

MEMORANDUM OF MINING LEASE AND PURCHASE AGREEMENT

TO WHOM IT MAY CONCERN:

NOTICE IS HEREBY GIVEN that on the 1st day of April, 1986, JOHN H. GERGEN and ROBERT W. GERGEN (Owners) and ST. GEORGE METALS, INC., (Lessee) entered into an agreement whereby said Owners granted to said Lessee a lease and option to purchase the following described unpatented lode mining claims situate in the Diamond Mining District, Township 21 North, Range 54 East, MDB&M, Sections 23, 24, 25, 26, 27, 34 and 35, Eureka County, Nevada:

BILLY CLAIMS 1 through 40 (BLM Nos. NMC 331956 - 331995)

Said "Mining Lease and Purchase Agreement" is in full force and effect and in good standing.

Dated this 17 day of October, 1986.

John H. Gergen Owner
Robert W. Gergen Owner

State of Nevada
County of White Pine ss.

On this 17 day of October, 1986, personally appeared before me, a Notary Public in and for the county of White Pine State of Nevada, JOHN H. GERGEN, known to me to be the person whose name is subscribed to the within instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

LOIS E. WEAVER
Notary Public - State of Nevada
White Pine County, Nevada
Appointment Expires OCT. 3, 1990

Lois E. Weaver
Notary Public

State of Nevada
County of Carson City ss.

On this 20th day of October, 1986, personally appeared before me, a Notary Public in and for the county of Carson City State of Nevada, ROBERT W. GERGEN, known to me to be the person whose name is subscribed to the within instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

Mary Jean Fondi
Notary Public

RECORDED AT REQUEST OF
William E. Gergen
BOOK 150 PAGE 374

MARY JEAN FONDI
Notary Public - Nevada
Carson City
My Appt. Expires Oct. 23, 1989

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OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.H. REBALEATI, RECORDER
FILE NO. 105348
FEE \$ 5.00