

MEMORANDUM OF MINING LEASE WITH OPTION TO PURCHASE

This Memorandum of Mining Lease with Option to Purchase is made and entered into this 1st day of May, 1989, by and between, Lucia Jones, ~~and~~ woman, and Charles and Patricia Damele, husband and wife, (herein known as "Lessor") and Cortez Gold Mines by Placer Dome U.S. Inc., Managing Co-Venturer (herein 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 unpatented 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 twenty (20) years from the date hereof, and for so long thereafter as minerals are being mined on The Property or in the vicinity of The Property as provided in the Lease 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

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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: Lucia Jones
6680 Canoe Drive
Sparks, NV 89436

Charles and Patricia J. Damele
Waysack
Elko, NV 89801

If to Lessee: 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

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:

Lucia Jones
Lucia Jones

Charles Damele
Charles Damele

Patricia Damele
Patricia Damele

RECEIVED
JUN 30 1968
BUREAU OF LAND MANAGEMENT
DENVER, COLORADO

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

By C.E. McFarland
C.E. McFarland
President

STATE OF Nevada)
COUNTY OF ~~Washoe~~ WASHOE) ss.

On the 23rd day of June, 1989, personally
appeared before me, a Notary Public, Lucia Jones, who
acknowledged that he executed the above Memorandum of Mining Lease
with Option to Purchase.

Rita E. Wood
NOTARY PUBLIC
RITA E. WOOD
Notary Public - State of Nevada
Carson City County
My appointment expires Sep. 12, 1991

STATE OF Nevada)
COUNTY OF Eureka Euko) ss.

On the 14th day of June, 1987, personally
appeared before me, a Notary Public, Charles Danale, who
acknowledged that he executed the above Memorandum of Mining Lease
with Option to Purchase.

Lynda Demaline
NOTARY PUBLIC
LYNDA DEMALINE
Notary Public - State of Nevada
Elko County, Nevada
My appointment expires Feb. 22, 1993

STATE OF Nevada)
COUNTY OF Eureka Euko) ss.

On the 14th day of June, 1987, personally
appeared before me, a Notary Public, Charles Danale, who
acknowledged that he executed the above Memorandum of Mining Lease
with Option to Purchase.

Lynda Demaline
NOTARY PUBLIC

3. Lynda Demaline
LYNDA DEMALINE
Notary Public - State of Nevada
Elko County, Nevada
My appointment expires Feb. 22, 1993

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NOTARY PUBLIC

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STATE OF Nevada)
) ss.
COUNTY OF Eureka)

On the ____ day of _____, 198__, personally appeared before me, a Notary Public, _____, who acknowledged that he executed the above Memorandum of Mining Lease with Option to Purchase.

NOTARY PUBLIC

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

On the 8th day of AUGUST, 1989, personally appeared before me, the undersigned, a Notary Public, C.E. MCFARLAND, who acknowledged that he executed the above Memorandum of Lease with Option to Purchase in his capacity as President, of CORTEZ GOLD MINES BY PLACER DOME U. S. INC., MANAGING CO-VENTURER as indicated above, on behalf of said corporation and that the corporation executed the above Memorandum of Mining Lease with Option to Purchase.



[Signature]
NOTARY PUBLIC

NEVADA STATE OFFICE

89 JUN 30 3:59

NOTARY PUBLIC

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EXHIBIT "A"

"THE PROPERTY"

Unsurveyed T27N, R48E, Eureka County, Nevada.

Unpatented Lode Mining Claims

Nevada BLM Serial No.

Blue Lew
Blue Lew 2

NMC 26685
NMC 26686

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NEVADA STATE OFFICE

RECORDED AT THE REQUEST OF

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Placer Dome U.S. Inc.
89 JUN 28 AM 105

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.M. REBALEATI, RECORDER
FILE NO. FEE \$ 9.00

129173

Exhibit "A" to Mining Lease with Option to Purchase and Memorandum of Mining Lease with Option to Purchase dated March 1, 1989 by and between LUCIA JONES, a single woman, and CHARLES AND PATRICIA DAMELE, husband and wife, and CORTEZ GOLD MINES BY PLACER DOME U.S. INC. MANAGING CO-VENTURER

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