

SECOND EXTENSION OF MINING LEASE AND OPTION

WHEREAS, on the 14th day of February, 1978, a certain Mining Lease and Option Agreement was made and entered into by and between ANDESITE MINING COMPANY, a Nevada Corporation, as Lessor, and B F MINERALS CORPORATION and HARTER & COMPANY, each organized and existing under the laws of the State of Texas, as Lessee, covering the following described patented mining claims and mining property located and situated in the Eagle Valley Mining District, Lincoln County, Nevada, and described as follows, to wit:

Snowflake	- U.S. Patent Survey No. 4000
Snowflake No. 2	- U.S. Patent Survey No. 4000
Snowflake No. 3	- U.S. Patent Survey No. 4000
Snowflake No. 4	- U.S. Patent Survey No. 4000
Snowflake No. 5	- U.S. Patent Survey No. 4000
Snowflake No. 10	- U.S. Patent Survey No. 4000

all under Patent No. 369887, dated 12/9/13, United States of America to Mary F. Fowler and Jon Dern, said Patent being recorded in Book B-1, page 57 of the Mining Deed Records of Lincoln County, Nevada and

Winner No. 2	- U.S. Patent Survey No. 4281, Patent No. 928942, dated 1/12/24, United States of America to Arch McNeil and Milton Damron, said Patent being recorded in Book C-1 page 218 of the Mining Records of Lincoln County, Nevada.
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Together with all appurtenances and water and water rights.

Said Mining Lease and Option Agreement being of record in Book 26, page 489 of the Mining Deed Records of Lincoln County, Nevada, to which record reference is here made for all purposes, and a copy of said Mining Lease and Option Agreement is here attached and marked Exhibit "A" and made a part hereof for all purposes, and

Lincoln County

WHEREAS, on the 5th day of January, 1979, the aforesaid Mining Lease and Option Agreement was assigned and quitclaimed by the said B F MINERALS CORPORATION and HARTER & COMPANY to one certain Joint Venture Agreement, known as the SNOWFLAKE JOINT VENTURE of Dallas, Dallas County, Texas, a copy of which assignment is here attached and marked Exhibit "B" and made a part hereof for all purposes, said Assignment and Quitclaim being of record in Book 28, page 538 of the official records of Lincoln County, Nevada to which reference is here made for all purposes, and

WHEREAS, on the 8th day of August, 1987, an Extension Agreement of the afore said Mining Lease and Option Agreement was entered into by and between ANDESITE MINING COMPANY, a Nevada Corporation and the SNOWFLAKE JOINT VENTURE of Dallas, Texas, a copy of which Extension Agreement is here attached and marked Exhibit "C" and made a part for all purposes, said Extension being of record in Book 91, Page 443 of the official records of Lincoln County, Nevada to which record reference is here made for all purposes, and

WHEREAS, pursuant to Paragraph III of the Mining Lease and Option Agreement and Paragraph 2, page 2 of the Extension Agreement set forth above, the Assignees have, as of July 20, 1990 have made all payments timely to ANDESITE MINING COMPANY in the total sum of \$125,000.00 Dollars, and have fully complied with all the terms and conditions of the said Mining Lease and Option Agreement, and the Extension Agreement, and after crediting the payments heretofore made pursuant to paragraph III of said Mining

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Lease Option Agreement and Extension Agreement, would owe an additional \$225,000.00 Dollars payment in exercise of said Option Agreement and Extension Agreement as of the present date, and

WHEREAS, due to economic factors and varying conditions, the parties hereto are desirous of entering into a second extension of the Mining Lease and Option Agreement and the Extension Agreement due to expire under date January 31, 1993, for a period of two (2) years commencing February 1, 1993, and ending January 31, 1995 subject to the following terms and conditions as are hereinafter set forth:

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree, bind and obligate themselves to extend the subject Mining Lease and Option Agreement and the Extension Agreement for a period of two (2) years from and after February 1, 1993 through January 31, 1995 subject to the following terms and conditions:

1. The term set out in Paragraph II of the subject Mining Lease and Option Agreement is hereby amended to read: "Said Lease is for a term of seventeen (17) years, commencing February 1, 1978 to and including January 31, 1995. This Mining Lease and Option Agreement shall continue for an additional twelve (12) months so long as mining operations have been conducted at any time during the preceding twelve (12) months."
2. SNOWFLAKE JOINT VENTURE, as Lessee (assignee) agrees to pay Lessor as rent for the lease of said mining properties, payable at the office of Lessor, its successors or assigns, strictly within the following times, as follows:
 - \$5,000.00 or more on the 1st day of August, 1990;
 - \$5,000.00 or more on the 1st day of February, 1991;
 - \$5,000.00 or more on the 1st day of August, 1991;
 - \$10,000.00 or more on the 1st day of February, 1992;

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\$10,000.00 or more on the 1st day of August, 1992; \$10,000.00 or more and similar semi-annual rental payments each year thereafter throughout the term of said lease, as extended herein.

As additional rental, Lessee (assignee) agrees to pay Lessor a royalty of eight percent (8%) of the net mill or shelter returns of all ores mined and shipped from said mining properties.

3. Paragraph No's. IV, V, VI, VII, VIII, IX and XI of the subject Mining Lease and Option Agreement remain the same and are here incorporated by reference the same as if set out herein in verbatim.
4. Paragraph No. X of the subject Mining Lease and Option Agreement and of the Extension Agreement is hereby altered, amended and changed to read as follows:

OPTION

10.1 For value received, Lessor hereby gives and grants to Lessee (assignee) the exclusive right and option to purchase said leased premises for \$265,000 Dollars (present balance of \$225,000.00 as per the extension as of August 10, 1987, plus the agreed upon additional and added \$40,000.00 Dollars as consideration for the extension of the term for a two (2) year period) at any time on or before January 31, 1995, provided, at the exercise of said Option, said lease is in full force and effect, and, provided further, all rental and royalty payments paid by Lessee pursuant to Paragraph No. 2 hereinabove shall apply to and reduce the purchase price accordingly.

10.2 The Lessor, on receiving said sum of \$265,000.00 (as set forth above), agrees to execute and deliver to the Lessee or assigns, a good and sufficient mining deed conveying title to the above described premises free and clear of all encumbrances, except as may have accrued by or through the acts or neglect of the Lessee.

10.3 The Lessor also hereby gives and grants to Lessee (assignee) the right and option to purchase said leased premises (after the August 1992 payment and prior to the February 1, 1993 payment) for \$200,000 Dollars.

10.4 Lessee (assignee) agrees to execute and deliver to the Lessor or assigns, upon completion of active mining (mining being defined as a minimum of 10,000 tons per year) a good and sufficient mining deed conveying title to the above described premises free and clear of all encumbrances.

10.5 Lessee agrees to restore the property to environmental standards as determined by State and Federal Regulatory Agencies in a timely fashion.

5. Paragraph No. XII of the subject Mining Lease and Option Agreement is hereby altered and changed to read as follows:

12.1 All notices required to be given herein shall be by United States Mail, certified and postage prepaid, to the Lessor addressed to:

Willard F. Snyder
5301 Cobblecreek Road
Apt. 26F
Salt Lake City, Utah 84117.

6. The effective date of this agreement shall be July 30th, 1990.

IN WITNESS WHEREOF, the parties have caused this second extension of Mining Lease and Option Agreement to be excuted the day and year appearing by their respective signatures.

ATTEST:

Andrea C. [Signature]
SECRETARY

DATED: 7-29-90

ANDESITE MINING COMPANY

BY: *Willard F. Snyder*
WILLARD F. SNYDER, PRESIDENT

"LESSOR"

SNOWFLAKE JOINT VENTURE

"LESSEE"

BY: *C.C. Harter*
C.C. HARTER, AUTHORIZED AGENT

Lincoln County

STATE OF UTAH)
COUNTY OF SALT LAKE)

BEFORE ME, the undersigned authority, a NOTARY PUBLIC in and for said County and State, on this day personally appeared WILLARD F. SNYDER, known to me to be the President of ANDESITE MINING COMPANY, the corporation that executed the foregoing instrument, and upon oath did depose he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation and the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instruments were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purpose therein mentioned.

28th GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of July, 1990.

Eddie Ball

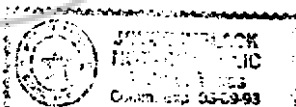
NOTARY PUBLIC IN AND FOR
SALT LAKE COUNTY, UTAH

MY COMMISSION EXPIRES:

STATE OF TEXAS)
COUNTY OF DALLAS)

BEFORE ME, the undersigned authority, a NOTARY PUBLIC in and for said County and State, on this day personally appeared C. C. HARTER, known to me to be the person whose name is subscribed to the foregoing instrument, as agent and attorney in fact of SNOWFLAKE JOINT VENTURE, a joint venture, and that said SNOWFLAKE JOINT VENTURE executed the same by and through him, for the purposes and consideration therein expressed and in the capacity therein stated.

30th GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of July, 1990.

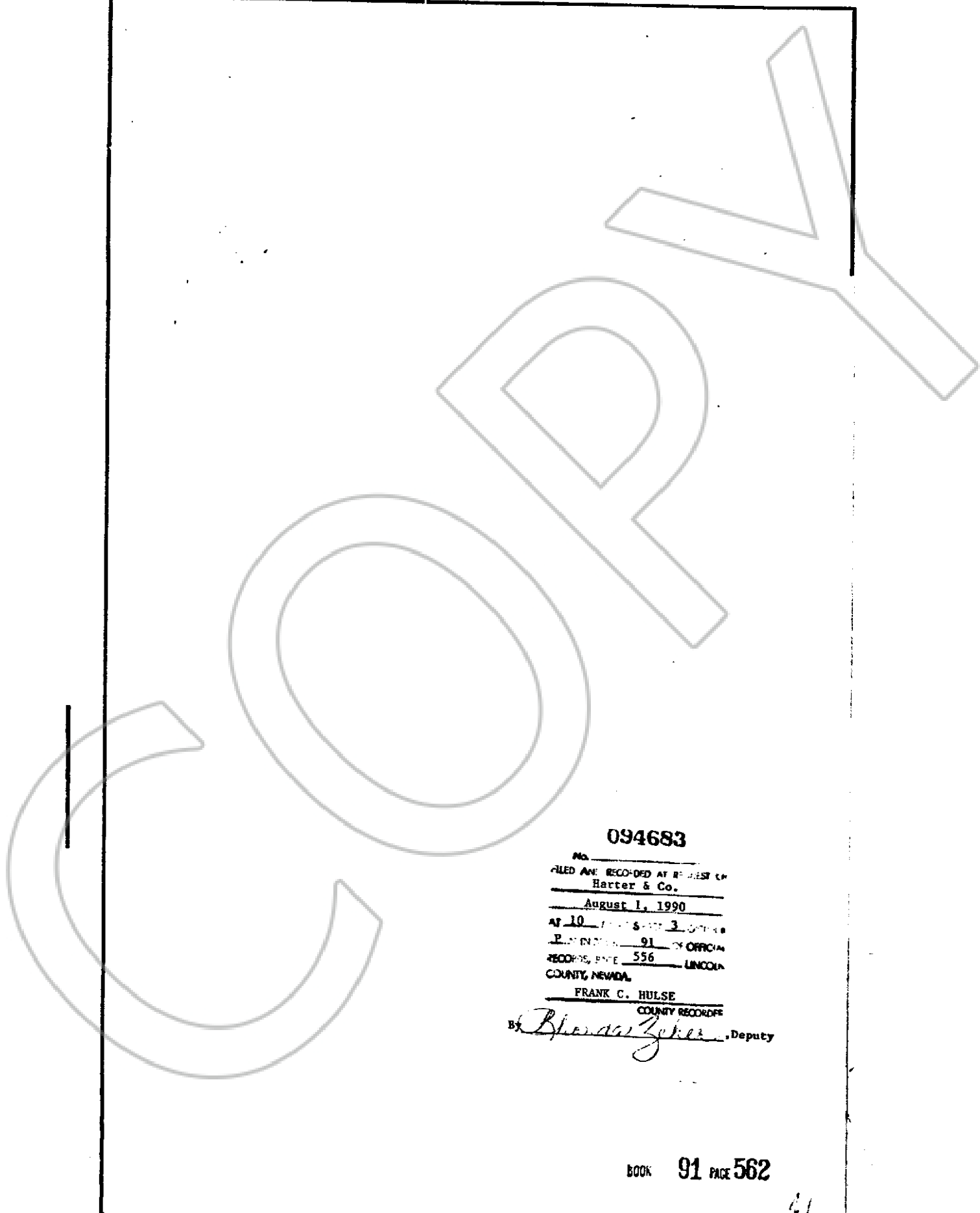


Joyce Kistner
NOTARY PUBLIC IN AND FOR
DALLAS COUNTY, TEXAS

MY COMMISSION EXPIRES:

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No. _____
FILED AND RECORDED AT REQUEST OF
Harter & Co.
August 1, 1990
AT 10 _____ STREET 3
P.O. BOX 91 OF OFFICIAL
RECORDS, BUREAU 556 LINCOLN
COUNTY, NEVADA.
FRANK C. HULSE
COUNTY RECORDER

By Brenda Zuber, Deputy

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