

Recording Requested By:

ATLAS PRECIOUS METALS INC.

When Recorded, Mail To:

ATLAS PRECIOUS METALS INC.
Attention: Land Department
370 Seventeenth Street, Suite 3150
Denver, Colorado 80202

137807

AFFIDAVIT OR STATEMENT OF ANNUAL ASSESSMENT WORK

(PROOF OF LABOR)

ON UNPATENTED MINING CLAIMS

STATE OF NEVADA)

ss.

COUNTY OF WASHOE)

I, Frank K. Fenne, being first duly sworn, do depose and state as follows:

1. I am making this Affidavit on behalf of Atlas Precious Metals Inc., a Nevada corporation, lessee/optionee of the mining claims referred to herein, at whose expense the labor and/or improvements herein described was performed and made.

2. My mailing address is Atlas Precious Metals Inc., 395 Freeport, Suite 12, Sparks, Nevada, 89431.

3. Certain labor and/or improvements required by law were performed or made on or for the benefit of the mining claim(s) which together comprise a group of contiguous claims, located in Eureka County, State of Nevada, which are more particularly described in Exhibit A attached hereto and made a part hereof by this reference, in and for the mining assessment work year ending at noon on September 1, 1991.

4. The labor performed and/or improvements made consisted of the following:

Description of labor/improvements: Geological sampling and mapping (see Exhibit B)

Date(s) of labor/improvements: September 1, 1990 - August 26, 1991.

5. The total fair and reasonable value of the labor performed and/or improvements made was more than \$5,800.00 at least \$100.00 of which was expended in the development of each of the claims described on Exhibit A, as the annual assessment work. The names and addresses of the persons and/or companies who performed the labor or made the improvements, as known to me, are:

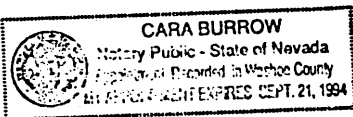
Atlas Precious Metals, Inc.
P.O. Box 251
Eureka, Nevada 89316

6. The current mailing address and current residence address of the owner of the claims remain as follows:

Pegasus Gold Corporation
North 9 Post Street, Suite #400
Spokane, Washington 99201

7. The above listed claims are held and claimed by the owner for the valuable mineral contained therein.

Dated: 9-4-91



702
Frank K. Fenne
Agent for Atlas Precious Metals Inc.

Subscribed and sworn to before me this 4th day of
Sept., 1991.

My commission expires: Sept. 21, 1994

Cara Burrow
Notary Public in and for said state

Address: 102 Burns St.
Reno, NV 89502

Jim Dodds
Witness

Louise D. Branson
Witness

EXHIBIT A

The following unpatented lode mining claims located in Sections 1 and 12, Township 22 North, Range 50 East, Sections 6 and 7, Township 22 North, Range 51 East, Section 36, Township 23 North, Range 50 East and Section 31, Township 23 North, Range 51 East, Eureka County, Nevada:

NAME OF CLAIM	EUREKA COUNTY RECORDING		PLM SERIAL NO.
	BOOK	PAGE	
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
Taurus No. 41	140	523	NMC 356537
Taurus No. 42	140	524	NMC 356538
Taurus No. 43	140	525	NMC 356539
Taurus No. 44	140	526	NMC 356540
Taurus No. 45	140	527	NMC 356541
Taurus No. 46	140	528	NMC 356542
Taurus No. 47	140	529	NMC 356543
Taurus No. 48	140	530	NMC 356544
Taurus No. 49	140	531	NMC 356545
Taurus No. 50	140	532	NMC 356546
Taurus No. 51	140	533	NMC 356547
Taurus No. 52	140	534	NMC 356548
Taurus No. 53	140	535	NMC 356549
Taurus No. 54	140	536	NMC 356550
Taurus No. 55	140	537	NMC 356551
Taurus No. 56	140	538	NMC 356552
Taurus No. 57	140	539	NMC 356553
Taurus No. 58	140	540	NMC 356554

EXHIBIT A

<u>NAME OF CLAIM</u>	<u>EUREKA COUNTY RECORDING</u>		<u>BLM SERIAL NO.</u>
	<u>BOOK</u>	<u>PAGE</u>	
Taurus No. 59	140	541	NHC 356555
Taurus No. 60	140	542	NHC 356556
Taurus No. 61	140	543	NHC 356557

EXHIBIT B

Assessment work, 1990-1991, Ed Cope (M.S. Geology, Colorado State University), Tom Stanley (M.S. Geology, Kent State University), and Frank Smith (M.S. Geology, University of New Mexico) spent 40 man days mapping and sampling the claims listed in Exhibit A, Eureka County, Nevada. They collected 179 samples. The samples were analyzed for gold, silver, arsenic, antimony and mercury. Results indicate further work should be done to fully explore the claims.

ref: D:\WP50\Land\59aurea.91

BOOK 225 PAGE 430
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Atlas Precious
91 SEP 17 P3:14
Metals, Inc.
EUREKA COUNTY, NEVADA
M.N. REDEVELOPMENT RECORDS
FILE NO. 137807 FEES 101 50