

Otto Mehr, as President and official representative of the Great American Mining Corporation of Nevada, and The Great American Mining Corporation of Nevada

and

Percy Rogers

TWENTY YEAR MINING LEASE AND OPTION TO PURCHASE MINING CLAIMS

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THIS LEASE AND OPTION TO PURCHASE made and entered into in triplicate this 1st day of November, 1955, by and between OTTO MEHR, as President and official representative of the GREAT AMERICAN MINING CORPORATION OF NEVADA, and THE GREAT AMERICAN MINING CORPORATION OF NEVADA, A duly organized and existing Nevada corporation, hereinafter called LESSOR;

And PERCY ROGERS, of Eureka, Nevada, hereinafter called Lessee;

W I T N E S S E I H:

WHEREAS Lessor has represented to Lessee that he is the duly authorized representative of the GREAT AMERICAN MINING CORPORATION OF NEVADA, and President thereof, and after action duly taken by the Board of Directors of said corporation he has been and now is duly authorized and empowered to enter into a a lease of the mining properties hereinafter described and to execute and deliver, in the name of the Lessor this OPTION TO PURCHASE said mining claims for a sum certain of money hereinafter mention; and

WHEREAS Lessee is desirous of entering into said lease forthwith and of securing an option to purchase said mining claims and properties,

NOW THEREFORE, in consideration of the premises and the promises and agreements hereinafter contained, and in further consideration of the sum of Ten (\$10.00) Dollars paid by Lessee to Lessor, the receipt of which is hereby acknowledged, and in further consideration of the covenants and conditions hereinafter contained, to be kept and performed, the parties hereto agree, the one with the other as follows:

First: LESSOR does hereby contract, lease, and demise to LESSEE for the term of twenty (20) years from and after November 1st, 1955, the following described land and mining claims described as follows:

37 plus UNPATENTED LODE MINING CLAIMS IN THE DIAMOND MINING DISTRICT, EUREKA DISTRICT OF NEVADA, being in Township 22 North, range 54 east, consisting of (but not limited to) the following:

- 5 claims in the Francis group
- 7 claims in the Phillipsburg group
- 4 claims in the North Star group
- 12 claims in the Juniper group and
- 8 claims in the valhalla group

Second: LESSOR does hereby agree to give Lessee the option at any time within the life of this agreement to purchase the described property. The purchase price of said mining claims and premises shall be Seven Hundred and Fifty Thousand (\$750,000.00) Dollars, in lawful money of the United States of America payable on or before 20 years from date hereof, in the manner hereinafter provided.

Third: Upon the execution of this agreement, the Lessor agrees to place in escrow with the Nevada Bank selected by the parties, a good and sufficient deed conveying to the Lessee, the above-described premises, free and clear of all encumbrances by Lessor made, suffered or committed; also a copy of this agreement and lease and option; and upon a full compliance with all of the terms and conditions of this agreement, lease and option, the said bank is empowered, directed and instructed to deliver said deed to the Lessee, or his assigns.

Lessee shall place his quit-claim deed to said properties in said properties in said escrow, to be used as hereinafter set forth.

Fourth: Lessor represents, and to his best knowledge and belief states, that said claims are legally held and in good standing and that Lessor has complied with all laws, rules and regulations with regard to the same and will protect Lessee against any adverse claim to said property.

Fifth: The Lessee, must, beginning with the 10th day of April, 1956, pay to said bank, for the account of the Lessor, the sum of Two Thousand (\$2,000.00) Dollars, and a like sum of Two Thousand (\$2,000.00) Dollars every six months thereafter during the life of this agreement, which payment shall be applied on the purchase price in case Lessee, or his assigns, avail themselves of the option to purchase herein given, otherwise to remain the property of the Lessor for rental and for the use and occupation of said premises.

Sixth: Lessee shall be entitled to the immediate possession of said property on the condition that suitable equipment shall be placed on said property to begin mining operations within a reasonable time.

Seventh: The Lessee must begin active mining operations on said premises not later than January 2, 1956 and prosecute and continue the same with reasonable diligence.

Eighth: Net Smelter returns are defined by the parties as "The gross value of the ore less penalties, treatment charges, smelter price deductions, freight by public carrier, representation assaying, umpiring and any taxes levied by competent authority." Payment is to be made of a ten (10%) per centage of the net smelter returns at said selected bank in Nevada, and all shipments shall be made in the joint names of GREAT AMERICAN MINING CORPORATION OF NEVADA and PERCY ROGERS, Lessor and Lessee, respectively. These payments shall be made on or before the 10th day of each month for the ore extracted and milled during the preceding month, and shall be considered as a partial payment on the purchase price of said premises, in case said Lessee, or his assigns, avail themselves of the Option to Purchase herein given, otherwise to remain the property of the Lessor as additional rental for the use and occupation of said premises.

Tenth: If it is understood there is no equipment now on said premises and in the event any should be found there the Lessee may make such alterations thereon as he may deem appropriate.

Eleventh: The Lessee agrees to pay all state and county taxes that may be levied or assessed against said property from date hereof, at least 30 days before delinquency, and Lessor represents that all taxes due and payable up to November 1st, 1955, have been paid.

Twelfth: Lessee agrees to do the necessary yearly assessment work upon said unpatented claims, beginning with the year 1956, and to prepare, make and record the affidavit of performance of such work, said affidavit to show that said work was done for Lessor, and Lessee shall cause the same to be recorded at the proper time, if said ground is held beyond April 1st of any year; otherwise Lessor shall be responsible for such assessment work if said land is relinquished by Lessee prior to April 1st of any year; provided, however, that for the assessment year ending June 30, 1956, as consideration for the Lessor entering into this Lease and Option, Lessee agrees to do sufficient work on said properties in order that the assessment work for the assessment year 1956 shall have been completed.

Thirteenth: Lessee further covenants, promises and agrees to save the Lessor harmless for any damage or damages that might occur in the operation of said mining premises, and for that purpose shall insure and keep insured in some reliable accident insurance company or with the insurance department of the State of Nevada, all persons employed by them, or their agents, in and about said premises during the life of this agreement.

Fourteenth: It is also understood and agreed that all work done by the Lessee and all improvements put thereon by said Lessee shall be done in a good and workmanlike manner and mine fashion and at the sole cost of the Lessee.

Fifteenth: It is further agreed that the buildings, machinery, equipment, tools, water ditches, tunnels, drifts, shafts, and winzes are to be kept in the same good order and repair as is usual in good mining operations.

Sixteenth: It is further understood and agreed between the parties hereto that the Lessee and his successors and assigns, shall have the right to cut whatever timber may be necessary for mining purposes.

Seventeenth: The lessee further promises and agrees that during the life of this agreement he will not do any act or thing which would cause mechanics' or other liens to be placed against said property, or any part thereof.

Eighteenth: The Lessor shall have the privilege at all times during the life of this agreement of causing to be posted, and of keeping posted in a conspicuous place or places on said mining premises a notice in writing, reading to the effect that the work of developing and mining on said premises and any improvements thereon, are being done wholly and solely at the expense of the said Lessee, and stating that the Lessor will not be responsible for the indebtedness for labor, material, or at all, created by the Lessee in connection with the work and operation of said property during the existence of this agreement/

Nineteenth: The said Lessee must, not later than the first day of each month, have in the bank at Eureka, Nevada, sufficient funds to cover the cost of labor to be done and materials to be furnished during the ensuing thirty days next thereafter, and that said money shall remain there and be used for that purpose.

Twentieth: Lessee shall carry such compensation insurance for the protection of operations as may be required.

Twenty-First: Lessee agrees to conform to all state and federal laws.

Twenty-second: Acts of God, strikes, war or other emergencies beyond the control of Lessee when it becomes impossible to operate said mines shall excuse the Lessee from such performance and the terms of this lease shall be extended accordingly for the period equal to the days or times lost during such emergency. Sudden and unforeseen drops in metal prices which would make operation unprofitable can be a cause for a negotiated suspension of operation and an extension of the terms of this lease.

Twenty-Third: The Lessee may abandon said property at any time, when not in default, upon thirty days notice to Lessor.

Twenty-Fourth: Upon termination of this lease for any cause, Lessee may remove any machinery and equipment or installation, except those such as mine timber, track and pipe or head-frames over shafts. Lessee agrees to remove waste material and keep openings safely timbered when needed.

Twenty-Fifth: Lessee agrees to begin work as follows:

- (a) All labor employed shall be at the usual standard rate of pay.
- (b) Number of shifts to be worked first three months: 30 shifts per month.
- (c) Number of shifts to be worked next three months: 60 shifts per month.
- (d) Number of shifts to be worked thereafter: 90 shifts per month.



Twenty-Sixth: THIS OPTION TO PURCHASE, for which there has been paid by Lessee to Lessor the sum of Ten (\$10.00) Dollars, receipt of which is hereby acknowledged, is to remain in full force and effect during the life of this agreement, and the Lessee may purchase said property for the sum of Seven Hundred and Fifty Thousand (\$750,000.00) Dollars, less any amounts paid thereon such as royalty and otherwise. If, at any time, the total of all sums so paid shall equal the said sum of Seven Hundred and Fifty Thousand (\$750,000.00) Dollars, the transaction and complete sale shall be considered completed and the deed delivered to Lessor in and to said property shall cease.

Twenty-Seventh: Lessee's agreement with Lessor is to the effect that all payments shall be made through the escrow herein mentioned.

Twenty-Ninth: It is further understood and agreed that all notices provided for in this agreement, or to be given hereunder, shall be served upon Lessor by depositing in the United States mail, postage prepaid, registered, return receipt requested, addressed to him or it at Atlas Bldg - Salt Lake City, Utah Nevada; and any notice to be served upon the Lessee or his assigns, shall likewise be deposited in the United States mail, postage prepaid, registered, return receipt requested, addressed to him at Eureka Nevada, with a copy to his assigns, if any, to such address as may be requested by the Assignee. Copy of all notices shall also be mailed to the escrow holder in the same manner. The date and the time of the registry and mailing shall be considered the time of the notice.

Thirtieth: In case of default of any condition of this lease-agreement, a Notice of Default shall be given the Lessee, with a copy to the Escrow party. The Lessee shall have thirty (30) days from the date of the notice to prove that the default has been cured. If not cured within the specified time the lease is automatically terminated and the quit claim deed from Lessee or Lessor shall be delivered by the escrow party.

Thirty-First: Lessor and Lessee may have the right of inspection as to any and all notices and payments made through the Escrow holder, also their duly authorized attorneys, agents and assigns.

Thirty-Second: TIME IS OF THE ESSENCE of this lease-agreement, and should the Lessee, or his assigns, fail, neglect or refuse to carry out the terms and conditions hereinabove stated, for the period of thirty (30) days after Notice of Default, this contract and lease-agreement shall become null and void and of no further force and effect and all payments made thereon shall be retained by Lessor as liquidated damages for the use and occupancy of said premises, and as the consideration for which this lease-agreement is executed, and the Lessee shall forthwith deliver up to the Lessor the peaceful possession of said premises and every part thereof, and remove his equipment and machinery therefrom as otherwise provided herein, within a reasonable time thereafter.

Thirty-Third: This lease-agreement shall extend to, bind and be enforceable against the heirs, executors, and administrators and assigns of the Lessee and against any Receiver, or successor of the Lessor corporation.

Thirty-Fourth: Lessor shall furnish Lessee with duly certified copies of all Minutes of Meetings of the Corporation Lessor called for in connection with the execution of this Lease-agreement and Option to Purchase.

Thirty-Fifth: a map shall be attached to this lease-agreement outlining the said claims, and there shall be furnished in connection herewith the information of the recording of said claims, which all shall be considered as a part and more correct description of said claim. Copies of this lease-agreement and option will be distributed as follows:

- (1) Original to Lessee
- (2) Executed copy to Otto Mehr, Lessor's Official Representative.
- (3) Executed copy for Corporation Minute Book of Lessor.
- (4) Copy to Escrow Bank.
- (5) Copy to attorney preparing same.

IN WITNESS WHEREOF the undersigned have set their hands and the seal of the corporation the day and year in this lease-agreement and option hereinabove written.

Otto Mehr

Otto Mehr, Official Representative of Lessor.

THE GREAT AMERICAN MINING CORPORATION OF NEVADA,

By Otto Mehr  
Otto Mehr, President,

(Seal of Corporation)

ATTEST: Milan A. Farr  
Secretary.

L E S S O R S

Percy Rogers  
Percy Rogers

L E S S E E

STATE OF NEVADA,  
                                  ) SS.  
COUNTY OF EUREKA

On this 23 day of November, 1955, before me, a NOTARY PUBLIC in and for said County and State, personally appeared PERCY ROGERS known to me to be the persons whose names are subscribed to the within Lease-agreement and Option and acknowledged to me that they executed the same.

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)

A. J. O'Connell  
NOTARY PUBLIC in and for said County  
and State of Nevada.  
My Commission Expires 8-1-59.

STATE OF NEVADA,  
COUNTY OF EUREKA ) (SS.

On this 23 day of November, 1955, before me, a NOTARY PUBLIC in and for said County and State, personally appeared Otto Mehr, known to me to be the President, and \_\_\_\_\_ known to me to be the Secretary of THE GREAT AMERICAN MINING CORPORATION OF NEVADA, the Corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument, on behalf of the Corporation herein named, and acknowledged to me that such Corporation executed the same.

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)

C. Allen Elggress  
NOTARY PUBLIC in and for said County  
and State of Nevada.

STATE OF UTAH            )  
                                  ) SS  
COUNTY OF SALT LAKE)

One this 4th day of November 1955 OTTO MEHR, known to me to be the President of the Great American Mining Corporation of Nevada, acknowledged to me that the said Corporation executed the within Instrument, and that said Otto Mehr executed the within instrument on behalf of the said Great American Mining Corporation.

(Notarial Seal)

Milan A. Farr  
Notary Public in and for said  
County in the State of Utah.

STATE OF UTAH            )  
                                  ) SS  
COUNTY OF SALT LAKE )

On this 5th Day of November 1955 before me, a Notary Public in and for said County and State, personally appeared MILAN FARR, who acknowledged to me that he is the Secretary of the Great American Mining Corporation of Nevada, and that he executed the within instrument, on behalf of the said Great American Mining Corporation.

(Notarial Seal)

Jean Ilg  
Notary Public in and for said  
County in the State of Utah

CERTIFIED COPY OF RESOLUTION

"WHEREAS, it is deemed to be to the best interests of this Corporation to enter into a lease and option to purchase the leases on property now owned by this Corporation, and

"WHEREAS, an offer has been made by one Percy Rogers to enter into a TWENTY YEAR MINING LEASE AND OPTION TO PURCHASE MINING CLAIMS belonging to this Company,

"AND WHEREAS said leases are on the claims known as the 37 plus UNPATENTED LODE MINING CLAIMS IN THE DIAMOND MINING DISTRICT, EUREKA DISTRICT OF NEVADA, being in Township 22 North, Range 54 East, consisting of (but not limited to) the following: 5 claims in the Francis group; 7 claims in the Phillipsburg group, 4 claims in the North Star group; 12 claims in the Juniper group, and 8 claims in the Valhalla group,

"NOW THEREFORE, BE IT RESOLVED, that Otto Mehr, both individually, as a Director and as the President of the corporation, be and he is hereby empowered and authorized to enter into said 20 year lease and option to purchase same mining claims with Percy Rogers for the total sum of \$750,000.00, same to be paid at any time within said twenty year period, and we hereby ratify his acts in so doing;"

I, the undersigned, Secretary of THE GREAT AMERICAN MINING CORPORATION OF NEVADA, DO HEREBY CERTIFY that the forgoing is a true and correct copy of a resolution of the BOARD OF DIRECTORS duly adopted at the meeting duly held on November 10, 1955, in the City of Salt Lake, County of Salt Lake, and state of Utah.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the Official Seal of the Corporation at Salt Lake City, Utah, this 10th day of November, 1955.

(Corporate Seal)

Milan A. Farr  
SECRETARY OF SAID CORPORATION

(This Certificate is to be attached to and become part of the Twenty Year Mining Lease and Option when same is entered into.)

The following statement is to be considered a clarification of the twenty year mining lease and option dated November 1, 1955 by and between Otto Mehr, as President and Official representative of the Great American Mining Corporation of Nevada, and the Great American Mining Corporation of Nevada, a duly organized and existing Nevada corporation, hereinafter called Lessor; and, Percy Rogers, of Eureka, Nevada, hereinafter called Lessee.

The seventh paragraph of this agreement reads as follows:

"The Lessee must begin active mining operations on said premises not later than January 2, 1956 and prosecute and continue the same with reasonable diligence."

To further clarify the meaning of the words - active mining operations - shall include the exploration, geological mapping, and drilling.

This clarification shall not change, in any way, the provisions of paragraph Twenty-Fifth of said lease, and the same is hereby reaffirmed.

IN WITNESS WHEREOF the undersigned has set his hand the day and year in this lease-agreement and option hereinabove written.

Otto Mehr  
Otto Mehr, Official Representative of Lessor.

THE GREAT AMERICAN MINING CORPORATION OF NEVADA,  
by Otto Mehr  
Otto Mehr, President

ASSIGNMENT OF MINING LEASE  
AND OPTION TO PURCHASE

FOR AND IN CONSIDERATION of the sum of One Dollar (\$1.00) lawful money of the United States, and other consideration, I hereby sell, assign and set over to ROBERT G. McCLELLAND my interest as Lessee in the above Mining Lease and Option to Purchase dated November 1, 1955.

Dated at Los Angeles, California, March 3, 1961.

Percy Rogers  
Percy Rogers

STATE OF CALIFORNIA     )  
                                  ) SS  
County of Los Angeles    )

On this 3rd day of March, 1961, before me, a Notary Public in and for said County and State, personally appeared PERCY ROGERS, known to me to be the person whose name is subscribed to the within Instrument, and acknowledged to me that he executed the same.

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)

Monta V. Shirley  
Notary Public in and for said  
County and State.

Recorded at the request of George W. Nilsson March 6, A.D., 1961 At 28 minutes past 3 P.M.

Willis A. DePaoli- Recorder.