

Hemlo Gold Mines (USA) Inc.
P. O. Box 7176
Reno, NV 89510

157882

MEMORANDUM OF MINING LEASE AGREEMENT

THIS MEMORANDUM OF MINING LEASE AGREEMENT between ATLAS PRECIOUS

METALS, INC., a Delaware corporation, Lessor, and HEMLO GOLD MINES (USA), INC., a Delaware corporation, Lessee, 65 N. Edison Way, Suite #4, Reno, Nevada 89502, is recorded in the official records of Eureka County, State of Nevada, for the purpose of giving actual and constructive notice to the world of the agreement, conveyance, terms and conditions of the lease and possessory rights which are described herein.

Lessor and Lessee have entered into a Mining Lease Agreement (hereinafter referred to as "the Agreement") which affects the title, possessory rights, and equities in the land described on the attached Exhibits "A" as set out herein. Lessor does hereby grant and convey to Lessee the exclusive right to explore, develop, treat, sell and market mineral product as specified in the Agreement produced from the above-described property.

Lessee shall have the right to possession of the property as defined therein, from the date the Agreement was made, November 29, 1994, until or unless the Agreement is terminated. Upon termination of the Agreement, Lessor shall reacquire the right to possession of the land subject to Lessee's right to remove property and equipment during a period of two (2) years thereafter.

The term of the Agreement is twenty years.

The Agreement requires Lessee to pay Lessor advance royalty payments in the amounts and on the dates specified in the Agreement. For the purpose of actual and constructive notice, it is the intent of the parties to the Agreement that all payments and other conditions performed by Lessor and Lessee be deemed to have been performed and that the Agreement shall be deemed to be valid and outstanding until its expiration date, or the recordation of a release by Lessee releasing title to the described property to Lessor. The terms and conditions of the Agreement run with the land, inure to the benefit of and are binding upon the respective heirs, successors and assigns of the parties thereto.

The Agreement contains a Force Majeure clause which might, under certain conditions, extend the time for performance and the expiration date of the Agreement.

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The Agreement also contains a provision under which Atlas Precious Metals, Inc. has the right and option to participate with Hemlo Gold Mines (USA) Inc. in a Joint Venture Agreement pursuant to the exploration and development of the lands described on attached Exhibit A and Exhibit A-1. In the event Atlas Precious Metals, Inc. elects to participate in the Joint Venture Agreement with Hemlo Gold Mines (USA) Inc.; then, the Mining Lease Agreement would be terminated and the Parties relationship would henceforth be governed by the Joint Venture Agreement.

An original executed copy of the Agreement is in the possession of Hemlo Gold Mines (USA) Inc., at its offices in Reno, Nevada. Additional information on the Agreement may be requested by written inquiry to Hemlo Gold Mines (USA) Inc., P.O. Box 7176, Reno, Nevada 89510.

This Memorandum is for the purpose of giving actual and constructive notice only as described hereinabove. In the event any conflict or inconsistency between the Agreement and this Memorandum, the Agreement will prevail in all events and shall remain in force and effect in accordance with the provisions thereof.

Dated this 7 day of February, 1995.

LESSOR:

ATLAS PRECIOUS METALS, INC.

By: _____

Is: Steve Manz, Vice President

LESSEE:

HEMLO GOLD MINES (USA) INC.

By: _____

Is: Vice President

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My commission does not expire.

Notary Public

written.

Witness my hand and official seal the day and year in this certificate first above

On this 1st day of March, 1995, before me, the undersigned, a Notary Public in and for the Province of Ontario, duly commissioned and sworn, personally appeared Jan Atkinson, known to me or proven to me to be the person who acknowledged to me that he executed the above Mining Lease agreement in his capacity as Vice-President of Hemlo Gold Mines (USA), Inc. as indicated above, on behalf of said corporation and that the corporation executed the above Mining Lease Agreement.

PROVINCE OF ONTARIO
CITY OF TORONTO

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My commission expires: February 24, 1998



Connie L. Martinez
Notary Public
for the State of Nevada - Colorado
Residing at 370 17th St., Suite 3150
Denver, CO 80202

On this 7 day of February, 1995 before me, the undersigned, a Notary Public duly commissioned and sworn, personally appeared, Steve Manze, Vice President of Atlas Precious Metals, Inc., known to me or proved to me to be the person who acknowledged to me that he executed the above instrument freely and voluntarily and for the uses and purposes therein mentioned.

STATE OF NEVADA
COUNTY OF WASHOE
DENVER

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EXHIBIT "A"
to that certain
Memorandum of Mining Lease Agreement

THE "PROPERTY"

The following 138 unpatented lode mining claims located in Eureka County, Nevada:

Claim Name	Date Of Location	Section	Twp	Rge	Mer	BLM Book/Page	Serial #
GP 1	1-29-94	SE13,SW13	24N	50E	MD	268/077	698592
GP 2	1-29-94	SW13	24N	50E	MD	268/078	698593
GP 3	1-29-94	SE13,SW13	24N	50E	MD	268/079	698594
GP 4	1-29-94	SW13	24N	50E	MD	268/080	698595
GP 5	1-29-94	SE13,SW13	24N	50E	MD	268/081	698596
GP 6	1-29-94	NE23,NW23 SE14,SW14	24N	50E	MD	268/082	698597
GP 7	1-29-94	NE23,SE14 NW24,SW13	24N	50E	MD	268/083	698598
GP 8	1-29-94	NW24,SW13	24N	50E	MD	268/084	698599
GP 9	1-29-94	NE24,NW24 SE13,SW13	24N	50E	MD	268/085	698600
GP 10	1-29-94	NE23,NW23	24N	50E	MD	268/086	698601
GP 11	1-29-94	NE23,NW24	24N	50E	MD	268/087	698602
GP 12	1-29-94	NW24	24N	50E	MD	268/088	698603
GP 13	1-29-94	NE24,NW24	24N	50E	MD	268/089	698604
GP 14	1-29-94	NE23,NW23	24N	50E	MD	268/090	698605
GP 15	1-29-94	NE23,NW24	24N	50E	MD	268/091	698606

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GP 16	1-31-94	NW24	24N	50E	MD	268/092	698607
GP 17	1-31-94	NE24,NW24	24N	50E	MD	268/093	698608
GP 18	1-29-94	NE23,NW23	24N	50E	MD	268/094	698609
GP 19	1-29-94	NE23,NW24	24N	50E	MD	268/095	698610
GP 20	1-31-94	NW24	24N	50E	MD	268/096	698611
GP 21	1-31-94	NE24,NW24	24N	50E	MD	268/097	698612
GP 22	2-1-94	NE23,NW23	24N	50E	MD	268/098	698613
GP 23	2-1-94	NE23,NW24	24N	50E	MD	268/099	698614
GP 24	1-31-94	NW24	24N	50E	MD	268/100	698615
GP 25	1-31-94	NE24,NW24	24N	50E	MD	268/101	698616
GP 26	2-1-94	SE23,SW23 NE23,NW23	24N	50E	MD	268/102	698617
GP 27	2-1-94	SE23,SW24 NE23,NW24	24N	50E	MD	268/103	698618
GP 28	1-31-94	SW24,NW24	24N	50E	MD	268/104	698619
GP 29	1-31-94	SE24,SW24 NE24,NW24	24N	50E	MD	268/105	698620
GP 30	2-1-94	SE23,SW23	24N	50E	MD	268/106	698621
GP 31	2-1-94	SE23,SW24	24N	50E	MD	268/107	698622
GP 32	1-31-94	SW24	24N	50E	MD	268/108	698623
GP 33	1-31-94	SE24,SW24	24N	50E	MD	268/109	698624
GP 34	2-1-94	SE23,SW23	24N	50E	MD	268/110	698625
GP 35	2-1-94	SE23,SW24	24N	50E	MD	268/111	698626
GP 36	1-31-94	SW24	24N	50E	MD	268/112	698627
GP 37	1-31-94	SE24,SW24	24N	50E	MD	268/113	698628

GP 38	2-1-94	SE23,SW23	24N	50E	MD	268/114	698629
GP 39	2-1-94	SE23,SW24	24N	50E	MD	268/115	698630
GP 40	1-31-94	SW24	24N	50E	MD	268/116	698631
GP 41	1-31-94	SE24,SW24	24N	50E	MD	268/117	698632
GP 42	3-19-94	NE26,NW26 SE23,SW23	24N	50E	MD	268/118	698633
GP 43	2-1-94	NE26,NW25 SE23,SW24	24N	50E	MD	268/119	698634
GP 44	2-1-94	NW25,SW24	24N	50E	MD	268/120	698635
GP 45	2-1-94	NE25,NW25 SE24,SW24	24N	50E	MD	268/121	698636
GP 46	2-1-94	NE25,SE24	24N	50E	MD	268/122	698637
GP 47	3-19-94	NE26,NW26	24N	50E	MD	268/123	698638
GP 48	2-2-94	NE26,NW25	24N	50E	MD	268/124	698639
GP 49	2-2-94	NW25	24N	50E	MD	268/125	698640
GP 50	2-1-94	NE25,NW25	24N	50E	MD	268/126	698641
GP 51	2-1-94	NE25	24N	50E	MD	268/127	698642
GP 52	3-19-94	NE26,NW26	24N	50E	MD	268/128	698643
GP 53	2-2-94	NE26,NW25	24N	50E	MD	268/129	698644
GP 54	2-2-94	NW25	24N	50E	MD	268/130	698645
GP 55	1-31-94	NE25,NW25	24N	50E	MD	268/131	698646
GP 56	1-31-94	NE25	24N	50E	MD	268/132	698647
GP 57	3-19-94	NE26,NW26	24N	50E	MD	268/133	698648
GP 58	2-2-94	NE26,NW25	24N	50E	MD	268/134	698649
GP 59	2-2-94	NW25	24N	50E	MD	268/135	698650

GP 60	1-31-94	NE25,NW25	24N	50E	MD	268/136	698651
GP 61	1-31-94	NE25	24N	50E	MD	268/137	698652
GP 62	3-19-94	NE26,NW26	24N	50E	MD	268/138	698653
GP 63	2-2-94	NE26,NW25	24N	50E	MD	268/139	698654
GP 64	2-2-94	NW25	24N	50E	MD	268/140	698655
GP 65	1-31-94	NE25,NW25	24N	50E	MD	268/141	698656
GP 66	1-31-94	NE25	24N	50E	MD	268/142	698657
GP 67	3-19-94	SE26,SW26	24N	50E	MD	268/143	698658
GP 68	2-2-94	SE26,SW25	24N	50E	MD	268/144	698659
GP 69	2-2-94	SW25,NW25	24N	50E	MD	268/145	698660
GP 70	3-16-94	SE25,SW25	24N	50E	MD	268/146	698661
GP 71	3-16-94	SE25,NE25	24N	50E	MD	268/147	698662
GP 72	3-19-94	SE26,SW26	24N	50E	MD	268/148	698663
GP 73	2-2-94	SE26,SW25	24N	50E	MD	268/149	698664
GP 74	2-2-94	SW25	24N	50E	MD	268/150	698665
GP 75	3-16-94	SE25,SW25	24N	50E	MD	268/151	698666
GP 76	3-16-94	SE25	24N	50E	MD	268/152	698667
GP 77	3-19-94	SE26,SW26	24N	50E	MD	268/153	698668
GP 78	2-2-94	SE26,SW25	24N	50E	MD	268/154	698669
GP 79	2-2-94	SW25	24N	50E	MD	268/155	698670
GP 80	3-16-94	SE25,SW25	24N	50E	MD	268/156	698671
GP 81	3-16-94	SE25	24N	50E	MD	268/157	698672

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698673	MD	50E	24N	SE26,SW26	GP 82	3-19-94
698674	MD	50E	24N	SE26,SW25	GP 83	2-2-94
698675	MD	50E	24N	SW25	GP 84	2-2-94
698676	MD	50E	24N	SE25,SW25	GP 85	3-16-94
698677	MD	50E	24N	SE25	GP 86	3-16-94
698678	MD	50E	24N	SE26,SW25 NE35,NW36	GP 87	2-2-94
698679	MD	50E	24N	NW36,SW25	GP 88	2-2-94
698680	MD	50E	24N	NE36,NW36 SE25,SW25	GP 89	3-16-94
698681	MD	50E	24N	NE36,SE25	GP 90	3-16-94
698682	MD	50E	24N	NE35,NW36	GP 91	2-2-94
698683	MD	50E	24N	NW36	GP 92	2-2-94
698684	MD	50E	24N	NE36,NW36	GP 93	3-16-94
698685	MD	50E	24N	NE36	GP 94	3-16-94
698686	MD	50E	24N	NE35,NW36	GP 95	2-2-94
698687	MD	50E	24N	NW36	GP 96	2-2-94
698688	MD	50E	24N	NE36,NW36	GP 97	3-16-94
698689	MD	50E	24N	NE36	GP 98	3-16-94
698690	MD	50E	24N	NE35,NW35	GP 99	2-3-94
698691	MD	50E	24N	NE35,NW36	GP 100	2-3-94
698692	MD	50E	24N	NW36	GP 101	2-3-94
698693	MD	50E	24N	NE36,NW36	GP 102	2-3-94
698694	MD	50E	24N	NE35,NW35	GP 103	2-3-94
698695	MD	50E	24N	NE35,NW36	GP 104	2-3-94

698696	MD	268/181	24N	50E	NW36	2-3-94	GP 105
698697	MD	268/182	24N	50E	NE36,NW36	2-3-94	GP 106
698698	MD	268/183	24N	50E	SE35,SW35 NE35,NW35	2-3-94	GP 107
698699	MD	268/184	24N	50E	SE35,SW36 NE35,NW36	2-3-94	GP 108
698700	MD	268/185	24N	50E	SW36,NW36	2-3-94	GP 109
698701	MD	268/186	24N	50E	SE36,SW36 NE36,NW36	2-3-94	GP 110
698702	MD	268/187	24N	50E	SE35,SW35	2-3-94	GP 111
698703	MD	268/188	24N	50E	SE35,SW36	2-3-94	GP 112
698704	MD	268/189	24N	50E	SW36	2-3-94	GP 113
698705	MD	268/190	24N	50E	SE36,SW36	2-3-94	GP 114
698706	MD	268/191	24N	50E	SE35,SW35	2-3-94	GP 115
698707	MD	268/192	24N	50E	SE35,SW36	2-3-94	GP 116
698708	MD	268/193	24N	50E	SW36	2-3-94	GP 117
698709	MD	268/194	24N	50E	SE36,SW36	2-3-94	GP 118
698710	MD	268/195	24N	50E	SE35,SW35	2-3-94	GP 119
698711	MD	268/196	24N	50E	SE35,SW36	2-3-94	GP 120
698712	MD	268/197	24N	50E	SW36	2-3-94	GP 121
698713	MD	268/198	24N	50E	SE36,SW36	2-3-94	GP 122
698714	MD	268/199	24N	50E	NE1,NW1 SE35,SW35	3-19-94	GP 123
698715	MD	268/200	24N	50E	NE1,SE35 SW36	3-19-94	GP 124
			24N	50E	SW36,NE1 NW6	3-17-94	GP 125

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698716	268/201	MD	23N	51E	23N	51E	NE6,NW6	3-17-94	GP 126
698717	268/202	MD	24N	50E	23N	51E	SE36,SW36	3-17-94	GP 127
698718	268/203	MD	23½N	50E	23½N	50E	NE1,NW1	3-19-94	GP 128
698719	268/204	MD	23½N	50E	23½N	50E	NE1	3-19-94	GP 129
698720	268/205	MD	23N	51E	23½N	50E	NE1,NW6	3-17-94	GP 130
698721	268/206	MD	23N	51E	23N	51E	NE6,NW6	3-17-94	GP 131
698722	268/207	MD	23½N	50E	23½N	50E	NE1,NW1	3-19-94	GP 132
698723	268/208	MD	23½N	50E	23½N	50E	NE1	3-19-94	GP 133
698724	268/209	MD	23N	51E	23½N	50E	NE1,NW6	3-17-94	GP 134
698725	268/210	MD	23N	51E	23N	51E	NE6,NW6	3-17-94	GP 135
698726	268/211	MD	23½N	50E	23½N	50E	NE1,NW1	3-19-94	GP 136
698727	268/212	MD	23½N	50E	23½N	50E	NE1	3-19-94	GP 137
698728	268/213	MD	23½N	50E	23½N	50E	NE1,NW1	3-19-94	GP 138
698729	268/214	MD	23½N	50E	23½N	50E	NE1	3-19-94	

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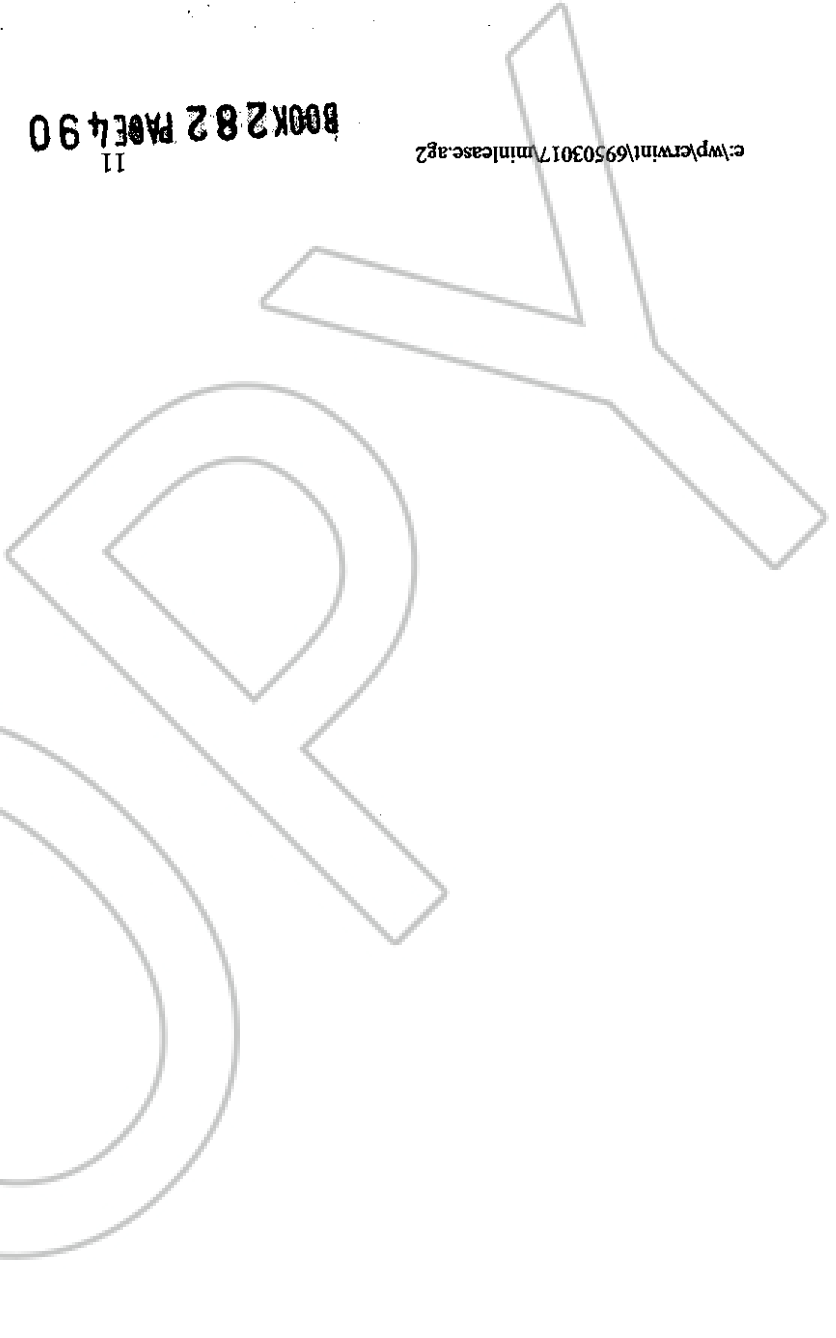


EXHIBIT "A-1"
 to that certain
 Mining Lease Agreement
 dated effective the _____ day of _____, 1994

THE "HEMLO PROPERTY"

<u>Claim Names</u>	<u>Date</u>	<u>County Recordation</u>	<u>BLM Serial Number</u>	<u>Location</u>
DG #32-45		263:568-581	NMC 693769-693782	11/19/93
DG #1-28		263:540-567	NMC 693741-693768	11/19/93

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 11
 157882
 EUREKA COUNTY NEVADA
 M.N. REBALATI, RECORDER
 FILE NO. FEES 17.00
 95 MAY -1 AM 11:45
 Hemlo Steel Mining Co
 RECORDED AT THE REQUEST OF
 OFFICIAL RECORDS
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