

## PROOF OF ASSESSMENT WORK

LODE CLAIMS

AFFIDAVIT

STATE OF UTAH           )  
                                  )§  
COUNTY OF SALT LAKE )

Stanford R. Mahoney, being first duly sworn and according to law deposes and says that he is a citizen of the United States, of age, and resides in Salt Lake County, Utah. Affiant is an employee of Arroyo Minerals, Inc., owner of the below enumerated Lyndall mining claims described in Exhibit A, attached hereto and made a part hereof, referred to as the "Subject Claims", which claims are contiguous, and which are situated in Eureka County, Nevada in unsurveyed lands, which, when surveyed according to protraction diagram, would probably be in Sections 27 and 34, T. 23N, R. 50E, MDB&M.

Affiant states that at least One Thousand and no/100 Dollars (\$1,000.00) worth of labor was performed and improvements made during the assessment year beginning at 12:00 noon of the first day of September, 1986. Such labor and improvements commencing October, 1986 and continuing through May 25, 1987, upon and for the benefit of the Subject Claims, being not less than One Hundred Dollars (\$100.00) for each and every claim. Such labor included drilling, geological and geochemical sampling and mapping work physically performed on essentially all parts of the Lyndall 20, 22, 24, 37, 38, 39, 118, 119, 120 and 121 claims. The drilling activity by Brown Drilling Co. was performed in the east central part of the Lyndall No. 38 claim, as shown on the geologic summary and map, attached hereto and by reference made a part hereof as Exhibit B.

Said labor so performed and improvements made upon and for the benefit of the Subject Claims at a cost of not less than One Hundred Dollars (\$100.00) per mining claim, includes, but is not limited to the above and attached descriptions of work performed. Reports, paid invoices and cost summaries are in corporate files.

The Subject Claims as more particularly described on Exhibits A and B hereunder, are part of a contiguous group of mining claims, as aforesaid. Said work was for the benefit of all of the Subject Claims as a part of a common plan of development and tends to improve and permit the development of each of the Subject Claims for which this Proof of Labor is being filed.

Such labor and improvements as described herein also include improvement of the access road to the Subject Claims and the drilling of a 65 foot drill hole on a mineralized outcrop on the Lyndall 38 claim. All work, detailed mapping and channel sampling of mineralized outcrops, geologic and geochemical mapping on all portions of the Subject Claims, but more extensively on drilling and sampling of No. 38 is for the benefit of contiguous claims group Lyndall 20, 22, 24, 37, 38, 39, 118, 119, 120, 121. This work was accomplished, commencing October 24, 1986, continuing in the period May 3 through 7, 1987 and May 25, 1987. A continuing evaluation and compilation of results of field work is being performed at date of this Proof in the offices of the Corporation and by geologist Stanford R. Mahoney and geologist consultant Mr. Arthur Mendenhall.

The May 25th, 1987 work was performed on the Subject Claims by Mr. Arthur Mendenhall, Geological Consultant, and Mr. Stanford R. Mahoney, Geologist and Vice President and Agent of Arroyo Minerals, Inc., the owner of the Subject Claims, traveling from Salt Lake City on May 24, 1987, spent a full day on the Lyndall Claims, visited and inspecting the monuments of all of the Lyndall Claims, inspecting the monuments of conflicting junior claims and inspecting, sampling and mapping in more detail the known mineralized outcrops and conducting a reconnaissance geologic survey of each of the ten mining claims.

Such work actually performed on the Subject Claims was performed at a direct cost of not less than One Thousand and no/100 Dollars (\$1,000.00). In addition

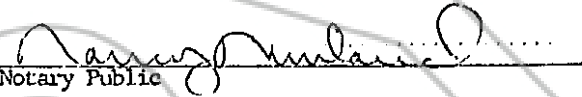
to the direct cost above set out, the performance of such labor and improvements included additional costs of travel, supervision, labor costs and expenses in excess of Two Thousand and no/100 Dollars (\$2,000.00).

Such expenditure was made and performed by Arroyo Minerals, Inc., a Utah Corporation, 154 East Gordon Lane, P.O. Box 7680, Salt Lake City, Utah 84107, for the purpose of complying with the laws of the United States (30 U.S.C. § 28) and of the State of Nevada, pertaining to annual assessment.

DATED this 26th day of May, 1987

  
Stanford R. Mahoney, Vice President, Geologist  
and Agent for Arroyo Minerals, Inc.

Subscribed and sworn to before me this 26th day of May, 1987.

  
Notary Public

My Commission expires:

May 8, 1988

Residing at Salt Lake City, Utah

  
SEAL  
Affixed

ATTACHMENTS: Exhibit A - List of Lyndall Mining Claims

Exhibit B - Geologic Summary and Map of the Lyndall Claims Group

## EXHIBIT A

## PROOF OF ASSESSMENT WORK

MAY 26, 1987

<u>CLAIM NAME</u>	<u>RECORDED</u>		<u>BLM SERIAL NO.</u>
	<u>BOOK</u>	<u>PAGE</u>	
LYNDALL #20	152	257	NMC 384052
LYNDALL #22	152	258	NMC 384053
LYNDALL #24	152	259	NMC 384054
LYNDALL #37	152	260	NMC 384055
LYNDALL #38	152	261	NMC 384056
LYNDALL #39	152	262	NMC 384057
LYNDALL #118	152	263	NMC 384058
LYNDALL #119	152	264	NMC 384059
LYNDALL #120	152	265	NMC 384060
LYNDALL #121	152	266	NMC 283061

EXHIBIT B

SUMMARY OF GEOLOGIC REPORT  
ASSESSMENT YEAR 1986-1987

During the period September 1, 1986 through May 26, 1987 the following actual field work was performed on the Lyndall Claims:

1. October, 1986, Mr. Albert E. Brown, President of Arroyo Minerals, Inc. and owner of Brown Drilling Co., Rexburg Idaho, Mr. Pete Droebeck, an independent geological consultant, and an assistant to Mr. Droebeck, visited the Lyndall Claims for one day. During the visit they inspected the existing monuments of many of the Lyndall claims, examining the Notices of Location which were posted in the monuments and the other observable monuments of a portion of the Lyndall claims in order to determine whether the Lyndall claims were properly monumented and whether there were any conflicting junior claims since the relocation of the Lyndall claims, the names of prior abandoned claims being adopted by Mr. Arthur Mendenhall, who relocated the open federal land on August 30th, 1986, after prior abandonment and reversion to the public domain of the original Lyndall claims. They reported that no conflicting claim monuments or other evidence of encroachment were observed. Inasmuch as the terrane is open and claim monuments are easily visible, it was concluded that there was no conflict with the Arroyo Minerals, Inc. Lyndall claims located by Mr. Mendenhall.

The second purpose for this visit was to examine and confirm on the ground the geological records of the prior operator which had been acquired by Alpine Minerals, Inc., the former name of Arroyo Minerals, Inc., with a name change being effected, without change in ownership, by filing Amended Articles of Incorporation pursuant to a stockholder's meeting.

In order to confirm geological and geochemical sampling results, Mr. Droebeck, with the assistance of Mr. Brown and Mr. Droebeck's assistant, went to many of the original sample sites, many of which were located for convenience at discovery, corner and side center monuments of the claims. In the process of re-sampling these sites, the existence of monuments erected or existing at the time of the August 30, 1986 relocation was confirmed. Monuments were plainly visible and though a few had been partially tipped from their upright position, there was no difficulty in finding the monuments of the Lyndall claims examined.

When Mr. Droebeck submitted his sample results, they did not exactly conform to the results previously obtained. Essential geology was confirmed. Additional geologic mapping or sampling has since been performed which is designed to further confirm earlier results and to enlarge the understanding of the geology. A considerable expansion and extension of mineralized and hydrothermally altered zones has been obtained through further geological work. The following is an account of more recent work performed on the Lyndall claims:

On May 3rd, 1987, Arthur Mendenhall drove from Salt Lake City and stayed at Ely, Nevada. On the morning of May 4th, he drove to the Lyndall, arriving in the early afternoon. He inspected and mapped the geology and the zone of silicification, brecciation and mineralization in carbonate rock of the lower plate of the Roberts Mountain thrust, inspected location monuments and other monuments on the Lyndall 22, 37, 38, 39 and 120 claims. He found that the actual Notice of Location for Lyndall 39 was missing but the containing capsule and monument were in place.

The drill rig of Brown Drilling moved into Roberts Creek on May 4th after sunset. They crossed the Roberts Creek Bridge and while pulling up the steep bank the shaft on the Brownie gear box on the drill rig broke, rendering it inoperable.

Arthur Mendenhall returned on May 5th to the Lyndall claims from Eureka, arriving at 8:00 a.m. Pacific time and spent the time alone mapping the geology of Lyndall 38, 39, 120 and 121 claims, more particularly the extensions of the zone of silicification, brecciation, hydrothermal alteration and mineralization. Albert E. Brown arrived about 4:00 p.m. and was shown the more extensive mineralized portions of the mineralized zones by Mr. Mendenhall on the above claims.



EXHIBIT B  
SUMMARY GEOLOGICAL REPORT  
ASSESSMENT YEAR 1986-1987  
PAGE TWO

The drill rig was repaired on Wednesday, May 6th. Ken Brown, Joe Brown and Russ Wolfe repaired the rig. Mr. Brown helped them and Arthur Mendenhall helped by repairing the road preparatory to moving the rig. After sundown the drill rig was moved onto the Lyndall claims, crossing Lyndall 35 onto Lyndall 38. Commenced drilling and drilled 65 vertical feet on east edge of the mineralized outcrop (probably near center of zone, though alluvial cover obscured part of the zone). Collected 13 samples on 5' intervals. The drill rig was demobilized and left the subject claims about 11:00 p.m. because of a prior drill commitment. During the hours of 9:00 a.m. to 4:00 p.m., prior to the arrival of the repair parts for the drill rig, Arthur Mendenhall, with the assistance of Joe Brown and Russ Wolfe, collected 73 separate rock chip channel samples, essentially across the exposed portion of the mineralized and hydrothermally-altered zone on Lyndall #38 and 39 claims, as shown on the map of Exhibit B.

Arthur Mendenhall returned to Eureka the night of May 6th.

On Thursday, May 7th, he returned to the Lyndall claims about 10:30 a.m. and inspected the Lyndall discovery monuments of Exhibit A and many of the other claim monuments, which were in place. Mr. Mendenhall left the Lyndall claims about 3:30 p.m. and returned to Salt Lake City. During subsequent weeks he prepared geologic summaries of his work on the Lyndall claims.

Mr. Mendenhall photographed many of the monuments and mineralized outcrops and some monuments of junior located claims of another corporation.

On May 24th, 1987, Mr. Stanford R. Mahoney, geologist and Vice President of Arroyo Minerals, Inc., and former President of the predecessor owner of the lands under the Arroyo Minerals' Lyndall claims, and Mr. Arthur Mendenhall, consulting geologist to Arroyo Minerals, Inc., left Salt Lake City and traveled to Elko, Nevada. Early in the morning of May 25th the two geologists arrived at the Lyndall claims group.

The purpose of this visit was to perform additional geological evaluation of the Lyndall claims group and to confirm and make a complete and objective evaluation of the condition of the Lyndall monuments and of some junior locations which had been made which have encroached on the entire Lyndall claims group.

Every monument of the Lyndall claims group was visited, and, considering the presence of livestock which use the posts for scratching posts, and vandalism by humans, the claim monuments which were in place at the time of Mr. Mendenhall's relocation in August, 1986 and which were known by Mr. Mahoney since the original 1981 location of the same lands by All Minerals Corporation to have been in place continuously during all the intervening period and still were in remarkably good condition. Several posts were leaning, several had been removed by unknown persons, and a few had been knocked down but were immediately next to earth mounds where they were originally situated. A detailed log of the condition of each monument was made, and, in duly-noted specific cases, missing posts were re-erected and the same posts were used to re-erect the few which had been knocked down.

The examination of the conflicting claims revealed that these had been erected at some time subsequent to the October, 1986 date of the visit by Messrs. Droebeck, his assistant, and Brown. It was obvious that the locators of the conflicting claims could not have failed to see the readily-visible monuments of the existing Lyndall claims, which monuments consisted of a second discovery post alongside the older posts to conform to the requirements for relocation (a different brand and type of white PVC pipe was used), and the original PVC monuments of the prior owner of the lands, which were used by Mr. Mendenhall in his relocation of the claims and which Mr. Mendenhall confirmed were still in their original position.

A reconnaissance re-examination of the geology of all the claims was conducted concurrently with the above claim work, including the areas of intense sampling and drilling of the largest and most intense mineralized area known on the claims. Other areas of mineralization were examined. All the areas had been known and mapped, but more detail was obtained. Additional samples were obtained.


EXHIBIT B  
SUMMARY GEOLOGICAL REPORT  
ASSESSMENT YEAR 1986-1987  
PAGE THREE

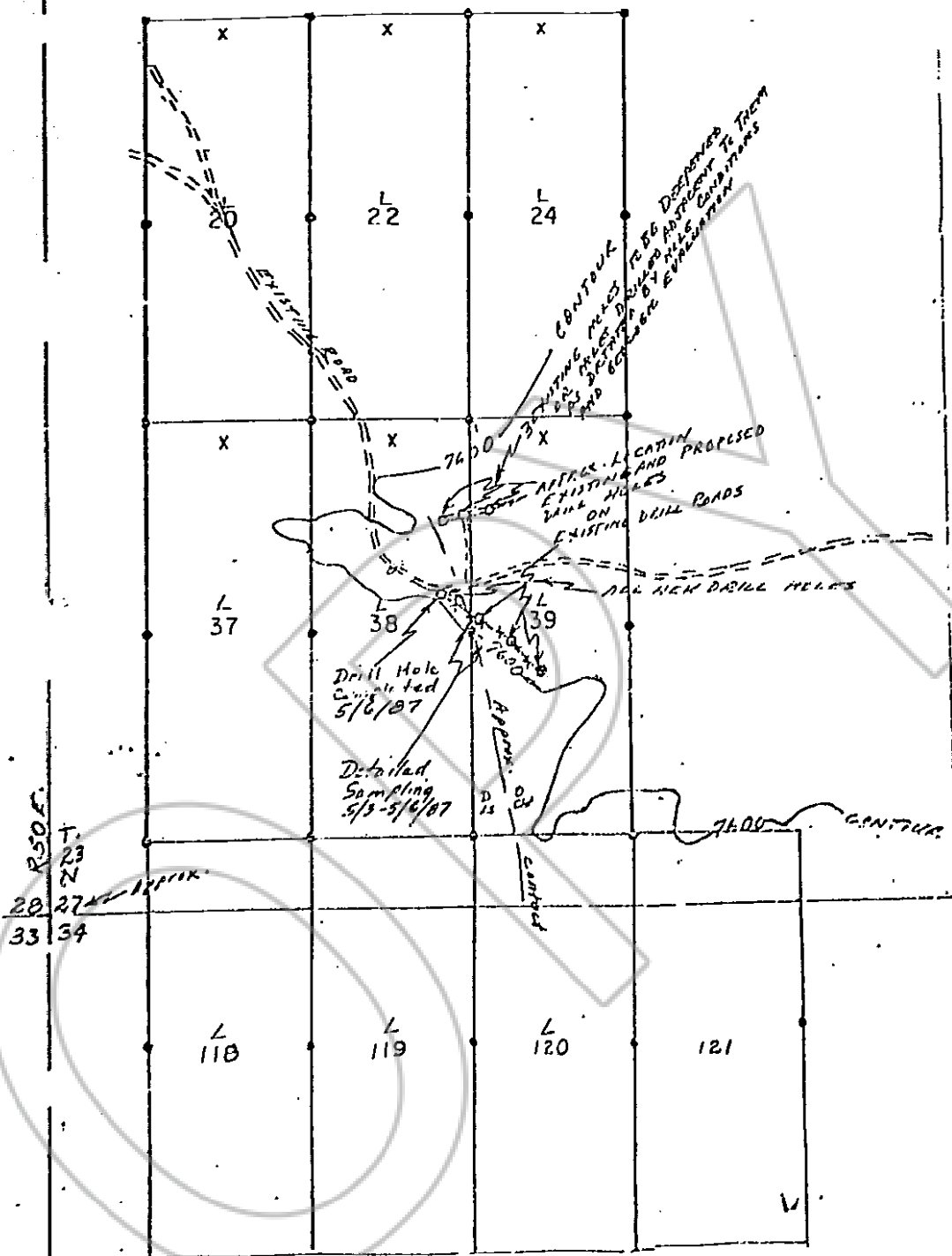
Further geological, geophysical and geochemical study is planned, followed by drilling. Discovery of significant precious metals values has been made, and many anomalous areas have been mapped.

Results of recent samples have not been received at date of this summary report.

May 26, 1987

Respectfully submitted,

  
Stanford R. Mahoney, Geologist and  
Vice President



ARROYO MINERALS, INC.  
P.O. BOX 7680  
154 E. Gordon Lane  
Salt Lake City, Utah 84107

LYNDALL CLAIMS GROUP  
PROPOSED DRILLING PROGRAM  
MARCH THROUGH AUGUST, 1987  
Sec. 27 & 34, T 23 N, R 50 E, MDE&M  
EUREKA COUNTY, NEVADA



PAGE 5

## United States Department of the Interior

APR 15 1987

## BUREAU OF LAND MANAGEMENT

Shoshone-Eureka Resource Area  
P. O. Box 1420  
Battle Mountain, NV 89820

Notice No. N66-82-82-N  
3809

*ARROjo Minerals  
Lyndall claims  
Toberts mtns*

IN REPLY  
REFER TO:

## LETTER OF ACKNOWLEDGEMENT

Thank you for your mining Notice. We received this document in our office  
on 3/31/87.

☒ Notice is in order and complete. The serial number that has been assigned to this notice is in the upper right-hand corner. Please refer to this number in any future correspondence. BLM is allowed 15 days to respond to this notice. Additional concerns and stipulations are to be submitted to you by BLM within 15 days. If BLM has not responded by 4/15/87, you may begin work according to the notice and attached stipulations.

☐ We require more information before your Notice can be processed (see 43 CFR 3809.1-3 (c)). Information needed:

- a. ☐ Operator(s) name, address and phone number.
- b. ☐ Claimant(s) name, address and phone number.
- c. ☐ Names and Serial Number of claims involved.
- d. ☐ Location of operation (use legal description whenever possible, i.e., T. 2 N., R. 43 E., Section 23, NW1/4)
- e. ☐ Statement that "Reclamation of all areas disturbed will be completed to the standard described in title 43 CFR 3809.1-3 (d) and that reasonable measures will be taken to prevent unnecessary or undue degradation of federal lands during operations."

The 15-day notification period cannot begin until this information is received.

☐ Your proposed operation will disturb more than 5 acres and will require a Plan of Operation.

☐ Your proposed operation lies within a \_\_\_\_\_  
(special land category) and will require a Plan of Operation.

We appreciate your cooperation.

Sincerely,

*Mary M. O'Brien*

Mary M. O'Brien  
Area Manager

RECORDED AT REQUEST OF  
*Alpine Minerals, Inc.*  
BOOK 156 PAGE 674

87 JUN 3 AM 12:21

OFFICIAL RECORDS  
EUREKA COUNTY, NEVADA  
H.H. NEBALEATI, RECORDER  
FILE NO. 108216  
FEE \$ 12.50

BOOK 156 PAGE 581