

L E A S E

C. J. E.

THIS LEASE made and entered into this 22nd day of September, 1969, by and between CHARLES DAMELE, SR., and JUANITA DAMELE, his wife, CHARLES DAMELE, JR., and PATRICIA J. DAMELE, his wife, STEPHEN DAMELE, a single man, RONALD DAMELE and ARLENE DAMELE, his wife, JOHN O'CONNOR, a single man, parties of the first part and hereinafter collectively known as "lessor" and CHARLES J. DOWELL and ELIZABETH J. DOWELL, his wife, and HAROLD L. COOPER, parties of the second part and hereinafter known as "lessee"

W I T N E S S E T H:

That the lessor, for and in consideration of the royalties hereinafter reserved, and covenants and agreements hereinafter expressed, and by the lessee to be paid, kept and performed, and further in consideration of the sum of TEN DOLLARS (\$10.00), to lessor in hand paid by the lessee, the receipt whereof is hereby acknowledged by lessor, has granted, demised and let, and by these presents does grant, demise and let unto the lessee, all those certain 54 unpatented lode mining claims and premises situate in the Simpson Park Range of Mountains, Eureka County, Nevada, and more particularly described as follows:

All those unpatented mining claims listed on Exhibit A, which is attached hereto and incorporated herein by reference as if set forth in full at this point.

TO HAVE AND TO HOLD unto the lessee for the term of ten (10) years from the date hereof, expiring at noon on the 9th day of September, 1979, unless sooner forfeited, surrendered or determined through the violation of any covenant hereinafter against the lessee reserved. Lessee shall have the right, by giving lessor written notice at least 30 days before the end of said period, to extend and renew the term of this lease upon the same terms and conditions for an additional

period of ten (10) years and so long thereafter as valuable minerals or metals are being produced from said leased properties.

The lessor hereby gives and grants to the lessee the sole and exclusive right, during the term of this lease, to go in and upon said property and occupy the same and explore, develop, mine and remove valuable ore, metals or minerals therefrom. The lessor declares and represents to the lessee that to the best of lessor's knowledge, lessor has good title to said leased premises and that there are no prior liens, encumbrances or adverse claims against the same. Lessor further warrants that said claims were validly located and that the assessment work has been done to date and that said claims are now in good standing. Lessor covenants and agrees to cooperate with the lessee in any legal action or other proceedings necessary or desirable to protect or defend the title to said leased property.

In further consideration of such demise, the lessee does hereby covenant and agree with the lessor as follows, to-wit:

To enter upon said mine or premises and work the same in a good mine and minerlike fashion, in a manner necessary to good and economical mining, so as to take out the greatest amount of ore possible with due regard to the development and preservation of the same as a workable mine, and to the special covenants hereinafter reserved.

To well and sufficiently timber said mine, at all points where proper in accordance with good mining and to repair all old timbering wherever it may become necessary.

To allow lessor, lessor's agents, from time to time to enter upon said mine, and into all parts thereof, for the purpose of inspection.

To pay the lessor a royalty as follows:

A royalty of 10% of the net mill or smelter returns shall be paid on all ores and minerals mined and shipped from the said leased mining property provided that said ore does not have to be milled.

A royalty of 5% of the net mill or smelter returns shall be paid on all ores and minerals mined and shipped from the said leased mining property where said ores are milled.

In either case, net mill or smelter returns as herein used shall be deemed to be the amount actually recieved from the mill or smelter after deducting all mill and smelter charges and all costs of transportation including hauling from the mine or mill to the point of shipment.

Lessee agrees to furnish to the lessor complete records of all mill or smelter returns on all ores mined or shipped from the said leased premises and to pay to the lessor the royalties thereon as hereinabove set forth within 30 days after the receipt thereof by the lessee. All royalty payments shall be made to the lessor wherever the lessor may direct in writing, but lessee shall not be responsible in any way to divide or apportion said royalty payments between the various lessors. Unless notified otherwise, all royalty payments shall be made to the lessor at the following Address:

J. H. Ranch, Carlin, Nevada

C. D.

Lessee shall use its best efforts to sell all ore (including concentrates, minerals and metals derived therefrom) taken from the properties at the best price and upon the most favorable terms obtainable consistent with the exercise of reasonable diligence, but shall be under no obligation to sell or otherwise dispose of said ore. All decisions concerning methods, procedures and techniques of exploring, extracting mining, milling or treating said ore, and all decisions concerning any such sale or other disposition, including but not limited to, decisions as to buyers, times of sale, prices, whether to sell ore, concentrate or refined metals, or a combination of the same, and whether to stock-pile ore for any length of time without selling the same, shall be made by lessee, in its sole discretion.

The lessee shall be solely responsible for all work and labor done upon or about said mining property, and for all materials and supplies furnished and to be used in the working of said property or in the construction of any improvement or improvements thereon,. Lessee shall not cause, permit or suffer any lien of any kind to attach to said property or any part thereof, and lessee agrees to save, defend, hold harmless and indemnify the lessor and said property of and from any and all such lien or liens. No person employed in or about said property shall be deemed to be the employee of the lessor within the contemplation of an act of legislature of the State of Nevada, known as the "Workman's Compensation Act," or any act or acts amendatory thereof or analogous or supplementary thereto. The lessee shall conduct all mining operations in and upon said mine and mining premises in strict accordance with the provisions of an Act of the Legislature of the State of Nevada, entitled "An Act Creating Office of Inspector of Mines." etc., approved March 24, 1909, and all acts supplementary thereto or amendatory thereof. Lessee shall carry industrial insurance upon all employees working in and about said premises and in accordance with "Nevada Industrial Insurance Act."

The lessee hereby agrees to indemnify and hold harmless the lessor from any and all debts, obligations or other liabilities incurred by the lessee in connection with the use or operation of said property and to further indemnify and hold the lessor harmless from any and all damages or injuries to person or persons on or about said property or in any way connected with the operation thereof by the lessee. The lessor shall have the right to post on said property a notice of non-responsibility as provided by law. The lessee agrees to pay all taxes or other assessments levied against said property and to hold the lessor free and harmless therefrom save and except the lessor shall pay any net proceeds of mines tax as required by the State of Nevada, on all royalty received by them.

All assessment work necessary on the above described unpatented claims shall be done annually by the lessee for and on behalf of the lessor and the lessee agrees to file in the office of the County Recorder of Eureka County, Nevada, proper affidavits showing the accomplishment of such annual assessment work not later than the first day of August each year during the term of this lease.

The lessor represents to the lessee that the assessment work for the year ending September 1, 1969, has been completed and the lessor hereby agrees to file in the office of the County Recorder of the County of Eureka, State of Nevada, the Affidavit showing the completion of said work for 1969. Upon failure of the lessor to do so, the lessee shall have the right to file said Affidavit for and on behalf of the lessor.

It is understood and agreed by and between the parties hereto, that the lessee, paying such royalties as aforesaid, and performing each and all of the covenants, terms and conditions herein contained, shall and may have, hold and enjoy the said mining premises herein described for the term herein set forth. But in the event lessee shall fail to perform any and all of the covenants, terms and conditions herein contained, then the lessor may at its option, terminate said lease and remove all persons from said premises, and shall have exclusive possession of said mining ground and premises herein described.

In the event lessee fails to perform any or all of the covenants, terms, and conditions herein contained and on its part to be kept, performed and observed, lessor may give to lessee written notice by registered or certified mail of its intention to declare a forfeiture because of default specified in such notice. In the event lessee does not correct such default within sixty (60) days after receipt by lessor of such notice, lessor at its election, may declare this lease terminated and of no further force and effect, except as to obligations theretofore incurred, and shall so notify lessee, in which

event lessee shall vacate and surrender said premises and property to the lessor free and clear of all liens and encumbrances, and pay all unpaid royalties owing by the lessee to lessor and thereupon and thereafter lessee shall be released from any and all liability under and by virtue of the terms and conditions of this agreement, and lessor shall have no further remedy, action at law, or suit in equity for damages or other relief by reason of the breach of this Agreement aforesaid.

The lessee at any time during the term of this lease, may terminate and surrender this lease by giving the lessor 30 days notice of said termination and paying all royalties due and unpaid at said time.

It is mutually understood and agreed that in case of forfeiture or surrender or other termination of this lease, all underground timbering and other fixtures necessary for the preservation of any mines, and headframes upon or in the said leased premises shall be and remain a part of the realty and shall revert to the lessor. All personal property of the lessee located within the leased premises, including machinery, equipment and tools, and all houses and buildings shall in the case of forfeiture, surrender or other termination of this lease, remain the property of the lessee and the lessee shall have six (6) months after the termination of this lease to remove such property from the leased premises, provided that if inclement weather or other forces of nature or events beyond the control of the lessee makes it impractical to remove said personal property within the said (6) months, lessees shall have such further time as is reasonable and necessary for such purpose.

In consideration of the payment of ONE DOLLAR (\$1.00), by the lessee to the lessor, the receipt whereof is hereby acknowledged, and further in consideration of the mutual covenants and agreements herein contained and on the part of the respective parties hereto to be per-

formed, the lessor does hereby grant to the lessee the option to purchase the above described mining claims and any and all other claims which may hereafter become the subject of this lease for the sum of \$100,000.00. Lessee may exercise its option to purchase at said price by delivering to the lessor personally or by mailing written notice to the lessor, either registered or certified mail, a notice of their intention to exercise said option and tendering the balance of the full purchase price then due. In connection with such purchase price, all royalties theretofore paid by the lessee to the lessor shall be credited upon the purchase price of the above described mining claims and mining premises. This option shall remain in full force and effect during the full term of lease and any extension or renewal thereof.

All notices given herein to the lessee shall be deemed given when deposited in the U. S. Mail as Certified Mail and addressed to the lessee as follows:

*Clower Mining Co.,
P.O. Box 1807,
Battle Mountain, Nevada*

All notices given herein to the lessor shall be deemed given when deposited in the U. S. Mail as Certified Mail and addressed to the lessor as follows:

*Charles Damele Sr.,
J.H. Ranch,
Carlin, Nevada*

The above addresses for giving notice may be changed at any time by giving written notice thereof to the other party.

The provision of this lease and agreement shall inure and be binding upon the administrators, executors, successors and assigns of the respective parties hereto.

Time is of the essence of this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year in this instrument first above written.

Charles Damele Sr.
CHARLES DAMELE, SR.

Juanita Damele
his wife

Charles Damele Jr.
CHARLES DAMELE, JR.

Patricia Damele
his wife

STEPHEN DAMELE

JOHN O'CONNOR

Ronald Damele
RONALD DAMELE

RONALD DAMELE

Carlene Dumele

his wife

-First parties called "lessor"-

Charles J. Lowell

CHARLES J. DOWELL

ELIZABETH J. DOWELL

ELIZABETH J. DOWELL

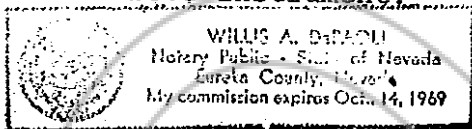
Harold L. Cooper

HAROLD L. COOPER

-Second parties called "Lessee"

STATE OF Nevada,)
COUNTY OF Esmeralda,) : SS

On this 22nd day of September, 1969, personally appeared me, CHARLES DAMELE, SR., & JUANITA DAMELE, who acknowledged that they executed the above instrument.

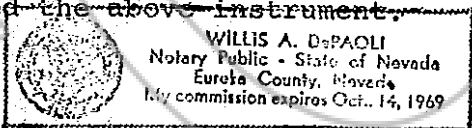


William A. McFarlane
NOTARY PUBLIC

NOTARY PUBLIC

STATE OF Nebraska,)
COUNTY OF EUREKA) : SS

On this 22 day of September, 1969, personally appeared me, CHARLES DAMELE, JR., & PATRICIA J. DAMELE, who acknowledged that they executed the above instrument.

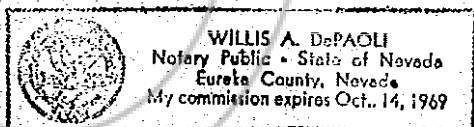


Theresa A. Root
NOTARY PUBLIC

NOTARY PUBLIC

STATE OF NEVADA,)
) ss
COUNTY OF CLARK,)

On this 22nd day of September, 1969, personally appeared me, STEPHEN DAMELE, who acknowledged that he executed the above instrument.

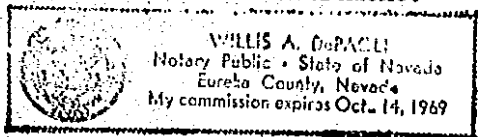


Thelma A. McPaul
NOTARY PUBLIC

NOTARY PUBLIC

STATE OF NEVADA,)
: SS
COUNTY OF EURAPA,)

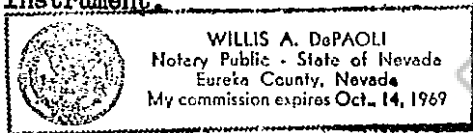
On this 22ND day of September, 1969, personally appeared before me, RONALD DAMELE and ARLENE DAMELE, who acknowledged that they executed the above instrument.



Willis A. DePaoli
NOTARY PUBLIC

STATE OF NEVADA,)
: SS
COUNTY OF EURAPA,)

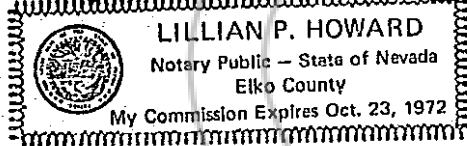
On this 22ND day of September, 1969, personally appeared before me, JOHN O'CONNOR, who acknowledged that he executed the above instrument.



Willis A. DePaoli
NOTARY PUBLIC

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

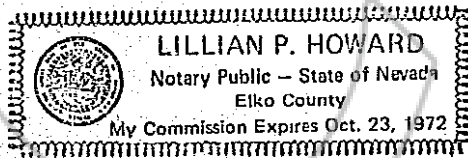
On this 9 th. day of September, 1969, personally appeared before me, CHARLES J. DOWELL & ELIZABETH J. DOWELL, who acknowledged that they executed the above instrument.



Lillian P. Howard
NOTARY PUBLIC

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

On this 9th. day of September, 1969, personally appeared before me, HAROLD L. COOPER, who acknowledged that he executed the above instrument.



Lillian P. Howard
NOTARY PUBLIC

EXHIBIT A

to Lease Agreement
between
Charles Damele, Sr., et al
and
Charles J. Dowell, et al

<u>Claims</u>		<u>Recorded - Eureka County, Nevada</u>	
		<u>Book No.</u>	<u>Page No.</u>
Curlew Claims 1 to 20		12	271 / 290
Snow Cap	No. 2	12	267
	3	12	268
	4	12	269
Cedar		10	240
Damele	No. 3	10	241
	4	"	242
	5	"	243
	6	"	244
	7	"	245
	8	"	246
	9	"	247
Mtn. View		"	248
Rain Cap		"	249
Rocky		"	250
Sunday		"	251
Sunset		"	252
Zero	No. 1	"	253
	2	"	254
	3	"	255
	4	"	256
	5	"	257
	6	"	258
Big Ben		9	005
Cedar		9	011
Dales Boner		9	009
Damele	No. 1	8	590
	2	8	592
D-2		"	600
Irishman		"	596
Marie		9	003
Miss Carriage		9	007
Pollywog		9	001
Wetherford		8	598
Dale		8	594

These claims are in contiguous group located in Sections 5, 8 and 9, T 25 N, R 50 E, of the Mt. Diablo base line and meridian, Simpson Park Mountains, Eureka County, Nevada

RECORDED AT THE REQUEST OF Elizabeth J. Dowell
on Oct. 13, 1969, at 20 mins. past 2 P. M. In
Book 33 of OFFICIAL RECORDS, page 85-94 RECORDS OF
EUREKA COUNTY, NEVADA William A. DePasqua Recorder.
File No. 51487 Fee \$ 12.00