

60543

MINING LEASE

THIS LEASE, made and entered into this 29th day of January, 1971, by and between Ervin T. Hawkins and M. Trussler Butterfield, hereinafter designated as Lessor, whether one or several, and Utah Minerals Company, Inc., a Utah corporation, hereinafter designated as Lessee, whether one or several:

W I T N E S S E T H

That the said Lessee, for and in consideration of the sum of Ten Dollars in hand paid by Lessee to Lessor, and other mutual considerations, the receipt and sufficiency of which are hereby acknowledged, and of the royalties, rentals, covenants and agreements, hereinafter reserved and by said Lessee to be paid, kept and performed, has granted, demised and let to the said Lessee all of its thirty percent (30%) undivided interest unto the following described property and mining claims situated and lying in Lynn Mining District, Eureka County, Nevada, to wit:

Bazza No. 1 through Bazza No. 10, inclusive, situated in the South One Half of the South One Half of Section 24, Township 36 North, Range 49 East, M. D. B. & M., Eureka County, Nevada, located May 3, 1966 and, to wit:

Pandora No. 1 through Pandora No. 10, inclusive, situated in the East One Half of Section 26, Township 36 North, Range 49 East, M. D. B. & M., Eureka County, Nevada, located May 13, 1966.

all of which claims are more particularly described under the Certificates of Location recorded at the office of the County Recorder of Eureka County, State of Nevada:

TO HAVE AND TO HOLD unto the said Lessee for a period of Two years (2) unless sooner forfeited or terminated as hereinafter provided:

AND IN CONSIDERATION of said demise, the said Lessee does covenant and agree with the Lessor as follows:

1. To pay to said Lessor at its place of business at 130 1/2 North 1st East, Logan, Utah, royalties and rentals, as hereinafter specified, during the effective term of this agreement.

(1)

2. To take possession of said mining claims and perform the annual assessment work required by law on the unpatented claims described herein:

3. To keep proper books of account showing the amounts of gold, or other minerals or metals produced and sold from the said mining property and, if possible, to deliver duplicate reports and statements of said sales to the Lessor at his place of business within reasonable time after consumation of sale. If products sold are comingled with ores or bullion or concentrate from other sources, Lessee shall, from time to time, provide Lessor with such proper assay reports and weight certificates as will establish the value of the mineral products extracted, processed and sold from the leased premises:

4. To, during the term of this agreement and in periods when men are employed by Lessee, at its own risk and expense, carry adequate workman's compensation insurance, and to at all times keep Lessor free and harmless from any and all damages for accidents to or injuries incurred by any person or persons upon, in or about the premises, excepting Lessor and those working under Lessor, to comply with all governmental laws, regulations and ordinances of said District, as applicable, with respect to matters to be done and performed:

5. To keep all bills and accounts for labor performed and supplies, and materials furnished, in or for operations under this lease, paid in such manner as not to allow any claim or lien to be effectually made or asserted against the Lessor or its property:

6. Said Lessor and/or its agent may from time to time, in company with Lessee or its agent, enter upon the said premises, and the whole thereof, for the purpose of general inspection of the same and for the purpose of posting upon said premises notice of non-responsibility and other notices necessary, proper or convenient for the protection of said Lessor:

7. Lessee shall keep and preserve reasonable records and maps to reflect the progress and results of work undertaken, and shall allow Lessor to inspect such records at reasonable times, and, upon termination of this agreement and the request of Lessor, deliver duplicate copies of such records to said Lessor. However, Lessee shall not be obligated to interpret such records:

(2)

8. Said Lessee shall pay any and all taxes assessed by reason of the mining operations upon said premises, excepting so called bullion tax upon the reserved royalty of the Lessor:

9. In the event Lessee shall fail to make any payment of royalty or rental or any other payment herein provided for, at the time and in the manner stipulated, or shall fail to keep or perform any of the conditions, covenants, or agreements herein contained on his part to be kept and/or performed, said Lessor may give to said Lessee a notice in writing of such default, and if such default is not corrected within thirty (30) days after the giving of such notice, this lease shall terminate and become forfeited. It is specifically understood and agreed that, subject to the obligation of the Lessee to pay rents and royalties with relation to the sale of ores and minerals extracted from the mining claims or concentrates produced therefrom to the date of such termination, the sole liability of Lessee for any default under the terms of this mining lease shall be the loss of the rights granted to them hereby in and to the mining claims with relation to which the default occurred and Lessee shall, under no circumstances, have any liability to Lessor by way of damages or otherwise:

10. To pay to said Lessor at its place of business at 130 $\frac{1}{2}$ North 1st East, Logan, Utah, the following royalties on all mineral products extracted and sold from the premises, during the life of this lease, to wit:

7 $\frac{1}{2}$ percent of the net proceeds based on 30 percent interest held from shipments of mineral products.

Net proceeds are defined as the gross proceeds of the ore, bullion, precipitate or concentrate sold, less smelter, mint or other purchasing agency charges, transportation charges, sampling charges and other charges as are customarily assessed by the buyer of ores against the seller:

11. Lessee agrees to pay to the Lessor a rental of Two Hundred Dollars per month in investment stock and shall pay six months in advance, Said investment stock is to be divided equally between Lessors, and every six months a like amount of investment stock shall be paid for the two year period. Said value of investment stock shall be computed @ 10¢ per share. Royalty payment from the sale of mineral products shall be made directly to the Lessor directly by the buyer of ores, precipitates or concentrates or bullion, where and when

such arrangements are in accord with the buyer's established custom, provided such payment is conveniently possible for Lessee:

12. Upon any termination of this agreement, by default or otherwise, said Lessee shall surrender to said Lessor the said property, but any machinery tools, equipment or buildings placed thereon by the Lessee, whether attached to the realty or not, shall belong to the Lessee and its or its agent shall be allowed to remove same within a reasonable time after date of termination, not to exceed twelve months:

13. Lessee shall have the right and option to terminate this agreement at any time upon fifteen (15) days written notice to the Lessor:

14. All covenants and conditions contained herein, expressly or impliedly, shall extend to the successors, person representatives, heirs, executors and assigns of the parties hereto:

IN WITNESS WHEREOF, the parties have set their hands this 29th day of January, 1971.

LESSOR:


Ervin T. Hawkins

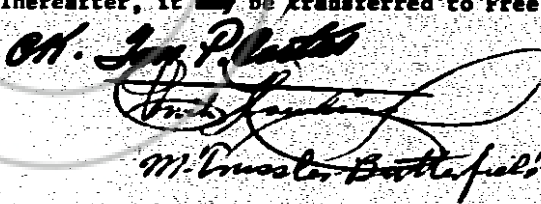

H. Trussler Butterfield

LESSEE:

UTAH MINERALS COMPANY


Tom P. Coates, President

NOTE: As provided in Paragraph 11, said Investment stock shall be held for a period of 13 months. ^{13 mos} Thereafter, it ^{may} be transferred to Free Trading Stock.


H. Trussler Butterfield

(4)

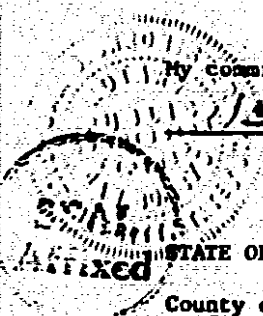
STATE OF UTAH :
 : SS
County of Salt Lake :

On this the 29th day of January, 1971, personally appeared before me, a Notary Public commissioned by the state of Utah and residing in Salt Lake County, TOM P. COSTAS, known to me to be the person who executed the foregoing instrument, who did under oath, acknowledge to me that he is the President of UTAH MINERALS COMPANY, the Lessee herein, and that he did execute the foregoing instrument freely and voluntarily as the act of, and under proper authority of said corporation, for the uses and purposes indicated as in the instrument.

Sam Schmittner
NOTARY PUBLIC

My commission expires:

1/30/75



STATE OF UTAH :
 : ss.
County of Cache :

On this 11 day of March, 1971, personally appeared before me, a Notary Public, in the for Cache County, State of Utah, Ervin T. Hawkins and M. Trussler Butterfield, known to me to be the persons who executed the foregoing instrument, who duly acknowledged to me that they executed the same freely and voluntarily for the uses and purpose therein mentioned.

Jacqueline Chaublin
NOTARY PUBLIC
Residing at Logan, Utah

My commission expires:

Sept 1974



October 30th, 1975

This Lease conveyed to Temple Mountain Industries by reason of a Merger and such Lease is in good standing up to and including December 1975, by reason of extensions granted and paid for By Temple Mountain Industries Inc.

[Signature]
(s) Tom P. Costas, President Temple Mtn. Ind.



RECORDED AT THE REQUEST OF Tom P. Costas
on Nov. 3 1975 at 02 min. past 8 A.M. in
Book 52 of OFFICIAL RECORDS, page 530-534, RECORDS OF
BERNEKA COUNTY, NEVADA. WILLIS A. DePAOLI Recorder
File No. 60543 Fee \$ 7.00

BOOK 52 PAGE 534