

Return to:
Land/Legal Manager
Placer Dome U.S. Inc.
240 S. Rock Blvd., Suite 117
Reno, Nevada 89502

MEMORANDUM OF MINING LEASE WITH OPTION TO PURCHASE AND NOTICE OF NON-RESPONSIBILITY

This Memorandum of Mining Lease with Option to Purchase and Notice of Non-responsibility is made effective this 1st day of October, 1996, by and between Walter E. Baumann and Jeanette Baumann, husband and wife, whose address is 3542 Valley Ridge Avenue, Elko, Nevada 89801, (herein collectively known as "Lessor") and PLACER DOME U.S. INC., a California corporation qualified to do business in the State of Nevada, whose address is 240 South Rock Boulevard, Suite 117, Reno, Nevada, 89502, (herein known as "Lessee").

WITNESSETH:

WHEREAS, Lessor has executed and delivered to Lessee a certain Mining Lease with Option to Purchase of even date herewith (hereinafter the "Lease"); and

WHEREAS, pursuant to the terms of the Lease, Lessor has granted, demised, leased and let exclusively unto the Lessee with a sole and exclusive option to purchase all of those certain unpatented mining claims (hereinafter the "Property") located in the County of Eureka, State of Nevada as more fully described in Exhibit "A", attached hereto and incorporated herein, together with all mines, ores, minerals and mineral substances of every kind and character whatsoever in, on or under the Property.

WHEREAS, the Lease provides for a term of twenty-five (25) years from the date hereof and for so long thereafter as minerals are being mined on the Property or in the vicinity of the Property as provided in the Lease or until sooner terminated pursuant to the terms of the Lease.

WHEREAS, Lessor has granted unto Lessee the sole and exclusive right to purchase the Property at any time during the term of the Lease upon notice to Lessor.

WHEREAS, it is the desire of Lessor and Lessee to execute this Memorandum of Mining Lease with Option to Purchase for the purpose of recordation in the records of the County Recorder of Eureka, State of Nevada, in order to provide notice to all persons of the existence of the Lease and the rights, privileges and estates of Lessee thereunder.

NOW, THEREFORE, for and in consideration of the mutual covenants contained in the Lease and the sum of Ten Dollars (\$10.00) and other good and valuable consideration, cash in hand paid, by Lessee to Lessor, the receipt and sufficiency of which is hereby acknowledged, Lessor does hereby adopt, ratify and confirm the Lease and all of its terms and provisions, and does hereby grant, demise, lease and let the Property unto Lessee, which terms and provisions are incorporated herein by reference as if fully and completely set forth herein. Lessor declares that the Lease and all of its terms and provisions are binding upon it and that the Lease is a valid and subsisting mining lease according to its terms.

NOTICE OF NON-RESPONSIBILITY

The Lessor is the owner of real property situated in Eureka County, Nevada, more fully described in Exhibit "A". During the term of the Lease, notice is hereby given that Lessee will be engaged in lawful business upon the Property; that three (3) days have not elapsed since Lessor has obtained such knowledge; and that Lessor is not responsible for materials or labor used or to be used therein in the conduct of business on said Property, or in the construction of any improvements or any name or nature on or about said Property.

For purposes of the Lease and this Memorandum of Lease, the addresses of the parties are:

If to Lessor:

Jeanette Baumann
3542 Valley Ridge Avenue
Elko, Nevada 89801

If to Lessee:

Placer Dome U. S. Inc.
240 South Rock Blvd., Suite 117
Reno, Nevada 89502
Attention: Land/Legal Manager

With a copy to:

Placer Dome U.S. Inc.
One California Street, Suite 2500
San Francisco, CA 94111-5472
Attention: Assistant Secretary

Should any person have any questions or desire any information regarding the Lease, said questions or inquiry should be directed to Lessee at the following address:

Placer Dome U.S. Inc.
240 South Rock Blvd., Suite 117
Reno, Nevada 89502
Attention: Land/Legal Manager

IN WITNESS WHEREOF, this Memorandum of Mining Lease with Option to Purchase is executed to be effective as of the date first above written.

LESSOR: Walter E. Baumann

W.E. Baumann

LESSOR: Jeanette Baumann

Jeanette Baumann

LESSEE: PLACER DOME U.S. INC.

DENNIS LEE

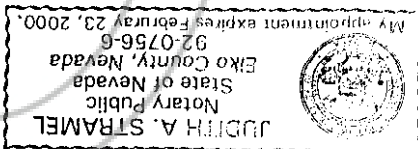
Land/Legal Manager

STATE OF Nevada
COUNTY OF Elko

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) ss.
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On this 8 day of May, 1996, personally appeared before me, the undersigned, a Notary Public, Walter E. Baumann, who acknowledged that he executed the above Memorandum of Mining Lease with Option to Purchase.

Judith A. Strammel
NOTARY PUBLIC

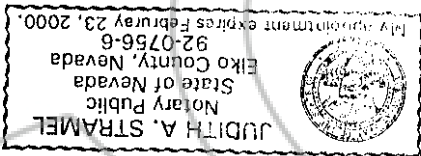


STATE OF Nevada
COUNTY OF Elko

)
) ss.
)

On this 8 day of May, 1996, personally appeared before me, the undersigned, a Notary Public, Jeanette Baumann, who acknowledged that she executed the above Memorandum of Mining Lease with Option to Purchase.

Judith A. Strammel
NOTARY PUBLIC

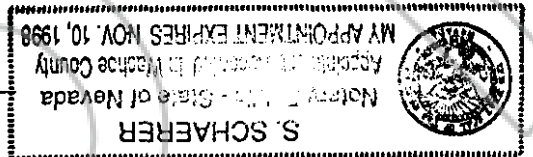


STATE OF NEVADA
COUNTY OF WASHOE

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) ss.
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On this 14th day of May, 1996, personally appeared before me, the undersigned, a Notary Public, DENNIS LEE, who acknowledged that he executed the above Memorandum of Mining Lease with Option to Purchase in his capacity as Land/Legal Manager of PLACER DOME U. S. INC., as indicated above, on behalf of said corporation and that the corporation executed the above Memorandum of Mining Lease with Option to Purchase.

[Signature]
NOTARY PUBLIC



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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Placer Dome US, Inc
97 JUN 26 PM 1:12
EUREKA COUNTY NEVADA
M.N. REBAL/LEATL. RECORDER
FILE NO. 167151
FEES \$9.00

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