

137400

SHORT RECORDATION FORM OF MINING LEASE

THIS MINING LEASE ("this Lease") is made and entered into effective as of June 1, 1991, by and between RIO ALGOM EXPLORATION, INC. ("Rio"), a Colorado corporation with an address at 245 East Liberty Street, Suite 200, Reno, Nevada 89501 (Attn: Mr. C. Patrick Costin), and ECM, INC. ("ECM"), a Montana corporation with an address at P.O. Box 3493, Billings, Montana 59103 (Attn: Mr. Bruce L. Ennis).

1. Leased Property. For all purposes of this Lease, the "Property" shall mean the four hundred eighteen (418) contiguous unpatented lode mining claims situate within Eureka County, Nevada, which are identified in Exhibit A attached hereto and incorporated herein, together with all incident or appurtenant water and other rights and options or other interests of ECM, whether now held or hereafter acquired.

2. ECM Warranties. ECM represents and warrants to Rio that:

(a) Subject to (i) the paramount legal title of the United States of America to any unpatented mining claim, (ii) a prior royalty reserved by Noranda Exploration, Inc. ("Noranda"), in a quitclaim deed dated December 20, 1988, and recorded in the official records of Eureka County, Nevada at Book 197, Pages 187-90 (the "Noranda Royalty"), and (iii) to the rights of the owner of the surface estate of the east half southwest quarter of Section 24 in Township 25 North, Range 48 East of the Mount Diablo Meridian, Eureka County, Nevada (the "Surface Parcel") under a non-mineral patent heretofore issued to such parcel, ECM owns one hundred percent (100%) of the record title to the Property, and its record title to the Property is free and clear of any liens, mortgages or other encumbrances created by and/or claimed through or under ECM;

(b) As of the effective date of this Lease, ECM or ECM's predecessors entitled to the Property have properly and timely filed and/or recorded all documents in federal, state and local public records with respect to the Property which were necessary in order to maintain record and possessory title thereto;

(c) Excepting only the Noranda Royalty, there is no existing mineral production or other royalty of any sort whatsoever which is payable with respect to the Property or locatable minerals mined therefrom;

(d) To the best of ECM's knowledge, information and belief, which knowledge, information and belief is not based upon physical inspection of the Property by ECM, except for mining claims which overlap the exterior boundary of the Property due to imprecise claim staking techniques in the field, there are no mining claims owned by adverse claimants which conflict with the mining claims that are included within the Property.

ECM makes no representation or warranty whatsoever concerning (i) the existence of any deposit of locatable minerals within the Property, (ii) the legal sufficiency of any annual assessment work performed on or for the benefit of the Property before the effective date of this Lease, or (iii) the compliance by ECM or Noranda, or any party claim

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by, through or under ECM or Noranda, with the requirements of 43 U.S.C. § 299 with respect to claims located within the Surface Parcel.

3. Grant and Term. For and in consideration of ten dollars and other good and valuable consideration, the receipt and adequacy as consideration whereof is hereby acknowledged by ECM, ECM hereby leases and lets the Property unto Rio. Unless sooner terminated as hereinafter provided, this Lease shall remain in full force and effect for a primary term ending 25 years after May 1, 1991, and for a consecutive secondary term thereafter which expires on the date when ECM has not received any earned production royalty payment from Rio during the preceding three hundred sixty-five (365) consecutive days or on the 50th anniversary of May 1, 1991, whichever first occurs.

4. Exclusive Possession. While this Lease is in effect, Rio shall have, subject to the rights of the owner of the Surface Parcel, exclusive possession of the Property and the right to cross other lands adjacent to or in the vicinity of the Property in which an interest is owned or controlled by ECM if necessary or desirable for purposes of ingress or egress to or from the Property.

5. Annual Advance Minimum and Production Royalties. So long as this Lease remains in full force and effect, on June 1, 1991, and on each May 1 thereafter, Rio shall make an annual advance minimum royalty payment to ECM. Subject to credits for annual advance minimum royalty payments made to ECM, Rio shall pay to ECM a Net Smelter Returns earned production royalty on locatable minerals mined from the Property.

6. Partial Surrender. Rio has certain rights to surrender to ECM any mining claim included within the Property by delivering to ECM a quitclaim deed which transfers to ECM all of Rio's right, title and interest in and to the mining claim or claims described in the deed, subject to the reservation (in Rio's discretion) of an easement over and across the mining claim(s) so transferred to be used by Rio for the purpose of its operations on or in the vicinity of the Property. Reservation of any such easement shall not obligate ECM to maintain the released claims in good standing and shall grant ECM the right to move the easement, at its expense, so long as it does not adversely affect Rio's access to the Property then remaining and to Rio's operations. From and after the date of delivery by Rio of such a quitclaim deed, the mining claim or claims described therein shall no longer constitute a portion of the Property and shall no longer be subject to this Lease in any respect.

7. Additional Lease Terms. Additional terms and conditions of this Lease are contained in a more comprehensive agreement between Rio and ECM which has the same effective date as this Lease. Nothing contained herein enlarges or diminishes the respective rights and obligations of either Rio or ECM under their more comprehensive agreement. Information concerning the more comprehensive agreement may be obtained from Rio at the address for Rio which is given above.

IN WITNESS WHEREOF, the parties have executed this Lease effective as of the day and year first above written.

ECM, INC.:

By: Bruce L. Ennis
Name: Bruce L. Ennis
Title: Vice President

RIO ALGOM EXPLORATION INC.

By: C. Patrick Costin
C. Patrick Costin
U.S. Exploration Manager

STATE OF Montana)
)
COUNTY OF Yellowstone)

ss.

Subscribed and sworn to before me this 6th day of August, 1991 by Bruce L. Ennis as Vice President of ECM, Inc., a Montana corporation.

Witness my hand and official seal.

My commission expires: February 20, 1994.

Patrick Costin
Notary Public



STATE OF Nevada)
COUNTY OF Washoe)

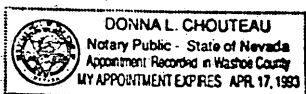
ss.

Subscribed and sworn to before me this 13th day of August, 1991 by
C. Patrick Costin as U.S. Exploration Manager of Rio Algom Exploration Inc., a Colorado
corporation.

WITNESS my hand and official seal.

My commission expires: April 17, 1993.

[SEAL]



Donna L. Chouteau
Notary Public

STATE OF Nevada)

COUNTY OF Washoe)

ss.

Subscribed and sworn to before me this 13th day of August, 1991 by
C. Patrick Costin as U.S. Exploration Manager of Rio Algom Exploration Inc., a Colorado
corporation.

WITNESS my hand and official seal.

My commission expires: April 17, 1993

[SEAL]



Donna L. Chouteau
Notary Public

COPY

EXHIBIT A

PROPERTY

Unpatented Lode Mining Claims Located in:

T24N, R48E Sections 1 and 2

T25N, R48E Sections 1, 2, 3, 4, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35, and 36

T25N, R48½E Sections 12, 13, and 24

Mount Diablo base and Meridian, Eureka County, Nevada

Recording Data

<u>Claims Names:</u>	<u>County Recording Book</u>	<u>Page</u>	<u>BLM NMC #</u>
GAP #1 thru GAP #417 (inclusive)	141	71-487 (inclusive)	355199-355615 (inclusive)
GAP #418	141	488	355917

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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF

Lisa Algom

'91 AUG 16 P2:23

Exploration Inc.

EUREKA COUNTY, NEVADA
M.N.R. SALEABLE RECORDS
FILE NO. FEE \$ 900

137400

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