

File No. 26627.

Harry Morris)
to) Option Agreement.
B. E. O'Malia)

OPTION AGREEMENT

THIS AGREEMENT, made this 1st day of March, 1947, by and between HARRY MORRIS, first party, and B. E. O'MALIA, second party, -

W I T N E S S E T H:

That for and in consideration of the sum of Ten Dollars (\$10.00), lawful money of the United States, to him in hand paid by second party, receipt whereof is hereby acknowledged, and in further consideration of the covenants, agreements and conditions hereinafter reserved, to be paid, kept and performed by Second Party, First Party has granted, and by these presents, does give and grant unto Second Party, his heirs and assigns, the sole and exclusive option and right, under the particular terms and conditions hereinafter set forth, to purchase all of the following described quartz lode mining claims, situate in the Eureka Mining District, County of Eureka, State of Nevada, namely:

All and singular those certain quartz lode mining claims commonly known and described as GORDON NO. 1, GORDON No. 2, CORLISS NO. 1, CORLISS NO. 2, CORLISS NO. 3, CORLISS NO. 4, ANTELOPE NO. 1, ANTELOPE NO. 2, ANTELOPE, RUBY NO. 1, RUBY NO. 2 and OREGONIAN;

All of said claims appearing of record in the Office of the Recorder of said Eureka County, Nevada, to which records reference is hereby made for a more particular description thereof; and

Together with all of the buildings, equipment and improvements whatsoever placed or installed therein or thereon, or appurtenant thereto.

1. The agreed purchase price for said mining properties shall be and is the sum of Fifty Thousand Dollars (\$50,000.00) (inclusive of the sum of \$2900.00 mentioned in the next preceding paragraph), to be paid to the First Party in the Manner following, that is to say:

The sum of Two Thousand Nine Hundred Dollars (\$2,900.00), receipt of which is hereby acknowledged, the additional sum of Five Hundred Dollars (\$500.00), the receipt of which is hereby acknowledged as payment of monthly installments from and including April 1, 1947 to and including September 1, 1947, and an installment payment of One Hundred Dollars (\$100.00) on or before the first day of each and every month thereafter to and including the first day of June, 1948.

The entire deferred balance of said agreed purchase price, in the sum of Forty-Six Thousand One Hundred Dollars (\$46,100.00) to be paid on or before the first day of July, 1948.

2. First Party warrants that all of the aforementioned mining claims are free and clear from any and all conflicts of any prior or senior mining locations.

3. First Party shall have the right to enter into immediate possession and occupancy of said mining properties and premises, for a term contemporaneous with the period of the option privilege herein granted, for the purpose of conducting such development and mining operations therein and thereon as may be deemed advisable in the judgment of Second Party, with the right to extract, mill, ship or otherwise treat the ores derived from said operations; provided, however, that all of Second Party's operations shall be performed in proper, skillful and minerlike fashion and in manner necessary to good and economical mining. In that behalf it is

further expressly agreed between the parties that a flat royalty of Ten Per Cent (10%) (after first deducting all transportation and treatment charges) is hereby reserved to be paid to the First Party upon the net mill or smelter returns of all ores extracted and shipped or sold from said mining premises by virtue of this agreement; that all such shipments shall be made in the name of the First Party and returns thereon made to and distributed by said Farmers and Merchants National Bank, Eureka, Nevada, Ninety per Cent (90%) thereof to Second Parties and Ten Per Cent (10%) thereof to First Party, and that any and all such payments on account of royalties so reserved to be paid to First Party shall apply on and be in part payment of the aforementioned balance of purchase price to be paid by Second Party on or before July 1, 1948.

4. All buildings, equipment and other improvements upon, in or about said mining properties shall be kept and maintained by Second Party in good and workable condition, and in the event of forfeiture or other determination of the rights and privileges hereby granted, shall be surrendered in at least as good condition as when received by Second Parties, damage by the elements or from other like extraordinary casualty alone excusing.

5. Second Party shall carry Nevada Industrial Insurance for any and all persons employed in and about the mining or other operations on said premises, and all of the operation of Second Party shall be so conducted as to fully comply with the laws of the State of Nevada in every respect.

6. Second Party shall immediately post, and thereafter keep posted conspicuously upon said premises, notices to the effect that First Party shall not be held liable for any of the operations of Second Party, or for labor performed or supplies furnished, and shall file proof of such posting in the Office of the Recorder of Eureka County, Nevada, as required by the Statutes of Nevada for the protection of said premises from liens or other encumbrances.

7. Second Party shall fully comply with all such rules, regulations and requirements as may now or hereafter be promulgated by the Wage and Hour Division of the United States Department of Labor relative to the observance of minimum wages and maximum hours prescribed by the Standard Labor Practices Act (Fair Labor Standards Act).

8. First Party or his delegated agent shall have free access at any time to any and all workings upon, in or about said mining premises for the purposes of sampling, investigation and inspection, and shall have the right to examine any and all books, records, assay returns, smelter returns, maps, mine reports and other mining data pertaining to Second Party's operations of said premises.

9. Time and punctuality are of the essence of this Agreement as to each and every installment or payment, and if any installment or payment be not made within the time hereinabove limited, all previous installments or payments theretofore made, including payments on account of royalty, shall be deemed as and be forfeited to and remain the property of First Party as liquidated damages, and all of the aforedescribed premises and property shall be thereupon surrendered to and remain the property of First Party, unaffected and unencumbered by this Agreement; provided, however, that no forfeiture shall be declared against Second Party as to any mining or milling machinery, mining tools, appliances, equipment or other improvements (excepting buildings, pipe, rails and timbers) placed or installed upon said mining premises by Second Party, and all of said first designated improvements shall be and remain the personal property of said Second Party, with the right to remove the same from said premises, together with any mill grade

or shipping grade ore theretofore extracted by Second Party and lying on the dumps or broken down in said premises awaiting shipment, at any time within ninety (90) days from and after the termination of this agreement, without purchase, it being expressly understood and agreed that none of said first designated improvements shall be deemed fixed to the realty or become fixtures thereof.

10. This Agreement shall be construed only as an option to purchase and not as an Agreement to purchase, and Second Party shall have the right to relinquish the same, and to be thereupon released from any further obligation arising hereunder, at any time upon Ten (10) days' written notice to First Party, delivered personally or forwarded by registered mail to First Party Harry Morris, at Eureka, Nevada, conditioned that any and all installment payment or payments on account of royalties which may have accrued and be past due prior to such notice, shall be paid to First Party contemporaneously with the giving of said notice, and Second Party shall have no right to remove any of the personal property or ores mentioned and referred to in Paragraph 9 hereof until all of such delinquent payments shall have been made to First Party.

11. Second Party shall not assign this Agreement or any of the rights and privileges arising hereunder, without the consent in writing of First Party first had and obtained.

12. This Agreement, and each and every clause and covenant thereof, shall extend to and be binding upon the heirs, executors, administrators and assigns of the parties hereto.

IN WITNESS WHEREOF, the Parties hereto have hereunto signed their names, the day and year in this agreement first above written.

Harry Morris
Harry Morris
First Party

B. E. O'Malia
B.E. O'Malia
Second Party

STATE OF NEVADA,)
) ss.
COUNTY OF MINERAL.)

On this 1st day of April, One Thousand Nine Hundred and Forty-seven, A.D. , personally appeared before me, Wm. F. Merchant, a Notary Public in and for the County of Mineral, State of Nevada, Harry Morris and B. E. O'Malia known to me to be the persons described in and who executed the foregoing instrument, who acknowledged to me that they 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 the day and year in this certificate first above written.

(Notarial Seal)

Wm. F. Merchant
Notary Public in and for the County of Mineral,
State of Nevada, residing at Hawthorne, Nevada.

My commission expires April 4, 1949.

Recorded at the request of B. E. O'Malia Apr. 7, A.D. 1947 At 0 minutes past 3 P. M.

Peter Merialdo-----Recorder.