

**AFFIDAVIT OF ANNUAL EXPENDITURES
and
NOTICE OF INTENT TO HOLD MINING CLAIMS**

(1998)

State of Arizona

) : ss

County of Pima

)
219891

Fred B. Brost, on behalf of Silver Eagle Natural Resources, Inc., 2420 North Huachuca Drive, Tucson, Arizona 85745-1202, lessee of the unpatented mining claims located in Sections 8 and 20, Township 33 North, Range 51 East, in the Magpie Creek Mining District, Eureka County, Nevada, and more particularly listed below, hereby states under oath that on or before August 31, 1997, \$100 per claim has been paid to the Nevada State Office of the U.S. Bureau of Land Management as the Rental Fee ("maintenance fee") for Assessment Year 1998 (ending September 1, 1998) in lieu of annual assessment labor, as provided by Public Law 102-381, 106 Stat. 1374, 1378-79, enacted October 5, 1992 (see 43 Code of Federal Regulations, Subpart 3833, effective July 15, 1993), to hold the unpatented mining claims [and millsite claims, if applicable] listed as follows:

Name of claim(s) or site(s):	BLM Serial No(s):
High Dollar No. 1 through 28	NMC 460793 through 460820
High Dollar No. 31 through 48	NMC 460821 through 460838

The claim map showing said claim(s) is filed as Document Number(s) 115861 and 115898 in the Eureka County records.

Payment of the Rental Fee satisfies the statutory requirement for annual assessment labor under 30 U.S. Code, Section 28 (see 43 C.F.R. § 3833.0-(e)). This Affidavit is recorded to give public notice of the lessors and owner's intent to hold the listed mining claims and as *prima facie* evidence of the facts stated in the Affidavit.

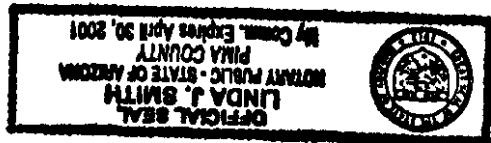
Dated this 10th day of September, 1997

Fred B. Brost
Fred B. Brost

The foregoing Affidavit of Expenditures and Notice of Intent to Hold Mining Claims was acknowledged before me this 10th day of September, 1997, by Fred B. Brost

Linda J. Smith
Notary Public

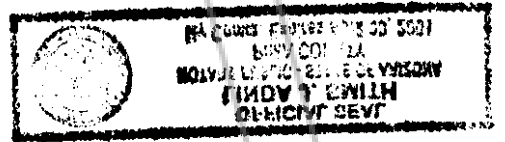
Residing at: 5537 N. NorthPeak Hills Dr
Tucson, AZ 85704
Pima County



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My Commission Expires:

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FILE NO. 168615
EUREKA COUNTY NEVADA
H.N. REBALEATI, RECORDER

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RECORDED AT THE REQUEST OF
OFFICIAL RECORDS

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