beef Bend Road, #63
Tigard, Oregon 97224

Subject: Bonanza Placer Mine
Baker County, Oregon

To Whom It May Concern:

Our firm specializes in exploration, evaluation, permitting, environmental impact analysis, and operation of mines of various types. These range from simple rock quarries to large, complex open pit mines for products ranging from sand and gravel to industrial minerals to precious metals. Our firm has been doing this work for the past 20 years, and I have personally been working in the mining and natural resource development industry in various capacities since I began my career as a Geologist in 1974. At that point, I worked underground in the Marysville and Helena Mining Districts in Montana for AMAX Exploration. I am presently a Registered Geologist in Oregon, Washington, California, and Idaho.

Mr. Wayne Johnson of Eugene, Oregon, asked our firm to review a mining proposal presented to him by Mr. Paul Vaden. Mr. Vaden presented us with data on the mine, and we reviewed the material provided, reviewed information in our library, and called a number of personal contacts in the mining industry, including regulators. I also have limited personal knowledge of the mine through other sources dating back about 20 years.

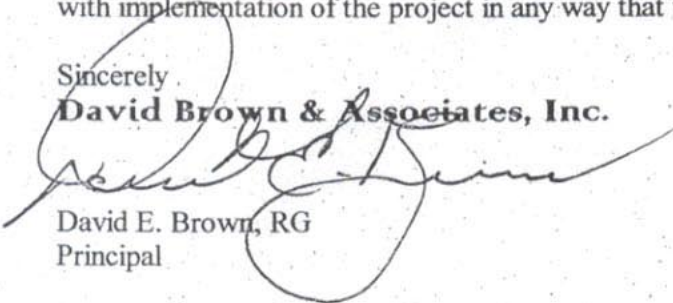
It is our opinion, based on our review of all of the material, that the Bonanza Placer Mine is an excellent gold prospect that should prove to be a profitable enterprise, providing certain conditions, common to all gold mining operation, are met. These include primarily the price of gold, and the cost of excavation and treatment of the ore.

We have reviewed the methodology proposed to excavate and treat the ore. We agree with the mining plan, and heartily endorse its implementation. Some of the methodologies Mr. Vaden proposes to use in treating the ore are innovative and have been successfully used exclusively by Mr. Vaden in other, similar mines.

We appreciate the opportunity to review the material provided, and look forward to assisting with implementation of the project in any way that we are able.

Sincerely,

David Brown & Associates, Inc.



David E. Brown, RG
Principal

DAVID
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Associates, Inc.

Consultants in the Earth Sciences

October 9, 2003

Mr. Paul Vaden
Bonanza Mine, Inc.
11545 S.W. Beef Bend Road, #63
Tigard, Oregon 97224

Subject: Excavation and Processing Cost Estimates
Bonanza Placer Mine
Baker County, Oregon

Dear Paul:

At your request, we have examined the costs proposed for excavating and processing at your Bonanza Placer Mine in Baker County, Oregon. The intent of the examination was to determine if the costs proposed, within a range of \$2.50 to \$3.50 per yard, are reasonable and supportable.

Mining Plan Model

We examined excavation costs for the following mining plan concept.

- Material excavated is unconsolidated sand and gravel, non-lithified, with occasional large boulders.
- Material will be excavated with a large hydraulic excavator (large track-hoe) and placed into at least two off-road 20- to 30-cubic yard dump trucks.
- Travel distance will be no more than 500 feet in one direction.
- Material will be dumped into a hopper at the processing plant and processed waste material will be loaded on the truck to back-haul for reclamation using an articulating hydraulic front-end loader.
- Reclamation will be a simple rolling reclamation replacement of material and re-grading to match the original land contours.
- 2,000 cubic yards will be excavated each day and will continue during an approximately 8-month weather window during the year.
- Processing of the auriferous material will be by the system devised and designed by you. Some of these methodologies are innovative and we understand have been successfully used exclusively in other, similar mines.

Evaluation Methodology

In order to evaluate the costs, we approached the cost estimation in two ways. The first was to contact a number of David Brown & Associates sand and gravel mining clients and ask them for proprietary information regarding what would be their in-house estimation of costs associated with the mining plan presented above. This information was then given to DBA to use in evaluating your project with the understanding that the specific provenance of the information would not be disseminated. Therefore, the names of the specific mining companies cannot be released. However, the results of the evaluation were all within a very close price spread.

The second method used was applying well-known, industry-wide, published job-costing values that are found in a number of sand and gravel mining estimating guides, several of which were published by public agencies. The results of these analyses were also within the estimation range given by the interviewed mining companies.

Results

The results of this analysis indicate that a price of range of \$2.50 to \$3.50 to excavate, haul, process, and back-haul for reclamation is well within the price range determined by the methodologies above. In fact, the price range given to us by you may be somewhat conservative.

We appreciate the opportunity to review the material provided, and look forward to assisting with implementation of the project in any way that we are able.

Sincerely
David Brown & Associates, Inc.

David E. Brown, RG
Principal

