

128507

MEMORANDUM OF MINING LEASE WITH OPTION TO PURCHASE

This Memorandum of Mining Lease with Option to Purchase is made and entered into this 15th day of June, 1989, by and between Leo G. and Mary C. Damele, husband and wife, and James E. and Vera L. Baumann, husband and wife, (hereinafter "Lessor") and Cortez Gold Mines (hereinafter known as "Lessee.")

W I T N E S S E T H:

WHEREAS, Lessors have executed and delivered to Lessee a certain Mining Lease with Option to Purchase of even date herewith (hereinafter the "Lease"); and

WHEREAS, pursuant to the terms of the Lease, Lessor has granted, demised, leased and let exclusively unto the Lessee with a sole and exclusive option to purchase all of those certain patented mining claims (hereinafter the "Property") located in County of Eureka, State of Nevada, as more fully described in Exhibit "A", attached hereto and incorporated herein, together with all mines, ores, minerals and mineral substances of every kind and character whatsoever in, on or under the Property.

WHEREAS, the Lease provides for a term of six (6) years from the date hereof, or until sooner terminated pursuant to the terms of the Lease.

WHEREAS, Lessor has granted unto Lessee the sole and exclusive right to purchase the Property at any time during the term of the Lease upon notice to Lessor.

WHEREAS, it is the desire of Lessor and Lessee to execute this Memorandum of Mining Lease with Option to Purchase for the purpose of recordation in the records of the County Recorder of Eureka, State of Nevada, in order to provide notice all persons of the existence of the Lease and the rights, privileges and estates of Lessee thereunder.

NOW, THEREFORE, for and in consideration of the mutual covenants contained in the Lease and the sum of Ten Dollars (\$10.00) and other good and valuable consideration, cash in hand paid, by Lessee to Lessor, the receipt and sufficiency of which is hereby acknowledged, Lessor does hereby adopt, ratify and confirm the Lease and all of its terms and provisions, and does hereby grant, demise, lease and let The Property unto Lessee, which terms and provisions are incorporated herein by reference as if fully and completely set forth herein. Lessor declares that the Lease and all of its terms and provisions are binding upon it and that the

Lease is a valid and subsisting mining lease according to its terms.

For purposes of the Lease and this Memorandum of Lease, the addresses of the parties are:

If to Lessor: Leo G. and Mary C. Damele
P.O. Box 461
Eureka, NV 89316

James E. and Vera L. Baumann
P.O. Box 308
Eureka, NV 89316

If to Lessee: Placer Dome U. S. Inc.
240 South Rock Blvd., Suite 117
Reno, Nevada 89502
Attention: Land/Legal Manager

Should any person have any questions or desire any information regarding the Lease, said questions or inquiry should be directed to Lessee at the following address:

Cortez Gold Mines
By Placer Dome U.S. Inc.,
Managing Co-Venturer
240 South Rock Blvd., Suite 117
Reno, Nevada 89502
Attention: Land/Legal Manager

IN WITNESS WHEREOF, this Memorandum of Mining Lease with Option to Purchase is executed and effective as of the date first above written.

LESSOR:

Leo G. Damele
Leo G. Damele

Mary C. Damele
Mary C. Damele

James E. Baumann
James E. Baumann

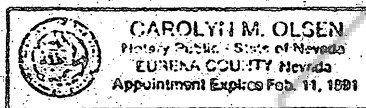
Vera L. Baumann
Vera L. Baumann

LESSEE: Cortez Gold Mines
By Placer Dome U.S. Inc.,
Managing Co-Venturer

By C.E.M. McFarland
C.E. McFarland, President

STATE OF Nevada)
) ss.
COUNTY OF Eureka)

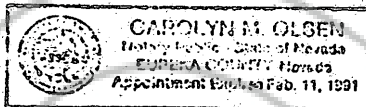
On the 29th day of June, 1989, personally
appeared before me, a Notary Public, James G. Harrison, who
acknowledged that he executed the above Memorandum of Mining Lease
with Option to Purchase.



Carolyn M. Olsen
NOTARY PUBLIC

STATE OF Nevada)
) ss.
COUNTY OF Eureka)

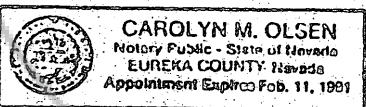
On the 29th day of June, 1989, personally
appeared before me, a Notary Public, James G. Harrison, who
acknowledged that he executed the above Memorandum of Mining Lease
with Option to Purchase.



Carolyn M. Olsen
NOTARY PUBLIC

STATE OF Nevada)
) ss.
COUNTY OF Eureka)

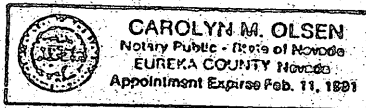
On the 28th day of June, 1989, personally
appeared before me, a Notary Public, James G. Harrison who
acknowledged that he executed the above Memorandum of Mining Lease
with Option to Purchase.



Carolyn M. Olsen
NOTARY PUBLIC

STATE OF Nevada)
) ss.
COUNTY OF Eureka)

On the 7th day of June, 1989, personally appeared before me, a Notary Public, Vera J. Baumgardner who acknowledged that he executed the above Memorandum of Mining Lease with Option to Purchase.



Carolyn M. Olsen
NOTARY PUBLIC

STATE OF CALIFORNIA)
) ss.
CITY AND COUNTY OF SAN FRANCISCO)

On the 6th day of JULY, 1989, personally appeared before me, the undersigned, a Notary Public, C.E. MCFARLAND, President, who acknowledged that he executed the above Memorandum of Lease with Option to Purchase in his capacity as President, PLACER DOME U. S. INC., MANAGING CO-VENTURER CORTEZ GOLD MINES as indicated above, on behalf of said corporation and that the corporation executed the above Memorandum of Mining Lease with Option to Purchase.



Barbara E. DePaul
NOTARY PUBLIC

EXHIBIT "A"

THE PROPERTY

Unsurveyed T27N, R48E, Eureka County, Nevada.

Unpatented Lode
Claim Name

BLM Serial No.

Blue Man
Blue Boy 1
Blue Boy 2
Blue Boy 3

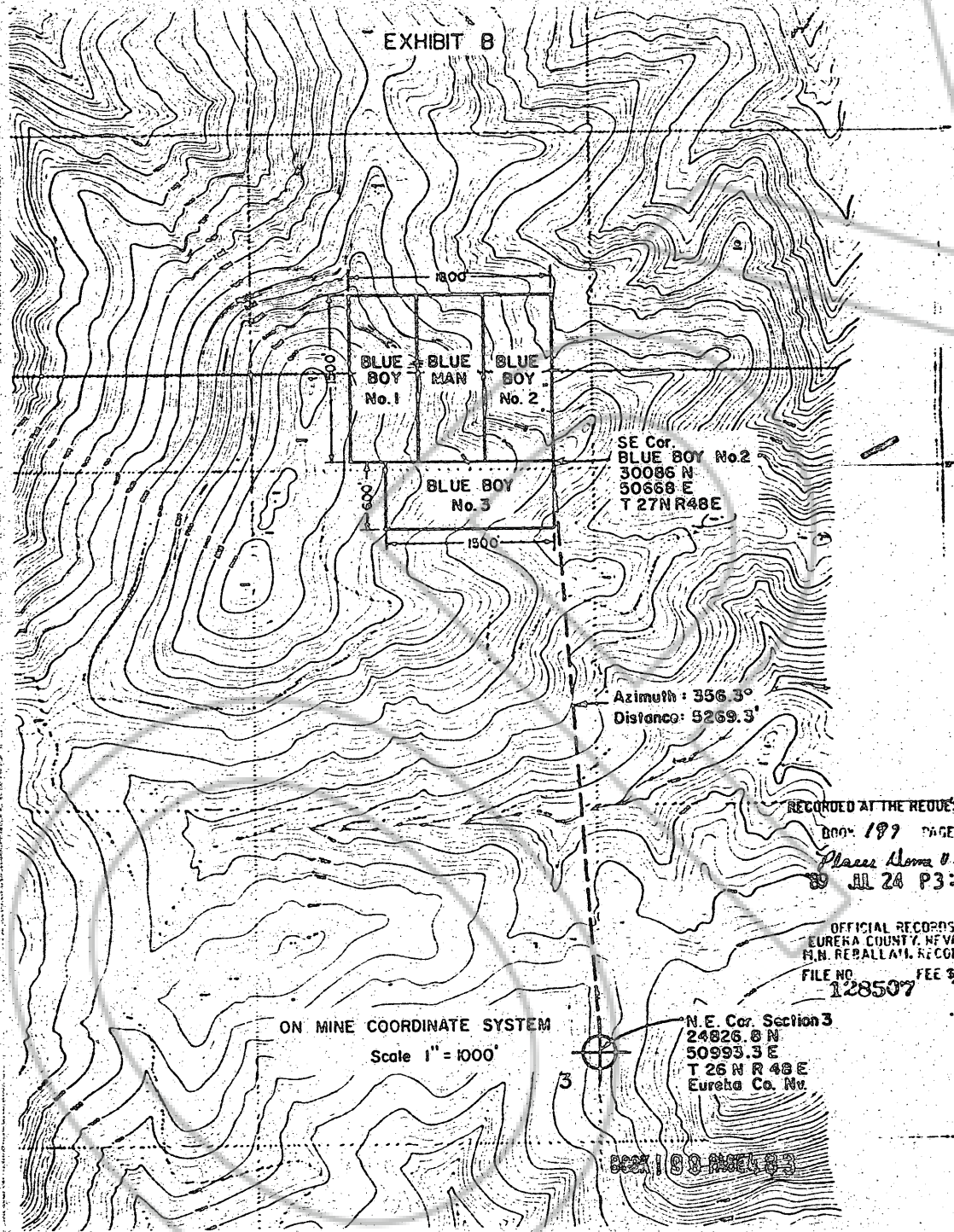
NMC 84279
NMC 84280
NMC 84281
NMC 84282

Exhibit "A" to Mining Lease with Option to Purchase and Memorandum of Mining Lease with Option to Purchase by and between LEO G. DAMELE and MARY L. DAMELE, husband and wife, and JAMES E. and VERA L. BAUMAN, husband and wife, and CORTEZ GOLD MINES.

1. of 1.

DEC 1 90 PAGE 4 02

EXHIBIT B



SE Cor.
BLUE BOY No. 2
30086 N
50668 E
T 27N R 48E

Azimuth: 356.3°
Distance: 5269.3'

RECORDED AT THE REQUEST OF
BOOK 187 PAGE 47g
Placer Nevada U.S.L.
89 JUL 24 P3:43

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.H. REBALLATI, RECORDER
FILE NO. 128507 FEE 3/6-

ON MINE COORDINATE SYSTEM
Scale 1" = 1000'

N.E. Cor. Section 3
24826.8 N
50993.3 E
T 26 N R 48 E
Eureka Co. Nev.

883198-1861-83