

MEMORANDUM OF MINING LEASE AND OPTION

NOTICE IS HEREBY GIVEN that Burgess Farms, a Utah limited partnership, David M. Schmutz and Verna B. Schmutz, husband and wife, and Clifford Phillips and Geri I. Phillips, husband and wife, (hereinafter collectively referred to as "Lessor"); and Hecla Mining Company, a Delaware corporation, 6500 Mineral Drive, Box C-8000, Coeur d'Alene, Idaho 83814-1931 (hereinafter referred to as "Lessee") have entered into a Mining Lease and Option ("Agreement") as of the 30th day of September, 1987, affecting unpatented mining claims located in Iron County, Utah, and Lincoln County, Nevada, as more specifically described in Exhibit "A" attached hereto and by this reference made a part hereof (hereinafter referred to as the "Property").

Under the terms of the Agreement, Lessor has granted to Lessee the sole and exclusive possession of and right to enter upon the Property to explore for, develop, mine, process, remove and sell all ores, minerals or materials in, on or under the Property for a period of twenty (20) years and for so long thereafter as Lessee is conducting operations or making payments pursuant to the Agreement, but in no event longer than ninety-nine (99) years. Lessor has further granted to Lessee the option to purchase the Property, all on the terms and conditions contained in the Agreement.

Any assignment of interest under the Agreement shall require the express written consent of the other party, which consent

shall not be unreasonably withheld. The provisions of the Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

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 address shown on the first page of this Memorandum.

IN WITNESS WHEREOF, this Memorandum has been executed on the day and year first above written.

"LESSEE"

HECLA MINING COMPANY,
a Delaware Corporation

By *Gene Kealy*
Its *Vice President - Exploration* (Title)

Attest *Michael B. White*

"LESSOR"

BURGESS FARMS,
A Utah Limited Partnership

By *Dee Burgess*
Dee Burgess, General Partner

David M. Schmutz
David M. Schmutz

Verna B. Schmutz
Verna B. Schmutz

Clifford Phillips
Clifford Phillips

Geri I. Phillips
Geri I. Phillips

Nellie Burgess, General Partner

Lincoln County

STATE OF Idaho)
COUNTY OF Kootenai) ss.

On the 5th day of ~~September~~ ^{October}, 1987, before me, the undersigned, a Notary Public in and for said State, personally appeared Gene H. Ealy, known to me to be the ~~Vice President-Exploration~~ of Hecla Mining Company, a Delaware corporation, the person whose name is subscribed to the within instrument and, being authorized so to do, acknowledged that he executed the same on behalf of said corporation.

WITNESS MY HAND AND OFFICIAL SEAL.

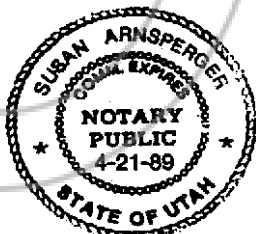
Christa Marie Shady
NOTARY PUBLIC
Comm. Exp. June 20, 1991

STATE OF Utah)
COUNTY OF Washington) ss.

On the 9th day of September, 1987, before me, the undersigned, a Notary Public in and for said State, personally appeared Dee Burgess, known to me to be a general partner of Burgess Farms, a Utah limited partnership, and the person whose name is subscribed to the within instrument and, being authorized so to do, acknowledged that he executed the same on behalf of said partnership.

WITNESS MY HAND AND OFFICIAL SEAL.

Susan Arnsperger
NOTARY PUBLIC

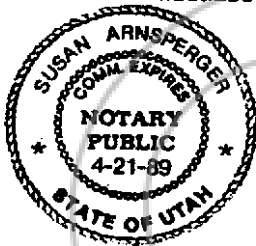


Lincoln County

STATE OF *Utah*)
COUNTY OF *Washington*) ss.

On the *24th* day of September, 1987, before me, the undersigned, a Notary Public in and for said State, personally appeared David M. Schmutz and Verna B. Schmutz, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same.

WITNESS MY HAND AND OFFICIAL SEAL.

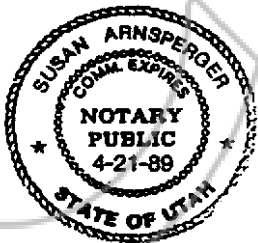


Susan Arnsperger
NOTARY PUBLIC

STATE OF *Utah*)
COUNTY OF *Washington*) ss.

On the *24th* day of September, 1987, before me, the undersigned, a Notary Public in and for said State, personally appeared Clifford Phillips and Geri I. Phillips, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same.

WITNESS MY HAND AND OFFICIAL SEAL.



Susan Arnsperger
NOTARY PUBLIC

87876

FILED AND RECORDED AT REQUEST OF
Hecla Mining Company
21 October 1987

AT *01* MINUTES PAST *3* O'CLOCK
P.M. IN ROOM *77* OF OFFICIAL
RECORDS, PAGE *319* LINCOLN
COUNTY, NEVADA.

Frank C. Hulse
COUNTY RECORDER

Lincoln County

EXHIBIT "A"

All of those certain unpatented lode mining claims located within Township 3 North, Range 71 East, M.D.B.&M., Lincoln County, Nevada, and more specifically described as follows:

<u>CLAIM NAME</u>	<u>LINCOLN COUNTY RECORDER</u>		<u>BUREAU OF LAND MANAGEMENT SERIAL NUMBER</u>
	<u>BOOK</u>	<u>PAGE</u>	
SUMMIT #1	26	486	27459
SUMMIT #2	26	487	29613
SUMMIT #3	33	9	108483
SUMMIT #4	33	306	127963
SUMMIT #5	33	458	131582
SUMMIT #6	33	459	131583
SUMMIT #7	33	460	131584
SUMMIT #10	56	556	283538
SUMMIT #11	56	557	283539
SUMMIT #12	56	558	283540
SUMMIT #13	56	559	283541
SUMMIT #14	57	150	285326
SUMMIT #15	57	149	285327
WHITE ROCK # 1	32	452	94145
CABIN # 1	69	18	355705
CABIN # 2	69	19	355706
CABIN # 3	69	20	355707
CABIN # 4	69	21	355708
CABIN # 5	69	22	355709

All of those certain unpatented lode mining claims located within Township 31 South, Range 20 West, S.L.B.&M., Iron County, Utah, and more particularly described as follows:

<u>CLAIM NAME</u>	<u>IRON COUNTY RECORDER</u>		<u>BUREAU OF LAND MANAGEMENT SERIAL NUMBER</u>
	<u>BOOK</u>	<u>PAGE</u>	
EAST SUMMIT # 1	245	165	60533
EAST SUMMIT # 2	245	166	60534
EAST SUMMIT # 3	284	467	251537
EAST SUMMIT # 4	284	468	251538
EAST SUMMIT # 5	290	789	256477
EAST SUMMIT # 6	290	790	256478
EAST SUMMIT # 7	290	791	256479
EAST SUMMIT # 8	290	792	256480
BERGIN	294	777	260091

Handwritten notes:
 7/8
 1/2
 1/2
 1/2
 1/2