

166093

When recorded, return to:
David R. Faley
Newmont Exploration Limited
1700 Lincoln, 28th Floor
Denver, Colorado 80203

**MEMORANDUM OF EXPLORATION, DEVELOPMENT
AND MINING OPERATIONS AGREEMENT**

NOTICE IS HEREBY GIVEN that SANTA FE PACIFIC GOLD CORPORATION, a Delaware corporation ("Santa Fe"), whose address is Box 27019, 6200 Uptown Boulevard, N.E., Suite 400, Albuquerque, New Mexico 87125, and NEWMONT EXPLORATION LIMITED, a Delaware corporation ("Newmont"), whose address is 555 Fifth Street, Elko, Nevada 89801, have entered into an Exploration, Development and Mining Operations Agreement (the "Operations Agreement") dated effective April 15, 1996 (the "Effective Date"). Newmont and Santa Fe are sometimes referred to in this Memorandum individually as a "Participant" or collectively as the "Participants."

Pursuant to the Operations Agreement, Santa Fe has contributed, or shall contribute, by means of a lease and sublease, to the purposes of the Operations Agreement its interest and Newmont has contributed, or shall contribute, by means of a lease, its interest in, among other Assets (as defined in the Operations Agreement), the unpatented mining claims and the leasehold estate described in Exhibit A hereto as respectively held by them, and all other interests in real property within the Area of Interest (as described in Part 3 of Exhibit A) which were owned by either Participant as of the Effective Date or which are acquired pursuant to the Operations Agreement in furtherance of the purposes of that agreement (the "Properties"). Pursuant to the Operations Agreement, Santa Fe and Newmont have agreed to participate in the exploration, evaluation, development and mining of mineral resources within the Properties or any other properties acquired under the terms of the Operations Agreement.

The term of the Operations Agreement is from the Effective Date through August 2, 2012 and for so long thereafter as any of the Properties are jointly owned by the Participants and held pursuant and subject to the Operations Agreements and thereafter until all materials, supplies and equipment have been salvaged and disposed of, environmental compliance required by applicable law or by any applicable agreement has been completed and accepted by the State of Nevada, and a final accounting has been made between the Participants, unless the Operations Agreement is earlier terminated as therein provided.

Pursuant to Section 2.5 of the Operations Agreement, until Newmont has completed its Initial Contribution (as defined in the Operations Agreement), record title to the Properties shall remain in the names of the respective Participants but for the benefit, use and purposes of the Participants subject to the terms and provisions of the Operations Agreement. Pursuant to Section 6.1 of the Operations Agreement, as of the Effective Date Santa Fe's initial Participating

Interest is 50% and Newmont's initial Participating Interest is 50%. The Participating Interests of the Participants are subject to adjustment in accordance with the Operations Agreement.

The rights of the Participants to transfer or abandon interests in the Properties and other properties acquired under the terms of the Operations Agreement, and interests in their Participating Interests, are subject to certain restrictions, including preemptive rights and restrictions on transfer or encumbrance of the interests of the Participants.

Pursuant to Section 4.1 of the Operations Agreement, nothing contained in the Operations Agreement constitutes either Santa Fe or Newmont the partner of the other, nor, except as expressly provided in the Operations Agreement, constitutes either Santa Fe or Newmont the agent or legal representative of the other, nor does anything contained in the Operations Agreement create any fiduciary relationship between Santa Fe and Newmont. Section 4.1 further provides that it is not the intention of Santa Fe and Newmont to create, nor shall the Operations Agreement be construed to create, any mining, commercial or other partnership, and that neither Santa Fe nor Newmont shall have any authority to act for or assume any obligation or responsibility on behalf of the other, except as expressly provided in the Operations Agreement. Section 4.1 further provides that the rights, duties, obligations and liabilities of Santa Fe and Newmont shall be several and not joint or collective, and that Santa Fe and Newmont shall be responsible only for their respective obligations as set out in the Operations Agreement and shall be liable only for their respective share of the costs and expenses as provided in the Operations Agreement, it being the express purpose and intention of Santa Fe and Newmont that their ownership of assets and the rights acquired under the Operations Agreement shall be as tenants in common.

Pursuant to Section 8.2 of the Operations Agreement, Santa Fe and Newmont have expressly delegated to the Manager certain powers and duties described in detail in such section. Pursuant to Section 3.2 of the Operations Agreement, the Manager shall manage the Properties and other Assets of the Participants and conduct operations in the Manager's name until such time as it has completed its Initial Contribution and thereafter the Manager shall conduct the business of the Participants doing business as "Mary's Mountain Venture." Newmont has been appointed Manager pursuant to Section 8.1; however, the Operations Agreement provides for the replacement or resignation of the Manager under certain circumstances

Pursuant to Section 6.7 of the Operations Agreement, each Participant has granted and does hereby grant to the other Participant a lien upon and security interest in all its Participating Interest and all of its right, title and interest in the Assets, whenever acquired or arising, and the proceeds therefrom, to secure any advance by or on behalf of that Participant by the other Participant of a contribution or cash call required under the Operations Agreement, including interest thereon at the rate provided in Section 10.3 of the Operations Agreement, reasonable attorneys' fees and all other reasonable costs and expenses incurred in enforcing such lien or security interest, or both.

Article 13 of the Operations Agreement provides that an Area of Interest associated with the Operations Agreement shall be the land described as the Area of Interest in Part 3 of

Exhibit A hereto and provides the Participants shall have certain rights with respect to any lands and interests in lands including mining claims and water rights within the Area of Interest which shall be acquired after the Effective Date by either of the Participants.

Information regarding the Exploration Agreement may be obtained from Newmont's office and place of business at:

Newmont Exploration Limited
1700 Lincoln Street, Ste. 2800
Denver, Colorado 80203
Attn: Legal Department

or from Santa Fe's office and place of business at:

Santa Fe Pacific Gold Corporation
6200 Uptown Blvd. N.E., Suite 400
Box 27019
Albuquerque, New Mexico 87125.

This Memorandum of Exploration, Development and Mining Operations Agreement has been executed and filed of record solely to give the public notice of the existence of the Agreement. It does not in any way amend, modify, revise, or replace the Exploration, Development and Mining Operations Agreement.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Exploration, Development and Mining Operations Agreement on the dates shown below, to be effective for all purposes as of the Effective Date.

SANTA FE PACIFIC GOLD CORPORATION

By: R. Parratt
R. Parratt

~~Senior~~ Vice President

Date Executed: January 13, 1997

NEWMONT EXPLORATION LIMITED

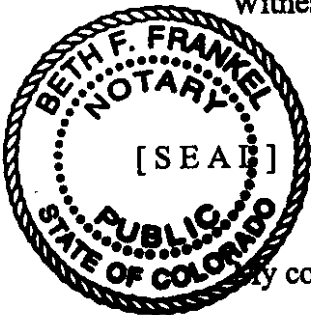
By: Leendert G. Krol
Leendert G. Krol
President

Date Executed: January 7, 1997

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 7th day of January, 1997, by Leendert G. Krol, as the President of Newmont Exploration Limited, a Delaware corporation, on behalf of said corporation.

Witness my hand and official seal.



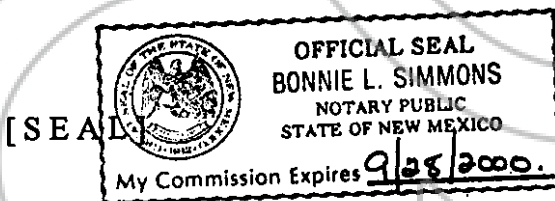
Beth F. Frankel
Notary Public

My commission expires: 8-2-99

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

The foregoing instrument was acknowledged before me this 13 day of January, 1997, by R. Parratt., as the Senior Vice President of Santa Fe Pacific Gold Corporation, Delaware corporation, on behalf of said corporation.

Witness my hand and official seal.



Bonnie L. Simmons
Notary Public

My commission expires: September 28, 2000

EXHIBIT A

(Attached to and forming a part of Memorandum of Exploration,
Development and Mining Operations Agreement
between Santa Fe Pacific Gold Corporation and
Newmont Exploration Limited dated effective April 15, 1996)

PROPERTIES

(Part 1)

Eureka County, Nevada

Part 1 - Newmont Real Estate Contribution; Newmont Claims - To Be Contributed by Lease

The following unpatented, lode mining claims insofar as said claims are located within the
Area of Interest:

BLM Serial NMC #	Claim Name	Book & Page #	
712727	Cherry 1	280	446
712728	Cherry 2	280	447
712729	Cherry 3	280	448
712730	Cherry 4	280	449
712731	Cherry 5	280	450
712732	Cherry 6	280	451
712733	Cherry 7	280	452
712734	Cherry 8	280	453
712735	Cherry 9	280	454
712736	Cherry 10	280	455
721737	Cherry 11	280	456
712738	Cherry 12	280	457
712739	Cherry 13	280	458

BLM Serial NMC #	Claim Name	Book & Page #	
712740	Cherry 14	280	459
712741	Cherry 15	280	460
712742	Cherry 16	280	461
712743	Cherry 17	280	462
712744	Cherry 18	280	463
712745	Cherry 19	280	464
712746	Cherry 20	280	465
712747	Cherry 21	280	466
712748	Cherry 22	280	467
712749	Cherry 23	280	468
712750	Cherry 24	280	469
712751	Cherry 25	280	470
712752	Cherry 26	280	471
712753	Cherry 27	280	472
712754	Cherry 28	280	473
712755	Cherry 29	280	474
712756	Cherry 30	280	475
712757	Cherry 31	280	476
712758	Cherry 32	280	477
712759	Cherry 33	280	478
712760	Cherry 34	280	479
712761	Cherry 35	280	480
712762	Cherry 36	280	481
712763	Cherry 37	280	482
712764	Cherry 38	280	483
712765	Cherry 39	280	484

BLM Serial NMC #	Claim Name	Book & Page #	
712766	Cherry 40	280	485
712767	Cherry 41	280	486
712768	Cherry 42	280	487
712769	Cherry 43	280	488
712770	Cherry 44	280	489
712771	Cherry 45	280	490
712772	Cherry 46	280	491
712773	Cherry 47	280	492
712774	Cherry 48	280	493
712775	Cherry 49	280	494
712776	Cherry 50	280	495
712777	Cherry 51	280	496
712778	Cherry 52	280	497
712779	Cherry 53	280	498
712780	Cherry 54	280	499
712781	Cherry 55	280	500
712782	Cherry 56	280	501
712783	Cherry 57	280	502
712784	Cherry 58	280	503
712785	Cherry 59	280	504
712786	Cherry 60	280	505
712787	Cherry 61	280	506
712788	Cherry 62	280	507
712789	Cherry 63	280	508
712790	Cherry 64	280	509
712791	Cherry 65	280	510

BLM Serial NMC #	Claim Name	Book & Page #	
712792	Cherry 66	280	511
712793	Cherry 67	280	512
712794	Cherry 68	280	513
712795	Cherry 69	280	514
712796	Cherry 70	280	515
712797	Cherry 71	280	516
712798	Cherry 72	280	517
712799	Cherry 73	280	518
87116	Gladiator 1	72	452
87117	Gladiator 2	72	453
87118	Gladiator 3	72	454
87119	Gladiator 4	72	455
87120	Gladiator 5	72	456
87121	Gladiator 6	72	457
87122	Gladiator 7	72	458
87123	Gladiator 8	72	459
87124	Gladiator 9	72	460
87125	Gladiator 10	72	461
87126	Gladiator 11	72	462
87127	Gladiator 12	72	463
87128	Gladiator 13	72	464
87129	Gladiator 14	72	465
87130	Gladiator 15	72	466
87131	Gladiator 16	72	467
87132	Gladiator 17	72	468
87133	Gladiator 18	72	469

BLM Serial NMC #	Claim Name	Book & Page #	
87134	Gladiator 19	72	470
87135	Gladiator 20	72	471
87136	Gladiator 21	72	472
87137	Gladiator 22	72	473
87138	Gladiator 23	72	474
87139	Gladiator 24	72	475
87140	Gladiator 25	72	476
87141	Gladiator 26	72	477
87142	Gladiator 27	72	478
87143	Gladiator 28	72	479
87144	Gladiator 29	72	480
87145	Gladiator 30	72	481
87146	Gladiator 31	72	482
87147	Gladiator 32	72	483
87148	Gladiator 33	72	484
87149	Gladiator 34	72	485
87150	Gladiator 35	72	486
87151	Gladiator 36	72	487

BLM Serial NMC #	Claim Name	Book & Page #		Amended Book & Page #	
140259	TN 28	78	117	--	--
140260	TN 29	78	118	--	--
140261	TN 30	78	119	--	--
140262	TN 31	78	120	--	--
140263	TN 32	78	121	210	441

BLM Serial NMC #	Claim Name	Book & Page #		Amended Book & Page #	
140264	TN 33	78	122	210	442
140265	TN 34	78	123	210	443
140266	TN 35	78	124	210	444
140267	TN 36	78	125	210	445
140268	TN 37	78	126	210	446
140269	TN 38	78	127	--	--
140270	TN 39	78	128	--	--
140271	TN 40	78	129	--	--
140272	TN 41	78	130	--	--
140273	TN 42	78	131	--	--
140274	TN 43	78	132	--	--
140275	TN 44	78	133	--	--
140276	TN 45	78	134	--	--
140277	TN 46	78	135	--	--
140278	TN 47	78	136	--	--
140279	TN 48	78	137	--	--
140280	TN 49	78	138	--	--
140281	TN 50	78	139	--	--
140282	TN 51	78	140	--	--
140283	TN 52	78	141	--	--
140284	TN 53	78	142	--	--

EXHIBIT A

(Part 2)

Eureka County, Nevada

Part 2 - Santa Fe Real Estate Contribution - To Be Contributed by Lease and Sublease

A. Santa Fe Fee Lands.

Lands Owned by Santa Fe Pacific Gold Corporation:

Township 33 North, Range 51 East

Section 5: All, 640 acres

Section 9: All, 640 acres

Section 15: All, 640 acres

Section 17: All, 640 acres

Section 21: All, 640 acres

B. Santa Fe Base Lease Lands.

The following lands leased by Santa Fe Pacific Gold Corporation pursuant to that certain Minerals Lease (SPL-06699) from Southern Pacific Land Company, as Lessor, to SFP Minerals Corporation, predecessor in interest to Santa Fe Pacific Gold Corporation, dated August 3, 1987, insofar and only insofar as said lease covers the following described land:

Township 33 North, Range 51 East

Section 29: All, 640 acres

EXHIBIT A

(Part 3)

Area of Interest

Eureka County, Nevada
Township 33 North, Range 51 East

Section 5: All
Section 8: All
Section 9: All
Section 15: All
Section 16: All
Section 17: All
Section 20: All
Section 21: All
Section 22: All
Section 28: All
Section 29: All
Section 32: All

BOOK 305 PAGE 428
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Newmont Gold Company
97 FEB -4 AM 11: 54
EUREKA COUNTY NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEES 18.00

166093