

**173838**

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 **Red Canyon Corporation**, a Nevada corporation, whose address is 15900 Caswell Lane, Reno, Nevada 89502 (therein and hereinafter referred to as "Red Canyon"), 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 January 1, 2000 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, Red Canyon has leased and let the Premises exclusively unto KEC, and its successors and assigns, including all mineral rights, for the purposes of exploration for minerals and has granted to KEC the option to obtain title to the Premises in accordance with the terms of the Agreement.

The Agreement shall continue in force for so long as KEC continues to make certain payments to Red Canyon, 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 Red Canyon 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.

**BOOK 332 PAGE 438**

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. Blair

Its PRESIDENT.

APPROVED AS TO FORM  
RW 1/31/00

**RED CANYON CORPORATION**

By Edward D. [Signature]

Its President

COPY

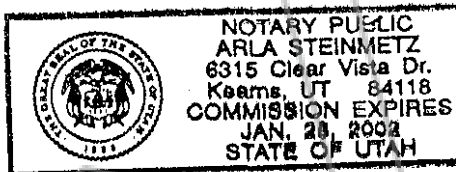
BOOK 332 PAGE 439

ACKNOWLEDGEMENTS

STATE OF UTAH )  
 : ss.  
COUNTY OF SALT LAKE )

On this 31<sup>st</sup> day of January, 2000, 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 28 day of January, 2000, personally appeared before me, a Notary Public, in and for the state and county aforesaid, Edward L. Devarinos, a President of Red Canyon Corporation, a Nevada corporation, 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  
 TO THE MEMORANDUM OF MINERAL LEASE AGREEMENT BETWEEN RED CANYON  
 CORPORATION AND KENNECOTT EXPLORATION COMPANY

The following 237 unpatented lode mining claims located in Sections 1 & 2 T.23.5N.,R.49E;  
 Section 6, T.23.5N.,R.50E; Sections 26 & 35 T.24N.,R.49E; Sections 1,12,&13, T.23N.,R.49E;  
 Sections 6,7,8 & 17,18,19,20, T.23N.,R.50E; Eureka County, Nevada.

<u>Claim Name</u>	<u>County Recording</u> <u>Book:Page</u>	<u>Amendments</u> <u>Book:Page</u>	<u>BLM Serial Nos.</u>
Ice 001	136:441		NMC 342174
Ice 002	136:442		NMC 342175
Ice 003	136:443		NMC 342176
Ice 004	136:444		NMC 342177
Ice 005	136:445		NMC 342178
Ice 006	136:446		NMC 342179
Ice 007	136:447		NMC 342180
Ice 008	136:448		NMC 342181
Ice 009	136:449		NMC 342182
Ice 010	136:450		NMC 342183
Ice 011	136:451		NMC 342184
Ice 012	136:452		NMC 342185
Ice 013	136:453		NMC 342186
Ice 014	136:454		NMC 342187
Ice 015	136:455		NMC 342188
Ice 016	136:456		NMC 342189
Ice 017	136:457		NMC 342190
Ice 018	136:458		NMC 342191
Ice 019	136:459		NMC 342192
Ice 020	136:460		NMC 342193
Ice 021	136:461		NMC 342194
Ice 022	136:462		NMC 342195
Ice 023	136:463		NMC 342196
Ice 024	136:464		NMC 342197
Ice 025	136:465		NMC 342198
Ice 026	136:466		NMC 342199
Ice 027	136:467		NMC 342200
Ice 028	136:468		NMC 342201
Ice 029	136:469		NMC 342202
Ice 030	136:470		NMC 342203
Ice 031	136:471		NMC 342204
Ice 032	136:472		NMC 342205
Ice 033	136:473		NMC 342206
Ice 034	136:474		NMC 342207
Ice 035	136:475		NMC 342208
Ice 036	136:476		NMC 342209
Ice 037	136:477		NMC 342210
Ice 038	136:478		NMC 342211
Ice 039	136:479		NMC 342212
Ice 040	136:480		NMC 342213

<u>Claim Name</u>	<u>County Recording Book:Page</u>	<u>Amendments Book:Page</u>	<u>BLM Serial Nos.</u>
Ice 041	136:481		NMC 342214
Ice 042	136:482		NMC 342215
Ice 043	136:483		NMC 342216
Ice 044	136:484		NMC 342217
Ice 045	136:485		NMC 342218
Ice 046	136:486		NMC 342219
Ice 047	136:487		NMC 342220
Ice 048	136:488	267:259	NMC 342221
Ice 049	136:489	267:260	NMC 342222
Ice 050	136:490	267:261	NMC 342223
Ice 051	136:491		NMC 342224
Ice 052	136:492		NMC 342225
Ice 053	136:493		NMC 342226
Ice 054	136:494		NMC 342227
Ice 055	136:495		NMC 342228
Ice 056	136:496		NMC 342229
Ice 057	136:497		NMC 342230
Ice 058	136:498		NMC 342231
Ice 059	136:499		NMC 342232
Ice 060	136:500		NMC 342233
Ice 061	136:501		NMC 342234
Ice 062	136:502		NMC 342235
Ice 063	136:503		NMC 342236
Ice 064	136:504		NMC 342237
Ice 065	136:505		NMC 342238
Ice 066	136:506		NMC 342239
Ice 067	136:507		NMC 342240
Ice 068	136:508		NMC 342241
Ice 069	136:509		NMC 342242
Ice 070	136:510		NMC 342243
Ice 071	136:511		NMC 342244
Ice 072	136:512		NMC 342245
Ice 073	136:513		NMC 342246
Ice 074	136:514		NMC 342247
Ice 075	136:515		NMC 342248
Ice 076	136:516		NMC 342249
Ice 077	136:517	263:525	NMC 342250
Ice 078	136:518	263:527	NMC 342251
Ice 079	136:519	263:529	NMC 342252
Ice 080	136:520	263:531	NMC 342253
Ice 081	136:521	263:533	NMC 342254
Ice 082	136:522	263:535	NMC 342255
Ice 083	136:523		NMC 342256
Ice 084	136:524		NMC 342257
Ice 085	136:525		NMC 342258
Ice 086	136:526		NMC 342259
Ice 087	136:527		NMC 342260
Ice 088	136:528		NMC 342261
Ice 089	136:529		NMC 342262

<u>Claim Name</u>	<u>County Recording Book:Page</u>	<u>Amendments Book:Page</u>	<u>BLM Serial Nos.</u>
Ice 090	136:530		NMC 342263
Ice 091	136:531		NMC 342264
Ice 092	136:532		NMC 342265
Ice 093	136:533		NMC 342266
Ice 094	136:534		NMC 342267
Ice 095	136:535		NMC 342268
Ice 096	136:536		NMC 342269
Ice 097	136:537		NMC 342270
Ice 098	136:538		NMC 342271
Ice 099	136:539		NMC 342272
Ice 100	136:540		NMC 342273
Ice 101	136:541		NMC 342274
Ice 102	136:542		NMC 342275
Ice 103	136:543		NMC 342276
Ice 104	136:544		NMC 342277
Ice 105	136:545		NMC 342278
Ice 106	136:546		NMC 342279
Ice 107	136:547		NMC 342280
Ice 108	136:548		NMC 342281
Ice 109	136:549		NMC 342282
Ice 110	136:550		NMC 342283
Ice 111	136:551		NMC 342284
Ice 112	136:552		NMC 342285
Ice 113	136:553		NMC 342286
Ice 114	136:554		NMC 342287
Ice 115	136:555		NMC 342288
Ice 116	136:556		NMC 342289
Ice 117	136:557		NMC 342290
Ice 118	136:558		NMC 342291
Ice 119	136:559		NMC 342292
Ice 120	136:560		NMC 342293
Ice 121	136:561		NMC 342294
Ice 122	136:562		NMC 342295
Ice 123	136:563		NMC 342296
Ice 124	136:564		NMC 342297
Ice 125	136:565		NMC 342298
Ice 126	136:566		NMC 342299
Ice 127	136:567		NMC 342300
Ice 128	136:568		NMC 342301
Ice 129	136:569		NMC 342302
Ice 130	136:570		NMC 342303
Ice 131	136:571		NMC 342304
Ice 132	136:572		NMC 342305
Ice 133	136:573		NMC 342306
Ice 134	136:574		NMC 342307
Ice 135	136:575		NMC 342308
Ice 136	136:576		NMC 342309
Ice 137	136:577		NMC 342310
Ice 138	136:578		NMC 342311

<u>Claim Name</u>	<u>County Recording Book:Page</u>	<u>Amendments Book:Page</u>	<u>BLM Serial Nos.</u>
Ice 139	136:579		NMC 342312
Ice 140	136:580		NMC 342313
Ice 141	136:581		NMC 342314
Ice 142	146:476		NMC 371945
Ice 143	146:477		NMC 371946
Ice 144	146:478		NMC 371947
Ice 145	146:479		NMC 371948
Ice 146	146:480		NMC 371949
Ice 147	146:481		NMC 371950
Ice 148	146:482		NMC 371951
Ice 149	146:483		NMC 371952
Ice 150	146:484		NMC 371953
Ice 151	146:485		NMC 371954
Ice 152	146:486		NMC 371955
Ice 153	146:487		NMC 371956
Ice 154	146:488		NMC 371957
Ice 155	146:489		NMC 371958
Ice 156	146:490		NMC 371959
Ice 157	146:491		NMC 371960
Ice 158	146:492		NMC 371961
Ice 159	146:493		NMC 371962
Ice 160	146:494		NMC 371963
Ice 161	146:495		NMC 371964
Ice 162	146:496		NMC 371965
Ice 163	146:497		NMC 371966
Ice 164	146:498		NMC 371967
Ice 165	146:499		NMC 371968
Ice 166	146:500		NMC 371969
Ice 167	146:501		NMC 371970
Ice 168	146:502		NMC 371971
Ice 169	146:503		NMC 371972
Ice 170	146:504		NMC 371973
Ice 171	146:505		NMC 371974
Ice 221	170:350	174:149	NMC 454017
Ice 222	170:351	174:150	NMC 454018
Ice 223	170:352	174:151	NMC 454019
Ice 224	170:353	174:152	NMC 454020
Ice 225	170:354	174:153	NMC 454021
Ice 226	170:355	174:154	NMC 454022
Ice 227	170:356	174:155	NMC 454023
Ice 228	170:357	174:156	NMC 454024
Ice 229	170:358	174:157	NMC 454025
Ice 230	170:359	174:158	NMC 454026
Ice 231	170:360	174:159	NMC 454027
Ice 232	170:361	174:160	NMC 454028
Ice 233	170:362	174:161	NMC 454029
Ice 300	263:088		NMC 692725

<u>Claim Name</u>	<u>County Recording Book:Page</u>	<u>Amendments Book:Page</u>	<u>BLM Serial Nos.</u>
Ice 301	263:089		NMC 692726
Ice 302	263:090		NMC 692727
Ice 303	263:091		NMC 692728
Ice 304	263:092		NMC 692729
Ice 305	263:093		NMC 692730
Ice 306	263:094		NMC 692731
Ice 307	263:095		NMC 692732
Ice 308	263:096		NMC 692733
Ice 309	263:097		NMC 692734
Ice 310	263:098		NMC 692735
Ice 311	263:099		NMC 692736
Ice 312	263:100		NMC 692737
Ice 313	263:101		NMC 692738
Ice 314	263:102		NMC 692739
Ice 315	263:103		NMC 692740
Ice 316	263:104		NMC 692741
Ice 317	263:105		NMC 692742
Ice 318	263:106		NMC 692743
Ice 319	263:107		NMC 692744
Ice 320	263:108		NMC 692745
Ice 321	263:109		NMC 692746
Ice 322	263:110		NMC 692747
Ice 323	263:111		NMC 692748
Ice 324	263:112		NMC 692749
Ice 325	263:113		NMC 692750
Ice 326	263:114		NMC 692751
Ice 327	263:115		NMC 692752
Ice 328	263:116		NMC 692753
Ice 329	263:117		NMC 692754
Ice 330	263:118		NMC 692755
Ice 331	263:119		NMC 692756
Ice 332	263:120		NMC 692757
Ice 333	263:121		NMC 692758
Ice 334	263:122		NMC 692759
Ice 335	263:123		NMC 692760
Ice 336	263:124		NMC 692761
Ice 337	263:125		NMC 692762
Ice 338	263:126		NMC 692763
Ice 339	263:127		NMC 692764
Ice 340	263:128		NMC 692765
Ice 341	263:129		NMC 692766
Ice 342	263:130		NMC 692767
Ice 343	263:131		NMC 692768
Ice 344	263:132		NMC 692769
Ice 345	263:133		NMC 692770
Ice 346	263:134		NMC 692771
Ice 347	264:573		NMC 695046
Ice 348	264:574		NMC 695047
Ice 349	264:575		NMC 695048



Claim Name

County Recording  
Book:Page

Amendments  
Book:Page

BLM Serial Nos.

Ice 350  
Ice 351  
Ice 352

264:576  
264:577  
264:578

NMC 695049  
NMC 695050  
NMC 695051

COPY

BOOK 332 PAGE 438  
OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF  
*Kennecott Exploration*  
00 FEB -9 AM 11:48

EUREKA COUNTY NEVADA  
M.M. REBALEATI, RECORDER  
FILE NO. FEES 15.00  
**173838**

Exhibit A Memo

Page 6 of 6

BOOK 332 PAGE 446