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MINING LEASE  
between  
PRECAMBRIAN EXPLORATION, INC.  
and  
TONKIN SPRINGS GOLD MINING COMPANY

January 5, 1985

Tonkin Springs Properties  
Eureka County, Nevada

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between  
Tonkin Springs Gold Mining Company  
and  
Precambrian Exploration, Inc.

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#### EXHIBITS

- A - Description of Properties
- B - Plat of Area of Interest
- C - Accounting Procedure
- D - Guaranty by Silver State Mining Corporation
- E - Form of Notice for Posting and Recording
- F - Insurance Amounts

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## MINING LEASE

THIS MINING LEASE, is made effective as of January 5, 1985, regardless of the dates upon which it actually is executed by the parties hereto, by and between PRECAMBRIAN EXPLORATION, INC., a Nevada corporation ("Lessor"), whose address is 4955 Iris Street, Wheat Ridge, Colorado 80033, and TONKIN SPRINGS GOLD MINING COMPANY, a Colorado corporation ("Lessee"), whose address is 1600 Hudson's Bay Centre, 1600 Stout Street, Denver, Colorado 80202-3133.

## RECITALS

WHEREAS, Lessor owns certain mineral properties in Eureka County, Nevada, which Properties are described in Exhibit A to this Lease and defined in Section 1.22 hereof; and

WHEREAS, Lessee wishes to lease the Properties from Lessor, and Lessor wishes to lease the Properties to Lessee, subject to the terms and conditions of this Lease;

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the Parties contained herein, Lessor and Lessee agree as follows:

## ARTICLE I

DEFINITIONS

As used in this Lease, the following terms have the meanings indicated:

Section 1.01. "Accounting Procedure" means the procedures set forth in Exhibit C.

Section 1.02. "Affiliate" means any person, partnership, joint venture, corporation or other form of enterprise which directly or indirectly controls, is controlled by, or is under common control with, a Party or that holds or beneficially owns 50 percent or more of the equity interest in a Party or 50 percent or more of any class of voting securities of a Party. For purposes of the preceding sentence, "control" means possession, directly or indirectly, of the power to direct or cause direction of management and policies through ownership of voting securities, contract, voting trust or otherwise.

Section 1.03 "Area of Interest" means the area described in the plat attached hereto as Exhibit B.

Section 1.04. "Commence Commercial Production" or "Commencement of Commercial Production" means to mine, stack and begin leaching at least 200,000 tons of gold ore from the Properties.

Section 1.05. "Commercial Production" means the extraction, processing and marketing of Products of merchantable form and quantity from the Property, in quantities larger than required for the purpose of bulk sampling, testing, analysis or evaluation.

Section 1.06: "Costs" means all costs and expenses of Operations, calculated in accordance with paragraph 5 of the Accounting Procedure.

Section 1.07. "Development" means the post-Exploration preparation of the Properties for Commercial Production, including the removal of overburden, construction of leaching pads, installation of equipment, and construction and installation, modification, repair, alteration or expansion of capital assets or other improvements or Facilities to be used for Commercial Production.

Section 1.08. "Exploration" means the pre-Development work of investigating the Properties, prospecting, searching and exploring for minerals on, in or under properties wholly or partly within the Area of Interest (whether before or after acquisition by a Party pursuant to Article VIII) and examining, measuring and sampling any mineral deposits discovered to gain knowledge of the size, shape, position, characteristics and value of the deposit.

Section 1.09. "Facilities" means all personal property, machinery, equipment, fixtures, improvements and other tangible or intangible properties acquired, constructed or installed on or for the benefit of the Properties by or on behalf of Lessee.

Section 1.10. "Financial Accounts" means the books and records maintained by Lessee in accordance with the Accounting Procedure.

Section 1.11. "Guaranty" means that certain Guaranty of even date herewith from Silver State Mining Corporation, attached hereto as Exhibit D.

Section 1.12. "Lease" means this Mining Lease, including all amendments and modifications thereof and all exhibits thereto, which are incorporated herein by reference.

Section 1.13. "Lessee Payout" means such time as Lessee shall have received aggregate Net Profits equal to the

aggregate amount of Lessee's investment in the Properties (as defined below in this Section 1.13), plus simple interest accruing at the Prime Interest Rate on the outstanding balance of Lessee's investment in the Properties. For purposes of this definition, Lessee's investment in the Properties at any given time shall be deemed to be: (i) Costs incurred by Lessee at any time (including before the effective date of this Lease) prior to the initial Commencement of Commercial Production; plus (ii) the \$50,000 paid by Silver State Mining Corporation to Lessor pursuant to the Option Letter Agreement between Silver State Mining Corporation and Lessor dated October 12, 1984 (the "Option Letter"); minus (iii) the aggregate amount of any Net Profits that have been retained by Lessee at or prior to that time.

Interest shall begin to accrue on Costs on the dates that such expenses were incurred by Lessee. Interest on the \$50,000 paid by Silver State Mining Corporation pursuant to the Option Letter shall accrue from December 19, 1984.

Section 1.14. "Lessor Payout" means such time as Lessor shall have received aggregate distributions from its Net Profits royalty pursuant to Article V equal to its investment in the Properties (as defined below in this Section 1.14), plus simple interest accruing at the Prime Interest Rate from the effective date of this Lease on the outstanding balance of Lessor's investment in the Properties. For purposes of this definition, Lessor's investment in the Properties at any given time shall be deemed to be the amount of \$1,200,000, plus the reasonable legal expenses incurred by Lessor in connection with the negotiation, drafting and closing of this Lease, minus the aggregate amount of any Net Profits royalties that have been paid to Lessor at or prior to that time.

Section 1.15. "Mining" means the post-Development mining, extracting, transporting, producing, handling, milling or other processing of Products, and such reclamation as may be required under the terms of this Lease.

Section 1.16. "Net Operating Losses" shall mean any excess of Costs of Mining and Commercial Production (but not including Costs of Exploration and Development and Costs of construction, installation, modification, repair, alteration or expansion of capital assets on the Properties) over the cash or value accounted for or realized from or through sales or distributions in kind of Products as provided in Article V hereof and paragraph 4 of the Accounting Procedure.

Section 1.17. "Net Profits" shall mean the sum of all proceeds from the sale or distribution of Products and proceeds from other miscellaneous sources, calculated as provided in

Article V hereof and subparagraphs 4(A) and 4(B) of the Accounting Procedure, less Costs of Mining and Commercial Production, but not less any Costs for Exploration or Development or any Costs of construction, installation, modification, repair, alteration or expansion of capital assets on the Properties.

Section 1.18. "Operations" means all activities of Lessee under this Lease, including Exploration, Development, Mining and Commercial Production.

Section 1.19. "Party" means the Lessor or Lessee, as the context requires, and "Parties" means Lessor and Lessee.

Section 1.20. "Prime Interest Rate" means the interest rate published by Citibank in New York, New York as its prime rate, adjusted monthly as provided in this definition. On the 25th day of each calendar month, the Prime Interest Rate shall be adjusted for the following calendar month to the rate in effect (a) as of the close of business on that day or (b) if that day is not a business day, as of the close of business on the immediately prior business day. If Citibank ceases to publish a "prime rate," Lessee shall designate a major financial institution based in New York, New York, and the prime interest rate of that institution (or comparable rate, if the term "prime interest rate" is no longer in use) shall be deemed to be the "Prime Interest Rate" in this Section 1.20.

Section 1.21. "Products" means all ores, concentrates, slag, dore, bullion or other mineral commodity produced from the Property.

Section 1.22. "Property" or "Properties", unless otherwise specifically indicated, means (a) the unpatented mining claims described in Exhibit A, (b) all additional real property rights or contract rights in the Area of Interest subsequently included in the Properties pursuant to this Lease, and (c) all related franchises, surface rights, easements, rights-of-way, permits, licenses, water rights and other appurtenant rights.

## ARTICLE II

### GRANT OF LEASE

Lessor hereby leases exclusively to Lessee, on the terms, conditions and limitations contained in this Lease, all of the right, title and interest that Lessor now has or hereafter acquires in the Properties. Lessor hereby grants to Lessee, on the terms, conditions and limitations contained in



this Lease, the sole and exclusive right and privilege to explore and prospect for, develop, mine (by any surface or subsurface method), treat, mill, remove, prepare for market, store, market, sell and ship Products from the Properties for its own account, subject to its obligations pursuant to Article V to account to Lessor for Lessor's production royalty of Net Profits. Lessor also grants to Lessee the right to enter upon, use and occupy the Properties with workmen, structures, and equipment; the right to construct, use, maintain, repair, replace, and relocate buildings, roads, tailings ponds, waste dumps, ditches, pipelines, power and communication lines, structures, mills, processing facilities, utilities, and other improvements and facilities reasonably required by or useful to Lessee for the full enjoyment of the Properties; the right to use so much of the Properties as may reasonably be necessary, convenient or suitable for the storage and/or permanent disposal of wastes, residues, tailings or other by-products of development, production or other Operations on the Properties; the right to drain through and from the Properties and to draw into any water course in, upon, or under the Properties any water from Operations conducted thereon or on other properties owned, worked, or leased by Lessee; the free and uninterrupted right of Lessee and its authorized agents of ingress and egress to, through, under, upon, and from the Properties for said purposes; the privilege of moving materials of every kind across, under, or through the Properties, of moving such material from the Properties to other lands in the area, and of milling and preparing Products from the Properties or from other lands, separately or commingled, as Lessee may elect; and all other rights and privileges of any nature necessary or convenient in order to exercise any of Lessee's rights hereunder. Prior to commingling Products from the Properties with Products from other lands, Lessee shall take such steps regarding determination of weight, volume and mineral content and regarding taking, distribution, and retention of sample splits as Lessor may reasonably request.

### ARTICLE III

#### TERM OF LEASE

Unless sooner terminated pursuant to other provisions of this Lease, this Lease shall remain in effect for a primary term of thirty (30) years from the effective date hereof, and for so long thereafter as Development, Mining or Commercial Production is occurring on any of the Properties on a continuous basis. For purposes of this Article III, such activities shall be deemed to be occurring on a continuous basis if all or any of such activities occur on any of the Properties during at least one hundred eighty (180) days of an

anniversary year of this Lease, subject to events or force majeure as provided in Section 12.03 hereof. Unless otherwise specified, all references herein to the "term" of this Lease shall mean and include both the primary and extended term.

#### ARTICLE IV

##### WORK COMMITMENTS AND COMMERCIAL PRODUCTION BY LESSEE

Section 4.01. Drilling Commitment/Permits. Lessee hereby agrees to drill at least 5,000 feet of exploratory test holes on the Properties prior to January 1, 1986 and to contract with Thomas E. Gesick ("Gesick") for such drilling in the manner described in the letter from Silver State Mining Corporation to Lessor dated January 17, 1985 (the "Gesick Letter"); provided, however, that the term of Lessee's contract with Gesick shall commence when this Lease has been executed by both Lessor and Lessee, and shall end on October 31, 1985. In addition, Lessee shall obtain as soon as possible all permits necessary in order to Commence Commercial Production, and Lessor shall provide Lessee with its full cooperation and assistance in procuring such permits.

Section 4.02. Commencement of Commercial Production in 1985. Lessee shall Commence Commercial Production on or before December 31, 1985, if:

(i) On or before July 1, 1985, Lessee has obtained all of the permits necessary in order to Commence Commercial Production; and if

(ii) The average afternoon London fixing price of refined gold bullion over any period of sixty consecutive business days between April 30 and September 1 of 1985 is at least U.S. \$310 per troy ounce.

In the event that conditions (i) and (ii) above are met but Lessee fails to Commence Commercial Production on or before December 31, 1985, then (unless such failure is caused by a force majeure as provided in Section 4.06 hereof) Lessee shall pay Lessor \$100,000 on January 1, 1986, and the provisions of Section 4.03 hereof thereupon shall apply. If conditions (i) and (ii) above are not met, then the provisions of Section 4.03 shall apply commencing January 1, 1986, and Lessee shall not be required to pay Lessor the \$100,000 amount provided for in the preceding sentence in order to keep this Lease in effect through December 31, 1986. If Lessee Commences Commercial Production on or before December 31, 1985 pursuant to the provisions of this Section 4.02, then the provisions of Section 4.05 hereof shall thereupon apply and Sections 4.03 and 4.04 hereof shall have no force or effect.

Section 4.03. Commencement of Commercial Production in 1986. Lessee shall Commence Commercial Production on or before December 31, 1986, if:

(i) On or before July 1, 1986, Lessee has obtained all of the permits necessary in order to Commence Commercial Production; and if

(ii) The average afternoon London fixing price of refined gold bullion over any period of sixty consecutive business days between April 30 and September 1 of 1986 is at least U.S. \$310 per troy ounce.

In the event that conditions (i) and (ii) above are met, and Lessee was not required to make the \$100,000 payment to Lessor pursuant to Section 4.02 hereof, then, if Lessee fails to Commence Commercial Production on or before December 31, 1986 (unless such failure is caused by a force majeure as provided in Section 4.06 hereof), Lessee shall pay Lessor \$100,000 on January 1, 1987, and the provisions of Section 4.04 hereof thereupon shall apply. In the event that conditions (i) and (ii) above are met, and Lessee was required to make the \$100,000 payment to Lessor pursuant to Section 4.02 hereof, then, if Lessee fails to Commence Commercial Production on or before December 31, 1986, the sole effect of such failure shall be that this Lease shall terminate automatically at midnight, December 31, 1986, unless on or before December 31, 1986, Lessee pays Lessor the sum of \$100,000, in which event this Lease shall remain in effect until at least December 31, 1987 (unless otherwise earlier terminated hereunder), and the provisions of Section 4.04 thereupon shall apply. If conditions (i) and (ii) are not met, then Lessee shall not be required to pay the \$100,000 provided for in this Section 4.03 in order to keep this Lease in effect through December 31, 1987, and the provisions of Section 4.04 hereof shall apply. If Lessee Commences Commercial Production on or before December 31, 1986 pursuant to the provisions of this Section 4.03, then the provisions of Section 4.05 hereof shall thereupon apply and Section 4.04 hereof shall have no force or effect.

Section 4.04. Commercial Production Deadline. Anything to the contrary herein notwithstanding, in order to keep this Lease in effect beyond December 31, 1987, Lessee must Commence Commercial Production on or before December 31, 1987. In the event that Lessee fails to do so, then this Lease shall terminate automatically effective as of December 31, 1987.

Section 4.05. Subsequent Production; Suspension of Commercial Production. Subject to the provisions of this Section 4.05, after Lessee has Commenced Commercial Production,

it shall continue Commercial Production at the maximum economic rate subject to the limits of economically producible ore reserves, good economic mining practice and climatic conditions. Lessee may suspend Commercial Production at such time as the average afternoon London fixing price of refined gold bullion over the immediately preceding sixty consecutive business days was less than U.S. \$310 per troy ounce, but, subject to force majeure conditions as provided in Section 12.03 hereof, Lessee shall resume Commercial Production when such average afternoon fixing price over the immediately preceding sixty consecutive business days equals or exceeds U.S. \$310 per troy ounce.

Section 4.06. Effect of Force Majeure. The force majeure provisions of Section 12.03 hereof shall not defer, suspend, or have any other effect whatsoever with regard to the December 31, 1987 Commencement of Commercial Production deadline prescribed in Section 4.04 hereof. However, if force majeure conditions are present and the force majeure provisions of Section 12.03 hereof are invoked by Lessee, the December 31, 1985 and December 31, 1986 Commencement of Commercial Production deadlines prescribed in Sections 4.02 and 4.03 hereof, respectively, the due dates of the \$100,000 payments provided for therein, and the resumption of Commercial Production provisions of Section 4.05 hereof, shall be deferred and extended for the period of force majeure as provided in Section 12.03.

Section 4.07. Payment of Costs of Operations. For so long as this Lease remains in effect, Lessee shall pay all costs of all Operations and shall bear any Net Operating Losses.

#### ARTICLE V

#### LESSOR'S NET PROFITS ROYALTIES

Section 5.01. Payments of Net Profits Royalties  
Generally. Lessee shall pay Lessor, on a monthly basis, a production royalty equal to the applicable percentages of Net Profits specified in Sections 5.02, 5.03 and 5.04 below, after Lessee has retained a reserve of a reasonable amount of cash for working capital. Such reserve shall (i) not include any amounts for construction, installation, modification, repair, alteration or expansion of any capital assets on the Properties, and (ii) be maintained by Lessee in an interest bearing account with all interest earned thereon being included as part of proceeds from the sale of Product for purposes of calculating Net Profits.

Section 5.02. Net Profits Royalty Prior to Lessor Payout. Except as provided in Section 5.04 below, prior to the occurrence of Lessor Payout, Lessee shall pay Lessor a production royalty equal to 10% of Net Profits until Lessee Payout has occurred, after which Lessee shall pay Lessor a production royalty equal to 70% of Net Profits. Prior to the occurrence of Lessor Payout all payments of Lessor's production royalty shall be in cash only, and Lessee shall have the discretion of marketing the refined Products at not less than the prevailing market price and pursuant to whatever marketing mechanism it deems advisable, including arms-length forward sales and hedging; provided, however, that Lessee shall not enter into any contract that applies to more than 55% of production of Products for more than one year from the date of that contract without Lessor's prior written consent. All Net Profits accounting for any such forward sales and hedging shall be made on the basis of the proceeds actually received by Lessee as a result of such dispositions.

Section 5.03. Net Profits Royalty Following Lessor Payout; Taking of Royalty in Kind. Except as provided in Section 5.04 below, after Lessor Payout has occurred, Lessee shall pay Lessor a production royalty equal to 45% of Net Profits. After the occurrence of Lessor Payout, and subject to the terms of any contracts of sale then outstanding, Lessor shall have the option of taking in kind or separately disposing of 45% of refined Products. Such right may be exercised by giving Lessee at least 30 days' written notice of Lessor's intention to take in kind or separately dispose of its share of refined Products. Lessee shall give Lessor notice at least 10 days in advance of the delivery date upon which Lessor's respective share of refined Products will be available. If Lessor fails to exercise its right to take such share of refined Products in kind, then Lessee shall have the right to market such share as agent for Lessor at not less than the prevailing market price. Any extra expenditure incurred by Lessee due to Lessor's taking in kind or separate disposition of refined Products shall be borne by Lessor. Nothing in this Lease shall be construed as providing, directly or indirectly, for any joint or cooperative marketing or selling of Products or permitting the processing of Products of any parties other than the Parties at any processing facilities constructed by Lessee pursuant to this Lease. Notwithstanding any other provision of this Lease to the contrary, if Lessor exercises its right to take in kind or separately dispose of refined Products under this Section 5.03, then Lessor shall be required to pay Lessee 45% of Costs of Mining and Commercial Production (but not including any Costs for construction, installation, modification, repair, alteration or expansion of capital assets on the Properties) that are associated with the production of the refined Products so taken or disposed of. Lessee shall bill Lessor for such Costs as they are incurred, and Lessor

shall pay such bills within 15 days of its receipt of those bills.

Section 5.04. Special Cost Recovery by Lessee. The purpose of this Section 5.04 is to readjust periodically the payments of the Net Profits royalty to Lessor, if necessary, to take into account Costs for Exploration or Development or construction, installation, modification, repair, alteration or expansion of capital assets on the Properties or Net Operating Losses that may be incurred by Lessee following the initial Commencement of Commercial Production. In order to accomplish this purpose, Lessor's Net Profits royalty may, from time to time following the occurrence of Lessee Payout, revert to 10%. Immediately after the occurrence of Lessee Payout, an account shall be established which shall be known as the Lessee Special Cost Recovery Account ("LSCRA"). The LSCRA shall be credited with: (i) all Costs incurred after initial Commencement of Commercial Production for Exploration and Development and construction, installation, modification, repair, alteration or expansion of capital assets on the Properties; and (ii) all Net Operating Losses that are incurred by Lessee. The LSCRA also shall be credited with amounts equal to simple interest at the Prime Interest Rate on the balance of the LSCRA. During any period of time when there is a positive balance in the LSCRA, the LSCRA shall be debited by the amount of Net Profits retained by Lessee and by the amount of any distributions to Lessee under Section 10.03 hereof. For purposes of the preceding sentence, distributions of refined Products taken in kind or separately disposed of shall be accounted for on the basis of the afternoon London fixing price of such refined Products on the date that such refined Products are ready for shipment. Notwithstanding any provision of this Lease to the contrary, at any time that there is a positive balance in the LSCRA, Lessor shall receive a production royalty equal to 10% of Net Profits.

Section 5.05. Payment of Distributions. Payments of Lessor's Net Profits royalty shall be deposited into a bank account to be established by Lessor for the purpose of receiving such payments. Any refined Products taken in kind or separately disposed of by Lessor pursuant to this Article V shall be delivered or made available by Lessee in accordance with instructions furnished to Lessee exclusively by Lessor. Lessor shall indemnify Lessee for any losses, liabilities or obligations that Lessee may accrue in connection with its administration of cash and in kind distributions allocated to Lessor under this Section 5.05; provided, that such indemnification shall not be enforceable by Lessee if Lessee has failed to comply with the provisions of this Section 5.05 in administering the distribution in question. Any payments by Lessee of the \$100,000 amounts under Sections 4.02 and 4.03 above shall be made by Lessee directly to Lessor at Lessor's



address for notice hereunder, and the provisions of this Section 5.05 shall in no way apply to such payments.

Section 5.06. Reports. On or before the last day of each calendar quarter during the term of this Lease, Lessee shall furnish Lessor with a statement setting forth, in reasonable detail, the computation of Costs and Net Profits for the previous calendar quarter.

Section 5.07. Audits. Upon ten days prior notice from Lessor to Lessee, Lessor shall have the right to audit, at its sole expense, the records of Lessee relative to Operations and the computation of Costs and Net Profits. Any audit made pursuant to this Section 5.07 shall be during Lessee's normal business hours. Lessor shall have no right to audit the records of Lessee relating to Costs and Net Profits more than 24 months prior to the date of the audit. All such records that are more than 24 months prior to the date of the audit, and all Costs and Net Profits calculations based thereon, shall be conclusive as between Lessee and Lessor.

Section 5.08. Nature of Production Royalty Interest. Lessor's interest in Net Profits shall constitute an economic interest in minerals in place but, except as expressly provided to the contrary in this Lease, Lessee shall have no obligation to begin or prosecute any Operations, nor shall there be any implied covenants under this Lease to do so. Except as expressly provided to the contrary herein, Operations conducted by Lessee shall be performed only to the extent and at such time and locations, and by or with such methods as Lessee, in its sole discretion, shall deem desirable.

Section 5.09. Suspension of Production Royalty Payments. In the event that any person, firm, or corporation (other than Lessor or its successors or assigns and other than any party from whom a property in the Area of Interest is acquired pursuant to Article VIII) claims to be entitled to all or any portion of any production royalty payment that becomes due Lessor under this Lease, Lessee shall have the right to suspend payments to Lessor to the extent of the adverse claim asserted. Said suspension shall not result in termination of this Lease and shall remain in effect until such adverse claim is resolved to Lessee's satisfaction. The suspended payments shall be deposited by Lessee into an interest-bearing account. Upon resolution of the adverse claim to Lessee's satisfaction, the payments plus interest accrued thereon shall be remitted to the party entitled to same. If any person, firm or corporation (other than Lessor or its successors or assigns and other than any party from whom a property in the Area of Interest is acquired pursuant to Article VIII) is entitled to the payment of production royalties in the Properties or production therefrom, and if Lessee is required to pay same, then Lessee

may deduct such payments from any payments that are or become due Lessor under this Lease.

## ARTICLE VI

### LESSEE'S RIGHTS AND OBLIGATIONS

Lessee shall have the following rights and obligations in connection with Operations:

#### Section 6.01. Protection of Properties and Facilities.

To take all actions, to make such expenditures and to incur such liabilities as may be necessary or prudent to maintain and protect the Properties and Facilities, including, without limitation, the payment of all taxes, royalties, rentals and other amounts payable with respect to the Properties or the Facilities, the performance of duties to maintain the interest of the Parties in and to the Properties, and the conduct of such title examinations and, subject to Section 6.04 hereof, the curing of such title defects with respect to the Properties as may be advisable in the reasonable judgment of Lessee, after consultation with Lessor. Lessor agrees to make available to Lessee all title information regarding the Properties in Lessor's possession or control. Lessee shall keep the Properties free and clear of all liens and encumbrances, except for those, if any, created by Lessor. Lessee shall post and maintain on the Properties notices in the form of Exhibit E to this Lease and shall properly record such a notice in the real estate records of Eureka County, Nevada. Notwithstanding the foregoing provisions, Lessee shall be permitted to encumber unilaterally its interest in this Lease, as the same may from time to time exist.

#### Section 6.02. Retention of Consultants and Purchases of Material.

To arrange for and carry out Operations, including without limitation, (i) obtaining such consultants, technicians, lawyers, accountants, agents, Affiliates, and independent contractors as Lessee may deem to be reasonably necessary or helpful; provided, however, that if Lessee engages Affiliates to provide services hereunder, it shall do so on terms no less favorable than would be the case with unrelated persons in arms-length transactions; (ii) purchasing, leasing or entering into contracts with Affiliates for materials, supplies, equipment and services in connection with Operations; provided, however, that if Lessee purchases or leases from, or enter into contracts with Affiliates, it shall do so on terms no less favorable than would be the case with unrelated persons in arms-length transactions; and (iii) obtaining financing from trade creditors in the ordinary course of business (provided, that all purchases, acquisitions and hirings described in this Section 6.02 shall be made by Lessee on terms no less favorable



than would be the case with unrelated persons in arms-length transactions, and that Lessee shall obtain such customary warranties and guarantees as are available in connection with such purchases, acquisitions and hirings).

Section 6.03. Hiring of Employees. To hire all executives and other employees needed to conduct Operations, which employees may be existing employees of Lessee or an Affiliate of Lessee, subject to the requirements contained in item (i) in Section 6.02 hereof.

Section 6.04. Amendment, Relocation and Patenting of Mining Claims. With the prior consent of Lessor, which consent shall not be withheld unreasonably, to perfect mining rights, including but not limited to amending and relocating mining claims or millsites in the name of Lessor, and acquiring access rights, surface rights, water rights, mining claims, mineral rights and other appurtenant rights and interests necessary or convenient for Operations (provided, that if Lessee desires to patent any mining claim that is a part of the Properties it shall first obtain the written consent of Lessor to patent such mining claim).

Section 6.05. Payment of Taxes. To pay property, ad valorem, or other taxes levied or assessed against any of the Properties or Facilities. Lessee shall have the right to contest in the courts or otherwise, the validity or amount of any taxes, assessments or charges if the Lessee deems those taxes, assessments or charges to be unlawful, unjust, marginal or excessive, or to undertake such other steps or proceedings as Lessee may deem reasonably necessary to secure a cancellation, reduction, readjustment or equalization thereof before Lessee shall be required to pay such tax, assessment or charge, but in no event shall Lessee permit or allow title to the Properties to be clouded or lost as a result of the nonpayment of any taxes, assessments or like charges.

Section 6.06. Permits and Compliance with Laws. To: (i) apply for all necessary permits, licenses and approvals and to post all related bonds or sureties; (ii) comply with all applicable federal, state and local laws and regulations; (iii) notify promptly Lessor of any allegations of substantial violation thereof; and (iv) prepare and file all reports or notices required for Operations. Lessee shall not be in breach of this provision if a violation has occurred in spite of Lessee's good faith efforts to comply, and Lessee has timely cured or satisfied such violation through performance, or payment of fines and penalties, or if Lessee is in good faith contesting the validity or applicability of such laws or regulations.

Section 6.07. Assessment Work. To perform or cause to be performed, in accordance with good mining practices, all assessment work on the unpatented mining claims included within the Properties. This assessment work obligation shall be met by actual work on the ground, and none of Lessee's home office or other indirect costs shall be used to meet that obligation. Lessee shall have the right to perform the assessment work required hereunder pursuant to a common plan of exploration and continued actual occupancy of such claims shall not be required. Lessee shall timely record with the appropriate county and file with the appropriate United States agency, affidavits in proper form attesting to the performance of assessment work, or notices of intent to hold in proper form if such assessment work is not required by law to maintain the claims, and allocating therein, to or for the benefit of each claim, at least the minimum amount required by law to maintain such claim.

Section 6.08. Reports, Access to Data and Inspections. Lessee shall keep Lessor advised of all Operations by submitting in writing to Lessor: (i) quarterly progress reports; (ii) periodic summaries of data acquired; and (iii) such other reports as Lessor may reasonably request. At all reasonable times Lessee shall provide Lessor or its representative, upon the request of Lessor, access to, and the right to inspect and copy (with the first copy being free and all other copies being at the expense of Lessor) all maps, drill logs, core tests, reports, surveys, assays, analyses, production reports, operations, technical, accounting and financial records, and other information acquired in Operations. In addition, Lessee shall allow Lessor, at its sole risk and expense, and subject to reasonable safety regulations, to inspect the Properties, Facilities and Operations at all reasonable times, so long as Lessor does not unreasonably interfere with Operations.

Section 6.09. Disposal of Materials. To sell or dispose of any tools, equipment and supplies used in Operations that may be worn out, obsolete or no longer useful. Any proceeds from such sale or disposal shall be included as part of proceeds from the sale of Product for purposes of calculating Net Profits.

Section 6.10. Records. To keep and maintain all accounting and financial books and records of all transactions relating to the calculation of Costs and Net Profits, in accordance with the Accounting Procedure.

Section 6.11. Reclamation. To perform, at Lessee's sole cost and expense, all Operations related to reclamation or restoration of lands affected by Operations as may be required by applicable federal, state or local law, rule, or regulation. This duty shall survive termination of this Lease.

Section 6.12. Standard of Care. Lessee shall conduct all Operations in a good, workmanlike and efficient manner, in accordance with sound mining and other applicable industry standards and practices, and in accordance with the terms and provisions of leases, licenses, permits, contracts and other agreements pertaining to the Properties and Facilities.

Section 6.13. Insurance. Lessee shall at all times during the term of this Lease, carry and maintain workmen's compensation insurance as required by the state of Nevada (or may self-insure such risk to the extent permitted by law), employer's liability insurance, comprehensive general liability insurance, including specifically, coverage for explosion, collapse and underground hazard, automobile liability insurance, including coverage for owned automobiles, non-owned automobiles and hired automobiles. This comprehensive general liability policy and automobile liability policy shall name Lessor as an additional insured. The amounts of these insurance policies shall be as specified in Exhibit F hereto.

Lessee shall also maintain and keep in full force and effect during the term of this Lease, policies of fire insurance with extended coverage endorsement on all Facilities, in amounts consistent with good business practice and the standards of the industry.

All insurance required to be carried pursuant to this Section 6.13 shall be primary and exclusive of any carried by Lessor and shall be exhausted first, notwithstanding that Lessor may have other valid and collectible insurance covering the same risk, and shall contain waivers of subrogation in favor of Lessor. Lessee shall provide Lessor with certificates evidencing the insurance or self-insurance required to be carried by Lessee under this Section 6.13, which certificates shall show or provide that it may not be cancelled or the coverage reduced or modified on less than 10-day's prior written notice to Lessor. Nothing contained herein shall limit Lessee's liability to Lessor under this Lease to the scope or amount of Lessee's insurance coverage.

Section 6.14. Lessee's Liability; Indemnification. Subject to the provisions of Section 6.08 hereof with respect to Lessor's inspections, Lessee agrees to indemnify and hold Lessor harmless from and against any claims, liabilities (including reasonable attorneys' fees), damages or causes of action for personal injury or property damage resulting from Lessee's Operations hereunder.

## ARTICLE VII

REPRESENTATIONS AND WARRANTIES

Section 7.01. Capacity of Parties. Each of the Parties represents and warrants as follows:

(a) that it is a corporation duly incorporated and in good standing in its state of incorporation and that it is qualified to do business and is in good standing in the State of Nevada;

(b) that it has the capacity to enter into and perform this Lease and all transactions contemplated herein and that all corporate and other actions required to authorize it to enter into and perform this Lease have been properly taken; and

(c) that it will not breach any other agreement or arrangement by entering into or performing this Lease and that this Lease has been duly executed and delivered by it and is valid and binding upon it in accordance with its terms.

Section 7.02. Representations and Warranties. Lessor makes the following representations and warranties effective the date hereof:

(a) With respect to unpatented mining claims that were located by Lessor and that are included within the Properties, except as provided in Part 1 of Exhibit A and subject to the paramount title of the United States: (i) the unpatented mining claims were properly laid out and monumented; (ii) all required location and validation work was properly performed; (iii) location notices and certificates were properly recorded and filed with appropriate governmental agencies; (iv) all assessment work required to hold the unpatented mining claims has been performed in a manner consistent with the standards of the mining industry through the assessment year ending September 1, 1984; (v) all affidavits of assessment work and other filings to maintain the claims in good standing have been properly recorded or filed with appropriate governmental agencies; (vi) the claims are free and clear of defects, liens and encumbrances arising by, through or under Lessor; and (vii) Lessor has no knowledge of conflicting unpatented mining claims. Nothing in this Section 7.02(a), however, shall be deemed to be a representation or warranty that each of the unpatented mining claims has a discovery of minerals within its respective boundaries.

(b) With respect to the Properties, there are no pending or threatened actions, suits, claims or proceedings. The representations and warranties set forth above shall

survive the execution and delivery of any documents of assignment or conveyance provided for under this Lease.

(c) Lessor has delivered to Lessee all information concerning title to the Properties in Lessor's possession or control, including, but not limited to, true and correct copies of all status reports, title opinions, claim location and maintenance documents, and contracts relating to the Properties.

Section 7.03. Disclosures. Each of the Parties represents and warrants that it is unaware of any material facts or circumstances which have not been disclosed in this Lease, which should be disclosed to the Other Party in order to prevent the representations in this Article VII from being materially misleading.

## ARTICLE VIII

### ACQUISITIONS WITHIN AREA OF INTEREST

Section 8.01. General. Any interest or option to acquire any interest in real property within the Area of Interest owned on May 15, 1985 by or on behalf of a Party or any Affiliate shall, without any payment therefor by the other Party, be included automatically in the Properties and shall be subject to the terms and provisions of this Lease. The Party or Affiliate owning such interest shall execute such conveyances or instruments as may be necessary or appropriate to convey such interest to Lessor and to make such interest subject to the terms and conditions of this Lease. After May 15, 1985, neither Party nor any Affiliate shall acquire any interest or option to acquire any interest in real property within the Area of Interest, unless such acquisition is made upon terms approved in writing by both Lessor and Lessee.

Section 8.02. Limited Restriction on Other Business. During the term of this Lease, neither Party shall acquire or develop properties, or contract rights concerning properties, within the Area of Interest except in accordance with this Article VIII. Each Party recognizes that the other Party has or may have interests in properties outside the Area of Interest, and that the other Party is or may become involved in buying and selling precious metals in transactions outside this Lease. Nothing in this Lease shall be deemed to apply to such properties or transactions or (a) to properties later acquired by a Party outside the Area of Interest, or (b) to properties acquired by a Party within the Area of Interest after this Lease is terminated. The doctrines of "corporate opportunity" and "business opportunity" shall not apply to any acquisition, activity, venture or operation of either Party outside the Area of Interest (or within the Area of Interest if the property in

question qualifies under the specifications of clause b of the preceding sentence), or to the sale or other disposition of Products by either Party. Except as provided in this Lease, neither Party shall have any obligation to mill, beneficiate or otherwise treat any Products or the other Party's share of Products in any facility owned or controlled by such Party, or to market the other Party's share of Products or to account to the other Party for profits made from marketing any Products distributed or sold to it pursuant to this Lease.

## ARTICLE IX

### RESTRICTIONS ON ENCUMBRANCES AND TRANSFERS OF INTEREST

#### Section 9.01. Voluntary Transfer.

(a) Except as provided in Section 9.02 hereof, no Party shall sell, assign, dispose of or transfer all or any portion of its interest under this Lease without the prior written consent (which shall not be unreasonably withheld) of the other Party and any transfer made without consent shall be void; provided, however, that neither compliance with Section 9.02 nor prior written consent shall be required if: (i) the transfer of all or any portion of a Party's interest is made to an Affiliate, to a corporation formed for the specific purpose of assuming the assignor's rights and obligations hereunder (the "Assuming Corporation") or to Precambrian Shield Resources Limited, an Alberta corporation, or any Affiliate of Precambrian Shield Resources Limited ("Precambrian Shield"); and (ii) the Affiliate, the Assuming Corporation or Precambrian Shield agrees to assume all of the obligations of the transferring Party as related to the interest assigned. Neither compliance with Section 9.02 nor prior written consent shall be required for any reassignment of such interest to Lessor by Precambrian Shield or by its successors or permitted assigns. No such transfer shall relieve the transferring Party from its obligations hereunder without the prior written consent of the other Party.

(b) If any permitted transfer under this Article IX is the grant of a security interest by mortgage, deed of trust, pledge, lien, or other encumbrance of any interest in this Lease, to secure a loan or other indebtedness of a Party in a bona fide transaction, such security interest shall be subordinate to the terms of this Lease and the rights and interests of the other Party hereunder. Upon any foreclosure or other enforcement of rights in the security interest, the acquiring third party shall be deemed to have assumed the position of the encumbering Party with respect to this Lease and the other Party, and it shall comply with the terms and provisions of this Article IX.



(c) If a sale or other commitment or disposition of Products or proceeds from the sale of Products by a Party in anticipation of distribution thereof creates in a third party a security interest in Products or proceeds therefrom prior to such distribution, such sales, commitment, or disposition shall be subject to the terms and conditions of this Lease.

Section 9.02. Right of First Offer. Except as otherwise provided in Section 9.01, if either Party desires to offer for sale all or any part of its interest under this Lease, the interested Party must first offer such interest to the other Party in the following manner and the other Party shall have the rights with respect to such offer set forth below:

(a) A Party intending to offer for sale all or any part of its interest under this Lease shall promptly notify the other Party of its intentions. The notice ("Sale Notice") shall state the interest (the "Interest") that the Party intends to offer for sale. The other Party shall have 60 days from the date the Sale Notice is delivered to notify the selling Party in writing whether it elects to make an offer for the Interest and, if so, the other Party shall state the price and the terms and conditions of its offer (the "Offer"). The selling Party shall consider this Offer in good faith and, if it elects to sell the offered interest to the other Party, the sale shall be consummated promptly after notice of such election is delivered to the other Party.

(b) If the selling Party does not elect to sell the offered interest to the other Party pursuant to Subsection 9.02(a), the selling Party shall have 120 days following the date the Sale Notice is delivered to consummate the transfer to a third party, but only at a price and on terms and conditions more favorable to the selling Party than those set forth in the Offer.

(c) If the selling Party fails to consummate the sale to a third party within the period set forth in Subsection 9.02(b), the rights and elections of the other Party under Subsection 9.02(a) with respect to such offered interest shall be deemed to be revived. Any subsequent proposal to offer for sale the same interest shall be conducted in accordance with all of the procedures set forth in this Section 9.02.

Section 9.03. Obligation of Any Transferee. Any transfer of any interest in this Lease or any part thereof under this Lease is made expressly subject to this Lease and shall require the transferee of such interest to assume and agree, in writing, to perform all of the obligations of the transferring Party as related to the interest assigned. Any such transfer of any interest in this Lease shall not relieve the transferor of any obligations incurred with respect to that interest

pursuant to this Lease or otherwise prior to such transfer and shall be effective and binding on the first day of the calendar month following that in which the transfer occurs.

## ARTICLE X

### TERMINATION

Section 10.01. Termination Conditions. This Lease shall terminate upon the occurrence of any one of the following conditions:

(1) This Lease may be terminated by Lessee at any time after Lessee has completed the drilling described in Section 4.01 hereof, by delivering to Lessor a written notice of surrender and release of this Lease.

(2) This Lease may be terminated at any time by mutual agreement of the Parties.

(3) This Lease may be terminated by the Non-Defaulting Party (as defined in Section 11.01) in accordance with Section 11.04(b).

(4) Notwithstanding any other provision of this Lease (including without limitation the force majeure provisions of Section 12.03), this Lease shall terminate automatically on December 31, 1987, if Lessee for any reason has failed to Commence Commercial Production on or before that date. Such termination shall be the only effect of such failure, and Lessee shall not have any liability to Lessor by reason of such failure.

Section 10.02. Effect of Termination. Termination of this Lease shall not relieve any Party from any liability or obligation accrued or attached prior to the date of termination. In particular, Lessee shall remain liable following the termination of this Lease for the following: (i) any liability or obligation that it incurs as Lessee prior to the termination of this Lease; (ii) any indemnifications that survive the termination of this Lease; (iii) if the termination occurs after June 1 of any year, the performance of assessment work for all unpatented mining claims included as part of the Properties, for the assessment year ending on the following September 1; and (iv) any reclamation or restoration work to be completed by Lessee on the Properties, as required by this Lease.

Section 10.03. Distribution of Facilities. If this Lease is terminated upon any condition described in Section 10.01, the Facilities whose purchase price was charged as a Cost



(hereinafter described in this Section 10.03 as "Purchased Facilities") shall be sold by Lessee to third parties upon the best prices and terms obtainable. As an alternative to sale to a third party, Lessee, or if Lessee is a Defaulting Party, Lessor, may elect to distribute the Purchased Facilities to the Parties in kind. The proceeds from sale or distribution of the Purchased Facilities, as the case may be, shall then be distributed to the Parties in accordance with their respective interests in Net Profits at the time of termination. If Lessee Payout has not yet occurred or if the LSCRA under Section 5.04 hereof contains a positive balance, 90% of such proceeds and Purchased Facilities (which shall for purposes of this Section 10.03 be valued in accordance with the Accounting Procedure) shall be retained by Lessee to the extent necessary to achieve Lessee Payout or a zero balance in LSCRA, as the case may be, after which the distributions shall be in proportion to the Parties' respective interests in Net Profits. The sale and distribution provisions of this Section 10.03 shall in no event apply to Facilities that are leased by Lessee for Operations.

## ARTICLE XI

### DEFAULTS AND REMEDIES

Section 11.01. Events of Default. The following events shall constitute events of default:

- (1) Any attempt by a Party to transfer its interest in this Lease in contravention of Article IX;
- (2) Failure of a Party to perform any other obligation imposed upon it by this Lease;
- (3) Filing of a petition in bankruptcy under any applicable bankruptcy, insolvency, or similar law of any jurisdiction now or hereafter in effect by Lessee or against Lessee if such involuntary petition is not withdrawn or dismissed within 60 days after its filing;
- (4) Assignment by Lessee for the benefit of creditors; or
- (5) The appointment of a receiver, trustee or similar official for all or any part of the property of Lessee if such appointment is consented to by Lessee or if such receiver or trustee is not discharged within 60 days after his appointment.

Upon the occurrence of any such event, the Party that causes the default, or is the subject of the default, shall be deemed to be in default hereunder and shall be referred to as the "Defaulting Party," and the other Party shall be referred to as the "Non-Defaulting Party."

Section 11.02. Notice of Default. The Non-Defaulting Party shall have the right to give the Defaulting Party a Notice of Default, which shall be in writing, shall set forth the nature of the event of default, and shall set forth the date by which such default must be cured, which date shall be at least 30 days after receipt of the Notice of Default, except as to subsections (3), (4), and (5) of Section 11.01, as to which there will be no cure period or ability to cure. Failure of the Non-Defaulting Party to give any such notice shall not release the Defaulting Party from any of its obligations under this Lease.

Section 11.03. Opportunity to Cure. If within such 30-day period the Defaulting Party cures such default or, if the failure is one that cannot be corrected within 30 days and the Defaulting Party begins correction of such failure to perform within such 30 days and continues corrective efforts with reasonable diligence until a cure is effected, the Notice of Default shall be inoperative, and the Defaulting Party shall lose no rights under this Lease. If, within such specified period, the Defaulting Party does not cure such default, or, if within such 30-day period the Defaulting Party notifies the Non-Defaulting Party that it disputes the existence of the alleged default and the Defaulting Party shall not have commenced correction of the default within 30 days after a final judgment by a court of competent jurisdiction in favor of the Non-Defaulting Party with respect to the default, then, at the expiration of such period, or upon notice where no cure period is allowed, the Non-Defaulting Party shall have the rights specified in Section 11.04.

Section 11.04. Rights upon Default. The Non-Defaulting Party, after providing notice and an opportunity to cure as provided in Sections 11.02 and 11.03 above, if applicable, shall be entitled to (but not required to) exercise any of the following powers and remedies:

(a) Loan. The Non-Defaulting Party may pay the obligation of the Defaulting Party and elect to treat it as a loan to the Defaulting Party which shall be immediately due and payable, and which shall bear interest at the Prime Interest Rate plus two percentage points. Any such loan shall be repaid from Net Profits otherwise due the Defaulting Party.

(b) Termination. The Non-Defaulting Party may terminate this Lease upon 10 days' written notice to the Defaulting Party of its intent to do so.

(c) Acceleration. The Non-Defaulting Party may accelerate and declare to be immediately due and payable any loans previously made to the Defaulting Party.

Section 11.05. Remedies Not Exclusive. Each and every power and remedy hereby specifically given to the Non-Defaulting Party shall be in addition to every other power and remedy now or hereafter exercised at law or in equity (including the right to specific performance), and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay of omission in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein.

## ARTICLE XII

### GENERAL PROVISIONS

Section 12.01. Integration; Amendments; Survival of Indemnifications. This Lease, together with the exhibits hereto, constitute the entire agreement between the Parties with respect to the subject matter hereof. Any prior agreement, promises, negotiations or representations not expressly set forth herein are of no force and effect. No alteration, modification or interpretation hereof shall be binding unless in writing and signed by the Parties. Notwithstanding the foregoing provisions of this Section 12.01, the Guaranty and the Gesick Letter Agreement shall continue to remain in full force and effect following the execution of this Lease and shall be binding upon the parties to those agreements. All indemnifications contained in this Lease shall survive any termination hereof.

Section 12.02. Interpretation. This Lease shall be interpreted and construed in accordance with the laws of the State of Nevada. The titles of the Articles and Sections in this Lease have been inserted as a matter of convenience, are for reference only, and shall not control or affect the meaning of this Lease. In the event of any conflict between the terms contained in Articles I through XII of this Lease and the terms of any exhibit hereto, the terms contained in those Articles shall control in all respects.

Section 12.03. Force Majeure. No Party shall be deemed to be liable to any other or in default under this Lease for any failure or delay in performing any of its covenants or agreements caused by or arising out of any act not within the reasonable control of the Party including, without limitation, periods of inclement weather, acts of God, strikes, lockouts or other industrial disputes, acts of the public enemy, war,

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riots, lightning, fire, storm, flood, explosion, governmental delay and restraints (including, but not limited to, environmental controls or the inability to obtain necessary permits), unavailability of equipment, materials or labor, or any other failure or delay whether or not similar to those above mentioned. Settlement of strikes or labor disputes shall be entirely within the discretion of the Party experiencing the difficulty. No right of any Party shall be affected for failure or delay of that Party to meet any conditions or terms of this Lease where such failure or delay is caused by any of the events referred to above, and all times provided for in this Lease shall be extended for a period equal to the period of delay; provided, however, that performance shall be resumed within a reasonable time after such cause has been removed. The force majeure provisions of this Section 12.03 shall be supplementary to the gold price force majeure provisions set forth in Sections 4.02 and 4.03 hereof; provided, that none of these force majeure provisions shall have any effect upon, delay, or excuse: (i) any failure by Lessee to Commence Commercial Production on or before December 31, 1987; (ii) any failure by Lessee to perform assessment work on the Properties for the benefit of the unpatented mining claims comprising a part of the Properties; or (iii) the payment of any money due Lessor hereunder, other than the \$100,000 payments provided for in Section 4.02 and 4.03 hereof, which may be delayed as provided in Section 4.06 hereof.

#### Section 12.04. Notices.

(a) Addresses. Delivery of information or notices hereunder to Lessee shall be addressed to:

Tonkin Springs Gold Mining Company  
1600 Hudson's Bay Centre  
1600 Stout Street  
Denver, Colorado 80202-3133

Delivery of information or notices hereunder to Lessor shall be addressed to:

Precambrian Exploration, Inc.  
4955 Iris Street  
Wheat Ridge, Colorado 80033

(b) Notices. All notices, payments and other required communications ("Notices") required or contemplated to be given hereunder shall be in writing. Notices may be given (i) by personal delivery to the Party, (ii) by electronic facsimile, with a confirmation sent by registered or certified mail return receipt requested, or (iii) by registered or certified mail return receipt requested. All Notices shall be effective and shall be deemed delivered (i) if by personal

delivery on the date of delivery. (ii) if by electronic facsimile on the next business day following receipt of the electronic communication, and (iii) if solely by mail on the next business day after actual receipt. A Party may change its address from time to time by Notice to the other Party.

Section 12.05. Successors and Assigns. This Lease shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, subject to the restrictions on assignability set forth in Article IX.

Section 12.06. Severability. If any provision of this Lease or its application to any Party or circumstances shall be invalid or unenforceable to any extent, the remainder of this Lease and the application of such provision to the other Party or circumstances shall not be affected and shall be enforceable to the greatest extent permitted by law.

Section 12.07. Attorneys' Fees. If suit or action is filed to enforce or determine any right under this Lease, the prevailing Party may recover from the other Party reasonable attorneys' fees at trial and on any appeal, as fixed by the court.

Section 12.08. Confidentiality. During the term of this Lease, except as needed by Lessee for Operations and as otherwise provided in this Lease, the Parties agree to keep confidential all data, records, books and other information provided to one another pursuant to or related to this Lease or the Property or Area of Interest. Either Party shall be entitled to disclose such confidential information to its lenders and corporate Affiliates and to its own consultants, and potential assignees or transferees if said consultants and potential assignees or transferees agree in advance to keep such information confidential by executing a confidentiality agreement in a form approved by all Parties. Both Parties shall also be entitled to disclose confidential information relating to this Lease or the Properties if in the opinion of such Party disclosure is required to comply with state or federal laws, rules, regulations or orders or the rules of any stock exchange or the NASD. Subject to the provisions of this Section 12.08, both Parties shall also be entitled to disclose confidential information to persons or entities from whom such Party desires to obtain financing or to whom such Party desires to sell refined Products.

Section 12.09. Title Documents, Data. Promptly following the execution of this Lease, Lessor shall deliver to the Lessee copies of all existing abstracts of title, title opinions or other title information relating to the Property and copies of any existing plats or field notes regarding the Property which it may have in its possession. Lessor shall furnish to Lessee

copies of all books, records, data and other information regarding the Property in its possession or available to it. Lessor shall allow Lessee the right to examine and analyze all drill cores from the Property available to Lessor, if any. At all times during the term of this Lease, the Parties shall give each other total access to all technical information in their possession or control which relates to the Properties and the Operations.

Section 12.10. Memorandum of Lease. Concurrently with the execution of this Lease, the Parties have recorded in the real property records of Eureka County, Nevada, a Memorandum of this Lease in the form previously approved by the Parties.

IN WITNESS WHEREOF, the Parties have caused this Lease to be executed in duplicate originals and their respective corporate seals to be affixed and attested, all as of the day and year first above written.

TONKIN SPRINGS GOLD MINING COMPANY

By *William G. Reed*, President



PRECAMBRIAN EXPLORATION, INC.

By *Michael B. Melstew*, President

STATE OF COLORADO )  
CITY OF DENVER ) ss.  
COUNTY OF DENVER )

On the 16<sup>th</sup> day of MAY, 1985, before me personally appeared *Michael B. Melstew*, in his capacity as President of *Precambrian Exploration, Inc.* who, being first duly sworn, acknowledged that he executed the foregoing instrument in the name of said entity, that he had the authority to execute the same, and that he executed the same as the act and deed of said entity for the uses and purposes therein stated.

Witness my hand and official seal.

My commission expires: 2/16/87



*Cherie Ann Buckner*  
Notary Public  
633 SEVENTEENTH STREET  
SUITE 234  
DENVER, COLORADO 80202

STATE OF Colorado )  
 City + Denver ) ss.  
 COUNTY OF Denver )

On the 23rd day of May, 1985, before me personally appeared William Ruda, in his Golden Springs Gold Mining Company capacity as President of Precambrian Exploration, Inc., who, being first duly sworn, acknowledged that he executed the foregoing instrument in the name of said entity, that he had the authority to execute the same, and that he executed the same as the act and deed of said entity for the uses and purposes therein stated.

Witness my hand and official seal.

My commission expires: November 6, 1988

Niaxe E. Sartore

Notary Public

SEAL  
Affixed



EXHIBIT A (Attached to and made a part of the Mining Lease between Precambrian Exploration, Inc. and Tonkin Springs Mining Company, effective as of January 5, 1985)

<u>Name of Claim</u>	<u>Section</u>	<u>Township</u>	<u>Range</u> <sup>1</sup>	<u>County</u>	<u>Date Located</u> <sup>2</sup>	<u>Date Recorded</u>	<u>Book</u>	<u>Page</u> <sup>3</sup>	<u>BLM Recordation Number</u>
Rob #55	2	23N	49E	Eureka	February 23, 1980	May 8, 1980	80	300	N MC 150581
#56	"	"	"	"	"	"	"	301	N MC 150582
#57	"	"	"	"	"	"	"	302	N MC 150583
#58	"	"	"	"	"	"	"	303	N MC 150584
#59	"	"	"	"	"	"	"	304	N MC 150585
#60	"	"	"	"	"	"	"	305	N MC 150586
#61	"	"	"	"	"	"	"	306	N MC 150587
#62	"	"	"	"	"	"	"	307	N MC 150588
#63	"	"	"	"	"	"	"	308	N MC 150589
#64	"	"	"	"	"	"	"	309	N MC 150590
#65	"	"	"	"	"	"	"	310	N MC 150591
#66	"	"	"	"	"	"	"	311	N MC 150592
#67	"	"	"	"	"	"	"	312	N MC 150593
#68	"	"	"	"	"	"	"	313	N MC 150594
#69	"	"	"	"	"	"	"	314	N MC 150595
#70	"	"	"	"	"	"	"	315	N MC 150596
#71	2 & 3	"	"	"	"	"	"	316	N MC 150597
#72	"	"	"	"	"	"	"	317	N MC 150598
#73	3	"	"	"	"	"	"	318	N MC 150599
#74	"	"	"	"	"	"	"	319	N MC 150600
#75	"	"	"	"	"	"	"	320	N MC 150601
#76	"	"	"	"	"	"	"	321	N MC 150602
#77	"	"	"	"	"	"	"	322	N MC 150603
#78	"	"	"	"	"	"	"	323	N MC 150604

1. Mount Diablo Principal Meridian
2. All claims amended on July 22, 1980
3. Amended location certificates recorded in Book 83, Pages 345-600 (inclusive) and Book 84, Pages 1-338 (inclusive)



<u>Name of Claim</u>	<u>Section</u>	<u>Township</u>	<u>Range</u> <sup>1</sup>	<u>County</u>	<u>Date Located</u> <sup>2</sup>	<u>Date Recorded</u>	<u>Book</u>	<u>Page</u> <sup>3</sup>	<u>BLM Recordation Number</u>
Rob #125	2 & 3	23N	49E	Eureka	February 22, 1980	May 8, 1980	80	348	N MC 150629
#126	"	23N-23-1/2N	"	"	"	"	"	349	N MC 150630
#127	3	23N	"	"	"	"	"	350	N MC 150631
#128	"	23N-23-12	"	"	"	"	"	351	N MC 150632
#129	"	23N	"	"	"	"	"	352	N MC 150633
#130	"	23N-23-1/2N	"	"	"	"	"	353	N MC 150634
#131	"	23N	"	"	"	"	"	354	N MC 150635
#132	"	23N-23-1/2N	"	"	"	"	"	355	N MC 150636
#133	"	23N	"	"	"	"	"	356	N MC 150637
#134	"	23N-23-1/2N	"	"	"	"	"	357	N MC 150638
#135	"	23N	"	"	"	"	"	358	N MC 150639
#136	"	23N-23-1/2N	"	"	"	"	"	359	N MC 150640
#137	"	23N	"	"	"	"	"	360	N MC 150641
#138	"	23N-23-1/2N	"	"	"	"	"	361	N MC 150642
#139	"	23N	"	"	"	"	"	362	N MC 150643
#140	"	23N-23-1/2N	"	"	"	"	"	363	N MC 150644
#141	"	23N	"	"	"	"	"	364	N MC 150645
#142	"	23N-23-1/2N	"	"	"	"	"	365	N MC 150646
#143	3 & 4	23N	"	"	"	"	"	366	N MC 150647
#144	"	23N-23-1/2N	"	"	"	"	"	367	N MC 150648
#145	4	23N	"	"	"	"	"	368	N MC 150649
#146	"	23N-23-1/2N	"	"	"	"	"	369	N MC 150650
#147	"	23N	"	"	"	"	"	370	N MC 150651
#148	"	23N-23-1/2N	"	"	"	"	"	371	N MC 150652

1. Mount Diablo Principal Meridian
2. All claims amended on July 22, 1980
3. Amended location certificates recorded in Book 83, Pages 345-600 (inclusive) and Book 84, Pages 1-338 (inclusive)

<u>Name of Claim</u>	<u>Section</u>	<u>Township</u>	<u>Range</u> <sup>1</sup>	<u>County</u>	<u>Date Located</u> <sup>2</sup>	<u>Date Recorded</u>	<u>Book</u>	<u>Page</u> <sup>3</sup>	<u>BLM Recordation Number</u>
Rob #149	4	23N	49E	Eureka	February 22, 1980	May 8, 1980	80	372	N MC 150653
#150	"	23N-23-1/2N	"	"	"	"	"	373	N MC 150654
#151	"	23N	"	"	"	"	"	374	N MC 150655
#152	"	23N-23-1/1N	"	"	"	"	"	375	N MC 150656
#153	"	23N	"	"	"	"	"	376	N MC 150657
#154	"	23N-23-1/2N	"	"	"	"	"	377	N MC 150658
#155	"	23N	"	"	"	"	"	378	N MC 150659
#156	"	23N-23-1/2N	"	"	"	"	"	379	N MC 150660
#157	"	23N	"	"	"	"	"	380	N MC 150661
#158	"	23N-23-1/2N	"	"	"	"	"	381	N MC 150662
#159	"	23N	"	"	"	"	"	382	N MC 150663
#160	"	23N-23-1/2N	"	"	"	"	"	383	N MC 150664
#161	4 & 5	23N	"	"	"	"	"	384	N MC 150665
#162	4 & 5	23N-23-1/2N	"	"	"	"	"	385	N MC 150666
#163	5	23N	"	"	"	"	"	386	N MC 150667
#164	"	"	"	"	"	"	"	387	N MC 150668
#165	"	"	"	"	"	"	"	388	N MC 150669
#166	"	23N-23-1/2N	"	"	"	"	"	389	N MC 150670
#167	"	23N	"	"	"	"	"	390	N MC 150671
#168	"	23N-23-1/2N	"	"	"	"	"	391	N MC 150672
#169	"	23N	"	"	"	"	"	392	N MC 150673
#170	"	23N-23-1/2N	"	"	"	"	"	393	N MC 150674
#172	"	23N-23-1/2N	"	"	"	"	"	394	N MC 150675
#183	2	23-1/2N	"	"	February 18, 1980	"	"	395	N MC 150676

1. Mount Diablo Principal Meridian
2. All claims amended on July 22, 1980
3. Amended location certificates recorded in Book 83, Pages 345-600 (inclusive) and Book 84, Pages 1-338 (inclusive)

<u>Name of Claim</u>	<u>Section</u>	<u>Township</u>	<u>Range</u> <sup>1</sup>	<u>County</u>	<u>Date Located</u> <sup>2</sup>	<u>Date Recorded</u>	<u>Book</u>	<u>Page</u> <sup>3</sup>	<u>BLM Recordation Number</u>
Rob #184	2	23-1/2N	49E	Eureka	February 18, 1980	May 8, 1980	80	396	N MC 150677
#185	"	"	"	"	"	"	"	397	N MC 150678
#186	"	"	"	"	"	"	"	398	N MC 150679
#187	"	"	"	"	"	"	"	399	N MC 150680
#188	"	"	"	"	"	"	"	400	N MC 150681
#189	"	"	"	"	"	"	"	401	N MC 150682
#190	"	"	"	"	"	"	"	402	N MC 150683
#191	"	"	"	"	"	"	"	403	N MC 150684
#192	"	"	"	"	"	"	"	404	N MC 150685
#193	"	"	"	"	"	"	"	405	N MC 150686
#194	"	"	"	"	"	"	"	406	N MC 150687
#195	"	"	"	"	"	"	"	407	N MC 150688
#196	"	"	"	"	"	"	"	408	N MC 150689
#197	"	"	"	"	"	"	"	409	N MC 150690
#198	"	"	"	"	"	"	"	410	N MC 150691
#199	2 & 3	"	"	"	"	"	"	411	N MC 150692
#200	2 & 3	"	"	"	"	"	"	412	N MC 150693
#201	3	"	"	"	"	"	"	413	N MC 150694
#202	"	"	"	"	"	"	"	414	N MC 150695
#203	"	"	"	"	"	"	"	415	N MC 150696
#204	"	"	"	"	"	"	"	416	N MC 150697
#205	"	"	"	"	"	"	"	417	N MC 150698
#206	"	"	"	"	"	"	"	418	N MC 150699
#207	"	"	"	"	"	"	"	419	N MC 150700

1. Mount Diablo Principal Meridian
2. All claims amended on July 22, 1980
3. Amended location certificates recorded  
in Book 83, Pages 345-600 (inclusive)  
and Book 94, Pages 1-338 (inclusive)

<u>Name of Claim</u>	<u>Section</u>	<u>Township</u>	<u>Range</u> <sup>1</sup>	<u>County</u>	<u>Date Located</u> <sup>2</sup>	<u>Date Recorded</u>	<u>Book</u>	<u>Page</u> <sup>3</sup>	<u>BLM Recordation Number</u>
Rob #208	3	23-1/2N	49E	Eureka	February 18, 1980	May 8, 1980	80	420	N MC 150701
#209	"	"	"	"	February 17, 1980	"	"	421	N MC 150702
#210	"	"	"	"	"	"	"	422	N MC 150703
#211	"	"	"	"	"	"	"	423	N MC 150704
#212	"	"	"	"	"	"	"	424	N MC 150705
#213	"	"	"	"	"	"	"	425	N MC 150706
#214	"	"	"	"	"	"	"	426	N MC 150707
#215	"	"	"	"	"	"	"	427	N MC 150708
#216	"	"	"	"	"	"	"	428	N MC 150709
#217	3 & 4	"	"	"	"	"	"	429	N MC 150710
#218	"	"	"	"	"	"	"	430	N MC 150711
#219	4	"	"	"	"	"	"	431	N MC 150712
#220	"	"	"	"	"	"	"	432	N MC 150713
#221	"	"	"	"	"	"	"	433	N MC 150714
#222	"	"	"	"	"	"	"	434	N MC 150715
#223	"	"	"	"	"	"	"	435	N MC 150716
#224	"	"	"	"	"	"	"	436	N MC 150717
#225	"	"	"	"	"	"	"	437	N MC 150718
#226	"	"	"	"	"	"	"	438	N MC 150719
#227	"	"	"	"	"	"	"	439	N MC 150720
#228	"	"	"	"	"	"	"	440	N MC 150721
#229	"	"	"	"	"	"	"	441	N MC 150722
#230	"	"	"	"	"	"	"	442	N MC 150723
#231	"	"	"	"	"	"	"	443	N MC 150724

1. Mount Diablo Principal Meridian
2. All claims amended on July 22, 1980
3. Amended location certificates recorded  
in Book 83, Pages 345-600 (inclusive)  
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<u>Name of Claim</u>	<u>Section</u>	<u>Township</u>	<u>Range</u> <sup>1</sup>	<u>County</u>	<u>Date Located</u> <sup>2</sup>	<u>Date Recorded</u>	<u>Book</u>	<u>Page</u> <sup>3</sup>	<u>BLM Recordation Number</u>
Rob #232	4	23-1/2N	49E	Eureka	February 17, 1980	May 8, 1980	80	444	N MC 150725
#233	"	"	"	"	"	"	"	445	N MC 150726
#234	"	"	"	"	"	"	"	446	N MC 150727
#235	4 & 5	"	"	"	"	"	"	447	N MC 150728
#236	"	"	"	"	"	"	"	448	N MC 150729
#237	5	"	"	"	"	"	"	449	N MC 150730
#238	"	"	"	"	"	"	"	450	N MC 150731
#239	"	"	"	"	"	"	"	451	N MC 150732
#240	"	"	"	"	"	"	"	452	N MC 150733
#241	"	"	"	"	"	"	"	453	N MC 150734
#242	"	"	"	"	"	"	"	454	N MC 150735
#243	"	"	"	"	"	"	"	455	N MC 150736
#244	"	"	"	"	"	"	"	456	N MC 150737
#245	"	"	"	"	"	"	"	457	N MC 150738
#246	"	"	"	"	"	"	"	458	N MC 150739
#247	"	"	"	"	"	"	"	459	N MC 150740
#248	"	"	"	"	"	"	"	460	N MC 150741
#249	"	"	"	"	"	"	"	461	N MC 150742
#250	"	"	"	"	"	"	"	462	N MC 150743
#251	"	"	"	"	"	"	"	463	N MC 150744
#252	"	"	"	"	"	"	"	464	N MC 150745
#253	5 & 6	"	"	"	"	"	"	465	N MC 150746
#254	"	"	"	"	"	"	"	466	N MC 150747
#255	6	"	"	"	"	"	"	467	N MC 150748

1. Mount Diablo Principal Meridian
2. All claims amended on July 22, 1980
3. Amended location certificates recorded in Book 83, Pages 345-600 (inclusive) and Book 84, Pages 1-338 (inclusive)



<u>Name of Claim</u>	<u>Section</u>	<u>Township</u>	<u>Range</u> <sup>1</sup>	<u>County</u>	<u>Date Located</u> <sup>2</sup>	<u>Date Recorded</u>	<u>Book</u>	<u>Page</u> <sup>3</sup>	<u>BLM Recordation Number</u>
Rob #256	6	23-1/2N	49E	Eureka	February 17, 1980	May 8, 1980	80	468	N MC 150749
#257	2	23-1/2N	"	"	February 15, 1980	"	"	469	N MC 150750
#258	2	23-1/2N	"	"	"	"	"	470	N MC 150751
#258	35 & 34	24N	"	"	"	"	"	470	N MC 150751
#259	2	23-1/2N	"	"	"	"	"	471	N MC 150752
#260	2	23-1/2N	"	"	"	"	"	472	N MC 150753
#260	34	24N	"	"	"	"	"	472	N MC 150753
#261	2	23-1/2N	"	"	"	"	"	473	N MC 150754
#262	2	23-1/2N	"	"	"	"	"	474	N MC 150755
#262	34	24N	"	"	"	"	"	474	N MC 150755
#263	2	23-1/2N	"	"	"	"	"	475	N MC 150756
#264	2	23-1/2N	"	"	"	"	"	476	N MC 150757
#264	34	24N	"	"	"	"	"	476	N MC 150757
#265	2	23-1/2N	"	"	"	"	"	477	N MC 150758
#266	2	23-1/2N	"	"	"	"	"	478	N MC 150759
#266	34	24N	"	"	"	"	"	478	N MC 150759
#267	2	23-1/2N	"	"	"	"	"	479	N MC 150760
#268	2	23-1/2N	"	"	"	"	"	480	N MC 150761
#268	34	24N	"	"	"	"	"	480	N MC 150761
#269	2	23-1/2N	"	"	"	"	"	481	N MC 150762
#270	2	23-1/2N	"	"	"	"	"	482	N MC 150763
#270	34	24N	"	"	"	"	"	482	N MC 150763
#271	2	23-1/2N	"	"	"	"	"	483	N MC 150764
#272	2	23-1/2N	"	"	"	"	"	484	N MC 150765
#272	34	24N	"	"	"	"	"	484	N MC 150765
#273	2	23-1/2N	"	"	"	"	"	485	N MC 150766
#274	2	23-1/2N	"	"	"	"	"	486	N MC 150767
#274	34 & 33	24N	"	"	"	"	"	486	N MC 150767
#275	3	23-1/2N	"	"	"	"	"	487	N MC 150768

1. Mount Diablo Principal Meridian

2. All claims amended on July 22, 1980

3. Amended location certificates recorded  
in Book 83, Pages 345-600 (inclusive)  
and Book 84, Pages 1-338 (inclusive)

<u>Name of Claim</u>	<u>Section</u>	<u>Township</u>	<u>Range</u> <sup>1</sup>	<u>County</u>	<u>Date Located</u> <sup>2</sup>	<u>Date Recorded</u>	<u>Book</u>	<u>Page</u> <sup>3</sup>	<u>BLM Recordation Number</u>
Rob #276	3	23-1/2N	49E	Eureka	February 15, 1980	May 8, 1980	80	488	N MC 150769
#276	33	24N	"	"	"	"	"	488	N MC 150769
#277	3	23-1/2N	"	"	"	"	"	489	N MC 150770
#278	3	23-1/2N	"	"	"	"	"	490	N MC 150771
#278	33	24N	"	"	"	"	"	490	N MC 150771
#279	3	23-1/2N	"	"	"	"	"	491	N MC 150772
#280	3	23-1/2N	"	"	"	"	"	492	N MC 150773
#280	33	24N	"	"	"	"	"	492	N MC 150773
#281	3	23-1/2N	"	"	"	"	"	493	N MC 150774
#282	3	23-1/2N	"	"	"	"	"	494	N MC 150775
#282	33	24N	"	"	"	"	"	494	N MC 150775
#283	3	23-1/2N	"	"	"	"	"	495	N MC 150776
#284	3	23-1/2N	"	"	"	"	"	496	N MC 150777
#284	33	24N	"	"	"	"	"	496	N MC 150777
#285	3	23-1/2N	"	"	February 16, 1980	"	"	497	N MC 150778
#286	3	23-1/2N	"	"	"	"	"	498	N MC 150779
#286	33	24N	"	"	"	"	"	498	N MC 150779
#287	3	23-1/2N	"	"	"	"	"	499	N MC 150780
#288	3	23-1/2N	"	"	"	"	"	500	N MC 150781
#288	33	24N	"	"	"	"	"	500	N MC 150781
#289	3	23-1/2N	"	"	"	"	"	501	N MC 150782
#290	3	23-1/2N	"	"	"	"	"	502	N MC 150783
#290	33	24N	"	"	"	"	"	502	N MC 150783
#291	4 & 3	23-1/2N	"	"	"	"	"	503	N MC 150784
#292	3 & 4	23-1/2N	"	"	"	"	"	504	N MC 150785
#292	33 & 32	24N	"	"	"	"	"	504	N MC 150785
#293	4	23-1/2N	"	"	"	"	"	505	N MC 150786
#294	4	23-1/2N	"	"	"	"	"	506	N MC 150787
#294	32	24N	"	"	"	"	"	506	N MC 150787

1. Mount Diablo Principal Meridian
2. All claims amended on July 22, 1980
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<u>Name of Claim</u>	<u>Section</u>	<u>Township</u>	<u>Range</u> <sup>1</sup>	<u>County</u>	<u>Date Located</u> <sup>2</sup>	<u>Date Recorded</u>	<u>Book</u>	<u>Page</u> <sup>3</sup>	<u>BLM Recordation Number</u>
Rob #295	4	23-1/2N	49E	Eureka	February 16, 1980	May 8, 1980	80	507	N MC 150788
#296	4	23-1/2N	"	"	"	"	"	508	N MC 150789
#296	32	24N	"	"	"	"	"	508	N MC 150789
#297	4	23-1/2N	"	"	"	"	"	509	N MC 150790
#298	4	23-1/2N	"	"	"	"	"	510	N MC 150791
#298	32	24N	"	"	"	"	"	510	N MC 150791
#299	4	23-1/2N	"	"	"	"	"	511	N MC 150792
#300	4	23-1/2N	"	"	"	"	"	512	N MC 150793
#300	32	24N	"	"	"	"	"	512	N MC 150793
#301	4	23-1/2N	"	"	"	"	"	513	N MC 150794
#302	4	23-1/2N	"	"	"	"	"	514	N MC 150795
#302	32	24N	"	"	"	"	"	514	N MC 150795
#303	4	23-1/2N	"	"	"	"	"	515	N MC 150796
#304	4	23-1/2N	"	"	"	"	"	516	N MC 150797
#304	32	24N	"	"	"	"	"	516	N MC 150797
#305	4	23-1/2N	"	"	"	"	"	517	N MC 150798
#306	4	23-1/2N	"	"	"	"	"	518	N MC 150799
#306	32	24N	"	"	"	"	"	518	N MC 150799
#307	4	23-1/2N	"	"	"	"	"	519	N MC 150800
#308	4	23-1/2N	"	"	"	"	"	520	N MC 150801
#308	32	24N	"	"	"	"	"	520	N MC 150801
#309	4 & 5	23-1/2N	"	"	"	"	"	521	N MC 150802
#310	4 & 5	23-1/2N	"	"	"	"	"	522	N MC 150803
#310	32 & 31	24N	"	"	"	"	"	522	N MC 150803
#311	5	23-1/2N	"	"	"	"	"	523	N MC 150804
#312	5	23-1/2N	"	"	"	"	"	524	N MC 150805
#312	31	24N	"	"	"	"	"	524	N MC 150805
#313	5	23-1/2N	"	"	"	"	"	525	N MC 150806

1. Mount Diablo Principal Meridian
2. All claims amended on July 22, 1980
3. Amended location certificates recorded in Book 83, Pages 345-600 (inclusive) and Book 84, Pages 1-338 (inclusive)



<u>Name of Claim</u>	<u>Section</u>	<u>Township</u>	<u>Range</u> <sup>1</sup>	<u>County</u>	<u>Date Located</u> <sup>2</sup>	<u>Date Recorded</u>	<u>Book</u>	<u>Page</u> <sup>3</sup>	<u>BLM Recordation Number</u>
Rob #314	5	23-1/2N	49E	Eureka	February 16, 1980	May 8, 1980	80	526	N MC 150807
#314	31	24N	"	"	"	"	"	526	N MC 150807
#315	5	23-1/2N	"	"	"	"	"	527	N MC 150808
#316	5	23-1/2N	"	"	"	"	"	528	N MC 150809
#316	31	24N	"	"	"	"	"	528	N MC 150809
#317	5	23-1/2N	"	"	"	"	"	529	N MC 150810
#318	5	23-1/2N	"	"	"	"	"	530	N MC 150811
#318	31	24N	"	"	"	"	"	530	N MC 150811
#319	5	23-1/2N	"	"	"	"	"	531	N MC 150812
#320	5	23-1/2N	"	"	"	"	"	532	N MC 150813
#320	31	24N	"	"	"	"	"	532	N MC 150813
#321	5	23-1/2N	"	"	"	"	"	533	N MC 150814
#322	5	23-1/2N	"	"	"	"	"	534	N MC 150815
#322	31	24N	"	"	"	"	"	534	N MC 150815
#323	5	23-1/2N	"	"	"	"	"	535	N MC 150816
#324	5	23-1/2N	"	"	"	"	"	536	N MC 150817
#324	31	24N	"	"	"	"	"	536	N MC 150817
#325	5	23-1/2N	"	"	"	"	"	537	N MC 150818
#326	5	23-1/2N	"	"	"	"	"	538	N MC 150819
#326	31	24N	"	"	"	"	"	538	N MC 150819
#327	5 & 6	23-1/2N	"	"	"	"	"	539	N MC 150820
#328	5 & 6	23-1/2N	"	"	"	"	"	540	N MC 150821
#328	31	24N	"	"	"	"	"	540	N MC 150821
#328	36	24N	48-1/2E	"	"	"	"	540	N MC 150821
#329	6	23-1/2N	49E	"	"	"	"	541	N MC 150822
#330	6	23-1/2N	"	"	"	"	"	542	N MC 150823
#330	36	24N	48-1/2E	"	"	"	"	542	N MC 150823

1. Mount Diablo Principal Meridian
2. All claims amended on July 22, 1980
3. Amended location certificates recorded  
in Book 83, Pages 345-600 (inclusive)  
and Book 84, Pages 1-338 (inclusive)

<u>Name of Claim</u>	<u>Section</u>	<u>Township</u>	<u>Range</u> <sup>1</sup>	<u>County</u>	<u>Date Located</u> <sup>2</sup>	<u>Date Recorded</u>	<u>Book</u>	<u>Page</u> <sup>3</sup>	<u>BLM Recordation Number</u>
Rob #331	35 & 34	24N	49E	Eureka	February 20, 1980	May 8, 1980	80	543	N MC 150824
#333	34	"	"	"	"	"	"	544	N MC 150825
#335	34	"	"	"	"	"	"	545	N MC 150826
#337	34	"	"	"	"	"	"	546	N MC 150827
#339	34	"	"	"	"	"	"	547	N MC 150828
#341	34	"	"	"	"	"	"	548	N MC 150829
#342	3	"	"	"	"	"	"	549	N MC 150830
#343	34	"	"	"	"	"	"	550	N MC 150831
#344	34	"	"	"	"	"	"	551	N MC 150832
#345	34	"	"	"	"	"	"	552	N MC 150833
#346	34	"	"	"	"	"	"	553	N MC 150834
#347	34 & 33	"	"	"	"	"	"	554	N MC 150835
#348	34 & 33	"	"	"	"	"	"	555	N MC 150836
#349	33	"	"	"	"	"	"	556	N MC 150837
#350	33	"	"	"	"	"	"	557	N MC 150838
#351	33	"	"	"	"	"	"	558	N MC 150839
#352	33	"	"	"	"	"	"	559	N MC 150840
#353	33	"	"	"	"	"	"	560	N MC 150841
#354	33	"	"	"	"	"	"	561	N MC 150842
#355	33	"	"	"	"	"	"	562	N MC 150843
#356	33	"	"	"	"	"	"	563	N MC 150844
#357	33	"	"	"	"	"	"	564	N MC 150845
#358	33	"	"	"	"	"	"	565	N MC 150846
#359	33	"	"	"	"	"	"	566	N MC 150847

1. Mount Diablo Principal Meridian

2. All claims amended on July 22, 1980

3. Amended location certificates recorded  
in Book 83, Pages 345-600 (inclusive)  
and Book 84, Pages 1-338 (inclusive)

<u>Name of Claim</u>	<u>Section</u>	<u>Township</u>	<u>Range</u> <sup>1</sup>	<u>County</u>	<u>Date Located</u> <sup>2</sup>	<u>Date Recorded</u>	<u>Book</u>	<u>Page</u> <sup>3</sup>	<u>BLM Recordation Number</u>
Rob #360	33	24N	49E	Eureka	February 20, 1980	May 8, 1980	80	567	N MC 150848
#361	33	"	"	"	"	"	"	568	N MC 150849
#362	33	"	"	"	"	"	"	569	N MC 150850
#363	33	"	"	"	"	"	"	570	N MC 150851
#364	33	"	"	"	"	"	"	571	N MC 150852
#365	33 & 32	"	"	"	"	"	"	572	N MC 150853
#366	33 & 32	23N	"	"	"	"	"	573	N MC 150854
#367	32	24N	"	"	April 15, 1980	"	"	574	N MC 150855
#368	32	"	"	"	"	"	"	575	N MC 150856
#369	32	"	"	"	"	"	"	576	N MC 150857
#370	32	"	"	"	"	"	"	577	N MC 150858
#371	32	"	"	"	"	"	"	578	N MC 150859
#372	32	"	"	"	"	"	"	579	N MC 150860
#373	32 & 31	"	"	"	"	"	"	580	N MC 150861
#374	32 & 31	"	"	"	"	"	"	581	N MC 150862
#375	31	"	"	"	"	"	"	582	N MC 150863
#376	31	"	"	"	"	"	"	583	N MC 150864
#400	34 & 27	"	"	"	February 20, 1980	"	"	584	N MC 150865
#401	34 & 27	"	"	"	"	"	"	585	N MC 150866
#402	34 & 27	"	"	"	"	"	"	586	N MC 150867
#403	34 & 27	"	"	"	"	"	"	587	N MC 150868
#404	33 & 28	"	"	"	"	"	"	588	N MC 150869

1. Mount Diablo Principal Meridian
2. All claims amended on July 22, 1980
3. Amended located certificates recorded in Book 83, Pages 345-600 ( inclusive) and Book 84, Pages 1-338 (inclusive)

<u>Name of Claim</u>	<u>Section</u>	<u>Township</u>	<u>Range</u> <sup>1</sup>	<u>County</u>	<u>Date Located</u> <sup>2</sup>	<u>Date Recorded</u>	<u>Book</u>	<u>Page</u> <sup>3</sup>	<u>BLM Recordation Number</u>
Rob #105	33 & 28	24N	49E	Eureka	February 20, 1980	May 8, 1980	80	589	N MC 150870
#406	33 & 28	"	"	"	"	"	"	590	N MC 150871
#407	33 & 28	"	"	"	"	"	"	591	N MC 150872
#408	33 & 28	"	"	"	"	"	"	592	N MC 150873
#409	33 & 28	"	"	"	"	"	"	593	N MC 150874

1. Mount Diablo Principal Meridian
2. All claims amended on July 22, 1980
3. Amended location certificates recorded  
in Book 83, Pages 345-600 (inclusive)  
and Book 84, Pages 1-338 (inclusive)

Topographic map of the Tonkin area, showing the Tonkin Property, Tonkin Canyon, and Tonkin Summit. The map includes a grid with T24 N, T23 N, and T23 E sections. Key features include the Tonkin Property, Tonkin Canyon, Tonkin Summit, and Tonkin Ranch. The map also shows the area of interest boundary and the Tonkin area. A scale bar at the bottom indicates distances in miles and feet. The map is labeled 'BOOK 137 PAGE 126'.



## EXHIBIT C

(Attached to and made a part of the Mining Lease  
between Precambrian Exploration, Inc. and  
Tonkin Springs Mining Company, dated effective as of  
January 5, 1985)

## ACCOUNTING PROCEDURE

1. General

This Exhibit C contains the accounting policies and procedures as well as methods for determining charges and credits under the Mining Lease to which it is attached (the "Lease"). It also describes the books and accounts which shall be maintained by Lessee ("records"). Terms that are defined in the Lease shall have the same meanings when used in this Exhibit. Nothing contained in this Lease shall be interpreted or applied in any manner which would require or permit duplication of all or any portion of any credit or charge described below.

2. Records

Lessee shall maintain complete and separate financial records for Operations. These records shall include, but not be limited to, a general ledger, and normally required subledgers, journals, and supporting documentation. The records shall at all times be kept current, on a full cash accounting basis. Lessee's financial records shall adequately record, classify, summarize and document all costs, expenditures, sales, receipts, contributions, distributions, assets and liabilities, profits and losses, and all other transactions, contracts or events necessary or incidental to Operations. Such records shall be maintained for the duration of the period allowed Lessor for audit or the period necessary to comply with tax or other regulatory requirements.

3. Audits

Lessee shall arrange and define the audit scope for periodic audits of Lessee's financial records relating to Operations at intervals to be determined by Lessee. The audit will be performed by independent certified public accountants selected by Lessee. Within a reasonable time after the completion of each audit, Lessee shall furnish audited financial statements to Lessor. The cost of such audits shall be a Cost.

4. Proceeds

For purposes of calculating Net Profits, the following shall be credited as proceeds:

## A. Value of Product Sold or Distributed.

Product sold in arms-length transactions shall be valued on the basis of the price paid for the Product by the purchaser, f.o.b. the Properties. Product not sold in arms-length transactions shall be valued at the prevailing market price in the area of the Properties on the date sold. Refined Product taken in kind shall be valued on the basis of the afternoon London fixing price for such refined Product on the date that such refined Product is ready for shipment. Lessee will provide Lessor with an analysis showing the calculation of such value. The calculation will be made quarterly and will provide both a per ounce and total value for Lessor's share of refined Products.

## B. Proceeds from Miscellaneous Sources.

- (i) Gross proceeds received from sales (salvage or otherwise), leases, or other dispositions of any assets, to the extent that the costs thereof were charged by Lessee as part of Costs;
- (ii) Gross proceeds received from insurance payments pursuant to policies whose premiums were charged by Lessee as part of Costs;
- (iii) Gross proceeds received from litigation or settlement of litigation, where the expense of such litigation or settlement was charged by Lessee as part of Costs;
- (iv) An amount equal to the fair market value at the time of removal from the Properties by Lessee of any assets to the extent that the purchase price costs thereof were charged by Lessee as part of Costs;
- (v) All other credits required by the Lease, including Sections 5.01, 5.09 and 6.09 thereof; and
- (vi) An amount equal to all other funds or the fair market value of all other benefits received or realized by Lessee in connection with Commercial Production.



5. Costs

The amounts applicable pursuant to the following provisions will be recorded as Lessee's Costs. Cost and expense items of Lessee which are attributable to both Operations and other projects shall be prorated to Operations by Lessee on the basis of the relative use of such items between Operations and such other projects. Cost and expense items billed by an Affiliate shall be deemed to have been paid by Lessee when billed by the Affiliate.

## A. Labor

- (i) Salaries and wages of employees, directors and officers of Lessee who are directly engaged in Operations, including salaries or wages paid to the project manager, technical employees, (geologists, geophysicists, geochemists, draftsmen, engineers, etc.), mine, mill, and support employees (construction supervisors, mine and mill supervisors, foreman and hourly employees, purchasing personnel, office administration, accounting, inventory control, etc., employees) and such other employees of Lessee who are assigned to perform services related to Operations.
- (ii) Lessee's cost of holiday, vacation, sick leave and disability benefits, and other customary allowances applicable to the salaries and wages described in paragraph 5.A(i) above. These costs shall be charged on a when and as paid basis or by percentage assessment on the amount of salaries and wages. The rate shall be based on Lessee's cost experience and shall be adjusted periodically and in no event less than annually to ensure that such charges do not exceed the actual cost thereof to Lessee. The percentage rate shall not be applied to any portions of salaries or wages attributable to overtime, bonuses or incentives.
- (iii) Costs of expenditures or contributions made pursuant to assessments imposed by governmental authority which are applicable to Lessee's above-described labor cost of salaries and wages, including all penalties except those resulting from the willful misconduct or gross negligence of Lessee.

- (iv) Lessee's cost of established plans for employees' group life insurance, hospitalization, pension, retirement, stock purchase, thrift, bonus, and other benefit plans customary in the industry and applicable to the salaries and wages described in paragraph 5.A(i) above. These costs shall be charged on a when and as paid basis or by percentage assessment on the amount of salaries and wages.
  - (v) All reasonable and necessary travel expenses of Lessee's employees, officers and directors, incurred in connection with Operations, including all travel between the Properties and Lessee's Denver office and/or any regional office established by Lessee.
- B. Materials, Supplies, Equipment, Improvements and Facilities
- (i) Lessee's actual costs of material, supplies, equipment, improvements and Facilities purchased by Lessee or leased from a third party, but excluding any charge for depreciation, amortization, or depletion thereof. Lessee shall purchase, lease, or furnish only so much of such items as may be required for reasonable use in efficient and economical Operations, and shall maintain inventory at reasonable levels to avoid unnecessary accumulation of surplus.
  - (ii) Lessee's actual costs of constructing and installing improvements, equipment and other capital assets.
  - (iii) The fair market rental value of Lessee's and/or an Affiliate's exclusively owned equipment and facilities, based upon the shortest term commercial leases that are available for such equipment and facilities.
  - (iv) Any equipment furnished by Lessee from its stocks or transferred to either Party shall be priced on the following basis:
    - (a) New Equipment: New equipment transferred from Lessee shall be priced f.o.b. the nearest reputable supply store or railway receiving point, where like equipment is available, at the current replacement cost of the same kind

of equipment, exclusive of any available cash discounts, at the time of the transfer (herein called, "New Price").

(b) Used Equipment.

(1) Used equipment in sound and serviceable condition and suitable for reuse without reconditioning shall be priced as follows:

(a) Used equipment transferred by Lessee shall be priced at seventy-five percent (75%) of the New Price;

(b) Used equipment transferred to a Party shall be priced (i) at seventy-five percent (75%) of the New Price if such equipment was originally charged hereunder as new equipment, or (ii) at sixty-five percent (65%) of the New Price if such equipment was originally charged hereunder as good used equipment at seventy-five percent (75%) of the New Price.

(2) Other used equipment which, after reconditioning will be further serviceable for original function as good secondhand equipment, or which is serviceable for original function but not substantially suitable for reconditioning shall be priced at 50 percent (50%) of the New Price. The cost of any reconditioning shall be borne by the transferee.

(3) All other equipment, including junk, shall be priced at a value commensurate with its use or at prevailing prices. Equipment no longer suitable for its original purpose but useable for some other purpose shall be priced on a basis comparable with items normally used for such other purposes.

(c) Obsolete Equipment: Any equipment which is serviceable and useable for its original function, but its condition is not equivalent to that which would justify a price as provided above shall be priced at a level which will result in a charge equal to the value of the service to be rendered by such equipment.

(d) Premium Prices: Whenever equipment is not readily obtainable at published or listed prices because of national emergencies, strikes or other unusual circumstances over which Lessee has no control, Lessee may charge for the required equipment on the basis of Lessee's direct cost and expenses incurred in procuring such equipment and making it suitable for use. Lessee shall provide Lessor with written notice of the proposed charge prior to the time when such charge is to be billed, whereupon Lessor shall have the right, by notifying Lessee within ten days of the delivery of the notice from Lessee, to furnish at the usual receiving point all or part of the equipment suitable for use and acceptable to Lessee.

(e) Warranty of Equipment Furnished by Lessee. Lessee does not warrant the equipment furnished beyond any dealer's or manufacturer's warranty and no credits shall be made for defective equipment until adjustments are received by Lessee from the dealer, manufacturer or their respective agents.

C. Services

The cost of contract services and subcontractor services and utilities procured from outside sources. If contract services or subcontractor services are performed by an Affiliate of Lessee, the cost charged shall not be greater than that for which comparable services and utilities are available in the open market in the vicinity of Operations from sources not affiliated with Lessee.

D. Office Lease Expenses

The leasehold expenses for Lessee's Denver office and/or any regional office established by Lessee (based upon time spent by the personnel in that office on Operations vis-a-vis other projects); provided, that charges for this item shall be reviewed and adjusted quarterly by Lessee.

E. Damages and Losses to Properties and Facilities

- (i) All costs or expenses in excess of insurance proceeds necessary to replace or repair damages or losses to Properties and Facilities incurred by fire, flood, storm, theft, accident, bodily injury or other general liability, or otherwise, unless such damages or losses result from the willful misconduct or gross negligence of Lessee. Lessee shall furnish Lessor written notice of damages or losses incurred in excess of \$25,000 per occurrence as soon as practicable after report of the same has been received by Lessee.
- (ii) Net premiums paid for insurance and Lessee's costs (not to exceed published manual rates) of self-insurance required by the Lease.

F. Audit and Legal Expenses

Costs of periodic audits conducted pursuant to the Lease and this Accounting Procedure. Legal expenses, including those incurred by Lessee's in-house attorneys or by attorneys employed by an Affiliate of Lessee and including all costs and expenses of securing legal advice and services, drafting of contracts, negotiating with third parties and government agencies, processing applications for permits, licenses, leases or other authorization from government agencies, handling, investigating, and settling litigation or claims arising by reason of Operations or necessary to protect or recover property, including, but not limited to, attorney's fees, court costs, cost of investigation or procuring evidence and amounts paid in settlement or satisfaction of any such litigation or claims. These legal expenses are limited to the legal expenses related to Operations only and specifically exclude the costs of any legal action of one Party against the other. The reasonable legal expenses incurred by Lessee in connection with the negotiation, drafting and closing of this Lease also shall be an Operating Cost.

G. Taxes

All taxes of every kind and nature assessed or levied upon or in connection with Operations, the Properties or Facilities, exclusive of income taxes.

H. Product Related Refining Costs

All transportation, insurance, refinery charges, deductions related to the Product, and any other charges required in the refining process prior to the sale or distribution of the Product.

I. Title Review Costs

All reasonable costs incurred by Lessee in connection with its review of the title documents and information concerning the Properties.

J. Other Expenditures

Any other direct expenditures reasonably incurred by Lessee for the necessary and proper conduct of Operations.



EXHIBIT D

(Attached to and made a part of the Mining Lease  
between Precambrian Exploration, Inc. and  
Tonkin Springs Gold Mining Company,  
dated effective as of January 5, 1985)

GUARANTY

This Guaranty is dated effective as of January 5, 1985,  
from Silver State Mining Corporation, a Colorado corporation  
("Guarantor"), to Precambrian Exploration, Inc., a Nevada  
corporation ("Precambrian").

WITNESSETH:

WHEREAS, Tonkin Springs Gold Mining Company, a Colorado  
corporation ("Tonkin Springs"), wholly owned by Guarantor, has  
entered into a Mining Lease, dated effective as of January 5,  
1985 (said Mining Lease and Exhibits thereto herein collectively  
called the "Lease"), with Precambrian providing for the  
exploration and possible development and mining of certain  
mining properties in Eureka County, Nevada, all as more  
specifically set forth in the Lease; and

WHEREAS, Guarantor expects to benefit from the tran-  
sactions contemplated by the Lease; and

WHEREAS, Precambrian, as a condition to its agreement  
to enter into the Lease and to consummate the transactions  
contemplated thereby, has required that the Guarantor guarantee  
the performance by Tonkin Springs of all of its obligations  
under the terms and provisions of the Lease and the documents to  
be executed pursuant thereto;

NOW, THEREFORE, in consideration of the premises and to  
induce Precambrian to enter into the Lease, and to consummate  
the transactions contemplated thereby, Guarantor hereby cove-  
nants and agrees with Precambrian as follows:

1. Guarantor hereby absolutely, unconditionally and  
irrevocably guarantees to Precambrian the performance of all  
obligations of Tonkin Springs pursuant to the Lease.
2. This Guaranty is a guarantee of payment and  
performance and shall not be construed to be limited to a  
guarantee of collection. Precambrian agrees that upon a failure  
of Tonkin Springs to make any payment or to perform any act, or

to refrain from performing any act, required under the Lease, Precambrian shall notify Tonkin Springs in writing of such matters with a copy to Guarantor. Guarantor agrees that if Tonkin Springs has not completely cured or otherwise satisfied the obligations described in such notice within ninety (90) days after the date of such notice, then immediately upon written demand by Precambrian, Guarantor shall pay Precambrian the full amount of, and do and perform each of, such obligations, as if such obligations constituted the direct and primary obligation of Guarantor.

3. Any notice, demand or request by Precambrian to Guarantor shall be in writing, and shall be deemed to have been duly given or made if either delivered personally to Guarantor or mailed by certified mail or registered mail addressed to Guarantor at: 1600 Stout Street, 1600 Hudson's Bay Centre, Denver, Colorado 80202-3133.

4. This Guaranty shall be construed to benefit only Precambrian and its respective successors and assigns, and shall in no way be construed to create third party beneficiary rights in any other party, entity or governmental organization.

5. This Guaranty and the obligations of Guarantor hereunder shall be construed in accordance with and governed by the laws of the State of Colorado.

6. Guarantor shall not exercise any rights which it may have or acquire by way of subrogation under this Guaranty until all of the obligations of Tonkin Springs under the Lease have been fully performed. If any amount shall be paid to Guarantor on account of such subrogation rights at any time when all of the obligations of Tonkin Springs under the Lease have not been performed in full, such amount shall be held in trust for the benefit of Precambrian and shall forthwith be paid to Precambrian to be credited and applied upon such obligations as have matured under the terms of the Lease.

7. No amendment or waiver of any provision of this Guaranty nor consent to any departure by the Guarantor herefrom shall be effective unless the same is in writing and signed by Precambrian, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given. No failure on the part of Precambrian to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof or the exercise of any other right. The remedies herein provided shall be cumulative and not exclusive of any other remedies provided by law.

8. This Guaranty is a continuing guarantee and shall remain in full force and effect until performance in full of all obligations of Tonkin Springs under the Lease and, to that extent, shall survive any expiration or termination of the Lease.

9. Guarantor shall not assign all or any part of its rights or obligations hereunder without the prior written consent of Precambrian. Subject to the foregoing sentence of this paragraph 9, this Guaranty shall be binding upon, enforceable by, and inure to the benefit of Guarantor, Tonkin Springs, and Precambrian and their respective successors or assigns.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date first above written.

SILVER STATE MINING CORPORATION

By: \_\_\_\_\_  
William W. Reid, President

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

On the \_\_\_\_ day of June, 1985, before me personally appeared William W. Reid, in his capacity as President of Silver State Mining Corporation, who, being first duly sworn, acknowledged that he executed the foregoing instrument in the name of said entity, that he had the authority to execute the same, and that he executed the same as the act and deed of said entity for the uses and purposes therein stated.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

EXHIBIT E

(Attached to and made a part of the Mining Lease  
between Precambrian Exploration, Inc. and  
Tonkin Springs Gold Mining Company, dated effective  
as of January 5, 1985)

NOTICE OF NONRESPONSIBILITY  
(NRS 108.234)

1. This Notice of Nonresponsibility is given pursuant to the provisions of NRS 108.234, as amended.

2. Precambrian Exploration, Inc., a Nevada corporation, owns a group of unpatented mining claims ("the Rob Claims") which are situate in Eureka County, Nevada, and more particularly described in Schedule I attached hereto and incorporated herein. Precambrian Exploration, Inc. has an office and address at 4955 Iris Street, Wheat Ridge, Colorado 80033.

3. Precambrian Exploration, Inc. has leased the Rob Claims to Tonkin Springs Gold Mining Company, a Colorado corporation and a wholly-owned subsidiary of Silver State Mining Corporation, a Colorado corporation. Tonkin Springs Gold Mining Company and Silver State Mining Corporation have an office and address at 1600 Hudson's Bay Centre, 1600 Stout Street, Denver, Colorado 80202-3133.

4. As lessor of the Rob Claims, Tonkin Springs Gold Mining Company intends to construct, place, alter, or repair certain buildings or other improvements mentioned in NRS 108.222 upon the Rob Claims. Precambrian Exploration, Inc. will not be responsible for such improvements. Such improvements shall not be held to have been constructed, placed, altered, or repaired at the instance of Precambrian Exploration, Inc., and the Rob Claims shall not be subject to any lien resulting from or related to such construction, placement, alteration, or repair which may be asserted or recorded in accordance with the provisions of NRS 108.221 to 108.246, inclusive.

Dated effective as of October 12, 1984.

PRECAMBRIAN EXPLORATION, INC.

By: \_\_\_\_\_  
M. B. Mehrtens, President

[CORPORATE SEAL]

By: \_\_\_\_\_  
William R. Marsh, Legal  
Counsel for Precambrian  
Exploration, Inc.

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STATE OF COLORADO )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 1985, before me, the undersigned, a Notary Public in and for the County of \_\_\_\_\_ and State of Colorado, duly commissioned and sworn, personally appeared M. B. Mehrtens, as President of Precambrian Exploration, Inc., a Nevada corporation, known to me to be the person whose name is subscribed to the within instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

Witness my hand and official seal.

My commission expires \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

[NOTARIAL SEAL]

STATE OF COLORADO )  
 ) ss.  
CITY AND COUNTY OF DENVER )

On \_\_\_\_\_, 1985, before me, the undersigned, a Notary Public in and for the City and County of Denver and State of Colorado, duly commissioned and sworn, personally appeared William R. Marsh, as legal counsel for Precambrian Exploration, Inc., a Nevada corporation, known to me to be the person whose name is subscribed to the within instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

Witness my hand and official seal.

My commission expires \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

[NOTARIAL SEAL]

EXHIBIT F

(Attached to and made a part of the Mining Lease  
between Precambrian Exploration, Inc. and  
Tonkin Springs Mining Company, dated  
effective as of January 5, 1985)

INSURANCE AMOUNTS

Umbrella -	\$5 million
General Liability -	\$500,000 per occurrence
Auto Liability -	\$500,000 per accident plus actual cash value coverage
Property Damage -	Replacement value of improvements, equipment, fixtures, facilities, or other property whose purchase price is charged as a Cost under the Lease

RECORDED AT REQUEST OF  
Precambrian Exploration, Inc.  
BOOK 137 PAGE 40

85 JUL 5 P 1:40

OFFICIAL RECORDS  
SUTTER COUNTY, NEVADA  
JUL 5 1985  
59737  
63.00

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