

MEMORANDUM OF DRILLING OPTION TO PURCHASE AGREEMENT

NOTICE IS HEREBY GIVEN that under that certain Drilling Option To Purchase Agreement dated as of December 16, 1990 between LYLE F. CAMPBELL, WILLIS M. RASH, JEAN B. HICKMAN and BERTHA C. JOHNSON, Co-Trustees under the Lyle F. Campbell Trust Agreement dated August 5, 1986, as amended (herein and therein collectively called "the Trust") and PHELPS DODGE MINING COMPANY, a division of Phelps Dodge Corporation, a New York corporation (herein and therein called "Phelps Dodge"), the Trust has given and granted and hereby does give and grant to Phelps Dodge, its successors and assigns, the sole and exclusive right to enter for the purpose of mineral exploration on those certain unpatented lode mining claims in Eureka County, Nevada, more particularly described in Exhibit A attached hereto, which mining claims and any amendment or relocation thereof and the ground included therein, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining, including without limitation all easements of record and of view, all extralateral rights and water rights, and all ores, waste and rock therein or thereon, and together with all right, title and interest in the mining claims which the Trust may hereafter acquire, are herein and therein called the "Claims." The Trust has further given and granted and hereby does give and grant to Phelps Dodge the exclusive and irrevocable right and option to purchase all of the Trust's right, title and interest in and to the Claims at any time during the period commencing on the date hereof and, unless sooner terminated or unless extended by force majeure, ending 240 days after the Commencement Date. The "Commencement Date" shall be the earlier of the commencement of drilling on the Claims by Phelps Dodge or 14 days after the date set forth in the second line of this paragraph.

This Memorandum is executed for the purpose of affording notice of the existence of said Drilling Option To Purchase Agreement, the rights of the parties thereunder and the terms and provisions thereof, which terms and provisions are incorporated herein by reference for all purposes.

A copy of the Agreement is on file with Phelps Dodge, whose address for purpose of inquiry is:

Phelps Dodge Mining Company
910 Greg St.
Sparks, NV 89431

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the date first above written.

Lyle F. Campbell
12-11-90
Reno

LYLE F. CAMPBELL, as Co-Trustee of
the Lyle F. Campbell Trust

WILLIS M. RASH, as Co-Trustee of
the Lyle F. Campbell Trust

Willis M. Rash

AEE01079 | 12/10/90 |

Jean B. Hickman
JEAN B. HICKMAN, as Co-Trustee of
the Lyle F. Campbell Trust

Berta C. Johnson
BERTHA C. JOHNSON, as Co-Trustee
of the Lyle F. Campbell Trust

PHELPS DODGE MINING COMPANY,
a division of Phelps Dodge Corporation,
a New York corporation,

By [Signature]
A. L. Lawrence
Vice President-Exploration

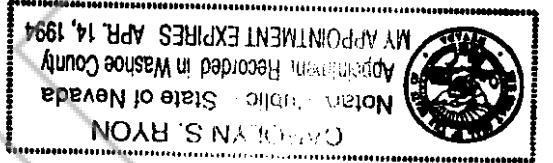
STATE OF NEVADA)
) ss.
) County of Washoe)

On this 11th day of December, 1990, before me, the undersigned, a Notary Public in and for the state aforesaid, personally appeared LYLE F. CAMPBELL, known or identified to me to be a Co-Trustee of the LYLE F. CAMPBELL TRUST, and the person who executed the foregoing instrument on behalf of said Trust and acknowledged to me that such Trust executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Carolyn S. Ryon
Notary Public in and for the State of Nevada,
residing at:
P.O. Box 2154
 Reno Nevada 89515


My Commission Expires: April 14, 1994



Carolyn S. Ryon
 Notary Public in and for the State of Nevada,
 reading at:
 P.O. Box 2154
 Reno, Nevada 89515
 Commission Expires: ~~April 14, 1994~~

SEAL
 Affixed

Notary Public - State of Nevada
 Appointment Recorded in Washoe County
 MY APPOINTMENT EXPIRES APR. 14, 1994



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

On this 11th day of December, 1990, before me, the undersigned, a Notary Public in and for the state aforesaid, personally appeared JEAN B. HICKMAN, known or identified to me to be a Co-Trustee of the LYLE F. CAMPBELL TRUST, and the person who executed the foregoing instrument on behalf of said Trust and acknowledged to me that such Trust executed the same.

STATE OF NEVADA)
) ss.
) County of Washoe)

My Commission Expires: ~~September 28, 1994~~

William J. Rash
 Notary Public in and for the state
 of Colorado, residing at:
 2895 Music Ave., Grand Junction, Colorado
 81506-4841, 1-303-243-6344
 My Commission Expires June 24, 1994

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

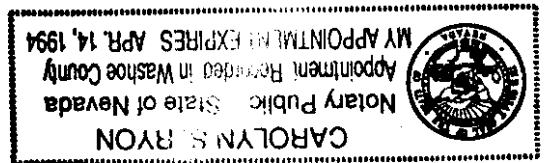
On this 14th day of December, 1990, before me, the undersigned, a Notary Public in and for the state aforesaid, personally appeared WILLIS M. RASH, known or identified to me to be a Co-Trustee of the LYLE F. CAMPBELL TRUST, and the person who executed the foregoing instrument on behalf of said Trust and acknowledged to me that such Trust executed the same.

STATE OF COLORADO)
) ss.
) County of Mesa)

STATE OF NEVADA)
) ss.
) County of Washoe)

On this 11th day of December, 1990, before me, the undersigned, a Notary Public in and for the state aforesaid, personally appeared BERTHA C. JOHNSON, known or identified to me to be a Co-Trustee of the LYLE F. CAMPBELL TRUST, and the person who executed the foregoing instrument on behalf of said Trust and acknowledged to me that such Trust executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.



Carolyn S. Ryan
Notary Public in and for the State of Nevada,
residing at:
P.O. Box 2154
Reno, Nevada 89515
My Commission Expires: April 14, 1994

STATE OF ARIZONA)
) ss.
) County of Maricopa)

This instrument was acknowledged before me on December 16, 1990, by A. L. LAWRENCE, Vice President-Exploration of PHELPS DODGE MINING COMPANY, a division of Phelps Dodge Corporation, a New York corporation, for and on behalf of the corporation.

Robert J. Locke
Notary Public

My Commission Expires: My Commission Expires Aug. 31, 1992

EXHIBIT A

Algan Claims DESCRIPTION

Unpatented lode mining claims in Eureka County, Nevada, the names of which are set forth below together with the book and page of recording of the location certificates in the office of the recorder of said county and the serial number where filed in the State Office of the Bureau of Land Management in Reno, Nevada.

RECORDED

Claim Name Book Page BLM NMC #

Algan No. 3	88	59	169151
Algan No. 4	88	60	169152
Algan No. 5	88	61	169153
Algan No. 6	88	62	169154
Algan No. 7	88	63	169155
Algan No. 8	88	64	169156
Algan No. 9	88	65	169157
Algan No. 10	88	66	169158
Algan No. 11	88	67	169159
Algan No. 12	88	68	169160
Algan No. 13	117	564	289576
Algan No. 14	117	565	289577
Algan No. 15	117	566	289578
Algan No. 16	117	567	289579
Algan No. 17	117	568	289580
Algan No. 18	117	569	289581
Algan No. 19	117	570	289582
Algan No. 20	117	571	289583
Algan No. 21	117	572	289584
Algan No. 22	117	573	289585
Algan No. 23	117	574	289586
Algan No. 24	117	575	289587
Algan No. 25	117	576	289588
Algan No. 26	117	577	289589
Algan No. 69	117	578	289590
Algan No. 70	117	579	289591
Algan No. 71	117	580	289592
Algan-EXT No. 1	209	356	592424
Algan-EXT No. 2	209	357	592425
Algan-EXT No. 68	212	256	602418
Algan-EXT No. 69	212	257	602419
Algan-EXT No. 72	209	360	592428
Algan-EXT No. 73	209	361	592429
Algan-EXT No. 101	209	362	592430
Algan-EXT No. 102	209	363	592431
Algan-EXT No. 103	209	364	592432
Algan-EXT No. 104	209	365	592433
Algan-EXT No. 105	209	366	592434

Claim Name

Algan-EXT No. 120
Algan-EXT No. 121

RECORDED

Book

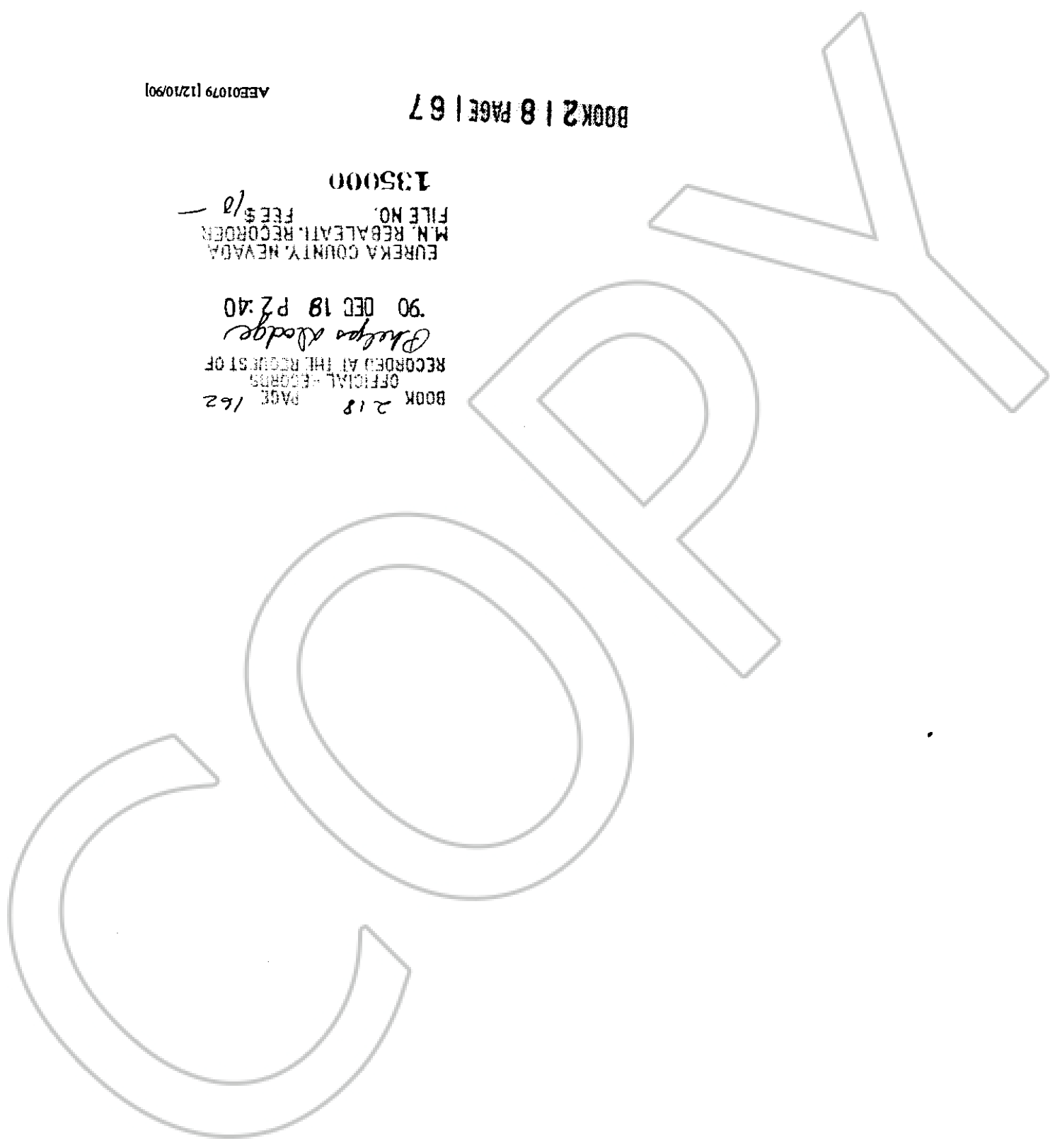
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Page

367
368

BLM NMC #

592435
592436



BOOK 218 PAGE 162
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Shirley R. Lodge
90 DEC 18 P2:40

EUREKA COUNTY, NEVADA
M.M. REBELEATI, RECORDER
FILE NO. *10*
FEES \$ *10*
135000

BOOK 218 PAGE 167

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