AFFIDAVIT OF ANNUAL ASSESSMENT WORK

STATE OF ARIZONA)
)
COUNTY OF PIMA)

THE Undersigned, G. Neil Hall, Land Manager, Newmont Exploration Limited, 555 Fifth Street, Elko, Nevada 89801, does hereby swear and affirm under the penalties of perjury that the assertions of the Affidavit are true and correct and that at least ONE HUNDRED and 00/100 DOLLARS ($100.00) per claim was expended for development, labor and improvements, or equivalent value added, as the annual assessment work for the assessment year ending September 1, 1988 for the unpatented mining claim(s) described in Exhibit B, hereto.

The work consisted of geologic mapping and geochemical sampling, and the detailed report required by Title 30, United States Code, Section 28-1 is attached hereto as Exhibit A. Said work was performed on October 18, 1987 at the locations depicted or described in the detailed report. A total of more than ONE HUNDRED AND 00/100 DOLLARS ($100.00) was expended in performing the work, or equivalent value added. The work was performed by: Greg Fernette of Pioche-Ely Valley Mines, Inc.

The work was performed for the purpose of developing the mineral potential of the claims and to maintain and hold such claims.

DATED this 6th day of September, 1988.

BY: _____
G. Neil Hall

Subscribed and sworn to before me this 7th day of September, 1988.

_____
NOTARY PUBLIC
MY COMMISSION EXPIRES: 6/3/92

NEL West
South Pioche (3)
Spring Property

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EXHIBIT A

SUMMARY REPORT

This detailed report is filed in compliance with the requirements of Title 30, United States Code, Section 28-1 for the SPRING MINE an unpatented mining claim situated in the Pioche Mining District, County of Lincoln, State of Nevada, as described in Exhibit B, attached hereto.

The work consisted of geological mapping and geochemical sampling. The work was performed on October 18, 1987, by Greg Fernette, who obtained a B.S. in Geology form the University of Veloite, WI, 1972 and had three years of graduate sutdy at Western Washington University. He now has 15 years experience in the minerals industry. This professional geologist is employed by Pioche-Ely Valley Mines, Inc.

The geochemical work consisted of 3 rock chip samples, one from the fault and two from dumps taken and submitted for analysis. This survey was used to evaluate the mineral potential of the claim.

Analytical results are given below:

Sample 1850 - 2.5 foot chip across the fault in the upper adit, white sheared and recrystallized quartzite, no sulfides.

Sample 1851 - Composite grab from dump at main portal, recrystallized quartzite with limonite, some malachite and unknown white and yellow coatings.

Sample 1852 - Composite grab from dump above main portal, quartzite with gray pyritic silica cement and vuggy quartz.

The Spring Claim is entirely underlain by thick bedded, white quartzite of the Prospect Mountain Quartzite Formation. Bedding in the quartzite strikes WNW and dips 34 degrees to the north. A major fault cuts the claim. The fault trends NE and dips 80 degrees to the southeast. It appears to be the same fault as is exposed in the Pacific Tunnel north of the highway. Movement on the fault is left lateral strike-slip (handing wall to the NE) based on slickensides.

The two adits on the claim were driven along the fault in order to mine pods of high grade lead-silver mineralization. None of this mineralization was seen.

The analytical results show significant differences between samples. The sample taken across the fault zone show anomalous lead but is generally low in all other elements. Sample 1851 has good gold-silver values and is strongly anomalous in mercury,

arsenic and antimony, all elements characteristic of Epithermal mineralization. Sample 1852 has a good silver value but low in all other elements.

Conclusions

Lead-silver mineralization typical of the fissure related mineralization in the Pioche District occurred along the Spring Fault Zone. Geochemical sampling shows anomalous values in elements characteristic of Epithermal mineralization, suggesting that the fault served as a channel for hydrothermal fluids. The data support the idea of multiple generations of mineralization in the Pioche District. The fault zone on the Spring Claim is a potential site for Epithermal gold mineralization.

The cost of the mapping, sampling and assaying exceeded $100 and was conducted at the expense of Pioche-Ely Valley Mines, Inc.

Exhibit B

The following claim is part of a Joint Venture Agreement between Newmont Exploration Limited and Pioche Ely Valley Mines

Spring Property

Claim Name	BLM Serial No. NMC
Spring Mine	80369

No. 89845
Filed and recorded at request of
Newmont Exploration Ltd.
September 14, 1988
At 1 min past 1 o'clock
P.M., Official
Records, Book 204, Lincoln
County, Nevada.
FRANK C. HULSE
County Recorder
By Nina Cordier, Deputy

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