

SURRENDER OF LEASEHOLD

This Agreement is entered into between PIOCHE-ELY VALLEY MINES, INC. referred to as "Lessor" in this Agreement, and Silverhorn Research Mill Corp., referred to as "Lessee" in this Agreement.

WHEREAS, Lessor and Lessee executed a Lease Agreement effective February 23, 1983, which Lease Agreement leased the mill situated in Pioche, Lincoln County, Nevada, as well as the lands on which the mill is located as described in Exhibits A and B attached hereto and incorporated herein, and

WHEREAS, the original Lessors Pioche Mines Consolidated, Inc. and Ely Valley Mines, Inc. have merged into PIOCHE-ELY VALLEY MINES, INC., the current owner and holder of the rights of the Lessor under the Lease, and

WHEREAS, Lessee desires to surrender the Lease and all rights to possession of the leased premises, and to release Lessor from its obligations under the Lease, and Lessor desires to accept surrender and to release Lessee from its obligations under the Lease. It is therefore agreed:

In consideration of the mutual promises contained in this Agreement, Lessee shall surrender the Lease and vacate the premises described in this Agreement as of June 1, 1991. Lessor shall accept the surrender and the premises. Lessor and Lessee shall discharge and release each other from all obligations under the Lease as of that date.

EXECUTED at Dallas, Texas on June 1, 1991.

LESSOR:

PIOCHE-ELY VALLEY MINES, INC.

As Successor in Interest to Pioche Mines Consolidated, Inc. and Ely Valley Mines, Inc.

By: J. A. Erickson
President

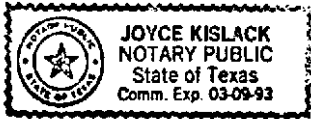
LESSEE:

SILVERHORN RESEARCH MILL CORP.

By: A. G. Galt
A. G. Galt, Vice President

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on July 22, 1991, by
J. A. CRICHTON, PRESIDENT of
PIOCHE-ELY VALLEY MINES, INC.



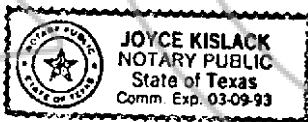
Joyce Kislack
NOTARY PUBLIC, STATE OF TEXAS

My commission expires:

JOYCE KISLACK
(Printed Name of Notary)

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on July 22, 1991, by A.
G. GALT, Vice President of SILVERHORN RESEARCH MILL CORP.



Joyce Kislack
NOTARY PUBLIC, STATE OF TEXAS

My commission expires:

JOYCE KISLACK
(Printed Name of Notary)

EXHIBIT "A"

TO LEASE AGREEMENT DATED
February 23, 1983
BETWEEN PIOCHE MINES CONSOLIDATED, INC., ET AL, LESSORS
AND
SILVERHORN RESEARCH MILL CORP., LESSEE

All of the Northwest quarter (NW1/4) of Section 14, T1N, R67E, MDB&M, excepting therefrom that parcel of land in the W1/2NW1/4 granted to JOHN JANNEY on February 14, 1979 and recorded in Book "C-1" of Real Estate Deeds at page 528, and further accepting the right-of-way of the Union Pacific Railroad, which acquired the right-of-way of the Pioche-Caliente Railroad and the Prince Consolidated Mining and Smelting Company, being 109.6 acres of land, and covering all of Lessors' interest in the aforesaid Northwest quarter (NW1/4) of said Section 14, T1N, R67E, MDB&M.

EXHIBIT "B"

TO LEASE AGREEMENT DATED
February 23, 1983
BETWEEN PIOCHE MINES CONSOLIDATED, INC., ET AL, LESSORS
AND
SILVERHORN RESEARCH MILL CORP., LESSEE

All of the Northwest quarter (NW1/4) of Section 14, T1N,
R67E, MDB&M, excepting therefrom that parcel of land in the
W1/2NW1/4 granted to JOHN JANNEY on February 14, 1979 and re-
corded in Book "C-1" of Real Estates Deeds at page 528, and
further accepting the right-of-way of the Union Pacific
Railroad, which acquired the right-of-way of the Pioche-
Caliente Railroad and The Prince Consolidated Mining and
Smelting Company, being 109.6 acres of land, being all of the
lands conveyed to Pioche Consolidated Mines, Inc. and Ely
Valley Mines, Inc. by Grant, Bargain, Sale Deed from Victor
Cottino, et ux dated July 30, 1980.

097127

FILED AND RECORDED AT REQUEST OF
Pioche Ely Valley Mines, Inc

July 29, 1991

at 36 ... HOURS EAST 3 ... O'Clock
BY INSTRUMENT 97 ... OF OFFICIAL
RECORDS, PAGE 520 ... LINCOLN
COUNTY, NEVADA.

Henriko Setzer
COUNTY RECORDER

BOOK

97 PAGE 520