

File No. 47525

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BOOK PAGE

W A L L A C E & C O

DENVER, COLORADO SALT LAKE CITY, UTAH
EL PASO, TEXAS BUTTE, MONTANA

Please reply to:
30 Kensington Avenue
Salt Lake City, Utah 84115
Telephone 486-0094
Teletype
801-521-2521

July 23, 1968

*Revised 7/23
Destroy copies of 7/17 draft*

Mr. Fred Pacini
Mrs. Julia Pacini
803 Camp Street
Carlin, Nevada 89822

Reference Maggie Creek Mining District
Element Mining Claims
Subject Option and Purchase Agreement

Dear Mr. and Mrs. Pacini:

This letter will constitute our agreement with you (hereafter referred to as Seller) and G. M. Wallace & Co. (hereafter referred to as Wallace), concerning acquisition of certain exploration rights and an option to purchase your Element mining claims No. 1 through No. 68, located in the Maggie Creek Mining District as recorded in Eureka County, Nevada.

In consideration of the payment to you by Wallace of \$500.00, receipt of which is acknowledged by your execution of this letter agreement, and further in consideration of the performance by Wallace of any additional annual assessment work required for the year 1967-1968, you and each of you hereby grant to Wallace the following rights and options ending July 1, 1969:

1. The right to examine, explore, drill, map, mine, take samples, and do other geological exploration work;
2. The option to purchase Element mining claims No. 1 through No. 68 in the Maggie Creek Mining District for a total purchase price of \$75,000.00.

Mr. Fred Pacini
Mrs. Julia Pacini
July 23, 1968
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Wallace's option to purchase the above-described claims may be exercised at any time, subsequent to the date of this agreement but must be exercised no later than July 1, 1969. If Wallace elects to exercise this option, it must do so in writing addressed to:

Mr. Fred Pacini
Mrs. Julia Pacini
803 Camp Street
Carlin, Nevada 89822

Notice of Wallace's election to exercise this option right shall be deemed given when Wallace deposits said written notice in the United States mails, registered or certified mail, return receipt requested, this accompanied by a payment of \$5,000.00, and shall be deemed given at the time noted on said return receipt.

Upon exercise of this option, Wallace shall have a period of sixty (60) days from such exercise to examine the title of said claims, and if any title defect is discovered (subject to the paramount title of the United States) Seller agrees to cooperate in clearing such defects, and if it is determined by the parties hereto that title cannot be cleared within a reasonable length of time, then Wallace may demand return of the \$5,000.00 initial payment which Seller agrees to return immediately upon such demand.

If title is approved by Wallace, Seller shall execute a Quit Claim Deed to Wallace to all of the above-described claims in exchange for which, Wallace shall execute and deliver to Seller its Promissory Note in the original, principal amount of \$70,000.00, calling for annual payments of \$10,000.00 per year, payable on or before July 1 of each year beginning with the year 1970 and continuing until the entire indebtedness is paid in full.

During the option period described above, Seller agrees to not transfer, assign, or encumber the above-described mining claims or to grant any options or leases of these claims without the prior, written consent of Wallace.

Wallace may assign its interests under this letter agreement.

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Mrs. Julia Pacini
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The terms and provisions of this letter agreement constitutes the entire agreement of the parties. No change, modification or alteration of this agreement shall be valid unless in writing and signed by all parties.

The terms and provisions of this agreement shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, personal representatives, successors, and permitted assigns.

If this letter correctly sets forth our understanding and agreement, will you please execute by signing below and then returning the original for our files.

Very truly yours,

G. M. WALLACE & CO.

By R. E. Kunkel
R. E. Kunkel

REK/bde

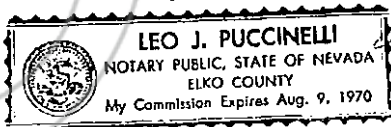
ACCEPTED BY:

Fred Pacini July 24, 1968
Fred Pacini Date

Julia Pacini July 24, 1968
Julia Pacini Date

STATE OF NEVADA)
COUNTY OF ELKO) SS.

On July 24, 1968 personally appeared before me, a Notary Public, Fred Pacini and Julia Pacini, who acknowledged that they executed the above instrument.



Leo Puccinelli
Notary Public

RECORDED AT THE REQUEST OF James V. Muth
on Aug. 14, 1968 at 40 mins. past 2 P. M. in
Book 25 of OFFICIAL RECORDS, page 293-295 RECORDS OF
ELKO COUNTY NEVADA Miss M. M. Wallace
File No. 17525 Recorder.
Fee \$ 5.00