

EXTENSION OF MINING LEASE

This Agreement is made this 10<sup>th</sup> day of October, 1986, by and between BUCKHORN MINES COMPANY, a Nevada corporation, and HENNES-WESTEX CORPORATION, a Nevada corporation (hereinafter collectively referred to as "Lessor"), and BAR RESOURCES, INC., a Nevada corporation (hereinafter referred to as "Lessee").

W I T N E S S E T H:

WHEREAS, the parties are Lessor and Lessee respectively under a Mining Lease entered into the 15th day of January, 1979, and

WHEREAS, said Mining Lease has a termination date of August 1, 1999, unless sooner forfeited or terminated as herein provided, and

WHEREAS, by Agreement dated December 29, 1981, Hennes-Westex Corporation did sell and assign their entire interest in said Mining Lease to Herbert Kuglmeier, and

WHEREAS, the successor in interest to Lessee is COMINCO AMERICAN INCORPORATED, and

WHEREAS, the parties desire to extend the term of said Lease as hereinafter provided,

NOW, THEREFORE, for and in consideration of the mutual benefits to be gained by each, the parties do hereby agree as follows:

1. Unless sooner forfeited or terminated as provided in the original Mining Lease, dated January 15, 1979, and, further, provided that Lessee has expended a minimum sum of

*vc: D. Sandoz 2/2/88*

\$250,000 for exploration activities on properties B or C (outside the boundary of property A) subsequent to the date hereof, but prior to July 31, 1999, the date of termination of said Mining Lease shall be extended to midnight, July 31, 2019, provided that Lessee pays Lessor a minimum annual royalty of \$50,000 during each fiscal year (August 1 through July 31) after July 31, 1999. In the event Lessee fails to pay Lessor the required minimum annual royalty payment of \$50,000 for any such fiscal year after July 31, 1999, this lease shall automatically terminate. In the event Lessee shall, during any such fiscal year after July 31, 1999, pay Lessor a sum as an actual royalty payment which is greater than the required minimum annual royalty payment, Lessee shall not be entitled to credit the amount by which said actual royalty payment exceeds the amount of the required minimum annual royalty payment against the amount which Lessee will be required to make as a minimum annual royalty payment in any subsequent year in order to continue the Mining Lease in full force and effect.

2. If the term of said Mining Lease has been extended as provided in paragraph 1 above, and said Mining Lease remains in effect until July 31, 2019, Lessee shall have the option to continue said Mining Lease in effect from year to year and thereafter so long as Lessee makes said minimum annual royalty payments as required in paragraph 1 above.

3. All other terms and conditions of said Lease dated January 15, 1979, shall remain in full force and effect.

IN WITNESS WHEREOF, this Extension of Mining Lease has been executed on the day and year first above written.

ATTEST:

BUCKHORN MINES COMPANY

Blanche A. Pendell

By Kevin Jennings  
KEVIN JENNINGS, Receiver  
for Buckhorn Mines  
Company

WITNESS:

Donald A. Hart

Herbert Kuglmeier  
HERBERT KUGLMEIER

ATTEST:

[Signature]

BAR RESOURCES INC.

By [Signature]  
President

APPROVED AND ACCEPTED this 10<sup>th</sup> day of June, 1986.

ATTEST:

COMINCO AMERICAN INCORPORATED

[Signature]  
ASSISTANT SECRETARY

By [Signature]  
GEORGE D. TIKKANEN,  
Vice President  
Metals and Exploration



STATE OF NEVADA )  
 ) ss.  
COUNTY OF WASHOE )

On this 25<sup>th</sup> day of February, 1986, before me personally appeared KEVIN JENNINGS to me known to be the Receiver for BUCKHORN MINES COMPANY, the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

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

*Blanche H. Pendill*  
NOTARY PUBLIC



STATE OF ARIZONA )  
 ) ss.  
COUNTY OF PIMA )

On this 14<sup>th</sup> day of March, 1986, before me, the undersigned, a Notary Public in and for the State of Arizona, duly commissioned and sworn personally appeared HERBERT RUGLMEIER to me known to be the individual described in and who executed the foregoing instrument, and acknowledged to me that he signed the said instrument as his free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

My Commission Expires:  
November 30, 1986

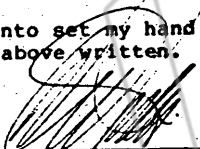

*Lily D. Shapiro*  
NOTARY PUBLIC



PROVINCE OF BRITISH )  
STATE OF COLUMBIA )  
COUNTY OF VANCOUVER ) ss.

On this 22 day of SEPTEMBER, 1986, before me personally appeared EVAN KOLBANSKI to me known to be the President of BAR RESOURCES INC., the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

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


  
NOTARY PUBLIC  


STATE OF WASHINGTON )  
COUNTY OF SPOKANE ) ss.

On this 10<sup>th</sup> day of October, 1986, before me personally appeared G.D. TIKKANEN to me known to be the Vice President, Metals and Exploration of COMINCO AMERICAN INCORPORATED, the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

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

  
NOTARY PUBLIC

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