

170918

WHEN RECORDED RETURN TO:

Kennecott Exploration Company
961 Matley Lane, Suite 120
Reno, Nevada 89502
Attn: Land Dept.

MEMORANDUM OF MINERAL LEASE AGREEMENT

NOTICE IS HEREBY GIVEN that **Dixie Ventures LLC**, a Nevada Limited Liability Company, whose address is 100 Lemming Drive, Reno Nevada 89523 (therein and hereinafter referred to as "Lessor"), and **Kennecott Exploration Company** a Delaware corporation whose mailing address is 961 Matley Lane, Suite 120, Reno, Nevada 89502, with an office at 224 North 2200 West, Salt Lake City, Utah 84116, (therein and hereinafter referred to as "KEC"), have entered into a **Mineral Lease Agreement** ("Agreement") effective as of October 1, 1998 with respect to the unpatented lode mining claims described in Exhibit "A" attached hereto and by this reference made a part hereof, and which unpatented mining claims are 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 KEC, and its successors and assigns, including all mineral rights, for the purposes of exploration, development, and mining of ores, minerals, and materials.

The Agreement shall continue in force for so long as KEC 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.

This Memorandum of Mineral Lease Agreement is being recorded to give constructive notice of the Mineral Lease granted by Lessor to KEC pursuant to the terms and conditions of the Agreement. Any inconsistency between this Memorandum and the Agreement, or incomplete statement in this Memorandum of any terms of the Agreement, shall not be deemed to amend or modify the Agreement, which is the controlling instrument.

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.

IN WITNESS WHEREOF, this MEMORANDUM OF MINERAL LEASE AGREEMENT
has been executed and made effective as of the date first written above.

KENNECOTT EXPLORATION COMPANY

By John V. Mc

Its PRESIDENT.

DIXIE VENTURES LLC

By Charles Boly

Its # Manager

APPROVED AS TO FORM
PW

ACKNOWLEDGEMENTS

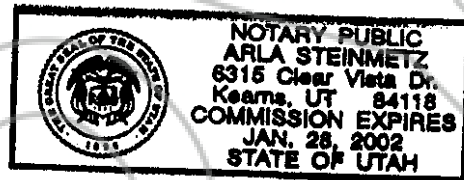
STATE OF UTAH)

: ss.

COUNTY OF SALT LAKE)

On this 12th day of October, 1998 personally appeared before me, a Notary Public, in and for the state and county aforesaid, John Main, a 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.

[Signature]
My Commission Expires 1-28-02



STATE OF NEVADA)

: ss.

COUNTY OF WASHOE)

On this 1st day of October, 1998 personally appeared before me, a Notary Public, in and for the state and county aforesaid, Michael W. Brady, a Manager of Dixie Ventures LLC, a Nevada Limited Liability Company, who acknowledged that he executed the within instrument on behalf of said corporation for the purposes expressed therein.



[Signature]
My Commission Expires May 21, 2000

EXHIBIT A

Attached to and made a part of that certain **Memorandum of Mineral Lease Agreement**, dated October 1, 1998, between **Dixie Ventures LLC**, and **Kennecott Exploration Company**.

Description of Premises

Forty- three (43) unpatented lode mining claims believed to be in or about Sections 13, 14, 23, and 24, Township 20 North, Range 52 East, MDM, and Sections 18 and 19, Township 20 North, Range 53 East, MDM, Eureka County, Nevada, which are further described as follows:

<u>Name of Claim</u>	<u>County Recording Information</u>		<u>Nevada NMC</u>
	<u>Book No.</u>	<u>Page No.</u>	<u>File Number</u>
A#1	316	282	784724
A#2	316	283	784725
A#3	316	284	784726
A#4	316	285	784727
A#5	316	286	784728
A#6	316	287	784729
A#7	316	288	784730
A#8	316	289	784731
A#9	316	290	784732
A#10	316	291	784733
A#11	316	292	784734
A#12	316	293	784735
A#13	316	294	784736
A#14	316	295	784737
A#15	316	296	784738
A#16	316	297	784739
A#17	316	298	784740
A#18	316	299	784741
A#19	316	300	784742
A#20	316	301	784743
A#21	316	302	784744
A#22	316	303	784745
A#23	316	304	784746
A#24	316	305	784747
A#25	316	306	784748
A#26	316	307	784749
A#27	316	308	784750
A#28	316	309	784751
A#29	316	310	784752

A#30-43 to be filed and recorded.

BOOK 322 PAGE 575
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Kennecott Exploration
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