

BOOK *418* PAGE *261-267*
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Hull & Branstetter
2005 AUG -5 PM 1:47

EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO. **200244**
FEES *44⁰⁰*

APN# 07-050-04, 07-050-05, 07-050-06

Recording Requested by:

Name Hull & Branstetter

Address 416 River St.

City/State/Zip Wallace, ID 83873-0709

MEMORANDUM OF AGREEMENT

(Title of Document)

This page added to provide additional information required by NRS 111.312 Sections 1-2.
(Additional recording fee applies)

This cover page must be typed or printed.

BOOK 418 PAGE 261

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is witness that Art R. Gale and Frances Gale, husband and wife, hereinafter referred to as Optionor, and Idaho General Mines, Inc., an Idaho corporation, hereafter referred to as Optionee, of N. 10 Post Street, Suite 610, Spokane, Washington, 99201, have entered into an Option To Purchase Agreement, subject to all conditions therein contained pertaining to the following described property, to-wit:

See Exhibit "1" attached hereto and by this reference incorporated herein and made a part hereof.

The Optionor remains in possession of the property.

The Optionors' address is:

Art R. and Frances Gale
HC 62 Box 62176
Eureka, NV 89316-9601

The Optionee's address is:

Idaho General Mines, Inc.
N. 10 Post Street, Suite 610
Spokane, WA 99201

A copy of the original Option Agreement is held by both the Optionor and the Optionee.

FG RLP

DATED this 30th day of June, 2005.

Optionor: Art R. and Frances Gale.
Husband and wife.

Optionee: Idaho General Mines, Inc.

Art R. Gale
Art Gale

By: Robert L. Russell
Printed name: Robert L. Russell
Title: President

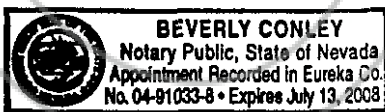
Frances Gale
Frances Gale

By: Michael K. Brenstetter
Printed name: Michael K. Brenstetter
Title: Secretary

STATE OF Nevada)
County of Eureka) ss.

On this 8th day of July, 2005, before me, the undersigned, a Notary Public in and for the state aforesaid, personally appeared Art R. Gale and Frances Gale, husband and wife, known or identified to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they 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.



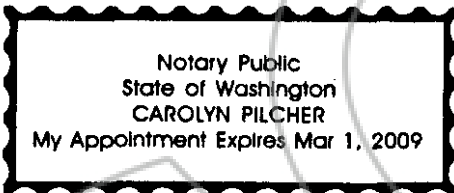
Beverly Conley
Notary Public in and for the State of NV,
Residing at: Eureka, NV
My Commission expires: 7/13/08

STATE OF Washington)
) ss.
County of Spokane)

On this 30th day of June, 2005, before me, the undersigned, a Notary Public in and for the state aforesaid, personally appeared Robert D. Russell and _____, known or identified to me to be the President and _____, respectively, of Idaho General Mines, Inc., and they executed the foregoing instrument on behalf of said corporation, and acknowledged to me that such corporation 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.

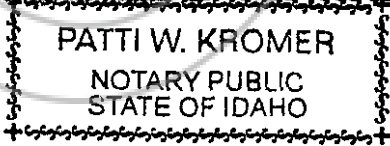
Carolyn Pilcher
Notary Public in and for the State of WA,
Residing at: Spokane
My Commission expires: 3/1/09



STATE OF IDAHO)
) ss.
County of Shoshone)

On this 20th day of August, 2005, before me, the undersigned, a Notary Public in and for the state aforesaid, personally appeared Michael K. Branstetter, known or identified to me to be the Secretary of Idaho General Mines, Inc., and he executed the foregoing instrument on behalf of said corporation, and acknowledged to me that such corporation 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



Patti W. Kromer
Notary Public in and for the State of Idaho,
Residing at : Osburn, Idaho
My Commission expires: 09/05/09

MEMORANDUM OF AGREEMENT - 3

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EXHIBIT "1"

Tule Field Water Rights

Nevada State Water Rights Numbers:

- 57835
- 57836
- 57838
- 57839
- 57840
- 66062

The Gale Ranch

Includes deeded land, water rights, grazing rights, buildings, and irrigation equipment.

Deeded Land: (approximately 1503 acres)

Eureka County Assessor Parcel Numbers:

- 007-050-04
- 007-050-05
- 007-050-06 (Master Parcel Number)

- 007-050-07
- 007-050-09
- 007-050-10
- 007-060-02

Water Rights:

Nevada State Water Rights Numbers:

*= "in question"

- | | |
|-------|---------|
| 9440 | 04147 |
| 9441 | 04148 |
| 9552 | 04471 |
| 11004 | 04472 |
| 11007 | * 04473 |
| 11008 | 04474 |
| 24012 | 04475 |
| 44743 | 04476 |
| 47907 | 04477 |
| 50962 | 04478 |
| 50963 | 04479 |
| 68122 | 04480 |

FG AG
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Legal Description of Deeded Land:

State of Nevada, County of Eureka as follows:

Township 23 North, Range 52 East, M.D.B.&M.

Section 11: NE1/4NE1/4; SW1/4NE1/4;

Section 12: S1/2SW1/4;

Section 13: E1/2NW1/4; SW1/4NW1/4;

Section 24: E1/2; E1/2W1/2;

Section 25: NE1/4;E1/2NW1/4;

Section 36: N1/2NE1/4; W1/2NW1/4;NE1/4NW1/4; an undivided One-half interest in and to the SW1/4NE1/4 and the SE1/4NW1/4;

Township 23 North, Range 53 East, M.D.B.&M.

Section 19: Lots 1, 2, 3 and 4;

Section 30: Lots 1 and 2;

Excepting therefrom an undivided one-half interest in and to all oil and gas, or oil or gas, situate, lying or being under the surface of said land as reserved in deed from Thomas O. Bath, as Executor of the Estate of Angelo C. Florio, Deceased, recorded June 23, 1954 in Book 24, Page 356, Deed Records, Eureka County, Nevada.

Further excepting therefrom an undivided one-half interest in and to all oil, gas and mineral rights on or beneath said land, conveyed to L. Kenneth Countryman, et al, by deed recorded December 16, 1977, in Book 62, Page 225, Official Records, Eureka County, Nevada.

BLM Grazing Rights: (approximately 70,000 acres)

Allotment Number: 10047 ROMANO

Includes the following pastures:

Home SDG

Sullivan SDG

Mulligan Pasture

7th Street

Home Native Pasture

Mt. Hope Pasture

Whistler Pasture

North Fields

Mud Field

Valley Pasture

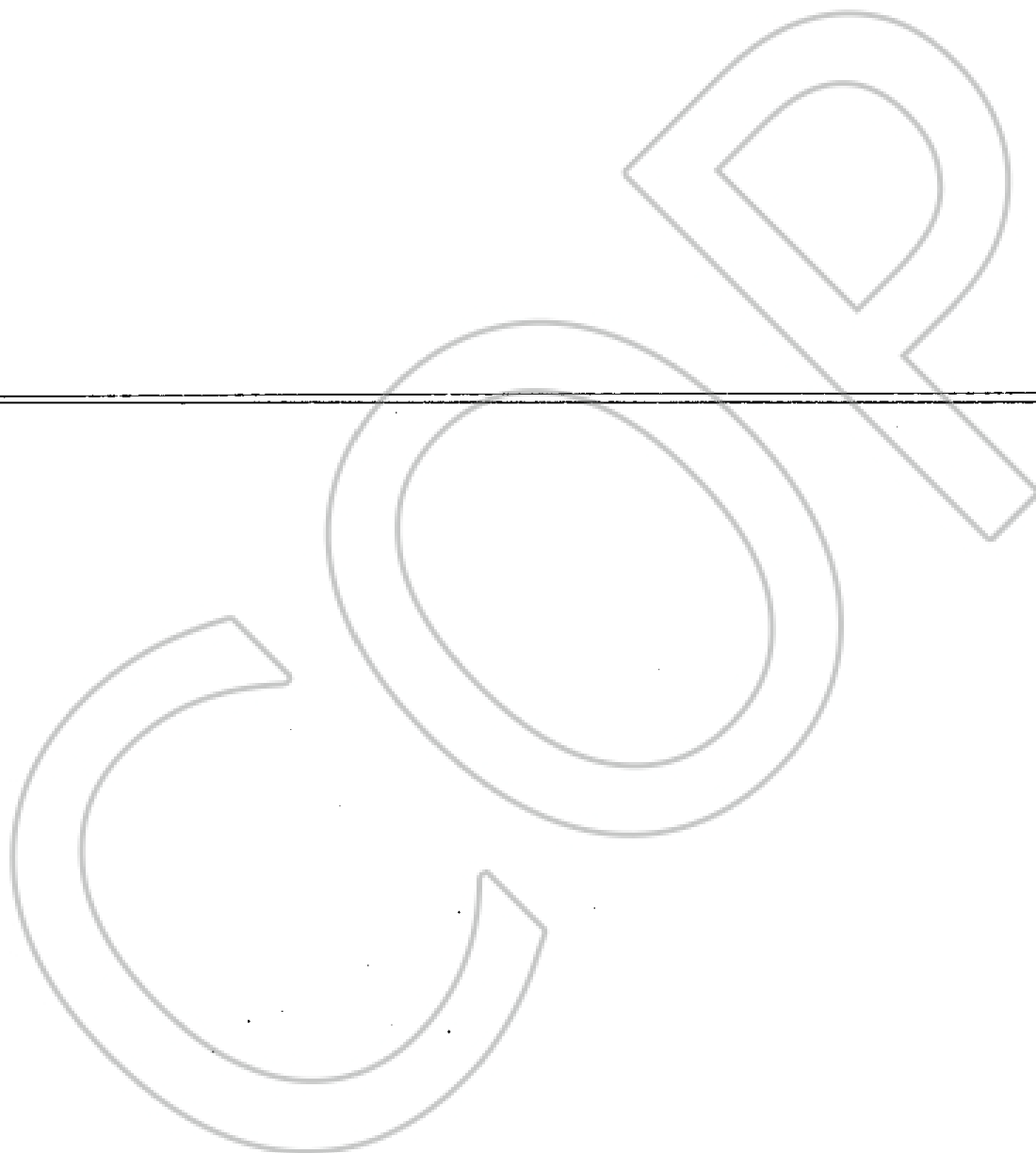
AG
RLR

Buildings on Deeded Land:

Mobile Home.
Small outbuildings.

Irrigation Equipment:

6 – wheel lines and associated pumps and electrical.



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