

156246

WHEN RECORDED PLEASE RETURN TO
C. S. MINCHEY - KENNECOTT
POST OFFICE BOX 11248
SALT LAKE CITY UT 84147

MEMORANDUM OF MINERAL LEASE

NOTICE IS HEREBY GIVEN that Norbert and Eileen B. Walter, whose address is HC 62 Box 101, Eureka, Nevada 89316-9601 and Ivan Smart, whose address is 2950 South Decatur, #D-5, Las Vegas, Nevada 89102 (herein and hereinafter referred to as "Lessor"), and Kennecott Exploration Company a Delaware corporation, whose address is 10 East South Temple, Salt Lake City, Utah 84133, with an office at 961 Matley Lane, Suite 120, Reno, Nevada 89502, (herein and hereinafter referred to as "Kennecott"), have entered into a Mineral Lease Agreement ("Agreement") effective as of the 10th day of May, 1994, with respect to the real property described in Exhibit "A" attached hereto and by this reference and made a part hereof, which real property is therein and hereinafter referred to as the "Premises".

Under the terms of the Agreement, Lessor has granted, demised, leased and let the Premises exclusively unto Kennecott, and its successors and assigns, including all mineral rights and water rights, for the purposes of exploration, development and mining of ores, minerals and materials.

The term of the Agreement is for a primary period of twenty (20) years from the effective date of the Agreement, and for so long thereafter as Kennecott continues to make certain payments to Lessor, as more specifically set forth in the Agreement.

Any assignment of interest under the Agreement shall be made expressly subject to the Agreement and shall require the assignee to assume and agree in writing to perform all of the obligations of the assignor under the Agreement as relate to the interest assigned. The provisions of the Agreement shall inure to the benefit of and be binding upon the parties and their successors and assigns. No assignment shall be effective as between the parties until the first day of the next month following the delivery to the non-assigning party of satisfactory evidence of such assignment.

The Agreement is incorporated herein by this reference and made a part hereof. Copies of the Agreement are in the possession of the parties at the addresses shown on the first page of this Memorandum.

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IN WITNESS WHEREOF, this MEMORANDUM OF MINERAL LEASE
AGREEMENT has been executed this _____ day of _____, 1994.

KENNECOTT EXPLORATION COMPANY

By: Thomas C. Rallo
Title: VICE-PRESIDENT

LESSOR

By: Robert M. White

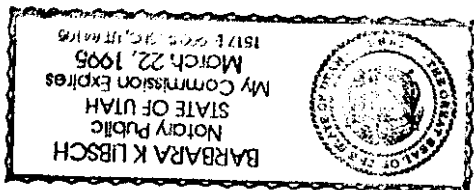
By: Eric B. White

By: John D. Thomas

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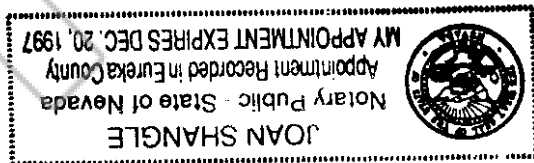
ACKNOWLEDGEMENTS

STATE OF UTAH
COUNTY OF SALT LAKE
On this 29th day of November, 1994, personally appeared before me, a Notary Public, in and for the state and county aforesaid, Thomas C. Patton, a Vice-President of Kennecott Exploration Company, a Delaware corporation, who acknowledged that he executed the within instrument on behalf of said corporation for the purposes expressed therein.



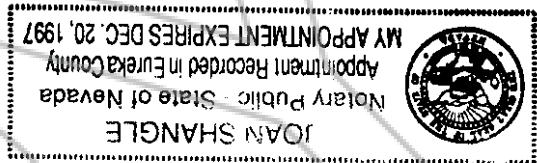
Barbara K. Libsch
Notary Public for the State of Utah
Residing in West Valley City

STATE OF Utah
COUNTY OF Garfield
On this 13th day of November, 1994, personally appeared before me, a Notary Public, Norbert W. H. T. P., me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and who acknowledged that he executed it for the purposes expressed therein.



Joan Shangle
Notary Public for the State of Nevada

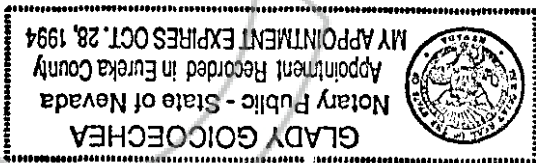
STATE OF Nevada
COUNTY OF Garfield
On this 13th day of November, 1994, personally appeared before me, a Notary Public, Elmer W. H. T. P., me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and who acknowledged that she executed it for the purposes expressed therein.



Joan Shangle
Notary Public for the State of Nevada

STATE OF Nevada
COUNTY OF EUREKA } ss
On this 14 day of JULY, 1994, personally appeared before me, a Notary Public, Ivan L. Smart, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and who acknowledged that she executed it for the purposes expressed therein.

Glady Goicoechea
Notary Public for the State of Nevada



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EXHIBIT A

Attached to and made a part of that certain MEMORANDUM OF MINERAL LEASE ("Agreement"), dated May 10, 1994, between Norbert and Eileen B. Walter and Ivan Smart, and Kennecott Exploration Company.

Description of Premises

The following real property situated in Section 21 and the north one-half of Section 28, Township 20 North, Range 53 East, Mount Diablo Base and Meridian, Eureka County, Nevada:

Assessors parcel nos. 7-370-25 and 7-370-07 (Deed no. 175-597) comprising approximately 600 acres.

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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Kennecott Exploration
94 DEC 21 PM 1:02
EUREKA COUNTY NEVADA
M.N. REBALANCE
FILE NO.
FEES \$11.00