

131115

MEMORANDUM OF LEASE AND OPTION AGREEMENT

THIS MEMORANDUM, dated as of the 10 day of November, 1989, discloses of record that for the term and on the terms and conditions of that certain Lease and Option Agreement of even date herewith whereby SAM BIDA and NEVA F. BIDA, husband and wife, 2160 Crawford Street, Ely, Nevada 89310, and LEON BELAUSTEGUI and VELMA BELAUSTEGUI, husband and wife, Post Office Box 399, Battle Mountain, Nevada 89820, referred to as "Lessors" and/or "Sellers", lease and do hereby lease, for good and valuable consideration, to PHELPS DODGE MINING COMPANY, a division of Phelps Dodge Corporation, a New York corporation, 2600 North Central Avenue, Phoenix, Arizona 85004-3014, referred to as "Lessee" and/or "Purchaser", those certain unpatented mining claims described in Exhibit "A" hereto and incorporated herein.

Lessee has been and hereby is granted the exclusive and irrevocable option to purchase the Subject Premises on the terms and conditions of the Lease and Option Agreement.

The term of the Lease and Option Agreement is for a thirteen (13) year period, commencing on the date hereof, and so long thereafter as ores, minerals or materials from the Subject Premises are being mined, processed or marketed on a continuing basis.

The Lessee, under the terms of the Lease and Option Agreement, shall have the exclusive right to enter upon the property to explore for, develop, mine, remove and sell or remove for testing purposes and may erect and maintain buildings thereon, and such use is to continue through the term of the Lease and Option Agreement without further consideration, except as set forth in said Lease and Option Agreement. All of the terms and conditions of the Lease and Option Agreement are incorporated herein and made a part hereof as if set forth in full, and the consideration for such is recited therein.

A copy of the complete Lease and Option Agreement shall be available for inspection by interested and qualified persons at the offices of Lessors' and/or Sellers' counsel:

THOMAS L. BELAUSTEGUI, ESQ.
Robison, Belaustegui, Robb & Sharp
71 Washington Street
Reno, Nevada 89503.

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See BK 218 Pg 239 for
Belaustegui, Robb & Sharp

IN WITNESS WHEREOF, the parties hereto have hereunto
set their hands as of the day and year first above written.

LESSORS:

Sam Bida
SAM BIDA

Neva F. Bida
NEVA F. BIDA

Leon Belautegui
LEON BELAUSTEGUI

Velma Belautegui
VELMA BELAUSTEGUI

LESSEE:

PHELPS DODGE MINING COMPANY,
a division of Phelps Dodge
Corporation, a New York corporation

By: [Signature]
Its: Vice President - Exploration

STATE OF NEVADA)

COUNTY OF White Pine) ss:

On this 10th day of November, 1989, personally
appeared before me, a Notary Public, SAM BIDA and NEVA F. BIDA,
personally known to me to be the persons who executed the above
instrument, and acknowledged to me that they executed the same
for the purposes therein stated.

Carol R. Fielding
NOTARY PUBLIC



STATE OF NEVADA)
) ss.
COUNTY OF Lander)

On this 14th day of November, 1989, personally appeared before me, a Notary Public, LEON BELAUSTEGUI and VELMA BELAUSTEGUI, personally known to me to be the persons who executed the above instrument, and acknowledged to me that they executed the same for the purposes therein stated.

Mary M. Crummin
NOTARY PUBLIC

STATE OF Arizona)
) ss.
COUNTY OF Maricopa)

On this 29th day of November, 1989, personally appeared before me, a Notary Public in and for said County and State, A. J. Lawrence, known to me to be the Vice President of PHELPS DODGE MINING COMPANY, a division of Phelps Dodge Corporation, a New York corporation; that he executed the foregoing instrument, and upon oath, did depose that he is the Vice President of said corporation as above designated; that he is acquainted with the corporate seal of said corporation; that the signature affixed to said instrument was made by himself as Vice President of said corporation as indicated after said signature; that he executed the said instrument on behalf of PHELPS DODGE MINING COMPANY freely and voluntarily and for the uses and purposes therein mentioned.

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

Deborah Pollock
NOTARY PUBLIC
My Commission Expires Aug. 31, 1991



EXHIBIT "A"

UNPATENTED MINING CLAIMS LOCATED IN
EUREKA COUNTY, NEVADA

<u>Claim Name</u>	<u>Book</u>	<u>Page</u>	<u>NMC No.</u>
Mill No. 1	096	599	210967
Mill No. 1A	096	600	210968
Mill No. 1B	097	601	210969
Mill No. 1C	097	602	210970
Mill No. 1D	097	603	210971
Mill No. 2	097	604	210972
Mill No. 3	097	605	210973
Mill No. 4	097	606	210974
Mill No. 5	097	607	210975
Mill No. 6	097	608	210976
Mill No. 7A	097	609	210977
Mill No. 7B	097	610	210978
Mill No. 7C	097	611	210979
Mill No. 7D	097	612	210980
Mill No. 7E	097	613	210981
Mill No. 7F	097	614	210982
Mill No. 8	097	615	210983
Mill No. 9	097	616	210984
Mill No. 21	097	617	210985
Mill No. 22	097	618	210986

OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
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Philip Dodge
90 JAN 25 AM 37

EUREKA COUNTY, NEVADA
PLN. REALESTATE RECORDS
FILE NO. 131115 FEE \$ 8.00

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