

RATIFICATION AND MODIFICATION OF LEASE AGREEMENT

THIS AGREEMENT, made and entered into this 11th day of December, 1978, by and between PIOCHE MINES CONSOLIDATED, INC. and ELY VALLEY MINES, INC. (hereinafter sometimes called "Lessors") and HARTER & COMPANY, A. G. GALT, BF MINERALS CORPORATION, ROY E. NELSON, and R. LEWIS CHANDLER TRUST, as partners comprising SILVERHORN JOINT VENTURE, a partnership, (hereinafter sometimes jointly called "Lessee");

WHEREAS, Lessors entered into a Lease Agreement, (herein called "Lease Agreement") dated May 30, 1975, with BF Minerals Corporation and Arabian Shield Development Company covering a mill building and facilities and an option to lease such mill fixtures and equipment for a primary term of twenty-two years, commencing on June 1, 1975, and at a rental specified in Paragraph IV of said Lease Agreement, reference being here made to said Lease Agreement as if same were incorporated verbatim herein; and

WHEREAS, said Lease Agreement and all rights thereunder were assigned to and are presently owned by Silverhorn Joint Venture, as Lessee, and the parties hereto desire to ratify and confirm said Lease Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

A. Said above described Lease Agreement, dated May 30, 1975, is hereby amended, ratified, confirmed, and is in full force and effect, and Lessors hereby lease unto Lessee said mill building and equipment referred to therein as the "leased premises" situated in Lincoln County, Nevada, for the primary term of twenty-two years, commencing on June 1, 1975, on the basis of the same rentals as therein provided, and on the same terms and provisions as contained in said Lease Agreement.

B. Lessee has concurrently herewith paid to Lessors jointly the amount of \$5,000.00 in payment of all past due rentals and constituting advance rentals for the five month period beginning December 1, 1978 and ending April 30, 1979.

C. Paragraph II of the Lease Agreement is hereby amended and changed so that the last sentence of said Paragraph shall hereafter read as follows:

"However, Lessors may terminate this Lease if rentals are not paid hereafter as herein provided and set forth in Paragraph IV, or if Lessee has not commenced installation of improvements or active milling operations prior to December 1, 1979."

IN WITNESS WHEREOF, the parties hereto have executed this Ratification and Amendment this 11th day of December, 1978.

LESSORS:

PIOCHE MINES CONSOLIDATED, INC.

By Lee D. Taurer  
J. A. Crichton, President

ELY VALLEY MINES, INC.

By J. A. Crichton  
J. A. Crichton, President

LESSEE:

SILVERHORN JOINT VENTURE  
A PARTNERSHIP

By HARTER, & COMPANY, Partner

By C. C. Harter, Jr.  
C. C. Harter, Jr., President

By A. G. Galt  
A. G. GALT, Partner

By BF MINERALS CORPORATION, Partner

By William D. Folta  
William D. Folta, President

ATTEST:

[Signature]  
(Secretary)

ATTEST:

[Signature]  
(Secretary)

ATTEST:

[Signature]  
(Secretary)

ATTEST:

[Signature]  
(Secretary)

By Roy E. Nelson  
ROY E. NELSON, Partner

By R. LEWIS CHANDLER TRUST, Partner

By \_\_\_\_\_  
R. Lewis Chandler, Trustee

COMMISSION EXPIRES 10/30/80  
THE STATE OF TEXAS    X  
                                  SS.  
COUNTY OF DALLAS    X

On December 11, 1978, personally appeared before me, a Notary Public, J. A. CRICHTON, President of POCHE MINES CONSOLIDATED, INC., who acknowledged that he executed the above instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 11 day of December, 1978.

My Commission Expires:

10/30/80  
Notary Public in and for  
Dallas County, Texas

THE STATE OF TEXAS    X  
                                  SS.  
COUNTY OF DALLAS    X

On December 18, 1978, personally appeared before me, a Notary Public, J. A. CRICHTON, President of ELY VALLEY MINES, INC., who acknowledged that he executed the above instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 18 day of December, 1978.

My Commission Expires:

October 30, 1980  
Notary Public in and for  
Dallas County, Texas

Lincoln County

THE STATE OF TEXAS X  
COUNTY OF DALLAS X ss.

On December 18, 1978, personally appeared before me, a Notary Public, C. C. HARTER, JR., President of HARTER & COMPANY, one of the Partners comprising SILVERHORN JOINT VENTURE, a Partnership, who acknowledged that he executed the above instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 18<sup>th</sup> day of December, 1978.

My Commission Expires: October 31, 1980

Jesse Keilrod  
Notary Public in and for  
Dallas County, Texas

THE STATE OF TEXAS X  
COUNTY OF DALLAS X ss.

On ~~December~~ <sup>January</sup> 10, <sup>1979</sup> 1978, personally appeared before me, a Notary Public, A. G. GALT, one of the Partners comprising SILVERHORN JOINT VENTURE, a Partnership, who acknowledged that he executed the above instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 10<sup>th</sup> day of ~~December~~ <sup>January</sup>, 1979.

My Commission Expires: October 31, 1980

Maria C. Holmsted  
Notary Public in and for  
Dallas County, Texas  
MRS. MARION C. HOLMSTED

THE STATE OF UTAH X  
COUNTY OF SALT LAKE X ss.

On December 27<sup>th</sup>, 1978, personally appeared before me, a Notary Public, ROY E. NELSON, one of the Partners comprising SILVERHORN JOINT VENTURE, a Partnership, who acknowledged that he executed the above instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 27<sup>th</sup> day of December, 1978.

My Commission Expires: March 3, 1980

Robert E. Sherr  
Notary Public in and for  
Salt Lake County, Utah

Lincoln County

THE STATE OF TEXAS X  
COUNTY OF DALLAS X

On December 18, 1978, personally appeared before me, a Notary Public, WILLIAM D. FOLTA, President of BF MINERALS CORPORATION, one of the Partners comprising SILVERHORN JOINT VENTURE, a Partnership, who acknowledged that he executed the above instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 18th day of December, 1978.

My Commission Expires: 1/3/79

Ann R. Parker  
Notary Public in and for  
Dallas County, Texas

THE STATE OF TEXAS X  
COUNTY OF DALLAS X

On December 11th, 1978, personally appeared before me, a Notary Public, R. LEWIS CHANDLER, Trustee of the R. LEWIS CHANDLER TRUST, one of the Partners comprising SILVERHORN JOINT VENTURE, a Partnership, who acknowledged that he executed the above instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 11th day of December, 1978.

My Commission Expires: October 31, 1980

Marion C. Holmesley  
Notary Public in and for  
Dallas County, Texas

MRS. MARION C. HOLMESLEY

No. 63611  
FILED AND RECORDED AT REQUEST OF  
Lewis Chandler  
JANUARY 26, 1979  
AT 1 MINUTES PAST 1 O'CLOCK  
P M IN BOOK 28 OF OFFICIAL  
RECORDS PAGE 588 LINCOLN  
COUNTY, NEVADA.  
Ann R. Parker  
COUNTY RECORDER