

AFFIDAVIT OF PERFORMANCE OF ANNUAL
ASSESSMENT WORK

(Proof of Labor)

STATE OF NEVADA)
) ss
COUNTY OF WASHOE)

J. Michael Perry as agent for Phelps Dodge Mining Company, a division of Phelps Dodge Corporation, a New York corporation, with exploration offices at 910 Greg Street, Sparks, Nevada 89431, being first sworn, on behalf of the owner, states that at least ONE HUNDRED DOLLARS (\$100.00) in value of labor was performed or improvements made upon or for the benefit of each of the following 58 contiguous unpatented lode mining claims located in Eureka County, Nevada to wit:

COUNTY RECORDS

CLAIM NAME	BOOK	PAGE(S)	BLM NMC NUMBER
TAURUS	(See Exhibit A)	(See Exhibit A)	(See Exhibit A)

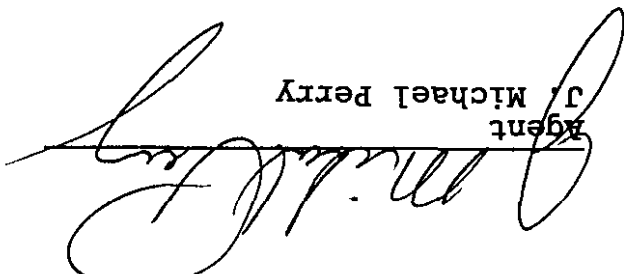
THAT LABOR was performed and improvements were made between June 1st and August 31st, 1990, for the assessment year ending September 1, 1990. The amount of money expended for such labor and improvements was in excess of \$30,000 and the character of the work or improvements are as follows:

Drilling and drill site preparation. Work was performed on all or portions of Taurus claims 6, 14, 16, 17, 18, 19 and 20.

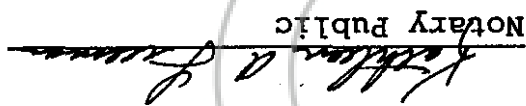
THE OWNER of said claims is Pegasus Gold Corporation whose address is 230 South Rock Boulevard, Suite 30, Reno, Nevada 89502. The expenditures were made at the expense of Phelps Dodge Mining Company for the benefit of the owner. The person(s), corporation(s), contractor(s), or subcontractor(s) who performed the work or made the improvements are personnel of Phelps Dodge Mining Company and Eklund Drilling Company of Elko, Nevada, and Eureka Custom Contractors of Eureka, Nevada.

ALL OF THE aforesaid 58 unpatented lode mining claims are contiguous and work on any one claim or group of claims tends to develop all of the claims. The work was performed expressly for the purpose of exploring, improving and developing said claim or contiguous groups of mining claims and was intended as annual labor and improvements for each and all of the described unpatented lode mining claims for the assessment year ending September 1, 1990.

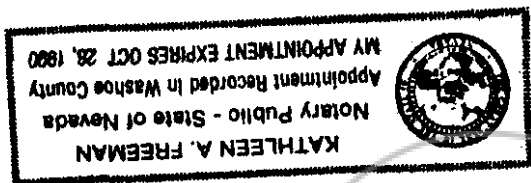
PHELPS DODGE MINING COMPANY


Agent
J. Michael Perry

Subscribed and sworn before me this 11th day of October, 1990, by J. Michael Perry.


Notary Public

My commission expires: October 28, 1990



BOOK 2 / 5 PAGES 78

EXHIBIT A

Attachment to the "TAURUS" PROJECT AFFIDAVIT OF PERFORMANCE OF ANNUAL ASSESSMENT WORK (Proof of Labor) for the assessment year ending September 1, 1990, for the following fifty-eight (58) contiguous claims:

Claim Name	Book	Page	BLM Serial Number
Taurus No. 1	140	486	NMC 356500
Taurus No. 2	140	487	NMC 356501
Taurus No. 3	140	488	NMC 356502
Taurus No. 4	140	489	NMC 356503
Taurus No. 5	140	490	NMC 356504
Taurus No. 6	140	491	NMC 356505
Taurus No. 7	140	492	NMC 356506
Taurus No. 8	140	493	NMC 356507
Taurus No. 9	140	494	NMC 356508
Taurus No. 10	140	495	NMC 356509
Taurus No. 11	140	496	NMC 356510
Taurus No. 12	140	497	NMC 356511
Taurus No. 13	140	498	NMC 356512
Taurus No. 14	140	499	NMC 356513
Taurus No. 15	140	500	NMC 356514
Taurus No. 16	140	501	NMC 356515
Taurus No. 17	140	502	NMC 356516
Taurus No. 18	140	503	NMC 356517
Taurus No. 19	140	504	NMC 356518
Taurus No. 20	140	505	NMC 356519
Taurus No. 21	140	506	NMC 356520
Taurus No. 22	140	507	NMC 356521
Taurus No. 23	140	508	NMC 356522
Taurus No. 24	140	509	NMC 356523
Taurus No. 25	140	510	NMC 356524
Taurus No. 26	140	511	NMC 356525
Taurus No. 27	140	512	NMC 356526
Taurus No. 28	140	513	NMC 356527
Taurus No. 29	140	514	NMC 356528
Taurus No. 30	140	515	NMC 356529
Taurus No. 31	140	516	NMC 356530
Taurus No. 33	140	517	NMC 356531
Taurus No. 35	140	518	NMC 356532
Taurus No. 37	140	519	NMC 356533
Taurus No. 38	140	520	NMC 356534
Taurus No. 39	140	521	NMC 356535
Taurus No. 40	140	522	NMC 356536

BLM Serial Number

Page

Book

Claim Name

NMC 356537	523	140	Taurus No. 41
NMC 356538	524	140	Taurus No. 42
NMC 356539	525	140	Taurus No. 43
NMC 356540	526	140	Taurus No. 44
NMC 356541	527	140	Taurus No. 45
NMC 356542	528	140	Taurus No. 46
NMC 356543	529	140	Taurus No. 47
NMC 356544	530	140	Taurus No. 48
NMC 356545	531	140	Taurus No. 49
NMC 356546	532	140	Taurus No. 50
NMC 356547	533	140	Taurus No. 51
NMC 356548	534	140	Taurus No. 52
NMC 356549	535	140	Taurus No. 53
NMC 356550	536	140	Taurus No. 54
NMC 356551	537	140	Taurus No. 55
NMC 356552	538	140	Taurus No. 56
NMC 356553	539	140	Taurus No. 57
NMC 356554	540	140	Taurus No. 58
NMC 356555	541	140	Taurus No. 59
NMC 356556	542	140	Taurus No. 60
NMC 356557	543	140	Taurus No. 61

BOOK 215 PAGE 577
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Phelps Dodge Corp.
90 OCT 18 P3:20

EUREKA COUNTY, NEVADA
M.N. REBALANCE, RECORDER
FILE NO. FEE \$101.50

131165

BOOK 215 PAGE 580