

MEMORANDUM OF MINERAL LEASE AGREEMENT WITH OPTION TO PURCHASE

NOTICE IS HEREBY GIVEN that Albert Englebright and Robert Martin, (herein and hereinafter referred to as LESSOR) whose address is Post Office Box 288, Eureka, Nevada 89316, and H. Walter and Mimi Schull, whose address is 901 Walker Avenue, Reno, Nevada 89509, (therein and hereinafter referred to as LESSEE) have entered into a Mineral Lease Agreement with Option to Purchase ("Agreement") effective as of the 7th day of September, 1988 with respect to the real property described as follows: Four unpatented mining claims, Lodestar Nos. 1 - 4, BLM NMC Nos. 154678 - 154681, recorded in Nye County records book 128 pages 608 - 611, located in section 20 Twp 14N, Rng 50E, and hereinafter referred to as the "Premises."

Under the terms of the Agreement, LESSOR has granted, devised, leased and let the Premises exclusively unto LESSEE and its successors and assigns, including all mineral rights and water rights, for the purposes of exploration, development and mining of ores, minerals and materials.

In addition, LESSOR has granted and hereby grants to LESSEE for the entire term of the Agreement, the sole exclusive and irrevocable option to purchase the Premises, all upon the terms and conditions set forth in the Agreement.

The Agreement shall continue in force for so long as LESSEE continues to make certain payments to LESSOR, as more specifically set forth in the Agreement.

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.

The provisions of the Agreement shall inure to the benefit of and be binding upon the parties and their 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 the parties at the addresses as shown on the first page of this Memorandum.

IN WITNESS WHEREOF, this MEMORANDUM OF MINERAL LEASE AGREEMENT WITH
OPTION TO PURCHASE has been executed this 7 day of September 1988
19 .

H. Walter Schull

Signature

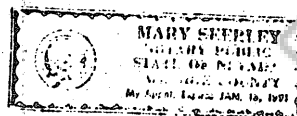
H. Walter Schull

Name

STATE OF Nevada

COUNTY OF Washoe

On September 22, 1988, personally appeared before me, a
Notary Public, H. Walter Schull, who acknowledged to me that he executed the
above instrument.



Mary Seerley

NOTARY PUBLIC

M. Schull

Signature

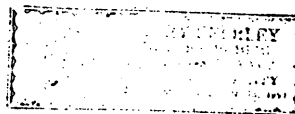
Mimi Schull

Name

STATE OF Nevada

COUNTY OF Washoe

On September 22, 1988, personally appeared before me, a
Notary Public, Mimi Schull, who acknowledged to me that he executed the above
instrument.



Mary Seerley

NOTARY PUBLIC

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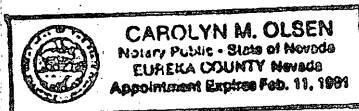
Albert Englebright
Signature

Albert Englebright
Name

STATE OF Nevada

COUNTY OF Eureka

On Oct. 18, 1988 personally appeared before me, a
Notary Public, Albert Englebright, who acknowledged to me that he executed the
above instrument.



Carolyn M. Olsen
NOTARY PUBLIC

Robert Martin
Signature
Robert Martin
Name

STATE OF Nevada

COUNTY OF Eureka

On October 18, 1988 personally appeared before me, a
Notary Public, Robert Martin, who acknowledged to me that he executed
the above instrument.



Carolyn M. Olsen
NOTARY PUBLIC

RECORDED AT THE REQUEST OF
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Albert Englebright
88 OCT 18 P2 02

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.N. REBAL EATL. RECORDER
FILE NO. 123214
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