

115994

MEMORANDUM OF MINING LEASE AND OPTION TO PURCHASE AGREEMENT

This Memorandum of Mining Lease and Option to Purchase Agreement, dated effective as of December 1, 1987, is by and between ROBERT L. FARLEY and GEORGIA LYNN FARLEY, husband and wife, CARL A. FARLEY and DONNA L. FARLEY, husband and wife, (collectively the "Farleys") and BARRICK RESOURCES (USA) INC., a Delaware corporation, P.O. Box 29, Elko, Nevada 89801 ("Barrick").

AGREEMENT

In accordance with the terms and conditions set forth in that certain Mining Lease and Option to Purchase Agreement (the "Agreement"), dated effective as of December 1, 1987, the Farleys have granted and hereby grant, subject to the terms of the Agreement, to Barrick, a mining lease and option to purchase covering those certain unpatented lode mining claims situated in Eureka County, State of Nevada, which property is more particularly described in Exhibit "A" attached to this Memorandum of Mining Lease and Option to Purchase Agreement (the "Property") for a primary term of three (3) years unless sooner terminated, forfeited or surrendered as provided in the Agreement and so long thereafter as Barrick is engaged in commercial mining operations or until Barrick exercises its option to purchase pursuant to the Agreement; subject to Barrick's obligations to make semi-annual advance royalty payments, to make exploration expenditures during the three (3) year primary term of the Agreement, and to perform or cause to be performed all assessment work required by law to be

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performed prior to the termination of the Agreement in order to maintain the Property and to record or file with Eureka County and the Bureau of Land Management copies of assessment affidavits or notices as may then be required by law within the time prescribed for such recording or filing; subject to the Farleys' right to receive a production royalty on all Products sold by Barrick from the Property; subject to Barrick's right of first refusal on the Property pursuant to the terms of the Agreement; subject to Barrick's option to purchase the Property pursuant to the terms of the Agreement; and subject to the parties' rights to terminate.

Subject to the terms of the Agreement, the Farleys have granted and hereby grant to Barrick the following:

1. Grant of Mining Lease:

(a) The exclusive right to enter upon and take immediate possession of the Property to explore, prospect, develop, mine and extract, whether by underground, surface, solution mining or other methods, any and all metals, ores, minerals, mineral substances and materials of all kinds in, under, upon and that may be produced from the Property, including all dump ores, concentrates and precipitates (the "Products") and to store, stockpile, remove, ship, treat, process, sell and dispose of Products;

(b) The exclusive right to carry on general mining, milling and/or refining operations pertaining to the

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Property or other property on the surface of, or through underground workings on the Property;

(c) The exclusive right to use any part of the Property for tailings ponds, waste dumps and for any other purposes incident to underground or surface mining operations on the Property or other property;

(d) The exclusive right to construct, use and maintain in or upon the Property and the surface thereof such structures, mining machinery, equipment, tools, ore bins, roads, shafts, inclines, tunnels, drifts, open pits, pipelines, telephone lines, electric transmission lines, water storage and transmission facilities and pipelines, concentrating or other milling facilities, buildings, shops and other facilities as Barrick may deem advisable;

(e) The exclusive right to use any surface and underground water and water rights now existing or subsequently discovered or developed in or upon or appurtenant to the Property and to use all reciprocal rights which the Property may have with respect to other properties in the area;

(f) The exclusive right to comingle ore produced from the Property with ore from other properties not subject to the Agreement; and

(g) The right to do all things which are incidental to or which may be useful, desirable or convenient in

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Barrick's exercise of any or all of the rights granted to Barrick.

2. Grant of Right of First Refusal: The right to purchase the Farleys' interest in the Property (or part thereof) or the Agreement within two months following receipt of written notice from the Farleys on the terms and conditions specified in said notice from the Farleys, if at any time or times during the term of the Agreement the Farleys or any of them should receive a bona fide offer acceptable to the Farleys from a third party to purchase all or any part of the Property and/or the Farleys' interest in the Agreement.

3. Grant of Option to Purchase: The right to purchase the Property, together with certain rights, privileges and appurtenances incident to, pertaining to or connected with the Property, for a period of three (3) years from and after the effective date of the Agreement by delivering written notice to that effect to the Farleys, upon the terms and conditions of the Agreement.

EXECUTED to be effective on the date first above written.

Robert L. Farley  
ROBERT L. FARLEY

Georgia Lynn Farley  
GEORGIA LYNN FARLEY

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Barrick Goldstrike Mine Inc.

Carl A. Farley  
CARL A. FARLEY

Donna L. Farley  
DONNA L. FARLEY

BARRICK RESOURCES (USA) INC.,

By Frank L. Wick  
Its Vice-President

STATE OF Ala )  
COUNTY OF Ala ) ss

On the 07 day of January, 1988, personally appeared before me, a notary public, ROBERT L. FARLEY who acknowledged to me that he executed the above instrument.

My Commission Expires:

8/20/88

Robert L. Farley  
NOTARY PUBLIC  
Residing at: Mendenhall, Ala SEAL Affixed

STATE OF Ala )  
COUNTY OF Ala ) ss

On the 07 day of January, 1988, personally appeared before me, a notary public, GEORGIA LYNN FARLEY who acknowledged to me that he executed the above instrument.

My Commission Expires:

8/20/88

Georgia F. Duff  
NOTARY PUBLIC  
Residing at: Mendenhall, Ala SEAL Affixed

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STATE OF Oregon )  
COUNTY OF Malheur ) ss

On the 8<sup>th</sup> day of January, 1988, personally appeared before me, a notary public, CARL A. FARLEY who acknowledged to me that he executed the above instrument.

My Commission Expires:  
4-11-89

Carl A. Farley  
NOTARY PUBLIC  
Residing at: Ontario, Oregon

STATE OF Oregon )  
COUNTY OF Malheur ) ss

On the 8<sup>th</sup> day of January, 1988 personally appeared before me, a notary public, DONNA L. FARLEY who acknowledged to me that he executed the above instrument.

My Commission Expires:  
4-11-89

Donna L. Farley  
NOTARY PUBLIC  
Residing at: Ontario, Or.

JOSE GRAYES  
NOTARY PUBLIC OREGON  
My Commission Expires April 11, 1989

STATE OF Utah )  
COUNTY OF Tooele ) ss

On the 22<sup>nd</sup> day of Jan, 1988, personally appeared before me, a notary public, F. Wicks, Vice-President of Barrick Resources (USA), Inc. who acknowledged to me that he executed the above instrument.

My Commission Expires:  
May 12 1991  
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F. Wicks  
NOTARY PUBLIC  
Residing at: Tooele, Utah

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EXHIBIT "A"

(Attached to and made a part of Memorandum of  
Mining Lease and Option to Purchase Agreement  
dated effective as of December 1, 1987  
by and between the Farleys and Barrick)

The following unpatented mining claims in or about Section 18, Township 35 North, Range 51 East, MDB&M:

Eureka County  
Certificate of Location  
Recordation Data

<u>Name of Claim</u>	<u>Book</u>	<u>Page</u>	<u>BLM#</u>
Golden Boy No. 1	2	394	NMC92092
Golden Boy No. 2	2	121	NMC92093
Golden Boy No. 3	2	122	NMC92094
Golden Boy No. 4	2	123	NMC92095
Golden Boy No. 5	2	124	NMC92096
Golden Boy No. 13	2	132	NMC92097
Golden Boy No. 14	2	133	NMC92098
Golden Boy No. 15	2	134	NMC92099
Golden Boy No. 16	2	135	NMC92100
Golden Boy No. 17	2	136	NMC92101
Golden Boy No. 18	2	137	NMC92102

The Farley's address is:

Robert L. Farley  
4916 Allamer Drive  
Boise, Idaho 83704

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*Barrick Goldstrike Mine, Inc.*  
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OFFICIAL RECORDS  
EUREKA COUNTY, NEVADA  
MIN. DEPT. FILE NO. 115994  
FEE \$ 7.00

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