

SHORT FORM OF MINING LEASE
WITH OPTION TO PURCHASE

Short Form of Mining Lease with Option to Purchase dated as of May 12, 1992 ("Effective Date") between ARTHUR BIALE and ELIZABETH BIALE, husband and wife, whose mailing address is P.O. Box 480, Eureka, Nevada 89316 and ALBERT BIALE, a single man whose mailing address is P.O. Box 248, Eureka, Nevada 89316 (collectively "Owner") and HOMESTAKE MINING COMPANY OF CALIFORNIA, a California corporation having its principal place of business at 650 California Street, San Francisco, California 94108 ("Lessee").

1. Lease and Term. (a) Owner leases to Lessee all of the property described in Exhibit A, together with, except as may be expressly provided in Exhibit B, all (i) tailings, dumps and mine wastes, (ii) surface rights, easements and rights-of-way appurtenant or incident thereto, (iii) mining, mineral and water rights appurtenant or incident thereto, and (iv) improvements, fixtures, personal property, mining machinery and tools thereon useful or convenient for mining and related uses ("Mining Property").

(b) This agreement shall commence on the Effective Date and continue for an initial term of ten years.

(c) Lessee may extend this agreement, including the Option, for successive ten-year terms.

2. Option to Purchase. Lessee shall have the exclusive and irrevocable Option to purchase the Mining Property at any time while this agreement is in effect.

3. Exclusive Possession. Except as may be expressly provided in Exhibit A, Lessee shall have exclusive possession and quiet enjoyment of the Mining Property while this agreement is in effect.

4. Additional and After-Acquired Rights. If Owner (or any of them) acquires any right or interest in the Mining Property or within the boundaries of the Mining Property while this agreement is in effect, such right of interest shall automatically become part of the Mining Property for all purposes of this agreement.

5. Removal of Property. Lessee may, within one year after termination of this agreement, remove from Owner's real property all property and improvements which it has erected or placed thereon.

6. Rights-of-Way. While this agreement is in effect, Lessee shall have non-exclusive rights-of-way upon, over, into and through the Mining Property and other property now or hereafter owned, leased or otherwise controlled by Owner (or any of them) to construct, improve and maintain such facilities as may be necessary.

or convenient for Lessee's operations in the vicinity of the Mining Property.

7. Amendment; Agreement Among Owners. Each of the persons named as Owner hereby agrees with each other and with Lessee that this agreement may from time to time be amended or varied as to the interests of all such persons by a writing signed by the persons then owning sixty percent or more of Owner's aggregate interest in the Mining Property and that such a writing so signed shall bind each and every one of them and their successors and assigns.

8. Additional Terms. Additional Terms and conditions are contained in the full agreement between the parties. This Short Form shall not modify said agreement.

HOMESTAKE MINING COMPANY
OF CALIFORNIA

OWNER

By W.F. Lindqvist
W.F. Lindqvist
Vice President

Arthur Biale
Arthur Biale

Approved by
Legal Dept.

Elizabeth Biale
Elizabeth Biale

4496
Date: 5/12/92

Albert Biale
Albert Biale

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

On May 12, 1992, before me, Roberta K. Bolton a duly commissioned Notary Public for said State, personally appeared W. F. Lindqvist, personally known to me to be a Vice President of Homestake Mining Company of California, a California corporation, and personally known to me to be the person who executed the within instrument and on said oath stated that he was authorized to do so on behalf of said corporation.

IN WITNESS WHEREOF, I have signed my name and affixed my official seal.

Roberta K. Bolton
Notary Public in and for said State
Residing at: Golden, Co 80401
My Commission Expires: 3-26-94

(Notarial Seal)

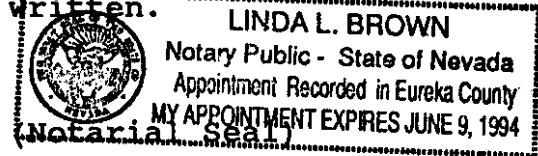


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STATE OF Nevada)
)
COUNTY OF Eureka) ss.

On May 6, 1992, before me, Linda L. Brown a Notary Public of said State, duly Commissioned and sworn, personally appeared Albert Biale, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Linda L. Brown
Notary Public in and for said State
Residing at: Eureka NV
My Commission expires: June 9, 1994

STATE OF Nevada)
)
COUNTY OF Eureka) ss.

On May 6, 1992, before me, Linda L. Brown a Notary Public of said State, duly Commissioned and sworn, personally appeared Arthur and Elizabeth Biale, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Linda L. Brown
Notary Public in and for said State
Residing at: Eureka NV
My Commission expires: June 9, 1994

EXHIBIT A

Mining Property

Unpatented lode mining claims located in Sections 16 and 21, T 19N, R 53E, Eureka County, Nevada more particularly described as follows:

<u>Claim Name</u>	<u>Location Date</u>	<u>Recordation Bk / Page</u>	<u>BLM Serial No.</u>
Swan	7/21/53	L 168	72580
Merit	9/28/46	K 505	72581
Gold Quartz	7/1/45	K 358	72582
Gold Quartz #1	8/12/45	K 382	72583
Gold Quartz #2	5/1/55	L 202	72584
West	7/1/46	K 445	72585
West #1	7/1/46	K 446	72586
West #2	6/24/45	K 358	72587
West #3	1/11/46	K 405	72588
West #4	1/11/46	K 406	72589
West #5	1/11/46	K 407	72590
West Extension	7/1/46	K 447	72591

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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Homestake Mining
'92 JUN -8 P1:54
Co.

EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO. **141228** FEE \$200

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