

J.B. McNaughton, )  
and ) Agreement.  
J.S. Bagg. )

Hamilton Nevada  
August 25th, 1937.

Dear Sir:

This letter will confirm our conversation today about the Silver Conner properties on Prospect Mountain. This group consists of the following claims: WILLIAMS: McNAUGHTON: PIONEER: SILVER CONNER: LAUREL: HUCKLEBERRY: WABASH FRACTION: WABASH 1: 2; 3; 4; KIT CARSON: YOUNG MABEL: GORE: DALESFORD: DALESFORD MILL SITE.

You give me an exclusive option on your interest in these claims for sixty days from date for the sum of \$50,000 payable as royalty on a basis of ONE DOLLAR per ton on any and all ores shipped, milled, smelted or otherwise treated from any of these properties. If I exercise this option, I agree to pay you a minimum royalty of \$1,000 (ONE THOUSAND DOLLARS) per month beginning sixty days from date and continuing throughout the life of this option to keep it in full force and effect.

It is understood that the Johnsons (Adams and his Sister) and the Stowell interests hold interests in some of the above mentioned properties, and that you will try to acquire their interests on a basis of \$10,000 payable out of your royalties on a basis of a minimum of \$200 per month, with any unpaid balance to be paid them in 18 months. This \$10,000 will make the total purchase price to me of \$60,000.

Your signature to this letter will constitute a sufficient agreement between us. I hand you herewith \$20 cash to cover the cost of shipping some samples from these properties and other incidentals.

Accepted J.B.McNaughton

Sincerely yours,  
J.S.Bagg

STATE OF NEVADA, )  
                          ) ss.  
County of Eureka.)

On this 22 day of Oct. A.D. one thousand nine hundred and 37 personally appeared before me, J.J.Depaoli a Notary Public in and for the said County of Eureka J.S.Bagg known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in the County of Eureka, the day and year in this certificate first above written.

(Notarial Seal)

J.J. Depaoli  
Notary Public in and for the County of Eureka,  
State of Nevada.

Recorded at the request of J.S.Bagg Oct.22, A.D.1937 At 40 minutes past 11 A.M.

Peter Merialdo---Recorder.