

File No . 32774

American Zinc Company of Tennessee)
to) AGREEMENT
Combined Metals Reduction Company)

A G R E E M E N T

THIS AGREEMENT mad and entered into in quadruplicate this 6 day of February, 1952, by and between AMERICAN ZINC COMPANY OF TENNESSEE, a corporation under the laws of Maine, qualified to do business in Nevada hereinafter referred to as "American Zinc", and COMBINED METALS REDUCTION COMPANY, a corporation under the laws of Utah, qualified to do business in Nevada, hereinafter referred to as "Reduction".

WITNESETH:

R E C I T A L S

Reduction is the owner of certain mines, mining properties and property rights, situated on the north slope of Lone Mountain in Eureka County, Nevada (hereinafter fully described), and the parties hereto desire to organize a joint venture for the purpose of developing, mining, producing and marketing ores from the aforesaid properties.

NOW THEREFOR, in consideration of the premises and of the covenants, promises and conditions hereinafter set forth, said parties hereto agree as follows:

1. The parties hereto agree to join as joint venturers for the purpose of developing and operating those certain mining properties situate on the north slope of Lone Mountain in Eureka County, Nevada, more Particularly described as follows, to-wit:

The following named unpatented lode mining claims -

Mountain View	Kobeh Valley No. 5	Low Boy No. 6
Mountain View No. 1	Kobeh Valley No. 6	Low Boy No. 7
Mountain View No. 2	Kobeh Valley No. 7	High Boy
Helen	Kobeh Valley No. 8	High Boy No. 1
Helen No. 1	Kobeh Valley No. 9	High Boy No. 2
Helen No. 2	Shirley	High Boy No. 3
Helen No. 3	Shirley No. 1	High Boy No. 4
Helen No. 4	Shirley No. 2	Way Up
Helen No. 5	Shirley No. 3	Way Up No. 1
Helen No. 6	Shirley No. 4	Way Up No. 2
Helen No. 7	Low Boy	Way Up No. 3
Kobeh Valley	Low Boy No. 1	Way Up No. 4
Kobeh Valley No. 1	Low Boy No. 2	Way Up No. 5
Kobeh Valley No. 2	Low Boy No. 3	East Fraction
Kobeh Valley No. 3	Low Boy No. 4	South Fraction
Kobeh Valley No. 4	Low Boy No. 5	

All said claims are fully described in the records in the office of the County Recorder of Eureka County, State of Nevada, to which records reference is made for the description of each of said claim.

2. This joint venture shall operate under the fictitious firm name and style of M I A Mines Company.

3. The parties hereto agree to contribute to the capital of the joint venture as follows:

(a) American Zinc will pay into the joint venture as its initial contribution the sum of \$25,000.00.

(b) Reduction will assign, transfer and convey to the joint venture all of its rights, titles and interests in and to the properties and property rights described in paragraph 1, hereof, provided that Reduction shall be credited by the joint venture for all expenditures made by it, including but not limited to, the cost of acquiring lease and option agreements and locations; and of labor and materials furnished for development; and provided further that the joint venture shall assume and agree to keep and perform all the obligations of said agreements, and do all assessment work required to protect unpatented claims against forfeiture. To the extent that Reduction's credit is not equal to, or exceeds, that of American Zinc, adjustments will be made by the parties so that their initial contributions shall be equal.

(c) Thereafter the parties hereto will from time to time make capital contributions as required for development and operations, each party contributing 50% thereof.

(d) If either party is offered or acquires any interest in any other property, leases, options or claims in Eureka County, Nevada, they shall be offered to the joint venture at cost and if accepted by the other party shall become a part of the property of the joint venture.

4. The parties hereto shall have equal interests in all property and assests of the joint venture and shall share equally all profits and losses.

5. The business and operations of the joint venture shall be supervised and managed as follows:

(a) There shall be an executive committee of two members, one to be selected by American Zinc and one by Reduction, each party reserving to itself the control, tenure and succession of its representatives. It shall be necessary for both members of the committee to agree to any committee action; It shall be the duty and right of the executive committee to formulate general plans for development and mining operations, and to determine major questions of policy, and any proposal involving a capital expenditure of \$5000.00 or more shall be considered a major question of policy.

(b) During the first three years of this agreement, subject to the provisions of paragraph (a), Reduction shall have direct management, supervision and control of all operations, and will furnish management, engineering and other professional services required; its duties and rights shall include the hiring and discharging of labor and other necessary personnel, and the purchase of equipment and supplies; also to keep proper books of account, payrolls and other records of transactions.

6. All ores mined under this agreement shall be marketed by Reduction, or may be, in part or in whole, purchased and treated by Reduction in its own reduction plant, provided that in either case sales shall be

made to meet the best bona fide offers made by others on like terms and conditions.

7. During the first three year of this agreement, Reduction in its capacity of manager of the joint venture will open a set of accounting books and records in which to record accurately the operations of the joint venture; and will open a bank account in Walker Bank & Trust Company, in the name of M I A Mines Company; said books shall be kept and said account maintained during the time this agreement remains in affect. All moneys pertaining to the operation, from whatever sources, shall be deposited in said account, and all disbursements to be made pursuant to this agreement shall be made by check on said account and upon signatures by designated officers and employees of Reduction. American Zinc shall have the right at all reasonable times to inspect, examine and audit all books and records kept by Reduction pertaining to operation under this agreement; all accounts shall be audited annually by certified public accountants whose reports shall be forthwith after receipt by Reduction, furnished to American Zinc.

8. Profits derived from operations for each calendar year shall be divided equally between the parties on or before April 1, of the following year, or may be divided at other times upon mutual agreement.

9. Each party hereto shall upon every reasonable request, give to the other a true account of all transactions relating to the business of the joint venture, and each party shall have the right to enter upon and into the described property for the purpose of making examination.

10. No property or assets belonging to the joint venture shall be disposed of, encumbered or hypothecated, and no agreement to answer for the debt, default or miscarriage of another, or to become surety for another, shall be entered into except upon agreement in writing by both parties hereto.

11. Either American Zinc or Reduction may withdrew from this agreement and all obligations thereof at any time by serving a ninety day notice in writing of its intention so to do. In the event both parties then desire to discontinue, the affairs and business of this joint venture shall be wound up and its property and property rights disposed of; the parties will then contribute and pay their repective shares of any losses and liabilities or divide the profits as the case may be. In the event one party wishes to continue, the withdrawing party will quit claim to the other all property and property rights and all interests in the venture, provided that the continuing party shall thereafter pay to the withdrawing party five percent of the net mill or smelter returns received from all ores marketed after the dissolution until such time as an amount equivalent to the total capital expenditures and lesses incurred by the withdrawing party have been paid.

12. The liability of each party hereto shall be strictly construed in accordance with the terms and conditions herein stated, and neither party shall have any authority to bind the other party by any engagement not contemplated by this agreement; and there shall be no modification and no waiver of any of the terms and conditions herein stated to be kept and performed by the parties respectively, except by writing duly executed by both parties.

13. Any controversy between the parties as to any matter or thing arising out of this agreement shall be determined by arbitration in accordance with the laws of Nevada; either party may initiate the proceeding by notice in writing to the other party setting forth the matter to be determined, and naming an arbitrator; within fifteen days thereafter the party so notified shall name its arbitrator, and advise the other party of such appointment; the two may determine the controversy, but if unable to agree shall select a third, and they shall give notice of such selection to both parties. The award of the arbitrators or of a majority of them shall be final and binding upon both parties. The expense of the arbitration shall be borne equally by the parties.

14. In case either party hereto shall be prevented from carrying out the provisions of this contract by reason of strikes, floods, fires, acts of God, shortage of railroad cars, shortage of electric power, war or insurrection, financial crisis in the nation, railroad traffic interruptions, governmental regulations, restraint or injunction, or other legal process from which the party affected cannot reasonably relieve itself by giving security or otherwise, or by reason of any other cause which is beyond the control of the affected party, such party hereto shall not be held liable to the other for damages on account of the failure or default during the period of suspension caused thereby.

15. This agreement shall supersede and take the place of all prior agreements, both oral and written, on the subject of operations in the properties described herein, or any part thereof.

16. This agreement is entered into on the basis of mutual confidence between the parties and is not subject to assignment.

IN WITNESS WHEREOF the said parties hereto have caused this instrument to be duly executed the day and year first above written.

AMERICAN ZINC COMPANY OF TENNESSEE
BY -----H. Young
President

Attest:
W. J. Matthews, Jr.
Secretary

COMBINED METALS REDUCTION COMPANY
BY H Saryder
President

Attest:
M. Christensen
Secretary

Recorded at the request of A. L. Scott, Nov. 7 A.D., 1956 At 12 A: M.

E. B. Crane, Recorder.
By Marian Herrera, Deputy.