

ANNUAL ASSESSMENT WORK

(Proof of Labor)

STATE OF Colorado)

County of Jefferson)

The undersigned having knowledge of the facts and on behalf of the owners, in whose behalf the following described work was performed or improvements made, certifies that at least \$2,200.00 Dollars were expended, and/or the following labor expended or improvements made having a value thereof, consisting of:

geological mapping, sampling, soil sampling

were performed and made upon the The Cotton #1-22 contiguous lode mining claim(s) in Section 12 & 13 T 22N R 49E, and Sections 7 & 18, T 22N R 50E situated in the unknown Mining District of the County of Eureka, State Nevada during the year ending 12:00 Noon, September 1, 1985.

The claim(s) are filed as Book 118 pages 327-348 in the Eureka County Records. BLM serial no's NMC 291906 - 291927.

The work described above was performed between June 1, 1985 and August 20, 1985.

Such expenditure was made by or at the expense of American Copper & Nickel Company, Inc. for the purpose of holding such claims for the owner: Nerco Delamar Co., 122 First Avenue, Fairbanks, Alaska 99701.

When Filed Return to:

American Copper & Nickel Company, Inc.
4860 Robb Street, Suite 201
Wheat Ridge, CO 80033

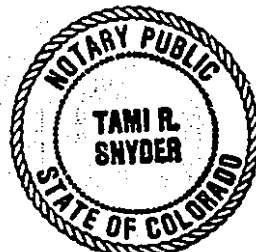
Joy K. Moseley Joy K. Moseley, Landman

Subscribed and sworn to before me this 2nd
day of October, 19 85

RECORDER'S STAMP

Tami R. Snyder
Notary Public:

My Commission Expires June 30, 1989



SUMMARY REPORT

This detailed report is filed in compliance with the requirements of Title 30, U.S. code section 28-1 for the Cotton #1-22 Group of contiguous lode mining claims, located in the unknown Mining District, Eureka County, Nevada.

The work consisted of:

geological mapping and sampling of the claim block. A total of 169 soil samples were collected.

to evaluate the discovery of valuable mineral deposits located thereon and to assist in planning further development work. This work was performed between June 1, 1985 and August 20, 1985 by or under the direct supervision of Mr. Mel Lahr, a professional geologist employed by American Copper and Nickel Co., Inc. The cost of the above study exceeded \$2,200.00 and was paid for by American Copper and Nickel Co., Inc., for the owner of the subject mining claims, Nerco Delamar Co.

The basic findings of the reconnaissance geological mapping and sampling indicate that the stratigraphy is similar to the Tonkin Springs and Gold Bar deposits. Mineralization within the subject claims is controlled by hydrothermal systems with high angle faulting and basin and range structures.

A continuing program consisting of drilling, sampling and further geological studies is being conducted on this property. All technical work and results are in the possession of American Copper and Nickel Co., Inc. a Minnesota Corporation, with offices at 4860 Robb Street, Suite 201, Wheat Ridge, Colorado 80033.

Respectfully submitted,

Joy K. Moseley
Joy K. Moseley

RECORDED AT REQUEST OF
American Copper & Nickel Co., Inc.
BOOK 39 PAGE 111

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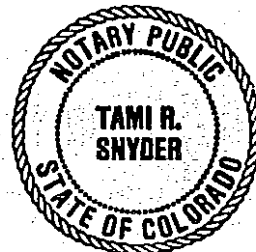
OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
MIN. RECAL. ENR. REG. DIV.
FILE No. 100440
FEE \$ 27.50

STATE OF Colorado)
County of Jefferson)

The foregoing instrument was acknowledged before me this 27th day of October 1985 by on behalf of American Copper and Nickel Co., Inc. a Minnesota corporation.

Witness my hand and official seal

Tami R. Snyder



My Commission expires June 30, 1989