

BOOK 416 PAGE 012-031
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EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO. 199525
FEES \$58.00

AMENDMENT
AND
EXTENSION
OF
AGRICULTURAL LEASE

THIS AMENDMENT AND EXTENSION OF AGRICULTURAL LEASE is entered into effective March 14, 2005 between HOMESTAKE MINING COMPANY OF CALIFORNIA, a California corporation having a place of business at the Ruby Hill Mine, P.O. Box 676, Eureka, Nevada 89316 ("Homestake") and DAVID E. GROTH, whose mailing address is P.O. Box 662, Eureka, Nevada 89316 ("Lessee").

WHEREAS, Homestake and Lessee entered into an Agricultural Lease dated March 14, 2003, a copy of which is attached hereto as Attachment 1 (the "Lease"); and,

WHEREAS, Homestake and Lessee desire to extend the term of the Lease and to make certain amendments to the Lease.

NOW THEREFORE, in consideration of the covenants and conditions hereof, the adequacy of which is hereby acknowledged, Homestake and Lessee agree as follows:

1. The Term of the Lease as provided in Section 2 thereof shall be extended to March 14, 2007 unless sooner terminated as provided in the Lease;
2. Notwithstanding the provisions of Sections 8 and 10 of the Lease Lessee hereby specifically acknowledges that Homestake plans to undertake additional mining activities at the Ruby Hill Mine and that such activities will impact the amount of water available for use by Lessee under the Lease. Homestake shall provide from time to time on not less than thirty (30) days prior written notice to Lessee of any reduction or reductions in the amount of water available to Lessee under the Lease and shall attempt to the extent practicable, to coordinate such reduction to minimize the impact on Lessee's operation, provided, in every event the needs of Homestake shall take precedence;
3. Subsection 6 (g) of the Lease shall be deleted in its entirety;
4. Subsection 11 (c) of the Lease shall be deleted in its entirety;
5. In all other respects the Lease shall remain in full force and effect as previously executed by the parties hereto.

IN WITNESS WHEREOF, Homestake and Lessee have executed this
Amendment and Extension of Agricultural Lease.

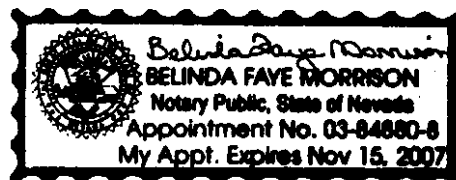
HOMESTAKE MINING COMPANY OF CALIFORNIA

By: Steph J Brower
Print Name: Stephen J. Brower
Title: General Manager

LESSEE

David E. Groth
David E. Groth

STATE OF NEVADA)
) ss.
COUNTY OF EUREKA)

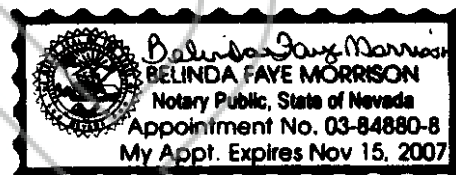


On May 04, 2005, before me, a duly commissioned Notary Public for said State, personally appeared, David E. Groth, personally known to me to be the person who executed the within instrument.

IN WITNESS WHEREOF, I have signed my name and affixed my official seal.

Belinda Faye Morrison
Notary Public in and for said State
Residing at: Intersection Hwy 50 &
SR 278, Eureka, NV 89310
My Commission Expires: 11/15/2007

STATE OF Nevada)
) ss.
COUNTY OF Eureka)



On May 04, 2005, before me, a duly commissioned Notary Public for said State, personally appeared, Stephen J. Braver, personally known to me to be the General Manager / Ruby Hill Mine of Homestake Mining Company of California, a California corporation, and personally known to me to be the person who executed the within instrument and on said oath stated that he was authorized to do so on behalf of said corporation.

IN WITNESS WHEREOF, I have signed my name and affixed my official seal.

Belinda Faye Morrison
Notary Public in and for said State
Residing at: Intersection Hwy 50 &
SR 278, Eureka, NV 89310
My Commission Expires: 11/15/2007

ATTACHMENT 1

Agricultural Lease dated March 14, 2003
between
Homestake Mining Company of California
and
David E. Groth

COPY

AGRICULTURAL LEASE

AGRICULTURAL LEASE dated March 14, 2003 ("Effective Date") between HOMESTAKE MINING COMPANY OF CALIFORNIA, a California corporation having a place of business at Ruby Hill Mine, P.O. Box 676, Eureka, Nevada 89316 ("Homestake") and DAVID E. GROTH, P.O. Box 662, Eureka, Nevada 89316 ("Lessee").

1. **LEASE.** (a) Homestake hereby leases to Lessee, for agricultural purposes granted herein, the surface estate (but not the mineral estate) of that certain real property more particularly described in Exhibit A attached hereto ("Property"). Lessee's right to use the Property for agricultural purposes is exclusive, but subordinate to Homestake's rights as more particularly described in **Section 10** of this Lease to enter the Property and permit others to enter the Property to exercise all of the rights and incidents of ownership other than agricultural and not expressly granted to Lessee by this Lease.

(b) Lessee has (i) made inquiry with respect to the Homestake's title to the Property; (ii) made an inspection of the physical and environmental condition of the Property; and (iii) made an inspection of the suitability of the Property for Lessee's use. Lessee accepts the Property and all improvements in "AS IS" condition.

(c) Homestake makes no warranty or representation as to Homestake's title to the Property or Water or the Water Right described in **Section 8**, or the condition, suitability or productivity of the Property for any purpose including but not limited to growing crops of any kind or grazing of livestock.

2. **TERM.** The term of this Lease shall be for 2 (two) years unless sooner terminated by either party as provided herein.

3. **RENTAL.** (a) Lessee shall pay Homestake \$ 10.00 as annual rental. The non-refundable annual rental shall be paid in one payment of \$ 10.00 on or before the first day of April each year for so long as the Lease remains in effect.

(b) Homestake has the right to adjust the annual rental based on any revisions of permitted use activities as provided in each of the annual Management Plans contemplated by this License; changes in the prevailing industry rates for such permitted activities; and/or to increase or decrease the rental by an amount equal to any increase or decrease in real estate taxes on the Property. Homestake shall deliver to Licensee written notice of the adjusted rental amounts at least 30 days in advance of the payment due date.

4. BUILDINGS. Homestake owns certain buildings located on the Property but makes no representation with respect to the condition or suitability of such buildings for any use. Lessee shall have no right to enter and use such buildings at any time while this Lease is in effect.

5. AGRICULTURAL ACTIVITIES; MANAGEMENT PLAN. Lessee covenants that Lessee will not use the Property for any purpose except to graze, plant and rotate crops and agrees to perform such activities in accordance with good husbandry and sound farming practices as approved by Homestake and in accordance with the guidelines established by the Soil Conservation Service and the annual management plan attached as Exhibit B ("Management Plan"). Lessee further agrees that Lessee will conduct all activities under this Lease in accordance with Homestake's total resource management plan for the Property.

(b) The Management Plan shall be revised annually at least 30 days prior to each anniversary of the Effective Date.

6. FENCES, EQUIPMENT, AND IMPROVEMENTS. (a) Lessee shall maintain in good repair all fences on the Property. Homestake shall provide all fencing materials and Lessee the labor. All costs incurred by Lessee in connection with such labor, including reasonable equipment costs shall be borne by Lessee. No improvements shall be made at Homestake's cost or for Homestake's account without Homestake's prior written consent. Fences shall not be attached to trees either alive or dead unless attached by nails and utilizing 2x4 wooden stringers.

(b) At Homestake's request Lessee will cause fences to be erected. Unless specifically agreed upon in Exhibit B, Homestake and Lessee will share the cost of such new fences in accordance with the foregoing.

(c) Lessee will not construct or remove any fences without Homestake's prior written consent.

(d) Lessee will take all reasonable steps to exclude the livestock from the fenced well areas, and livestock of others from the Property.

(e) Lessee shall maintain Homestake's wheel-lines, providing both labor and materials. Homestake will maintain groundwater wells and associated pumps.

(f) Lessee agrees to designate all fence locations on the map provided with the Management Plan and will describe any boundary fences not located on the boundaries of the Property.

(g) Lessee proposes to place and maintain a pivot on the Property. Installation, hookup and maintenance of the Lessee's pivot shall be the responsibility of the Lessee. Lessee further agrees to communicate installation plans to Homestake prior to installation of the pivot.

7. WEED CONTROL. (a) Lessee agrees to exercise diligence and good stewardship of the Property to prevent the introduction and/or spread of weeds and other noxious plants in accordance with the Management Plan. Weed and pest control is the sole responsibility of Lessee.

(b) Cost of weed and pest control shall be paid 50% by Lessee and 50% by Homestake, so long as Lessee does not place on the Property alfalfa, hay, fodder, and other cut grasses ("Supplementary Feed") gathered from lands other than the Property.

(c) In the event that Lessee determines to place such Supplemental Feed on the Property, Lessee shall provide written notice of Lessee's intent to do so and thereafter Lessee shall assume all additional weed and pest control costs incurred by reason of Lessee's actions.

8. WATER. (a) Homestake owns underground water rights Permit No. 19411, Certificate No. 7025 and Permit No. 22290, Certificate No. 7519. Lessee shall have the non-exclusive right to use water from the existing wells located on the Property for purposes of providing drinking water for livestock and for irrigation of crops ("Water"). Homestake shall maintain in good working condition all pipes, pumps, and other equipment related to the use of such wells. Homestake does not warrant either the quality or quantity of the water supply on the Property for any use or purpose or the condition or continued operation of any such pipes, pumps, wells and associated appurtenances.

(b) Homestake shall make such Water available to Lessee outside the fence around Homestake's buildings and facilities on the Property. Lessee shall coordinate its use of Water for irrigation with Homestake, provided, in the event there is a conflict in the need for Water, Homestake's use shall take priority.

(c) Lessee shall have no right to apply for, in Lessee's name, any water right for which the source of such water is located on the Property.

9. REFUSE. Lessee shall not discard or allow any other party to discard any garbage, refuse, petroleum waste products, oil filters, hydraulic fluids or hazardous substance of any kind on or in the Property.

10. SUBORDINATION OF HOMESTAKE'S RIGHTS. (a) Lessee's rights under this Lease are expressly subordinate to mineral exploration, development, reclamation and surface or underground mining and related activities by the owner of the mineral estate (and its permittees) on and in the mineral estate and so much of the surface as is

reasonably useful in connection therewith and on or in connection with exploration, mining, milling and related activities on or in adjacent or nearby properties owned or controlled by Homestake (collectively "Mining Activities"). In the event of any conflict between Lessee's agricultural activities hereunder and Mining Activities, the latter shall control over the former. DG. (initialed by Lessee)

(b) Lessee acknowledges that the exercise of the rights held by the owner of the mineral estate to engage in Mining Activities on and under the Property could result in the curtailment or complete extinguishment of the use of the Property by Lessee with no compensation to Lessee from Homestake. Lessee expressly assumes all risks associated with any such curtailment or extinguishment and shall not have the right to rely on the continuation of this Lease in effect except as expressly provided herein.

11. TERMINATION. (a) Either party may terminate this Lease at any time upon ninety days prior written notice to the other.

(b) On or before the effective date of such termination, Lessee shall remove all personal property from the Property and shall surrender the Property to Homestake in as good condition as of the Effective Date subject only to reasonable wear, tear and damage by the elements.

(c) If Homestake terminates the lease prior to the end of the 2-year term, Homestake shall reimburse Lessee \$2,000.00 to compensate for costs of removal of Lessee's personal property.

12. INDEMNIFICATION. Lessee shall indemnify, defend and hold Homestake, its directors, officers, employees, agents, representatives, and contractors and those of its subsidiaries and affiliates harmless from any damage, loss, liability, injury or the claim thereof (including attorneys fees, fines and penalties) to persons, property, natural resources and the environment, including environmental liability and responsibility of every kind and character arising out of (i) Lessee's use or occupation of the Property and (ii) any breach of this Lease by Lessee.

13. LIENS. Lessee shall keep the Property free of liens, including those resulting from the purchase of labor and materials. If any such lien or encumbrance is at any time filed or imposed, Lessee shall, within ten days after notice of such filing or imposition, cause it to be discharged of record. Homestake shall have the right, but not the obligation, to remove any such lien or encumbrance and to recover amounts so paid from Lessee.

14. INSURANCE. During the term of this Lease, Lessee shall obtain and keep in force Comprehensive General Liability Insurance with a limit of liability of not less than \$1,000,000 combined single limit, per occurrence and annual aggregate, for bodily injury and property damage. Such insurance shall also include Completed Operations and Broad Form Blanket Contractual Liability coverage insuring Homestake against liability for all

claims, loss, or damage arising from any cause whatsoever arising out of or related to any activities of Lessee and/or its contractors. Such insurance shall provide coverage for the activities of all Lessee's employees, contractors, agents, representatives and any third parties that Lessee permits or causes to enter the Property. All insurance coverages shall include endorsements or other provisions stating that all insurance of Lessee is the primary insurance and providing for waiver of subrogation by the insurer against Homestake and its Affiliates. Within ten days after the Effective Date and each anniversary thereafter, Lessee shall deliver a certificate of such insurance naming Homestake as an additional insured. The certificate shall provide for thirty days' notice to Homestake of any cancellation or modification of such insurance.

15. TAXES. Homestake shall pay all taxes on the Property. Lessee acknowledges that the rental includes reimbursement to Homestake for the local real estate taxes on the Property. Lessee shall pay all taxes levied on or attributable to Lessee's leasehold, its operations and on all personal property placed on the Property by Lessee.

16: RIGHT OF ENTRY: INSPECTION. Homestake reserves the right for Homestake and its representatives to enter the Property at any time for the purpose of ascertaining whether Lessee has complied with its obligations under this Lease and to inspect environmental conditions thereon, including the taking of samples.

17. PAYMENTS AND NOTICES. All payments, notices and other communications to either party shall be in writing and delivered personally or sent by prepaid mail or other means providing for receipt of the communication in written form. Notices sent by ordinary mail shall be effective five days after the date of mailing. Notices sent by certified or registered mail shall be effective on the next business day after the date of actual delivery. Until a change of address is so given, notices shall be addressed to Homestake and Lessee at the addresses provided in the caption of this Lease.

18. ARBITRATION. Any dispute arising out of or related to this Lease shall be finally determined by arbitration before one arbitrator under the then current Commercial Arbitration Rules of the American Arbitration Association. The exclusive place of arbitration shall be Reno, Nevada. The arbitrator shall issue its award within ninety days after submission of the dispute to arbitration. Costs of arbitration shall be borne equally. Judgment on any award may be entered in any court having jurisdiction over the person or property of the party against whom the award is entered.

19. EFFECT OF LEASE; NO ASSIGNMENT OR TRANSFER. This Lease is personal to Lessee. Lessee shall not transfer, sublet, assign, mortgage, encumber or otherwise dispose of all or any partial interest in this Lease and any attempt to do so shall be null and void and of no effect and shall be a material breach of this Lease.

20. **SHORT FORM.** The parties shall sign and acknowledge a short form of this agreement to give notice hereof to third persons.

21. **ENTIRE AGREEMENT.** This is the sole agreement between the parties with respect to the Property and contains the entire agreement of the parties. There are no other conditions, agreements, representations, warranties or understandings, expressed or implied, written or oral.

HOMESTAKE MINING COMPANY
OF CALIFORNIA, Ruby Hill Mine:

LESSEE:

Stephen J. Brower
Stephen J. Brower

David E. Groth
David E. Groth

PERMIT NO. 22290

CERTIFICATE NO. 7519

AREA TO BE REMOVED FROM IRRIGATION

PERMIT NO. 19411

CERTIFICATE NO. 7025

AREA TO BE REMOVED FROM IRRIGATION

POINT OF DIVERSION
PERMIT NO. 22290

LOT 4

LOT 3

LOT 5
40.00 AC.

10110
37.96 AC.

LOT 9

POINT OF DIVERSION
PERMIT NO. 19411

31.32

•

LOT 12
41.04 AC.

APPROXIMATE ROUTE—32

BASIS OF BEARINGS, BLM PLAT AND
MAP TO ACCOMPANY PROOF OF BENEFICIAL USE
UNDER APPLICATION NO. 19411
(PER MAP FOUND CORNERS ARE BRASS CAPS)

T 20 N, R 53 E
T 19 N, R 53 E

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Exhibit B

Management Plan

Please fill out the following to describe your management plans for the years 2003/04:

GRAZING ACTIVITIES - The carrying capacity of the property is estimated to be 7.5 AUM's (the amount of grazing to properly take care of a cow and calf for one month). Homestake reserves the right to adjust stocking rates or the period of use to protect the resource on the property.

The grazing season is considered to be Spring - Fall. The possibility of grazing the property twice during the season would be considered. The technique of high intensity/short duration grazing could be used, whereby the number of AUM's would be exceeded to control undesirable plants. Briefly describe when and how you plan to graze the property (i.e. rotation grazing, continuous use, etc:).

Number and type of livestock you plan to stock (i.e. cow/calf pairs, yearlings, sheep, horses) Range cattle

Owner of the livestock David - E Groth / Donald D Eldridge

Owner(s) of the livestock must be the same as grazing lessee unless specifically authorized by Homestake.

Brand(s) DB - T &

Properly locating salt and minerals in pastures encourages good distribution of grazing. They should be placed in undergrazed areas to encourage uniform livestock grazing. Portable feeders permit salt and minerals to be moved from place to place in the pasture, thus making it possible to adjust grazing use according to utilization patterns. Salt and Minerals should not be placed near key habitats for wildlife and, with few exceptions, it is not acceptable to place salt and minerals adjacent to livestock water or live streams and rivers. It is also not acceptable to place salt and minerals in the same location year after year. The number of salting locations needed depends on the size and topography of the pasture and on the number and kind of livestock using the pasture.

a) Approximate number of animals one salting location adequately serves on different terrain.

1. 40-60 cattle grazing level to gently rolling range.
2. 20-25 cattle grazing rough range.

b) Salt locations for cattle should be no more than 1/2 to 1 mile apart on rough range and no more than 1 1/2 to 2 miles apart on gently rolling range.

c) General salt requirements for grazing animals in lbs./month

Cattle 1 1/2 to 3

Sheep 1/4 to 1/2

Describe how you plan to implement a livestock salt/mineral program on Homestake property (purpose & objective, number of sites & their location, and the estimated quantity to be used during the period of use).

Will be distributing salt-mineral block
as needed

CROPLAND - Describe your plans including irrigation, estimated production, weed control, fertilization, and post harvest grazing on the attached map of Lot 1, Section 32, Township 20 North, Range 53 East, M.D.B. & M., Eureka County, Nevada. All fields must remain in production for wheat grass hay, or as may otherwise be approved by Homestake.

Wheel lines - and pivot will be used
for irrigation.

Will spray weeds as needed

Soil testing will be conducted each
year. So fertilizing can be determined.

Estimated production - 4 TON ton/acre

3 TON. ton/acre. Area B.

Production Area A is covered by Permit No. 22290 and consists of 60.50 acres and a total use of 242.00 acre feet annually. Please describe your plans for irrigation during 2003/04

4 wheel lines.

Production Area B is covered by Permit No. 19411 and consists of 96.00 acres and a total use of 384.00 acre feet annually. Please describe your plans for irrigation during 2003/04.

1. pivot

Fence Locations & Maintenance

On the map provided, designate the location of fences or fence changes from previous years, by drawing "X"s on the map, and note the condition of the fence (good, fair, poor). If you believe any of the boundary fences are not erected on the line, describe:

See map.

Outline your intended fence maintenance plan, either annually or for the term of the Agreement. Include how you will coordinate your efforts with adjacent landowners.

will upgrade / maintain all fences

Improvements & Maintenance - Homestake reserves the right to give management direction. No improvements can be made to the property without written approval

of Homestake. Homestake will not be billed or responsible for costs and expenses of improvements unless it has agreed in writing, in advance of the improvement activity. Improvements proposed (i.e. water developments or fencing including the materials needed):

Weed Control - On the map provided, designated the location of weed problem, name of weed(s) present, and size of infestation. Treatment of noxious weed infestation shall be as follows:

will spray for weeds as needed.

Additional practices on the premises - This Lease is granted only for the purposes of agricultural purposes. Describe all other proposed activities to be conducted on the Property (third party hunting or fur trapping privileges, firewood harvesting, bee keeping, removal of fences, etc.).

Failure to comply in all respects with this Management Plan will constitute a breach of the Agricultural Lease Agreement and may result in immediate termination of Lessee's privileges to use the property.

Exhibit B

Management Plan

Please fill out the following to describe your management plans for the years 2005/07:

GRAZING ACTIVITIES - The carrying capacity of the property is estimated to be 200 AUM's (the amount of grazing to properly take care of a cow and calf for one month). Homestake reserves the right to adjust stocking rates or the period of use to protect the resource on the property.

The grazing season is considered to be May - June - Oct. - Nov. The possibility of grazing the property twice during the season would be considered. The technique of high intensity/short duration grazing could be used, whereby the number of AUM's would be exceeded to control undesirable plants. Briefly describe when and how you plan to graze the property (i.e. rotation grazing, continuous use, etc.).

Number and type of livestock you plan to stock (i.e. cow/calf pairs, yearlings, sheep, horses) 50 cow/calf pairs - 4-5 Horses

Owner of the livestock David E Groth, Dan Groth, David J. Groth

Owner(s) of the livestock must be the same as grazing lessee unless specifically authorized by Homestake.

Brand(s) B - J E

Properly locating salt and minerals in pastures encourages good distribution of grazing. They should be placed in undergrazed areas to encourage uniform livestock grazing. Portable feeders permit salt and minerals to be moved from place to place in the pasture, thus making it possible to adjust grazing use according to utilization patterns. Salt and Minerals should not be placed near key habitats for wildlife and, with few exceptions, it is not acceptable to place salt and minerals adjacent to livestock water or live streams and rivers. It is also not acceptable to place salt and minerals in the same location year after year. The number of salting locations needed depends on the size and topography of the pasture and on the number and kind of livestock using the pasture.

a) Approximate number of animals one salting location adequately serves on different terrain.

1. 40-60 cattle grazing level to gently rolling range.
2. 20-25 cattle grazing rough range.

b) Salt locations for cattle should be no more than 1/2 to 1 mile apart on rough range and no more than 1 1/2 to 2 miles apart on gently rolling range.

c) General salt requirements for grazing animals in lbs./month

Cattle 1 1/2 to 3

Sheep 1/4 to 1/2

Describe how you plan to implement a livestock salt/mineral program on Homestake property (purpose & objective, number of sites & their location, and the estimated quantity to be used during the period of use).

2. Block on south end 2 on North end.

CROPLAND - Describe your plans including irrigation, estimated production, weed control, fertilization, and post harvest grazing on the attached map of Lot 1, Section 32, Township 20 North, Range 53 East, M.D.B. & M., Eureka County, Nevada. All fields must remain in production for wheat grass hay, or as may otherwise be approved by Homestake.

4. wheat lines sprayed for weeds + fertilized.

Estimated production - 200 ton/acre

Production Area A is covered by Permit No. 22290 and consists of 60.50 acres and a total use of 242.00 acre feet annually. Please describe your plans for irrigation during 2005/07

Start water May 15.

Production Area B is covered by Permit No. 19411 and consists of 96.00 acres and a total use of 384.00 acre feet annually. Please describe your plans for irrigation during 2005/07.

60. acres under pivot

Fence Locations & Maintenance

On the map provided, designate the location of fences or fence changes from previous years, by drawing "X"s on the map, and note the condition of the fence (good, fair, poor). If you believe any of the boundary fences are not erected on the line, describe:

good.

Outline your intended fence maintenance plan, either annually or for the term of the Agreement. Include how you will coordinate your efforts with adjacent landowners.

Repair as Needed.

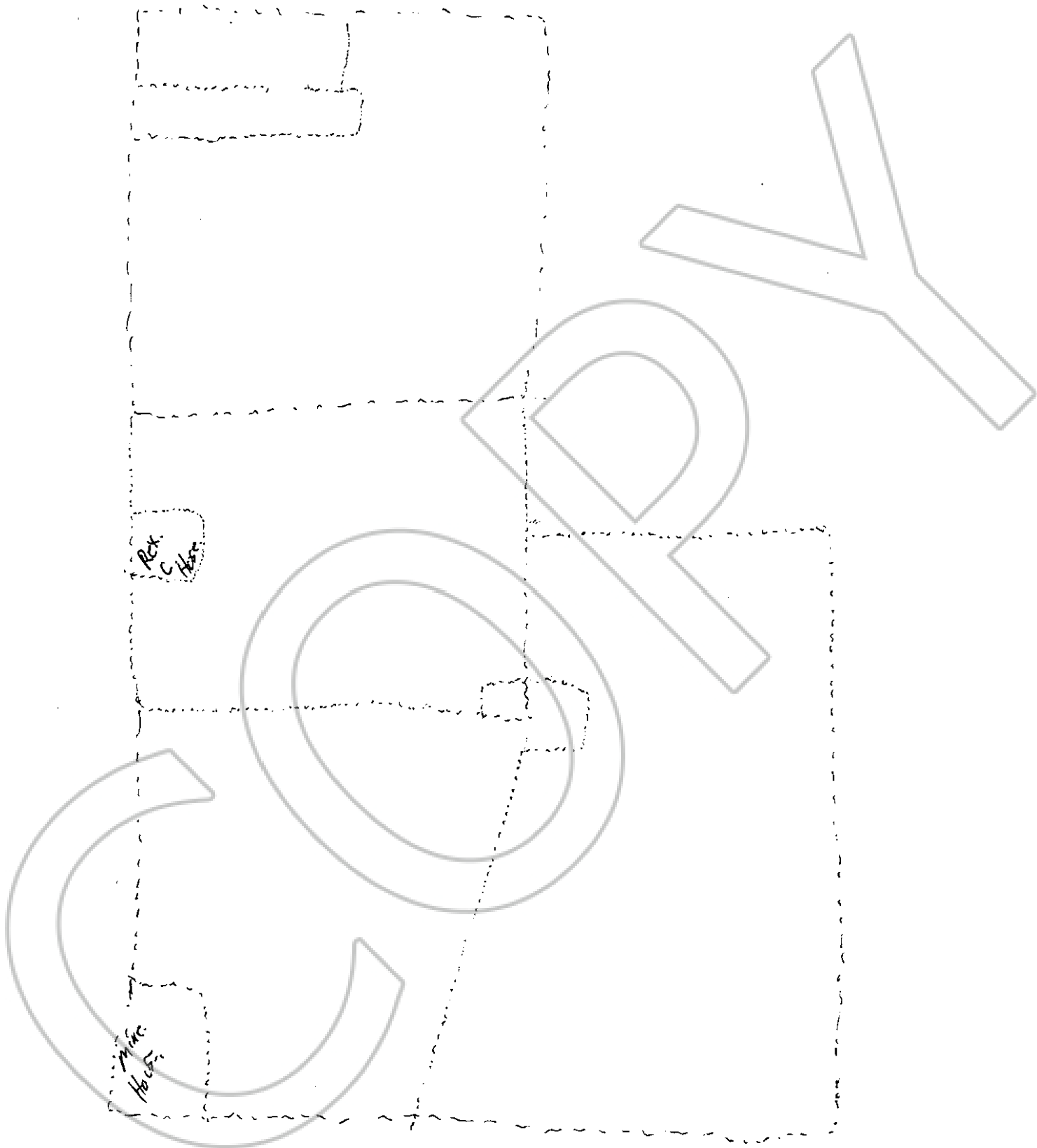
Improvements & Maintenance - Homestake reserves the right to give management direction. No improvements can be made to the property without written approval of

Homestake. Homestake will not be billed or responsible for costs and expenses of improvements unless it has agreed in writing, in advance of the improvement activity. Improvements proposed (i.e. water developments or fencing including the materials needed):

Weed Control - On the map provided, designated the location of weed problem, name of weed(s) present, and size of infestation. Treatment of noxious weed infestation shall be as follows:

Additional practices on the premises - This Lease is granted only for the purposes of agricultural purposes. Describe all other proposed activities to be conducted on the Property (third party hunting or fur trapping privileges, firewood harvesting, bee keeping, removal of fences, etc.).

Failure to comply in all respects with this Management Plan will constitute a breach of the Agricultural Lease Agreement and may result in immediate termination of Lessee's privileges to use the property.



199525

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