

ASSIGNMENT OF MINING LEASE

WHEREAS, on the twentieth day of August, 1987, a certain Mining Lease was made and entered into by and between CAL-NEVA MINING CO., INC., a Nevada Corporation, LESSOR, and GEORGE D. FEHR, LESSEE, covering that certain mining property located in the County of Lincoln, State of Nevada, more particularly described in Exhibit "A" of said Mining Lease, which Lease is attached hereto and made a part hereof, and,

WHEREAS, the said Lease and all rights thereunder or incident thereto are now owned by said GEORGE D. FEHR:

NOW, THEREFORE, in consideration of Five Hundred and No/100 Dollars (\$500.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, the Lessee ("Assignor"), the present owner of the said Lease and all rights thereunder or incident thereto, does hereby bargain, sell, transfer, assign and convey unto BAYOU-FIRST INVESTORS, a Joint Venture (the "Assignee"), with offices at Level 3, 468 St. Kilda Road, Melbourne, Victoria 3004, Australia, all of the right, title and interest of the original Lessee and present owner in and to said Lease and rights thereunder insofar as it covers the entire above described premises, together with all personal property used or obtained in connection therewith to said BAYOU-FIRST INVESTORS, its successors and assigns.

IN ADDITION to the five and four-tenths percent (5.4%) royalty as set out in the above described Mining Lease, the Assignor herein and hereby reserves unto himself an overriding royalty equal to six-tenths percent (0.6%) of the refined gross value in money or in kind at the option of the Assignor of all the gold, silver and other precious metals and other salable product recovered from Assignor's ores in Assignee's mining, milling, processing and refining operations. Assignor also reserves unto himself, in addition to the minimum royalty set out in the aforesaid Mining Lease, a minimum monthly overriding royalty regardless of actual production according to the following schedule:

Thirty Dollars (\$30.00) each and every month for seven months commencing February 1, 1988.

One Hundred Dollars (\$100.00) each and every month thereafter during the life of said Mining Lease commencing September 1, 1988.

All monthly minimum overriding royalties shall be due and payable at the end of each such monthly period. Said monthly minimum overriding royalties paid to Lessor shall be credited against the actual overriding royalties due and payable hereunder.

AND, for the same consideration, the Assignor for himself and his heirs, successors and representatives, does covenant with the said Assignees, their successors or assigns that he is the lawful owner of the said Lease and rights and interests thereunder and of the personal property thereon or used in connection therewith; that the Assignor has good right and authority to sell and convey the same, and that said rights, interests and property are free and clear from all liens and encumbrances, and that all rentals and royalties due and payable thereunder have been duly paid.

AND, the Assignor hereby represents and warrants that the Joint Venture as Assignee under the Mining Lease shall have full rights and privileges to explore for, develop, mine (by open pit, underground, strip mining or any other method) extract, mill, beneficiate, store, remove or market all of the minerals, metals, ores (including gold ore), materials of whatsoever nature or sort found on the premises during the term of the Mining Lease; provided the Joint Venture is not in default thereof. Assignor hereby indemnifies and agrees to hold Assignee harmless for any damages, claims, losses, judgments, fees (including attorneys' fees), or expenses, including but not limited to any payments to the Lessor pursuant to the Mining Lease or to the Assignor pursuant to this Assignment and the cost of any field testing, feasibility studies, assaying work or other activities undertaken by the Joint Venture which have been incurred by the Joint Venture in connection with the premises covered by the Mining Lease, resulting from Lessor's breach of the representations and warranty described herein. Said indemnification shall include but shall not be limited to the reasonable costs and expenses of legal counsel engaged by or in behalf of the Joint Venture to enforce its rights hereunder.

IN WITNESS WHEREOF, the undersigned owner and Assignor has signed and sealed this instrument this 14th day of January, 1988.

George D. Fehr

GEORGE D. FEHR
ASSIGNOR

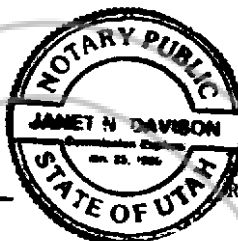
STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this first day of February, 1988, by George D. Fehr.

WITNESS my hand and the official seal of my office.

My Commission Expires:

January 23, 1989



Janet H. Davison

NOTARY PUBLIC
Residing at Sandy, Utah

MINING LEASE

THIS MINING LEASE, made and entered into this 20th day of August, 1987, by and between CAL-NEVA MINING CO., INC., a Nevada corporation, hereinafter referred to as LESSOR, whose address is: 5825 West Sahara, Suite I, Las Vegas, Nevada 89102, and GEORGE D. FEHR, hereinafter referred to as LESSEE, whose address is 10 Exchange Place Suite 610, Salt Lake City, Utah 84111.

WITNESSETH:

That, in consideration of the sum of One Hundred Dollars (\$100.00), in hand paid, and other good and valuable considerations, the receipt and sufficiency of which Lessor hereby acknowledges, and in further consideration of the royalties and agreements herein set forth by the parties to be kept and performed, it is mutually agreed as follows:

1. Lease of Properties:

Lessor does hereby grant, lease, demise and let exclusively unto Lessee, and Lessee leases and takes from Lessor, upon the terms and conditions hereinafter set forth, all those mining claims and mining properties situate in Lincoln County, State of Nevada, more particularly described in Exhibit "A" hereto attached and by this reference made a part hereof, hereinafter sometimes referred to as the "premises."

Together with, all and singular, lessor's mines, minerals, lodes and veins, dips and spurs, all dumps, plants, fixtures, improvements, water rights or other rights, easements and appurtenances whatsoever either upon, in or under or belonging to or associated with or used or usable in connection with the premises, whether heretofore or hereafter acquired. The designation of specific improvements, rights or appurtenances or other items, if any, on the premises shall not be deemed to be a limitation upon the generality of the foregoing sentence.

Together with, the exclusive rights and privileges to explore for, develop, mine (by open pit, underground, strip mining, or any other method), extract, mill, beneficiate, store, remove and market all of the minerals, metals, ores, materials of whatsoever nature or sort found thereon, therein or thereunder or on, in or under other lands.

2. Term:

This Lease shall be for a term of twenty (20) years from the date hereof (called Primary term) and so long thereafter as ores, minerals

or materials, or any one or more of them, are produced from the premises and/or so long thereafter as this Lease may be maintained in force and effect under any of the other provisions herein contained.

If at the expiration of the primary term Lessee has discovered minerals on the premises in quantities which in Lessee's opinion may be commercially mined and Lessee is then engaged in operations for recovery of the same, then this lease shall be automatically extended after the expiration of the primary term for so long as such operations for recovery are being diligently prosecuted with no cessation of more than ninety (90) consecutive days and for so long thereafter as ores, minerals and/or materials are mined and produced, or in the event of cessation of production, for so long thereafter as Lessee diligently engages in development operations for the purpose of further producing ores, minerals or materials from the premises, or so long thereafter as Lessee continues to make the payments provided in Paragraph 3. It shall be considered that Lessee is diligently engaged in mining operations if Lessee conducts any such operations on the premises at any time during each period of three (3) consecutive months after cessation of production.

3. Royalty:

(A) Lessee shall pay to Lessor as royalty five and four tenths percent (5.4%) of the refined gross value in money or in kind at the option of Lessors of all the gold, silver and other precious metals and other salable product recovered from Lessor's ores in Lessee's mining, milling, processing and refining operations, ~~which royalty shall include and not be in addition to royalty heretofore reserved by Joseph P. LaStella.~~

(B) All payments herein provided shall be paid either directly to Lessor or mailed to the depository bank herein named. Royalty as above provided shall be paid or mailed on or before the twenty-fifth day of the calendar month following the time the ore is sold, or processed and sold, or used, and, upon request of Lessor, a true copy of the mill, smelter or refinery settlement return will be provided to Lessor, together with a statement of costs.

(C) Lessee shall pay Lessor a minimum monthly royalty regardless of actual production according to the following schedule:

Two Hundred Seventy Dollars (\$270.00) each and every month for twelve months, commencing September 1, 1987

Five Hundred Dollars (\$500.00) or 1 1/2 ounces of gold, at the option of the Lessee, each and every month thereafter during the life of this lease, commencing September 1, 1988

All monthly minimum royalties shall be due and payable at the end of each such monthly period. Said monthly minimum royalties paid to Lessor shall be credited against the actual royalties due and payable hereunder.

(D) In the event at the end of the primary term of this Lease Lessee has discovered in the premises any minerals in quantities which in Lessee's opinion may be commercially produced, but said minerals are not being produced, and Lessee is not engaged in development operations as contemplated in Paragraph 2, this Lease shall nevertheless remain in full force and effect for a period of one year following the expiration of the primary term and Lessee shall pay an annual minimum royalty for the year following the end of the primary term a sum of \$6,000.00. Such payment shall be made on or before the end of such annual period. Thereafter, in like manner and from time to time, if a one-year period has elapsed during which no ores, minerals or materials have been produced and Lessee has been engaged in development operations during that period, this Lease shall nevertheless be considered to have remained in full force and effect during such period and lessee shall be obligated to make the annual royalty payment for such year. It is provided, however, that this Lease cannot be extended beyond the primary term by reason of the annual minimum royalty payments provided in this paragraph for a longer term than ten (10) consecutive years. The annual period as used herein shall be that one-year period commencing on the first anniversary date hereof and commencing on each anniversary date thereafter. All annual minimum royalties paid to Lessor pursuant to this paragraph shall be credited against actual royalties paid to Lessor.

(E) Any and all payments of monies due or payable by Lessee to Lessor under the terms hereof shall be paid or tendered to Lessor or to the credit of the Lessor, at First Interstate Bank of Nevada, Decatur-Vegas Branch, 4815 Vegas Drive, Las Vegas, Nevada 89108, which bank is designated as the depository and the agent of the Lessor for the purpose of receiving such payments.

4. Lessor Interest Provision:

Without impairment of the warranties of title contained in this Lease, if Lessor owns less than the entire and undivided mineral estate in the premises, then the total royalties and all other payments herein provided shall be proportionately reduced and payable to Lessor only in proportion which Lessor's interest bears to the undivided mineral estate therein.

5. Warranty:

Lessor hereby warrants and agrees to defend the title to the patented mining claims or other patented lands referred to in Exhibit "A," and with respect to each unpatented mining claim described therein warrants unencumbered ownership of the claim and represents and warrants that the same was validly located upon lands open to mining location by Lessor or a predecessor, that the same is valid and subsisting and that all assessment work for prior years has been done and proof thereof recorded as required by law. Lessee shall have the optional right to redeem for the Lessor by payment of any mortgage, tax or other lien upon said premises in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof. Lessee shall also have the right to retain from any payment which would otherwise become due or payable to Lessor hereunder and thereby reimburse Lessee for payment of any such tax, mortgage or other lien and the retention of such sum or sums for payment shall have the same effect as if the amounts thereof were paid directly to the Lessor in whose behalf such payment was made. In case of a suit, adverse claim, dispute or question as to the ownership of the premises or the right to receive any of the monies payable under this Lease, Lessee shall not be in default in the payment of any sum due hereunder until thirty (30) days after Lessee has been furnished with original or certified copies of the instrument or instruments disposing of such suit, claim or dispute with proof sufficient, in Lessee's opinion, to settle such question.

6. Release:

(A) Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering all of the premises, thereby surrendering this Lease as to all of said premises, and thereby terminate all obligations relating thereto except the payment obligations accrued as of the day of surrender, and subject to Paragraph 9D.

(B) Lessee shall likewise and in like manner have the right from time to time to surrender this Lease insofar as it covers only a portion of the premises and thereby terminate all obligations relating thereto except the payment obligations accrued as of the date of surrender, and subject to Paragraph 9D. In the event of a partial release, the annual minimum royalties payable hereunder shall not be reduced proportionately.

(C) As to any part or all of the premises released under this Paragraph 6, Lessee shall have the right, but not the obligation, at any time, or within six (6) months after the termination or expiration of the

rights granted by this Lease, to remove all property including mine dumps and tailings, fixtures or structures erected or placed by Lessee on said premises except timbering in tunnels, shafts and openings.

7. Title:

Upon request by Lessee, Lessor shall furnish promptly to Lessee all abstracts of title in Lessor's possession covering premises in whole or in part, recorded notice of location, prior deeds, if any, proofs of annual labor and all other data and material in Lessor's files relative thereto.

8. Taxes:

Lessor shall pay promptly when due all other property taxes levied against the premises affected by this Lease except as hereinafter provided. Lessee shall pay all taxes levied or assessed for period during the term of this Lease upon improvements placed by the Lessee upon the premises. Lessor and Lessee shall each bear their respective shares of all severance or other taxes now or hereafter levied or computed upon the amount or value of ores produced.

9. Duties:

The provisions for annual minimum payments contained herein are intended to exclude and negate any implied duty or obligation to perform exploration or development work or to mine at any rate or in any manner. The activities of Lessee, if any, shall be only to the extent and at the locations, time and methods and in the manner that Lessee shall determine in Lessee's sole discretion. However, with respect to all such work as Lessee shall determine to perform, it is specifically agreed as follows:

(A) Lessee, in all operations under this Lease, will comply with all applicable state and federal laws, including the social laws relative to employment, workmen's compensation insurance, Social Security, unemployment tax and tax withholding. Lessee shall hold Lessor harmless from claims of damage to persons or property arising from Lessee's operations under this Lease, except only that any right of access to the premises by Lessor or Lessor's representatives shall be at Lessor's risk. Lessee shall specifically comply with all laws pertaining to environmental protection of the area, and shall hold Lessor harmless for any noncompliance with said laws.

(B) Lessor shall have access to the operations upon the premises and to the records and accounts thereof at reasonable times to the end that Lessor might verify that the specified payments are being made properly.

(C) Ore, substances or materials from the premises which are mixed or comingled with ore, substances or materials from other lands shall be determined as to quantity and grade by the Lessee through procedures consistent with practices in the mining industry, such as truck factors, skip factors, and volumetric surveys.

(D) For the assessment year commencing September 1, 1986, and each year thereafter during the term hereof, Lessee shall, with respect to each unpatented mining claim described in Exhibit "A," endeavor in good faith to do and perform the assessment work as required by law for the maintenance of the claims, to file reports and affidavits as required by law with respect thereto. It is provided, however, that Lessee shall have no assessment work obligation for the then current assessment year with respect to any unpatented mining claim which is released from this Lease not later than July 1 of any year.

10. Inurement:

The provisions hereof are intended to be specifically enforceable and shall inure to the benefit of and shall bind the parties hereto, their heirs, devisees, personal representatives, successors and assigns, but no change in the ownership of the premises or in the right to receive the payments made hereunder shall be binding upon Lessee until thirty (30) days after Lessee shall have received the original or certified copies of all instruments necessary, in Lessee's opinion, to evidence the transfer.

11. Forfeiture or Termination:

In the event Lessee shall fail to make any payment provided for in Paragraph 3 above within the time provided or thirty (30) days thereafter, or in the event Lessee shall default in the performance of any other covenant hereof on its part to be kept and performed and shall not have corrected or commenced action to correct such default within thirty (30) days after written notice of such default from Lessor, then and in either of said events, Lessor may, at Lessor's option, cancel this Mining Lease and enter into possession of the mining properties.

12. Force Majeure:

When any of the operations contemplated by this Lease are delayed or interrupted by storm, flood or other act of God, fire, war, rebellion, insurrection, riot, strikes, differences with workmen or failure of carriers to transport or furnish facilities for transportation, or as a result of some order, requisition or necessity of any governmental agency having jurisdiction, or inability after diligent effort to obtain a profitable market for any leased mineral produced hereunder, or as a result

of any cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this Lease to the contrary notwithstanding. All express or implied covenants or conditions of this Lease shall be subject to all federal and state laws, executive orders, rules or regulations of any governmental agency, state or federal, having jurisdiction and this Lease shall not be terminated in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by or if such failure is the result of any law, order, rule or regulation. If from any such cause Lessee is prevented from conducting mining or producing operations, or from transporting, selling or using minerals from leased premises, the time while Lessee is so prevented shall not be counted against Lessee, and this Lease shall be extended for a period of time equal to that during which such Lessee is so prevented from conducting such operations, selling or using such minerals, notwithstanding any other provisions hereof.

13. Non-Liability Notices:

Lessor may record, in accordance with the Statutes of Nevada, such notices as will inform whom it may concern that the mining properties are operated under lease, and that the Lessor shall not be liable for any of the expenses or charges of operation.

14. Lessor's Right to Information:

Lessee agrees that Lessor or Lessor's authorized agents shall have access to, and the right to copy any information from geological, drilling, sampling and other data relating to the mining properties, secured by and in the possession of Lessee in connection with its prospecting and development of said mining properties.

In the event of termination of this Mining Lease for any reason whatsoever, the Lessee agrees to furnish Lessor with copies of all drilling and sampling data, a map accurately showing the development work performed by the Lessee upon the mining properties and copies of any and all geologic maps relating to said mining properties prepared by Lessee.

15. Manner of Giving Notice:

Any notice to be served upon the Lessee shall be in writing and shall be served if mailed in the United States Post Office, postage prepaid and certified, addressed to the Lessee at: 10 Exchange Place, Suite 610, Salt Lake City, Utah 84111, or such other address as the Lessee may from time to time in writing designate.

Any notice contemplated herein to be served upon Lessor shall be in writing and shall be sufficiently given if mailed in the United

States Post Office, postage prepaid and certified, addressed to the Lessor at: 5825 West Sahara, Suite I, Las Vegas, Nevada 89102, or such other address as the Lessor may from time to time in writing designate.

16. Assignment:

This Mining Lease may be assigned or sublet by Lessee without the prior written consent of Lessor.

17. Commencing Operations:

Notwithstanding anything to the contrary provided in Clause 9 above or in any other clause of this Mining Lease, Lessee shall, nevertheless, commence or cause to be commenced mining and processing ore from the premises at the rate of 300 or more tons per day for the recovery of precious metals on or before September 1, 1992.

18. Headings:

The headings to the paragraphs of this Lease constitute no part of this Lease between the parties, having been inserted for convenience only.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands as of the day and year first hereinabove written.

Attest:

EDNA PERKINS, Secretary

CAL-NEVA MINING CO., INC.

By: *Fran Secco-Bohnet*
FRAN SECCO-BOHNET, President
LESSOR

Witness:

George D. Behr
GEORGE D. BEHR
LESSEE

STATE OF NEVADA)
: ss.
COUNTY OF CLARK)

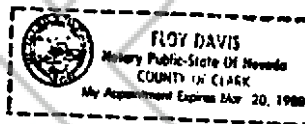
On the 21st day of August, 1987, personally appeared before me Fran Secco-Bohnet and Edna Perkins, who being duly sworn did say, each for herself, that she, the said Fran Secco-Bohnet, is the President, and she, the said Edna Perkins, is the Secretary of Cal-Neva Mining Co., Inc., and that the within and foregoing instrument was signed in behalf of said corporation by authority of a resolution of its board of directors or by authority of its by-laws, and said Fran Secco-Bohnet and said Edna Perkins each duly acknowledged to me that said corporation executed the same and that the seal affixed is the seal of said corporation.

WITNESS my hand and the official seal of my office.

My Commission Expires:

3-20-88

Floy Davis
NOTARY PUBLIC
Residing at Las Vegas Nevada



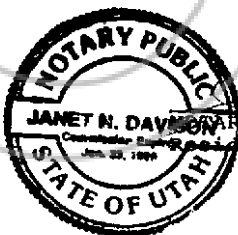
STATE OF UTAH)
: ss.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 20th day of August, 1987, by George D. Fehr.

WITNESS my hand and the official seal of my office.

My Commission Expires:

January 23, 1989



Janet N. Davison
NOTARY PUBLIC
Residing at Sandy, Utah

Lincoln County

EXHIBIT A
TO
MINING LEASE

Dated: August 20, 1987

From CAL-NEVA MINING CO., INC., LESSOR, to GEORGE D. FEHR, LESSEE.

The premises covered by the within Mining Lease are described as follows, to-wit:

Unpatented placer mining claims in the Meadow Valley Mining District, Lincoln County, Nevada, described as Castle Claim Number 1 and DeAubrey Jean Claim Number 4, located in:

T. 12 S., R. 65 E., M.D.B.&M.
Section 36; NE 1/4

T. 12 S., R. 66 E., M.D.B.&M.
Section 30; SW 1/4

Said claims are more particularly described as follows, to-wit:

Name of Claim	Land Description	Date Located	Recorded			BLM-NMC Numbers
			Date	Book	Page	
Castle #1	NE 1/4, Sec. 36	1-22-81	1-27-81	42	214	189202
			3-10-81	42	691	189202
DeAubrey Jean #4	SW 1/4, Sec. 30	8-02-81	8-05-81	45	370	212277
			8-05-81	45	384	212277

And the description of the particular claims selected shall be deemed (without increase in the considerations stated in the within instrument) to include all interests of Lessor now owned or hereafter acquired in lands which are within mining claims or mill sites which conflict with or overlie the same in whole or in part, or within the area bounded by straight lines around the exterior limits of the contiguous group of claims selected.

Signed for Identification:

No. 88260
FILED AND RECORDED AT REQUEST OF
George D. Fehr
Feb. 8, 1988
AT 1 MINUTES PAST 9 O'CLOCK
A.M. IN BOOK 78 OF OFFICIAL
RECORDS, PAGE 334 LINCOLN
COUNTY, NEVADA.

FRANK C. HULSE
COUNTY RECORDER
By Mara Coyne, Deputy

CAL-NEVA MINING CO., INC.

By: Frank C. Hulse
President

LESSOR

George D. Fehr
LESSEE