

132429

MEMORANDUMOFROCK CREEKMINING VENTURE AGREEMENT

THIS AGREEMENT made as of March 1, 1990 between WESTERN STATES MINERALS CORPORATION, a Utah corporation ("WSMC") and ECHO BAY EXPLORATION INC., a Delaware corporation ("Echo Bay").

RECITALS

A. The parties are the only Participants in the Rock Creek Venture pursuant to the Rock Creek Venture Agreement dated March 1, 1990, covering the fee-owned lands, unpatented mining claim, mining lease and rights of way described in Part I of Exhibit A.

B. This memorandum is executed for the purpose of affording notice of the existence of the Agreement, the terms and provisions of which are incorporated herein by reference for all purposes. This memorandum is not intended to alter or vary the terms of the Agreement. All capitalized words in this memorandum have the same meaning as assigned to them in the Agreement. Some of the terms and provisions of the Agreement are summarized as follows:

1(a) "Affiliate" means any person, partnership, joint venture, corporation, or other form of enterprise which directly or indirectly controls, is controlled by, or is under common control with a Participant. For purposes of the preceding sentence, "control" means possession, directly or indirectly, of the power to direct or cause direction of management and policies through ownership of voting securities, contract, voting trust, or otherwise.

(b) "Agreement" means the Rock Creek Mining Venture Agreement, including all amendments and modifications hereof, and all schedules and exhibits, which are incorporated therein.

(c) "Area of Interest" means the area described in Part II of Exhibit A.

(d) "Assets" means the Properties, Products, and all other real and personal property, tangible and intangible, held for the benefit of the Participants under the Agreement.

(e) "Participant" and "Participants" mean the persons or entities that from time to time have Participating Interests.

(f) "Participating Interest" means the percentage interest representing the operating ownership interest of a Participant in Assets, and all other rights and obligations arising under the Agreement.

(g) "Products" means all ores, minerals, and mineral resources produced from the Properties under the Agreement.

(h) "Properties" means those interests in real property described in Part I of Exhibit A, and all other interests in real property within the Area of Interest which are acquired and held subject to the Agreement.

(i) "Transfer" means sell, grant, assign, encumber, pledge, or otherwise commit or dispose of.

2. WSMC and Echo Bay entered into the Agreement for the purposes hereinafter stated, and all of their rights and all of the Operations on or in connection with the Properties and the Area of Interest shall be subject to and governed by the Agreement. The name of the Venture is the Rock Creek Venture.

3. The Agreement was entered into for the following purposes and no others, and shall serve as the exclusive means by which the Participants, or either of them, accomplish such purposes:

(a) to conduct Exploration on the Properties and within the Area of Interest,

(b) to acquire additional properties within the Area of Interest,

(c) to evaluate the possible Development of the Properties,

(d) to engage in Development and Mining,

(e) to engage in marketing Products, to the extent permitted by the Agreement,

(f) to perform any other activity necessary, appropriate, or incidental to any of the foregoing.

4. The effective date of the Agreement is the date first recited above. The term of the Agreement shall be for 20 years from the effective date and for so long thereafter as Products are produced from the Properties, unless the Agreement is earlier terminated as provided by it.

5. Nothing contained in the Agreement shall be deemed to constitute either Participant the partner of the other, nor, except as otherwise therein expressly provided, to constitute either Participant the agent or legal representative of the other, nor to create any fiduciary relationship between them. It is not the intention of the Participants to create, nor shall the Agreement be construed to create, any mining, commercial, or other partnership. Neither Participant shall have any authority to act for or to assume any obligation or responsibility on behalf of the other Participant, except as otherwise expressly provided in the Agreement. The rights, duties, obligations, and liabilities of the Participants shall be several and not joint or collective. Each Participant shall be responsible only for its obligations as set forth in the Agreement and shall be liable only for its share of the costs and expenses as provided in the Agreement, it being the express purpose and intention of the Participants that their ownership of Assets and the rights acquired therein shall be as tenants in common.

6. The Participants waive and release all rights of partition, or of sale in lieu thereof, or other division of Assets, including any such rights provided by statute.

7. Except as otherwise provided in the Agreement, neither Participant shall Transfer all or any part of its interest in the Assets or the Agreement or otherwise permit or cause such interests to terminate.

8. The Participants shall have the following initial Participating Interests:

WSMC - 50%
Echo Bay - 50%

A Participant's Participating Interest may be changed in various circumstances as provided in the Agreement.

9. The Participants hold their interests in the Assets as tenants in commons.

10. Upon the reduction of a Participant's Participating Interest to less than 20%, its interest may be converted to a 1-1/2% net smelter return.

11. Each Participant shall take in kind or separately dispose of its share of all Products in accordance with its Participating Interest. Nothing in the Agreement shall be construed as providing, directly or indirectly, for any joint or cooperative marketing or selling of Products or permitting the processing of Products of any parties other than the Participants at any processing facilities constructed by the Participants pursuant to the Agreement. If a Participant fails to take in kind, the Manager shall have the right, but not the obligation, for a period of time consistent with the minimum needs of the industry, but not to exceed one year, to purchase the Participant's share for its own account or to sell such share as agent for the Participant at not less than the prevailing market price in the area. Subject to the terms of any such contracts of sale then outstanding, during any period that the Manager is purchasing or selling a Participant's share of production, the Participant may elect by notice to the Manager to take in kind. The Manager shall be entitled to deduct from proceeds of any sale by it for the account of a Participant reasonable expenses incurred in such a sale.

12. The Agreement shall terminate as expressly provided therein, unless earlier terminated by written agreement.

13. A Participant that withdraws from the Agreement shall not directly or indirectly acquire any interest in property within the Area of Interest for 12 months after the effective date of withdrawal. If a withdrawing Participant, or Affiliate of a withdrawing Participant, breaches that restriction, such Participant or Affiliate shall offer to convey to the non-withdrawing Participant, without cost, any such property or interest so acquired. Such offer shall be made in writing and can be accepted by the non-withdrawing Participant at any time within 45 days after it is received by the non-withdrawing Participant.

14. Any interest or right to acquire any interest in real property within the Area of Interest acquired during the term of the Agreement by or on behalf of a Participant or any Affiliate shall be subject to the terms and provisions of the Agreement.

15. The Management Committee may authorize the Manager to surrender or abandon part or all of the Properties. If the Management Committee authorizes any such surrender or abandonment over the objection of a Participant, the Participant that desires to abandon or surrender shall assign to the objecting Participant, by special warranty deed and without cost to the surrendering Participant, all of the surrendering Participant's interest in the property to be abandoned or surrendered, and the abandoned or surrendered property shall cease to be part of the Properties. If any Properties are abandoned or surrendered under the provisions

of the Agreement, unless the Agreement is earlier terminated, neither Participant nor any Affiliate thereof shall acquire any interest in such Properties or a right to acquire such Properties for a period of 2 years following the date of such abandonment or surrender. If a Participant reacquires any properties in violation of that provision, the other Participant may elect by notice to the reacquiring Participant within 45 days after it has actual notice of such reacquisition, to have such properties made subject to the terms of the Agreement. In the event such an election is made, the reacquired properties shall thereafter be treated as Properties, and the costs of reacquisition shall be borne solely by the reacquiring Participant and shall not be included for purposes of calculating the Participants' respective Participating Interests.

16. A Participant shall have the right to Transfer to any third party all or any part of its interest in or to the Agreement, its Participating Interest, or the Assets solely as provided in the Agreement. The Transfer right of a Participant shall be subject to the following conditions:

(a) No transferee of all or any part of the interest of a Participant in the Agreement, any Participating Interest, or the Assets shall have the rights of a Participant unless and until the transferring Participant has provided to the other Participant notice of the Transfer and, except as provided in Subsections (e) and (f) below, the transferee, as of the effective date of the Transfer, has committed in writing to be bound by the Agreement to the same extent as the transferring Participant.

(b) In the event of a Transfer of less than all of a Participating Interest, the transferring Participant and its transferee shall act and be treated as one Participant.

(c) No Participant shall transfer any interest in the Agreement or the Assets except by Transfer of part or all of its Participating Interest.

(d) If the Transfer is the grant of a security interest by mortgage, deed of trust, pledge, lien, or other encumbrance of any interest in the Agreement, any Participating Interest, or the Assets to secure a loan or other indebtedness of a Participant in a bona fide transaction, such security interest, shall be subordinate to the terms of the Agreement and the rights and interests of the other Participant hereunder. Upon any foreclosure or other enforcement of rights in the security interest the acquiring third party shall be deemed to have assumed the position of the encumbering Participant with respect to the Agreement and the other Participant, and it shall comply with and bound by the terms and conditions of the Agreement.

(e) If a sale or other commitment or disposition of Products or proceeds from the sale of Products by a Participant upon distribution to it pursuant to Article XI of the Agreement creates in a third party a security interest in Products of proceeds therefrom prior to such distribution, such sale, commitment or disposition shall be subject to the terms and conditions of the Agreement.

17. Except as otherwise provided in Section 18, if a Participant desires to Transfer all or any part of its interest in the Agreement, any Participating Interest, or the Assets, the other Participant shall have a preemptive right to acquire such interests as provided in this Section:

(a) A Participant intending to Transfer all or any part of its interest in the Agreement, any Participating Interest, or the Assets shall promptly notify the other Participant of its intentions. The notice shall state the price and all other pertinent terms and conditions of the intended Transfer, and shall be accompanied by a copy of the offer or contract for sale. The other Participant shall have 60 days from the date such notice is delivered to notify the transferring Participant whether it elects to acquire the offered interest at the same price and on the same terms and conditions as set forth in the notice. If it does so elect, the Transfer shall be consummated promptly after notice of such election is delivered to the transferring Participant.

(b) If the other Participant fails to so elect within the period provided for in Subsection (a), the transferring Participant shall have 60 days following the expiration of such period to consummate the Transfer to a third party at a price and on terms no less favorable than those offered by the transferring Participant to the other Participant in the notice required in Section (a).

(c) If the transferring Participant fails to consummate the Transfer to a third party within the period set forth in Section (b), the preemptive right of the other Participant in such offered interest shall be deemed to be revived. Any subsequent proposal to Transfer such interest shall be conducted in accordance with all of the procedures set forth in this Section.

18. The preceding Section 17 shall not apply to the following:

(a) Transfer by a Participant of all or any part of its interest in the Agreement, any Participating Interest, or the Assets to an Affiliate.

(b) Corporate merger, consolidation, amalgamation, or reorganization of a Participant by which the surviving entity shall possess substantially all of the stock, or all of the property rights and interests, and be subject to substantially all of the liabilities and obligations of that Participant.

(c) The grant by a Participant of a security interest in any interest in the Agreement, any Participating Interest, or the Assets by mortgage, deed of trust, pledge, lien, or other encumbrance.

(d) A sale or other commitment or disposition of Products or proceeds from sale of Products by a Participant upon distribution to it pursuant to Article XI of the Agreement.

19. A copy of the Agreement is on file with each Participant, whose addresses are:

Echo Bay Exploration Inc.
370 17th Street, Suite 4050
Denver, CO 80202

Western States Minerals Corporation
4975 Van Gordon Street
Wheat Ridge, CO 80033

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the date first above written.

ATTEST:

WESTERN STATES MINERALS CORPORATION

By: Arden B. Morrow
Arden B. Morrow, President

ATTEST:

ECHO BAY EXPLORATION INC.

By: Neil K. Muncaster
Neil K. Muncaster,
Vice President - Exploration

Colorado
STATE OF NEVADA

City
COUNTY OF *Denair*

)
) ss.
)

On this 30 day of April, 1990, before me, personally appeared Neil K. Muncaster, Vice President of Exploration of Echo Bay Exploration Inc., and acknowledged to me that he executed the above instrument for and on behalf of said corporation.

Barbara Cox

Notary Public

My Commission expires:

8/92

SEAL
Affixed

Colorado
STATE OF NEVADA

COUNTY OF *Jefferson*

)
) ss.
)

On this 1st day of May, 1990, before me, personally appeared Arden B. Morrow, the President of Western States Minerals Corporation, and acknowledged to me that he executed the above instrument for and on behalf of said corporation.

Engrid E. Tronsue

Notary Public

My Commission expires:

1-18-94

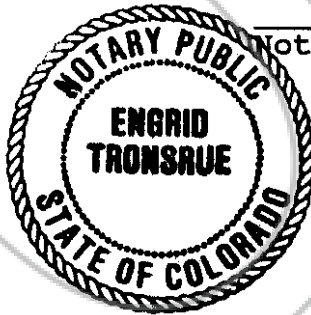


EXHIBIT A
PART I
THE PROPERTIES

COPY

A-1

EXHIBIT A

PART I

THE PROPERTIES

The following lands in Lander and Eureka Counties,
Nevada.

Township 34 North, Range 47 East, Mt. Diablo Base & Meridian

Section 1: All
Section 11: All
Section 13: Lots 1 and 2 (E1/2NE1/4); W1/2NE1/4; W1/2
Section 23: Lots 1 and 2 (S1/2SW1/4); N1/2SW1/4; N1/2

Township 34 North, Range 48 East, Mt. Diablo Base & Meridian

Section 5: Lots 1, 2, 3 and 4 (W1/2W1/2); E1/2W1/2; NE1/4
Section 7: Lots 1, 2, 3 and 4 (N1/2N1/2); S1/2N1/2; SW1/4

The following unpatented lode mining claims located in Section 32, Township 35 North, Range 48 East, Mt. Diablo Base and Meridian, the Unknown Mining District, Eureka County, Nevada:

Claim Name	Eureka County Recording Information		BLM Serial No.
	Book	Page	
ROGER #2	139	515	NMC-315520
ROGER #4	139	516	NCM-315521
ROGER #6	139	517	NCM-315522
ROGER #8	139	518	NCM-315523
ROGER #10	139	519	NCM-315524
ROGER #12	139	520	NCM-315525
ROGER #14	139	521	NCM-315526
ROGER #16	139	522	NCM-315527
ROGER #18	139	523	NCM-315528
ROGER #25	139	524	NCM-315529
ROGER #26	139	525	NCM-315530
ROGER #27	139	526	NCM-315531
ROGER #28	139	527	NCM-315532
ROGER #29	139	528	NCM-315533
ROGER #30	139	529	NCM-315534
ROGER #31	139	530	NCM-315535
ROGER #32	139	531	NCM-315536
ROGER #33	139	532	NCM-315537
ROGER #34	139	533	NCM-315538
ROGER #35	139	534	NCM-315539
ROGER #36	139	535	NCM-315540
ROGER #37	139	536	NCM-315541
ROGER #38	139	537	NCM-315542
ROGER #39	139	538	NCM-315543
ROGER #40	139	539	NCM-315544
ROGER #41	139	540	NCM-315545
ROGER #42	139	541	NCM-315546

EUREKA COUNTY CLAIM GROUP MAP DOCUMENT NO. 100627

The following unpatented lode mining claims located in Section 32, Township 35 North, Range 48 East, Mt. Diablo Base and Meridian, the Unknown Mining District, Lander County, Nevada:

Claim Name	Lander County Recording Information		BLM Serial No.
	Book	Page	
ROGER #1	259	356	NMC-352213
ROGER #3	259	357	NMC-352214
ROGER #9	259	358	NMC-352215
ROGER #11	259	359	NMC-352216
ROGER #13	259	360	NMC-352217
ROGER #15	259	361	NMC-352218
ROGER #17	259	362	NMC-352219

LANDER COUNTY CLAIM GROUP MAP DOCUMENT NO. 130446

The following unpatented lode mining claims located in Sections 6 and 7, Township 34 North, Range 48 East, Mt. Diablo Base and Meridian, the Unknown Mining District, Lander County, Nevada:

Claim Name	Lander County Recording Information		BLM Serial No.
	Book	Page	
ROGER G 19	341	088	NMC-584173
ROGER G 20	341	089	NMC-584174
ROGER G 21	341	090	NMC-584175
ROGER G 22	341	091	NMC-584176
ROGER G 23	341	092	NMC-584177
ROGER G 24	341	093	NMC-584178
ROGER 43	341	094	NMC-584179
ROGER 44	341	095	NMC-584180
ROGER 45	341	096	NMC-584181
ROGER 46	341	097	NMC-584182
ROGER 47	341	098	NMC-584183
ROGER 48	341	099	NMC-584184

LANDER COUNTY MAP DOCUMENT NO. 163107

The following unpatented lode mining claims located in Sections 3, 4, 5, 8, 9 and 10, Township 34 North, Range 48 East, and Sections 32, 33 and 34, Township 35 North, Range 48 East, Mt. Diablo Base and Meridian, the Unknown Mining District, Eureka County, Nevada:

Eureka County Recording Information				
Claim Name	Book	Page	File No.	BLM Serial No.
RKS 1	206	582	131019	NMC-584137
RKS 2	206	583	131020	NMC-584138
RKS 3	206	584	131021	NMC-584139
RKS 4	206	585	131022	NMC-584140
RKS 5	206	586	131023	NMC-584141
RKS 6	206	587	131024	NMC-584142
RKS 7	206	588	131025	NMC-584143
RKS 8	206	589	131026	NMC-584144
RKS 9	206	590	131027	NMC-584145
RKS 10	206	591	131028	NMC-584146
RKS 11	206	592	131029	NMC-584147
RKS 12	206	593	131030	NMC-584148
RKS 13	206	594	131031	NMC-584149
RKS 14	206	595	131032	NMC-584150
RKS 15	206	596	131033	NMC-584151
RKS 16	206	597	131034	NMC-584152
RKS 17	206	598	131035	NMC-584153
RKS 18	206	599	131036	NMC-584154
RKS 19	206	600	131037	NMC-584155
RKS 20	207	001	131038	NMC-584156
RKS 21	207	002	131039	NMC-584157
RKS 22	207	003	131040	NMC-584158
RKS 23	207	004	131041	NMC-584159
RKS 24	207	005	131042	NMC-584160
RKS 25	207	006	131043	NMC-584161
RKS 26	207	007	131044	NMC-584162
RKS 27	207	008	131045	NMC-584163
RKS 28	207	009	131046	NMC-584164
RKS 29	207	010	131047	NMC-584165
RKS 30	207	011	131048	NMC-584166
RKS 31	207	012	131049	NMC-584167
RKS 32	207	013	131050	NMC-584168
RKS 33	207	014	131051	NMC-584169
RKS 34	207	015	131052	NMC-584170
RKS 35	207	016	131053	NMC-584171
RKS 36	207	017	131054	NMC-584172

EUREKA COUNTY MAP DOCUMENT NO. 131055

Exploration Agreement and Option to Purchase between Sam Bida, Neva F. Bida, Leon Belaustegui, Velma Belaustegui, and Echo Bay Exploration Inc., dated November 30, 1989, recorded January 22, 1990 in Lander County in Book 341 at Page 405 and in Eureka County in Book 207 at Page 178.

Permit Agreement between TS Ranch Joint Venture and Echo Bay Exploration Inc. providing for access to Sections 3 through 9, 17 and 18 in T.34 N., R.48E., M.D.B&M., Lander and Eureka Counties, Nevada, dated November 1, 1989.

EXHIBIT A

PART II

AREA OF INTEREST

T34N, R47E, MDB&M, Lander County, Nevada
Sections 1, 2, 11, 12, 13, 14, 23, 24

T35N, R47E, MDB&M, Lander County, Nevada
Sections 13, 14, 23, 24, 25, 26, 35, 36

T34N, R48E, MDB&M, Lander & Eureka Counties, Nevada
Sections 2 through 11, 14 through 23

T35N, R48E, MDB&M, Lander & Eureka Counties, Nevada
Sections 14 through 23, 26 through 35

OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
BOOK 210 PAGE 528

Echo Bay Management
90 JUN 4 P2:03

EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO.

132429

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OFFICIAL RECORDS
LANDER CO. NEV
RECORD REQUESTED BY
Echo Bay Exploration Inc
90 MAY 29 PM 2:15

RAYE K. FAGG
RECORDER

FEE 20⁰⁰ DEP. *Inf*

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