

J. W. Edgar and Evelyn Edgar,
W. E. Edgar and Willis L. Edgar,
J. M. Edgar and Leola Edgar,
Jessie M. Edgar, and Leon Belaustegui,
First Parties

and

Willis L. Edgar and Jessie M. Edgar,
T. G. Edgar, R. D. Morris, JW. Edgar
and Evelyn Edgar, J. M. Edgar and
Leola Edgar,
Second Parties

and

Julius Maier, Julius Maier Co.,
Margot Maier, Arnbleich Co., Alex
Intrator, A. Carveale, Gitl Bialer,
Norman Samuels, Kurt Maier, E. Walker,
T. Redway, Wm. Doehler, P. Alsberg,
R. Koetsch, Dr. Weinstein and M.
Weinstein, The Sierra Nevada Company,
and Combined Production Associates, Ltd.,
Third Parties

AMENDMENT TO MINING LEASE AND
OPTIONS

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THIS AMENDMENT TO MINING LEASE AND OPTIONS, made and entered into this 29th day of November, 1962, by and between J. W. EDGAR and EVELYN EDGAR, his wife, of Farmington, New Mexico; J. M. EDGAR and LEOLA EDGAR, his wife, of Battle Mountain, Nevada; W. E. EDGAR, and WILLIS L. EDGAR and JESSIE M. EDGAR, his wife, of Fernley, Nevada; and LEON BELAUSTEGUI, of Battle Mountain, Nevada, First Parties; and WILLIS L. EDGAR and JESSIE M. EDGAR, his wife; T. G. EDGAR, of Albuquerque, New Mexico; R. D. MORRIS, of Elko, Nevada; J. W. EDGAR and EVELYN EDGAR, his wife; and J. M. EDGAR and LEOLA EDGAR, his wife, Second Parties; and JULIUS MAIER, JULIUS MAIER CO., MARGOT MAIER, ARNBLEICH CO., ALEX INTRATOR, A. CARNEVALE, GITL BIALER, NORMAN SAMUELS, KURT MAIER, E. WALKER, T. REDWAY, WM. DOEHLER, P. ALSBERG, R. KOETSCH, DR. WEINSTEIN and M. WEINSTEIN, THE SIERRA NEVADA COMPANY, a Utah corporation and COMBINED PRODUCTION ASSOCIATES, LTD., a Utah corporation qualified to do business in Nevada, c/o A. B. THOMAS, 39 Exchange Place, Salt Lake City, Utah, Third Parties,

W I T N E S S E T H:

THAT WHEREAS, First Parties leased certain unpatented mining claims in Eureka County, Nevada, to the M.M. & S. EXPLORATION COMPANY, on June 23, 1959, and the latter's interest was, by sundry assignments, transferred to Third Parties, and

WHEREAS, Second Parties leased certain unpatented mining claims in Eureka County, Nevada, to the M. M. & S. EXPLORATION COMPANY, on October 7, 1959, and the latter's interest was, by sundry assignments, transferred to Third Parties, and

WHEREAS, certain confusions exist in the locations of the respective group of claims which cloud the titles to said claims, and

WHEREAS, it is the desire of all parties to execute a lease to Third Parties, which will effectively protect said titles in Third Parties, and it is the desire of the respective parties to amend their leases in other regards;

NOW, THEREFORE, in consideration of the rentals and royalties hereinafter reserved and agreements hereinafter expressed by the Third Parties to be faithfully kept and performed, the parties hereto mutually and severally agree as follows:

I.

RIGHTS GRANTED TO THIRD PARTIES

First Parties and Second Parties do hereby demise, let and grant unto Third Parties, all of said Parties' right, title, claim and interest in and to the following described mines, mining locations and mining property, together with the improvements thereon and incident thereto, situate in T. 35 N., R. 50 E., M.D.B. & M., Section 4, Eureka County, Nevada, to-wit:

PARCEL I: (Contained in Lease of June 23, 1959.)

BLUE STAR
 BLUE STAR No. 1
 BLUE STAR NO. 2
 (Located in 1943 and 1944.)

PARCEL II: (Contained in Lease of October 7, 1959.)

BLUE STAR, No. 1 through No. 20
 BLUE STAR No. 24 through No. 29
 BLUE STAR No. 33 through No. 35
 (Located in June of 1959).

TOGETHER WITH all veins, lodes and mineral deposits in said mining claims, including the dips, spurs, shoots and angles thereof, and any and all shafts, adits, tunnels, and other mining improvements and structures therein, all easements of ingress and egress which may be appurtenant thereto, all water or water rights appurtenant to any of said claims, with the sole and exclusive possession thereof during the life of this lease, owned by First or Second Parties, with the sole and exclusive right to prospect, explore, examine, search, sample, test, mine and extract therefrom any and all ores, minerals and metals, and to place buildings, equipment, machinery, tools, rails and improvements thereon at the sole discretion of Third Parties.

TO HAVE AND TO HOLD unto the said Third Parties for a term of seventeen (17) years from the date hereof, subject to the strict, punctual and exact performance by the Third Parties of all the conditions, covenants and agreements by them to be kept and performed.

II.

MINIMUM ROYALTIES OR RENTALSPARCEL I:

Third Parties shall pay to those members of the First and Second Parties as shall be designated in writing, as rental for said premises, the sum of FOUR HUNDRED (\$400.00) DOLLARS per month, payable on or before the 20th day of each month throughout the life of the lease.

All rentals so paid shall apply toward and shall be credited upon any royalties payable for Parcel I, as hereinafter set out.

PARCEL II:

There are no minimum royalties or rentals payable for Parcel II.

III.

ACTUAL ROYALTIESPARCEL I:

Third Parties shall pay to those members of the First and Second Parties as shall be designated in writing, on all ores, minerals and metals extracted and shipped or sold from said premises described as Parcel I, a royalty (referred to as "actual royalties"), as follows:

- A. On ores, minerals or metals yielding \$4.00, or less, per ton, six (6%) per cent of the net smelter, mint or other purchasing agency return;
- B. On ores, minerals or metals yielding \$4.00 to \$10.00 per ton, eight (8%) per cent of the net smelter, mint or other purchasing agency return;
- C. On ores, minerals or metals yielding \$10.00 to \$20.00 per ton, ten (10%) per cent of the net smelter, mint or other purchasing agency return;
- D. On ores, minerals or metals yielding over \$20.00 per ton, twenty (20%) per cent of the net smelter, mint or other purchasing agency return.

For the purposes hereof, "net smelter, mint or other purchasing agency return" means the gross value of metal sold, less only those charges incurred at the smelter, mint or other purchasing agency from transportation, smelting, refining and handling, and other charges such as are commonly assessed by the buyer of such products against the seller.

PARCEL II:

Third Parties shall pay to those members of the First and Second Parties as shall be designated in writing, on all ores, minerals and metals extracted and shipped or sold from said premises described as Parcel II, a royalty (referred to as "actual royalties"), as follows:

See Paragraphs A, B, C, D and the last paragraph under Parcel I, which are hereby adopted.

IV.

MANNER AND PLACE OF PAYMENT OF RENTS AND ROYALTIES

All payments of rents and actual royalties hereunder shall be made by deposit thereof to the credit of the persons designated in writing to receive the same, in Nevada Bank of Commerce Bank, at Elko-Nevada, or at such other bank as such persons may designate from time to time by written notice to Third Parties. Third Parties are under no obligation to determine the division or distribution of any payment among the First and Second Parties, or the persons designated by them who are entitled to receive the same.

Third Parties shall furnish to First and Second Parties, as their interest appear, on or before the 20th day of the calendar month for the month preceding, copies of mint, smelter or other purchasing agencies receipts, and settlement sheets showing the amount of actual royalties accrued, and the credit adjustments taken by Third Parties for rentals paid for advance royalties.

V.

BOOKS AND RECORDS

Third Parties shall keep accurate records of all bullion sales, recovery of precious metals, quantities and assays of crude ore fine and metallics derived in plant processes, and copies of such records upon the demised property shall be furnished to First and Second Parties upon demand.

The Third Parties shall surrender to First and Second Parties upon termination of this lease copies of all drill logs, maps and minerals analysis, not furnished above.

VI.

PROPER OPERATION REQUIRED

Third Parties shall continue upon said mine and premises and work the same in the manner necessary to good minerlike and economical mining, so as to develop and take out ore with due regard to the development and preservation of the same as a workable mine, and to the special covenants herein reserved, and in keeping with the laws of the State of Nevada, and of the United States, and rules and regulations thereunder which are applicable.

VII.

RIGHT OF INSPECTION

Third Parties shall allow First and Second Parties, and their agents, from time to time, to enter upon and into all parts of said leased premises for purposes of inspection at such reasonable times as shall not interfere with the regular operation of the leased premises. It is understood and agreed that Third Parties shall assume no responsibility for the safety of First and Second Parties, or their agents, when and while upon the leased premises for such purposes.

VIII.

STATE AND FEDERAL ENACTMENTS--
INDEMNIFICATION OF THIRD PARTIES

Third Parties in the operation and development of the property hereby leased shall be subject to all applicable Federal enactments, laws of the State of Nevada, and all Federal or State rules and regulations regarding industrial insurance, workmen's old age and unemployment insurance, and said Third Parties covenant and agree to indemnify and hold harmless the First and Second Parties from and against the payment of any and all damages, claims, costs and expenses due to the existence of such enactments, and of any and all claims, costs and expenses due to the existence of such enactments, and of any and all claims, costs and expenses in connection therewith under any claim of subrogation provided for by said enactments or otherwise; and the Third Parties shall further indemnify and hold harmless the First and Second Parties from and against any and all damages, claims, costs and expenses arising out of damage to property or any injuries to, or death of the employees of Third Parties, or any other person whomsoever other than the First and Second Parties

and those acting under the First and Second Parties where such injury, death or damage occurs, because of or in connection with the use, operation and development in any manner of the property hereby leased, whether such claims are based upon a right conferred by common law or by statute.

IX.

PROPERTY TO BE KEPT FREE OF LIENS

Third Parties shall pay and satisfy all claims for materials, supplies and labor in connection with the working of said mine and mining property, and shall keep the said mine and mining property free of liens or encumbrances of any and every kind except such as might result from State and County tax assessments not required to be paid by Third Parties, or such as may result from the acts of others than the Third Parties, their employees or those in privity with them.

X.

NON-LIABILITY NOTICES

Third Parties shall keep recorded in accordance with the Statutes of Nevada, such notices as will inform whom it may concern that said mine and mining property is operated under lease, and that the First and Second Parties shall not be liable for any of the expenses or charges of operation.

XI.

TAXES

Third Parties shall pay all State and County tax assessments upon any and all structures and other improvements, machinery, equipment, tools, supplies and personal property whatsoever placed upon the leased premises by the Third Parties, or leased hereby from First and Second Parties.

Any taxes hereafter and during the life of this lease levied and assessed on account of the valuation of the mineral resources of the leased premises, including any so-called "bullion", "gross production", "severance", or "net proceeds" tax, and not severally and independently assessed against First and Second Parties and against Third Parties in relation to their respective interests, shall be prorated between First Parties, Second Parties and Third Parties in the ratios to which they shall participate hereunder in the net mint, smelter or other purchasing agency return from such production. If the statute under which any such tax shall be levied shall provide for the separate and independent assessment against Third Parties, and First and Second Parties, then the First Parties and Second Parties shall pay the tax so assessed against them, and Third Parties shall pay the tax so assessed against them.

XII.

COVENANT AS TO ADVERSE CLAIMS AND STATUS OF TITLEPARCEL I:

The parties hereto acknowledge that a dispute has arisen between the First Parties and Second Parties as to the location of the claims described in Parcel I, which affects the ownership of Parcel II. Prior to 45 days from date hereof, First Parties and Second Parties agree to settle their differences and designate in writing and by plat the agreed locations of the claims described in Parcel I. As of such date, First Parties and Second Parties covenant that the persons then designated by them will be the sole owners of the mining claims set forth in Parcel I, subject only to the following:

The paramount title of the United States and any cloud on the title which may have been created by Third Parties.

PARCEL II.

As of the date designated in Parcel I, the First Parties and Second Parties shall designate in writing and by plat the agreed locations of the claims described in Parcel II. As of such date, First and Second Parties covenant that the persons designated by them will be the sole owners of the mining claims set forth in Parcel II, subject only to the following:

The paramount title of the United States and any cloud on the title which may have been created by Third Parties.

XIII.

ASSESSMENT WORK

Third Parties agree to do and perform, within the time required by law, all annual

assessment work and labor necessary to maintain and protect title to any unpatented mining claims and locations covered thereby, and Third Parties agree to record proofs of such labor and work as prescribed by Statutes.

XIV.

THIRD PARTIES' RIGHT OF SURRENDER

It is mutually understood and agreed that Third Parties may, at any time, surrender and terminate this lease upon giving thirty (30) days notice in writing, paying to First and Second Parties all rents and royalties and other sums due and payable to First and Second Parties to the effective date of such surrender, and complying with the terms of this lease with respect to the preservation and protection of workings upon the leased lands.

XV.

FORFEITURE AND TERMINATION

This lease is made upon the condition that Third Parties shall perform all of the covenants and agreements herein set forth to be performed by them, and if at any time, Third Parties shall fail to make any monthly rental payment when due hereunder, except for periods when the production of mineral be prohibited by law, or if at any time Third Parties shall fail to perform any other covenant on their part to be performed, due to other than Acts of God, strikes, lockouts, storms, floods or unusual casualty, ~~or any other-cause-entirely-beyond-Third-Parties'-control,~~ and if the default or defaults of Third Parties shall continue for a period of 30 days after written notice has been given by First Parties and/or Second Parties to Third Parties specifying the nature of the default or defaults, then and in that event this lease shall terminate and the leased premises shall revert to the First Parties and Second Parties, as their interests appear, and the Third Parties shall deliver to the First and Second Parties the said premises. A default declared as to one parcel is not a default as to the other parcel.

C.P.A. Ltd
By A.B.Thomas
W. L .Edgar

XVI.

REMOVAL OF EQUIPMENT

It is further understood and agreed that all personal property of the Third Parties located within the leased premises, including all buildings, pipe lines, machinery, equipment and tools of the Third Parties shall, in case of forfeiture, surrender or other termination of this lease, be removed within eighteen months after said termination.

XVII.

CO-MINGLING OF ORE

The parties acknowledge that the actual mining operation of Third Parties will probably be on an open pit basis, and that there is the possibility of co-mingling of ores from Parcels I and II, as a matter of necessity. Co-mingling will be avoided wherever possible, but in the event thereof, Third Parties will calculate royalties as between Parcels I and II on a best effort basis, and the royalties so determined and paid by Third Parties shall not be the subject of contest with said Third Parties.

XVIII.

OPTION

In consideration of the sum of ONE (\$1.00) DOLLAR by the Third Parties to each of the First and Second Parties in hand paid, receipt whereof is hereby acknowledged, and in further consideration of the performance of the covenants on the part of the Third Parties herein contained to be performed, the First and Second Parties hereby grant unto Third Parties an option to purchase the above-described mining claims, as follows:

PARCELS I AND II TOGETHER:

By the payment of \$50,000.00 in cash not later than 12:00 Noon, Pacific Standard Time, January 20, 1963.

If the option is not claimed, as aforesaid, then by the payment of \$90,000.00 in cash, on or before 12:00 Noon, Pacific Standard Time, June 15, 1963.

If said option is not claimed, as aforesaid, then by the payment of \$105,000.00 in cash, on or before 12:00 Noon, November 15, 1963.

In either or any of the above Options herewith granted, it is expressly understood and agreed that any such payment must be made in one lump sum, in cash, and that tender of payment shall be made together with notification of the exercise of the Option, and it being further understood that no advance royalty or royalties of any nature shall be deemed to apply toward said purchase price. Acceptance of any of the above Options may be

made by notifying LEO J. PUCCINELLI, ESQ., Attorney at Law, 405 Henderson Bank Bldg., Elko, Nevada, and by tendering payment to the escrow holder.

Should none of the foregoing Options be claimed by Third Parties, the following option terms shall apply:

PARCEL I:

By the payment of \$200,000.00, at any time after November 15, 1963, and during the remainder of the life of this lease.

All monies heretofore or hereafter paid in the form of advance rentals and actual royalties, under the terms of the original leases and this amendment, shall be applied upon the purchase price, and if, at the time of the exercise of said option, the monies so paid do not total the sum of \$200,000.00, the remainder of said purchase price shall be paid in cash by Third Parties to the above-named Bank, to the benefit of the persons designated in this lease and option to receive.

PARCEL II:

By the Payment of \$150,000.00, at any time after November, 15, 1963, and during the remainder of the life of this lease.

All monies heretofore or hereafter paid in the form of actual royalties, under the terms of the original leases and this amendment, shall be applied upon the purchase price, and if, at the time of the exercise of said option, the monies so paid do not total the sum of \$150,000.00, the remainder of said purchase price shall be paid in cash by Third Parties to the above-named Bank, to the benefit of the persons designated in this lease and option to receive.

The Bank above-named to receive payments hereunder is hereby designated as escrow holder.

The First and Second Parties shall, coincidentally with the written declaration required in Paragraph XII, execute limited Warranty Deeds conveying such title as is defined in Paragraph XII to Parcels I and II. Said Deeds shall name the Third Parties as Grantees, as their interests shall be designated by such persons comprising the group. Such Deeds shall be forthwith placed in escrow.

The parties hereto shall on the same date execute and deliver to the escrow holder escrow instructions consistent herewith, with copy of this amended lease attached and made a part hereof.

XIX
TURQUOISE MINING

One man satisfactory to Third Parties may remain on the leased premises to follow the mining operation and observe if turquoise is located thereby. If and when such occurs, he may request suspension of Third Parties' operations at the point of discovery briefly to remove the turquoise. Third Parties will honor such request if same does not unduly interfere with their then operation. Should any turquoise so obtained be sold by First and Second Parties, twenty (20%) per cent of the sale price shall be paid to Third Parties.

XX.

SUSPENSION OF RENTAL PAYMENTS

Should the First and Second Parties fail to agree upon the location of the respective claims in Parcels I and II, as required by Paragraph XII, within the time therein specified, Third Parties will be excused from making the \$400.00 per month payments until the requirements of said paragraph are met. Any actual royalties earned in such period shall be impounded in escrow for release upon satisfaction of said paragraph.

XXI.

MISCELLANEOUS

This Lease, while an amendment of the two original leases, includes all of the terms of the agreement between the above parties without reference to said originals.

Any notices hereunder to be served by First Parties or Second Parties upon Third Parties may be served personally upon A. B. THOMAS, 39 Exchange Place, Salt Lake City, Utah, or by registered or certified mail addressed to the said A. B. THOMAS, at the aforesaid address.

Any notices hereunder to be served by Third Parties upon First Parties or Second Parties may be served personally upon LEO J. PUCCINELLI, ESQ., Attorney at Law, 405 Henderson Bank Building, Elko, Nevada, or by registered or certified mail addressed to the said LEO J. PUCCINELLI, at the aforesaid address.

Any of such notices shall be deemed given as of the date of personal service, or as of the date of mailing per above.

This Amendment to Mining Lease and Options shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands as of the day and year first hereinabove written.

FIRST PARTIES:

SECOND PARTIES:

W. E. Edgar
Maruelle Edgar
Willes L. Edgar
Jessie M. Edgar
Mrs. Leon Belaustequi
Leon Belaustequi
Tenants in Common
Leola M. Edgar
J. M. Edgar
J. W. Edgar
Evelyn A. Edgar

Willes L. Edgar
Jessie M. Edgar
Virginia Morris
R. D. Morris
Tenants in Common
Leola M. Edgar
J. M. Edgar
J. W. Edgar
Evelyn A. Edgar
T. G. Edgar

THIRD PARTIES:

A. Carnevale
Norman Samuels
Dr. Weinstein
M. Weinstein
Gitl Bialer
Alex Intrator
) ARNBLEICH CO.
By Rx Haly Jr., Partner
Att'y in Fact

Robert Koetsch
JULIUS MAIER CO.
by Julius Maier
Julius Maier Margot Maier
Hilde Alsbert & Peter Alsborg jt t'ts w/A.S.
under authority on 12/1/62
Kurt Maier & Lila Ackerman j't t't w/R.S.
under authority of 12/22 & 12/27/62
Elizabeth C. Walker
Tilda Redway
By Charles R. Walker, III
Attorney in-fact per authority 12/24/62
Wm. Doehler & Bess Doehler
Combined Production Associated Ltd.,
Attorney in fact. A. B. Thomas- Pres.
A. Reeves Sec'y.
Combined Production Associates, Ltd.,
A. B. Thomas - President
A. Reeves Sec'y.
Sierra Nevada Company
A. B. Thomas - President
A. Reeves Sec'y

(CORPORATE SEAL - COMBINED PRODUCTION ASSOCIATES, LTD)
(CORPORATE SEAL- THE SIERRA NEVADA COMPANY)

STATE OF UTAH)
COUNTY OF SALT LAKE SS

Subscribed and sworn to before me by A. B. Thomas, President of Sierra Nevada Company and Combined Production Associates, this 30th day of January, 1963.

(NOTARIAL SEAL)

My Commission Expires: March 19, 1966.

Jeanette C. Day
NOTARY PUBLIC
Residing in Salt Lake City, Utah

STATE OF UTAH)
COUNTY OF SALT LAKE) SS

Subscribed and sworn to before me by Augustus Reeves, Secretary of Sierra Nevada Company and Combined Production Associates, this 30th day of January, 1962.

(NOTARIAL SEAL)

My commission expires: March 19, 1966.

Jeanette C. Day
NOTARY PUBLIC
Residing at Salt Lake City, Utah

STATE OF NEVADA)
County of Landers) ss.

Subscribed & sworn to me by Leon Balaustequi this 31st day of January, 1963.

(NOTARIAL SEAL)

My Commission expires: Jan. 15, 1966.

Ray A. Foote
Notary Public
Residing at Battle Mt. Nev.

STATE OF NEVADA ,)
) SS.
COUNTY OF ELKO.)

On this 30th day of January, 1963, personally appeared before me, a Notary Public in and for said County and State, R. D. MORRIS, known to me to be the person described in and who executed the foregoing instrument, and acknowledged to me that he 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 in this Certificate last above written.

(NOTARIAL SEAL)

Orville R. Wilson
NOTARY PUBLIC

MY COMMISSION EXPIRES OCTOBER 10, 1965.

Recorded at the request of A. B. Thomas February 8, A.D. , 1963 At 05 minutes past 8 A.M.

Willis A. DePaoli - Recorder.