

RPTT \$ _____

QUITCLAIM DEED

THIS INSTRUMENT WITNESSETH: That JUANITA PATRICIA FRANKS

in consideration of \$ 10.00 the receipt of which is hereby acknowledged, do hereby remit, release and forever quitclaim to JOHN JACOB FRANKS

all that real property situate in the Ely Mining District County of Lincoln State of Nevada, bounded and described as follows:

Describes and evidenced by the attached six (6) Exhibits, incorporated by reference and made a part of this Quitclaim Deed and numbered and titled as follows:

- EXHIBIT 1: "WRITTEN CONSENT OF SHAREHOLDERS TO LEASE OF MINING PROPERTY, MASCOT SILVER MINING COMPANY, a Nevada corporation (15 pages)
- EXHIBIT 2: "SUB-LEASE AGREEMENT" dated November 3, 1982; (3 pages)
- EXHIBIT 3: "SUB-LEASE AGREEMENT" dated November 3, 1982; (4 pages)
- EXHIBIT 4: "LETTER OF INTENT BY AND BETWEEN JOHN FRANKS, POCHE, NEVADA, PHILIP C. HULSE, POCHE, NEVADA, dated November 3, 1982. (1 page)
- EXHIBIT 5: "LETTER OF INTENT FOR AGREEMENT ON MINING PROPERTY" dated November 10, 1982, (3 pages)
- EXHIBIT 6: "AGREEMENT" dates August 3, 1984; (5 pages)

Together with all and singular the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

Witness MY hand this _____ day of _____ 1986.

Juanita Patricia Franks
JUANITA PATRICIA FRANKS

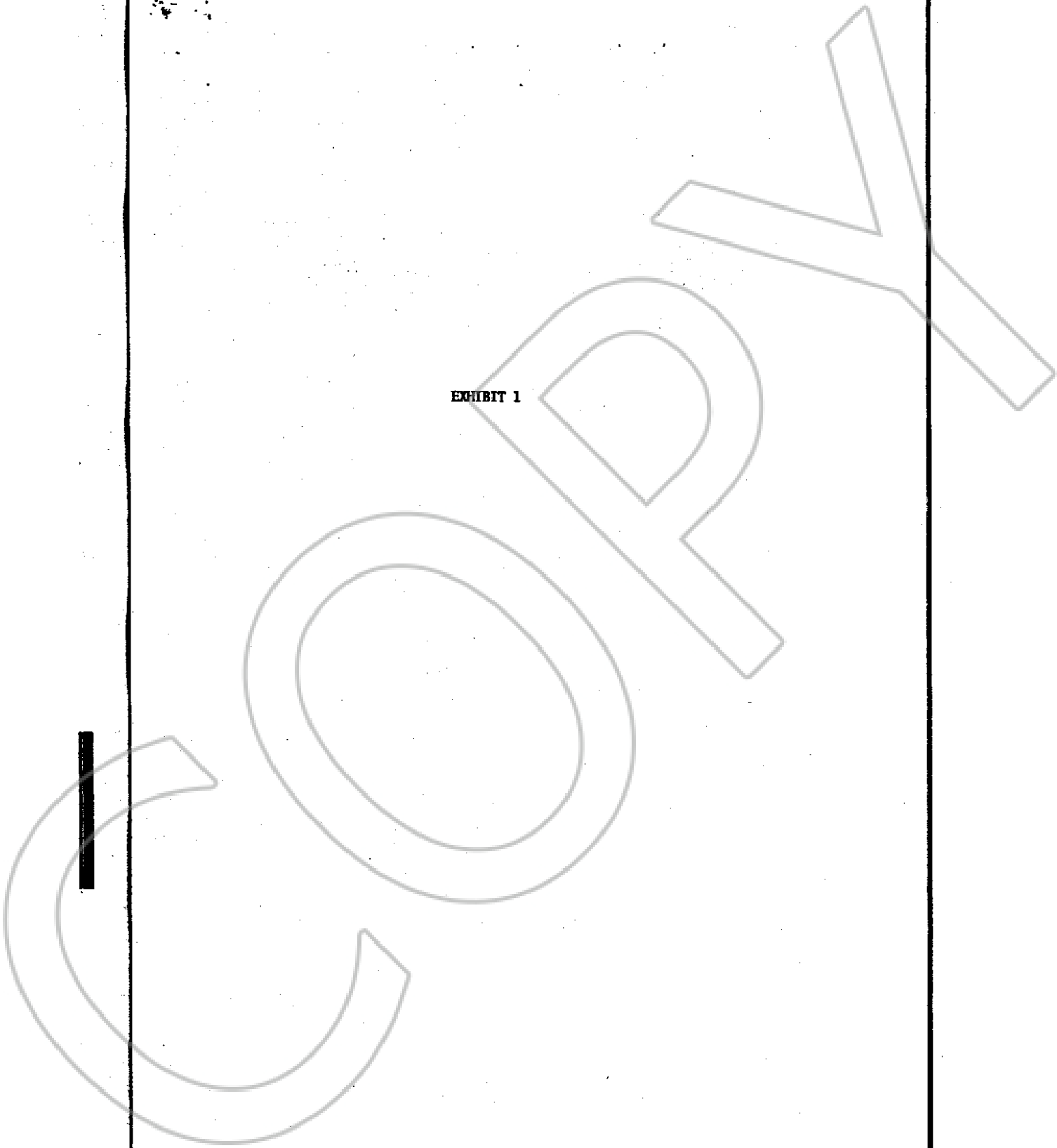
ESCROW NO. _____
WHEN RECORDED MAIL TO: J. R. CROCKETT, JR., 700 South Third, Las Vegas, Nevada 89101.

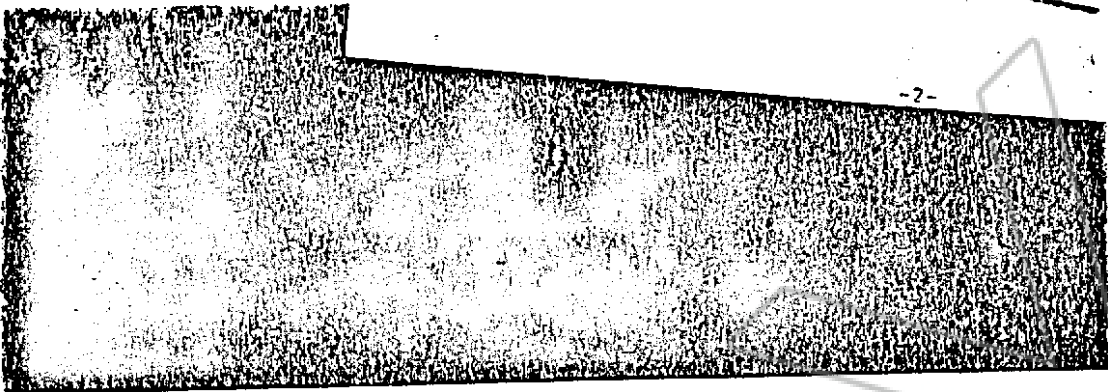
STATE OF Nevada
County of Clark }
On this Tuesday day of January, 1986
personally appeared before me, a Notary Public in and for said County and State, JUANITA PATRICIA FRANKS

Knows to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that she executed the same freely and voluntarily and for the uses and purposes herein mentioned.

Judy Riggs
Notary Public in and for said County and State.
JUDY RIGGS
Notary Public - State of Nevada
CHIEF OF CLERK
My Appointment Expires: May 16, 1987

EXHIBIT 1



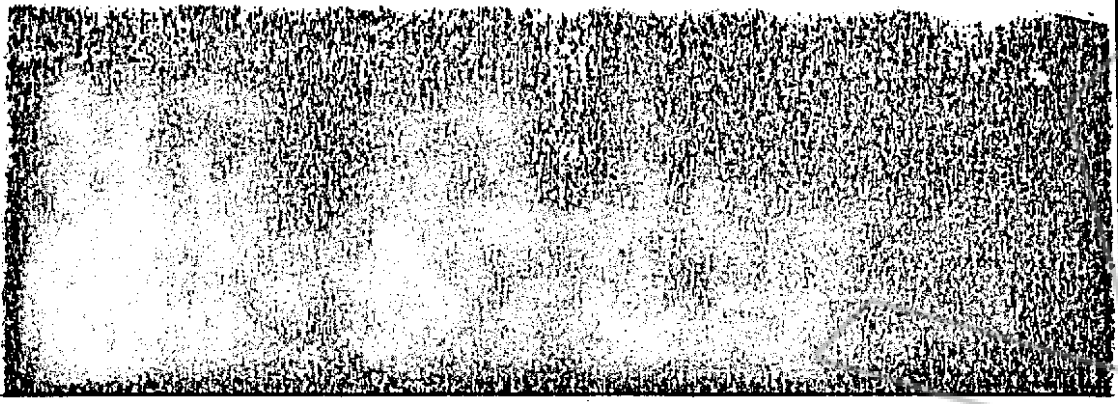


WRITTEN CONSENT OF SHAREHOLDERS TO
LEASE OF MINING PROPERTY

MASCOT SILVER MINING COMPANY,
a Nevada corporation

The undersigned shareholders of MASCOT SILVER MINING COMPANY, hereby give their written consent to the execution by the officers of the said Corporation, of the Lease of Mining Property, dated as of July 31, 1982, by and between MASCOT SILVER MINING COMPANY, Lessor and SILVER JIM MINES, INC., Lessee, a full true and correct copy of which is attached hereto, and agree, that upon approval by a resolution of the Board of Directors and execution by the said officers, the said Agreement shall be binding upon, MASCOT SILVER MINING COMPANY.

Name of Shareholder (printed or typed)	Signature	# Shares	Date
GEMMILL BROS.	<i>[Signature]</i> Partner	188,229	9/16/82
ESTHER L. LEWIS	<i>[Signature]</i> Esther L. Lewis	220,000	9/12/82
VERNE STEVER	<i>[Signature]</i> Verne Stever	1,000	10/23/82
CLIFFORD FINDLAY	Clifford Findlay	1,000	



ARTHUR HARTLEY

Arthur Hartley
Arthur Hartley

1,000

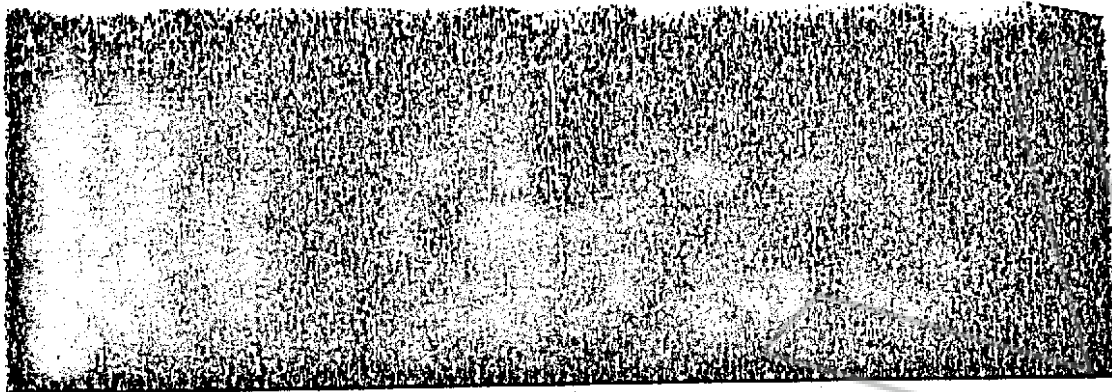
10/22/82

JOE M. COHEN

Joe M. Cohen
Joe M. Cohen

1,000

10/25/82



LEASE OF MINING PROPERTY

THIS LEASE made at Pioche, Nevada, this 31st day of July, 1982, by and between MASCOT SILVER MINING COMPANY, a Nevada corporation hereinafter called "Lessor" and SILVER JIM MINES, INC., a Nevada corporation hereinafter called "Lessee",

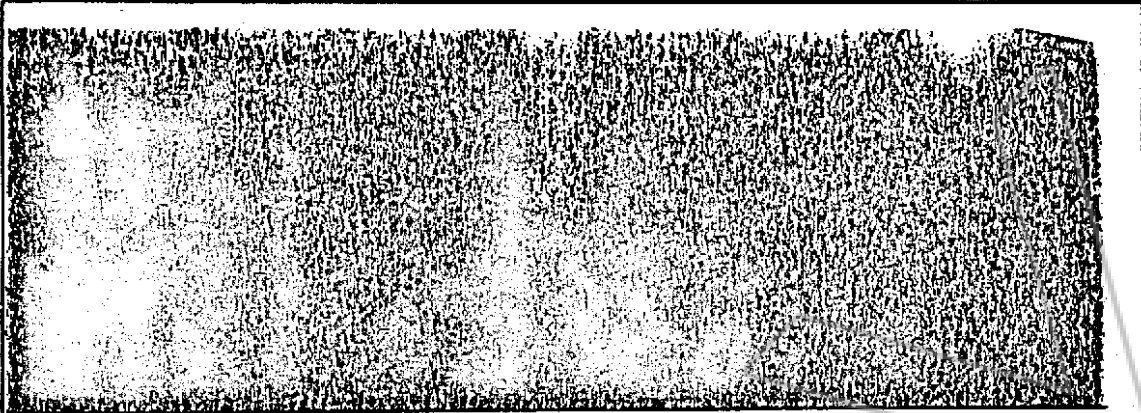
WITNESSETH:

Lessor is the owner of those patented mining claims situated in the Ely Mining District, Lincoln County, Nevada, described as follows and hereinafter referred to as the "Property":

1. BOSS Survey No. 2718
2. YUBA EAST Survey No. 3542
3. NEVADA HOMESTAKE Survey No. 3542
4. NORTH POLE Survey No. 3542
5. NORTH POLE FRACTION Survey No. 3542.
6. SIMPSON Survey No. 3542
7. MARY ANN Survey No. 3542
8. FANNIE Survey No. 3542
9. BOSTON Survey No. 3542
10. EAST PEVINE Survey No. 3542
11. MASSACHUSETTS Survey No. 3542

This Lease will set forth all the terms and conditions under which the Lessor grants Lessee a lease of the Property for the purpose and term hereinafter provided.

In consideration of the covenants and agreements hereinafter set forth, the parties agree as follows:



I. GRANT

Lessor hereby grants, leases and demises the Property, including such personal property as may be located thereon, together with all privileges and appurtenances, all right, title and interest owned, available or granted to the Lessor and pertaining to the Property.

II. TERM

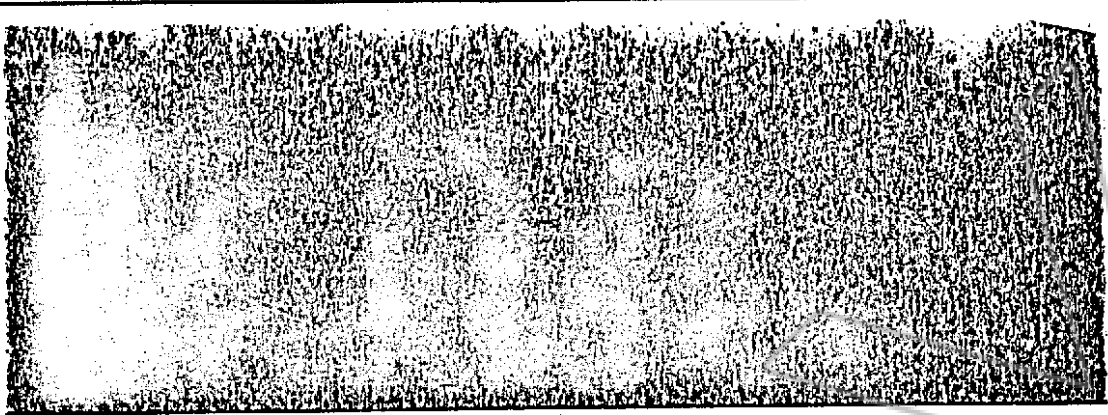
This Lease is granted for a term commencing from and after the date hereof and shall be for a period of five years, and Lessee shall have the right of first refusal to renew for an additional term of five years.

III. PURPOSES

The purpose of this Lease is to grant to the Lessee the exclusive right to enter into and upon the Property, and each and every part thereof, so long as this Lease remains in effect, and to explore for, develop, mine, leach in place, treat, produce, mill, ship, and sell, all for its own account, such ores, material (metallic and nonmetallic) and minerals as may be found therein or thereon, and all of which shall hereinafter be referred to as PRODUCTION.

IV. ROYALTIES/RENTALS

4.1 As evidence of good faith, Lessee shall pay to Lessor a minimum royalty/rental of \$5,000.00, payable on execution hereof.

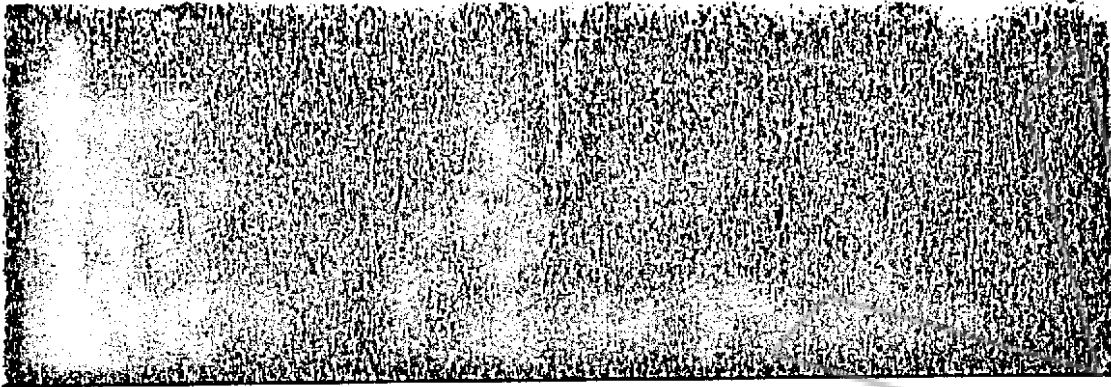


4.2 In addition thereto, through orders issued by the Lessee to any smelter to which Production is sold, or if for any reason payment of royalty cannot be so made, then within five (5) days subsequent to each and every receipt of payment resulting from the sale of Production from the Property, the Lessee shall pay to the Lessor as PRODUCTION ROYALTY, twelve and one-half percent (12-1/2%) of the NET SMELTER RETURNS (NSR). For purposes of this Agreement, NSR shall be defined as the net amount of payment received by the Lessee from the smelter, as reduced by smelter treatment charges, penalties, sampling and assaying charges and by transportation costs incurred by Lessee in connection with the delivery of such Production to the smelter; provided, however, that such transportation costs shall not exceed the then prevailing freight tariff of Union Pacific Railroad on file with the Interstate Commerce Commission for such transportation as to such Production.

V. OPERATIONS OF LESSEE

5.1 Lessee shall conduct all mining and other operations under this Lease in accordance with GOOD MINING PRACTICES and SOUND PRINCIPLES OF CONSERVATION and in accordance with all APPLICABLE LAWS and rules and regulations promulgated by Federal, State and local authorities.

5.2 Lessee shall keep and maintain true and correct BOOKS OF ACCOUNT AND RECORDS which shall show the amount of Production from the Property and the amount of proceeds derived from the sale of such Production. Said books and records shall be open for INSPECTION and audit by Lessor or its agent at all reasonable times and for a period of one (1) year following termination of this Lease.

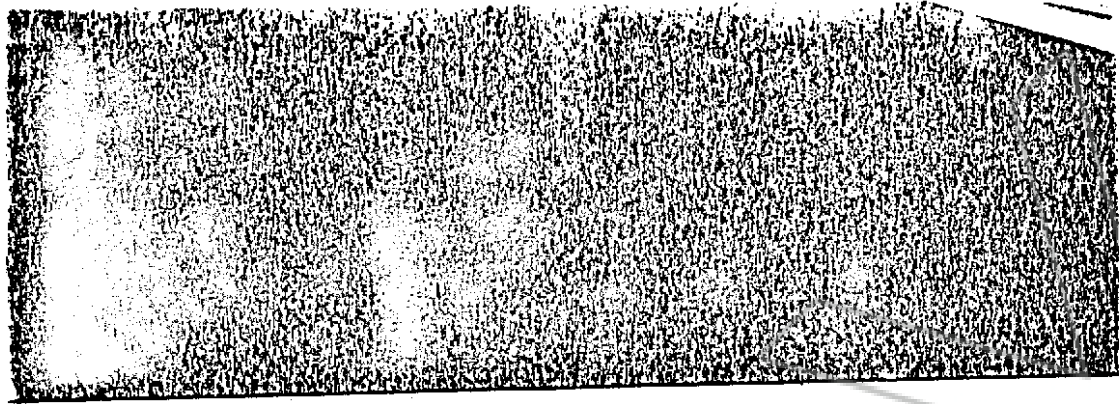


5.3 Lessor expressly reserves the right, at Lessor's option and expense, to maintain an AGENT on the Property for the purpose of verifying production, and to check, inspect and keep account of all production from said property; provided that said Agent and/or inspections do not interfere with Lessee's operations.

VI. INSURANCE/INDEMNITY

6.1 It is specifically agreed by the parties hereto that the Lessor shall not be liable to third parties, or employees, or agents of the Lessee, for the activities and obligations of the Lessee during the term hereof, and that sufficient notice to each effect shall be posted on the property and appropriately filed in accordance with the laws of the political jurisdiction(s) within which the Property is located and wherever Lessee conducts operations relevant to this Lease.

6.2 Prior to commencement of operations hereunder, Lessee shall obtain all workmen's compensation insurance, liability insurance, and policies of insurance against other risks for which Lessor may reasonably be considered to have exposure as a result of Lessee's operations or tenancy of the Property. All insurance shall be maintained by Lessee at its own expense throughout the duration of this Lease, and whenever Lessor reasonably requests, Lessee shall furnish to Lessor evidence that such insurance is being maintained.



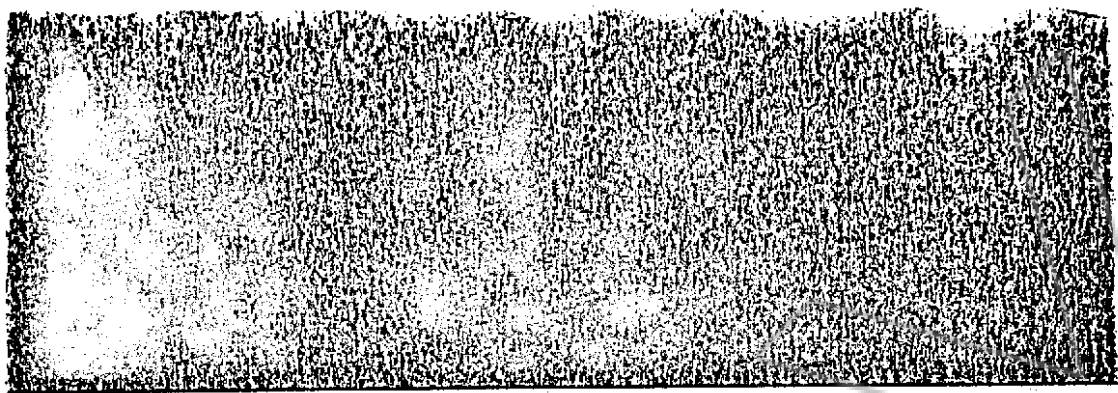
6.3 Lessee agrees to indemnify and save Lessor harmless from and against any and all liability, claims and causes of action for personal injury or death, and damage to, or loss or destruction of property, resulting from its tenancy of the Property and from its operations hereunder.

VII. WORK REQUIREMENTS

The Lessee shall immediately after taking possession of the property, commence work and shall prosecute the same with due diligence. Lessee agrees to perform a minimum of forty (40) manshifts per month, or at least four hundred eighty (480) manshifts each twelve month period, on the Property during the life of this Lease.

VIII. ASSIGNMENT

Either the Lessor or the Lessee may assign all or any portion of their right, title and interest in this Lease and/or in the Property at any time and from time to time upon the giving of written notice of the identity and address of the assignee, providing however that notwithstanding said assignment(s) in whatever form, both the Lessee and the Lessor shall remain primarily and unconditionally liable, respectively, for the performance of all terms and conditions hereof prior to the date of assignment, as such terms and conditions are applicable to each.



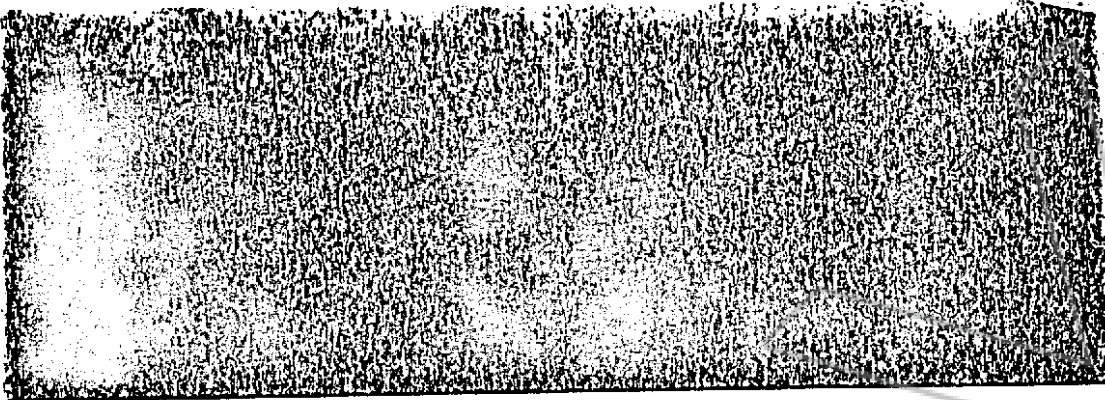
IX. TAXES

Lessee shall pay before delinquency all taxes and assessments, that may be levied or assessed against the Property, or against Production therefrom, except those taxes which Lessee is contesting in good faith, and except those taxes against the Property for the first and last year, which taxes shall be pro-rated between Lessee and Lessor.

X. WARRANTIES AND TITLE

10.1 Lessor makes no warranties, express or implied, as to the value or condition of the Property, or existence or adequacy of any facilities or equipment which are the subject of this Lease. However, Lessor will at all times during the term of this Lease furnish Lessee with any and all geological, production, and metallurgical data which may be available to Lessor. Lessor takes no responsibility for the interpretation of such data.

10.2 Lessor does warrant that it has good and valid title to the Property, that there are presently no adverse claims that will affect the Property or this Lease, and that it will upon demand promptly furnish to the Lessee copies of all documents and other evidence relating to Lessor's claim of title, including, but not limited to, copies of all Patents, location notices and affidavits relating to assessment work.



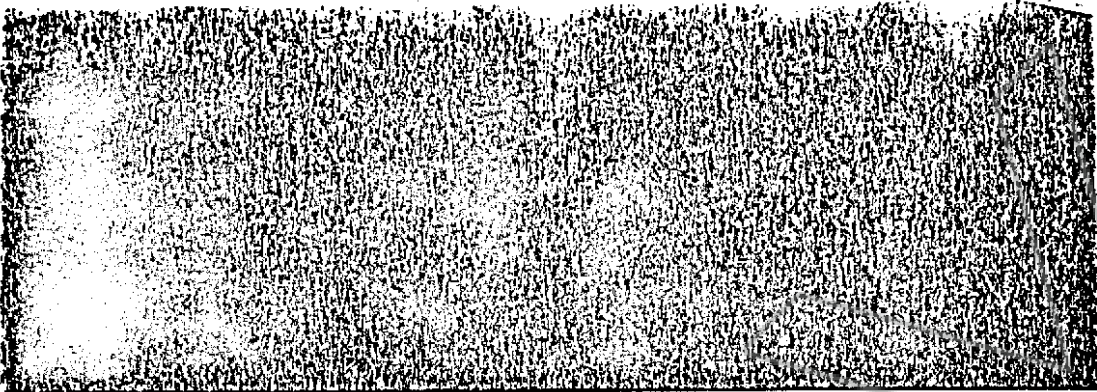
10.3 Lessor agrees to notify the Lessee at once of any claim against Lessor's interest in the Property, or against this Lease and will immediately undertake the defense of that claim at Lessor's own expense.

10.4 Lessor further agrees that at the option of the Lessee, Lessee may undertake the defense of any claim against Lessor's interest in the Property or against this Lease, and that Lessor will be liable for damages sustained by Lessee including the cost of such defense. Upon request by Lessee, Lessor will deliver to the Lessee all evidence and information reasonably required to defend against such claim, and will cooperate fully in such defense.

10.5 Lessor and Lessee each agree to execute during the term of this Lease, as an accommodation, such additional documents and agreements as the other may reasonably require in connection herewith, provided that such additional document(s) or agreement(s) would not impose additional obligations upon or impair the rights of the accommodating party.

XI. DISPUTES

It is specifically agreed that should there arise any dispute between the parties hereto, such dispute shall not interrupt performance of this Lease by either Lessee or Lessor, nor will Lessee's operations hereunder be interrupted, delayed, or impaired



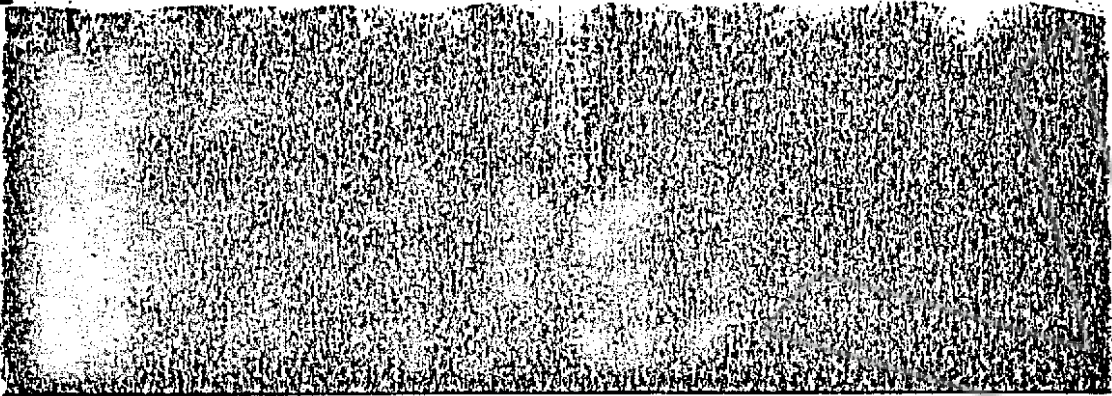
during the pendency of and until the final settlement of such dispute. In the event of litigation between the parties hereto, the prevailing party will be entitled to all costs of the litigation, including but not limited to, reasonable attorney's fees.

XII. TERMINATION

12.1 Lessee may at any time after the date hereof, surrender this Lease, provided written notice of termination is given Lessor not less than thirty (30) days prior to effective date of such termination.

12.2 In the event of Lessee's failure to comply with any substantial and material provision of this Lease, Lessor shall provide Lessee with a written notice setting forth the nature of such non-compliance, after receipt of which Lessee shall have no less than thirty (30) days to cure such non-compliance. In the event Lessee fails to cure its non-compliance within the prescribed period, Lessor may thereupon terminate this Lease by giving of written notice, after the receipt of which all rights of Lessee hereunder shall cease. However, should there be an issue as to whether or not non-compliance has occurred, then resort shall be had to the provisions of paragraph XI hereof.

12.3 In the event of termination of this Agreement, Lessee shall deliver to Lessor within sixty (60) days following the effective date of said termination, a written release and quit claim deed releasing all of the rights granted to and acquired by Lessee under this Agreement and quit claiming to Lessor all of the rights



granted, title and interests of Lessee in and to the Property.

12.4 If otherwise still in effect, the terms of this lease shall not extend for a period longer than is allowed by applicable law.

XIII. PAYMENTS

All payments made by the Lessee to the Lessor pursuant to provisions of this Lease shall be made promptly and will be remitted to Lessor at the address herein designated for receipt of notices by Lessor, except as Lessor may from time to time otherwise designate in writing.

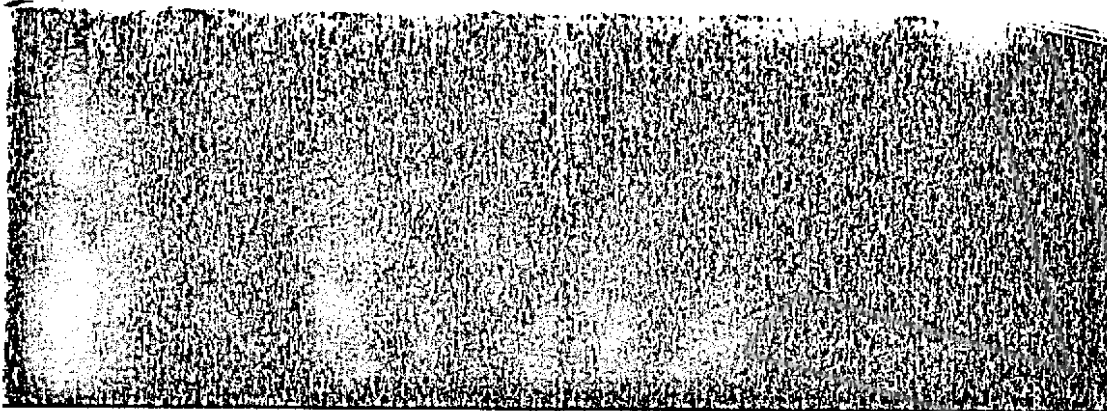
XIV. MISCELLANEOUS PROVISIONS

15.1 This Lease shall be construed in accordance with the Laws of the State of Nevada.

15.2 The failure of either party to enforce any provision hereof at any time shall not be construed to be a waiver of such provision or any other provision.

15.3 This Lease supersedes all prior agreements between Lessee and Lessor relating to the subject Property and constitutes the entire agreement thereof. No amendment or modification of this Lease shall be binding on either Lessee or Lessor unless made in writing and duly executed by both.

15.4 Title and capital letters used in this Agreement are provided for convenience only, and shall not be construed to affect the meaning of the text.



15.5 This Lease has been executed in two counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same Lease.

15.6 If any term, provision, covenant or condition of this Agreement, or any application thereof, should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all provisions, covenants and conditions of this Agreement and all applications thereof not held invalid, void or unenforceable, shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

15.7 All notices of Lessee shall be given only by certified mail and addressed to:

Silver Jim Mines, Inc.
Box 700
Pioche, Nevada 89043

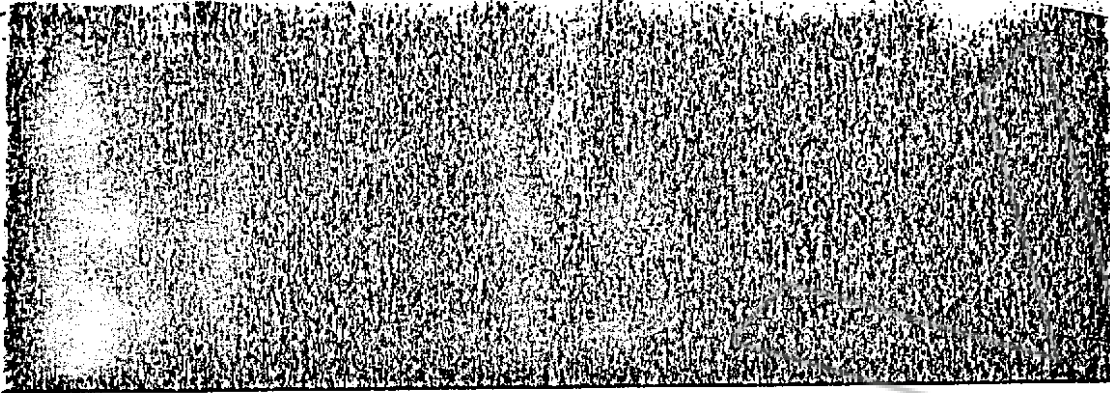
and a copy to:

Hulse Engineering
Pioche, Nevada 89403

except as may be subsequently designated in writing by Lessee.

15.8 All notices to Lessor must be in writing and signed by Lessee and shall be given by certified mail and addressed to:

Mascot Silver Mining Co.
c/o Paul Gemmill
Box 271
Pioche, Nevada 89403



and a copy to:

John G. Gemmill
900 Wilshire Boulevard, Suite 1400
Los Angeles, California 90017

except as may be subsequently designated in writing by Lessor.

15.8 To the extent that State or Federal "depletion allowance" is available with respect to Production from the Property to which this Lease relates, such depletion allowance(s) shall be reserved for use by the Lessee.

15.10 Wherever used herein, Lessor and Lessee shall include the singular and the plural and in the event that either Lessor or Lessee, or both, is/are more than one person, natural or otherwise, the obligations and liabilities created by this Lease are the joint and several obligations and liabilities of all such persons, respectively constituting either the Lessor or the Lessee.

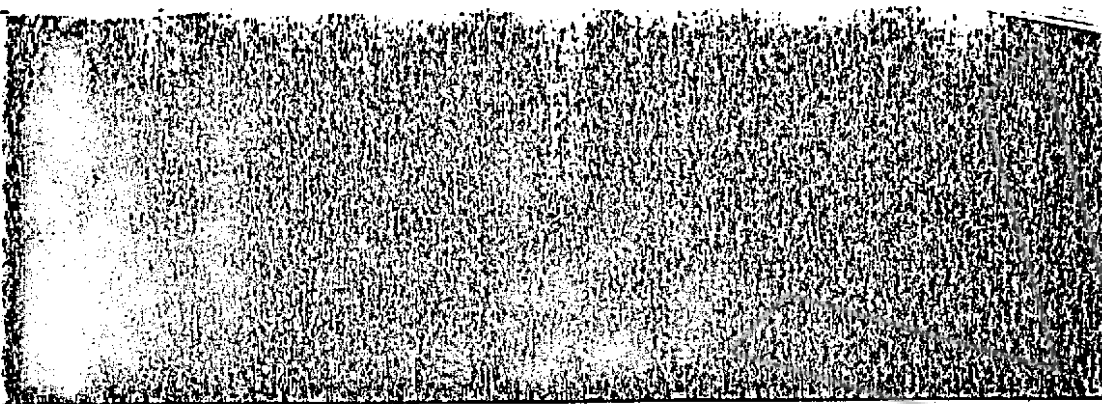
IN WITNESS WHEREOF THE PARTIES hereto have executed this Lease as of the _____ day of _____, 1982.

LESSOR

Mascot Silver Mining Co.

By _____
President

By _____
Secretary



LESSEE

Silver Jim Mines, Inc.

By _____
President

By _____

STATE OF _____)
) ss.
COUNTY OF _____)

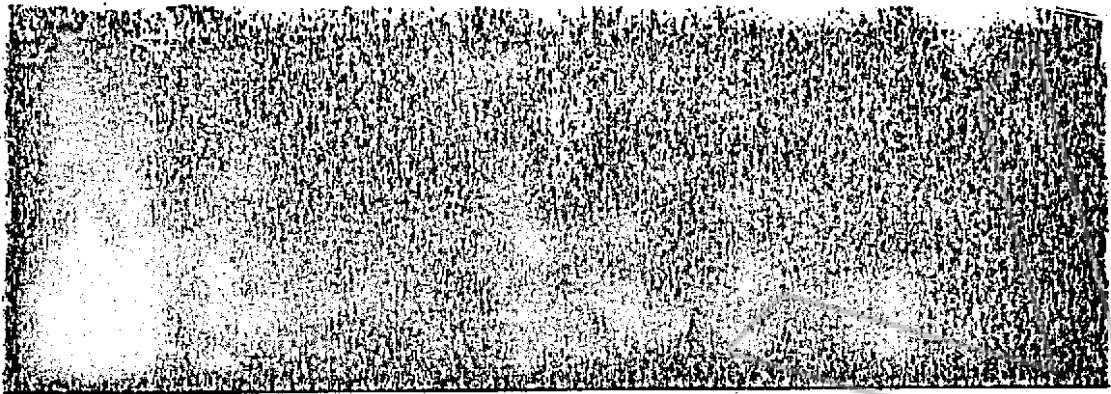
On _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ known to me to be the President and _____ known to me to be the Secretary of the corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

(Seal)

Notary Public

Lincoln County



STATE OF _____)
COUNTY OF _____) ss.

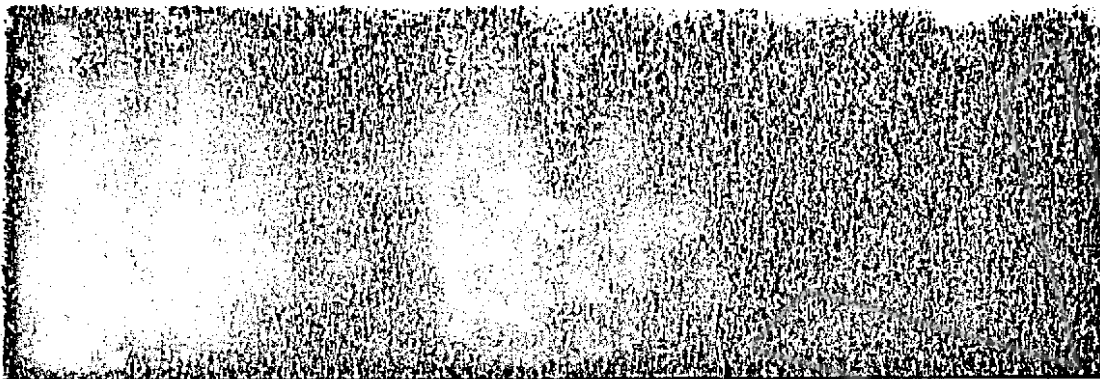
On _____, before me, the under-
signed, a Notary Public in and for said State, personally appeared
_____ known to me to be the Pre-
sident and _____ known to me to be the Secretary
of the corporation that executed the within Instrument, known to me
to be the persons who executed the within Instrument on behalf of the
corporation therein named, and acknowledged to me that such cor-
poration executed the within instrument pursuant to its by-laws or
a resolution of its board of directors.

WITNESS my hand and official seal.

(Seal)

Notary Public

EXHIBIT 2



SUB-LEASE AGREEMENT

I.

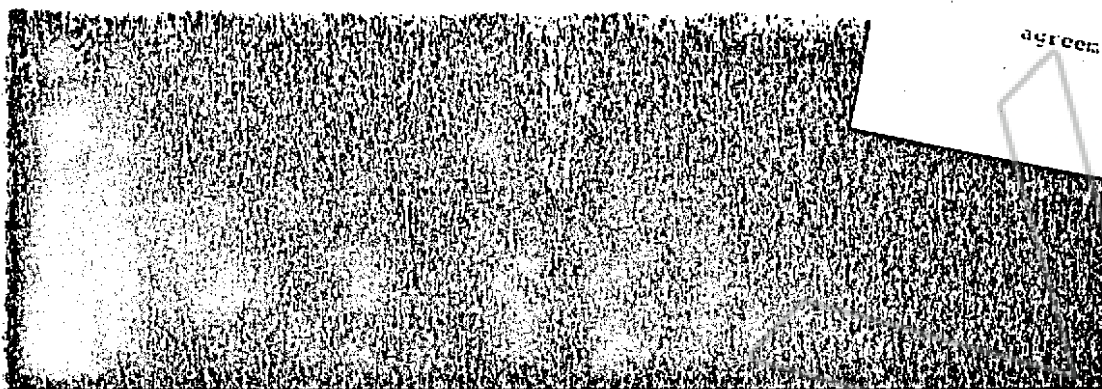
This Sub-Lease Agreement is made and entered into this 22nd day of October, 1982, by and between Philip C. Hulse and Associates, hereinafter called the Lessee, and John Franks and Frank C. Hulse, hereinafter called the Sub-lessee. Addresses of both parties being in Pioche, Nevada, and shown on page two of this agreement.

II.

The purpose of this agreement is to give the Sub-Lessee exclusive right to mine, develop, explore, prospect, test pit, core drill, and conduct geophysical and geochemical investigations on the following portions of the Fannie patented Lode Claim #7548 situate in in the Pioche (Ely) Mining District, Lincoln County, Nevada, To wit: All of the PATTLE LOPE CLAIM sometimes called the Lowery Mine; together with all fissure-veins, bedded deposits and all other commercial ore contained (Please see attached Sketch) thereon including all apex rights pertaining to all ores.

III.

In consideration for the Sub-Lease granted by the Lessee and Lessor, the Sub-lessee agrees to advance the Lessee \$2,500.00 (two thousand five-hundred dollars) for the purpose of executing the Master Lease with the Lessors (MASCOT SILVER MINING COMPANY). This amount payable at the time of execution of this agreement.



agree

Page 2 - Sub-Lease Agreement - Franks, Hulse, & Hulse

IV.

The Sub-lessee is to be held exempt from all royalty or royalties described in the Master Lease on the other mines on the MASCOT SILVER MINING Claims, but agrees to pay the Lessee 1.0% (one percent) in addition to the 12.5% payable to the Lessor as setforth on Page 3 on the Master Lease Agreement.

V.

The Sub-lessee agrees to comply with all other terms and conditions made between the Lessee and the Lessor in the Master Lease Agreement.

VI.

The Sub-lease Agreement shall become an addition to the Master Lease Agreement, and become a permanent part of the Agreement which will be binding on all their heirs, administrators, successors, and assigns of the parties hereto.

Signed for the Lessor:

Verne Steves
Prache NV
Address Box 85

Signed for the Sub-Lessee:

Gene Franks
Box 514
Address Prache, Nev.

Signed for the Lessee:

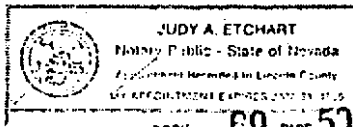
[Signature]
Address Prache, Nev.

[Signature]
Box 514
Address Prache Nevada

Subscribed and sworn before me this

4th day of November, 1982.

Judy A. Etchart
Notary Public
My commission expires Jan. 21, 1986



Lincoln County

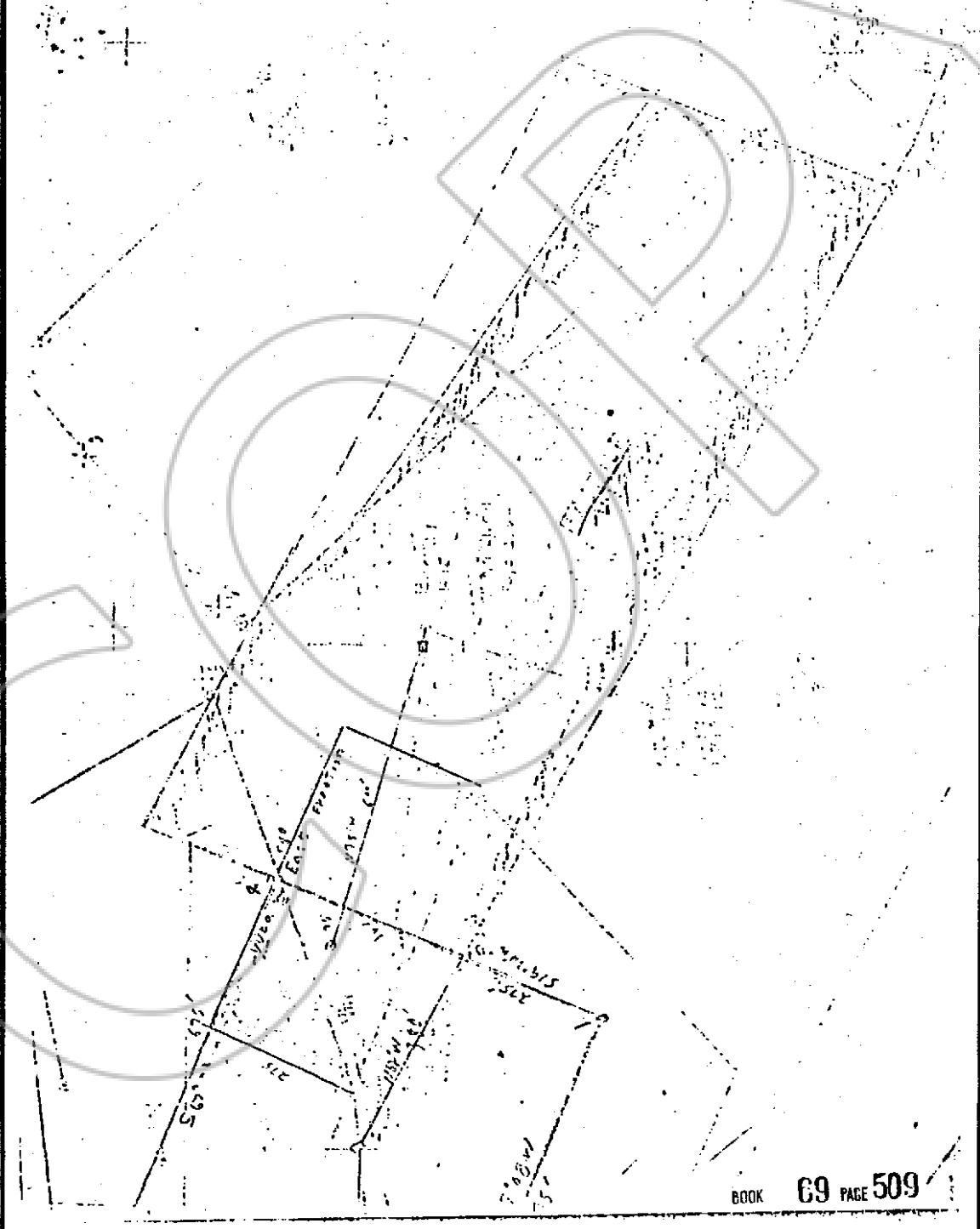
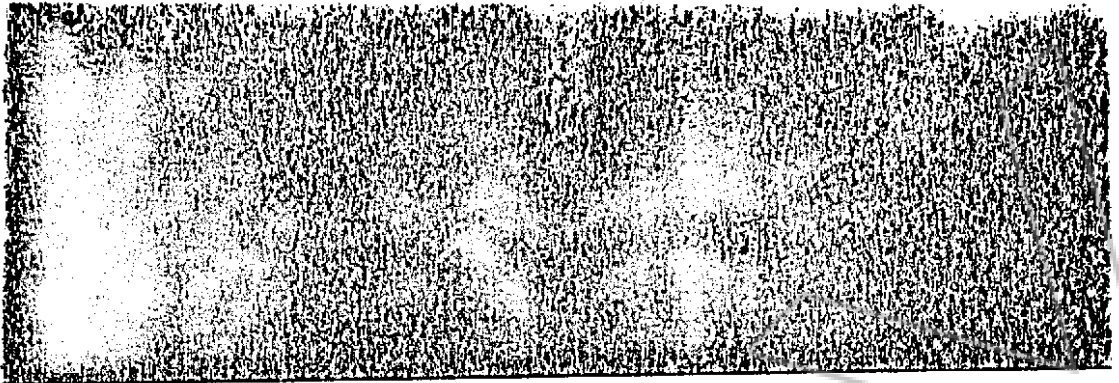
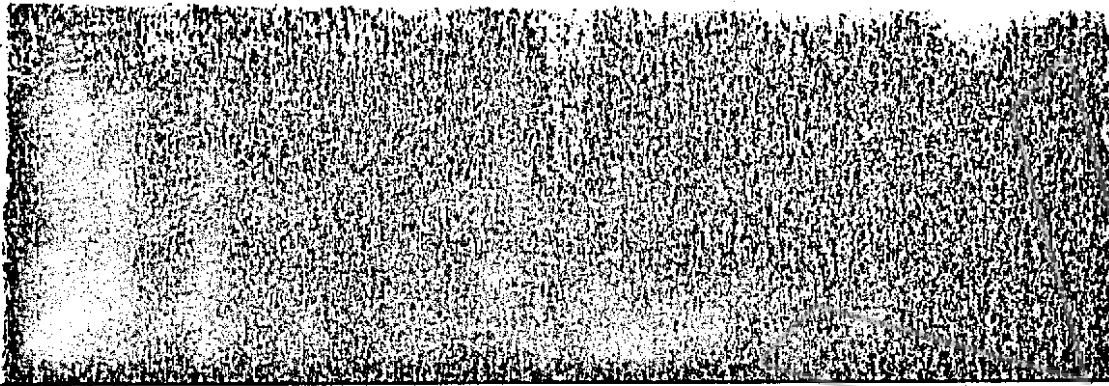


EXHIBIT 3

COPY



SUB-LEASE AGREEMENT

I.

This Sub-Lease Agreement is made and entered into this 2nd day of November, 1982, by and between Philip C. Hulse and Associates, hereinafter called the Lessee, and John Franks and Frank C. Hulse, hereinafter called the Sub-lessee. Addresses of both parties being in Pioche, Nevada, and shown on page two of this agreement.

II.

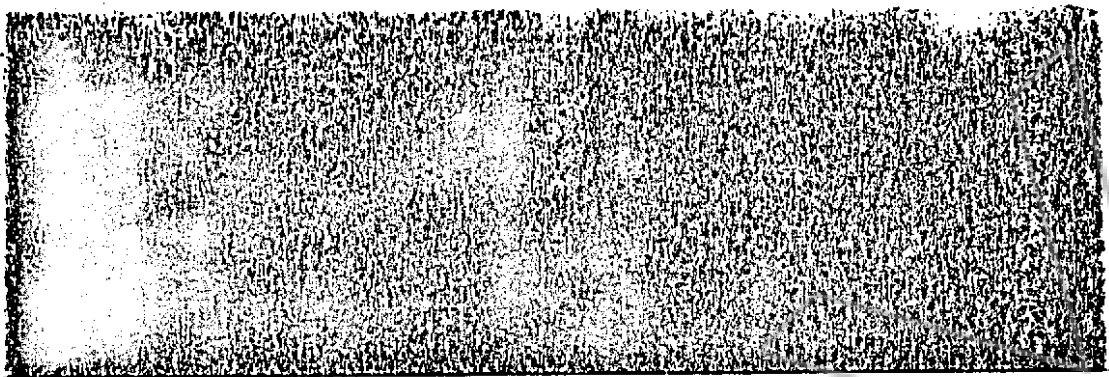
The purpose of this agreement is to give the Sub-Lessee exclusive right to mine, develop, explore, prospect, test pit, core drill, and conduct geophysical and geochemical investigations on the following portions of the NUNA EAST, NARY AND EASTWEST LONE CITIES AND THE NUNA EAST FRACTURE situate in in the Pioche (Ely) Mining District, Lincoln County,

Nevada. To wit: Please refer to the attached sheet listed Exhibit - 1 attached to this sub-lease.

(Please see attached Sketch)

III.

In consideration for the Sub-Lease granted by the Lessee and Lessor, the Sub-lessee agrees to advance the Lessee \$2,500.00 (two thousand five-hundred dollars) for the purpose of executing the Master Lease with the Lessors (MASCOT SILVER MINING COMPANY). This amount payable at the time of execution of this agreement.



Page 2 - Sub-lease Agreement - Franks, Hulse, & Hulse

IV.

The Sub-lessee is to be held exempt from all royalty or royalties described in the Master Lease on the other mines on the HASCOT SILVER MINING Claims, but agrees to pay the Lessee 1.0% (one percent) in addition to the 12.5% payable to the Lessor as set forth on Page 3 on the Master Lease Agreement.

V.

The Sub-lessee agrees to comply with all other terms and conditions made between the Lessee and the Lessor in the Master Lease Agreement.

VI.

The Sub-lease Agreement shall become an addition to the Master Lease Agreement, and become a permanent part of the Agreement which will be binding on all their heirs, administrators, successors, and assigns of the parties hereto.

Signed for the Lessor:

Gene Stever

Address *Box 185*

Leone, Nev.

Signed for the Lessee:

John P. Hulse

Address _____

Signed for the Sub-lesser:

Julius Franks

Address *Box 514*

Perche, Nev.

John P. Hulse

Address *Box 510*

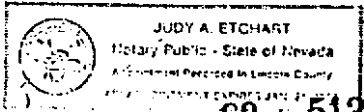
Perche Nevada

Subscribed and sworn before me this

11th day of November, 1982

Judy A. Etchart
Notary Public

My commission expires Jan 31, 1986



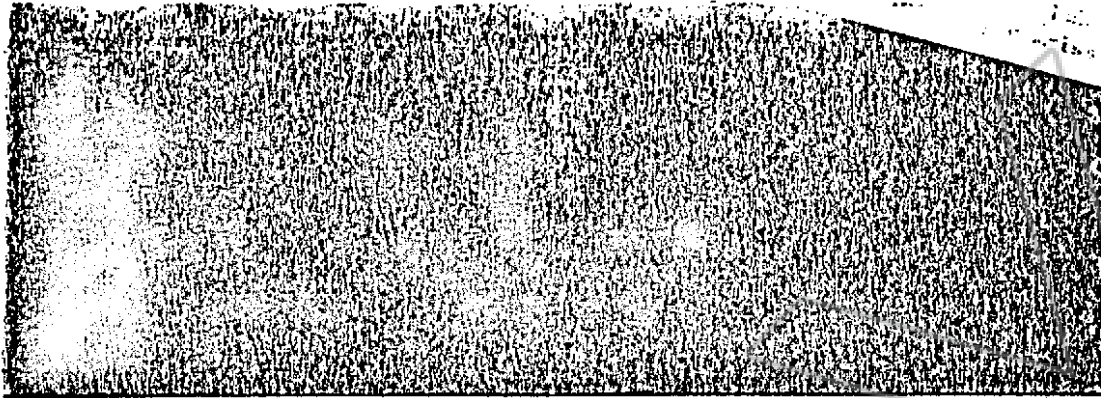


EXHIBIT "A"

Address to the Lease between John Lamb and Philip C. Puller
concerning the Block of Ground located:

That portion of the TIA EAST AND TAPY (SEE PATENTED CLAIMS
#3542) (Survey No. 3542) and the Yuba East Fraction (un-
patented) claim, being further described as follows:

Beginning at a point which is the Southwest Corner
(Post #1) of the Patent Intended Block Claim (#3542)
said point of beginning bears S 62° E 750 feet from the
centerline of the Old Red Shaft; thence (1) S 19° 34' W
175 feet, more or less; thence S 77° 00' W 675 feet, more or
less (2); thence S 19° 34' E 625 feet, more or less (3);
thence S 77° 00' E 675 feet, more or less to the west end-
line of the aforementioned PATENTED Claim (4); and thence
S 19° 34' W 750 feet, more or less to the point of beginning.
said portion of block containing 0.0000 acres, more or
less.

together with all fissure-veins in the quartzite and Yuba
dike, and all leaded ores, and commercial deposits including
apex rights pertaining hereon.

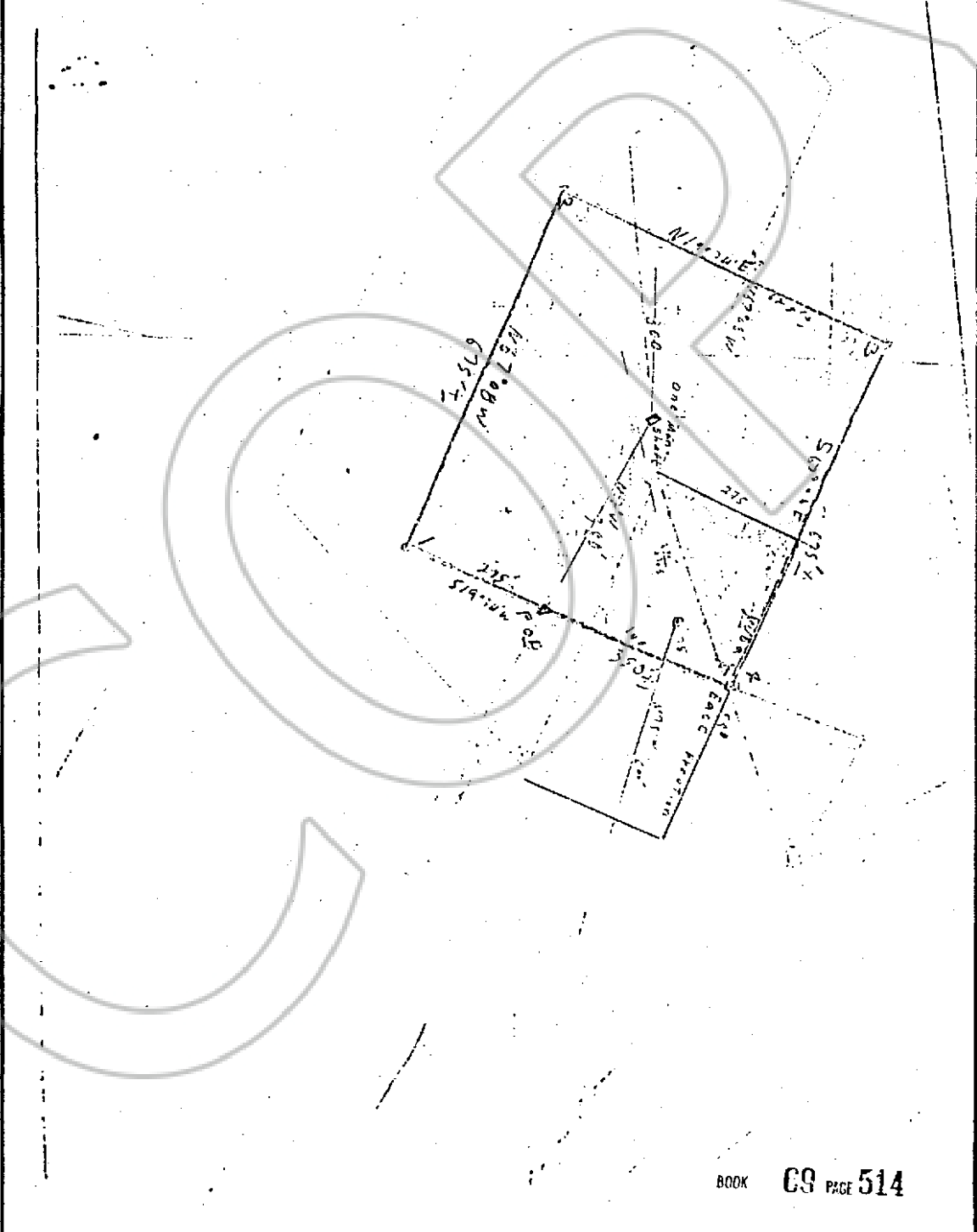
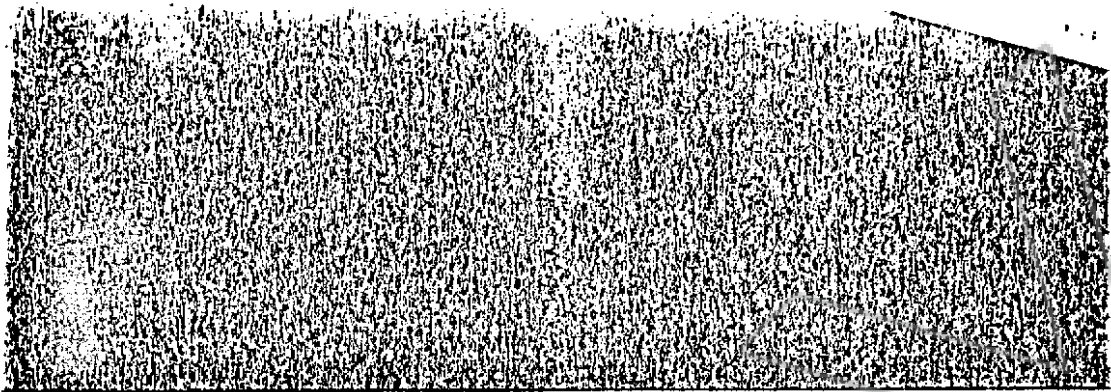
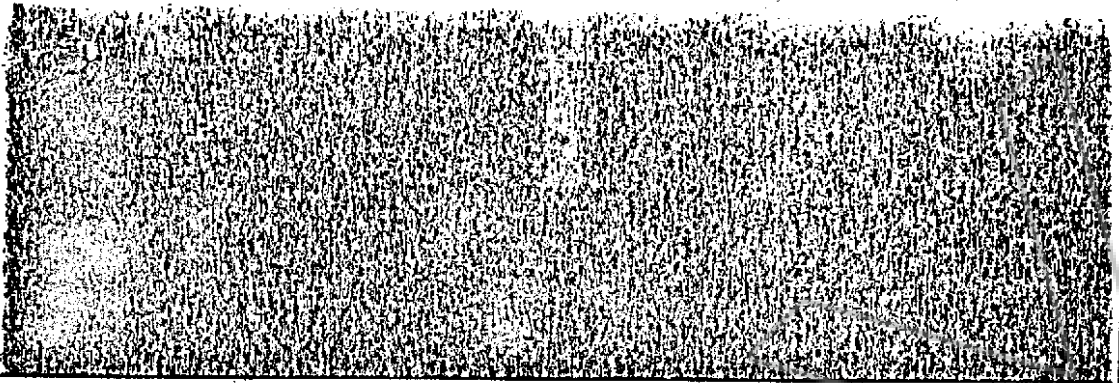


EXHIBIT 4

COPY



1 November 1982

LETTER OF INTENT BY AND BETWEEN

JOHN FRANKS, PIOCHE, NEVADA

PHILIP C. HULSE, PIOCHE, NEVADA

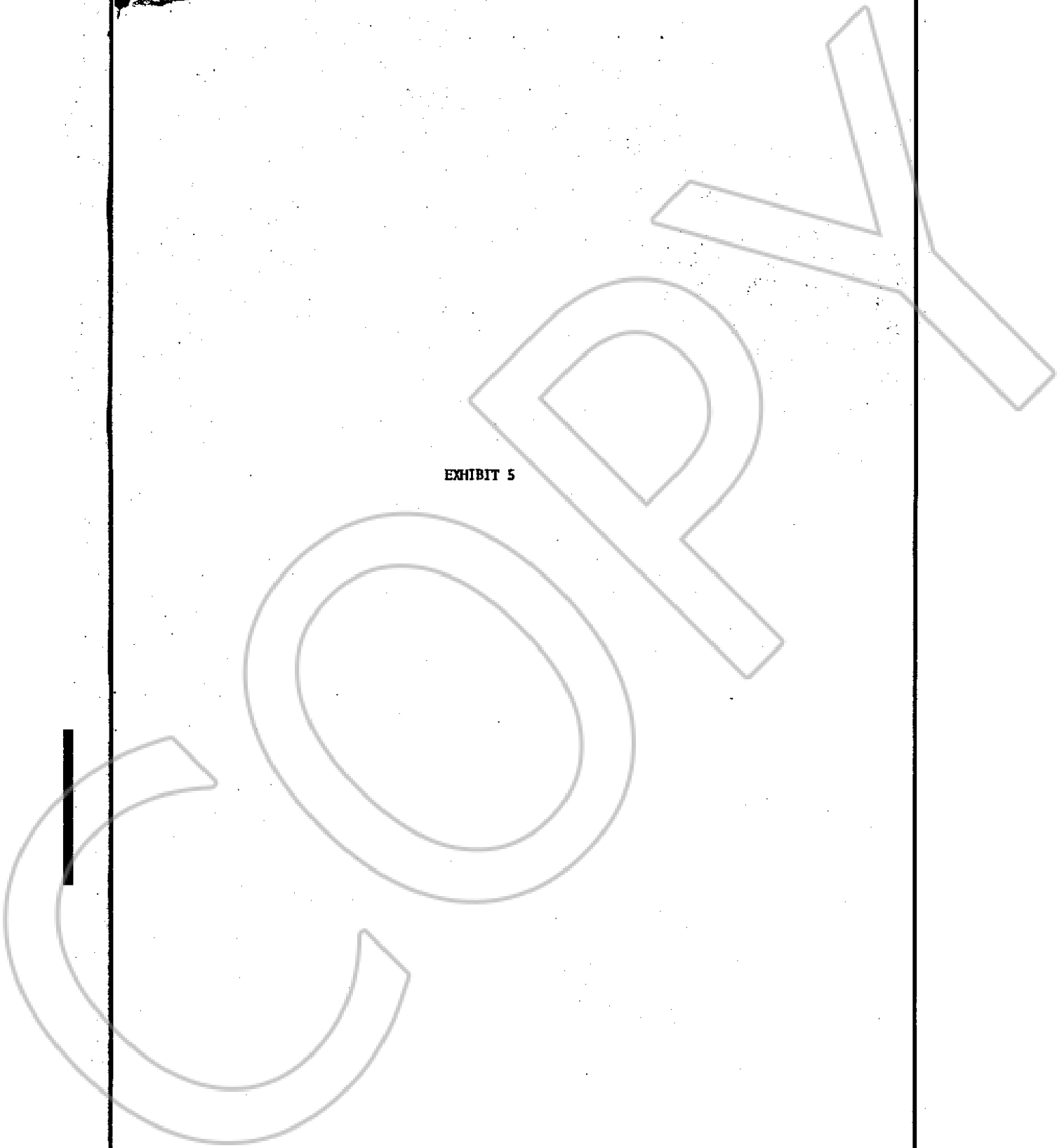
Pursuant to our verbal conversations regarding pending mining ventures on the MASCOT SILVER MINING CLAIMS, this letter of intent is drafted by and between the undersigned: John Franks, and Philip C. Hulse and is hereby acknowledged subject to the following conditions:

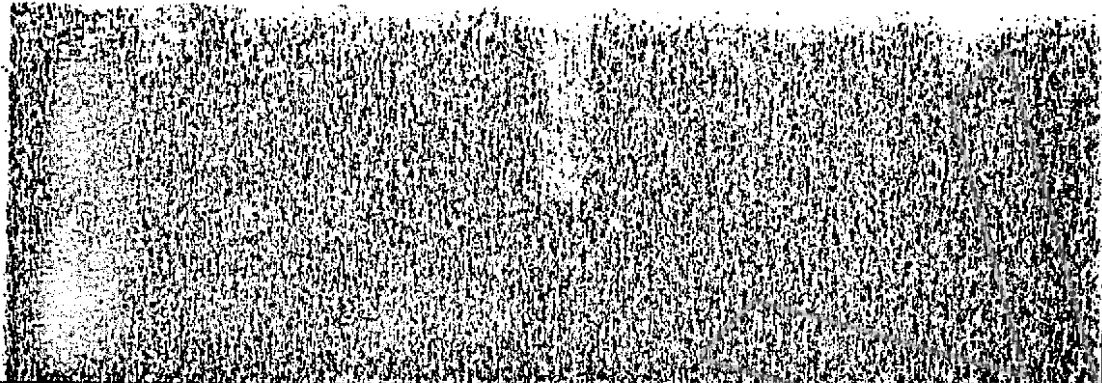
1. The undersigned will enter into a mining agreement on the Fannie Claim, sometimes known as the Bowery Mine or Fissure, and the One Man Mine, sometimes known as the Foster Fissure.
2. For a considerations of \$2,500.00 (Two Thousand Five-Hundred Dollars) paid to MASCOT SILVER MINING CO. on or about November 2, 1982, Philip C. Hulse, Lessee will execute a sub-Lease to Franks and Hulse on the above mentioned properties. The sub-lease will be subject to the terms and conditions set forth in the Master Lease held by Hulse.
 - A. Don Potts of Tonapah Nevada will participate in the Fannie sub-lease, holding 20% of any dividends or profits divided. Hulse will hold 40% and Franks 40% of this sub-lease.
 - B. John Franks will hold 51% of the Foster-One Man sub-lease. Frank C. Hulse will hold 49% of the Foster-One Man sub-lease.
 - C. John Franks will also be assigned 20% of the Master Lease.
3. Royalties based on net smelter returns of 1.0% will be deducted by the Lessee from the sub-lease above the royalties called for in the Master Lease.
4. Actual mining development, and supervision including engineering will be carried on by Philip C. Hulse who will receive reasonable compensation for his services subject to the approval of John Franks. Franks is also entitled to reasonable compensation for his services, subject to approval by Hulse. Reasonable compensation to be paid to Hulse only after receipt of payment of net smelter returns are made. In the event no sales of ores or concentrates are made from the above leases or sub-leases, Franks will not owe Hulse anything for his services or expenses.

Philip C. Hulse
 Signed: Philip C. Hulse
NOV 3, 1982
 Date:

John Franks
 Signed: John Franks
NOV 3, 1982
 Date:

EXHIBIT 5





November 10, 1982

Donald B. Potts
Post Office Box 629
Tonopah, NV 89049

RE: LETTER OF INTENT FOR AGREEMENT ON
MINING PROPERTY

Dear Mr. Potts:

Pursuant to our conference in the office of Wm. J. Crowell on September 28, 1982, and my letter to you and Mr. Crowell of November 5, 1982, which is incorporated herein by reference thereto, this will constitute a letter of intent of our basic understanding, to wit:

WHEREAS, PHILIP C. HULSE and FRANK C. HULSE have negotiated a letter with Mascot Silver Mining Company for those certain patented lode mining claims situated in the Pioche Mining District, Lincoln County, Nevada, consisting of 11 patented mining claims to which reference is hereby made, to wit:

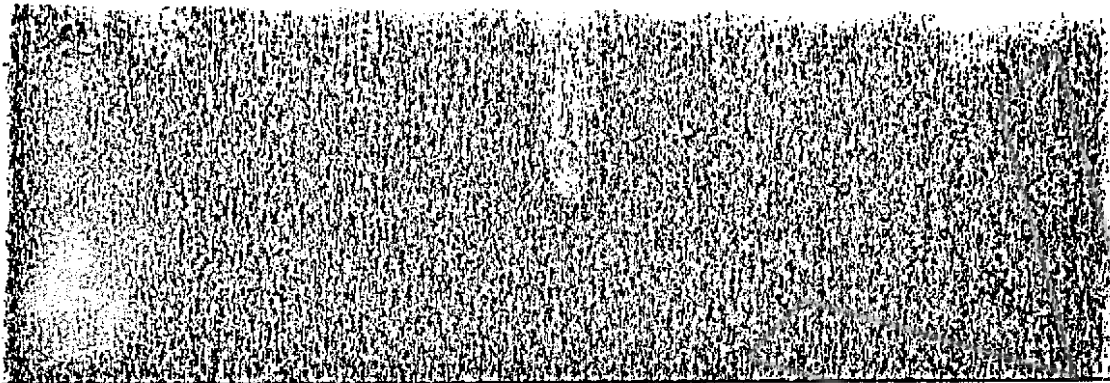
1. BOSS survey no. 2718
2. YUBA EAST survey no. 3542
3. NEVADA HOMESTAKE survey no. 3542
4. NORTH POLE survey no. 3542
5. NORTH POLE FRACTION survey no. 3542
6. SIMPSON survey no. 3542
7. MARY ANN survey no. 3542
8. FANNIE survey no. 3542
9. BOSTON survey no. 3542
10. EAST PEVINE survey no. 3542
11. MASSACHUSETTS survey no. 3542

AND WHEREAS, PHILIP C. HULSE, FRANK C. HULSE and DONALD B. POTTS desire to consummate an agreement for the purposes of jointly mining and developing the mining claims hereinabove set forth,

IT IS UNDERSTOOD AND AGREED:

I.

That for and in consideration of the sum of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500.00) paid by DONALD B. POTTS on October 29, 1982, to PHILIP C. HULSE and FRANK C. HULSE, the said PHILIP C. HULSE and FRANK C. HULSE do hereby assign unto DONALD B. POTTS and he shall share in the above-entitled Master Lease commonly known as the Mascot Mine lease, and be entitled to a



FORTY PERCENT (40%) interest therein; that PHILIP C. HULSE and FRANK C. HULSE shall retain and be entitled to a FORTY PERCENT (40%) interest therein, and that JOHN J. FRANKS shall be assigned and be entitled to a TWENTY PER CENT (20%) interest therein SAVE AND EXCEPT THAT:

a. A portion of the Mascot Master Lease Claims, namely the FABLEE patented lode mining claim survey number 3542 will and has been subleased to FRANK C. HULSE and JOHN J. FRANKS by Sublease Agreement dated November 4, 1982, to which reference is hereby made, and said FRANK C. HULSE and JOHN J. FRANKS shall, and do hereby assign unto DONALD B. POTTS and undivided TWENTY PERCENT (20%) interest therein, the said FRANK C. HULSE and JOHN J. FRANKS retaining an Eighty PERCENT (80%) interest therein.

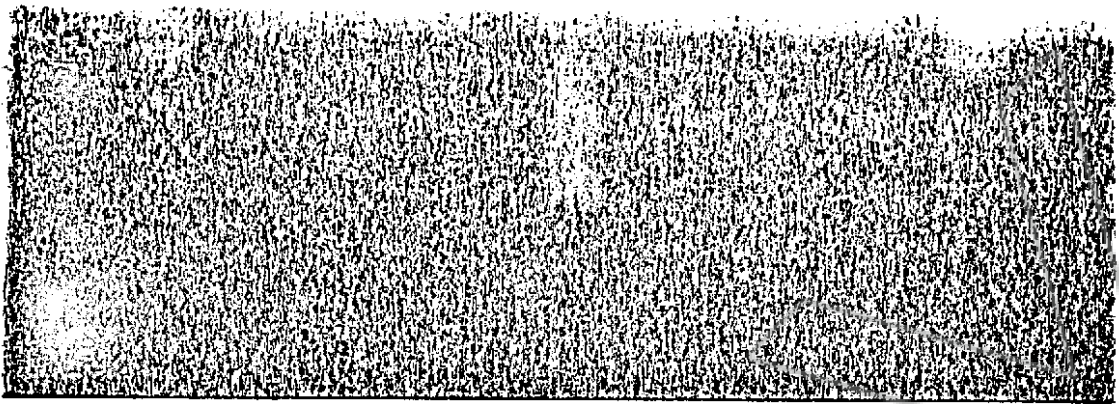
b. A portion of the Mascot Master lease claims, namely the YUBA EAST and HARY ABLI, patent lode mining claims, survey number 3542, with the YUBA EAST FRACTION, patent number 3543, will and has been subleased to FRANK C. HULSE and JOHN J. FRANKS by Sublease Agreement dated November 4, 1982, to which reference is hereby made, wherein JOHN J. FRANKS shall have and be entitled to an undivided FIFTY-ONE PERCENT (51%) interest therein and FRANK C. HULSE shall have and be entitled to an undivided FORTY-NINE PERCENT (49%) interest therein, with the further understanding that the said FRANK C. HULSE will share with DONALD B. POTTS and the said DONALD B. POTTS shall be entitled to TEN PERCENT (10%) of any and all proceeds received by FRANK C. HULSE from the development of said mining claims.

II.

Neither PHILIP C. HULSE and FRANK C. HULSE, nor JOHN J. FRANKS nor DONALD B. POTTS may sell, assign or transfer their interest in the Mascot Master claims mining lease without the consent of each other, it being understood that PHILIP C. HULSE and FRANK C. HULSE and JOHN J. FRANKS and DONALD POTTS shall be entitled to purchase the interest of the other upon such terms and conditions as the withdrawing interested shareholders may determine.

III.

Actual mining development and supervision of the Mascot Master lease claims shall be carried on by PHILIP C. HULSE AND ASSOCIATES, subject to the right of all parties to be consulted in connection therewith with particular reference to the expenditure of untoward expenses therewith.



Page 3

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IV.

With regard to the sublease on the FANNY Lode to FRANK C. HULSE and JOHN J. FRANKS and DONALD B. POTTS, any exploration and development thereon shall be done jointly by all three parties as their respective interests appear.

With regard to the sublease on the YUBA EAST, MARY ANN and YUBA EAST FRACTION, all exploration and development shall be carried on entirely by JOHN J. FRANKS and FRANK C. HULSE, the said DONALD B. POTTS being entitled to, and the said FRANK C. HULSE shall, timely report any proceeds which he receives therefrom and to which DONALD B. POTTS is entitled to share in to the extent of TEN PERCENT (10%) as hereinbefore set forth.

This Letter Agreement shall be supplemented by a more comprehensive agreement setting forth more specifically all terms and conditions of the joint mining and mutual development program on mining claims as hereinbefore set forth.

This Letter Agreement shall be in full force and effect upon endorsement thereof by all of the parties herein mentioned and as their respective interests shall appear.

DATED this 10th day of November, 1982.

PHILIP C. HULSE and
FRANK C. HULSE

By: *Philip C. Hulse*
PHILIP C. HULSE
Post Office Box 700
Fioche, NV 89043 *11/11/82*

APPROVED and ACCEPTED:

BY: *Donald B. Potts*
DONALD B. POTTS

BY: *John J. Franks*
JOHN J. FRANKS

Frank C. Hulse
FRANK C. HULSE

EXHIBIT 6

COPY

A G R E E M E N T

THIS AGREEMENT MADE AND ENTERED INTO by and between PHILIP C. HULSE, FRANK C. HULSE, JOHN J. FRANKS, and DONALD B. POTTS,

W I T N E S S E T H

WHEREAS, on the 10th day of November, 1982, the parties hereto entered into and executed a Letter of Intent for Agreement on mining property relating to a lease of eleven (11) patented lode mining claims situated in the Pioche Mining District, Lincoln County, Nevada, with the Mascot Silver Mining Company, more particularly set forth and described in said Letter of Intent for Agreement, to which reference is hereby made and incorporated herein by reference; and

WHEREAS, the parties desire to amend the terms, covenants, and conditions of said Letter of Intent for Agreement as hereinafter set forth;

NOW, THEREFORE, in consideration of the personal and mutual agreement of the parties, the said Letter of Intent for Agreement executed the 10th day of November, 1982, is hereby supplemented and amended as follows:

1. DONALD B. POTTS does hereby sell, transfer, and assign unto JOHN J. FRANKS all of his right, title, and interest in and to the Mascot Silver Mining Company Master Lease and all sub-leases provided for under the Letter Agreement of November 10, 1982.

2. In consideration therefore, JOHN F. FRANKS will:

Lincoln County

a. Pay to DONALD B. POTTS the sum of ONE THOUSAND DOLLARS (\$1,000) in installments, to wit: FIVE HUNDRED DOLLARS (\$500) upon the execution of this Agreement and FIVE HUNDRED DOLLARS (\$500), plus interest at TEN PERCENT (10%), on or before August 3, 1985.

b. Pay to DONALD B. POTTS an over-riding royalty of ONE PERCENT (1%) on all production from the FANNY patented claim, Survey No. 3542, for as long as the sub-lease of the FANNIE claim is in force and held and operated by JOHN J. FRANKS or any entity under his control. For the purpose hereof, JOHN J. FRANKS agrees to provide DONALD B. POTTS with copies of all shipment of ores produced with payment of any royalty then due and owing to him.

c. In addition, JOHN J. FRANKS agrees to convey to DONALD B. POTTS, free and clear of any lien or encumbrance, the following described property situate in Lincoln County, State of Nevada.

Beginning at the Southwest corner of the Southwest Quarter of Section 15, T. 1 N., R. 67 E., M. D. B. & M., and running thence N. 0° 27' 30" East along the East Line of said Southwest quarter of Section 15, a distance of 1332.38 feet to a point; thence running N. 89° 57' 54" West a distance of 1329.48 feet to the Northwest corner of Parcel No. 2 of Parcel Map of a portion of the SW 1/4 of Section 15, T. 1 N., R. 67 E., M. D. B. & M., prepared at the instance of John and Patsy Franks, which map is filed in the office of the County Recorder of Lincoln County, Nevada, in Book 1A of Plats at page 232 which point is the TRUE POINT OF BEGINNING; thence continuing N. 89° 57' 54" East a distance of 166.66 feet to a point; thence S. 00° 09' 04" West a distance of 333.65 feet; thence S. 89° 57'

Lincoln County

54" East a distance of 166.66 feet to the southwest corner of said Parcel No. 2; thence N. 00° 09' 04" West a distance of 333.65 to the true point of beginning and containing an area of 1.27 acres, more or less,

SUBJECT to a 30 foot easement on the Northerly portion of said parcel.

Execution of a Deed and Transfer to DONALD B. POTTS of said property is to be consummated after January 1, 1985, and before February 1, 1985.

3. JOHN J. FRANKS does hereby trade his TWENTY PERCENT (20%) reserved interest in the Mascot Silver Mining Company Master Lease to PHILIP C. HULSE and FRANK C. HULSE in exchange for their FORTY PERCENT (40%) reserved interest in the FANNIE mining claim sub-lease.

4. The effect of the foregoing transactions will result in:

a. PHILIP C. HULSE and FRANK C. HULSE will have a SIXTY PERCENT (60%) interest and JOHN J. FRANKS will have a FORTY PERCENT (40%) in the Mascot Silver Mining Company Master Lease.

b. JOHN J. FRANKS will hold a FIFTY-ONE PERCENT (51%) interest and PHILIP C. HULSE and FRANK C. HULSE will hold a FORTY-NINE PERCENT (49%) interest in the sub-lease on the Yuba East and Mary Ann patented lode mining claims, Survey No. 3542, and DONALD B. POTTS shall retain his right to TEN PERCENT (10%) of any and all proceeds received by PHILIP C. HULSE and FRANK C. HULSE from the development of said mining claims.

c. JOHN J. FRANKS will hold a ONE HUNDRED PERCENT (100%) interest in the FANNIE claim sub-lease with full and complete management and operation of the same as he alone, in his discretion, shall determine subject only to the terms and conditions of the Master Lease from Mascot Silver Mining Company.

d. Immediately upon the execution of this Agreement, JOHN J. FRANKS may institute, commence, and carry on any and all development of the FANNIE claim, pursuant to the sub-lease thereon, with the further right to secure financing, assign, transfer, or sell the sub-lease without any right of the parties hereto to any prior right of purchase therefore.

e. DONALD B. POTTS shall have no further right, interest, or responsibility in the Mascot Silver Mining Company Master Lease or any of the sub-leases executed in connection therewith other than:

a. Payment to him of ONE THOUSAND DOLLARS (\$1,000) by JOHN J. FRANKS.

b. Conveyance of property to him by JOHN J. FRANKS.

c. Payment by JOHN J. FRANKS to him of over-riding royalty of ONE PERCENT (1%) hereinbefore reserved.

d. Payment to him by PHILIP C. HULSE and FRANK C. HULSE of TEN PERCENT (10%) of the proceeds received by them from the Mary-Ann, Yuba East, and Yuba East Fraction sub-Lease.

Lincoln County

c. A timely accounting to him by the parties for the foregoing rights reserved.

Time is of the essence of this Agreement and the same shall be binding upon all of the parties hereto, their heirs, executors, administrators, and assigns.

IN WITNESS WHEREOF the parties have hereunto set their hands and signatures as of the 3rd day of August, 1984.

Philip C. Hulse
PHILIP C. HULSE 8/23/84

Frank C. Hulse
FRANK C. HULSE

John J. Franks
JOHN J. FRANKS

Ronald B. Potts
DONALD B. POTTS

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No. 84540
FILED AND RECORDED AT REQUEST OF
James R. Crockett
Jan. 31, 1986
AT 1 MINUTES PAST 1 O'CLOCK
P.M. IN BOOK 69 OF OFFICIAL
RECORDS, PAGE 489 LINCOLN
COUNTY, NEVADA.

YURIKO SETZER
COUNTY RECORDER

By *Mara Condie* Deputy