

Lincoln County

MEMORANDUM OF LEASE AND OPTION AGREEMENT

This Memorandum of Lease and Option Agreement entered into as of the 1st day of February, 1980, being the same date as the underlying Lease and Option Agreement (hereafter sometimes called "Agreement") by and between JAMES WAYNE COLE and MARIA COLE, husband and wife, and ESTHER COLE (therein and hereinafter called Lessor), and B & B MINING COMPANY, a Delaware corporation qualified to do business in the State of Nevada (therein and hereinafter called Lessee).

W I T N E S S E T H:

1. By said Lease and Option Agreement between said Lessor and said Lessee, which is incorporated herein as though fully set forth, for valuable consideration, Lessor therein and herein leases to Lessee, on and subject to the terms, covenants and conditions therein set forth, the unpatented lode mining claims situated in the Delamar Mining District, County of Lincoln, State of Nevada, therein and hereinafter referred to as the Premises, and more particularly described as follows:

<u>Claim Name</u>	<u>Location Notice Recorded in Lincoln County, Nevada</u>	<u>Page</u>
	<u>Docket</u>	
Rug No. 1	16	496
Rug No. 2	16	498
Rug No. 3	16	499
Rug No. 4	16	500
Rug No. 5	16	501
Rug No. 6	16	502
Rug No. 7	16	503
Rug No. 8	16	504
Rug No. 9	16	505
Rug No. 10	16	506
Rug No. 11	16	507
Rug No. 12	16	508
Easter #1	U-1	479
Easter No. 4	W-1	245
Easter No. 5	W-1	245
Easter No. 6	W-1	245

Lincoln County

Easter #7	13	681
Easter #8	13	683
Easter #9	13	682
Easter #10	13	684
Easter #2	U-1	480
Easter #3	U-1	480

2. Lessor thereby and hereby demises, leases and lets to Lessee, its successors and assigns, the Premises in accordance with the terms and conditions therein set forth. Lessor further grants to Lessee, its successors and assigns, the exclusive right and option to purchase the Premises.

3. The term hereof, and of the Agreement, shall be for ten (10) years from the date hereof unless sooner terminated in the manner provided herein or in the Agreement.

4. Lessor thereby and hereby grants unto Lessee during the term hereof the exclusive right to enter upon the Premises and to use so much of the surface and subsurface as may be necessary or desirable to explore for minerals on and in the Premises; and to mine, remove and sell or otherwise dispose of minerals therefrom, utilizing any and all conventional, solution mining, heap-leaching, in situ or other methods now known or hereafter developed; and to process, store and dispose of minerals and mineral wastes or by-products thereon; and to use the Premises for ingress and egress to and from other adjacent or nearby mining claims and properties.

5. Lessee shall have the right to terminate the Agreement or the purchase of the Premises at any time prior to the final payment of the purchase price by giving Lessor written notice of such termination. Upon termination of the Agreement or the purchase of the Premises, Lessee shall have no further obligation hereunder or under the Agreement.

6. All notices hereunder and under the Agreement shall be deemed to have been given by personal delivery or Western Union Telegram with confirmation of delivery, or upon deposit in a United States post office, registered or certified mail, postage prepaid, enclosed in a sealed envelope addressed:

(a) if to Lessor, to:

John Wayne Cole
628 Northridge Drive
Boulder City, Nevada 89005

(b) if to Lessee, to:

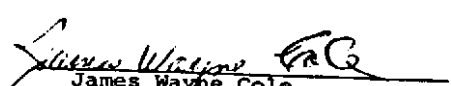
B & B Mining Company
c/o Evans, Kitchel & Jenckes, P.C.
Attention: Jerry L. Haggard
363 North First Avenue
Phoenix, Arizona 85003

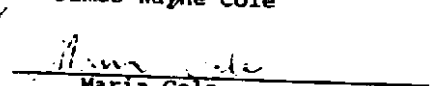
or to such other address as Lessor or Lessee shall have designated by written notice to the other; provided, however, that notices of change of address shall not be deemed given until actually received by the addressee.

7. This memorandum is not intended to revise, replace, modify or otherwise alter said Lease and Option Agreement, but the purpose of this memorandum is to give notice of said Lease and Option Agreement, the parties thereto, the description of the interests leased with option to purchase, the term thereof and certain other provisions.

IN WITNESS WHEREOF, the parties to said Lease and Option Agreement have executed this Memorandum of Lease and Option Agreement as of the day and year first hereinabove written.


Esther Cole

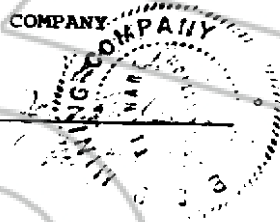

James Wayne Cole


Maria Cole

B & B MINING COMPANY

By _____

Its



ATTEST:

Virginia Carnes
Its Secretary

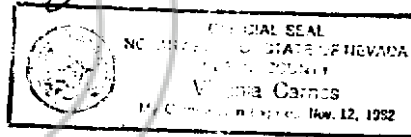
STATE OF Nevada)
County of Clark) ss.

The foregoing instrument was acknowledged before me
this 11th day of February, 1980 by JAMES WAYNE COLE and
MARIA COLE, husband and wife

Virginia Carnes
Notary Public

My Commission Expires:

NOV. 12-1982



STATE OF Nevada)
County of Lincoln) ss.

The foregoing instrument was acknowledged before me
this 25 day of January, 1980 by ESTHER COLE.

Virginia Carnes
Notary Public

My Commission Expires:

Sept. 19, 1980




Notary Public, State of Nevada
Virginia Carnes
My Commission Expires: Nov. 12, 1982

Lincoln County

Especially of B & B Mining Co.
STATE OF)
County of *Terrell*)

The foregoing instrument was acknowledged before me
this 6 day of November, 1980, by *E. D. [unclear]*
President of B & B MINING COMPANY, a Delaware cor-
poration, on behalf of the corporation.

[Signature]
Notary Public


My Commission Expires:
Life

67920

No. 67920
FILED AND RECORDED AT REQUEST OF
JERRY L. HAGGARD
MARCH 19, 1980
AT 6 MINUTES PAST 2 O'CLOCK
P M IN BOOK 36 OF OFFICIAL
RECORDS, PAGE 215 LINCOLN
COUNTY, NEVADA.
[Signature]
COUNTY RECORDER