

58682

L E A S E

THIS LEASE, made and entered into this 28<sup>th</sup> day of September 1973 , between CHARLES B. THORNTON, of Box T, Beverly Hills, State of California, party of the first part, hereinafter called the Lessor, and CARLIN GOLD MINING COMPANY, of 300 Park Avenue, New York City 10022, State of New York, party of the second part, hereinafter called the Lessee,

W I T N E S S E T H:

1. Lessor, in consideration of Five Thousand (\$5,000.00) Dollars, receipt of which is hereby acknowledged, and of the royalty to be paid, and of the agreement of Lessee herein contained, leases unto Lessee for the sole purpose of prospecting for, mining, extracting, and removing, any and all minerals other than oil and gas on the following described lands:

Section 31,  
Township 36 North,  
Range 50 East, M.D.B. & M.,  
Eureka County, Nevada,  
containing 640 acres,  
more or less.

Lessee may occupy as much of the surface of the land as is necessary to carry on the work of prospecting for, mining, treatment, and removal of said minerals, including milling, stockpiling and waste storage, subject to compensations for surface damages and restrictions as hereinafter set forth. The Lessee is restricted to the above-described lands and shall not have any right under this agreement to follow veins or lodes beyond the perimeter lines of the described lands onto other lands owned or controlled by Lessor.

2. Term - Subject to the other provisions herein contained, this lease is for a term of five (5) years from the date made, and may be renewed at Lessee's option, at any time during the term hereof and within thirty (30) days thereafter, for an additional three (3) year period upon payment to Lessor of the sum of Five Thousand (\$5,000.00) Dollars, provided no default exists hereunder at the time of such election.

IN CONSIDERATION OF THE FOREGOING, LESSEE AGREES:

1. Royalty - To pay, or cause to be paid to Lessor a royalty of 37-1/2% of 10% of all ores produced from the leased premises having a value of \$10 per ton or less, and to increase said royalty by 1/2 of 1% for each increase of \$1 per ton of value over \$10 per ton of ore produced from said premises to a maximum royalty of 37-1/2% of 15% of said ore, Lessor's interest in the mineral rights in, to and under the leased premises being 37-1/2%.

The above royalty is to apply to crude ore only, and not to concentrates. Valuation of ores produced and shipped for the purpose of royalty calculations shall be based on net custom mill or smelter or mint returns after deducting all freight and treatment charges. Lessee shall furnish Lessor with copies of all mill and/or smelter, or mint settlement sheets, freight bills and other information required for such royalty calculations.

All royalty accruing for any month shall be due and payable before the twenty-fifth day of the following month.

2. Damage to Surface - In the event Lessee elects to trench or drill the leased premises for exploratory purposes hereunder, it shall, prior to initiating such work, pay to Lessor the further sum of One Thousand (\$1,000.00) Dollars as compensation for damages to the property surface resulting therefrom. Lessee shall pay Lessor as additional compensation for surface damages to the leased premises the sum of Ten (\$10.00) Dollars per acre for each and every acre thereof lying within either the limits of its mining pits or beneath waste and tailing piles accumulated during the course of its operations. In the event Lessee elects to construct on the leased premises a milling plant, shops, or other buildings, including dwellings, Lessee shall pay Lessor for all acreages so encumbered, a like sum of Ten (\$10.00) Dollars per acre.

3. Diligence, Prevention of Waste and Protection of the Property - To exercise diligence in the conduct of prospecting and mining operations; to carry on development and operations in a workmanlike manner; to comply with all the applicable laws of the State of Nevada; to take appropriate steps to preserve the property; and to surrender and return to Lessor promptly the premises upon the termination of this lease in as good condition as received, except for the ordinary wear and tear and unavoidable accidents in the proper use of the premises. Upon termination of this lease for any cause Lessee shall, provided the lease is in good standing at the time of such termination, have six months immediately following thereafter within which to remove its equipment, buildings, or other improvements placed by Lessee

on the property.

4. Inspection - The leased premises, producing operations including ore sampling, and appurtenances, may be inspected by Lessor at all reasonable times at his sole risk and expense.

5. Disposition of Minerals and Surface - Lessor expressly reserves the right to lease, sell, or otherwise dispose of the oil and gas and the surface of the lands in this lease subject always to Lessee's right to use as much of the surface as is necessary in the extraction, treatment, and removal of the minerals from the leased land; provided that in the use of such surface, Lessee shall make all payments as set forth under paragraph 2 hereof.

6. Surrender and Termination - Lessee may at any time terminate this lease upon the payment of all royalties and other obligations due Lessor, and upon a showing satisfactory to Lessor that full provision has been made for the conservation and protection of the property, such protection to include the proper fencing during the period of Lessee's operations hereunder of all pits and other excavations hazardous to human life and to livestock, plant area, dwellings, and tailing piles. If this lease has been recorded, Lessee shall file a recorded release with its notice of termination of the lease.

7. Water Wells - Lessee may, at its own expense, drill and equip water wells on the leased premises subject to its obtaining proper authorization therefor and agrees that all wells will be left intact and properly cased, and that all water rights acquired by such drilling shall be in

good standing at the termination of the lease by expiration of its term or otherwise. Lessee shall have the right to remove all mechanical pumping equipment installed by it at any well.

8. Liability for Damages - Lessee shall be liable for any and all damages resulting from its operations under this lease caused by Lessee's operations hereunder. Lessee agrees to save and hold harmless Lessor from all suits for injury or claims for damages to persons and property resulting from Lessee's operations under this lease.

9. Roads - Lessee may use existing roads, if any, on the land and may construct and maintain, at its own expense, any additional roads across Lessor's lands, as hereinabove described, that are necessary in carrying on the actual mining, prospecting, and exploration work after the location of such road or roads has been agreed upon with Lessor, who shall not unreasonably withhold his consent. The public shall obtain no rights to such roads, and upon the termination of this lease, the right of Lessee to use the roads shall thereupon cease and all the rights shall revert to Lessor.

10. Maps, Drawings, and Other Engineering Data - At the termination of this agreement, for whatever reason, the Lessee shall give to the Lessor copies of all maps, drawings, and other engineering data pertaining to its work on the leased premises.

11. Insurance, Social Security, Taxes - Lessee agrees to carry such insurance covering all persons working in, on, or in connection with the leased premises for Lessee

as will comply with the laws of the State of Nevada, covering workmen's compensation, and of the United States pertaining to Social Security, unemployment compensation, wages, hours, and conditions of labor. Lessee shall pay all taxes, lawfully levied or assessed on the sale, severance, production, extraction or removal of all minerals produced hereunder.

12. Heirs and Successors in Interest - It is agreed that each obligation under this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors of, or assigns of the parties to this lease.

13. Cancellation and Forfeiture - When in Lessor's opinion Lessee is in default under this lease, Lessor will notify Lessee in writing, specifying the nature of the default. Lessee shall have sixty (60) days following the receipt of such notice to correct the default. Failure to do so shall be grounds to declare this lease void.

IN WITNESS WHEREOF, the said parties have hereunto subscribed their names on the day and year first above written.

ATTEST

Clarence S. Price



ATTEST

Joe P. T. Lee  
Secretary

LESSOR:

Charles B. Thornton  
Charles B. Thornton

LESSEE:

CARLIN GOLD MINING COMPANY

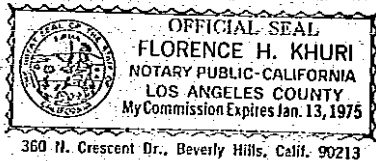
By:

David O. Pearce  
President

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State of California )  
County of Los Angeles ) ss:

On this 3rd day of June, 1972, before me,  
a notary public, personally appeared CHARLES B. THORNTON,  
who acknowledged that he executed the foregoing Lease.



Florence H. Khuri  
Notary Public

State of NEW YORK )  
County of NEW YORK ) ss:

On this 28th day of September, 1973, before me,  
a notary public, personally appeared David O. Pearce,  
known to me to be the President of CARLIN GOLD MINING COMPANY,  
who acknowledged that he executed the foregoing Lease.



William J. Bauer  
Notary Public

WILLIAM J. BAUER  
NOTARY PUBLIC, State of New York  
No. 30-5217750  
Qualified in Nassau County  
Cert. filed in New York County  
Commission Expires March 30, 1974

RECORDED AT THE REQUEST OF CARLIN GOLD MINING COMPANY  
on JUNE 18, 1974, at 49 mins. past 10 A. M. in  
Book 48 of OFFICIAL RECORDS, page 295-301 RECORDS OF  
EUREKA COUNTY, NEVADA. William J. Bauer Recorder.  
File No. 58682 Fee \$ 9.00  
FILE NO. 58682  $\frac{1}{2}$

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