

117608

MEMORANDUM OF MINING EXPLORATION, LEASE AND OPTION AGREEMENT

NOTICE IS HEREBY GIVEN that RICHARD L. GERISH and LEISA B. GERISH, husband and wife, and VERNA BISSELL, hereinafter collectively referred to as "LESSOR" and KERADAMEX, INC., a California corporation, hereinafter referred to as "KERADAMEX", have entered into a Mining Exploration and Lease Agreement, hereinafter referred to as the "Agreement" whereby LESSOR has granted to KERADAMEX certain rights to explore, develop and mine minerals located on and under the unpatented mining claims (the "Property") located in Sections 26, 27, 34, 35, Township 18 North, Range 53 East, M.D.B. & M., Eureka County, State of Nevada. The county recordation and BLM filing information for which is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. LESSOR has granted to KERADAMEX the option to purchase the property on the terms and conditions described in the Agreement.

KERADAMEX has the right to transfer and assign its interest in the Agreement subject to the rights of LESSOR, to be paid the minimum payments and production royalty described in the Agreement, so long as KERADAMEX is not in default of the Agreement and so long as KERADAMEX first obtains the written consent of LESSOR, which consent shall not be withheld unreasonably. LESSOR'S right to assign or transfer its interest in the Agreement is limited by the terms and conditions of the Agreement, and KERADAMEX has the right of first refusal to purchase all of the right, title and interest of LESSOR pursuant to the Agreement.

For the purposes of the Agreement and this Memorandum of Mining Exploration, Lease and Option Agreement, the addresses of the parties are:

**LESSOR**

Richard L. Gerish  
Leisa B. Gerish  
1629 Tumbleweed Road  
Fallon, Nevada 89406

Verna Bissell  
749 A Garden Highway  
Yuba City, California 95991

**KERADAMEX**

Keradamex, Inc.  
50 Freeport, Suite 20  
Sparks, Nevada 89431

with a copy to:

Kerr Addison Mines Limited  
P.O. Box 91  
Commerce Court West, Suite 3970  
Toronto, Ontario  
CANADA M5L 1C7

IN WITNESS WHEREOF, the parties have executed this Memorandum of Mining Exploration, Lease and Option Agreement effective this 26<sup>th</sup> day of February, 1988.

LESSOR

Richard L. Gerish  
Richard L. Gerish

Leisa B. Gerish  
Leisa B. Gerish

Verna Bissell  
Verna Bissell

KERADAMEX, INC.

By: [Signature]  
Title: President

By: [Signature]  
Title: Secretary



**EXHIBIT "A"**

To the Agreement dated 26 day of FEBRUARY, 1988, between Richard L. Gerish, Leisa B. Gerish, Verna Bissell and Keradamex, Inc..

**"Property"**

Sections 26, 27, 34, 35, Township 18 North, Range 53 East, MDB&M, Eureka County, Nevada.

**A. UNPATENTED LODGE MINING CLAIMS**

| Claim Name   | Book | Page | BLM NMC No. |
|--------------|------|------|-------------|
| Surprise #1  | 63   | 486  | 21717       |
| Surprise #2  | 63   | 487  | 21718       |
| Surprise #3  | 63   | 488  | 21719       |
| Surprise #4  | 63   | 489  | 21720       |
| Surprise #5  | 63   | 490  | 21721       |
| Surprise #6  | 63   | 491  | 21722       |
| Surprise #7  | 63   | 492  | 21723       |
| Surprise #8  | 63   | 493  | 21724       |
| Surprise #9  | 63   | 494  | 21725       |
| Surprise #10 | 63   | 495  | 21726       |
| Surprise #11 | 63   | 496  | 21727       |
| Surprise #12 | 63   | 497  | 21728       |
| Surprise #13 | 63   | 498  | 21729       |
| Surprise #14 | 63   | 499  | 21730       |
| Surprise #15 | 63   | 500  | 21731       |
| Surprise #16 | 63   | 501  | 21732       |
| Surprise #17 | 63   | 502  | 21733       |
| Surprise #18 | 63   | 503  | 21734       |
| Surprise #19 | 63   | 504  | 21735       |
| Surprise #20 | 63   | 505  | 21736       |
| Surprise #21 | 63   | 506  | 21737       |
| Surprise #22 | 63   | 507  | 21738       |
| Surprise #23 | 63   | 508  | 21739       |
| Surprise #24 | 63   | 509  | 21740       |

**B. OWNERSHIP**

The recorded possessory title to above listed lode claim group is vested as follows:

Surprise #1-6, #10, #12, #15.

Richard L. Gerish and Leisa B. Gerish as to an undivided two-thirds (2/3 rds) interest. Verna Bissell, sole heir to the estate of Stanley Fine (deceased) as to an undivided one third (1/3 rd) interest.

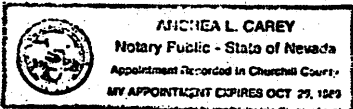
Surprise #7-9, #11, #13, #14, #16-24.

Richard L. Gerish and Leisa B. Gerish.

Richard L. Gerish and Leisa B. Gerish and Verna Bissell herewith pool their respective interest to consolidate the ownership of the Surprise #1-24 claim group. The resultant interest in the property for purposes of this Agreement shall be Richard L. Gerish and Leisa B. Gerish, joint tenants, as to a eighty seven and one-half percent (87.5%) interest and Verna Bissell as to a twelve and one-half percent (12.5%) interest. Method of payments due under this Agreement shall be in accordance with Section 8.2.

STATE OF NEVADA )  
COUNTY OF Churchill ) SS.

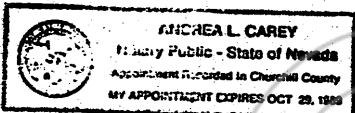
On this 26<sup>th</sup> day of February, 1988, before me, the undersigned, a Notary Public in and for the County of Churchill, State of Nevada, duly commissioned and sworn, personally appeared Richard L. Gerish, who acknowledged to me that he executed the above Mining Exploration and Lease Agreement.



Andrea L. Carey  
NOTARY PUBLIC

STATE OF NEVADA )  
COUNTY OF Churchill ) SS.

On this 26<sup>th</sup> day of February, 1988, before me, the undersigned, a Notary Public in and for the County of Churchill, State of Nevada, duly commissioned and sworn, personally appeared Leisa B. Gerish, who acknowledged to me that she executed the above Mining Exploration and Lease Agreement.

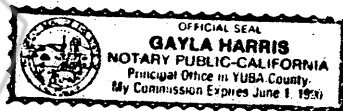


Andrea L. Carey  
NOTARY PUBLIC

STATE OF CALIFORNIA )  
COUNTY OF Sutter ) SS.

On this 7th day of March, 1988, before me, the undersigned, a Notary Public in and for the County of Yuba, State of California, duly commissioned and sworn, personally appeared Verna Bissell, who acknowledged to me that she executed the above Mining Exploration and Lease Agreement.

Gail Harris  
NOTARY PUBLIC



CITY OF TORONTO )  
PROVINCE OF ONTARIO ) ss.

On this 24 day of MARCH, 1988, personally appeared before me, a Notary Public, IAN RAYCE, who acknowledged that he executed the above Mining Exploration and Lease Agreement in his capacity as President of KERADAMEX, INC., as indicated above, and on behalf of said corporation and that the corporation executed the above Mining Exploration and Lease Agreement.

Jeffrey A. Lewis  
NOTARY PUBLIC

CITY OF TORONTO )  
PROVINCE OF ONTARIO ) ss.

On this 24 day of MARCH, 1988, personally appeared before me, a Notary Public, JOHN SAGE, who acknowledged that he executed the above Mining Exploration and Lease Agreement in his capacity as Secretary of KERADAMEX, INC., as indicated above, and on behalf of said corporation and that the corporation executed the above Mining Exploration and Lease Agreement.

Jeffrey A. Lewis  
NOTARY PUBLIC

RECORDED AT THE REQUEST OF  
Keradamex - Navcan  
BOOK 175 PAGE 321

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OFFICIAL RECORDS  
EUREKA COUNTY, NEVADA  
M.M. REBALEAU, RECORDER  
FILE NO. 200 117608  
FEE \$

SEAL  
Affixed

SEAL  
Affixed