

Lincoln County

STATEMENT OF ANNUAL ASSESSMENT WORK ON LOSE CLAIMS

The undersigned hereby certifies that they have expended more than US\$370,000.00 for labor and improvements, as the annual assessment work for the year ending 1 Sep. 1986. The claims affected are all leased to Fischer-Watt Mining Co., 340 Freeport, # 3, Sparks, Nevada 89431, and all are owned by T.C. Johnston, PO Box 247, Eureka, Nevada 89316. The claims are:

MER # 1 through MER #30, HMC # 363350 through 363379 Owl #2, HMC # 290374

Fischer-Watt Mining Co. (address above) paid for all improvements on the property, consisting of: Mining 93,000 tons of ore, stacking ore on heap pads, construction of a Merrill-Crowe recovery unit and emplacement on the claims, digging of 3 wells, construction of 2.7 miles of roads, drilling 66 reverse circulation drill holes, and production and refining of gold and silver. All work was done by the staff of Fischer-Watt Mining.

The work was performed for the benefit of all claims and was performed for the purpose of holding said claims, and the owners/leasees intend to diligently pursue exploration and/or development of said claims.

Work was performed from the period 5 February through the present date, 1986.

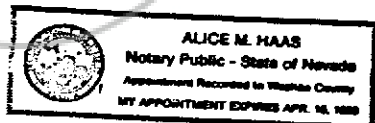
Dated this 22 day of July, 1986

*L. S. Buchanan*  
L. S. Buchanan, agent for Fischer-Watt Mining

Subscribed and sworn to before me this

22 day of July, 1986.

*Alice M. Haas*  
NOTARY PUBLIC



No. 85320  
FILED AND RECORDED AT REQUEST OF  
Fischer-Watt Mining Co.  
July 24, 1986  
AT 15 MINUTES PAST 2 O'CLOCK  
P.M. IN BOOK 71 OF OFFICIAL  
RECORDS, PAGE 325 LINCOLN  
COUNTY, NEVADA.

TURIKO SETZER  
COUNTY RECORDER  
By *Mara Conner*, Deputy