

LEASE

THIS INDENTURE, entered into as of *May 15* 1962, by and between GOLD QUARRIES MINES, INC., as lessor, and NEWMONT EXPLORATION LIMITED, as lessee:

## WITNESSETH:

1. That Lessor, for and in consideration of the sum of five hundred Dollars (\$500), paid by the lessee and the royalties to be paid and conditions and covenants to be observed, does hereby lease, demise and let unto the lessee, its successors and assigns, the following described land situate in Section 35, Township 34N, Range 51E, M.D.B. & M. Nureka County, Nevada, and particularly described as follows, to wit:

Lots 1, 2, 4, 5, 7, 8, 9, 10, 11, NW  $\frac{1}{4}$  of NE  $\frac{1}{4}$ , NW  $\frac{1}{4}$  of SE  $\frac{1}{4}$ , NE  $\frac{1}{4}$  of SW  $\frac{1}{4}$ , E  $\frac{1}{2}$  of SW  $\frac{1}{4}$  of NE  $\frac{1}{4}$ , E  $\frac{1}{2}$  of NE  $\frac{1}{4}$  of NW  $\frac{1}{4}$ , E  $\frac{1}{2}$  of NW  $\frac{1}{4}$  of SW  $\frac{1}{4}$ , all of which totals 522.36 acres.

2. TO HAVE AND TO HOLD unto the use of the lessee for a term of ten (10) years, with a right in the lessee to renew the same for successive like periods thereafter, for the purpose of prospecting for and developing any minerals that may be found upon the premises and with the right to mine, remove and dispose of all the minerals in, upon or under the premises and to construct and maintain on the premises such structures and other facilities as may be necessary therefor.

3. In consideration of the foregoing, the lessee agrees:

(A) Royalty. - To pay the lessor the following royalty on all crude ores produced and sold from the premises:

- (1) For all ore up to and including a value of \$10 per ton, a royalty of 5% of such value.
- (2) For all ore over \$10 per ton value and up to and including a value of \$40 per ton an increase in royalty of  $\frac{1}{2}$  of 1% for each \$1 per ton increase in value.

- (3) For all ore over \$40 per ton value, a royalty of 20% of such value.

Valuation shall be based on net returns after deducting all custom smelting charges and freight or other transportation costs outside of the mine incurred by lessee. Settlement shall be made monthly and lessee shall furnish lessor with copies of all settlement sheets, statements, freight bills and other records of charges pertinent to determination and calculation of royalty.

(B) Work Requirements. -

- (1) During the initial ten months of this lease, lessee shall expend for exploratory and development work a minimum amount equal to an average of \$1,000 per month for the ten months or, in the event the lease is terminated earlier, for such period of time as the lease shall have been in effect.
- (2) During subsequent lease periods, lessee shall:
  - (a) Perform a minimum of 500 shifts of work per year or make an equivalent expenditure for development of the property;
  - (b) Perform the annual assessment work required with respect to the premises and claims included under this agreement;
  - (c) Pay all property taxes accruing during such period or periods on the premises.

(C) Mining Lode Claims. -

- (1) Lessee agrees to assign to lessor as part of and included in the leased premises any mining lode claims located by lessee on Section 35, Township 34N, Range 51E, Esmeralda County, Nevada.

4. The parties mutually agree:

(A) Termination and Cancellation. -

- (1) Lessee may terminate this lease at any time upon notice to lessor.
- (2) If the lessee does not comply with the terms of this lease and such default continues for a period of thirty days after service of written notice thereof by lessor, the lease may be cancelled by the lessor.

(B) Removal of Equipment. - On termination or cancellation of this lease, the lessee shall have the privilege at any time within a period of ninety days thereafter of removing from the premises all machinery, equipment, tools and materials placed by the lessee or any sub-contractor of the lessee in or on the premises.

(C) Force Majeure. - Performance of covenants and conditions imposed hereunder shall be excused while, and to the extent that, lessor or lessee is prevented from complying therewith, in whole or in part, by law, war, riots, strikes, lockouts, action of the elements, accidents, inability to obtain materials in the open market or to obtain transportation therefor, rules and regulations of any federal, state, municipal or other governmental agency or any other cause beyond the control of the parties.

(D) Successors-in-Interest. - Each obligation hereunder shall extend to and be binding up, and every benefit hereof shall inure to, the successors or assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties have caused this indenture to be duly executed as of the date first hereinabove written.



GOLD QUARRIES MINES, INC.

By Phil B. Thompson  
President

Attest John A. Park  
Secretary

Lessor

NEWMONT EXPLORATION LIMITED

By W. B. Little  
Vice President

Attest Jacques L. Leroy  
Asst. Secretary

Lessee

RECORDED AT THE REQUEST OF  
Newmont Exploration Ltd  
on September 15, 1970  
at 52 min. post 10 A. (A  
in Book 36 of OFFICIAL  
RECORDS, page 487-489, RECORDS  
OF EUREKA COUNTY, NEVADA  
Recorder Miller D. McFarr  
File No. 53217 Fee \$ 5.00