

AFFIDAVIT OF ANNUAL ASSESSMENT WORK

STATE OF NEVADA            )  
                                   ) ss.  
 County of Eureka         )

The undersigned certifies 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, 1987, for the following unpatented mining claim(s) generally located in the section(s) listed on Exhibit "A" attached hereto, Unknown Mining District, Eureka County, Nevada.

Name of Claim(s):

BLM Serial No.:

Imperial #1-6  
 Imperial #7-25

365950-365955  
 387036-387954

The owner or claimants are Leo G. Damele, Antone J. Damele and Leo J. Damele, P. O. Box 461, Eureka, Nevada 89316. Pegasus Gold Corporation, 255 West Moana Lane, Suite 108, Reno, Nevada 89509, is lessee of said claims.

The work consisted of (See Exhibit "B" attached hereto and made a part hereof).

The work described above was performed at the following locations: (See Exhibit "B" attached hereto.)

All of the aforesaid unpatented mining claims constitute a contiguous block of claims, and work on, or for the benefit of, any one claim or group of claims tends to develop all the claims. The work was performed for the purpose of developing the mineral potential of the claims and to maintain and hold such claims.

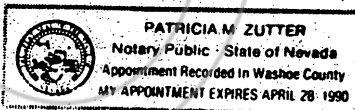
Dated this 28th day of August, 1987.

SUBSCRIBED and SWORN to before me this 28th day of August, 1987.

By: J. W. Buffa  
 J. W. Buffa, Agent for  
 PEGASUS GOLD CORPORATION

Patricia M. Zutter  
 Notary Public

Commission Expires: April 28, 1990



RECORDER'S STAMP

ERD:pmz/k

EXHIBIT "A"

Those certain unpatented lode mining claims generally situate in Sections 5 and 6, Township 23 North, Range 50 East and Sections 5 and 6, Township 23 1/2 North, Range 50 East, M.D.B.&M., Unknown Mining District, Eureka County, Nevada, to wit:

<u>CLAIM NAME</u>	<u>COUNTY RECORDING</u> <u>BOOK</u>	<u>PAGE</u>	<u>BLM NMC</u>
Imperial #1	144	45	365950
Imperial #2	144	46	365951
Imperial #3	144	47	365952
Imperial #4	144	48	365953
Imperial #5	144	119	365954
Imperial #6	144	120	365955
Imperial #7	152	294	387036
Imperial #8	152	295	387037
Imperial #9	152	296	387038
Imperial #10	152	297	387039
Imperial #11	152	298	387040
Imperial #12	152	299	387041
Imperial #13	152	300	387042
Imperial #14	152	301	387043
Imperial #15	152	302	387044
Imperial #16	152	303	387045
Imperial #17	152	304	387046
Imperial #18	152	305	387047
Imperial #19	152	306	387048
Imperial #20	152	307	387049
Imperial #21	152	308	387050
Imperial #22	152	309	387051
Imperial #23	152	310	387052
Imperial #24	152	311	387053
Imperial #25	152	312	387054

8/28/87  
ERD:pmz/m

Exhibit "A" to Affidavit of Annual Assessment Work by Pegasus Gold Corporation dated August 28, 1987.

EXHIBIT "B"

I, J. W. Buffa, am Senior Geologist employed by Pegasus Gold Corporation, 255 West Moana Lane, Suite 108, Reno, Nevada 89509. I assisted in and supervised the sampling of the Imperial #1-25 unpatented lode mining claims in Sections 5 and 6, Township 23 North, Range 50 East, and Sections 5 and 6, Township 23 1/2 North, Range 50 East, M.D.B.&M. during the period May 13, 1987, through August 25, 1987. Curt P. Dechert, Michael J. Pasecznyk and Michael G. Maslowski, geologists employed by Pegasus, Reno, Nevada, also assisted in this project. Over 135 samples were taken and assayed by Rocky Mountain Geochemical of Nevada, 840 Greg Street, Reno, Nevada, totalling over 540 individual analyses. In excess of \$3,000.00 was expended by Pegasus Gold Corporation on this project which was conducted to evaluate the mineral potential and develop all the claims in this contiguous group of claims.

Signed this 28th day of August, 1987.

J. W. Buffa  
J. W. Buffa

RECORDED AT THE REQUEST OF  
Pegasus Gold Corporation  
BOOK 162 PAGE 214

87 AUG 31 P3 08

OFFICIAL RECORDS  
SURETY COUNTY, NEVADA  
M.N. R. 84. 1. ATT. RECORDER  
FILE NO. 110983  
FEE \$ 43.75

8/28/87  
ERD:pmz/1

Exhibit "B" to Affidavit of Assessment Work dated August 28, 1987.

BOOK 162 PAGE 216