

MEMORANDUM OF AGREEMENT  
FOR  
A MINING LEASE AND OPTION TO PURCHASE AGREEMENT.

The parties hereto have executed this Memorandum of a Mining Lease and Option to Purchase Agreement pursuant to the execution of certain conditions, which agreement was executed on the 17th day of June, 1981, by and between John L. and Julie M. Cardinalli, referred to as "Lessors" and General Mineral Development Company, referred to as "Lessee". This Mining Lease and Option to Purchase Agreement is subject to the terms, conditions and provisions of the above mentioned unrecorded instrument executed between the parties dated June 17, 1981. Said agreement relates to certain real property and mineral rights thereto, situated in the Eureka Mining District, Eureka County, State of Nevada, more particularly described in Exhibit "A", attached hereto and incorporated by reference herein.

Pursuant to said Agreement, Lessor grants and gives unto General Mineral Development Company the exclusive right for a period of two (2) years from date of execution unless sooner terminated, or until payment of purchase price or renewal for successive periods of two (2) years (contingent on terms within the Agreement) to prospect, drill and explore for, and to test, treat, store and remove for testing, treating, any and all minerals lying in, on or under the premises described herein.

The Lessor further grants to Lessee the exclusive option at any time during the terms hereof (1. to purchase said premises; 2. assignment of said premises upon all the terms, covenants and conditions contained in that certain Agreement described; 3. to take and receive from the Lessor a mineral lease and option purchase agreement covering the premises described herein upon all the terms, covenants and conditions contained in that certain mineral lease and option to purchase agreement described above).

Dated this 27th day of January, 1982.

GENERAL MINERAL DEVELOPMENT COMPANY

By *Peter E. Galli*  
PETER E. GALLI  
MANAGING GENERAL PARTNER

*John L. Cardinali*  
JOHN L. CARDINALI

*Julie M. Cardinali*  
JULIE M. CARDINALI

LESSEE

LESSORS

Attest:

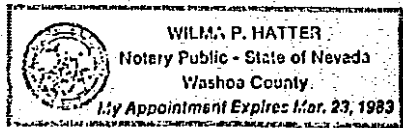
*Michael Sells*  
Title *President HSNH, Inc*

STATE OF NEVADA )  
                          ) SS.  
COUNTY OF Washoe )

On this 27th day of January, 1982, before me, the undersigned Notary Public for the State of Nevada, personally appeared Peter E. Galli, known to me personally to be the person whose name is subscribed to the within and foregoing instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal, the day and the year in this certificate first above written.

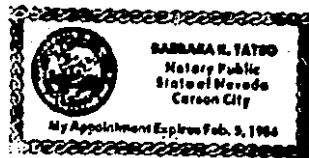
*Wilmas P. Hatter*  
Notary Public for the  
State of Nevada  
Residing at 233 Eden Ct.  
My commission expires March 23, 1983



STATE OF NEVADA )  
COUNTY OF Carson ) ss.

On this 28th day of January, 1982, before me the undersigned Notary Public for the State of Nevada, personally appeared John L. Cardinalli, known to me personally to be the person whose name is subscribed to the within and foregoing instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal, the day and the year in this certificate first above written.



Barbara R. Tatro  
Notary Public for the  
State of Nevada  
Residing at Carson City  
My Commission expires Feb 3, 1984

STATE OF NEVADA )  
COUNTY OF Carson ) ss.

On this 1st day of February, 1982, before me the undersigned Notary Public for the State of Nevada, personally appeared Julie M. Cardinalli, known to me personally to be the person whose name is subscribed to the within and foregoing instrument and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal, the day and the year in this certificate first above written.



Nellie S. Hass  
Notary Public for the  
State of Nevada  
Residing at Carson City  
My commission expires Aug 14 '85

EXHIBIT "A"

Name of Patent Claim	U. S. Patent No.	Survey No.
Clipper	3508	154
Golden Rule	3943	132
Sentinel	11969	305

RECORDED AT REQUEST OF  
Michael Galli  
BOOK 101 PAGE 415

82 MAR 2 P 2:19

OFFICIAL RECORDS  
EUREKA COUNTY, CALIFORNIA  
WILLIS A. DEPAOLI - RECORDER  
FILE NO. 93372  
FEE \$ 7.00