

AFFIDAVIT OF LABOR
(Nevada--Owned and Leased Claims)

Robert W. Schafer, being duly sworn, deposes and says:

1. Being duly authorized, I make this affidavit on behalf of Addwest Gold Company, whose address is 5301 Lonclay #5 Reno, NV 89511, and on behalf of the person(s) named in Exhibit A, the owners of the claims more particularly described in Exhibit A attached hereto and incorporated by reference herein.

2. Labor was performed or improvements made, of the value of at least \$100 per claim, upon the claims described in Exhibit A.

(a) The amount of money expended, or the value of labor or improvements made, or both is as follows:

\$ <u>2150.00</u>	- Amount of money expended
\$ <u>900.00</u>	- Value of labor or improvements
\$ <u>3050.00</u>	- Total

(b) Character of expenditures or labor or improvements:

Geologic mapping, geochemical sampling
and assaying

(c) The claims affected by such expenditures or labor or improvements are listed in Exhibit A.

(d) The expenditures for labor or improvements were made for the assessment year ending at noon, September 1, 1988, and were made between the following dates:

10 August, 1988 and 12 August, 1988

(e) The same were made or performed at the expense of Addwest Gold Company, the owner or lessee of the claims described in Exhibit A.

(f) The names of the persons, corporations, contractors, or subcontractors who performed the work or made the improvements are the following: Robert W. Schafer

3. [Check box if applicable]

Detailed report required by United States mining laws for geological, geochemical, or geophysical work or labor is attached.

4. The serial number assigned to each claim by the authorized officer upon filing of a copy of the Certificate of Location in the proper B.L.M. office is shown on Exhibit A. As provided in 43 C.F.R. S 3833.2-2(a) (1) this serial number constitutes a description of the claim.

RECEIVED
SEP 11 1988
3:00 P.M.
NEVADA STATE DEPT OF REVENUE

received
9/21/88

5. The mailing address of Addwest Gold Company is given above. As to the other owner(s) [Check applicable box]:

There is no known change in the mailing address(es) of the owner(s) of the claim(s).

The mailing address(es) of the owner(s) of the claim(s) has been changed as follows:

Further affiant saith not.

Dated: 8 Sept 88 By: Robert W. Schafer

State of Nevada)
County of Washoe) ss.

On this 8th day of Sept, 1988, before me, a Notary Public, personally appeared Robert W. Schafer, known to me to be the person described in and who executed the foregoing instrument.

In witness whereof, I have hereunto set my hand and affixed my official seal this 8th day of Sept, 1988.

Marilyn M. Herold
Notary Public



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2.00
P.M. SEP 10 1988
NEVADA STATE OFFICE
RENO, NEVADA

EXHIBIT A

All the following Por O Gold (xxx) lode claims in T.
5&6 S R. 66E, M.D.B.M. are owned by E.B. Ekron, C.S. Brainerd
and B.I. Lionberger
and are leased by Addwest Gold, Inc.

<u>Claim Name</u>	<u>NMC Number</u>	<u>Location Date</u>	<u>County</u>	<u>Book</u>	<u>Page</u>
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RECEIVED
Bureau of Land Management
NEVADA LAND OFFICE
9:00
A.M. SEP 15 1988
NEVADA STATE OFFICE
RENO, NEVADA

Lincoln County

<u>CLAIM NAME</u>	<u>SECTION</u>	<u>TWP.</u>	<u>RNG.</u>	<u>LOC. DATE</u>	<u>LINCOLN COUNTY BOOK/PAGE</u>	<u>BLM SERIAL NO.</u>
Pot O'Gold 1	2	65	66E	05/01/87	74/577	407345
Pot O'Gold 1A	2	65	66E	08/21/87	76/452	426976
Pot O'Gold 2	2	65	66E	05/01/87	74/578	407346
Pot O'Gold 3	2	65	66E	05/01/87	74/579	407347
Pot O'Gold 4	2	65	66E	05/01/87	74/580	407348
Pot O'Gold 4A	2	65	66E	08/21/87	76/450	426977
Pot O'Gold 5	2	65	66E	05/01/87	74/581	407349
Pot O'Gold 6	2	65	66E	05/01/87	74/582	407350
Pot O'Gold 6A	2	65	66E	08/21/87	76/451	426978
Pot O'Gold 7	2	65	66E	05/01/87	74/583	407351
Pot O'Gold 9	2	65	66E	05/01/87	74/584	407352
Pot O'Gold 9A	35,2	5,65	66E	06/23/87	75/637	426979
Pot O'Gold 9B	35,2	5,65	66E	06/23/87	75/636	426980
Pot O'Gold 10	2	65	66E	05/01/87	74/585	407353
Pot O'Gold 13	35	55	66E	05/01/87	74/586	407354
Pot O'Gold 14	35	55	66E	05/01/87	74/587	407355
Pot O'Gold 16	35	55	66E	05/01/87	74/588	407356
Pot O'Gold 17	35	55	66E	05/01/87	74/589	407357
Pot O'Gold 18	35	55	66E	05/01/87	74/590	407358
Pot O'Gold 19	35	55	66E	05/01/87	74/591	407359
Pot O'Gold 20	35	55	66E	05/01/87	74/592	407360
Pot O'Gold 21	35	55	66E	05/01/87	74/593	407361
Pot O'Gold 22	36	55	66E	05/01/87	74/594	407362
Pot O'Gold 23	36	55	66E	05/01/87	74/595	407363
Pot O'Gold 24	36	55	66E	05/01/87	74/596	407364

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 NEVADA LAND OFFICE
 9:00
 A.M. SEP 12 1988
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 RENO, NEVADA

"Exhibit A"

Pot O Gold Claims

Staked in April, 1987, this claim block warrants drilling because of the following:

903 SEP 13 1988
BUREAU OF LAND MANAGEMENT
SALT LAKE CITY, UTAH

1. General Geology

Rainbow Canyon is situated on and runs parallel with the western margin or ring fracture zone of the Caliente Calderon Complex. The Pot O Gold claims extend along the east side of Rainbow Canyon for a distance of two miles, thereby covering the strike length of outcrops which represent hydrothermal "leakage" along a major structural feature.

This volcanotectonic setting is extremely important because it provides the plumbing system for igneous intrusive rocks and for hydrothermal solutions to vent to the surface. Precious metals occurrences abound in this environment and some of the more notable deposits include Round Mountain, Nevada; ^{Cripple Creek, Lake City} Creede District, Colorado; Sunbeam, Lucky Custer, and Parker Mountain, Idaho.

In the Pot O Gold claims area, this segment of the caldera was filled with Harmony Hills Tuff ^{Quartz latite} (rhyolitic) and andesite lavas, and was later intruded by large rhyolitic masses. The intrusive rhyolites are important because the contact between them and the surrounding tuffs and lavas

provides a good plumbing system for hydrothermal solutions and because the intrusive rocks provide heat which drives the hydrothermal system.

After intrusion of the rhyolite, all rocks in the area were hydrothermally altered to varying degrees as elaborated below.

2. Hydrothermal Alteration

Rainbow Canyon was named for the bright colors of the rocks which occur here. The colors are a result of the alteration of the rock by hydrothermal solutions. The altered zones cover an area greater than four square miles and indicate the presence of a very large hot spring environment which operated in Late Tertiary time.

Judging by the size and extent of alteration at the Pot O Gold claims, if ore grade mineralization can be found, it is likely to be of a world class nature. These types of deposits are termed "No See Um," or disseminated gold or gold-silver deposits, and are valued from \$300,000,000 to \$1,000,000,000, depending on tonnage and grade.

a. Pervasive opaline silica. Massive amounts of silica outcrop along the east side of Rainbow Canyon in claim numbers 1, 4, 6, 9A, and 13. The rock is commonly brecciated and iron-stained which would indicate the

presence of pyrite. Country rock as well as opaline silica sometimes contains stockwork like veinlets which would indicate multiple periods of silification. Of particular interest is the presence of alunite in this zone, as it is indicative of sulfate. This zone of alteration, commonly barren of precious metals, is correlated with the top or upper level of the system according to our model.

b. Clay alteration. This assemblage affected the rhyolite to varying degrees. In places, the original mafic minerals and feldspars in the rocks have been altered to clay; however, the patented ground east of claims 5 and 7 were mined in the 1940s for pure kaolinite, which occurs in large pods. This type of alteration usually occurs laterally to the silicified core.

c. Propylitic alteration. This assemblage affected the outlying andesite lavas and rhyolitic tuffs.

3. Geochemical Anomalies

Low level gold anomalies were generated from surface sampling in a variety of the altered rocks and these indicate that the elemental gold ion was moving around in the solutions that altered the rocks. *Only one sample yielded an arsenic anomaly.*
~~were found.~~ Other trace elements (Ag, Hg, Sb) were not analyzed for because of budget constraints.

a. Sample 87-21, .04 ppm Au in a silicified breccia from the north end of the claim block.

b. Sample 87-29, .015 ppm Au in a silicified breccia from the north end.

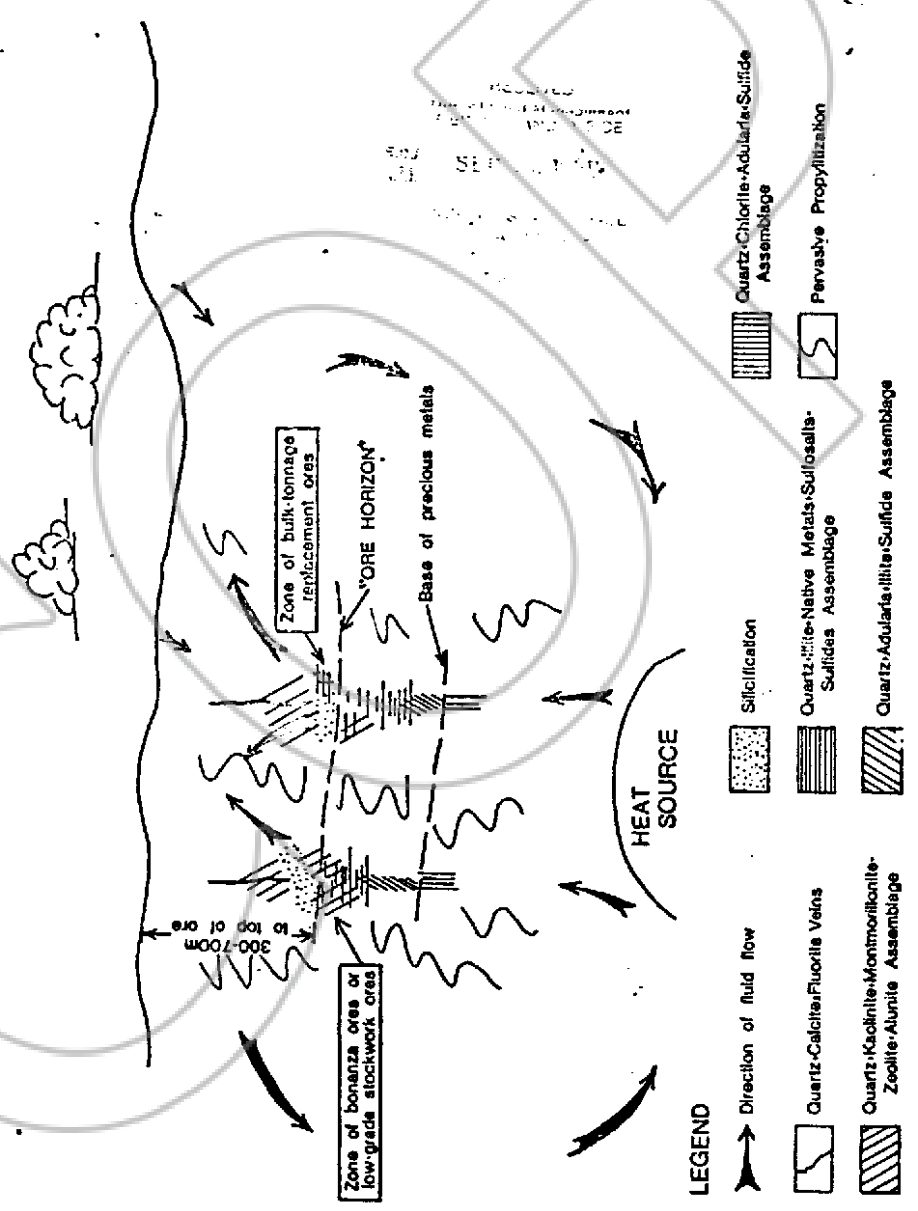
c. Other slightly anomalous gold values were obtained from silicified rock on the south end.

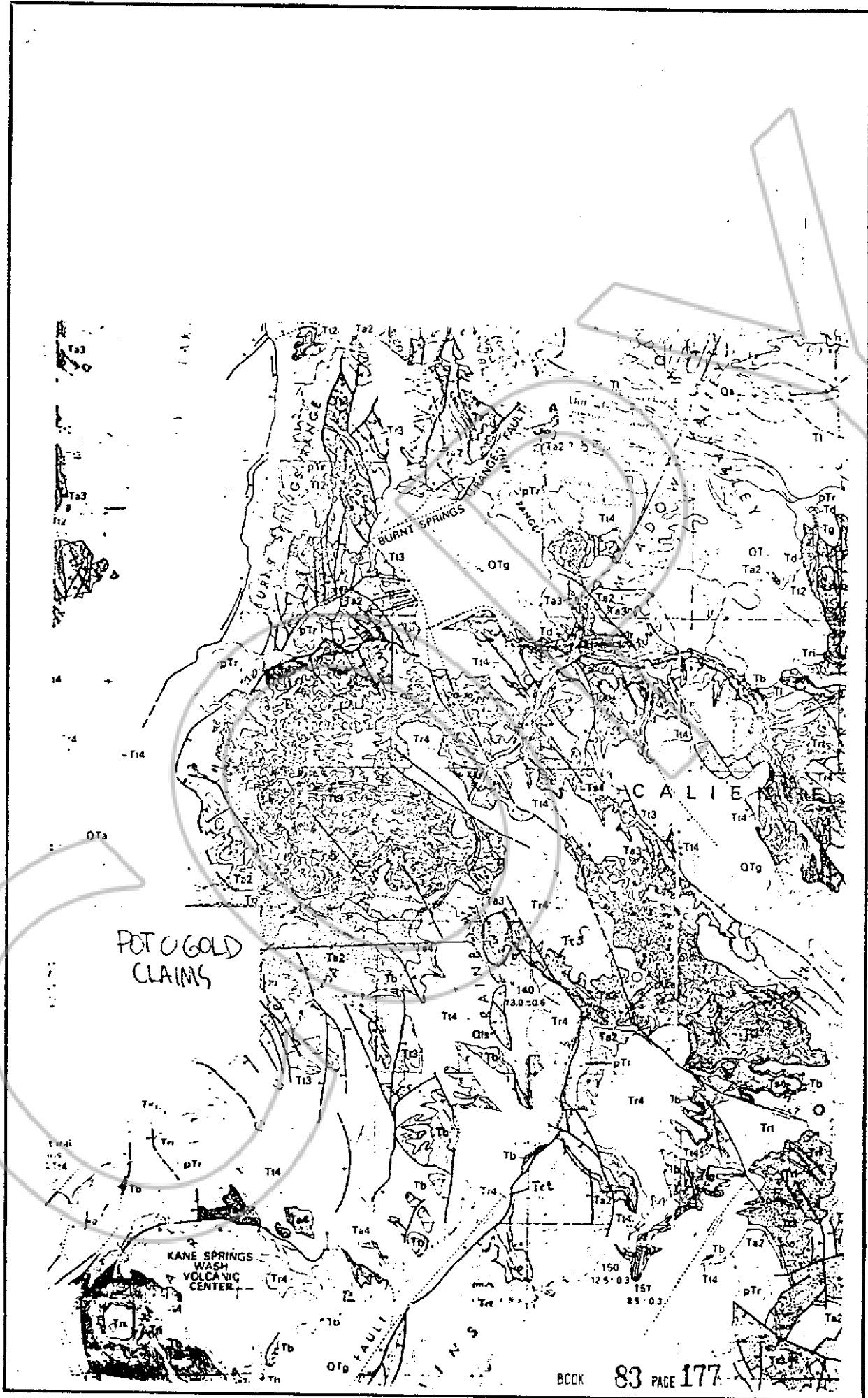
These values are far from ore grade, however, this is acceptable given the level of our exposure of the system. Gold deposits of hot spring origin commonly display a barren silica cap. ^(see fig. 16) The silica cap is thought ^{by some geologists,} to ~~have~~ ^{formed} first in the upper level of the system. ^{Once emplaced,} it effectively seals the top of the system, trapping the gold bearing solutions below. As the gold bearing solutions mix with ground water, the gold precipitates out below the silica cap in ore grade concentrations as low as 1 ppm.

The exploration budget and attack would consist of the following:

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SEP 12 1983
NEVADA STATE OFFICE
RENO, NEVADA

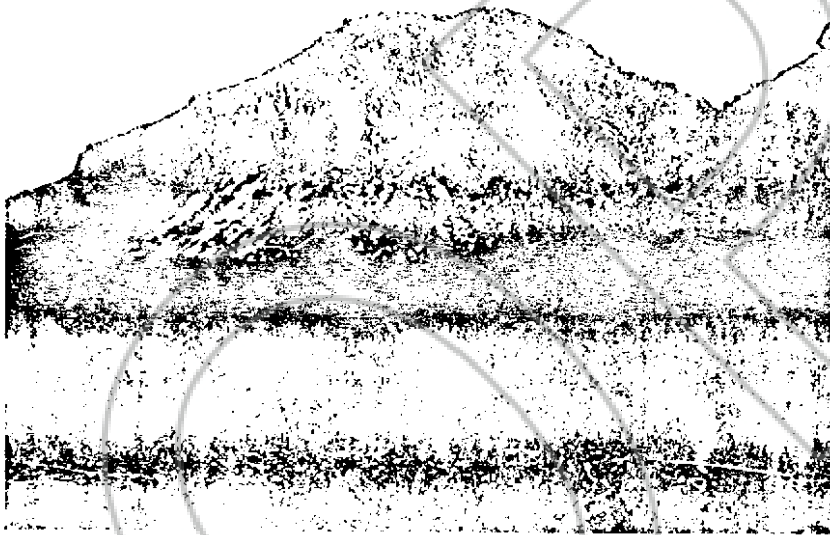
Figure 1b. Longitudinal sketch of a hypothetical Ag-Au-base metal system with predominantly vertical zoning patterns (from work of L. Buchanan, D. White, and others)



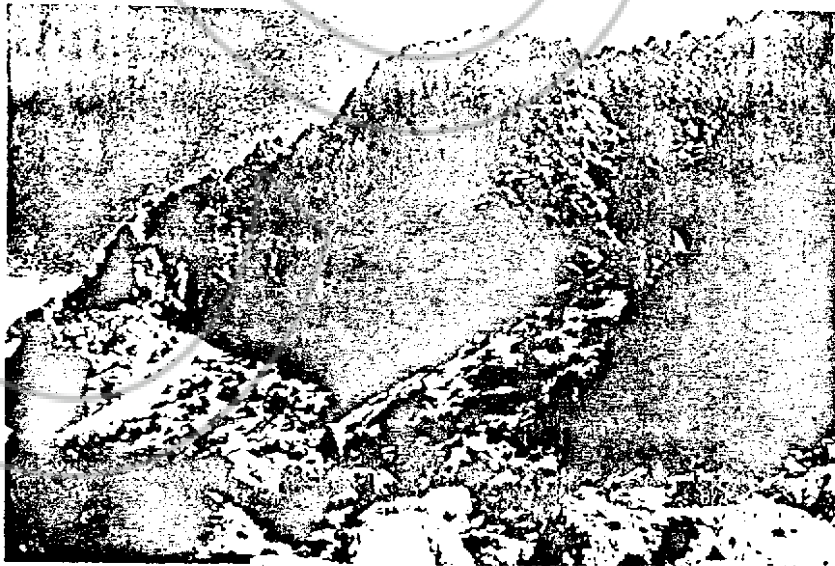


POT O GOLD
CLAIMS

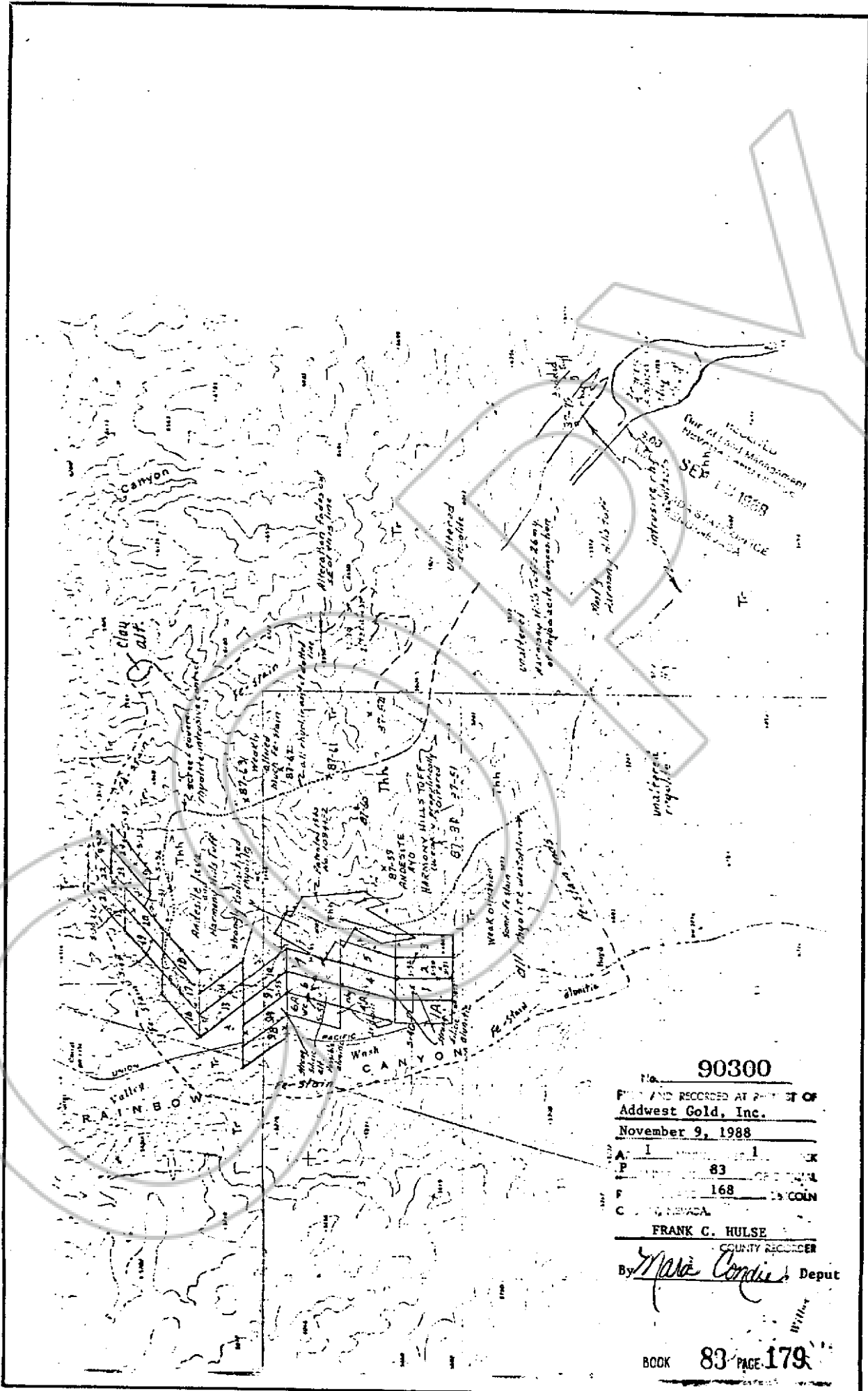
KANE SPRINGS
WASH
VOLCANIC
CENTER



Opaline silica cap west of claim 13



Close up of opaline silica cap. Note iron stain.



No. **90300**
 FILED AND RECORDED AT THE OFFICE OF
Addwest Gold, Inc.
 November 9, 1988
 A: 1
 P: 83
 F: 168
 C: LINCOLN, NEVADA
 FRANK C. HULSE
 COUNTY RECORDER
 By *Maria Cordia* Deput