

File No.19803.

A.R.Lawn, Tony Romano, Keystone Mines, Limited,)
Parties of First Part)

and)

Option Agreement.)

William Richardson,)
Party of Second Part.)

MEMORANDUM OF AGREEMENT

This memorandum of agreement, made and entered into this 22nd day of March, 1934, by and between TONY ROAMNO and A.R.LAWN, (The Keystone Mines, Ltd.) both of California, and hereinafter referred to as parties of the first part, and WILLIAM RICHARDSON of Oakland, California, hereinafter referred to as party of the second part:

WITNESSETH:

WHEREAS the said parties of the first part are now the true and lawful owners of that certain mining property known as the "Keystone Group", and consisting of fifteen (15) full congruous quartz claims, situate in the County of Eureka, State of Nevada; and

WHEREAS said first parties have finished their exploration development work and are now desirous of having said property commercially mined and milled; and

WHEREAS said WILLIAM RICHARDSON is desirous of undertaking the financing of and placing on said property the necessary machinery and equipment for mining and milling the ore from said property known as Keystone Mine; and

WHEREAS considerable time will be required by second party to properly inspect said property and sample same and to arrange for machinery installation, in case of favorable report:

NOW, THEREFORE, it is hereby specifically agreed by the parties of the first part that they will and do hereby give to said second party the exclusive option on an undivided fifty

(50%) per cent interest in all of said property and, for a period of twenty (20) days from the date hereof, with full right to enter thereon at will and to take samples of ore therefrom, and to otherwise thoroughly examine and test any or all ore thereon as, in his judgment, he sees fit; and it is

FURTHER UNDERSTOOD AND AGREED that if, on or before the period of ninety (90) days from this date, said party of the second part chooses to exercise the option herein, and shows evidence of such desire to said first parties, then shall said second party be permitted to install the necessary machinery and equipment herein mentioned, and at no expense to said first party except as herein provided; and it is

FURTHER UNDERSTOOD AND AGREED that upon said second party's choosing to exercise the option hereunder, and giving evidence thereof to said first parties, said first parties shall place or cause to be placed immediately in a Bank in Oakland, California, good and sufficient title to the said fifty (50%) per cent undivided interest in said property, as herein described, to be held in escrow until completion of the said installation and test run of said machinery and appliances, and upon its being demonstrated that twenty five (25) tons or more ore can be handled in each twenty-four (24) hour day, then shall said fifty (50%) per cent undivided interest, so escrowed, be turned over to said party of the second part or his assigns; and it is

FURTHER UNDERSTOOD AND AGREED that if a corporation is formed by the parties hereto the participation set forth in the fore-paragraph as escrowed for the benefit of said second party shall be represented by fifty (50%) per cent of all common stock of said corporation, and an equal amount of any other type of stock of said corporation, as is held by the said first parties; and it is

FURTHER UNDERSTOOD AND AGREED that beginning with the first returns from the operation of said equipment, either from smelter or otherwise, fifty (50%) per cent of said net returns shall go and be paid to said second party or his assigns, and the remaining fifty (50%) per cent of said net returns shall be paid to said first parties; such provision and division to obtain until such time as said second party has received a sum equal to the total sum expended in installing said equipment to time of first operation; and it is hereby

MUTUALLY AGREED that every possible effort by the first parties hereto will be put forth to assist the said second party in consummating this option, the said second party will do all in his power to complete the contemplated installation as rapidly as is practicably possible and in efficient and workmanlike manner; and it is also

FURTHER UNDERSTOOD AND AGREED that the option given herein and its accompanying agreements and covenants shall cease at the expiration of ninety (90) days from the date hereof unless a written extension of time is given by the first parties hereto, or installation work is actually begun by said second party; and it is

FURTHER UNDERSTOOD AND AGREED that from and after the time said second party or his assigns have received, from the operation of said property, net returns in the manner hereinbefore specified, sufficient to remunerate them as agreed herein, then shall Fifteen (15%) per cent of all net returns from the operation of said property be set aside and designated as a fund for further development work on said property; and it is

FURTHER UNDERSTOOD AND AGREED that, in order to validate this agreement, said second party shall have his engineer or engineers on said property on or before twenty (20) days from the final signing of this instrument by all parties hereto.

IN WITNESS WHEREOF the said parties hereto have hereunto set their hands the day and year first above written.

Witnesses

Charles E. Pacheco

Keystones Mines, Ltd.

A.R. Lawn, Pres.

Tony Romano V.P.

Parties of the first part

William Richardson

Party of the second part.

STATE OF CALIFORNIA)
) SS.
 COUNTY OF ALAMEDA)

On this 4th day of May, in the year One Thousand Nine Hundred and thirty-four before me R.F.Dickey, a Notary Public in and for the County of Alameda, State of California, residing therein, duly commissioned and sworn, personally appeared Charles E. Pacheco, known to me to be the same person whose name is subscribed to the within instrument, as a witness thereto, who, being by me duly sworn, deposes and says that he resides in the City of Oakland, County of Alameda, State of California, that he was present and saw, Keystone Mines, Ltd. A.R.Lawn. Pres. Tony Romano, V.P. Parties of the First Part AND William Richardson Party of the Second Part. personally known to him to be the same persons described in and who executed the said within instrument, as parties thereto, sign, seal and deliver the same; and that the said Keystone Mines, Ltd. A.R.Lawn. Pres. Tony Romano, V.P. Parties of the first Part. AND William Richardson. Party of the Second Part. duly acknowledged in the presence of said affiant that they executed the same, and that he the said affiant, Charles E. Pacheco, thereupon at their request, subscribed his name as a witness thereto.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal, the day and year in this certificate first above written.

R.F. Dickey (Notarial Seal)

Notary Public

In and for said County of Alameda, State of
 California.

Recorded at the request of William Richardson May 9, A.D. 1934 At 30 minutes past 11 A.M.

Peter Merialdo----Recorder.