

MEMORANDUM OF EXPLORATION AGREEMENT WITH OPTION TO PURCHASE

NOTICE IS HEREBY GIVEN that GERALDINE H. CLEVELAND, a single woman, (therein and hereinafter referred to as "Optionor"), and AMSELCO EXPLORATION INC., a Delaware corporation, (therein and hereinafter referred to as "Amselco") have entered into a Mining Agreement with Option to Purchase ("Agreement") dated the 1st day of July, 1983, with respect to the patented 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."

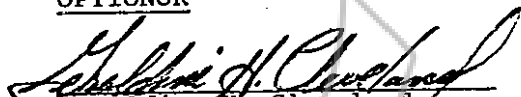
Under the terms of the Agreement, Optionor has granted and does hereby grant to Amselco, for a period ending at midnight (Pacific Standard Time) on January 1, 1985 the exclusive possession of and right to enter upon the Subject Premises to explore for and develop any or all ores, minerals and materials on or under the Subject Premises, and to conduct such operations, including but not limited to geological, geophysical, geochemical and metallurgical work, including the taking of bulk samples for metallurgical testing, the total tonnage of which shall not exceed fifty (50) short tons; surveying; excavating; sampling; assaying; testing; drilling; conducting feasibility studies; and developing, constructing and maintaining roads, plants and sites as Amselco in its sole discretion deems advisable for such purposes. Amselco shall have the right to use such resources of the Subject Premises, including to but not limited to timber and water, as Amselco in its sole discretion deems advisable for such purposes. Amselco shall not have the right to mine, remove and sell ores, minerals or materials from on or under the Subject Premises, other than amounts enumerated hereinabove and in the Agreement and amounts reasonably necessary for Amselco's conducting of the operations enumerated hereinabove, prior to the exercise of Amselco's option to purchase the Subject Premises.

In addition, under the terms of the Agreement, Optionor has granted and hereby grants to Amselco for a period ending at midnight (Pacific Standard Time) on January 1, 1985, the sole, exclusive and irrevocable option to purchase the Subject Premises.

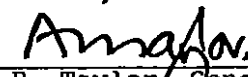
Any assignment of interest under the Agreement shall be made expressly subject to the Agreement and shall require the assignee to assume and agree in writing to perform all the obligations of the assignor under the Agreement as relate to the interest assigned. In case of assignment by mortgage, however, 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.

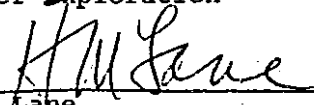
The Agreement is incorporated herein by this reference and made a part hereof. Copies of the Agreement are in the possession of: Ms. Geraldine H. Cleveland, 2755 Solari Drive, Reno, Nevada 89509 and AMSELCO EXPLORATION INC., 90 West Grove Street, Suite 100, Reno, Nevada 89509.

OPTIONOR

  
Geraldine H. Cleveland

AMSELCO  
AMSELCO EXPLORATION INC.

By   
A. P. Taylor General  
Manager-Exploration

Attest   
H. M. Lane  
Assistant Secretary

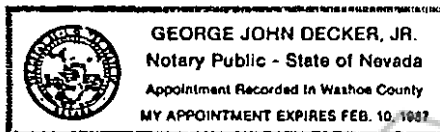


STATE OF NEVADA )  
 )ss.  
COUNTY OF WASHOE)

On this 29<sup>th</sup> day of June, in the year  
1983, personally appeared before me, George J. Decker, Jr.,  
a notary public, GERALDINE H. CLEVELAND, personally known to me  
(or proved to me on the basis of satisfactory evidence) to be  
the person whose name is subscribed to the within instrument,  
and acknowledged that she executed it.

My Commission Expires:  
FEBRUARY 10, 1987

George J. Decker, Jr.  
Notary Public



STATE OF NEVADA )  
 )ss.  
COUNTY OF WASHOE )

On this 14<sup>th</sup> day of July, in the  
year 1983, before me JACQUELINE I. HALE,  
a notary public, personally appeared A.P. TAYLOR, personally  
known to me (or proved to me on the basis of satisfactory evi-  
dence) to be the person who executed the within instrument as  
the General Manager-Exploration of AMSELCO EXPLORATION INC., a  
Delaware corporation, and on behalf of the corporation therein  
named and acknowledged to me that said corporation executed it.

My Commission Expires:  
Dec. 28, 1985

Jacqueline I. Hale  
Notary Public

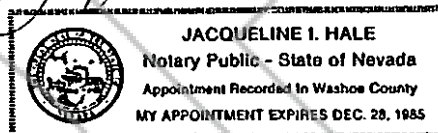


EXHIBIT A

Attached to and made a part of that certain Memorandum of Exploration Agreement with Option to Purchase dated the 1st day of July, 1983, by and between Geraldine H. Cleveland ("Optionor") and Amselco Exploration Inc. ("Amselco") with respect to the following described patented lode mining claims situated in Eureka County, Nevada, the U.S. Mineral Survey Numbers and Patent Numbers of which are set opposite the names of the respective mining claims as follows:

| <u>Name of Claim</u> | <u>U.S. Mineral<br/>Survey Number</u> | <u>Patent Number</u> |
|----------------------|---------------------------------------|----------------------|
| Black Cat            | 203                                   | 7543                 |
| Santa Maria          | 298                                   | 10251                |

RECORDED AT REQUEST OF  
Amselco Exploration Inc.  
BOOK 112 PAGE 405

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OFFICIAL RECORDS  
EUREKA COUNTY, NEVADA  
M.N. REBALEATI, RECORDER  
FILE NO. 88409  
FEE \$8.00