

MEMORANDUM OF MINING LEASE - BENCHMARK

This Agreement effective this 24th day of March,
1981 is between Julian E. Simpson and Jean C. Simpson, his wife,
Box 266, Kihei, Maui, Hawaii, 96753
OWNERS and GRAYHILL EXPLORATION COMPANY, a Colorado Corporation, located
at 12189 Ralston Road, Suite 210, Arvada Colorado 80004, LESSEE.

RECITALS

OWNERS represent that they are the owners of and are in possession
of 34 unpatented lode mining claims, located in Eureka
County, State of Nevada, and more particularly de-
scribed in Exhibit "A" attached hereto and incorporated by reference
herein.

GRAYHILL desires to obtain and OWNERS are willing to grant a mining
lease of the property.

Now therefore in consideration of Ten Dollars (\$10.00) and other
valuable consideration in hand paid to the OWNERS, the receipt and
sufficiency of which are hereby acknowledged and further in considera-
tion of the mutual covenants, agreements and promises herein contained,
the parties hereto agree as follows:

OWNERS lease the property to GRAYHILL for a period of 20
years, together with all appurtenances and water rights incident thereto
and all improvements and personal property thereon. The term of the Lease
is subject to the terms and conditions of the Lease and can be terminated
under the terms of the Lease by either party.

This short form (memorandum) shall not limit, decrease, increase
or in any manner affect any of the terms of said mining lease dated as
of this date March 24, 1981.

IN WITNESS WHEREOF, the parties hereto have duly executed this
Lease as of the day and year first above written.

LESSORS

Jean C. Simpson
Jean C. Simpson

Julian E. Simpson
Julian E. Simpson

LESSEE

Stanley L. Teeple
Stanley L. Teeple, Secretary/
Treasurer, Grayhill Exploration
Company

ATTEST:

Gary L. Grauberger
Gary L. Grauberger, Director
Grayhill Exploration Company

STATE OF HAWAII)
) ss.
COUNTY OF Mauai)

On the 8 day of June, 1981, before me personally
appeared Julian E. Simpson and Jean C. Simpson, known to me to be the
persons who signed the foregoing instrument and who acknowledged the
same to be their free act and deed. The said Julian E. Simpson and
Jean C. Simpson, being first duly sworn, states, by their execution
of the foregoing document, that the statements contained herein are
true to the best of their knowledge, information and belief.



Witness my hand and official seal.

My commission expires: 5/23/85

Ronald B. Bixby
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF Jefferson)

On the 13th day of June, 1981, before me personally
appeared Gary L. Grauberger, as Director of Grayhill Exploration Company
and Stanley L. Teeple, Secretary/Treasurer of Grayhill Exploration Company,
known to me to be the persons who signed the foregoing instrument and who
acknowledged the same to be their free act and deed. The said Gary L.
Grauberger and Stanley L. Teeple, being first duly sworn, states by their
execution of the foregoing document that the statements contained herein are
true to the best of their knowledge, information and belief.

Witness my hand and official seal.

My commission expires: My Commission expires April 9, 1986



Linda Engel
Notary Public

EXHIBIT "A"

Properties

Eureka County, Nevada

<u>Claim Name</u>	<u>Patented/Unpatented</u>	<u>Location and Recording Info.</u>		
<u>BENCHMARK Group</u>		<u>Book</u>	<u>Pages</u>	<u>File Nos.</u>
BENCHMARK Nos. 1-2	Unpatented	6	450-451	NMC-88087-88
BENCHMARK Nos. 3-12	Unpatented	7	334-343	NMC-88089-98
BENCHMARK Nos. 13-16	Unpatented	9	181-184	NMC-88099-102
BENCHMARK Nos. 17-22	Unpatented	20	495-504	NMC-88103-108
BENCHMARK Nos. 23-34	Unpatented	25	502-513	NMC-88109 NMC-88120

Total number of claims: 34

RECORDED AT REQUEST OF
Grayhill Exploration Co.
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OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
WILLIS A. DEPAOLI-RECORDER
FILE NO. 80734
FEE \$ 5.00