

SHORT FORM MEMORANDUM OF
MINING LEASE WITH
OPTION TO PURCHASE

This Memorandum is made and effective as of the 30th day of October, 1979, between WILLIS A. DePAOLI and ARLENE M. DePAOLI, husband and wife, of Eureka, Nevada (referred to as "Lessor"), whether one or more), and IDAHO MINING CORPORATION, a Nevada corporation with principal offices in Grand Junction, Colorado, (referred to as "Lessee"), with respect to the following facts:

A. On October 30, 1979, Lessor executed a Mining Lease with Option to Purchase to Lessee covering the following unpatented lode mining claims owned by Lessor and situated in Eureka County, Nevada, the names of which together with the book and page or recording of the location certificates thereof in the Office of the Recorder of said County are, respectively, as follows:

<u>Claim Name</u>	<u>Book</u>	<u>Page</u>
New York No. 1	75 O.R.	29
New York No. 2	75 O.R.	30
New York No. 3	75 O.R.	525

The mining claims described above are referred to below as the "Property."

The parties wish to execute a Short Form Memorandum giving notice of the Mining Lease with Option to Purchase (hereinafter referred to as the "Lease") covering the Property granted by Lessor to Lessee.

THEREFORE, in view of the foregoing and in consideration of the promises of the Parties, and other valuable consideration, the Parties agree:

1. The Lease was granted for a term of ten (10) years and for so long thereafter as Lessee shall continue, from year to year, to make the advance royalty payments, and, if required by law then in effect, to perform work reasonably expected by Lessee as being sufficient to meet the annual assessment work requirements for the unpatented mining claims forming the Property.

2. The Lease grants the exclusive right of possession during the term thereof to Lessee for purposes of mining and all activities incident thereto.

3. The Lease requires the payment of certain advance royalty payments to Lessor on the first day of each month commencing with the first day of December, 1979. Advance royalty payments so made constitute a credit against production royalty.

4. The Lease reserves to the Lessor as a retained interest a production royalty payable with respect to all ores, minerals and other mineral substances derived from the Property.

5. The Lease contains provisions, in the event of default, for notice thereof and an opportunity to correct default in performance or, failing such correction, then for forfeiture and termination of the Lease. In the event of good faith disputes concerning whether or not a default has occurred, the Lease contains provisions for a court of competent jurisdiction situated in the State of Nevada to determine whether or not a default has occurred. After the determination of the matter by the court, the Lessee is given an opportunity to correct default in performance if the decision is that there has been a default in performance and, if so corrected, Lessor does not have the right to terminate the Lease.

6. The Lease grants Lessee an option to purchase the Property which remains in force and effect so long as the Lease is in effect, but in no event later than twenty-one (21) years from and after the effective date of the Lease. Pursuant to the option provision, a deed has been lodged with Emerson J. Wilson, Ltd., escrow agent, whose address is P.O. Box 884, Reno, Nevada 89504. If the option is exercised and the purchase price paid, the escrow agent is required to deliver the deed conveying title to Lessee.

7. Lessee retains the right to assign the Lease, in whole or in part, or to sublease any portions of the Property, at any time during the term of the Lease, provided, however, that unless Lessor specifically consents thereto in writing, the Lessee shall continue to be liable and responsible for the performance of the terms and conditions of the Lease to the same degree and extent as are the assignees or sublessees, provided, however, that Lessee is required to supply to Lessor promptly following any such assignments or subleases a copy of the instrument under which the assignment or sublease is made.

8. If the interests of any party being an original Lessor to the Lease becomes held by four or more parties, the Lessee is given the right, at its discretion, to require such parties to appoint a single trustee with authority to receive notices, royalty and other payments or refunds which may become due under the Lease.

9. The address of the Lessor is as follows:

Willis A. DePaoli
Eureka, Nevada 89316

The address of the Lessee is:

Idaho Mining Corporation
P.O. Box 2183
Grand Junction, Colorado 81502

10. Executed copies of the full Mining Lease with Option to Purchase are maintained by the Lessor and the Lessee at their respective addresses where such documents are available for inspection, at reasonable times and under reasonable circumstances, by persons having good cause and valid right to know the full content of such documents.

Executed as of the day and year first above written.

Willis A. DePaoli
WILLIS A. DePAOLI

Arline M. DePaoli
ARLENE M. DePAOLI

IDAHO MINING CORPORATION

By W. L. Wilson
President

STATE OF NEVADA)
) ss.
COUNTY OF EUREKA)

On 2-1-80, personally appeared before me,
a Notary Public, WILLIS A. DePAOLI and ARLENE M. DePAOLI
who acknowledged that they executed the above instrument.

My commission expires: Dec 3, 1983

Willis A. DePaoli
Notary Public
Notary Public, State of Nevada
Eureka County
My Commission Expires Dec. 3, 1983

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

On Jan. 28, 1980, personally appeared before me
a Notary Public, W. L. Wilson as President of IDAHO
MINING CORPORATION who acknowledged that he executed the
above instrument.

My commission expires: October 21, 1980

Julie Weston
Notary Public



72396

RECORDED AT THE REQUEST OF W. L. Wilson
on February 1, 19 80, at 30 mins. past 8 A.M. In
Book 78 of OFFICIAL RECORDS, page 471-474, RECORDS OF
EUREKA COUNTY, NEVADA. WILLIS A. DePAOLI Recorder
File No. 72396 Fee \$ 6.00