

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 Dink

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

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Silver State Mining Corporation
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OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
RECORDED & INDEXED
FEE \$ 104700
FEE \$ 7.00

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