

**SHORT FORM OF
MINING LEASE WITH OPTION TO PURCHASE**

Short Form of Mining Lease with Option to Purchase dated as of December 15, 1980
between

JEMCO MINING COMPANY, a Corporation having its
principal place of business at ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~
~~XXXXXXXXXXXX~~ P. O. Box 159, New Meadows, Idaho
83654

(collectively "Owner") and HOMESTAKE MINING COMPANY, a California corporation having its principal place of business at 650 California Street, San Francisco, California 94108 ("Lessee").

1. *Lease and Term.* (a) Owner leases to Lessee all of the property described in Exhibit A, together with, except as may be expressly provided in Exhibit A, all (i) tailings, dumps and mine wastes, (ii) surface rights, easements and rights of way incident thereto, (iii) mining, mineral and water rights incident thereto, and (iv) improvements, fixtures, personal property, mining machinery and tools thereon useful or convenient for mining and related uses ("Mining Property").

(b) This agreement shall commence on _____ and continue for an initial term of ten years.

(c) Lessee may extend this agreement, including the Option, for additional successive ten-year terms.

2. *Option to Purchase.* Lessee shall have the exclusive and irrevocable Option to purchase the Mining Property at any time while this agreement is in effect.

3. *Exclusive Possession.* Except as may be expressly provided in Exhibit A, Lessee shall have exclusive possession and quiet enjoyment of the Mining Property while this agreement is in effect.

4. *Additional and After-Acquired Rights.* If Owner (or any of them) acquires any right or interest in the Mining Property or within the boundaries of the Mining Property while this agreement is in effect, such right or interest shall automatically become part of the Mining Property for all purposes of this agreement.

5. *Removal of Property.* Lessee may, within one year after termination of this agreement, remove from Owner's real property all property and improvements which it has erected or placed thereon.

6. *Rights of Way.* While this agreement is in effect, Lessee shall have non-exclusive rights of way upon, over, into and through the Mining Property and other property now or hereafter owned, leased or otherwise controlled by Owner (or any of them) to construct, improve and maintain such facilities as may be necessary or convenient for Lessee's operations in the vicinity of the Mining Property.

7. *Amendment; Agreement Among Owners.* Each of the persons named as Owner hereby agrees with each other and with Lessee that this agreement may from time to time be amended or varied as to the interests of Owner by a writing signed by the persons then owning sixty percent or more of Owner's aggregate interest in the Mining Property and that such a writing so signed shall bind each and every one of them.

8. *Additional Terms.* Additional terms and conditions are contained in the full agreement between the parties. This Short Form shall not affect said agreement or any rights, interests or obligations of the parties thereunder.

HOMESTAKE MINING COMPANY

JEMCO MINING COMPANY

By James A. Anderson
Vice President

By

Jack Espinoza
Matilda Espinoza
89 SF-ML/OP

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STATE OF IDAHO
COUNTY OF VALLEY

ss.:

On DECEMBER 31, 1980, before me, LYNN C. BARTHE, a Notary Public of said State, duly commissioned and sworn, personally appeared JACK & MARIE ESPOSITO known to me to be TEALCO MINING COMPANY, a corporation, and known to me to be the person who executed the within instrument on behalf of said corporation, and acknowledged to me that said corporation executed the within instrument as its free and voluntary act and deed, for the uses and purposes therein mentioned, and on said oath stated that he was authorized to execute said instrument on behalf of said corporation by authority of its by-laws or by resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

LYNN C. BARTHE

Notary Public in and for said State
Residing at
My commission expires

(Notarial Seal)

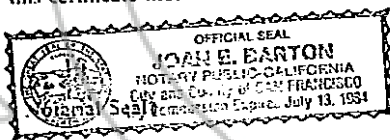


STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO

ss.:

On January 23, 1981, before me, JOHN C. BARTON, a Notary Public of said State, duly commissioned and sworn, personally appeared James A. Anderson known to me to be a Vice-President of HOMESTAKE MINING COMPANY, a California corporation, and known to me to be the person who executed the within instrument on behalf of said corporation, and acknowledged to me that said corporation executed the within instrument as its free and voluntary act and deed, for the uses and purposes therein mentioned, and on said oath stated that he was authorized to execute said instrument on behalf of said corporation by authority of its by-laws or by resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



John C. Barton
Notary Public in and for said State
Residing at: S.F. CA
My commission expires: July 13, 1984

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EXHIBIT A

The following unpatented mining claims located in Township 29 North, Range 48 East, Section 1 and Township 29 North, Range 49 East, Section 6, of Eureka County, Nevada:

<u>Name of Claim</u>	<u>Recorded in Official Records of Eureka County, Nevada</u>	<u>BLM Serial Number</u>
Delores Claims #1 - #41 inclusive		23023-23068
Red Sulfur #1 - #7 inclusive		23014-23020
Jack #1-#6 inclusive		23009-23013
Gem #1 - #2 inclusive		23021-23022

RECORDED AT REQUEST OF
HomesTake Mining Co.
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82 JAN 18 A 9: 35

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
WILLIS A. DEPAOLI - RECORDER
FILE NO. 82773
FEE \$ 6.00

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