

91533

MEMORANDUM OF LEASE AGREEMENT

This Memorandum of Lease Agreement is executed as of the 10th day of June, 1983, by and among Thomas E. Bilbao and Frances Bilbao, husband and wife, whose address is P.O. Box 537, Elko, Nevada 89801, Alcor, Inc., a Nevada corporation whose address is 350 W. Fir Street, Elko, Nevada, 89801 and Alloyed Associates, Inc., an Idaho corporation, whose address is P.O. Box 2295, Pocatello, Idaho 83201, (hereinafter referred to collectively as "Owner") and Western States Minerals Corporation, a Utah corporation, with offices at 4975 Van Gordon Street, Wheat Ridge, Colorado 80033 ("WSMC").

The parties, for valuable consideration, have entered into a written lease agreement, dated June 10, 1983 (hereinafter referred to as the "Lease"), concerning certain unpatented lode mining claims owned by Owner, which claims are situate in the Lynn Mining District, Eureka County, Nevada, more particularly described in Exhibit A attached hereto (hereinafter the "Property").

In accordance with the terms of the Lease, Owner hereby grants, leases, lets and demises the Property unto WSMC, its successors and assigns, together with all of the intra-limital and extralateral rights and all other rights, privileges and easements thereto incident or appurtenant, together with any rights to the Property to which Owner may become entitled during the term of the Lease. Owner hereby grants WSMC the exclusive and sole right and privilege during the term of the Lease to explore for, develop, mine, treat, ship and otherwise exploit and dispose of any and all ores, metals, minerals and materials found in, on, or under the Property, the right and privilege to do any and all things which WSMC shall deem necessary or desirable to accomplish any or all of such purposes, and such other rights as set forth in the Lease. The Lease shall remain in effect for a primary term of ten (10) years and so long thereafter as mining, processing, or marketing operations are carried out on the Property on a continuous basis, or, in the alternative, for so long as WSMC continues to pay to Owner advance royalties in the amount specified in the Lease. Owner reserves and WSMC shall pay to Owner a production royalty in the amount specified in the Lease.

This Memorandum of Lease does not contain the entire agreement of the parties. The terms and provisions of the Lease are incorporated herein by reference and this Memorandum of Lease is subject thereto in all respects. Nothing in this Memorandum of Lease shall limit, affect, or modify the rights

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and duties of the parties as provided under the terms and provisions of the Lease. Information regarding the Lease may be obtained from the parties at the addresses specified above.

WITNESS WHEREOF, the parties have signed this Memorandum as of the date first mentioned above.

OWNER:

Thomas E. Bilbao
Thomas E. Bilbao

Frances Bilbao
Frances Bilbao

ALCOR, INC.

By: Jay B. Valance
Title: President

ALLOYED ASSOCIATES, INC.

By: Jay B. Valance
Title: Vice President

WESTERN STATES MINERALS
CORPORATION

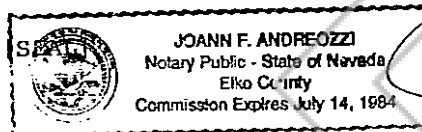
By: Arden B. Moore
Title: President

STATE OF NEVADA)
COUNTY OF Elko) ss

This certifies that on this 6th day of Dec., 1983 before me the undersigned, a Notary Public in and for the State of Nevada, personally appeared Thomas E. Bilbao and Frances Bilbao, husband and wife, to me known and known to me to be the persons named in the foregoing instrument and acknowledge that they, and each of them, executed the same.

Witness my hand and official seal the day and year in the certificate first-above written.

My commission expires: 7-14-84.



Joann F. Andreozzi
Notary Public

Idaho
STATE OF NEVADA)
COUNTY OF Bannock) ss

This certifies that on this 28th day of November, 1983 before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared Jay S. Valcarlos, to me known and known to me to be the person named as President in the foregoing instrument and acknowledge that he executed the same on behalf of Alcor, Inc., a Nevada corporation.

Witness my hand and official seal the day and year in the certificate first-above written.

My commission expires: Life.

[SEAL]



Merle L. Newell
Notary Public

STATE OF IDAHO)
COUNTY OF Bannock) ss

This certifies that on this 28th day of November, 1983 before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared Jay S. Valcarce, to me known and known to me to be the person named as Vice President in the foregoing instrument and acknowledge that he executed the same on behalf of Alloyed Associates, Inc., an Idaho corporation.

Witness my hand and official seal the day and year in the certificate first-above written.

My commission expires: Life

[SEAL]



Merle L. Newell
Notary Public

STATE OF COLORADO)
COUNTY OF Jefferson) ss

This certifies that on this 21st day of November, 1983 before me, the undersigned, a Notary Public in and for the State of Colorado, personally appeared Arden B. Morrow, to me known and known to me to be the person named as President in the foregoing instrument and acknowledge that he executed the same on behalf of Western States Minerals Corporation, a Utah corporation.

Witness my hand and official seal the day and year in the certificate first-above written.

My commission expires: My Commission Expires on 6-13-87
5375 Ute St, Arvada, CO 80004

[SEAL]



Quinn A. Wojcik
Notary Public

address _____

EXHIBIT A
TO
MEMORANDUM OF LEASE AGREEMENT
AMONG
WESTERN STATES MINERALS CORPORATION
AND
THOMAS E. and FRANCES BILBAO
ALCOR, INC., and
ALLOYED ASSOCIATES, INC.

THE PROPERTY

The following unpatented lode mining claims located in the Lynn Mining District, Eureka County, Nevada, the location certificates of which are of record in the Nevada State Office of the U.S. Bureau of Land Management ("BLM") and in the office of the Eureka County Recorder, Nevada are as follows:

Name of Claim	BLM Filing Number	Date of Location or Amendment	Recorded in Eureka County			
			Date	Book	Page	File Number
AA501	152739	4/01/80	5/29/80	81	341	73730
AA502	152740	4/01/80	5/29/80	81	342	73731
AA503	152741	4/01/80	5/29/80	81	343	73732
AA504	152742	4/01/80	5/29/80	81	344	73733
AA505	152743	4/01/80	5/29/80	81	345	73734
AA506	152744	4/01/80	5/29/80	81	346	73735
AA507	152745	4/01/80	5/29/80	81	347	73736
AA508	152746	4/01/80	5/29/80	81	348	73737
AA509	152747	4/01/80	5/29/80	81	349	73738
AA510	152748	4/01/80	5/29/80	81	350	73739
AA511	152749	4/01/80	5/29/80	81	351	73740
AA512	152750	4/01/80	5/29/80	81	352	73741
AA520	187671	3/10/81	3/23/81	93	394	79952
AA521	187672	3/10/81	3/23/81	93	395	79953
AA522	187673	3/10/81	3/23/81	93	396	79954
AA523	187674	3/10/81	3/23/81	93	397	79955
AA524	187675	3/10/81	3/23/81	93	398	79956
AA525	187676	3/10/81	3/23/81	93	399	79957
AA526	187677	3/10/81	3/23/81	93	400	79958
AA527	187678	3/10/81	3/23/81	93	401	79959
AA528	187679	3/10/81	3/23/81	93	402	79960
AA529	187680	3/10/81	3/23/81	93	403	79961
AA530	187681	3/10/81	3/23/81	93	404	79962
AA531	187682	3/10/81	3/23/81	93	405	79963
AA532	187683	3/10/81	3/23/81	93	406	79964
AA533	187684	3/10/81	3/23/81	93	407	79965
AA534	187685	3/10/81	3/23/81	93	408	79966

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Name of Claim	BLM Filing Number	Date of Location or Amendment	Recorded in Eureka County			
			Date	Book	Page	File Number
AA536	187686	3/10/81	3/23/81	93	409	79967
AA537	187687	3/10/81	3/23/81	93	410	79968
AA538	187688	3/10/81	3/23/81	93	411	79969
AA539	187689	3/10/81	3/23/81	93	412	79970
AA540	187690	3/10/81	3/23/81	93	413	79971
AA541	187691	3/10/81	3/23/81	93	414	79972
AA542	187692	3/10/81	3/23/81	93	415	79973
AA543	187693	3/10/81	3/23/81	93	416	79974
AA544	187694	3/10/81	3/23/81	93	417	79975
AA545	187695	3/10/81	3/23/81	93	418	79976
AA546	187696	3/10/81	3/23/81	93	419	79977
AA547	187697	3/10/81	3/23/81	93	420	79978
AA548	187698	3/10/81	3/23/81	93	421	79979
AA549	187699	3/10/81	3/23/81	93	422	79980
AA550	187700	3/10/81	3/23/81	93	423	79981
AA552	187701	3/10/81	3/23/81	93	424	79982

RECORDED AT REQUEST OF
Western States Minerals Corp.
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83 DEC 16 AIO: 53

OFFICIAL RECORDS
 EUREKA COUNTY, NEVADA
 H.M. REDELEATH, RECORDER
 DEC 16 1983
91533
10.00

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