

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

Short Form of Mining Lease with Option to Purchase dated as of March 5, 1981
between

R. D. Damele and Arlene W. Damele, his wife, Stephen D. Damele and Pauline D. Damele, his wife, Charles N. Damele and Patricia J. Damele, his wife, J. Charles Damele, a widow, and Yvonne Hager, a widow

(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 March 5, 1981 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

R. D. Damele
R. D. Damele

By

James A. Anderson
Vice President

Arlene W. Damele
Arlene W. Damele

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Stephen D. Damele
Stephen D. Damele

Pauline J. Damele
Pauline J. Damele

Charles M. Damele
Charles N. Damele

Patricia J. Damele
Patricia J. Damele

J. Charles Damele
J. Charles Damele

Yvonne Hager
Yvonne Hager

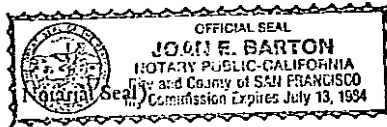
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STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO

SS:

On March 10, 1981, before me, Joan 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.



Joan C. Barton
Notary Public in and for said State
Residing at: San Francisco
My commission expires: July 13, 1984

STATE OF NEVADA
COUNTY OF EUREKA

SS:

On January 21, 1981, before me, Joan Shangle, a Notary Public of said State, duly commissioned and sworn, personally appeared R.D. DAMELE, ARLENE DAMELE, STEPHEN D. DAMELE, PAULINE D. DAMELE, Charles W. DAMELE, Patricia D. DAMELE, J. Charles DAMELE known to me to be the person(s) whose name(s) is(are) subscribed to the within instrument, and acknowledged to me that executed the same as free and voluntary act and deed for the uses and purposes therein mentioned.

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

(Notarial Seal)

Joan Shangle
Notary Public in and for said State
Residing at: CLIFTON, CALIFORNIA
My commission expires: THIRD JUDICIAL COURT

STATE OF Nevada
COUNTY OF Washoe

SS:

On February 6, 1981, before me, Robert R. Hager, a Notary Public of said State, duly commissioned and sworn, personally appeared Yvonne Hager

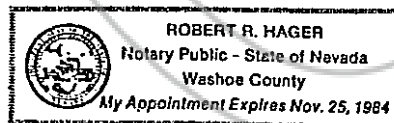
known to me to be the person(s) whose name(s) is(are) subscribed to the within instrument, and acknowledged to me that she executed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

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

(Notarial Seal)

Robert R. Hager
Notary Public in and for said State
Residing at: 737 Humboldt, Reno, 89509
My commission expires:

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Exhibit A

The following unpatented lode claims located in Township
Range , Section , Eureka, Nevada :

Name of Claim	Recorded in Official		BLM
	Records of Eureka, Nevada	Serial No.	
	Book	Page	
Lucky May No. 1 thru 8			W MC 68329-68336
Lucky May No. 11 thru 13			W MC 68337-68339
Lucky May No. 16			W MC 68340
Lucky May No. 18 thru 21			W MC 68341-68344
Lucky May No. 24			W MC 68345

RECORDED AT REQUEST OF
Homestake Mining Co.
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82 JAN 18 A 9:36

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
WILLIS A. DETMOLD, RECORDER
FILE NO. 82783
FEE \$ 7.00

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