

MINING LEASE

Jerry W. O'Brien
P.O. Box 358
Page Arizona 86040

James J. O'Brien
840 East 1st North
Spanish Fork, Utah 84660

THIS AGREEMENT made and entered into this 10th day of March, 1980, by and between James Paul O'Brien, as lessee, and Jerry W. O'Brien, P.O. Box 385, Page, Arizona, 86040, and James J. O'Brien of 840 East 1st North, Spanish Fork, Utah, 84660, hereinafter called lessors, WITNESSETH:

Described mining claims North of Eureka, Nevada, located by Melvin G. Jones, Ogden, Utah, in Diamond Mining District on Diamond Mountain Range. Above $\frac{1}{2}$ mile East of East line of Sec. 15, also in Sec 15, Township 21 N. Range 54 E. Reference, Old Stone House on Claim 23 and other reference points. Elevations near claims 6600 - 7233 - 8236 - 8089 - 7600 - 7233-. Also new road built over old wagon road, across claim 22 going East 23 - 28 to claim 24. Location work on claims 24* 22* 23-28. Also charcoal pits in canyon.

The present mining claims are as follows; Name of Claims: Liberty #22, Liberty #23 - Liberty #24 - Liberty #28.

This agreement is for a term of one (1) year, commencing on the 10th day of March, 1980, and expiring on the 10th day of March, 1981, unless sooner terminated through failure to comply with the terms and conditions hereinafter set forth. A ten dollar (\$10.00) charge is to be paid to this lessor in consideration of this lease being drawn.

IN CONSIDERATION of the said lease, the said Lessee hereby covenants and agrees with the Lessor as follows:

1. To enter upon said mining claims by April 10, 1980, and to thereafter work the same in a good miner-like fashion, in manner necessary to good and economical mining, so as to take out the greatest amount of ore possible, due regard to the development and preservation of the same as a workable mine, working the same for at least fifty (50) eight hour shifts for each month unless stopped beyond man's control. Failure to perform such work and in such manner shall be grounds for and justify forfeiture and cancellation of this lease by the Lessor.

2. To allow the said lessor or their agents to enter upon and into all parts of said mining claims for the purpose of inspection, and to make surveys, examine records, take samples, determine the amount and character of mineral being removed.

3. To properly post upon said premises all necessary notices now or hereafter required to the effect that said property is being operated by the lessee who is solely responsible for all work and labor done upon said premises, and for all materials or supplies furnished for his operation thereon, and that said property is being worked pursuant to the terms of a written lease between the parties hereto; and further that the said lessor is not and shall not be responsible for any labor done or of material furnished for the benefit of said premises.

4. So long as the lessee shall remain in possession of and work said property, said lessee shall comply in all respects to the Workman's Compensation, and rules and regulations of the Industrial Commission, Forestry, Bureau of Land Management, and Unemployment of the State of Nevada and of the United States. This includes the state of Utah if action was taken in Utah State, covering and effecting the conduct and operation to be performed by said lessee.

5. Net proceeds tax as levied under the Laws of the United States of America and/or the State of Nevada and Utah shall be borne by parties leasing the property.

6. To pay said lessor upon all ores and/or mill products mined and extracted, milled or smelted or sent to mint from said premises the following schedule of royalties:

Twenty (20) per cent of gross smelter returns on all ores or product of amounts up to and including Two Hundred dollars (\$200.00) Gross value per ton; thirty (30) per cent when Gross runs in excess of Two Hundred Dollars (\$200.00) Gross value per ton.

7. All shipments of ore or valuable non-metallics, or mill products are to be made in the name of Jame Paul O'Brien, the smelter or other buyers to deduct royalty, and such checks and settlement sheets to the respective parties and other associates. "Gross smelter returned" as used herein shall mean the GROSS amount paid by the smelter of mill.

Mill product royalty shall be based upon the millhead assays averaged for each calendar month on all products treated in the mill. Lessee shall keep accurate record of all pre-milled or treated products, and shall take request millhead assays and weights, duly recording the same.

8. It is expressly understood and agreed that said lessor reserve the property and the right of property in and to all ores extracted from said demised premises during the term of this lease.

9. In the event the said lessee fails in any material manner to comply with his covenants here in set out, the terms of this lease shall expire at the option of the lessors; provided that the lessee shall first be given thirty (30) days notice in writing of such defect, during which time lessee must remedy the fault complained of. Such notice shall be delivered in Person or mailed by registered mail with postage paid, and if intended for the lessee, addressed to him at James Paul O'Brien, 191 West 400 North, Spanish Fork, Utah, 18660, or if intended for the lessors, addressed to Jerry W. O'Brien, P.O. Box 358, Page, Arizona, and James J. O'Brien, 840 East 1st North, Spanish Fork, Utah, 84660, or such other place as may from time to time be agreed upon in writing by the party to be addressed. Communications by Lessors shall be official when signed by designated, whom until further notice shall be Jerry W. O'Brien or James J. O'Brien, 840 East 1st North, Spanish Fork, Utah, 18660. Upon lessee failing to remedy the fault complained of, the lessor may declare the rights of said lease and option terminated, and may enter upon and take possession of said property without let or hindrance on the part of the lessee.

10. The said lessor does by these presents, hereby grant and give unto the said lessee an option to purchase the said mining claims described herein, at any time during the term of this lease, for the sum of FIVE HUNDRED THOUSAND Dollars (\$500,000.00) U. S. coin of America, with the provision that all royalties paid during the life of this lease shall apply to the said purchase price.

11. It is understood and agreed that the lessee may not sell or assign this agreement without the written consent of the lessor.

12. Lessee agrees to pay and discharge any and all costs, attorney's fees and expenses of every nature which the lessor may incur in enforcing the covenants contained herein on the part of the lessee to be paid, kept, observed and performed.

Each and every clause and covenant of the above and foregoing lease, option, and agreement shall extend to, bind, and include the respective heirs, executors, administrators, and assigns of the lessor and of the lessee.

13. Assessment work in the amount of Four Hundred Dollars (\$400.00) is to be done by July 1, 1980 and continue for the one (1) year period or until patented. A report for Proof of Labor on the four (4) Liberty claims is to be submitted to the lessor by July 1, 1981 and each year thereafter on July 1. This report is to be filed by the lessor in Eureka, Nevada in the Recorder's Office in the names of Jerry W. O'Brien and James J. O'Brien. If assessment work is not finished by July 1, 1980, contract will be cancelled.

14. If all conditions are met in existing lease, option will be granted for another four (4) years after present lease is ended.

15. Operations on the property to be started within thirty (30) days from the date of signing of the lease.

IN WITNESS WHEREOF the parties hereto have signed their names the day and
year first above written:
Signed in the presence of:

Jerry W. O'Brien
Jerry W. O'Brien

James J. O'Brien
James J. O'Brien

James Paul O'Brien
James Paul O'Brien - Lessee

} Lessors

STATE OF UTAH)
COUNTY OF UTAH) ss

On this 10 day of March, 1980, personally appeared before me
James J. O'Brien, Jerry W. O'Brien, and James Paul O'Brien, the signers of the
foregoing instrument, who duly acknowledge to me that they executed the same.

My commission expires:

5-1-83

Notary Public
Residing at Spanish Fork, Utah

RECORDED AT THE REQUEST OF Paul O'Brien
on March 24, 1980, at 05 mins. past 4 P.M. In
book 77 of OFFICIAL RECORDS, page 513-518, RECORDS OF
EUREKA COUNTY, NEVADA. WILLIS A. DePAOLI Recorder
File No. 72850 Fee \$ 8.00

BOOK 75, PAGE 518