

MEMORANDUM OF EXPLORATION AND OPTION AGREEMENT

Under the terms of that certain EXPLORATION AND OPTION AGREEMENT dated effective as of the 30th day of July, 1980, by and between PAUL GEMMILL and FERN J. GEMMILL, his wife; JOHN G. GEMMILL and EVELYN C. GEMMILL, his wife; JOHN G. GEMMILL, Trustee Under Will of DAVID L. GEMMILL, Deceased, and HELEN L. GEMMILL, his widow; EVA HEINDENREICH; DARELL FREE and MERLE FREE, his wife, as "OWNER" and KERR-McGEE CORPORATION, as "OPTIONEE", OWNER has granted to OPTIONEE, for a period of Six (6) years from the effective date thereof, the exclusive right to enter upon and take possession of all of the property described in Exhibit A attached hereto and made a part hereof (whether consisting of unpatented mining claims, patented mining claims, except as specifically provided therein, or other real property, or any combination thereof) together with all water rights and other rights, easements and appurtenances whatsoever appertaining thereto (which property is therein and hereinafter referred to as the "Subject Premises"), with the exclusive right to explore the Subject Premises for minerals thereon or thereunder, including but not limited to, the right to perform geological, geochemical and geophysical work and the right to construct roads and drill sites, excavate, trench, sink shafts, test pits, recover bulk samples for metallurgical testing and to conduct such other operations as deemed necessary by OPTIONEE to determine the mineral content and mineability and treatment thereof; TOGETHER WITH the exclusive option to purchase the Subject Premises at any time prior to expiration or termination of the said Agreement, all on the terms and conditions set forth therein and all of which terms and conditions are by this reference made a part hereof as if fully set forth in this Memorandum.

A copy of said Agreement is in the possession of OWNER, whose address is 1200 Plumas No. 4, Reno, Nevada 89509, and in the possession of OPTIONEE, whose address is Kerr-McGee Center, P. O. Box 25861, Oklahoma City, Oklahoma 73125.

IN WITNESS WHEREOF this Memorandum of Exploration and Option Agreement has been executed effective as of the date first above set forth.

OWNER

*Paul Gemmill*  
Paul Gemmill

*Fern J. Gemmill*  
Fern J. Gemmill

*John G. Gemmill*  
John G. Gemmill

*Evelyn C. Gemmill*  
Evelyn C. Gemmill

*John G. Gemmill*  
John G. Gemmill, Trustee Under Will of David L. Gemmill, Deceased

*Helen L. Gemmill*  
Helen L. Gemmill, Widow of David L. Gemmill, Deceased

*Eva Heindenreich*  
Eva Heindenreich

*Darell Free*  
Darell Free

*Merle Free*  
Merle Free

OPTIONEE

ATTEST:

KERR-McGEE CORPORATION

*T S Ary*  
T S Ary, Attorney-in-fact

(Individual Form)

STATE OF Nevada )  
COUNTY OF White Pine )

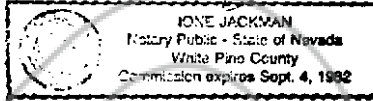
SS.

On this 10<sup>th</sup> day of October, 1980, personally appeared before me, a notary public, EVA HEINDENREICH, who acknowledged that she executed the above instrument.

Witness my hand and official seal.

My commission expires: 9-4-82

Eva Heindenreich  
Notary Public



(Individual Form)

STATE OF Nevada )  
COUNTY OF Lincoln )

SS.

On this 16 day of October, 1980, personally appeared before me, a notary public, DARELL FREE and MERLE FREE, his wife, who acknowledged that they executed the above instrument.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_

Darell Free  
Notary Public



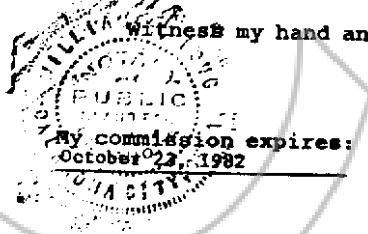
(Corporate Form)

STATE OF Oklahoma )  
COUNTY OF Oklahoma )

SS.

On this 30th day of July, 1980, personally appeared before me, a notary public, T S Ary, as Attorney in Fact, on behalf of Kerr-McGee Corporation, a Delaware corporation, who acknowledged that he executed the above instrument, on behalf of said corporation.

Witness my hand and official seal.



T S Ary  
Notary Public

ACKNOWLEDGMENTS

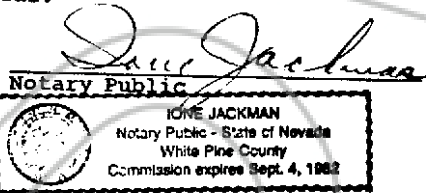
(Individual Form)

STATE OF Nevada }  
COUNTY OF White Pine } SS.

On this 15<sup>th</sup> day of October, 1980, personally appeared before me, a notary public, PAUL GEMMILL and FERN J. GEMMILL, his wife, who acknowledged that they executed the above instrument.

Witness my hand and official seal.

My commission expires: 9-4-82



NO 447 C  
(Individual)

STATE OF CALIFORNIA }  
COUNTY OF LOS ANGELES } SS.

On October 3, 1980 before me, the undersigned, a Notary Public in and for said State, personally appeared John G. Gemmill and Evelyn C. Gemmill

appeared  
GEMMILL,  
s above

to be the person s whose name s are subscribed to the within instrument and acknowledged that they executed the same.

WITNESS my hand and official seal.  
Signature: Jean A. Middleton  
JEAN A. MIDDLETON  
Name (Typed or Printed)



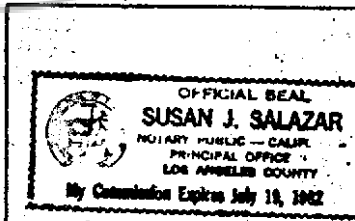
(This area for official notarial seal)

Individual)  
STATE OF CALIFORNIA }  
COUNTY OF Los Angeles } SS.

On October 1, 1980 before me, the undersigned, a Notary Public in and for said State, personally appeared Helen L. Gemmill

to be the person whose name is subscribed to the within instrument and acknowledged that she executed the same.

WITNESS my hand and official seal.  
Signature: Susan J. Salazar



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(This area for official notarial seal)

TO HAVE  
(Individual)

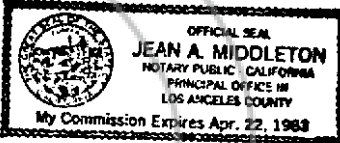
STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES } ss.

On October 3, 1980 before me, the undersigned, a Notary Public in and for said State, personally appeared JOHN G. GEMMILL, Trustee Under Will of David L. Gemmill, Deceased

to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal  
Signature Jean A. Middleton

JEAN A. MIDDLETON  
Name (Typed or Printed)



(This area for official notarial use)

EXHIBIT A

EXHIBIT A to MEMORANDUM OF EXPLORATION AND OPTION AGREEMENT by and between PAUL GEMMILL and FERN J. GEMMILL, his wife; JOHN G. GEMMILL and EVELYN C. GEMMILL, his wife; JOHN G. GEMMILL, Trustee Under Will of DAVID L. GEMMILL, Deceased, and HELEN L. GEMMILL, his widow; EVA HEINDENREICH; DARELL FREE and MERLE FREE, his wife, as "OWNER", and KERR-MCGEE CORPORATION as "OPTIONEE", and pertaining to the following described unpatented lode mining claims situated in the Pioche Mining District, Lincoln County, Nevada, the location notices of which are of record in the office of the Clerk or Recorder of said county as follows:

<u>Name of Claim</u>	<u>Book/ Page</u>	<u>BLM No.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rge.</u>
<u>BUSH GROUP</u>					
Bush #1	16/92	95620	19/20	1N	66E
Bush #2	16/93	95621	19/20	1N	66E
Bush #3	16/94	95622	19/20	1N	66E
Bush #4	16/95	95623	19/20	1N	66E
Bush #5	16/96	95624	20	1N	66E
Bush #6	16/98	95625	20	1N	66E
Bush #7	16/97	95626	17/20	1N	66E
Bush #8	16/99	95627	17/20	1N	66E
Bush #9	16/100	95628	17/20	1N	66E
Bush #10	16/101	95629	17/20	1N	66E
Bush #11	16/102	95630	20	1N	66E
Bush #12	16/103	95631	20	1N	66E
Bush #13	16/104	95632	20	1N	66E
Bush #14	16/105	95633	20	1N	66E
Bush #15	16/106	95634	20	1N	66E
Bush #16	16/107	95635	20	1N	66E
Bush #17	16/108	95636	28	1N	66E
Bush #18	16/110	95637	21/28	1N	66E
Bush #19	16/109	95638	20/21/ 28/29	1N	66E
Bush #20	16/111	95639	20/21	1N	66E
Bush #21	16/112	95640	20/21	1N	66E
Bush #22	16/113	95641	20/21	1N	66E
Bush #23	16/114	95642	20/21	1N	66E
Bush #24	16/115	95643	20/21	1N	66E
Bush #25	16/116	95644	20/21	1N	66E
Bush #26	16/117	95645	20/21	1N	66E
Bush #27	16/118	95646	20/21	1N	66E
Bush #28	16/119	95647	17/20	1N	66E
Bush #29	16/120	95648	16/17/ 20/21	1N	66E
Bush #30	16/121	95649	16/20/21	1N	66E
Bush #31	16/122	95650	20/21	1N	66E
Bush #32	16/123	95651	21	1N	66E
Bush #33	16/124	95652	21	1N	66E
Bush #34	16/125	95653	21	1N	66E
Bush #35	16/126	95654	21	1N	66E
Bush #36	16/127	95655	21	1N	66E

Lincoln County

Bush #37	16/128	95656	21	LN	66E
Bush #38	16/129	95657	21/28	LN	66E
Bush #39	16/130	95658	21/28	LN	66E
Bush #40	16/131	95659	28	LN	66E
Bush #41	16/132	95660	21/28	LN	66E
Bush #42	16/133	95661	21/28	LN	66E
Bush #43	16/134	95662	21	LN	66E
Bush #44	16/135	95663	21	LN	66E
Bush #45	16/136	95664	21	LN	66E
Bush #46	16/137	95665	21	LN	66E
Bush #47	16/138	95666	21	LN	66E
Bush #48	16/139	95667	21	LN	66E
Bush #49	16/140	95668	21	LN	66E
Bush #50	16/141	95669	16/21	LN	66E
Bush #51	16/142	95670	16/21	LN	66E
Bush #52	16/143	95671	16/21	LN	66E
Bush #53	16/144	95672	21	LN	66E
Bush #54	16/145	95673	21	LN	66E
Bush #55	16/146	95674	21	LN	66E
Bush #56	16/147	95675	21/22	LN	66E
Bush #57	16/148	95676	21/22	LN	66E
Bush #58	16/149	95677	21/22	LN	66E
Bush #59	16/150	95678	21/22	LN	66E
Bush #60	16/151	95679	21/22/ 27/28	LN	66E
Bush #61	16/152	95680	22	LN	66E
Bush #62	16/153	95681	22	LN	66E
Bush #63	16/154	95682	22	LN	66E
Bush #64	16/155	95683	22	LN	66E
Bush #65	16/156	95684	21/22	LN	66E
Bush #66	16/157	95685	21/22	LN	66E
Bush #67	16/158	95686	21/22	LN	66E
Bush #68	16/159	95687	16/21/22	LN	66E
Bush #69	16/160	95688	22	LN	66E

MOUNTAIN LION GROUP

Mountain Lion	H1/326	95589		LN	66E
Mountain Lion #1	H1/326	95590		LN	66E
Mountain Lion #2	H1/327	95591		LN	66E
Mountain Lion #3	H1/327	95592		LN	66E
Mountain Lion #4	H1/423	95593		LN	66E
Mountain Lion #5	H1/424	95594		LN	66E
Mountain Lion #6	H1/424	95595		LN	66E
Mountain Lion #7	H1/425	95596		LN	66E
Mountain Lion #8	H1/425	95597		LN	66E
Mountain Lion #9	H1/426	95598		LN	66E
Mountain Lion #10	H1/426	95599		LN	66E
Mountain Lion #11	H1/427	95600		LN	66E
Mountain Lion #12	J1/128	95601		LN	66E
Mountain Lion #13	J1/129	95602		LN	66E
Mountain Lion #14	K1/30	95603		LN	66E
Mountain Lion #15	K1/31	95604		LN	66E
Mountain Lion #16	K1/31	95605		LN	66E
Mountain Lion #17	K1/32	95606		LN	66E
Mountain Lion #18	K1/32	95607		LN	66E
Mountain Lion #19	K1/33	95608		LN	66E
Mountain Lion #20	K1/33	95609		LN	66E
Mountain Lion #21	K1/34	95610		LN	66E
Mountain Lion #22	K1/35	95611		LN	66E
Mountain Lion #23	K1/36	95612		LN	66E
Mountain Lion #24	K1/36	95613		LN	66E
Mountain Lion #25	K1/37	95614		LN	66E
Mountain Lion #26	K1/37	95615		LN	66E
Mountain Lion #27	K1/38	95616		LN	66E
Mountain Lion #28	K1/38	95617		LN	66E

Lincoln County

Mountain Lion #29	W1/376	95618		1N	66E
White Prince	O-1/1	95619		1N	66E

MYRNA GROUP

Daleen	10/90	80534	16	1N	66E
Ronald #1	10/54	80535	16	1N	66E
Ronald #2	X1/385	80536	16	1N	66E
Keith #1	P1/53	80537	16	1N	66E
Keith #2	P1/200	80538	16	1N	66E
Keith #3	X1/408	80539	16	1N	66E
Keith #4	X1/408/ 409	80540	16	1N	66E
Keith #5	X1/409	80541	16	1N	66E
Keith #6	11/3	80542	16	1N	66E
Keith #7	15/301	80543	16	1N	66E
Keith #8	15/513	80544	15	1N	66E
Myrna #1	P1/182	80530	16	1N	66E
Myrna #2	P1/330	80531	16	1N	66E
Myrna #11	P1/200	80532	16	1N	66E
Myrna #12	P1/182	80533	16	1N	66E
Eva #1	P1/144	80545	16	1N	66E
Bonnie #1	10/517	80522	16	1N	66E
Bonnie #2	10/518	80523	16	1N	66E
Bonnie #3	10/519	80524	16	1N	66E
Bonnie #4	10/520	80525	16	1N	66E
Albert #1	15/303	80526	15	1N	66E
Albert #2	15/304	80527	15	1N	66E
Albert #3	15/305	80528	15/22	1N	66E
Albert #4	15/306	80529	22	1N	66E

together with any fractional claims or rights now owned or hereafter acquired by OWNER while this Agreement is in effect, any portion of which is situated within the exterior boundary of the claims described above, and together with any additional unpatented mining claims now owned or hereafter acquired by OWNER while the said Agreement is in effect and within a distance of one (1) mile of the exterior boundaries of the claims described above; provided, however, that OPTIONEE shall have no obligations with respect to such additional claims until thirty (30) days from and after the date on which OPTIONEE receives notice from OWNER as to the existence and exact location thereof, and provided, further, that if OWNER now owns or hereafter acquires any other fractional claims or rights, any portion of which is situated within a distance of three (3) miles of the exterior boundaries of the claims described above, OPTIONEE shall have a right of first refusal to acquire such other claims or rights. It is understood and agreed that notwithstanding the foregoing the BOTTENTOT patented lode claim, Sur. 3887 is expressly excluded from this Agreement together with all rights appurtenant thereto.

AKY

No. 21952  
FILED AND RECORDED AT REQUEST OF  
KERR-MCGEE  
APR. 1, 1981  
AT 1 MINUTES PAST 1 O'CLOCK  
PM IN BOOK 43 OF OFFICIAL  
RECORDS, PAGE 415 LINCOLN  
COUNTY, NEVADA.

YURIKO SETZER  
COUNTY RECORDER  
*Karen Landon*