112361

AFFIDAVIT OR STATEMENT OF ANNUAL
ASSESSMENT WORK
(PROOF OF LABOR)
ON UNPATENTED MINING CLAIMS

TO ALL WHOM IT MAY CONCERN:

The undersigned hereby certifies that he has caused to be expended more than FORTY THREE THOUSAND DOLLARS ($43,000.00) for labor and improvements, as the annual assessment work for the year ending September 1, 1987, on the 154 contiguous lode mining claims listed as follows:

	RECORDATION		
Name of Claim	Book	Page	BLM Serial Number
Bob #1 thru #89	87	204-292	NMC 166638 thru 166726
Bob #90 thru #98	96	82-90	NMC 207557 thru 207565
Delores #1 thru #8	47	323-330	NMC 23023 thru 23030
Delores #9 thru #29	47	559-579	NMC 23031 thru 23051
Delores #30 thru #41	51	001-012	NMC 23052 thru 23063
Gem #1 and #2	47	331-332	NMC 23021 thru 23022
Jack #1	15	537	NMC 25089
Jack #2 thru #4	15	538-540	NMC 23009 thru 23011
Jack #5 and #6	19	235-236	NMC 23012 thru 23013
Red Sulphur #1 thru #7	18	546-552	NMC 23014 thru 23020

situated in Sections 5 and 6, Township 29 North, Range 49 East; Sections 1, 2, 11 and 12, Township 29 North, Range 48 East; and Section 36, Township 30 North, Range 48 East, in the Beowawe Mining District, Eureka County, Nevada, owned by Jack and Muriel Esposito (JEMCO Mining Company), P. O. Box 159, New Meadows, Idaho, 83654, for the purpose of holding said claims.

Said labor was performed or improvements made between the dates of December 15th, 1986 and August 14th, 1987, and consisted primarily of a gas vapor-phase geochemical survey, a map and description of which is attached, and further described as follows:

a) collection of soil samples for gas vapor-phase geochemical analysis from time to time between the dates of December 15, 1986 and May 23, 1987, by James S. Johnston, 9701 West 88th Place, Broomfield, Colorado 80020.

b) analysis of soil samples utilizing a high sensitivity mass spectrometer from time to time between the dates of January 15, 1987 and April 13, 1987, by Calexco, Inc., 2200 West Berry Avenue, Suite 6, Littleton, Colorado 80120.

c) interpretation of analytical data produced by a high sensitivity mass spectrograph from time to time between the dates of January 8, 1987 and August 14, 1987, by David S. Thiede, 9888 East Vassar Drive, #J-301, Denver, Colorado 80231.

d) re-marking of claim monuments between the dates of June 17, 1987 and June 22, 1987, by James S. Johnston, 9701 West 88th Place, Broomfield, Colorado 80020, and C. Gilbert Granlund, 10472 Hoyt Street, Broomfield, Colorado 80020.

The work was done at the expense of Tellis Gold Mining Company, Inc., 5650 Greenwood Plaza Blvd., Suite 226, Greenwood Village, CO, 80111.

Dated and signed this 25th day of September, 1987

William M. Shepard, Vice President
Tellis Gold Mining Company, Inc.

STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

The foregoing affidavit was acknowledged before me this 25th day of September, 1987, by William M. Shepard, Vice President of Operations, of Tellis Gold Mining Company, Inc., a Colorado corporation.

Debra J. Comer, Notary Public
5650 Greenwood Plaza Blvd., Suite 226
Greenwood Village, Colorado 80111

SEAL Affixed

My commission expires
May 21, 1991

GAS VAPOR-PHASE GEOCHEMICAL SURVEY

Tellis Gold Mining Company, Inc. has developed a proprietary gas vapor-phase (GVP) geochemical exploration and evaluation system. The GVP system is employed to evaluate properties prior to drilling and used to guide both exploration and development drilling.

METHOD DESCRIPTION

Recent widespread interest in GVP geochemistry as a mineral exploration technique is based upon the fact that gas anomalies occur over a wide variety of buried ore deposits. These gas anomalies are composed of a large number of different organic and inorganic gas and vapor-phase compounds formed, both by the physicochemical processes which formed the ore deposit, and subsequent post-depositional reactions including oxidation of the orebody.

The relationships of gas anomalies to ore deposits is the subject of recent and continuing research by the U. S. Geological Survey and Universities in the U. S., U. K. and Canada. McCarthy and Reimer of the U. S. G. S. state that "recent field and laboratory studies indicate that gases occur at or near the surface above virtually all mineral deposits, either as primary components or as reaction products."

Tellis has developed a practical exploration system based on the detection and interpretation of these gases in soils and rocks above precious metal and other types of ore deposits. This development by Tellis was based on recent advances in the understanding of the geochemistry of gold deposition, the use of sensitive modern analytical instrumentation and the development of computer programs to process and interpret the complex relationship of gases in soils and rocks to buried ores.

The key elements in the Tellis GVP geochemical system are a fast and simple method of sample collection; sample preparation techniques; sensitive mass spectral analysis; and sophisticated and complex computer processing of the data.

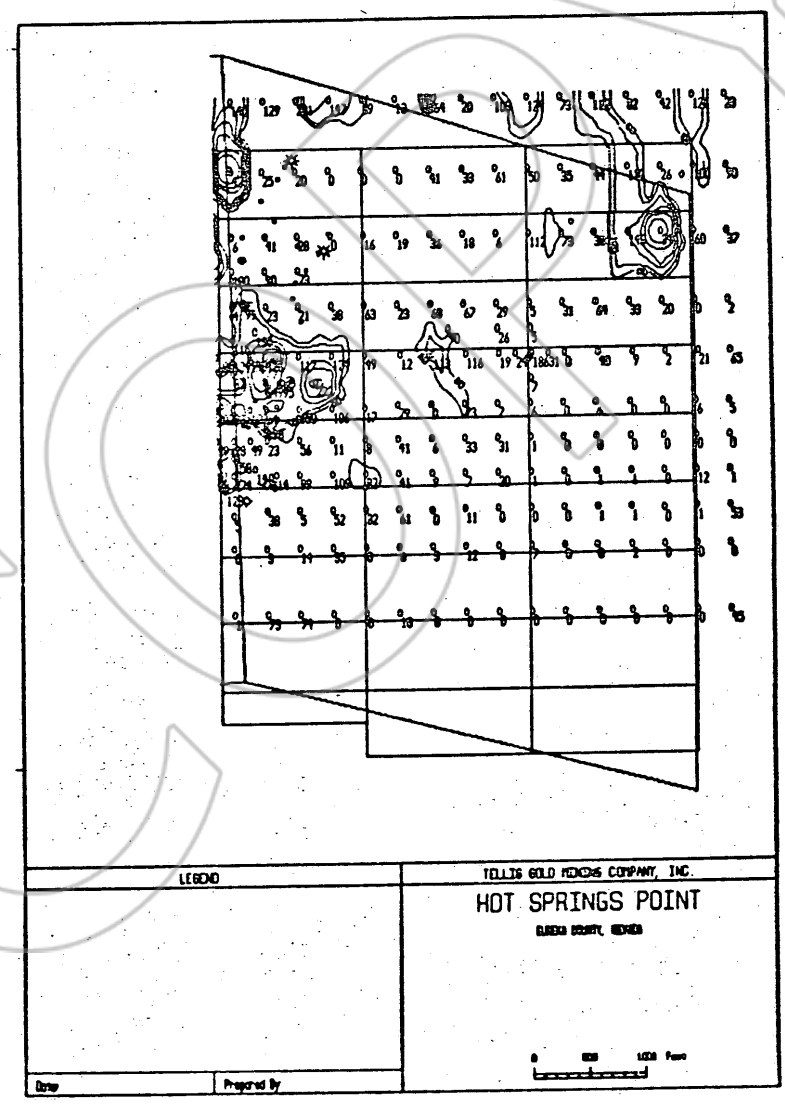
The process consists of analyzing gases sorbed on soils above suspected ore deposits. The use of sorbed gases on soil particles avoids the inherent problems of using soil pore space gases and implanted gas collectors. Tellis has discovered specific soil horizons and components within the soil in which the gases are selectively sorbed and concentrated to levels orders of magnitude greater than in undifferentiated soil and in soil pore space gas. The sorbed gases in the soil also reflect the integrated gas flow from the ore deposits over a period of years, a length of time impractical for implanted soil gas collectors.

The gases are thermally desorbed and fed into an extremely sensitive mass spectrometer that has a detection limit of approximately ten weight parts of gas per trillion weight parts of the soil sample. A high sensitivity mass spectrometer is used because the concentration of most of the diagnostic gases is at the parts per million to parts per billion level.

The mass spectrometer produces a mass spectrum between masses 2 and 97 of the gases desorbed from the sample. The mass spectral data are processed by a complex series of deconvolution algorithms in order to identify the relative amounts of 40 or more gas species desorbed from the soil sample. The resulting multi-component gas data is further extensively processed and then interpreted. Important parts of this processing include background determinations and corrections, ratio analysis, and noise filtering.

Two factors in the data processing and interpretation procedure are critical. The first is the use of a large number of gases in the anomaly determination process. Anomalies based on only a few gases (or in the worst case, one gas) may occasionally outline the orebody, but will also form large numbers of spurious anomalies. The larger the number of gases used to define the orebody, the less chance there is for false anomalies. The second important point is the use of ratio analysis of the gas data. The absolute gas concentration can vary over an order of magnitude for reasons unrelated to the presence of an orebody. The most common reasons for such non-ore gas variations are increased subsurface permeability and variations in underlying rock type and soil composition. The use of a relativistic data analysis technique such as ratio analysis largely eliminates this problem. The result is coherent anomalies that are uniquely indicative of subsurface ore deposits.

This anomaly map was developed from a GVP survey conducted on the property.



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U.S. Gold Mining Co
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OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.N. REBALE ATT. RECORDER
FILE NO 112361
FEE $ 269.50