

**ASSIGNMENT AND
QUIT CLAIM DEED**

THIS INDENTURE made and executed this 16th day of March 1976, by and between Mrs. George M. Hadraba, Executor of the Estate of George M. Hadraba (316 Randolph Street, Maywood, Illinois 60153) and the heirs thereto hereinafter referred to as GRANTOR wether one or several and Polar Resource Co. of 1070 Silver Street, Elko, Nevada 89801, hereinafter referred to as GRANTEE:

W I T N E S S E T H

Attached hereto and made a part hereof (marked Exhibit A for reference purpose) is copy of a lease and purchase option agreement whereby the Estate of George M. Hadraba leased certain mining claims in Eureka County of Nevada to Arthur Blake Thomas of Salt Lake City, Utah. Attached thereto is a copy of an assignment made by Arthur Blake Thomas of his rights as Lessee under Exhibit A to the M.M. and S. Exploration Company of Nevada whose successor in interest is Bullion Monarch Inc. a Utah corporation. Bullion Monarch Inc. has under date of March 8, 1976 paid to the Estate of George M. Hadraba the sum of \$2,700.00 purported by Bullion Monarch Inc. to be back payments of rental plus interest on delinquent payments through April 8, 1976. Said sum has been accepted, subject to audit, by the GRANTOR:

NOW THEN: For and consideration of \$10.00 (ten dollars) in hand paid and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the GRANTOR hereunder does set over, assign and convey to the GRANTEE all of its right, title and interest without reservation established as Lessor under Exhibit A unto the GRANTEE subject to the existing leasehold rights held by Bullion Monarch Inc. And furthermore the GRANTOR goes by these presents remise, release and quitclaim to the GRANTEE and to its successors and assigns forever all of its right, title and interest in and to the following unpatented mining claims situated in Sections 2, 10, and 11 of Township 35, Range 30 East N.D.B.M. of Eureka County of Nevada and further described as follows:

BIG JIM and
BIG JIM NOS. 1-31 inclusive
CRACKER JACK and
CRACKER JACK NOS. 1-5 inclusive
YELLOW ROSE NOS. 6-21 inclusive

Said claims being more particularly described under certificates of location recorded in Book 0 of Outside Mining on Pages 23-76 inclusive at the Office of the County Recorder of Eureka County, State of Nevada, wherein entry was made on May 7, 1963. TOGETHER WITH all and singular the tenements, hereditaments, appurtenances thereunto belonging or in any wise appertaining and the reversion and reversions, remainder and remainders, rents, issues and profits thereof:

TO HAVE AND TO HOLD all and singular the premises together with the appurtenances unto the said GRANTEE and to its successors and assigns forever.

IN WITNESS WHEREOF the GRANTOR has hereunto set his hand the day and the year first above written.

Mrs. George M. Hadraba
Mrs. George M. Hadraba Executor
Estate of George M. Hadraba

Norma Helmer Jones Heir
Virginia R. Fink Heir

STATE OF ILLINOIS)
COUNTY OF COOK) ss

On this 22 day of March 1976 personally appeared before me
Mrs. George M. Madraba and acknowledged that she executed the foregoing
instrument and upon oath did affirm that the signature of said
instrument is her's freely and voluntarily made for the uses and purposes
therein mentioned.



Carolyn B. Smith
Notary Public residing at
1123 Washington Blvd. Oak Park, Ill.
My Commission Expires September 17, 1979 60302

STATE OF ILLINOIS)
COUNTY OF COOK) ss

On this 22 day of March 1976 personally appeared before me
Neomi Madraba Janer and acknowledged that she executed the foregoing
instrument and upon oath did affirm that the signature of said
instrument is her's freely and voluntarily made for the uses and purposes
therein contained.



Carolyn B. Smith
NOTARY PUBLIC residing at
1123 Washington Blvd. Oak Park, Ill.
My Commission Expires September 17, 1979 60302

STATE OF ILLINOIS)
COUNTY OF COOK) ss

On this 22 day of March 1976 personally appeared before me
Virginia R. Fische and acknowledged that she executed the foregoing
instrument and upon oath did affirm that the signature of said
instrument is her's freely and voluntarily made for the uses and purposes
therein contained.



Carolyn B. Smith
NOTARY PUBLIC residing at
1123 Washington Blvd. Oak Park, Ill.
My Commission Expires September 17, 1979 60302

ASSIGNMENT

Exhibit A

RECITAL : Under date of June 8th, 1967 the Estate of George M. Hadraba, deceased, and the Heirs thereunder, both did grant to Arthur Blake Thomas of 39 Exchange Place, Salt Lake City, Utah, a Mining Lease and Option, relative to certain unpatented mining claims located in Sections 2, 10 and 11 of Township 35 North Range 50 East, M.D.B. & M of Eureka County of Nevada, said Lease and Option relating to the following described mining claims:

Big Jim and
Big Jim Nos. 1 to 31, inclusive,
Cracker Jack and
Cracker Jack Nos. 1 to 5 inclusive,
Yellow Rose Nos. 6 to 21 inclusive:

Said claims being more particularly described under Certificates of Location recorded in Book O of Outside Mining on Pages 23 to 76 inclusive at the office of the County Recorder of Eureka County of Nevada wherein entry was made on May 7, 1963. Original copy of said Lease and purchase Option is attached hereto and made a part hereof, marked Exhibit A for identification purposes:

NOW THEN : For and in consideration of Ten Dollars (\$10.00) in hand paid and other valuable considerations, the receipt of which is hereby acknowledged, Arthur Blake Thomas does hereby assign, set over and convey unto the M.M. and S. Exploration Company, a Nevada corporation, all of his right title and interest in said Lease and Purchase Option, marked Exhibit A, in its entirety.

IN WITNESS WHEREOF this contract of assignment has been executed this 30th day of June 1967 by said Arthur Blake Thomas.

Arthur Blake Thomas,

STATE OF UTAH)
COUNTY OF SALT LAKE) ss

On this 30th day of June 1967, personally appeared before me a Notary Public, in and for the County of Salt Lake, State of Utah, Arthur Blake Thomas, known to me, and acknowledged that he executed the foregoing instrument, and upon oath, did depose and affirm that the signature of said instrument was made by him and that he executed said instrument freely and voluntarily for the uses and purposes therein mentioned.

Notary Public
Residing at Salt Lake City, Utah.

My Commission Expires

MINING LEASE AND OPTION

THIS LEASE AND PURCHASE OPTION, made and entered into this 8th day of June 19 67, by and between Executor of Estate of George N. Hadrabak the Heirs thereunder, hereinafter designated as Lessor, whether one or several, and Arthur Blake Thomas of Salt Lake City, Utah 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 interest unto the following described property and mining claims situated and lying in Sec. 2, 10 & 11, Twp. 35N, Range 50E, MDB&M, Eureka Co. Nevada, to wit:

Cracker Jack : and Cracker Jack Nos. 1, 2, 3, 4, & 5 -----

Yellow Rose Numbers; 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21.

Big Jim ; and Big Jim Numbers; 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30 and 31. -----

-----said ownership being a thrity one percent undivided interest in the above described lode mining claims.

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 time as may be necessary to pay the purchase price in the manner hereinafter provided for, 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:

I. To pay to said Lessor at its place of business at 2203 S. Kenilworth Ave, Berwyn, Illinois 60402, royalties and rentals, as hereinafter specified, during any effective term of this agreement until the option price of the property, as set forth in Section 12 of this agreement shall have been paid. All rentals, royalties and payments of any nature whatsoever, made by Lessee to Lessor, shall apply and be credited to the option price herein set forth.

(I)

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 workmen'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, and 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:

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:

(2)

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 circumstance, have any liability to Lessor by way of damages or otherwise:

10. To pay to said Lessor at its place of business at ²²⁰³ S. Kenilworth Ave., Berwyn, Illinois 60402 the following royalties on all mineral products extracted and sold from the premises, during the life of this lease, until the option price for the property, as defined in paragraph 12 below, shall have been paid, to wit:

One and one half percent (1 1/2%) of the net proceeds of ores, concentrates, bullion or precipitate produced and sold from the premises.

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 ~~Thirty Seven Dollars~~ ^{Fifty cents} per month which shall be applied on the option price. Rentals shall be considered as advanced royalty payments and can be applied as a credit towards royalty payments which thereafter might be due. And royalty payments in excess of \$37.50 monthly shall apply as a credit against future rental payments. Royalty payments from the sale of mineral products shall be made directly to the Lessor directly by the buyer of ores, precipitates or concentrate 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 demand of said Lessee, said Lessor agrees to execute a deed to its interest in the above described mining claims and deposit same with a bank, trust company or escrow service, mutually satisfactory to both Lessor and Lessee, accompanied with escrow instructions to deliver said deed to Lessee upon satisfactory proof of the payment of Ten Thousand Dollars (\$10,000.00)

in rental, royalty or in any other manner, as the agreed option price of the above described property of the Lessor, and with further

instructions to return said deed to the Lessor upon satisfactory evidence of failure of Lessee to comply with the terms of this agreement. Cost of said escrow shall be borne equally by the Lessor and Lessee:

13. 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 it or its agent shall be allowed to remove same within a reasonable time after date of termination, not to exceed twelve months:

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

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

IN WITNESS WHEREOF, the parties hereto have set their hands this
8th day of June 19 67

Mrs. George M. Hadraba -- Mrs. George M. Hadraba
LESSOR Both as Executor & Heir of George M. Hadraba Estate

Marion Hadraba, Jr. Heir.

Mrs. Mabel Hadraba Witness.

George M. Hadraba Heir

Arthur Blake Thomas Witness.

STATE OF Illinois) ss

COUNTY OF Cook)

Arthur Blake Thomas

On this 8th day of June 1967 personally appeared before me a Notary Public in and for Cook County, State of Illinois, Mrs. George M. Hadraba, known to me to be the person who executed the foregoing instrument, who duly acknowledged to me that he executed the same freely and voluntarily for the uses and the purpose therein mentioned.

My commission expires

Notary Public

STATE OF Utah)
COUNTY OF Salt Lake) ss

On this 8th day of June 1967 personally appeared before me a Notary Public in and for Salt Lake County, State of Utah, Arthur Blake Thomas, known to me to be the person who executed the foregoing instrument, who duly acknowledged to me that he executed the same freely and voluntarily for the uses and the purpose therein mentioned.

My commission expires March 25, 1971

Notary Public

RECORDED AT THE REQUEST OF Vaughan, Hull, Marfisi & Miller

on April 1 1976 at 45 mins. past 10 A.M. in

Book 54 of OFFICIAL RECORDS, page 239-245 RECORDS OF

EUREKA COUNTY, NEVADA.

WILLIS A. DePAOLI Recorder

File No. 61041

Fee \$ 9.00