

Lincoln County

MINING LEASE
AND
PURCHASE AGREEMENT

This MINING LEASE AND PURCHASE AGREEMENT is entered into
this date

BETWEEN: JAMES G. HULSE, BERENE HULSE, PHIL HULSE,
BILLIE JEAN HULSE, EDWIN PARK, SIMA PARK,
MILTON V. ELLINGSON AND MARLYS H. ELLINGSON

Hereinafter referred to as

LESSORS,

AND

EINAR C. ERICKSON, authorized Agent for
WEBCO

Hereinafter referred to as

LESSEE

Whereas, Lessors represent and warrant that they own and hold
certain unpatented and patented mining claims situated in the Counties
of Lincoln, State of Nevada, and more particularly described as
follows, to wit:

PATENTED: The Bluebird, Patent No. 4843

UNPATENTED: Ella, Bonanza, Bonanza No. 1, Bonanza No. 2, Bonanza No.3,
Bonanza No. 4, Bonanza No. 5, Alice, Agnes, Winnie, Sima, Billie,
Delora, Nell, Berene, Sima Fraction, Lila, Pamela, Deanna, Silver
Park No. 1, Silver Park No. 2, Silver Park No. 3, Miners Delight No. 1,
all located in the Atlanta or Silver Park Mining District, Lincoln
County, Nevada

WHEREAS, Lessors represent and warrant that all assessment work on
said claims as required to date has been completed; and

WHEREAS, Lessee is desirous of leasing said mining claims for the
purpose of exploring and developing said claims, and in the event said
claims prove to contain minerals of commercial value, Lessee is desirous
of operating said claims and of purchasing the same.

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Lincoln County

THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND AGREEMENTS, as hereinafter set forth, Lessors do let, demise and lease the aforesaid mining claims to Lessee, and Lessors further covenant and agree to execute any and all necessary deeds and assignments so as to convey said mining claims to Lessee upon the performance of the agreements hereinafter contained and upon the payment to Lessors by Lessee of the sums hereinafter stated as follows, to wit:

TOGETHER WITH: All and singular the appurtenances, improvements, reversion and reversions, remainder and remainders, and the rents, issues, rights, privileges, franchises, immunities and the profits thereof.

1. For the principal sum and purchase price of \$250,000.00 lawful, current money of the United States of America, payable as hereinafter agreed and not later than the end of the term or as set forth.

2. For the term of ten (10) years from and after date hereof, provided however, that at the option of Lessee this term may be extended for an additional and like ten (10) year period, said Lessee having fully complied with the terms and conditions hereof and made payment of all current bills, obligations and monthly payments to Lessors.

Payments commence on January 1, 1972 in the amount of \$200.00 per month, \$300.00 per month January 1, 1973, \$400.00 per month January 1, 1974 and increase to \$800.00 per month on January 1, 1975.

3. Lessee by itself, agents or assigns to have the right of immediate entry and possession of said property and the whole thereof, with a right reserved in Lessors, their agents or legal representatives to enter in and upon said premises at all reasonable times for the purpose of inspection and seeing that the terms hereof are being complied with.

4. Lessee to keep and maintain said property and appurtenances in a good state of repair, and to perform all work, labor, installation or removal of improvements, and operate said mining claims in a good miner-like manner as is customary in such cases, and in accordance with the

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mining laws, rules and regulations of the Atlanta District, County of Lincoln, State of Nevada and the United States of America.

5. Payment of the principal sum and purchase price herein shall be made on a royalty basis. Lessee shall pay to Lessor six percent (6%) royalty to increase to eight percent (8%) when silver exceeds \$3.00 per ounce for a period of one week in any given month, payable on all smelter or mill returns received by Lessee. Said payments shall be made monthly by Lessee, commencing at the end of the first month of production during which Lessee shall have received payment on smelter or mill returns. "Net smelter or mill returns" shall mean such sum or sums of money paid to Lessee for any ores or bullion delivered by Lessee from any of the above mining claims operated by Lessee to a smelter or mill for purposes of refinery or concentration and sale. All payments shall be deposited to the account of Lessor in the Nevada National Bank, located at Pioche, Nevada.

6. All payments above referred to, made by Lessee to Lessors, shall be credited upon a total purchase price of Two Hundred Fifty Thousand Dollars (\$250,000.00) which shall be the full purchase price payable to Lessors. Upon receipt by Lessors of payment amounting to full Purchase Price, Lessors shall forthwith execute and deliver any and all mining deeds, assignments or other conveyances necessary to convey to Lessee such mining claims as Lessee shall not have quitclaimed to Lessors. It is understood that full payment of any unpaid balance may be made at any time without any prepayment penalties and shall entitle Lessee to immediate delivery of title to said properties, provided Lessee is agreeable.

7. Lessee shall perform or cause to be performed all annual assessment work required on or for the benefit of the aforesaid patented and unpatented claims, and shall on or before August 1st of each year cause proof of labor to be filed according to law and shall pay all taxes when due on patented mining claims. Should the Lessee decide to return the property to the Lessors, at least ninety (90) days notice shall be given the Lessors

prior to the September 1st deadline for completion of annual assessment work. Any notice given after June 1st to the effect the Lessee plans to return the property to the Lessors, then the Lessee is obligated to complete the annual assessment work prior to returning the property to the Lessors.

8. Lessee shall pay or cause to be paid and acquitted any and all bills and obligations when and as same become due in any manner incurred in the exploration, development or operation of said properties, and particularly as to labor, materials, industrial insurance and social security obligations, and shall hold Lessors harmless with reference to any and all of such obligations.

9. Lessee shall forthwith prepare, record, post and keep posted conspicuously in at least two working places in and upon said property a Notice of Owner's Non-Responsibility for any and all such obligations incurred by or for Lessee in the handling or preparation of said properties.

10. Lessee shall at all times keep complete books and records, subject to inspection of Lessors or their agents at reasonable times, reflecting all ores mined, marketed, or removed from claims covered by this Lease and Option.

11. Lessee and Lessor shall have the right to transfer, sell or assign in whole or in part his right in and to said mining claims as herein provided.

12. Lessee shall have the right to place in and upon said property such machinery, equipment and improvements as may be reasonably necessary and convenient to the operation of the mining business herein contemplated, and in the event this agreement be forfeited or terminated for breach, or by voluntary surrender or thirty (30) days written notice by Lessee mailed to Lessors, postage prepaid, at their last known address. In such event Lessee shall have Ninety (90) days after such surrender or written notice of forfeiture mailed to Lessee, postage prepaid, at the last known address of

said Lessee; in which to dismantle and remove any and all such machinery, mining and related equipment and improvements, including buildings, except for cement work which has become a part of the land.

13. Lessors represent and warrant that they are the owners of and have clear title to the claims mentioned above. They further represent and warrant that all claims have been validly and properly located and recorded and that all work required under the law has been performed. In case all this work has not been accomplished, the Lessors agree to complete the work as required by law as soon as weather and road conditions permit and at their expense. It is agreed that as of the date this lease is signed Lessors shall execute a good and sufficient Warranty Deed to said properties and have same placed in escrow in Nevada National Bank at Pioche, Nevada together with the original of this agreement with instructions for the Deed to be delivered together with the original contract and any other papers involved to Lessee upon the payment and performance of the Contract as herein stated. Upon demand by Lessee said Bank is to deliver said escrow papers to Lessee or his successor in interest. In the event of voluntary surrender as hereinbefore provided or failure to pay and perform as herein provided, (or within thirty (30) days from the date for payment or performance), then upon demand to deliver said escrow papers and all of them to Lessors.

14. Lessee agrees to commence geological and mineralogical investigations within Ninety (90) days of the execution of this agreement. Lessee shall perform at least five hundred (500) feet of exploratory drilling, or the amount of \$5000.00 (Five Thousand Dollars) of development work in shaft sinking, drifting, crosscutting, or trenching within one year of the date this agreement is signed, and continue to perform the same amount of work each and every year as a MINIMUM as long as this agreement is in effect. Lessee shall furnish any and all maps, assay

records and drill logs to the Lessors and furnish a written notice to the effect that the work has been completed prior to September 1st of each and every year this agreement is in effect.

15. Time is of essence in this agreement.

16. In the event of voluntary surrender, or other breach or default in payment or performance as herein stated, (after the expiration of the said thirty (30) day grace period) Lessors shall have the right of immediate entry and possession of said premises. Such right of re-entry and possession of said premises and particularly as to machinery, equipment and improvements placed therein, or thereon by Lessee, shall be subject to the right of Lessee to remove the same as provided in Paragraph (12) above; and in the event of failure of the Lessee or his assigns to so remove said machinery, equipment and buildings within the time specified, then in such event, all of said machinery, equipment, buildings and improvements shall be forfeited to and become the property of Lessors, to the extent of the title, interest, ownership or equity of said Lessee or his assigns as the same shall appear as of such date.

17. It is agreed that otherwise than above, in the event of surrender, or other breach or default, the exclusive remedy of the Lessors, shall be to retain all monies, advances, royalties and expenditures, in any manner theretofore made, and they shall become forfeited to First Parties.

18. Lessee agrees to complete and file the semi-annual net proceeds of mines return or other similar returns if required by applicable state or federal law.

19. Lessee shall have a thirty (30) day grace period for the performance of the obligations specified herein with the exception of the completion of the annual assessment work.

20. The terms of this agreement shall bind and inure to the benefit of the heirs, assigns, executors, administrators, legal representatives

and successors in interest of the respective parties hereto.

21. Lessors shall retain ownership of and use of cabin now situated on property. Lessee may have use of same provide they maintain same in good condition until purchase price is fully paid.

IN WITNESS WHEREOF, the parties have hereunto set their hands on this 6 day of JAN, 19 71

Lima Park
Marilyn H. Ellington

Phil Hulce
James A. Hulce
Lolita Park
Milton V. Ellington

Ernie C. Erickson
Ernie C. Erickson
for WEBCO

Phil Hulce
James Hulce

Billie Hulce
Berene C. Hulce

ACKNOWLEDGEMENT

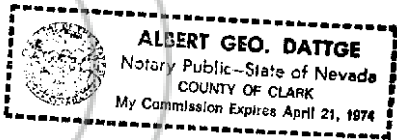
STATE OF Nevada

COUNTY OF Clark

On this 6th day of January, 19 71,
personally appeared before me a Notary Public, in and for the above
State and County Edwin Park, Sims Park,
Milton V. Ellingson and Marlys H. Ellingson persons described in
and who executed the foregoing MINING LEASE AND PURCHASE AGREEMENT, who
each for him and her self and not one for the other duly acknowledged to
me that he executed the same freely voluntarily and for the uses and
purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
official seal on this day and year first above written herein.

Albert Geo. Datte
NOTARY PUBLIC



Lincoln County

ACKNOWLEDGEMENT

STATE OF NEVADA

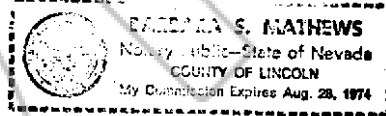
COUNTY OF LINCOLN

On this 6 day of JAN, 19 71,

personally appeared before me a Notary Public, in and for the above State and County James G. Hulse, Berene C. Hulse, Phil Hulse and Billie Hulse persons described in and who executed the foregoing MINING LEASE AND PURCHASE AGREEMENT, who each for him and her self and not one for the other duly acknowledged to me that he executed the same freely voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on this the day and year first above written herein.

Barbara S. Mathews
NOTARY PUBLIC



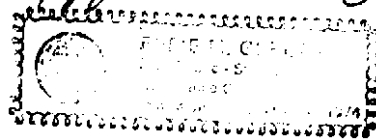
MY COMMISSION EXPIRES:

STATE OF Nevada
COUNTY OF White Pine

ON this 4th day of February 1971.

personally appeared before me a Notary Public, in and for the above State and County, EINAR C. ERICKSON, an authorized agent for WESCO, the signer of the foregoing MINING LEASE AND PURCHASE AGREEMENT, who duly acknowledged to me that he executed said instrument.

Einar C. Erickson
NOTARY PUBLIC



No. 49850
FILED AND RECORDED AT REQUEST OF
M. V. Ellingson
AT 30 MIN. PAST 1 P.M.
THIS 18th DAY OF Feb.
A. D. 19 71 IN BOOK 1
OF Official Records
ON PAGE LINCOLN COUNTY
NEVADA RECORDS
M. V. Ellingson
COUNTY RECORDER, LINCOLN CO. NEV.
FEES \$ 11.00