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GOLD

Development and Exploration Inc.

2265 Westwood Blvd., Ste. 404
Los Angeles, California 90064
(213) 859-7230

5580 La Jolla Blvd., Ste. 430
La Jolla, California 92037
1-800-824-7888 Ext. M1543

ASSIGNMENT, CONSENT, AND ACCEPTANCE OF ASSIGNMENT

On this date JANUARY 27th, 1989, LUDWIG EXPLORATION COMPANY, a Nevada Corporation, NORMAN E. LUDWIG and BONNIE L. LUDWIG, individually, hereinafter referred to collectively as First Party; and DRURY J. THIERCOF and FRANCES MAE THIERCOF, husband and wife, hereinafter referred to collectively as Second Party; and HIGH DESERT MINERAL RESOURCES, INC., a Nevada Corporation, hereinafter referred to as Third Party; in consideration of the mutual promises contained herein and the receipt of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is acknowledged by all Parties, do hereby agree as follows:

1. That the First Party does by these presents convey and assign to Third Party any and all interest in and to that certain lease of unpatented mining claims, Back Pay Lode, Back Pay Lode Claim No. 1, Dixie Lea Lode Claim and Dixie Lode Claim No. 1, dated as of July 1, 1985, wherein Second Party as Lessors leased said claims to First Party. Said lease is attached hereto as Exhibit A, and incorporated herein by reference.

2. That the Third Party hereby accepts the benefits and the burdens of said lease and shall perform all that is required by the terms thereof. Further, that Third Party certifies that is a duly organized corporation in good standing and that it is qualified to do business in the State of Nevada and that the individual signing on behalf of the Corporation does so with full corporate authority and pursuant to corporate resolution duly adopted. Further, that the Third Party shall save and hold First Party harmless from any and all claims, damages, losses, expenses, liabilities and suits, in any way arising from or resulting from the assigned lease or the leased premises.

3. That the Second Party does by these presents consent to said assignment and does hereby release First Party from any obligation arising from the assigned lease.

Dated as of this 27th day of JANUARY, 1989.

NORMAN E. LUDWIG, Individually and as President

BONNIE L. LUDWIG, Individually and as Secretary

DRURY J. THIERCOF

FRANCES MAE THIERCOF

HIGH DESERT MINERAL RESOURCES, INC.

BY: Renee L. Halavais

BY: P. Lee Halavais

BOOK 200 PAGE 391

HIGH DESERT MINERAL RESOURCES, INC.

- I. AMENDMENT to existing lease agreement between Ludwig Exploration Co., a Nevada Corporation, Norman E. Ludwig and Bonnie L. Ludwig; and Drury J. Thiercof and Frances Mae Thiercof, on the Dixie Lea and Back Pay Lode Mining Claims.
- II. ASSIGNMENT, CONSENT, AND ACCEPTANCE OF LEASE ASSIGNMENT TO HIGH DESERT MINERAL RESOURCES, INC., by Ludwig Exploration and Drury J. Thiercof and Frances M. Thiercof, causes to effect the following changes and amendments in said Lease Agreement.
- III. HIGH DESERT MINERAL RESOURCES, INC. accepts full responsibility for the following amendments stated herein and releases Ludwig Exploration, Norman and Bonnie Ludwig, from any and all performance liability connected with said contract changes and amendments.
 - A. Advance Royalty payment to Lessor will be paid in precious metal (GOLD) based on fair market value, London Metals Exchange (LME) price, equal to Three Thousand U.S. Dollars (\$3,000.00) per year.
 - B. Advance Royalty payments will be in excess, over and above, production royalty payments made to Lessor. Advance royalty payments to begin on July 1, 1990.
 - C. All royalty payments to Lessor will be made in (GOLD), within 48 hours of refining, or unrefined if stipulated by Lessor.
 - D. Lessee will keep and maintain daily production logs and accounting records of work conducted on the Dixie Lea and Back Pay Mining Claims and will make these records available to the Lessor upon request, or quarterly as a matter of procedure.
 - E. Lessee will carry \$1,000,000.00 Business Operation Liability Insurance coverage and will include Lessor as additional insured named on policy. Copy of policy to Lessor.
 - F. Lessee will post Lessor's mining claims with liability disclaimer notices and agrees to keep Lessor's properties free of lien or litigation resulting from Lessee's business operations.
 - G. Lessee agrees to re-negotiate the 15% Net Smelt Return royalties paid to Lessor, as stipulated in the original Lease Agreement, upon completion of the exploration, testing, and drilling program conducted on Lessor's properties.
 - H. Lessee agrees that this Lease is restricted to the parties named herein exclusively and is unassignable without the written approval of Lessor.

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- I. Lessee is a duly authorized officer and director of High Desert Mineral Resources, Inc. of Nevada; and the parent Corporation, High Desert Mineral Resources, Inc., a public traded Corporation on the Vancouver, B.C., Stock Exchange, and in signing this document legally obligates both Corporations to comply with the Terms, Conditions, Promises, and Guarantees stipulated herein.

LESSOR

Drury J. Thiercof
Drury J. Thiercof

1/27/89
Date

LESSOR

Frances Mac Thiercof
Frances Mac Thiercof

1-27-89
Date

LESSEE

Ronald Halavais
Ronald Halavais
High Desert Mineral Resources, Inc.
A Nevada Corporation

1/27/89
Date

LESSEE

P. Lee Halavais
P. Lee Halavais
High Desert Mineral Resources, Inc.
A Vancouver, B.C., Public Corporation

1/27/89
Date

WITNESS

Norman E. Ludwig
Norman E. Ludwig

1-27-89
Date

WITNESS

Bonnie L. Ludwig
Bonnie L. Ludwig

1-27-89
Date

BOX 200 PAGE 393

HIGH DESERT MINERAL RESOURCES, INC.

AGREEMENT

A. On this date, JANUARY 27, 1989, the undersigned, Ronald T. Halavais and Drury J. Thiercof, agree to the following terms, conditions, and contingencies related to the ASSIGNMENT, CONSENT AND ACCEPTANCE AGREEMENT relative to the Dixie Lea and Back Pay Lode Mining Claims.

1. Ronald T. Halavais, agrees to the obligations and commitments stated below: RA

a. To pay Drury J. Thiercof Three Thousand Dollars (\$3,000.00) at signing of Assignment, Consent, and Acceptance Agreement, and an additional Five Thousand Dollars (\$5,000.00) Advance Royalty for 1989, on or before April 30, 1989. RA

b. To provide corporate organizational documents listing officers and directors, authorized and issued stock, of High Desert Mineral Resources, Inc., Vancouver, B.C., Public Corporation. RA

B. This agreement is to be an addendum to the Assignment of the Lease Agreement between Ludwig Exploration, Drury J. Thiercof and Frances Mae Thiercof, with original copies going to Drury and Frances Mae Thiercof and Ronald Halavais exclusively.

Ronald Halavais
Ronald T. Halavais
HIGH DESERT MINERAL RESOURCES, INC.

1-27-89
Date

Drury J. Thiercof
Drury J. Thiercof

1-27-89
Date

BOOK 200 PAGE 394

RECORDED AT THE REQUEST OF
Gold Development
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OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.N. REBALFATI, RECORDER
FILE NO. 128911
FEE \$ 9.00

BOOK 200 PAGE 395