

PHOENIX SILVER MINING COMPANY)
)
 to) OPTION
)
EUREKA CORPORATION LIMITED)

O P T I O N

THIS AGREEMENT made this 30th day of November, 1953, by and between Edgar Forbes Wilson, Maud Wilson Sutton, Paul Bancroft, Jr., Emile Andker, and Jerome Politzer, as Trustees of the MINING PHOENIX SILVER/COMPANY, a California corporation in the process of winding up, hereinafter called the First Party; and EUREKA CORPORATION LIMITED, a corporation organized and existing under the laws of the Province of Nova Scotia, Dominion of Canada, hereafter known as Second Party,

WITNESSETH:

That the First Party for and in consideration of the payment to it by the Second Party of the sums of money hereinafter mentioned and the keeping of the covenants and agreements relative thereto grants to Second Party an option to purchase the mine and mining property, situate in Eureka Mining District, County of Eureka, State of Nevada, described as follows, to wit:

That certain mining property known as the "Phoenix Mine" situated on Ruby Hill and lying between the mining claims known as the "Jackson" and "Eureka Consolidated" and containing about two and fifteen-one-hundredths (2.15) acres together with the mill site thereon, which property is patented as the "Adams and Farren and Deep Mine" Lot or Survey No. 116, General Land Office No. 2678, and Mineral Certificate No. 311; recorded in the General Land Office in Vol. 32, Page 399 to 404 inclusive, and in the Eureka County Records of Nevada in Vol. 6 of Deeds at Page 319.

(1) The term of this option is a period of two (2) years commencing with the 1st day of December, 1953.

(2) The purchase price for the above described property is the sum of Fifty Thousand Dollars (\$50,000.00) in lawful money of the United States of America.

(3) In consideration for the granting of this option Second Party agrees to pay to first party the sum of One Thousand Dollars (\$1,000.00) on or before December 1, 1953, and the further sum of One Thousand Dollars (\$1,000.00) at the end of each six (6) calendar months during the term above mentioned, and which said payments of One Thousand Dollars (\$1,000.00) each shall be made on June 1, 1954, December 1, 1954, and June 1, 1955.

(4) In the event Second Party exercises its option to purchase, said payment of One Thousand Dollars (\$1,000.00) and any succeeding payments of One Thousand Dollars (\$1,000.00) it may have made shall be credited upon the purchase price above mentioned, plus the sums heretofore paid of Four Thousand Dollars (\$4,000.00).

(5) Second Party agrees, during the life of this option, to pay all taxes, both of the State of Nevada and the County of Eureka, which may be assessed against said property.

(6) Second Party agrees not to assign this option, or any interest thereunder, or any part thereof, without the written consent of said first party, first had and obtained.

(7) This option may be terminated at any time by the Second Party by serving written notice of such termination upon the First Party. In the event that this option is terminated by said Second Party, said Second Party agrees to furnish first Party with a complete record of all drilling and prospecting operations on aforesaid property.

(8) During the term of this option Second Party may conduct mining operations on the property subject to the following terms and conditions:

(a) To pay royalties of fifteen per cent (15%) of the net proceeds received from all ores of whatsoever nature extracted from the property. "Net proceeds" to be defined as the amount remaining after payment of freight and hauling charges, said freight and hauling charges to cover costs of hauling ores from the mine to the nearest railroad station and the cost of freighting said ores by rail to Salt Lake City or other reduction works. One Thousand Dollars (\$1,000.00) payments mentioned in Paragraph 3, may be credited against royalties. Said royalties are to be credited against the purchase price aforementioned.

(b) Together with said payments of royalties second party is to submit a copy of the settlement sheet from the purchaser of the ore.

(c) Second party agrees to carry such Workmen's Compensation Insurance as may be required by the laws of the State of Nevada covering such operations; and to post such notices, in a conspicuous place on the premises, as are required by the laws of the State of Nevada in regard to labor and material men's liens.

(d) Second party agrees to furnish all materials, tools and machinery necessary to the working of said mine at its own expense and risk; and to conduct all operations in workmanlike manner; all workings to be kept timbered if necessary, and all workings to be kept entirely open and free of waste and debris; also to cover all open shafts.

(e) Second party agrees to deliver up to first party the said premises, with the appurtenances and all improvements in good order and condition; with all shafts and tunnels and other passages thoroughly clear of rubbish and drained, and the mine in all points ready for immediate continued working, accidents not arising from negligence along excepted at the termination of this option.

(9) Second party may exercise its option to purchase at any time within the term aforesaid by giving first party notice in writing of its intent. Said first party will thereupon make, execute and deliver to second party a deed to said premises conveying such title as may then be vested in said trustees.

(10) All notices required or permitted to be given hereunder and all payments required to be made to first party shall be made to first party by registered United States mail, postage prepaid, addressed in care of Mr. Edgar Forbes Wilson, 2259 Steiner Street, San Francisco 15, California.

(11) Each and every clause shall extend to the successors of the first party and to the successors in interest or assigns of the second party.

(12) It is further covenanted and agreed that if default be made in the payment of the sums above specified as consideration for this option, or in the keeping of any of the covenants herein agreed to be kept and performed by said second party, then it shall be lawful for said first party at its option, to terminate this option, and to reenter upon said premises and remove all persons therefrom.

(13) Any notice permitted or required to be given hereunder to second party shall be given by registered United States mail, postage prepaid addressed to second party at Eureka, Nevada

IN WITNESS WHEREOF, the parties hereto have set their hands this 30th day of November, 1953.

Edgar Forbes Wilson
Edgar Forbes Wilson

Maud Wilson Sutton
Maud Wilson Sutton

Paul Bancroft, Jr.
Paul Bancroft, Jr.

Emile Andker
Emile Andker

Jerome Politzer
Jerome Politzer
Trustees of PHOENIX SILVER MINING COMPANY

First Party

EUREKA CORPORATION LIMITED

By

W. B. Maxwell

Director

By

Maurice R. Jennings

Secretary

Second Party

Recorded at the request of Willis Depaoli January 21 A.D. 1954 At 5 minutes past 4 P.M.

R. W. Gibson - Recorder