

SHORT FORM OF MINING LEASE

SHORT FORM MINING LEASE is made this 29th day of Aug, 2000, by and between WAYNE REYNOLDS, As Trustee of the WAYNE N. REYNOLDS FAMILY TRUST, (collectively "Ovr") and HOMESTAKE MINING COMPANY OF CALIFORNIA, a California corporation has its principal place of business at 1600 Riviera Avenue, Suite 200, Walnut Creek, California 94607 ("Homestake").

1. Lease and term. (a) Owner leases to Homestake all of the property described in Exhibit A, together with, (i) tailings, dumps and mine wastes, (ii) surface rights, easements and rights-of-way appurtenant incident thereto, and (iii) mining and mineral appurtenant or incident thereto useful or convenient for mining and related uses ("Mining Property").

(b) This Lease shall commence on the Effective Date and continue for an initial term of ten years.

(c) Homestake may extend this Lease for an additional ten-year term, and (ii) thereafter, if exploration, development or mining is then being conducted in connection with the Mining Property, for additional successive terms of ten years each.

2. Exclusive possession. Homestake shall have exclusive possession and quiet enjoyment of the Mining Property while this Lease is in effect.

3. Additional terms. Additional terms and conditions are contained in the full agreement between the parties. This Short Form of Mining Lease shall not modify said agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first above written.

HOMESTAKE MINING COMPANY OF CALIFORNIA

By: W.F. Laquist
Title: Vice President
Print Name: W.F. LAQUIST

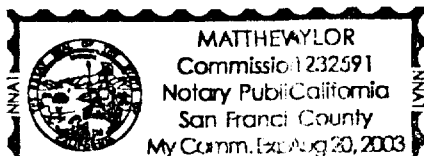
WAYNE N. REYNOLDS FAMILY TRUST

By: Wayne N. Reynolds, Trustee
Title: Wayne N. Reynolds Trustee

STATE OF CALIFORNIA)
) ss.
COUNTY OF CONTRA COSTA)

On September 21, 2000, before me, MATTHEW TAYLOR, a duly commissioned Notary Public for said State, personally appeared, W. F. LINDQVIST, personally known to me to be the V.P. EXPLORATION of Homestake Mining Company of California, a California corporation, and personally known to me to be the person who executed the within instrument and on said oath stated that he was authorized to do so on behalf of said corporation.

IN WITNESS WHEREOF, I have signed my name and affixed my official seal.



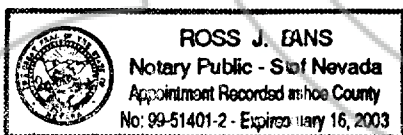
[SEAL]

Matthew Taylor
Notary Public in and for said State
Residing at: _____
My Commission Expires: _____

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On AUGUST 29, 2000, before me, ROSS J. BEVANS, a duly commissioned Notary Public for said State, personally appeared, Wayne N. Reynolds, personally known to me to be the Trustee of the Wayne N. Reynolds Family Trust, and personally known to me to be the person who executed the within instrument and on said oath stated that he was authorized to do so on behalf of said corporation.

IN WITNESS WHEREOF, I have signed my name and affixed my official seal.



[SEAL]

Ross J. Bevans
Notary Public in and for said State
Residing at: WASHOE COUNTY
RENO, NEVADA
My Commission Expires: Feb. 16, 2003

Exhibit A

The Mining Property that is the subject of this Short Form of Mining Lease are the following described lode mining claims:

An undivided eight and seventy-five one hundredths percent (18.75%) interest in and to the Compass Lode, M 302, Patent No. 11426, containing 6.46 acres; and the Lena Lode, M.S. 303, Patent No. 114, containing 6.46 acres, more or less, and located in Section 3, Township 18 North, Range 53 East, M.D.B.&M., Eureka County, Nevada.

COOPER

BOOK 338 PAGE 148
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Homestake Mining
00 OCT 24 AM 11:49

EUREKA COUNTY NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEES 9.00
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