

Peter W. Laczay

P. O. Box 787

Coeur d'Alene, Idaho 83814

169482

AFFIDAVIT OF LABOR PERFORMED  
AND IMPROVEMENTS MADE  
FOR THE ASSESSMENT YEAR  
ENDING SEPTEMBER 1, 199

STATE OF IDAHO

)  
) ss  
)  
County of Kootenai

PETER W. LACZAY, as agent for Mildred Boeker, Joan Groven and  
William L. Tuson.

1. That this affidavit is made on behalf of the current owners of  
the unpatented claims ("claims") more fully described in Exhibit A  
attached hereto and made part hereof.

2. That an aggregate of at least \$ 2,700 (equal to more  
than \$100.00 total expenditure per claim) worth of work and improvements  
was performed upon or for the benefit of each and all of the said claims  
as a contiguous group under common plan of evaluation and development  
program conducted by Peter W. Laczay Prof. Eng for the assessment year  
ending September 1, 1997, for the purpose of complying with the laws of  
the United States of America and the State of Nevada pertaining to annual  
assessment work and holding the said claims. The work was performed for  
the purpose of developing the mineral potential of all of the claims and  
was performed upon the CS. group of twenty seven  
unpatented mining claims situated in Eureka County, Nevada.

3. That the character of the labor performed or improvements made was  
that of reconnaissance geological mapping and examination of subject group  
of claims, checking claim corners, making minor improvements of existing access  
roads, removing boulders and improving creek crossings, Research of available  
records and reports from the Bureau of Mines, U.S.G.S. and compilation and  
writing of report and recommendations entitled 'Primary Report of the re-  
sults of my examination of Carlin South (CS) Gold Property.'

4. That approximately 10 days were spent on such labor and that the  
labor was performed in the period between September 3, 1996 to September  
1, 1997.

5. That the labor was performed and improvements were made on behalf of  
the individual claim owners at the expense of Peter Laczay & Ashington Mining Corp.  
under the supervision of Peter Laczay consulting geologist. Assaying was  
conducted by SVL Analytical Box 929, Kellogg, ID and that the total expenditures  
for the labor and improvements exceeded \$ 2,700.00.

BOOK 3 | 6 PAGES 42

6. That the name, current residence, and mailing address of said claim owners is:

Mildred Boeker  
805 Lakeside Ave  
Coeur d'Alene, ID 83814

Joan Groven  
2326 N. 9 th  
Coeur d'Alene, ID 83814  
William L. Tuson  
100 Coeur d'Alene Ave  
Coeur d'Alene, ID 83814

Peter W. Laczay, Agent  
P.O. Box 787  
Coeur d'Alene, ID 83816

SUBSCRIBED and sworn before me on this 30 th day of December

1997.



*Barbara S Sveeg*

Notary Public for the State of Idaho.  
Residing at: \_\_\_\_\_  
My commission expires: \_\_\_\_\_

RESIDING IN: COEUR D'ALENE, IDAHO  
MY COMMISSION EXPIRES: MARCH 1, 2001

BOOK 3 | 6 PAGES 4 3

PROXY

100 mining claims situated in Section 20, Township 34 North, Range 50 E.; Nevada Meridian, EUREKA COUNTY, State of Nevada, to-wit:

Claim Name	B.L.M. #	County Recording #	Book	Page
CS #1	NMC 696985	151901	267	282
CS #2	NMC 696986	151902	267	283
CS #3	NMC 696987	151903	267	284
CS #4	NMC 696988	151904	267	285
CS #5	NMC 696989	151905	267	286
CS #6	NMC 696990	151906	267	287
CS #7	NMC 696991	151907	267	288
CS #8	NMC 696992	151908	267	289
CS #9	NMC 696993	151909	267	290
CS #10	NMC 696994	151910	267	291
Owner: Joan Groven 2326 N.9th St. Coeur d'Alene, ID 83814				
CS #21	NMC 697005	151921	267	302
CS #22	NMC 697006	151922	267	303
CS #23	NMC 697007	151923	267	304
CS #24	NMC 697008	151924	267	305
CS #25	NMC 697009	151925	267	306
CS #26	NMC 697010	151926	267	307
CS #27	NMC 697011	151927	267	308
Owner: Mildred Becker 805 Lakeside Ave Coeur d'Alene, ID 83814				

BOOKS 1 6 PAGES 44

Lode mining claims situated in Section 20; Township 34 North; Range 50 E.; Nevada Meridian, EUREKA COUNTY, State of Nevada, to-wit:

Claim Name	B.L.M. #	County Recording #	Book	Page
CS #11	NMC 696995	151911	267	292
CS #12	NMC 696996	151912	267	293
CS #13	NMC 696997	151913	267	294
CS #14	NMC 696998	151914	267	295
CS #15	NMC 696999	151915	267	296
CS #16	NMC 697000	151916	267	297
CS #17	NMC 697001	151917	267	298
CS #18	NMC 697002	151918	267	299
CS #19	NMC 697003	151919	267	300
CS #20	NMC 697004	151920	267	301

Owner: William L. Tuson  
 100 Coeur d'Alene Ave  
 Coeur d'Alene, ID 83814

BOOK 9 | 6 PAGES 45

PETER W. LACZAY, P.E.

CONSULTING MINING GEOLOGIST

P. O. Box 787

COEUR D'ALENE, IDAHO 83814

September 1, 1997

Phone 208-667-9565 or

MEMBER... IDAHO ASSOCIATION OF PROFESSIONAL GEOLOGISTS

Board of Directors  
Ashington Mining Corporation  
2555 West Middlefield Rd. Suite 212  
Mountain View, CA 94043  
Att; Ray De Motte President

Gentlemen:

RE: Primary Report of the results of my Examination of  
Carlin South (CS) Gold Property.

I am pleased to submit for your information this primary  
Report of the results of my examinations of Carlin South Gold property  
from September 20th, 1996 to October 2nd, 1997, and the subsequent  
study of various unpublished private reports on the south Carlin and  
Magpie Creek Districts.

There is little, if any, published geological maps for C. South  
available for the area other than the "Geologic Map of the Eureka  
County" compiled by R.J. Roberts, R.E. Lehner, and M.M. Bell of Nevada  
Bureau of Mines, 1963 on a 4 mile per inch scale.

### 1.0 Property:

Carlin South gold group of claims consists of Twenty Seven  
(27) located mineral claims. Some claims were located a  
some time ago, the earliest ones in 1994, and have been kept  
in good standing to date by annual assessment work. Check  
surveys have been made of the claim boundaries, tags and posts  
relative to conformity with the requirements of the General  
Mining Laws of 1872 of U.S.A. by the writer in 1996. The  
claims cover the principal faults for 5,000 feet.

### 2.0 Location:

The Carlin South or CS property is located about 6.5 miles  
due south of the Carlin Mine and about the same distance due  
west from the Gold Quarry Mine of Newmont Gold. The geographic  
reference is 40° 48' North Latitude and 115° 21' 30" West Lon-  
gitude in Eureka County, State of Nevada.

### 3.0 Accessibility:

Access is generally made from Carlin, Nevada, by 8 miles of  
paved road leading northwesterly along Magpie Creek, thence by  
2.5 miles of paved mine road leading to the Carlin, Genesis, Post  
and Gold Strike Mines, thence approximately 8.5 miles of ranch  
access road leading southwesterly through Richmond Summit to  
Welches Creek, thence 2 miles of dirt road leading west and north  
west along Welches Creek to the CS claim group comprising most  
of Section 20, Township-34 North, Range 50 East, Nevada Meridian.

BOOK 3 | 6 PAGES 46

#### 4.0 History:

There is insufficient research on the past ownership of the 27 CS claims area which was located on March 7, 1994. More important is the fact that all the adjacent and the surrounding Public Domain or Deeded properties in every direction is owned or controlled by Newmont Gold. Homestake also been active in the vicinity and located about four sections of B.L.M. land 1-2 miles north and northeast from the exterior boundary of the CS group. Section 16, Township 34 North, Range 50 East, adjacent to the CS group on the north-east is owned by Carol Davis and leased to Newmont Gold.

#### 5.0 Physiography:

The CS property is situated on the lower west slope of Tuscorora Mountain and on a northerly trending small ridge about 2 miles south of the main slope. Elevations range from 5236 feet on the ridge top to 4880 feet above sea level near Weches Creek in the southeast corner of the property. Vegetation consists of grass, sage, and juniper. Most of the property was recently reseeded by the B.L.M. after a recent bush fire which destroyed most of the prior vegetation.

#### 6.0 Local Resources:

There is adequate resources in the Carlin-Eiko area of Nevada to meet all supply requirement and labour. There are no power facilities near the property. Water supply is also limited in the vicinity of the claims. There are several springs about 3,000-4,000 feet south from the property near Weches Creek.

#### 7.0 Geology:

The gold deposits are regionally associated with the Roberts Mountain Thrust Fault. This low angle fault system is of major magnitude trending from the southwest to northeastern Nevada. Clastic volcanic rocks of early and middle Paleozoic age (the western assemblage) have ridden easterly and southerly over the carbonate rocks (eastern assemblage) with a movement of over 100 miles. Local post-thrust uplift and doming caused the upper plate rocks to be removed by erosion, thus exposing the carbonate rocks of the lower plate in windows. Known windows in northeastern Nevada were described by Roberts pointing out that the principal mining districts are located in and around eroded windows of lower plate carbonate rocks. Windows and their alignment indicate zones of structural weakness along which igneous rocks and related ore-bearing fluids have risen. Two major windows are within about 6 miles north and east from the CS property with several million ounces of gold production.

The geology of the CS property consists of argillites & cherts of upper plate Vinton Formation of Middle Ordovician age. The Eureka County Geological map indicates two major faults on the CS property, one of these is located on the most westerly small ridge near the westerly boundary of the property trending north-south for 3 miles north. The other fault is trending north-northeast but turning more northeasterly 3 miles from the CS property. This fault which is located near the center of the claim group and is indicated to offset the major north-

westerly trending, southwesterly dipping thrust fault. The offset is about 3000 feet to the northeast, exposing the lower plate Ordovician Pogonip group of limestones on the east side of this thrust fault within 2 miles northeast from the exterior boundary of the CS property.

8.0 Mineral zones:

There is no known gold mineralization exposed on the surface on the CS property. However alteration, mostly chloritic, was noted along both fault zones on the property. A gold-silver-arsenic-antimony geochem sampling program may discover anomalous areas near the fault zones which would provide possible drilling target. Interpretation of the regional gravity data indicates that the CS property is within the same major anomaly that the Gold Quarry Mine of Newmont Gold is contained in. This anomaly is indicating "the Tectonic placement of dense rocks of relatively deep origin, may be the lower plate formations, at shallow depth". This could be the result of thrusting during the pre Cenozoic orogenies (e.g. Sevier, Sonoma or Antler) as interpreted by R.W. Salts of the Nevada Bureau of Mines & Geology in 1988, which indicates that the Roberts Mountain Thrust exposed in the Carlin window may be present at relatively shallow depth under the SC property. The First Vertical Derivative of the Magnetic Anomaly Maps of Nevada displays a 6-8 mile, north-south trending magnetic anomaly adjacent on the east to the CS property. A similar amplitude but much smaller anomaly is also indicated near and west of the Gold Quarry Mine. This derivative is indicating relatively near surface features that could be intrusive rocks at depth. This intrusive may have been the source of gold bearing solutions or could have been the heat source to the remobilization of gold from strata bound gold mineralization at depth.

9.0 Opinion and Conclusion:

The extent and nature of gold mineralization in the Tuscorora-Magpie Creek Mining Districts is such that exploration and if justified development is warranted. On the basis of information available in conjunction with the results of my examinations of the CS group of claims area and the interpretation of available geophysical information, I am of the opinion that further exploration is justifiable.

10.0 Recommendations:

a) Geochemical sampling across the two main fault zones by taking initially samples 50' apart on east-west lines 500 feet apart is justified (11 lines 40-50 samples per line) Assay cost of 500 samples at \$12 sample Travel Expenses and sampling costs Total of stage a) \$ 9,000 \$ 3,000 \$ 6,000

b) In the event stage a) sampling indicates anomalies along or near the fault zones exploratory rotary drilling is recommended to a depth of 400 feet. Assuming 3 anomalies and drilling two holes to each, 2,400 feet of drilling is needed.

Cost of 2,400 feet @ \$15/ft. \$ 36,000  
 Permitting and drill roads 11,000  
 Geological services 3,500  
 Assaying costs 3,500  
 Total costs of Stage b) \$54,000

c) None contingent on the results of Stages a) and b) deep drilling is recommended to explore for the Thrust fault indicated at depth, may be as deep as 2000 feet, and to explore the lower plate carbonates below this Thrust. This rotary hole should be located 500 feet west and 500 feet south of the NE corner of Section 20, Township 34 North, Range 50 East.

Cost of 2000 ft. drilling @ \$15/ft. \$30,000  
 contingencies & for additional 500ft 7,500  
 Geological services 3,500  
 Total costs stage c) \$41,000

Grand Total costs of stages a), b) and c) \$104,000

Respectfully submitted,

*Peter W. Laczay*  
 Peter W. Laczay, P. Eng. and Registered Professional Geologist.

BOOK 316 PAGE 542  
 OFFICIAL RECORDS  
 RECORDED AT THE REQUEST OF  
*Peter W. Laczay*  
 98 JAN - 2 PM 2: 21

EUREKA COUNTY NEVADA  
 M. H. REBALATI, RECORDER  
 FILE NO. FEES 94.50

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BOOK 316 PAGE 542

