

MEMORANDUM
OF
MINING LEASE

This Memorandum of Mining Lease ("Agreement"), effective as of the 19th day of October 1994, is between Walter D. Smith, a.k.a. Duane Smith, Emily Sansinena and Michael P. Sansinena ("Lessor", whether one or more), whose address is % Duane Smith, 112 Cedar Street, Elko, Nevada 89801, and Cyprus Gold Exploration Corporation, a Delaware corporation ("Cyprus"), with an address of P.O. Box 3299 Englewood, Colorado 80155.

RECITALS

Lessor represents that it is the owner of and is in possession of the surface and mineral estate to those certain patented mining claims situated in Eureka County, in the State of Nevada (the "Premises"), being more particularly described in Exhibit A attached hereto and incorporated by reference herein.

Cyprus desires to obtain and Lessor is willing to grant a mining lease for the Premises.

NOW THEREFORE, in consideration of Ten Dollars (\$10.00) and other valuable consideration paid to Lessor, the receipt and sufficiency of which are hereby acknowledged, and further in consideration of the mutual covenants, agreements, and promises herein contained, the parties hereto agree as follows:

1. Lease. Lessor leases the Premises to Cyprus for the purpose of mining all ores, metals, minerals, tailings, concentrates, and mineral products.

2. Term. The term of this Agreement shall be ten (10) years from the date hereof, unless sooner surrendered or otherwise terminated, and so long thereafter as exploration, mining, processing, or development is in progress on the Premises or so long as annual payments are being made.

3. Exclusive Possession. Cyprus shall have the exclusive possession of the Premises for mining purposes during the term of this Agreement.

4. Additional Terms. Additional terms and conditions of this Agreement are contained in an instrument of even date by and between the parties hereto. This Memorandum shall not limit, decrease, increase, nor in any manner affect any of the terms of said instrument or any rights, interests, of obligations of the parties thereunder.

5. Notice of Non - Responsibility. Cyprus shall be engaged in a lawful business upon the Premises; that three (3) days have not elapsed since the Lessor has obtained such knowledge; that the Lessor will not be responsible for any materials or labor used or to be used therein in the conduct of business on the Premises, or in the construction of any improvements of any name or nature on or about the Premises.

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

LESSOR:

By: Walter D. Smith
Walter D. Smith

By: Emily Sansineha
Emily Sansineha

By: Michael P. Sansineha
Michael P. Sansineha

CYPRUS GOLD EXPLORATION CORPORATION

By: [Signature]

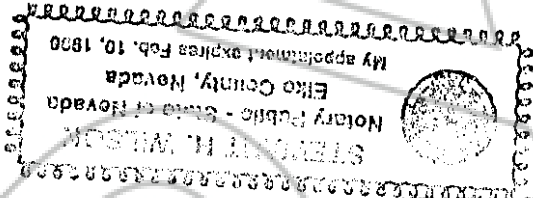
Title: President



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October 14, 1994

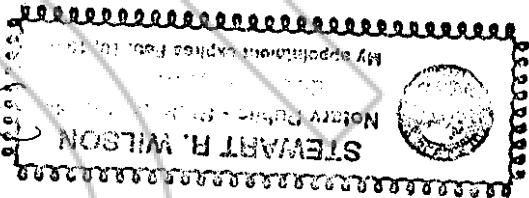
[Signature]
NOTARY PUBLIC



On October 13, 1994, personally appeared before me, a Notary Public, Emily Sansinena, personally known (or proved) to me to be the person whose name is subscribed to the above instrument who acknowledged that she executed the above instrument.

STATE OF NEVADA,)
) SS.)
COUNTY OF ELKO.)

[Signature]
NOTARY PUBLIC



On October 12th, 1994, personally appeared before me, a Notary Public, Walter D. Smith and Michael P. Sansinena, personally known (or proved) to me to be the persons whose names are subscribed to the above instrument who acknowledged that they executed the above instrument.

STATE OF NEVADA,)
) SS.)
COUNTY OF ELKO.)

My Commission expires 2-28-96

[Signature]
NOTARY PUBLIC

On October 19th, 1994, personally appeared before me, a Notary Public, 10 H. Watkins, personally known (or proved) to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the above instrument as President of Cyprus Gold Exploration Corporation, a Delaware corporation.

STATE OF COLORADO,)
) SS.)
COUNTY OF Anapahse)

EXHIBIT "A"

Attached to and made part of that certain Memorandum of Mining Lease dated the 19th day of October 1994, between WALTER D. SMITH a.k.a. DUANE SMITH, EMILY SANSINENA, MICHAEL P. SANSINENA, and CYPRIUS GOLD EXPLORATION CORPORATION. The following patented mining claims located in Township 19 North, Range 53 East M.D.M., Eureka County, Nevada, more particularly described as follows:

Claim Name	Patent No.	Mineral Survey No.
Stella	1665	88
Seventy-Six	5329	219

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 OFFICIAL RECORDS
 RECORDED AT THE REQUEST OF
Cypress Gold Exploration
 95 JAN 11 AM 11:41
 EUREKA COUNTY NEVADA
 M.M. REBALZATI, RECORDER
 FILE NO.
 FEES/0.00

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ML-DS.LND (9/28/94)