

LEASE AND OPTION AGREEMENT

1 THIS AGREEMENT made and entered into as of the 15 day
2 of February, 1969, by and between STANLEY FINE, RONALD V. HICKS,
3 ALDEN H. HICKS, ERNEST HUNTER, all of Eureka, Nevada, BESSIE
4 HICKS, of Reno, Nevada, and PETE KELLEY, of Carson City, Nevada,
5 and hereinafter collectively called for the purpose of this
6 agreement "Lessor", and FRANK FOSTER, W. H. STROUD both of
7 Eureka, Nevada, hereinafter called "Lessee".

W I T N E S S E T H :

9 WHEREAS, Lessor is the owner of certain patented mining
10 claims in the Eureka Mining District of the State of Nevada,
11 listed and described of Exhibit "A" attached hereto and is the
12 holder by location of certain unpatented mining claims in the
13 same mining District which are described in Exhibit "B"
14 attached hereto, and

15 WHEREAS, Lessee is desirous of securing a lease and option
16 of all of the mining claims, patented and unpatented, listed in
17 Exhibits "A" and "B" attached hereto, on the terms hereinafter
18 set forth, and

19 WHEREAS, Lessor is willing to grant to Lessee such lease
20 and option on the terms hereinafter set forth,

21 NOW, THEREFORE, in consideration of the sum of Ten Dollars
22 (\$10.00) in hand paid by Lessee to Lessor, receipt whereof
23 said Lessor does hereby acknowledge, and in consideration of
24 the covenants and agreements of Lessee hereinafter set forth,
25 Lessor does grant to the Lessee the right to conduct all normal
26 exploration, development and production activities connected
27 with mining, including shipment of ores, minerals, concentrates
28 or metals from said property as listed on Exhibits "A" and "B"
29 and to construct or place such equipment and buildings on the
30 property as is deemed necessary by the lessee for a profitable
31 mining operation; together with the use of water and timber
32 rights thereon, so long as all activities and uses shall be

1 conducted in a safe and lawful manner that holds the Lessor
2 free and harmless of all liability and claims.

3 IT IS HEREBY MUTUALLY AGREED BY THE PARTIES HERETO AS FOLLOWS:

4 1. ADDITIONAL CLAIMS: Those certain unpatented claims
5 surrounding the claims described in Exhibit "A" and "B" hereto,
6 and more specifically known as STOCKTON #2 through STOCKTON #13
7 inclusive, as located by the Lessee, shall become a part of
8 this agreement; excepting those portions of ground where lack
9 of physical evidence has caused over staking of other existing
10 patents in the area. Such existing patents possibly infringed
11 upon are known specifically as Cadden #2, Betrand #1, Hudson,
12 Black Cat, Mineral Bluff, Oswego, Brickton, Killington, Bronide,
13 East Mill site and West Mill site.

14 Any additional claims acquired by either the Lessee or
15 the Lessor in the adjoining area adjacent to these above
16 mentioned claims and such claims are acquired subsequent to
17 but within one year of the date of this agreement, shall
18 become a part of this agreement and in the event of termina-
19 tion of this agreement, such claims shall be surrendered and
20 delivered to the Lessor by quitclaim.

21 2. POSSESSION: Lessee shall have exclusive and sole
22 possession and control of said premises throughout the life
23 of this agreement so long as those covenants and stipulations
24 herein set forth are kept and performed by the Lessee, provided
25 however, that Lessor or duly authorized agents shall have at
26 all times access to all parts of said property during normal
27 working hours for the purpose of inspection, surveying and
28 sampling the same.

29 3. TRANSFER OR ASSIGNABILITY: This agreement is trans-
30 ferable or assignable in whole or in part by the Lessee
31 provided, however, that all covenants, stipulations, terms and
32 payments as required by or to the Lessor remain in full effect

1 and force upon any and all assignees.

2 4. ASSESSMENT WORK: Lessee shall reform all necessary
3 assessment work required by law, beginning with work required
4 by law prior to September 1, 1969 and shall provide Lessor
5 with properly recorded "proof of labor forms" prior to 1 August
6 1969.

7 5. DEFECTS IN TITLE: Lessor warrants to have good right
8 and title to patented claims listed in Exhibit "A" and to
9 unpatented claims listed in Exhibit "B". Lessor further
10 warrants that in the event the Lessee exercises the right to
11 purchase said property as is provided for herein, the Lessor can
12 deliver a good and sufficient mining deed conveying all of
13 Lessors rights, title and interest to Lessee.

14 6. TAXES AND ASSESSMENTS: Lessee agrees to pay within
15 the time required by law all taxes levied or assessed upon the
16 property, improvements of the property as made by the Lessee
17 and bullion production tax during the term of this lease
18 agreement, commencing with taxes for the year 1969 and shall
19 deliver to the Lessor the original or duplicate tax receipt
20 for payments made.

21 7. CASUALTIES, INSURANCE AND APPLICABLE LAWS: Lessee
22 agrees to assume all responsibility for personal injuries or
23 death of any person upon said property as may be occasioned by
24 negligence and actionable fault of the Lessee and to indemnify
25 and save the Lessor harmless from any and all claims or judgments
26 for such damage except as caused by wilfull misconduct of the
27 Lessors.

28 8. REMOVAL OF EQUIPMENT: In event of termination of this
29 agreement through forfeiture or otherwise the Lessee shall have
30 the right to peaceful removal of all installed equipment, tools,
31 machinery or facilities owned or furnished by the Lessee. Such
32 removal shall be at Lessees expense and must be completed

1 within six months of termination.

2 9. FREEDOM FROM LEIN : Lessee agrees to save and protect
3 Lessor and said property harmless from any and all leins or
4 claims on account of labor or material furnished at the insistence
5 of the Lessee.

6 10. TERMINATION BY LESSEE : This agreement can be terminated
7 at any time at option of Lessee by furnishing Lessor with thirty
8 (30) day written notice of intent to terminate. Such notice of
9 termination will relieve Lessee of any further obligation under
10 this agreement except as to holding Lessor and property free and
11 harmless of leins and liabilities through the period of removing
12 equipment. It does not however, relieve the Lessee of the
13 obligation of paying for any ore in process whereby the Lessor
14 is entitled to payment as specified herein, right up to and
15 including actual date of termination.

16 11. TERMINATION BY LESSOR : For any breach of this contract
17 by the Lessee, the Lessor shall so notify the Lessee in writing.
18 If the Lessee is in fact in default and the Lessee has not cor-
19 rected same within a sixty (60) day period from receipt of
20 notice, this agreement shall be termed void and forfeited by the
21 Lessee; whereupon the Lessee shall return peaceful possession
22 of the property to the Lessor. Lessee will however still have
23 the right to remove his equipment and etc. as provided for herein

24 12. WEATHER OR UNCONTROLLABLE DELAYS : In event of adverse
25 weather conditions or for any reason beyond the control of the
26 Lessee, the minimum monthly payments may be deferred up to ninety
27 (90) days by the Lessee; provided however that production is in
28 fact shut down. Written notification shall be made of intent
29 to defer by Lessee to Lessor.

30 13. ROYALTIES TERMS AND PURCHASE PRICE : For the purpose
31 of this agreement ore shall be defined as all material that can
32 be mined and processed or mined and shipped at a profit.

1 All ore mined, removed or processed that averages ten (10)
2 ounces of silver or less for a monthly average, will be paid for
3 at the rate of fifty cents (.50¢) per ton. Ore that averages more
4 than ten (10) ounces but less than thirty (30) ounces of silver
5 per ton for a monthly average will be paid for at the rate of one
6 dollar (1.00) per ton. Ore averaging thirty (30) ounces of silver
7 per ton and above will be paid for at straight ten percent royalty.

8 Any ore shipped or processed prior to 15 August 1969 shall
9 be paid for at the above specified tonnage rate, however, begin-
10 ing 15 August 1969, a minimum of one thousand dollars (\$1000.00)
11 monthly shall be paid to the Lessor, or the above defined tonnage
12 royalty will be paid to the Lessor, whichever is the greatest.

13 Such minimum or royalty payments shall continue until such
14 time as this agreement is terminated by either the Lessee or
15 the Lessor, or until such time as the Lessee has paid to the
16 Lessor a total of One Hundred Fifty Thousand Dollars (\$150,000.00).
17 Said One Hundred Fifty Thousand Dollars (\$150,000.00) shall con-
18 stitute an end price for said property and at this time Lessor shall
19 deliver to Lessee a good and sufficient mining deed conveying all
20 rights, title and interest held by the Lessor to the Lessee.

21 14. OFFICIAL ADDRESS AND LOCATION FOR PAYMENT: All payments
22 made by Lessee to Lessor shall be made at or to _____
23 _____

24 For the purpose of this agreement the official address of the Lessor
25 shall be _____

26 and for Lessee shall be P. O. Box 231, Eureka, Nevada, 89316

27 15. This lease and option agreement and all the provisions
28 hereof, shall be binding upon the respective parties hereto,
29 their heirs, administrators, executors, successors and assigns.

30 IN WITNESS WHEREOF, Lessor and Lessee have signed and duly
31 executed this Lease and Option Agreement the day and year first
32 written above.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

Stanley Fine
Stanley Fine

Ernest Hunter
Ernest Hunter

Pete Kelley
Pete Kelley

Ronald V. Hicks
Ronald Hicks

Bessie Hicks
Bessie Hicks

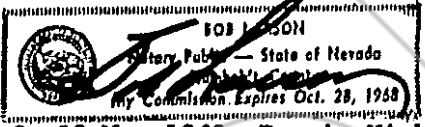
A. H. Hicks
Alden Hicks

LESSOR

Frank Foster
Frank Foster

W. H. Stroud
W. H. Stroud

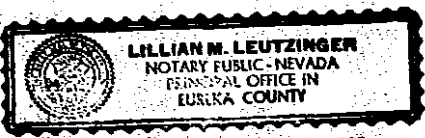
LESSEE



On 19 May 1969, Bessie Hicks, Ernest Hunter and Pete Kelley, appeared before me, BOB LARSON, a notary Public, and they did sign the above agreement.

NEVADA)
) ss.
COUNTY OF)
EUREKA)

On the 21st day of May 1969, before me, appeared the above named persons, and I, the undersigned, a Notary Public in and for the County of Eureka, State of Nevada, do affirm that the above named persons are personally known to me.



Lillian M. Leutzinger
Lillian M. Leutzinger

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

EXHIBIT "A"

<u>Claim</u>	<u>Survey No.</u>	<u>Patent No.</u>	<u>Recorded in</u>
HOGDEN	290	12851	Eureka Mining Dist.
STOCKTON	70	10229	"
GEDDES	69	17373	"

EXHIBIT "B"

<u>Claim</u>	<u>Date Located</u>	<u>Recorded in</u>
STOCKTON #1	May 6, 1963 by Fine & Hicks	Eureka Mining Dist.
BADGER	"	"
GREAT WESTERN	"	"

RECORDED AT THE REQUEST OF
Frank Foster
 on May 21 1969
 at 35 mins, past 3 P. M.
 in Book 29 of OFFICIAL
 RECORDS, page 147-153 RECORDS
 OF EUREKA COUNTY, NEVADA
William A. McNeal
 Recorder
 File No. 49269 Fee \$ 9.00