

MEMORANDUM OF  
EXPLORATION AGREEMENT

THIS MEMORANDUM is made and entered into as of this day of August, 1981, by and between U.S. MINERALS EXPLORATION COMPANY, a Colorado corporation, whose address is 12189 Ralston Road, Suite 200, Arvada, Colorado 80004 ("USMX"), and WESTERN STATES MINERALS CORPORATION, a Utah corporation, with offices at 4975 Van Gordon Street, Wheat Ridge, Colorado 80033 ("WSMC").

RECITALS

1. USMX is the owner of a mining lease, (the "Maggie Creek Mineral Lease") a memorandum form of which appears of record in Book 94 at Pages 439-441 of the Eureka County, Nevada, records, covering certain unpatented mining claims located in Eureka County, State of Nevada.
2. USMX and WSMC entered into an exploration agreement, dated April 15, 1981 (the "Agreement"), covering those certain unpatented mining claims which are the subject of the Maggie Creek Mineral Lease, which mining claims are located in Eureka County, State of Nevada, and more particularly described in Exhibit A, which is attached hereto and made a part hereof (the "Subject Claims").
3. USMX and WSMC desire to enter into this Memorandum of Exploration Agreement for the purpose of placing of record a notice thereof.

MEMORANDUM

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby confessed and acknowledged, the parties have agreed and do hereby agree as follows:

1. For the term of the Agreement, USMX has granted and does hereby grant exclusively unto WSMC:
  - (a) The right to enter upon the Subject Claims for the purposes of surveying, exploring, prospecting, and drilling for valuable minerals, and to construct and use buildings, roads, power and communication lines, and to use so much of the surface of the Subject Claims in such manner as may be reasonably necessary to the enjoyment of any of the rights or privileges of WSMC under the Agreement or otherwise reasonably necessary to effect the purpose of the Maggie Creek Mineral Lease or the Agreement;
  - (b) The right to explore, develop and mine the Subject Claims pursuant to the Maggie Creek Mineral Lease or the Agreement; and
  - (c) The right to explore, develop and mine the Subject Claims pursuant to the Maggie Creek Mineral Lease and a joint venture agreement, upon satisfaction of certain minimum exploration obligations and upon determination of sufficient potential commercial feasibility, all as provided in the Agreement.
2. The Agreement shall remain in full force and effect until January 5, 2001, unless sooner terminated as provided by the Agreement.

Reference is made to the Agreement for the terms and conditions governing this Memorandum of Exploration Agreement, which terms and conditions are by reference made a part

hereof. Information regarding the Agreement can be obtained from WSMC at the address set forth above.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Exploration Agreement as of the day and year first above written.



U. S. MINERALS EXPLORATION COMPANY

[SEAL]

By Gary L. Grauberger  
Gary L. Grauberger, President

ATTEST:

Judith R. Jones  
Asst. Secretary

WESTERN STATES MINERALS CORPORATION

[SEAL]

ATTEST:



By Arden B. Morrow  
Arden B. Morrow, President

Allan B. Conway  
Secretary

ACKNOWLEDGMENTS

STATE OF Colorado )  
COUNTY OF Jefferson ) SS.

The foregoing instrument was acknowledged before me this 4th day of August, 1981 by Gary L. Grauberger, President of, and on behalf of U.S. MINERALS EXPLORATION COMPANY, a Colorado corporation.

Witness my hand and official seal.

My commission expires: June 26, 1985



Barbara Patton  
Notary Public

STATE OF Utah )  
COUNTY OF Jefferson ) SS.

The foregoing instrument was acknowledged before me this 4 day of August, 1981 by Arden B. Morrow, President of, and on behalf of WESTERN STATES MINERALS CORPORATION, a Utah corporation.

Witness my hand and official seal.

My commission expires: 11-5-84



Judith S. Ray  
Notary Public

EXHIBIT A  
Attached to and made a part of  
Memorandum of Exploration Agreement  
dated the 4<sup>th</sup> day of August, 1981,  
by and between U.S. MINERALS EXPLORATION COMPANY and  
WESTERN STATES MINERALS CORPORATION

SUBJECT CLAIMS

Eureka County, Nevada

<u>Claim Name</u>	<u>Patented/Unpatented</u>	<u>Location and Recording Information</u>		
		<u>Book</u>	<u>Pages</u>	<u>File Nos.</u>
<u>MC Group</u>				
MC Nos. 1-32	Unpatented	50	439-470	59588-59619
MC Nos. 34-97	Unpatented	50	471-534	59620-59683
<u>Relocations</u>				
MC Nos. 79-97	Unpatented	58	88-106	62605-62623
Total number of claims: 96				

RECORDED AT REQUEST OF  
Western States Minerals Corp.  
BOOK 96 PAGE 552

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OFFICIAL RECORDS  
EUREKA COUNTY, NEVADA  
WILLIS A. DEFAULD - RECORDER  
FILE NO. 81397  
FEE \$ 10.00