

NOTICE OF PROOF OF ANNUAL LABOR

The undersigned, in whose behalf the following described work was performed, certifies that at least Three Thousand Five Hundred (\$3,500.00) Dollars were expended, and/or the following labor expended, or improvements made having a value thereof, consisting of:

- 1) Geological Mapping
- 2) Geochemical Sampling

(See Exhibit "A")

were performed and made upon the following contiguous mining claims:

- | | |
|---------------|---------------|
| BLUE NOSE #1 | BLUE NOSE #19 |
| BLUE NOSE #2 | BLUE NOSE #20 |
| BLUE NOSE #3 | BLUE NOSE #21 |
| BLUE NOSE #4 | BLUE NOSE #22 |
| BLUE NOSE #5 | BLUE NOSE #23 |
| BLUE NOSE #6 | BLUE NOSE #24 |
| BLUE NOSE #7 | BLUE NOSE #25 |
| BLUE NOSE #8 | BLUE NOSE #26 |
| BLUE NOSE #9 | BLUE NOSE #27 |
| BLUE NOSE #10 | BLUE NOSE #28 |
| BLUE NOSE #11 | BLUE NOSE #29 |
| BLUE NOSE #12 | BLUE NOSE #30 |
| BLUE NOSE #13 | BLUE NOSE #31 |
| BLUE NOSE #14 | BLUE NOSE #32 |
| BLUE NOSE #15 | BLUE NOSE #33 |
| BLUE NOSE #16 | BLUE NOSE #34 |
| BLUE NOSE #17 | BLUE NOSE #35 |
| BLUE NOSE #18 | |

all located in Sections 19 and 30 of Township 8 South, Range 69 East, and Sections 24 and 25 of Township 8 South, Range 68 East, the VIOLA MINING DISTRICT of the County of Lincoln, State of Nevada, during the year ending 12:00 Noon, September 1, 1977.

The claims map showing said claims is filed as document number 52228 and 52229 in the Lincoln County Records.

The work described above was performed in June, July and August, 1977 by R. E. Fournier, Marcus Lieberman, Todd Reade and Roderick Eggert, geologists for the Houston Oil and Minerals Corporation.

Such expenditure was made by the Houston Oil and Minerals Corporation acting as agent for Mona F. Holt, James LeRoy Holt and Violet G. Holt, owners of said claims for the purpose of holding same.

HOUSTON OIL & MINERALS CORPORATION

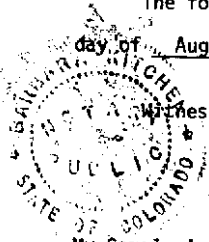
Rene E. Fournier

Lincoln County

STATE OF COLORADO)
CITY AND) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 26th
day of August, 1977, by Rene E. Fournier

Witness my hand and official seal.



Barbara Hitches
Notary Public

My Commission expires: 12/20/77

Lincoln County

EXHIBIT "A"

Geological mapping consisting of 800 man hours during June, July and August, 1977 was accomplished by HOUSTON OIL AND MINERALS CORPORATION personnel on the Blue Nose Claims Nos. 1 thru 35 consecutively. The work consisted of establishing a grid network (see accompanying map) by compass, and tape and recording the nature of the rock and soil at each sample station.

Concomitant geochemical sampling was also accomplished as the geology was mapped. Approximately 640 samples were collected at sample sites (see accompanying map) and sent to Skyline Laboratory, Denver, Colorado for analysis.

The work indicates the presence of anomalous precious metal and base metal values in shallow shelf limestone rock.

Qualifications of the persons involved in the survey are reviewed below:

- RENE E. FOURNIER: Bachelor of Arts in Geology, Carlton College, Northfield, Minnesota;
Master of Arts in Geology, University of South Dakota, Vermillion, South Dakota;
Additional geological courses at the University of Cincinnati, University of Minnesota;
Ten years experience in geological work.
- MARCUS LIEBERMAN: Bachelor of Science in Geology, Queens (New York) College;
Master of Science in Geology, City College of New York.
- TODD READE: Bachelor of Science in Geology, University of Colorado;
Two years field mapping and sampling experience.
- RODERICK EGGERT: Candidate, Bachelor of Science in Geology, Dartmouth University, Hanover, New Hampshire.

No. **60302**
FILED AND RECORDED AT REQUEST OF
HOUSTON OIL & MINERALS
AUG 31, 1977
AT *42* MINUTES PAST *2* O'CLOCK
P.M. IN BOOK *22* OF OFFICIAL
RECORDS, PAGE *1* LINCOLN
COUNTY, NEVADA.

Ernest J. DeLeon
COUNTY RECORDER