

MEMORANDUM OF JOINT VENTURE OPERATING AGREEMENT

This Memorandum of Joint Venture Operating Agreement is made and entered into effective as of the 1st day of April, 1995, by and between Aureuco, a joint venture between Black Beauty Gold, Inc., an Indiana corporation, and Covenant Mining Corporation, a Tennessee corporation ("Aureuco"), and North Mining Inc., a Nevada corporation ("NMI").

1. Aureuco and NMI are parties to a Joint Venture Operating Agreement of even date herewith ("JVOA") whereby Aureuco has granted, and, for valuable consideration the receipt and sufficiency of which are hereby acknowledged by Aureuco, does hereby grant, to NMI the right but not the obligation to earn a sixty percent (60%) interest in and to certain fee lands, mining leases, and mining claims owned or controlled by Aureuco in Lander and Eureka Counties, Nevada, more particularly described in Exhibit A attached hereto and made a part hereof by this reference (the "Property"), subject to the terms and conditions of the JVOA. Additionally, the JVOA makes allowance for NMI to purchase an additional twenty percent (20%) interest in the Property.

2. NMI may earn its interest in the Property at any time within four (4) years from and after the date hereof, and, if so earned, the term of the JVOA shall thereupon be twenty (20) years from the date hereof and for so long thereafter as any of the Property is jointly owned by Aureuco and NMI.

3. Nothing in the JVOA or in this Memorandum shall be deemed to constitute either party the partner of the other, nor, except as expressly provided in the JVOA, to constitute either of them the agent or legal representative of the other, nor to create any fiduciary relationship between them; provided, however, that under certain limited circumstances, as set forth in the JVOA, either party may have a lien on the other party's interest in the Property and a security interest in the other party's rights under the JVOA. It is not the intention of either party to create, nor shall this Memorandum be construed to create, any mining, commercial or other partnership. Neither of the parties shall have any authority to act for or to assume any obligation or responsibility on behalf of the other, except as expressly provided in the JVOA. Aureuco and NMI shall each be responsible only for its obligations as set forth in the JVOA and shall be liable only for its share of the costs and expenses as provided in the JVOA, it being the express purpose and intention of the parties that, upon NMI's earning of its interest in the Property, or subsequent purchase of the additional percentage interest as the case may be, that their ownership interests in the Property shall be as tenants in common.

(1)

4. This Memorandum of Joint Venture Operating Agreement is made and entered into solely for the purpose of giving notice, pursuant to the laws of the State of Nevada, of the existence and the provisions of the JVOA of even date herewith between the parties hereto respecting the Property. All rights and obligations between the parties hereto respecting the JVOA and the Property shall be governed solely by the provisions of the JVOA.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Joint Venture Operating Agreement effective as of the date first set forth above.

AURENCO:

by Black Beauty Gold, Inc.

by Steve Marshall its President

by Covenantier Mining Corporation

by Richard F. Lester its President

NORTH MINING INC.

by Ann Miller its Asst. Secretary

Attest:

Steven Skpper Asst. Secretary

Attest:

Joe. Hu Secretary

Attest:

Secretary

(2)

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STATE OF INDIANA)
COUNTY OF VAUCLERBURGH)
ss.)
On MAY 1, 1995, Steven E. Changelb personally appeared before me, a notary public, who acknowledged that he is the President of Black Beauty Gold, Inc., an Indiana corporation, and that he executed the above instrument on behalf of said corporation.

Witness my official stamp at Evansville, IN in said county, the date and year first in this certificate first above written.

My commission expires:

2/10/99

Julius A. Hammond
Notary Public

On MAY 2, 1995, RICHARD E. RECHTER personally appeared before me, a notary public, who acknowledged that he is the of Covenant Mining Corporation, a Tennessee corporation, and that he executed the above instrument on behalf of said corporation.

Witness my official stamp at Bloomington, IN in said county, the date and year in this certificate first above written.

My commission expires:

12-7-98



Richard E. Rechter
Notary Public

STATE OF COLORADO

COUNTY OF Denver
)
) ss.
)

The foregoing instrument was acknowledged before me this 11th day of May, 1995, by Stephen D. Alfors, Assistant Secretary of and on behalf of NORTH MINING INC., a Nevada corporation.

WITNESS my hand and official seal.

My commission expires:

Kelly Vieira
Notary Public

My address is: Denver, Colorado

My Comm. Expires 9/30/97



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EXHIBIT A

THE PROPERTY

I. Klondex Properties

Property Name	Date of Lease	Lander County Recording Information
Klondex Lease	8/1/88	326/205-212 (Short Form)
This Lease covers the following property:		

A. Klondex Unpatented Mining Claims, Township 30 North, Range 47 East, MDB&M, Lander County, Nevada

Claim Name	Location (Section(s))	BLM Recording Information (NMC)
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1. Red Bank	22	105907
2. Red Bank #2	22, 23	105908
3. Red Bank #1	22, 23	105909
4. Yes	22, 23	105912
5. Yes #4-7	22	105915-105918
6. Yes #10	22	105920
7. FCXA #1-15	14, 15, 21, 22	249472-249486
8. FCXA #16-29		262492-262505
9. FCXA #30-34		265103-265107
10. Red Hills	15, 22	105910
11. Red Hills #2	15, 22	105911

BLM Recording Information (NMC)

Claim Name Location (Section(s))

12. G #1-16 26 588642-588657

13. K #1-27 16 654400-654426

B. Klondex Underlying Leases, Township 30 North, Range 47 East, MDB&M, Lander County, Nevada

Name of Property Lease Date of Lander County Recording Information

1. M.A. McCarthy Lease 9/1/87 297/339-341

($\frac{1}{2}$ interest)
[Parcel 07-140-04]

2. M.A. McCarthy, et al 11/1/86 276/758

Lease
15: NE $\frac{1}{4}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$
[Parcel 07-140-01]
(Memorandum)
358/325-329
(Memorandum)
correction)

3. K.C. York Lease 9/1/87 297/336-338

15: SE $\frac{1}{4}$ NW $\frac{1}{4}$
[Parcel 07-140-06]

4. A.S. and G.L. 9/1/87 332/387-388

Williams Lease
15: NW $\frac{1}{4}$
[Parcel 07-14-01]
(Memorandum)

C. Klondex Fee Lands, Township 30 North, Range 47 East, MDB&M, Lander and Eureka Counties, Nevada

1. Klondex Fee Subject to Klondex Lease described in I. above
15: Lots 1 and 2, (S $\frac{1}{2}$ SE $\frac{1}{4}$)
23: NE $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$

2. Klondex Fee Subject to Klondex Lease described in I. above
T29N, R48E, MDB&M
5: Lots 10 and 11 of Block 22, Crescent Valley Ranch & Farms, Eureka County, Nevada

II. Aurencio Properties

A. Aurencio Unpatented Mining Claims, Township 30 North, Ranges 47, 48 East, MDB&M, Lander County, Nevada

Claim Name	(Section(s))	(NMC)
1. Tree 1-72	10, 14	540677-540748
2. FCR 1-20	26	168519-168538
3. What If 1-158	12, 24, 28, 36, T30N, R47E, 18, 30	606079-606236
4. Hondo 1-16	18, 24	559236-559251
Hondo 18	T30N, R47E	567260
Hondo 20		567261
Hondo 22		567262
Hondo 24		567263
Hondo 26		567264
Hondo 28		567265
Hondo 30		567266
Hondo 32		567267

B. Aurencio Leases, Township 30 North, Range 47 East, MDB&M, Lander County, Nevada

Name of Property	Date of Lease	Lander County Recording Information
1. McCutcheon Family Trust Lease 15: SW1NE1/4 [Parcel 7-140-05]	12/20/90	357/374-378
2. R. Jones Lease 15: NE1NE1/4SW1/4 SW1NE1/4SW1/4 [Parcels 7-140-22 and 7-140-23]	3/25/91	357/357-360

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Name of Property
Date of
Lander County
Recording Information

3. B.L. Bernardin 11/26/90 356/016-019

15: SE $\frac{1}{4}$ SW $\frac{1}{4}$
Lease
[Parcel 7-140-12]

4. D.A. and I.A. 10/1/90 356/132-137

Grisham Lease
15: NW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$
[Parcel 7-140-21]

5. R.W. and B.J. 7/25/91 360/553-556

Simkins Lease
23: W $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$
[Parcel 7-160-04]

6. E. Lundy Lease 6/27/90 359/342-347

23: N $\frac{1}{2}$ NW $\frac{1}{4}$
[Parcels 7-160-18 and 7-160-19]

7. C. Dieiling Lease 4/30/91 359/348-351

23: W $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$
[Parcel 7-160-05]

8. J.H. and 5/15/91 358/439-442

I. Armstrong Lease
23: E $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$
[Parcel 7-160-06]

9. B.E. and 3/25/91 357/361-364

G.M. Washer Lease
23: E $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$
[Parcel 7-160-23]

10. R.L. and D.L. 3/25/91 357/352-356

Halverson Lease
23: NW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$
[Parcel 7-160-26]

11. Calvet Family 10/15/90 356/126-131

Trusts Lease
23: NW $\frac{1}{4}$ NE $\frac{1}{4}$
[Parcel 7-160-01]

12. D.W. and L. 12/21/90 356/025-029

Altenburg Lease
23: NE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$
[Parcel 7-160-20]

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Name of Property
Date of
Lander County
Recording Information

13. D.J. Smith, J.E. and W.D. Matheny 11/27/90 356/020-024

14. G.E. Martin Lease 4/22/92 374/032-035
15: SE $\frac{1}{4}$ N $\frac{1}{2}$ SW $\frac{1}{4}$
[Parcel 7-160-02]
23: NE $\frac{1}{4}$ N $\frac{1}{2}$ E $\frac{1}{2}$ Lease

15. J.E. Lehnhoff 1/24/92 375/344-350
23: NE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{2}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{2}$
[Parcel 7-160-27]
23: SW $\frac{1}{4}$ NE $\frac{1}{2}$ SE $\frac{1}{2}$, NW $\frac{1}{4}$ SE $\frac{1}{2}$ SE $\frac{1}{2}$
[Parcel 7-160-28]

16. D.A. and P.A. Paul 12/6/93 403/392-395
Lease
15: NE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{2}$ and NW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{2}$
[Parcel 7-140-20]
17. Bonita J. Pallone 2/3/92 392/28-32
Lease
15: S $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{2}$
[Parcel 7-140-19]

18. P.C. Lee and R.L. Williams Lease 5/1/93 395/69-72
23: NW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ and NW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$
[Parcel 7-160-17]

19. R.E. McCarthy Lease 9/1/90 357/347-351
15: SE $\frac{1}{4}$ NW $\frac{1}{4}$ ($\frac{1}{2}$ interest)
[Parcel 07-140-04]
(Mining Lease)

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C. Aurenco Fee Lands, Township 30 North, Ranges 47 and 48 East, Lander and Eureka Counties, Nevada

Name of Property	Date of Deed	Book/Page
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1. Gifford Parcel T30N, R47E, MDB&M 23: SW $\frac{1}{4}$ NE $\frac{1}{4}$ [Parcel 7-160-4]	4/1/91	376/277-279
2. Gilleland Parcel 23: NE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ [Parcel 7-160-24] [Note: Grantee is Black Beauty Gold, Inc., a Nevada corporation]	10/17/90	354/149-150
3. Waas Parcel 9: SE $\frac{1}{4}$ [Parcel 7-110-07] [Note: Subject to mortgage]	2/17/94	406/878
4. L.M. Burgess Parcel 15: W $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ [Parcel 7-140-09] [Note: Subject to court approval]	11/17/94	414/32-33
5. Letcourt Parcel T30N, R48E, MDB&M 27: NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ [Parcel 5-230-38] Eureka County, Nevada	8/12/91	225/196-197
6. Lampropoulos Parcel 15: N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ [Parcel 7-140-07]	7/15/92	380/466-467
7. Sharp Hospitals Foundation Parcel 19: 4,042' x 100' [9.28 acres]	10/27/92	389/211,212

D. Aurenco Easements, Township 30 North, Range 47 East, Lander County, Nevada

B.H. Bunting 23: NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ [Parcel 7-160-22]	6/6/90 (expires 6/5/95)	(unrecorded)
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Unanimous Written Consent in Lieu
of Meeting of Board of Directors

The undersigned, being all of the directors of North Mining Inc., a Nevada corporation (the "Corporation"), hereby unanimously consent, pursuant to Section 78.315 of the Nevada Revised Statutes, to the adoption of the following resolutions without a formal meeting of the Board of Directors of the Corporation:

WHEREAS, the Corporation desires to enter into that certain Joint Venture Operating Agreement dated as of April 1, 1995 (the "Operating Agreement") between the Corporation and Aureco (a joint venture between Black Beauty Gold, Inc., an Indiana corporation, and Covenant Mining Corporation, a Tennessee corporation), a copy of which is attached hereto as Exhibit A;

NOW THEREFORE, IT IS HEREBY RESOLVED, that the Corporation is authorized to enter into and perform the Operating Agreement, and that Stephen D. Alfors, Assistant Secretary of the Corporation, is authorized, in the name and on behalf of the Corporation, to execute and deliver the Operating Agreement and a Memorandum of Joint Venture Agreement, a copy of which is attached hereto as Exhibit B (to be recorded in the official records of Eureka and Lander Counties, Nevada);

RESOLVED FURTHER, that the authorized officers of the Corporation are, and each of them is hereby authorized in the name and on behalf of the Corporation to do or cause to be done all such acts or things and to sign and deliver, or cause to be signed and delivered, all such instruments, documents, agreements and certificates, as any of such officers may deem necessary, advisable or appropriate to effectuate and carry out the purposes and intent of the foregoing resolutions;

RESOLVED FURTHER, that this Consent may be executed in one or more counterparts, no one of which need be signed by all members of the Board of Directors of the Corporation, but which together will constitute one instrument.

DATED as of the 11th day of May, 1995.

Russell Guy Ferris
Russell Guy Ferris
Malcolm William Broomhead
Malcolm William Broomhead
Mick Von Berger
Mick Von Berger

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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Mason & Gorton
95 AUG 10 AM 11:16
EUREKA COUNTY NEVADA
M.H. REBALCATTI, RECORDER
FILE NO. 158435
FEES \$18.00

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