

JOINT VENTURE AGREEMENT

This Agreement dated 22 January, A.D. 1970, between EAST UTAH MINING COMPANY, a company incorporated under the laws of the State of Utah (hereinafter called "East Utah") of the one part, and SWISS OILS OF CANADA (1959) LTD., a company incorporated under the laws of the Dominion of Canada (hereinafter called "Swiss Oils") of the other part.

WHEREAS, East Utah are the owners of certain undivided interest in the mining claims aftermentioned; and

WHEREAS, Swiss Oils are the owners of a leasehold interest in the said mining claims; and

WHEREAS, Swiss Oils and East Utah (hereinafter together referred to as the "Co-venturers") wish to enter into a joint venture to exploit the said mining claims upon the terms and conditions aftermentioned,

NOW, THEREFORE, contingent upon the conditions recited in Paragraph 7 below the parties have agreed and do agree as follows:

1. GENERAL PARTNERSHIP NOT ESTABLISHED:

It is expressly provided that this contract shall not be deemed, held or construed as creating a co-partnership between the parties to it or to create a partnership interest between the parties in respect to any other assets owned by either party or in which either party may have any interest and shall be held to be merely the convenient means for exploiting the interest of each party respectively in the mining claims, there being no other practical mode of exploiting and carrying on a development program upon the said claims.

2. MINING CLAIMS WITH JOINT VENTURE:

The Co-venturers hereby agreed that they will operate a joint venture upon the said mining claims comprising their respective interests in the mining claims detailed in the schedule annexed hereto (hereinafter referred to as the "Mining Claims").

3. CONTRIBUTIONS TO JOINT VENTURE

A. East Utah as its contribution to the joint venture agrees to

contribute:

1. All of its interests in the mining claims identified on the attached Exhibit "A" as held by East Utah.

2. To prepare and supervise a program for the preliminary exploration and evaluation to be undertaken by the joint venture on the mining claims (hereinafter referred to as the "Exploration Program"); to make the best use in East Utah's opinion of the information presently possessed by the Co-venturers or either of them and to lay a basis for the complete evaluation or blocking out of the Mining Claims in the future.

3. Fifty-one per cent (51%) of all expenses of the joint venture relating to said claims.

4. Geological and technical data pertaining to past and future exploration activities upon the mining claims.

5. East Utah shall serve as the operator for the Exploration Program and all subsequent work undertaken upon the mining claims under this joint venture agreement and shall be responsible for the collection of data concerning the mining claims and the submission of such data to Swiss Oils together with a further program for development of the Mining Claims based upon the results of prior research.

B. Swiss Oils, as its contribution to the joint venture agrees to contribute:

1. All of its interests in the mining claims identified on attached Exhibit "A".

2. Twenty-five Thousand Dollars (\$25,000.00) in cash to be expended upon the Exploration Program, such funds to be deposited in cash in an account to be opened for this purpose at the First Security Bank of Utah, N.A. at Salt Lake City, Utah.

3. Forty-nine per cent (49%) of expenses of the joint venture.

4. Geological and technical data pertaining to past and future exploration activities upon the subject claims.

Notwithstanding any other provisions herein contained each party shall bear the total costs incurred or to be incurred by such party in the

acquisition of its respective interest in the mining claims including any royalty or other periodic payment based upon the winning of any minerals from the mining claims which form part of the aggregate purchase consideration payable to such party for its respective interest in the mining claims or any of them, and neither party shall be entitled to any reimbursement from the other party in respect of any part of such costs.

4. DISTRIBUTION OF PROCEEDS AND COSTS:

All proceeds howsoever arising from the ores or the mining claims or any interests therein of the mining claims shall be divided between East Utah and Swiss Oils in the following proportions:

East Utah	51%
Swiss Oils	49%

In delivering such proceeds, "proceeds" shall mean all monies, securities or other consideration obtained from the claims or directly or indirectly, from the exploitation of the mining claims less any direct costs incurred in such exploitation and not directly reimbursed or otherwise to be reimbursed by or to the Co-venturers or either of them. All expenses incurred by the Co-venturers in terms of this Agreement shall, except as expressly provided herein be divided between the Co-venturers in the same proportions as any profits arising.

5. ACCOUNTING PROCEDURES:

East Utah will prepare quarterly on March 31, June 30, September 30, and December 31 in each year during the currency of this agreement schedules covering:

- A. The expenses paid by the joint venturer during the past quarterly period.
- B. The expenses incurred but not paid during the quarterly period by the Co-venturers.
- C. Details of any of the above expenses which can be reimbursed by any person other than one of the Co-venturers.
- D. Proceeds of any sales taking place during the past quarterly period.
- E. Any contributions paid in during the said period by either of the Co-venturers to be applied toward expenses paid or incurred during the quarterly period.
- F. The contribution owed by each of the Co-venturers at the end of the period.

Such schedules shall be submitted by East Utah to Swiss Oils and within thirty (30) days of the submission of such schedule the amount of the contribution owed by Swiss Oils shall be paid by them in cash to East Utah. At the same time as the said schedules are submitted, East Utah shall also submit proposals for the further development of the mining claims, together with an estimate of the costs of such development. Unless Swiss Oils shall within fifteen (15) days consent in writing to such proposals or object to these proposals, such proposal shall be deemed agreed upon. If the Co-venturers agree upon the best type of development program, the expenses of such program shall be divided in the proportions set out herein. Should the Co-venturers not agree, the provisions of the next succeeding clause shall apply in respect to the party proposing the more expensive program, except that both parties shall be obligated to pay their pro-rata shares of all annual assessment expenditures.

6. NON-CONSENT OPERATIONS:

East Utah shall have control of the Development Program and be responsible for negotiating contracts for and developing a mining, refining, or similar operation upon the subject claims. Neither party shall be obligated to contribute its proportionate share toward expenses relating to mining, refining or similar operations beyond exploration and development stages unless such party agrees. However, in the event one party desires to go ahead with such expenditures and the other party declines to contribute its pro-rata share, the party desiring to go ahead may do so, advancing all of the costs thereof and deducting from first proceeds derived from the mining claims one hundred per cent (100%) of its proportionate expenses and two hundred per cent (200%) of the proportionate share advanced for the other party which declines to contribute its pro-rata share of such expenses.

7. CONTINGENCIES:

This agreement is entered into subject to and contingent upon:

A. Swiss Oils obtaining from Carl Drew and Nu West Oils appropriate quit claims and/or lien releases in favor of Swiss Oils and East Utah as to all of Section 30, Township 36 North, Range 50 East and all of Section 36, Township 36 North, Range 49 East, and those mining claims designated CRD Nos. 1 through 18, Mont Nos. 1 through 3 and S Nos. 1 through 12.

B. Swiss Oils shall obtain an appropriate amendment from the Lessors' interest in the mining lease which is the foundation of Swiss Oils' interest in the subject mining claims clarifying:

a. The respective rights of all Lessors and their precise interest therein.

b. A clear statement that the six and one-half per cent (6½%) royalty on net smelter returns is to be pro-rated according to the Lessors' percentage interest in the entire ownership of the claims where such Lessors own less than the entire interest in such mining claims.

c. An option or "end price" to be paid by Swiss Oils to Lessors to acquire all of Lessors' royalty interest and record title in the respective mining claims.

8. RIGHT OF FIRST REFUSAL:

Swiss Oils and East Utah mutually covenant not to encumber their respective interests in the subject mining claims and to give to the other a first right of refusal on the same terms and conditions as any offers or contemplated sale to a third party of any or all interests each presently has in the subject claims.

If such right of first refusal is not exercised within thirty (30) days after notice, the selling party shall have three (3) months to complete said sale upon terms no more favorable to the buyer than originally provided.

9. LAWS, REGULATIONS AND FORCE MAJEURE:

This agreement shall be subject to the laws of the State of Nevada and to the rules and regulations of the regulatory bodies of such state having jurisdiction thereof, and to all other applicable state and federal laws, rules and regulations.

All obligations of the parties hereto shall be suspended while, but only so long as the parties hereto are prevented from complying with such obligations, in whole or in part, by strikes, walkouts, acts of God, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials or services in open market, inadequate facilities for the transportation of materials, any state or federal law, regulation or order or other matters, exclusive of financial inability

of said parties, beyond the reasonable control of said parties, whether similar to the matters herein specifically enumerated or not; PROVIDED, HOWEVER, that the performance shall be resumed within a reasonable time after such cause has been removed; AND PROVIDED FURTHER that the parties hereto shall not be required, against such parties' will, to adjust any labor dispute or to question the validity or to refrain from judicially testing the validity of any state or federal order, regulation or law.

10. ADJOINING RAILROAD LAND:

The parties hereto acknowledge that Southern Pacific Railroad is the owner of adjoining Section 25, Township 36 North, Range 49 East, and that said railroad section is not presently under mining lease to any party. If either party to this joint venture agreement should acquire any interest in said railroad section, directly or indirectly, during the term of this joint venture agreement, such party agrees to notify the other party of such acquisition and to offer to such other party a fifty-one per cent (51%) or forty-nine per cent (49%) interest, as the case may be, provided such other party reimburses fifty-one per cent (51%) or forty-nine per cent (49%), as the case may be, of the total consideration paid by the originally acquiring party for such interest so acquired.

11. RIGHT OF INSPECTION:

East Utah shall allow the officers, employees and agents of Swiss Oils, from time to time, to enter upon and into the workings on said mining claims for the purpose of inspection at such reasonable times as shall not interfere with the regular operation of the subject mining claims. It is understood and agreed that East Utah shall assume no responsibility for the safety of the officers, employees and agents of Swiss Oils when and while upon the subject mining claims for such purposes.

12. TERM OF AGREEMENT; TERMINATION

This Agreement is entered into for a primary term of five (5) years from date hereof and shall be extended from year to year hereafter unless either party gives written notice to the other party six (6) months or more prior to the end of the current annual period of the extended term

that such party intends to terminate the agreement as of the end of such annual period.

This Agreement is made upon the condition that the parties hereto shall perform all of the covenants and agreements herein set forth to be performed by said parties. If any party shall fail to make its pro-rata contribution when due or payable or shall fail to comply with any of the other conditions or requirements of this agreement, the other party may, upon giving thirty (30) days notice in writing to the party in default, cancel and forfeit the rights of the defaulting party unless, within said thirty (30) day period, the defaulting party shall cure the default if the default relates to the payment of money or unless within said thirty (30) day period, if the default relates to other than the payment of money, the defaulting party shall undertake in good faith to cure the default and shall diligently proceed to remedy the default.

In the event Swiss Oils decides to terminate this agreement and give up its interest in the subject Mining Claims without consideration, by relinquishment to the Lessors or default under the terms of the Lease Agreement, Swiss Oils agrees to offer its said leasehold interest to East Utah for the cash sum of One Hundred Dollars (\$100.00), to be paid by East Utah within thirty (30) days of such notice.

13. MANNER OF GIVING NOTICES:

Any notice required or desired to be served upon the parties hereto shall be in writing and shall be deemed sufficiently given if deposited in the government mail, postage prepaid, and certified or registered, return receipt requested, and addressed as follows:

East Utah Mining Company

721 First Security Building
Salt Lake City, Utah 84111

Swiss Oils of Canada (1959) Ltd.

c/o Hugh Scott Douglas
1334 Northmount Drive, N.W.
Calgary, Alberta, Canada

or to such other party and at such other address as the respective parties or their successor or successors in interest may, from time to time, designate by written notice to the other party.

14. ASSIGNMENT:

The rights of the respective parties under this joint venture agreement, as distinguished from the respective ownership of each party in

the mining claims which are the subject of this joint venture agreement, shall not be assignable without the prior written consent of the other party.

In the event that either party hereto assigns all or part of its property interest in the mining claims which are the subject of this joint venture agreement, said mining claims shall remain subject to the terms of this joint venture agreement and the assigning party shall remain responsible in all respects as if no such assignment were made unless the other party shall expressly agree to such assignment in writing.

15. DEFAULTS, LIENS, AND COLLECTION RIGHTS:

In the event either party shall fail to pay its pro-rata share of expenses due under this agreement on the due date thereof, or any taxes, royalties, or obligations due to third parties which shall have been advanced by the other party then said indebtedness shall thereafter bear interest at the rate of seven per cent (7%) per annum and the other party shall have a lien for the payment thereof, including interest, upon all of the said defaulting party's interest in the assets of the joint venture, the party's interest in the mining claims which are the subject of this joint venture and all minerals and ores produced therefrom. The non-defaulting party shall have the right, and the same is hereby granted, to demand, collect, receive and apply to the indebtedness any and all sums payable to the defaulted party pursuant to any contract for the sale of any of its share of the minerals produced from the joint venture lands, which said lien and which said right to demand, collect and receive shall exist until all defaults are cured; provided, however, that any lien, remedy or right shall not be exclusive nor operate to release the delinquent party from its full liability to pay and all amounts due and owing, nor to deprive the non-defaulting party of any additional rights or remedies at law or in equity for the recovery of the indebtedness.

16. REIMBURSEMENT TO OPERATOR: LIABILITY:

East Utah, as Operator under this agreement, shall be entitled to reimbursement from the joint venture for all direct expenses incurred in connection with operations upon or for the direct benefit of the

subject mining claims or other assets or interests of the joint venture. No general administrative costs or charges, including salaries of officers of East Utah or Swiss Oils, shall be charged against the joint venture, but a reasonable charge may be made for the services of any non-officer employee of East Utah who devotes a substantial amount of time in working directly on behalf of the joint venture activities and properties.

In consideration of the fact that East Utah, as operator, will contribute administrative services without costs, Swiss Oils hereby relieves East Utah of all liability, whether arising out of acts or omissions, connected with its activities hereunder as Operator of the joint venture properties, assets and interests.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their proper officers, they being duly authorized thereto all on the day, month and year first above written.

EAST UTAH MINING COMPANY

ATTEST:

SEAL
Affixed

Margaret B. Black

BY:

[Signature]

SWISS OILS OF CANADA (1959) LTD.

BY:

[Signature]

ATTEST:

STATE OF UTAH)
COUNTY OF SALT LAKE)

On the 22nd day of January, 1970, personally appeared before me M. C. Corbett, Jr., president of East Utah Mining Company, who being first duly sworn by me deposes and says that he is the president

MS

of East Utah Mining Company, and that said instrument was signed in behalf of said corporation by authority of its ^{Articles} by-laws and that said H.C. Corbitt, III acknowledged to me that said corporation executed the same.



Therese B. Black
NOTARY PUBLIC, residing at
Salt Lake City, Utah

My Commission Expires:
11 - 20 - 70

STATE OF UTAH)
COUNTY OF SALT LAKE) ss.

On the 22nd day of January, 1970, personally appeared before me Jack F. Trotter, president of Swiss Oils of Canada (1959) Ltd., who being first duly sworn by me deposes and says that he is the president of said Swiss Oils of Canada (1959) Ltd., and that said instrument was signed in behalf of said corporation by authority of its by-laws and that said Jack F. Trotter acknowledged to me that said corporation executed the same.



Lois A. Radwin
NOTARY PUBLIC, residing at
Salt Lake City, Utah

My Commission Expires:
Aug 16, 1973

RECORDED AT THE REQUEST OF
on 1/22/70 of 1970 paid 1.00
BOOK 47 PAGE 288
ELUCHI COUNTY CLERK
The fee 1.00

EXHIBIT "A"

to

**JOINT VENTURE AGREEMENT BETWEEN EAST UTAH MINING COMPANY
and
SWISS OILS OF CANADA (1959) LTD.**

Those unpatented lode mining claims known as:

MB
MB
Eureka
GOLD STRIKE NOS 1 to 36, inclusive, lode mining claims located in the Lynn Mining District of ~~Elko~~ *Eureka* County, Nevada. (East Utah holds an undivided two-thirds interest in these claims and Swiss Oils holds a mining lease on the remaining one-third undivided interest).

MB
MB
GOLD BUG NOS. 1 to 27, inclusive, lode mining claims located in the Lynn Mining District of ~~Elko~~ *Eureka* County, Nevada. (East Utah holds an undivided two-thirds interest in these claims and Swiss Oils holds a mining lease on the remaining one-third undivided interest).

MB
MB
Eureka
EXTENSION NOS. 1 to 18, inclusive, lode mining claims, located in the Lynn Mining District of ~~Eureka~~ *Eureka* County, Nevada. (Swiss Oils holds a mining lease on the whole interest of these claims).

MB *JJA*

RECORDED AT THE REQUEST OF C. Warren Hunt
on Mar. 4 1974 of 16 min. past 11 A. M. by
Book 47 of OFFICIAL RECORDS, page 279-288A RECORDS OF
EUREKA COUNTY, NEVADA, William A. DeTale Recorder
File No. 58239 Fee \$ 13.00

BOOK 47 PAGE 288-A

(15)