

Mining Lease and Purchase Agreement  
 This Mining Lease and Purchase Agreement, is entered into this 30 day of  
 November, 1970, by and between JEFF L. RAY and GENEVA E. RAY, husband and wife,  
 of P.O. Box 1139, Carcra City, Nevada, hereinafter referred to as Lessors, and  
WILLIAM E. GREGG, 320 Packer Avenue, Elko, Nevada, hereinafter referred to as  
 Lessee.

WITNESSETH

WHEREAS, Lessors represent and warrant that they own and hold certain un-  
 patented mining claims situated in the County of Eureka, State of Nevada, Diamond  
 Mining District, and more particularly described as follows, to-wit:

EDITH OGLIN #1	EDITH OGLIN #2	EDITH OGLIN #3
EDITH OGLIN #4	SEARER	SEARER #1

WHEREAS, Lessors represent and warrant that all assessment work on said  
 claims as required to date has been completed; and

WHEREAS, Lessee is desirous of leasing said mining claims for the purpose  
 of exploring and developing said claims, and in the event said claims prove to  
 contain minerals of commercial value, Lessee is desirous of operating said claims  
 and of purchasing the same.

THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND AGREEMENTS, AS hereinafter  
 set forth, Lessors do let, demise and lease the aforesaid mining claims to  
 Lessee, and Lessors further covenant and agree to execute any and all necessary  
 deeds and assignments so as to convey said mining claims to Lessee upon the  
 performance of the agreements hereinafter contained and upon the payment to Lessors  
 by Lessee of the sums hereinafter stated as follows, to-wit:

TOGETHER WITH: All and singular the appurtenances, improvements, reversion  
 and reversions, remainder and remainders, and the rents, issues, rights, privileges,  
 franchises, licenses and the profits thereof.

1. For the principal sum and purchase price of Fifty Thousand (\$50,000.00)  
 lawful, current money of the United States of America, payable as hereinafter  
 agreed and not later than the end of the term or as set forth.

2. For the term of five years from and after date hereof, provided however,  
 that at the option of Lessee this term may be extended for an additional and like  
 five year period, said Lessee having fully complied with the terms and conditions  
 hereof and made payment of all current bills, obligations and monthly payments to  
 Lessors.

3. Lessee by itself, agents or assigns to have the right of immediate entry  
 and possession of said property and the whole thereof, with a right reserved in  
 Lessors, their agents or legal representatives to enter in and upon said premises  
 at all reasonable times for the purpose of inspection and seeing that the terms  
 hereof are being complied with.



4. Lessee to keep and maintain said property and appurtenances in a good state of repair, and to perform all work, labor, installation or removal of improvements, and operate said mining claims in a good miner-like manner as is customary in such cases, and in accordance with the mining laws, rules and regulations of the Diamond Mining District, Eureka County, State of Nevada and the United States of America.

5. A. Payment of the principal sum and purchase price herein shall be made on a royalty basis. Lessee shall pay to Lessor Five (5%) Percent payable on all smelter or mill returns received by Lessee. Said payments shall be made quarterly by Lessee, commencing at the end of the first quarter of the calendar year during which Lessee shall have received payment on smelter or mill returns. "Net Smelter or Mill Returns" shall mean such sum or sums of money paid to Lessee for any ores delivered by Lessee from any of the above mining claims operated by Lessee to a mill or smelter for purposes of refinery or concentration and sale. All payments shall be deposited to the account of Lessor in the First National Bank of Nevada, Eureka Branch, Eureka, Nevada.

B. A minimum monthly payment of \$75.00 shall be paid to Lessor for the first eighteen months commencing as of the date of this agreement.

C. Commencing on the nineteenth month, a minimum monthly payment of \$150.00 per month shall be paid to Lessor for the next ensuing eighteen months.

D. Then Lessee shall make a cash payment of Five Thousand Dollars (\$5,000.00) to Lessor, and a minimum monthly payment thereafter of Two Hundred Fifty Dollars (\$250.00), or a royalty of 5% on net proceeds received by Lessee, whichever is greater, said payments to be made until the full purchase price has been paid in full.

All payments shall be paid for the account of Lessor at the First National Bank of Nevada, Eureka Branch, Eureka, Nevada.

6. All payments above referred to, made by Lessee to Lessors, shall be credited upon a total Purchase Price of Fifty Thousand Dollars, which shall be the full purchase price payable to Lessors, and upon receipt by Lessors of payment amounting to full Purchase Price, Lessors shall forthwith execute and deliver any and all mining deeds, assignments or other conveyances necessary to convey to Lessee such mining claims as Lessee shall not have quitclaimed to Lessors. It is understood that full payment of any unpaid balance may be made at any time without any prepayment penalties and shall entitle Lessee to immediate delivery of title to said properties, provided Lessee is agreeable.



7. Lessee shall perform or cause to be performed all annual assessment work required as or for the benefit of the aforesaid mining claims, and shall on or before August 1st of each year cause Proof of Labor to be filed according to law.

8. Lessee shall pay or cause to be paid and acquitted any and all bills and obligations which and as same become due in any manner incurred in the exploration, development or operation of said properties, and particularly as to labor, expenses, industrial insurance and social security obligations, and shall hold Lessors harmless with reference to any and all of such obligations.

9. Lessee shall forthwith prepare, record, post and keep posted conspicuously in at least two working places in and upon said property a Notice of Owner's Non-responsibility for any and all such obligations incurred by or for Lessee in the handling or preparation of said properties.

10. Lessee shall at all times keep complete books and records, subject to inspection of Lessors or their agents at reasonable times, reflecting all ore mined, marketed, or removed from claims covered by this Lease and Option.

11. Lessee shall have the right to transfer, sell or assign in whole or in part his rights in and to said mining claims as herein provided.

12. Lessee shall have the right to place in and upon said property such machinery, equipment and improvements as may be reasonably necessary and convenient to the operation of the mining business herein contemplated, and in the event this agreement is forfeited or terminated for breach, or by voluntary surrender or ten (10) days written notice by Lessee mailed to Lessors, postage prepaid, at their last known address. In such event Lessee shall have ninety (90) days after such surrender or written notice of forfeiture mailed to Lessee, postage prepaid, at the last known address of said Lessee; in which to dismantle and remove any and all such machinery, mining and related equipment and improvements, including buildings, except for the cement work which has become a part of the land.

13. Lessors represent and warrant that they are the owners or and have clear title to the claims mentioned above. They further warrant and represent that all claims have been validly and properly located and recorded and that all work required under the law has been performed. In case all this work has not been accomplished, the Lessors agree to complete the work as required by law as soon as weather and road conditions permit and at their expense. It is agreed that as of the date this lease is signed Lessors shall execute a good and sufficient Quitclaim Deed to all unpatented claims of said properties and have same placed in escrow in First National Bank of Nevada, Reno, Nevada, together with the original of this agreement with instructions for the Deed to be delivered together with the



original contract and any other papers involved to Lessee upon the payment and performance of the contract as herein stated. Upon demand by Lessee said Bank is to deliver said above papers and all of them to Lessee or his successor in interest. In the event of voluntary surrender as hereinbefore provided or failure to pay and perform as herein provided, (or within thirty (30) days from the date for payment or performance), then upon demand to deliver said above papers and all of them to Lessors.

14. Lessee agree to commence geological and mineralogical investigations within ten (10) days of the execution of this agreement, and to explore each of the properties by drilling or other methods.

A. During a period of eighteen months from the date of this agreement, at least Seven Thousand Five Hundred Dollars (\$7,500.00) shall be spent in the exploration of the properties.

B. Then during the following eighteen months period at least Fifteen Thousand Dollars (\$15,000.00) shall be spent in exploration of the property.

15. Time is of essence in this agreement.

16. In the event of voluntary surrender, or other breach or default in payment or performance as herein stated, (after the expiration of the said thirty (30) day grace period) Lessors shall have the right of immediate entry and possession of said premises. Such right of re-entry and possession of said premises and particularly as to machinery, equipment and improvements placed therein, or thereon by Lessee, shall be subject to the right of Lessee to remove the same as provided in Paragraph (12) above; and in the event of failure of the Lessee or his assigns to so remove said machinery, equipment and buildings within the time specified, then in such event, all of said machinery, equipment, buildings and improvements shall be forfeited to and become the property of Lessors, to the extent of the title, interest, ownership or equity of said Lessee or his assigns as the same shall appear as of such date.

17. It is agreed that otherwise than above, in the event of surrender, or other breach or default, the exclusive remedy of the Lessors, shall be to retain all monies, advances, royalties and expenditures, in any manner theretofore made, and they shall become forfeited to First Parties.

18. Lessee agrees to complete and file the semi-annual net proceeds of mines return or other similar returns if required by applicable state or federal law.

19. Lessee shall have a thirty (30) day grace period for the performance of the obligations specified herein with the exception of the completion of the annual assessment work.



20. The terms of this agreement shall bind and inure to the benefit of the heirs, assigns, executors, administrators, legal representatives and successors in interest of the respective parties hereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals

30 day of November, 1970.

Jack L. Bay  
JACK L. BAY  
Geneva R. Bay  
GENEVA R. BAY LESSORS  
William E. Geegen  
WILLIAM E. GEEGEN LESSOR

ACKNOWLEDGEMENTS

STATE OF NEVADA )  
COUNTY OF Carson City ) ss.

On this 27<sup>th</sup> day of November, 1970, personally appeared before me, a Notary Public in and for the above county and state, JACK L. BAY and GENEVA R. BAY, husband and wife, each for himself and not for the other, the persons described in and who executed the foregoing instrument, and who acknowledged to me that they 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 this 27<sup>th</sup> day of November, 1970.

Jack W. Bay  
Notary Public  
JACK W. BAY  
NOTARY PUBLIC, STATE OF NEVADA  
CARSON CITY  
My Commission Expires Jan. 15, 1974

STATE OF NEVADA )  
COUNTY OF WHITE PINE ) ss.

On this 30<sup>th</sup> day of November, 1970, personally appeared before me, a Notary Public in and for the above county and state, WILLIAM E. GEEGEN, known to me to be the person described in and who executed the foregoing instrument, and who 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 on this the day and year first above mentioned.

Effie M. Geegen  
Notary Public

EFFIE M. GEEGEN  
NOTARY PUBLIC  
STATE OF NEVADA  
CARSON CITY  
My Commission Expires Jan. 15, 1974

RECORDED AT THE REQUEST OF  
William E. Geegen  
on December 7, 1970  
at 02 min. and 08 A. M.  
of the 37 day of December  
1970, 152-193  
CLERK, CLERK COUNTY, NEVADA  
William E. Geegen  
Recorder  
No. 53463 Fee 1.00

3. and last.