

RECEIVED SEP 2 1986

MEMORANDUM OF FIRECRACKER MINERAL LEASE

KNOW ALL MEN BY THESE PRESENTS that, effective the 17th day of July, 1986, Carol R. Davis and Jerry A. Davis, wife and husband, Thomas Bilbao and Francis Bilbao, husband and wife, and Dean Stitzel and Rita Stitzel, husband and wife, (collectively hereinafter referred to as "Lessor"), with a mailing address of c/o Carol Davis, 1050 Dotta Drive, Elko, Nevada 89801, have granted and hereby do grant a Mineral Lease to Silver State Mining Corporation, a Colorado corporation, with a mailing address of 1600 Stout Street, Suite 1600, Denver, Colorado 80202 (hereinafter referred to as "Lessee"), as follows:

1. Properties Subject to Lease. The properties subject to this Mineral Lease consist of the mining claims owned by Lessor or in which Lessor has an interest as described in Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as the "Properties").

2. Rights Granted to Lessee. Lessor has granted to Lessee the exclusive right to investigate, explore, prospect and drill for, develop, mine by any method, produce, process, handle and market all minerals on or within the Properties.

3. Term of Lease. The term of this Lease shall commence upon the date above written and shall continue for twelve (12) years from the date hereof and so long thereafter as certain advance royalty payments are made.

4. Relationship to Mineral Lease. This Memorandum is executed as of the date set forth above for the purpose of giving record notice, pursuant to Nevada law, of the Mineral Lease. The provisions of the Mineral Lease are incorporated into this Memorandum by this reference, and this Memorandum is not intended to amend or supersede the Mineral Lease in any manner. In the event of any conflict or inconsistency between the terms of the Mineral Lease and this Memorandum, the term of the Mineral Lease shall govern.

WHEREFORE, the parties have executed this Memorandum of Mineral Lease to be effective as of the date first above written.

LESSORS:

Carol R. Davis
Carol R. Davis

Jerry A. Davis
Jerry A. Davis

Thomas Bilbao
Thomas Bilbao

Francis Bilbao
Francis Bilbao

Dean Stitzel
Dean Stitzel

Rita Stitzel
Rita Stitzel

LESSEE:

SILVER STATE MINING CORPORATION

By Edward Davis

ATTEST: James M.

STATE OF NEVADA)
County of) s.

On this 13th day of August, 1986, personally appeared before me, a Notary Public, Carol R. Davis, aka C. R. Davis and Jerry A. Davis, wife and husband, who acknowledged that they executed the above instrument freely and voluntarily and for the uses and purposes therein mentioned.

Witness my hand and official seal.

My commission expires: 7-9-88

Rose Marie Yraguen
Notary Public

STATE OF NEVADA)
County of Elko) s.

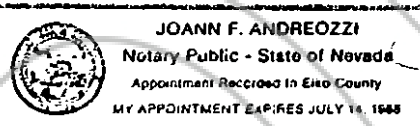


ROSE MARIE YRAGUEN
Notary Public - State of Nevada
Appointment Recorded in Elko County
MY APPOINTMENT EXPIRES JULY 9, 1988

On the 30th day of August, 1986, personally appeared before me, a Notary Public, Thomas Bilbao and Frances Bilbao, husband and wife, who acknowledged that they executed the above instrument freely and voluntarily and for the uses and purposes therein mentioned.

Witness my hand and official seal

My commission expires: 7-14-88



JOANN F. ANDREOZZI
Notary Public - State of Nevada
Appointment Recorded in Elko County
MY APPOINTMENT EXPIRES JULY 14, 1988

Thomas F. Andreozi
Notary Public

STATE OF NEVADA)
County of) s.

On the 1st day of August, 1986, personally appeared before me, a Notary Public, Dean Stitzel and Rita Stitzel, husband and wife, who acknowledged that they executed the above instrument freely and voluntarily and for the uses and purposes therein mentioned.

Witness my hand and official seal.

My commission expires: June 21, 1990

Marie Dufurrena
Notary Public

STATE OF Colorado)
County of Denver) ss.



CHOLE DUFURRENA
Notary Public - State of Colorado
Elko County records
My appointment expires June 21, 1989

On this 30th day of July, 1986, personally appeared before me, a Notary Public, David C. Reid, the Senior Vice President and Secretary of SILVER STATE MINING CORPORATION, a Colorado corporation, who acknowledged that they executed the above instrument on behalf of said corporation.

SEAL

My Commission Expires Nov. 10, 1987

David C. Reid
Notary Public

EXHIBIT A

To
Option to Lease (with Exploration Rights) and Mining Lease
Dated as of June 17, 1986, between
C. R. Davis aka Carol R. Davis and
Jerry A. Davis, wife and husband,
Thomas Bilbao and Frances Bilbao, husband and wife, and
Dean Stitzel and Rita Stitzel, husband and wife
(collectively, "Lessor")
and Silver State Mining Corporation

THE LEASED PREMISES

The Leased Premises consist of the following nine claims, located in Sections 18 and 19, T.23N., R.50E., Eureka County, Nevada:

<u>Claim Name and Number</u>	<u>Book and Page (County Recorder)</u>	<u>BLM Serial No.</u>
Firecracker 1	Book 64, Page 557	27300
Firecracker 2	Book 64, Page 558	27301
Firecracker 3	Book 64, Page 559	27302
Firecracker 4	Book 64, Page 560	27303
Firecracker 5	Book 65, Page 18	27304
Firecracker 6	Book 65, Page 19	27305
Firecracker 7	Book 65, Page 20	27306
Firecracker 8	Book 65, Page 28	41494
Firecracker 9	Book 65, Page 29	41495

RECORDED AT REQUEST OF
Silver State Mining Corporation
BOOK 148 PAGE 390

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OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
104700
FEE \$ 7.00

BOOK 148 PAGE 390