

NOTICE OF CLAIM OF MINER'S LIEN

NOTICE IS HEREBY GIVEN that Eldon Worth of P.O. Box 362, Battle Mountain, Nevada 89820, claims a lien on that certain mining property, together with all ore already mined and stockpiled thereon, known as the Mary's Mountain property, located in the NE $\frac{1}{4}$, SW $\frac{1}{4}$, Section 21, T 33 N, R 51 E, MDB&M, owned by the Southern Pacific Land Company and leased under Southern Pacific Lease #SPL 4848, pursuant to the provisions of Chapter 108 of the Nevada Revised Statutes, said property being located within the County of Eureka, State of Nevada.

Such lien is claimed for and on account of work and labor performed by the said Eldon Worth on the above described property during the period February, 1979, through May, 1979, pursuant to a contract between Eldon Worth and TGM Corporation, a copy of which is attached hereto and incorporated herein by reference.

The undersigned believes that the owner of the mining property which is the subject of this lien is the Southern Pacific Land Company and that said property is the subject of a lease between Southern Pacific Land Company and Lee Britton and that there exists a further mining sub-lease between Lee Britton and Leonard Doerr.

The undersigned was employed by Vernon Estes, acting as president of TGM Corporation. The balance now due for such work and labor, after allowing all credits, is \$125,000.00.

DATED this 1st day of August, 1979.


ELDON WORTH

MY FORBERON
ATTORNEY AT LAW
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BATTLE MOUNTAIN, NEVADA 89820
(702) 622-8125

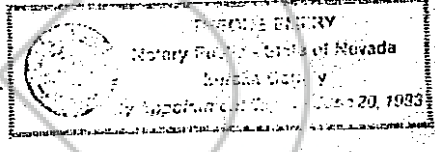
STATE OF NEVADA)
 : ss
COUNTY OF LANDER)

ELDON WORTH, being first duly sworn, deposes and says that he is the person who executed the foregoing instrument; that he has read the same and knows the contents thereof; that the matters stated therein are true to his knowledge, except for such matters as are stated to be upon information and belief, and as to those matters he believes them to be true.

Eldon Worth
ELDON WORTH

Subscribed and sworn to before me
this 27 day of August, 1979.

Shane Emery
Notary Public



HY FORGERON
ATTORNEY AT LAW
90N 48E
BATTLE MOUNTAIN, NEVADA 89820
(702) 535-9195

MINING CONTRACT

THIS AGREEMENT, made and entered into this 22nd day of February, 1979, by and between ELDON WORTH of the Town of Battle Mountain, County of Lander, State of Nevada, hereinafter referred to as WORTH, and TGM CORPORATION, a Colorado Corporation licensed to do business in the State of Nevada, of P.O. Box 84, Penrose, Colorado, 81240, hereinafter referred to as TGM,

W I T N E S S E T H:

WHEREAS, TGM is the assignee of certain barium mining property owned by the Southern Pacific Land Company and leased under Lease Number SPL 4848 and located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 21, Township 33 North, Range 51 East, MDB&M, and

WHEREAS, TGM is desirous of procuring the services of a qualified individual to conduct mining operations on the above described premises, and

WHEREAS, WORTH is desirous of entering into a Mining Contract whereby to extract barium ore from the property for a certain stipulated price per ton, and

WHEREAS, WORTH is prepared by way of equipment, knowledge and ability to conduct such a mining operation,

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00), lawful money of the United States of America, in hand paid by TGM to WORTH, receipt whereof is hereby acknowledged, and in consideration of the mutual promises, covenants and conditions hereinafter set forth, the parties hereto hereby agree as follows:

1. WORTH agrees to enter upon the existing roadway which intersects the right-of-way of Interstate Route 80 west of Carlin, Nevada and to improve said roadway along its current length, which is a distance of approximately five (5)

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miles, to the extent necessary to permit the passage of trucks, personnel and equipment such as are commonly used in barite mining operations, particularly including tractors and belly-dump type or hauling trailers. WORTH further agrees to maintain said roadway during the term of this agreement.

2. WORTH agrees to construct a new roadbed approximately 3,000 feet in length from the termination of the existing roadway on to the mining property. The new roadway shall be approximately 16 to 18 feet in width and shall maintain a slope of 12% or less wherever practical and in conformity with good mining practice. WORTH further agrees to maintain said roadway during the term of this agreement.

3. As compensation for the construction and improvements set forth in Paragraphs 1 and 2 above, TGM agrees to pay to WORTH the total sum of \$7,500.00 which shall be paid as follows:

a. The sum of \$3,750.00 shall be paid by TGM to WORTH as a down payment prior to the beginning of construction or improvements;

b. The remaining balance of \$3,750.00 shall be paid by TGM to WORTH within seven (7) days following WORTH's notification to TGM that the construction and improvements are complete and have been accepted by TGM.

4. WORTH agrees to go upon the premises as soon as is reasonably practical, with consideration to weather and road conditions and to commence mining operations thereon. WORTH shall furnish such equipment and employees as are necessary to carry out his requirements under this agreement. The quality and diligence of workmanship, the ability to provide and the provision of adequate equipment by WORTH are of the essence of this agreement and a breach of such conditions shall be considered a breach of the entire agreement. In case of such a breach, WORTH shall be entitled to thirty (30)

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days notice in writing of said breach and shall be granted the opportunity to correct the same within said period.

5. WORTH agrees to operate said equipment, supervise his employees, if any, and to conduct the mining operation herein contemplated and contracted for in accordance with the generally accepted standards of the industry and in accordance with the generally accepted practice in the area.

6. It is agreed that a representative of TGM will designate the areas on the mining premises which are to be mined and the ore to be extracted therefrom. The quality control of said ore shall be the responsibility of TGM. Material samples will be taken and processed by TGM and the quality control representative of TGM shall determine and advise WORTH of the standard of quality to be expected from the premises and WORTH shall adhere to said standards as nearly as practical mining operations permit.

7. WORTH agrees to hold TGM harmless from any liability for personal injury or property damage arising out of WORTH's conduct of the mining operation, including any hauling of ore, stockpiling or loading of ore which may occur off the mining premises.

8. WORTH agrees to abide by all applicable local, state and federal ordinances, laws, rules and regulations pertaining to mining operations, including but not limited to the acquisition of all necessary licenses, permits, and workmens compensation for employees.

9. WORTH agrees to suffer no lien to attach to the mining property or to any real or personal property owned or leased by TGM, arising out of WORTH's mining operation. Should such a lien attach as a result of WORTH's operations, WORTH agrees to promptly discharge the same and to hold TGM harmless from any effect thereof.

10. It is agreed by and between the parties hereto

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that performance under this agreement may be excused for a reasonable time by virtue of any such act beyond the control of the parties, such as acts of God, wars, floods, weather conditions, organized labor disputes and labor or material shortages. This performance excuse shall be only for such time as is reasonable under the circumstances and the party exercising the right shall proceed with due diligence to whatever extent appears necessary to resume production or performance.

11. This Agreement may be terminated by either party upon thirty (30) days written notice to the intent of said party to do so. Notice shall be deemed to be given hereunder on the date the same shall be mailed, by certified mail, as shown by the mailing receipt thereof, addressed to the parties at:

Eldon Worth
P. O. Box 362
Battle Mountain, NV 89820

TGM Corporation
P. O. Box 84
Penrose, Colorado 81240

or at such other address as the parties may designate in writing. This paragraph is subject to paragraph 25 below.

12. TGM agrees to provide such scales or other weighing devices as may be necessary to determine the amount of ore removed from the mining property, if it appears necessary.

13. WORTH agrees to operate the mining premises on the basis of a five (5) day work week and to extract an average of three hundred tons of ore per day, based on a thirty (30) day month, weather conditions, overburden and force majeure permitting, so long as the time is consistent with good mining practice.

14. As an integral part of the mining operation, WORTH agrees to screen the ore mined prior to its shipment from the mining premises. In order to allow WORTH to acquire the necessary equipment for said screening operation, TGM agrees to advance to WORTH the sum of Five Thousand Dollars,

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(\$5,000.00), which WORTH agrees to apply to acquiring said equipment. WORTH agrees that said sum shall be repaid to TGM at the rate of 65¢ per ton to be subtracted from payments due on the first 7,700 tons of ore mined.

15. WORTH agrees, consistent with good mining practice, to make certain loading equipment available to TGM or their representatives at sites other than the mining premises itself. Equipment to be furnished and payment therefor from TGM to WORTH are as follows:

a. Case dozer with operator - \$35.00 per hour.

b. Front-end loader with operator - \$50.00

per hour. Hourly minimums for a and b shall be four (4) hours. The hourly rates set forth above shall apply to the amount of time the equipment is actually operated and shall be in addition to all costs incurred in transporting the equipment from the mine site to the loading site and return, which additional cost shall also be paid by TGM. WORTH shall not be required to furnish said equipment if, in his opinion and consistent with good mining practice, the removal of the equipment from the mine site would impair the mining operation. Nothing set forth in this paragraph shall be construed so as to deny TGM the right to other equipment or personnel of their own choosing at the loading site. Payments made hereunder to WORTH for equipment usage shall be made bi-monthly in the manner set forth in Paragraph 16 below.

16. TGM agrees to pay to WORTH the sum of Seven Dollars (\$7.00) per ton for ore mined on the premises. Said payments shall be made as follows:

a. WORTH shall be paid 100% for ore removed from the mining premises and weighed by certified scale;

b. WORTH shall be paid 50% on estimated screened ore stockpiled on the premises;

c. Material mined and stockpiled or shipped

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between the first and fifteenth days of any calendar month shall be paid for on or before the twenty-second (22nd) day of said month.

d. Material mined and stockpiled or shipped between the 16th day and the end of any calendar month shall be paid for on or before the 7th day of the next succeeding calendar month.

17. In addition to payments for ore mined and stockpiled or shipped, WORTH shall be compensated by TGM for the removal of overburden material in accordance with the time provisions set forth in Paragraph 16 above at the following rates:

a. Overburden material which can be ripped and/or pushed (50 foot push) shall be compensated at the rate of seventy-five cents (.75) per cubic yard.

b. Overburden material which must be drilled and shot shall be compensated at the rate of \$2.25 per cubic yard. WORTH shall furnish the necessary equipment, supplies and personnel for the required powder operations.

18. WORTH agrees to perform necessary ore-loading operations at the mining site during his normal operating hours to enable ore to be shipped from said site. Loading operations conducted other than during WORTH'S normal operating hours shall be at the hauler's expense.

19. The Parties agree that they shall meet for the purpose of re-negotiating the monetary amounts set forth herein at such times as may be necessary, but in no event less than every six (6) calendar months.

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(702) 438-8198

20. WORTH agrees to enter the premises and begin making the improvements and construction on the roadways as set forth in Paragraphs 1 and 2 above within 5 working days of the execution of this Agreement. The roadway described in Paragraph 1 above shall have a 30' right-of-way and an improved surface of 24' in width, providing for normal drainage. WORTH shall not be required to gravel the surface of either roadway.

21. In the event that either party shall default in the performance of any covenant, promise or condition herein contained, and said default shall continue for a period of more than 30 days after written notice thereof, the party not in breach may elect to treat this Agreement as terminated and of no further force or effect.

In the event that WORTH'S interest herein is so terminated, WORTH shall have 15 days within which to enter upon the premises and remove his personal property and equipment therefrom.

The provisions of this paragraph are to be construed so as to be in addition to any other remedies, legal or equitable, which the parties may have upon the breach of this Agreement.

22. The parties acknowledge that the mining site is the subject of two prior written agreements, to-wit:

- a. A mining lease between Southern Pacific Land Company, Lessor and Lee Britton, Lessee, Lease #SPL-4848, and
 - b. A mining sub-lease between Lee Britton, First Party and Leonard Doerr, Second Party, dated January 23, 1979.
- WORTH and TGM hereby acknowledge receipt of copies of the two written leases described above and hereby further agree not to violate any of the applicable provisions therein contained.

23. In addition to the provisions of Paragraph 7,

above, WORTH agrees to maintain a policy of insurance covering

personal injury and property damage on his vehicles and equipment

in amounts not less than \$100,000 and \$300,000. Said liability

coverage shall be available to hold TGM harmless according to

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the provisions of Paragraph 7, above, for off site use only.

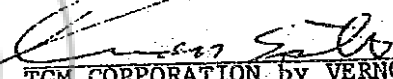
24. If a lien attaches to the mining property or to any real or personal property belonging to TGM as a result of WORTH'S mining operations as set out in Paragraph 9, above, and WORTH does not promptly discharge the same, TGM shall have the right to withhold any payments then due to WORTH and shall further have the right to attach and hold so much of WORTH'S equipment as shall be necessary to hold TGM harmless from said lien.

25. In the event that a notice of termination is served upon WORTH pursuant to the provisions of Paragraph 11, above, and in the event that WORTH has, at that time, blocked out marketable ore on the mine site, WORTH shall have the right to remain on the premises and operate the mine for a period not to exceed 60 days from the date of the notice of termination for the purpose of completing the mining of said ore so blocked out.

26. The repayment to TGM set forth in Paragraph 14, above, shall be made by WORTH no later than July 1, 1979, regardless of the tonnage mined.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year first above written.


ELDON WORTH


TGM CORPORATION by VERNON ESTES,
President

STATE OF NEVADA)
 : ss
COUNTY OF LANDER)

On this 22nd day of February, 1979, personally appeared before me, a Notary Public, ELDON WORTH, who acknowledged to me that he executed the foregoing instrument.

IN WITNESS WHEREOF, I have hereunto set my hand

HY FORGERON
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and seal the day and year in this Certificate first above written.



Mary Rose Forgeron
Notary Public in and for said County and State.

STATE OF NEVADA)
) ss
COUNTY OF LANDER)

On this 27 day of February, 1979, personally appeared before me, a Notary Public, VERNON ESTES, who acknowledged to me that he was the President of TGM CORPORATION and that he executed the foregoing instrument on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year in this Certificate first above written.



Mary Rose Forgeron
Notary Public in and for said County and State.

RECORDED AT THE REQUEST OF Eldon Worth
on August 27, 19 79, at 40 mins. past 10 A.M. in
Book 72 of OFFICIAL RECORDS, page 220-230, RECORDS OF
EUREKA COUNTY, NEVADA. WILLIS A. DePAOLI Recorder
File No. 69096 Fee \$ 13.00

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