

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

STATE OF NEVADA)
) SS. 124266
COUNTY OF LANDER)

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 71 through 97
NMC#: 292030 through 292056
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 4, T33N, R50E, MDBM.

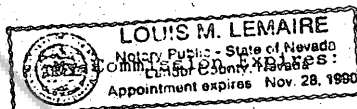
5. That the work consisted of geophysical surveys. A detailed report as required by Federal and Nevada mining laws is attached as APPENDIX A and is made a part hereof.

6. That the above work was performed on the entire group WELS 71 through 97 with additional work on WELS 71, 72, and 89, as shown on the map in the attached APPENDIX A, between June 5 and August 30, 1988.

7. That a total of more than TWENTY-SEVEN HUNDRED DOLLARS (\$2,700.00) 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

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 per the specifications of:

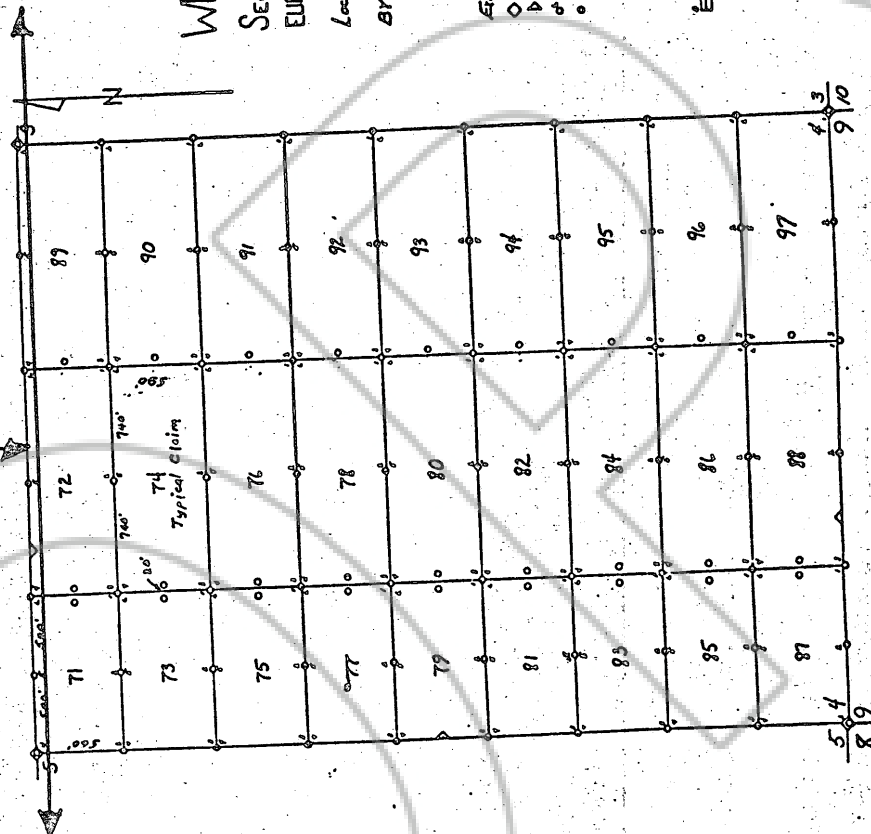
James A. McGlasson, M.S. Geology, 7387 S. Flower Street, Littleton, Colorado 80123, over 15 years experience in exploration geology.

Raymond T. Bell, M.S., Geophysics, 1608 Wollacott Street, Redondo Beach, CA 90278, over 15 years experience in exploration geophysics.

The survey was performed by Phoenix Geoscience, Inc., 555 17th Street, Suite 2570, Denver, CO 80202. Phoenix Geoscience has been doing quality geophysical exploration for more than 10 years.

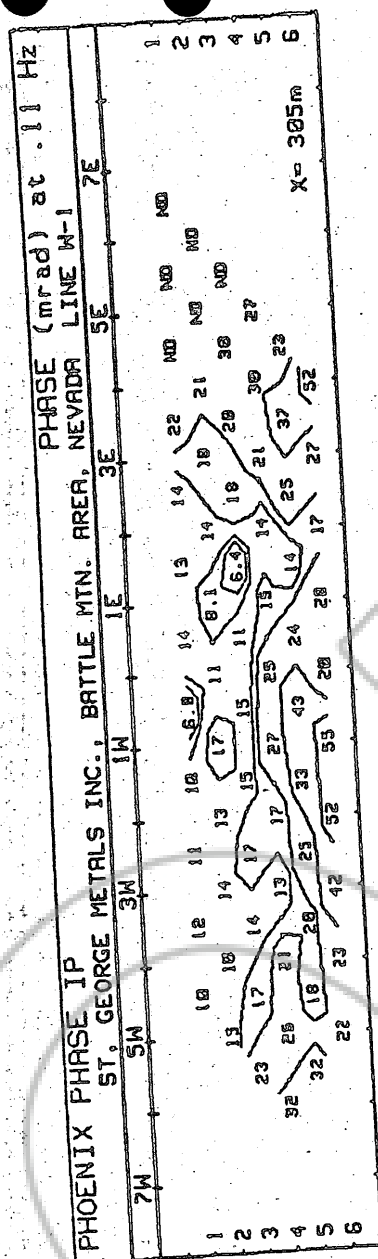
The surveys consisted of multi-frequency induced polarization. The results of the survey are detailed information about the sub-surface geologic and geophysical conditions below the claims. The claims involved are listed in the main body of this affidavit and shown on the attached map. The data is presented on the attached sections. Interpretations were made by R. T. Bell (above).

Line W-1

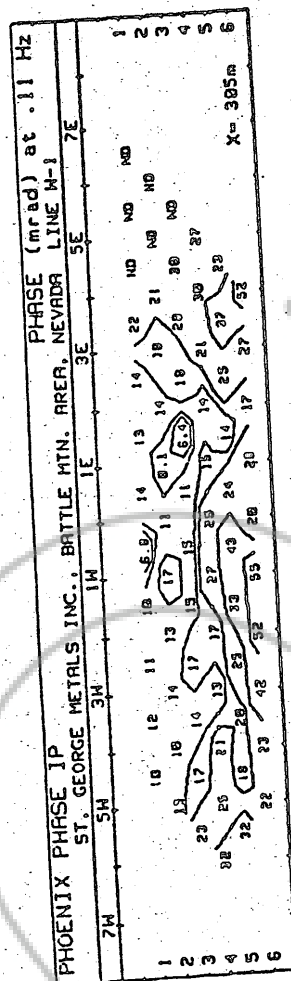


BOOK 189 PAGE 565

AREA D

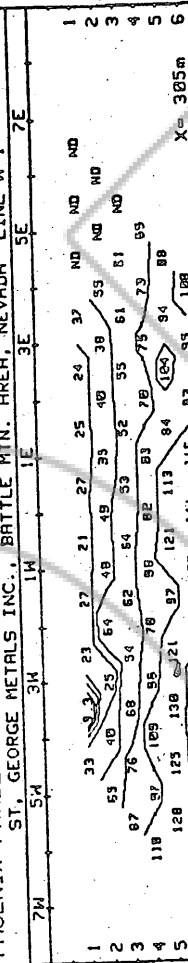


Line W-1. See T, T330, R250 E
See Attached Map for Coverage position of line relative to dikes

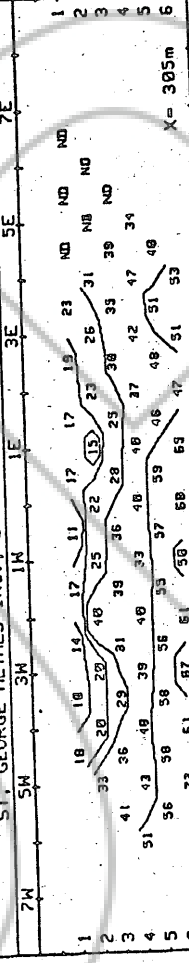


BOOK 189 PAGE 567

PHOENIX PHASE IP
ST. GEORGE METALS INC., BATTLE MTN. AREA, NEVADA LINE M-1



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ST. GEORGE METALS INC., BATTLE MTN. AREA, NEVADA LINE M-1

