

GRUBSTAKE AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, THAT RON MOORE AND LYNN SELDOMRIDGE, HEREINAFTER REFERRED TO AS "GRUBSTAKERS", HAVE AGREED TO GRUBSTAKE RAYMOND OSBORNE, KARIN OSBORNE, ROBERT ANDREWS, LINDA ANDREWS, LYNN SELDOMRIDGE, ALTA SELDOMRIDGE, LYNDA PACHECO, MARCI GONZALES, RON MOORE, MELINDA A. MOORE, AND HEREINAFTER REFERRED TO AS "CLAIMANTS".

FOR GRUBSTAKING THIS VENTURE THE GRUBSTAKERS & CLAIMANTS AGREE, THAT SIXTY-FIVE (65) PERCENT OF ALL ROYALTIES, SHARES, MONIES, AND OR PROFITS SHALL BE PAID TO THE GRUBSTAKERS WITHIN FIVE (5) DAYS OF RECEIPT THERE OF, THE BALANCE OF THE ROYALTIES, SHARES, MONIES, AND OR PROFITS SHALL THEN BE EQUALLY SHARED BY THE LISTED CLAIMANTS.

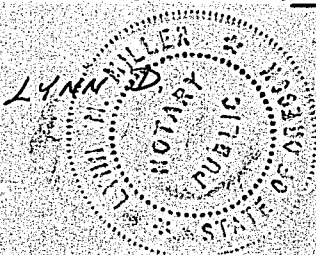
ALL GRUBSTAKE MONIES TO BE USED SHALL BE AGREED TO IN ADVANCE BY BOTH THE GRUBSTAKERS AND CLAIMANTS, AND THEN USED ONLY FOR THAT ACTUAL EXPENSE TO ATTAIN THESE PLACER CLAIMS AND FOR FILING ASSESSMENT WORK AS DEEMED NECESSARY.

THIS GRUBSTAKING AGREEMENT IS ALSO RESTRICTED TO ONLY THE CLAIMING AND DEVELOPMENT OF PLACER DEPOSITS IN ACCORDANCE WITH OREGON AND FEDERAL MINING REGULATIONS, AND THEN FURTHER RESTRICTED TO PLACER DEPOSITS IN TOWNSHIP 27S RANGE 7E OF THE WILLAMETTE MERIDIAN IN KLAMATH COUNTY, OREGON.

THIS AGREEMENT TAKES EFFECT THIS 26 DAY OF MAY, 1989, AND SHALL REMAIN IN EFFECT AS LONG AS THE GRUBSTAKERS OR THEIR REPRESENTATIVES AGREE TO PAY THE MUTUALLY AGREED EXPENSES OF THE CLAIMANTS FOR THE "DEER CREEK CLAIMS", NUMBERS 1 THRU 22.

Lynn D. Seldomridge
LYNN SELDOMRIDGE
Ron Moore
RON MOORE
Melinda A. Moore
MELINDA A. MOORE
SUBSCRIBED AND SWORN TO BEFORE ME
THIS 21st DAY OF July, 1989
NOTARY PUBLIC FOR Linn County
COUNTY, OREGON.
NAME: Lynn D. Seldomridge
COMMISSION EXPIRES: 5/15/90

Raymond Osborne
RAYMOND OSBORNE
Karin Osborne
KARIN OSBORNE
Alta Seldomridge
ALTA SELDOMRIDGE
Robert Andrews
ROBERT ANDREWS
Linda Andrews
LINDA ANDREWS
Marci Gonzales
MARCI GONZALES
Lynnda Pacheco
LYNDA PACHECO



Lynn D. Seldomridge

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Lynn D. Seldomridge the 26th day
of July A.D., 19 89 at 8:54 o'clock A.M., and duly recorded in Vol. M89
of Mining Claims on Page 13591

FEE \$5.00

Evelyn Biehn - County Clerk
By Dorene Neilland

45 8 AM 42 JUL 89.

LYNN D. SELDOMRIDGE
PO BOX 86
DILLARD, OR 97432