

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 22 contiguous unpatented lode mining claims located in Eureka County, Nevada to wit:

COUNTY RECORDS

CLAIM NAME	BOOK	PAGE(S)	BLM NMC NUMBER
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COTTON

(See Exhibit A)

(See Exhibit A)

THAT LABOR was performed and improvements were made between June 1st and September 1st, 1990, for the assessment year ending September 1, 1990. The amount of money expended for such labor and improvements was in excess of \$2,200 and the character of the work or improvements are as follows:

Geologic mapping, lithogeochemical sampling and stream sediment sampling; description and location of work more particularly described in the Summary Report attached and made a part hereof. Work performed on all or portions of Cotton Claims 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21.

THE OWNER of said claims is NERCO Exploration Company, whose address is 2200 NE Parkway Drive, Vancouver, Washington 98662. 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.

ALL OF THE aforesaid 22 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.

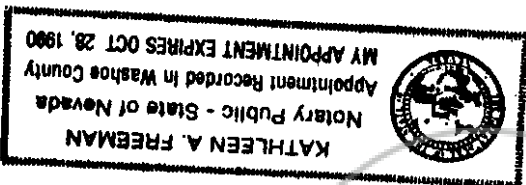
PHELPS DODGE MINING COMPANY

J. Michael Perry
Agent
J. Michael Perry

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

Kathleen A. Freeman
Notary Public

My commission expires: October 28, 1990



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EXHIBIT A

Attachment to the "COTTON" PROJECT AFFIDAVIT OF PERFORMANCE OF ANNUAL ASSESSMENT WORK (Proof of Labor) for the assessment year ending September 1, 1990, for the following twenty-two (22) contiguous claims:

Claim Name	Book	Page	BLM Serial Number
Cotton No. 1	118	327	NMC 291906
Cotton No. 2	118	328	NMC 291907
Cotton No. 3	118	329	NMC 291908
Cotton No. 4	118	330	NMC 291909
Cotton No. 5	118	331	NMC 291910
Cotton No. 6	118	332	NMC 291911
Cotton No. 7	118	333	NMC 291912
Cotton No. 8	118	334	NMC 291913
Cotton No. 9	118	335	NMC 291914
Cotton No. 10	118	336	NMC 291915
Cotton No. 11	118	337	NMC 291916
Cotton No. 12	118	338	NMC 291917
Cotton No. 13	118	339	NMC 291918
Cotton No. 14	118	340	NMC 291919
Cotton No. 15	118	341	NMC 291920
Cotton No. 16	118	342	NMC 291921
Cotton No. 17	118	343	NMC 291922
Cotton No. 18	118	344	NMC 291923
Cotton No. 19	118	345	NMC 291924
Cotton No. 20	118	346	NMC 291925
Cotton No. 21	118	347	NMC 291926
Cotton No. 22	118	348	NMC 291927

SUMMARY REPORT

COTTON CLAIMS

EUREKA COUNTY, NEVADA

This detailed report is filed in compliance with the Federal Statutes 30 U.S.C. 28.1, 30 U.S.C. 28.2, and 43 C.F.R. 3851.2 for the unpatented lode mining claims described in this Affidavit.

Evaluation consisted of detailed geologic mapping, litho-geochemical sampling, and stream sediment sampling. Twenty-five rock chip samples and 15 stream sediment samples were collected in the field and submitted for geochemical analysis (Au-Ag-As-Sb-Hg-Cu-Pb-Zn) and statistically evaluated. Soil and vegetation orientation lines were also planned and grid lines flagged.

Geologic mapping indicated the majority of the claim group is underlain by the Ordovician Vinini Formation, a unit of siltstone, chert, and shale. Massive outcrops of black to green variegated chert, minor vesicular volcanic flows, and quartzitic beds indicate the upper member of the Vinini is exposed on the claim group. Areas of extensive alteration were not identified. Rock chip sampling was restricted to breccia zones with occasional silicification in the Vinini outcrops.

The drainages were also examined for significant archeological sites, and claim post corners located.

The cost of the work performed was in excess of two thousand two hundred dollars (\$2,200.00).

This work has not been applied as labor for more than two consecutive years or more than a total of five years on any one mining claim, and such survey has not been nonrepetitive of any previous survey on the same claim.

The persons performing the work and their qualifications are as follows:

Mark Crawford
910 Greg Street
Sparks, NV 89431
B. Sc. University of Western Ontario
M. Sc. University of Toronto
Seventeen Years Experience

Kent Thomson
910 Greg Street
Sparks, NV 89431
B. Sc. Boise St. U.
Thirty Years Experience
EUREKA COUNTY, NEVADA
RECORDING AGENT
FEE \$ 38.50
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Phelps Dodge
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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF

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