

10-0012
MAILED AT THE REQUEST OF
RETURN TO:
Minerals Corporation
Lease Records
27019
Albuquerque, NM 87125

BK340PG273

131065

MINERALS LEASE

This Minerals Lease is dated and effective as of the 1st day of September, 1989 ("Effective Date") by and between Santa Fe Pacific Realty Corporation, successor by merger to Southern Pacific Land Company, ("Lessor") and SFP Minerals Corporation ("Lessee").

In consideration of the promises stated below Lessor and Lessee agree to the provisions of this Minerals Lease.

Article 1.(a) Grant. Lessor leases to Lessee for the term all of the Property described on Annex A, which is attached to and a part of this Minerals Lease, for the purposes of exploring for, developing, mining, recovering, processing, transporting and otherwise using, enjoying and exploiting Minerals and to use so much of the surface of the Property as necessary for mining, construction of plants or machinery or other structures incidental to mining and storage of waste or other material resulting from the normal and customary use of the Property for mining purposes. Minerals shall mean all naturally occurring substances and materials located at or below the surface of the land which have value when removed from the earth except Excluded Substances. Excluded Substances shall mean bed, bank and bar placer deposits commonly known as wet stream placers; common varieties of construction materials such as rock, sand and gravel (except Lessee may use amounts of these construction materials necessary and incidental to the rights granted to Lessee hereunder); geothermal steam,

liquids or brines; oil and gas and all other hydrocarbons except coal, whether in gaseous or liquid form; sulfur produced in association with such hydrocarbons and carbon dioxide.

(b) Qualification. Lessee's rights under this Minerals Lease shall be subject to and qualified by

- (i) all leases, contracts, deeds and other instruments in effect on the Effective Date to the extent they affect any portion of the Property;
- (ii) all restrictions and limitations on Lessor's ownership of Minerals existing on the Effective Date; and
- (iii) Lessor's reserved right to manage and enjoy the surface of the Property in a manner that does not unreasonably interfere with or impede Lessee's rights with respect to Minerals and the Surface of the Property as more specifically set forth in Article 1(a) of this Minerals Lease.

Article 2. Duration. The Term shall extend from the Effective Date for a period of 25 years and for so long thereafter as Lessee continues to exercise the rights granted in Article 1(a) on any portion of the Property, which exercise shall be sufficient to keep this Minerals Lease in effect as to the whole Property.

Article 3. Surface Disturbance. In the event Lessee damages or destroys merchantable trees or crops growing on the surface of the Property or structures or facilities located on the surface of the Property, Lessee shall compensate Lessor the cost of the damage or destruction to such trees, crops, structures or facilities.

Lessee shall not be liable to Lessor for damage or destruction of the surface of the Property or of any surface or underground water sources on the Property. Lessor consents to Lessee's recovery of Minerals by all mining methods now or hereafter known including all surface methods.

Article 4. Taxes. Lessee shall pay all taxes imposed upon the Property as a result of Lessee's activities in exploiting Minerals on the Property. Lessee may contest the assessment of any such tax in accordance with law and may withhold payment of any contested tax pending the outcome of the contest.

Article 5. Subleasing and Assignment. Lessee shall notify Lessor not less than 30 days in advance of any sublease or assignment of this Minerals Lease, in whole or part, to any person, except that Lessee may assign or sublease this Minerals Lease, in whole or part, to any affiliate of Lessee at Lessee's discretion. An affiliate of Lessee shall mean any corporation which is a direct or indirect parent or subsidiary of Lessee or is under common ownership of Lessee or any entity which Lessee controls by ownership of interests or securities, by contract or by other legal or equitable means.

Article 6. Subsequent Instruments. Lessor shall make all deeds, contracts, leases, licenses, easements and other instruments which transfer rights in or to any portion of the surface of the property expressly subject to Lessee's rights under this Minerals Lease.

Article 7. Legal Compliance. Lessee shall comply with all constitutions, statutes, regulations, rules, orders, decisions, ordinances and other acts of governmental authorities with valid jurisdiction over the Property or Lessee's activities on the property.

Article 8. Surrender. At any time Lessee may surrender any portion of the Property to Lessor and thereby terminate its rights and obligations under this Minerals Lease in the portion of the Property surrendered, except any such obligations arising out of laws relating to environmental protection and reclamation.

Article 9. Recordation. A memorandum of this Minerals Lease shall be recorded by Lessee in the land records of each county where the Property is located.

Article 10. Successors and Assigns. This Minerals Lease shall be binding upon and inure to the benefit of all successors and assigns of Lessor and Lessee.

Article 11. Property Revenues. During the Term Lessee shall receive the revenues otherwise payable to Lessor from all leases, licenses, contracts and agreements on the Property for which the sole purpose is mining, mineral prospecting, or any mining or hard mineral related endeavor.

Article 12. Indemnification.

(a) Lessee shall release, indemnify and defend Lessor from and against all liability, cost and expense (including, without limitation, attorney's fees in addition to costs of suit

and judgment) for loss of or damage to any property or loss of the use thereof or for injury to or death of any person when arising or resulting from:

- (i) the use of the Property by Lessee, its assigns, agents, employees, or invitees, or
- (ii) Lessee's breach of any provision of this Lease, whether or not caused or contributed to by the negligence, active or passive or otherwise, of Lessor, its employees, agents, invitees or any other person.

(b) Lessee shall, at its expense, comply with all applicable laws, regulations, rules and orders, regardless of when they become or became effective, including without limitation those relating to health, safety, noise, environmental protection, waste disposal, and water and air quality, and furnish satisfactory evidence of such compliance to Lessor upon request.

Lessee shall indemnify, hold harmless and defend Lessor against all liability, cost and expense (including, without limitation, attorney's fees) incurred by Lessor as a result of Lessee's breach of this Article 12 or as a result of any discharge, leakage, spillage, emission or pollution due to Lessee's use and occupancy, regardless of whether such liability, cost or expense arises during or after the Term, unless such liability, cost or expense is proximately caused solely by the active negligence of Lessor.

(c) "Lessor", as used in this Article 12 includes Lessor, its subsidiaries, successors, affiliates, Santa Fe Pacific

EK340PG278

Corporation, its subsidiaries, affiliates, successors and assigns,
and any railroad company operating on any tract adjacent or through
the Property. Lessee shall pay all amounts due Lessor under this
Article within 10 days after any such amounts become due.

SANTA FE PACIFIC REALTY CORPORATION

By [Signature]

Its President and Chief Executive Officer

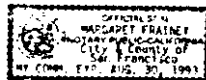
SFP MINERALS CORPORATION

By [Signature]
Vice President

BK340PG279

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

The foregoing instrument was acknowledged before me this
7th day of December, 1989, by Vernon B. Schwartz,
President and Chief Executive Officer of SANTA FE PACIFIC REALTY
CORPORATION, a Delaware corporation, on behalf of said
corporation.



My Commission Expires:

8-30-93

Margaret Frainer
Notary Public

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

The foregoing instrument was acknowledged before me this
22nd day of November, 1989 by P. M. James,
Vice President of SFP MINERALS CORPORATION, a Delaware corporation,
on behalf of said corporation.

My Commission Expires:

9-19-93

Lawrence P. Young
Notary Public

NOTARY PUBLIC, STATE OF NEW MEXICO
MY COMMISSION EXPIRES 9-17-93

BOOK 207 PAGE 071

BK340FG280

ANNEX A

Section	Description	Acres	County
Township 33 North, Range 44 East			
35	S/2	320.00	Elko
Township 37 North, Range 44 East			
11	All	640.00	Elko
15	All	640.00	Elko
23	N/2, SW/4	480.00	Elko
25	NE/4, S/2	480.00	Elko
27	All	640.00	Elko
Township 35 North, Range 44 East			
1	All	641.62	Elko
3	N/2, SW/4	483.14	Elko
11	NE/4, S/2	480.00	Elko
13	All	640.00	Lander/Elko
15	NE/4, S/2	480.00	Lander/Elko
23	All	640.00	Lander
25	All	640.00	Lander
27	All	640.00	Lander
35	All	640.00	Lander
Township 35 North, Range 44 East			
1	All	642.62	Lander
3	All	644.98	Lander/Humboldt
11	All	640.00	Lander
13	All	640.00	Lander
15	All	640.00	Lander/Humboldt
23	All	640.00	Lander
25	All	640.00	Lander
27	All	640.00	Lander/Humboldt
35	All	640.00	Lander
Township 34 North, Range 44 East			
1	All	642.78	Lander
3	All	645.14	Lander/Humboldt
11	All	640.00	Lander
13	All	640.00	Lander
15	All	640.00	Lander/Humboldt
23	All	640.00	Lander
25	All	640.00	Lander
27	All, except 13.57 acs. in WP RR	626.43	Lander/Humboldt

BOOK 207 PAGE 072

Section	Description	Acres	County
Township 34 North, Range 44 East (Continued)			
35	All, except 19.48 acs. in WP RR	620.52	Lander
Township 33 North, Range 44 East			
1	All, except 21.58 acs. in WP RR	619.79	Lander
3	NE/4, E/2 NW/4, N/2 SE/4, SE/4 SE/4	361.37	Lander
11	All	640.00	Lander
13	All	640.00	Lander
Township 37 North, Range 45 East			
19	W/2	304.12	Elko
31	All	629.96	Elko
Township 36 North, Range 45 East			
3	S/2	320.00	Elko
5	All	641.36	Elko
7	All	633.04	Elko
9	All	640.00	Elko
15	All	640.00	Elko/Lander
17	All	640.00	Elko/Lander
19	All	635.80	Lander
21	All	640.00	Lander
23	All	640.00	Lander
25	All	640.00	Lander
27	All	640.00	Lander
29	All	640.00	Lander
31	All	640.00	Lander
33	All	640.00	Lander
35	All	640.00	Lander
Township 35 North, Range 45 East			
1	All	644.50	Lander
3	All	643.68	Lander
5	All	644.10	Lander
7	All	616.86	Lander
9	N/2, SW/4, NW/4 SE/4	520.00	Lander
11	All	640.00	Lander
13	All	640.00	Lander
15	All	640.00	Lander
17	All	640.00	Lander
19	All	618.58	Lander
21	All	640.00	Lander

BK340FG282

Section	Description	Acres	County
Township 35 North, Range 45 East (Continued)			
23	All	640.00	Lander
25	All	640.00	Lander
27	All	640.00	Lander
29	All	640.00	Lander
31	All	620.24	Lander
33	All	640.00	Lander
35	All	640.00	Lander
Township 34 North, Range 45 East			
1	All	709.60	Lander
3	All	641.49	Lander
5	All	642.26	Lander
7	All	621.78	Lander
9	All	640.00	Lander
11	All	650.24	Lander
13	All	674.40	Lander
15	All	640.00	Lander
17	All	640.00	Lander
19	All	621.82	Lander
21	All	640.00	Lander
23	All	640.00	Lander
25	All	675.52	Lander
27	All	641.92	Lander
29	All	640.00	Lander
31	All	624.42	Lander
33	All	644.00	Lander
35	All	640.00	Lander
Township 33 North, Range 45 East			
1	All	640.00	Lander
3	All	640.00	Lander
9	SE/4, N/2	501.28	Lander
11	N/2, W/2 SW/4	400.00	Lander
13	All	650.60	Lander
23	W/2, N/2 NE/4, NW/4 SE/4, S/2 SE/4	520.00	Lander
25	NW/4 NW/4, S/2 NE/4, NE/4 NE/4, S/2	480.00	Lander
27	N/2, SE/4 exc. 36.01 acs. in WP RR	447.80	Lander
35	N/2, SE/4 exc. 30.97 acs. in WP RR	198.78	Lander

BOOK 207 PAGE 074

BK340PG283

Section	Description	Acres	County
Township 36 North, Range 46 East			
29	S/2	320.00	Lander
31	All	638.69	Lander
33	All	640.00	Lander
35	All	640.00	Lander
Township 35 North, Range 46 East			
1	All	644.00	Lander
3	All	644.18	Lander
5	All	678.48	Lander
7	All	601.08	Lander
9	All	640.00	Lander
11	All	640.00	Lander
13	All	640.00	Lander
15	All	640.00	Lander
17	All	640.00	Lander
19	All	598.84	Lander
21	All	651.33	Lander
23	All	640.00	Lander
25	All	640.00	Lander
27	All	640.00	Lander
29	All	640.00	Lander
31	All	607.65	Lander
33	All	640.00	Lander
35	All	640.00	Lander
Township 36 North, Range 47 East			
23	S/2	320.00	Lander
27	All	640.00	Lander
29	S/2	320.00	Lander
31	All	639.84	Lander
33	All	640.00	Lander
35	All	640.00	Lander
Township 35 North, Range 47 East			
3	All	691.32	Lander
5	All	642.40	Lander
7	All	617.30	Lander
9	All	651.00	Lander
11	All	640.00	Lander
13	All	640.00	Lander
15	All	640.00	Lander
17	All	640.00	Lander
19	All	668.95	Lander
21	All	640.00	Lander
23	All	640.00	Lander
27	All	640.00	Lander

BOOK 207 PAGE 075

BK 340 PG 284

Section	Description	Acres	County
Township 35 North, Range 47 East (Continued)			
29	All	640.00	Lander
31	All	672.96	Lander
33	All	640.00	Lander
35	All	640.00	Lander
Township 32 North, Range 47 East			
1	S/2, except 7.17 acs. in SP R/W	312.63	Lander
11	All	691.28	Lander
13	All	640.00	Lander
23	All	640.00	Lander
25	All	640.00	Lander
35	All	640.00	Lander
Township 35 North, Range 48 East			
13	All	574.09	Eureka
23	All	559.32	Eureka
Township 34 North, Range 48 East			
3	NW/4	160.93	Eureka
5	SE/4	160.00	Eureka
Township 33 North, Range 48 East			
35	W/2	317.68	Eureka
Township 32 North, Range 48 East			
1	W/2 NE/4, W/2 exc. 25.89 acs. in R/W	375.78	Eureka
11	All	640.00	Eureka
13	NW/4 NE/4, W/2 SW/4, N/2 NW/4, SW/4 NW/4	240.00	Eureka
23	All, exc. E/2 SE/4	560.00	Eureka

RECORDED AT THE REQUEST OF

BOOK 207 PAGE 045

*N SP Minerals
Corporation*

90 JAN 10 PM 16
OFFICIAL RECORD
EUREKA COUNTY, CALIF.
FILE NO. 131065

162859

5

BOOK 207 PAGE 076

OFFICIAL RECORD
EUREKA COUNTY, CALIF.
RECORDED AT THE REQUEST OF
N SP Minerals Corporation
09 DEC 19 PM 15

RAYLE K. LAGG
RECORDER

FEE 16⁰⁰ REC *Inf*