

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

137808

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: Drilling

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 \$1,200.00 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:

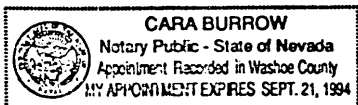
Eklund Drilling Company
P.O. Box 2786
Elko, NV 89801

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

Pegasus Gold Corporation
North 9 Post St., Suite 400
Spokane, WA 99201

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

Dated: 9-4-91



Frank K. Fenbe
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. Krause
Witness

EXHIBIT A

The following unpatented lode mining claims located in Sections 11, 12, 13 and 14, Township 22 North, Range 50 East, Eureka County, Nevada:

NAME OF CLAIM	EUREKA COUNTY RECORDING		BLM SERIAL NO.
	BOOK	PAGE	
Jake #1	142	98	NHC 359084
Jake #2	142	99	NHC 359085
Jake #3	142	100	NHC 359086
Jake #4	142	101	NHC 359087
Jake #5	142	102	NHC 359088
Jake #6	142	103	NHC 359089
Jake #7	142	104	NHC 359090
Jake #8	142	105	NHC 359091
Jake #9	142	106	NHC 359092
Jake #10	142	107	NHC 359093
Jake #11	142	108	NHC 359094
Jake #12	142	109	NHC 359095

ref: D:\WP50\Land\5Jake.91

BOOK 225 PAGE 435
 OFFICIAL RECORDS
 RECORDED AT THE REQUEST OF
Atlas Precious
 91 SEP 17 P3:29
Metals, Inc.
 EUREKA COUNTY, NEVADA
 MIN. RECLAM. RECORDS
 FILE NO. FEES
 137908 21-

BOOK 225 PAGE 437