

138260

**MEMORANDUM OF EXPLORATION AGREEMENT
AND OPTION TO LEASE**

AN EXPLORATION AGREEMENT AND OPTION TO LEASE (Agreement) dated and effective November 29, 1990, has been executed by and between The Atchison, Topeka and Santa Fe Railway Company, a Delaware corporation (Owner), and Santa Fe Pacific Minerals Corporation, a Delaware corporation (SFPM).

Under the Agreement, Owner has granted to SFPM the exclusive use of whatever rights Owner may have to conduct Exploration Activities on Subject Lands described in Exhibit A in Eureka County, State of Nevada. The term "Exploration Activities" shall mean all activities directed toward or relating to the discovery, delineation, assessment or evaluation of Minerals in the Subject Lands; including, but not limited to, geophysical and geochemical surveying, sampling, drilling, coring, building and maintaining roads and drilling sites, erecting and occupying temporary structures for use as field offices, laboratories and storage, developing water wells, excavating test pits and shafts, removing Minerals for assaying and processing, testing, removing trees and vegetation as necessary to conduct any exploratory operation for Minerals, transporting personnel and equipment and utilizing Minerals in connection with Exploration Activities. The term "Minerals" shall mean substances containing gold, silver, platinum and all other precious metals; iron, cobalt, copper, lead, zinc, nickel, chromium, aluminum, mercury, cadmium and all other base metals; industrial-grade silicates, aluminates and carbonates; uranium, vanadium, thorium and all other fissionable elements; coal, lignite, peat and similar organic minerals; common varieties of construction materials such as building rock, sand and gravel; and all other minerals of every kind and character, metallic or nonmetallic, inorganic or organic or otherwise, whether or not presently known to science or industry, now known to exist or hereafter discovered upon, within or underlying the surface of the Subject Lands regardless of depth, but excluding oil, natural gas, casinghead gas, condensates and associated hydrocarbons; sulphur produced in association with hydrocarbons and geothermal brines, solutions, materials and other geothermal resources; helium; and carbon dioxide. SFPM shall have the non-exclusive right to the use of water from the Subject Lands, to the extent permitted by law and subject to the rights of others, in connection

with its Exploration Activities, as SFPM deems necessary; provided that SFPM's right to use water sources developed or acquired solely by SFPM shall be exclusive as to others for so long as SFPM reasonably deems necessary. SFPM may elect to select any or all of the Subject Lands to include in Minerals Leases, the form of which lease is attached as Exhibit B to the Agreement.

The Agreement shall be in full force and effect beginning on the effective date and ending on December 31, 2015, subject to SFPM's option to extend for two consecutive renewal terms of 25 years each, beginning on January 1, 2016 and January 1, 2041, respectively.

Certain of the Subject Lands are subject to prior Minerals Leases between Owner and SFPM, which leases or memorandums thereof are recorded in the official records of Eureka County, State of Nevada, as follows:

<u>Minerals Lease Dated</u>	<u>Book</u>	<u>Page</u>
October 11, 1985	169	166
May 1, 1986	171	246
January 29, 1987	170	51
August 3, 1987	169	160
September 1, 1989	207	65

The Minerals Leases referred to herein have been ratified and confirmed by Owner and SFPM in the Agreement.

A true and correct executed copy of the Agreement is available at the offices of the parties thereto:

Santa Fe Pacific Minerals Corporation
6200 Uptown Blvd. N.E., Suite 400
Albuquerque, New Mexico 87110

or

The Atchison, Topeka and Santa Fe Railway Company
920 S.E. Quincy
Topeka, Kansas 66612

SANTA FE PACIFIC MINERALS CORPORATION

THE ATCHISON, TOPEKA AND SANTA FE
RAILWAY COMPANY.

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EXHIBIT A
TO MEMORANDUM OF EXPLORATION AGREEMENT AND OPTION TO LEASE
DATED NOVEMBER 29, 1990 BETWEEN
THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY
AND SANTA FE PACIFIC MINERALS CORPORATION

COMPANY: AT&SF
STATE: NV
COUNTY: EUREKA

MERIDIAN: MDM

ACRESTownship 32 North, Range 48 East

Section 1	W/2 NE/4, W/2 EXCEPT 25.89 ACRES IN R/W	375.78
Section 3	ALL	659.84
Section 5	ALL, EXCEPT A PARCEL 100' X 100' OUT OF LOT 4	669.39
Section 9	ALL	640.00
Section 11	ALL	640.00
Section 13	NW/4 NE/4, W/2 SW/4, N/2 NW/4, SW/4 NW/4	240.00
Section 15	ALL	640.00
Section 17	ALL	640.00
Section 21	ALL	640.00
Section 23	ALL EXCEPT E/2 SE/4	560.00
Section 27	N/2, SW/4, NW/4 SE/4	520.00
Section 29	ALL	640.00
Section 33	ALL	643.08

Township 33 North, Range 48 East

Section 33	E/2 EXCEPT 10.00 ACRES SOLD TO THORNTON, AND EXCEPT 17.60 ACRES IN R/W	242.56
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COMPANY: AT&SF
 STATE: NV
 COUNTY: EUREKA

MERIDIAN: MDM

ACRES

Township 33 North, Range 48 East (continued)

Section 33	23.00 ACRES MOVE FROM LAND SEGMENT 01	23.00
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Section 35	W/2	317.68
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Township 34 North, Range 48 East

Section 3	NW/4	160.98
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Section 5	SE/4	160.00
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Section 9	NW/4	160.00
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Section 17	W/2 NW/4	80.00
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Township 35 North, Range 48 East

Section 1	ALL	652.93
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Section 13	ALL	574.09
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Section 21	ALL	640.00
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Section 23	ALL	589.32
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Section 27	ALL	598.86
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Section 29	ALL	640.00
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Section 33	ALL	605.97
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Township 36 North, Range 48 East

Section 25	SE/4	160.00
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Section 35	SE/4	160.00
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Township 28 North, Range 49 East

Section 5	ALL	641.40
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COMPANY: AT&SF
 STATE: NV
 COUNTY: EUREKA

MERIDIAN: MDM

ACRES

Township 28 North, Range 49 East (continued)

Section 17	ALL	640.00
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Township 29 North, Range 49 East

Section 5	S/2, NE/4	568.35
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Section 17	ALL	640.00
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Section 29	ALL	640.00
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Township 30 North, Range 49 East

Section 5	NE/4	161.37
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Section 9	ALL	640.00
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Section 21	ALL	640.00
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Section 33	ALL	640.00
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Township 31 North, Range 49 East

Section 3	NW/4	161.33
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Section 7	E/2	320.00
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Section 17	W/2	320.00
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Section 19	E/2	320.00
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Section 29	W/2	320.00
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Section 31	NE/4	160.00
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Township 32 North, Range 49 East

Section 13	ALL	640.00
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COMPANY: AT&SF
 STATE: NV
 COUNTY: EUREKA

MERIDIAN: MDM

ACRES

Township 32 North, Range 49 East (continued)

Section 33	SE/4	160.00
<u>Township 35 North, Range 49 East</u>		
Section 1	ALL	644.00
<u>Township 36 North, Range 49 East</u>		
Section 19	ALL	646.76
Section 31	NW/4	160.17
Section 35	SE/4	160.00
<u>Township 31 North, Range 50 East</u>		
Section 1	ALL EXCEPT THAT PORTION LYING WITHIN THE BOUNDARIES OF THE WP RR R/W AND WITHIN THE SP RR R/W	617.77
<u>Township 31 North, Range 51 East</u>		
Section 7	ALL, EXCEPT 43.34 ACRES IN R/W	477.25
<u>Township 32 North, Range 51 East</u>		
Section 1	ALL	795.12
Section 3	ALL	797.20
Section 5	ALL	803.98
Section 9	ALL	640.00
Section 11	ALL	640.00
Section 13	ALL	640.00

COMPANY: AT&SF
 STATE: NV
 COUNTY: EUREKA

MERIDIAN: MDM

ACRES

Township 32 North, Range 51 East (continued)

Section 15	ALL	640.00
Section 17	ALL EXCEPT 2.07 ACRES	641.21
Section 21	ALL	640.00
Section 23	ALL	640.00
Section 25	N/2, SW/4, NW/4 SE/4, S/2 SE/4 EXCEPT 45.61 ACRES IN R/W	554.39
Section 27	ALL	640.00
Section 29	ALL	646.80
Section 33	ALL	640.00
Section 35	E/2 EXCEPT THAT PORTION LYING WITHIN THE BOUNDARIES OF THE TOWNSITE OF PALISADE AND EXCEPT THAT PORTION LYING WITHIN THE BOUNDARIES OF THE SP RR. R/W	313.48

Township 33 North, Range 51 East

Section 5	ALL	646.78
Section 9	ALL	640.00
Section 13	ALL	640.00
Section 15	ALL	640.00
Section 17	ALL	650.92
Section 21	ALL	640.00
Section 23	ALL	640.00

COMPANY: AT&SF
 STATE: NV
 COUNTY: EUREKA

MERIDIAN: MDM

ACRES

Township 33 North, Range 51 East (continued)

Section 25	ALL	640.00
Section 27	ALL	640.00
Section 29	ALL	651.60
Section 33	ALL	640.00
Section 35	ALL	640.00

Township 34 North, Range 51 East

Section 27	NE/4	160.00
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Township 35 North, Range 51 East

Section 17	N/2	320.00
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Township 28 North, Range 52 East

Section 9	N/2	320.00
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Township 29 North, Range 52 East

Section 3	W/2	319.40
Section 9	E/2	320.00
Section 15	W/2	320.00
Section 21	E/2, SW/4	480.00
Section 33	ALL	640.00

Township 32 North, Range 52 East

Section 7	ALL	644.74
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COMPANY: AT&SF
 STATE: NV
 COUNTY: EUREKA

MERIDIAN: MDM

ACRES

Township 32 North, Range 52 East (continued)

Section 19	ALL EXCEPT THOSE PORTIONS LYING WITHIN THE BOUNDARIES OF THE WP RR R/W AND WITHIN THE SP RR R/W	583.94
Section 31	LOTS 3 TO 14 INCL.	467.35

Township 33 North, Range 52 East

Section 19	ALL	635.76
Section 31	ALL	631.68
--- COUNTY TOTAL ---	92 entries listed.	46,816.23

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 OFFICIAL RECORDS
 RECORDED AT THE REQUEST OF

Santa Fe Pacific

'91 OCT 21 P3:47

Mining

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

FEE \$ 14.00

138260

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