

AFFIDAVIT OF LABOR PERFORMED
AND IMPROVEMENTS MADE
FOR THE ASSESSMENT YEAR
ENDING SEPTEMBER 1, 1988

STATE OF NEVADA)
) SS.
COUNTY OF LANDER)

121258

JAMES A McGLASSON, being first duly sworn, deposes and says:

1. That he is an agent for St. George Metals, Inc. of 135 East Second Street, P.O. Box 548, Battle Mountain, Nevada 89820.

2. That this affidavit is made on behalf of the current owners of the unpatented claims listed below:

Claims: WELS 1 through 36
NMCW: 291960 through 291995
Claimants: VEK Associates, 836 E. York Way
Sparks NV 89431

3. That an aggregate amount equal to at least ONE HUNDRED DOLLARS (\$100.00) per claim was expended for labor and improvements for the benefit of each and all the of the said claims as part of a contiguous group under a common plan of development for the assessment year ending September 1, 1988.

4. That the above claims are located in Eureka County, Nevada and are in Section 8, T35N, R51E MDRM.

5. That the work consisted of geophysical surveys. A detailed report as required by Federal and Nevada mining laws is attached as APPENDIX A and is made a part hereof.

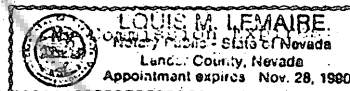
6. That the above work was performed on the entire group WELS 1 through 36 with additional work on WELS 15, 18, 32, 30, 29, and 27, as shown on the map in the attached APPENDIX A, between June 5 and August 30, 1988.

7. That a total of more than THIRTY-SIX HUNDRED DOLLARS (\$3,600.00) was expended for the above labor and improvements for the purpose of developing the mineral potential of the claims and to maintain and hold such claims. The work was performed at the expense of St. George Metals, Inc. under the direction of the affiant and on behalf of the claim owners.

James A. McGlasson Date: 10/27/88
James A. McGlasson
Agent for St. George Metals, Inc.
P.O. Box 548
135 East Second Street
Battle Mountain, Nevada 89820

Subscribed and sworn to before me this 27th day of October, 1988.

[Signature]
Notary Public



BOOK 189 PAGES 13

APPENDIX A

The following report details the geophysical surveys undertaken as part of the development of the subject claims. The maps and descriptions give the location(s) of the surveys relative to the claim boundaries and discovery points. All work was conducted under the direct supervision of:

James A. McGlasson, M.S. Geology, 7387 S. Flower Street, Littleton, Colorado 80123, over 15 years experience in exploration geology.

Allan Spector, Phd., P.Eng., 24 Strathallan Blvd, Toronto, Ontario M5N 1S7, over 15 years experience in exploration geophysics.

J37305

REPORT ON
GRAVITY AND MAGNETIC SURVEY
WELS CLAIMS 1 to 44
Sections 4 and 8, R51E T35N
EUREKA COUNTY, NEVADA

for
ST. GEORGE METALS

by
ALLAN SPECTOR AND ASSOCIATES LIMITED
TORONTO CANADA

AUGUST, 1988

BOOK 1 89 PAGE 5 15

AREA: Sections 8 (WELS Claims 1 to 36) and SW/4 of 4 (WELS Claims 37 to 44), T35N R51E.

SURVEY DATE: July 19, 1988

SURVEY CREW: elevation: Mr. and Mrs. Arnold Wood
gravity: Dr. Allan Spector
magnetometer: Mr. Dale Moore

GEOPHYSICAL INSTRUMENTATION: gravimeter: Sodin model 410T thermostatically controlled, quartz spring meter, +/- 0.01 mgal. resolvability, readings taken on 1.5 foot high tripod.
magnetometer: Geometrics Unimag G836 proton-precession, +/- 10 gamma resolvability.

SURVEY CONFIGURATION (see Figure 1): 47 stations @ 200' interval on NSW-ENE line

DATA PROCESSING AND PRINCIPAL FACTS: Gravity measurements were reduced to Bouguer gravity after correction for diurnal/instrument drift (all traverses began and ended at a base station Line 1 station ON), latitude variation and elevation using a Bouguer density of 2.7 gm/cm³ (also 2.2 gm/cm³ for comparison). Magnetic measurements were corrected for diurnal variation. Principal Facts of the survey are presented in Table 1.

COMMENTS AND INTERPRETATION:

The gravity data is dominated by a -12 mgal. gradient. The gradient is interpreted as due to subsidence of the Paleozoic basement and the development of a thick deposit of lower density Cenozoic sediments. A fault located at or near the western end of the line appears to be the cause of the relatively higher gradient in the gravity data in this area. 50 gamma undulations are observed in the magnetic data. These anomalies may be attributed to volcanic rock 600 to 800 feet below ground. A 50 gamma 'step' seen near ON may be due to a steel wire fence

The analysis of the survey data embodied in this report is essentially a geophysical appraisal of the area. As such, it can incorporate only as much geological and geophysical information as the interpreter has available at the time. It should be judiciously used therefore as a guide only by geologists thoroughly familiar with the area and who are in a better position to evaluate the significance of any particular feature. With additional information, such as that provided by other surveys and eventually drilling, it may be possible to revise the significance of features identified in this study.

Respectfully submitted,

ALLAN SPECTOR AND ASSOCIATES LIMITED



Allan Spector Ph.D., P.Eng.

August 10, 1988

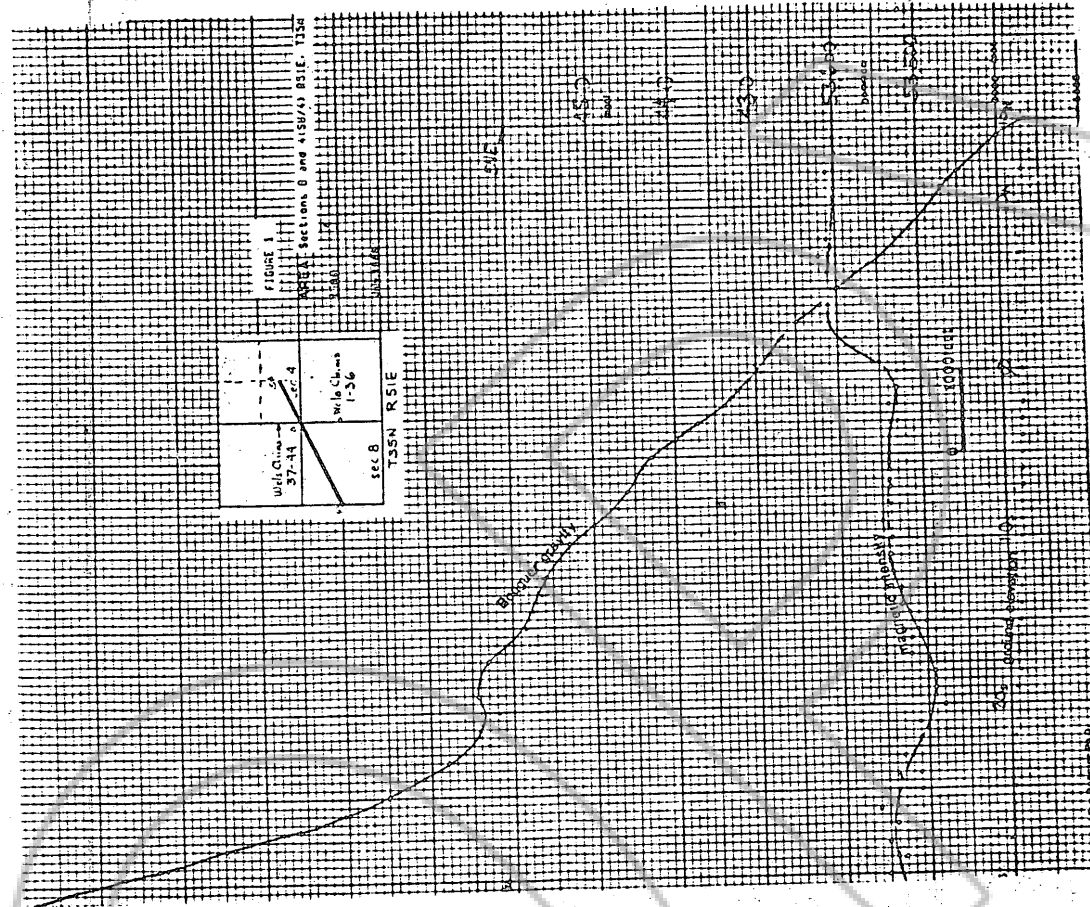
BOOK 189 PAGES 16

Table 1: PRINCIPAL FACTS: Line 1

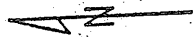
NOTES:

1. Sampling interval is 200 feet.
2. Elevations (ELEV) are in feet.
3. Magnetic intensity values (MAG) are in gammas.
4. Bouguer gravity determinations, GRAV2.2 and GRAV2.7 are in milligals using Bouguer densities of 2.2 and 2.7 gm/cm³ respectively.

Stn.	ELEV.	MAG	GRAV2.2	GRAV2.7	Stn.	ELEV.	MAG	GRAV2.2	GRAV2.7
0	5765.0	53520.	379.78	342.94	0	5765.0	53530.	379.78	342.94
1N	5762.1	53600.	378.63	342.84	1S	5764.7	53530.	380.08	343.24
2	5757.3	53590.	379.59	342.71	2	5772.1	53540.	380.28	343.37
3	5754.9	53510.	379.25	342.51	3	5779.6	53530.	380.65	343.72
4	5754.1	53610.	379.00	342.23	4	5751.1	53540.	380.96	344.00
5	5752.9	52490.	378.82	342.04	5	5796.2	53540.	381.30	344.30
6	5753.7	53610.	378.54	341.77	6	5781.7	53540.	381.50	344.49
7	5752.3	53420.	378.21	341.41	7	5794.6	53540.	381.51	344.58
8	5755.7	53610.	378.07	341.23	8	5813.0	53540.	381.88	344.73
9	5761.0	53690.	377.72	340.77	9	5817.5	53550.	382.18	345.01
10	5751.6	53540.	377.54	340.79	10	5814.4	53540.	382.46	345.31
11	5729.8	53600.	377.33	340.73	11	5812.5	53540.	382.41	345.23
12	5713.0	53610.	376.99	340.43	12	5822.2	53540.	382.81	345.61
13	5705.7	53590.	376.71	340.35	13	5841.8	53530.	382.99	345.66
14	5701.1	53690.	376.48	340.08	14	5844.6	53520.	382.24	345.74
15N	5699.9	52490.	376.07	339.14	15	5870.8	53500.	383.35	345.84
					16	5874.2	53520.	382.13	344.59
					17	5900.4	53520.	384.07	346.31
					18	5897.2	53490.	384.22	346.64
					19	5921.3	53490.	384.29	346.45
					20	5915.6	53480.	384.60	346.19
					21	5933.6	53510.	384.35	346.43
					22	5961.4	53510.	384.40	346.31
					23	5957.4	53530.	384.88	346.81
					24	5941.0	53510.	385.16	347.19
					25	5956.9	53510.	385.66	347.53
					26	5990.3	53560.	386.33	348.05
					27	6000.3	53540.	387.09	348.75
					28	6005.6	53550.	387.63	349.49
					29	6006.2	53530.	388.57	350.19
					30	6024.7	53530.	389.44	351.07
					31S	5812.5	53540.	390.19	351.77



BOOK 189 PAGE 518



WELS CLAIMS #1-36

Sec. 8, T35N, R31E, MDM

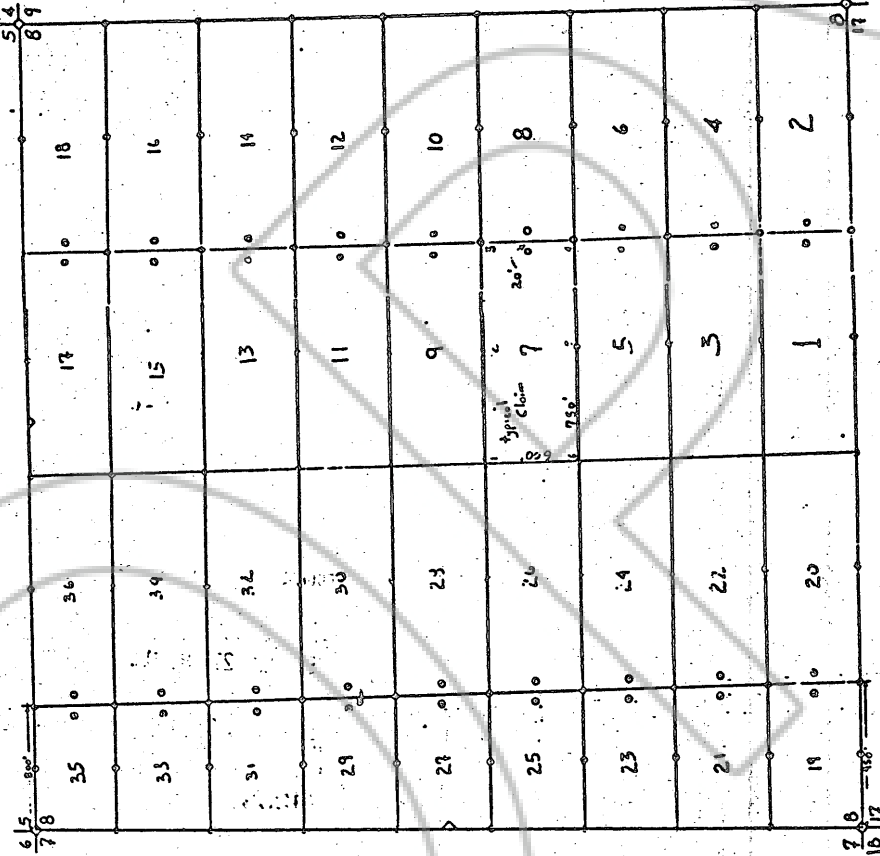
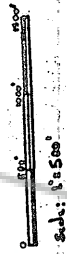
EUREKA Co., NV

Located: Sept 26-29, 1983.

By: VEK Associates
836 E. York Way
Sparks, NV 89431

Explanation:

- Section or 1/4 corner, found
- Location Monument
- ⊗ Claim corner or other center



BOOK 189 PAGE 519

AREA H

RECORDED AT THE REQUEST OF
BOOK 189 PAGE 513
St. George Metals
88 OCT 27 P3:12

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.N. REBELT, RECORDER
FILE NO. FEE \$1300
124258

BOOK 189 PAGE 520