

File No. 32231

E. B. Crane and
Clara Crane, husband and wife,

to

) AGREEMENT

Standard Copper Corporation,
a Nevada corporation.)

A G R E E M E N T

THIS LEASE AND OPTION, made and entered into this 28 day of January, 1956, by and between E. B. CRANE and CLARA CRANE, husband and wife, of Eureka, county of Eureka, state of Nevada, first parties, and STANDARD COPPER CORPORATION, a Nevada Corporation, of the same place, second party,

W I T N E S S E T H:

The said first parties, for and in consideration of the payments, covenants, conditions and agreements herein mentioned and specified, to be duly and in time paid, rendered, kept and performed by the said second party, does hereby lease and assign unto second party, their heirs and assigns, all of the following described unpatented lode mining claims, situate in unorganized mining district, in what is known as Diamond Mountain Range, in the County of Eureka, State of Nevada, and more particularly described as follows,-

Gossan No. 1; Gossan No. 2; Gossan No. 3; Gossan No. 4;
Gossan No. 5; Gossan No. 6; Gossan No. 7; Gossan No. 8;
Gossan No. 9; Gossan No. 10; Gossan No. 11; Gossan No. 12;
Gossan No. 13; Gossan No. 14; Gossan No. 15; Gossan No. 16;
Gossan No. 17; Gossan No. 18; Gossan No. 19; Gossan No. 20;
Gossan No. 21; Gossan No. 22; Gossan No. 23 and Rio Plata.

To have and to hold the same under said Lease for a term of Five (5) years, commencing with the 25th day of January, 1956, and to be ended and complete on the 25th day of January, 1961.

It is agreed and understood between the parties hereto that in the event the second party shall faithfully keep, perform and render all covenants, conditions, payments and acts, on the part of second party to be kept and performed, then, and in that event said second party shall be entitled to an extension of an additional Five (5) years of said Lease, commencing with the 25th day of January, 1961, under the same terms and conditions as set forth in this original agreement.

It is agreed that second party will enter into and upon said mining claims and commence mining operations immediately upon the execution of this agreement, and extract all mineral bearing earth, ore or rock therefrom, and reduce the same at any mill or smelter to be selected by the second party. Said second party shall pay to said first parties a royalty upon said mineral bearing earth, ore or rock therefrom as follows, to-wit:

Second party shall pay to first parties a royalty of Five (5%) percent upon all Net Smelter Returns of ore produced from said mining property, for a period of ninety (90) days from the execution date of this agreement.

Second party shall thereafter pay to first parties after said ninety day period, a royalty of Ten (10%) percent upon all Net Smelter Returns of ore produced from said mining property. The Net Smelter Returns shall be deemed to be the amount received from any smelter or mill after there has been deducted from said returns all transportation, milling and/or smelter charges.

That complete statements of milling or smelter returns shall be rendered to the said first parties by the second party, between the 20th and the 25th day of the month following the month in which any shipment, sale or reductions of ores are made, together with payment in full for all royalties due for that period.

That second party will do and perform, or cause to be done at least sixty man hour shifts for each and every calendar month that this agreement shall be in effect, and that second party will also do and perform, or cause to be done and performed all annual assessment work necessary to hold said lode mining claim s under the laws of the United States and the State

of Nevada, and that such annual assessment work shall be completed before the first day of June of each year.

That said first parties, or his agents, may from time to time, at any reasonable hour, enter into and upon all parts of the said mine, for the purpose of inspection.

It is agreed and understood between the parties that any lode mining claims contiguous to the demised premises herein set forth, that may be located by second party, after the execution of this agreement, will be located in the name of and ownership of first parties.

That second party will and shall be solely responsible for all work and labor done upon or about said mining claims, and for all materials and supplies furnished or used in the working of said second party will not by any act on their part cause or permit any lien of any kind to attach to the said property or any part thereof, and that said second party will save, defend, keep harmless and indemnify the said first parties and said property from any and all such lien or liens, and to that end will post and keep posted Notices of Non-liability of first parties, upon said demised property; that said second party will conduct all mining operations in and upon said mines in strict accordance with the provisions of the Statutes of Nevada, pertaining to mining operations, and that second party will fully carry Industrial Insurance under the provisions of the Statutes of Nevada.

All buildings, equipment, tools and machinery placed in and upon said mines by said second party may be removed therefrom by it in the event it shall fail to exercise their rights under this agreement; provided, however, all timbering in any shafts, drifts, tunnels, or other workings shall remain in and upon the premises and become a part thereof. It is also agreed and understood that all buildings erected by second party, must be removed on or before ninety (90) days from the term or cancellation date of this agreement, or said buildings shall become the property of first parties as having become a part of said real property.

O P T I O N

It is agreed and understood between the parties that in consideration of the faithful keeping of all covenants, conditions, provisions and payments on the part of second party to be kept, performed or paid, that first party does hereby grant, give and assign, and does hereby agree to sell and convey all of the above described unpatented lode mining claims as aforesaid to second party under the following terms and conditions, to-wit:

The second party shall have the right and option to purchase said demised mining claims for a total purchase price of Two Hundred Fifty Thousand (\$250,000.00) dollars; that said second party shall have the right and option at any time within five (5) years of the execution date of this agreement, to exercise said option by paying to first party the sum of Fifty Thousand (\$50,000.00) dollars, and that thereafter shall pay an additional sum of Fifty Thousand (\$50,000.00) dollars, on or before one (1) year from the payment date of the first Fifty Thousand (\$50,000.00) dollar down payment, and in like manner to pay the sum of Fifty Thousand (\$50,000.00) dollars on or before said payment date, until the total purchase price of Two Hundred and Fifty Thousand Dollars has been fully paid. It is agreed and understood between the parties that royalty payments paid by second party to first parties will and shall not be credited to said purchase price.

It is agreed and understood between the parties that immediately upon the payment of the full purchase price that first parties will make, execute and deliver a good and sufficient deed of title conveying said ownership and title from first parties to second party.

In the event that said second party shall fail to keep any of the provisions, covenants, agreements herein contained, or to pay and keep paid any payments due to first parties, then, and in that event, this agreement shall immediately terminate and be of no further force and

effect, and the said second party shall relinquish all rights and privileges under this agreement, and all moneys which shall have been paid hereunder shall be retained by first parties as and for liquidated damages for the use, occupation and enjoyment of said premises, and the said second party shall at once vacate and surrender up said mining claims and mining property to first parties, free and clear of all liens or encumbrances, and said first parties may re-enter and take possession of said mining claims and every part thereof, and dispossess every person in possession thereof, with or without process of law.

It is agreed and understood that written notice of any default complained of shall be given to second party, in writing addressed to second party at the postoffice, Eureka, Nevada, and that thereafter second party shall have thirty (30) days in which to correct the default complained of otherwise this agreement shall be of no force and effect and shall be null and void.

This agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

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

E. B. Crane

Clara Crane

First Party

Martin A. Nestler

STANDARD COPPER CORPORATION
Nevada Corporation.

(Corporate Seal)

By: Martin A. Nestler
President.
Second Party

Attest: SECRETARY.

STATE OF NEVADA)
: ss
County of Eureka)

On this 28th day of January, 1956, personally appeared before me, E. B. Crane, Clara Crane and Martin A. Nestler, 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 first above written.

(Official Seal) Ed Delaney County Clerk
Ex-officio Clerk of the Third Judicial
Court.

Recorded at the Request of E. B. Crane Jan. 28 A.D., 1956 At 15 min. past 7 P.M.

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