

98609

MINING LEASE

and

OPTION TO PURCHASE

THIS AGREEMENT made this 23rd day of August 1987

between Elmer F Schroeder, Fannie F. Kump et al and Elwood Wright JSK hereinafter referred to as LESSOR, and ARISTA GOLD AND SILVER, INC., a Colorado Corporation, whose principal offices are located at 5727 West 6th Avenue, Lakewood, Colorado, 80214, hereinafter referred to as LESSEE.

WITNESSETH:

That for and in consideration of the royalties to be paid and the covenants and conditions to be kept and performed by Lessee as hereinafter provided Lessor hereby exclusively leases to Lessee with option to purchase land and claims situated in EUREKA County NEVADA as described on Exhibit "A" attached hereto, by which reference becomes a part of this Agreement as though contained herein, and identified by signatures of the parties hereto for a term of 6 years from and after the date hereof and so long thereafter as mining or mine feasibility operations are conducted on the premises unless at any time sooner terminated as hereinafter provided, for the purpose of exploring, mining, producing, recovery and removing therefrom by any mining or producing method, precious metals, base metals or industrial minerals hereinafter referred to as leased substances in or on or under said premises, together with the right to make all excavations, construct all buildings, openings, ditches, drains, roads, railroads and other improvements that are or may become suitable or necessary for the mining and removal of such products from the premises, cut and use timber, and use such water as may be found on the premises or may be necessary for such mining operations.

The parties hereto further agree each with the other as follows:

1. GRANT: Lessor grants to Lessee during the term of Lessee's possession hereunder the full and exclusive right to explore, develop, mine and produce metals and minerals from said claim and land.
2. MINIMUM ROYALTY: Lessee shall pay Lessor a minimum royalty while this lease is in effect, payable monthly as follows:

On signing of lease 300, months 1-12 0,
months 13-36 200, months 37-60 400, months
61-term 600, or a sum of money equal to five (5)
percent of the net smelter returns of leased substances sold.

3. RECORDS ACCESSABILITY: Lessor or their duly appointed agent shall have the right to enter upon said premises for the purpose of examining Lessee's operations thereat and examining the books and records of Lessee pertaining to said operations provided that they do not interfere with the operations of the Lessee and shall be at no expense or liability to the Lessee.
4. LAWS AND TAXES: Lessee agrees to comply with all Federal, State, and local laws and regulations and agrees to pay all taxes that may be assessed or become due during the term of this Agreement, either against the leased lands or claims or improvements thereon or on the sale of Leased Substances.
5. INSURANCE: Lessee agrees to hold Lessor harmless from any and all claims for damages to person or property resulting from its mining or producing operations on the land and claims hereby leased and shall carry such liability and property damage insurance as Lessee shall deem adequate to protect both Lessee and Lessor from such claims during the term of this lease.
6. ASSESSEMENT WORK: Lessee agrees to perform at its own cost and expense, the annual assessment work for all unpatented claims during the term of the lease and agrees to prepare and record all proper affidavits, notices, and other documents required by Federal, State, and County requirements to evidence the performance of said annual assessment work and to provide Lessor with evidence of same at least 30 days prior to the closing date for recordation.
7. ASSIGNMENT: Lessee shall have the right to assign this lease to any person, firm or corporation with the written consent of Lessor, which consent Lessor shall not unreasonably withhold.
8. LESSEE EQUIPMENT: Lessee shall retain title to all machinery, equipment, mining plants, buildings, power and pipe lines, and other structures and fixtures placed on the premises and shall have the right and privilege to remove all or any of the same at any time, and in the event of forfeiture, cancellation, or termination of this Agreement for any reason Lessee may have a period of 120 days from the date of termination to remove said buildings, plant and equipment from the premises.

9. EXISTING STRUCTURES: Lessee shall have and is hereby granted the right to use any and all structures of any kind now existing on the premises but the same shall remain the property of Lessor.
10. DEFAULT: In the event that Lessee fails to make any of the payments herein provided, or fails to perform any of the covenants or agreements herein contained, then and in such event Lessor shall have the option of declaring this Agreement in default by giving written notice to Lessee by certified mail, postage prepaid, return receipt requested, which notice shall specify the particulars wherein this Agreement is not being carried out, and unless such delinquent payment is made within 30 days or other failure to perform is corrected within 90 days from the date of such notice, this Agreement shall be immediately terminated provided further that the period of time for remedying such matters in default shall be extended when Lessee is prevented from correcting said default by causes beyond the control of the Lessee.
11. LESSEE TERMINATION: Lessee may terminate this lease as to any and/or all of the claims covered hereby upon giving 30 days written notice of intention to terminate this Agreement as to such claim or claims; after which 30 day period this lease shall cease as to such claim or claims and Lessee shall have no further liability or responsibility to perform. *All Lessors shall participate equally in whatever claims remain in this agreement*
12. QUIT CLAIM DEED: Upon termination of the lease whether by forfeiture or otherwise, Lessee shall execute and deliver to Lessor a quit claim deed in proper form or a release of lease as required by Lessor.
13. TITLE DEFENSE: The Lessor warrants that they are the owners of all of the land/claims described in Exhibit 'A' attached hereto and all mineral rights thereto and agrees to defend the title to said land, and further agrees that Lessee, at its option, may discharge any tax, mortgage, or other lien upon said premises and in the event Lessee does so it may apply rentals and royalties accruing hereunder toward satisfying same. In case of suit, adverse claim, dispute or question as to the ownership of the Leased Premises, or of the royalties or rentals (or any interest therein) payable under this lease, Lessee shall not be in default in payment of rentals or royalties until such suit, claim, dispute or question has been finally disposed of, and Lessee shall have sixty (60) days after being furnished with the original instrument or document (or certified copies) disposing said suit, claim, dispute, or offer being furnished with proof

sufficient in Lessees opinion, to settle such question, within which to resume making payments. Should the rights or interest granted Lessee hereunder be disputed, it shall not be counted against Lessee either as affecting the term of the lease (which shall be extended by the period of dispute) or for any other purpose and the Lessee may withhold the making of all payments due Lessor hereunder without interest until there is a final adjudication or other determination of such dispute.

14. OPTION TO PURCHASE: The Lessor hereby grants to Lessee the exclusive and irrevocable right and option during the term of this lease to purchase all of the Lessors right, title, and interest in the above described Leased Premises for a total price of \$ 1,000,000. All payments, rentals, royalties, paid to Lessor pursuant to this Agreement shall apply as a credit against the purchase price. The Lessee may exercise its option at any time during the term of this lease by giving Lessor written notice of such exercise. The remaining balance, if any, on the purchase price shall be paid in cash, certified check or cashier's check at the time Lessor delivers to Lessee a duly executed Special Warranty Deed conveying all Lessor's right, title, interest in the above described Leased Premises.

15. NOTICES: All notices to be given hereunder to either party by the other party shall be sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

(1) Notices to Lessor:

Elmer F. Schroeder Box 6 - Crescent Valley Nev. 89821
F. Land Trust 120 Box 25 Crescent Valley, NV. 89821
FANNIE F. KEMP ET AL 120 Box 69 Crescent Valley, NV. 89821

(2) Notices to Lessee:

RA-468-0334

Either party may change such place of notice at any time by giving written notice thereof to the other party in the manner provided.

Executed on the date first above written in the county of Esuka State of Nevada.

Elmer F. Schroeder
LESSOR

Fannie F. Kemp
ET AL

[Signature]
LESSEE

[Signature]
President
Anata Gold & Silver Inc.

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Arista Gold & Silver Inc.
5727 W 6th Ave
Lakewood CO 80214

January 23, 1985

Dear Gentlemen,

RE: Mining Lease and Option to Purchase dated
August 23, 1984, between E.F. Schroeder,
F.F. Komp et al., and E. Wright, Lessors,
and Arista Gold & Silver Inc., Lessee.

With reference to the above referenced agreement, because I
was unable to deliver clear title to the Hardcount claims as
contemplated by the above referenced agreement, I hereby waive any
and all interests I may have in that agreement, and such agreement
should be considered null and void as it relates to me.

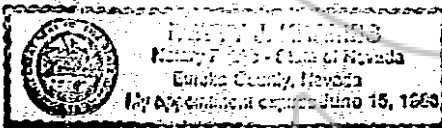
Signed,

E. Wright
Elwood Wright

Notary:

County of Eureka)
State of Nevada)

Elwood Wright appeared personally before me, Betty Krambs,
Notary Public and acknowledged that he had executed the
within document.



Betty J. Krambs

My Commission expires 15 June 1986

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Signature page to accompany Mining Lease and Option to Purchase Agreement between E.F. Schroeder, F.F. Komp ~~et al.~~, and Arista Gold and Silver Inc. dated 23 August, 1984

JJK

Elmer F. Schroeder
Elmer F. Schroeder

F.F. Komp
F. F. Komp ~~et al.~~
JJK

Notary: On 22 February 1985, J. K. Zervick appeared personally before me, a Notary Public for the State of Nevada and County of Esmeralda, and executed the within document.

Betty J. Krambs

J. K. Zervick
J. K. Zervick, President
Arista Gold & Silver Inc.



Notary:

On 22 February 1985, Elmer F. Schroeder, and F. F. Komp appeared personally before me, a Notary Public, for the State of Nevada, County of Esmeralda, and executed the foregoing document.

Betty J. Krambs



My Commission expires 15 June 1986

Exhibit A.

Original
Page 1 of 3

Claim Name	Book	Page	BLM Serial No
West 1	79	315	NMC 144234
2	79	316	235
3	79	317	236
4	79	318	237
5	79	319	238
6	79	320	239
7	18	145	520
8	18	147	521
9	18	149	522
10	18	151	523
11	18	153	524
12	34	150	525
14	39	420	526
Key R.U.	11	92	NMC 87527
O'Dair 1	79	326	NMC 144240
2	79	321	241
3	79	322	242
4	79	323	243
R & E #1	79	324	NMC 144244
2	11	90	87531
3	79	325	144245
Keystone Ext.	33	144	NMC 87530
North Key	11	88	87529
Key #2	25	257	87528

Lessors Elmer Schroeder & Fannie K. Kopp BOOK 134 PAGE 65
Lessee General Resident Trust, Sold & Silo Inc

Claim Name	Book	Page	BLM Serial No
Hope # 1	42	465	
2	42	466	
3	42	467	
4	47	192	
5	47	193	
6	47	194	
7	47	195	
8	47	196	
9	47	197	
10	47	198	
11	47	199	
12	47	200	

Hard count # 3

- 4.
- 5
- 6.
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18.

Lessons
Series.

Elmer Schroeder x Hannie J. Komp
John Jensen President
Trustee Sold & Wren
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Claim Name	Book	Page	Serial No
Hardecount #19			
		20	
		21	
		22	
		23	
		24	

	U.S. Patent No	Mineral Survey	Book	Page
Keystone Lode	3816	MS 340	10	483
O'Dair Lode	3896	MS 306	10	483

Lessors.

Elmer F. Schroeder

X Jamie J. Komp

Lessee

Benich president
Trust Gold & Silver

RECORDED AT REQUEST OF
Arista Gold & Silver Inc.
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85 APR 3 A10:34

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.N. RESALE A.T.I. RECORDER
FILE NO. 98609
FEE \$ 14.00

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