

Martin Borgna, Dorothy Borgna,)
Emma Borgna, Angelo G. Borgna,)

to

Eureka Corporation Limited.)

) AN AGREEMENT OF OPTION TO PURCHASE

AN AGREEMENT OF OPTION TO PURCHASE

This Agreement, made and entered into this 30th day of July, 1955, by and between Martin Borgna, Dorothy Borgna, Emma Borgna, Angelo G. Borgna of Eureka, Eureka County, Nevada, Party of the First Part and Eureka Corporation Limited, a Corporation of the Province of Nova Scotia, Dominion of Canada, Party of the Second Part:

Witnesseth

Now, therefore, it is understood and agreed between the parties as follows:

First: That the said Party of the First Part, in and for the consideration of Five Thousand Dollars (\$5,000.00) in hand paid, the receipt of which is hereby acknowledged, does hereby grant unto the Party of the Second Part, an option to purchase all their rights, titles and interests in and to those certain lode mining claims situated near Adams Hill, Eureka Mining District, County of Eureka and State of Nevada and more fully described in the Records of the County Recorder in said County of Eureka and known as follow to wit:

Patented Mines

Quartzite, Patent Survey No. 3596; Shale, Patent Survey No. 3596; Porphyry, Patent Survey No. 3596; November, Patent Survey No. 3596; February, Patent Survey No. 3596.

Unpatented Claims

- 1) Wolf, located September 10, 1925 and recorded in Book J, Pages 475 - 476. Certificate recorded January 19, 1926 in Book J, page 484.
- 2) Bear, located September 10, 1925. Amended location recorded September 17, 1925 in Book J, page 465. Certificate recorded January 19, 1946 in Book J, page 484.
- 3) Cyanide Extension No. 2, located August 29, 1925 and recorded in Book J, pages 464 - 465.
- 4) Fox No. 1, located August 1, 1946 and recorded August 1, 1946 in Book K page 427; August 15, 1946 in Book K, page 432.
- 5) Fox, located June 26, 1945 and recorded July 19, 1945 in Book K, page 317.
- 6) Lynx, located June 4, 1945 and recorded June 4, 1945 in Book K, page 299. Certificate recorded June 20, 1945 in Book K, page 310.
- 7) Moon, located September 29, 1947 and recorded September 29, 1947 in Book L, page 64. Certificate recorded November 10, 1947 in Book L, page 71.
- 8) Velvet Fraction, located May 7, 1946 and recorded in Book K, page 412. Certificate recorded July 27, 1946 in Book K, page 424.
Together with all improvements and appurtenances and free from all encumbrance.

Second: That the total purchase price for said property is to be the sum of Twenty Five Thousand Dollars (\$25,000.00) and that the balance of said price is payable in the manner and form and at the intervals as follows:

On or before January	<u>30</u>	, 1956	-----	\$2,000.00
On or before July	<u>30</u>	, 1956	-----	2,000.00
On or before January	<u>30</u>	, 1957	-----	2,000.00
On or before July	<u>30</u>	, 1957	-----	2,000.00
On or before January	<u>30</u>	, 1958	-----	2,000.00
On or before July	<u>30</u>	, 1958	-----	2,000.00
On or before January	<u>30</u>	, 1959	-----	2,000.00
On or before July	<u>30</u>	, 1959	-----	2,000.00
On or before January	<u>30</u>	, 1960	-----	2,000.00
On or before July	<u>30</u>	, 1960	-----	2,000.00

All payments of the purchase price to be made by the Second Party under the terms of this Agreement, are to be made by the Second Party to the First National Bank of Nevada at Eureka, Nevada which said Bank is nominated to be escrow holder of the deed to be executed in accordance with the terms of this Agreement by the Party of the First Part and shall be turned over to the Party of the Second Part by said Bank upon completion of the payments as herebefore stated.

It is hereby covenanted and agreed that the Second Party may take possession of the mining claims herein described and subject to the herein Agreement, immediately upon the execution of this Agreement together with all buildings and improvements thereon, and retain possession thereof so long as the Second Party is fully performing all of the covenants of this Agreement. First Party further grants to the Second Party the right and privilege to work and explore the mining claims herein described during the life of this option if he so desires.

Third: The First Party covenants and agrees that he will upon the execution of this Agreement, make a good and sufficient deed conveying to the Second Party all his rights, titles and interests in and to the said mining claims together with the improvements and appurtenances thereon and will deliver said deed in escrow to the First National Bank of Nevada at Eureka, Nevada with instructions to said Bank that upon fulfillment of all the covenants by the Party of the Second Part according to the terms as set forth herein, the said Bank shall deliver the same to the Second Party or his nominee.

Time is hereby declared to be the essence of this Agreement and any failure of the payment of monies in accordance with the terms of this Agreement shall forthwith make the monies paid theretofore by the Second Party become the property of the First Party and the First Party may terminate this Agreement at his sole discretion and election and thereby terminate all rights, titles and interest of the Second Party retaining as rental all sums of money theretofore received by him, excepting that it is understood and agreed that if this Agreement is to be terminated by the First Party for failure of the Second Party to pay any monies at the times stated in this Agreement the First Party shall give the Second Party thirty (30) days notice in writing by registered mail addressed to the Second Party at Eureka, Nevada, notifying the said Second Party of such failure to perform and upon failure by said Second Party within twenty (20) days to remedy such default then all rights of the Second Party under this Agreement shall thereupon cease and terminate and the First Party may enter and take possession of said Property.

Fourth: The First Party undertakes that he has paid all taxes upon said mining claims and improvements thereon up to December 31, 1954 and that there are no unpaid or unsatisfied liens or encumbrances upon said claims or any of them or upon buildings or improvements thereon created or resulting from action of the first party and the First Party further agrees that he will not during the life of this Agreement make or permit to be made by others acting for him any bonafide liens or encumbrances on the property referred to herein. Second party further agrees that during the life of this option, he will pay all taxes, both of the State of Nevada and County of Eureka and also any future Federal, State and other taxes and assessments which might become a lien upon the property, including taxes which may be assessed against said property or any personal property placed thereon by said Second Party. Second Party further agrees to perform the necessary annual assessments work on the unpatented claims that it is necessary to perform and to record proof of labor or desire to hold exemption of same with the County Recorder of Eureka County and to carry workmen's Compensation Insurance on any workmen employed on the property during this option.

Fifth: First Party agrees that any machinery placed upon the property by the Second Party during the life of this Agreement may be removed within a period of sixty (60) days from and after the expiration of this option.

Sixth: This Agreement shall inure to the benefit of and be binding upon the Parties hereto, their heirs, executors, administrators, successors, and assigns.

In Witness Whereof, the Parties have hereunto set their hands and seals as of the day and year in this Agreement first above written.

First
Party

Martin Borgna

Dorothy Borgna

Emma Borgna

Angelo G. Borgna

Second
Party

Geo. W. Mitchell

for EUREKA CORPORATION LIMITED

State of Nevada,)
) ss.
County of Eureka.)

On this 1 day of August, A.D. 1955, personally appeared before me, a Notary Public in and for said State of Nevada,

Martin Borgna

Dorothy Borgna

Emma Borgna

Angelo G. Borgna

Geo. W. Mitchell

for Eureka Corporation Limited

and 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 seal.

A. J. O'Connell

(Notarial Seal)

My Commission Expires 8-1-1959

Recorded at the Request of A. J. O'Connell for Eureka Corp. Ltd., Aug. 18 A.D., 1955 At 10 minutes past 12 P.M.

E. B. Crane--Recorder.
By Angela Evans--Deputy.