

MEMORANDUM OF MINING AGREEMENT WITH OPTION TO PURCHASE

NOTICE IS HEREBY GIVEN that LEO G. DAMELE, and MARY C. DAMELE, husband and wife, and CHARLES A. VACARRO and ESTER B. VACARRO, husband and wife, (therein and hereinafter referred to as "Optionor"), and AMERICAN SELCO INCORPORATED, a New York corporation, (therein and hereinafter referred to as "Optionee"), have entered into a Mining Agreement with Option to Purchase ("Agreement") dated the 31<sup>st</sup> day of December, 1980, with respect to the mining claims described in Exhibit A attached hereto and by this reference made a part hereof and which claims are therein and hereinafter referred to as the "Subject Premises".

Under the terms of the Agreement, Optionor has granted and does hereby grant to Optionee, for a period ending at Midnight (Pacific Standard Time) on December 31, 1990, the exclusive possession of and right to enter upon the Subject Premises to explore for, develop, mine, remove and sell any or all ores, minerals or materials on or under the Subject Premises and to conduct such operations, including but not limited to, geological, geophysical, geochemical and metallurgical work; surveying; excavating; sampling; assaying; testing; drilling; conducting feasibility studies; developing; constructing and maintaining roads, lands and sites; and conducting and processing operations as Optionee in its sole discretion deems advisable for such purposes. Optionee shall have the right to use such resources of the Subject Premises, including but not limited to timber and water, as Optionee in its sole discretion deems advisable for such purposes.

In addition, under the terms of the Agreement, Optionor has granted and hereby grants to Optionee for a period ending at Midnight (Pacific Standard Time) on December 31, 1990, the sole, exclusive and irrevocable option to purchase the Subject Premises, all upon the terms and conditions set forth in the Agreement.

Any assignment of interest under the Agreement and this Memorandum of Agreement shall be made expressly subject to the Agreement and shall require the assignee to assume and agree in writing to perform all the obligations of the assignor under the Agreement as relate to the interest assigned. In case of assignment by mortgage, however, such assumption of obligations shall not be required, but should such mortgage be foreclosed, the purchaser on foreclosure shall take subject to the Agreement. The provisions of the Agreement and this Memorandum of Agreement shall inure to the benefit of and be binding upon the parties and their heirs, executors, administrators, personal representatives, beneficiaries, successors and assigns. No assignment shall be effective as between the parties until the first day of the next month following the delivery to the non-assigning party of satisfactory evidence of such assignment.

The Agreement is incorporated herein by this reference and made a part hereof. Copies of the Agreement are in the possession of: Leo G. Damele and Charles A. Vacarro, P.O. Box 234, Eureka, Nevada 89316 and American Selco Incorporated, 90 West Grove Street, Suite 100, Reno, Nevada 89509.

OPTIONOR

Leo G. Damele  
Leo G. Damele

Mary C. Damele  
Mary C. Damele

Charles A. Vacarro  
Charles A. Vacarro

Ester B. Vacarro  
Ester B. Vacarro

OPTIONEE

AMERICAN SELCO INCORPORATED

By A. P. Taylor  
A. P. Taylor - Exploration Manager

Attest H. M. Lane  
H. M. Lane - Assistant Secretary



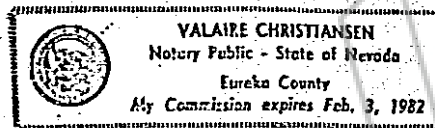
STATE OF NEVADA )  
 ) ss.  
COUNTY OF EUREKA )

On this 29th day of December, 1980, personally appeared before me, a notary public, LEO G. DAMELE known to me to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.

My Commission Expires:

Feb. 3, 1982

*Valaire Christiansen*  
Notary Public



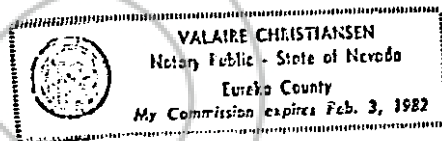
STATE OF NEVADA )  
 ) ss.  
COUNTY OF EUREKA )

On this 29th day of December, 1980, personally appeared before me, a notary public, MARY C. DAMELE known to me to be the person whose name is subscribed to the within instrument, and acknowledged that she executed the same.

My Commission Expires:

Feb. 3, 1982

*Valaire Christiansen*  
Notary Public



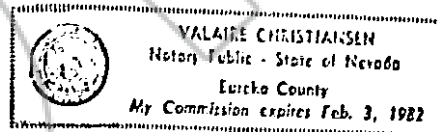
STATE OF NEVADA )  
 ) ss.  
COUNTY OF EUREKA )

On this 29th day of December, 1980, personally appeared before me, a notary public, CHARLES A. VACARRO known to me to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.

My Commission Expires:

Feb. 3, 1982

*Valaire Christiansen*  
Notary Public



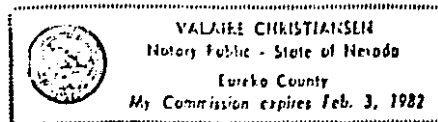
STATE OF NEVADA )  
 ) ss.  
COUNTY OF EUREKA )

On this 29th day of December, 1980, personally appeared before me, a notary public, ESTER B. VACARRO known to me to be the person whose name is subscribed to the within instrument, and acknowledged that she executed the same.

My Commission Expires:

Feb. 3, 1982

*Valaire Christiansen*  
Notary Public



STATE OF NEVADA     )  
                              ) ss.  
COUNTY OF WASHOE    )

On this 20 day of January, 1981, personally  
appeared before me, a notary public, John P. Taylor  
the Executive Manager of AMERICAN  
SELCO INCORPORATED, a New York corporation, who acknowledged that  
he executed the above instrument on behalf of said corporation.

My Commission Expires:

Dorothy Hathaway  
Notary Public

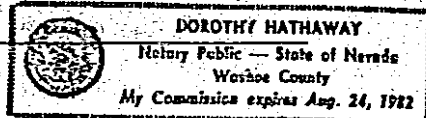




EXHIBIT A

DESCRIPTION OF SUBJECT PREMISES

Attached to and made a part of that certain Agreement dated the \_\_\_\_ day of December, 1980, between Leo G. Damele and Mary C. Damele, husband and wife, and Charles A. Vacarro and Ester B. Vacarro, husband and wife, Optionor, and American Selco Incorporated, Optionee, with respect to the following unpatented mining claims situated in Sections 3, 4 and 9, T18N R52E, Mount Diablo Base and Meridian, Eureka County, Nevada, which are of record in the office of the Recorder of Eureka County, Nevada, and which are also recorded in the office of the Bureau of Land Management in Reno, Nevada, in the Books and at the Pages and the MC numbers set opposite the names of the respective mining claims as follows:

<u>Name of Claim</u>	<u>Book</u>	<u>Page</u>	<u>BLM MC No.</u>
Ace	88	9	170281
Ace 1-	88	10-	170282-
-13		-22	-170294

RECORDED AT REQUEST OF  
AMERICAN SELCO INC  
BOOK 94 PAGE 389

81 MAY 7 AM 11:00

CLERK OF RECORDS  
EUREKA COUNTY, NEVADA  
WILLIS A. DEFAVIER, RECORDER  
80324  
FEE: 7.00