

MEMORANDUM OF AGREEMENT

NOTICE IS HEREBY GIVEN that Michael R. Sauvola and Mary F. Sauvola, husband and wife, (hereinafter referred to collectively as "Sauvola") and Resources of Associates of Alaska, Inc., an Alaska corporation, (hereinafter referred to as "RAA") have entered into an Agreement dated as of the 21st day of July, 1986, (hereinafter referred to as the "Agreement") covering certain properties located in the State of Nevada more particularly described in Exhibit A attached hereto and made a part hereof (hereinafter referred to as "Claims").

Said Agreement, in consideration of the payments and other covenants and agreements set forth therein, provides that Sauvola has leased exclusively to RAA, and RAA has exclusive right to enter upon and take immediately possession of the Claims, to explore, prospect, develop and mine all metals, ores, minerals, minerals substances and materials of all kinds from the Claims.

The terms of said Agreement commenced on the date thereof and shall continue for a period of ten (10) years and as long thereafter as RAA pays the advance minimum royalty unless sooner terminated. RAA has the right at any time to terminate said Agreement on a thirty (30) days notice in writing to Sauvola.

Copies of said Agreement are in the possession of Sauvola whose address is 5455 Wintergreen Lane, Reno, Nevada 89511 and RAA whose address is 122 First Avenue, Fairbanks, Alaska 99701.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement the day and year above written.

LESSOR:

Michael R. Sauvola
Michael R. Sauvola

Mary F. Sauvola
Mary F. Sauvola

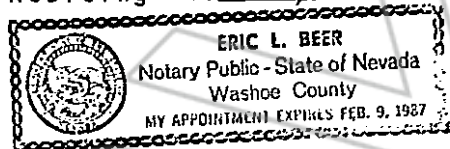
RAA: RESOURCES ASSOCIATES OF ALASKA, INC.

By: Lawrence E. Hana
President

STATE OF NEVADA)
) ss.
County of WASHOE)

On this 21 day of August, 1986, personally appeared Michael R. and Mary F. Sauvola, husband and wife, the signers of the above instrument, who duly acknowledge to me that they executed the same.

Eric L. Beer
Notary Public for: WASHOE COUNTY
My Commission expires: 2-9-87
Residing at: RENO, NV.



STATE OF ALASKA)
) ss.
2/9th Judicial District)

The foregoing instrument was acknowledged before me this 15 day of August, 1986, by Laurence E. Heavis, of Resource Associates of Alaska, Inc., an Alaska corporation, on behalf of the corporation.

Jacquie McKeitt
Notary Public for: State of Alaska
My Commission Expires: 8/7/88



EXHIBIT A

<u>CLAIM NAME</u>	<u>NMC NO.</u>
WH #7	372084
WH #8	372085
WH #9	372086
WH #10	372087
WH #11	372088
WH #12	372089
WH #14	372090

All located in T27N, R49E, Section 14, Eureka County, Nevada.

RECORDED AT REQUEST OF
Nev. Co.
BOOK 149 PAGE 136

86 SEP 25 AIO: 55

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
P.M. REPALEAH, RECORDER
FILE NO. 104914
FEE \$ 7.00

BOOK | 49 PAGE | 38