

MEMORANDUM OF MINING LEASE AND SUBLEASE

THIS MEMORANDUM OF MINING LEASE AND SUBLEASE (hereinafter "Memorandum") is to provide notice of the existence of that certain unrecorded Mining Lease and Sublease by and between General Mineral Development Company, whose address is P.O. Box 11856, Reno, Nevada 89510, Attention: Mr. Peter Galli, (hereinafter referred to as "Owner") and Tenneco Minerals Company, a Delaware corporation ("TMC"), whose address is 12136 Bayaud Ave., P. O. Box 281300, Lakewood, Colorado 80228 made effective the 1st day of April, 1990 (the "Lease").

For good and valuable consideration, TMC and Owner entered into the Lease which contains, among others, the following provisions:

1. Property Subject to the Agreement: See Exhibit A attached hereto and by this reference incorporated herein (the "Property");
2. Interest Granted: A grant of an exclusive mining lease and sublease.
3. Term: The term of the Lease shall be for a period of ten (10) years from the effective date of the Lease and TMC may elect to renew for additional ten-year periods and so long thereafter as mining, processing and/or development is in progress (as that term is defined in the Lease) on the Property.

This Memorandum is not a complete summary of the Lease and provisions in this Memorandum shall not be used in interpreting the provisions of the Lease. In the event of any conflict between the provisions of this Memorandum and the provisions of the Lease, the provisions of the Lease shall control.

In witness whereof, TMC and Owner have executed this Memorandum on the 1 day of April, 1990.

GENERAL MINERAL DEVELOPMENT COMPANY

By: Peter E. Galli
Peter E. Galli
Managing General Partner

TENNECO MINERALS COMPANY

By: David R. Delling
David R. Delling, President

TENNECO MINERALS COMPANY
5301 Longley Lane #113
Reno, Nevada 89511

STATE OF COLORADO

COUNTY OF JEFFERSON

On this 6th day of April, 1990, before me appeared DAVID R. DELLING, to me personally known, who being by me duly sworn, did say that he is the President of Tenneco Minerals Company and that the seal affixed to the foregoing instrument is the corporate seal of the corporation and that the instrument was signed in behalf of the corporation by authority of its board of directors, and said David R. Delling acknowledged the instrument to be the free act and deed of the corporation.

Sarah McIntosh
Notary Public

My commission expires on 8/17, 1996.

[S E A L]

STATE OF Nevada

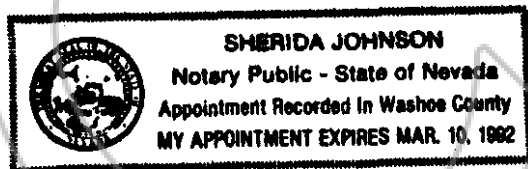
COUNTY OF Washoe

On the 9th day of April, 1990, personally appeared before me PETER E. GALLI, who being by me duly sworn (or affirmed), did say that he is the Managing General Partner of General Mineral Development Company, and that said instrument was signed in behalf of said partnership and said Peter E. Galli acknowledged to me that said partnership executed the same.

Sherida Johnson
Notary Public

My Commission Expires:

Mar. 10, 1992



[S E A L]

TENNECO MINERALS COMPANY
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Reno, Nevada 89511

EXHIBIT A

To that certain ~~Letter of Intent~~ ^{Mining Lease and Sublease} by and between Galli Mineral Associates, aka General Mineral Development Company, and Tenneco Minerals Company, covering the following described parcels.

Parcel I: Mining lease dated 9/28/79 by and between Willis A. DePaoli and Arlene M. DePaoli, husband and wife (Lessors) and Galli Mineral Associates, covering the following described land:

<u>Name of Patented Lode Claims</u>	<u>U.S. Patent #</u>	<u>Survey Lot #</u>
Alexandria	28850	1745
Atlas	1339	81
Bald Eagle	2154	99
Belle	11633	253
Black Eagle	2589	126
Blossom	4619	155
California	4214	180
Chattanooga, Pioneer & Kitty		
Price	11917	252
Connelly	5746	256
Dunderberge	9109	67
Elise	626	61
Eagle's Nest	2588	124
Grey Eagle	2587	125
Home Ticket	4833	207
London	16442	247
Malcolm	21237	315
Silver King	4020	172
Tacoma	879	55
Sunset (1/2 interest only)	4717	205

Unpatented Mining Claims

<u>Claim Name</u>	<u>Book</u>	<u>Page</u>	<u>Date Located</u>	<u>NMC Number</u>
Croesus	46	377	9/29/73	105010

Parcel II: Mining Lease and Purchase Agreement dated 10/20/80 by and between Angelo Tognoni, et al, and Galli Mineral Associates, covering the following described lands:

Unpatented Lode Claim

<u>Claim Name</u>	<u>Book</u>	<u>Page</u>	<u>Date Located</u>	<u>NMC Number</u>
Distinction	0	437	4/1/1850	110030

Parcel III: Mining Lease and Purchase Agreement dated 8/18/80 by and between Hugh Shamberger et al and Galli Mineral Associates, covering the following described lands:

<u>Name of Patented Lode Claims</u>	<u>U.S. Patent #</u>	<u>Survey Lot #</u>
Southern ^{GIANT} Cross Lode	100A	2902
Eureka Grant Lode	146	3661
Tiger Lily Lode	147	3666
Best and Belcher Lode	197	6091

Parcel IV: Mining Lease and Option to Purchase Agreement dated 6/17/81 by and between John L. and Julie M. Cardinalli and General Mineral Development Company, covering the following described lands:

4/5 undivided interest in the following patented mining claims:

<u>Name of Patented Lode Claims</u>	<u>U.S. Patent #</u>	<u>Survey Lot #</u>
Clipper Mining Claim	3508	154
Golden Rule Mining Claim	3943	132

Parcel V: Mining Lease and Option to Purchase Agreement dated 6/17/81 by and between John L. and Julie M. Cardinalli and General Mineral Development Company, covering the following described lands:

<u>Name of Patented Lode Claims</u>	<u>U.S. Patent #</u>	<u>Survey Lot #</u>
Sentinel Mining Claim	11969	305

Parcel VI: Additional patented and unpatented mining claims in T18N, R53E. and T19N, R53E, as described below:

<u>Name of Patented Lode Claims</u>	<u>U.S. Patent #</u>	<u>Survey Lot #</u>
Hamburg		62
Southern Pacific		103
Uncle Sam	3714	63
Helena Mortimer		NMC

<u>Claim Name</u>	<u>Book</u>	<u>Page</u>	<u>Date Located</u>	<u>NMC Number</u>
GEI 1	48	317	5/29/74	81226
GEI 2	48	318	3/24/74	81227
GEI 3	48	319	3/25/74	81228
GEI 4	48	320	3/25/74	81229
GEI 5	48	321	3/25/74	81230
GEI 6	48	322	3/25/74	81231
GEI 7	48	323	3/25/74	81232
GEI 8	48	324	3/25/74	81233
GEI 9	48	325	5/29/74	81234

TENNECO MINERALS COMPANY
5301 Longley Lane #113
Reno, Nevada 89511

<u>Claim Name</u>	<u>Book</u>	<u>Page</u>	<u>Date Located</u>	<u>NMC Number</u>
GEI 10	48	326	3/25/74	81235
GEI 11	48	327	6/6/74	81236
GEI 12	48	328	5/29/74	81237
GEI 13				81238
GEI 14				81239
GEI 16				81240
GEI 17				81241
GEI 18				81242
GEI 19				81243
GEI 20	49	226	5/29/74	81244
GEI 21	49	227	5/29/74	81245
GEI 22	52	248	6/19/74	81246
GEI 23				81247
GEI 24				81248
GEI 25	49	228	5/29/74	81249
GEI 26	49	229	5/29/74	81250
GEI 27	49	230	5/29/74	81251
GEI 28	48	337	6/12/74	81252
GEI 29	48	338	5/29/74	81253
GEI 30	48	339	5/24/74	81254
GEI 31	48	340	5/24/74	81255
GEI 32	48	341	6/1/74	81256
GEI 33	48	342	5/22/74	81257
GEI 34	49	231	5/24/74	81258
GEI 35	49	232	5/24/74	81259
GEI 36	49	233	5/24/74	81260
GEI 37	49	234	6/1/74	81261
GEI 39				81262
GEI 40				81263
GEI 41	52	351	6/19/75	81264
GEI 42	75	366	8/21/79	127439
GEI 43	75	367	8/21/79	127440
GEI 44	75	368	8/21/79	127441
GEI 45	107	194	10/20/76	95256
GEI 46	107	196	10/20/76	95257
GEI 47	107	198	10/20/76	95258
GEI 48	107	200	10/20/76	95259
GEI 49	107	201	10/20/76	95260
GEI 50	107	203	10/20/76	95261
GEI 51	107	205	10/20/76	95262
GEI 52	107	207	10/20/76	95263
GEI 53	87	354	6/30/80	167131
GEI 54	87	355	6/30/80	167132
GEI 55	87	356	6/30/80	167133
GEI 56	87	357	6/30/80	167134
GEI 57	87	358	7/17/80	167135
GEI 58	87	359	7/17/80	167136
GEI 59	87	360	7/17/80	167137
GEI 60	87	361	7/17/80	167138
GEI 61	87	362	7/17/80	167139
GEI 62	87	363	7/25/80	167140

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GEI 63	87	364	7/29/80	167141
			Date	NMC
<u>Claim Name</u>	<u>Book</u>	<u>Page</u>	<u>Located</u>	<u>Number</u>
GEI 64	87	365	7/29/80	167142
GEI 65	87	366	7/29/80	167143
GEI 66	87	367	7/29/80	167144
GEI 67	87	368	7/29/80	167145
GEI 68	87	369	7/29/80	167146
GEI 69	87	370	7/30/80	167147
GEI 70	87	371	7/30/80	167148
GEI 71	87	372	7/30/80	167149
GEI 72	87	373	7/30/80	167150
GEI 73	87	374	7/30/80	167151
GEI 74	87	375	7/30/80	167152
GEI 75	87	376	7/30/80	167153
GEI 76	87	377	7/30/80	167154
GEI 77	87	378	7/30/80	167155
GEI 78	95	528	4/14/81	203305
GEI 79	95	529	4/14/81	203306
GEI 80	95	530	4/14/81	203307
GEI 81	95	531	4/14/81	203308

and any and all other claims located by Galli Mineral Associates or General Mineral Development Company within T18N, R53E, and T19N, R53E, MDBM, Eureka County, Nevada.

Including millsite claims.

NAME OF MILLSITE	BLM NMC NUMBER
Jamie 1 - 6	139066 - 130071
Jamie 7 - 16	154029 - 154101
Patented Millsite	
Southern Pacific Mineral Survey No. 104P & 2094	
Tracts:	
Roslyn Furnace	
Hamburg (Hamburg)	

OFFICIAL RECORDS
RECORDED AT THE REQUEST OF *Tenneco Minerals*

BOOK 209 PAGE 577

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EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEE \$ 10.00

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BOOK 209 PAGE 582