

SETTLEMENT AGREEMENT

THIS AGREEMENT is made this 30th day of November, 1987, by and between ELY ADES, CRESTVIEW MINING, INC., a Nevada corporation, and MOUNTAIN MINES, INC., a Nevada corporation, (hereinafter collectively called "ADES"), and JOHN SANTIAGO, aka JOHN SANTINI (hereinafter referred to as "SANTIAGO") as follows:

R E C I T A L S:

I

On or about May 19, 1983, these parties, and others, entered into an agreement designed to terminate in all respects the prior relationship of the parties. That Agreement created certain obligations between the parties and provided that the parties would be tenants in common of certain mine tailings located near Pioche, Nevada and more particularly described as the "South Mill Tailing Ponds", adjacent to the Caselton Mill in Section 32, Township 1 North, Range 67E, M.D.B. & M., Lincoln County, Nevada.

II

The Agreement of May 19, 1983, has proven to be unworkable as a result of which litigation has occurred between the parties all as described in the pleadings and other documents on file in Case No. 5590 in the Seventh Judicial District Court of the State of Nevada, in and for the County of Lincoln.

III

The parties desire to change their relationship with regard to the tailings, as created in the Agreement of May 19, 1983, and to settle as between them all claims, disputes and other matters which are the subject of Case No. 5590 in the

Seventh Judicial District Court of the State of Nevada in and for
the County of Lincoln.

IV

For the purposes described herein and in consideration
of the mutual covenants, grants, conditions and releases
contained herein, the parties agree as follows:

1. The parties desire to permanently terminate their
co-tenancy relationship created by the aforementioned May 19,
1983, Settlement Agreement and Mutual Release and to make a
physical partition in kind of the subject matter of the
co-tenancy as follows:

a. The services of Frank Hulse shall be engaged
to conduct a survey of the South Mill Tailing Ponds 1 through 5
in order to determine, so far as such a determination can be made
on present information, the volume of tailings contained in said
ponds 1 through 5;

b. Having made a determination of the volume of
tailings contained in said ponds 1 through 5, Mr. Hulse is to
survey a line which divides ponds 1 through 5 between the parties
as near equally as can be done on present information, subject to
the following instructions:

(i) The ponds shall be divided in
accordance with a line which runs north
and south;

(ii) The east portion of the tailings
shall belong to ADES, the west portion
of the tailings shall belong to
SANTIAGO;

(iii) The east portion of the tailings,
which shall belong to ADES, shall be
divided in such a manner that ADES shall
receive, to the best of Mr. Hulse's

ability to do so, 15,000 tons of
tailings more than is received by
SANTIAGO

2. Mr. Hulse shall commence the task described above as soon as possible, but in any event, before January 1, 1988, and the said task shall be accomplished as soon as possible, but in any event, before March 1, 1988. If those tasks have not been accomplished on that date, then, unless the parties agree in writing to the contrary, Kennedy-Jenks Chilton, Inc. shall be appointed to complete the aforementioned task.

The costs of the performance of the services described in Paragraph IV above shall be divided equally between SANTIAGO and ADES.

3. ADES, his heirs, successors and assigns hereby sell, grant and convey to SANTIAGO, all his interest, including reversions or any other after acquired interest in and to the personal property tailings located on the west side of the South Mill Tailing Ponds 1 through 5. Such grant is subject to the completion of the tasks described in Paragraph IV hereof and the preparation and execution of formal documentation of this grant.

4. SANTIAGO, his heirs, successors and assigns hereby sell, grant and convey to ADES, all his interest, including reversions or any other after acquired interest in and to the personal property tailings located on the east side of the South Mill Tailing Ponds ^{1 through 5} ~~6~~ through 11. Such grant is subject to the completion of the tasks described in Paragraph IV hereof and the preparation and execution of formal documentation of this grant.

5. Effective on the date hereof and notwithstanding the fact that a true description of the half of the tailings to

J.S.
SBH
SW
[Signature]

be allocated to each party will not exist until a performance of the task described in Paragraph IV above. ADES hereby releases and quitclaims to SANTIAGO the west portion of the tailings to be described pursuant to the task set out in Paragraph IV and SANTIAGO hereby releases and quitclaims to ADES the east portion of the tailings to be so described. Prior to the completion of the task described in Paragraph IV above, either party may remove not more than ONE THOUSAND (1,000) tons of tailings from the eastern most or western most one-third (1/3) of each parties' designated portion of ponds 1 through 5.

6. The documents by which the tailings were acquired from the trustee in bankruptcy of The Combined Metals Reduction Co. are the "Option Agreement Relative to Minerals Tailings, Caselton, Nevada, dated September 7, 1973, entered into between Paul Gemmill, Trustee of Combined Metals Reduction Company and Abaron Corporation; the "Addendum to Option Agreement Relative to Minerals Tailings, Caselton, Nevada" dated August 29, 1974, entered into between W. Lamont Robison, Trustee of Combined Metal Reduction Company and Interstate Transportation, Inc.; and the "Trustee's Bill of Sale" dated September 23, 1976, executed by W. Lamont Robison, Trustee of Combined Metals Reduction Company which was recorded as instrument number 58651, in Book 18 of the Official Records of Lincoln County, Nevada, (these three documents are hereinafter collectively referred to as "The Granting Documents"). The aforementioned granting documents included a right of access to the tailings. ADES hereby confirms to SANTIAGO, SANTIAGO's unrestricted right of access to the tailings pursuant to the granting documents on the west side of

ponds 1 through 5. Said confirmation by ADES shall be binding upon ADES, his heirs, successors and assigns. Correspondingly, SANTIAGO hereby confirms to ADES, ADES' right of access to the tailings pursuant to the granting documents on the east side of ponds 1 through 5. Said confirmation by SANTIAGO shall be binding upon SANTIAGO, his heirs, successors and assigns.

7. ADES, his heirs, successors and assigns, to the extent legally possible to do so, hereby grant to SANTIAGO a five (5) acre easement adjacent to the west side of ponds 1 through 5 for all purposes necessary to the removal and concentration of the tailings conveyed to SANTIAGO hereunder, but not the building of a mill. Said easement shall terminate when SANTIAGO's tailings have been removed. Any equipment remaining on such easement shall become the property of the then owner of the claims on which the easement is located if not removed within ninety (90) days of the cessation of use of the easement for the purposes described herein. Storage of equipment or other passive use shall be a cessation of use pursuant to this Paragraph.

7(a). As to the five (5) acre parcel, the proposed operator thereon shall, prior to the commencement of such operations, and thereafter so long as operations are conducted, comply with all applicable governmental statutes, regulations and ordinances, including those applicable to reclamation and posting notices of ADES non-liability and shall suffer no liens to remain on the real property. The operator shall not be in breach of any obligation hereunder if contesting such obligation is in good faith against a governmental agency or lienholder. SANTIAGO shall indemnify and hold ADES harmless from any and all

actions arising out of operations conducted by, or on behalf of SANTIAGO, including, but not limited to, those items discussed in this Paragraph.

8. SANTIAGO does hereby quitclaim and release to ADES any and all interest of any kind or character which he may have or claim to have in the South Mill Tailing Ponds 6 through 11 as described on Exhibit "A" hereto

9. SANTIAGO does hereby quitclaim and release to ADES any interest of any kind or character which he may have or claim to have in the mining claims described on Exhibit "B" hereto and the Placer claims described on Exhibit "C" hereto.

10. It is specifically agreed and understood between the parties that subject to the easement granted herein, nothing

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contained herein shall be construed as granting SANTIAGO any right, title or interest in or to the Kerr-McGee Mining Claims described on Exhibit "B"; the L. P. and Sarah Placer Claims described in Exhibit "C"; and the mineral tailings contained in South Mill Tailing Ponds 6 through 11, described on Exhibit "A".

11. Each party hereto agrees to indemnify and hold the other harmless from any and all claims, whether for money or tailings, or for specific performance, or any other matter relating to the tailings if the claim is based upon actions or alleged actions of the parties against whom this indemnity and hold harmless is sought to be enforced. The indemnity and hold harmless shall include, but shall not be limited to the obligation to defend the other party from any such claims and to pay all fees and costs, including attorney's fees, related to such defense.

12. Each party hereby agrees to execute and deliver to the other party such additional documents as may be required to carry out the terms of this Settlement Agreement.

John Santiago
JOHN SANTIAGO, aka JOHN SANTINI
John Santiago by Susan Utz
as attorney in fact
JOHN SANTIAGO, aka JOHN SANTINI
By SUSAN UTZ as his
attorney-in-fact

Ely Aes
ELY AES

MOUNTAIN MINES, INC., a
Nevada corporation

By *Ely Aes*
Ely Aes, President

CRESTVIEW MINING, INC., a
Nevada corporation

By *Ely Aes*
Ely Aes, President

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this 3RD day of November, 1987, before me, the undersigned, a Notary Public, personally appeared JOHN SANTIAGO (aka John Santini), known to me to be the person whose name is subscribed to the within instrument and who acknowledged to me that he executed the same freely and voluntarily, and for the uses and purposed therein mentioned.

Peggy A. McCoy
NOTARY PUBLIC PEGGY A. McCOY
Notary Public - State of Nevada
Appointment Recorded in Washoe County
MY APPOINTMENT EXPIRES FEB. 28, 1988

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this 3RD day of November, 1987, before me, the undersigned, a Notary Public, personally appeared ELY ADES, known to me to be the person whose name is subscribed to the within instrument and who acknowledged to me that he executed the same freely and voluntarily, and for the uses and purposed therein mentioned.

Peggy A. McCoy
NOTARY PUBLIC PEGGY A. McCOY
Notary Public - State of Nevada
Appointment Recorded in Washoe County
MY APPOINTMENT EXPIRES FEB. 28, 1988

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this 3RD day of November, 1987, before me, the undersigned, a Notary Public, personally appeared ELY ADES, as President of MOUNTAIN MINES, INC., a Nevada corporation, known to me to be the person whose name is subscribed to the within instrument and who acknowledged to me that he executed the same

freely and voluntarily, and for the uses and purposed therein mentioned.

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

Peggy A McCoy
NOTARY PUBLIC
PEGGY A. MCCOY
Notary Public - State of Nevada
Appointment Recorded in Washoe County
MY APPOINTMENT EXPIRES FEB 28 1988

On this 3rd day of November, 1987, before me, the undersigned, a Notary Public, personally appeared ELY ADES, as President of CRESTVIEW MINING, INC., a Nevada corporation, known to me to be the person whose name is subscribed to the within instrument and who acknowledged to me that he executed the same freely and voluntarily, and for the uses and purposed therein mentioned.

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

Peggy A McCoy
NOTARY PUBLIC
PEGGY A. MCCOY
Notary Public - State of Nevada
Appointment Recorded in Washoe County
MY APPOINTMENT EXPIRES FEB 28 1988

On this 3rd day of November, 1987, before me, the undersigned, a Notary Public, personally appeared SUSAN UTZ, attorney-in-fact for JOHN SANTIAGO (aka John Santini), known to me to be the person whose name is subscribed to the within instrument and who acknowledged to me that he executed the same freely and voluntarily, and for the uses and purposed therein mentioned.

Peggy A McCoy
NOTARY PUBLIC
PEGGY A. MCCOY
Notary Public - State of Nevada
Appointment Recorded in Washoe County
MY APPOINTMENT EXPIRES FEB 28 1988

Any and all mineral tailings located in the South Mill Tailing Ponds, 6 through 11, in the South 1/2 of Section 32, Township 1 North, Range 67 East, M.D.B. & M., Lincoln County, Nevada, and Section 4, Township 1 South, Range 67 East, M.D.B. & M., Lincoln County, Nevada.

EXHIBIT "A"

Lincoln County

HILLSITES AT LINCOLN COUNTY NEVADA.

NAME	SERIAL NUMBER	LEAD FILE NO.	COUNTY BOOK-PAGE	LOCATION DATE	SECTION NO.
CASELTON #1	51634MS	51634	12-138	11-25-1974	32
CASELTON #2	51635MS	51634	12-139	11-25-1974	32
CASELTON #3	51636MS	51634	12-140	11-25-1974	32
CASELTON #4	51637MS	51634	12-141	11-25-1974	32
WADE HAMPTON	51686MS	51686	J-1-470	12-31-1930	32
FETER COOPER	51687MS	51686	J-1-471	12-20-1930	32
BEN FRANKLIN	51688MS	51686	J-1-469	12-20-1930	32
PDOCHE CENTRAL	51689MS	51686	J-1-471	12-20-1930	32
JUMRO	51690MS	51686	J-1-471	12-20-1930	32
ABE LINCOLN	51691MS	51686	J-1-469	12-20-1930	32
HORRIS GREELY	51692MS	51686	J-1-470	12-20-1930	32
LEGAL TENDER	51693MS	51686	J-1-472	12-20-1930	32
TRIBUTE	51694MS	51686	J-1-472	12-20-1930	32
WEDGE	51695MS	51686	J-1-423	12-20-1930	32
KENTUCKY #1	51696MS	51686	J-1-473	12-20-1930	32
KENTUCKY	51697MS	51686	J-1-465	12-20-1930	32
RUDY #1	51698MS	51686	J-1-477	12-20-1930	32
RUDY #2	51699MS	51686	J-1-475	12-20-1930	32
RUDY #3	51700MS	51686	J-1-476	12-20-1930	32
RUDY #4	51701MS	51686	J-1-476	12-20-1930	32
RUDY #5	51702MS	51686	J-1-464	12-20-1930	32
RUDY #6	51703MS	51686	J-1-476	12-20-1930	32
RUDY #7	51704MS	51686	J-1-475	12-20-1930	32
RUDY #8	51705MS	51686	J-1-473	12-20-1930	32
RUDY #9	51706MS	51686	J-1-464	12-20-1930	32
RUDY #10	51707MS	51686	J-1-465	12-20-1930	32
EMMA	51708MS	51686	J-1-472	12-20-1930	32
BUD #2	51709MS	51686	J-1-479	12-20-1930	32
BUD #3	51710MS	51686	J-1-478	12-20-1930	32
BUD	51711MS	51686	J-1-479	12-20-1930	32
DORRIS #8	51712MS	51686	K-1-3	12-20-1930	32
DORRIS #9	51713MS	51686	K-1-6	12-20-1930	32
DORRIS #10	51714MS	51686	K-1-7	12-20-1930	32
DORRIS #11	51715MS	51686	K-1-7	12-20-1930	32
DORRIS #12	51716MS	51686	K-1-7	12-20-1930	32
DORRIS #13	51717MS	51686	K-1-8	12-13-1930	32
DORRIS #14	51718MS	51686	K-1-8	12-20-1930	32
SWANSEA #1	51719MS	51686	J-1-481	12-20-1930	32
SWANSEA #2	51720MS	51686	J-1-482	12-20-1930	32
SWANSEA #3	51721MS	51686	J-1-480	12-20-1930	32
SWANSEA #4	51722MS	51686	J-1-482	12-20-1930	32
SWANSEA #5	51723MS	51686	J-1-482	12-20-1930	32
SWANSEA #6	51724MS	51686	J-1-481	12-20-1930	32
SWANSEA #7	51725MS	51686	J-1-481	12-20-1930	32
TREASURE HILL #3	51726MS	51686	J-1-474	12-20-1930	32
TREASURE HILL #4	51727MS	51686	J-1-474	12-20-1930	32
CHISHOLM FRAC	51728MS	51686	J-1-465	12-20-1930	32

Lincoln County

NAME	SERIAL NUMBER	LEAD FILE NO.	COUNTY BOOK-PAGE	LOCATION DATE	SECTION NO.
TRIANGLE	51729MS	51686	J-1-466	12-20-1930	32
LOST TREASURE#2	51730MS	51686	J-1-466	12-20-1930	32
LOST TREASURE	51731MS	51686	J-1-466	12-20-1930	32
ROCK	51732MS	51686	J-1-465	12-20-1930	32
MERRY #1	51733MS	51686	J-1-470	12-20-1930	32
MERRY #2	51734MS	51686	J-1-468	12-20-1930	32
MERRY #3	51735MS	51686	J-1-469	12-20-1930	32
MERRY #4	51736MS	51686	J-1-467	12-20-1930	32
MERRY #5	51737MS	51686	J-1-467	12-20-1930	32
MERRY #6	51738MS	51686	J-1-468	12-20-1930	32
GENERAL GRANT#1	51739MS	51686	J-1-467	12-20-1930	32
GENERAL GRANT	51740MS	51686	J-1-468	12-20-1930	32
CASELTON #5	51638MS	51634	12-142	11-25-1974	4
CASELTON #6	51639MS	51634	12-143	11-25-1974	4
CASELTON #7	51640MS	51634	12-144	11-25-1974	4
CASELTON #8	51641MS	51634	12-145	11-25-1974	4
CASELTON #9	51642MS	51634	12-146	11-25-1974	4
CASELTON #10	51643MS	51634	12-147	11-25-1974	4
CASELTON #11	51644MS	51634	12-148	11-25-1974	4
CASELTON #12	51645MS	51634	12-149	11-25-1974	4
CASELTON #13	51646MS	51634	12-150	11-25-1974	4
CASELTON #14	51647MS	51634	12-151	11-25-1974	4
CASELTON #15	51648MS	51634	12-152	11-25-1974	4
CASELTON #16	51649MS	51634	12-153	11-25-1974	4
CASELTON #17	51650MS	51634	12-154	11-25-1974	4
CASELTON #18	51651MS	51634	12-155	11-25-1974	4
CASELTON #19	51652MS	51634	12-156	11-25-1974	4
CASELTON #20	51653MS	51634	12-157	11-25-1974	4
CASELTON #21	51654MS	51634	12-158	11-25-1974	4
CASELTON #22	51655MS	51634	12-159	11-25-1974	4
CASELTON #23	51656MS	51634	12-160	11-25-1974	4
CASELTON #24	51657MS	51634	12-161	11-25-1974	4
CASELTON #25	51658MS	51634	12-162	11-25-1974	4
CASELTON #26	51659MS	51634	12-163	11-25-1974	4
CASELTON #27	51660MS	51634	12-164	11-25-1974	4
CASELTON #28	51661MS	51634	12-165	11-25-1974	4
CASELTON #29	51662MS	51634	12-166	11-25-1974	4
CASELTON #30	51663MS	51634	12-167	11-25-1974	4
CASELTON #31	51664MS	51634	12-168	11-25-1974	4
CASELTON #32	51665MS	51634	12-169	11-25-1974	4
CASELTON #33	51666MS	51634	12-170	11-25-1974	4
CASELTON #34	51667MS	51634	12-171	11-25-1974	4
CASELTON #35	51668MS	51634	12-172	11-25-1974	4
CASELTON #36	51669MS	51634	12-173	11-25-1974	4
CASELTON #37	51670MS	51634	12-174	11-25-1974	4
CASELTON #38	51671MS	51634	12-175	11-25-1974	4
CASELTON #39	51672MS	51634	12-176	11-25-1974	4
CASELTON #40	51673MS	51634	12-177	11-25-1974	4

EXHIBIT "B"
(2 of 4)

NAME	SERIAL NUMBER	LEAD FILE	BOOK PAGE	LOCATION DATE	SECTION NO.
CASELTON #41	51674MS	51634	12-178	11-25-1974	4
CASELTON #42	51675MS	51634	12-179	11-25-1974	4
CASELTON #43	51676MS	51634	12-180	11-25-1974	4
CASELTON #44	51677MS	51634	12-181	11-25-1974	4
CASELTON #45	51678MS	51634	12-182	11-25-1974	4
CASELTON #46	51679MS	51634	12-183	11-25-1974	4
CASELTON #47	51680MS	51634	12-184	11-25-1974	4
CASELTON #48	51681MS	51634	12-185	11-25-1974	4
CASELTON #49	51682MS	51634	12-186	11-25-1974	4
CASELTON #50	51683MS	51634	12-187	11-25-1974	4
CASELTON #51	51684MS	51634	12-188	11-25-1974	4
CASELTON #52	51685MS	51634	12-189	11-25-1974	4

LODE CLAIMS IN LINCOLN COUNTY NEVADA
ELY MINING DISTRICT, T. 1N., SEC. 32, R. 67E.
AND T. 1S., SEC. 4, R. 67E.,

MAX #1	54942LD	54916	N-1,308	12-15-1944
MAX #2	54943LD	54916	N-1,308	12-15-1944
MAX #3	54944LD	54916	N-1,308	12-15-1944
MAX #4	54945LD	54916	N-1,308	12-15-1944

SARAH PLACER CLAIMS, LOCATED IN LINCOLN COUNTY NEVADA.
 SEC. 32, T. 1N. R. 67 E. MDBM AND SEC. 4, T. 1S., R. 67E. MDBM.
 IN THE ELY MINING DISTRICT.

NAME/ NUMBER	SERIAL NO.	TOWN- SHIP	RANGE	SECTION NUMBER
SARAH #1	341302	1 N	67 E	32
SARAH #2	341303	1 N	67 E	32
SARAH #3	341304	1 N	67 E	32
SARAH #4	341305	1 N	67 E	32
SARAH #5	341306	1 N	67 E	32
SARAH #6	341307	1 N	67 E	32
SARAH #7	341308	1 S	67 E	4
SARAH #8	341309	1 S	67 E	4
SARAH #9	341310	1 S	67 E	4
SARAH #10	341311	1 S	67 E	4

SARAH #1	11.57	ACS
SARAH #2	16.91	ACS
SARAH #3	20.00	ACS
SARAH #4	19.52	ACS
SARAH #5	20.00	ACS
SARAH #6	20.00	ACS
SARAH #7	20.00	ACS
SARAH #8	20.00	ACS
SARAH #9	20.00	ACS
SARAH #10	20.00	ACS

Lincoln County

LP PLACER CLAIMS, LINCOLN COUNTY, NEVADA

SE 29, 32 T 1 N, Range 67E
 SE 4 T 1 S, Range 67E

			book/page
LP #1	: S 1/2, SE 1/4, SW 1/4,	Sec. 29, T.1N, R.67E	59/284
LP #2	: E 1/2, NE 1/2, NW 1/4,	" 32, " "	59/285
LP #3	: W 1/2, NW 1/4, NE 1/4,	" " " "	59/286
LP #4	: E 1/2, NW 1/2, NE 1/4,	" " " "	59/287
LP #5	: E 1/2, E 1/2, SE 1/4, NW 1/4, & W 1/2, W 1/2, SW 1/4, NE 1/4,	" " " "	59/288
LP #6	: E 1/2, W 1/2, SW 1/4, NE 1/4, & W 1/2, E 1/2, SW 1/4, NE 1/4,	" " " "	59/289
LP #7	: E 1/2, E 1/2, NE 1/4, SW 1/4, & W 1/2, W 1/2, NW 1/4, SE 1/4,	" " " "	59/290
LP #8	: E 1/2, W 1/2, NW 1/4, SE 1/4, & W 1/2, E 1/2, NW 1/4, SE 1/4,	" " " "	59/291
LP #9	: E 1/2, W 1/2, SW 1/4, SE 1/4, & W 1/2, E 1/2, SW 1/4, SE 1/4,	" " " "	59/292
LP #10	: E 1/2, NE 1/4, NW 1/4,	" 4 T.1S, R.67E	59/293
LP #11	: W 1/2, NW 1/4, NE 1/4,	" " " "	59/294

No. 88268

FILED AND RECORDED AT REQUEST OF
Ely J. Ades

Feb. 11, 1988

AT 20 MINUTES PAST 10 O'CLOCK

A M IN BOOK 78 OF OFFICIAL

RECORDS, PAGE 360 LINCOLN

COUNTY, NEVADA.

FRANK C. HULSE
 COUNTY RECORDER

By Mara Cordie, Deputy

EXHIBIT "C"
 (2 of 2)

BOOK **78** PAGE **375**