

MEMORANDUM OF MINING LEASE

THIS MEMORANDUM, made this 1st day of October, 1979, by and between SOUTHERN PACIFIC LAND COMPANY ("Lessor") and WESTERN STATES MINERALS CORPORATION ("Lessee") of Mining Lease SPL-634, dated February 15, 1976, between Lessor and Long Lac Mineral Exploration Limited as lessee, as assigned by Long Lac Mineral Exploration Limited to Lessee on April 17, 1979 with Lessor's consent dated May 23, 1979;

WITNESSETH:

That Lessor hereby leases to Lessee that certain property located in the County of Eureka, State of Nevada, and more particularly described in the attached Exhibit "A," and the exclusive right to examine, prospect and explore said property for minerals and mineral-bearing materials, and to open, develop and operate mines on said property, to crush, mill, blend, commingle, concentrate, beneficiate, refine, reduce, or otherwise process any minerals which may be mined from said property, to remove and ship all such ores, concentrates, and minerals or mineral products recovered in any manner from the leased premises, and to sell or dispose thereof, excepting and reserving to Lessor, its successors and assigns, the exclusive right to all hot water, brine, thermal energy, extractable minerals in solution, and oil, petroleum, and other hydrocarbons and natural gas, including steam, in and underlying said property.

Lessee shall have the right to use the leased premises for purposes necessary in the exercise of Lessee's rights and conduct of Lessee's operations hereunder.

Reserving to Lessor, its successors and assigns, an easement for railroad, transportation, communication and pipeline purposes, and the right to use said property for any and all purposes consistent with the rights leased to Lessee hereunder.

This lease is made subject to all rights of way, easements, limitations and restrictions, and to existing leases, licenses, and options, and renewals thereof, on or affecting said property.

The term of this lease shall be five (5) years from and after February 15, 1976, and so long thereafter as Lessee carries on mining or exploration on said premises in accordance with said Mining Lease, dated February 15, 1976; provided, however, this lease shall terminate fifty (50) years from February 15, 1976, subject to the terms of said Mining Lease, dated February 15, 1976.

Reference is made to said Mining Lease SPL-634, dated February 15, 1976, and said assignment dated April 17, 1979 as consented to by Lessor on May 23, 1979 for the terms and conditions governing this

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Memorandum of Lease, which terms and conditions are by reference made a part hereof.

IN WITNESS WHEREOF, the parties have caused these presents to be executed as of the day and year first herein written.

SOUTHERN PACIFIC
LAND COMPANY

By W. F. Herbert
(Title)
Vice President and General Manager

WESTERN STATES MINERALS CORPORATION

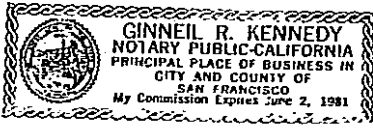
STATE OF CALIFORNIA }
City and County of San Francisco } ss.

By Gary L. Hutchinson
(Title) President

On this 1st day of October in the year One Thousand Nine Hundred and Seventy Nine
before me, GINNEIL R. KENNEDY, a Notary Public in and for the City and County of San Francisco, State of California, personally appeared
(One Market Plaza) W. F. Herbert

known to me to be the Vice President and General Manager

of the corporation described in and that executed the within instrument, and also known to me to be the person who executed it on behalf of the corporation therein named and he acknowledged to me that such corporation executed the same.



My Commission Expires June 2, 1981
Corporation

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in the City and County of San Francisco, the day and year in this certificate first above written.

Ginneil R. Kennedy
Notary Public in and for the City and County of San Francisco, State of California.

STATE OF Colorado }
COUNTY OF Jefferson } ss.

On September 26, 1979, GARY L. HUTCHINSON
personally appeared before me, a notary public, who acknowledged that he executed the above instrument.

(SEAL)

Bruce C. Mooney
Notary Public

My commission expires: November 16 1980

Western States Minerals
Corporation
7475 West Fifth Avenue
Lakewood, Colorado 80226

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EXHIBIT "A"

Attached to and made a part of Memorandum Form of Mining Lease No. SPL-634 dated the 1st day of October, 1979, from SOUTHERN PACIFIC LAND COMPANY to WESTERN STATES MINERALS CORPORATION.

<u>Description</u>	<u>Sec.</u>	<u>MDM Twp.</u>	<u>Rge.</u>	<u>Acres</u>
E-1/2	25	36N	49E	320.00

70802

RECORDED AT THE REQUEST OF Western States Minerals Coporation
on October 22, 19 79, at 01 min., past 8 A.M. in
Book 75 of OFFICIAL RECORDS, page 427-429, RECORDS OF
EUREKA COUNTY, NEVADA. WILLIS A. DePAOLI Recorder
File No. 70802 Fee \$ 5.00

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